

**SEELEY LAKE WATER DISTRICT**  
**BOARD MEETING**

November 24, 2008

**Attendance:**

Walter Hill	President	<b>PRESENT</b>
Glen Morin	Vice-President	<b>PRESENT</b>
Kim Grover	Director	<b>PRESENT</b>
Todd Johnson	Director	<b>PRESENT * 5:33pm</b>
Charlie Hahn	Director	<b>ABSENT</b>
Vincent Chappell	General Manager	<b>PRESENT</b>
Felicity Derry	Secretary	<b>PRESENT</b>
Tammy Lewis	Operator	<b>PRESENT</b>

**OPENING:**

The meeting was brought to order at 5:30 pm at the Water District.

**PUBLIC COMMENTS**

None

**MINUTES**

The minutes of the October 27, 2008 Board meeting were presented to the Board. Hill noted that on Page 4 it should read “break the bank” not “break an arm”. He verified the correct terminology for new chlorine stations and requested that “pucks” be changed to “pellets”. Finally on Page 8 there is a run on sentence which should read “...Jack Piippo who is in the District. However for him to receive water...”

Morin moved to accept the minutes for October 27, 2008 with the previously mentioned corrections, and Grover seconded the motion which was then passed.

**FINANCIAL REPORTS**

Chappell reported that Johnson had reviewed the financials. Water sales have dropped under the budgeted monthly average (\$15,000). Water Sales year to date is \$180,000 so the budgeted target of \$214,000 will not be met. Hill asked for a breakdown of the adjustments. Chappell replied that they are so high because of the \$1,900 leak adjustment at the Filling Station which the Board had approved. Office supplies were a little high because the much needed new chairs were bought. Johnson added that postage had been high this month also.

Chappell noted that the DNRC loan payable account #32696 on the balance sheet had a current balance of \$43,000. The loan payment due in January is for \$44,500 and there will be another \$20,000 deposited in to that account over the next two months. The Accounts Payable has a large balance of \$120,000 due to the outstanding TD&H invoices. This is typical during a project.

Grover moved to accept the October financial reports, and Johnson seconded the motion which was then passed.

### DELINQUENCY REPORT

Chappell said that most of the accounts have made arrangements. Wednesday is shut off day. There are a few accounts which will have to be filed on.

ACCOUNT	STATUS	TOTAL BALANCE	<i>CURRENT STATUS/COMMENTS</i>
76	PAID IN FULL	\$ -	
101	TURNED OFF	\$ 197.71	
140-03	FINAL BILL	\$ 19.48	
206-04	<i>FINAL BILL</i>	\$ 67.95	
220	<i>PAYMENT ARRANGEMENTS</i>	\$ 98.78	
228	<i>PARTIAL PAYMENT</i>	\$ 32.77	
236-01	PAID IN FULL	\$ -	
246	PAID IN FULL	\$ -	
329	PAID IN FULL	\$ -	
339	<i>PAYMENT ARRANGEMENTS</i>	\$ 94.28	
348	SCHEDULED FOR TURN OFF	\$ 85.96	
358	PAID IN FULL	\$ -	
374	BARELOT	\$ 38.97	
380*	LIENED	\$ 270.14	
394	PAID IN FULL	\$ -	
401-01	FINAL BILL	\$ 53.49	
403	SCHEDULED FOR TURN OFF	\$ 86.35	
414	<i>PARTIAL PAYMENT</i>	\$ 17.41	
415	PAID IN FULL	\$ -	
430	PAID IN FULL	\$ -	
433	PAID IN FULL	\$ -	
434	SCHEDULED FOR TURN OFF	\$ 84.99	
435	BARELOT	\$ 36.32	
466	SCHEDULED FOR TURN OFF	\$ 96.80	
484	PAID IN FULL	\$ 34.54	

533	PARTIAL PAYMENT	\$ 52.22
548-03	FINAL BILL	\$ 44.69
574	SCHEDULED FOR TURN OFF	\$ 86.61
586	SCHEDULED FOR TURN OFF	\$ 75.96
587	PAID IN FULL	\$ -
594	SCHEDULED FOR TURN OFF	\$ 73.60
627	PAID IN FULL	\$ -
637	BARELOT	\$ 30.59
652-02	PAID IN FULL	\$ -
656	PARTIAL PAYMENT	\$ 42.92
667-02	FINAL BILL	\$ 135.87
693	SCHEDULED FOR TURN OFF	\$ 75.68
<b>TOTAL</b>		<b>\$ 1,934.08</b>
	STATE LANDS (NOT INCLUDED)	<b>\$ 438.48</b>
*	DEBT TOTAL (INCLUDED ABOVE)	<b>\$ 270.14</b>

Morin moved to accept the delinquency report for November, and Grover seconded the motion which was then passed.

