

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Minutes for February 7th Meeting ***

I. Call to Order at 7:30pm.

Directors present included: Harold Herman, Vice President; Naomi Einarson, Russ Barnett, Aaron Anderson. Also present were Tina Bondy, Board Secretary and Matt Nerdig, (A2Z Engineering).

II. Reading and approval of the minutes.

Tina read an outline of the topics covered during the January 3rd meeting. They were approved as prepared.

III. Public comment.

No public in attendance

IV. Operator's report.

Wes was not here to provide the Operator's report. Harold discussed that there was a freeze on Gordon Avenue, took 6 days to get this dug and thawed out.

Additionally, on Mountain Ave., a road grader tore out the water main shut off. Will have to fix in the spring. Does not appear that a pipe is leaking, just the shut off valve is off.

Covers were built and put on the vents at the pump house by Harold.

V. Financial report.

Tina Bondy, Board Secretary, provided current financials, including aging account report.

Profit and loss:

Total income \$76,933.61

Gross profit: \$73,472.11

Total expenses \$57,126.13

Net income: \$6,991.71

Glacier bank account balance: \$8761.76

Loan and grant account: \$ -6,077.25

A/R \$4,863.09

Total assets: \$7,569.24

TM Contracting checks have already been written, just waiting for final loan draw to process; money officially to be wired 2/10/17.

Matt took the Dec TM Contracting bill. Will scan and send to Tina via email for filing.

Harold and Aaron to write out and sign checks for payments to Wes Kruse, Eclipse and Linda Bosworth (\$2000, which will leave \$1969.24 remaining) after the meeting. Tina will mail these three.

VI. Correspondence.

Since we sent the late payment letters out, we have had some response with payments. Specifically, Junction Gas/Thomas McCrea, Bruce Bungay.

Discussion about next steps with the enforcement of the past bills. Russ had questions about the list and what we can do to get more up to date. Wondered if we can approach with an itemized bill in hand? Discussed shutting off service, for those accounts that have excessive amounts owing. Determined that we need to hang a tag on the door, to give a few days' notice. Hopeful, that we don't have to actually shut people off.

Tina to check with printing out hang tags and options for those – printing and/or printing invoices.

Additional discussion about changing from using the accounting firm to mail out bills, to having Secretary print and mail, but then using the accounting firm as a consultant. Waiting until Joanna is back to make any changes with that.

VII. New business.

There are 9 items to discuss under new business this evening.

1. Review and discuss delinquent accounts.

Addressed above.

2. Discuss letter to property owners regarding election votes and drafted message to be distributed before May 2018 election.

Election dates changed to May 2018 (from 2017), so this has been tabled.

3. Matt Nerdig update on water rights and switching all claims to a decree by June 2017.

In process. This has been submitted to DNRC, and they are processing. But they are understaffed, which is why they extended the deadline.

4. Review and Approval of Revised Bylaws.

Tabled to March.

5. 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.

This was tabled for March meeting.

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

This was tabled for March meeting.

7. Review of proposed 2017 budget.

This was tabled for March meeting.

8. Discuss and vote on water rate for Phygg's Deli.

Harold received communication (letter and phone call) from the Lorrie Trenerry owner of Phygg's Deli, that she was upset about water bill. It was explained to her that Phygg's was assessed to be a commercial account. All commercial sizing done on best information available at the time. If she provided us more info, we may be able to recalculate and verify the water use.

Russ mentioned he has been going in there for 31 years. They have 2 bathrooms, 4 sinks - 1 in each bath, 1 in kitchen and 1 in backroom. They have a lawn and during the summer the deli is busy.

They can and should still be rated as a commercial business. Outfitters (also commercial) rated at 3/4" service line, which means \$44 a month. A 1" is double the charge - \$88. Phygg's complaint was that they don't use that much water. This business was just over the 3/4" and so it had been rounded up to the 1" service. Based on the information that she provided, it was recalculated and could move Phygg's back to the 3/4" line/rate.

Discussion that the rates that have been set now, are for what they should be. When we upgrade the system, we won't go back and revise.

