

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, June 18, 2019

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, June 18, 2019, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Board Members present: President Cory Klumb, Vice President Nancy Flikkema, Member Heather West, and member Phillip George.

Staff/Public: Brad Hammerquist representing MMI; Deborah McAtee (recorded minutes), Amy Ellingson, Larry Powers, Scott Mullen, Jim & Phyllis Barker, Bob Holmer.

Approval of Minutes

May 21, 2019 Board Meeting:

Correction: Clarify 2nd reading of Ordinance 2019-07 Creekside was postponed (not the 1st reading).

Motion: VP Nancy Flikkema moved to approve the minutes as amended; member Phil George seconded. *The minutes were approved 3-0.*

Bob Holmer, a potential candidate for the Board was introduced. He is from Pittsburgh via Seattle and has lived in Black Bull since 2016. From 1989-2018 he owned a company that inspected components in utilities and nuclear wiring with offices worldwide. It was noted he has served on other boards.

Public Comment on Non-Agenda Items:

James Baker and Scott Mullen advised the Board that they are looking for a variance for an irrigation well in Gallatin Heights. Their lots back onto open space and they would share the well to irrigate a total of approximately .46 acres. There was some general discussion on the requirements for an irrigation well. President Klumb stated the Board's philosophy is to get treated water off irrigation where possible but noted that the Board cannot take action tonight since the topic is not on the agenda and suggested that they start the process to get on a future agenda.

GENERAL BUSINESS

Ordinance 2019-08: GRWL 1st Reading of Annexation

Ordinance 2019-08: Ordinance Accepting the Annexation Petition of GRWL, LLC, Known as Big Sky Archery, 77 Laura Louise Lane, Lot 1 Block 2 of Kennedy Subdivision for Annexation – Sewer Only. It was noted that this property requests 1 EDU of sewer service to enable the property to disconnect from the existing septic system.

Motion: Member Heather West moved to accept the 1st reading of Ordinance 2019-08; member Phil George seconded. There was no further Board discussion and no public comment. *The motion carried 4-0.*

Ordinance 2019-09: Valley Center Town Pump 1st Reading of Annexation

Ordinance 2019-09, an Ordinance Accepting the Annexation Petition of Town Pump of Northwest Missoula, Inc. (Valley Center) Annexation into the Four Corners Water & Sewer District.

Ordinance 2019-10: Valley Center Town Pump 1st Reading of Annexation

Ordinance 2019-10, an Ordinance Accepting the Annexation Petition of Gooch Hill Opportunities, LL Annexation into the Four Corners Water & Sewer District.

Phil George advised that these 2 Ordinances pertain to a request to annex two Town Pump locations (Valley Center and Love Lane & Huffine), for 15 EDU's each of water & sewer service. Neither currently has direct access to water or sewer. The Valley Center location is kitty-corner to Gallatin Heights and would be provided access via a sleeve under Jackrabbit Lane. The Love/Huffine location is about 1 mile from access, and it was noted that the original request included land spanning across Gooch Hill, outside of District service area, and Phil George requested that the request be re-written. It was noted that the two facilities would not be able to connect until the new WRF is completed. There was some general discussion on capacity, and the Board requested that they receive a regular report on current sewer commitments.

Motion: Member Phil George moved to accept the 1st reading of Ordinance 2019-09 and allow the annexation at Valley Center. VP Nancy Flikkema seconded. There was no further Board discussion and no public comment. *The motion carried 4-0.*

Motion: Member Heather West moved to accept the 1st reading of Ordinance 2019-10 and allow the annexation at Love & Huffine. VP Nancy Flikkema seconded. There was no further Board discussion and no public comment. *The motion carried 4-0.*

The motion carried 4-0.

Resolution 2019-05 To Award Contract

Resolution 2019-06 Bond WRF

It was noted that these 2 agenda items are not yet ready to be voted on. Brad Hammerquist advised that they are waiting for DEQ approval, and approval is needed in order to get the SRF funding to award the contract. No problems are anticipated in obtaining the funding. It was also noted that about 40 properties were omitted from the tax rolls, and they have now been added.

Resolution 2019-05 Capacity Sewer Increase (Resolution number changed from agenda)

Resolution 2019-05, A Resolution of the Four Corners Water and Sewer District to Modify the Capacity Fees – Sewer EDU. Phil George advised he recommends the capacity fee for sewer be raised to \$9,110 per sewer EDU. He noted that Bozeman's capacity fee is higher, and Belgrade will soon be raising their capacity fee as well.

