



FORT SMITH WATER & SEWER DISTRICT
Meeting Minutes-Friday, December 8, 2023 @ 1:00pm

-OPENING – ROLL CALL- Alan Shaw called the meeting to order @ 1:00 pm on December 8, 2023. The meeting was via phone conference; call in number was 1-872-240-3212, Access Code: 770-863-765; Board members attending: Alan Shaw, Katie Steele, Jim Hyde, and Steve Saville; Employees attending: Sandy Kust, Josh McCraw, and Todd Query; Public attending: Bryen Venema, Chris Bredza (RPA Engineering) and Jeff Buszmann attend via phone conference;

-APPROVAL NOVEMBER 17, 2023 MEETING MINUTES- Motion by Mr. Saville, 2nd by Mr. Hyde; Discussion: Dr. Shaw stated the policy manual needs to clarify the exact MCA language on members voting and the open meeting requirements and public right to know and participate. Ms. Steele stated she would do a synopsis of the MCA codes and response from the Big Horn County Attorney and incorporate into the policy manual; motion was carried unanimously;

- VACANT BOARD POSITION APPOINTMENT- Bryen Venema attended the meeting and presented a letter of interest to be appointed to the Fort Smith WSD Board of Directors. Mr. Venema is a property owner and registered voter and is eligible to be a board member. Motion by Ms. Steele to appoint Bryen Venema to the board, and replacing the seat of Tom Becker, 2nd by Dr. Shaw, motion carried unanimously;

-DELINQUENT REPORT- Currently there are 9 accounts that are past due, totaling \$3,169.32; the water is turned off on 6 accounts and 3 accounts have been sent delinquency letters for turn off of services on December 27, 2023 if not paid by this date;

-FORT SMITH COMMUNITY FOUNDATION- Dr. Shaw stated he has received a donation of \$600.00 for a member of the Fort Smith Community and he continues to seek funding with foundation granting agencies for the wastewater project, currently he has applied to two granting agencies, one is Treacy which is for \$100,000 and is hoping to find out in December if grant will be awarded and the other grant is to Columbia Sports.

-PUBLIC COMMENT: Jeff Buszmann stated he was attending to get information on the System Development Fees. Mr. Buszmann was told the board members had reached out to various communities and districts to get information on how their fees are calculated and to date the board has not finalized the System Development Fees, but continue to work on methodology and fees.

-WASTEWATER PROJECT

1. WASTEWATER CONSTRUCTION PROJECT UPDATE: Chris Bredza, RPA Engineering Project Manager, stated due to the warm weather the construction crews will continue working until the weather turns bad. Chris stated schedule 1 which is the collection system is ahead of schedule and schedule 2 which is the lagoon site are right and schedule. Chris stated they are still using the rail cars and old lagoon until the lift stations are up and running and lagoon is functional. Chris noted that in January or February, Schedule 1 (the transmission lines) will have to shut down as pipe will be in the ground and contractors for schedule 1 cannot move forward until the lift stations and lagoons are completed. Chris also addressed the complaints that the heavy equipment was driving too fast through town and causing dust problems, he said that the equipment is not to drive over 10 miles per hour. Chris also noted the alleys will be leveled and seeded in the spring and everything will be moved that is flowing over into private property.

2. WASTEWATER PROJECT REIMBURSEMENT REQUEST: Sandy presented the reimbursement request in the amounts:

RPA Invoices 19802_11 – 19802_13 – Total - \$68,635.05

ARPA Competitive Grant - \$60,083.30

RRGL - \$5,732.91

SRF Loan - \$2,818.84

Western Municipal Construction Pay App #1 – Total - \$357,436.48

EDA - \$203,514.27

SRF Loan - \$153,922.21

Montana Department of Revenue (Western Pay App #1) – Total \$3,610.47

EDA - \$2,055.70

SRF Loan - \$1,554.77

Prospect Construction Pay App #1 – Total \$507,870

ARPA Competitive Grant - \$407,870.00

SRF Forgiveness - \$100,000.00

Montana Department of Revenue (Prospect Pay App #1) – Total \$5,130.00

ARPA Competitive Grant - \$5,130.00

Last Call Locating Invoice 1661 – Total \$2,550

SRF - \$2,550

Moulton Bellingham Invoice #152152 – Total \$11,000

Paid - Reimbursement to the District from SRF Loan

Sandy stated these drawdowns were presented to the funding agencies and approved for the loan closing which will take place on December 20, 2023. Motion by Ms. Steele, 2nd by Mr. Venema, motion carried unanimously;

