

# FLATHEAD COUNTY WATER DISTRICT #101

## POB 1141, Columbia Falls, MT 59912

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\*\*\* Meeting Minutes March 3, 2020 \*\*\*

### **Public Hearing:**

#### I. Call to Order at 7:04pm.

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

Also present: Shane Pierson, Certified Water Operator / General Manager; Matt Nerdig, Engineer; Randy Snyder, Board Attorney; Britt Bell, John Toftum, Kelly Bennett and Julene Hatlen

#### II. Discussion of the Water Rate Increase

Shane Pierson began by explaining ERUs, calculations and guidance that went into the water rate increase. Will be a set amount each month that will enable the district to cover its obligations.

All homes / RVs will be 1 ERU;

All commercial properties will be at least 2 ERUs, and

The hotel will be 8 ERUs.

The computation is based on 1000 gallons, which is the fairest way to break it down, so that some users are not subsidizing heavier users of the system.

Shane discussed the new radio-read meters. In order to allay customer concerns about getting a surprisingly higher monthly bill, Shane will be happy to let them know for the first couple of months the amounts that they are using when he does the readings, so the customers can get an idea of their water usage.

#### III. Public comment and questions

Ms. Hatlen asked whether there is an option to have a private well. There was a discussion about the current cost of a well, approx. \$58 a foot, and would need to be about 300' deep. Matt also provided information that being in a county water district, a private well cannot be drilled.

Ms. Hatlen also asked the Board when the Customers can expect the water rates to increase again. The Board discussed these concerns with those in

attendance: the Board's plan is for the water rates to \*not\* increase further. The Board does have discretion to increase the rates up to 5% per year, but the FCWD Board is a non-profit organization and there is no incentive for the Board to raise the rates. The discussion further acknowledged that with this project, the District was awarded an almost unheard ratio of 50% grants to loans in government funding; further the District will be paying back the loans with the low interest rate of 1.75%.

Further discussion about the Asset Replacement / Emergency account and other contingencies and restrictions placed on the District with this funding. The Board is only charging \$2.00 per 1000 gallons of water used. This is not a lot, and is fair, and the Board has also raised the commercial rates. The intent for this is to set the District up for the future, so that the District can pay back the loan, but the District is not making any profit.

The Board and Shane noted that during the Pre-construction conference, Rural Development representative was impressed with this Board; with the thoroughness and thoughtfulness, as well as it's judgment and use of the funding. They did a good job and will get the District back on track.

## **General Meeting:**

- I. **Minutes** – Secretary reviewed the Minutes from the February 4, 2020 meeting. Following discussion, Linda Bosworth made a Motion to accept the Minutes as read. Harold seconded the Motion and all voted in favor.

- II. **Time for Public Comment and Discussions**

- a. 5 min allotment for each property owner bringing a topic to the Board for discussion.

- III. **New Business**

- a. **System Improvement Project**

- i. **Status Update**

- John Toftum provided the project status update. He is currently awaiting some supplies; pumps expected in on Thursday. The tank was patched on the outside. John mentioned that he dug a foundation yesterday for someone else, and noted that the ground may be soft enough to start digging sooner than anticipated for the FCWD project.

- Once land is starting to get moved, Shane will notify district customers before water will be out of service.

- ii. **Resolutions:**

- 1. Resolution of Intent to Raise Water Rates

Brief discussion of this previously voted Resolution.

2. Resolution Approving Water Rate Increase

Brief discussion of this Resolution by the Board regarding prepared resolution by Bond Attorneys.

3. Resolution Approving Bond Anticipation Note

Discussion with the Board and Randy about this resolution, the Note and maturity date of 2/2022. This Resolution goes into depth about the bonds to be issued; Discussion about the Note which allows the reduction of interest rates if Rural Development drops them. Board discussion to calendar that date and reassess.

Randy recommended, as these were prepared by the Bond Attorney, that the Board accept these 3 resolutions. As of this point, the closing is set for 3/27/2020.

4. Resolution Approving Tax Compliance Procedures

Brief discussion of this Resolution by the Board regarding the requirement of this Resolution by the IRS to cover bonding procedures.

Following these discussions and upon the recommendation of Randy Snyder, Board Attorney, Linda Bosworth made a Motion to accept the 3 Resolutions described above. Brian Rohletter seconded the Motion and all voted in favor.

