

SEELEY LAKE WATER DISTRICT
MONTHLY BOARD MEETING

June 23, 2008

Attendance:

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

OPENING:

The meeting was brought to order at 5:40 pm at the Water District.

PUBLIC COMMENTS:

None

MINUTES OF MAY 19, 2008:

None

FINANCIAL REPORTS:

May 2008 Financial Report

Johnson met with Chappell last week. Nothing looked out of the ordinary, there was one tap and the water sales have risen as expected for this time of year. There were some computer expenses this month. Derry's computer broke and the BlackMountain Software annual maintenance agreement was paid. Most of the office supplies expense was for postage to mail out the CCR. Under current assets, Page 2, the following are all closed accounts: Savings#1429350, CD#1940, CD#1493, and CD#1639. The Capital Projects account is down because money was transferred to checking to pay the TD&H invoices. Chappell noted that last month the Board had approved to close the FMHA account#32977 that would be reflected in the June financials. Johnson explained that Accounts Payable is up because of the invoice from the appraiser for \$16,500.00.

There was nothing out of the ordinary on the check detail. The adjustment journal was mostly a write off for Thompson that was approved at the last meeting. The bank and credit card statements were reviewed and all looked good.

Morin moved to accept the financials, and Grover seconded the motion which was then passed.

FMHA Account

Covered in May's meeting.

Missoula County Inv#RI2008-036

Chappell informed the Board that Missoula County had sent an invoice for the lobbyist in the amount of \$2,500 due now and \$2,500 due in August. Hill suggested that the entire bill be paid.

Johnson moved to pay Missoula County for the lobbyist \$5,000, if Missoula County wants it paid \$2,500 and \$2,500 to pay it that way instead, and Grover seconded the motion which was then passed.

Audit

Chappell informed the Board that the audit was performed this month and had hoped to get the final report and invoice by now, but we have not to date. The Board agreed to wait for the final report to cover this.

Chappell informed the Board that we have just received an invoice from TD&H in the amount of \$4,031.70. This was for work on the UV study, topo survey, water system model and the transmission main. It needs to be approved before it can be paid. Johnson asked if they had provided the requested details. Chappell replied that they had.

Morin moved to pay the TD&H invoice in the amount of \$4,031.70, taking the money out of Capital Projects account, and Grover seconded the motion which was then passed.

DELINQUENCY REPORT:

June 2008

ACCOUNT	STATUS	TOTAL BALANCE
101	TURNED OFF	\$ 98.86
104	PAID IN FULL	\$ -
142	PAID IN FULL	\$ -
170	PAID IN FULL	\$ -
207	PAID IN FULL	\$ -
208	SCHEDULED FOR TURN-OFF	\$ 131.18

CURRENT STATUS/COMMENTS

220	PAID IN FULL	\$	-
224	SCHEDULED FOR TURN-OFF	\$	103.92
226	SCHEDULED FOR TURN-OFF	\$	106.94
241	SCHEDULED FOR TURN-OFF	\$	83.14
255	SCHEDULED FOR TURN-OFF	\$	61.67
307	SCHEDULED FOR TURN-OFF	\$	92.04
316	PAID IN FULL	\$	-
365	SCHEDULED FOR TURN-OFF	\$	170.26
380*	LIENED	\$	270.14
406	SCHEDULED FOR TURN-OFF	\$	63.23
410	SCHEDULED FOR TURN-OFF	\$	71.22
414	PAYMENT ARRANGEMENTS	\$	66.66
432	PAID IN FULL	\$	-
435	BARE LOT	\$	32.47
445-01	FINAL BILL	\$	32.18
453	PAID IN FULL	\$	-
476	PAYMENT ARRANGEMENTS	\$	100.11
490	SCHEDULED FOR TURN-OFF	\$	71.57
520	PAID IN FULL	\$	-
548-02	FINAL BILL	\$	64.95
581	SCHEDULED FOR TURN-OFF	\$	71.44
586	PAID IN FULL	\$	-
650	SCHEDULED FOR TURN-OFF	\$	-
654	TURND OFF	\$	205.30
656	PAID IN FULL	\$	-
667	SCHEDULED FOR TURN-OFF	\$	110.78
728	PAID IN FULL	\$	-
730	PAID IN FULL	\$	-
TOTAL		\$	2,008.06
*	DEBT TOTAL (INCLUDED ABOVE)	\$	270.14

Chappell informed the Board that account#101 is a home on the Double Arrow that was foreclosed. Account#654 will probably have to be taken to court, actually owes \$305.30.

Grover moved to approve the delinquency report, and Johnson seconded the motion which was then passed.

