

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, April 19, 2016

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, April 19, 2016, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

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

Staff/Public: GM Kevin Kundert, Marty Gagnon representing MMI, Maralee Parsons, Secretary, Larry Powers, Cass Malloy, Darren Strauch, Kris Ortmeier, Jim Dolan.

Approval of Minutes – March 24, 2016

President Cory Klumb noted that Larry Powers was present and Zach Clark was not, and asked that the minutes be changed to reflect this.

MOTION: Treasurer Terry Malloy moved to accept the minutes as revised; Member Valerie Gravage seconded. ***Motion carried 4-0*** (Nancy Flikkema absent from the motion).

Public Participation on Non-Agenda Items:

Darren Strauch from Monforton School commented that he is working with GM Kevin Kundert on the school contract. The District needs to provide a will-serve letter, in order for the school to finalize their contract. A discussion ensued on the school's rate structure, which had been previously discussed at board meetings. The Board expressed interest in re-evaluating class 4 customers in terms of rates, which would require the District to hold a rate hearing. The Board indicated they may want to review the District's rates in general, and they want to accumulate and analyze one year's worth of data prior to holding a rate hearing, which would put the rate hearing in the March 2017 timeframe. Kevin stated he is working with Susan Swimley on the will-serve letter, and will provide it to the school in the next few days. He will also discuss with Susan whether or not he can sign the contract for the school, and will advised the Board accordingly.

GENERAL BUSINESS

Engineer's Report

Marty Gagnon provided the report. He has been contacted by a number of entities who are possibly interested in annexing into the District, including Jack Rabbit Business Park, and APK (property north of Elk Grove), and Rainbow. One of the key issues is water; he is currently sending potential customers to Utility Solutions. There have been people in Rainbow who have asked if they can use existing wells, and hook up to the District for sewer service only. Member Valerie Gravage asked Kevin to consult with Susan Swimley for her opinion on this proposal, and also stated she would like to see the District develop a consistent statement and policy for such requests.

Financial Reports

GM Kevin Kundert provided the financial reports: Balance Sheet; P&L YTD; District Billing & Service Activities; US Balance & Transition Billing Summary; March Collections/Deposit of Tax Assessment Funds. Kevin indicated that in the future he plans to provide this information to the Board in advance of the meeting.

O&M Reports

Kevin reported on his team's O&M activities:

- He is creating a work order system to track maintenance/repair items based on urgency.
- Business cards were produced in house.
- Evaluating current rate structures to see if a more uniform approach can be used for both commercial and residential customers. Initial work is addressing big water users (category 4).
- Serviced oil/performed initial evaluation of all generators.
- Discussed load testing & noise abatement with Laurel Power Systems.
- Evaluated Sherwin Williams paint systems for pumping equipment & buildings.
- Reviewed Sanitary Surveys to ensure no significant deficiencies exist; weaknesses at Elk Grove pump station and storage tanks are being evaluated; North Star well casing welded caps need modification.
- North Star pump stations were set up with MT Opticom for internet, phone & web hosting/Office 365/OneDrive backup files systems. All server files should be transferred to OneDrive soon, with plans to use this for file-share access and backups. Kevin will evaluate current backup system requirements, and ensure those requirements are being met. He will suggest any changes with the new systems next month.
- MET (Mountain Equipment Technology) worked with the operations team for 2 days to address numerous instrumentation adjustments needed (SCADA & alarm systems; proper pump alternations at Valley Center; pump cycling; repair rotor system drives at the WWTP; RAS valves and Elk Grove WWTP SCADA system modifications).
- The mechanical headworks screen at the WWTP was repaired under warranty and put back into service.
- DEQ website information for the two public water systems and the Elk Grove WWTP/discharge permit has been updated with the District contact information.
- Beck Border Ditch was cleaned and water turned on; tools were purchased (chain saw, chains, safety gear) for about \$800 to complete this. The aquifer recharge basin is in service for the 2016 augmentation season.
- UV bulbs and housings have been ordered for replacement later this month at the WWTP.
- The missing scrapers at the bottom of the WWTP Clarifier 1 were replaced (tools were purchased, about \$1000).

