



Board Meeting Agenda for Tuesday, June 15, 2021 @ 6:30 pm

Four Corners Water & Sewer District Office, 495 Quail Run Road,

Bozeman, MT, 59718 VIA ZOOM

If you would like to attend the meeting via Zoom, please call

406-585-4166 for the Zoom ID.

Regular Monthly Meeting

- 1) Call to Order
- 2) Approval of Draft Meeting Minutes from May 18, 2021
- 3) Public Comment: Non-Agenda Items- Time Limit on public comment 5 minutes

I. General Business

- 1) Ordinance 2021-08- Brooks/Lennon- Second Reading
- 2) Ordinance 2021-09- Childre- Second Reading
- 3) Ordinance 2021-10- Bill & Tidd's Excellent LLC - First Reading
- 4) 2021-2022- Budget Approval Resolution 2021-08
- 5) Bond Discussion/Possible Resolutions
- 6) Capitol Improvement Plan-Discussion
- 7) Monthly Operation & Maintenance Report
- 8) Monthly Financial Report
- 9) General Manager Topics
- 10) Board Member Topics

II. Next Meeting Date – Tuesday August 17, 2021

III. Adjourn Meeting

**FOUR CORNERS WATER AND SEWER DISTRICT MINUTES
REGULAR MEETING, May 18, 2021**

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, May 18, 2021, at the office of the Four Corners Water & Sewer District at 495 Quail Run Road, Bozeman, Montana.

Board Members present: President Cory Klumb, member Bob Thelen, member Brad Early, member Nancy Flikkema

Staff/Public present (including those via Zoom): Phil George from FCWSD; Amy Ellingson from FCWSD; Brad Hammerquist; Marty Gannon; Jim Dolan; Matt Menge; and Libby Kueneke, Secretary

Approval of Minutes

April 20, 2021 Board Meeting

Motion: Member Brad moved to approve the minutes as written. Member Nancy Flikkema seconded. No public comment. The minutes were approved 3-0.

Public Comment on Non-Agenda Items:

Jim Dolan asked where resolutions can be accessed on the website. Motions are posted on the website after they are approved. Jim Dolan requested motions be posted on the website in advance so the public can intelligently comment at monthly meetings. The GM will take care of the request.

GENERAL BUSINESS

Ordinance 2021-06 3 Peaks LLC – 2nd Reading

Ordinance 2021-06: An Ordinance Accepting the Annexation Petition of Chad Larson for annexation into the Four Corners Water and Sewer District

The property is located west of Gallatin Heights on Valley Center. The petition is for 215 EDUs at this phase. Phil recommends approval.

Motion: Member Brad Early moved to pass the second reading of Ordinance 2021-06; member Nancy seconded. No public comment. Motion passed 3-0.

Ordinance 2021-07 Phoenix Rising Commercial, LLC– 2nd Reading

Ordinance 2021-07: An Ordinance Accepting the Annexation Petition of Phoenix Rising Commercial, LLC for annexation into the Four Corners Water and Sewer District

The property is located at the corner of Cobb Hill and Huffine. The petition is for 2 EDUs. The company carries the obligation to go under Huffine for sewer and water services. Phil recommends approval.

Motion: Member Nancy Flikkema moved to pass the second reading of Ordinance 2021-07; member Brad Early seconded. No public comment. Motion passed 4-0.

Ordinance 2021-08 Brooks/Lennon – 1st Reading

Ordinance 2021-08: An Ordinance Accepting the Annexation Petition of Andrew & Mandy Brooks and Matthew & Brindley Lennon for annexation into the Four Corners Water and Sewer District

This property is located on Valley Center east of Jackrabbit. The petition is for 1 EDU for a storage lockup location. They will gravity feed to a sewer system installed by Town Pump. Phil recommends approval.

Motion: Member Nancy Flikkema moved to pass the second reading of Ordinance 2021-08; member Bob Thelen seconded. No public comment. Motion passed 4-0.

Ordinance 2021-09 Childre – 1st Reading

Ordinance 2021-09: An Ordinance Accepting the Annexation Petition of James & Erin Childre for annexation into the Four Corners Water and Sewer District

This property is located in the Coolwater minor subdivision off of Monforton School Rd. The petition is for 1.5 EDU of sewer only. Adding an apartment over the garage requires the .5 EDU. Issuing .5 EDUs is standard practice for studio apartments when added to a parcel. Phil recommends approval.

