

SEELEY LAKE WATER DISTRICT
MONTHLY BOARD MEETING
April 25, 2019

Attendance:

Charlie Hahn	President	PRESENT
Todd Johnson	Vice President	PRESENT
Kris Martin	Director	ABSENT
Chris Lorentz	Director	PRESENT*
Freda Rathbun	Director	PRESENT
Vincent Chappell	General Manager	PRESENT
Felicity Derry	Office Manager	PRESENT
Tammy Lewis	Operator	PRESENT**
Nathan Bourne	Pathfinder	PRESENT

*Arrived at 5:49pm

**Arrived at 5:40pm

OPENING:

The meeting was brought to order at 5:35pm at the water plant, 281 Rice Ridge Road, Seeley Lake, MT.

PUBLIC COMMENTS:

None

MINUTES:

January 31, 2019

The minutes for the board meeting held on January 31, 2019 were presented to the Board for review.

Johnson moved to accept the January 31, 2019 minutes as presented. Rathbun seconded the motion, which was then passed unanimously.

FINANCIAL REPORTS:

December 2018

Chappell noted that the accountant had made some end of year adjustments that had affected the December financials and followed through to the January financials also. These were mainly for amortization and depreciation, interest expense and payroll adjustments for the pension liability from the state.

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January 2019

Chappell noted that there had also been a few minor adjustments on the January financials.

February 2019

Chappell informed the Board that Water Sales were pretty good at \$18,548, and overall Operating income was \$20,391. Operating expenses totaled \$32,094. Several of the categories were elevated such as the Chemical expense due to the purchase of chlorine, the Repairs & Maintenance expense due to the replacement of the chart recorder in the chlorine station, the Office Supplies expense due to the Christmas dinner, the Travel & Meals expense as Derry had attended the Great Falls conference, and the Vehicle expense as tires, brakes and an alternator were purchased for the work trucks. Operations showed a loss of \$11,000, with debt retirement included the net income was \$1,776. All of the accounts were tracking well. The DNRC loan payable account was \$114,000. The bank and credit card statements were reviewed. There were no issues.

Johnson moved to approved the February financials. Hahn seconded the motion, which was then passed unanimously.

March 2019

Chappell noted that Water Sales had dropped. The overall Operating income was \$17,882. The year-end review from the accountant cost \$400, which was an unexpected expense. Lewis had attended some training, which had elevated the Travel & Meals expense. Operating expenses totaled \$22,890. There was a \$5,500 loss for the Construction Services expenses stemming from the frozen pipe digs. The total net income of March was \$2,844. Johnson had reviewed the bank and credit card statements.

Johnson moved to accept the March 2019 Financial Reports as presented. Rathbun seconded the motion, which was then passed unanimously.

Chappell informed the Board that there were excess funds of \$114,308.14 in the DNRC Loan Payable account, which needed to be transferred to the Capital Projects account.

Rathbun moved to transfer \$114,308.14 from the DNRC Loan Payable account to the Capital Projects account. Johnson seconded the motion, which was then passed unanimously.

DELINQUENCY REPORT:

April 2019

The Board reviewed the April 2019 Delinquency Report.

Lorentz moved to accept the April 2019 Delinquency Report. Rathbun seconded the motion, which was then passed.

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OPERATIONS REPORT:

February, March & April 2019

Chappell informed the Board that in February the chart recorder in the lower station had failed and was replaced. General maintenance was performed in the plant. The snow was removed around the fire hydrants twice this year. Derry and Chappell attended the Montana Rural Water conference, which was very informative. One of the fire hydrants was repaired after it was damaged by a plowing company. The expense was charged to the plowing company. Quarterly testing and some additional EPA testing were completed. Lewis attended some CEC classes. The last week of February was spent digging and trying to thaw frozen water lines, utilizing the thawing machine that was purchased a couple of years ago. During these digs some illegal lines were discovered, which were removed and some leaking fittings were replaced in the process. Two mainlines froze leaving multiple homes without water. The first frozen mainline thawed and then blew apart. The main was shut down and repaired the next morning. There was still 900' of mainline frozen. While waiting for the mains to thaw Chappell took a week off. The Board discussed how to possibly avoid the main from freezing again and why the frost was so deep this winter statewide.

