

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES

REGULAR MEETING, July 19, 2016

Call to Order

President Cory Klumb called the regular meeting of the Four Corners Water and Sewer District to order at 6:31 pm on Tuesday, July 19, 2016, in the cafeteria of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Board Members present: President Cory Klumb, Vice President Nancy Flikkema, and Treasurer Terry Malloy.

Staff/Public: GM Kevin Kundert, Marty Gagnon representing MMI; Susan Swimley, Attorney; Maralee Parsons, Secretary; Larry Powers, Cass Malloy, Sarah Stahlberg, Andrea Stevenson, Phil George, KC Barnhardt, Zach Lowe, Doyle Stucky, Jim Beck, Jon Oakland, Teresa Kolnik, Tony Kolnik.

Public Participation on Non-Agenda Items:

A petition dated July 19, 2016 to annex several lots located in the Rainbow sub-division to the District for both water and wastewater has been submitted to the District for consideration. A representative for the petition was present at the meeting to answer questions. President Klumb respectfully requested that this annexation request be formally placed on the agenda for next month's Board meeting, so the Board can discuss the petition.

CONSENT AGENDA:

Approval of Minutes

June 21, 2016: Board Meeting Minutes: VP Nancy Flikkema noted a spelling correction of the surname Lehrkind.

Motion: Treasurer Malloy moved to accept the June 21, 2016 minutes as amended; President Klumb seconded. ***Motion carried 3-0.***

Financial Report

GM Kundert provided the report, consisting of the Balance Sheet, P&L, Paid Bills Detail, and billings report. He advised the budget is not yet in place so tracking expenses to budget is difficult at this point, but expenses are generally in-line with expectations. He pointed out the major expenses in June were for repairs on pumps.

President Cory Klumb requested that the O&M report be removed from the consent agenda from future meetings, so more detailed discussion can occur. The O&M report may remain in the consent agenda for the current meeting.

O&M Report

- A new operator (Christine Maday) was hired with a start date of July 17, 2016, following interviews of 12 applicants.
- BioLynceus feed systems have been operating throughout the month in 3 lift stations. There are some changes to the influent color and settling characteristics so far.
- WWTP rotor system (VFDs) and process control equipment modifications are being installed, which should help reduce sludge hauling expenses and allow more efficient operation of the WWTP. Impellers for 3 WWTP influent pumps were installed to help regulate flow more efficiently, and a pump manufacturer has performed a warranty repair on one of the pumps.
- A ferric chloride feed system has been installed in the Galactic Park lift station to

help treatment of influent to the WWTP. Ferric is also still fed at the plant.

- Morrison Maierle will provide an estimate for design/replacement of the currently unreliable calcium hypochlorite system, which either needs to be re-built or replaced. Kevin stated the preference is to replace it with a sodium hypochlorite (liquid) feed system.
- Carbon filter for the headworks building at the WWTP has been ordered and is expected within 3-4 weeks. This will address odor issues at the plant.
- Two air injection pumps and diffusers have been ordered and are planned to be installed at the C1 and Galactic Park lift stations, to oxygenate the influent to the wastewater plant and reduce septicity of the influent.
- The Elk Grove drain field main lines have been located and repairs are planned for July/August.
- A car ran into one of the District's fire hydrants over the July 4 weekend. A back-up hydrant was used as a replacement, and the driver's insurance company will be paying for the replacement parts and labor. Kevin will push for the replacement of a complete unit.
- The transition agreement with Utility Solutions ended June 30, 2016. Trevor Campbell has offered to help on an hourly basis as needed.

MOTION: Treasurer Malloy moved to accept the consent agenda; VP Flikkema seconded. *The motion carried 3-0.*

BUSINESS ACTION ITEMS – For Board Action:

District Ordinance 2016-05 – 1st Reading of Stredwick Sewer-Only Petition for Annexation to the District

MOTION: VP Flikkema moved to accept the first reading of Ordinance 2016-05; Treasurer Malloy seconded. *Motion carried 3-0.*

The Commons/Journey Church is requesting annexation to the District without connection (allowing the YMCA to connect to both water and sewer on that property)

GM Kundert advised that Commons/Journey Church has an existing public water supply which they will continue to operate, and are requesting that the YMCA, being built on the property, be allowed to hook up to the District for water and sewer services, while allowing the Commons/Journey to remain on its own water and sewer system until such time as it needs to connect for service. Treasurer Terry Malloy stated his concerns over annexation requests that appear to be “cherry-picking” water or sewer services, while in-District customers cannot. He also expressed concern about providing water and wastewater services to new customers, without without accurate capacity data. He stated he would like to have the board either direct the GM, or pay consultants, to perform a capacity study to analyze current usage, future commitments, and remaining capacity. GM Kundert advised that he is working with Ron Edwards on an analysis. Susan Swimley stated that she is on the Board for the YMCA, and noted that the item on the agenda before the Board is a request from Journey Church to annex their property into the District, and provide the new YMCA with water and sewer service, without providing the same to Journey Church. She noted that if the Board makes the decision to not allow the annexation, the YMCA will need to ask for an out-of-district

