

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, March 20, 2018

Call to Order

President Cory Klumb called the regular meeting of the Four Corners Water and Sewer District to order at 6:40 pm on Tuesday, March 20, 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 Heather West (arrived 7:00 pm), and member Phillip George.

Staff/Public: GM Kevin Kundert, Marty Gagnon & Brad Hammerquist representing MMI; Maralee Parsons, Secretary; Matt Elwell; Bill Pound; Pete Thatcher; Amanda Knutson, Thomas Kallerbach; Kevin Cook; Mike Stenberg; William Dreyer.

Approval of Minutes

February 20, 2018 Board Meeting:

Changes requested: P.3: Change new EDU definition to 160 GPD (not 130). P.5: under Republic Services Pond: rephrase to "The District's engineer advises..."

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

Public Participation on Non-Agenda Items:

There were a few clarifying questions on the approved minutes. It was clarified that the sewer will be extended on Baxter to the east side of Jack Rabbit Lane. It was also clarified that EDU's sold to developers are paid for upfront, and stay with the property, so should a developer go out of business, the EDU's remain as an asset with the property, so there is no jeopardy to the District.

GENERAL BUSINESS

Consider Appointment to Vacant Board Member Position: Peter Thatcher (from North Star Subdivision)

President Cory Klumb advised that a candidate, Peter Thatcher, has expressed interest and is present. Mr. Thatcher's CV was provided to the Board.

Motion: Member Phil George moved to appoint Peter Thatcher to the vacant seat on the Board; VP Nancy Flikkema seconded the motion. There was no further Board discussion and no public comment. *The motion carried 3-0.* Mr. Thatcher joined the Board and provided a brief summary of his experience, noting that he considers serving on the Board to be a community service.

It was noted that 3 terms of the Board are expiring in May 2018, and GM Kundert stated that the County Registrar has advised him that no one had filed as of the Feb. 12, 2018 filing deadline. GM Kundert will check with District council as to what the procedure is going forward to renew the terms of the 3 board members.

Elk Grove Discussion/Updates

Elk Grove Board member Matt Elwell asked for clarification on the status of the Elk Grove annexation, stating he had been informed that the annexation was moving forward. District council Susan Swimley was not present at the meeting and it was noted that she did not provide further updates to the District since the February Board meeting. It was reiterated that the FCWSD Board would like to see a majority of the Elk Grove electorates in favor of the annexation, not just the minimum allowed for by law. It

was requested that Ms. Swimley communicate to both Boards (Elk Grove and FCWSD). GM Kundert will contact Ms Swimely this week.

Ordinance 2018-01 1st Reading - Annexation Petition for Lot 2 Block 1 of Kennedy Subdivision (Jackrabbit Junction, LLC -18 EDU with interim limits)

This commercial condo property is anticipated to utilize 18 EDUs at 160 gpd/EDU, with interim limits on capacity (100 gpd max) until new sewer treatment facility is online, at which point normal capacities will be allowed. It was noted that the contract should stipulate that residential habitation will *not* be allowed.

Motion: Member Phil George moved to approve the first reading of Ordinance 2018-01; member Peter Thatcher seconded. *The motion carried 5-0.*

President Cory Klumb left the meeting at 7:03 and VP Nancy Flikkema chaired the remainder of the meeting.

Ordinance 2016-08 2nd Reading - Annexation Petition for Lot 2 Block 2 of Kennedy

GM Kundert noted that the second reading of the ordinance was delayed pending the review and finalization of the payback agreement. The commercial property is anticipated to utilize 1 EDU sewer and water, and is already receiving service.

Motion: Member Heather West moved to approve the second reading of Ordinance 2016-08; member Phil George seconded. *The motion carried 3-0 with V.P. Flikkema abstaining.*

Ordinance 2018-02 1st Reading - Annexation Petition for Lot 22 of Shedhorn Subdivision (Kevin & Gene Cook - 1 EDU, with interim limits)

The property is requesting 2 EDUs at 160 gpd/EDU but will be granted an interim capacity of 1 EDU until the new sewer treatment facility is online, at which time the full 2 EDU capacity will be allowed. With agreement by all parties, the Ordinance was modified to reflect "Interim limits: 1 EDU" and strike "only toilet bathroom toilet/sink at up to 100 gpd max".

