

**North Kootenai Water District
Board Meeting Minutes
August 21, 2014**

A. Call to Order/Roll Call

Meeting called to order at 12:35 p.m. by Vice President Stoller.

Present: Shirley Stoller, Director/Vice President
Alanna Brooks, Director/Secretary
Jack Hern, Director/Treasurer
Curt Carney, Director

Staff Present: Mike Galante, District Manager
Necia Maiani, PE, District Engineer
Robin Potts, Customer Service Specialist II

Excused: Tom Crimmins, Director/President
Brian Werst, District Attorney

Visitors: None

B. Consent Agenda

1. Minutes of 08/07/14 Board Meeting

The motion was made to accept the minutes of the 08/07/14 Board meeting.

Director Brooks – motion. Director Carney – second.
Motion approved.

2. Financial Reports for July

The Financial Reports for July were postponed until the September 4th meeting.

C. Treasury Report

As of July 31, Revenue was up 45% over the previous month. However, Revenue is down 14% from where we were this time last year. The System Access and Cap Fees are up. Expenses are similar to last month.

D. Employee Matters

None

E. Oral Communications

None

F. Written Communications

None

G. District Attorney – Brian Werst

Excused

H. District Engineer – Necia Maiani, P.E.

1. Project Status Report

- a. O'Keefe Drilling will begin drilling Lancaster 5 Well tomorrow and expect to be finished in one week.
- b. Plans for Lancaster #5 Well Building are being finalized and will be submitted to DEQ the week of August 25th.
- c. DEQ approval for the Strahorn PRV was received on August 20th. The District will move forward with construction.
- d. Mr. Galante announced that he had met with Avondale Irrigation and had resolved many of the conflicting future water rights areas. Mike Solomon and Mr. Galante will continue to meet on RAFN issues but the water purveyor group meetings have ended. Mr. Solomon will eventually want the District to produce a Water Rights Portfolio.

2. Rate Revisions Update

The Board discussed Hayden Haven/Gem Shores water rates. They have not had a rate increase since they came onto North Kootenai Water District and the current rates are not fully covering expenses nor allowing for Depreciation goals.

The motion was made to increase the Hayden Have/Gem Shore System Access Fee by 21.18% to reach Depreciation goals.

Director Hern – motion. Director Carney – second.
Motion approved.

Mr. Galante informed the Board that he had spoken with ICRMP regarding insurance rates. Because of our past claims, ICRMP wanted to increase our rates significantly (400%). However, after their discussions with Mr. Galante, they agreed to keep the increase to only 20% for this year and another 20% next year. This will keep rates from a drastic increase.

After discussion on rates for the Main system, the motion was made to increase the System Access Fee on the Main System 7.57% bringing the Depreciation Fund to an estimated \$199,000.

Director Hern – motion. Director Carney – second.
Motion approved.

The motion was made to modify the Gozzer Ranch Depreciation to a Projected Curve of 100% as illustrated by Welch Comer's graph and to pass on the decrease to the inactive accounts rates. Active accounts rates will remain the same.

Director Hern – motion. Director Carney – second.
Motion approved.

I. District Manager – Mike Galante

1. Executive Session

None

2. Budget FY 2014-15 Review

Mr. Galante discussed the FY 2014-15 Budget which includes a cost of living increase to personnel of 1.5% and a matrix raise increase of 2.5%. It also included the 20% increase in liability insurance and a power increase of 6.7%.

3. Setting a Public Hearing - Rates

The motion was made to set a Public Hearing on September 18, 2014, at 12:30 p.m., to adjust rates for Capitalization Fees and System Access Fees for the Main System, and System Access Fees for the Hayden Haven/Gem Shores System.

Director Carney – motion. Director Hern – second.
Motion approved.

4. Setting a Public Hearing - Budget

Citing Idaho Statute 63.13.11A, a motion was made to set a Public Hearing on September 18, 2014, at 12:30 p.m., for the FY 2014-15 Budget.

Director Hern – motion. Director Brooks – second.
Motion approved.

J. Board Members

Mr. Galante updated Director Hern and Director Stoller on the previous meeting Mr. Galante and Ms. Maiani had with the people representing the 4-S Ranch.

K. Adjournment

There being no further business, the motion was made to adjourn at 2:40 p.m.

Director Hern – motion, Director Brooks – second.
Motion approved.

Alanna Brooks
Board Director/Secretary