

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Minutes for December 12th Meeting ***

I. Call to Order at 7:00pm. Roll Call: Directors present included Joanna Adams, Linda Bosworth and Harold Herman. Also present were Tina Bondy, Board Secretary and Naomi Einarson, prospective Board Member.

Public present was Matt Nerdig (A2Z Engineering), Mr. Schultz (property owner), Mrs. April Baggs (resident), and Mr. Taber (property owner).

II. Tina read the November minutes. Joanna motioned to accept as read, Harold seconded, all voted to accept.

III. Public comment period.

Mr. Schultz addressed the board: He and his brother own property in the district (252 and 254). His brother has one lot and he has another. Brother has been moved to assisted care facility, so the home is unoccupied, and will take Mr. Schultz until March to get his brother's home ready to rent. He has renters for the home, but has a lot of work to do before they can move in.

Asked Board for help with the water charges, to reduce them while he is trying to get the home rented.

Joanna had talked to Mr. Schultz via telephone and explained the options. To get the water turned off, there is a form to complete and \$200 charge (pre-paid) to hire the certified water operator to go out and turn off the water.

Mr. Schultz has POA for his brother, and county shows that they co-own the property.

The choice is, the water can be left on, and he will owe for the bill for those months, even when the home is not occupied, or he can fill out the form as the POA and pay the fee, and the water can be turned off. There will be a fee to turn the water back on again next year.

Joanna explained that we have a protocol to follow. If we make an exception for one, we have to make for others. In the future, we will have meters, but they cost a lot of money the District doesn't yet have. Once we have those - we can allocate according to use, rather than flat fee.

Mrs. April Baggs (1060 Columbia Mountain Road) addressed the Board about the manganese in the water at her home.

She is concerned because the prices were increased and they are getting black water in the house when they use cold water. It's clogged up her washer and the toilet, her showerhead and they can't drink the water, so she's having to spend money to buy bottled water for her family and pets.

She brought in a specimen of the water, which did not appear potable, though it was captured 2 months earlier.

This has been happening since work began on the water system, but seems to be getting progressively worse. The appliances started messing up about a month ago. She can't put the filter screens on the faucets, or no water would come out. Pressure is great now though.

She's renting - all bills go to the property owners.

Discussion with the Board and that this is a dead-end line. When Larry had the system, he used to flush the line regularly. Given it's winter, flushing the line outside in the yard may present an issue, in the meantime, suggested to add a filter to the line coming into the home (\$35 approximate cost), which the landlord should be responsible for having installed.

The landlord, Mr. Taber, was also present at the meeting, got up and drank the water in the jar.

The Board explained that the prices were raised in order to get the loan for the emergency funds to begin fixing the system. The earlier rates were not enough to sustain the system.

Harold agreed to go over and check out the water quality at the home.

Since it's a dead-end line, need another flush hydrant down there. Per Howard, that would need to be installed on the south side of the house.

Mr. Taber (owner of the property) agreed that he will buy a filter for the tenants in the interim.

There was no other public comment.

IV. Operator's report.

Wes was not present for the Operator's Report this month. Matt did meet with Wes last week and filled the Board in on the current status.

Flush hydrant was installed on other side and now this side of hwy.

Piping in tank house was replumbed. Wes was still working on a couple of leaks and then will bring the tank back online. They did fill and chlorinate (and final seal/patching before that). Once back online - next piece will be the booster pumps - much more powerful than well house - pump limits out about 35 psi, where the booster tanks are approximately 40/45 psi. There will be different pressure cutoffs within the system, so the Gordon pump will be a backup for the main tanks. This should help

with the amount of manganese – which will come through the tanks where the manganese will settle. The Gordon pump may kick on if numerous residents using at the same time.

Matt did not know the costs for replacing the piping, but if there is money left, may be good to look at one or two more flush hydrants. Getting close to the end of the loan funds. Matt will get the paperwork in to do the last draw on the loan. No other updates from Wes as of last week.

Emergency repairs are done. Travis' bill – close to \$6k. \$5962.

Matt to let Joanna know before the booster pumps are turned on – to give a little bit of notice, and will also see if there's a way to run a firehose to help flush the system initially.

V. Financial report.

Linda Bosworth provided current financials for this meeting.

Profit and loss:

Total income \$46,360.83

Gross profit: \$44,462.83

Total expenses \$29,977.45

Net income: \$12,438.56

Glacier bank account balance: \$9106.41

Loan and grant account: \$20.53, which seems off. We should have received a wire from the closing of the INTERCAP. Eclipse is not showing it yet.

