



**Board Meeting Agenda for Tuesday, May 19, 2020 @ 6:30 pm**

**Four Corners Water & Sewer District Office, 495 Quail Run Road,**

**Bozeman, MT, 59718 VIA ZOOM**

**If you would like to attend the meeting via Zoom, please call**

**406-585-4166 for the Zoom ID.**

**Regular Monthly Meeting**

- 1) Call to Order
- 2) Approval of Draft Meeting Minutes from April 21, 2020
- 3) Public Comment: Non-Agenda Items- Time Limit on public comment 5 minutes

**I. General Business**

- 1) Board Nomination- Brad Early
- 2) Ordinance 2020-01 RDO- Second Reading
- 3) Ordinance 2020-02 Cook- Second Reading
- 4) Ordinance 2020-03 Anderson Second Reading
- 5) Ordinance 2020-04 Olsen- First Kennedy Sub.
- 6) Ordinance 2020-05 Felker- First Rainbow
- 7) White Horse Discussion
- 8) Discussion Irrigation Rate Increase
- 9) Engineer's Report
- 10) Monthly Operation & Maintenance Report
- 11) Monthly Financial Report
- 12) General Manager Topics
- 13) Board Member Topics

**II. Next Meeting Date – Tuesday May 19, 2020**

**III. Adjourn Meeting**

## **FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, April 21, 2020 via Zoom**

### **Call to Order**

President Cory Klumb called the regular meeting of the Four Corners Water and Sewer District (FCWSD) to order at 6:30 pm on Tuesday, April 21, 2020, at the office of the Four Corners Water & Sewer District at 495 Quail Run Road, Bozeman, Montana.

Board Members present (including those attending via Zoom): President Cory Klumb, member Phillip George, member Peter Thatcher, member Heather West (arrived 6:31), and member Nancy Flikkema (arrived 6:34).

Staff/Public present (including those attending via Zoom): Amy Ellingson, Erik Lucksley, and Larry Powers from FCWSD, Brad Early, Bob Thelen, Thomas J. Kallenbach, and Joy Davis, Secretary

### **Approval of Minutes**

February 18, 2020 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**

### **Justin Yahing, 141 Caitlin Road – IRR Well**

As Mr. Yahing was not present, Phil George spoke on his behalf. Mr. Yahing is requesting a waiver to allow a private well on his property. Current District regulations do not allow private wells on lots <1 acre, however, his case is unique due to his location as a corner lot, adjacency to a public park, and inability to share a well with neighboring lots. Cory raised a concern that granting a waiver would set an untenable precedent.

Phil will encourage Mr. Yahing's neighbors to allow a hookup to their well and the board will formulate a plan for developments to try to avoid more waiver requests in the future. The board decided to table Mr. Yahing's request for the time being.

### **Ordinance 2020-01 RDO 1<sup>st</sup> Reading**

Ordinance 2020-01: An Ordinance Accepting the Annexation Petition of RDO, 257 Laura Louise Lane, Bozeman, MT 59718, for Annexation Sewer Only.

**Motion:** Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-01; member Heather West seconded. No public comment. Resolution passed 5-0.

### **Ordinance 2020-02 Cook 1<sup>st</sup> Reading**

Ordinance 2020-02: An Ordinance Accepting the Annexation Petition of Karl Cook and Ski Tip LLC, Lots 25 & 26 Shedhorn Subdivision, Bozeman, MT 59718, for Annexation.

**Motion:** Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-02; member Peter Thatcher seconded. No public comment. Resolution passed 5-0.

**Ordinance 2020-03 Anderson 1<sup>st</sup> Reading**

Ordinance 2020-03: An Ordinance Accepting the Annexation Petition of Ska Inc, Tract 2, Bozeman, MT 59718, for Annexation. This is for one EDU only.

**Motion:** Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-03; member Peter Thatcher seconded. No public comment. Resolution passed 5-0.

**Engineer's Report**

There was no Engineer's Report.

**Monthly Operations & Maintenance Report**

Larry Powers provided the report:

- EGWWTP dose tank effluent pump failed after 18 years. Pump has been replaced.
- Baxter Lane Sewer and Water Extension project started April 20<sup>th</sup>. Small changes were made to the project that simplify the work and eliminate the need for a temporary water supply to Gallatin Heights and the County Shop. Will investigate some issues with buried concrete that have arisen.
- WRF project is focused on installation of underground piping, concrete placement for building foundations and process structures. It is behind schedule, but everyone is working on getting it back on schedule.
- A pilot test of new technology for the treatment of the septicity in the force mains had to be put on hold due to COVID-19. Will try again in a few weeks.
- The COVID-19 pandemic is having an effect on the EGWWTP. The increase in cleaning chemicals entering the wastewater stream required changes to the process control to break down the high concentrations. It has been a problem across the country and is currently under control at EGWWTP. The highest level of PPE has been implemented for all operators working at the treatment plant to minimize exposure.

Member Nancy expressed her gratitude to Larry and the operators for their handling of the COVID-19 impacts.

**General Administration Report and Monthly Financial Report**

Amy Ellingson provided the General Administration Report:

- New Employees: One new employee started the week of April 13<sup>th</sup> as a maintenance mechanic. Two more employees are starting on April 4<sup>th</sup> on the water and sewer sides respectively. They will start training now so that they are ready to staff the new treatment plant once it is up and running.
- Taking Precautions and Adjusting Schedules: Due to COVID-19, schedules have been adjusted. Those adjustments will be reevaluated following the Governor's recommendations on April 24<sup>th</sup>.
- Late fees and Disconnect Notices: These have been put on hold at the direction of the Governor.
- Fleet Plan: The District has joined a fleet plan through GM to save money. The current plan is to get one new vehicle through the fleet plan each year until the fleet has been modernized. Phil clarified that the District expects to take five or six years to upgrade and should then have about four years with no need to replace vehicles. The fleet plan should cut down on repairs and maintenance expenses.

Amy Ellingson provided the Monthly Financial Report:

- In shared expenses, we are over budget in vehicle expenses due to the two vehicles purchased in August. We are over in personnel expenses as well.
- Water is about \$190,000 over in revenue. Everything else is at or below budget, except water's

half of shared expenses.

- Sewer is more than \$200,000 over in revenue and significantly under budget for expenses due to reduced effluent hauling costs.
- Capital Projects:
  - The office remodel and C1 fence have both been completed and paid for. Both projects came in under budget.
  - The Elk Grove Well update has not yet started.
  - The C1 Clear RI Basins began within the last month. Only \$14,000 of the \$50,000 budgeted has been accrued so far.
  - Elk Grove Lift Station is mostly done and overrun the budget by about \$2,000.
  - Elk Grove Covers & Odor designs are still being completed, so no costs have accrued so far.
  - Elk Grove De-Watering Facility has just begun so bills will start coming in. So far, only \$30,000 of the \$240,000 budgeted has accrued.

### Manager Topics

**COVID-19 Sick Leave:** District is compliant with the direction they've received from the government.

**WRF Phase 2:** District is still moving forward with the second building.

**Investment – On hold:** Assigned board members met and decided not to move forward with investments due to the volatility of the current market. That has been documented and recorded in a memo.

