

Vaughn Cascade County Water and Sewer District

Board Meeting Agenda

March 17, 2020

6:00 p.m. American Legion Hall

REC
JUN 19 2020

mejohnson

Call to order

Pledge of Allegiance

Roll Call

Approve January 21st, 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

Doug Schwarz:

- Discuss District boundaries.

Old Business

- KLJ Engineering: Update on water project
- New Board Members

New Business

- Resolution 20-001: change signatures on water project
- Resolution 20-002: increase credit card limit
- Resolution 20-003: intention to raise rates

Adjourn

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Total Pages: 9 R 0.00 By: mejohnson 06/19/2020 04:04:56 PM
Cascade County, Rina Ft Moore - Clerk & Recorder



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Vaughn Cascade County Water & Sewer



1161 6th Ave, Vaughn, MT 59487

Board Meeting Minutes

March 17th, 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 June 16 2020 Board meeting.*

Public in attendance: see sign in sheet

Call to order/Quorum: Vice President Herb Phinney at 6:05 pm

Pledge of Allegiance

Roll Call: Sue Scott, Cory Eli, Herb Phinney. **Employees:** Annette Kniffen, James (Rusty) South

Herb explained the order of the Agenda, Roberts Rules and Montana Code Annotated as to how the meeting will be done.

Approve January 21, 2020 meeting minutes: 3:29

Motion to approve: Herb Phinney

Second by: Sue Scott

Community Comment on January 21, 2020 minutes: 3:32

Doug Schwarz: make a correction, page 3, 1st paragraph, Doug didn't give a letter of intent, he gave an explanation to the board.

Herb: asked for date on Doug's minutes. **Doug:** January 21st. **Annette:** has a copy of the letter and it will be filed with the minutes. **Cory:** right on the bottom of the letter it states, Letter of intent. **Herb:** the letter dated January 20, 2020 the second to the last paragraph says "with due respect I give this notice of intent"

Doug: what else does it say? **Herb:** notice of intent if not rectified in 10 working days from January 21st, legal representation will be procured. You are giving us a notice of intent, giving us a condition. **Doug:** you can call it a letter of intent, actually it was a letter of demand.

Herb: any other community comment on the minutes? 7:02

Vote to approve the minutes as written:

All those in favor say Aye: Cory, Sue, and Herb

All those opposed same sign: none

Open Community Comment: 7:35

Doug Schwarz: last meeting Annette brought up opening a savings account for the money collected from customers for the loan. There was nothing done. It is not on this Agenda. It should be acted on. The cost of the fire hydrant repair, was it evaluated with labor, materials and rental equipment? That should be shown as an asset and should be put on with the water project. **Rusty:** it is done and is going to be used as matching funds. **Doug:** you spent hours on doing the repairs, rental equipment & parts. **Rusty:** that is all on it. **Doug:** it is not reflected on the financials. **Cory:** it won't be because it is not part of our monthly financials. **Doug:** it should be in accounts receivable because it is completed. Ask the accountant how they want to handle it. When you get to the section to raise the rates I would like to speak because I have been reviewing the budget vs the expenditures. **Cory:** we would prefer you go through it with the bookkeeper and not at a meeting. **Doug:** the board members need to look at that and arrange the budget properly for the rate structure and there is a formula to do that. **Cory:** there is, it is administered by the bond counsel, the bookkeeper and the auditor firm we have hired 2 years in a row now. They have no problem with it. **Doug:** the budget is incorrect. **Cory:** it is up to the state standards. **Herb:** your 3 minutes is up.

Betty Remsh: 13:30 is there going to be a rate increase and how much is it. **Sue:** it is part of the Agenda. **Herb:** we are going to discuss the increase before a resolution is passed a community comment will be allowed. **Cory:** there is a resolution to increase water rates but not to increase them immediately. **Betty:** have they been approved by the Montana state rates & utilities? **Cory:** yes there is the bond counsel that comes up with the numbers.

Standing Agenda: 15:06

Secretary/Bookkeeper report: see attached

Doug: 15:52 noticed on financials as income without showing the liability. **Annette:** the wastewater loan only gets billed January 1st & July 1st. **Doug:** discussed the P&L regarding the wastewater loan as all income and no expense. **Herb:** while Annette is giving her report she should be allowed to give her report without community comment and interrupted, that is proper procedure.

Discussion on taking credit cards, charge a 5% convenience fee to customers. **Rusty** asked if we need to get a board approval to accept credit cards. **Cory:** that is day to day operations and is up to the employee. **Herb:** this is an internal decision on a way to take payment.