The water loss was at 1.09 million gallons of water in January, 1.02 million gallons in February and then in March 770,000 gallons. Leak detection would start in the spring, especially in all of the areas that had frozen.

Johnson moved to accept the February, March & April 2019 Operations Report. Rathbun seconded the motion, which was then passed.

OLD BUSINESS:

Resolution# 03-M19-01 - Policy Manual

Chappell noted that there was a resolution to accept the revised Board and Management Policy Manual, and then reviewed the revisions. The Board discussed the revisions. No public comments had been received.

Lorentz moved to accept Resolution# 03-M19-01, which would accept the revised Board and Management Policy Manual. Rathbun seconded the motion, which then passed unanimously.

The Board voted as follows on Resolution #03-M19-01:

Board Member	Yea s	Nay s	Absent
Charlie Hahn	X		
Todd Johnson	X		
Kris Martin			X
Chris Lorentz	X		
Freda Rathbun	X		

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Resolution#03-M19-01 was passed to accept the revised Board and Management Policy Manual.

SCADA Update

Chappell noted that MET had been hired to update the system that ran the plant and the SCADA data collection system. There had been numerous issues and the update was still not completed. To date MET had absorbed all of the additional costs beyond the bid.

NEW BUSINESS:

System Impact Fees

Chappell informed the Board that the Alpine Trails subdivision that had been in the planning for over a decade and was finally beginning construction. There would be twenty-four lots with service connections. All of the infrastructure was engineered and installed by the developer to the District's specifications. Each lot would pay a tap and a system development fee, these kinds of fees were standard in the industry. A residential connection (3/4") would cost \$1,520, or a 1" connection would cost \$2,465. These fees had been charged to each tap over the years. The fees would not be charged until the properties had water, at which point they would all be assigned an account number and monthly billing would commence. Once the infrastructure was in place and the District had signed off on it, then it would be turned over to the District and become part of the District's system.

Frozen Water Lines & Main

Chappell informed the Board that two people had disputed the invoice for thawing their service lines. At the time the customers wanted their service lines to be thawed. Both had questioned how the District could prove that the service line was frozen in their driveway, before it froze at the street, which technically was difficult to demonstrate. In one instance the service line was frozen in the yard, where it had frozen previously, but then it froze all the way out to the mainline. That customer did not trickle their water as requested. One service line was thawed from the crawlspace out to the street and had ice 15' from house, under a ploughed driveway. In most communities the frozen service line would be the customer's responsibility. The Board agreed to allow people to pay their invoices over time, to be fair and consistent with everybody. Chappell noted that the customers that were instructed to trickle their water had that excess water written off.

Website

Chappell informed the Board that there was a National Rural Water program to provide websites at a low cost. The websites were easy to maintain and would allow documents to be placed online and potentially to provide online bill pay. The CCR could be placed on the website, avoiding the time and cost of it to be mailed, which would cover the annual cost of the website. The Board discussed the proposal.

Johnson moved to approve payment of the website setup and annual maintenance proposal. Lorentz seconded the motion, which was then passed unanimously.

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CORRESPONDENCE:

Deb Thomas

Chappell noted that Lewis had found the leak while reading the meters. The leak was fixed immediately. This was the first request for a leak adjustment from this customer.

Johnson moved to approve the leak request for \$187.64/81,230 gallons on this one occasion. Rathbun seconded, which was then passed unanimously.

James Ion

Chappell noted that this customer had a leak that had caused major damage to the home. It was discovered after the flow in the chlorine station had jumped up. This customer had a leak in his driveway previously, but it was not metered, so he did not request a leak adjustment. This was his first leak adjustment request.

Lorentz moved to approve the leak request for \$174.00/75,325 gallons on this one occasion. Rathbun seconded, which was then passed.

NEXT SCHEDULED MEETING:

The next Board meeting was scheduled for May 30, 2019.

ADJOURNMENT:

Rathbun moved to adjourn the meeting at 6:57pm. Martin seconded, which was then passed unanimously.

Attest:

Todd Johnson, Vice President
-And-

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Vince Chappell, General Manager