

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** October 3rd Meeting Minutes ***

General Meeting:

I. Call to Order / Roll Call.

Meeting called to order at 7:07pm. Directors present included Harold Herman, President, Aaron Anderson, Vice President, Brian Rohletter and Naomi Einarson. Also in attendance were Mike Rowe, Certified Water Operator and Tina Bondy, Board Secretary via telephone.

II. Reading and approval of the minutes from previous meeting.

Secretary reviewed the minutes from the September 5th meeting with the Board. Aaron motioned that the minutes be approved as read. Harold seconded and all voted in favor.

III. Operator's report by Mike Rowe.

It's been a calm month. No repairs. The heat has been turned on in the pump house. 150000 gallons of water usage this month, which is down 60% from last month.

Harold mentioned that after last year when a snow plow took out the water main shut off valve, this year, he put in a post with a 4' high sign, to avoid this happening again this winter.

Also, on Mountain avenue, where we looped the line in, they left a bunch of rocks. Harold is going to get some neighbor kids to pick them up and then weed eat the area. It was recently all cleaned up, but when he went back there this past week, a neighbor had cleaned his yard and tossed a bunch of debris over where the rocks are. Harold tossed them back over. He would have said something if the neighbor had been at home. We need to keep that area clear.

IV. Financial report.

Secretary provided current financials, including aging account report.

Profit / Loss - Sept 2015-present

Gross Profit - \$ 61,860.38

Total Expenses - \$ 70,988.53

Net Income - \$ -10,158.03

Profit / Loss – Quarterly
Gross Profit - \$ 9,211.76
Total Expenses - \$ 5,890.52
Net Income - \$ 2,824.58

Balance Sheet – Year to date
Glacier Checking Account - \$ 9145.13
Loan Account - \$3000.00
Construction Grants and Loans - \$100.00
Emergency Repairs / Asset Replacement Account - \$4372.25
Accounts Receivable - \$ 1,564.88
Total Assets - \$18,182.26

V. New business.

1. SEARCH Grant status update. Still in progress. Lyle has the info for the 3 property owners/residents, for the questionnaires to complete. Tina will call and check status with him this week.
2. Discussion of delinquent accounts / tax liens.

A few months ago, the district sent out 3 letters to property owners that were severely behind in payments. The letter to Armstrongs (own property here, though vacant, living in California) came back as undeliverable, though the address used was the same one Eclipse uses to mail out bills each month. A while back Mr. Armstrong called and told Harold that he would be putting a check in the mail, but so far, nothing.

Clarence's wife wrote a letter complaining about her bill, but the renters have not been paying, which is why their bill is showing high.

Ms. Sweeney called to say she want to catch up on her bill, but she was complaining that she didn't have water pressure, which seems to be an issue with her property only, as her neighbors surrounding her all have fine pressure. Not the district's responsibility if it's with her own property. She did send a check for \$500 this past month, and we anticipate that she will be sending the other half shortly.

3. Matt Nerdig to provide update on PER in progress. Matt was not able to make it to this month's meeting. He did email the Board members prior to the meeting with a summary. The email is attached at the end of the minutes.
4. Jeff Lynn Residence, it appears that he has 3 lines now. Harold gave that info to Eclipse. There is a new owner (Dawn Black) next to Naomi, bought the Nagle's place. Harold gave her the transfer papers, and then notified Eclipse. The first bill will be October, and will include the \$25 transfer fee. Seemed to go pretty smoothly.

5. Budget. We need to take a look at the annual budget and determine what we have been spending money on, and try to average out monthly costs. Harold to take a look at this, and then send the list of monthly payments to Tina to check also. Tina will also provide to the board a revised budget with the actuals from FY2017, so they have a framework before submitting this (when necessary) to Rural Development.
 6. Annexation letters. We need to get the rest of the properties annexed into the district sooner rather than later. Tina to prioritize drafting the letters and sending. The property owners will need to sign with a notary present and then return for recording.
- VI. Old business.
1. Status of loan payments to be made; next payment due February 1, 2018.
 2. Status of payments owing to Streeter for tank house meter.
 - i. Last paid in Sept 2017. Next payment will be December.
 3. Discuss letter to property owners regarding election votes and drafted message to be distributed before May 2018 elections. Maria at the elections office said she will walk us through this when it's time.
 4. Update on water rights and switching all claims to a decree by deadline of June 2017. Any change in the status?
- VII. Correspondence.
- No other correspondence this month.
- VIII. Public comment. No public in attendance.
- IX. Questions and answers with District staff.
- President to ask, "Do the Directors or Secretary have anything else to discuss at this time, or have any questions?"
- President to announce the next General Meeting of the Board is to be held on November 7th 2017, 7pm, at the Badrock Fire Department.
- X. Adjournment at 7:42pm.
- President to say, "This completes our business for this October 3rd General Meeting. This meeting is now adjourned."

Email received from Matt Nerdig addressed to the FCWD Board Members.

From: "Matt Nerdig" <mnerdig@a2z-engineering.com>

Date: October 2, 2017 at 12:43:44 PM MDT

To: Harold Herman <haroldhermanwater101@gmail.com>, Aaron Anderson <ChevySilverado325@yahoo.com>, "Russ Barnett, Outfitters Supply" <russ@outfitterssupply.com>, Naomi Bridwell <jenbcgtg2011@gmail.com>, "brohletter@yahoo.com" <brohletter@yahoo.com>

Subject: October Update

Harold, Aaron, Russ, Naomi, and Brian

Board Members, I wanted to run through a quick update of our progress thus far prior to this month's meeting. I talked to Harold for a while today about our progress and ran through some ideas moving forward. I will not be at the meeting this month and I will present more detailed information at the November meeting. The items below summarize the issues we talked about and some current updates;

This is my understanding at this time based on conversations with Lyle and past experience. All Rural development funded projects are done with loan and grant combination. The percent of this combination is typically 60% loan and 40% grant. The financial considerations of the district would hopefully help to boost to possibly a 50% loan and 50% grant split but that is not guaranteed. If additional funding grants are obtained they typically reduce the Rural development grant amount so it is better to pursue other grants as additional projects. The specifics of the funding for each project can vary widely so at this point all of this is preliminary in nature based on past projects and typical experiences.

This will mean based on a conservative approximation of the current district budget and loan limitations the total project budget would be in the range of \$500,000. This is all based upon not increasing the current water rates, as I feel that is not an option for the district. This will create a situation in which the board will not be able to fix all the problems in the system at one time. This is of course primarily due to the vast scope of issues within the system and complexities/cost of resolving those issues. We will continue to work on options to lay out for the board as to what can be done within that budget scope. I will present more detailed information on project options and scoping at the November Board Meeting.

I also talked to Harold about approaching the Streeter family about the future of the lot that the current storage tank sits on. If they were open to a permanent easement or potential transfer of the lot that could save the district a lot of future cost in system upgrades and repairs. That location has many advantages if used as a fire tanker recharge station due to the proximity to main streets in the area and existing infrastructure. The most cost efficient fixes for the system would involve repairs to the existing tank to add to the lifespan. The preliminary analysis of the tank has shown that repairs could be done to significantly extend the lifespan at this time. This would allow the focus to be shifted to other critical areas on this project such as the distribution system. I will work with Harold to determine if this is a possibility and we can then present the option to the board for consideration. If this is a possibility we will want to address and include this within the PER.

Let me know if there are any questions or concerns.

Thanks

Matt Nerdig, PE
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