

Vaughn Cascade County Water and Sewer District

Board Meeting Agenda

September 21, 2021

6:00 p.m. American Legion Hall

- The community speaker will only address the board through the Chair
- Everyone agrees not to interrupt others
- Shouting and personal attacks will not be allowed
- No single party will dominate the meeting
- No person will be allowed to speak twice until all others have had the opportunity to speak
- Discussion should not deviate from the established agenda
- The community speaker should not repeat testimony
- Public comment is limited to 3 minutes

Call to order.

Pledge of Allegiance

Roll Call

Public Meeting: Budget discussion

Community comment

Board discussion

Approve July 13th, 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

- Approve FY 2022 Budget
- Secretary/bookkeeper report
- Operator report

Old Business

- KLJ Engineering: Update on water project
- KLJ Engineering: Update on Headworks
- KLJ Engineering: Draw requests
- Doug Schwarz: Boundaries

New Business

Adjourn

Vaughn Cascade County Water & Sewer

R0420030 CMS

Total Pages: 13 R 0.00 By:mejohson 10/27/2021 12:28:06 PM
Cascade County, Rina Ft Moore - Clerk & Recorder



1161 6th Ave, Vaughn, MT 59487

Board Meeting Minutes

September 21st, 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 Oct. 19th 2021 Board meeting.

Public in attendance: See sign in sheet

Call to order/Quorum: Herb Phinney Vice President at 6:10 pm

Pledge of Allegiance

Roll Call: Herb Phinney, Tina Cole, Rex Heckle

Employees: Annette Kniffen, James (Rusty) South

Public Meeting: Budget discussion FY 2022 1:14

Herb: Has everyone had a chance to look at the budget? **Rex, Tina:** yes

Herb: Annette is there anything you want us to be aware of in the budget? **Annette:** the amount on the top of the budget does not include what the District is collecting from the customers for the loans. The total is only for O&M and what is collected for water & sewer usage.

Community comment: 2:43

Doug Schwarz: Is the District putting away any money for future maintenance? **Annette:** underneath the total expenses is what is being put away in savings for future maintenance. **Doug:** probably not this year but the district will have collection cleanout. It is not just to replace the liner. I know the sewer lines we are applying for a grant, you still have other maintenance issues that come up and we are not having anything put into reserves. If we don't get the grant we are going to need money. **Annette:** we are putting \$500 away in both water & sewer for emergencies, rental equipment and maintenance.

Rex: where can I find that on the budget? So we have \$6000 in savings. **Annette:** no that is what is put away each year. **Doug:** so you are only putting away \$12,000 a year. We are applying for a grant, but are we prepared to dip into the savings if we don't get the grant? We have serious issues repairs and some that are flat.

Annette: we are applying for AARP funds. This is in my secretary report. We will be receiving from the county \$254,648 in matching funds. **Doug:** that is matching funds what if we don't get any other grants are we going to dip into savings? **Annette:** We are getting ahead of ourselves. We applied for AARP funds from the county and were approved for \$254,648. We also applied for State AARP funds for the same amount and we did not get those. KLJ, Sweetgrass Development and I are working on getting other funding through grant agencies. I am not sure when we will hear about that. That is all for the

mainline. **Doug:** will the county accept that as matching funds if we get a grant from another source?

Annette: yes the county will match up to the \$254,648. **Doug:** so we are not borrowing that money?

Annette: no, we don't have to pay it back. **Herb:** so the budget shows \$4000 for sludge removal. So this grant is specifically for repairing sewer lines. **Doug:** is this a comparison to last year's budget?

Annette: I guess last year's comparisons printed on this sheet.

Herb had a copy of it and Annette showed Doug. **Annette:** I will email you a copy tomorrow.