**Revenue Bond Paydown:** For water, District has started to pay an extra \$15,000 per month to paydown revenue bond early. For sewer, paydown has been put on hold for the time being. Member Peter Thatcher is taking the lead on this issue.

**Water Rights – White Horse:** The District needs to resolve a water rights issue with Utility Solutions before dealing with irrigation for White Horse.

#### Potential projects for the District – Water:

Loop Northstar System  
 Additional Storage/Pressure  
 Replace Elk Grove Booster  
 Pipeline from Bozeman Hot Springs to APK

#### Potential projects for the District – Sewer:

Disposal Permit  
 Finish SBR2 – Phase 2  
 Refurbish Elk Grove Plant

**Board member – Resolution – Bob Thelen and Heather West:** Phil George is leaving the board as of April 21, 2020. Heather West's term is ending, but she is planning to continue to serve as a member.

**Motion:** Member Nancy Flikkema moved to reappoint Heather West a seat on the board; member Peter Thatcher seconded. Brad Early indicated that he was also considering filling Heather's seat on the board. He will make a decision in the next week. The board decided to appoint Heather, but if Brad decides he would like to join the board, Heather will give up her spot for him. **Motion:** Member Peter Thatcher moved to appoint Bob Thelen to Phil George's seat on the board; member Heather West seconded. No public comment. Passed 4-0.

### Board Member Topics

There were no further comments.

**Next Meeting Date:** Tuesday, May 19, 2020

**Adjourn**

There being no further business before the Board, the Four Corners Water & Sewer District meeting of April 21, 2020 adjourned at 7:09 p.m.

Joy Davis, Secretary

Ordinance 2020-01

ORDINANCE ACCEPTING THE ANNEXATION PETITION OF RDO, 257 LAURA LOUISE LANE,  
BOZEMAN MT 59718, FOR ANNEXATION SEWER ONLY

WHEREAS, RDO submitted a petition for annexation of a parcel of land described in Lot 4 Block 2 of Final Plat of Kennedy Subdivision, in Gallatin County, Montana. A tract of land located in the of Section 35, Township 1 South, Range 4 East, hereinafter also referred to as "Property" requesting that the Property be annexed into the Four Corners County Water and Sewer District to connect to *sewer service only*; and

WHEREAS, the property is contiguous to the District boundary; and

WHEREAS, on February 18, 2020 at a duly noticed meeting of the Board of Directors, the Board considered the Petition to annex the Property as contiguous property and determined that the systems will have sufficient future capacity to provide service to the Property.

WHEREAS, the RDO agrees to pay the sewer capacity fee for one (1) Equivalent Dwelling Units ("EDUs"), with an EDU equal to a maximum daily flow of 160 gallons a day and average daily flow of 160 gallons per day per EDU. The District shall not provide sewer service in excess of the capacity provided herein.

NOW THEREFORE, the Board by passage of this ordinance does agree to annex the Property described as Lot 4 Block 2 of Final Plat of Kennedy Subdivision, in Gallatin County, Montana. A tract of land located in the of Section 35, Township 1 South, Range 4 East into the District to provide sewer service to the Property not to exceed equal to a maximum daily flow of 160 gallons a day and average daily flow of 160 gallons per day per EDU.

ADOPTED by the Board of Directors of the Four Corners County Water and Sewer District after first reading on April 21, 2020 with a vote of 5 in favor and 0 against and second reading on May\_\_\_\_, 2020 with a vote of \_\_\_ in favor and \_\_\_ against. This Ordinance shall be in effect 30 days after the date of the second reading.

1<sup>st</sup> Read and approved:  
Dated: April 21, 2020

Four Corner's County Water and Sewer District

Its:   
President

Attested: \_\_\_\_\_  
Secretary -

2<sup>nd</sup> Read and approved:  
Dated: May \_\_\_, 2020

Four Corner's County Water and Sewer District

Its: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary



# Gallatin County GIS

December 9, 2019



U.S. Department of Agriculture Farm Services Agency Aerial Photography Field Office, Nat Carter, GIS Coordinator

- Numbered Highways**
  - Interstates
  - U.S.
  - Montana
- Minor Roads**
  - Paved
  - Unpaved
  - Alley/Drive-way
- Cities**
  - Parcels
  - Townships
  - Sections
  - Quarter Sections
  - Subdivisions
  - Minor Subdivisions
- Public Lands**
  - Local Government
  - State of Montana
  - U.S. Bureau of Land Management
  - U.S. Forest Service
  - U.S. Park Service
- Addresses**
  - Recent Addresses
  - Structure Addresses
- Water**
  - Streams
  - Rivers
  - Lakes



Gallatin County GIS  
 311 W. Main Room 305  
 Bozeman, MT 59715  
 Phone: (406) 582-3049  
 Email: GIS@gallatin.mt.gov



Ordinance 2020-02

ORDINANCE ACCEPTING THE ANNEXATION PETITION OF KARL COOK & SKI TIP LLC, LOTS 25 & 26 SHEDHORN SUBDIVISION, BOZEMAN MT 59718, FOR ANNEXATION

WHEREAS, Karl Cook & Ski Tip LLC, submitted a petition for annexation of parcels of land described as Lot 25 & 26 of Final Plat of Shedhorn Subdivision, in Gallatin County, Montana. Located in the of Section 12, Township 2 South, Range 4 East, hereinafter also referred to as "Property" requesting that the Property be annexed into the Four Corners County Water and Sewer District; and

WHEREAS, the Properties are contiguous to the District boundary; and

WHEREAS, on February 18, 2020 at a duly noticed meeting of the Board of Directors, the Board considered the Petition to annex the Property as contiguous property and determined that the systems will have sufficient future capacity to provide service to the Property.


WHEREAS, the Karl Cook & Ski Tip LLC agrees to pay the water and sewer capacity fee for two (2) Equivalent Dwelling Units ("EDUs") 1 EDU per lot, with an EDU equal to a maximum daily flow of 160 gallons a day per lot and average daily flow of 160 gallons per day per lot per EDU. The District shall not provide water and sewer service in excess of the capacity provided herein.

NOW THEREFORE, the Board by passage of this ordinance does agree to annex the Property described as Lot 25 & 26 Block 2 of Final Plat of Shedhorn Subdivision, in Gallatin County, Montana. Located in the of Section 12, Township 2 South, Range 4 East into the District to provide sewer service to the Property not to exceed equal to a maximum daily flow of 160 gallons a day per lot and average daily flow of 160 gallons per day per lot per EDU.

ADOPTED by the Board of Directors of the Four Corners County Water and Sewer District after first reading on April 21, 2020 with a vote of 5 in favor and 0 against and second reading on May \_\_\_\_, 2020 with a vote of \_\_ in favor and \_\_ against. This Ordinance shall be in effect 30 days after the date of the second reading.

