



FORT SMITH WATER & SEWER DISTRICT
Meeting Minutes-Friday, January 19, 2024 @ 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 1-872-240-3412, Access Code: 525-567-109; Board members attending: Alan Shaw, Katie Steele, Jim Hyde, Bryen Venema and Board member attending via phone: Steve Saville; Employees attending: Sandy Kust and Josh McCraw; public attending via phone: Eric Anderson;

-APPROVAL JANUARY 8, 2023 MEETING MINUTES, JANUARY 8, 2023 PUBLIC HEARING MEETING MINUTES, AND JANUARY 15, 2023 MEETING MINUTES- Motion by Ms. Steele to accept the meeting minutes from January 8 both the regular meeting and public hearing and January 15 as printed, 2nd by Mr. Venema; motion carried unanimously;

-FINANCIALS/BILLS- Dr. Shaw presented the treasurers report. Total expenses for January: \$35,708.05, the expenses include the semi annual payment to USDA RD in the amount of \$23,362.00; income for January: \$42,531.66 which includes a reimbursement from the construction account in amount of \$11,000 for attorney fees, and \$23,103.08 was received from Big Horn County for the water special assessment. The checking account balance is: \$84,442.80 and in CDARS \$29,976.00, total in checking account: \$114,418.80
Motion by Mr. Hyde to pay the bills, 2nd by Dr. Shaw, motion carried unanimously;

Discussion took place regarding the meter and if the District or the customer pays for the meter. Ms. Steele referenced the policy manual and policy states: the cost of the original meter (first meter installed on a property) will be the responsibility of the Customer and will be assessed at the time of application for water service. The meter is owned by the District and District operator will install the meter.

-DELINQUENT REPORT- Currently there are 8 accounts that are past due, totaling \$2,999.85; the water is turned off on 6 accounts and 2 accounts have been sent delinquency letters for turn off of services on January 29, 2024, 2023 if not paid by this date;

-PUBLIC COMMENT: No public comment

-WASTEWATER PROJECT

1. WASTEWATER CONSTRUCTION PROJECT UPDATE: Schedule 1 which is the collection system is ahead of schedule and schedule 2 which is the lagoon site are right on schedule and either in January or February that 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 and the rail cars and old lagoon will continue to be used until the lift stations are up and running and lagoon is functional. Schedule 2 is pausing their work due to the weather and at this time Schedule 2 has all the dirt work completed for the lagoon and once the weather gets warmer the liner for the lagoon will be installed. Discussion also took place as to how many sewer taps will be put on the land the District owns, at first it was thought 4 taps should be put in, however do to the property not being subdivided the District has decided to only put in 1 tap.

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

Western Municipal Construction Pay App #2 – Total \$821,263.41

EDA - \$467,604.26

SRF Loan - \$353,659.15

Montana Department of Revenue (Western Pay App #2) – Total \$8,295.59

EDA - \$4,723.28

SRF Loan - \$3,572.31

Western Municipal Construction Pay App #3 – Total \$489,375.70

EDA - \$275,850.38

SRF Loan - \$208,631.57

Montana Department of Revenue (Western Pay App #3) – Total \$4,893.76

EDA - \$2,786.36

SRF Loan - \$2,107.40

Prospect Construction Pay App #2 – Total \$275,013.89

ARPA – \$272,263.75

Montana Department of Revenue (Prospect Pay App #2) – Total \$2,750.14

ARPA - \$2,750.14

Dorsey & Whitney – Total \$30,000

SRF - \$30,000

Crow Tribal Historic Preservation Office – Total \$2,988.00

SRF - \$2,988.00

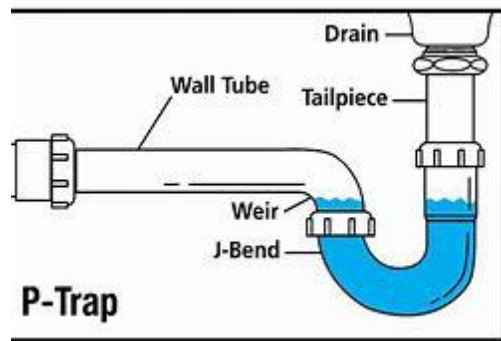
RPA – Total \$43,630.93

SRF - \$43,630.93

Sandy stated these drawdowns were presented to the funding agencies and approved and will be presented for reimbursement. Motion by Ms. Steele, 2nd by Dr. Shaw, motion carried unanimously;

3. JETTING OF SEWER LINES- Once sewer mains have been installed, contractors are required by MDEQ to clean, and TV inspect the sewer mains as part of the inspection, testing, and certification process. Jetter trucks and spray nozzles are being used to clean the mains and the work has caused a few home's P-Traps in the sinks and toilets to drain, which can allow sewer gases and odor from the main to enter the home. The District sent a letter to all property owners with this information and informed property owners to run water down your drains of sinks, tubs, floor drains, and toilet if they smell odors and make sure the P-Traps remain full. Property owners were

also given Josh and Todd's phone numbers to call and check their homes if property owner was not available to check. The following diagram was also provided in the informational letter:



4. RESOLUTION OF TAX EXEMPT BONDS POST-ISSUANCE- The District will need to adopt Resolution: 1-19-2024 of tax exempt bonds post-issuance which is in connection with the bonds that the District issued in December. Motion by Ms. Steele to adopt Resolution 1-19-2024, 2nd by Dr. Shaw, motion carried unanimously; Sandy will send signed Resolution to the bond attorney.