Motion: Member Bob Thelen moved to approve Resolution 2021-09; member Nancy Flikkema seconded. No public comment. Motion passed 4-0.

Resolution 2021-06: Water & Sewer Capacity Fee's Increase

Resolution 2021-06: A Resolution of the Four Corners County Water and Sewer to increase the water capacity fee per EDU to \$3,500 and sewer capacity fee per EDU to \$10,500 effective October 1, 2021.

This resolution, discussed in April, was put forth for further comment. This ordinance raises sewer capacity fees, not the rate, per EDU from \$12,000 to \$14,000. Those who annex and sign a water service contract before October 1 access savings. Guarantees will be given once SBR 3&4 is complete.

Motion: Member Brad Early moved to approve Resolution 2021-06; president Cory Klumb seconded. No public comment. Motion passed 4-0.

Resolution 2021-07: Increase of Infrastructure Equalization Fee

Resolution 2021-07: A Resolution of the Four Corners County Water and Sewer to increase the Infrastructure Equalization fee for annexed properties post-purchased connecting into the established water and sewer system to \$3000 per EDU effective October 1, 2021.

This resolution raises the infrastructure fee charged for each new EDU from \$2000 to \$3000. It doesn't affect those already annexed in the district, as they have been paying taxes, as stated by "annexed properties post purchased connecting". Though the board notes the language may be unclear, since it has been effective and in place, the board is comfortable with maintaining the same language.

Motion: Member Nancy Flikkema moved to approve Resolution 2021-07; member Bob Thelen seconded. No public comment. Motion passed 4-0.

2021-2022 Draft Budget

Phil George provided the report.

- The major increase is personal employee expenses, including an additional hire, summer hire, wages due to salary, and insurance increases. The GM's contract, Marty Gagnon's contract for administration help, and 4 simultaneous legal activities are keeping professional services high.
- The proposed 21-22 water budget has a modest increase in income while expenses stay the same. The finance subcommittee agreed to go up to \$60,000/month for the water revenue bond payoff, dropping the operating reserves to \$75,000. The income may be understated depending on irrigation rates that recently changed.

- The proposed 21-22 sewer budget maintains a conservative income. The 20-21 operating expenses have been impacted because the WRF wasn't on until December. The timeline for getting SBR 2 operational and rehabbing Elk Grove is tentative, and related auxiliary expenses may arise, which will impact 20-21 expense. Ample funds are set aside for the operating reserve. The subcommittee has not yet reached an approach on early payment of the Revenue Bond.
- The operating revenue proposed for water is \$75,600. Without putting more money toward the Revenue Bond, the operating revenue proposed for sewer is \$428,400.
- \$60,000 in vehicle expenses reflects the newly added vehicle. – Removed a whole sentence
- This budget is a draft to be voted on at a future meeting.
- SBR 3 & 4 has commenced through engineering with \$6.5M as a placeholder. The \$1.5M will replace the whole water booster in Elk Grove. Both the water booster and WWP rehab adhere to engineering's recommendations. The GM is getting a bid for a new SCADA security system. All 5 projects will be applied through ARPA for matching funds. If the district doesn't receive matching funds, the GM will not recommend this many projects.
- The engineering team is writing PERs and helping with submittals. They have people attending the Montana Rural Waters conference with a session from the state to gain updated information and report back to the GM. Jane Gallette is helping attain matching funds, as a source from the county level to gain entry into the process.
- The board recommended meeting with different county commissioners, and contacting local or state representatives at the appropriate time. Removed a whole sentence The first submission is due July 15th to the state. The GM will be working on the submission to the county over the next few weeks.

Capacity Forecast

Brad Hammerquist provided the report.

Sewer flows have increased steadily since 2004. For the next few years an increase in growth rate is anticipated due to multi family units planned for development. An estimated 220 houses will be connected per year for the next two years. The uncertainty of the building market capacity creates the need for three scenarios of various levels of increase. Removed a whole sentence The engineer team recommends the district not reach their capacity on their permitted 1.5M GPD. Adding SBR 3 and 4 would prepare the district for top growth through 2032.

Bond Discussion/Possible Resolutions

When the bond refinance proposal comes through, it will be sent to the subcommittee to present to the board. The GM has spoken to the council and is looking at a special assessment bond of \$27M and a revenue bond of \$6.78M.

Monthly Operations and Maintenance Report

Phil George offered the report.