1<sup>st</sup> Read and approved:  
Dated: April 21, 2020

Four Corner's County Water and Sewer District

Its:  \_\_\_\_\_  
President

Attested: \_\_\_\_\_  
Secretary

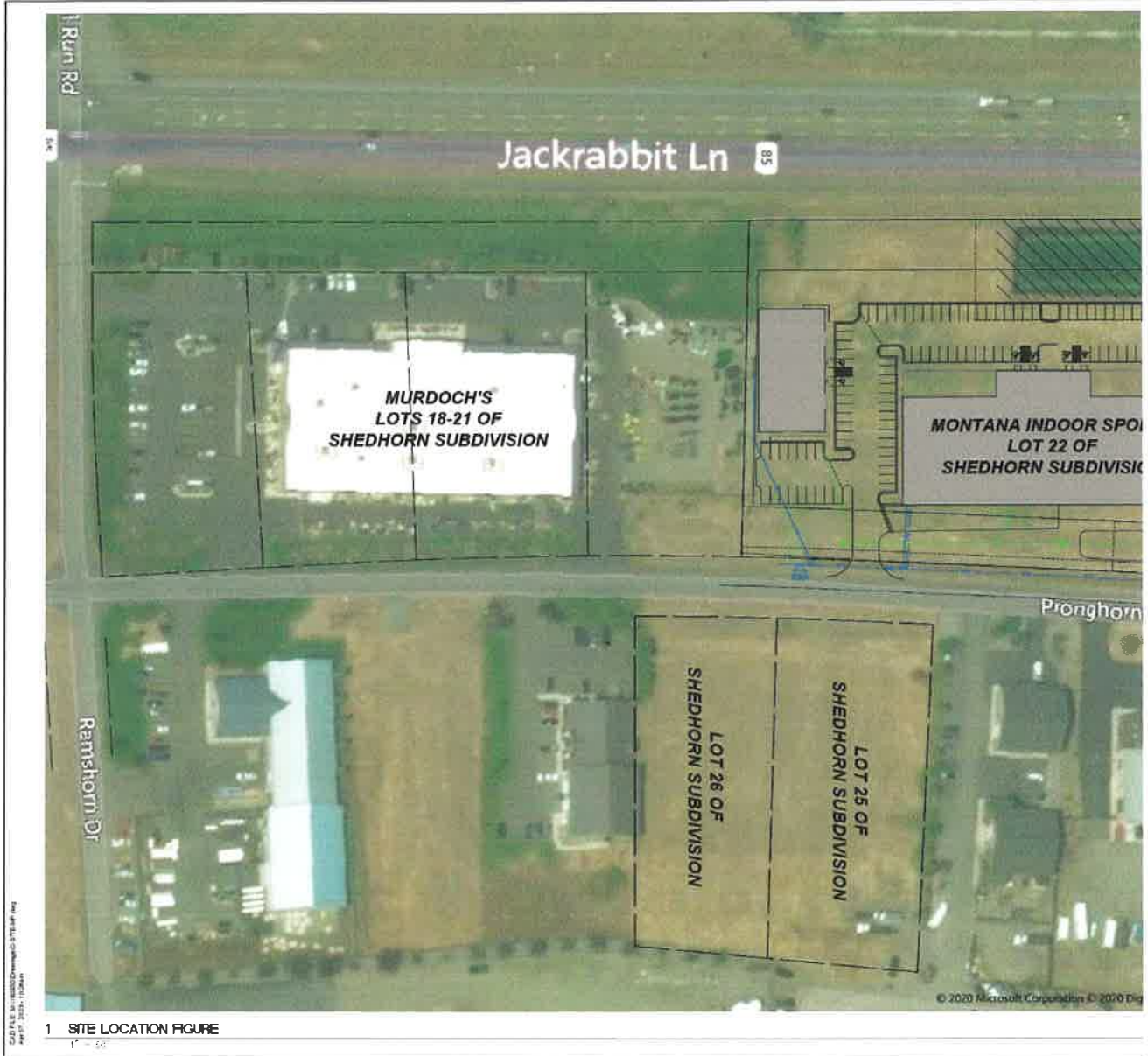
2<sup>nd</sup> Read and approved:  
Dated: May \_\_\_\_, 2020

Four Corner's County Water and Sewer District

Its: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary





1 SITE LOCATION FIGURE

1" = 50'

Ordinance 2020-03

ORDINANCE ACCEPTING THE ANNEXATION PETITION OF SKA INC, TRACT 2, BOZEMAN MT 59718, FOR ANNEXATION

WHEREAS, SKA, LLC, submitted a petition for annexation of a parcel of land described as Tract 2 of COS 2805C, in Gallatin County, Montana. A tract of land located in the of Section 25, Township 1 South, Range 4 East, hereinafter also referred to as "Property" requesting that the Property be annexed into the Four Corners County Water and Sewer District; and

WHEREAS, the property is contiguous to the District boundary; and

WHEREAS, on February 18, 2020 at a duly noticed meeting of the Board of Directors, the Board considered the Petition to annex the Property as contiguous property and determined that the systems will have sufficient future capacity to provide service to the Property.

WHEREAS, the SKA LLC agrees to pay the water and sewer capacity fee for one (1) Equivalent Dwelling Units ("EDUs") 1 EDU, with an EDU equal to a maximum daily flow of 160 gallons a day and average daily flow of 160 gallons per day per EDU. The District shall not provide water and sewer service in excess of the capacity provided herein.

NOW THEREFORE, the Board by passage of this ordinance does agree to annex the Property described as Tract 2 Tract 2 of COS 2805C, in Gallatin County, Montana. A tract of land located in the of Section 25, Township 1 South, Range 4 East into the District to provide sewer service to the Property not to exceed equal to a maximum daily flow of 160 gallons a day and average daily flow of 160 gallons per day per EDU.

ADOPTED by the Board of Directors of the Four Corners County Water and Sewer District after first reading on April 21, 2020 with a vote of 5 in favor and 0 against and second reading on May \_\_\_\_, 2020 with a vote of \_\_ in favor and \_\_ against. This Ordinance shall be in effect 30 days after the date of the second reading.