Doug: the rates have only increased 5%. Are we looking at increasing the rates so we have additional revenue? The 5% yearly increase will be enough to cover expenditures next year? **Annette:** when we did the budget we did not do a 5% increase. **Rusty:** we can't all we can do is go by the numbers coming in. it is up to the board to decide if we have enough coming in to cover expenses. **Doug:** what you have here is exactly the amount you need to cover expenses. If you show there is going to be a deficit unless you raise the rates. What I am getting out is for next year there will have to be a raise and it might have to be for more than 5% for this budget to work. If it is more than 5% you have to send it to the utilities commission to approve it. These questions are just so you can look forward to additional raises to keep the district healthy. **Herb:** it sounds to me that both Rusty and Annette has considered that and are aware of it.

Herb: any further discussion from the community? No

Herb: any further discussion from the board? No.

6:25 pm I would like to close the Budget discussion.

Regular board meeting: 6:25 pm

Open Community Comment: 14:06

Doug Schwarz: there are a number of RV's in the trailer parks. Are they complying to the pretreatment of the section of the rules and regulations? **Rusty:** yes they are. I do testing. **Doug:** how are they doing that? **Rusty:** by not using any chemicals. I have been testing manholes. **Herb:** by doing that we know what is coming out of the trailer parks. **Rusty:** anything that contains formaldehyde they are not allowed to use.

Doug: when they were doing the easement next to me, they cut the fence and left the posts hanging. I stopped by and talked to the guy, the contractor, he said it wasn't in the scope of his work. I said well you just cut a fence and let it hang. **Rusty:** we looked at the property line and none of the fence was removed on your property. **Doug:** it was cut lose and the barb wire went limp. **Herb:** was this on your property? **Doug:** my property. **Herb:** the property line between you and your neighbor? **Doug:** correct. **Tina:** who owns the fence? **Doug:** me. **Sean (KLJ):** the neighbor said to leave the fence because he was going to do some improvements. I can go take a look at it. **Rusty:** I have a picture that shows the property line and the pin. Rusty showed the board the picture and explained the property line, the fence and the pin. Nothing on Doug's property was touched. **Doug:** what I am talking about is the barbed wire just sagged. **Rex:** whose property is the fence on? **Rusty:** it is on Tim's property. The board can go look at it themselves. **Sean (KLJ):** we talked to Tim where we went through the fence and left the strands. He said to leave it as is because he was going to do some improvements to it. Looking south where we put the water line, they cut it and left it rolled up to the right. No fence to the left of it. That fence runs parallel to the road not to the property. **Doug:** there is nothing in between the properties.

Sean (KLJ): the fence Tim was talking about runs perpendicular to the road. **Doug:** they cut the wire and one fence post is laying on the ground. They didn't wrap it, they didn't retie it, and they didn't do nothing. So everything went limp again. I shouldn't have to go out myself and restretch the fence because they cut it. Normally when you stretch a fence that has been cut you put a diagonal brace on it and wrap each of the wires so it stays tight. **Rex:** the picture Rusty showed that was on your line, looked to be ok. **Doug:** I need to go out there and fix it, I shouldn't have to fix it. **Rusty:** fix it for what purpose? **Doug:** to fix it the way it was. **Rex:** the picture showed the wires stretched. So you are talking about beyond that? **Doug:** yes. It had tension on it and now it is sagging. **Rex:** do you need help doing that? I

will come help you. **Doug:** that is not the point, It should have been in the scope of the work or the contractor should have wrapped the post with the wire. If push comes to shove I will fix the thing myself. Because you put an access road in there to appease Tim. He said he would give you access but you have to put a road in and a tap. That was a cost on the project. You put a gravel road in and \$1,500 for a tap. There was a fence there, they came and cut it and put a road in. Tim doesn't care right now he is going to do something else. It was a continual fence all the way down and there should have been a gate or something. **Sean (KLJ):** I wasn't involved in the design or land acquisition. If there are questions as to why that spot was chosen the design and was stamped and approved by the board. At this point I really don't know what to say. **Doug:** I know Tim said, I would give you an easement if you give me an access road and a tap. **Rusty:** I will go tighten the wires for you no big deal. **Doug:** if you are going to do business you need to do it right. You don't go on someone's property. **Rusty:** we did not go on your property. You threw a fit about us going on your property. You wouldn't let us set foot on your property anywhere. **Herb:** it sounds to me like Doug's complaint is about the fence sagging. We are offering to fix the fence. **Doug:** yes but normally you need to put a corner post in. You need to put something substantial so those wires stay tight. **Herb:** if Rusty is offering to correct that situation, is that acceptable? **Doug:** yes.

