

## **FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, November 17, 2020**

### **Call to Order**

President Cory Klumb called the regular meeting of the Four Corners Water and Sewer District (FCWSD) to order at 6:31 pm on Tuesday, November 17, 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

Staff/Public present (including those attending via Zoom): Amy Ellingson and Phil George from FCWSD; Justin Gerber from Amatics CPA Group; Thomas J. Kallenbach; and Joy Davis, Secretary

### **Approval of Minutes**

October 20, 2020 Board Meeting:

**Motion:** Member Nancy Flikkema moved to approve the minutes as written. Member Peter Thatcher seconded. The minutes were approved 5-0.

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

Tom Kallenbach commented that he has heard of plans to make another connection at or through his Elk Grove property. When Gateway made their connection, he was left with a mess and did not feel that any one entity was willing to take responsibility for it. He wanted to state for the record that he would like a plan put in place for clean up before anything is started. He also stated that the Zoom audio for the meeting was difficult to understand.

### **GENERAL BUSINESS**

**Audit:** Justin Gerber presented the finding from Amatics CPA Group.

Amatics performed the audit for the fourth year for the District, in accordance with generally accepted auditing standards and government auditing standards. They have issued two auditors reports and one management letter. While Amatics drafts financial statements and footnotes as part of the audit engagement, those are still the responsibility of District management.

Justin highlighted three areas for improvement from the audit:

- 1) District should record transactions in the accounting period in which they occurred.
- 2) Depositories that have custody of the funds of the District should pledge securities for any amount over FDIC limit necessary to secure the District against financial loss.
- 3) Some checks did not have two signatures, contrary to District policy.

Justin thanked Amy and Phil for providing information and audit support.

### **Ordinance 2020-08 Maxwell- 2nd 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 second reading of Ordinance 2020-08; member Brad Early seconded. No public comment. Motion passed 5-0.

**Ordinance 2020-09 Haggerty- 2nd 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 second reading of Ordinance 2020-09; member Bob Thelen seconded. No public comment. Motion passed 5-0.

**Ordinance 2020-10 Randall- 2nd 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 second reading of Ordinance 2020-10; member Brad Early seconded. No public comment. Motion passed 5-0.

**Ordinance 2020-11 Mari- 2nd 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 Brad Early moved to pass the second reading of Ordinance 2020-11; member Peter Thatcher seconded. No public comment. Motion passed 5-0.

**Ordinance 2020-12 Dykstra Farms- 2nd 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. Phil recommends approval of the petition.

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

**Ordinance 2020-13 Kostelecky– 1st Reading**

Ordinance 2020-13: An Ordinance Accepting the Annexation Petition of Kostelecky Rentals, LLC, 86 Orxy Circle, Belgrade, MT 59714 for Annexation. This is for an existing, out-of-district client. They are not requesting any additional EDUs. Phil recommends approval of the petition.

**Motion:** Member Brad Early moved to pass the first reading of Ordinance 2020-13; member Nancy Flikkema seconded. No public comment. Motion passed 5-0.

**Ordinance 2020-14 Cayman Holdings- 1st Reading**

Ordinance 2020-14: An Ordinance Accepting the Annexation Petition of Cayman Holdings, Inc, 125 Central Ave, Unit 1A, Bozeman, MT 59718 for Annexation – Fire Protection Only. An existing member of the District is combining adjacent land to an existing parcel. This requires annexation because the legal property line has changed. This should not affect District capacity, as the land is used for storage space. Phil recommends approval of the petition.

**Motion:** Member Nancy Flikkema moved to pass the first reading of Ordinance 2020-14; member Brad Early seconded. No public comment. Bob asked for clarification on the address and Amy confirmed that

addresses on annexation petitions are the legal addresses, not the address of the annexed properties. Motion passed 5-0.

### **Irrigation Rate Increase Discussion**

Phil has drafted a letter to send to all irrigation-only clients informing them of the proposed change to their rate structure from Category 6 to Category 1 and inviting them to attend a discussion and vote at the first board meeting of 2021. The change would take effect for the next irrigation season beginning May 2021.

The board suggested adding language to the letter informing clients that they can call to discuss the potential impact on their account. Phil will make the suggested changes and send out the letter.

### **Engineer's Report**

Phil George provided the report.

- At the Water Reclamation Facility (WRF), they will begin crossing and reconnecting sewer lines to start effluent flowing to SBR and perform water tests to ensure it is all functioning correctly. There is still a lot of clean up work to do. District needs to prove to MMI that it is "partially substantially complete".
- Phil is working on getting internet access at the WRF so that District can get accident alarms. There have been a couple of accidents in the past month.
- Work is starting on the SBR #2 and District is hoping to have it operational by April.
- Brad suggested that the District make a public announcement to customers to explain the reasons for and the financial benefits of the capital projects they have completed.

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

Phil George provided the report:

- Elk Grove Sludge Dewatering facility is working well. Some minor adjustments have been made. O&M documents and as-built drawings are being prepared for submission to the MDEQ to close out the project.
- The WRF project is nearing operational status. It is expected to be operational by Nov. 23<sup>rd</sup>.
- The Elk Grove Booster Station experienced a power outage due to an auto/power pole accident that resulted in the failure of the backup power/control system. The water pressure dropped to 9psi and prompted a precautionary boil water notice to be issued. Subsequent water quality testing verified the water quality hadn't been jeopardized at any time. The boil water notice was terminated and the backup power/control issue has been rectified.
- We are monitoring the incoming power supply to NS Well #1 for irregularities. We have experienced multiple issues with wiring burn out at this location. Early results are pointing to large, intermittent voltage spikes from NWE. More time will be needed to verify this problem before we can prove to NWE they have a problem to address.

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

Amy Ellingson provided the General Administration Report:

- Website continues to be updated with construction of WRF.
- The insurance review is ongoing. District is looking at all policies that are up for renewal with PayneWest.
- Claim with State Farm: Susan is working on this currently.

Amy Ellingson provided the Monthly Financial Report:

- In shared expenses, District is under budget in all categories except Office Expenses, due in part to the purchase of some new laptops.
- Water has higher than expected revenue and is under budget overall for expenses. Operating Expenses have overrun due to chemicals and well maintenance.
- Sewer has higher than expected revenue and is under budget overall for expenses.

**Manager Topics**

Phil notified the board that the past seven months have made it clear that he will need to hire one more staff member.

**Board Member Topics**

There were no further comments.


**Public Comment:**

Thomas Kallenbach reiterated that it was very hard to hear the meeting through the Zoom link. The board committed to finding better sound equipment for the next meeting.

**Next Meeting Date:** Tuesday, December 15, 2020

**Adjourn**

There being no further business before the Board, the Four Corners Water & Sewer District meeting of November 17, 2020 adjourned at 7:21 p.m.



Joy Davis, Secretary