

**FOUR CORNERS WATER AND SEWER DISTRICT MINUTES
REGULAR MEETING, August 18, 2020**

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, August 18, 2020, at the office of the Four Corners Water & Sewer District at 495 Quail Run Road, Bozeman, Montana.

Board Members present: President Cory Klumb, member Bob Thelen, member Peter Thatcher, member Nancy Flikkema

Staff/Public present (including those attending via Zoom): Amy Ellingson, Erik Lucksley (left 7:05), and Phil George from FCWSD; Larry Powers and Brad Hammerquist from MMI; Thomas J. Kallenbach (left at 6:33); and Joy Davis, Secretary

Approval of Minutes

June 16, 2020 Board Meeting:

Motion: Member Bob Thelen moved to approve the minutes as written. Member Peter Thatcher seconded. The minutes were approved 4-0.

Public Comment on Non-Agenda Items:

None were raised.

GENERAL BUSINESS

Ordinance 2020-06 Pierce – 1st Reading

Ordinance 2020-06: An Ordinance Accepting the Annexation Petition of Pierce Buildings, LLP, PO Box 80707, Billings, MT 59108 for Annexation. This is for two lots and up to seven EDUs. One EDU is guaranteed per lot. More than one is dependent upon availability. Phil recommends approval of the petition.

Motion: Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-06; member Peter Thatcher seconded. No public comment. Motion passed 4-0.

Ordinance 2020-07 Dykstra – 1st Reading

Ordinance 2020-07: An Ordinance Accepting the Annexation Petition of Dykstra Family, LP 600 E Valley Center, Tract A of COS 2805B Belgrade, MT, 59714 for Annexation. This is for five EDUs. Phil recommends approval of the petition.

Motion: Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-07; member Bob Thelen seconded. No public comment. Motion passed 4-0.

Resolution 2020-06 – Tax Assessment

The total tax levy per parcel decreased by \$19 to \$603.95.

Motion: Member Nancy Flikkema moved to accept Resolution 2020-06; member Peter Thatcher seconded. No public comment. Motion passed 4-0.

Irrigation Rate Increase Discussion

The irrigation rate increase discussion continued from last meeting. The District is currently considering moving all irrigation-only customers from a Category 6 rate structure to Category 1, a residential category. Phil looked at the impact on three current customers with high-, mid-, and low-level water usage. The increase to their water bills ranges from ~\$191 to ~\$2,220 yearly, according to their usage. This is the same rate the board applied in October 2018.

The Northstar water system currently requires the District to augment all water pumped. The augmentation process requires extensive labor throughout the year. For the other public water system at Elk Grove, Phil suggested the District begin increasing irrigation-only rates by 4.9% annually to start discouraging using potable water for irrigation in common areas. However, the board preferred not to have two different approaches for each water system. Phil also recommended that the District subsidize the drilling of wells up to \$3,000 per account to remove the need for the District to provide potable water.

These changes will require District to hold a change hearing ahead of the next meeting. Cory suggested that Phil work up an impact study for each of the irrigation-only customers who would be affected and send those with the change hearing notification.

In the long run, Phil is confident that paying \$3,000 per well will be worth it. Some customers will be able to consolidate and share the cost of a well. That decision will be based on the recommendation of the drilling and irrigation companies, but the District will encourage consolidation and final drilling authorization rests with the District.

Cory asked if the District can go ahead and drill wells for irrigation-only customers and then bill them incrementally for it over the next several years. Phil will talk to Susan to determine if that is a feasible option, will work up the impact studies, and come back to the board with more research.

Engineer's Report

Brad Hammerquist provided the report.

- The WRF project is in the final stages. Walls are all in place, roofing, process equipment and piping, electrical and controls installation is underway. The project is slated to be completed in mid-September.
- Construction on the Sludge Dewatering Building at the EGWWTP is nearing completion. Process equipment and piping, electrical and controls installation is underway.
- MMI has also been working on improvements to outfalls where the treated sewage goes. A proposal has been submitted to DEQ and permitting will probably take a year. Currently there is more capacity in the permit than District has treatment capacity.
- MMI is replacing the subsurface infiltration system with an open infiltration system which will help with maintenance.

