

## **FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, Tuesday May 16, 2017**

### **Call to Order**

The regular meeting of the Four Corners Water and Sewer District was called to order at 6:30 pm on Tuesday, May 16, 2017, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Board Members present: Vice President Nancy Flikkema, Member Heather West, Member Sarah Stahlberg and member Phillip George. President Cory Klumb was absent.

Staff/Public: GM Kevin Kundert, Amy Ellingson, Marty Gagnon and Brad Hammerquist representing MMI; Tyson Olson, Larry & Patsy Cada, Bill Pound, Trevor Smith representing TTJR, Matthew Cotterman with Caddis Engineering and Jonas Griene.

Due to the absence of Board Secretary Maralee Parsons, the minutes were recorded by Amy Ellingson.

### **Approval of Minutes**

April 18, 2017 Board Meeting:

Member Sarah Stahlberg requested a change on page 1, to read, "the new bond would not increase the individual property taxes *above the 2015-2016 tax cycle.*"

**Motion:** Member Sarah Stahlberg moved to approve the minutes as amended; member Heather West seconded. ***The motion carried 4-0.***

May 2, 2017 Board Meeting

**Motion:** Member Sarah Stahlberg moved to approve the minutes as written; member Heather West seconded. ***The motion carried 4-0.***

### **Public Participation on Non-Agenda Items:**

None were raised.

## **GENERAL BUSINESS**

### **District Ordinance 2016-17 (Modified)- 2<sup>nd</sup> Reading of Kennedy Lot 2 Block 1 Annexation Request:**

GM Kundert explained that this began back in September 2016, and the delay in the 2<sup>nd</sup> reading was due to wanting a reimbursement agreement in place prior to the 2<sup>nd</sup> reading. However, this will have a 3<sup>rd</sup> reading due to the recalculations of the EDU charge. Andy Ruhland's annexation of Kennedy Lot 2 Block 2 that also had a 1<sup>st</sup> reading at the Sept 2016 meeting will have a 2<sup>nd</sup> reading next month. At one time this project was to consist of 3 different lots being approved, but the Knoll Master group will not be annexing now and this Kennedy Subdivision project has moved forward without their participation at this time. This reading is just for the annexation of Kennedy Subdivision Lot 2 Block 1.

**Motion:** Member Sarah Stahlberg moved to approve 2<sup>nd</sup> reading of District Ordinance 2016-17 (Modified)- Annexation Request for Kennedy Lot 2 Block 1. Heather West seconded the motion. ***The motion carried 4-0.***

**District Ordinance 2017-01 1<sup>st</sup> Reading of Summit and Sky LLC Annexation Request:**

GM Kundert explained that this ordinance and service agreement is for “future” capacity to be provided by a planned expansion of District wastewater treatment facilities. District council Susan Swimley has approved this, due to the fact there may have to be extensions put in place if our construction is prolonged. An agreement will be worked out to have the schedule for the payments, and the first payment will be made before the 2<sup>nd</sup> reading.

**Motion:** Member Sarah Stahlberg moved to approve the first reading of District Ordinance 2017-01, Summit and Sky LLC Annexation Request. Heather West seconded the motion. *The motion carried 4-0.*

**Engineers Report/Update on Facility Plan & Projects:**

Marty Gagnon and Brad Hammerquist discussed two projects Morrison and Maierle is currently working on: completion of the facility plan describing expansions of the wastewater treatment system, and Elk Grove draft document calculations. Facility plan will be wrapped up this week and will be sent over to the GM. The Elk Grove draft document outlines methods for cost accounting, separating the costs between Elk Grove and the District. Brad has been working on the PowerPoint presentation with Kevin for the Elk Grove annexation presentation. Brad also researched the flow data between Elk Grove and the District on the sewer side to see if the 80/20 split was correct. The research implied the split is between 80/20 and 70/30. Marty says it may be worth it to use the 70/30 going forward. This is based off the last 7 months of records reviewed. Once completed, GM will run the final presentation by a review committee for approval, and then will set up a presentation date with Elk Grove. The draft presentation slides were presented to the committee members for initial review.

**Discussion on Remaining Sewer Capacity**

GM Kundert stated he added this topic for a discussion to determine if a moratorium on capacity commitments should be put in place soon. The issue is that we have more and more people coming forward to ask for “additional” capacity for in-District lots. Annexing properties will be addressed by future expansion of facilities but when it comes to in-District properties asking for additional capacity, will that be allowed? GM stated he wants to verify the current EDU numbers are correct and will use numbers from the final facility plan update and his capacity commitment spreadsheet. Member Heather West stated she was under the impression that we had already cut off the ability to purchase capacity. Larry Cada asked: Once the report comes back about the remaining EDUS, can they be used for annexing projects? The Board replied that those EDUS are going to be reserved for the in-District current lots. Member Heather West suggested that the conversation be tabled until the next meeting when we can have a more concrete number and the Board agreed.