A/R \$6063.43

Total assets: \$15790.40

Still have amounts owing to directors:

Joanna: \$96.70, to be paid off after this meeting.

Harold: still owe \$1,000 some, which we will be paying off starting in January.

Linda: \$3969.24. Per terms of her resignation, has requested to be repaid within one year.

Joanna will get a budget put together for next month, what's going in and out. There are a large number of receivables that remain unpaid and would like to start paying the directors back for these amounts.

VI. Correspondence.

Reviewing correspondence received by Joanna during this past month.

Brandy is the new owner of 900 Berne Road and the water has been shut off. It was hooked up at one point, when Larry Streeter had system. She wants to hook up to the system. She was advised of the \$200 connection fee. She said she would mail in a check

with the form. There will be a monthly charge for each house on the property – currently 2 trailers and 1 A frame. If there is one line that feeds them all, that means one hook up fee, but then \$45 per residence for water. Joanna will check whether the 3 units will be used for residential use, or for storage.

Board discussion to ensure that she owns the property will need a signature from the owner or proof that she is the owner (recorded deed would be sufficient).

Another communication received from a phone number to Joanna's gmail address, which included a picture of bathtub and the water. Joanna responded and explained about the work, and asked for an update in a day or two. No update or further communication received.

Discussion about various contacts through Harold and Joanna about black water, but the system has been flushed. No further updates, so may be improved.

Harold: Mike Seaman address (resolved).

Keith Brown / Wilco property, said he is being billed for 3 hookups, though only has 1 working hookup. He paid the past due amount, but asked to change it from 3 to 1 hookups. Has gas station/c-store and theater, and is also serving food; so it's a double business. With the commercial recalculations, his bill will change unless there is something strange, this bill may have been a carryover from Larry's system.

If we are charging \$88.92 for a hair salon – want to be fair.

Matt/Wes – went through sanitary survey (next summer will do another one) the RV dump station was using a hose, and no backflow preventer on that hose. Could leech back into the system. That's the only thing that was a direct violation.

Need a backflow preventer installed before spring. Something they should be responsible for – but the district needs to make sure that's done. A letter should be sent to them. It's a violation, give them so much time (certified letter), to correct it. If they don't, then it gives us the right to correct and bill them for it.

Seems fair Keith to be billed for one connection until this new system gets instituted.

Starting Jan 1 - the bills should have the correct amount for commercial.

Because this is a spreadsheet – we can audit/recalculate, etc.

Michael and Starla Saucier – just this month being charged for an additional hook up – she thinks it's a camp trailer -never hooked up for water at her place. Joanna will do some additional research/log into the account.

No further correspondence to be discussed.

VII. New business.

1. Assessment of commercial properties. Presentation of proposal by engineers of assessing line sizes per code requirements. Engineers put together a proposal as to what they “should have” put in for lines. Up to this point – a lot of businesses were all paying residential rate – other than Glacier Travel Inn. \$450 a month.

Mr. Taber addressed the Board about the River Bridge property. He is part of the Columbia Falls Historical Society that is trying to turn that into a museum. Asking for a Certified Water Operator to turn on the water to the building for testing/hookups before they are functional. They would like to be able to pay (for example) \$50 a month, then once they are operational, raise them to the commercial rates.

The team is meeting weekly to work towards the goal of turning it into a museum. Right now, working with a port-a-potty (in winter) which is less than ideal.

Linda recused herself from any decisions on this, as she is the property owner.

Discussion as to how long it was anticipated before they were operational as a museum/commercial property. Working to do this as soon as possible, but can't give a date certain.

A2Z provided list of 8 commercial properties - and asked to add the River Bridge - and asked for separate rates since 2 buildings.

All of sizing and rates - a proposal. Board already voted on parameters based on what it is - the size line and how many. Voted and agreed and that's how they arrived at these rates.

Timeframe between the water goes on and when operational. Looking at funding options / when we got the door opened - want to do public meetings and presentations as soon as we can. That's when they propose to pay the fair/regular rate.

Mr. Taber - \$50 a month is a good number. If we are moving and making progress, our objective to open is as soon as possible, but hard to say when exactly. 6 month would seem a good number, and hopefully way sooner to that.

Prepared to pay the hookup fee (\$200 / form - certified operator fee and any additional costs. \$200 prepay.) That's to hook up charge.

Would they agree to cover anything that happens - if they were to do this whenever the Certified Water Operate was already up. (\$85/hour for the CWO fees in this event.)

Joanna - we can't waive the \$200 hook up fee, but would be open to the reduced rate for a period of time.