### **OPERATIONS REPORT**

Chappell reported that this month a great deal of time was spent on TD&H paperwork. He had met with Mae Nan Ellingson regarding the GO Bond. The U.S. Corps of Army Engineers came to the plant for a progress meeting. They are administering the WRDA money and wanted to check that all was going well. It is possible that we will receive additional money from them this coming year. The Corps would not commit. Chappell has also been working on budget. Tammy has been working on fall/winter maintenance.

### **LOSS REPORT**

Chappell said that the loss is up to 17%. Hill noted that it was not up much. Chappell said that they will have to check the system in the spring. Hill said that we are making progress as last year the loss was at 30%. Morin agreed and added that it was fantastic that the loss was that low. Chappell said that Tammy has been out checking on potential leaks a lot.

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

## **OLD BUSINESS**

### **Project Update**

Chappell said that TD&H had turned in the 100% plans to DEQ for review. Chappell did not agree with some of it. As of last week Rob Ashton was just beginning his review. After the conference call Hill sent Ian Bailey an email outlining some of the concerns he had. Chappell said that TD&H went from 60% plans, to 90% and finally to 100% plans. They were not complete when they were submitted to DEQ as TD&H has been working on them since then. DEQ has 60 days to review the plans and will call to discuss things, feel us out, through out the process.

Hill asked if TD&H was aware that the Board wants a redundant UV system and chlorine pellet system. Chappell replied yes, they do. He emailed them everything that was discussed at the last meeting. They had already designed the other chlorine system, so that is what they turned in to DEQ. Chappell said he was unsure who would pay for a part of the design if DEQ will not approve it. Johnson stated that if TD&H designs something that DEQ will not approve, why should the District have to pay for it? Chappell said that TD&H knew the requirements but were trying to circumnavigate them. The Board agreed that Chappell should consult the County Attorney on the various legalities of this.

The Board expressed concern that the chlorine level would remain high after the project even with the UV system. This was not what they expected and it will not help with the disinfection byproducts problem. The alternatives are to move the intake to a cleaner source in the lake, filter out the organics and by playing with the booster stations. The addition of a couple of booster stations may help. Chappell had mentioned this in his email but has not heard back. Morin said that it was the main objective to lower the level of chlorine. Grover asked why this was not addressed in the UV feasibility study. The Board had said at the beginning that they wanted to utilize UV so the chlorine level could be reduced. The Board also discussed the ammonia feed system. Chappell said that ammonia has byproducts that will be problematic. The question is what to do with the contaminants. He has heard nothing back from the TD&H. Grover said she would ask Ducks Unlimited if they have any information on the water quality of the lake.

Chappell said that he had a meeting with Gary Johnson, Industrial Automation Consulting. They are a company that works on the technology that runs the plant. They have done work for Bozeman and Great Falls. He discussed the products in the specification sheet and was concerned that some of the equipment does not work together. He will talk to TD&H about this.

Chappell received a call from Mahlon Randall, M&K Consulting. He had gone through a project with Ranch Water District. They had a lot of problems with the contractor contract which was not ironed out by the engineer. He started a consulting firm to help districts go through the bidding process and charges \$2,500 to do this. Hill said he thought that TD&H did this? Chappell said that they do help you; however TD&H was his engineer and this happened. The Board thought that it might be a good idea but elected to wait and think about it.

### **TD&H Invoice**

Chappell said that an approval to pay the TD&H invoice#22657 was needed. The Board were concerned that TD&H had exceeded the contracted amount. The Board approved writing a letter to remind TD&H what the total engineering contract amount is and that the District is not going over budget on engineering.

The Board discussed the logistics of moving the intake. Chappell is waiting for a cost estimate to investigate that possibility. The Board agreed that TD&H should have known that a redundant UV system would be required by DEQ. Grover requested a detailed bill breaking down the feasibility study. Hill asked if the Board should withhold payment.