Herb: does the answers about RV dumping and easement answer your questions? **Doug:** yes.

Standing Agenda: 27:07

Approve the FY 2022 Budget: 27:08

Rex: is this something you and Rusty do? **Annette:** yes and it takes us awhile. The reason it shows a zero on the bottom line is we are nonprofit and we can't show a profit.

Herb: are there any questions from the community: no

Herb: any further board discussion: no

All those in favor of approving the FY 2022 budget say Aye: Herb, Rex, Tina.

All those opposed same sign: none.

Budget approved.

Secretary/bookkeeper report: 28:15

See attached

Rex: have we had a chance to work with Sweetgrass Development before? **Annette:** No this is the first time. She seems to know what she is doing.

Doug: have you ever decided to put some of the savings into CD's so we aren't over our limit at the bank? **Annette:** we are allowed \$250,000 in all combined accounts. We need to put this on an agenda and have the board discuss it. **Herb:** can you put that on the next agenda. **Annette:** yes

Doug: I noticed on the web site that June financials weren't on there. It went from May to July and skipped June. **Annette:** I will get those posted.

Operators report: 34:13

See attached

Rex: the floating island, is that moved at the end of the year? **Rusty:** the plants take the phosphorus out of the lagoons. It is removable. In the fall the plants get harvested.

Doug: if DEQ is requiring phosphorus to be removed, do they not recommend a procedure to do that? Is it also required through the EPA? **Rusty:** EPA sets the standards and DEQ enforces it. DEQ does not tell you how to remedy it. It is up to us to figure out how to remove it and how to fix it. It was due in 2022. I am getting more time because I am taking action. **Annette:** so with the floating mat, you take the plants

off in the fall and in spring put more on it? **Rusty:** yes. **Doug:** so if you use the sprinkler it evaporates over the lagoons. You can only do it in the summer. **Rusty:** I am only regulated in the summer, from May through September. The SAGAR was not put in to remove phosphorus, it was only put in for ammonia. **Herb:** using the aerator and the plants work together.

Discussion: continued on what can be done for removing phosphorus. Regulating poly going into water system and poly going into lagoon.

Herb: I am in favor of doing the floating island and the aerator. **Rusty:** I will have to come up with costs and nothing is set in stone. I wanted the board to know that this is something that is going to have to be done. We are going to have to pull the money out of savings to pay for this.

Herb: thank you for doing the research and being ahead of that.

Rusty: on next agenda I am requesting that the board approve what method we are going to go with. I have to have it in place in May. **Doug:** if you come up with a plan and give it to KLJ so they can approve the plans. **Rusty:** If I give it to KLJ then they have to give it to DEQ. Once I get it stamped and approved it is a process and I couldn't deviate from it. I can do this myself and it won't cost the district as much. DEQ makes you use it whether it works or not. I will see if I can get one of the sprinkler companies to design a sprinkler system to get a cost. I can get cost on aerators.