- Phase 1 of WRF is nearly completed. Phase 2 of SBR is 80% complete. The GM is dedicated to addressing odor complaints due to the WRF. They have visited residential properties within the district and in neighboring areas to investigate needs. The subcontractor that installed the odor control system is addressing deficiencies. One property owner has requested FCWSD purchase his property due to odor. The wind circles and comes from multiple directions, but complaints are primarily from the south west. A fan has been adjusted to pull out air, crystal filter bags have been added, an enclosure has been contracted to be built around the fan, and a berm populated with self-sufficient perennials and trees will be established along the ditch. A log book has every complaint documented. Those who request call backs receive them. Removed a whole sentence.

- RI Basin 4 is nearly completed and Basin 5 is started in construction. They should be completed by July 1. Two substantial water leaks have been remediated.

General Admin Activities and Issues:

Amy Ellingson provided the report.

- Will do maintenance to an existing truck. A fleet truck is expected to arrive by June 30.
- Has hired 2 employees. Removed a whole sentence
- Plans to reopen the office to the public June 1. Both the GM and Office Administrator are fully vaccinated and will keep masks and sanitizer available. After considering procedures for city and county offices, the board decided to open meetings to the public with an option for the public to join in person or via zoom. Removed a whole sentence
- The road in front of the WRF has been graded. The parking lot inside the gated area will be paved on May 24th.
- Actively looking for another board member due to Peter's resignation.
- For the current stip money, the bond reserves continue to gain, water has increased to \$1.8M, and sewer has increased to \$3.5M. Removed a whole sentence
- For personal expenses, board members are running under budget. Office expenses are over budget as they've been in the past; the office expenses budget has been increased for next year. Vehicle Expenses will increase by about \$7K once the first payment is made on the new fleet vehicle. The professional services budget is anticipating payment. The Other Expenses category is over budget; with balloon payment coming, it should even out except for \$14K due to the new insurance on the WRF. \$14K for insurance has been added to next years' budget.
- Water has higher than expected revenue. System Operating Expenses are slightly over budget due to repair and maintenance projects. Water is under budget overall.
- Sewer has higher than expected revenue. System Operating Expenses are slightly over budget due to hauling expenses. Repairs and maintenance are lower than expected due to focus on the WRF. Sewer is under budget overall.
- There are 58.5 EDUs as a remainder for sale at the current capacity, including all of the May meeting's ordinances, but not the infill.

General Manager Topics

The GM is focused on securing matching funds from the state and county

Board Member Topics

No board member topics.

Public Comment:

Jim Dolan expressed interest in joining the board. The board has been in contact with a homeowner from Gallatin Heights.

Next Meeting Date: Tuesday, April 20, 2021

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of May 18, 2021 adjourned at 7:35 p.m.

Libby Kueneke, Secretary

Ordinance 2021-08

ORDINANCE ACCEPTING THE ANNEXATION PETITION OF ANDREW & MANDY BROOKS AND MATTHEW & BRINDEY LENNON FOR ANNEXATION INTO THE FOUR CORNERS WATER & SEWER DISTRICT

WHEREAS, ANDREW & MANDY BROOKS, TRUSTEES OF THE SWEET SUCCESS TRUST DATED NOVEMBER 28, 2012 AND MATTHEW & BRINDEY LENNON, submitted a petition, signed, for annexation of 387 E VALLEY CENTER ROAD, BOZEMAN, MT 59718, being described as the Tract being located in the SE & SW Quarter of Section 24, T1S, R4E, P.M.M Gallatin County Montana collectively being approximately 3.84 acres in size (collectively "Property") requested that the Property be annexed into the Four Corners County Water and Sewer District to connect to water and wastewater services; and

WHEREAS, the Property is contiguous to the District boundary; and

WHEREAS, on April 20, 2021 at a duly noticed meeting of the Board of Directors, the Board considered the Petition to annex the Property and determined the Property was contiguous and further determined that the systems have capacity to provide service; and

WHEREAS, ANDREW & MANDY BROOKS AND MATTHEW & BRINDEY LENNON will provide evidence of purchased of water rights to serve the Property need to be provided for 1 EDU (160 gpd total) and have agree to pay the water and wastewater fee per EDU to the District; and

WHEREAS, the Property will need to provide its own irrigation water.