1<sup>st</sup> Read and approved:  
Dated: April 21, 2020

Four Corner's County Water and Sewer District

\_\_\_\_\_  
Its: *[Signature]*

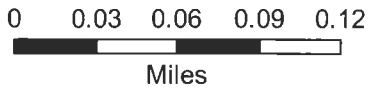
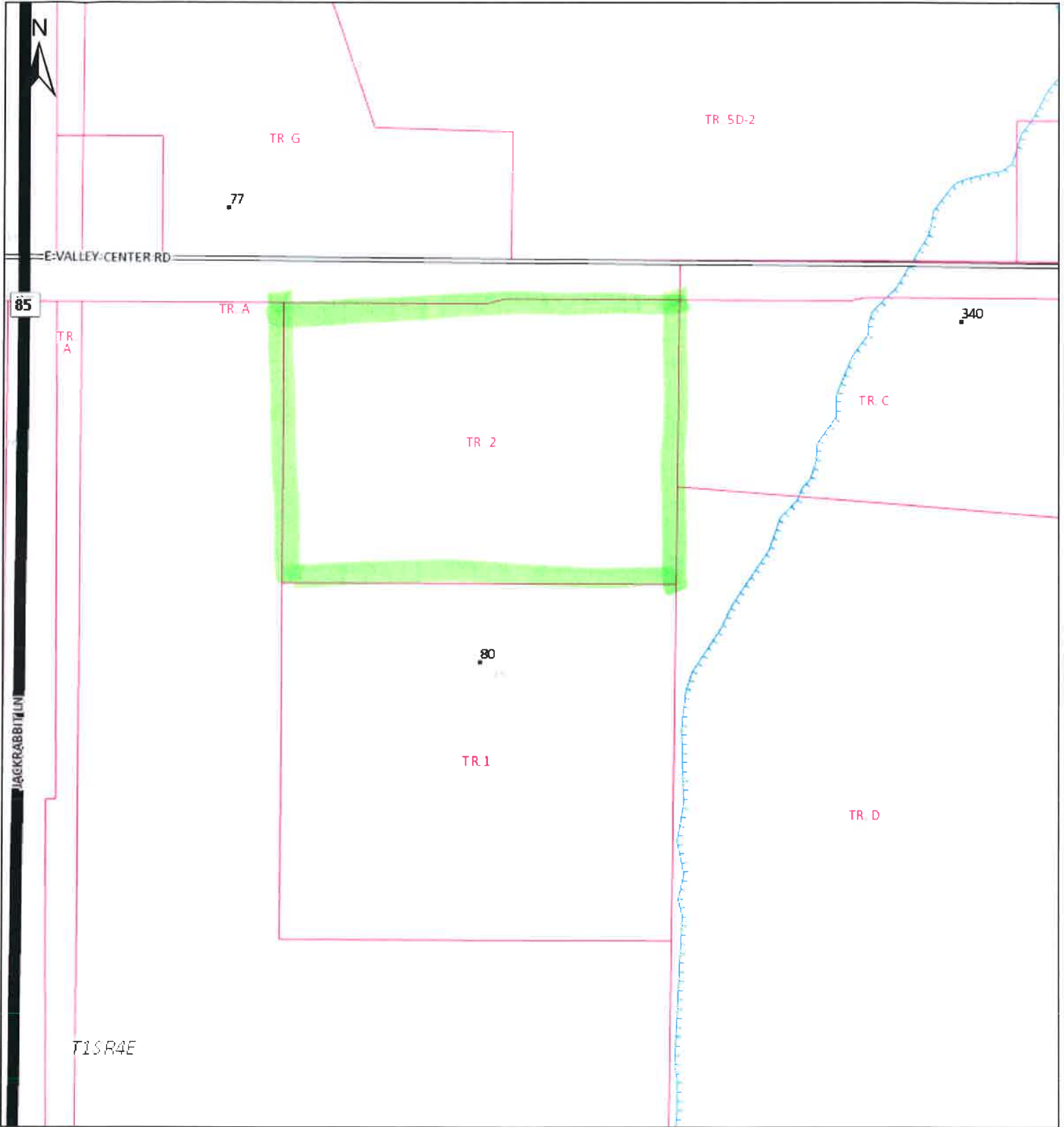
Attested: \_\_\_\_\_  
Secretary

2<sup>nd</sup> Read and approved:  
Dated: May \_\_\_\_, 2020

Four Corner's County Water and Sewer District

\_\_\_\_\_  
Its: \_\_\_\_\_

Attested: \_\_\_\_\_  
Secretary



### Numbered Highways

- Interstates
- U.S.
- Montana
- Paved
- Unpaved
- Alley/Drive way
- Rail Line

### Minor Roads

- Cities
- Parcels
- Townships
- Sections
- Quarter Sections
- Subdivisions
- Minor Subdivisions

### Public Lands

- Local Government
- State of Montana
- U.S. Bureau of Land Management
- U.S. Forest Service
- U.S. Park Service

### Addresses

- Recent Addresses
- Structure Addresses

### Water

- Streams
- Rivers
- Lakes



Gallatin County GIS  
 311 W. Main Room 305  
 Bozeman, MT 59715  
 Phone: (406) 582-3049  
 Email: GIS@gallatin.mt.gov

ORDINANCE ACCEPTING THE ANNEXATION PETITION OF KENNEDY MAJOR SUBDIVISION OWNERS ASSOCIATION, OPEN SPACE LOT BOZEMAN, MT 59718. ANNEXATION INTO THE FOUR CORNERS WATER & SEWER DISTRICT

WHEREAS, Kennedy Major Subdivision Owners Association Property, submitted a petition for annexation of Open Space Lot on Baxter Lane Bozeman, MT 59718 (1.90 acres), being located in the Kennedy Subdivision of Section 35, Township 1 South, Range 4 East, Gallatin County, Montana (“Property”) requesting that the property be annexed into the Four Corners County Water and Sewer District to connect to water and wastewater services; and

WHEREAS, the property is contiguous to the District boundary; and

WHEREAS, on April 21, 2020, at a duly noticed meeting of the Board of Directors, the Board considered the Petition to annex the Property as contiguous property and determined that the systems has capacity to provide service to the new proposed business to be located on the Property; and

WHEREAS, Kennedy Major Subdivision Owners Association Property, will provide evidence of transfer of water rights to serve the Property need to be provided for 1 EDU (160 gpd total) and agree to pay the water & sewer capacity fee per EDU to the District; and

WHEREAS, the property will need to provide its own irrigation water.

NOW THEREFORE, the Board by passage of this ordinance does agree to annex the property described as Open Space Lot Baxter Lane Bozeman, MT 59718 (1.90 acres), being located in the Kennedy Subdivision of Section 35, Township 1 South, Range 4 East, Gallatin County, Montana (“Property”) into the District to provide after the fees are paid and the water rights are transferred water and sewer service to the Property for 1 EDU (160 gpd total).

Landowners/petitioners acknowledge prior to the second reading that should additional structures which utilized water or sewer on the property, the District makes no representation that the District will have sufficient water or sewer capacity to service future structures.

ADOPTED by the Board of Directors of the Four Corners County Water and Sewer District after first reading on May 19, 2020 with a vote of \_\_\_ in favor and \_\_\_ against and second reading on June \_\_\_\_, 2020 with a vote of \_\_\_ in favor and \_\_\_ against. This Ordinance shall be in effect 30 days after the date of the second reading.

1<sup>st</sup> Read and approved:  
Dated: May 19, 2020

Four Corners County Water and Sewer District

Its: \_\_\_\_\_

Attested: Secretary

2<sup>nd</sup> Read and approved:  
Dated: June 16, 2020

Four Corners County Water and Sewer District

Its: \_\_\_\_\_

Attested:

\_\_\_\_\_  
Four Corners County Water and  
Sewer District Secretary



# Gallatin County GIS

May 19, 2020



Miles



Gallatin County GIS  
 311 W. Main Room 305  
 Bozeman, MT 59715  
 Phone: (406) 582-3049  
 Email: GIS@gallatin.mt.gov

## Numbered Highways

- Interstates
  - U.S.
  - Montana
- ## Minor Roads
- Paved
  - Unpaved
  - Alley/Driveway
  - Rail line

## Cities

- Parcels
- Townships
- Sections
- Quarter Sections
- Subdivisions
- Minor Subdivisions

## Public Lands

- Local Government
- State of Montana
- U.S. Bureau of Land Management
- U.S. Forest Service
- U.S. Park Service

## Addresses

- Recent Addresses
  - Structure Addresses
- ## Water
- Streams
  - Rivers
  - Lakes

ORDINANCE ACCEPTING THE ANNEXATION PETITION OF FAWN FELKER  
81133 GALLATIN ROAD, BOZEMAN, MT 59718. ANNEXATION INTO THE FOUR  
CORNERS WATER & SEWER DISTRICT

WHEREAS, Fawn Felker, submitted a petition for annexation of 81133 Gallatin Road, Bozeman, MT 59718 (.66 acres), being located in the Rainbow Subdivision lot 100 of Section 14, Township 2 South, Range 4 East, Gallatin County, Montana ("Propet1y") requesting that the property be annexed into the Four Corners County Water and Sewer District to connect to water and wastewater services; and

WHEREAS, the property is contiguous to the District boundary; and

WHEREAS, on April 21, 2020, at a duly noticed meeting of the Board of Directors, the Board considered the Petition to annex the Property as contiguous property and determined that the systems has capacity to provide service to the new proposed residence to be located on the Property;  
and

WHEREAS, Fawn Felker, will provide evidence of purchased of water rights to serve the Property need to be provided for I EDU (160 gpd total) and agree to pay the water & sewer capacity fee per EDU to the District; and

WHEREAS, the property will need to provide its own irrigation water.

