

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Meeting Minutes December 10, 2019 ***

General Meeting:

I. Called to order at 7:00pm.

Directors present include: Harold Herman, President, Russ Barnett, Vice President, Brian Rohletter, Linda Bosworth.

Also present: Randy Snyder, Snyder Law Office; Lyle Coney, Rural Development; John Toftum, T-5 Construction; Shane Pierson, Certified Water Operator / General Manager; Matt Nerdig, A2Z Engineering; Tina Bondy, Board Secretary (by telephone); Julene Hatlin, District Customer.

II. Minutes: Reading and approval of the November 5, 2019 minutes.

Secretary reviewed the Minutes from the November 5, 2019 meeting. Harold Herman made a Motion to accept the Minutes as presented; Russ Barnett seconded the Motion and all voted in favor.

III. Time for Public Comment and Discussions

- a. 5 min allotment for each property owner bringing a topic to the Board for discussion.
 - i. Julene Hatlin had some questions and concerns about water hookups with a travel trailer in the yard given her daughter who is handicapped and living in the travel trailer. Discussion with the Board about the need for a service line and a backflow preventer. Board recommended that Ms. Hatlin work with Shane to identify a solution.

IV. New Business

a. Board Member Appointment.

- i. Following a brief discussion, Harold made a Motion to bring Linda Bosworth onto the Board to fill the seat that was vacated by John Sagmiller. Russ seconded the Motion and all voted in favor.

b. System Improvement Project

i. Update on Project

1. Matt provided the Board with some discussion about the Memorandum that Randy Snyder had supplied the Board; also provided packets of information for the Board, as well as guidance from Rural Development, all of which pointed toward the selection of T-5 Construction, as the low bidder. T-5 met all of the technical specifications and references have been checked. The references received were good.
2. Discussion about 4" vs 8" mains. 4" are more cost effective, the District currently doesn't have the source or storage to provide flow to an 8" main, yet RD still recommends 8" in case Columbia Falls extends development. Further, Lyle Coney / RD wants this project built for the future, and the 8" lines. This does add considerable value to the District without a tremendous difference in cost. The difference would be about \$74,173, over the life of a 40 year loan, that would mean \$.54 per month per user.
3. Lyle discussed the Letter of Conditions, and the timing on the grant/loan funds, looking to the National office in order to re-obligate the funds they had already set aside for this project, in order to get a lower interest rate for the District and discussion about what that would mean to the water rates. Steve Troendle from the National office needs to give the okay to re-obligate the funds though, would be a couple of extra steps, but would keep interest rates locked down. Lyle will work on firming this up the following week and will hope to have a revised Letter of Conditions for the Board / District in January. Board will need to review and vote whether or not to accept, in order to then vote on the award and to get the contract negotiated. But until the funds are there, the Board cannot award the bid.
4. Discussion with the Board about the need to include a budget item for maintenance, to offset costs of keeping manganese clogs down; the District intends to flush the water system twice annually and will drain the District storage tank annually.
5. Discussion with Linda regarding the plans to flush the water system, and the need to schedule this with minimal impact for hotel customers.
6. Further discussion about the recommendation to re-side the pump house, which the Board/District intends to proceed

with as part of this project and a discussion about not adding additional curb stops where no current services.

7. The Bond attorney will draw up the Resolution for the Board to review on any changes to the water rates.

ii. Discussion with T-5 Construction

1. Discussion about metering every lot with existing customers; meter pit locations, at the edge of county rights of way though some lines will run under the street because they are trying to run lines across streets from where they are currently, in order to prevent too much service interruption during the construction project.
2. Discussion about the projected time it will take to complete the project. At around 7500 feet of 8" pipe, at 100 feet per day, John believes that this is do-able. Discussion with Shane as well about weather related delays and target complete dates for the project. Also discussed that there would be an onsite inspector, per RD requirements, so there shouldn't be any surprises with the timetable.
3. Discussion with the Board about the possibility of T-5 also working with homeowners in the District to replace any owner-responsibility service lines, and whether that would fall within or outside of the scope of the project at hand. Would there be a way to offer the customers discounts given the opportunities. T-5 assured the board that they are good at setting up and operating equipment, that it would be their intention to be focused on this project and not be distracted during the midst of the FCWD project to stop and do other customers' work while the FCWD project sits on hold.
4. Discussion with T-5 on experience and staffing. T-5 contemplates that with this project, there would be 1 subcontractor and 3 employees, all direct hires. Further discussion about mobilization costs being billed up front and the logistics of acquiring materials. Contractor would submit draw request to A2Z Engineering, who would then review and get to RD, and then FCWD could write check.

iii. Vote on Project Contractor – hold off until next meeting.

iv. Meter Installations, Meter Pits and Curb Stops

1. Past Due Accounts / Accounts Currently not in service – Board discussion about whether a property is abandoned, and whether there should be a meter installed. Determined that there needs to be a Resolution, and that if customers stop paying there is the ability to add the water service

charges to the county property taxes. Further discussion with the Board regarding low-income district, and what to do if a property owner wants to add a meter after the project. The brand of after-project meters will need to be a specified and must include electronic reading.

