



# Hungry Horse County Water & Sewer District

528 Colorado Boulevard, Hungry Horse, MT 59919 | 406-387-5694

## Board of Directors Meeting

October 19th, 2023 | 6:00PM

**A. CALL TO ORDER 6:00PM** President Wagner called the meeting to order

**B. ROLL CALL 6:01PM**

PRESENT: President Wagner, Vice President Vivian Allen, Director Jamie Foster, Director Brent Schmidt. STAFF: GMO Ben Shafer, Bookkeeper Cassie Ferguson EXCUSED ABSENT: Director Richard Hardesty, Secretary Raye Lynn Goodson

**C. ADOPTION OF AGENDA 6:01PM - 6:04PM**

Allen suggest changing F3A to item F4 and F4 to item F5.

Allen pointed out that new item F4 needed a date change to 05/25/23.

**6:04PM** Wagner made a **MOTION** to adopt the agenda as corrected.

AYE - Unanimous **MOTION PASSED; SO RESOLVED.**

**D. PUBLIC COMMENT 6:04PM - 6:35PM**

Steve and Evon Morris in attendance regarding their "spigot in question" and the Low Income Water Assistance Program. Their "spigot in question" has been an issue since purchase of property in 2009. They have been to a hearing with county commissioners. They are aware it's an issue and have gone through the proper channels before. Wagner states their "spigot in question" has not been brought up as an issue. **6:07PM** The Morris' switch their focus to the Low Income Water Assistance Program. Steve mentions they are on a fixed income as much of the community is. Wagner says Low Income Water Assistance Program has been on the agenda and board hope to discuss it tonight. **6:08PM** Foster asks if they can reach out when they are ready to discuss the water spigot. The Morris' ask to be informed and Wagner assures them they will be notified if the "spigot in question" makes it onto an agenda. Allen asks if the board can keep the documents provided from the Morris' for their records and Evon says yes. **6:10PM** Shafer received documentation from Acct #225 who delivered a stack of documents on Tuesday. Acct #225 hopes to have her documents added as evidence as her on the dispute. **6:12PM** Evon requests a copy of Acct #225 documents. Wagner asks if the commissioners ruled on this matter in court. Morris' say yes they did rule and it was denied. Evon brought up that Allen has worked with Accts #225. **6:15PM** Wagner says he does not see them getting to the "spigot in question" during this meeting. Shafer reviewed some of the documentation provided by both parties, particularly the minutes at the county commissioner meeting. Spigot was briefly mentioned, county commissioner said it sounded like a neighborhood tiff, it was dismissed. **6:16PM** Evon says this is true. Schmidt brings up that it is not part of branch service anymore. Shafer brings up what branch services cover. Wagner and Shafer say it is right on the county line. Foster shows the map and how it used to be a branch service.

**6:20PM** After Morris' leave Wagner asks if the issue of the spigot was brought up at a committee meeting. Foster says yes it was brought up at the Rules & Regulations Committee Meeting. The neighbor came to the committee meeting because it used to fall into the branch services due to past rules & regulations. **6:21PM** Allen asks if Shafer was going to check with Bill Cavenua about this issue and the installment of the "spigot in question." Shafer said he was going to check on this issue and the installment of the "spigot in question." Foster and Wagner ask Shafer about installs and needed permits to work on county property or on a road. **6:24PM** Board discusses how and why this did fall under branch services, property lines and the "spigot in question."

**E. REPORTS 6:35PM - 8:00PM**

Reports supplied for the Monthly Meeting are available for the public upon request.

**1. BOOKKEEPER'S REPORT 6:35PM - 7:09PM**

**A. Financial Statements 6:35PM - 6:40PM**

Shafer heard from Bryce Civil Constructors that they plan to finish tomorrow. They have used a lot of water this month and they have not been billed yet as both parties agreed to billing once the project was complete. The water loss is probably mostly water sold to BCC. Shafer talked to Miles Erikson to replace the valve on pump 3 which also plays into a leak and water loss. **6:37PM** Schmidt asks about water loss and the proportion to what they sell. Shafer says it's important for him to understand the water loss and this Spring he noticed a change when the leak was first detected. He said there is one more significant leak that is somewhere in their distribution system. **6:39PM** Schmidt brought up the loss per minute. **6:40PM** Wagner asks if the loss is less after turning the water off in the park. Shafer said they will be able to see how turning off the water in the park and BCC being done pumping will affect the loss report in about a month.

**B. Bills 6:41PM - 6:45PM UNPAID BILLS 6:41PM** The board discusses the amounts presented. **6:44PM** Foster asks about Flathead Electric being high. Shafer said that correlates with pumping a lot of water. Wagner asks if they have any more questions about the unpaid bills.