Old Business: 54:10

Sean (KLJ): The water project update: the tank elevation fix was supposed to start last Monday, the contractor was having some issues with the tank manufacturer. It has nothing to do with our project it is something between them. Not sure when it will be completed but as soon as the contractor knows he will let us know. There is no new pay applications that need to be signed. There is just the pay app that was approved at the last meeting that needs to be signed. There are 2 change orders along with those documents. One is the tank fix that KLJ will be paying for, it still needs to be signed by the owner. There is no cost to the district. The other one is for additional programming at the pump house, there were 3 additional valves that were installed. We negotiated the cost where we got 3 valves for the cost of 1. The 3rd one was additional curb stops. The 2 change orders, one KLJ is paying for and one is in the scope of the project and the money used to pay for it will be the contingency money. **Herb:** the amount coming out of the contingency fund will not raise the amount of the loan? **Sean:** no it won't

Herb: any other discussion on this? **None.**

Herb: all those in favor of approving the change orders and payments say **Aye:** Tina, Rex, Herb

All those opposed same sign: none

Update on Headworks: 1:00

Sean (KLJ): the manhole is set and the slab for the building is set. Retaining wall is poured. The only thing remaining on the project is they are waiting for the fabrication of the manhole lid. They expect it to be cast early to mid-October. The timeline for the contractor to get the material is longer. They have been working hard to get it done. There are no cost overruns. No change orders.

Herb: all those in favor of approving the pay app say **Aye:** Tina, Herb, Rex

All those opposed same sign: none

Doug Schwarz district boundaries: 1:11:32

Doug: everybody has had a chance to review this paperwork and I would just like to renovate what was done as far as putting everyone into the district. It is in the best interest of the district especially when applying for grants. Anybody you serve you want to be included in the district. It says it was done and

done properly. The district boundaries doesn't even include the pump house. Anybody that is receiving service you want in the district because it gives you a customer base. You want to have that because when you are applying for grants, it shows you have ex amount of customers and it shows the revenue is solid. Rex: how many more customers would we have? Doug: originally just before this there was a petition and it was submitted and the district boundaries were approved to include the pump house and all the way up to the Deli, it was to expand the district. Everything was done right but it wasn't filed with the Secretary of State. It was filed with the county but wasn't filed with the Secretary of State. It was Cory, Kay Neil. Rex: Do we really need to know who it was?

Doug: yah, they petitioned and said the properties were not properly filed. There was myself, Alan Whitmire and another gal on the board at that time. They said we were on the board and shouldn't be.

Rex: because you weren't in the district?

Doug: we weren't in the district, correct. There was a court injunction, it was going to go to court, attorneys were involved, and it was costing the county money. At that time, myself, Alan and another gal resigned from the board. We were not on the board. Rex: now you want us to revisit that to see

(The below section refers to a 2017 meeting and resolution rescinding the previous boundaries.)

Doug: yes because the county attorney says right here that is wasn't done correctly and it was done deceptively, what happened the night that was approved, Tina: every time you bring that up, I am confused about this other sentence that is was done correctly. Doug: let me finish, a special meeting was called, that meeting was to review with the engineer at that time proposed sewer system. We had like 4 reviews, there were 2 new member on the board that were Kay Neil and someone else. I was not on the board. They scheduled the hearing at the American Legion there were enough board members and in the public there were 6 people. We came to American Legion and there was an American Legion meeting Rex: to reschedule? Doug: no we didn't reschedule the engineers and everybody was here. We left here and had to cram everyone in the pump house. Rex: So you still had the meeting? Doug: yes, so they had the meeting down there. The pump house is occupancy is only 4 people. Rex: how did the meeting go? Doug: the meeting went and went and went, Alan and myself was there, the other ones left because it was stinking cold. Rex: what was accomplished there? Doug: nothing was accomplished other than a review by the board members were involved with Great West reviewing that and it was like 10:00 at night and I finally left. Nothing was said about the boundaries to Alan or myself. We were going to be involved in this so called resolution. The resolution was made up and was presented at the meeting and was made up by Cory. Herb: point of order. You are talking about the March 2017 meeting? Doug: yes. Herb: at that meeting Cory was acting Board President. Kay Neil was on the board and so was Becky Dublizcek. Rex: since then it has been about the same. Doug: what happened is I did run for an election, I lost by one vote to get onto the board. Rex: even though even though you weren't in the district. Doug: yes supposedly. No one was advised properly that we were taken out of the district. Even the county didn't realize it so the county elections put me on the ballot. Rex: not by your request? Doug: I requested to be on the ballot. I didn't realize I wasn't in the district. The property owners didn't know. Rex: was that deceptive. Doug: yes it was. Herb: let's let Doug finish saying what he needs to. Doug: the resolution was never filed with the county. All resolutions are supposed to be filed with the county. It is basically like amending the By-laws. There's a piece of paper in the packet you have that says: With regards to the 2016 proposed district expansion we have found that. That is just the first line. This is what Cory brought to the board as a resolution, it was already typed. We were in that meeting and we left, nothing was said to either one of us that this was going to come up. All the Agenda said was district boundaries. We were there and when we left nothing was said like you really should stay

