

# FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

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## \*\*\* Agenda May 2<sup>nd</sup> Meeting \*\*\*

Call to Order.

Joanna Adams to say, "As President, I hereby call to order this Public Hearing for FCWD #101 held this May 2<sup>nd</sup> 2017;

### **Public Hearing:**

- a. Proposed reduction in fees for water hook up / disconnects.
- b. Proposed reduction in fees for change of ownership recordation.
- c. 30 minutes for Discussion and Public Comment.

Joanna Adams to say, "This completes our business for this May 2<sup>nd</sup> Public Hearing."

7:00pm called to order.

Mr. Taber – supports it – and others gave him their proxy. Everyone appears to be in favor of this.

No further public comment.

Harold motions -to this. Aaron seconded. All in favor.

### **General Meeting:**

- I. Call to Order / Roll Call. Directors present include Aaron Anderson, Naomi Einarson, Harold Herman, Joanna Adams and Russ Barnett.

Others present include: Tina Bondy, Matt Nerdig, Wes Kruse, Mr. Clarence Taber, Mr. Bungay, Mr & Mrs. McClanahan

- II. Reading and approval of the minutes from April 2017 meeting.

Joanna made motion to approve with one clarification. Harold seconded. All in favor.

- III. Operator's report.

Wes Kruse, discussion with Joanna about the C-store, they want a letter stating that they are required to install the back-flow preventer device. DEQ preferred method – the original violation letter – both of these. DEQ don't have the teeth to deny them using it – but we can. Because they are putting

us in violation with the DEQ. Within our power to tell them. Columbia Heights Gas and Grocery. Bid for the construction work – included the concrete around the dump station, doing the repair and repaving – device itself is only \$800 – will have to be dug up to be done properly. Can use any contractor they want – we should supervise the work.

Because it is shut off – right now – the District is not in violation.

Small plumbing repair in the pump house.

Numbers are down. We thought that we had a leak – but we went from using 72320 gal a day in January – to 33592 a day in April. Saving 35k gallons a day. When the system gets redone – we'll have meters.

Harold needs to know when he will be back in the area. When he's going to be up to do the next test maybe. He's been doing it the evening of the meetings.

Letter to the Gas and Grocery owners: Tina to draft to let them know that the District cannot have a non-approved device next to the dump station. For the dump station to be allowed to stay – must be approved device.

#### IV. Financial report.

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

Secretary provided current financials and included aging account report.

Net Income : \$17,881.11

Gross Profit: \$81,886.00

Total Expenses: \$64,004.89

Glacier bank account balance: \$5906.44

Loan and grant account: \$3000.00

A/R \$4375.55

Total assets: \$14239.49

Bills paid tonight: May 2, 2017

Wesley Kruse Enterprises \$720.00

ME Labs \$30.00

Daily Interlake \$18.22

Tina Bondy, Secretary \$487.02

Eclipse accounting \$429.40

Joanna Adams, Board Member \$60

Aaron Anderson, Board Member \$60  
Harold Herman, Board Member \$60  
Naomi Einarson, Board Member \$60  
Russ Barnett, Board Member \$60  
Serena Streeter, Utilities \$533.22

V. New business.

1. Discussion on having separate accounts per connection for owners of multiple lines.

Board discussion about the usefulness of this. If an account is delinquent, we can provide to the County and attach a tax lien, but need to know which property. This needs to be done to keep accurate records. May be tricky for those that have a balance – (divide by 2 and split between accounts). Joanna mentioned to the accountants. For those though we don't know the line – we can send to them and put on their "waiting for line address". Awaiting some response from letters that we sent out asking for info.

Joanna made a motion that accounts be separated by connection. Harold seconded. All in favor.

Tina to advise Eclipse of the need to include this information.

2. Update (by Matt) on water rights and switching all claims to a decree by June 2017.

They have and are processing the info from the District. Matt will check with them before the deadline. Likely they won't get them all processed by then and they'll extend the deadline.

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

This item is included so that we don't forget. The county assured us they will send info out before hand – but will be good for us to check into as it gets closer.

4. Review of proposed 2017 budget.

Joanna read this aloud for the public that was in attendance.

Waiting on Wes for numbers on testing. No testing this year – big ones are on 3 year cycles. We can look at last year to project future testing costs.

Lead and Copper – will be somewhere in the cycle this year or next. Not horribly expensive – just labor – drop off/pick up and deliver. Lab fees are not much. The biggest will be the 3-year compliance cycle.

We have a choice, whether to stagger them, or keep them at the same time. It's more efficient (aka cheaper) if we do them all at once.

Russ and Harold met with Lyle from Rural Development last week. There was a suggestion that the District has an asset replacement account. For pump going out – etc., we should have a fund. All assets at this point need to be replaced. A contribution to the account though now – would be prudent. They will want to see that when we apply for funding.

The District currently has a grants and loans account. It would be simple to open another bank account that would be titled “asset replacement” to which money can be transferred or arrange transfers routinely.

Also wouldn’t hurt to have an account (or a budget line item) for the testing costs, as these can be significant.

