

Vaughn Cascade County Water and Sewer District

Board Meeting Agenda

August 25<sup>th</sup>, 2020

6:00 p.m. American Legion Hall

**Face Mask Required**

Call to order

Pledge of Allegiance

Roll Call

**Work Session 6:00 p.m.**

- Budget

**Regular Meeting**

Approve July 28, 2020 meeting minutes

**Open community comment**

- Limited to 3 minutes each, state name and, if property owner, address.
- The board will answer on the spot when possible, however community may be asked to fill out an official information request when needed.

**Standing Agenda**

- Secretary/Bookkeeper report
- Operator report

**Old Business**

- KLJ Engineering update on water project

**New Business**

- Budget
- Annual Rate adjustment
- Resolution 20-05 refinance Berkadia Loan

Adjourn

**R0400929 CMS**

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Cascade County, Rina Ft Moore - Clerk & Recorder



## Operator/Manager Report

8/25/2020

### Report

- SAGR on the south is shut off and still appears to be leaking. Collette visited the site and agreed something is going on. Draw down test was performed along with water samples. Water was pumped from SAGR however 4 feet remains?
- Effluent from lagoon 2 to 3 plugged. Used the power snake and removed the duck weed blockage, also raked off weeds for future blockages.
- Generator for the Pump house went down due to cracked fuel lines sucking air. The fuel lines were replaced and the generator runs, however the radiator needs work.

### Completed Projects

- Worked on the annual budget with Annette
- Worked on pump house #1 99% complete.
- Built a curtain around lagoon 3 effluent to prevent duck weed blockage.
- Exercised curb stops 50% complete.
- Mowed with new mower and reduced the mow time by over half.
- Continue to do O&M work.

### Upcoming Projects

- Working on pump house #2.
- CO-OP with Cascade and Fairfield for backup Operator, emergency help, and help in general. Been on hold do to COVID 19.
- Electrical junction box replacement Pump House #2
- Fire hydrant inspection, flushing and service.
- Valve box rising at Central Ave & 4<sup>th</sup> Street with the county paving department.

### Board Approvals

- Garage or shed

James South, Operator Manager

A handwritten signature in blue ink, consisting of a stylized, overlapping loop followed by a long horizontal line extending to the right.

**Vaughn Cascade County**  
Water and Sewer District  
1161 6 AVE  
Vaughn, MT 59487

**To:** Vaughn Cascade County Water and Sewer Board of Directors

**From:** Annette Kniffen, Secretary/Treasure

**Date:** August 25, 2020

**Re:** July 2020 Secretary/Treasurer's Report

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**Financials:**

January showed a loss of \$11,767.81

**Bank and Other Accounts:**

- First Bank checking: \$11,065.64
- Water Savings: \$58,236.27
- Sewer Savings: \$58,023.01
- Bond Reserve Savings: \$47,444.52
- Bills paid: \$110,654.64

**Berkadia Loan:** September 30, 2020 will be final payment. Need a special meeting for resolution to transfer the loan to Coal Severance Tax loan. Meeting needs to be within the next 2 weeks. Payment will be twice a year.

**New accounting:** when the old account numbers were switched to the new ones, some codes didn't transfer. I had to go back in and re-code several. Some didn't get put in water or sewer.

Respectfully submitted,

Annette Kniffen

Secretary/Treasurer

SIGN IN SHEET

VAUGHN CASCADE COUNTY WATER & SEWER DISTRICT

BOARD MEETING

DATE: Aug--25-2020

NAME (PLEASE PRINT)	PHONE NUMBER
Louie Gordon	(406) 799-2904
Doug Summers	253-307-8409

# Vaughn Cascade County Water & Sewer



1161 6<sup>th</sup> Ave, Vaughn, MT 59487

Board Meeting Minutes

August 25<sup>th</sup> 2020

**Notice:** *These minutes are paraphrased and reflect the proceedings of the Board of Directors.*

MCA 7-4-2611 (2) (b). These minutes were officially approved at the Dec 15-2020 Board meeting.

**Public in attendance:** see sign in sheet

**Call to order/Quorum:** Herb Phinney Vice President at 6:04 pm

**Pledge of Allegiance**

**Roll Call:** Cory Eli, Herb Phinney, Rex Heckel, Jeff Werley and John Gurnsey.

**Employees:** Annette Kniffen, James (Rusty) South

**2021 Budget Review Work Session: 2:23**

**Cory:** No action during work session. There is a short fall in the lagoon liner. **Rusty:** explained there was only \$400 a month going into the lagoon liner savings. **Cory:** when the wastewater upgrade was done, they wouldn't finance the SAGR unless there was a savings in place for liners. **Annette:** there has been \$400 a month being put away but it is not enough. **Cory:** liners typically have a life span of 25 years and last 60.

**Discussion continued on lagoon liner:** When the liner was put in, if there seem to be anything wrong with the current liner. Originally was installed in 1997. New ones due 2030 and possibly start leaking. There was nothing put away before Annette started.

