

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, August 15, 2017

Call to Order

Vice President Nancy Flikkema called the regular meeting of the Four Corners Water and Sewer District to order at 6:36 pm on Tuesday, August 15, 2017, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

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

Staff/Public: GM Kevin Kundert, Marty Gagnon representing MMI; Susan Swimley, Attorney; Maralee Parsons, Secretary; Dee Lehfeldt, Thomas Kallenbach, Tervor Smith, Jerry Ritter, Carson Monson, Karl Cook.

Approval of Minutes

July 18, 2017 Board Meeting:

Motion: Member Phil George moved to approve the minutes as written; member Heather West seconded. ***The motion carried 3-0.***

August 1, 2017 Board Meeting:

Motion: Member Phil George moved to approve the minutes as written; member Heather West seconded. ***The motion carried 3-0.***

Public Participation on Non-Agenda Items:

None were raised.

GENERAL BUSINESS

Korner Klub connection Request for 5 EDU Capacity

Jerry Ritter advised that he has been working with engineer Marty Gagnon on the best plan for a sewer hook-up for the Korner Klub. The connection will need to come across Highway 191, and he stated that he is willing pay for the necessary work since his business is under duress, and he wants to come up with the best solution for his business and also for the District. Mr. Gagnon advised that they still need written permission from MDT. He is requesting sewer only, as he has his own public water supply. He stated that extending a gravity main is not financially feasible, and noted most of the area is already developed so not a lot of properties are likely to connect. At this point a low-pressure sewer system is being conceptualized, and he noted other property owners in the area could connect to it, should their sewer systems fail, or should property uses change. Mr. Ritter advised he has a meter on his water system, and will provide the monthly usage reports to the District. Board comment noted this is a special situation where sewer only is appropriate, since water is not needed, and it is an emergency for the business. Mr. Gagnon noted that if the Board will provide an ok for a sewer-only hook-up for 5 EDU's, the next step will be to get MDT approval, and then apply for annexation into the District for sewer only. The Board indicated they support the request for sewer only.

Lehfeldt Residence (Monforton School Road) Connection Request for 1 EDU Capacity

GM Kundert advised that the property in question is not currently in the District but is within the minimum distance to be required to ask the District for connection. The

property owner stated she is building an additional house on the property, and does have room to install her own well and sewer, but would prefer to hook-up to the District. Board discussion focused on the limited capacity remaining for additional sewer connections prior to the WWTP expansion.

Motion: Member Phil George moved to recommend the property owner petition for annexation to the District, which will then provide her with 1 EDU water/sewer service. Member Heather West seconded. *The motion carried 3-0.*

TTJR, LLC Connection Request for 2 Commercial Condo Buildings at 6 EDU each on Rainbow Lots 161-166 – Need Additional 10 EDU Capacity

GM Kundert advised that this in-District project includes 2 buildings, 6 units each, and clarified that these are actually residential condos (not commercial). The units contain living quarters upstairs and garages with toilet downstairs. The owner is still trying to obtain proof of the 2 EDU's (1 for each building) that were previously purchased from Utility Solutions. It was noted that each unit will be a taxable unit, and is in an area that the District desires to have connect to the District's systems. Board discussion focused primarily on the limited capacity remaining for additional sewer connections prior to the WWTP expansion, and the developments expected to come on-line soon.

Motion: Member Phil George moved to approve the request for 5 additional EDU units for 2 buildings. Member Heather West seconded. The motion carried 3-0.

Deliverable: The Board directed GM Kundert to develop an in-depth study with a timeline for a hard shut-off of requests for EDU, prior to the WWTP expansion. Mr. Kundert noted he is working on a report of committed capacity, and will provide this at the next meeting.

Elk Grove Discussion/Update

District council Susan Swimley advised that she received a letter from an attorney representing Elk Grove Development Company, Inc., alleging that the 2003 covenants attached to the deed between Concinnity and Utility Solutions are valid and effective. Her office is preparing a response, and she will provide the Board with the Elk Grove letter along with her office's response. She noted the Elk Grove attorney also sent a letter to DNRC alleging that the change of water right for Elk Grove violated the covenants. Ms. Swimley asked GM Kundert to appoint a 2-member sub-committee of the Board to assist with next steps. She also noted that she has not seen any correspondence from Elk Grove as to their intent to annex or not annex to the District. She further noted that some PSC rate analysts will be meeting with Brad Hammerquist from M-M to clarify questions on the District's presentation to Elk Grove.

Draft Policy for Irrigation Wells on Commercial Properties in the District

GM Kundert presented a draft of the proposed change in policy for irrigation wells, which provides for large commercial lots (2 acres or larger) to be eligible for an irrigation well exemption, with the written approval of the GM. Irrigation wells must be independent of District potable water systems and may only be used for irrigation purposes, to avoid cross-contamination. An Administrative fee of \$150 and an inspection fee of \$150 would be assessed. Board comment indicated they would like the policy to build in an annual inspection process with an annual inspection fee. It was noted that DNRC does not currently require a meter be placed on irrigation wells, and that Utility Solutions is not providing irrigation water for new developments.