Matt – only a matter of time until the pump on Gordon stops pumping. Of all the emergency repairs – that’s the next likely candidate for repair. Estimate, with pump, pump truck, labor, looking at around \$5k to repair. Hard to say how long it will last, but it’s not efficient at this point.

Having a buffer in the checking account won’t hurt, since the District doesn’t have any actual savings account currently. We could make one double as an asset replacement account. But the terminology of “asset replacement” would be better.

We could make a motion – and accept – to (approx. \$80/month for testing).

Russ made a motion that the District establish an asset replacement account and contribute \$200 a month to that; and that we update the water testing item to reflect periodic increases in the testing.

Aaron seconded. All in favor.

Tina will update the budget and circulate to the board – and publish on the website.

## 5. Status of SEARCH Grant application.

Joanna will sign, as her resignation not effective until 5/30.

Tina to add the rest of the info into the application and get Joanna to sign with a notary before submitting to Rural Development.

Through PER process – meet with some of the agencies about how much funding available – so we can size projects according to availability of funding.

## VI. Old business.

1. Status of loan payments to be made; first payment due August 1, 2017.
2. President to give status of payments owing to Streeter for tank house meter.

The District did get those amounts from Ms. Streeter. We didn’t pay for Nov/Dec. and then Jan/Feb/Mar (supposed to be every quarter). Serena emailed the info to Joanna.

This should be kept on the agenda so that we remember to quarterly ask Ms. Streeter for the billing info. We share a meter with her for the tank house. Better for us to come up with the agreement. We pay the base usage fee for the electric bill quarterly.

### 3. Hiring a GM; discussion of job description for the role.

Joanna -Emailed water operator from Green Tree Meadows (county water) and emailed to the board their job description for their GM/CWO. Same person does both of these. The GM would do a lot of the paperwork in actively managing the district. Spoke with the guy who used to do Hungry Horse / Coram – would do about 20 hours a week. Full charge and control of the operation and construction. Would relieve a lot of the pressure off the board, etc., staying abreast of rules and regs, etc., knowing the system and what needs to be fixed, etc.

It's important to note that the GM cannot be the secretary and cannot be a board member. Would be good to have someone with experience with water districts or management. The actual duties though, may be somewhat flexible.

Per Russ – with 73 hook ups, the District needs someone who is in the position in another district – we can't pay anyone even ½ time – will have to pay someone 8-10 hours a week, which is probably do-able, but hard to make a living off that. So it may behoove us to look at some of the other districts.

County is supposed to have information for the districts – they may be able to give phone numbers for them. DEQ (Emily Gillespie or Mike Crop) has contact info for all – per Matt.

Would be good for the system to have this – a lot may fall through the cracks. Even the GM could be the person that people call with complaints. Is this a board issue? Is this the water operator's problem?

### VII. Correspondence.

Ken and Maxine O'Brien are new owners but bills still coming to Sara Weaver. Should be charged the \$25 transfer of ownership fee, and it should be added to the first bill.

Joanna had gotten a call from Bruce Schultz about water pressure. But he didn't mention it tonight while he was at the meeting.

McClanahans have good pressure – they are at the end of the line.

Wes was going to try and come up with a flushing system. Installed last fall – system probably needs to be flushed fairly well. Waiting until no puddles of water everywhere, and then coming up with a flushing schedule to get the manganese out of the system as much as possible.

### VIII. Public comment.

No public comment.

### 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?"

Board discussion on reviewing the A2Z Engineering proposed contract revision. The change addresses that all work done before has been to help the board, and A2Z will forgive the board debt, in order that the PER be renegotiated. \$26,500 – had been the earlier estimate for the PER. Idea to renegotiate, which would help A2Z recoup 1 ½ year worth of work. Redoing the estimate. The revised contract will roll the costs to A2Z into the cost of the PER. This will prevent a reduction in the grant opportunity for the District. Grant funds will pay for the engineering costs through the PER. Joanna signed the revised contract.

Board discussion about meeting with Lyle at Rural Development and whether the District can also add funds to the SEARCH grant application. Per Lyle, it won't hurt the District to not show us contributing at this time. Lyle and his boss came up and drove around during the income survey phase – realized what the district had ahead of it – and seem to be much more helpful at this time.

Grant funds will pay for the engineering through the PER.

Joanna signed the revised contract.

Board discussion about annexation. District created in the 1960s - but didn't own the system. Then they abandoned the district. Explain what we are doing updating the 1960s boundaries (not accurate). Officially the properties to be annexed in are part of the system. Not creating more lot lines/boundaries, just cleaning up the old records.

There were 5 additional ones that Harold found that weren't on the list, that are connected to the system and are outside of the original boundaries. Will draw up those 5 and then find out from Clarence whether he will join the district or not. His property is NOT a square box, so if he wants to join the district, we can draw up a legal description, but it's a couple of hours of time to draw that up. He's said in the past "absolutely not". He has multiple renters – and district says – if you choose not to join, then you can't be join. So he and his renters will be disconnected.

Tina to review – and create cover letter – send to all on the list (on Dropbox).