**Jeff:** stated he went to the office and sat down with Annette. They went back to 1986-87 and nothing was found that there was any money put aside for infrastructure. **Doug:** stated there was \$500 put away in 2016 per month for maintenance. **Annette:** there is \$500 put away in sewer savings and \$400 for lagoon liner. Also \$500 a month for water savings. **Jeff:** that leaves a huge balloon payment. **Rusty:** stated that it would be better to raise rates a little each year to try and make up for the deficit instead of one big rate increase.

**Discussion:** rate increase 5% on the sewer part is only about \$1.50.

**Doug:** something about 48% wages. **Cory:** told Doug this is a working session not open to community comment yet.

**Herb:** is this going to be a one-time thing or a continuation? **Rusty:** this will be on going because if we replace it at 35 years then it will need to be replaced again. It may last 60 years but we don't know.

**Herb:** how many liners are we talking about? **Rusty:** that is all 3 liners but doesn't include dewatering, desludging. **Jeff:** it could wind up being more the \$150,000 in the next 10 years. Prices are going up.



**Rusty:** we have sewer lines we will need to replace. They are clay lines and we will have to call a contractor.

**Cory:** what would the rate increase be? **Rusty:** \$2.39 a month for sewer. We should have a rate increase in water also. We cut the budget way down. **Annette:** thought she should go through list of auditors to see if there is a less expensive one. The Auditor we have now wants \$14,000 and it should have went down to \$10,000 for this year. **Cory:** said we shouldn't be getting audited every year.

**Annette** explained that she called the state and they said as long as the district was getting government money we need to be audited every year. After we stop getting money we can start doing an audit every other year.

**Jeff:** wanted to know why insurance went up \$3,000. **Annette** explained that when the SAGR system was put in, the insurance doesn't go up until the next cycle. We have to stick with the state insurance. **Jeff:** does the board approve insurance claims? **Annette** the board did approve the fire hydrant and truck. **Rusty** suggests a 5% rate increase on sewer this year. **Jeff:** asked Rusty if that was all. **Rusty** said water should go up 1% to help correct. The hydrants have to come out of savings if they need to be replaced.

**Discussion continued:** Went through all the lines of the budget and tried to come up with where to cut more money. Talked about savings account and how much to put away. Talked about water tank seals.

**Cory:** if you put everything on the budget for maintenance the budget would be pages long. If we can get the audit down it would help. I understand you (Rusty) wants to raise the rates but you have to have justification for the public to understand.

**Herb:** it is 6:30 and we are still doing the working meeting.

**Cory:** when you have a short fall take it out of savings and when you don't spend as much put it into savings. Instead of budgeting 3 times as much as you spent last year for emergency repairs, budget for something that is closer to previous year. If you go over take it out of savings. You can't plan for every contingency. The 2020 budget the last row should be zero. I don't disagree with an annual increase but I don't want to do it because the budget came in short.

**John:** had a question about the repetitive billing like Century Link. **Annette** explained one was for office phone, and each of the other ones are for the call alarms. Each one has their own account number.

**Discussion continued:** line by line on cost of each category. Matching funds came out of savings. It doesn't matter if it came out of savings should still be on the budget. It should show on the P&L. More discussion on categories and where to cut more money. In 2017 there was a 5% rate increase. **Rusty:** we are playing catch up for what wasn't done in the past to save for infrastructure.

**Regular Meeting: 1:08**

**Approve July 28 2020 meeting minutes:**

**Cory:** motion to approve July meeting minutes, **Jeff** second

Any public comment:

None

Any further Board discussion: none

All those in favor say Aye: Cory, Jeff, John, Rex, and Herb

All those opposed same sign: none

Motion Carries

**Open community comment: 1:09**

**Doug Schwarz:** How many board members were contacted regarding not releasing the proposed budget to the community before it was approved? **Cory:** the budget isn't given to the public until it is approved by the board. **Doug:** every year I have received the budget before it was approved. My comment is with a deficit of 2020 at a \$76,000 loss, and the budget not being met. When I was on the board a good budget would be inviting and any help would be appreciated. Why we don't have more community members come to the meetings is because the board doesn't accept input from the community. **Jeff:** we can assume that but I haven't had anyone come up to me. **Doug:** it isn't just the budget it is the lack of information coming from the board. That has been in the past. There used to be 10-15 people at the meetings, now there's one, myself. **Cory:** before you can compare those 2 things, there was a lot of controversy back in those days. **Doug:** the controversy goes on. **Jeff:** in the last meeting Doug, you made a comment on when is there going to be a 2019-2020 budget review on expenditures and where the budget needs to be adjusted, approval of 2021 budget and closing of the year end. You said, "I don't believe in the meetings the board is looking at that and the expenditures and need for future improvement". You said we are not listening to you but we are sitting here and going over the budget and we doing future expenditures that you guys didn't do back then or they would be set aside now. For you sit there and say we are not listening is inaccurate. **Doug:** myself and a team made up the first budget this community ever had, it took 2 ½ years to comprise it. I do know how to do a budget and how to formulate it. I think Annette and Rusty has looked into what is needed for future improvements and is doing an excellent job on that. We need to close out the sewer account because the amount we actually drew will be re-evaluated and the payment schedule will probably go down. **Jeff:** you assume that only Rusty and no one on the board is doing anything. I know that John has spent time down there last night and I have spent several hours at the office. I highlighted exactly what you said at the last meeting. What are you doing to get more people to come to the meetings? **Doug:** I went over and visited you Jeff. I talk to people.