2. Board discussed that there are a set number of meters as part of the project. Further discussion about the meter pits and whether it may be a viable solution for customers to hire T-5 Construction separately to add additional connections to the meter pits. Board also discussed the need to have a meter pit installed for A&W / commercial account.
3. Board discussed the need for an Ordinance to be put in place with regard to the meters and meter pits, in order to protect the District. If the customers want to install a meter pit ahead of time, before a service line, the charge to do so should not go through FCWD, they should work with the Contractor separately.
4. Board discussed advisability of installing curb stops on vacant lots, where there is a potential to develop within the next couple of years. In some cases, the lots are very small and narrow. It is possible, however, to have multiple meters on one lot.
5. Board discussed having a letter prepared to the water customers advising of the status of the water system improvement project, and advising that if the property is an existing District Customer and current on payments, a meter pit and meter will be installed at the FCWD cost. Any additional pits or meters will be at the customer's own cost and the letter should provide an introduction to the Contractor and provide contact information. It will be important that the customers understand that this is the only opportunity to sign up for service, this is the most cost effective time to do so, without having to later dig up any streets. But that there will also be a hard cut off date for this, so as to not hinder the completion of the district project.

v. Scheduling of Upcoming Public Meeting

1. Waiting on information from Lyle / Rural Development for numbers. Once the District has that information, can calculate the required notice period for publication. Anticipate having this information at January meeting and then February would be the Public Meeting, which would be used to advise Customers of any revisions to water rates.

c. Upcoming Board Election – 3 seats up for election during 2020.

- i. Brief discussion that the three seats that are up for election, those Board members will need to go down to the Election Department and sign up.

d. DEQ Water Test Requirements

- i. Harold received a letter from the DEQ, which he provided to Shane to review. The letter advised of testing required every 9 years, which will need to be done between Jan 1, 2020 and December 31, 2022. Shane will go to ME Labs and figure out costs and get these tests scheduled.

V. Old Business

- a. Discussion with Shane about overdue customers. He will review the list of accounts that are significantly behind and will provide them with shut off notices and where the water can be shut off, he will do that.
Discussion with the Board further about if a customer is not paying, still need to install the meter pit or curb stop. If there's a structure, it should get a meter. If the owner doesn't pay, need to put it on their county property taxes.

- b. Phygg's Deli Property for past due water service following property sale. Determined the owner's information according to County records:

Joseph A. Schumacher & Tamara S. Sundberg
MT Hwy 206 E, Columbia Falls, MT 59912

Eclipse will send a bill to Linda Bosworth and she will send them a letter with the past due information. The concern is that this is a commercial property and the district cannot have commercial properties go off-line in order that the District has the necessary funds coming in to pay for the loans.

- c. There is a new owner of the gas station, which Eclipse has the information and is billing.

VI. Operator's report

Shane Pierson provided the Operator's Report, having taken the meter readings on December 2, 2019.

Water meter reading: 20,471

Well 1 - 299,850

Well 2 - 200,000* estimate based on time running

Total: 499,800 gallons for the month of November.

Water tests for the month were satisfactory.

The distribution pump failed and was repaired.

November's electric bill from Flathead Electric was \$286.83

VII. Financial report

Secretary provided financial reports as of December 8, 2019 as follows:

Revenue to date this fiscal year: \$ 22,368.75

Expenses to date this fiscal year: \$ 6,823.99

Checking account balance: \$ 6976.51

Reserve bank balance: \$ 27,304.79

Checks written / Payments Issued During December, 2019 from Glacier Checking Acct:

Check #383 to Pierson Services for monthly service: \$455.00

Check #384 to Eclipse Tax & Accounting - monthly accounts and billing: \$381.90

Check #385 to Tina Bondy for monthly service: \$225.00

Check #386 to Gregorys Pump Service: \$3100.00

Check #387 to ME Labs: \$313.00

Payment to Flathead Electric: \$295.20

Checks written / Payments Issued During December, 2019 from Construction Acct:

Check #1009 to A2Z Engineering for \$3496.00

VIII. Correspondence

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

IX. Additional items for discussion

- a. Eclipse contract for 2020 was received. Everything has remained the same from 2019 annual contract. Following a brief discussion, Linda Bosworth made a Motion to sign the December 5, 2019 contract between FCWD #101 and Eclipse Tax and Accounting. Harold seconded the Motion and all voted in favor.

X. Adjournment at 9:51pm

President announced the next General Meeting of the Board is scheduled on January 7, 2020, 7pm, at the Badrock Fire Department.