

SEELEY LAKE WATER DISTRICT
MONTHLY BOARD MEETING
October 29, 2020

Attendance:

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

OPENING:

The meeting was brought to order at 5:50pm via conference call due to COVID-19.

PUBLIC COMMENTS:

None.

MINUTES:

July 30, 2020

The minutes for the July 30, 2020 were presented to the Board.

Rathbun moved to accept the July 30, 2020 minutes as presented. Johnson seconded the motion, which was then passed.

FINANCIAL REPORTS:

July 2020

Chappell noted that he and Johnson had reviewed the three months of financials earlier. The July Water Sales income was approximately \$28,000. There were only minor adjustments and the Operating income for July totaled approximately \$29,900. For the most part the Operating expenses were low, except for the Repair & Maintenance expense, which was elevated due to the annual generator maintenance, a water line leak and a new heater for pumphouse. The Operating expenses totaled approximately \$29,600 for July. Overall income for July was approximately \$7,100.

The DNRC loan payable account had increased due to the monthly deposit. Accounts Payable was elevated due to the generator maintenance. All the bank and credit card statements had been reviewed, and there was nothing out of the ordinary.

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Johnson moved to approve the July 2020 financial reports. Rathbun seconded the motion, which was then passed.

August 2020

Chappell noted that the Water Sales income for the month was approximately \$35,000, which was good. The adjustments were mainly from the sales of homes and totaled \$333. The total Operating income for August was approximately \$37,150. The Chemical expense was elevated as chemicals had been purchased, but otherwise the Operating expenses were normal. There had been some Construction income from the installation of a meter pit. Overall income for August was approximately \$19,400.

The DNRC loan payable transfer was not made in August due some expenses being paid. Consequently, Accounts Payable had dropped. The credit card and bank statement were reviewed, and all looked good. Johnson noted the DNRC transfer had been made in September and Derry confirmed that there had been a double payment in October.

Johnson moved to approve the August 2020 financial reports. Rathbun seconded the motion, which was then passed.

September 2020

Chappell noted that the Water Sales income for September was approximately \$26,650. The Operating income totaled \$28,488 for the September. The Testing expense was elevated due to annual testing and the Vehicle expense was high, as new tires had been purchased for the skid steer trailer. The Operating expenses for September totaled approximately \$22,300. Construction Services reported a loss from a new service line installation and fixing some leaks. The overall income for September was approximately \$13,550.

The DNRC loan payable transfer was made and the account would be caught up in October, as Johnson had mentioned. Accounts Payable was low. The credit card and bank statements were reviewed. On the credit card statement, there was a \$50 gas receipt missing from when Chappell drove his personal truck to Helena to pick up the chemicals. There was nothing else notable.

Johnson moved to accept the September 2020 Financial Reports. Hahn seconded the motion, which was then passed.

DELINQUENCY REPORT:

October 2020

Chappell reviewed the relatively short delinquency report for the Board.

Rathbun moved to accept the delinquency report for September 2020. Johnson seconded the motion, which was then passed.

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OPERATIONS REPORT:

Chappell noted that the office was still closed to the public, other than by appointment. There had been some water line replacements and some owners had installed meter pits. Many of the lots in the new subdivision had sold and four had service lines had been installed. One more service line should be installed before winter. The last of the fire hydrants were installed. The fire hydrant replacement project for Double Arrow Phase 1A and Phase 2 was now complete. The DEQ yearly and nine-year testing was completed and all the results were good. Some maintenance was performed on the chlorine stations and the plant. There were some issues with the main chart recorder in the plant. Chappell was waiting for the electrician to work on it.

The office was busy keeping up with all the properties that were changing ownership. There had been numerous water shut offs for the snow birds.

In October the meter reading equipment failed. Lewis was able to use a battery pack borrowed from Big Fork, which worked, but it was not optimal. Batteries for the battery pack were on order, which would hopefully fix the issue. If not the equipment from Big Fork would be borrowed again.

The water loss had fluctuated throughout the year. Currently it was holding at approximately 500,000 gallons of water.

The board had approved to purchase a pickup, as a reasonable used one could not be found. That had been ordered.

Johnson moved to accept the August, September, and October Operations Report. Rathbun seconded the motion, which was then passed unanimously.

OLD BUSINESS:

Work Truck

Chappell added that the factories didn't reopen until October, so the new truck was scheduled to arrive late 2020 or early 2021. The board discussed the tires on the new truck.

NEW BUSINESS:

2021 Budget & Rate Increase

Chappell reviewed the draft 2021 budget and noted that a rate increase had been included in the draft budget. Chappell reviewed the changes that had been made to the budget and how the rate increase would affect an average bill. The bond fees would not change, only the base fee and the water cost. The last rate increase had been in 2016. The operations costs increased each year.

The Board discussed the proposed increase and agreed that there should be an article in the paper prior to a rate increase and that it should not be approved until there had been input from the two board members that were absent. Chappell noted that the draft budget was for information only this month and did not need to be approved until the end of the year.

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Base Fee & Shut Off Fee Discussion

Chappell informed the Board that the policy to stop charging the base fee, the operations & maintenance charge, when the District shut off the water had been in place when Chappell had arrived twenty years ago. Most communities charged for operations & maintenance whether the water was on or off. Chappell reviewed the loss in revenue that this policy produced. Chappell recommended changing the policy and charging the base fee whether the water was on or off. Johnson agreed that the policy should be changed; however, it should be implemented mid-2021 and not the same time as the rate increase. The Board discussed the proposed policy change and how the loss of income was handled.

CORRESPONDENCE:

None

NEXT SCHEDULED MEETING:

The next Board meeting is scheduled for November 26, 2020. The Board discussed possible dates for the November meeting to avoid the meeting being held on Thanksgiving. Possible dates would be circulated to the Board.

ADJOURNMENT:

Johnson moved to adjourn the meeting at 6:32pm. Rathbun seconded the motion, which was then passed

Attest

Charlie Hahn, President

-And-

| SEAL |

Vince Chappell, General Manager