

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Meeting Minutes March 5, 2019 ***

General Meeting:

- I. Call to Order / Roll Call.
 - a. Harold Herman called the March 5, 2019 General Meeting for FCWD #101 to order at 7:01pm.
 - b. Directors present: Harold Herman, President, Russ Barnett, Vice President, Brian Rohletter and Naomi Einarson.
 - c. Also present: District residents: Clarence Taber; Laurie Beck; Jim Bellmore and Patty Martinez; Shane Pierson, Certified Water Operator; Tina Bondy, Board Secretary (by telephone); Matt Nerdig, A2Z Engineering; and Randy Snyder, Snyder Law Office.
- II. Reading and approval of the Minutes from previous meeting.

Secretary reviewed the February 5th meeting minutes with the Board. Harold made a Motion to approve the Minutes as read. Brian seconded and all voted in favor.
- III. New business:
 - a. Randy Snyder, FCWD Board Attorney – Discussion of easements and water services.

Randy began by describing to the Board and the other District residents that the goal is to bring the District into compliance with the state law. State law is absolutely clear that it does not allow District to service water customers outside of the district. Board previously directed Mr. Snyder to prepare a letter to advise that we wanted to hear from those customers that currently fall outside of the District, to determine next steps. The District has invited the property owners to join / be annexed into the District, so that we can continue to provide water services.

If the District residents that currently fall outside of the District boundaries do not wish to join the District, then we will need to pick a date for termination of the services.

Mr. Taber began to speak, was upset at receiving the letter that Mr. Snyder had prepared and sent. He is willing to work with the District. He, and the other two property owners have come up with a proposal for the

District. Mr. Taber has 20 acres, but doesn't want to annex all of that into the District. Would prefer to instead sell an easement across his property.

There was a discussion about the proposed boundaries and the option of annexing a portion of a property, and whether the assessors would allow for that. There was a continued discussion about the necessity of adding meters at every property.

Following this meeting, Matt will work to draw up some diagram/legal descriptions and will contact the Recorder's Office.

Mr. Taber's proposed easement will cost the district \$3000.

b. Matt Nerdig, A2Z Engineering - Engineering Update on System Improvement Project

Need to know where the mains are when we go to bid. Need to hire contractor and spend a portion of the money in this fiscal year, otherwise it will trigger an audit (which will cost the District an additional \$30k). The District wants to be in a position to start the project before June 30th.

Although the funding is a mix of grants and loans, it's not free money and there are lots of hoops.

Matt will work with Randy on the diagrams and a potential survey of the property. Mr. Taber provided authorization to have a survey completed, but does not expect to pay for it.

Matt provided an update on the progress of the System Improvement Project. He has provided the spec book to Randy, who has to review all contract documents and sign off. Randy will be starting that review. The Plan set is set. Water lines are all laid out, other than the ones discussed earlier in this meeting (Taber, Bellmore and Beck properties). Matt has also hooked into DEQ/RD for review. That should happen in the next 2 weeks.

There was a discussion about the well pump that needs to be replaced in the well house. This will require taking off the back of the building and the roof.

Engineering is really pushing due to the audit deadline. Need to spend the first \$275,000 by June 30th. Looking to select contractors in May. They can lay out the project, get all materials and as much done as possible before June 30th.

This will be advertised in the Daily Interlake, can also send letters directly to any companies and Matt has started getting the word out about this project with word of mouth.

Need to have a survey of the District borders including the newly defined boundaries.

c. Commercial Rate Discussion

Board discussion around the commercial rates. There is a possibility to raise all rates, going through the process of notifying the District, advertising the meetings. We've been reviewing the Letter of Conditions, regarding what it said about a rate increase and past references. Once we have the new system and meters, we can bill using those, and tell whether commercial properties are truly using excess water. Shane Pierson can help us, using Martin City as a reference, to determine what would be reasonable.

When we do determine a rate increase, will need to provide public notice of the new rates and public notice of a public meeting to discuss the new rates.

IV. Operator's report

Mr. Pierson provided the Operator's Report and the latest water reading taken on March 5.

Total Reading: 954347 gallons.

Well 1 Reading: 906,206 and Well 2 estimates: 400,000

Monthly Total: 1,306,200 gallons of water

Feb. 13, the water pump house had a 4" water valve broken. They found a replacement and fixed the valve. Later that day, another distribution pump had a stuck pressure switch, which was repaired.

There was a water leak in the well house, called Buy-Rite plumbing and paid \$579 for repairs.

Electric bill \$313.61 combined for both wells and the tank house for the month. Well 1 \$117 and Well 2 \$76

V. Financial report

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

VI. Old business:

1. Delinquent accounts

- i. There was a discussion about the Aging Summary report which was run before a number of deposits were recorded in Quick Books. Harold will talk with Annie / Katy at Eclipse about making sure these deposits get entered more frequently.

2. Loan Payments

- i. There were 2 bank payments on Feb. 15, there was a drawdown and also an interest payment for the Intercap loan. August is the next loan payment due date, but hopefully the Intercap loan should be paid off by then. The interest payment is considered part of our contribution to the project.

VII. Correspondence

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

VIII. Additional items for discussion

Discussion about shutting off the water to the residents for 2 hours.

Residential properties doesn't require the advance notice that commercial properties require. For commercial properties, need to provide 72 hour-notice. We will need to work closely with the contractor on this. Will need to get approval/acknowledgement from commercial owners about any planned outages.

Naomi Einarson has sold her property in the district and will now resign her position on the District Board. Ms. Einarson has talked with a neighbor, Patty Martinez, who is interested in joining the Board.

Following a brief discussion, Harold made a Motion that Patty Martinez be appointed to fill the Board position being vacated by Naomi Einarson. Brian Rohletter seconded the Motion and all voted in favor.

Harold took a moment to welcome Patty, and to thank Naomi for her time spent on the Board.

IX. Adjournment at 8:53 pm

-- President to announce the next General Meeting of the Board is scheduled on April 2, 2019, 7pm, at the Badrock Fire Department.

--President to say, "This completes our business for this March General Meeting. This meeting is now adjourned."