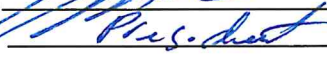
NOW THEREFORE, be it ordained by the board of directors of the Four Corners County Water and Sewer District Board, by passage of this ordinance, the District does agree to annex the Property, described above, into the District after transfer of water rights & payment of fees water and sewer service for 1EDUs (160 gpd total).

Landowners/petitioners acknowledge that should additional structures which utilized water and/or sewer on the Property seek service, the District makes no representation that the District will have sufficient water or sewer capacity to service future structures.

ADOPTED by the Board of Directors of the Four Corners County Water and Sewer District after first reading on May 18, 2021 with a vote of 4 in favor and 0 against and second reading on _____, 2021 with a vote of ___ in favor and ___ against. This Ordinance shall be in effect 30 days after the date of the second reading.

1st Read and approved:
Dated: May 18, 2021

Four Corners County Water and
Sewer District

By: 
Its: 

Attested:

Secretary

2nd Read and approved:
Dated: _____, 20__

Four Corners County Water and
Sewer District

By: _____
Its: _____

Attested:

Secretary

Ordinance 2021-09

ORDINANCE ACCEPTING THE ANNEXATION PETITION OF JAMES & ERIN CHILDRE, 545 NORTH LAUREL PARKWAY, BOZEMAN MT 59718, FOR ANNEXATION SEWER ONLY

WHEREAS, JAMES & ERIN CHILDRE submitted a petition for annexation of a parcel of land described in Tract 5B of Tract 12 Minor Subdivision #520, in Gallatin County, Montana. A tract of land located in the NW ¼ of Section 12, Township 2 South, Range 4 East P.M.M. hereinafter also referred to as "Property" requesting that the Property be annexed into the Four Corners County Water and Sewer District to connect to *sewer service only*; and

WHEREAS, the property is contiguous to the District boundary; and

WHEREAS, on April 20, 2021 at a duly noticed meeting of the Board of Directors, the Board considered the Petition to annex the Property as contiguous property and determined that the systems will have sufficient future capacity to provide service to the Property.

WHEREAS, the JAMES & ERIN CHILDRE agrees to pay the sewer capacity fee for one and a half (1.5) Equivalent Dwelling Units ("EDUs"), with an EDU equal to a maximum daily flow of 240 gallons a day and average daily flow of 240 gallons per day per EDU. The District shall not provide sewer service in excess of the capacity provided herein.

NOW THEREFORE, the Board by passage of this ordinance does agree to annex the Property described as Tract 5B of Tract 12 Minor Subdivision #520, in Gallatin County, Montana. A tract of land located in the NW ¼ of Section 12, Township 2 South, Range 4 East P.M.M into the District to provide sewer service to the Property not to exceed equal to a maximum daily flow of 240 gallons a day and average daily flow of 240 gallons per day per EDU.

ADOPTED by the Board of Directors of the Four Corners County Water and Sewer District after first reading on May 18, 2021 with a vote of 4 in favor and 0 against and second reading on June _____, 2021 with a vote of ___ in favor and ___ against. This Ordinance shall be in effect 30 days after the date of the second reading.

1st Read and approved:
Dated: May 18, 2021

Four Corner's County Water and Sewer District

Its: President

Attested: _____
Secretary

2nd Read and approved:
Dated: _____, 2021

Four Corner's County Water and Sewer District

Its: _____

Attested: _____
Secretary



FOUR CORNERS

Water & Sewer District

	Budget 20-21	Projected Actual	Proposed
- Water Income	1565	1650	1750
- Sewer Income	1500	1658	1725
Water			
- Op Expenses	250	241	250
- Short Term Asset Rev	68.4	68.4	68.4
- Rev Bond	456	546	720
- Shared Expenses	551	558	665
Total	1325.4	1413.4	1708.4
Operating Revenue			
- Water	239.6	236.6	41.6
Sewer			
- Op Expenses	425	293	425
- Rev Bond	204.6	204.6	204.6
- Short Term Asst Rev	36	36	36
- Shared Expenses	551	558	665
Total	1216.6	1091.6	1330.6
Operating Revenue			
- Sewer	283.4	561.4	394.4



General Admin Expenses

	Budget 20-21	Projected Actual	Proposed
- Board	12	11	12
- Personal Expenses	694	685	850
- Office Admin	48	65	60
- Vehicle Expenses	52	45	60
- Professional Services	240	240	268
- Other Expenses	56	81	80
Total	1102	1116	1330