OPERATIONS REPORT:

Chappell informed the Board of the following:

1. Spent a great deal of time out of the office leak detecting. Then HD Supply came and found 3 leaks on the last day.
2. The audit went well. We will have a final report next month.
3. Met with the Lobbyist
4. Last year we discovered that Marian Brechbill has an outside spigot before the meter. We told them to stop using it, which they did. They have started using it again to water flowers. We are sending letter saying that they need to fix it or be shut off. They feel that the Water District is partially at fault. When the meter was put in this line was partially covered with insulation and it was not inspected properly. She has requested that we fix the pipe at our cost because the District did not install it correctly. Johnson asked how much it would cost. Chappell replied less than \$100 in parts and then labor; it would not bother him to do it. Hill asked about a curbside meter pit? The Board agreed that this was reasonable.

Leak Report

Chappell gave out a new loss report which used estimated numbers for the leaks. The following are leaks found to date:

Phase 1A

There is a cracked main line which is estimated at 4 gallons per minute (gpm). This is the best estimate, but it is probably low.

Riley/Overman

Leak has been fixed and it was 4.5 gpm.

Linda Niles

There is a service line leak on our side which will be fixed tomorrow.

Mechels

This is the second or third time we have found a leak on their property. She has been asked to replace this service line before. She has been sent a letter informing her of the leak.

The High School

They have a leak on their 40 year old steel pipe. Because the line is so long the leak could not be pinpointed. Chappell recommended doing the dig, cut the pipe and install a meter pit at the property line. Then the project will bring the new pipe to the pit at the property line. The parts will cost about \$1,000 - \$1,200 and Chappell recommended that the District pay for this. The school will be paying for the leaking water and it may motivate them to fix the problem. Chappell has recommended to the High School that they replace the entire galvanized line.

Anderson

There was something leaking on the stop and waste. That one has been fixed.

Betson

They had a leak under their home. It was estimated at 5 gpm, but it was probably more. That has been fixed.

Books, Yarn & More

They had a leak under building. That has been fixed.

Stage Station

They had a broken meter in the pit. It was leaking at 9 gpm.

One Stop

The old meter pit wouldn't seal properly so we replaced it at the District's cost. They had a leak which was fixed. One Stop paid for the digging and the District paid for the parts.

Johnson moved to install a pit on the property line of the High School at the District's cost, and Grover seconded the motion which then passed.

Chappell stated that when all of the leaks are fixed 1.7 million gallons should be recovered. We have been working hard on all of this. While doing all of this we found lots of small stuff that needs to be repaired.

Chappell requested a new tool. The curb stop nuts get stuck and the only way to get them out is to pound them out or dig it up. We don't have a suitable torch; we have to have hire somebody to come out. Parts Plus has a portable torch set for \$375. Morin told Chappell there is another tool that is a coil that heats the nut, it costs about \$450. Morin said that he will talk to the rep next week, he has not used it. Hill suggested using nylon nuts. Chappell explained the nut can be found with the metal detector and that is how the curb boxes are located.

Hill requested that Chappell do some research to find if a suitable nylon nut exists and have a recommendation for next month's meeting.

Grover moved to approve the Operations Report, and Morin seconded the motion which then passed.

OLD BUSINESS

Project Update – Lobbyist (Marnie Russ)

Hill said with the lobbyist there is a good chance of getting money, \$20 million probably not, \$2 million yes. We are on the radar screen. The staffers were delighted to get hands on experience and personally see what they were dealing with. The lobbyist's job is to carry the ball and make sure that our project is on the front line. The Board discussed the progress and timing of the sewer project.

Chappell said that we won't know how successful the lobbyist was until at least November 2008. We have applied for STAG and WRDA grants totaling \$1 million, but we won't know anything on

those until November 2008. Hill commented that if we were successful in getting \$1 million for the Water District, together with the \$1 million that we have now, the resort tax, or the majority of it, might be able to go to the sewer. We need a project cost figure from TD&H. The \$3.8 million is a figure which TD&H purloined from HKM. They have not adjusted that number; they have not given us their estimated number. Chappell said that ultimately we won't have a good number until the design engineering has been completed and the bid comes in from the contractor.

UV Status

Chappell said that TD&H has estimated the cost of UV at \$250,000 to \$450,000. This is an additional cost to the \$3.8 million, pushing the project total to \$4.25 million. Wade DeBoo(TD&H) would like to do more bench testing before they fine tune their proposal. This would help them with chlorine demands and the placement of chlorine booster stations. DeBoo requested that we do some preliminary crypto testing to see if we have a problem and if we need a UV system. DeBoo also wants Chappell to do some preliminary testing in the plant. The approximate cost of this additional testing would be \$3,000 which the District would pay for out of pocket. Chappell explained that if the chlorine level at the plant is lower to lessen the disinfection byproducts there will need to be one or two chlorine booster stations down town so that the disinfection residual at the end of the line is high enough. TD&H are thinking that we might not need a UV system if we don't have a crypto problem. TD&H would like to do the testing August through September because it is the worst case scenario when the water is at its warmest. DeBoo had recommended putting off the engineering for a couple of months which we cannot do and get a good bid date. The Board agreed that the testing will have to be done now. Grover asked what the crypto tests have shown in the past. Chappell replied that it is a new Environmental Protection Agency (EPA) requirement that will be implemented in a couple of years which would cost approximately \$28,000 per year. The District has never tested for crypto in the past. The EPA told Chappell that the systems which are planning to install UV for disinfection can be given a waiver for the testing as UV kills everything. The Board discussed the need for a UV system and agreed that due to the continually raising test requirements UV is the way to go. With this being so does the additional testing still need to be done? Chappell replied that the additional testing would still provide useful information for the hydraulic model. Hill said that the Board needs to make it clear to the engineer that we will go ahead with a UV system.