because we are going to bring up about your property. That would have been the right thing to do. It says: Voting members had their property values significantly increased due to the expansion. It is a clear conflict of interest. That was the first statement. That was not true. Next line says: 3 of the voters were not eligible to be board members as their lands were outside the district at the time of the vote. That statement has no bearing what so ever. We were not board members. 4 of the properties had been in the district 15 years or more in the water and sewer district. Next line: the MCA procedures were disregarded with signatures of continuance property owners were not included. That is false because the petition of the property owners were right in the packet. Next line: the board should have been petitioned by the property owners to be included in the district. Legal fees would then be on the property owners and not the district.

What this is saying is that Larry Hannah and the estates which includes my property and now Tim's property that a line is running through. Larry Hannah estates agreed that any residence that bought any of his property would have to put in septic tanks in order to hook up to the sewer because of the existing loads. We put in septic tanks that ran about \$8,000.

Next line: records of hookup fees are nonexistence. Nobody was asked to show any record of hookup fees. I have a record of the hookup fees that was in our loan package.

Next line: Records, photos of tank installation are nonexistence. **Rex:** you have a record for that to?

Doug: I have a hole I can pull up and you can see the tank. **Rex:** it is not on paper but you can see what you did? **Doug:** yes, it was done by a contractor, Ron Brooks Contracting out of Sunriver.

Next line: the district attorney on record at the time of the injunction was simultaneously serving as special deputy county attorney presenting an obvious conflict of interest. I don't even know what that is about.

Next line: while we by no means are against expanding our revenue base we find ***** (couldn't understand what was said) it as authentic it would be our predecessors **** kicking the can down the street. That has nothing to do with it.

Doug: what I am saying is I went to run for election this last term, it was a 2021 election. That did not happen because I was the only one that filed for it. The district sent a letter to the Secretary of State saying they rescinded the district expansion I was not able to run. Basically, the County Attorney says right here, that we are in the district, the resolution does not follow the correct procedures. You are supposed to notify the people a situation of a decision the board is deciding on. The board is supposed to notify the people. **Rex:** you feel you should be in the district? **Doug:** yes. There is no reason not to be. I guess I have said enough.

1:29:21

Herb: Ok. **Doug:** it was done unethically, nothing was said, nothing was posted, no one knew about the meeting. I talked to Tim and said, do you realize your property is not in the district. He said what do you mean. **Rex:** we have some work to do amongst ourselves.

Herb: we need to answer Doug tonight and we have some items here I would like to address.

One is a letter dated January 20th, 2020, there is a line in here that says: "I give this notice of intent that if it is not rectified within 10 working days of January 1st, 2020 legal representation will be procured."

Now if that is true, we as a board cannot discuss this any further if there is legal representation and action pending. Your lawyers would have to communicate with our lawyers. My first question, let's clear that item up. As of January 20th, 2020 you said you were going to procure a legal representation. At one of the last meetings the request to you to bring a signed and dated letter saying that you had not procured legal representation, you had no intent of doing it so it would clear us to openly to talk about