-RESOLUTION OF INTENT TO RAISE WATER & SEWER RATES: The following base rates and usage rates for water & sewer have been adopted, public notice was mailed to all property owners, published in the Big Horn County News on December 28, January 4, and January 11 and a public hearing will take place @ 5pm on January 19, 2024

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

- 3/4" 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 3/4", 1", and 1.5" Meters

<u>0-10,000 Gallons per month</u>	<u>\$ 1.50/1,000 gallons</u>
<u>10,001-20,000 Gallons per month</u>	<u>\$ 3.50/1,000 gallons</u>
<u>20,001 and over per month</u>	<u>\$8.50/1,000 gallons</u>

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

- Sewer base rate (3/4" meter): \$37.00**
- Sewer base rate (1" meter): \$66.23**
- Sewer base rate (1.5" meter): \$148.00**

Sewer Usage Rate

<u>0 gallons and over per month</u>	<u>\$3.50 /1,000 gallons</u>
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The rates would take effect with the January 2024 billing.

Katie Steele presented the summarized document relating to the Procedure Relating to Rates, Fees, and Charges from MCA 7-13-2275 as follows:

In order to establish rates, fees, and charges:

1. An ordinance or resolution must be passed with the affirmative votes of at least a majority of the total members of the board.
 - a. The ayes and noes must be entered upon the journal of the proceedings.
 - b. The enacting clause of the ordinance must be in these words: "Be it ordained by the board of directors of Fort Smith Water and Sewer District as follows:"
 - c. The resolution or ordinance must be signed by the president of the board and attested by the secretary.
2. There are two different protocols of informing the District of increases to rates, fees, and charges, prior to their passage or enactment:
 - a. If a cumulative rate increase is **less than 5%** within a 12-month period, then a public hearing is not necessary as long as the board provides notification of the increase at least 10 days prior to the passage or enactment of the ordinance or resolution implementing the increase.
 - b. If a cumulative rate increase is **greater than 5%** within a 12-month period, then the board shall order a public hearing. Notice of the public hearing must be published as provided in **7-1-2121**. This must be published in a newspaper twice with at least 6 days separating each publication. This publication must also be posted in 3 different public places. The published notice must contain: the date, time, and place of the hearing; a brief statement of the action to be taken; and the address and phone number of the person who may be contacted for further information. The publication must also be mailed to all persons who own property in the district and to all customers of the district at least 7 days and not more than 30 days prior to the public hearing. This mailed notice must also contain an estimate of the amount that the property owner or customer will be charged under the proposed ordinance or resolution.
3. At the public hearing any interested person, corporation, or company may be present, represented by counsel, and testify. The hearing may be continued by the board as necessary. After the public hearing, the board may, by resolution, impose, establish, change, or increase rates, fees, or charges;

-SYSTEM DEVELOPMENT FEES: A committee consisting of Steve Saville, Jim Hyde, Bryen Venema, and Eric Anderson will meet and put together a methodology for the System Development Fees and be prepared to present the methodology and fees to the board at the February meeting. Sandy will sent out the previous fees that were put together, MCA codes relating to fees and calculations, square footage costs, reserve fee collected, and remaining life of loan. Dr. Shaw will set up a conference call for the committee to discuss and decide on a methodology for the fees to be charged.

-OPERATOR REPORT- Josh is working with MT DEQ regarding the strong chlorine smell and going to ask them to come to Fort Smith and go to the homes which have the strong chlorine smell. Josh stated the when the contractor were digging in the alley between A & B and a strong sweet smell was coming from the places contractor was digging, when the contractors came out of excavation hole the workers were dizzy and sick feeling. After investigation it was discovered, the sweet smell was methane gas which is caused from extreme chemical applications from someone using high powered chemicals or something and this can be deadly. A document will be put together and sent out and possible signed by customers with information on methane gas.

The District received a letter from property owner on Block 1 Lot 10 requesting a credit/adjustment to his bill for a leak that happened after he purchased the property. After reviewing the monthly usage an adjustment of \$84.00 will be credited to the water usage portion of this bill.

-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.

-FEBRUARY MEETING: February 16 2024, @ 10am

-PUBLIC COMMENTS- Eric Anderson stated the board members are going into details quite well and he did not have any questions or comments.

-ADJOURN MEETING- Meeting adjourned at 2:44PM