

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING November 17, 2015

Call to Order

Vice President Heather West called the November meeting of the Four Corners Water and Sewer District to order at 6:33 pm on Tuesday, November 17, 2015, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Board Members present: Vice President Heather West, Member Nancy Flikkema, Member Valerie Gravage, and Member Terry Malloy.

Public: Marty Gagnon representing MMI, Susan Swimley, Attorney and acting General Manager, Cassie Owens, Bookkeeper, Deborah McAtee of Magpie Consulting, Maralee Parsons, Secretary, Cass Malloy, Richard Smith. From Utility Solutions: Barb Campbell, Trevor Campbell, and Amy Ellingson

Approval of Minutes for the October 22, 2015 meeting:

Member Nancy Flikkema noted she made a motion to table the discussion on the policy manual, seconded by member Valerie Gravage, which carried 4-0.

MOTION: Member Nancy Flikkema moved to approve the October 22, 2015 minutes as corrected. Member Valerie Gravage seconded. *The motion carried 4-0.*

Public Participation on Non-Agenda Items: None

General Business

Discussion, update possible decisions on

I. Purchase Updates

a. Loan Closing: SFR update; RD update, CST update

Susan Swimley advised there will be a conference call the next day to ensure everything is in line. She has completed a preliminary site title opinion, and amendments have been done as requested. Bob Murdo will provide a document regarding taxing, levying and projection of revenues, to be approved at the next meeting.

b. Discussion on modification of water rights (US)

Barb Campbell discussed 2 surface water rights that are included in the buy-sell agreement: Elk Grove Slew and Mammoth Ditch. Neither one affects the water currently used to serve customers. They could be used to benefit future users but it would take considerable time and money to have the rights transferred to mitigation status. Barb will be discussing this next week and will provide the Board with more information at the December meeting.

c. Advertising of general manager position – transition plan

Member Valerie Gravage advised she has posted the GM position on Indeed (free job posting aggregator) and Craig's List. There was some discussion on non-electronic posting sites such as association boards or newspapers, and whether to hire a GM first or operators first. US has operators that FCWSD could hire. Barb Campbell said 3 US employees should be considered: Amy Ellingson, Zach Clark, and a part-time operator who is shared with Bozeman, (he performs monthly water tests, chlorine report, etc.), is paid hourly and is licensed. Zach is not currently licensed but will be taking the operator's test before April 1. The US plant requires a license with the highest level of complexity (1C). In

Barb's opinion the GM should also be an operator, which is how the job description has been written.

VP Heather West suggested a hiring committee be formed, to consist of her and Cory Klumb. Susan stated open positions need to be posted and applicants must apply. Member Valerie Gravage indicated her desire to be part of the hiring committee, and it was suggested that the committee meet following the special Board meeting on Nov. 23.

MOTION: Member Terry Malloy moved to post advertisements on-line and on the District website for GM, operator and administrative assistant, with a closing date of Dec. 15. Member Nancy Flikkema seconded. Discussion then ensued on whether or not to include a closing date and where to post the ads.

MOTION: Member Terry Malloy move to *amend* the previous motion to post advertisements on-line, on District website, and the Bozeman Chronicle, for GM, operator and administrative assistant, to be spearheaded by Valerie. Member Valerie Gravage seconded. ***The amended motion carried 4-0.***

Discussion ensued on activities that need to be completed in order to have all administrative payroll requirements in place. Susan advised she has requested a quote from the District's insurance agent (Central Insurance in Belgrade). Member Nancy Flikkema suggested a second quote be obtained, and suggested McHenry Insurance. Other administrative items discussed: order new billing cards, new PO box, insurance, voice and data line transfer, vendor transition activities. Vice President Heather West suggested she work with US to compile and begin work on the "to-do" list for administrative items that need to be completed.

MOTION: Member Valerie Gravage moved to appoint Heather West to compile and begin work on the administrative "to-do" list. Member Terry Malloy seconded. ***The motion carried 4-0.***

Transition plan: The Board reviewed the draft Transition Agreement prepared by Double Tree, which provides services for a period of 2 months to facilitate the District's full assumption of the management and operation of the water and sewer services for \$25,000 per month, plus additional costs. Susan advised she has asked for detail of underlying costs. Barb Campbell said she had presented a different proposed contract last March, which offered a longer period of services with a range of options. Barb said some modification of the March contract could still be available. After discussion the Board requested that the proposed March contract be emailed to the Board to review and discuss at the Nov. 23 special meeting.

d. Policy manual and discussion on 1) operator 2) admin assistant

Deborah sent a revised version of the policy manual and job descriptions to the Board, which incorporated comments from Ron, Valerie, and what was discussed at the October Board meeting. Barb Campbell advised she also has some comments on the job descriptions, which she will provide to Deborah. A revised set of job descriptions incorporating new comments will be sent to the Board to discuss at the special Nov. 23 meeting.

Utility Solutions – Monthly Report

Two questions on the previously distributed US monthly report were posed by Susan Swimley and answered by Trevor Campbell via the following 11/17/15 email exchange:

1. What are the 29 accounts which are 60-90 days past due—For the tax levy US provided the District 4 accounts which were past due and 2 of those accounts paid before the past due rate went on the tax bill?

A: Amy has printed a report showing current 60+ past due accounts as of 11/17/2015 and I will bring this report to the meeting tonight.