this with you. **Doug:** you cannot legally tell me that I have to bring a letter stating that I have not sought legal representation. When I made that statement, I did seek legal representation and I did contact attorneys, I did talk to them, they gave me a price and suggested that the information that has been taken care of to give the board first the opportunity to correct a wrong doing and I have not signed any papers with an attorney against the district as of now. **Herb:** all that was requested by the board was to bring a dated letter stating you do not have an attorney. **Doug:** under public information laws you cannot request me to have an attorney I am telling you right now. **Herb:** I am not requesting you to have an attorney. You said you were going to get an attorney and you did. **Doug:** I did not do that. That is what I am saying. I am on a recording right now. **Herb:** all the board asked was for a signed paper for our files. **Doug:** I am on a recording and it is going to be in the minutes that I have not procured and attorney on the advice that it would be better financially for myself and for the district. Not to get an attorney involved in something so stupid.

Herb: Unless anybody has an objection I will accept Doug's statement that is on the record tonight that he has not started any legal action against the board.

The letter you referred from the Cascade County dated March 24th, 2021, it says right in here, in the 3rd line of that letter states: As indicated in the letter it appears that you reside outside the boundaries of the Vaughn Cascade County Water & Sewer District as certified by the Montana Secretary of State effective March 2nd, 2017. **Doug:** it says here also; I have had the opportunity to review the district expansion service occasion and supporting documents the February 11, 2016 of the MCA ***** and have found the process utilized by the Vaughn Cascade County Water & Sewer District was compliant.

Tina: was compliant, was duly passed. **Doug:** let me go to the next page here. Making a review of resolution 17-02 with conjunction of MCA it appears that there was no action by the board to comply with this other code, nor were the hearing requirement's complied with. However despite the outside statutory omissions, the Secretary of State issued a certification which blah, blah, blah, the district has fulfilled the applicable requirements. In other words the board of directors did not follow the proper procedures in notifying the public before an action is taken. **Tina:** even though it says they did right here. **Rusty:** Doug you even stated they put it on the agenda. That is notification. **Doug:** no it is not. Each property owner that an action was going to be taken place about their property. That is required.

Rex: individually they should have? **Doug:** yes because as property owners we had to sign the papers to be in the district. **Herb:** and we have them here. **Doug:** to this date there has been no notification to each property owner that they were taken out of the district. The resolution has not been filed with the County Records Department.

1:37:59

Herb: I have done some research on this and I hope everyone else on the board is in agreement with me. We cannot go back and change what was done we can only move forward. We can satisfy all parties by moving forward and that is what we are attempting to do. The resolution in 2017 the board said we are by no means adverse by expanding our revenue base. I don't think the current board is against expanding the boundaries of the district to take in all those people we are servicing and providing water & sewer to. **Rex:** sounds pretty fair and just. **Herb:** in discussing that with our manager. Rusty, do you recall us discussing that we should include all properties we service water & sewer to the boundaries? **Rusty:** correct. But it needs to be done properly. **Herb:** in view of the fact that we can't go back and change rotten history and fight and argue of who is right and who is wrong, we have to move forward. One of the main issues and I am looking at the reasons why the resolution was reversed was at that time we were under orders by DEQ to improve our sewer. That project has all but been completed, I think the

