

SEELEY LAKE WATER DISTRICT
MONTHLY BOARD MEETING

February 25, 2008

Attendance:

Walter Hill	President	PRESENT
Glen Morin	Vice-President	PRESENT
Kim Grover	Director	PRESENT
Todd Johnson	Director	ABSENT
Charlie Hahn	Director	PRESENT
Vincent Chappell	General Manager	PRESENT
Felicity Derry	Secretary	PRESENT
Karen Pratt	Public	PRESENT

OPENING:

The meeting was brought to order at 5:35 pm at the Water District.

PUBLIC COMMENTS:

Karen Pratt introduced herself. She had no comments she was attending the meeting as an observer only.

MINUTES OF JANUARY 28, 2008:

Kim informed the Board that she had reviewed the minutes and had made some minor corrections.

Morin moved to accept the minutes with Grover's amendments, and Hahn seconded the motion which was then passed

FINANCIAL REPORTS:

January 2008 Financial Report

Chappell had met with Johnson before he left on vacation. Johnson was happy with all of the reports. Chappell explained that the office supply expenses were high because a PDA and shredder were purchased to replace the broken ones. The payroll expense was high due to the bonuses. The Christmas dinner had caused the travel and meals expense to be above budget. The net income reflects a \$200 loss because the water sales were down, which is typical for this time of year, and the expenses were up. In response to Hill's question at the last meeting the budget for Public Employee Retirement (PER) is sufficient. The radio loan has been paid off.

02-25-2008 MINUTES

Morin moved to accept the financial reports, and Hahn seconded the motion which was then passed.

DELINQUENCY REPORT:

ACCOUNT	STATUS	TOTAL BALANCE
17	TURNED OFF FOR WINTER	\$ 38.17
76	PAYMENT ARRANGEMENTS	\$ 78.85
111	PAID IN FULL	\$ -
116	PAID IN FULL	\$ -
191	PAID IN FULL	\$ -
208	SCHEDULED FOR TURN-OFF	\$ 133.93
218	SCHEDULED FOR TURN-OFF	\$ 95.40
220	PAYMENT ARRANGEMENTS	\$ 50.02
222	PAID IN FULL	\$ -
226	PAYMENT ARRANGEMENTS	\$ 146.36
241	SCHEDULED FOR TURN-OFF	\$ 91.25
249	PAYMENT ARRANGEMENTS	\$ 77.73
331	PAID IN FULL	\$ -
347	PARTIAL PAYMENT	\$ 46.67
363	PAYMENT ARRANGEMENTS	\$ 282.70
364	PAID IN FULL	\$ -
380*	LIENED	\$ 270.14
394	PAID IN FULL	\$ -
403	SCHEDULED FOR TURN-OFF	\$ 92.71
405	PAID IN FULL	\$ -
410	SCHEDULED FOR TURN-OFF	\$ 65.71
414	SCHEDULED FOR TURN-OFF	\$ 76.35
430	PAID IN FULL	\$ -
435	PAID IN FULL	\$ -
445-01	FINAL BILL	\$ 32.18
461	PAID IN FULL	\$ -
468	PAID IN FULL	\$ -
476	PAYMENT ARRANGEMENTS	\$ 100.74
498	PAID IN FULL	\$ -
504	PAID IN FULL	\$ -
508	PAID IN FULL	\$ -

CURRENT STATUS/COMMENTS

521	PAID IN FULL	\$ -
531	PAID IN FULL	\$ -
559	PAID IN FULL	\$ -
559-01	PAID IN FULL	\$ -
560	PAYMENT ARRANGEMENTS	\$ 141.73
569	SCHEDULED FOR TURN-OFF	\$ 83.43
586-04	FILED, PARTIAL PAYMENT	\$ 20.00
623	SCHEDULED FOR TURN-OFF	\$ 30.46
651	PAID IN FULL	\$ -
654	SCHEDULED FOR TURN-OFF	\$ 83.61
658	PAID IN FULL	\$ -
667	PAID IN FULL	\$ -
674	PAID IN FULL	\$ -
688	PAID IN FULL	\$ -
724	BARE LOT	\$ 34.54
TOTAL		\$ 761.46
*	DEBT TOTAL (INCLUDED ABOVE)	\$ 270.14
	STATE LEASE (NOT INCLUDED)	\$ 4,830.45

February 2008

Chappell reported that most accounts have made arrangements to pay their bill, and there shouldn't be any problems with the remaining accounts. The State lease has paid through June 2007. The Board discussed how the miscellaneous charges and penalties should be written off and agreed to write off the charges through June 2007 and the remainder when the next payment is received. The State would be placed on the exempt penalty list as the Board had previously agreed they would not be charged late fees. Hill requested that a note be written to the State making it clear that they are accruing the out of district charge until the lots are annexed in.

Grover moved to accept the delinquency report, and Hahn seconded the motion which was then passed

OPERATIONS REPORT:

Chappell informed the Board of the following:

1. Project paperwork is ongoing.
2. Chappell attended the Montana Rural Water Conference.
3. Pump 1 should be put back together by the end of the week. Initially the incorrect parts were sent, the correct ones should arrive tomorrow.