Operator Larry Powers addressed the filamentous bacteria problem at the WWTP. They have installed a chlorination drip system to start treating the bacteria at the plant. The septic wastewater that promotes the growth of the filamentous bacteria needs to be treated before it reaches the plant; the source of the septicity is the force mains. Due to the high retention times in the force mains (up to 15 days) the wastewater is highly septic. The plan is to chlorinate the force mains to kill septic bacterial growth and begin injection of ferric chloride to inhibit the formation of new septic bacterial growth. He recommends the District purchase a phase contrast microscope to aid in the bacterial analysis. A microscope is typically a key tool used in WWT plants. The proposed microscope costs about \$1600. The Board stated they would like to see a budget for

tools and equipment, which is developed strategically with an eye to the District's cash flow and payment schedules. It was agreed that the microscope is needed right away, and it does fall within the GM's purchasing authority. Kevin advised the Board that he is running into problems with his credit card reaching its maximum (\$2500) each month when purchasing needed tools.

MOTION: Member Valerie Gravage moved to raise the credit card limit for GM to \$10,000. VP Nancy Flikkema seconded. **Motion carried 5-0.**

Kevin reviewed the activity completed in April to comply with the Total Coliform Bacteriological sampling/reporting requirements for the North Star-Zoot Water system (8 sample sites) and Elk Grove water system (4 sample sites). Reports have been turned in approved.

Kevin reviewed on-line payment processing options. Big Sky is using Tram Star; there is a \$22 monthly charge, and no set-up fees. This program is not integrated into the District's operations software, which would enable electronic billing, and which would be much more costly. The processing charges (as charged by credit card companies) average around 2.3%, which is usually passed along to the customer as a convenience fee. Kevin recommends using this software on a trial basis to measure the customer response.

MOTION: Member Valerie Gravage moved to authorize Kevin to implement the Tram Star system on a trial basis, passing the interest charges to the customers as a convenience fee. VP Nancy Flikkema seconded. **Motion carried 5-0.** It was noted that the District would consider moving to electronic billing in the future.

Policy Issues

Kevin provided a summary of BCBS benefits currently being offered to District employees.

Kevin advised the Board that he believes the District is currently carrying 2 commercial insurance policies, one under MACo (through CIA) and one under PayneWest. After some discussion, it was decided that Kevin will verify if the CIA policy was actually signed and paid for by the District. The MACo policy may just be the standard liability coverage the District had prior to the acquisition.

Kevin stated that Elk Grove has asked if the District would help set up their meters for irrigation and, after discussion, it was determined that historically US did not install the meters, and the customer would hire someone to install them, and the District will inspect them.

Board Member Issues

Member Valerie Gravage advised that she has sold her condo in Four Corners, and will no longer be eligible to serve on the Board. Next month will be her last Board Meeting.

President Cory Klumb asked if the issue that was raised at the March 2016 Board meeting, regarding a school neighbor possibly drilling a well on their property, had been investigated. Kevin said it has not yet been investigated and he will send someone out ASAP.

President Cory Klumb mentioned that the Mesa Labs irrigation well request, which was denied by the Board at the March 2016 Board meeting, could possibly be re-evaluated, and might be more desirable for the District and the community if Mesa Labs considered building and irrigating a children's playground, in addition to their landscape area. The Board would like to look into this more. Kevin will discuss the water rights issue with Susan Swimley.

Treasurer Terry Malloy asked if the District is still paying for the development and maintenance of the District's website (\$12,264 for 9 months). Kevin said he is maintaining the website now and the District is no longer paying these fees.

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of April 19, 2016 at 8:45 p.m.

A handwritten signature in black ink, appearing to read "Maralee Parsons".

Maralee Parsons
Secretary