Motion: Member Phil George moved to approve Resolution 2019-05; member Heather West seconded. There was no further Board discussion and no public comment. *The motion carried 4-0. The Motion carried 4-0.*

Engineer's Report

Brad Hammerquist provided the report. They have interviewed the 2 lowest bidders for the WRF construction project, to ensure they are responsible bidders, looking at references, etc. The bids include Alternative 1 which include tanks for phase 2, recommended as a cost saving measure. Strategic Constructive Solutions (SCS) was the lowest bidder at \$11.8M, and Sletten Construction was the second lowest bidder, coming in at \$12.5M. The bidders have been told that the District intends to award the contract to SCS. Sletten has indicated they might protest the award, and if that were to occur Morrison-Maierle will need to demonstrate that SCS is a responsible bidder. It was noted that Brad, Phil & Larry are working on ways to reduce and/or delay costs, and the contractors have been provided with a preliminary list of cost-saving opportunities (e.g. delay paving of parking lot, alternative building materials) so they can begin running the numbers. The award will be contingent upon a price reduction for the

changes.

Monthly Operation and Maintenance Report

Larry Powers provided the O&M report:

1. A new odor control system was installed at the EGWWTP which has cut down the odor substantially. The system consists of odor absorbing granules placed in breathable bags around the perimeter of the facility and in the headworks.
2. Zoot/NorthStar disinfection upgrade is still awaiting delivery of the chemical tanks, as the supplier misplaced the order to the factor.
3. The District will begin a survey of its manhole covers to assess surface runoff infiltration problems. Manholes needing attention will have Chimney seals and infiltration pans installed.
4. Jet cleaning and TV inspection of sewer mains will begin as soon as new employees have been trained. The focus will be known areas of high ground water to check for infiltration in mains.

Monthly Financial Report

Amy Ellingson provided the General Administrative report:

1. 2 new operators have been hired. One will replace Tom and the second was hired early because a good candidate was found, and he can supplement the staff while Larry is dedicated to construction activities.
2. E-bills will start in July and will be added to the District's website.
3. The District received the engagement letter from the auditors for this year's audit, needing the President's signature.
4. Progress is being made on the new garage at NorthStar.
5. The District is getting bids for the fence for the RI Basin.
6. A Board member is needed to review bank statements and hold until the audit. VP Nancy Flikkema agreed to assist with this request.

Phil George provided a review of the monthly financials.

- Shared expenses are about \$13K under budget. Professional services are high due to legal and engineering expenses, and Phil's salary is included in here as well.
- Water revenue is about \$200K over budget, and expenses are under by about \$55K.
- Sewer revenue is about \$200K over budget, and expenses are under by about \$40K. It was noted that sludge hauling (number one expense) will be greatly reduced with the new drying facility.
- Bond reserves are currently at \$608K, and it was noted that the District will be adding to its expansion reserves this year.

Capital projects review:

2018-2019:

<i>Water:</i>	<u>Plan</u>	<u>Est. at Completion</u>
Storage Facility	\$55K	\$80K
Chlorine Upgrade	\$80K	\$20K
Zoot Upgrade	\$100K	\$100K

Sewer:		
By Pass:	\$25K	\$0
EG Upgrade	\$30K	\$0

2019-2020 (Plan)

<i>Water</i>	<u>Plan</u>
Remodel Office Space	\$100K
C1 Fence	\$100K
Elk Grove Well Upgrade	\$ 50K
C1 clear RI	<u>\$ 50K</u>
Total	\$300K
<i>Sewer</i>	
EG Lift Station	\$110K
EG covers & Odor	\$ 50K
EG De-Watering Facility	<u>\$240K</u>
Total	\$400K

Budget Approval 2019-2020

Phil George advised that salaries were increased from the first draft of the budget the Board reviewed in May, due to a second new operator being hired.

Motion: VP Nancy Flikkema moved to adopt the 2019-2020 budget as presented; member Heather West seconded. There was no further Board discussion and no public comment. *The motion carried 4-0.*

Board member topics

1. Lynne Hubert owns 3 lots in Rainbow (total .33 acres) and wants to annex. The Board indicated they are in favor, and Phil George will move the formal process forward.
2. New Board members: It would be good to get a member from Gallatin Heights. It was also noted that the District should start the process in January to fill the two seats with terms ending in May 2020.

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of June 18, 2019 adjourned at 7:58 p.m.



Maralee Parsons (formatted minutes from notes taken by Deb McAtee)
Secretary