

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, July 16, 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, July 16, 2019, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Board Members present: President Cory Klumb, Member Heather West (arrived 6:44), member Phillip George, and member Peter Thatcher.

Staff/Public: Marty Gagnon representing MMI; Maralee Parsons, Secretary; Larry Powers, Amy Ellingson, Justin Mills, Elizabeth Stensland.

Approval of Minutes

June 18, 2019 Board Meeting:

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

Public Comment on Non-Agenda Items: None were raised.

GENERAL BUSINESS

Ordinance 2019-08 GRWL 2nd Reading

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 Phil George moved to accept the 2nd reading of Ordinance 2019-08; member Peter Thatcher seconded. There was no further Board discussion and no public comment. *The motion carried 3-0.*

Ordinance 2019-09 Town Pump 2nd Reading

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. It was noted this property requests 15 EDU sewer & water, with no car wash contained in their application.

Motion: Member Phil George moved to accept the 2nd reading of Ordinance 2019-09; member Peter Thatcher seconded. There was no further Board discussion and no public comment. *The motion carried 3-0.*

Ordinance 2019-10 Town Pump 2nd Reading

Ordinance 2019-10, an Ordinance Accepting the Annexation Petition of Gooch Hill Opportunities, LL Annexation into the Four Corners Water & Sewer District. It was noted this property requests 15 EDU sewer & water.

Motion: Member Phil George moved to accept the 2nd reading of Ordinance 2019-10; member Peter Thatcher seconded. There was no further Board discussion and no public comment. *The motion carried 3-0.*

Mr. Barker Irrigation Well Gallatin Heights

Agenda item cancelled at property owner's request.

Additional Commercial Water Rate Discussions/Resolution 2019-08

Phil George led a general discussion on the apparent impact to 6 or 7 commercial customers in categories 3 & 4, when the District established a water variable rate based on volume usage in late 2018. Two of the impacted commercial customers, Justin Mills and Elizabeth Stensland, were present to discuss with the Board their concerns with their recent bills. Each noted that their businesses recently received huge increases (up to 500%) in their water bills from their previous average summer bill of around \$300-400. Each has a corner lot and noted that they have landscaping which requires some irrigation. Each acknowledged that previously they may have over-irrigated but stated that they are required to water to maintain their landscaping according to the HOA standards. They said they felt that commercial customers were being penalized more than residential customers, and also noted that they were not provided any notice by the District that they were consuming water over their limit. It was noted that there was no established limit prior to the District implementing the variable rates based on usage, and some customers were significantly over-using water based on what they had the right to use. These were two of the main issues the District was trying to correct with passage of the new water variable rates.

Phil George reviewed Resolution 2019-08, which is intended to align the rates for commercial customers in category 3 & 4 with the rates for residential users. It was noted that users who are using over 52,000 gallons/mo. will continue to pay a high usage penalty, and the District will continue to monitor the balance between the category rate and actual use, to ensure the District's water rights, conservation and water mitigation requirements are being met.

Motion: Member Phil George moved to approve Resolution 2019-08, a Resolution for Adjustable Rate for Volume Water for Category 3 and 4 Customer's use, effective immediately. Member Peter Thatcher seconded. There was no further public or Board discussion. *The motion carried 4-0.* It was noted that Mr. Mills shall work with Phil George on his current bill.

Engineer's Report

Marty Gagnon provided the report. He noted that the construction contract was awarded to Strategic Construction Solutions (SCS) at the July 9, 2019 special Board meeting, and he is working with them on value engineering with the goal of reducing project costs. The Elk Grove lift station repair plans and specs have been approved by DEQ.

Monthly Operations & Maintenance Report

Larry Powers provided the report:

- A new order control system has been installed at the EGWWTP. Odor absorbing granules are working well and the application will continue.
- Zoot/NorthStar disinfection upgrade tanks have arrived, and the system could be in use within 2 weeks.
- Bio-augmentation to treat septicity in the entire collection system is showing good results and will be continued.
- Elk Grove lift station work has been approved by DEQ and the District is ordering equipment and materials.
- Baxter/Love round-about: the fire hydrant and manhole adjustments required by the

state's new design have been provided and the materials will be ordered. It was noted that the District's legal council will be drafting a letter to the State demanding the District be reimbursed.

Monthly Financial Report

Amy Ellingson provided the General Administration Report;

- One of the two recently hired employees quit after a few weeks on the job. Interviews to replace him were conducted and an offer has been made and accepted. The other recent-hire is working out well.
- The new e-bills are up and running on the District's website.
- The annual audit is underway and will hopefully wrap in August.
- The District has received an acknowledgement from DEQ authorizing the award of the contract to SCS.

Phil George provided a review of the monthly financials.

- Water revenue is about \$330K over budget, and expenses are under by about \$23K.
- Sewer revenue is about \$290K over budget, and expenses are slightly under budget. It was noted that sludge hauling (number one expense) will be greatly reduced with the new drying facility.
- Shared expenses are considerably over in the 550 Professional services category due to higher legal expenses and the GM's contract.
- Bond reserves are currently at \$610K.
- Capacity sold during the fiscal year starting July 1, 2018 is \$154,175 (water) and \$926,555 (less \$373K sent to the state) for sewer.
- Average Daily Flow over 18-month period of 1/1/18 to 6/30/19 shows a 6-month average of 287,902 gal/day and a 12-month average of 282,231 gal/day. It was noted that a bump in April was due to snow melt infiltration, and the new covers inside the man-hole covers are expected to mitigate this going forward.
- Review of current capacity commitments and availability:
 - Phase A&B total available: 10% de-rated: 2250
 - Committed: 1361
 - Remaining to sell: 889
- Phil George led a general discussion on the District's options to receive revenue (tax and/or rates) from its existing capacity commitments which are not permanently assigned to a taxable parcel with basic revenue rates.

Board Member Topics

Phil George: He has received a request for a sewer only hook-up for 1 lot (there is an existing well). He will start the annexation process.

Cory Klumb: Has the District considered using a centrifuge for de-watering? Marty Gagnon advised that they are very expensive and labor intensive and would not recommend using one for a small project.

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of July 16, 2019 adjourned at 7:28 p.m.


Maralee Parsons/Secretary