



## Vaughn Cascade County Water and Sewer District

### Board Meeting Agenda

February 16<sup>th</sup>, 2021

6:00 p.m. American Legion Hall

#### FACE MASK REQUIRED

Call to order.

Pledge of Allegiance

Roll Call

Approve January 19<sup>th</sup>, 2021 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

- Resolution 21-01: Approve Bond/loan A and B for water project.

Adjourn

# Vaughn Cascade County Water & Sewer

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

Board Meeting Minutes

February 16<sup>th</sup>, 2021

*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 March 16, 2021 Board meeting.

**Public in attendance:** Doug Schwarz

**Call to order/Quorum:** Cory Eli President at 6:03 pm

**Pledge of Allegiance**

**Roll Call:** Herb Phinney, Rex Heckel, Cory Eli.

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

**Approve January 19th, 2021 meeting Minutes:**

**Cory:** has the board had a chance to read through the minutes are there any corrections?

**Rex:** yes I have read through them. **Herb:** read through them.

**Public Comment:** Doug: stated the draft minutes were not posted on the web site only on Facebook. Annette explained that she got locked out of the web site and have been trying to get ahold of the web page company. As soon as she can get back into the web page she will post the minutes.

**Any further board discussion on minutes:** no .19

**Any further public discussion:** no

**Cory moves to approve Jan. 19 2021 minutes.**

**Herb second:**

**All those in favor say Aye:** Herb, Rex, Cory

**All those opposed same sign:** none

**Motion carries**

**Community comment:** .48

**Doug:** Montana Code annotated on tax levies on rate increases for maintenance. This is the 2019 update. Also have one of the preparation of the budget. They have to be filed and other stipulations.

**Cory:** on the first one about tax levies, we have not filed for a tax levy. It is for tax levy not rate increase.

**Doug:** that applies to rates. **Rex:** how does that apply to us? **Doug:** public meeting because it has to be advertised 30 days in advance not 48 hours. **Cory:** that has to do with a tax levy not us. **Doug:** the last increase was \$1.94 for the sewer rate. When the water rate increase instead of \$10 it was \$11.37. I was under the impression it was only going to be \$10. **Annette:** the last paperwork we received from Bond Counsel out of Helena it was \$11.37. **Doug:** comment on the updating of the budget and filing of the budget is if that coincides with the fiscal year, establishing the budget at that time you can also establish the rate increase at the same time. You can show there is not going to be a short fall or more money is needed later. You can vote on accepting the budget and rate increase at the same time. You can raise it more than 5%. **Cory:** You also have to have a public meeting if it is over 5%. **Doug:** You can do both at the same time. It just makes it better. If we just have the 5% increase now, next year we will be in a short fall and we will have to raise it again. We will have sewer lines that need to be repaired. According to the minutes from last month we don't have any money to go into that account.

**Herb:** I had a comment from a community member, Brenda Hess. She was wondering when the notices went out for rate increase. I talked to Annette and she was fine with that. She requested that since she doesn't go to the Post Office or the gas stations out here if we could start putting it in with the bills. She also had a question on the taste of the water. **Rusty:** it comes out of the aqua fur and no matter what we try it will still have a taste to it. **Rex:** I have a filter on mine and it tastes ok. **Rusty:** the charcoal filters seem to work best. **Doug:** asked if the bill could be broke down when sent out instead of combining it. **Cory:** we can take it under advisement. **Doug:** the income statement you have roughly \$20,000 income doesn't show which portions are for the loans. **Annette:** none of that goes towards the loans. I can put it on there it would be under other income. It would be below net ordinary income. The P&L is shortened. The money goes into the savings account. **Cory:** the P&L is shortened when printed out. **Annette:** I can put it back on the report that is printed.

#### **Agenda:**

**Secretary/bookkeeper report: 18:46**

See attached

**Rusty:** the SAGR replacement seems low. **Annette** I will double check those numbers.

**Operator Report: 21:25**

See attached

**KLJ Engineering Water upgrade report: 23:50**

**Rusty:** the contractor has dug the site up on the hill for the new tank. **Annette:** we have to have a physical address up at the tank to get electricity up there. We have to go through the county to get that.

**Cory:** do we have an easement up there? **Rusty:** we just got an easement for that. They have started electrical inside the pump house. They are redoing some of the panels.