**Discussion on Vina Del Mar LLC Request for Possible Annexation**

Matt Cotterman from Caddis engineering presented the Love and Baxter property, consisting of about 59 acres. The owner wants to go ahead and move forward with an annexation with 101 dwelling units. They would like to have a phased payment plan drafted. Marty Gagnon stated they should move forward with the purchase of water rights from Utility Solutions, and her further explained the water rights are for

drinking water only, not IRR. Marty suggested they should use their surface water right for IRR and not to dig wells. These rights are from the Wylie Hulbert ditch. Kevin Kundert stated if the Board is in favor of this we should move forward with writing the annexation agreement. Member Phil George stated he would like it written with the clause of using the surface water rights for IRR not IRR wells. Matt added they would like to possibly help finance part of the project to get this up and running. Member Sarah Stahlberg said these projects could always be expedited once we know the timeline and have funding in place. However right now this project needs to be contingent on the future expansion, not the current system. Going forward for this project there will be a first reading, and between the first reading and the 2<sup>nd</sup> reading a payment process will be worked out between the District and developer attorneys/management. The first payment will be given to the District before the 2<sup>nd</sup> reading. VP Nancy Flikkema suggested that if Vina Del Mar wanted to use the Wylie Hulbert ditch for IRR they should start working on that sooner rather than later.

#### **TTJR, LLC Request for 12 EDU:**

VM Kundert explained that the TTJR, LLC project has been submitted as a residential project, not a commercial project. This property borders our RI basin. Trevor Smith stated that 6 EDUs were purchased from Utility Solutions in the past and that Utility Solutions was going to buy back the extra EDUs, but that transaction never occurred. Kevin has requested proof of the 6 EDUs and it is possible this project will be requesting 6 to 12 EDUs. There are 3 current units on Maple Ave that are hooked up, but TTJR, LLC never moved forward with building the next units after installing a main line extension. GM Kundert stated he does not know of a District commitment to provide capacity to these units, and there is no record of a reimbursement agreement for the main extension on Maple Ave. In following conversation, it was suggested that the proposed units were fitting the commercial condo definition, not residential and up to 10 additional EDUs may need to be purchased. GM Kundert suggested that this topic be tabled until the next meeting when the remaining EDUs remaining are determined, and records of capacity commitments are provided. The board agreed and this topic will be moved to next meeting.

#### **Monthly Water Usage and Financial Report**

Member Sarah Stahlberg asked a question regarding the 560 account, where it says we are at 94% does that mean we are at 94% of the yearly budget? GM Kundert said yes that would be correct. We have 2 more months of the budget due to this report being cut off at the end of April 2017. Member Stahlberg also asked since we have learned Elk Grove is at 30% are we going to start looking at how we allocated current bills, Kevin and Brad agreed we should start using the 30% not the 20%. The differences in these numbers are based on per-capita costs (80/20) vs. flow rate (70/30) cost comparison. The numbers will be put in and presented to the Board next month. Member Phil George suggested simplification of the financial reports by providing less detail. Kevin offered to simplify the report for easy reading of the big financial reports, however, a couple of board members would still prefer to see the full report delineation. Member Sarah Stahlberg would also like to see an outline of the facility plan, with all the projected dates to be added to the binders. This will help keep our members up-to-date on plans and we will not need to go back and explain at future meetings.

**Monthly Operation & Maintenance Report**

GM Kundert reviewed the O&M report topics including work performed on WWTP influent pumps, update on Elk Grove Lift Station work performed by JR Civil, modifications to C1 Lift Station emergency float system, emergency shutoff of a water service in Black Bull Subdivision, repair of an Elk Grove irrigation service line, Elk Grove Sludge Digester #3 Aeration Mixer was removed for troubleshooting seal failure that led to motor failure, pH control pilot system for the forcemain is in construction mode and should be operational within 2-3 weeks, an air blower unit at the WWTP is failing and a new one has been ordered, and sampling apparatus was built to perform MPAs (microparticulate analyses) with DEQ on two of the three Northstar wells. The remaining well MPA will be completed later this month. In the fall one more series of three MPA tests needs to be done.

In conversation on PLC equipment fixes Member Phil George asked if going into the future we are planning to go with new technology. GM Kundert stated that we are looking into the transition to use more modern equipment and planning has begun with our instrumentation technician.

In conversation on distribution system repairs Member Phil George suggested that we add pressure reducers to District specifications and the Board recommended that the GM add this to District documentation.

It was requested to add Board Member Concerns as a last agenda item. The GM's performance review will be forthcoming, and he has requested that it be a closed board meeting. President Cory Klumb is coordinating the procedure with Susan Swimley. This will be published as a 1-item meeting. The Board has asked for this meeting to be scheduled Tuesday May 30<sup>th</sup> at 5:30 at Monforton School in the library.

**Adjourn**

There being no further business before the Board, the Four Corners Water & Sewer District meeting of May 16, 2017 was adjourned at 8:20 p.m.