

SEELEY LAKE WATER DISTRICT
MONTHLY BOARD MEETING

August 30, 2018

Attendance:

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

* Arrived at 5:37pm

OPENING:

The meeting was brought to order at 5:33pm at the water plant, 281 Rice Ridge Road, Seeley Lake, MT.

PUBLIC COMMENTS:

None

MINUTES:

April 26, 2018

The minutes for the board meeting held on April 26, 2018 were presented to the Board for review.

Johnson moved to accept the April 26, 2018 minutes as presented. Martin seconded the motion, which was then passed unanimously.

FINANCIAL REPORTS:

April 2018

Johnson noted that he had reviewed the financials with Chappell each month. Chappell said that April Water Sales income was \$17,400, which was below the budgeted average. There was \$-480 in Adjustments and \$1,047 in Admin Fees. Other Operating income of \$566 was from the Sewer District. Overall income was \$18,986, which was pretty good for April. Expenses were fairly quiet overall. The telephone capital credit of \$716 was received. Total expenses were \$19,850. Deer Creek had worked on repairing a mainline break back in February and billed it in April. Total net income for the month \$12,106. All of the accounts were tracking well. The DNRC loan payable account was already at \$75,000. Accounts Payable was down. Johnson had reviewed the bank accounts, credit cards and signed off on the monthly sheet.

08/30/2018

Regular Monthly Meeting

Seeley Lake – Missoula County Water District

May 2018

Chappell said that it had been a wet spring and not much water was being using. Water Sales income was \$18,855. Admin Fees income was \$1,100 and the income from the Sewer District was \$382. Total income for the month was \$20,753. The Office Supplies expense was high due to the purchase of stamps. The BlackMountainSoftware annual maintenance bill and some computer repairs elevated the computer expense. Total expenses were \$23,224. A leak had been found during leak detection and Chappell had been under the impression that it was on the District's side, but once it was dug up it was found to be on the customer's side. Part of it was repaired and buried, now the homeowner was in the process of getting it fixed. The total net income for the month was \$10,700. The DNRC loan payable account had sufficient funds for the next payment. Accounts Payable was good. All of the bank accounts and credit card statement were reviewed and looked good.

June 2018

Chappell noted that the Water Sales had picked up a little at \$21,540. Admin Fee income was \$1,169 and Other Income from the Sewer District was \$510. Total Operating income was \$23,711. The Chemical expense was elevated due to the purchase of poly caused by the high turbidity of the lake from the spring run-off. The turbidity had been two to five times higher than normal, which had never happened before. It was expected that the chemical budget would be blown this year. The Office Supplies expense was high due to postage for the CCR. The Repairs & Maintenance expense was high as the generators were serviced costing \$3,900. Total expenses were \$29,000. Without the increased Repair & Maintenance and Chemical expenses there would have been an operating profit for the month. Total net income for June was approximately \$7,300. At the end of June, the loan payments were made dropping the DNRC Loan Payable account. Approximately \$25,000 was deposited to that account each month. Consequently, the loan balances lowered under long-term liabilities. Accounts Payable had increased due to the generator maintenance. Johnson reviewed all the bank and credit card statements. There were no problems and Johnson signed off on the June financials.

July 2018

Chappell said that Water Sales had risen to almost \$31,500 in July. There was more Sewer District income with a total income of \$33,200. The only high expense was the annual insurance premium of \$6,700. Total expenses were \$26,000. There were a few service line digs under Construction expenses, which the District will be reimbursed for. Total net income for August was \$19,000. The DNRC Loan Payable account was increasing again. The Checking account had dropped after paying the bills that had elevated Accounts Payable the previous month. Accounts Payable was high again this month due to the capital expense purchase of fire hydrants for \$17,000, which the Board had approved as part of the budget last year. All of the accounts and credit card statements were reviewed and had no issues. Chappell asked if the Board had any questions. Johnson asked what the projection was for Water Sales. Chappell replied that he thought it should be close.

Johnson moved to accept the April, May, June and July 2018 Financial Reports as presented. Lorentz seconded the motion, which was then passed.

08/30/2018

Regular Monthly Meeting

Seeley Lake – Missoula County Water District

DELINQUENCY REPORT:

August 2018

The Board reviewed the August 2018 Delinquency Report.

Martin moved to accept the August 2018 Delinquency Report. Grimes seconded the motion, which was then passed.

OPERATIONS REPORT:

May, June, July & August 2018

Chappell informed the Board that he had started leak detection as early as possible due to a higher than normal loss. Double Arrow Phases 1A & II were leak detected last year. The full core of town and Riverview Drive had been completed. Work had begun on some of the many issues that were discovered. Most of them were homeowner leaks on the unmetered side of the line. A few leaking curb stops were also found. After exercising those the leaks went away. During leak detection numerous maintenance issues were found such as stuck curb stop lids that were too low or there were maps that used cable tv pedestals that had to be remapped.