Linda Bosworth further made a Motion to accept the Resolution Approving the Bond Anticipation Note. Harold seconded the Motion and all voted in favor.

Linda Bosworth made a Motion to accept the Resolution Approving Tax Compliance Procedures. Brian seconded the Motion and all voted in favor.

Next steps – There will be a meeting scheduled at A2Z offices on 3/27/2020. Matt will get all of these Resolutions to Tricia at the Bond Attorney's office by 3/16/2020. The official Note will come to Harold and needs to be signed and back to Tricia by 3/25/2020.

The first draw will take out the Interim / Construction loan and the old Emergency Loan.

Tina will set up a call with the Bond Attorney's office regarding the timing / signatures and documents and for clarification about some references on the Resolution Approving the Bond Anticipation Note.

**iii. Meter Ordinance**

There is an outstanding question as to the Meter Ordinance previously prepared and discussed amongst the Board members; Board secretary will connect with Randy to discuss following the meeting.

- b. **Eclipse meeting to discuss implementation of meter charges and rate increase.** Harold and Shane will meet with Eclipse to attempt to make simple the new billing structure. The anticipated start for the rate increase would be the April billing.

#### IV. Old Business

- a. **Upcoming Board Election** – 3 seats up for election during 2020

Brief discussion about when this election may be scheduled; school and county board elections are generally in May.

- b. **DEQ Water Test Requirements**

Shane has an updated list of tests to be made over the next 3 years; reluctant to run these extra tests before the current project is completed. It won't hurt the district to put off until that time.

#### V. Operator's report

Shane Pierson provided the Operator's Report, having taken the meter readings on February 29, 2020.

Water meter reading: 30990

Well 1 – 284,800

Well 2 – 150,000\* estimate based on timing

Total: 434,800 gallons for the month of February.

Water tests for the month were satisfactory.

Shane has received the new Consumer Compliance Report for 2020, he gave a copy to Harold and will send a copy to Tina for posting to the website.

On 2/29 switched to run off tank to drop the tank level to dry and get patched; bringing tank back up to level late tomorrow night. The tank is currently empty. When that happened, the tank alarm did go off, which was loud.

Shane also advised the Board that during this project his hours will likely go up somewhat. He had let Harold know and talked to Matt about this and with the project funding, some of that may be covered under administrative budget.

February's electric bill from Flathead Electric was \$279.70.

#### VI. Financial report

*Secretary provided financial reports as of March 1, 2020 as follows:*

Revenue to date this fiscal year: \$ 34,353.49

Expenses to date this fiscal year: \$ 12,381.01

Checking account balance: \$ 9,260.36

Reserve bank balance: \$ 27,304.79

*Checks written / Payments Issued During February, 2020 from Glacier Checking Acct:*

Check #397 to Pierson Services for monthly service: \$420.00

Check #398 to Eclipse Tax & Accounting - monthly accounts and billing: \$431.80

Check #399 to Tina Bondy for monthly service: \$187.50

Check #400 to Daily Interlake: \$156.06

## VII. Correspondence

- a. The Board received a thank you card from the Badrock Fire Department for the donation.
- b. The Board received complaint from a customer that had provided a post-dated check, which bounced because the customer had not requested it be held. As a result, the bank charged him \$30, which he reduced from his monthly water bill. Discussion about this with the Board. Randy provided guidance about post-dated checks, and the fact that the issuer must provide notice. Unless an arrangement has been agreed upon between the parties, there is no obligation by the District to hold the check.

## VIII. Additional items for discussion

Matt provided explanation for a change order, analysis and request for the Board's approval.

A 4" boring was approved for under Hwy 2 and also out at Taber's easement location. This will reduce costs and will be more efficient for contractor. Seen as a deduction before adding the 2" water pipe. The 4" boring for that length will cost \$6000, where an 8" boring will be \$38,000.

Linda Bosworth made a Motion to accept the change orders as prepared, recommended and explained by Matt regarding the T5 estimates for the Taber easement and the Hwy 2 4" direct bore. Brian Rohletter seconded and all voted in favor.

## IX. Adjournment at 9:03pm.

-- President to announce the next General Meeting of the Board is scheduled on April 7, 2020, 7pm, at the Badrock Fire Department.