

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, September 18, 2018

Call to Order

President Cory Klumb called the regular meeting of the Four Corners Water and Sewer District to order at 6:30 pm on Tuesday, September 18, 2018, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Board Members present: President Cory Klumb, Vice President Nancy Flikkema, member Phillip George, and member Peter Thatcher.

Staff/Public: Marty Gagnon representing MMI; Maralee Parsons, Secretary; Amy Ellingson, Larry Powers, John Hunziker, Terry Threlkeld.

Approval of Minutes

August 21, 2018 Board Meeting:

Motion: Member Peter Thatcher moved to approve the minutes as presented; member Phil George seconded. The minutes were approved unanimously.

Public Comment on Non-Agenda Items:

None were raised.

GENERAL BUSINESS

Resolution 2018-15: Residential Irrigation Wells over 1 Acre

Phil George advised that the committee assigned to look at this issue has worked with the District's engineer and have returned with a recommendation to allow irrigation wells for residential lots 1-acre or larger. He noted a total of 40 lots in the District currently fall into this size category, so the volume of water is not hugely significant. He noted that if the threshold were ½ acre lots, an additional 50 lots could be included.

Motion: Member Peter Thatcher moved to approve Resolution 2018-15; VP Nancy Flikkema seconded. There was no further discussion and no public comment. *The motion carried 4-0.*

Approval of Residential Wells over 1-acre permit – consideration if Resolution 2018-15 is approved

Phil George provided a copy of the Application and Permit for an irrigation well for a residential lot, noting the process is identical to that for commercial lots.

Korner Klub Annexation Ordinance 2018-06 - First Reading

Phil George read Ordinance 2018-06, an ordinance accepting the annexation petition of Ritter Properties, LLC at the Northeast (corrected from northwest) corner of Huffine and Hwy 191 – Korner Klub for annexation of Sewer only. It was noted that the Board had previously given its consent for the annexation petition, for sewer service only, and the applicant has already paid its capacity fees and has signed the contract with the District.

Motion: VP Nancy Flikkema moved to accept the first reading of Ordinance 2018-06 as corrected; member Phil George seconded. There was no more discussion and no public comment. *The motion carried 4-0.*

Engineer's Report

Marty Gagnon provided the report. He advised that the engineers continue to work on the Water Reclamation Facility (WRF) and are including District staff in the discussions. They have also been meeting with the Campbell group on the northern extension. They continue with on-going plan reviews and working on various District issues such as

irrigation usage. He noted that the District owns a surface Elk Grove Slough water right which came in the sale from Utility Solutions, and they will be analyzing its value and what can be done with it.

Monthly Administrative & Financial Report

Amy Ellingson provided the Admin report:

- The investment accounts have been transferred to the state. It was noted that the District's investments are now earning 2% interest rather than .2% interest. Phil George noted that the account with \$598,178 is a bond reserves for 3 of the 4 bonds. The 4th bond reserve (about \$180K) is a re-use reserve for water which can be used for some water projects, separate from the capital improvements budget. One project identified is to re-work the Zoot water facility.
- The annual audit is moving forward, and documents are being collected.
- The new operator started work on 9/4/18 and is working out well, focusing on the water side initially. It was noted the District is now fully staffed operationally, and this has helped with ensuring preventative maintenance is performed weekly.
- A discrepancy was noticed in the amount of sick leave being accrued for employees (6 days/year), versus what is in the employee handbook (12 days/year). It was noted that the employee manual is correct, and in compliance with the state statute. The District's bookkeeper will make the corrections and employees will be provided with the correct number of sick days retroactively to hire date.
- One bid for paving the driveway has been received, for \$14K.
- The mold issue has been fixed.

Phil George reviewed the financial summary reports of Budget Vs Actuals (Jul-Aug 2018):

Water: Income is approximately \$2K over budget, and expenses are approximately \$13K under budget.

- Sewer: Income is approximately \$7K under budget (likely an Elk Grove budget issue, to be determine), and expenses are approximately \$12K under budget.
- Shared expenses are about \$28K under budget, primarily from savings in personnel expenses. Professional services are somewhat over budge, primarily due to engineering and legal services. Going forward a line item may be added to the financial reports to clearly capture expenses associated with the lawsuit.

Monthly Operations and Maintenance Report

Larry Powers provided the report:

- The headworks screen repairs and modifications have been completed.
- Fat, oil and grease treatment continues to be a problem at the WWTP. He has started an enzyme treatment intended to break the grease down – it will take at least a month to determine effectiveness. No single source has been identified. A notice has been included on bills to remind residents to refrain from dumping grease down sinks.
- High flows, up to 340K gal/day, have been observed at the WWTP. It had been averaging about 270-280K gal/day. It appears there is ground water infiltration in Elk Grove. The SCADA system shows that Elk Grove lift station is pumping 40-50K more than it normally does. Lines which were jetted this week were full of gravel, which could indicate a break in the line. TV inspection is on-going.
- Staff is concerned about their lack of understanding of the Elk Grove irrigation

system. Irrigation lines are unknown, and half of the system is not metered. A schematic drawing of their irrigation system has been requested, and Minnick Management replied that they are unable to produce one, nor can the previous management company. The current irrigation company could create a schematic, for a fee. Phil George and Amy Ellingson will try to meet with Minnick Management in the next week to discuss this and other irrigation issues.

- 2 access and maintenance easements are needed at Elk Grove, 1) access to the lift station - prior access from the southside is no longer available. 2) Pipeline easement to Elk Grove wells- prior access off Blackwood Road is no longer available due to a locked gate. Morrison-Maierle is working on this.
- Elk Grove county lift station issue: JR Civil attempted to finish work at the Elk Grove lift station. Someone believed that JR was pumping out of the lift station and discharging it on the ground. County sanitarian and DEQ were called out, samples were taken of the water, which came back positive for e.coli. The DEQ rep and county sanitarian have labelled it as "wastewater", but he feels it could be wastewater, or it could be from a naturally occurring source. The state has instructed JR Civil to determine if there is a leak in their line or not, and JR will be pressure testing it. Mr. Powers noted that there will be a number of meetings forthcoming to develop and execute the testing plan to identify the status of pipes and the e. coli source.

Storage Building Discussion/Approval

Phil George presented a proposal to build a storage building adjacent to the water storage unit at the office building. The intent is to build permanent storage to house the District's 5 vehicles and other equipment which are currently stored in the elements. A bid for \$55K has been received for a 36 x 70-foot building, with a concrete floor and no power, insulation or heat. In addition, the bid includes \$14K for paving the driveway. He noted that \$35K is currently in the budget for a building. The Board agreed in principal with the proposal for paving and building a long-term storage building and to proceed as proposed.

Sick Leave Retroactivity Issue

Discussed earlier in the Administrative report.

Board Member Topics

Phil George:

- A draft of the agenda for Rate Hearing scheduled for 9/25/18 was reviewed
- Provided a brief status update on the discussions with Double Tree on their proposed development
- Proposed cancelling the November Board meeting, due to the Thanksgiving holiday (agreed by all)
- Nancy Flikkema: status of Board member opening if Phil George leaves the Board – to be discussed at a later date.

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of September 18, 2018 adjourned at 7:45 p.m.

A handwritten signature in black ink, appearing to read "Maralee Parsons". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Maralee Parsons
Secretary