3. SPECIAL ASSESSMENT: DECEMBER 5TH (END OF 30 DAY PROTEST PERIOD); DECEMBER 6TH (PROTESTS TABULATED); DECEMBER 8TH (SPECIAL BOARD MEETING & PUBLIC HEARING @ 5PM); DECEMBER 20TH (CLOSING OF SRF LOAN) – The protect period ended @ 5pm on December 5, 2023, on December 6, 2023 all protests were tabulated, scanned and emailed to the bond attorney for review, a total of 3 protests were received, two protests were just questions on the property that would be assessed and the other had questions on how the assessment was put together and fees that would be charged on property annexed into the District. On December 8th @ 5pm a Public Hearing/Public Meeting will take place to discuss and explain the three resolutions regarding the sewer special assessment bond, hear Public

Comments/Questions, adopt the Resolution Approving the Assessments, adopt the Bond Resolution relating to the Subordinate Lien Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Taxable Series 2023A, and adopt the Bond Anticipation Note Resolution relating to the \$2,759,000 Bond Anticipation Note, Series 2023. Closing on the State Revolving Fund loan will take place on December 20th, 2023.

ZOOM MEETING PRESENTED BY JEFF BUSZMANN TO THE PUBLIC: Dr. Shaw stated the zoom meeting went well and it was suggested to form a Home Owners Association (HOA) to ensure the property is kept up. Kellie Saville stated she would put together a binding agreement for the HOA. Mr. Buszmann is not required to form an HOA, other questions asked were the type of buildings that would be on the property as the public wants Fort Smith to look good and not have run down mobile homes put on this property. Dr. Shaw stated the District has approved the application for annexation and are moving forward with the System Development Fees.

- INQUIRIES WITH OTHER WATER DISTRICTS REGARDING WATER PAYMENT IMPACT FEE METHODOLOGY- Sandy and Jim have contacted various communities and districts regarding the methodology and or fees they use to determine system development fees. A total of 17 districts were contacted and did not get a thorough documentation. The fees are called anything for System Reinvestment Fees, Impact Fees, Participation Fees, Development Fees, System Development Fees, Capital Improvement Fees, Tapping Fees-most Districts stated the fees could probably be called most anything as long as there is a determination of how these fees would be used by the District, such as put into specific reserve account, pay towards the loan or cover the cost to connect the main to the structure or offset the capital cost of increasing service or share the cost of development. None of the Districts had ever used a square footage assessment so there was not any methodology out there for these that was available at the time of this meeting. Most used the EDU method, some went of the amount of the loan, some used the cost of depreciation to determine the fees, some just had an amount and did not have a methodology for the amount that was charged. Mr. Bellew put together a spreadsheet that will be reviewed by board members as he had a methodology for the System Development Fees which included both reserves and square footage costs. This spreadsheet will be emailed to all board members for review and have recommendations to present at the February board meeting.

-RESOLUTION OF INTENT TO RAISE WATER & SEWER RATES: The following base rates and usage rates for water & sewer were adopted in October, 2023, and a public meeting/hearing will need to take place on January 19th and Sandy will contact the Big Horn County News to publish on December 28th, and January 11th; and a mailing would go out to all customers with the December billing:

Water Base Rate Charge (based on Equivalent Dwelling Units, EDU, size of meter)

¾" Meter: Water base rate: \$21.00

1" Meter: Water base rate: \$37.59

1.5" Meter: Water base rate: \$ 84.00

Water Usage Rate for ¾", 1", and 1.5" Meters

0-10,000 Gallons per month \$ 1.50/1,000 gallons

10,001-20,000 Gallons per month \$ 3.50/1,000 gallons

20,001 and over per month \$8.50/1,000 gallons

Sewer Base Rate Charge (based on size of water meter)

Sewer base rate (¾" meter): \$37.00

Sewer base rate (1" meter): \$66.23

Sewer base rate (1.5" meter): \$148.00

Sewer Usage Rate

0 gallons and over per month

\$3.50 /1,000 gallons

The rates would take effect with the January 2024 billing.

-PROTOCOL FOR RAISING RATES, DATES, TIMING, NOTIFICATIONS AND MEETINGS- Dr. Shaw has stated the MCA code for raising rates, and required publications, notifications and meetings also needs to be updated in the policy manual to ensure the code is followed.

-OPERATOR REPORT- Josh stated water is in the old lagoon due to the sewer pipes being replaced and the project is going well. Josh stated the chlorine residuals are good, however had a complaint on chlorine smell being strong inside customer home, Josh will check the residual inside this home and contact MT Rural Water to see why some homes have such a high chlorine smell. Josh has been busy checking on sewer connections being hooked up and checking on construction project.

-POLICY FOR MULTIPLE HOOKUPS ON 1 PROPERTY POLICY/CROSS CONNECTION- This is tabled until the spring of 2024.

-SEPTIC DRAINFIELD UPDATE: Dr. Shaw stated he has reached out numerous times to the Tribe regarding the drain field lease and as of the meeting he did not have an update.

-JANUARY MEETING: January 19 2024, @ 1pm and public meeting on rate increase January 19, 2024 @ 5pm

-PUBLIC COMMENTS- No additional comments

-ADJOURN MEETING- Meeting adjourned at 3:19PM