

Vaughn Cascade County Water and Sewer District

Board Meeting Agenda

March 16th, 2021

6:00 p.m. American Legion Hall

FACE MASK REQUIRED

Call to order.

Pledge of Allegiance

Roll Call

Approve February 16th, 2021 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

- Interview for Board Member to replace Jeffrey Werley
- Appoint Board Member & Swear in
- Board discussion HB 255

Adjourn

Vaughn Cascade County Water & Sewer



1161 6th Ave, Vaughn, MT 59487

Board Meeting Minutes

March 16th, 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 April 20-2021 Board meeting.

Public in attendance: Doug Schwarz

Call to order/Quorum: Cory Eli President at 6:06 pm

Pledge of Allegiance

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

Employees: Annette Kniffen, James (Rusty) South

Approve February 16th 2021 meeting minutes .56

Cory: Has everyone had a chance to go over the minutes? If there are no additions or corrections I make a motion to approve the minutes as written.

Rex: second

Cory: is there any further board discussion?

None

Cory: any public discussion on the minutes?

None

All those in favor say aye: Herb, Cory, Rex

All those opposed same sign: none

Open community comment: 2:15

Doug Schwarz: Questions on the P&L, it's misleading. The bottom line net income of \$149,000.

Annette: anything below the net ordinary income is what we collect for loan payments.

Doug: what income is that from? **Annette:** that is the income from the customers that is for the wastewater loan and the new water project loan, plus some of the grant money coming in. We get the grant money in towards end of month but it doesn't go back out to pay bill until the following month.

Doug: my other question, in the net ordinary income, wouldn't it be better what we have to set aside for lagoon liner, mainlines etc. in ordinary income? **Cory:** you don't break it out in a P&L you do it in the balance sheet. **Annette:** the net income is the money we collect to pay our ordinary bills like salary,

utilities and day to day expenses. Everything else, like loans, savings, grant is in total other income and expense. **Doug:** do you not expense out the contributions to the savings accounts? **Cory:** it is accounted for. It is in other income until it is pulled and used for an expense.

Cory: any further public comment? None

Secretary/bookkeeper report: 10:25

See attached

Doug asked about tax liability. Annette: explained about the tax that we are a nonprofit. **Doug** stated we got hit for taxes one time. They use to break it down. **Annette** no audit requirement because we were under \$750,000 so we did not have a filing fee. If it was \$750,000-1,000,000 it would have been \$550.00 and it goes up from there.

Operators report: 17:00

See attached

KLJ Water project update: 22:56

Rusty: There was contaminated soil on the other side of the highway. **Cory:** contaminated with what? **Rusty:** it smelled like fuel. They sent out a sample to test it for whatever contaminate. The contractor found it on a Wednesday at about 11:00. They called KLJ and couldn't get ahold of anyone. Finally they get ahold of someone at KLJ. The next day Dan from KLJ called me (Rusty) saying we had contaminated soil what was going on. Rusty said that was the first he was hearing about it. There is a chain of command so the contractor can't call Rusty, the engineer has to. Dan said we had a problem if it is ground water. Krista from KLJ said it was ground water. Rusty checked it out and it wasn't ground water. Krista might not be on the project anymore. KLJ is sending someone else out to replace her. **Doug:** is the contractor going to be charging standby time? **Rusty:** I am not sure how KLJ is going to handle it yet. **Annette:** we got a draw from KLJ. I got it at 11:00 this morning. There is an \$18 late fee on one invoice and a \$106 late fee on another invoice. I explained to Krista that we can't pay the invoices until we get the money from the Grant agency. When I get the money I get checks out within 24 hours to pay invoices. I told her we were not paying the late. That might not seem like a lot to some people but to us in Vaughn it is a lot of money. This company was paid on the second draw. That was paid way back on February 9th. I told Krista that I am suggesting to the board that they not sign this draw. **Rex:** can you prove you paid that? **Annette:** yes.

Cory: did you get ahold of Dan at KLJ? **Annette** I tried to but he was in a meeting today. I will call him tomorrow. It is not up to me whether you sign this draw but I am suggesting you don't because it is \$124 to much. **Cory** explained what the draw request was for. If we don't sign it we can sign it at next month's meeting. Since this doesn't require a quorum to approve we will wait until it gets fixed to sign it at next meeting.

Annette: these are the closing documents for the loan that the board signed at the last meeting. They need to be signed. We will be closing on the loan March 26th.

New Business: 35:17

Interview for new Board member to replace Jeff Werely.