**6:45PM** Schmidt made a **MOTION** to pay the unpaid bills. AYE - Unanimous **MOTION PASSED; SO RESOLVED.**

**PROFIT & LOSS 6:45PM** Allen questioned the budget numbers and why they do not correspond with the budget they

approved. Ferguson says it will be explained in the next section. **6:46PM** Shafer asks about Profit & Loss reflecting the grant check from Flathead Electric. Ferguson said it is not reflected because she just deposited today. **6:47PM** Shafer says that his work with energysmart has helped them receive a grant of almost \$8K. Ferguson states the exact amount of \$7923.19. Shafer said because their new control system uses 29% less power they were about to take advantage of an incentive that Flathead Electric provides. \$32K received from another entity. \$40K of grant money to cover the upgrade which was \$44K. 90% of the upgrade was covered in grant money. **6:49PM** Foster says that the question of if their budget has to be approved has been answered. She has spoken with the county and no, they do not have to do budget approval. Ferguson brings up rural development dates and if it pertains to the budget. She said it doesn't.

**BALANCE SHEET 6:51PM** Others and extra lines are removed. The board discusses bank statements of WFCU v. Report amounts discrepancies. Ferguson explains the discrepancies will be flushed next month after her quarterly report.

#### **ADJUSTMENTS 6:58PM**

**PAST DUE LIST 6:59PM** Shafer says that the strike-through seems to be inconsistent. The board discusses the past due list & large amount from some customers. **7:02PM** Foster asks if they go to taxes on a property that they would come off of their past due list. **7:03PM** Ferguson says she checked on the website and everything will be entered in the quarterlies. **7:04PM** Allen asks if the letters were sent and if a resolution was made. Ferguson said she wasn't sure on a resolution but they all received certified letters.

**USAGE & LOSS 7:05PM** Shafer brings up that this is the first time in his recollection that they had more than 1M gallons sold. When he started they were in the 400-500K gallons. He stated that the district is not only losing, but also selling more water than ever recorded. **7:05PM** Foster brings up that this time last year they were 12-14K under projected income for the year. She said this year they are over 100K more this year than projected in their budget.

**7:06PM** Allen asks about time-sheets.

#### **C. Correspondence 7:07PM**

Ferguson said most correspondence has been taken care of by her and Shafer. Shafer asked about a certain customer and how the resolution was working. Ferguson said it will be resolved with a credit.

#### **D. Corrected 2024 Budget 7:08PM**

#### **2. MANAGER'S REPORT 7:09PM - 8:00PM .**

**A. Monthly Report 7:09PM** Shafer said business as usual. Discussed some pump failures and communications he has taken care of throughout the month. **7:10PM** Shafer is daily logging the pump running. Every Monday morning the pump gets a low supply low voltage alarm. Wagner asks to know more about this problem and Shafer explains more in-depth.

**B. Asset Management Update 7:12PM** No Updates

**C. Status of Water Service Record Instructions 7:12PM** No Updates

#### **D. Address GMO concerns of not being copied on Dis. Issues 7:13PM**

Shafer brings up emails that he is not being included on. There was a particular email sent to him from President Wagner that was sent to Secretary Goodson from Director Allen. Shafer asks that Allen either step down or be removed. **7:18PM** Wagner says that he does not know if they can remove her from the board. Allen says that in audio it came out that Shafer had been going behind the board's back in communication with the past secretary, Rita. **7:20PM** Foster brings up the fact that Montana Code states that the Operating Manager (OM) has the power to hire, fire all employees of the district. Allen states OM cannot fire secretary. **7:23PM** Schmidt brings up that they have created a secretary position. He brings up that they are supposed to represent the public. Schmidt says in harassment training perception has clouded over intent. Schmidt states that he has not seen the OM ever go against the decisions of the board. He states Allen has done a personal attack on the OM. **7:25PM** Allen disagreed with Schmidt. **7:30PM** Foster agreed with Schmitt. She discussed email account establishments brought up by Allen. **7:32PM** The board discussed Allen's derogatory language speaking about the board. Allen states her side of the language and her recollection of the email establishment. **7:35PM** Wagner lists the timeline of employees expressing their concerns working for the board while Allen is in office. He states he drafted up a letter of resignation from the presidential position based on Allen's actions but did not submit. **7:38PM** Foster talks about her experience being on the board in a high confrontation environment. **7:42PM** Shafer states that it would be more productive if Allen was removed v. losing the staff and says it may be worth the board considering a policy about communications and the OM being on every email if he is expected to operate the district. **7:45PM** Wagner asks if Allen would consider stepping off the board. Allen states if the public wants her to step down then she will. She is there to serve the public, the board members and the manager. She apologized if people misinterpreted her meaning and tone. **7:45PM** Schmidt made a **MOTION** that the board enter Allen's email in as a report with a censure that the board does not agree with that type of language toward an employee or any board members.

