

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Meeting Minutes - June 4, 2019 ***

General Meeting:

- I. Call to Order / Roll Call.
 - a. Harold Herman called the June 4, 2019 General Meeting for the FCWD #101 to order at 7:01pm
 - b. Directors present: Harold Herman, President, Russ Barnet, Vice President, Brian Rohletter and Patricia Martinez
 - c. Also present: District residents Clarence Taber, James Bellmore and Norm Nunnally; Shane Pierson, Certified Water Operator and General Manager, Matt Nerdig, A2Z Engineering, Tina Bondy, Board Secretary and Randy Snyder, Snyder Law Office.
- II. Reading and approval of the Minutes from the previous meeting.

Secretary reviewed the May 7 meeting minutes with the Board. Harold made a motion to approve the Minutes as read. Russ seconded and all voted in favor.
- III. New business:
 - a. Matt Nerdig, A2Z Engineering - Engineering Update on System Improvement Project
 - i. Bidding cannot start until the annexation project is finished and sent to the DEQ.
 - ii. Once that happens, Randy can provide a letter that certifies that the District has legal right to serve all customers they have and can place and work on all the mains. That's the final piece.
 - iii. Received a letter from Rural Development about a week ago, requesting some unsubstantial changes to the spec book. Preferred alternative to be 8" and optional alternative to be 4". We had it the other way. Doesn't really matter which way - either the contractor bids 8" and he puts a negative number to show the reduced cost for 4". That's the way RD prefers it. Have to make those updates, the other piece remaining is clearing up the Taber easement.

- iv. Did get ahold of the BPA today – stressed to them that we need to have their annexation docs to continue to provide them water. Resent all the docs to sign.
- v. 3 customers to transfer to the district. One that Harold talked to and will send to Randy this week. BPA and Clarence are the last.

Discussion with Clarence Taber about whether or not he wants to be in the District. He agrees that they do want to be in the district and will sign the documents at Randy's office tomorrow, with his wife as well. He understands that time is of the essence.

Discussion with Jim Bellmore about the location of the water lines historically, and questioning the need to have official easements now after all of these years.

Randy explained that historical use gives rise to a claim for a "grandfathered/prescriptive" easement, though the underlying landowner has defenses. This water district isn't trying to lay claim, but doesn't meet the legal test to satisfy all of the box checks to get this funding. There hasn't been a recorded easement so far. But in order for the Rural Development funding, need to have this officially done and recorded.

Norm Nunnally, new district resident had some additional questions about the project as it relates to his property.

Matt and Randy provided further explanation about the history of the district and the current project.

District formation documents and boundaries were drawn up initially in the 1950s. That stayed on file until the district was revived and the board assembled and appointed by commissioners. In order to get the federal funding, need to fix all of the issues according to DEQ, including fines that were forgiven when the private system was turned over to the current district board and the incomplete historical records.

For the past several years, the Board has been operating on emergency management mode to keep people in water, trying to find where pipes are buried. No maps, just basing off knowledge of people who have been here a long time.

Getting Rural Development federal funding – all of these things have to be in order. That's where RD attorney, our attorney, TSEP attorneys for State of MT, reviewed all of the formation documents, all testified that the Board was created through the proper channels, etc.

Discussion with Norm about the Election. Election department, Harold enrolled and Russ enrolled. Replacements have been appointed mid-term, so no election necessary.

Clarence added that without the water district the homeowners are sunk. The water system was headed to almost dysfunctional – there has been a lot of improvement with the water quality and pressure since the Board got involved.

Matt provided further information about the “why” behind this project. Within the first 6 months of the Board taking over the District from the private homeowner, there was \$50k in emergency fixes. This system was constructed with spare parts. Built by a private landowner, most of the valves, fittings, etc., can’t just go fix it. This is a replacement project. Hard part – district is not highly populated to back that, had to try to focus efforts to be as efficient as possible, to do within budgetary constraints of the district and users.

Norm further questioned thoughts on backflow preventers.

Matt explained that there will be backflow preventers as required by DEQ. Shane further added that every meter that’s installed had one built in, so every meter will have one.

Discussion with Mr. Bellmore about the meters, water usage, and future bills. He wants to keep a nice green lawn, but doesn’t want to go over and get a huge water bill. Shane can give him a mid-month reading for a couple of months if you want, just to give him an idea.

b. Shut Off Notices for District

- i. Currently, when customers are a couple of months behind, we give them notice and 14 days to pay. The Board discussed the need to change this notice period – looking to change it to 4 days (same as Martin City). On the 16th of month, review the delinquent list, anyone who is 60 days late, will be given 4 days’ notice to pay in full.

