

Saddle Mountain Service Corporation Board Meeting Minutes

April 21, 2025

In-Person Meeting

Attendees:

Tom Hillesland, President

Mike Johnson, Vice President

Linda Kindrick, Treasurer

Amy Teegarden, Secretary

Kirk Fandry, Director

Keith Stark, Director

Matt Weber, Backup Operator

Mark Zitzka, Operator

Meeting called to order at 6:33 PM

Minutes from last month's meeting: The meeting minutes are attached and become part of the minutes. Keith S. moved that the minutes be approved with one correction. Linda K provided the second. Motion passed unanimously.

Operator's report: The Operator's report is attached and becomes part of the minutes. Mike J. moved that the minutes be approved. Keith S. provided the second. Motion passed unanimously.

Mark reported that there were no major incidents this month. DEQ reports are due on the 10th of the month and he sent the SMS report on the 1st. There was a notice from DEQ that was sent in error. Water usage appears to be increasing- seasonal change. He made some adjustments to the chlorine levels.

Treasurer's report: The Treasurer's reports are attached and become part of the meeting minutes. Keith S. moved that the reports be approved. Kirk F. provided the second. Motion passed unanimously.

Linda reported that it was a pretty quiet month. Linda reviewed the bills and financial statements. A 5th CD was purchased. Reviewing the YTD, there is a decrease in system repairs and engineering costs. There is \$5,000 remaining of ARPA funding (already obligated); \$189,000 is liquid assets. Tom had a question on the AR report- Linda explained regarding the homeowner's account.

Keith Stark activities: Keith reported that #2 Big Bear has installed their water meter. It is located outside wall; water has not been hooked-up yet. They will start being billed once the water is turned on.

Old Business:

1. **Resolve Water Hammer issue.** It was decided that check valve should be changed with the “SurgeBuster”. Something in the system has changed- causing the issue. This should be a good fix.

MOTION: Mike J. made a motion to replace the existing check valve at well #5 with a Val-Matic surge valve for \$4,889 + labor to install”. Keith S. seconded the motion; motion passed. Mike will contact Marty with the notice to proceed.

2. **Finalize letter & nomination form at Board meeting;** submit with April & May billing statements. Amy made changes to the ballot by adding Mike’s information. Amy will reach out to those that have been nominated to see if they are interested and if so obtain their bio information.
3. **Review and update Vegetation Control Contract** discuss putting out for bid (due May 1st) Matt and Tom are still reviewing the draft contract.
4. **Make copies of original plans for wells 1 & 3 diagrams and schematics, and also digitize for electronic records.** Digitization has been completed. Tom will transfer to the thumb drives.
5. **Budget review to determine need for rate adjustment.** After review and discussion, Tom gave a recommendation that he does not think that an rate increase is necessary this year.

MOTION: Tom H. made the motion to stay with existing rates. Kirk F. seconded the motion; motion passed.

6. **Status on inoperative meters.** No change as of the April meeting. Inoperable meter billing being done per bylaws. Billing will continue. Matt commented that sometimes a meter will “stick” when the digits are 0-0-0.
7. **Evaluate bid on VFD installation for 50 HP water pump.** This change **WILL** require DEQ approval. Tom asked if we received a bid. This topic will be on hold until we know if the check valve effort will work.
8. **DEQ Sanitary Survey Inspection Letter** review. The simple fixes identified in the letter have been fixed. Well #5- cracked cement on the outside. Matt asked for directions. Tom said we should not use bentonite. Other solutions will be considered.
9. **Draft Improvement List** from Matt M. at GWE, for the final part of the ARPA project. Sent an updated list to Matt Mudd based on what we discussed at the July

meeting. Will need to schedule separate meeting to review with Matt and GWE once report is in hand. Emailed report to all. Still waiting for final report.

Waiting for the final report from GreatWest Engineering.

10. **Develop operations manual, maintenance manual, and maintenance schedule,** Mike J. reported that he has completed the work history spreadsheet. Matt is GPS'ing the curb stop locations.
11. **The flowmeter at mid station** ON HOLD until water hammer issue is resolved and completed.
12. **Well #3 replacement pump/motor** ON HOLD
13. **Set up walk through with Mark for new Board members.** Mark to coordinate with Kirk and Mike, possibly the weekend of April 26-27th.
14. **Bylaws review and revision.** Committee has been dissolved, issues that were brought up will be reviewed by the board for inclusion in a revision to the bylaws. ON HOLD
15. **2 Big Bear curbstop** COMPLETED.
16. **ARPA funds:** This was addressed during the Treasurer's Report.

NEW BUSINESS

1. **Send out letter and nomination form with May Water bill.** Amy will update the nomination letter and send it to Linda to go out in the May water bill. The ballot will go out in June water bill. Amy will also post the annual meeting notice on bulletin boards. Amy will contact nominees and see if they are interested in serving.
2. **Paint color request from 11 Crazy Mtn.** The homeowners at 11 Crazy Mtn submitted for approval a paint color sample they would like to repaint their home with. The Board reviewed per covenants.

MOTION: Amy T. made the motion to approve the submitted color. Mike J. made a second; the motion passed.
3. **Annual Budget Presentation:** Tom has prepared the presentation.

4. **Review of existing SOP's:** The list of policies needs to be updated as changes are made to policies. This needs to be reviewed annually.
5. **Air leak on Ruby Mtn.:** Keith will obtain bids.

With no further business noted, Keith S. moved to adjourn. Linda K. provided a second. Meeting adjourned at 7:54pm.

Submitted by: Amy Teegarden, Secretary

Next meeting: May 19, 2025

Operator's Report

04/19/2025

1. Operations have been normal since the previous report.
2. DEQ recently sent an incorrect email notice, that they had not received this month's chlorine sheets. I called Dillon Johnson (rule manager), who acknowledged the error.
3. Water usage is starting to increase.
4. I still think we should replace the check valve at well 5 with one specifically designed to prevent water hammer, like Val Con's "surge buster". Many valve manufacturers will make the valve to specified lay length, thereby avoiding custom installation complexity, welding, etc.

Mark Zitzka

Operator PWS MT 0000057

Treasurer Report – 4/18/2025

Statements sent out to homeowners 4/3/2025 along with notice of annual meeting

Lynette Hecker payment – 4/9/2025

Checks written so far in April 2025

Northwestern Energy – \$1,373.05

Hawkins – \$20

SMS Water LLC - \$1,731.96

MW LLC - \$525

Upcoming bills (just received):

DPHHS - \$25

Montana Rural Water Systems, Inc. - \$250 (membership)

Northwestern Power Equipment (purchase of 2 kits to repair water hammer) - \$1,636.62 –
purchase on credit card

Financial statement reviews as of 3/30/2025:

Cash in checking and savings - \$138,986

Transferred \$10,000 from checking to purchase CD #5

Water fee income up by \$2,219 prior year (Simac payments in March totaled \$1,350)

Office expense of \$824 was purchase of laptop for treasurer

Interest income and late payment fee income up by \$668 over 2024

January – March P&L:

Other income of \$2,373 likely not to recur in 2026 (water hookup)

Decreased expenses in 2025 from 2024:

System repairs

Engineering

Other: ARPA update – worked with Tom to provide additional information in order to release the remaining funds.