only thing left is the headworks. At the time of that resolution we were under orders by DEQ, not to make any changes. **Doug:** I was already on service. **Herb:** I understand that. **Doug:** and. **Herb:** let me finish. **Doug:** I was already on service and the board had already given permission to Larry Hannah to hookup to the lines when he sold the property providing we put a septic system in. So we would not affect the ponds adversely. **Herb:** that was for hookup and at the time that was providing hookup outside the district. When DEQ had us on restriction from expanding the district boundaries, that was a technical issue. **Doug:** there was another county attorney, I forget his name but I can dig up the letter, **Herb:** that is not necessary. **Doug:** that said that if it was updated or will be updated in the near future the boundaries can be expanded. The original expansion would have taken care of what you want to put in to the district now. The only thing is that when it was done with the board at that time and George Duffy was the chair of the board took in and got all the signatures filed with the county but they did not file it with the Secretary of State. It wasn't until Cory & Kay Neil & couple others petitioned because we were on the board and the bottom line is they didn't like us being on the board. They filed a petition and it cost the district about \$40,000. **Herb:** in moving forward the sewer issue has all but been corrected. The board is still not against expanding the boundaries. We probably should expand the boundaries to all the properties we service. Right now the Secretary of State recognizes that the boundaries have not been expanded, they were not expanded with the county engineers. The current map we have still shows no expansion. The question is how do we move forward from here and how do we resolve this issue. **Doug:** number one I would like to be on the board, I have also talked to Tim he would like to be on the board. The best way to do it, the paperwork is already done and notify the Secretary of State that we are in the district. That's all you have to do. **Rusty:** the signatures you need to get are not just the signatures of the properties outside the district but also the property that are in the district by the ones that want to be in the district. **Doug:** the board made the mistake to begin with. The letter was sent by the secretary of the board. All you have to do is say we rescind that letter. The resolution was not properly filed either. **Herb:** however the Secretary of State recognizes that there has been no boundary expansion. The letters from the land owners are on file in the district office, are they current or are there new owners we need to get letters from. If there are new land owners we need to get letters from them requesting to be put in the district. **Doug:** there is only one. **Rusty:** at this point I think we need to start completely over. You can't just throw in the old letters and say this is the way we are going to do it. You need to go through the whole new process because land owners have changed. **Doug:** the only thing you have to do is and this was by the county attorney, send a letter to the Secretary of State reversing. **Rusty:** we can't because **Doug:** YES YOU CAN! **Rusty:** the boundaries are going to change you can't just exclude one person. You have to go through a whole new process. I am trying to explain that to you. **Doug:** NO, I got it from the county attorney **Tina:** is that the same county attorney that said we did it correctly? **Herb:** it is the same county attorney that said it appears that Doug's property is not within the boundaries of the district but went on to say the resolution was not correct. We still have to expand the boundaries as a board correctly. Making sure all the t's are crossed and i's are dotted and all the land owner information is current. **Rex:** Herb you sad we need to move forward. I think we need to move forward without Doug here. No offense and I am not trying to kick you out. **Herb:** it has to be open to the public. **Rex:** ok. **Doug:** the decision was at the time of the resolution it was not done properly. **Rex:** how can we get to a bottom line here tonight? **Doug:** bottom line is all you have to do is the board needs to write a letter to the Secretary of State rescinding the improper resolution and the letter should say that those properties are back in the district or are in the district. That would satisfy me. **Herb:** MCA says in order to reverse this reversal to expand the district we have to follow the correct procedure. **Doug:** correct procedure has already been done. **Herb:** that is past history. The expansion

was passed and then there was a reversal of that expansion. Now we have to expand it according to MCA so there is no question that we did not follow Montana Code. Not in the past but now in the present. **Doug:** you have to correct, the board was wrong at the time. That letter should have never been sent to the Secretary of State. It was wrong doing against those property owners. **Rex;** so this new board needs to correct what they did wrong. **Doug:** yes exactly. You have to correct a wrong to make it right. **Herb:** I will contact Secretary of State, and ask what we have to do to correct this situation. **Doug:** that's fine. If you do that and get a letter from that saying those properties can be put back in district and that there was a wrong doing, that's fine.

Herb: as long as you realize that it is the feeling of at least one of the board members that we need to follow the Montana Code Annotated we need to follow the procedure correctly from this date going forward not what happened in the past. The first thing we have to do is have letters submitted from the continuous residents who want to be put in the district, current dated and we move forward taking every procedure step according to MCA. There shouldn't be any questions or any objections.