2. Why does the 2015 tax bill to US (which was \$560,000) which paid in full on September. The Contract Date is November 19, 2013. Thus the \$612,000 which US placed on the October 2015 Report, seems to be a month early. I just want a clean record for the funding agencies.

A: The amount due to US out of the 2014 tax levy was \$560,860.89. This amount was fully paid as of 6/17/2015. The amount due to US out of the 2015 tax levy is \$612,000. I have included this in the October 2015 report because the County has collected and paid to the District \$1,906.30 of the 2015 taxes (per the October 2015 collections report from Gallatin County).

Engineer Report

Mr. Marty Gagnon, MMI, advised he had nothing new to report.

Financials

- i. **Financial Statement Review** – provided to Board; no discussion ensued.
- ii. **Outstanding Invoices – Payment Approval** Vice President Heather West advised there are 4 outstanding bills to be paid: Total BS LLC (\$1,000.00); Big Sky Publishing (\$473.60) Cassie Owens (\$894.57); Maralee Parsons (\$112.50). Susan Swimley clarified the Total BS invoice is for services rendered for media releases on the District's financing and PSC approval.

MOTION: Member Nancy Flikkema moved to pay all of the outstanding current invoices. Member Valerie Gravage seconded. **Motion carried 4-0.**

Policy Issues: Consideration and possible adoption of:

- a. **Ordinance 2015-05 Amending Rules and Regs to define “unit” and require 1 meter per unit.**

The second reading of Ordinance 2015-05 was performed.

MOTION: Member Valerie Gravage moved to approve Ordinance 2015-05. Member Terry Malloy seconded. **Motion carried 4-0.**

- b. **Ordinance 2015-04 – Annexation of Kostelcky Lot B of Minor Subdivision 332**

The second reading of Ordinance 2015-04 was performed.

MOTION: Member Valerie Gravage moved to approve Ordinance 2015-04. Member Nancy Flikkema seconded. **Motion carried 4-0.**

- c. **Ordinance 2015-06 - Annexation of Lutsen – Montana Restored Lumber – 81599 Gallatin Road**

The second reading of Ordinance 2015-06 was performed.

MOTION: Member Valerie Gravage moved to approve Ordinance 2015-06. Member Nancy Flikkema seconded. **Motion carried 4-0.**

- d. **Ordinance 2015-07 – Annexation of APK**

Pertains to numerous lots in Rainbow subdivision, north of Elk Grove. The second reading of Ordinance 2015-07 was performed.

MOTION: Member Terry Malloy moved to approve Ordinance 2015-07. Member Valerie Gravage seconded. **Motion carried 4-0.**

e. Ordinance 2015-08 – annexation of RJ Development Group

The first reading of Ordinance 2015-08 was performed. (Lot 6A in the Berkshire sub-division)

MOTION: Member Valerie Gravage moved to approve the first reading of Ordinance 2015-08. Member Nancy Flikkema seconded. **Motion carried 4-0.**

f. Resolution 2015-10 – Resolution Relating to Acquisition of a Water System by the Four Corners Water and Sewer District from Utility Solutions, LLC and authorizing and directing the issuance and sale of a water revenue bond to finance and pay for a portion of the costs of the foregoing, providing terms of the bond and crating special funds and accounts and pledging certain revenues as the sole source of security and payments for such bonds.

MOTION: Member Nancy Flikkema motioned to approve Resolution 2015-10. Member Terry Malloy seconded. **Motion carried 4-0.**

g. Resolution 2015-11 – Resolution Relating of the Four Corners County Water and Sewer District, Gallatin County, Montana \$3,060,000 Wastewater System Revenue Bond (Coal Severance Tax Loan Program) Series 2015; Authorizing the Issuance of Fixing the terms and conditions thereof and Creating special funds and accounts and pledging certain revenues as security therefor.

MOTION: Member Nancy Flikkema motioned to approve Resolution 2015-11. Member Valerie Gravage seconded. **Motion carried 4-0.**

Correspondence

- Susan advised there was one public information request from a Florida company requesting data stored in electronic format. She advised the company that the District has none.
- The District received 6 calls on the bond sale notices; 5 of those were residents who had purchased in the District since May, and were unaware of the vote and Susan reviewed the status with them. The 6th call was regarding a concern about the tax levy amount, which she clarified. No written protests have been received up to this date.

Business Update

- Susan advised she has most of the closing documents to review with Ken Tolliver next week.
- Susan advised the Elk Grove Slew and Mammoth Ditch water rights discussed earlier still needs to be discussed. The water rights are included in the buy-sell contract, and values were not broken down in discussions with lenders. The Board members indicated they preferred to keep the water rights as they are currently stated in the contract, rather than making any changes now.

MOTION: Member Valerie Gravage motioned to keep the water rights to Mammoth Ditch and Elk Grove Slew in the buy-sell agreement. Member Terry Malloy seconded.
The motion carried 4-0.

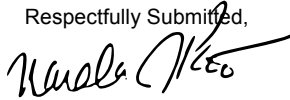
Board Member Issues

The Board discussed the need to replace the District Treasurer; this will be discussed in a future regular Board meeting.

Adjourn

There being no further business before the Board, the Four Corners Water/Sewer District meeting of November 17, 2015 adjourned at 8:24 p.m.

Respectfully Submitted,



Maralee Parsons
Secretary