

SEELEY LAKE – MISSOULA COUNTY WATER DISTRICT
MONTHLY BOARD MEETING
June 27, 2024

Attendance:

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

OPENING:

Lorentz moved to open the meeting at 5:30pm. Martin seconded the motion. The meeting was held at The Water Plant.

PUBLIC COMMENTS:

None.

MINUTES:

May 2, 2024

Johnson moved to accept the May 2, 2024 minutes of the Regular Board Meeting as presented. Martin seconded the motion, which was then passed.

FINANCIAL REPORTS:

April 2024

Johnson had met with Chappell to review the April & May financial reports. The Water Sales income was not too bad for this time of the year. The Admin Fees income was a little low, but overall, Operating income for April was approximately \$5,000 shy of budget and the expenses had been good. Johnson noted that for the month there was an Operating loss of approximately \$1,1000, with debt service included, there was a profit of approximately \$7,500.

Johnson noted that all the accounts looked good, except for Capital Projects, which was down approximately by \$50,000. Chappell noted that those funds had been transferred to the Loan Payable account, as there were not sufficient funds in the checking account to make that transfer. Johnson added that the Accounts Payable was high due to the tower project.

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May 2024

Johnson noted that the Water Sales income in May was about the same as April, approximately \$3,000 below budget. Chappell noted that was normal for this time of the year. Adding that the invoice for BlackMountainSoftware annual maintenance had been higher than expected and had pushed that category over budget. Johnson noted that the Utilities expense was high and there had been some Construction expenses to fix leaks. There was an Operating loss of approximately \$11,000 for the month. When debt retirement was included, there was a profit of approximately \$2,200 for May.

The Capital Projects account unreserved funds were down again, as they were used to pay for the tower project. Chappell added that those funds would be reimbursed by the Missoula County grant. Johnson noted that Accounts Payable was considerably lower.

Johnson had reviewed all the accounts. All the checks had two signatures and there was nothing abnormal. The March credit card statement, which had been missing in the March packet, had been reviewed this month.

Johnson moved to accept the April & May 2024 financial reports. Martin seconded the motion, which was then passed.

DELINQUENCY REPORT:

Chappell reviewed the delinquency report.

Martin moved to approve the June delinquency report. Lorentz seconded the motion, which was then passed.

OPERATIONS REPORT:

May & June 2024

Chappell informed the Board that maintenance was performed and leak detection continued. Four small leaks had been found. One was district maintenance; the others were on the customer's side. A tap had been completed on Double Arrow Phase 2. There was the possibility of two more taps and installing a couple of meter pits. The lower chlorine station had been misbehaving. One of the units had to be totally rebuilt and the second will be up and running once the parts were received.

The water loss was at 26%. The numbers had been consistent at 1.3 to 1.6 million gallons. There were still leaks out there that had not been found.

Johnson moved to accept the May & June 2024 Operations and Loss Report. Lorentz seconded the motion, which was then passed.

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OLD BUSINESS:

Meter Project – Phase 2 Tower Project - Update

Chappell noted that this project was complete. Derry had confirmed with the Missoula County Grant Administrator that the District could purchase the meters to replace the large meters that could not be converted to the new system. Two six-inch meters had been ordered, as well as an eight-inch meter for the corner of Morrell Creek Drive and Tamarack. Derry had closed out the grant funding with Missoula County.

Chappell noted that the system was reading well. The large meters still had to be read the old way until the new meters were installed. Sprinkler systems showed up as a burst, so there had been lots of alerts from the system, as many people had been watering.

Pine Drive Main Extension - Update

Chappell noted that this project was on hold.

2024 Rate Increase/Mill Closure

Chappell had put together a notice for the Pathfinder. Discussion followed on mailing a notice to customers and when the mill would be turning off city water.

Chappell noted that for the last couple of years the revenue from the mill was \$60,000 to \$71,500. Once the water was turned off, the mill would still pay the base fee and debt service, which would total approximately \$10,000 a year. This represented a huge loss of revenue. Chappell reviewed his calculations on how that would affect each customer, including the ongoing reliance on debt service, and projected that the required rate increase would need to be \$10. Noting that \$8.50 stemmed from the mill closure and the remaining \$1.50 would bring operations into the black.

The ad will be placed in the newspaper, notices will be mailed to each customer regarding the rate increase and for a public meeting in the fall, where an ordinance for the rate increase will be need to be passed. The mill closure frees up 24 million gallons of water rights, so the District could now accommodate more development. Discussion on possible development and expansion followed.

Johnson moved to approve old business and update the rate increase notice. Lorentz seconded the motion, which was then passed.

NEW BUSINESS:

Bond Payments

Chappell noted that the bond payments for July 1, 2024 totaled \$112,311.25. The Loan Payable account balance was \$154,715.49.

Martin moved to approve the bond payments totaling \$112,311.25. Lorentz seconded the motion, which was then passed.

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Chappell noted that the bond totals were now down to \$99,000 and \$997,0000 respectively.

CORRESPONDENCE:

None.

NEXT SCHEDULED MEETING:

The next Board meeting was scheduled for July 25, 2024.

ADJOURNMENT:

Johnson moved to adjourn. Martin seconded the motion. The meeting was adjourned at 6:12pm.

Attest

Charlie Hahn, Director

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Vince Chappell, General Manager