2 buildings - River Bridge Hotel / River Bridge Museum.

Harold and Joanna agreed that if the Historical society paid the \$200 hook up fee, and the regular household fee for an interim time, then once the doors were opened, they would discuss the commercial rates for the organization. Joanna and Harold could agree to this, but the Board did not have a quorum (as Linda was recused). Will need to wait for January meeting.

Mr. Taber -wants to use both buildings, but it will never be a motel. Would like a couple of shops - a video room, to utilize the space to create some revenue that would help fund the museum. Would not have people staying there. There will not be 32 bathrooms.

Looking to go in there – a multimedia room, set up video equipment. They have created 3 videos so far. There are neat people passing away all of the time, and we will lose that history. Opportunity to get carpeting for those rooms, want to pursue that as aggressively as possible.

Matt – if they change the use – the calculated ERU number, would give a different size – to see what the cost would be.

It was suggested to Mr. Taber to bring a proposal into the Board, this many sinks / toilets, etc., what we are going to use, we can plug it into the spreadsheet and see what it would be. Mr. Taber will discuss with the historical society board and come back to us.

Per Linda, the Travel Inn proposed commercial charge is okay.

These were all based on ERUs – if not enough to drive them over a $\frac{3}{4}$ ” line – then using the same as residential charge instead of the commercial.

Discussion around how many people a day flushing the toilets – Outfitter Supply – 6-8 employees most of sales are online. W/C assumed 1 toilet. Need to re-assess this one.

Hair salon – may be high. In the research – did someone count sinks there? May drop that down to a $\frac{3}{4}$ ” service – back to \$44.46. We want to be accurate / fair, so if we can get better info/counts on these, that would be beneficial.

Other rates – Excluding Diamond Cuts / Outfitter Supply, is this acceptable?

If Harold updates within a week – can send revised spreadsheet.

Joanna made a motion to accept the proposed commercial rates/spreadsheet; Linda, seconded. All voted in favor.

Joanna – will pass the final numbers along to the accountants, so that the January bills will reflect the revised commercial charges.

2. Review and discuss draft letter to owners/purchasers regarding delinquent accounts.

Tabled to January. Joanna will contact Wes about a template to go to the owners/purchasers. Also briefly discussed some possible language and thresholds.

Bill has surpassed x, at this point we are looking install a disconnect to shut off your water. If district disconnects you – there’s a \$200 disconnect fee and \$200 reconnect fee – which would pay for the installation of the shut off valve.

May want to (for commercial accounts) revisit the threshold. Maybe use number of months.

The letter may be a good thing to get the people to understand. The district will eventually shut your water off – we’ll figure out a way to do it.

A related matter, the accountants have lost checks and are taking too long to deposit payment checks. Eclipse just sent a renewal agreement. Board options are to go with someone else, or can alert Eclipse to concerns and determine whether these issues can be fixed.

Discussion of putting time limits on deposits, and also double checks with regard to the water bill payment checks that Harold is depositing.

3. Discuss letter to property owners regarding election votes.

Election held in May of this next year. Harold's seat will be up this year, so he needs to do a certificate of filing to remain on the board.

Also, Joanna will come up with some wording for a letter to property owners, which can go with an upcoming bill. She will run the language by the board in the next meeting.

4. Matt Nerdig update on water rights and switching all claims to a decree by January 1, 2017, also update on meeting with DNRC regarding no increased usage, just redundancies.

This deadline has been extended by a judge to June 1. We don't have to do any of that now.

Tabled for January meeting.

5. Possible replacements for vacancy on the board.

Naomi Einarson, present at the meeting, is a resident and property owner of a home on Gordon Ave. She is married, her husband works in Prudhoe Bay, they have 2 kids, and she works in a dental office. She is interested in being a member of the FCWD #101 board and is registered to vote in the state of Montana.

There are 2 current vacancies. Ken Kahn's seat, which he was up for reelection in 2019, and now Linda's seat which will be up in May, 2017. Joanna suggests Naomi fill Ken's vacated seat.

Process will be, Board votes her in, there will be paperwork to complete, and then the County Commissioner can sign off on her appointment.

Joanna made motion that the seat to be filled is the one expiring in 2019. Linda seconded that motion. All in favor.

→January agenda item will be to vote on vice president.

6. Review and Approval of Revised Bylaws and Resolutions.

Tina provided copies of Resolutions and Ordinances that were previously approved by the Board in August, 2016, for signature by Joanna following this meeting.

Amendments will be made to the Bylaws prior to the January meeting.

7. Add parameters re Board seats that (1) no spouses can be on Board at same time & (2) must be current in payment of all assessments.