Morin motioned to perform the additional testing requested by TD&H, and Grover seconded the motion which then passed.

Morin motioned that the District will have UV disinfection, and Johnson seconded the motion which then passed.

Chappell said that the aerial survey is scheduled for tomorrow. TD&H set the targets yesterday but did not call for help and spent twice as long. Hill said that they had stopped in at the Chamber at 9:00am looking for a map of Seeley Lake. Chappell will call Lozar to discuss this matter; they were still driving around at 4:00pm. Johnson said we should only pay half of the bill if they took twice as long as necessary and were wasting time.

Property Appraisals

Chappell informed the Board that the TinLizzie invoice was received for \$16,500. The estimate had been \$20,000. This bill has been paid. The Board needs to move forward with Mae Nan Ellingson and work on the intricacies of writing the GO Bond. Chappell will call Mae Nan Ellingson regarding this matter.

Inter-Local Agreement

Chappell informed a Board that a resolution was needed to approve the inter-local agreement with the Sewer District. Johnson asked if the Sewer District is paying their fair share of the functions. Johnson wanted to make sure that Chappell and Derry are not spending too much time on the Sewer District. Chappell commented he wanted to make sure that when Derry is working for the Sewer District it is being billed appropriately. We do keep track of the time but it seems that Derry is doing more for Ralph Kloser than was initially intended. A lot of what Derry does Kloser should be doing as the manager. At the last couple of meetings Kloser has not said a word and the Boards look to Chappell for answers. Kloser gets paid as a manager, but he refuses to say a word at meetings. Chappell does not think it is right that he is expected to be there to answer questions from the Sewer Board which Kloser should answer. Derry is doing more work than she is getting credit for.

Johnson said that he pushed this because if there is an issue, Chappell needs to be able to come to the Board and get it out on the table. Chappell said he didn't have a problem with being at the meetings, but if he is expected to answer questions he will charge the Sewer District for it. Kloser is charging the Sewer District for it and he is not answering a question. It is not a good deal for the Sewer District. Morin said that he agrees there needs to be change. The Sewer District needs a manager to be proactive. Chappell said that when it comes to this agreement the Sewer District will pay their fare share, just as the Water District will.

Morin made resolution #03-M08-02 to accept the Inter-Local Agreement; Grover seconded the motion which then passed unanimously.

Water Rights

Chappell said there has been no further progress on this.

NEW BUSINESS:

Consumer Confidence Report (CCR)

Chappell explained that we are required to publish the CCR in the newspaper by July 1st, 2008. The DEQ violation has to be mailed to the customers. The CCR, the violation and project information were combined and mailed to each customer. Chappell informed the Board that the District passed the Haloacetic Acid test for last quarter and also for the running year total. The violation is being posted quarterly per the agreement with DEQ.

EPA Violation

Chappell informed the Board that DEQ had turned over the primacy to EPA and EPA had sent the District a violation letter. It lists some incorrect violations which Chappell has corrected. This is a preliminary violation which opens the lines of communication. There will be a final violation notice within approximately 30 days and EPA will give us 90 days to devise a plan to resolve the problem. If we don't have a report on how we will fix the problem they can fine the District \$32,500 per day.

Computer Network

Chappell explained that Derry's computer broke when she was on vacation. Richard Derry fixed it and in the process reviewed the network. Chappell's computer is incredibly slow and is unable to run Microsoft Office. The latter means that Derry has to convert some documents to MS Office so email attachments can be opened. Also the back up process needs to be upgraded. Johnson requested that Chappell get two other bids.

Chappell asked if there were any thoughts on the Kevin Wetherell proposal. The Board agreed to put it on the agenda for the next meeting.

CORRESPONDENCE:

None

NEXT REGULARLY SCHEDULED MEETING:

The next regular board meeting will be held on July 28, 2008, at the Water District Plant.

ADJOURNMENT:

Morin made a motion to adjourn the meeting at 7:19pm

Attest:

Walter Hill, President

-And-

Vincent Chappell, General Manager

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