Community comment on Secretary/bookkeeper report: 21:39

Doug: discussed about P&L and it gave a false reading. **Herb:** can you put it in writing so we can get a detail on what you are asking and do some research. **Doug:** I can and it will take several pages because there are several things that I have questions about. **Herb:** you can give us a hard copy to work from. **Cory:** the board members have sat down with Annette to go over the budget. **Doug:** we need to have a working meeting. **Cory:** no because it has been approved by the bond counsel. **Sue:** Doug you are aware we have had 2 audits already. **Doug:** yes but the budget is low.

Discussion continued on the budget: 24:07

Herb: in order to hold a correct meeting, it needs to be posted 48 hours in advance. Each board member can meet individually with staff. Doug turn in your list of concerns and comments, that would be appreciated. You can type it up and give it to Annette and she can work on answering it.

Operators report: see attached **25:57**

32:35 Board agreed to close the office to public due to COVID-19. Covered under governor's directive.

Discussion on taking cash payments.

Discussion on the wastewater basket to collect flushable wipes and rags going into the lagoons.

Motion to allow Rusty to have KJ to design the headworks. 36:25

Cory made motion: Sue second

Public comment: **36:46**

None

All those in favor say aye: Cory, Sue & Herb

All those opposed: none

Agenda item: **39:07**

Doug Schwarz to discuss district boundaries

See what was come up with and if any information was received from County Attorney. Turned over paperwork from emails.

Herb: asked what board and what month Doug was referencing. **Doug:** discussed the board in 2017 & they took the property that was in the district back out of the district. Those properties were put into the district in 2016. There was no notice that they were being taken out of the district. **Herb:** the email was dated February 2017. **Doug:** email sent Dec 2017. **Herb:** in March 2017 there was a meeting held and an action from the board to nullify because of improper procedure. Secretary of State's office was called end of 2019 and was told that the properties were not annexed into the district. Spoke to elections office, County Attorney Cary Anne, her point was she agreed with the Secretary of State's office. The County Attorney's office was recognizing the Secretary of State's decision. **Doug:** you need documentation that supersedes the annexation. I have talked to her and so has my attorney. **Herb:** when? **Doug:** last week. **Sue:** Doug when that boundary was set up was it done through a public meeting. **Doug:** yes, it was done through public meeting, there were submissions from each of the property owners to be included in the district. **Herb:** was there an election held by the customers in the district for the annexation. That is part of the MCA code. **Doug:** there was a proper election held. **Herb:** if you have the paperwork & date the election was held could I get it. We do have a situation where our by-laws say no one is to be hooked up to the system unless they are in the district. There are a lot of boundaries that need to be corrected. The current board and our engineer is looking into that. **Doug:** I gave you the paperwork 2 months ago. I have had a letter of intent to come on the board since 2016. I have books and records of the district. Anything you want to know I have copies. **Herb:** the board is determined to resolve this and bring everyone that is receiving service to be in the district. Cory: if you have hired an attorney this becomes a legal issue and we can't discuss this any further. **Doug:** I have not hired an attorney I have talked to one. **Herb:** we acknowledge. I will contact Cary Ann. I am requesting you (Doug) to drop off the information on the annexation to the office. **Doug:** that is a lot of paperwork. Set a time and we can get together. **Herb:** not

sure an individual board member can meet with one person without it being misconstrued as representing the district. **Cory:** the board will have to act on it. **Doug:** I filed with elections office to be on the board.

Agenda Item: 51:04

New Board member.

Received a letter of intent from Rex Heckel. He is a resident and property owner.

Questions from Board to Rex:

Cory: signing up for 3 months to keep a quorum. What happens after that? **Rex:** yes 3 months and after that I will see.

Motion to accept & appoint Rex Heckel to fill one of two empty seats.

Community comment: none

Motion made by Herb, second by Cory.

All those in favor say Aye: Cory, Herb & Sue.

All those opposed: none

Herb swore in Rex as new board member. **54:16**

Position to last 3 months.

Agenda Item: 56:06

Resolution 20-01 Change signature for water project.

Becky Dubielczyk is on the form but is no longer a board member and needs to be updated to a current board member.

Cory: read the resolution.

Motion to accept resolution: Cory, second by Herb.

Any public comment: none

All those in favor say Aye: Cory, Herb, Sue and Rex.

All those opposed: none

Agenda Item: 1:00:00

Resolution 20-002 increase credit card limit for office staff.

Current limit is \$1,000 and increase to \$2,000. Both staff share same card. Operator orders O&M online and secretary gets stamps, paper, envelopes etc.

Betty Remsh: is this monthly? **Rusty:** the limit is per month. If I have a water break it costs more than that.

Motion to approve the resolution as written: Cory, second by Rex.

