

SEELEY LAKE WATER DISTRICT
MONTHLY BOARD MEETING

May 27, 2010

Attendance:

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

OPENING:

The meeting was brought to order at 5:52pm at the Water District.

PUBLIC COMMENTS:

None

MINUTES:

The minutes for the April 29, 2010 meeting were presented to the Board.

Hahn moved to accept the April 29, 2010 minutes as presented. Morin seconded the motion, which was then passed.

FINANCIAL REPORTS:

April 2010

Hill informed the Board that Johnson had indicated to him that the financial reports were in order and should be approved.

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

Chappell noted that the loan payment sheet for \$20,144.98 as submitted by US Bank for Bond B was incorrect. The loan schedule lists this payment as being \$9,226.25. These payments can be approved at the next meeting when the corrected amount has been received.

Chappell noted that it was time to renew the annual maintenance agreement for BlackMountainSoftware.

Hahn moved to renew the BlackMountainSoftware maintenance agreement. Morin seconded the motion, which was then passed.

DELINQUENCY REPORT:

May 2010

The Board reviewed the delinquency report.

Hahn moved to approve the May 2010 delinquency report. Morin seconded the motion, which was then passed.

OPERATIONS REPORT:

May 2010

Chappell said that he had been working with TD&H to get answers on chlorine feed issue. Lewis found a leak. They dug it up and found that the leak was on the curb stop on the District's side. It was a bottom dweller meter pit. As they have done in the past it was pulled it out and replaced. During this dig the power line was hit.

The project is slated to begin on June 7, 2010. There was a start up meeting with the contractor and the engineer. Fire hydrants were flushed. It worked a lot better than they had expected seeing as the new tank was not online. For the first time the Fire Department sent two volunteers for a couple of hours. They found a broken hydrant on Double Arrow phase 2 for which no replacement parts can be bought. Therefore the hydrant could not be fixed so it was replaced with one that had been pulled out during the project. Hahn asked if this left a fire hydrant in inventory. Chappell replied that there was.

The power was installed to the boost stations and the propane tanks should be set next week. That is the final task that the District has to do. Chappell worked on the policy manual. The pump house was patched and painted.

Chappell said that the water loss was up 150,000 gallons since January so there is the possibility of leaks. Chappell said that he had planned for leak detection at the end of the summer. Hahn asked if that could be done with the Districts equipment. Chappell said that it could.

Morin moved to approve the operations report. Hahn seconded the motion, which was then passed.

OLD BUSINESS:

TD&H Invoice

Chappell informed that Board that Inv#25373 in the amount of \$1,687.25 had been reviewed.

Hahn moved to pay TD&H invoice in the amount of \$1,687.25. Morin seconded the motion, which was then passed.

Change Orders

Chappell informed the Board that to date the six approved change orders totaled approximately \$180,000. There is one change order outstanding. The generator issue has not been resolved, the leak on the old tank has not been addressed and the DEQ testing requirements for the chlorine boost stations are still outstanding.

Chappell said that the auditor had recommended that TD&H cut a check to the District for reimbursement of the asphalt cost. TD&H has not done this to date.

Morin asked if the leak in the old tank was the liner. Chappell replied that it could be the liner, but most likely it would be where the pipe goes through into the tank, maybe the grout has cracked. DAC can fix this on a time and material basis, or somebody else could do it.

Project Update

The start date will be June 7, 2010. Weather could be a factor and DAC could ask for rain days. DAC has 53 days left on the contract, which would mean July 29, 2010 would be the end date. At this point the system would have to be functional, but not totally complete.

Chappell informed the Board that there is a tentative plan for the chlorine feed station. DEQ requires that a sample be taken downstream of the station before it reaches the public. The most realistic plan is to run a service line from the agreed sample point downstream back to the boost station and chart it. DEQ suggested installing a sample station, testing by hand and if they accepted the District's test results after a year, DEQ would possibly issue the District a waiver. Going by previous experience with DEQ Chappell would not recommend this. This has not been finalized so there will have to be another Board meeting to review this. The Board discussed possible dates for the Special Board Meeting.