Monthly Operations & Maintenance Report

Larry Powers provided the report:

- Baxter Lane Sewer and Water Extension project is completed except for the seeding of all disturbed areas. Seeding was deferred to this fall.
- There have been multiple instances of lift station pumps plugging up due to the busy construction season in the District. Some contractors aren't careful about keeping rocks and debris from entering the Sewer Collection System, causing the pumps to plug.

- The District experienced an extreme power spike from NWE causing multiple issues. Middle Creek Booster station, NS Wells, Augmentation Basin and NS Booster were all affected.
- Larry also took the board through multiple projects that are nearing completion or were completed throughout the 2019-2020 fiscal year, including work on the Rapid Infiltration Basin, Black Bull #1 Lift Station, the Elk Grove Lift Station, C-1 Lift Station, the WRF Project, the EGWWTP Sludge Drying Facility, and the Baxter Lane Water and Sewer Main Extension.
- Brad Hammerquist commented that he is very impressed with the amount and quality of work performed by the District.

General Administration Report and Monthly Financial Report

Amy Ellingson provided the General Administration Report:

- Late fees: In June the governor lifted some restrictions, so late fees and disconnect notices have begun again with August billing.
- Garage Addition: It is complete along with new asphalt that runs between water tank and main garage for a parking lot.
- Headworks at WWTP: Phil and Larry found company to build a vent cover for odor control. It should reduce the smell and community complaints.
- Tank Anodes: Liquid Engineering installed “sacrificial” anodes in three water tanks to prolong the life of tanks. They will erode over time instead of the tank. LE will come back periodically to replace anodes that have dissolved. To replace a tank would cost ~\$250,000.
- Website continues to be updated with WRF progress.
- Capacity payments for 2019/2020, which are used to fund capital projects are as listed:
 - Water: \$794,937
 - Sewer: \$1,063,028
 - Total: \$1,857,965
- Audit: Everything has been submitted. District is waiting on questions for the auditors and hoping to have it presented in October.

Amy Ellingson provided the Monthly Financial Report:

- In shared expenses, District is under budget in all categories except Professional Services.
- Water has higher than expected revenue. Operating Expenses have overrun, but much of those costs will be reimbursed. Repairs and Maintenance have overrun due to purchased equipment for an upcoming project.
- Sewer was within \$400 of projected revenue. Hauling costs were slightly over budget, but that should change as the year progresses, due to the new drying facility.
- Capital Projects: The list is just as it was presented in June, expect that the SCADA project is now projected to cost \$400,000 instead of \$200,000. Phil is exploring other options in order to bring that cost down.

Manager Topics

Reserves: Phil reviewed with the Board the water, sewer and bond reserves, which are all currently with state investment fund, and the liens currently on the water and sewer sides.

District Look Forward:

Water:

- Possible water line for APK
- Water Loop for Middle Creek/Black Bull to Gallatin Heights systems
- Possible expansion of water storage

- Monitor water use vs. pumping capacity to evaluate when to install additional well.
- Replace Elk Grove Booster Station

Wastewater:

- Finish Phase 1 & 2 (A and B) of the WRF: 400,000/day of treatment (Sept. & Mar.)
- Expand RI Basin to handle 1.1 million gallon per day
- Plan Phase 3 of the WRF: Add on to Phase 1 and 2 with two additional SBRs for a capacity expansion of 400,000 gallons/day and digesters. Would bring District Capacity to a total of 1.1 million gallons/day. Whether or not the District should expand to that capacity is a board discussion for the future.
- Life extension of existing Elk Grove Treatment Facility: new screen, concrete repair, gates, covers, instrumentation, odor, etc.
- Effluent Delivery System: Reduce lines from 16" to practical size
- Complete Elk Grove Drying Facility between Sept. 15 and Oct. 1.
- Life extension of lift stations: liners study to downsize 16" from Valley Center to Baxter/Baxter to Northstar Lift – pipes and pumps.
- Flow meter for Commerce Park and Northstar Lift stations
- VFDs for all remaining lift stations
- Potential expansion locations for ponds this fall.

Board Member Topics

There were no further comments.

Next Meeting Date: Tuesday, September 15, 2020

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of August 18, 2020 adjourned at 7:44 p.m.



Joy Davis, Secretary