

SEELEY LAKE WATER DISTRICT
MONTHLY BOARD MEETING
October 28, 2021

Attendance:

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

OPENING:

The meeting was brought to order at 5:37pm. The meeting was held via a conference call.

PUBLIC COMMENTS:

John Richards informed the Board that he had been trying to resolve Larry Richards' DNRC lease issues. Chappell reviewed the number of accounts that the Water District billed, including those on state lease land, and the specifics of Larry Richards' account for John Richards. Discussion followed on whose name was on the account and when DNRC would take responsibility for this account. Chappell outlined why the Base Fee was being charged on the account and the Montana Code Annotated that governed how the District billed for services.

Discussion followed with the Board and John Richards on the possibility of settling the bill for this account.

John Richards offered to write a \$500 check tomorrow and requested that the Board waive the remainder of the fees and be done with it.

Chappell reviewed the charges that applied to this account and discussion followed on whether DNRC had canceled the lease.

The Board discussed whether waiving fees for this account would be equitable to other customers in the District. The Board agreed that the District had nothing to lose by waiting for the court case to be settled and agreed not to waive any charges on this account. Also, that waiving any charges on this account would set the wrong precedence.

Lorentz moved to stand pat on the policy. Johnson seconded the motion, which was then passed unanimously.

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John Richards left the meeting at this time.

The Board reviewed their decision and that the District had to treat each customer in the same manner and be equitable to all customers.

MINUTES:

August 26, 2021

Lorentz moved to approve the August 26, 2021 minutes of the Regular Board Meeting as presented. Johnson seconded the motion, which was then passed.

FINANCIAL REPORTS:

August 2021

Johnson noted that he had reviewed the financials yesterday. Chappell noted that the Water Sales income for the month was approximately \$35,000 and there was \$19,260 in Tapping Fee income. This was for the last of the subdivision lots, which were now paying Debt Service. Operating income for August was \$55,591. The Insurance expense was high, due to a premium increase and the Repairs & Maintenance expense was elevated by the meter pit replacement project. The Operating expenses for the month were approximately \$46,000. The overall income for the month was approximately \$19,000, which was pretty good considering the high expenses were so high. Chappell added that some of the generator work was included in the Repair & Maintenance expense, but more work was needed.

Chappell noted that the DNRC loan payable account had increased from approximately \$51,000 to \$102,000.

September 2021

Chappell noted that in September the Water Sales income had dropped to approximately \$29,000. This included the base fee that was now being charged year-round due to the policy change earlier in the year. It was projected that the Water Sales income should make budget at the end of the year, or come really close. The Operating income for the month was approximately \$30,581. Yearly testing elevated the Testing expense, but the rest of the expenses were all normal. September expenses totaled \$22,512. There was some construction income this month, some of which stemmed from tap customers paying for their asphalt patches. The overall income for the month was \$16,348.

The DNRC Loan Payable account rose to \$127,988, so there were ample funds to pay the loan. The Capital Expense rose to \$234,493 due to the expense of the new meters. This expense was reflected in Accounts Payable.

Chappell added that Johnson had reviewed bank statements and noted that one check accidentally was sent out without a double signature. Chappell had some credit card expense from attending the

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National Rural Water Conference, which he paid in full. Johnson added that he had reviewed it all and had no other comment than Chappell's credit card expense. The Board had no questions.

Johnson moved to accept the August & September 2021 Financial Reports as presented. Lorentz seconded the motion, which was then passed.

DELINQUENCY REPORT:

October 2021

Chappell reviewed the delinquency report for the Board.

Johnson moved to accept the October 2021 delinquency report. Lorentz seconded the motion, which was then passed.

OPERATIONS REPORT:

September & October 2021

Chappell informed the Board that the majority of the time had been spent installing the new meters. The larger meters, which accounted for a larger proportion of the loss, would be installed before the winter. The deteriorating weather had slowed the pace.

The District had worked with the contractor who was replacing the water line at the high school. After being shut down when oil was found in the ground, the contractor finally got approval to finish the project. Lewis installed the new meter for the high school in the pit. The Alpine Trails subdivision had been finalized and the County had signed off on it. Those lots were now paying Debt Service.

There was a water leak on one of the accounts from the meter pit replacement project. While it was not conclusive that the dig to replace the meter pit had damaged the service line, it was possible. Therefore, the District repaired the leak.

Another service line was installed. To date there had been 10 new service lines, not including the subdivision. A meter pit was installed at the property where the house had burned down this summer. Plant maintenance was performed. There had been many shut offs for snowbirds. Lorentz, questioned how much feedback there had been on the base fee going into effect. Derry had a couple of calls from owners that had forgotten about the new policy, neither were upset.

The water loss report showed that the loss was gradually increasing. The numbers from the contractor fire hydrant use had not been received, so had not been included. Whether the fire department usage during on fires could be accounted for was reviewed and whether it would distort the loss numbers.

Johnson moved to accept the September & October 2021 operations report. Lorentz seconded the motion, which was then passed.

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OLD BUSINESS:

Meter Project Update

Chappell noted that the installations were coming along, but the pace would slow with the weather.

ARPA Funding

Chappell informed the Board that the District had applied for ARPA funding for the project, the meter pits and installing the tower system. The District received nothing from the County's allocated funds. The state allotted the funding to other communities and the District did not receive any funding. There will be another round of funding that the District will be applying for.

Alpine Trails Subdivision Finalized

Chappell informed the Board that the subdivision had been finalized and they were up and running.

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

NEW BUSINESS:

None.

CORRESPONDENCE:

Patricia Davis

Chappell informed the Board that this customer had been putting extra water on her yard to protect her home from the fire and was hoping that the Board would give her relief for the increased usage due to the fire. Johnson commented that this was no different from the fire department using water to protect homes.

Johnson moved to approve the write off request in the amount of \$37.24. Lorentz seconded the motion, which was then passed.

NEXT SCHEDULED MEETING:

The next Board meeting was scheduled for November 25, 2021.

The Board discussed alternative dates to be circulated for this meeting.

ADJOURNMENT:

Lorentz and Johnson moved to adjourn the meeting at 6:33pm.

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Attest

Charlie Hahn, Director

-And-

| SEAL |

Vince Chappell, General Manager

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