

## **FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, March 19, 2019**

### **Call to Order**

In the absence of the President, V.P. Nancy Flikkema called the regular meeting of the Four Corners Water and Sewer District to order at 6:30 pm on Tuesday, March 19, 2019, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Board Members present: Vice President Nancy Flikkema, Member Heather West, member Phillip George, and member Peter Thatcher.

Staff/Public: Marty Gagnon representing MMI; Maralee Parsons, Secretary; Amy Ellingson, Larry Powers, Terry Threlkeld, John Hunziker.

### **Approval of Minutes**

February 19, 2019 Board Meeting:

One correction was noted on page 1 under “North of Kennedy” discussion, change “VRU” to “EDU”.

**Motion:** Member Heather West moved to approve the minutes as corrected; member Peter Thatcher seconded. *The minutes were approved 4-0.*

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

None were raised.

## **GENERAL BUSINESS**

### **2<sup>nd</sup> Reading of APK additional 2 lots 2019-01**

It was again explained that Ordinance 2019-01, “Ordinance Correcting the Accepting of the Petition of APK, LLC for Annexation into the Four Corners Water and Sewer District, Modifying Ordinance 2015-07”, serves to add 2 lots which were omitted from Ordinance 2015-07.

**Motion:** Member Phil George moved to accept the 2<sup>nd</sup> reading of Ordinance 2019-01; Member Peter Thatcher seconded. There was no Board discussion and no public comment. *The motion carried 4-0.*

### **2<sup>nd</sup> Reading of Thrift store – sewer only 2019-02**

Ordinance 2019-02, “Ordinance Accepting the Annexation petition of Segmiller Enterprises LLP, 7715 Shedhorn Drive, Bozeman, MT 59718 (Thrift Store) for Annexation into the Four Corners Water and Sewer District – For annexation sewer only”.

**Motion:** Member Phil George moved to accept the 2<sup>nd</sup> Reading of Ordinance 2019-02; Member Peter Thatcher seconded. There was no Board discussion and no public comment. *The motion carried 4-0.*

### **2<sup>nd</sup> reading of Jackrabbit Project 2019-03**

Ordinance 2019-03, “Ordinance Accepting the Annexation Petition of Cayman Holdings

LLC, Tract 2 COS 1745 Also Known as Your Space Storage Bozeman, MT 59718 Annexation into the Four Corners Water & Sewer District.”

**Motion:** Member Phil George moved to accept the 2<sup>nd</sup> reading of Ordinance 2019-03; Member Heather West seconded. There was no Board discussion and no public comment. *The motion carried 4-0.*

### **1<sup>st</sup> reading of Ordinance North of Kennedy 2019-05**

Ordinance 2019-05, “Ordinance Accepting the Annexation Petition of Niles Huska Living Trust, 2543 Jackrabbit Lane Bozeman, MT. Annexation Into the Four Corners Water & Sewer District”. The project was described to the Board at the February 19, 2019 Board meeting.

**Motion:** Member Phil George moved to accept the 1<sup>st</sup> reading of Ordinance 2019-05; member Heather West seconded. There was no Board discussion and no public comment. *The motion carried 4-0.*

### **Resolution for STE on apartments and rentals 2019-04**

Phil George explained that the resolution will enable the District to apply the enacted Special Assessment Equalization Rate to all properties annexed into the District upon which apartments, store fronts, and stand-alone businesses which are occupied by more than one tenant. It was noted that this only applies to properties annexed from this point forward, so no current customers will be affected. It was also noted that District council Susan Swimley has reviewed and approved the Resolution.

