

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** February 6th 2018 Meeting Minutes ***

General Meeting:

- I. Call to Order / Roll
 - a. Harold Herman, President, called the General Meeting for FCWD #101 held February 6th 2018 to order at 7:11pm.
 - b. Directors present include: Harold Herman, President; Aaron Anderson, Vice President, Brian Rohletter, Naomi Einarson.
 - c. Also present, Shane Pierson, Certified Water Operator and Tina Bondy, Board Secretary (by telephone).
- II. Reading and approval of the minutes from previous meeting.

--Secretary reviewed the January 2nd meeting minutes with the Board. After discussion of a few minor changes, Harold made a motion to approve the Minutes as edited; Brian seconded and all voted in favor.
- III. Operator's report.

Shane Pierson provided the Operator's Report.

The January results of the water testing were "satisfactory".

The hour meter that the Board authorized is on backorder, should be here this next week.

The booster pumps seem to be kicking on too frequently. Still considering that there may be a leak.

Discussion about the upcoming Copper/Lead testing that will be due in June. It does not appear that Larry Streeter ever had those tests run, so the District does not have a current copper/lead lab on file with the DEQ. Prior to the testing, must submit the plan to DEQ by May 1 and the DEQ must approve. Shane estimates it will take between 5-6 hours to put the copper/lead plan together and submit to the DEQ, which was authorized by the Board.

For some tests, there may be possible waivers for which FCWD may be eligible. Waivers for SOC, IOCs, Lead/Copper, Asbestos and maybe 1 or 2 more. The waiver request is essentially a form letter and generally easy to process. Shane could submit these requests on behalf of the district.

For the Lead/Copper test the DEQ has a policy in place, need 5 samples taken the same day, across the district and all about the same age. Shane will

explain the process to the participating residences, and will drop the bottles off the day before. Residents will fill them first thing in the morning after having not used the water for the night. We have a 1-day grace period. Harold will work with Shane to get a list of people; although it may be possible to use Board Members' residences.

IV. Financial report.

Secretary reviewed current financials and provided reports on all including aging account report.

Profit & Loss since September 2015:

Gross Profit: \$79,715.76

Total Expenses: \$77,487.19

Net Income: \$1,826.03

Balance Sheet:

Glacier Checking Account: \$17,540.19

Emergency Repair / Asset Replacement: \$6772.25

Loans & Grant Account: \$3000

Total Accounts Receivable: \$2743.88

Total Assets: \$30,156.32

V. New business.

1. PER Presentation. Matt Nerdig, Engineer – A2Z Engineering attended and provided explanation about the PER and process.

Matt provided copies of the draft PER for the Board members. A link should be posted on the website as well. The PER needs to be available to review by the public/District for 30 days.

Next step, after review, is a public meeting. Will need to publish and announce the public meeting after at least 30 days of public comment period being opened on the draft PER.

After discussion and public comments, the Board will vote whether or not to accept the PER. Once the Board accepts the PER, it will be time to chase funding.

The drafted PER contains three alternative proposals:

Proposal 1.

This proposal calls for replacing the distribution system pretty much entirely. Replacing the pump on Gordon Avenue, lining the storage tank, repairing the cracks and attempting to get another 20-30 years out of the existing storage tanks; replacing the 2 booster pumps. All wear and tear

items to be replaced and adding a tinder refill on the outside of the existing storage tank. The cost estimate for this option is \$750k.

Proposal 2.

This proposal calls for all of what is included in proposal option 1, plus replacing the wells; adding a back up generator, and electronic controls. The cost estimate for this option is \$1.3m.

Proposal 3

This proposal incorporates both of the prior proposals, and using larger mains and replacing the storage tank. The cost estimate for this option is \$1.7m.

Matt provided some additional discussion around the draft PER and funding options. In order to keep the rates where they are, options 2 and 3 are off the table.

The \$750k option, leaves a margin for safety – estimating the income each month, with the payment, will leave a few hundred left over each month.

Rural Development will be the best source of funding for the District, although their funding cycle is: apply in 2018, decision in 2019 and funded in 2020. With Rural Development, a good chance we could get a higher grant to loan ratio.

A2Z recommends Option 1.

Next steps, once Board approves, and it submitted to the DEQ, we can chase funding. Once funded, DEQ will review the plans, flows, etc., and we will need to get quotes from excavation companies. As a note, this entire project must be bonded, so only larger companies will likely be in the running. A2Z can help with this part of the project. There is a form contract that is signed with the contractor that heavily favors the District.

2. Streeter – Tank Relocation Discussion
 - a. Need to run the easement document by the lawyer. May have been the same one that wrote it.
3. Discussion of delinquent accounts / tax liens.
 - a. Naomi is going to change the contact information and be ready in March to post notices on properties that have not been paying.

VI. Old business.

1. Status of loan payments to be made; next payment due February 1, 2018.
2. SEARCH Grant status update.
3. Status of payments owing to Streeter for tank house meter.
 - i. Paid quarterly in December. Next payment will be March.
4. May 2018 elections – Info to property owners regarding election votes.
5. Water rights decree. Any change in the status?

VII. Correspondence

VIII. Public comment – 5 minutes available for public comment

- IX. Questions and answers with District staff. Any other items to discuss?
- President to announce the next General Meeting of the Board is to be held on March 6th 2018, 7pm, at the Badrock Fire Department.
- X. Adjournment at 8:12pm
- President to say, "This completes our business for this February 6th General Meeting. This meeting is now adjourned."