4. Joe Nagy's service line froze and he is back feeding from a yard spigot through a garden hose.
5. Jim White's line froze on the District's side of the meter. It had to be dug with the backhoe and then thawed. Chappell recommended that White trickle his water.

Morin moved to accept the operations report, and Grover seconded the motion which was then passed

Chappell stated that February's loss was 1.8 million gallons, 30%, so there are some leaks in the system. Come spring the new leak detector will be utilized to find them.

OLD BUSINESS

Project Update

Chappell informed the Board that the next project conference call would take place in a week or so. The draft uniform application for the State Revolving Fund (SRF) loan is being reviewed. Lozar used numbers from the Preliminary Engineering Report (PER) instead of requesting 2007 numbers. Hill stated this was the second time this sort of error had occurred, the PER is 2 years old now. Chappell informed the Board that on page 4 the engineering design and inspection administration cost is \$575,000. This is \$272,000 higher than the amount in the contract. When questioned Lozar said that was the figure in the PER, the difference is the onsite construction inspection. The TD&H invoices still have not been corrected. The engineers are not labeled and they are charging per diem, mileage, meals and lodging. The Board agreed that Chappell should convey to the engineer that the Board is not pleased by the lack of diligence and to remind them there are ways of ending the contract.

Hill queried on the status of the application to Tester's Office. Chappell stated the engineer had been given all the information. Matt Boulanger, Missoula County Rural Initiatives, was also provided with all the required information for that submission also. The District has received no confirmation from Water Resources Development Act (WRDA). The WRDA representative will be included in the project conference call and will provide clarification at that point. Hill requested that when the WRDA confirmation is received to email the Board.

State Lands Update

This was covered in the Delinquency Report.

District Boundary Map Update

Chappell informed the Board that the County Commissioners had reviewed this word for word, parcel by parcel and were in agreement that this description represents the legal boundaries of the District. Chappell described the corrections that had been made. This will change the taxable value of the District and will lower the customers' monthly bill.

Morin made a motion that this map and description become the legal district boundaries, and Hahn seconded the motion which was then passed

NEW BUSINESS:

Water Policy Subcommittee

Hill reported that he had attended the Upper Clark Fork River Basin Steering Committee to request an exception. Hill was told that even if the District were to get an exception, those rights would be junior to everybody else's, so the District would be shut off first in years of shortage. The water in the basin is over subscribed which is the reason it is a closed basin. In years of shortage the Department of Fish and Wildlife Parks (DFWP) could stop the District from taking water out of the lake to protect the Bull Trout. Mike McLean, DFWP, has been tasked by the Committee to research water rights senior to the Murphy rights that could alleviate the District's shortage. Hill will be in contact with him. The Board discussed the size of wells in the valley and how much a suitable water right might cost. Chappell had spoken to Bob Skiles about the anonymous water right. Skiles reported that the owner of the water right is very upset with the direction that the Community Council is pushing the community towards change, and will not sell (he believes that the District has ruled out paying for the water right) or give the water right to the District. Chappell informed Skiles that the Board would entertain paying for it. The Board requested that Chappell research any water rights that the District might be interested in. Chappell compared the 600,000 gallons of water usage on the hottest days here with similar sized communities that pump 1,000,000 gallons per day. When approving future development within the District the Board will have to keep this in mind or the current water right will not be able to keep up with the demand.

Karen Pratt suggested that the Board might be able to receive money from the coal tax and this would be the year to apply for that. Also the Bullitt Foundation Grant might be an option. They are a large philanthropic group whose main concern is fish. The Board requested that Chappell research these possibilities.

Hill informed the Board of a Community Council's Public meeting on March 26, 2008, 7:00pm at the Community Hall that will inform the Public of the resort tax. The resort area has been defined by the State; however the tax will have to be approved by the voters. St. Regis generates \$130,000 annually which subsidizes the sewer cost so residents pay \$7 monthly. The various communities within Montana that utilize resort tax generate up to \$2.1 million. It is estimated that Seeley Lake could bring in \$200,000. The business owners attended a meeting and they were in favor of the resort tax. There can not be a rebate for local residents because Seeley Lake is not incorporated, however the funds generated from this will offset a part of the cost of the Water and Sewer Districts' projects.

Chappell questioned whether the public had to vote where the tax would be applied. Hill replied there will be several resolutions throughout the process that the public will have to vote on and revenue designation will be part of that.

CORRESPONDENCE:

Robert Harman requested a leak adjustment and has included a packet of information regarding the improvements performed after the previous freeze. Chappell reminded the Board that his house flooded and 600,000 gallons of water went through the meter (26,000 gallons per day). Heritage Plumbing replumbed the house and installed the heat tape. This heat tape was not installed correctly and it froze again. This was not Harman’s fault.

Morin motioned to write off everything above the average bill, and Hahn seconded the motion which then passed.

Chappell informed the Board that Glen Kautz’s house blew up. Upon notification they immediately turned off the water. Hahn commented that it appeared to be a propane explosion.

NEXT REGULARLY SCHEDULED MEETING:

The next regular board meeting will be held on March 24, 2008, at the Water District Plant.

ADJOURNMENT:

Morin made a motion to adjourn the meeting; seconded by Grover and carried at 6:58pm

Attest:

Walter Hill, President

-And-

Vincent Chappell, General Manager

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