Additionally, there will be a charge for shut off/turn on. Martin City charges \$35. We had \$50 on our old ones.

Russ provided discussion about the Board and their efforts to provide the best service for the most reasonable price. We have fought to NOT have meters, we lost. We are in a position where our 75 users are going to have a higher water bill than a district with 500 users. Having said that, we intend to offer as big a gallonage per month for the flat/set fee before we start charging for extra gallons. Would be rare in this district to go over that. You

would have to be farming practically. That's the district's intention. Doing everything we can to keep the bills down.

Back to the discussion about the amount of notice to be provided for delinquent accounts and the topic of late fees, shut off/service restoration costs.

Shane will charge the District \$35 to shut off / and \$35 to turn on.

Patty proposes a \$50 charge to shut off and \$50 to go back on.

Russ stated that would be incentive enough without an additional late fee. There should also be a note on the bill that water will be shut off if not paid in full by the 16th.

Harold made a motion that at 60 days delinquent, owners receive a notice of 4 days to pay in full or service will be terminated. There will be a \$50 charge if shut off, and an additional \$50 charge to restore service. All must be paid in full before service is turned back on.

Brian seconded the motion and all voted in favor.

Discussion about the notices to be posted. Should use a blank form, where Shane can write in his contact info. Flathead Water District. We can get these printed at the UPS store in Whitefish \$46 for 100.

- c. Auditor Need. Because we are behind on the project timing and spending the money, we will be required to have an audit.
 - i. Eclipse – has an auditor in Helena that they use for compliance reviews. We can check into that, so long as RD accepts them, just have to run it by their attorneys and Lyle, to make sure they would accept the audit. \$800 – for an audit.

Martin City has an audit every 2 years – Shane will get us the contact info. It's a couple of hundred bucks – so long as that's the same audit that we need for RD / Federal Funding.

We are stuck with the audit. There is still a possibility of getting this project completed this year, though we are going to be bidding later than we wanted to be bidding. As fast as a lot of these contractors move, especially the big outfits – think it is not going to take that long to do the pipe install. The pace at which they move dirt and install pipe is impressive. Going to be a big contractor.

Has to be an engineering inspector there at all times anyway.

Matt hoping by next meeting – will have at least started the bidding process and be awaiting incoming bids. He will confirm with RD that once all boxes are checked, whether the Board must have a meeting to go to bid.

Discussion about the timing once we start the bidding process. A week or 2 later, we hold a pre-bid meeting: Shane will walk contractors around, ask questions with plans, etc.

Sealed bids will come to A2Z – public bid opening, all bids opened and then once the lowest bid selected, Board will look at it, Randy will advise on references presented, bonding/insurance, etc., and we can decide if we see any concerns.

Once we pick – there's a process to make sure the contractor has all of the insurance, all paperwork in place before contractor puts a shovel on the ground.

IV. Operator's report

- a. Meter reading 6/4 /19, 976,082 gal.

842800 gal from well 1; estimate of 600000 from well 2

Total of 1,442800 gal used for the month. Usage has gone up significantly. Not alarming though.

- b. After last month's meeting, he flushed the south side hydrants and removed a lot of manganese.
- c. A Realtor requested a copy of the consumer confidence report for a loan closing on property at 100 Gordon.

\$285.13 for electric bill for last month.

Discussion with Harold and Matt about the 3 phase pumps that are currently in Harold's yard. This was given to the district. Shane has looked at them and can stop and take a closer look. Likely bigger than what we need. But he can contact some other local water districts to see if anyone may need/want these.

V. Financial report

Secretary gave financials.

VI. Old business

VII. Correspondence

The District received correspondence this month from Casey Becker, district resident. Concerned with the scanning of the checks which are sent to the accountants. He does not want his checks scanned and emailed. Discussion with the Board about redacting the routing/account numbers from the checks.

VIII. Additional items for discussion

- a. Board member, John Sagmiller, is going to resign from the Board.

- b. Russ made a suggestion on the Notice that if you have additional hookups on the property that doesn't currently have service, going to be billed for those. Discussion about campers or RVs on property that are hooked up/connected to yard hose for more than 15 days, the DEQ is going to cite these, they are worried about these being permanent connections, and without the backflow preventers, could contaminate the water system. It's a safety issue for the district.

Further discussion about living spaces and plumbing. People with a 5th wheel that is skirted, owner should be informed that they need to have it hard plumbed or we need to have it shut off. If this a secondary plumbing, we can bill as a commercial – 1 meter for the 2 units. A 5th wheel skirted is permanent, but a summer visitor, still temporary.

IX. Adjournment - 8:42pm

President announced the next General Meeting of the Board is scheduled on July 2, 2019, 7pm, at the Badrock Fire Department.