Motion: Member Phil George moved to approve the first reading of Ordinance 2018-02 as amended; member Heather West seconded. *The motion carried 4-0.*

Road Cut Repairs Needed (102 Prairie Grass Court)

GM Kundert advised that repair work is needed near Taco Time, following the installation of service lines on the property. The installation was done more than 1 year ago, so the 1-year warranty period has passed. District Engineer Mary Gagnon stated that at this point the repair work is the responsibility of the Property Owner's association, not the District (unless the District was performing work on the property, which they were not).

Water Reclamation Facility (WRF) Committee Report

Phil George provided the report. He advised that the committee has met once since the last Board meeting, primarily to discuss the public awareness meeting scheduled for March 27 at 6:30, at Monforton School. The meeting was noticed in the newspaper and the District website, and notices were also included in the most recent billing statements. It was suggested that an email be sent to the homeowner associations in the District as well.

Engineer's Report

Brad Hammerquist provided the report. He advised they have been preparing for the upcoming public awareness meeting, noting there will be an opportunity for further outreach beyond this initial meeting. They have also been working on the design of the water reclamation facility, and have been in touch with DEQ and the funding agencies. Marty Gagnon further noted there will be a monthly conference call with DEQ and bond council, and the RFP for the treatment equipment supplier has been issued. M-M will also be joining the District's operations meetings to get the operator's input and involvement.

Monthly Operation & Maintenance Report

GM Kundert provided the report.

- EGWWTP Digester #1 waste sludge piping froze due to a heat tape failure. The lines were thawed, and the heat tape was replaced and is back in service.
- A new exhaust silencer on blower #1 at the EGWWTP to reduce the noise at the plant.
- Results of sludge sample evaluation indicate septicity is still the main problem. The Mg(OH₂) injection has not worked as well in the cold weather. Further testing will be performed starting in April, after which a plan will be developed.
- Parts for the C1 lift station repair have arrived and the tentative plan is to schedule Scenic City for the bypass hauling and APE for additional manpower to make the repairs in a short a time as possible. The bypass hauling will have to handle all of the wastewater flow from the District during the repair. This is an unbudgeted operational expense of approximately \$15K.
- Wastewater influent testing has been conducted and the results passed on to M-M to aid in the design process for the expansion, using SBR technology.
- The video camera for sewer inspections arrive and has been put to use.
- Operations staff reviewed and made suggestions for modifications to the FCWSD Connection Guidelines and Standard Design Guides, which will be available on the website.
- Operations staff members have started an OSHA Confined Space 8-hour online training program.
- Replacement water flow meters for 5 inoperable units are being ordered (unbudgeted expense of \$13-16K). It was noted that direct burial meters are considerably less costly (about \$2K) than vault meters (about \$10K) but vault meters are much easier to replace.

Monthly Water Usage & Financial Report

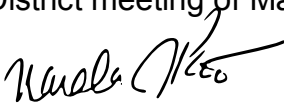
The Board reviewed the monthly financials and water usage reports. GM Kundert noted that he will start reporting utilization of credit card and ACH payments. He will also provide detail for variances in actual to budget, per Board request. He will also be meeting with the District auditors and accountant to understand the allowance for doubtful accounts, still showing on the District's balance sheet.

Board Member Topics

- Phil George: Would like a consistent, publishable policy that the Board can adopt and refer to when considering and implementing rate increases. Board members Phil George and Peter Thatcher will work together on drafting a policy.
- Nancy Flikkema: The annual review for the GM is due. Board members Cory Klumb and Nancy Flikkema will work together on this again this year. It was noted that fiscal responsibility, as measured by expenditures against the budget, should be a factor in the GM evaluation.
- Phil George: Would like to see the District's budget approved in June each year.
- It was noted again that the informational meeting on March 27 will focus on the capacity and location of the facility, as well as the philosophy of the planned phased approach.

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of March 20, 2018 at 7:55 p.m. was adjourned.



Maralee Parsons
Secretary