

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Meeting Minutes February 5, 2019 ***

General Meeting:

- I. Call to Order / Roll Call.
 - a. Harold Herman called the February 5, 2019 General Meeting for FCWD #101 to order at 7:03pm.
 - b. Directors present: Harold Herman, President, Russ Barnett, Vice President, Brian Rohletter and Naomi Einarson.
 - c. Also present: Shane Pierson, Certified Water Operator; Tina Bondy, Board Secretary (by telephone); Rob Smith, A2Z Engineering; and Randy Snyder, Snyder Law Office.
- II. Reading and approval of the minutes from previous meeting.

Secretary reviewed the January 2nd meeting minutes with the Board. Harold made a Motion to Approve the Minutes as read. Brian seconded and all voted in favor.
- III. Operator's report.

Mr. Pierson provided the Operator's Report and the latest water reading taken on February 2.

Main pump 945,285 gal., indicating Well 1 pumping 1,440,000 for the month. Pump 2 was running more frequently than it had been. Up from almost 1 million gallons last month.

The electric bill for the pump house was \$310.99 which means that Pump 2 is running. Also, there is more pressure from the tank house than from the Gordon well.

Harold called Shane to discuss the pressure tank issue. May need to flush this in the spring.

No extra water tests are needed this year, and Shane does not foresee anything coming up in that regard.

Property at 99 Gordon Avenue is being sold.
- IV. Financial report.

Secretary reviewed current financials and provided reports on all including aging account report.
- V. New business:

1. Update on System Improvement Project

- a. Review Engineering Report with Rob Smith, Engineer

Rob referenced the plans that Matt emailed to the Board. They are nearing the end of the preliminary design period. Appears that the wells will be sufficient to go ahead and handle the system after the addition of meters.

2. Commercial Rate Discussion

Only thing would be the Board's email on revising commercial rates. Board should carefully review the rates and give a starting point.

The only fair answer is meters to determine usage and rates, but that not going to happen until the end of the project. There are some properties listed as commercial that are not using anymore water than any of the residential properties. There are others though, that are doing landscaping, or having extra bathrooms (for the public).

There was a board proposal that gas stations are at \$100/month until the meters are added. But it's important to the Board that they be able to justify this. Suggested that the proposal provided by Matt be reviewed.

3. Discussion of easements and water services with Randy Snyder

Randy reviewed the map of the district in light of the upcoming district needs. Understanding that this was an inherited district with its inherent problems, it's time to bring the district current. Randy also had reviewed the District's Bylaws, and found them to be well-written and mirroring the state statutes. Under Montana state law, the District has broad authority for rate making, and given the scope of this improvement project, likely will need to raise the rates again. Additionally, in looking at the District map, there are some gaps, for which the District will need easements.

According to the Bylaws and State Law, the District may not service any out of District customers. This means the District needs to be brought into compliance. This is designed to avoid ad hoc systems.

The prior annexations that the District executed have just been approved by the State. According to Rob Smith, Engineer, the annexations cover most of the out of district properties.

Discussion with the Board as to the responsibility of the District with providing water services. The district responsibility is to provide water main in a public right of way. The private owners are responsible to run the service lines from the mains.

Again, following Randy's assessment, there are competing concerns. State law provides the district with rate making authority, they can decide what costs to bear and what costs new owners will pay to sign on. Hook up fees may defray the costs of expanding in some respect. If a developer comes along though, that wants to add 60 lots, the district would have some negotiating power.

More difficult though, what about the customers that are already have lines, but no easement? The board needs to have a consistent position.

Discussion by Board to send customers a letter regarding an upcoming meeting. Need to have a letter prepared for those customers that lays out the issue of the District being out of compliance per state law, and that it's time to bring it into compliance. Options could be to come into the district, or terminate the water service.

Randy will draft a letter to that effect.

The Board also voted on the annexation for the prior out of district properties. Russ made a Motion to Approve the Annexation of those properties into the District. Harold seconded and all voted in favor.

Randy will also prepare the Ordinance given the Board's vote to approve the annexation.

VI. Old business:

1. Status of loan payments to be made; payment made February 1, 2019.

VII. Correspondence

- a. Discussion of any correspondence received by the FCWD Board.

Board received a thank you card from the Badrock Fire Department for the gift of \$100.

VIII. Additional items for discussion

Board continued its discussion about water rates. May look at example of Martin City as a guideline on these. Base rates will need to be at least \$46/month, but per Lyle and Rural Development, more likely that they will need to be at \$52 a month to keep the District's head above water.

May not want to wait to raise the residential rates until the new system is in.

As for commercial rates, Engineering suggestion was for the gas stations to pay \$133 a month. Again, the Board wants to make certain that the rate is justifiable. This proposal was in light of the ERUs.

Russ will review this further and will plan to discuss at more length during the next month's meeting.

Naomi Einarson is selling her property in the district, and the Board will need a new Board Member to fill her seat. She discussed with the Board the new owner of her home, a gentleman that is a veteran and has a handyman business. She will talk with him about possibly serving with the FCWD #101.

IX. Adjournment at 8:15 pm.

-- President to announce the next General Meeting of the Board is scheduled on March 5, 2019, 7pm, at the Badrock Fire Department.