Cory: explained what the board position includes. We can't act individually as board members. **Herb:** if anyone comes to your door or calls you, they need to come to a board meeting or write a letter and drop it off at the office. When's Jeff Werely expired? **Annette:** 2024

Rex made motion to invite Tina Cole to be on the Board of Directors. Cory: second.

Cory: any other board discussion? None

Any public discussion: none

All those in favor say aye: Herb, Rex, Cory

All those opposed same sign: none

Motion carries

Swearing in Tina Cole as new Board member: 44:23

Rusty: DEQ did an inspection on Thursday 45: 39

He didn't find anything wrong except storing the chemicals in the generator room. I had already plan on moving them to the building which is going to be built on the back side of the office. We also had the labor board come out. They got me for a dust mask not being in a zip lock bag, no screen around the well shaft, I have to sign off on the fire extinguishers every month. **Rex:** is this like OSHA? **Rusty:** exactly like OSHA. I had to do a lawnmower training. They write you up for those things and then you have 30 days to correct it and send them the pictures and statements of correction. **Cory:** have you done that? **Rusty:** yes the next day.

Herb: how is the shooting going down at the ponds? **Rusty:** I shot 3 shells and haven't seen a goose until today. I got the new cracker shells in and they shoot like a fire cracker. I shot one and thought it was a dud so I shot another same thing happened, I shot a 3rd and all of a sudden it was boom, boom, and boom all in a row. I called and got all the permits. I can't kill them but I can harass them.

House Bill 255: 52:46

Discussion on the house bill. Annette: read the email received from Montana Rural Water. See attached.

Cory: this is the response from John Camden from Montana Rural Water. The house bill has a part for an extra board member. I don't believe it will apply here. Call your representative.

Doug: we need to write a letter to the Representatives from the Board saying we don't agree with that. Discussion continued on the House Bill. **Herb:** was this being voted on. **Annette:** it went through once and I am not sure if it went through a second time. **Herb:** it sounds like it is coming from a party of individuals that have a grievance against local boards. Board members are volunteers and the threat of a law suit will prevent people from being on a board. **Cory:** as long as you are doing your duty in a conscience way they have no leg to stand on for suing. We have legal representation for the district. Our response letter should say it is hard to get board members now and this would put a hardship on small districts. **Herb:** I think we need to send a letter from the board. **Cory:** I wouldn't mind writing it myself.

Adjournment:

With no further business before the board, the meeting stood adjourned. **Adjourned:** 7:15 pm

Respectfully submitted:



Annette Kniffen, Secretary/Treasurer



Cory Eli, President

4-20-2021

Date

04/20/2021

Date

SIGN IN SHEET

VAUGHN CASCADE COUNTY WATER & SEWER DISTRICT

BOARD MEETING

DATE: 3-16-2021

NAME (PLEASE PRINT)	PHONE NUMBER
Rex Heckel	
Don Schwart	
Ray Col	

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: March 16th, 2021

Re: February 2021 Secretary/Treasurer's Report

Financials:

February showed a profit of \$6,907.02

Bank and Other Accounts:

- First Bank checking: \$5,624.42
- Water Savings: \$72,656.68
 - 1) Hydrant Savings: \$2,919.00
 - 2) Water Loan: \$12,100.00
 - 3) Refinance: \$3009.09
 - 4) Bond Reserve refi.: \$8,408.00
- Sewer Savings: \$39,800.53
 - 1) Lagoon liner: \$20,306.72
 - 2) Wastewater Loan: \$8419.47
 - 3) Main line: \$417.93
 - 4) Sludge: \$2,333.38
 - 5) SAGR Replacement: \$3,336.00
- Sewer Bond Reserve Savings: \$47,447.30
- Bills paid: \$274,757.34

Correspondence:

- Received prepared financial statement for FY ending June 30,2020

Respectfully submitted,

Annette Kniffen

Secretary/Treasurer

Operator/Manager Report

03/16/2021

Report

- Garage/Shop building is complete working on work bench and shelving. The big wait is Northwester Energy for gas and electrical.
- Headworks Project Plans/specs are approved by DEQ and have been sent to 5 contractors for a bid.

Upcoming Projects

- Move all tools and equipment into the new shop building.
- Work with Contractor on project doing shut offs and isolations.
- Pumphouse #2 rust removal and painted
- Replace control valves at pumphouse.
- Continue to do O&M work.

Completed Projects

- Shop is built.

Board Approvals

- none

James South, Operator Manager

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal line that ends in a small loop.