**Annette:** I have pay draw requests. I have an excel spread sheet that explains what the draw request is paying for. 1 TSEP, 1 funding source A and 1 funding source B for the draws. **Rusty:** are we pulling out of the right funding sources. **Annette:** I was on the phone with Krista with KLJ for over an hour going over the funding. The tank will be pulled out of the loan along with DNRC. TSEP won't fund it because in the PER it says the tank will be used for firefighting. We are just moving money around from one funding agency to another. **Rex:** what is a forgiveness loan? **Annette:** that part of the project money will go away. If we don't finish the project or

something else gets messed up we would have to pay it back. **Doug:** they say they are going to loan you this money and if you do everything right we will forgive this portion of the loan and you don't have to pay it back.

**Resolution 21-01 Bond loan A & B 34:53**

**Cory:** did KJ drop this off today? **Annette:** no I received it through email today. The bond counsel said we could call him during the meeting and he would answer any questions the board has. **Cory:** we need to read through it before we can approve it. **Rex:** Annette have you read through it? **Annette:** I scanned through it. I did have to add Jackson Contracting Group and their bid to the document. Our Bond Counsel highlighted what I needed to add. **Cory:** they need it before next meeting? **Annette:** yes they need it as soon as possible.

**Rex:** can you summarize it? **Annette:** we were just talking about Loan A & Loan B this resolution has to do with that. We have to keep insurance that covers the project cost, we have to have a savings account for 6 months' worth of loan payment in case we can't make the payment and it has to stay there for the life of the loan 30 years. I got a letter from the bank last week regarding our wastewater savings account. It went dormant because we haven't put money into the account. We need to put \$1 in every 6 months to keep it active.

**Doug:** you said we have to carry insurance. **Annette:** we will have to upgrade our insurance when the project is finished. It would cover the tank the telemetry system etc.

**Cory:** we won't be able to pass this without the board going over it first. Since we just got this, this morning. We need to read it through, it would irresponsible of us to pass it without reading it. They are going to need this before next month's meeting.

**I propose to pass resolution 21-01 contingent on the 3 board member not coming up with any issues or changes.**

**Rex:** do we take turns on that copy? **Annette:** no I will print out other copies for you. **Rex:** I will read through it.

**Herb:** I will read through it also. **Annette:** if you have any questions you need me to answer just let me know.

**Cory:** we all need to read it and let Annette know we have read it. If you have any questions just let Annette know. It will give us a few days to go over it. **Herb:** how can I get a copy? **Annette:** I will print them out tomorrow and deliver them to you and Rex.

**Cory made motion to approve Resolution 21-01 contingent on the board members reading it with no changes.**

**Rex:** seconded.

**Any further board discussion: none**

**Any public discussion: none**

**All those in favor say Aye: Herb, Cory, Rex**

**All those opposed same sign: none**

**Motion carries**

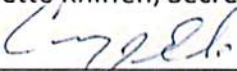
**Adjournment:**

With no further business before the board, the meeting stood adjourned. **Adjourned: 6:55 pm**

Respectfully submitted:



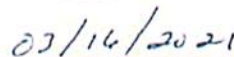
Annette Kniffen, Secretary/Treasurer



Cory Eli, President



Date



Date

**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/Treasurer**

**Date: February 16<sup>th</sup>, 2021**

**Re: January 2021 Secretary/Treasurer's Report**

---

**Financials:**

January showed a profit of \$7,291.25.

**Bank and Other Accounts:**

- **First Bank checking: \$104,677.59**
- **Water Savings: \$70,241.14**
  - 1) **Hydrant Savings: \$2,502.00**
  - 2) **Water Loan: \$12,100.00**
  - 3) **Refinance: \$1,509.09**
  - 4) **Bond Reserve refl.: \$8,408.00**
- **Sewer Savings: \$40,888.48**
  - 1) **Lagoon liner: \$19,723.38**
  - 2) **Wastewater Loan: \$8,419.47**
  - 3) **Main line:**
  - 4) **Sludge: \$2,000.04**
  - 5) **SAGR Replacement: \$1,251.00**
- **Sewer Bond Reserve Savings: \$47,446.90**
- **Bills paid: \$13,678.59**

**Correspondence:**

Respectfully submitted,

**Annette Kniffen**

**Secretary/Treasurer**

## **Operator/Manager Report**

02/16/2021

### **Report**

- Garage/Shop building is almost complete working on insulation and interior sheeting. Waiting on Northwester Energy for gas and electrical.
- Headworks Project Plans/specs are about 99% complete and have be sent to DEQ for approval.

### **Upcoming Projects**

- Working on garage/shop building.
- Continue to do O&M work.

### **Completed Projects**

- none

### **Board Approvals**

- none

James South, Operator Manager

A handwritten signature in black ink, starting with a large loop and extending horizontally to the right.

