

SEELEY LAKE – MISSOULA COUNTY WATER DISTRICT
MONTHLY BOARD MEETING
May 2, 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:

Johnson moved to open the meeting at 5:32pm. Martin seconded the motion. The meeting was held at The Water Plant.

PUBLIC COMMENTS:

None.

MINUTES:

February 12, 2024

Martin moved to accept the February 12, 2024 minutes of the Regular Board Meeting as presented. Lorentz seconded the motion, which was then passed.

FINANCIAL REPORTS:

January 2024

Johnson had met with Chappell to review the financial reports. The Water Sales income was not too bad. Chappell added that the Water Sales income had been good for January. Overall, for the month, Operating income was approximately \$28,000. The Chemical expense was high, as polymer had been ordered. Johnson noted that for the month there was an Operating loss of approximately \$12,000, with debt service included, that lowered the loss to approximately \$4,000.

Johnson noted that there was nothing out of the ordinary with any of the accounts. Chappell added that the DNRC Loan Payable account had dropped as the bond payments had been made. Johnson noted that he had reviewed everything else and it all looked good.

05/02/2024

Monthly Meeting

Seeley Lake – Missoula County Water District

February 2024

Johnson noted that the Water Sales income had dropped by about \$3,000. Operating income for the month was approximately \$25,000. The Chemical expense was high again due to the purchase of chlorine. Operations showed a loss for February of approximately \$8,000, with debt service added in, the District just about broke even.

Chappell noted that there were not enough funds to transfer funds into the DNRC Loan Payable account. Johnson noted that Accounts Payable was down from last month. All the other accounts were fine. The Board had no questions.

March 2024

Johnson noted that the Water Sales income was lower again, at approximately \$24,000. The expenses totaled approximately \$33,000. For March Operations had a loss of approximately \$9,000. Once the debt service had been included, it was another break-even month. The checking account was a little high, while Accounts Payable was way down. All the rest of the accounts looked good. The credit card statement had been missing for March. Derry noted that it would be added to the April packet.

Johnson moved to accept the January, February & March 2024 financial reports. Lorentz seconded the motion, which was then passed.

DELINQUENCY REPORT:

Chappell reviewed the delinquency report.

Johnson moved to approve the April delinquency report. Martin seconded the motion, which then passed.

OPERATIONS REPORT:

February, March & April 2024

Chappell informed the Board that normal maintenance was performed in the plant. The old meters were dismantled to be turned in for scrap. There had not been enough snow to plow the fire hydrants. Chappell had completed the DEQ lead service line paperwork, which had been submitted. Lewis had found a leaking service line, and helped the owner do a temporary repair until the owner could replace the entire line in the spring and install a meter pit. The chlorine station had several issues with clogging. Some of the meters on Phase 1A had been registering temperatures in the 20s, in the meter pits. While Chappell was on vacation Kamstrup and Neely came and installed the collector for the meter reading conversion to AMI and HD Fowler had helped Lewis and Derry converting all the meters. The two six-inch meters still needed to be converted over.

Chappell attended the Montana Rural Water Conference. Chappell had found a leak before the meter on SOS Road. It was part of the old galvanized 2" system dating back from the 70s that fed the old

05/02/2024

Monthly Meeting

Seeley Lake – Missoula County Water District

SOS. It was shut off and the line was dug up and replaced. The meter was removed from the house and put in the newly installed meter pit.

Derry & Lewis have been checking the meter readings daily for leaks and issues. The new system was much more responsive and had been working well.

Chappell began leak detection on Double Arrow Phase 1 and 2. The CCR was completed early. This had been a requirement of the lead and copper paperwork. Then yesterday the first tap of the year was completed.

The water loss had been bouncing between 1.3 and 1.8 million gallons. There were leaks out there that needed to be found.

Chappell had sent a letter and bill to the fire department for the broken fire hydrant replacement. It had been turned into their insurance.

Martin moved to accept the February, March & April 2024 Operations and Loss Report. Lorentz seconded the motion, which was then passed.

OLD BUSINESS:

Meter Project – Phase 2 Tower Project - Update

Chappell noted that the project was now completed, except for the two 6” meters, which Chappell was working with Kamstrup on their replacement and how that much would cost. There was discussion as whether to replace the meter at the mill. There were some grant funds left, that could potentially pay for the meters.

Pine Drive Main Extension - Update

Chappell noted that all the documents had been approved, he was waiting for an updated contractor bid.

Thawing Equipment Purchase

Chappell had put together information, but suggested tabling this item.

Johnson moved to accept Old Business. Martin seconded the motion, which was then passed.

NEW BUSINESS:

2024 Rate Increase/Mill Closure

Chappell noted that the mill was shutting down and there were no promising prospects to keep it open. Johnson added that there was interest to keep it open and while there was still a lot going on politically, there was nothing concrete. Johnson reviewed the current situation and what could happen to the land in the future.

05/02/2024

Monthly Meeting

Seeley Lake – Missoula County Water District

Chappell noted that potentially the mill would turn the water off in September, which would drop the water income by 20%, and would result in a potential drop of \$17,000 for the rest of the year. Next year if the water stayed off to the mill, it would mean a loss of \$60 -70,000. The budget was already tight and there was really nothing in the budget than could be cut. The chemicals and electricity would go down, that could save about \$11,500. That still left a potential loss of approximately \$50,000.

Hahn noted that there would need to be a rate increase. Chappell agreed that there would need to be a rate increase that took effect before the end of the year and would require public meetings. Johnson thought that the mill would keep the water on until the end of the year. Chappell had calculated that there would need to be an increase of approximately \$15 a month per customer. Chappell had talked with Johnson a little bit regarding the loss of income from the mill closure. There was discussion on putting an article in Pathfinder and doing a customer mailing.

Chappell had sent emails to the Commissioners and the state funding agencies, there were no grants for O&M, only projects. To date the only suggestion had been to refinance the loans, which would end up being at a higher interest rate, so was not a good option. There was discussion regarding the District finding ways to cut the budget and how to best inform the District's customers of the rate increase.

Chappell had added a copy of the 2024 budget and the projected 2025 budget for the Board to review.

CORRESPONDENCE:

None.

NEXT SCHEDULED MEETING:

The next Board meeting was scheduled for May 30, 2024.

ADJOURNMENT:

Johnson moved to adjourn. Martin seconded the motion. The meeting was adjourned at 6:22pm.

05/02/2024

Monthly Meeting

Seeley Lake – Missoula County Water District

Attest

Charlie Hahn, Director

-And-

| SEAL |

Vince Chappell, General Manager

05/02/2024
Monthly Meeting
Seeley Lake – Missoula County Water District