

## **FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, October 20, 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, October 20, 2020, at the office of the Four Corners Water & Sewer District at 495 Quail Run Road, Bozeman, Montana.

Board Members present (including those attending via Zoom): President Cory Klumb, member Bob Thelen, member Peter Thatcher, member Brad Early, member Nancy Flikkema (arrived 6:31)

Staff/Public present (including those attending via Zoom): Amy Ellingson and Phil George from FCWSD; Larry Powers and Brad Hammerquist from Morrison-Maierle (MMI); Thomas J. Kallenbach; John H. (no last name given) and Joy Davis, Secretary

### **Approval of Minutes**

August 18, 2020 Board Meeting:

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

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

None were raised.

## **GENERAL BUSINESS**

### **Ordinance 2020-06 Pierce – 2nd 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. Phil recommends approval of the petition.

No public comment. Ordinance passed 4-0.

### **Ordinance 2020-07 Dykstra – 2nd 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.

No public comment. Ordinance passed 5-0.

### **Ordinance 2020-08 Maxwell- 1st Reading**

Ordinance 2020-08: An Ordinance Accepting the Annexation Petition of Maxwell Investments, Lot 94 & 95 Rainbow Subdivision, Bozeman, MT 59718 for Annexation. They are requesting four EDUs for a planned fourplex on the two lots. Phil recommends approval of the petition.

**Motion:** Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-08; member Peter Thatcher seconded. No public comment. Motion passed 5-0.

### **Ordinance 2020-09 Haggerty- 1st Reading**

Ordinance 2020-09: An Ordinance Accepting the Annexation Petition of Rachel Haggerty for 80155 Gallatin Road for Annexation. The petition is for sewer-only service for three EDUs. Haggerty will pay

for sewer line construction and will provide own irrigation and potable water. Phil recommends approval of the petition.

**Motion:** Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-09; member Bob Thelen seconded. No public comment. Motion passed 5-0.

#### **Ordinance 2020-10 Randall- 1st Reading**

Ordinance 2020-10: An Ordinance Accepting the Annexation Petition of Edith Randall for 525 Cherry Ave for Annexation. This is for one EDU on four lots. Phil recommends approval of the petition.

**Motion:** Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-10; member Peter Thatcher seconded. No public comment. Motion passed 5-0.

#### **Ordinance 2020-11 Mari- 1st Reading**

Ordinance 2020-11: An Ordinance Accepting the Annexation Petition of Richard Lee Mari, Jr. for Lot 2, Monforton Minor 441 for Annexation. This is for one EDU, but Mari has a signed contract for an eight-unit complex. District will sell capacity later for the additional seven. Phil recommends approval of the petition.

**Motion:** Member Bob Thelen moved to pass the first reading of Ordinance 2020-11; member Peter Thatcher seconded. No public comment. Motion passed 5-0.

#### **Ordinance 2020-12 Dykstra Farms- 1st Reading**

Ordinance 2020-12: An Ordinance Accepting the Annexation Petition of Dykstra Farms, LLC for 4498 Jackrabbit Lane, Bozeman, MT 59718, Tract 2 & 4 of COS 2829B for Annexation. This is for two tracts out of five and for possibly as many as 300 units. Will have to petition again to annex the remaining three tracts. Phil recommends approval of the petition.

**Motion:** Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-12; member Peter Thatcher seconded. No public comment. Motion passed 5-0.

#### **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. This puts irrigation-only customers on par with residential water rate customers. The price impact will vary depending on the amount of water used. The District is no longer considering subsidizing wells.

Phil has talked to Legal and District does not need to go through a rate hearing for this change. However, impacted customers (about 10-12 HOAs) will be notified so that they have a chance to Zoom in to a board meeting for a discussion prior to a vote. This change will take effect for the next irrigation season beginning May 2021. Customers have ability to drill a well or xeriscape to get off District irrigation.

Phil will draft a letter to impacted customers. Depending on the board's meeting schedule for the rest of the year, a vote on the irrigation rate increase may not take place until January.

#### **Engineer's Report**

Brad Hammerquist provided the report.



- The Water Reclamation Facility (WRF) project is in the final stages. Contractors are tying up loose ends before putting flow into facility, potentially within the next month or so.
- Still working on getting a new discharge permit. It's a long process, and could be another six months to a year before DEQ approval comes through.
- MMI should be getting approval soon to make upgrades to the existing outfall facility.
- Larry is almost done working on the Elk Grove Sludge Dewatering facility, which will reduce hauling costs.

### **Monthly Operations & Maintenance Report**

Phil George provided the report:

- Elk Grove Sludge Dewatering facility is operational. The first load of dried sludge (9,000lbs) went to the Logan Landfill on Monday, October 19<sup>th</sup>. It cost \$35 to dispose of instead of \$4,000-\$5,000. The cost to dewater sludge is minimal, so hauling costs will now greatly reduce.
- The WRF Project is nearing operational status, tentative schedule to begin processing wastewater by the first week of November. District needs to prove to MMI that it is "partially substantially complete".
- Multiple lift station pump plugging problems continue to arise. Commerce Park lift station is still the worst one. Construction rocks are the main culprit.
- Construction of the Water and Sewer Main extensions from Gallatin Heights Eastward along Valley Center Lane and across Jackrabbit Lane to serve the new Town Pump is nearing completion.

### **General Administration Report and Monthly Financial Report**

Amy Ellingson provided the General Administration Report:

- New asphalt around the Waste Water Treatment Plant (WWTP) was done past week and building is now complete.
- Website continues to be updated with construction of WRF.
- Insurance Review: District is looking at all policies that are up for renewal with PayneWest. Looking to possibly move workman's comp to a different company.
- Audit: Should be presented to the board in November.

Amy Ellingson provided the Monthly Financial Report:

- In shared expenses, District is under budget in all categories except Office Expenses, due to the purchase of some new laptops. Other Expenses includes a balloon payment for insurance that was recently due.
- Water has higher than expected revenue. Operating Expenses have overrun due to a few wells needing maintenance, but under budget overall.
- Sewer has slightly less than expected 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 now includes the SBR #2 completion because District has started to order supplies and accrue costs.
- Reserves: No change.
- Capacity fees: This list tracks the customers who owe District money for capacity, either now or in the future. It was presented to the auditors as well.

### **Manager Topics**

There were no further manager topics. Phil opened the floor to general board inquiries. In response:

- The new venting is working well.
- The lawsuit with Brookshire was settled over a year ago.
- District is still negotiating with Utility Solutions.
- Phil and Amy clarified for the board the process through which petitioners go in order to annex into the District and receive land use and building permits.

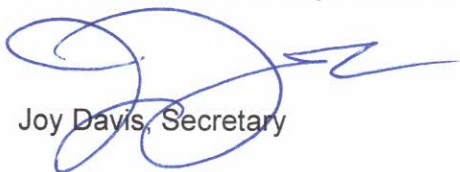
### **Board Member Topics**

There were no further comments.

**Next Meeting Date:** Tuesday, November 17, 2020

### **Adjourn**

There being no further business before the Board, the Four Corners Water & Sewer District meeting of October 20, 2020 adjourned at 7:18 p.m.



Joy Davis, Secretary