



Evergreen
Water & Sewer
DISTRICT 1[©]

130 Nicholson Drive
Kalispell, MT 59901
Phone: 406-257-5861
Fax: 406-756-1588
Email: info@evergreenwaterdistrict.com

Regular Meeting
June 17, 2020

Members Present: Jack Fallon, B.J. Lupton, Bob Balding, Butch Clark, Bill Matthews, Dennis Falcon, T.J. Wendt, and General Manager, Cindy Murray

Also Present: Andy Hyde and the District Staff

Members Absent: None

B.J. Lupton, Vice-President, called the meeting to order at 7:06 a.m. and welcomed the public in attendance.

T.J. Wendt moved to adopt the Agenda as amended, which was seconded by Butch Clark. The Board passed the motion, as seconded, by unanimous vote.

The Board next discussed the three open director positions. Board members, Jack Fallon, Bill Matthews, and Dennis Falcon had terms that expired in May. All three reapplied for the open positions and were unopposed as certified by the County Elections Department. Bob Balding moved and Butch Clark seconded the motion to elect all three director applicants by acclamation. After discussion, the Board voted unanimously to approve the motion, as seconded, and elected Jack Fallon, Bill Matthews, and Dennis Falcon to fill the three open positions on the District's Board of Directors by acclamation.

The Board then proceeded to the election of officers. Dennis Falcon nominated Jack Fallon for President, which was seconded by T.J. Wendt. After discussion, the Board elected Jack Fallon as President by unanimous vote. Butch Clark nominated B.J. Lupton for Vice President, which was seconded by Bob Balding. After discussion, B.J. Lupton was elected Vice President by unanimous vote. Bill Matthews nominated Cindy Murray as Recording Secretary, which was seconded by Dennis Falcon. After discussion, Cindy Murray was elected Recording Secretary by unanimous vote.

The Board examined the minutes of the regular meeting of May 20, 2020. T.J. Wendt moved to

Regular Board Meeting
June 17, 2020

approve the minutes as corrected by removal of the reference to Resolution 2020-02. The motion was seconded by Dennis Falcon. The Board passed the motion, as seconded, by unanimous vote.

Next the Board examined the Manager's Report for June. Dennis Falcon moved to accept the Manager's Report, which was seconded by Bob Balding. After discussion, the Board passed the motion, as seconded, by unanimous vote.

Public comment was invited on the proposed increases in rates and fees. Five customers of the District commented, expressing concerns about the increase. Jack Fallon read aloud public comments submitted by email and closed public comment.

The Board then considered the proposed rate and fee increases for water and sewer services. After discussion of all proposed changes to rates and fees, Butch Clark moved to approve Resolution 2020-02, which was seconded by Bill Matthews. After discussion, the Board voted to approve Resolution 2020-02 by unanimous vote.

The Board discussed a proposed offer to Deborah Pancoast for the purchase of approximately 1.3 acres in proximity to Lift Station 19 for use as an emergency storage facility. B.J. Lupton explained to the Board that he would not be voting on the matter as he was involved in discussion with the District for easements that would be necessary in connection with the property purchase. Butch Clark moved to offer Deborah Pancoast \$85,000 plus a water and sewer extension, plus payment of survey and closing costs. Bill Matthews seconded the motion. After discussion, the Board approved the motion, as seconded by a vote 6 in favor, with B.J. Lupton abstaining from the vote. The Board requested the General Manager to work on a phased approach to have Andy Hyde meet with the property owner to explain the water and sewer hookups that would be offered as part of the purchase and the right of way issues that were involved. There was no time deadline or requirement for the phases, as Cindy Murray explained that Ms. Pancoast had declined to entertain any offer other than one that required the District to obtain rezoning of her remaining property, which the District is unable to do.


Cindy Murray presented a request for the Board to approve the payment of compensatory time balances for exempt employees that had accumulated by June 30th due to the closing of the fiscal year. Dennis Falcon moved to approve the payment of accumulated compensatory time as of June 30th, which was seconded by Bob Balding. After discussion, the Board approved the motion, as seconded, by unanimous vote.

Cindy Murray requested the Board to table the Agenda item concerning Personnel Recommendations until the July meeting.

Bob Balding presented his review and approval of the Oversight materials for the months of May and requested the General Manager to clean up the stale checks in the First Interstate checking account.