Rex: the Secretary of State would probably want us to do that right? **Herb:** I will ask. **Doug:** you need to ask about the wrong doing first. **Herb:** I am going to ask how he recommends how we proceed to correct this situation. **Doug:** as long as you get a letter from him acknowledging that there was a wrong doing I will be satisfied. **Herb:** he may not acknowledge this as a wrong doing. **Doug:** you better send him the package and have him take a look at it. **Herb:** I will contact the Secretary of State and find out what needs to be done and what he wants done. I will follow his instructions. **Doug:** will you send him the package? **Herb:** I will ask if I may send him the package but I am not going to send him information if he is not interested. I have to ask his recommendations on how to move forward. **Doug:** as a board you need to correct was done incorrectly. **Herb:** the only way to do that is move forward. I don't believe we can slap the hands of a previous board or the board you were on or anything like that. We shouldn't have to go back and rehash old history. We need to move forward and follow Montana Code Annotated.

Rex: can I make a motion we adjourn? **Tina:** yes please, I really need to be at Ace Hardware at 8:00.

Herb: we have a motion to close the meeting. We will put on the next agenda a report from the Secretary of State if I get one.

Tina: second


All those in favor say Aye: Tina, Rex, Herb.

All those opposed same sign: none


Adjournment:

With no further business before the board, the meeting stood adjourned. **Adjourned:** 8:03 pm

Respectfully submitted:



Annette Kniffen, Secretary/Treasurer



Cory Eli, President

10-19-2021

Date

10/19/21

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: September 21, 2021

Re: August Secretary/Treasurer's Report

Financials:

August showed a profit of \$1,428.38

Bank and Other Accounts:

- First Bank checking: \$1,200.00
- Water Savings: \$68413.12
 - 1) Hydrant Savings: \$5,004.00
 - 2) Water Loan: \$16,251.40
 - 3) Refinance: \$12,009.09
 - 4) Bond Reserve refi.: \$8,408.00
- Sewer Savings: \$66,975.60
 - 1) Lagoon liner: \$28,165.76
 - 2) Wastewater Loan: \$19,950.00
 - 3) Main line: \$2,539.44
 - 4) Sludge: \$4,333.42
 - 5) SAGR Replacement: \$5838.00
- Sewer Bond Reserve Savings: \$47,451.67
- Bills paid: \$38,371.75

Correspondence:

ARPA (American Rescue Plan)

We applied for ARPA funds with the County and will getting \$254,648 in matching funds

We also applied for State Grant Funds of \$254,648. We did not get those.

KLJ, Sweet Grass Development and I are working on trying to get other funding through grant agencies.

This money will be used for sewer mains. We will not have to take out a loan or pay it back. These are grant funds.

Respectfully submitted,

Annette Kniffen

Secretary/Treasurer

Operator/Manager Report

9/21/2021

Report

- DEQ is writing new permit for the waste water. The Phosphorus limit will not be relaxed and the district will have to meet the TP of 0.90 lbs./day limit. DEQ will work with us but action must be taken. See attached options.
- Copper Creek has installed the new headworks and should be complete at the end of the month.
- Water tank is currently on hold something to do with the tank manufacture in legal issues not associated to are project. Hoping to still complete the project this fall.

Upcoming Projects

- Clean up around valve box in front of bank.
- Winterize and finish painting 12 hydrants.
- Replace check valves at pumphouse.
- Continue to do O&M work.

Completed Projects

- Winterize and painting 75% of the hydrants.
- Tank was cleaned and inspected.

Board Approvals

- Direction on Phosphorus removal.

James South, Operator Manager

A handwritten signature in black ink, consisting of a stylized, scribbled name followed by a long horizontal line extending to the right.

SIGN IN SHEET

VAUGHN CASCADE COUNTY WATER & SEWER DISTRICT

BOARD MEETING

DATE: 9/21/21

- The community speaker will only address the board through the Chair
- Everyone agrees not to interrupt others
- Shouting and personal attacks will not be allowed
- No single party will dominate the meeting
- No person will be allowed to speak twice until all others have had the opportunity to speak
- Discussion should not deviate from the established agenda
- The community speaker should not repeat testimony
- Public comment is limited to 3 minutes

NAME	PHONE NUMBER
D. Schwartz	
Sean Rabe, KLI	701-690-2934