NOW THEREFORE, the Board by passage of this ordinance does agree to annex the property described as Fawn Felker, submitted a petition for annexation of 81133 Gallatin Road, Bozeman, MT 59718 (.66 acres), being located in the Rainbow Subdivision of Section 14, Township 2 South, Range 4 East, Gallatin County, Montana ("Property") into the District to provide after transfer of water rights & payment of fees water and sewer service to the Property for 1 Edu (160 gpd total).

Landowners/petitioners acknowledge prior to the second reading that should additional structures which utilized water or sewer on the property, the District makes no representation that the District will have sufficient water or sewer capacity to service future structures.

ADOPTED by the Board of Directors of the Four Corners County Water and Sewer District after first reading on May 19, 2020 with a vote of\_\_ in favor and\_\_ against and second reading on June\_\_ , 2020 with a vote of\_\_ in favor and\_\_ against. This Ordinance shall be in effect 30 days after the date of the second reading.

1<sup>st</sup> Read and approved:  
District Dated: May 19, 2020

Four Corners County Water and Sewer

Its: \_\_\_\_\_

Attested: \_ Secretary

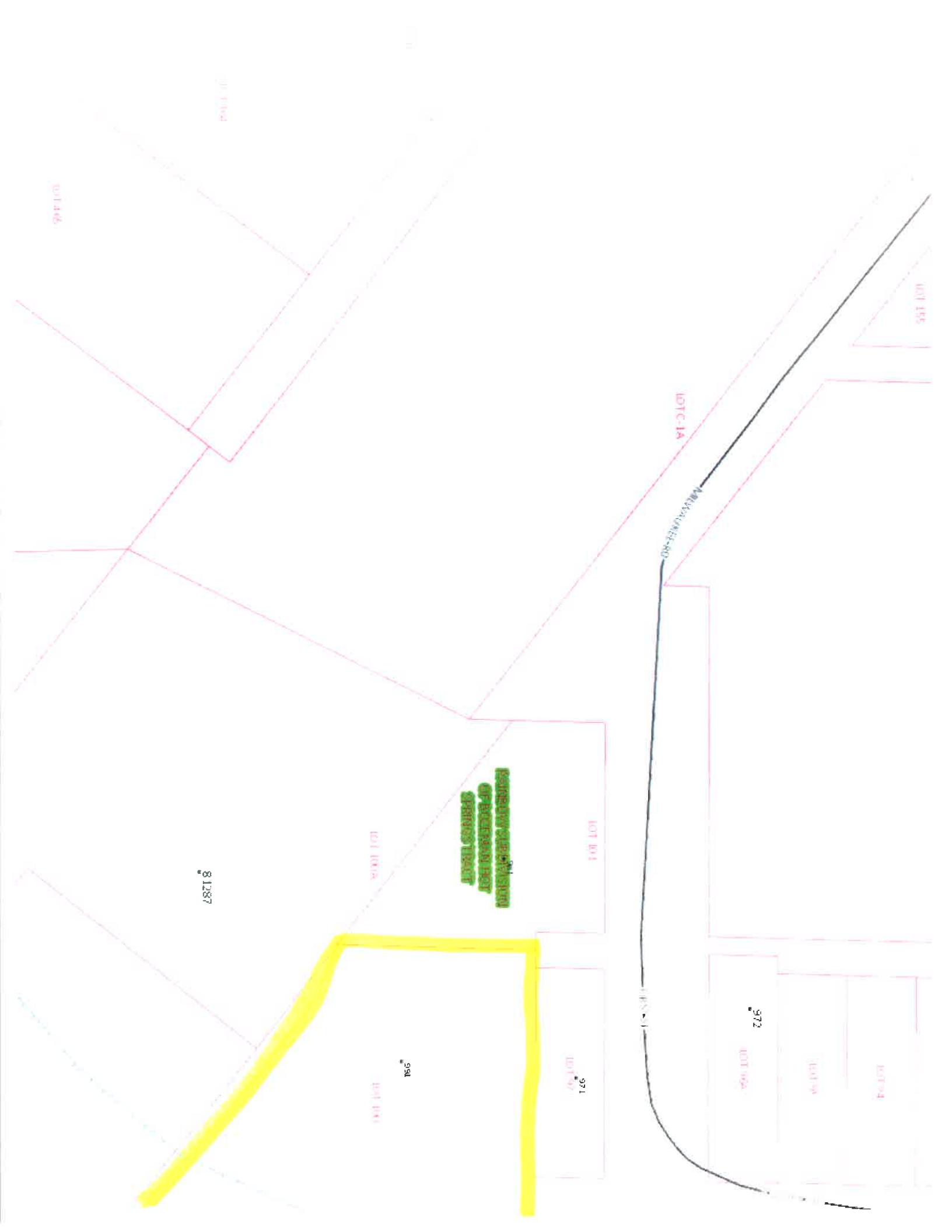
2<sup>nd</sup> Read and approved:  
District Dated: June 16, 2020

Four Corners County Water and Sewer

Attested: \_\_\_\_\_

\_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
Four Corners County Water  
and Sewer District Secretary



LOT 101

LOT C-1A

N. BIRDALE AVE - 80'

ST. JEFFERSON

LOT 104

LOT 106

972

LOT 102

LOT 103

971

LOT 105

**EXISTING SITE PLAN  
OF BURTON MOUNTAIN HILL  
GOLF COURSE TRACT**

LOT 1001a

LOT 100

294

8,128.7

1011001b

1011001c

1011001d

May 12, 2020

Four Corners Water & Sewer District  
Board of Directors  
495 Quail Run Rd  
Bozeman, MT 59718

**Re: White Horse Ranch- Irrigation Water Issue**

Dear Board Members,

The following summarizes the irrigation water issue we are scheduled to discuss with you at your May 19<sup>th</sup> board meeting. Given the social distancing situation and our understanding that this meeting will be held via teleconference/Zoom we thought this would be helpful for those discussions.