Average household for statewide - right around \$44 a month for water. That's why the rates were raised to that number; that's what was provided for us for a district of this size. Hungry Horse is slightly lower, but it's a better system without problems; Columbia Falls - is metered. If you water heavily in the summer it goes up, otherwise \$40-\$60 on average.

Previously the rates were \$21 per line. Larry had so many violations against him from DEQ - a rate change was not authorized until all violations had been resolved.

Board discussion. Russ doesn't have a problem with the 3/4" service for them. Probably fair for the commercial business. They have been eking out a living there for 30 years. Don't think they are using a tremendous amount of water. May be using as much as a normal household. 3/4" is a normal residential household. Setting Phygg's Deli at 3/4" line makes sense for this.

Harold made a motion to drop them back to the 3/4" line rate.

Russ - seconded and all voted in favor.

9. Discuss change in ownership fee, currently \$200.

Tabled to March meeting.

VIII. Old business.

1. Updates to website.

Tina gave brief update on changes to the website.

2. Hiring a GM.

Tabled to March meeting.

3. President to give status of payments owing to Streeter for tank house meter.

Tabled to March meeting.

4. Status of Income Survey.

The latest round of surveys need to be re-done. The documents that were used still requested 2015 information, but we need this updated to 2016. Need to update the list, and then prepare a letter to Rural Development stating that the Board accepts the list of people and request that Rural Development certify the list.

Lyle, at Rural Development, has also requested that the Board send a letter to RATES to alert them that they need to re-execute the survey, giving them 30 days to do so, and we want weekly updates to Board members, engineer firms and Rural Development, with exactly the number that have been returned each week, and what they plan to do to increase the number if that's not enough. Let RATES know that we expect to have a dedicated staff person who is willing to knock on doors and help us get this done.

We need a 90% response. It may be useful to place a deadline on RATES to get the responses by residents within 2 weeks. Rural Development has authority to accept less than a 90% response.

Board authorized this income survey back in the summer 2016, the initial set of surveys went to businesses, property owners, not just the residents.

Russ would like to talk to someone at Rates – if we make a plan, nail them down: “we need your help 100%, and we are going to do this, do it right, and it needs to work.”

Matt, after talking with Lyle, has an outline of both the letters that need to be prepared for Rural Development and for RATES.

Right now, FCWD has \$12,500 in TSEP money preapproved and waiting for us, but can't get it until we have the PER for them to review. In order to get the PER done, we need the income survey completed and to get the other \$30,000 from Rural Development to pay for the PER to be produced. The TSEP money expires 4/1 – but we can get an extension. Total of \$42,500 if we can get this survey done within the next 2-2 ½ months.

Further update on the Annexation – don't want to change district boundaries until after the survey is complete.

Russ made a Motion that the Board write 2 letters: 1) to Rural Dev / USDA stating that the board approves the list of the 39 people that live in the district, that list has been verified by board member to assure accuracy, and 2) to RATES Rural Development USDA (cc) outlining the need for the survey to be completed within 30 days, and a weekly update emailed to all board members, AtoZ engineering and Lyle at Rural Dev providing a description for the work performed that week and the number of surveys received that week.

Aaron seconded the Motion and all voted in favor.

5. Status of loan closing and payments to be made for the loan

Statement of the first loan payment was received, and noted that the maturity date on loan is 2/15. The statement outlined what the first bill would be. Will check with Joanna (may be interest up to the maturity date).

With the money \$33000 - \$3000 to stay in reserve - leave in the grant and loan fund. A back up in case we ever need it to make sure we can make the loan payment. That loan amount will drop into the account on 2/10.

IX. Questions and answers with District staff.

Ed Alabaugh called Matt to complain about his water bill, the costs, asking questions about improvements. Matt answered the questions that he could.

Further discussion about Russ and Harold making a push next week to try and get the income surveys out. Tina will draft the letters, circulate for approval and have Harold sign.

Two or three of the properties have been vacated (rentals) so they need to be removed from the list. Matt will send updated list to all board members tomorrow morning.

Harold announced the next General Meeting of the Board will be held on March 7th 2017, 7pm, at the Badrock Fire Department.

X. Adjournment. 8:40pm