service contract, changing the rate the YMCA will need pay for water and sewer services. She also commented that in the past the District has not required anyone who is annexing to do anything other than put in a written request, followed by a petition, and noted that District staff should be able to advise if capacity exists. She also noted that the property owners have already negotiated to purchase additional water from Utility Solutions, and they will be extending service lines over to the district, so there may be some engineering benefits to the annexation. There was some discussion on current capacity of the wastewater plant. Treasurer Malloy stated he thinks the District has a gut feel on capacity, but needs to have hard numbers before the Board can decide whether or not to allow people to annex. Ms. Swimley stated she agrees that the District needs an expansion plan, but if the District decides it cannot make any decisions on annexation without a study, this would be a change in District policy. VP Flikkema noted that the action before the Board is to indicate agreement with the request to annex, and the next step would be for the property owners to submit a petition to annex. Zach Lowe, who helped design the water system for Journey Church stated that the current water system is under capacity, but could not take on a facility the size of the YMCA.

MOTION: VP Flikkema moved provide Board agreement to the property annexing to the District, allowing the YMCA to connect to both water and sewer, while allowing Journey church to remain on its own systems; President Klumb seconded. **Motion carried 2-1**, with Treasurer Malloy opposed.

MOTION: Treasurer Malloy moved to direct GM Kundert to perform a capacity study for both water and wastewater, and present the results of the study to the Board in a timely manner. VP Flikkema seconded the motion. Discussion indicated that the GM would have discretion as to whether or not to hire paid consultants. **Motion carried 3-0.**

Vacant Board member position: Opportunity for individuals interested in filling vacant Board member position to address the Board

3 people interested in the open Board member position, with the term expiring in May 2018, were present at the meeting: Sarah Stahlberg, KC Barnhardt, and Jim Beck. President Klumb noted the District has never had the “privilege” of having more than one applicant. Each of the applicants presented their background to the Board:

- Sarah Stahlberg noted she is a CPA and owns her own business. She has worked in both public and private accounting. She has not served on boards but has worked on task forces on public accounting projects. She was born and raised in Kalispell. Most of her accounting experience is in the government/non-profit arena, with experience in audits and budgeting. She and her husband own property in Middle Creek.
- KC Barnhardt noted he lives in Middle Creek, and is a business owner; his family has owned Quality Roofing for over 40 years. He grew up in Bozeman, and would like to be a part of the team.
- Jim Beck noted he has lived in the area since 2000 and moved to Montana to raise a family. He owned a business for 25 years prior selling it to the high tech industry. He has worked as a consultant to technology firms, developing their capabilities to draw new business. He recently joined a firm which is heavily involved in water rights so he has a keen interest in water issues, and is interested in serving on the Board to help members of the community. He also lives in Middle Creek.

President Klumb then temporarily closed the public meeting to allow the Board, its GM,

and its engineer to enter into executive session, to discuss the candidates' qualifications.

At 7:31, President Klumb re-opened the public meeting.

MOTION: Treasurer Malloy moved to appoint Sarah Stahlberg to complete the open Board member position; VP Flikkema seconded. ***The motion carried 3-0.*** Treasurer Malloy noted that all candidates who presented themselves to the Board were qualified. The Board welcomed member Sarah Stahlberg to the table for the remainder of the meeting.

Proposal to increase District employee paid holiday benefit from 6 days to 10-day standard for County/State employees

GM Kundert noted that 10 days is standard for the County, and proposes that the District change its policy to 10 paid holidays. He noted that the plant is always covered during holidays. Discussion noted that the District must follow county standards.

MOTION: Member Stahlberg moved to approve the proposal; Treasurer Malloy seconded. ***Motion carried 4-0.***

Review Draft Budget for FY 2016/17

GM Kundert noted that the draft budget is not ready for Board review, and this item will be placed on the agenda for the next Board meeting.

OLD BUSINESS

Monforton School Contract Update

GM Kundert advised that the school still owes a large portion of the capacity charge, which needs to be approved by their Board. Once the payment is received the contract can be signed. He noted that the District has agreed to keep their rate at 17.8 EDU, until school resumes in August, at which time the EDU will be analyzed.

Website Update

GM Kundert advised that the website will be tested this month. Treasurer Malloy asked that Sarah Stahlberg be set up on the FCWSD email server within the next few days. Kevin also offered to help any Board members get set up on the FCWSD email.

NEW BUSINESS

New Developments and Subdivisions

GM Kundert noted that he and Morrison Maierle have asked the Lehrkind subdivision to provide a proposal of how much water is needed for their subdivision, which continues to grow.

Water & Sewer Connection Requests & Correspondence

There are several requests in process, including Northstar Commercial Phase 2 subdivisions, which is going from 1 EDU to 8.

General Correspondence

There have been 4 additional odor complaints from Elk Grove, which was discussed at the Elk Grove Board meeting. GM Kundert noted that all plant records are publically accessible, and the operations team is dedicated to resolving all issues.

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of July 19, 2016 at 8:02 p.m.

A handwritten signature in black ink, appearing to read "Maralee Parsons". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Maralee Parsons
Secretary