**Jeff:** I talk to people and the ones I have say they are happy with the way things are going. I've been told there are people that bring things up that shouldn't be brought up, seems like there are sour grapes that are coming up. I don't have those sour grapes. We did this because you brought it up. We have nothing in the budget to give free hotdogs to get people in here. We are trying to get people in here and we can't. Your concerns from this point forward is to get more people in here, more ideas. Maybe with more people here they can get comfortable with what is going on so when there's a project going on they don't panic. **John:** it is a lack of information, it is out there they just don't pursue it. We don't put it in the newspaper but we do have technology and put in on our website & Facebook. It is more encouraging if it comes from another community member to ask them to come to a meeting.

**Doug:** I was on the board before and I get phone calls. I didn't know you had been to the office. **Jeff:** I am hoping we can take this meeting and start over and work together. **John:** there has got to be ways to get the community more involved. **Jeff:** there's no since in releasing the budget when it is a work in progress. Doug, you are the only one that has been here so you are the only one that can say anything. Someone that sends you a message and doesn't come to the meeting sounds like they are trying to cause problems. Not sure that is going to help us any. Have them come to a meeting and don't let them keep knocking us down. **Rex:** if you come to us complaining, come to a meeting and quit knocking us down.

**Jeff:** there are a lot of things changing in Vaughn, the trailer parks are being cleaned up etc. Let me ask you a question Doug: have we addressed your concerns from the last meetings. **Doug:** oh yes. There's no doubt. Before you decide on a rate increase, look at a restructuring of the wastewater loan.



**Herb:** there are times that are unseen where Cory and I have asked questions. We have gone over documents at the pump house to look at financials or whatever needed to be discussed. It doesn't require a working meeting unless there is a quorum. **Rusty:** every board member came down to the office and we went over the budget. **Herb:** we even heard tonight that Annette told Rex he could come down anytime to go over financials.

#### **Standing Agenda:**

#### **Secretary/bookkeeper report; See attached. 1:21**

Loss is due to paying off the insurance bill.

When we went to the new accounting numbers some of the customer's invoices didn't get coded right. I had to go in and make sure it went to either water or sewer. It was in the financials but was just hanging out there.

**Jeff:** I was there when Annette was having to go through all those and it was tedious and looked like a pain.

#### **Operator Report: See attached 1:26**

**Jeff:** Doug brought up at the last meeting about getting together with the Fire Chief on training. Has there been anything done with that? **Rusty:** I have talked to the Fire Chief and he hasn't gotten back to me.

**Garage/shed:** Rusty talked to Michele Marsh from SRF and she is okay with using some of the money left from the sewer project. I got an estimate on a prebuilt one and they are \$28,000. I can probably build one for ½ of that or less. I need board approval. **Jeff:** do you have a cost? **Rusty:** I can do it for about ½ and include concrete, heat and electric. **Jeff:** how big of a building? **Rusty:** 20x24 **Jeff:** how much to put heat in it.

**Rusty:** for now I want to get a building. I have to have somewhere to store files because right now they are in the generator building and it is not safe. **Jeff:** you need to get an estimate on everything you need before we approve it. If we approve it now and later you need other stuff we won't have the funds.

**Rusty:** I need to figure out how to fund it.

#### **KLJ Water Project: 1:43**

**Rusty:** I called last week, we are waiting on the electrical engineer. She came today and went over everything. She should be having her paperwork done next week. Should be going to bid in Sept.

**Annette:** we still haven't gotten a sight title opinion from our attorney. I will call again tomorrow and see what is going on.

**Rate adjustment:** tabled to later date

**Resolution 20-05 Refinance Berkadia Loan:** tabled to later date

#### **Budget:**

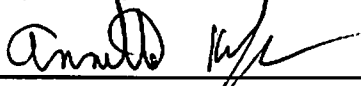
Discussion on what to do about the budget: **Cory:** wants to come to office to go over the lagoon liner budget portion. **Rusty:** all I did was looked at what was being put away already. **Cory:** Annette I want to come take a look at matching funds. **Rusty:** we just want to make sure that the budget is ok with you.



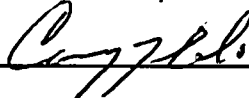
**Adjournment:**

With no further business before the board, the meeting stood adjourned. Adjourned: 7:53 pm

Respectfully submitted:



\_\_\_\_\_  
Annette Kniffen, Secretary/Treasurer



12-15-2020

\_\_\_\_\_  
Date

12/15/2020

\_\_\_\_\_  
Date