### Background

White Horse Ranch ("White Horse") is a 104-unit subdivision located at the southwest corner of Baxter Lane and Love Lane in Gallatin County. White Horse received Preliminary Plat approval from the Gallatin County Board of County Commissioners on 12/10/19. Beginning in late 2018 we began having discussions with Four Corners County Water and Sewer District ("District") staff concerning our irrigation water needs. While we have Farmers Canal water shares and wells on the property, we were looking for a more dependable water source to offset the need for use of the Farmers Canal water rights that came with the property. It was suggested by the District's attorney and subsequently discussed with the District Manager that we might want to consider purchasing additional water rights from Utility Solutions, LLC ("US") to offset some of our irrigation needs. Discussions ensued with US who agreed to sell us enough irrigation and mitigation water rights to service a portion of our development (62 single family detached lots). The total purchase included 22.0 acre-feet of irrigation water and the mitigation water required (the "Irrigation Water Rights"). At no time up to the point of acquisition were we ever led to believe the District would not take the Irrigation Water Rights for the purpose of irrigation as we had been in discussions with the District Manager on an amendment to our existing agreement with the District (the "Agreement"). These Irrigation Water Rights were purchased by Bozeman Development Fund, LLC ("BDF") ("Developer") from US on 7/16/19. The commitment letter from US providing these Irrigation Water Rights to the District was provided on 7/18/19 and is attached. An amendment to the Agreement between the District and BDF concerning the property was provided by the District to the Developer on 7/18/19 ("Amendment") with negotiations and a final draft of the Amendment provided to the District by the Developer on 9/9/19 which is attached. It was about this time that the District made us aware of concerns the District had with US about mitigation rights provided to the District at the time the District was purchased from US. Since that time numerous discussions have been undertaken with the District and US about the status of this dispute. While we don't believe this dispute concerns us, the continuing delays in resolving this dispute are now impacting our estimated 6/1/20 project start date and we have no firm date as to when this dispute will be resolved.



### Irrigation Water Rights Amendment

White Horse has agreed to several mitigation measures included in the Amendment meant to ensure the project meets the District's objectives in providing this irrigation water including the following.

1. Limiting the irrigation water usage to the amount of irrigation water purchased.
2. In the event the water usage consumption exceeds the irrigation water rights per season, the HOA would be obligated to pay a penalty rate per acre-foot of over-use in November of each year the irrigation water right was exceeded.
3. Including provisions in the White Horse CC&R's regarding landscape and water usage requirements on the 62 lots subject to these Irrigation Water Rights (this was completed with the preliminary plat).
4. Providing a disclosure statement to each of the 62 lot buyers on water and irrigation water surcharges per District policy.
5. Paying for the construction of an infiltration gallery as required by the District for use in meeting the mitigation water requirements of the Irrigation Water Rights.

We remain open to other mitigation items that may be required by the District to complete this amendment. We believe this amendment can be a template for any future developments that wish to have the District provide irrigation water to a project.

### Request

White Horse is requesting the following action be taken by the District Board regarding this matter.

1. Honor the original intent of White Horse and the District regarding the purchase of the Irrigation Water Rights discussed above and complete execution of the Agreement Amendment subject to mitigation measures required by the District.

We thank you for allowing us to present this item to the District Board. If you have any questions prior to that time, please feel free to contact me. Jon Evans, one of our development principals, will be attending the Board teleconference/Zoom meeting to present this item on our behalf.

Sincerely,



Michael D. Stewart  
White Horse Ranch

Cc: Phil George / District Manager  
Bozeman Development Fund, LLC

# UTILITY SOLUTIONS

July 18, 2019

Four Corners County Water & Sewer District  
C/O Phillip George, General Manager  
495 Quail Run Road  
Bozeman, Montana 59718

RE: Commitment of irrigation water for Tract 1 and Tract 2 of COS No. 2939

Dear Phil,

Please accept this commitment to provide the Four Corners County Water and Sewer District a volume of water not to exceed 22.0 acre-feet per year at the above referenced property.

The location of the property is Tract 1 and Tract 2 of Certificate of Survey No. 2939, situated in the NE1/4 of Section 6, T2S, R5E, PMM Gallatin County, Montana.

The water is committed as a portion of Permit to Appropriate Water #41H-30046241. The use is irrigation only and the consumption to be mitigated by Change Authorizations pertinent thereto.

Utility Solutions will convey the irrigation water and mitigation water to the District by Quitclaim Deed provided the District issues a "Will Serve Letter" for the same volume indicated herein.

Sincerely,



Trevor Campbell, Vice President  
Double-Tree, Inc., Manager

Cc: Ben Binger, Bozeman Development Fund





First Amendment

To

Four Corners County Water and Sewer District

Water Supply and Wastewater Treatment Agreement

This First Amendment to the Water Supply and Wastewater Treatment Agreement for the White Horse Ranch Subdivision dated March 29, 2019 (“Agreement”) is entered into and effective as of this \_\_\_ day of \_\_\_\_\_, 2019, by and between FOUR CORNERS COUNTY WATER AND SEWER DISTRICT (“FCCWSD”) and BOZEMAN DEVELOPMENT FUND, LLC, a Montana limited liability company (“Developer”) (“First Amendment”).

**Recitals**

WHEREAS, the Agreement did not provide irrigation water to the White Horse Ranch Subdivision (the “Development”).

WHEREAS, the Developer purchased an additional 22-acre feet of water from Utility Solutions, LLC to be delivered by FCCWSD to provide irrigation for 62 designated lots in the Development (the “Irrigated Lots”) (“Exhibit A”).

WHEREAS, the Developer also purchased an additional 22-acre feet of mitigation water which will require FCCWSD to track, report and mitigate the Irrigated Lots.

WHEREAS, FCCWSD is willing to deliver and mitigate the above referenced irrigation water to the Irrigated Lots based on the terms and conditions set forth herein, and

Now Therefore, in consideration of the mutual covenants, provisions and agreements set forth herein, the Parties agree as follows.

**ARTICLE I**  
**TERMS**

1. The total amount of irrigation water provided for the Irrigated Lots is 7,168,722 gallons per year or 115,624 gallons per lot per year.
2. The current standard residential rate for the Irrigated Lots within the FCCWSD is a Category 1 which includes 4,000 gallons per month for water and sewer services (“Base Volume”) at a base rate of \$86.72 per month.
3. The current water variable rate charge for Category 1 is:

i. Cost per 1,000 gallons over Base Volume

4001-20,000	20,001-36,000	36,001-52,000	52,000 and up
\$3.50	\$4.50	\$5.50	\$9.00
Gal/Month	Gal/Month	Gal/Month	Gal/Month

These charges will apply to all lots within the Devolvement. These rates are subject to periodic changes.

4. The normal irrigation season for the FCCWSD is May 1<sup>st</sup> to October 31<sup>st</sup> of each year. The following water volume calculation will be used to determine any surcharge associated with an Irrigated Lot in the Development (“Water Surcharge”). Water surcharges will be calculated and assessed in the month of November of each year.
  - a. Water Volume Calculation Per Irrigated Lot
    - i. Base Volume at 4,000 gallons per month from May 1<sup>st</sup> – October 31<sup>st</sup> = 24,000 gallons
    - ii. Irrigation Water = 115,624 gallons
    - iii. Total Water Volume / Season = 139,624 gallons (the “Water Volume Allocation”)

Any amount of water used above the Water Volume Allocation will be charged a surcharge rate of \$3.50 per thousand gallons. These surcharge rates are subject to periodic adjustment.