Tabled for future discussion.

8. Discussion and vote on the banning of car washes in the district.

Tabled for future discussion.

9. Board member Linda Bosworth tendered her Resignation effective 12/13/16. She would like to be reimbursed for the startup costs of the water district within one year. The Board thanks her for her service, her time and the many accomplishments.

VIII. Old business.

1. Updates to website.
2. Hiring a GM.
 - a. Tabled for discussion in January.
3. Information for seats up for election in May 2017.
 - a. Harold – need to file a Certificate of filing – there is a deadline/date range. Let him know (Joanna will look at it).
4. President to give status of payments owing to Streeter for tank house meter.
 - a. Paid those last month – on a 3 month; current on that.
5. Status re 2015-16 Income Tax Return filing.
 - a. Joanna checked in with Katie – thought there was a form we had to fill out if you had employees; further research, we don't have employees. Did not file anything. Summarized on an email from Joanna – on IRS.gov – look like we are a branch of gov't so therefore exempt from filing taxes.
6. Status re emergency and grant funds.
 - a. Matt – money should have transferred within a week or 2 of the disbursement - \$21,840.73. Will sign checks tonight and fill out – and hold until we confirm the disbursement in account.
 - b. Rest of the disbursement \$33000 we will get - \$3000 needs to remain in account as reserve. That will be the last of it. Already spent the emergency grant and last of emergency repair money.
 - c. As district earns more, will allow for more repairs that can happen. A lot of the system- we have done a lot – tank clean, 2 booster pumps functioning, tank can be drained, major leaks have been repaired, looped system on Mountain avenue. We accomplished a lot with the amount of \$\$\$. Wells are redundant – one well could go out and the whole system could run still. If Gordon Ave. goes out – emergency situation – only problem is autofill of reservoir for the hotel.
 - d. At end of loan – will produce a summary of all of this per Matt – and will copy all board members.
 - e. Have report.
7. Status of Income Survey.

Discussion about this – Joanna to give Gary another call. We are close. We got one more – so now we are 10 short. Need certain number of surveys before we can move forward, and can't release funds until we get that. Have to figure out how to clear that hurdle. Perhaps it is possible to increase the sample group to replace people who have not responded?

Any of these grant processes – free money – but not really. Work for it. To get the grants. Our people more than qualify.

When we get the PER together and couple with an income survey – the district will qualify for way more grants and way less loans for the project.

8. Status of Emergency repairs and loan application.

9. Additional water samples to be taken this year. Remove this from agenda.

10. Evaluation and wage review of Secretary Tina Bondy per 10/5/16 email from President to Ms. Bondy (currently \$18/hr).

Joanna motion to do as suggested; Harold seconded. All voted in favor.

IX. Questions and answers with District staff.

--Joanna Adams to ask, "Do the Directors or Secretary have anything else to discuss at this time, or have any questions?"

Matt: Annexation – need to prepare all of the documentation on everyone on backside of Mountain Ave., and all at the same time. Need to do this before the election comes around. Rob and Matt prepared one, there is a specific document for each property. COS for each property and the boundary lines for each property – and give each person to sign and notarize.

Linda – we would have A2Z to do that – willing to pay. But Matt says – to reduce costs - Tina can help – creating one for each user. Matt will give Tina the info to plug in. We can address this in January.

Have all annexations ready for board to review next month – send out in January after meeting. If choose not to join – disconnect from system.

TSEP money – Matt pursuing that through state gov't. Found the lady that is in charge of that grant. Matt and Rob will continue pursuing \$12,501. All towards planning grant process. Dedicated to PER. It combined with World Development money – paid for PER and a lot of planning that was done, with bylaws, etc. Similar to emergency grant that we pursued (no survey requirement) and we have already been awarded it!!! If we don't get the documentation in – the budget cycle could reset. Matt has everything he needs from us – needs to weave through the process now and get the money for the district.

Linda – returned checks should go to Joanna.

ME labs – down to \$60 for balance, January – write a check to be on account so Wes won't have issues for samples \$24 per routine sample.

Real Property tax assessment for triangle piece that Streeter had granted. At closing they paid it. It was prorated, so the district did owe for 3 months. Linda mailed a check \$24.62 (paid) and here forward tax exempt – so taxes should be zero from now on.

--Joanna Adams to announce the next General Meeting of the Board is to be held on January 3rd 2017, 7pm, at the Badrock Fire Department.

X. Adjournment at 9:57pm.

--Joanna Adams to say, "This completes our business for this December 12th General Meeting. This meeting is now adjourned."