Grover said that the Board should let TD&H know that we are not going over budget for engineering as mentioned by Johnson. Payment should not be made if they have not figured out the UV system. Morin said that the District is in the dark as to what they are doing, they have already sent plans to DEQ which don't include the redundant UV system. Chappell said that the UV system looked as if it would work in the plant. They did not research the contaminants other than adding the UV system. The reason they did not research it more was because the PER used ammonia for primary disinfection. We asked to add the UV system as the primary method of disinfection and chlorine as a backup. They did not research removing the contaminants or moving the intake because it was not in the scope of work. Morin said that after the conference call it sounded like the new system will not meet State requirements. Chappell had requested a cost estimate for the research on changing the intake. As of today Chappell had not heard back from TD&H. Hill said the Board thought that the UV would disinfect therefore enabling lower levels of chlorine to be added down the line while still maintaining the residuals at the end of the lines. That is why the Board pushed for UV, and now TD&H want to go back to the PER where the UV is the secondary system. How did that get garbled? Morin said that we may still be in violation for the disinfection byproducts. Chappell said that the District has passed the last three quarters. TD&H were basing the project on maybe failing one or two tests a year but maintaining a low enough running average to pass. Hill said it is clear that the intent was for the primary disinfection to be UV and the secondary to be chlorine. They are not listening to us. Maybe not paying them would help. Chappell said it would be ok to hold off paying them for the 100% plans because the plans are not 100% complete. They did not make any of the changes to the plans that were requested. The Board requested Derry to research the minutes for the Board emphasizing that UV should be the primary method of disinfection.

Grover moved not to pay the TD&H invoice at this time, and Morin seconded the motion which was then passed.

Chappell said that Mae Nan Ellingson was going to be at the meeting but was sick. She wanted to know if the Board was going to continue on the course of the GO Bond or switch to the Revenue Bond. Hill asked if she was in favor of the Revenue Bond. Chappell replied that she was. She said legally the Board can go Revenue Bond without a public vote. Primarily because with the GO Bond the Board has to figure out who is going to pay. Should all lots that have access pay, or everybody in the District pay whether they have access or not? Jack Piippo is in the District but has no way to

get water and potentially he will pay. Yes he will use water around town but not at his home. The policy manual should be rewritten to include the State lands, government properties, schools and churches that are not taxable. Then can the appraised value be used and then add it to their monthly bill. Can the appraised value be used to calculate it and then add it to their monthly bill? Johnson asked Chappell to find out if these properties can legally be billed. Chappell said that to get it on the tax rolls for 2009 it has to be turned in to the Department of Revenue in January 2009.

Hill requested that Chappell get some legal advice from James McCubbin, the County Attorney, and report back to the Board. Chappell and the Board discussed the merits of leaving the GO Bond in place.

#### **M&K Consulting**

Previously covered.

#### **US Corps Meeting**

Previously covered.

#### **Water Rights**

Tabled.

### **NEW BUSINESS**

#### **2009 Budget**

Chappell informed the Board that this was a tentative budget for them to review and approve at the next meeting. Water sales were lowered as we will not make the budgeted amount this year. Chappell is still waiting for Lozar to answer his questions on the cost of operating the new equipment in the plant next year. The next two years will be a learning experience on operating the new system.

#### **Christmas**

The Board discussed the options for the Christmas dinner. Grover and Chappell will talk to Vicki Voegelin about Littlebird's catering the dinner in early January.

The Board discussed moving the meeting to the fourth Thursday in the month as Grover had requested. The next meeting will remain on December 22. The January meeting will be held on the fourth Thursday.

**CORRESPONDENCE**

**Write off requests**

Ralph Prazak

His daughter took over the power of attorney for him. She is requesting that the late charges be dropped for 3 months.

Johnson moved to waive the \$15 of late fees, and Morin seconded the motion which was then passed.

Gerry Wood

They did not receive a bill and are requesting the \$5 late fee be waived.

Morin moved to waive the \$5 late fee, and Johnson seconded the motion which was then passed.

MEC

They did not receive a bill and are requesting that the late fee be waived on both accounts.

Morin moved to waive the late fees in the amount of \$10, and Grover seconded the motion which was then passed.

**NEXT REGULARLY SCHEDULED MEETING:**

The next regular board meeting will be held on December 22, 2008, at the Water District Plant.

**ADJOURNMENT:**

Morin motioned adjourn the meeting at 6:35pm.

Attest:

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Walter Hill, President

-And-

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Vincent Chappell, General Manager

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