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

All those opposed: none

Agenda Item: 1:03:45

Resolution 20-2003 Intention to raise water rates

Discussion: on latest data to compare with our community with others on what we charge. **Herb:** when we get a grant for a project we have to have a matching loan. The Bond Counsel is involved with deciding how much the rate will be increased. **Annette:** the rates will include the O&M along with the loan. **Herb:** we have not raised rates since 2017. How much is our O&M & loan break down. **Annette:** Loan will be approximately \$6.73 and O&M will be the rest. **Annette:** this is just an intention to raise rates. We still have to post it in the paper and have a public hearing.

Discussion: regarding proposed rate increase. Only to approve the intention to raise rates. Board needs to decide if unoccupied should be included in the water rate raise. Unoccupied is \$12 now and if we raise it will be raised another \$11. There are approximately 10-11 unoccupied rates. If it doesn't get raised it will be added to everyone else. By-laws read by Herb regarding the bond improvements.

Discussion regarding Berkadia water loan. It will be refinanced through Coal Severance tax. We are already paying on it. **Doug:** that amount drops off in 5 years if it is paid. **Annette:** It is up to the board if it drops off in 5 years.

The water project loan is a 30 year loan.

The Board decided the unoccupied \$18.73 and the other rates will increase accordingly. Annette will contact Bond counsel to figure the rates.

Motion made to accept Resolution 20-003 with change

Motion made by Herb to accept with changes second by Rex.

All those in favor say Aye: Cory, Herb, Sue and Rex.

All opposed: none

Motion Carries

Doug gave Cory a letter wanting his resignation. **Cory:** said he was will work on a response.

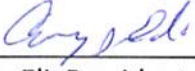
Adjournment:

With no further business before the board, the meeting stood adjourned. **Adjourned:** 7:52 pm

Respectfully submitted:



Annette Kniffen, Secretary/Treasurer



Cory Eli, President

06-16-2020

Date

06/16/2020

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: March 17th, 2020

Re: February 2020 Secretary/Treasurer's Report

Financials:

January showed a profit of \$3,996.84

Bank and Other Accounts:

- First Bank checking: \$24,579.54
- Water Savings: \$55,733.28
- Sewer Savings: \$53,520.15
- Bond Reserve Savings: \$47,442.03
- Bills paid: \$30,410.90

Taking Credit Cards: We have had several people ask about us taking credit cards. I talked to Intuit about being able to take credit card payments. They have a pay as you go option, there is no charge to have it and we would only pay the banks fee when used. This would be billed as a convenience charge. With approved applications they will send a free card reader. To cover the cost of what Intuit charges us, we would need to charge:

- **Keyed: 4.5% Swiped: 3.5% ACH (automatic recurring payments, your biller will pull funds from your account every time your bill is due) \$5.00.**
- **On a bill of \$111.13 the cost would be: Keyed: \$5.00 Swiped: \$4.20 ACH: \$5.00**

Phone Conference: Next water project conference call is April 10th, 2020 at 9:00 AM.

Respectfully submitted,

Annette Kniffen

Secretary/Treasurer

Operator/Manager Report

03/17/2020

Completed Projects

- Fixed the sewer power snake. Customers possible could use it but will have to sign a rental agreement/liability waver. The rent would be similar to any other rent price and any damages would be covered by the renter.
- Used the power snake to unblocked lagoon 3 effluent pipe.
- Repaired DO sensor in lagoon 3.
- All blowers have been serviced. It appeared that the blower block on the new blowers were leaking oil, however it was spilled from the last service.
- Red Sky trailer park has installed the water test hydrant, Yahoo! no more going into trailers for sampling.
- Worked on the annual budget with Annette.
- Water line break was reported and fixed on Central Ave. Williams Civil Construction was available and could take care of in a timely manner. It ended up be a service line that was leaking and finally broke apart.
- Continue to do O&M work.
- 2:30 AM March 11, 2020 the well pumps failed to start up.

Upcoming Projects

- CO-OP with Cascade and Fairfield for backup Operator, emergency help, and help in general.
- Cleanup around the Lagoons
- Seed areas of disturbance.
- Painting office has been put on hold until O&M budget allows it.

Board Approvals

- Preliminary treatment adding headworks to existing MH
- Closing the office from the public COVOD-19.

James South, Operator Manager



SIGN IN SHEET

VAUGHN CASCADE COUNTY WATER & SEWER DISTRICT

BOARD MEETING

DATE: 3-17-2020

6:15 PM

| NAME (PLEASE PRINT) | | PHONE NUMBER |
|---------------------|--|--------------|
| Dora Schmitt | | 759-304-8669 |
| - Rox Heibel | | 406-590-6681 |
| Bobby Kemmer | | 406-965-3578 |
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