

RAE SUBDIVISION COUNTY WATER & SEWER DISTRICT NO. 313
MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
April 16th, 2025 at 7 pm

Present:

Andrew Williamson, Board President
Nikki Penniman, Vice President
Rich McLane, Board Member
Bob Ingram, Board Member
Perry Hofferber, Board Member

Ken Ridgway, Manager
Val Nolan, Secretary/Treasurer

ORDER OF BUSINESS:

The meeting was called to order at 7:01 by Andrew Williamson, Board President. The meeting was held in the maintenance building at RAE Water District.

PUBLIC COMMENT:

APPROVAL OF MINUTES:

The minutes from the February 2025 board meeting were reviewed. A motion to approve the February 2025 minutes was made by Nikki Penniman and seconded by Perry Hofferber. The motion passed unanimously.

TREASURER'S REPORT:

- The treasurer's report for February and March were reviewed. Several payments were pointed out for pipe repair in the garage, garage heater repair, blower repair and generator engine repair for Woodland Park generator. The totals for these items repaired over the past six months is approximately \$60,000. It was noted that Sierra Vista Phase 1 has begun construction and approximately 52 lots have been sold and we have collected SIF fees on those lots. Discussion was held on accounts receivable and suggestions on moving forward with late payers. A motion to approve the February and March financial reports was made by Nikki Penniman and seconded by Rich McLane. The motion passed unanimously. Please see Attachment A included in April meeting minutes.

OLD BUSINESS:

- A District Rate Schedule was presented to the board for further discussion. The items on the schedule will be further defined and we will discuss again at the May 2025 Board meeting.
- Water tank MOU agreement is still in progress through both parties' lawyers. Andrew Williamson reported on the county meeting concerning the 402-exemption presented by the developers. The exemption was granted concerning height of the water tower.

MANAGERS REPORT: Ken

- RAE Water booster building sustained damage during 2025 winter storms. A claim was made to the District's insurance company. Repairs are complete. Xtreme Restoration performed the work. The insurance company paid RAE Water and we paid Xtreme Restoration for a cost to the District of \$2,500 for deductible.
- Woodland Park life station generator has been repaired and is back up and running.
- Another blower has failed in the blower building. Replacement blowers have been ordered. Work was done by Ken and RAE Water operators to try and repair them. They were not able to be repaired so three new ones were ordered.
- Maintenance building roof has started to separate. Investigation and repairs are in progress. Ken stated that the roof was properly done during construction. We had a change in construction companies and this was overlooked.
- Water service line leak has been located at the Hyalite Fire District Gooch Hill Rd. station and is awaiting repairs. King Arthur is responsible for these repairs. A question was asked on how it will affect our water loss. Ken will report back next month.

NEW BUSINESS:

- Val's outlook email was affected by spam. It appeared to have sent an email through our Montana Opticom email account. Cybersecurity was discussed. Val's computer will be taken to RAM Computer to be scanned and updated. We will be updating our computers and pursuing a different way to handle emails and possibly changing internet providers.

NEXT MEETING: The next meeting is scheduled for May 21st, 2025 at 7 p.m.

ADJOURN: Perry Hofferber motioned to adjourn the meeting at 8:35 and this was seconded by Rich McLane. The motion passed unanimously.

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RAE Water Board Members,

I wanted to give you some information about some things that have happened these past few months. I am including this in this month's Board package.

This winter season has been a pretty difficult and very busy season so far. Given the age of current infrastructure, we have had numerous assets fail within the last 6 months. I will briefly explain what has been happening so that you are more informed prior to the Board meeting on the April 16th.

First, I will start with the Woodland Park lift station. As you know from prior Board meetings that we lost the engine to the backup generator set. We were recommended a new Gen set at the price of \$40 thousand dollars. Through research by Colbie and myself, we found a savings opportunity and found that a replacement engine only costs approximately \$13 thousand dollars. Big Sky Power Solutions has completed the repairs and our generator is now back in service.

Second, main office water heater age and piping failure. A water leak was found in the main office mechanical room. It was found that the copper piping was leaking. A decision was made to replace the copper pipe and due to the age of the water heater, it was also replaced. This cost was approximately \$7 thousand dollars. Also, the main office garage heater has failed. A replacement heater will be installed on April 18th. That will cost around \$2,500.

Third, During the February 2025 snow storms, the high winds blew out all of the weather-stripping foam under the ridge cap in the Booster building. This caused a significant amount of snow to enter the attic space of the building. When the snow in the building attic melted, we noticed that water was seeping through the ceiling panels causing several panels to come loose. Furthermore, this created a breeding ground for mold. A claim was submitted to the RAE Water insurance company. The total mold removal, roof, and ceiling repair cost \$25 thousand dollars. RAE Water's deductible for these repairs was \$2,500. The insurance company cut RAE Water a check for the difference, then we paid Extreme Restoration company directly.

Fourth, I made the Board aware that one of our four blowers in the blower building had failed. While parts were on order to repair the downed blower, a second blower failed. With the failure of the second blower, this created an emergency situation. I ordered a new blower unit from Aqua Aerobics costing approximately \$12 thousand dollars, this new blower unit arrived April 7th. The new blower unit was installed on April 8th. I have found another source to order blowers from, this will only cost RAE Water approximately \$9 thousand dollars per blower unit. I ordered 2 additional blower units from the alternate source. I will determine what path going forward

with the last blower whether it be replaced or just put new bearings in it. We are back to operational status with the 3 blowers up and running.

Fifth, The Maintenance building roof is separating along the north east edge. This has caused a significant gap between the roof panels and the edge flashing. This will need to be further investigated as to the cause and determine a path to repair. During the construction of the Maintenance shop there were contractor issues after the building shell was put up, at that time of the project the contractors had to be switched to finalize the construction. I believe some things were overlooked and need to be addressed. More to come on the situation with that issue.

I just wanted to make you aware of the situations that RAE Water has encountered in such a short period of time. I want to give a shout out to all of our awesome team members. With all of the recent situations that have happened in a very short time, all of our RAE Water team members handled and are currently handling them in a professional manner and we are tackling all issues as they arise.

Please have a great weekend and Val and I will see you on the 16th.

Ken