Up on Cedar Lane there is a spring that runs through the hillside. The spring is now following the trench that DAC dug. Now it is not holding compaction, it is nobody's fault and will be a contingency item. Lozar has designed a trench plug to fix the problem.

Consolidated Lots

Chappell told the Board that since the last rate increase due to the project some lots have been combined. To date there have been eleven, and there is the potential for ten more. He is suggesting offering the water rights for these lots to people that could use them such as Jonathan Williams and Kevin Wetherell. Hill said to tell John Williams that the District would be able to service his lot, and let Kevin Wetherell know that the District would be able to service ten lots and maybe more if they became available. Chappell said that this

would get the number of accounts back to where they had been, ultimately helping the customers.

Hahn moved to approve offering service to people who had requested subdivisions in the past. Morin seconded the motion, which was then passed.

Water Rights

None.

Orion Radios

Chappell said this item is pending. The radios have been sent to the lab for analysis and there has been no word yet.

Policy Manual

Chappell said that he had been working on the new policy manual, which covers much more than the current policy manual. He would like the Board to review it and welcomed any suggestions. All of the rates are in exhibit B, this makes it easier to update due to a rate change.

Previously a new lot that had not paid the bond must back pay the bond before they can get water. The back bond cost is approximately \$2,500 per property. Add on to this the tap fee and installation and the bill to get service is \$6,000 or more. Dorsey and Whitney suggested charging a system development or impact fee in lieu of paying the back bond. If the fee were \$500 for a 3/4" meter it would be multiplied the same way as the rates, where by the larger meters would pay proportionally more. This fee would then be used to pay the bond payment. The Board could decide to do something different, or charge only the tap fee.

Hahn questioned if anybody has been charged for the back bond. Chappell said that the District had not. The Board discussed prorates on lines. Chappell noted that the new pipe that had been put in during the project would mean more properties would have an opportunity to tap. A system impact fee brings in a little revenue. Ultimately the goal is to be fair to everybody.

Hill said in fairness to all that have paid the bond payment the District should charge something. He would be in favor of a system impact fee. This would be very fair as it is based on the EDU multiplier. Chappell said that he could add it to the manual. This would be charged to lots that have not had access to the main, and have therefore not been billed the bond payment.

Hill suggested that the Board review four sections of the new policy manual at each of the next three meetings. Chappell will be sending it to the attorney. Section 9 deals with billing and should be one of the first sections reviewed. A notice will be put on the billing cards

that the Board will be reviewing and adding new material to the policy manual at the next meeting.

The CCR was mailed and will be in the Pathfinder.

Chappell said that Neely Electric had cleaned up the computer for the plant and made it work better. The proposal would be to install a real network with a server. The project allows for the ability to dial in and check on the system, but does not actually complete the process. Access would be very controlled. The Board discussed this and questioned if it could be done later. Chappell replied that it could, however if it were done now it would be paid for by the project.

NEW BUSINESS:

Correspondence

Elizabeth Patterson had a shut off valve that was crooked. Chappell turned it off and it did not seat, therefore it was blowing water in to the ground. They did not know until the meter was read. The valve will be dug up and fixed. The Board approved the leak adjustment.

John Richards has three accounts that are billed to him. The policy states that he has to fill out a landlord tenant agreement to transfer those accounts in to the tenant's name. He changed the delinquent notification from 30 days to one day. Chappell said that the District cannot change the policy for every landlord.

Mary Kenny's grandkids had been doing yard work and left the water on. The hose split and the water leaked. Lewis took a profile. The Board approved the write off.

Chappell said that there would need to be another meeting to review the change order the week of June 7, 2010.

NEXT REGULARLY SCHEDULED MEETING:

The next regular board meeting will be held on June 24, 2010.

ADJOURNMENT:

Hahn adjourned the meeting at 7:10pm.

Attest:

Walter Hill, President

-And-

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Vincent Chappell, General Manager