

HUNGRY HORSE COUNTY WATER AND SEWER DISTRICT BOARD OF DIRECTORS' REGULAR MEETING

Thursday, April 21, 2022

Location: Water District Office, 528 Colorado Boulevard, Hungry Horse, Montana

Call to Order: President Wagner called the meeting to order at 6:02 p.m.

(0:10) Those present: President Doug Wagner, Vice President Vivian Allen, Chief Financial Officer Jamie Foster (arrival at 6:04pm), Director Brent Schmidt, Director Richard Hardesty

Staff: General Manager/Operator Ben Shafer. Bookkeeper Cassie Ferguson

(0:33) **Public Comment:** None

(0:36) **Minutes:** The Board reviewed VP Allen's additions and corrections to the February 17, 2022 Meeting Minutes. Director Allen moved to accept the minutes as amended and corrected for March 2022. All ayes. Unanimous. MOTION CARRIED. **SO RESOLVED** (4:36)

Reports: Reports from monthly meetings are available from the District's office upon request.

1. (26:58) Bookkeeper's Report – Bookkeeper Ferguson submitted all financial reports and answered questions regarding:

- GMO Shafer indicated that the water loss percentage was unusually high due to estimating unread meters as zero use. When spring repairs are complete, those customers will be billed for the missing gallons.
- The unpaid bills list was presented and discussed. Director Schmidt moved that we pay the unpaid bills. All ayes. Unanimous. MOTION CARRIED. **SO RESOLVED** (14:57)
- (23:11) A letter was received from account #349 appealing the Board's previous decision not to grant leak forgiveness. The leak was active between 2019 and the end of 2021, it was noted that some of the customer's monthly readings were estimated by the district, and the timeline of events needs clarifying. The Board requested that GMO Shafer respond to the customer's correspondence and explain that the Board would continue to investigate. The Board also asked if the customer could provide any corroboration of their version of the timeline, and the same from the GMO on the district timeline. It will be discussed at the next meeting. A question arose as to whom a customer appeals if dissatisfied with a board decision, given that past Rules and Regulations provided a process for this.
- Mrs. Ferguson shared her calculations regarding the cost to produce a unit of water. By dividing the total monthly expenses to the District by the total number of gallons pumped, she determined that each 1,000 pumped costs the District \$4.50. This is the cost average over the course of the last year. Director Allen requested that the data be re-run using the number of gallons sold and a profit figure for each thousand gallons sold, factoring in the base rate.
- (1:00:22) Mrs. Ferguson explained that it is currently more cost effective to run our payroll with Quickbooks payroll subscription than it would be for her to enter it manually.
- (1:16:16) Director Hardesty mentioned that while using our website payment portal, he discovered that it is possible to access information on anyone simply by entering their account number. GMO Shafer will contact PayStar, who facilitates our online bill payment and inquire about any additional verification to make the system more secure.
- (1:20:00) Mrs. Ferguson will (obtain the depreciation schedule provided in conjunction with the last audit) and get the depreciation figures on the balance sheet updated to reflect our current assets and their status, including the new telemetry system.

2. Manager's Report - GMO Shafer read his written report and answered questions.

- (01:22:42) **Corporate Seal Changes** – Mr. Shafer presented the most recent revision to the corporate seal. Director Hardesty volunteered to take the most recent version and revise it based on Board feedback.
- (1:31:23) **Source Water Protection Plan** – GMO Shafer explained that while the District has long had an ERP (Emergency Response Plan), and a SWDAR (Source Water Delineation and Assessment Report), we have not ever had a SWPP (Source Water Protection Plan). He explained what information is contained in each document and that they have some overlap.
- (01:36:42) **Cost increase for new services** – The application for new service currently included a \$1,500 fee for materials. GMO Shafer explained that the current cost to the district for the necessary parts is over \$1,600 and rising. He relayed that both other canyon water districts currently charge the customer based on actual cost rather than a flat fee. He recommended that the District adopt a similar fee schedule and charge the customer whatever we actually pay for the materials,

and he would provide an estimate prior to install and an invoice of actual cost after completion. Director Foster moved that we change our policy and our Rules & Regulations to reflect that new installs are charged actual parts costs rather than a flat rate. All ayes. Unanimous. MOTION CARRIED. **SO RESOLVED** (1:42:24)

• **Summary of activities** – GMO read the summary of the month's activities from his report.
o Director Wagner asked if the board could be provided an updated customer list with the next pre-meeting packet.

F. Unfinished Business (01:55:15)

1. **Policy Committee Report** - No meetings this month.

2. **Finalize Discussion of District credit card** – No update from Glacier Bank on details of debit cards for employees to use for business expenses. Director Foster shared current interest rates from several local banks for comparison to the interest we currently earn on checking and savings accounts.

3. **Backup operator compensation discussion** – GMO Shafer provided an update on Steve Kvapil's progress toward becoming a certified operator. Steve has been studying and seems to be on the right track. Mr. Newton (former back up) is no longer working for the district and has turned his keys in.

4. **Discuss Dir. Allen's proposal for loan reduction** - Director Allen wanted to update the proposal with our most current numbers. She will send it to District staff for the bookkeeper for their review prior to distribution to the Board. Director Wagner motioned to table until further notice, pending more current information. All ayes. Unanimous. MOTION CARRIED. **SO RESOLVED** (2:08:55)

5. **Task Register** – There was disagreement over whether the task register was being appropriately maintained. The utility of the Task Register was brought into question. Director Wagner moved to eliminate the Task Register. President Wagner, CFO Foster, Director Schmidt, Director Hardesty: AYE; VP Allen: ABSTAINS. MOTION CARRIED. **SO RESOLVED** (2:25:09) Directors agreed to maintain the practice of going around the table and having everyone identify the tasks they had been assigned at the end of each meeting.

G. New Business (2:25:36)

1. **Finalize Newsletter and ACH form inclusion** – Director Hardesty is putting the final touches on Water Notes Volume #2. GMO Shafer will provide "The Manager's Desk" section to Dir. Hardesty as soon as possible.

2. **County Board training information** – The county commissioners have agreed to reinstate annual training of county and other governmental boards, such as HHCWSD, on a cost share basis. Director Allen provided a report with respect to this topic.

Director Schmidt noted there is a box of "Important Documents—Might Want to Keep" located in the storeroom. It was noted that the old stocks from the former water district were paid out at a set time and meeting (and are no longer redeemable).

Mrs. Sutherland (a Hungry Horse resident on a private well) had contacted GMO Shafer asking about redeeming an agreement executed in 1986 in which the property where Well #1 currently resides had been exchanged for credit toward future connections. GMO Shafer will review our

Rules & Regulations to determine whether Mrs. Sutherland can extend her current well to service a lot across the road, and whether the agreement is still valid and unfulfilled. Director Wagner will provide his copy of the agreement to GMO Shafer.

3. **Task Review** - Those present listed the tasks they had been assigned or volunteered for.

H. Adjournment – Meeting was adjourned at 9:00pm.

Signed _____ Date _____
President Douglas T. Wagner

Attested _____ Date _____
Pro Tem Secretary, General Manager Ben Shafer