- **Additional Hire**
- **Summer Help**
- **IT/Security**



	Budget 20-21	Projected Actual	Proposed
Water			
- Income	1565	1650	1750
Expenses			
- Operating	170	165	180
- Repairs/Maintenance	70	72	70
- Professional Services	10	5	5
Sub Total	250	242	255
- Short Term Assets Rev	68.4	68.4	68.4
- Rev Bond	456	546	720
- Shared Expenses	551	558	665
Total	1325.4	1413.4	1708.4
Operating Reserve	239	236.6	41.6
Revenue			
-Increase in a Bond Payment			



	Budget 20-21	Projected Actual	Proposed
Sewer			
- Income	1500	1653	1725
Expenses			
- Operating	325	254	325
- Repairs/Maintenance	95	39	95
- Professional Services	5	0	5
Sub Total	425	293	425
- Short Term Assets Rev	36	36	36
- Rev Bond	204.6	204.6	204.6
- Shared Expenses	551	558	665
Total	1216.6	1091.6	1330.6
Operating Reserve	283.4	561.4	394.4

- SBR 2 online September 2021
- Elk Grove Rehab October – June 2022
- Revenue Bond Payment maybe increased

RESOLUTION 2021-08

A Resolution of the Four Corner County Water and Sewer District to Approve 2021-2022 Budget.

RECITALS

WHEREAS, the Four Corners County Water and Sewer District (“District”) is a county water and sewer district duly established in 2003;

WHEREAS, the District was presented a Draft Budget on May 18, 2021;

WHEREAS, with no changes to the Draft Budget, the board moves to approve the 2021-2022 Budget as is attached;

NOW THEREFORE, the Four Corners County Water and Sewer Approves the 2021-2022 Budget.

Dated this __ day of June 2021.

Cory Klumb, President

ATTESTED:

Libby Kueneke , Secretary



Operation & Maintenance Report. June 15, 2021

1. The Rapid Infiltration Phase 1 improvements are complete and in service, Phase 2 is 80% complete.
2. A lightening strike on a power pole near the WRF ruined several electronic components at the C1 lift station. The lift station is operable and replacement parts are on order.
3. SBR Phase 2 construction is slated to be finished by the first of August.



June 15, 2021

General Administration Actives and Issues:

1. New Employees- Both started
2. Paving at parking lot at WRF end of June
3. Summertime Maintenance is underway
4. Employee Annual Investment Meeting
5. Wolfguard It Security Meeting
6. Safety Inspection
7. Settled with SCS- WRF Contractor

Current Stip

Bond \$780,068

Water \$ 2,068,161

Sewer \$ 4,226,148



Month End YTD Budget vs. Actual

May 2021

Shared Expenses

	<u>May 2021</u>	<u>Budget</u>
Income/Expense		
Expense		
500-Shared General Admin Expenses		
510- Board Members	2,608	11,000
520- Personnel Expenses	627,339	636,163
530- Office Expenses	60,238	44,000
540- Vehicle Expenses	30,651	47,663
550- Professional Services (Shared)	191,759	220,000
560- Other Expenses (Shared)	63,484	51,326
Total	976,079	1,010,152

We have now taken on the insurance for the WRF, the 560 category will grow by about 14K



Month End YTD Budget vs. Actual

May 2021

Water

	<u>May 2021</u>	<u>Budget</u>
Income/Expense		
Income		
400- Operating Revenues		
410- Water Revenues	1,464,369	1,434,587
Expense		
600- Water O&M Expenses		
610- System Operating Exp (Water)	175,846	155,837
620- Repairs/ Maintenance Expenses	55,471	64,163
630- Professional Services (Water)	2,399	9,163
Total 600- Water O&M Expenses	233,716	229,163
Half of Shared Expenses	488,039	505,076
Total Expenses	721,755	734,239

* Revenue Bond yearly payment \$268,560



Month End YTD Budget vs. Actual

May 2021

Sewer

	<u>May 2021</u>	<u>Budget</u>
Income/Expense		
Income		
400- Operating Revenues		
420- Sewer Revenues	1,414,260	1,375,000
Expense		
700- Sewer O&M Expenses		
710- System Operating Exp (Sewer)	245,824	270,830
720- Repairs/ Maintenance Expenses	39,981	79,170
730- Professional Services (Sewer)	706	4,170
Total 700- Sewer O&M Expenses	286,511	354,170
Half of Shared Expenses	488,039	505,076
Total Expenses	774,550	859,246

* Revenue Bond yearly payment \$204,536