

SEELEY LAKE WATER DISTRICT
MONTHLY BOARD MEETING
December 04, 2019

Attendance:

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

***Arrived at 5:32pm**

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OPENING:

The meeting was brought to order at 5:30pm at the Water Plant, Seeley Lake, MT. Johnson moved to add an executive session to the meeting. Martin seconded the motion, which was then passed unanimously.

PUBLIC COMMENTS:

None

MINUTES:

September 26, 2019

The minutes for the board meeting held on September 26, 2019 were presented to the Board for review.

Martin moved to accept the September 26, 2019 minutes as presented. Johnson seconded the motion, which was then passed unanimously.

FINANCIAL REPORTS:

September 2019

Johnson noted that Water Sales were not too bad in September; however, the 2019 budgeted amount would not be met. Conversely there were more taps than projected, which would make up for some of the shortfall. For the month operating income was \$42,000, while expenses were \$21,000. The Office Supplies expense was elevated because bill cards were ordered. Construction expenses had

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been increased due to fixing leaks on the District's side. For the month there was an Operating profit of \$18,700. When Debt Retirement was included, the income totaled \$32,000.

Money was transferred from Capital Projects to pay for the fire hydrants that had been approved earlier in the year. Accounts Payable looked good. The adjustment journal, bank statements and credit card statement were reviewed. There were some personal charges on the credit card, that Chappell had reimbursed the District for.

Johnson moved to accept the September Financial Reports as presented. Rathbun seconded the motion, which was then passed.

October 2019

Johnson noted that Water Sales had dropped significantly to \$18,000 in October, as would be expected. The good news was there was another tap. Bringing the total taps for the year to \$21,000, \$18,000 over budget. Overall Operating expenses were slow in October. The Repair & Maintenance expense was high due to fixing leaks in the distribution system. For the month there was a \$6,000 Operating loss for the month. When Debt Retirement was included there was a profit of \$7,500.

The Accounts Payable had dropped due to prepaying the propane for the winter. The bank and credit card statements were reviewed.

Johnson moved to approve the October Financial Reports as presented. Rathbun seconded the motion, which was then passed unanimously.

DELINQUENCY REPORT:

November 2019

The Board reviewed the November 2019 Delinquency Report.

Rathbun moved to accept the November 2019 Delinquency Report. Martin seconded the motion, which was then passed unanimously.

OPERATIONS REPORT:

October & November 2019

Chappell informed the Board that in October preparation for winter began. The chlorine stations had some issues. After all of the repairs that had been completed in the system this year, the water flow was the lowest Chappell had seen in 19 years. Although that was good, not much water was being sold. Bids had been received for the replacing the water meters.

The flush station was installed in November. It was set up and working properly. There was another tap. All the payments had been received for the Alpine Trails subdivision. There were some issues with the Black Bear high-pressure boost station. Although it looked as if it should have been working,

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a customer had complained of decreased pressure. The sensor was plugged up with a calcium deposit. The calcium was removed and the station was now functioning normally. The rest of the month was spent on paperwork and performing general maintenance.

In May the water loss was 1.7 million gallons. After a couple of big repairs (such as the Black Bear main) were completed, the loss in July dropped to 530,000 gallons. The Black Bear main had probably been leaking for several years, progressively increasing. By November, the loss was below 300,000 gallons, which was excellent.

The five fire hydrants that had been purchased this year were not installed. The contractors had been too busy. They would be installed in 2020. Hopefully beginning in the spring.

Johnson moved to accept the October & November Operations Report. Rathbun seconded the motion, which was then passed unanimously.

OLD BUSINESS:

Flush Station - Update

Previously covered in the Manager's Report.

Meters - Update

Chappell informed the Board that five bids had been received for the meter replacement project. Chappell reviewed the difference between a mechanical meter and an ultrasonic meter. Noting that the ultrasonic meters were very accurate, had no moving parts to wear out, and read down to a very low flow. They were more expensive than the mechanical meters.

Chappell noted that the bids for complete systems ranged from \$142,000 to \$202,000. There was also an annual maintenance fee for each system ranging in price. Chappell had checked references, and narrowed it down to three companies. Neptune was the most expensive, but had the best product on the market. They had 70% of the business in Montana, had a local warehouse and the meters were brass. Sensus utilized magmeters, which they claimed to be more accurate. Sensus could read pressure and temperature. The upgraded model could also shut off the water, or restrict the flow, at the meter from a cell phone. Their references were good. They had a few issues a while back and then switched to a different company. The Sensus support person had great references and was knowledgeable, but was based out of Wyoming. They own their frequency, making the meters easier to read. Master Meter bid a plastic meter, which did not read temperature or pressure.

The Board discussed the bids, what the District needed, the different kind of meters, and the available funds in Capital Projects. The Board agreed that the companies should give a presentation to a committee of Board members.

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Bond Payments

Chappell noted that the bond payments would be due January 1, 2020 totaling \$85,006.25. The current balance in the loan payable account was \$175,661.43. After the payment had been made and maintaining the required balance in the account, there would be \$65,655.18 excess funds to be transferred to Capital Projects.

Johnson moved to make the bond payment in the amount of \$85,006.25. Lorentz seconded the motion, which was then passed unanimously.

Martin moved to approve the transfer of excess funds totaling \$65,655.18 to the Capital Projects account. Rathbun seconded the motion, which was then passed unanimously.

Chappell informed the Board that he and Derry had a second meeting with Citizens Alliance Bank to discuss the bank's fees. After the meeting Citizens Alliance called to say they would waive the fees for 18 months.

NEW BUSINESS:

2020 Budget

Chappell reviewed the adjustments that had been made to 2020 budget and the overall budget for the Board. The Board discussed the 2020 budget and the changes that had been made.

Johnson moved to approve the budget contingent on the outcome of the executive session to discuss payroll. Martin seconded the motion, which was passed unanimously.

Chappell reviewed the proposed capital expenses for 2020. The Board discussed replacing the copier.

Lorentz moved to spent up at \$4,500 to replace the copier. Rathbun seconded the motion, which was passed unanimously.

CORRESPONDENCE:

Kathy Davis

Chappell noted that the owner had a spigot that was not shutting down completely. It was found after reading the meters.

Johnson moved to approve the leak request for \$114.30/49,480 gallons under the standard policy. Lorentz seconded, which was then passed unanimously.

Johnson noted the Chappell's letter to the editor was well done.

The Regular Board meeting was recessed to enter an executive session at 6:47pm.

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The Regular Board meeting resumed at 7:00pm.

The final budget was reviewed.

NEXT SCHEDULED MEETING:

The next Board meeting is scheduled for December 25, 2019.

ADJOURNMENT:

Rathbun moved to adjourn the meeting at 7:02pm.

Attest

Charlie Hahn, President

-And-

| SEAL |

Vince Chappell, General Manager