5. Developer agrees to disclose the water & irrigation water surcharge standards identified in Section 4 of this First Amendment to the purchasers of the Irrigated Lots at the time of sale. Additionally, Developer agrees to include the following language in the recorded White Horse Ranch CC&R’s regarding irrigation of the Irrigated Lots.

a. Irrigation Restrictions on Lot Type I Lots

i. Those lots in the White Horse Ranch Subdivision designated as single family detached lots ("Lot Type 1") shall adhere to the following restrictions regarding irrigation of their lots.

1. Irrigation water for the Lot Type I lots will be provided through the culinary water system by Four Corners County Water and Sewer District ("FCCWSD") and will be subject to the water rates charged at the time of connection.
2. The normal irrigation season for the FCCWSD is May 1<sup>st</sup> to October 31<sup>st</sup> of each year (the "Irrigation Season").
3. During the Irrigation Season, the total water volume assigned to the Lot Type I lots is as follows.

a. Base Water Volume-	24,000 gallons
b. Irrigation Water Volume-	<u>115,624 gallons</u>
c. Total Water Volume-	139,624 gallons
d. Average Water Volume/Month-	23,271 gallons
4. During the Irrigation Season, if any Lot Type 1 lot owner's water usage exceeds 23,000 gallons during any given thirty (30) day period, the Association shall report said fact to the lot owner within three (3) business days of notice from FCCWSD (the "Violation Notice").
5. During the Irrigation Season, if any Lot Type I lot owner's water usage exceeds 23,000 gallons during any given thirty (30) day period for a second time, FCCWSD shall report said fact to the Association and, within three (3) business days of such notice, the Association shall forward a second Violation Notice to the lot owner including the levy of a mandatory fine in the amount of One Thousand Dollars (\$1,000.00) payable to the Association within thirty (30) days of the mailing of said second Violation Notice.
6. During the Irrigation Season, if any Lot Type I lot owner's water usage exceeds 23,000 gallons during any given thirty (30) day period for a third time, FCCWSD shall report said fact to the Association and, within three (3) business days of such notice, the Association shall forward a third Violation Notice to the lot owner including the levy of a mandatory fine in the amount of One Thousand Five Hundred Dollars (\$1,500.00) payable within thirty (30) days of the mailing of said third Violation Notice.
7. All fines levied shall be cumulative in nature and shall be calculated without regard for which year any previous fine had been assessed.
8. In the event any Lot Type I lot owner fails to pay any fine associated with excess water usage during the Irrigation Season within the time period provided for herein, the Association shall



file a lien upon said lot. Said lien shall be foreclosed in the same manner as are mechanic's and material liens under Montana law. The prevailing party shall be entitled to recover reasonable attorney fees and costs.

9. At any time after the lot owner's third Violation Notice of the restrictions identified in this section, the Association may bring an action in law or equity to restrain said violations and to recover damages.
  10. All fines collected shall be the property of the Association and shall be used by the Association to pay all costs associated with the enforcement of this section.
  11. In addition to the provisions found in this section, any water volume usage in excess of the total water volume identified in item 3 above shall be subject to a water surcharge rate of \$3.50 per thousand gallons ("Water Surcharge Rate") payable to FCCWSD ("Water Surcharges"). These Water Surcharges will be assessed by FCCWSD in November of each year. Water Surcharge Rates in any given year are subject to change.
6. FCCWSD currently has no ability to mitigate the 22-acre feet of irrigation water through its existing augmentation gallery system and will require Developer to pay for an additional augmentation gallery with an estimated cost of \$\_\_\_\_\_ (the "Augmentation Gallery Cost"). The Augmentation Gallery cost will be paid by Developer at the time the augmentation gallery is installed.
  7. Irrigation wells will be allowed on all areas designated as Park and Open Space within the Development. Additionally, irrigation wells will be allowed for irrigation of all common area landscaping within the area designated for the "Cottage Lots" within the Development. Private irrigation wells will not be allowed on any individual lots within the Development.
  8. Upon execution of this First Amendment the Developer must assign the referenced total of 44-acre feet of water to the District. (22 acre-feet of irrigation water to be delivered via the public water supply system and 22 acre-feet of mitigation water to be placed in the expanded augmentation gallery referenced above)
  9. If the FCCWSD agrees to provide any additional irrigation water, in whole or in part, to the Development, the Developer must secure additional permitted irrigation water and mitigation water rights.

**ARTICLE II**  
**MISCELLANEOUS**

2.01 Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (1) hand-delivery, or (2) one business day after being deposited prepaid with FedEx, United States Postal Service, Express Mail, UPS, or any other reliable overnight courier service or transmitted by facsimile with confirmation of receipt, and addressed as follows:

If to FCWSD:

Four Corners County Water & Sewer District  
95 Quail Run Road  
Bozeman, Montana 59718

With copy to:  
Susan B. Swimley  
Attorney and Counselor at Law  
1807 West Dickerson, Unit B  
Bozeman, Montana 59715

If to Developer:

Bozeman Development Fund, LLC  
1987 Kidd Drive  
Park City, UT 84098-8511

With copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Either party may change its address by giving notice to the other in the manner provided for in this section.

2.02 Except as expressly modified herein, all terms and conditions in the Agreement are ratified and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

FOUR CORNERS COUNTY WATER & SEWER DISTRICT

By: \_\_\_\_\_  
Its: \_\_\_\_\_

BOZEMAN DEVELOPMENT FUND, LLC

By: \_\_\_\_\_  
Its: \_\_\_\_\_



Irrigation additional Water

- Current: \$3.10
- Last increase 8/2018: 2%
  
- Proposed increase
  - 2%: \$3.16
  - 4.8%: \$3.25



**Operation & Maintenance Report- May 19, 2020.**

- 1. Baxter Lane Sewer and Water Extension project started April 20<sup>th</sup>, Sewer Main Bore under Jackrabbit has been installed and usable, 80% of the Water and Sewer pipe has been installed on the West side of Jackrabbit Lane.**
- 2. WRF project is focused on installation of underground piping, concrete placement for building foundations and process structures. Foundation footings and stem walls nearing completion.**
- 3. The pilot test for treating the septicity in the Force Mains is still on hold.**
- 4. VFD's have been installed at all Northstar and Elkgrove Wells.**
- 5. Construction has begun for the Sludge Dewatering Building at the EGWWTP.**



**May 19, 2020**

**General Administration Actives and Issues:**

1. New Employee's started
2. Precaution's still in place
3. On-call Policy





# FOUR CORNERS

## Water & Sewer District

<u>April District</u>	<u>2020</u>	<u>2019</u>
<u>Total Accounts</u>	<u>1916</u>	<u>1758</u>
<u>Total Usage</u>	<u>9,035,348</u>	<u>5,868,891</u>
<u>Water Billed</u>	<u>\$93,017</u>	<u>\$86,987</u>
<u>Sewer Billed</u>	<u>\$112,877</u>	<u>\$105,784</u>
<u>Total Billed</u>	<u>\$205,894</u>	<u>\$192,771</u>