B.J. Lupton moved and Bill Matthews seconded to accept the checks and financial statements for May. After discussion, the Board passed the motion, as seconded, by unanimous vote.

The meeting was adjourned by acclamation at 9:54 a.m. The next regular meeting will be on July 15, 2020, at 7:00 a.m.

Submitted by 
Cynthia Murray, Secretary

Signed by 
John T. Fallon, President



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RESOLUTION
2020-02

RESOLUTION ADOPTING INCREASES IN WATER AND SEWER RATES AND FEES

WHEREAS, the Board of Directors of Flathead County Water & Sewer District #1 - Evergreen is required by Montana Law, 7-13-2301(2)(a)(i) and (ii), MCA, to annually review the District's rates to determine that the income and revenue is adequate each year for the payment of reasonable expenses of operation and maintenance of the facilities and the administration of the District; and

WHEREAS, the Board of Directors, pursuant to 7-13-2301(2)(a)(iv), MCA, must annually review its rates to determine that the income and revenue is adequate each year for the establishment or maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of facilities as may be determined necessary from time to time by the Board of Directors; and,

WHEREAS, the Board of Directors reviewed the financial records of the District through June 30, 2019, as well as expected expenditures in the current fiscal year pertaining to water and sewer revenues and expenses as well as the respective reserve accounts; and,

WHEREAS, the present rates are not sufficient to cover the expenses and maintain the required reserves needed for expenditures for depreciation and replacement as determined by the Board of Directors,

WHEREAS, on May 20, 2020, the Board of Directors adopted Resolution 2020-01, a Notice of Intent to Raise Rates and Fees; and

WHEREAS, pursuant to the Resolution and in compliance with Montana law, notices of such proposed increases were published in the Daily Interlake and sent to all the customers of the District and registered property owners within the District boundaries; and

WHEREAS, the Board of Directors has conducted a public meeting and has received public comments in compliance with Montana law; and

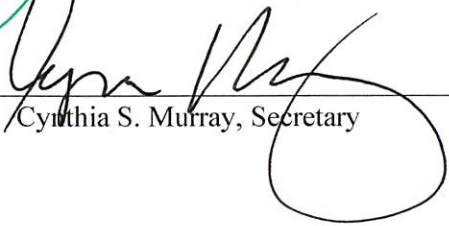
WHEREAS, the Board of Directors, having duly considered all comments and information pertaining to the proposed increases in water and sewer rates and fees, has determined that it is in the best interest of the District to adopt such increases.

NOW THEREFORE BE IT RESOLVED on this 17th day of June 2020, that the Board of Directors hereby adopts this Resolution to increase the water and sewer rates and fees, as set forth on the attached Exhibit A. The new rates are effective as of July 1, 2020. The new fees are effective as of the date of this Resolution.

Flathead County Water & Sewer
District #1 – Evergreen
Board of Directors

By: 

John T. Fallon, Board President

Attest 

Cynthia S. Murray, Secretary

Customers and Property Owners within the Boundaries of Flathead County Water and Sewer District No.1 - Evergreen

The Board of Directors of the Flathead County Water & Sewer District No.1 - Evergreen will hold a public hearing on June 17, 2020, at the District shop at 130 Nicholson Dr. @ 7:00am. The purpose of the hearing is to discuss Resolutions of Intent to adopt ordinances increasing the water and sewer rates, water connection fees, tap fees, facility fees, cancellation of the tiered rates and the summer watering rate, and going to flat year-round water rate

Current Water Rate: \$1.21 per 1000 gallons + \$4.63 Base Rate

Proposed Water Rate: \$1.28 per 1000 gallons + \$6.33 Base Rate **Increase 5% per 1000 & 37% Base Rate**

Usage / 1000	1	2	3	4	5	6	7	8	9	10
Current+Base	\$ 5.84	\$ 7.05	\$ 8.26	\$ 9.47	\$ 10.68	\$ 11.89	\$ 13.10	\$ 14.31	\$ 15.52	\$ 16.73
New+Base	\$ 7.61	\$ 8.89	\$ 10.17	\$ 11.45	\$ 12.73	\$ 14.01	\$ 15.29	\$ 16.57	\$ 17.85	\$ 19.13

Current Sewer Rate: \$5.89 per 1000 Gallons + \$11.49 Base Rate

Proposed Sewer Rate: \$8.65 per 1000 Gallons + \$11.49 Base Rate **Increase 32% per 1000 & 0% Base Rate**