During the summer they had helped with six water line repairs or replacements. Most were full replacements into homes. Seven fire hydrants have been installed. There was one more fire hydrant that will be replaced on Double Arrow Phase 1A before winter. Three of the replaced fire hydrants were from last year's maintenance list that did not get completed due to the fire, as well as the five that had been planned for this year.

There was high turbidity due to the increased run off this year. It was the longest lasting high turbidity that he had ever experienced. The normal turbidity for the raw water is 0.2NTU or 0.3NTU. The maximum level that it can leave the plant is 0.3NTU. The raw water has been 2.5NTU, and up to 5NTU, which is unheard of here. Before now it had been 1.5NTU, tops. It has been hard to treat and consequently a lot of water cleaning filters and chemicals have been used.

In the second quarter Chappell forgot to do a HAA5 test. There was a screw up in the first quarter with DEQ and he thought he had done the test but had not. Unfortunately, that triggered a monitoring violation, which had to be mailed to customers and placed in the newspaper. Chappell had only received a comment from one person.

The CCR was published in June. There were continuing issues with the chlorine stations. The main pump had to be replaced at a cost of \$1,200. On the whole everything was running well. There were only a few minor issues. Another community had the same equipment the District has and replaced it because they didn't like it. Montana Rural Water was helping the community and talked to the mayor of the town to see if we could purchase it. Chappell had also spoken to the mayor and made a deal with him to purchase the equipment for \$300 if the Board would allow that. They had four units, each of which cost \$3,000. The Board discussed the possibility. Lorentz asked what they replaced the units with. Chappell replied that he thought it was liquid chlorine, which was what the District had used before the project. The District could not do that because of the volume that was used. Also, it was not feasible to get the liquid chlorine to the stations in the winter, which is why the briquettes were used. Chappell would be going over there tomorrow on the way to Great Falls. If it was okay with

08/30/2018

Regular Monthly Meeting

Seeley Lake – Missoula County Water District

the Board Chappell would like to take a blank check. That way if there was anything that he did not want to purchase he would try to talk him into accepting less. If he did find some of the chlorine, he would offer \$75, which would be half price. Grimes asked if there was anything else that might be useful. Chappell said that he would look to see if there was anything that the District had that he could trade.

The maintenance was performed on the generators. The only issue was at the lower chlorine station the head on the generator fell apart. The parts for that were on order to repair it. The rest of the time was spent mapping, working on fire hydrants and routine maintenance. It was a busy four months.

Back in April the water loss was up to 1.2 million gallons, as 25% loss. In May it was just under a million. Some work was done around the system, which lowered it to 875,000 gallons in June and then 628,000 in July. Twelve leaks were found this spring. Some were minor, but a couple of them were fairly big. Two still needed to be repaired. One of those was a major unmetered leak that needed to be fixed promptly. There had been no taps so far this year. There might potentially be one before the end of the year, so that budget item probably would not be met.

Johnson moved to accept the May, June, July & August 2018 Operations Report. Grimes seconded the motion, which was then passed unanimously.

OLD BUSINESS:

Reviewing Policy Manual, Old & New Material – Taking Public Comment

Chappell said that it was done; however, everybody needed to read through it and agree to it. The Board discussed this and agreed that it would be reviewed at the next meeting. Chappell will review the notice requirements.

SCADA

Chappell noted that the computer issues that that were referenced earlier did not include the computer that ran the plant. The quote from Neely was \$30,000. This included some upgrades and would put all of the programs into the District's name and not his. The other quotes were for \$6,800 and \$8,600 but they did not cover everything that Neely did. Chappell will send out a more precise work list so that the quotes would be comparable.

Bond Payments

Chappell said that the bond payments were made on July 1, 2018. These had been approved by the Board via email, but they needed to be formally approved.

Johnson moved to approve the bond payments totaling \$104,921.25. Lorentz seconded the motion, which was then passed.

NEW BUSINESS:

Energy Partners

Derry said that Energy Partners had a prepaid contract for residential customers where you could

08/30/2018

Regular Monthly Meeting

Seeley Lake – Missoula County Water District

purchase propane at a set price for the upcoming winter season based on your usage the previous year. Because the commercial price exceeded the contract amount the last two years, they have sent out contracts to all of their customers. A summary of the previous three years of usage and contract price comparison had been included in the packets. The Board discussed the possibility of a contract and requested that Derry contact other companies to check their prices and email the different prices to them. Hahn said that he would recuse himself from that decision.

Chlorine Parts Purchase

Previously covered.

CORRESPONDENCE:

DEQ

Chappell noted that this referred to the failure to monitor.

NEXT SCHEDULED MEETING:

The next Board meeting was scheduled for September 27, 2018.

At this time the Board entered into executive session at 6:17pm.

ADJOURNMENT:

Grimes adjourned the meeting at 6:21pm.

Attest:

Charlie Hahn, President

-And-

| SEAL |

Vince Chappell, General Manager