Motion: Member Phil George moved to accept the proposed policy changes with the addition of the District's right to inspect annually with an annual inspection fee of \$150, and direct GM Kundert to redraft the policy in ordinance form. Member Heather West seconded the motion. Public comment came from Carson Monson from Wild Fire Defense Systems, who stated he supports the proposed policy and would like to see it implemented. He stated he appreciates alleviating larger commercial lots from having to petition for an irrigation well each time, but noted his parcel is just under the 2 acre minimum, so will likely petition for an exception. There was no further Board discussion.

The motion carried 3-0.

Lot 267 Middle Creek Parklands Phase I Subdivision – Irrigation Well Request

Board discussion and decision was deferred as V.P. Nancy Flikkema disclosed she has a conflict of interest and must abstain from voting, leaving less than a quorum to vote on the matter.

Pricing Options for Fire Suppression Lines/Hydrant Access

GM Kundert presented 7 pricing options for fire suppression, based on the total number of lots. District Resolution 2011-01 dictates the District's current policy, with a flat rate of \$2800/lot (\$375 admin & \$2500 water capacity), with water used billed at \$10/1000 gallons. Options presented reduce the admin fee and/or capacity fee, based on the number of lots. Board discussion focused on concern that the District would not own the infrastructure being built. Marty Gagnon suggested that in order to ensure the water supply is not misappropriated, the District should own the infrastructure, with some sort of a payback agreement. The Board indicated their desire to have the infrastructure owned by the District. The Board also indicated general agreement that a discount for volume could be implemented. It was suggested and agreed by the Board that the discussion be tabled to consider the proposal, and resume discussion with a full Board present.

Engineer's Report

Marty Gagnon provided the report. He stated that the engineering team is reviewing and fine-tuning the cost estimates from the August 1 presentation and "option C" chosen by the Board. Next steps are to meet with District bond council, and also start a public education program. It was noted that the Board had agreed to hire a PR firm, and he will get in contact with them. He noted the schedule has slipped and a fall 2017 bond election is probably not likely, but could happen just after the first of the year.

Monthly Water Usage & Financial Report

The Board reviewed the monthly reports. GM Kundert advised that expenses are in line with revenue, and the budget will appear on next month's reports. He also advised that on-line payments are ready, and will go-live once the revised website goes live, which should be in the next week or so.

Monthly Operations & Maintenance Report

GM Kundert provided the report:

- The mixer in the WWTP influent vault has been replaced with a non-aerating mixer, and a VFD was also installed to allow control of the mixer motor speed. The removed mixer has been installed in digester #3 to replace the unit that failed.
- Morrison-Maierle has provided the specs for the digester aeration modifications,

which will be used to solicit bids for the materials, and the FCCWSD staff shall complete most of the installation work.

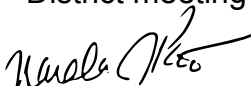
- The pH control pilot system continues to show good results and potential improvements to the Valley Center lift station are being discussed to prepare for winter operations.
- EG Well #3 developed an issue with the overload relay on the contactor (starter) and has been replaced with a solid-state amperage adjustable relay and is working well.
- EG booster station communication problem is being investigated by Dennis Burgard (MET) and options are being discussed.
- Baxter Lane lift station experienced a PLC (programmable logic controller) fault but operations have been restored. A quote to update the PLC's to a newer version is underway.
- Replacement UPS units are on order for all stations which supply power to the PLC and radios in the event of a power failure.
- Switches have been installed on the WWTP headworks building lights except for the light on the west side of the building, which will come on at dusk for safety purposes.
- Wastewater collection system maintenance is underway including cleaning (jetting) and TV inspection. A large infiltration issue was discovered (estimate 25K to 35K gallons a day) and the team has worked with the homeowner to correct the problem and stop the flow. One other minor potential infiltration point has been detected in block 3 North Star, and additional TV inspection of block 5 North Star will be performed to investigate other potential minor infiltration points.
- One of the waste sludge pumps at the WWTP is experiencing over-amperage related faults, and trouble-shooting discovered the packing seal on the drive shaft appears to be plugged up and not allowing liquid to pass through properly. Parts are on order.
- North Star well #1 is back in service after replacing the pump/motor and passing the required testing for bacterial contamination.
- Required testing for DBPs and nitrates were completed on the EG water system and full tests for common contaminants have been ordered for both the EG and North Star-Zoot water systems. Results will be posted on the District website.

Board Member Topics

It was noted that the Board has an opening with the resignation of Sarah Stahlberg. GM Kundert stated he will put the word out with the homeowner's associations.

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of August 15, 2017 at 8:25 p.m.



Maralee Parsons
Secretary