**8:00PM** AYE: Wagner, Foster, Schmitt NAY: Allen **MOTION PASSED; SO RESOLVED**

**7:47PM** Allen objected to the motion unless the conversation that took place when Rita came forth was included as well. **7:48PM** Foster brought up the point that communication to an employee comes from the president to avoid this type of conflict. **7:49PM** Ferguson asks to be excused because she does not feel comfortable & Wagner excused her. **7:50PM** Foster brought up that the cost of an employee reading long emails comes down to the cost of spending money by a board member which they are not allowed to do. Allen objected once again unless the record from Secretary Rita's account be added to the motion.

**F. UNFINISHED BUSINESS 8:01PM - 8:08PM**

**8:01PM** Allen made a **MOTION** to table the rest of the agenda until the next meeting.

AYE: Allen, Schmidt NAY: Foster, Wagner **MOTION TIED**

**8:02PM** Wagner made a **MOTION** to extend the meeting to 8:10PM

AYE: Foster, Wagner, Schmidt NAY: Allen **MOTION PASS; SO RESOLVED**

**1. WFCU 4 MONTH SAVINGS CD/ NORMAL RATE OF RETURN EARNINGS 8:02PM - 8:06PM**

Foster discusses the percentages of investing in a CD. There were different answers when it came to percent v. APY from the credit union. She called the county and spoke with Trisha Havercorn from the treasurer's office. They oversee the district's pooled interest account. Our pooled interest account number is 7227. She asked Tamara in the finance office about the distribution of interest. 4.5% a month. She is reaching out to learn more if we can do a CD.

**8:06PM** Foster made a **MOTION** a change of the pooled interest payout schedule from monthly to yearly to see if we get more interest rather than our WFCU account. AYE: UNANIMOUS **MOTION PASSED; SO RESOLVED**

**2. POLICY COMMITTEE UPDATE** Tabled for next meeting

**A. Update on branch service discussion** Tabled for next meeting

**3. DISCUSS REQUEST OF BOARD MEMBER REMOVAL BY CUSTOMER** Tabled for next meeting

**4. MINUTES 11/15/22, 4/20/23, 5/25/23, 8/17/23 A&CS** Tabled for next meeting

**5. DISCUSS LOW INCOME WATER ASSISTANCE PROGRAM** Tabled for next meeting

**G. NEW BUSINESS 8:08PM - 8:13PM**

**8:08PM** Shafer asks about G1 and if it can be removed. Ferguson says it covers policies. Allen says it can move to the Rules & Policies Committee. Wagner said can move to the Rules & Policies Committee

~~**1. FEBRUARY FINANCIAL MATERIALS FROM COUNTY**~~ REMOVED

**2. NEWSLETTER DISCUSSION** Tabled for next meeting

**3. TASK REVIEW 8:10 - 8:13PM**

**8:08PM** Wagner needed a recap of what he was supposed to cover about CSKT & Allen gave him a summary of what she would like to know about CKST.

**8:10PM** Foster is going to reach out to Trisha Harvercorn about the Pooled Interest Account and she will host the next Rules & Policies Meeting.

**8:10PM** Schmidt will attend the Rules & Policies Meeting

**8:11PM** Wagner suggests a special meeting to cover past minutes in December.

**8:12PM** Allen made a **MOTION** that the secretary submit minutes within a week.

NAY: Wagner, Schmidt, Foster AYE: Allen **MOTION FAILED**

**8:13PM** Allen made a **MOTION** that all pending minutes be subject to that protocol so they could be wrapped up easily.

NAY: Wagner, Schmidt, Foster AYE: Allen **MOTION FAILED**

**8:13PM** Wagner made a **MOTION** to table the rest of the items on the agenda.

AYE: UNANIMOUS **MOTION PASSED; SO RESOLVED**

**H. ADJOURNMENT 8:14PM**

Schmidt made a **MOTION** to adjourn AYE UNANIMOUS **MOTION PASSED; SO RESOLVED**

Signed \_\_\_\_\_  
*Douglas T. Wagner, President*

Date \_\_\_\_\_

Attested \_\_\_\_\_  
*Raye Lynn Goodson, Secretary*

Date \_\_\_\_\_