Current+Base	\$ 17.38	\$ 23.27	\$ 29.16	\$ 35.05	\$ 40.94	\$ 46.83	\$ 52.72	\$ 58.60	\$ 64.50	\$ 70.39
New+Base	\$ 20.14	\$ 28.79	\$ 37.44	\$ 46.09	\$ 54.74	\$ 63.39	\$ 72.04	\$ 80.69	\$ 89.34	\$ 97.99

Combined Water & Sewer										
Current	\$ 23.22	\$ 30.32	\$ 37.42	\$ 44.52	\$ 51.62	\$ 58.72	\$ 65.82	\$ 72.91	\$ 80.02	\$ 87.12
Proposed	\$ 27.75	\$ 37.68	\$ 47.61	\$ 57.54	\$ 67.47	\$ 77.40	\$ 87.33	\$ 97.26	\$ 107.19	\$ 117.12

Proposed Summer Watering Rates for June, July, & August with discounted Tiered Rates to be discontinued

Current 0-499,999 Gallons is \$.91 per 1000 Gallons used June - August plus \$4.63 Base when applicable

Summer 500,000 + Gallons is \$.60 per 1000 Gallons used June - August plus \$4.63 Base when applicable

Current Non 0-99,999 Gallons is \$1.21 per 1000 Gallons used Plus \$4.63 Base when applicable

Summer 100,000 - 499,999 Gallons is \$.91 per 1000 Gallons used Plus \$4.63 Base when applicable

500,000 Plus is \$.60 per 1000 Gallons used Plus \$4.63 Base when applicable

Proposed \$1.28 per 1000 Gallons used YEAR ROUND plus base of \$6.33 where applicable. No longer billing at tiered rates.

Proposed changing Excess Capacity Fees to fee based solely on usage. Increasing Equivalent Residential Use from \$1900.00 (set 1994) to \$2000.00 per ERU along with pro-rated breakdowns based on type of use and changing from Excess Capacity Fee to Facility Fee. New charge for new grease traps and sand-oil interceptors.

Proposed Facility Fee and be increased approximately 3% per year over the next five years

Residential	\$ 2,000.00 Per Connection
Apartments/Duplexes/Multi-family	\$ 1,500.00 Per Unit
Hotel-Motel/Efficiency Units	\$ 1,000.00 Per Unit
Commercial Low Use <5640 gallons	\$ 2,000.00
Commercial High Use >5640 gallons	\$ 2,000.00 + \$2000.00 per each 5640 gallons over of Comparable Average Use
Sand-oil Interceptors	\$ 1,000.00

Currently: \$1900.00 per ERU based on estimated flows of 188 gallons per day use times the number of connections and comparable average use flows and possible credits depending on 1992 property tax value assessments.

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Flathead County Water and Sewer District No.1 - Evergreen
130 Nicholson Drive
Kalispell, Montana 59901

Return Service Requested

Public Hearing

Purpose: Discuss Water and Sewer Rates and Fee Increases

Date: June 17, 2020

Time: 7:00 am

Where: Evergreen Water District Shop

130 Nicholson Drive

Kalispell, Montana 59901

Comments and questions can be sent to above address or contact General Manager Cynthia Murray at the District Office (406)257-5861

Proposal to increase tap, meter, and connection fees

Water

Current Fees			
	Tap	Meter	Connection
3/4"	\$1,004	\$200	\$1,029
1"	\$1,031	\$250	\$2,624
1 1/2"	\$1,148	\$505	\$5,876
2"	\$1,251	\$726	\$10,424
4"	\$1,572	Cost	\$41,726
6"	\$1,941	Cost	\$73,835
8"	\$2,264	Cost	\$166,863

Proposed Fees

	Tap	Meter	Connection
3/4"	\$3,000	\$250	\$1,080
1"	\$3,000	\$300	\$2,755
1 1/2"	\$3,600	Cost	\$6,165
2"	\$3,600	Cost	\$10,945
4"	Lab/Mat*	Cost	\$43,810
6"	Lab/Mat*	Cost	\$98,525
8"	Lab/Mat*	Cost	\$175,205

Sewer

Current Tap Fee	\$900	Proposed Tap Fee	\$2,500
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*Labor & Material