Water Reserve billed: \$ 1,889

Sewer Reserve billed: \$ 5,725

Stip as of 4/30/2020

Reserves: \$777,619

Water: \$3,554,470

Sewer: \$1,396,686



**Month End YTD Budget vs. Actual**

**April 2020**

**Shared Expenses**

	<u>July - Apr 2020</u>	<u>Budget</u>
<b>Income/Expense</b>		
<b>Expense</b>		
<b>500-Shared General Admin Expenses</b>		
<b>510- Board Members</b>	<b>8,957</b>	<b>9,170</b>
<b>520- Personnel Expenses</b>	<b>450,381</b>	<b>439,170</b>
<b>530- Office Expenses</b>	<b>42,227</b>	<b>40,000</b>
<b>540- Vehicle Expenses</b>	<b>68,486</b>	<b>43,340</b>
<b>550- Professional Services (Shared)</b>	<b>187,314</b>	<b>183,340</b>
<b>560- Other Expenses (Shared)</b>	<b>32,683</b>	<b>46,660</b>
<b>Total</b>	<b>790,048</b>	<b>761,680</b>



**Month End YTD Budget vs. Actual**

**April 2020**

**Water**

	<u>July - Apr 2020</u>	<u>Budget</u>
<b>Income/Expense</b>		
<b>Income</b>		
<b>400- Operating Revenues</b>		
<b>410- Water Revenues</b>	<b>1,261,538</b>	<b>1,079,170</b>
<b>Expense</b>		
<b>600- Water O&amp;M Expenses</b>		
<b>610- System Operating Exp (Water)</b>	<b>126,813</b>	<b>137,500</b>
<b>620- Repairs/ Maintenance Expenses</b>	<b>61,385</b>	<b>50,000</b>
<b>630- Professional Services (Water)</b>	<b>2,596</b>	<b>8,340</b>
<b>Total 600- Water O&amp;M Expenses</b>	<b>190,794</b>	<b>194,840</b>
<b>Half of Shared Expenses</b>	<b>415,024</b>	<b>380,840</b>
<b>Total Expenses</b>	<b>605,818</b>	<b>713,838</b>



**Month End YTD Budget vs. Actual**

**April 2020**

**Sewer**

	<u>July - Apr 2020</u>	<u>Budget</u>
<b>Income/Expense</b>		
<b>Income</b>		
400- Operating Revenues		
420- Sewer Revenues	1,172,533	930,000
<b>Expense</b>		
<b>700- Sewer O&amp;M Expenses</b>		
710- System Operating Exp (Sewer)	195,704	291,660
720- Repairs/ Maintenance Expenses	72,377	50,000
730- Professional Services (Sewer)	180	11,250
<b>Total 700- Sewer O&amp;M Expenses</b>	<b>268,261</b>	<b>352,910</b>
<b>Half of Shared Expenses</b>	<b>415,024</b>	<b>380,840</b>
<b>Total Expenses</b>	<b>683,285</b>	<b>773,750</b>



## Capital Projects

2019-2020

<u>Water</u>	Plan	Actual (as of 5/15)
- Remodel Office	100K	92K
- C1 Fence/Awning	100K	68K
- Elk Grove Well Upgrade	50K	23K
- C1 Clear RI Basins	<u>50K</u>	15K
<u>Total</u>	300K	
<u>Sewer</u>		
- Elk Grove Lift Station	110K	112K
- Elk Grove Covers & Odor	50K	
- Elk Grove De-Watering Facility	<u>240K</u>	80K
<u>Total</u>	400K	



## Manager Topics- May 19,2020

### WRF Phase 2

- Claim forthcoming

### Water Rights

- Utility Solutions

### - Non- Compliance

- Notice

### Draft 2020-2021 Budget



### Notice of Non- Compliance

The Property at \_\_\_\_\_ has been found to be not in compliance with the Four Corners County Water and Sewer Districts (District's) policy of 1 EDU/1 Meter per unit.

Effective \_\_\_\_\_ your monthly billing statement will reflect the \_\_\_\_\_ on the property at the rate of 1 Edu per unit.

Additionally, the Notice will be filed with The Gallatin County against the property. Prior to selling the property replumbing, individual unit metering, individual shut off valves, capacity and water rights issue will need to be resolved to meet the Districts standard or the District will reserves the right to withhold further service from the new owner.

You have the right to appeal this decision with the Board of Directors.

If you have questions or would like to be put on the next meeting agenda please call 406-585-4166.

FCWSD DRAFT BUDGET  
FY 2020-2021

	<b>Budget 19-20</b>	<b>Projected Actual</b>	<b>Proposed</b>
- Water Income	1295	1426	1500
- Sewer Income	1116	1271	1350
<b>Water</b>			
- Op Expenses	235	242	250
- Short Term Asset Rev	68.4	68.4	68.4
- Rev Bond	268.6	314	456
- Shared Expenses	457	490	551
<b>Total</b>	<b>1029</b>	<b>1114.4</b>	<b>1325.4</b>
<b>Sewer</b>			
- Op Expenses	425	344	425
- Rev Bond	204.6	204.6	204.6
- Short Term Asst Rev			36
- Shared Expenses	457	490	551
<b>Total</b>	<b>1087.6</b>	<b>1038.6</b>	<b>1216.6</b>
<b>Operating Revenue</b>			
- Water	266	311.6	174.6
- Sewer	29	232.4	133.4



FCWSD DRAFT BUDGET  
FY 2020-2021

**General Admin Expenses**

	<b>Budget 19-20</b>	<b>Projected Actual</b>	<b>Proposed</b>
- Board	11	11	12
- Personal Expenses	527	565	694
- Office Admin	48	48	48
- Vehicle Expenses	52	77	52
- Professional Services	220	234	240
- Other Expenses	56	45	56
<b>Total</b>	<b>914</b>	<b>980</b>	<b>1102</b>

FCWSD DRAFT BUDGET  
FY 2020-2021

	<b>Budget 19-20</b>	<b>Projected Actual</b>	<b>Proposed</b>
<b>Water</b>			
- Income	1295	1426	1500
<b>Expenses</b>			
- Operating	165	165	170
- Repairs/Maintenance	60	72	70
- Professional Services	10	5	10
<b>Sub Total</b>	<b>235</b>	<b>242</b>	<b>250</b>
- Short Term Assets Rev	68.4	68.4	68.4
- Rev Bond	268.6	314	456
- Shared Expenses	457	490	551
<b>Total</b>	<b>1029</b>	<b>1114.4</b>	<b>1325.4</b>
 Operating Reserve	 266	 311.6	 174.6

FCWSD DRAFT BUDGET  
FY 2020-2021

	<b>Budget 19-20</b>	<b>Projected Actual</b>	<b>Proposed</b>
<b>Sewer</b>			
- Income	1116	1271	1350
<b>Expenses</b>			
- Operating	350	245	325
- Repairs/Maintenance	60	94	95
- Professional Services	15	5	5
<b>Sub Total</b>	<b>425</b>	<b>344</b>	<b>425</b>
- Short Term Assets Rev			36
- Rev Bond	204.6	204.6	204.6
- Shared Expenses	457	490	551
<b>Total</b>	<b>1086.6</b>	<b>1038.6</b>	<b>1216.6</b>
 Operating Reserve	 29	 232.4	 133.4