

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Meeting Minutes June 6th 2018 ***

General Meeting:

- I. Call to Order / Roll Call.
 - a. Harold Herman called the General Meeting for FCWD #101 held May 1, 2018 to order at 7:05pm.
 - b. Directors present include: Harold Herman, President, Russ Barnett, Vice President, Brian Rohletter, Naomi Einarson and Casey Becker
 - c. Also present, Shane Pierson, Certified Water Operator, Tina Bondy, Board Secretary (by telephone), Matt Nerdig, Engineer.
- II. Reading and approval of the minutes from previous meeting on May 1, 2018.

Sec. reviewed the May 1st meeting minutes with the Board. Harold made a motion to approve the minutes as amended. Russ seconded and all voted in favor.
- III. Operator's report.

Mr. Pierson provided the Operator's Report and the latest water reading.

Water readings for the month, main pump 83014500 gal., indicating Well 1 pumping 1,981,000 for the month. Pump 2 estimate 250,000 gal. Total 10,231,000 gal for the month.

Pumphouse to have the electrical moved in order to add the new district meter. Should be done by mid to end of June.

Harold and Shane flushed the hydrants. At some hydrants, it was nearly 40 minutes before the black water cleared.

Both pump houses are working appropriate. The excess water usage for the month was due to the flushing.

Discussion during the Operator's Report about the installation of meters to satisfy Rural Development, and whether the district buys or arranges for the purchase of the meters, or whether we use the contractors to do so. The cost may be higher with the contractors buying the meters, but we could put it into the bid in order to get the best deal.

Water test for lead and copper was moved to June, Wednesday, June 13. Shane will drop off the bottles about 7pm that evening and then the

homeowners will leave the samples on their porch the next morning for Shane to retrieve.

Further discussion about the flushing of hydrants. The hydrant over near Outfitter's Supply took a long time to clear the water. Discussion about manganese and it could be collecting, which may be affecting pressure.

The plan is to keep up with the flushing, in an effort to reduce the manganese. Recommended every 2 months to flush the lines to keep clean, in summer and fall, this will help the system we have to keep providing water.

The district does not currently have a filter system built into this water system. The DEQ doesn't consider it to be a health hazard, just aesthetic. They aren't worried about contaminants.

IV. Financial report.

Secretary reviewed current financials and provided reports on all including aging account report. There was a discussion about the Profit and Loss schedule, and changing it to reflect year to date and perhaps month to date, rather than from the inception of the board (September 2015), to make a more worthwhile report.

V. New business:

1. Preliminary Engineering Report (PER)

a. Update on Status

Matt advised that the Updated PER was sent, and he sent the board a link. RD is waiting on a letter with comments from the engineer in Bozeman.

b. Revised PER and Environmental Reports

c. Board Vote

d. Resolution

Discussion about the drafted Resolution and what it means and/or obligates us. The Resolution that was drafted for this evening's meeting, is the vote on the PER. There are many more checks and balances though before the district gets to construction.

The Resolution only states that the board is agreeing with the findings of the PER and the preferred alternative that was put forth in the PER. Provided that is the case, Rural Development can use the PER to offer money for the system, where the banking part of RD does the underwriting.

RD will then ask questions directly to us and to Eclipse, then will make the determination that (a) we can't afford, (b) we may be able to afford, but we need to reduce the project scope, (c) the district needs to raise its rates. They will then say how much money they are willing to invest, and what the loan/grant ratio will be.

Following discussion and a further review of the Resolution, the board approved it. Secretary will sign and send original to Harold for execution by Harold and Russ.

Harold made a motion to accept the Resolution, Brian seconded and all voted in favor.

2. New Water Meter on Tank House.
 3. Black Water Issue
- VI. Old business:
1. Delinquent accounts.
May 14th, there were notices placed on 3 properties advising of shut off. All were paid. Discussion with Mr. Pierson about Martin City system, their shut off policy is 60 days late, there is a 4 day notice period and then shut off.
 2. Status of loan payments to be made; next payment due August 1, 2018.
 3. Insurance payment to PayneWest. Received this for the next year, and will pay now, though may explore other insurance options.
 4. Status of payments owing to Streeter for tank house meter.
 - i. Future payments. We did advise Serena that we were getting a new meter.
- VII. Correspondence

The Fire department hooked up to a hydrant, so part of the district was without water for about 30 minutes. One of the district customers is demanding \$300 because all of her clothes in the washer turned black. She was advised to take it up with the Board.

Discussion about the fact that each house needs a filter, and for those that are renting, the landlord should be providing these. Harold will talk with the renter that was complaining, the filters are available at Home Depot for about \$30 and are very easy to install.

District can't go down the road of paying all of the customers for damage that may occur because they are not filtering the water coming into their houses. We guarantee the water is safe to drink, but that's where we have to stop.

Discussion about adding a letter to the customers in the district, strongly recommending that they use a cartridge filter on the service line at each house, to protect from manganese. Naomi offered to write this letter to be included in next month's bill from Eclipse.

IX. Additional items for discussion

Discussion about ways the district might be able to cut some costs and/or increase some income. Russ met with Sarah from RATES, which is a quasi-government agency that helps low income water and sewer districts get their systems in order. RATES helped with the income survey. Sarah had some suggestions for areas to look at, including cutting some costs and perhaps raising some commercial rates. One area to look at is the accounting/CPA firm. The rates seem pretty high, need to understand what we are getting for that monthly flat fee.

Another place to look would be some of the commercial rates. Those were estimated to begin with and could be amended. Residential rates are now \$44.46 a month. The commercial rates could be moved to the equivalent of 2.5 houses.

The district needs to have an easy way to determine fair rates. Currently, looking at usage, we have some small businesses in the district that we don't want to push out.

Another look was at the Board monthly payments. The Bylaws state that the Board members can be compensated, but during a discussion by the Board members, it was determined that it doesn't look appropriate, especially if we have to ask for a rate increase. The Board members did not join the board to get paid, it was a voluntary position to begin with.

Harold made a motion, that starting in July, the Board members will no longer be paid a monthly amount. Naomi seconded and all voted in favor.

Discussion about insurance coverage for the district. Insurance is through Montana Association of Counties. For a county water district, the insurance is mandatory. But there is a wide variance in what's available. Also, it's hard to find agents familiar with the water district, but we should find what is the best fit/group and should explore alternatives.

Discussion about bank accounts, Martin City (per Shane Pierson) holds a lot of their money in a county account, which provides better interest. Currently, on our accounts, we are making .02%. We can go to WFCU for 1.2% a year even. Worth exploring other options.

Sarah also suggested:

1. Background / litigation check any contractors that bid on our project;
2. Save every dollar over the next year, because after that there will be loan payments and no opportunity to save.

3. Consider whether we need CPAs, or can go with bookkeeper/accountants, since we are not a taxable entity.

Discussion about next month's meeting – being so close to the 4th of July holiday, which falls on a Wednesday this year. If we can get the room on Monday, July 2nd, that would be preferable.

X. Adjournment at 9:05pm.

-- President to announce the next General Meeting of the Board is to be held on July 2nd 2018, 7pm, at the Badrock Fire Department.

--President to say, "This completes our business for this June 6th General Meeting. This meeting is now adjourned."