**Motion:** Member Phil George moved to approve Resolution 2019-04; member Peter Thatcher seconded. There was no further Board discussion and no public comment. *The motion carried 4-0.*

### **Performance Bonds discussion and vote**

Phil George proposed an update to the District’s Rules & Regulations (a change in policy) which adds clauses on “Performance Surety, Insurance and Warranty” for the infrastructure built in subdivisions which is anticipated to connect to the District’s wastewater and water systems. He noted that the District recently discovered that a subcontractor had installed infrastructure which does not meet minimum requirements of the State of Montana, and the only recourse is for legal action. The proposed change in policy states that all developers will be required to provide the District with a performance guarantee in the form of a performance bond, or in the form of a CD, certified check or irrevocable Letter of Credit, at the District’s discretion as to acceptable form. In addition, the policy change includes insurance and warranty requirements, and a Bill of Sale clause describing the transfer of the infrastructure. Board comment noted that this will avoid future legal problems for the District, but it was requested that the Board be allowed more time to review the proposed policy changes. Board vote was deferred until the April Board meeting.

### **Engineer’s report**

Marty Gagnon provided the report. He advised that the engineers are working with the District and Mike Stewart on the project for Gallatin Heights to extend water and sewer to the east side of Jackrabbit Lane on Baxter. There is a development in the works that

wants to connect. He is also working with the District's water rights attorney on sorting out District water rights and the separation of water rights from Utility Solutions. They have completed the final specs for the Water Reclamation Facility (WRF) and have addressed the comments received from MDEQ. The Environmental Assessment for the WRF has gone out for advertisement to meet the 30-day advertisement and public comment period.

### Monthly Operations & Maintenance Report

Larry Powers provided the report:

- New motor control center, pipe and fittings have been delivered for the Zoot upgrade (came in about 6 weeks early)
- The District has received a quote for the work which is required at the Baxter and Love round-about, and is working with AM Wells, the group which was awarded the contract by the state.
- Hydrant repair on Monforton has been completed after being hit by a county snow plow.
- The first stage of the sludge de-watering equipment for the Elk Grove WWTP has been purchased.

As a follow-up to a comment at the February Board meeting regarding leaking at the Elk Grove plant, Larry advised that repair work was done about 3 years ago which fixed about 90% of what was leaking. It was noted that the area is shady, and mold/moss will grow on the outside of the tanks when moisture is present. He noted that additional repairs will occur this year, and they will also be setting up a routine maintenance program which should resolve the issue.

### Monthly Financial Report

Amy Ellingson provided the General Administrative report:

- An ad has been placed for the District's 5<sup>th</sup> operator.
- Employee annual reviews have been completed.
- The Board was asked to review and provide feedback on the proposed public awareness mailer for the new WRF.
- Vacuum Trailer and Jetter: Board approval is requested for the purchase of this equipment, which will enable the District to perform maintenance activities, rather than subcontracting out the work. A 4-year financing option is available for \$2400/month (4.5% interest).

**Motion:** Member Peter Thatcher moved to approve the acquisition of a jetter trailer and vacuum trailer. Member Heather West seconded the motion. There was no further Board discussion and no public comment. *The motion carried 4-0.*

Phil George reviewed the monthly financial reports:

Water: Revenue is about \$100K over budget and expenses are slightly under budget. The new garage at Booster has added about \$50K to capital expenses.

Sewer: Revenue is about \$130K over budget, noting that the newly implemented overage charges are starting to hit revenue. Expenses are slightly under budget, although it was noted that increased sludge hauling expenses are contributing to most of the expenses. It was noted that the lift station upgrade and lift station bypass have

not started but will likely begin this fiscal year due to urgency.

Shared Expenses: (550) Professional Services is over budget due to higher legal expenses and GM expenses, but overall the expenses are under budget

**New Facility**

Marty Gagnon reviewed a chart indicating historical and projected impacts to the annual special assessment per parcel, using conservative projections based on known growth in the District. He is working with the District's bond council and holding monthly meetings with the State. He anticipates the construction bid to be completed by mid-May 2019, with construction commencing soon after that.

**Board Member Topics**

None were raised.

**Adjourn**

There being no further business before the Board, the Four Corners Water & Sewer District meeting of March 19, 2019 adjourned at 7:35 p.m.



Maralee Parsons  
Secretary