Board discussion about accounting. Eclipse has made improvements – but don't like the way the bills look. They make a lot of mistakes. We spend a lot of time double checking and following up.

Bill doesn't say what you are paying for. Should have the billing cycle. This date to this date. They need to fix all of this.

X.      Resignation of President Joanna Adams.  
         Official letter – read by Joanna and attached here as Exhibit "A".

XI.     Voting on new Board President.

Russ would like to nominate Harold. Harold will do it – but needs help.  
Naomi agreed to help him.

Russ nominated Harold. Naomi seconded. All in favor.

Joanna will meet with Tina and Harold – to tie up loose ends.  
All on board should be able to sign checks. Takes 2 signatures.

For a quorum – have to have 3 people to conduct business. Good to let people know (especially if there are only 4 for the time being), if you are going to be out.

Need to canvas for a 5<sup>th</sup> board member.

Naomi made motion to appoint Aaron VP, Russ seconded. All in favor.

## XII. Meeting with Mike Rowe, Water Operator.

Mike is a certified DEQ water systems analyst. Currently employed by Hungry Horse and will be taking over Coram in July/August. He is the GM and Operator.

Some of the GM duties that he handles: take care of the samples, monthly and annually. (over 7 years), other questions from DEQ – treatment of facility, deal with customers. Out in the field – repairs. Responsible for equipment/maintenance. Deals with all questions, set up, move services, really anything other than billing issues.

He would anticipate the first month or two, each day he would stop in and log the water.

He doesn't have contracts with Hungry Horse or with Coram. He's an employee of the District. He gets paid a salary for 15 days of month/time in the office. If he were to take on the FCWD also, he would agree to be a subcontractor. He would need to have IC status with the state. He doesn't have general liability insurance now – but would have if a subcontractor. Also, it wouldn't be a conflict of interest to add another small district. There are efficiencies to be gained by combining.

He would attend monthly board meetings (does for Hungry Horse and Coram now). Coram is on 3<sup>rd</sup> Weds and Hungry Horse is on 3<sup>rd</sup> Thurs. They use their own offices. In Coram they use the school.

349 hookups in Hungry Horse. 159 in Coram.

HH system - Built in 2000-2001 – upgraded 60% of the meters then. Only 1 back T sample problem back in 2003.

Monthly salary for Hungry Horse, as Water Operator and GM \$2000/month for 15 days. Pay for adding Coram is 2/3 less, \$700/month. Coram has a new system – updated, and not a lot to do there.

If he were to help FCWD, he would agree to help train Harold, to get Harold 3A – 1 ½ years under a Water Operator.

Mike would for \$325/month – serve as WO/GM – and he would submit app to DEQ, temp license to put into place.

The way Hungry Horse was set up – the GM makes the decision – he’s the one on the line. He answers to DEQ – he answers their questions.

Harold and Russ – would like to come up to Hungry Horse to check out, while Mike is there. 10 tomorrow AM at Shaeffer Hall – down past the Hot Shot. He will take them through the pump houses.

Hungry Horse on 3 separate pumps – if one fails, the next one in sequence takes over. Generator back up. Feed off a gravity system, still have to fill the tanks.

After Mike departed, Board discussion continued.

The District needs to list out the exact duties for GM/WO. It would be useful to check references, Bill Cavanaugh would be a good resource.

Also, Hungry Horse started out with a very well laid out district (federal corps of engineers). They have good ideas on record keeping, etc.

### XIII. Adjournment.

Joanna Adams announced the next General Meeting of the Board is to be held on June 6<sup>th</sup> 2017, 7pm, at the Badrock Fire Department.

Joanna Adams “This completes our business for this May 2<sup>nd</sup> General Meeting. This meeting is now adjourned.”

Meeting adjourned at 9:20pm.



Exhibit A  
Letter of Resignation of Joanna Adams, President

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Joanna Adams

FCWD #101  
PO Box 1141  
Columbia Falls, MT 59912

April 23, 2017

Dear board members of FCWD #101,

It is with regret that I am writing to inform you of my decision to resign my position on the Board of Flathead County Water District #101 effective May 31, 2017.

My other commitments have become too great for me to be able to fulfill the requirements of my position on the Board, and I feel it is best for me to make room for someone with the time and energy to devote to the job.

It has truly been a greatly rewarding experience to work with you all on the improvements we have made to this water system. Together we have taken a water system that was incredibly run down and lacking organization and made it work. We have developed a customer list from the ground up, developed a rate structure; and filled positions – a water operator, accountant, engineer, and secretary - to make the system run smoothly. The emergency repairs conducted last summer totaling \$50,000 have kept the system operational. I leave at one of the most exciting times – recently with the news that we are to receive funding for a Preliminary Engineering Report on the system. However, I know I leave a strong system with a solid board and the processes in place to keep this water district moving forward. I truly wish I was at a place in my life that I could continue to be a part of these efforts. Personally, this is a time for me when I must focus on running my photography business and raising my three children.

I anticipate a transition time through the month of May. I know there will be a lot of loose ends to tie up and want you to know I am available for questions that may come up.

Best Regards,

Signature

*Joanna Adams*

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