

FOUR CORNERS WATER AND SEWER DISTRICT MINUTES REGULAR MEETING, December 19, 2017

Call to Order

President Cory Klumb called the regular meeting of the Four Corners Water and Sewer District to order at 6:30 pm on Tuesday, December 19, 2017, in the library of Monforton School at 6001 Monforton School Road, Bozeman, Montana.

Board Members present: President Cory Klumb, Member Heather West, and member Phillip George.

Staff/Public: GM Kevin Kundert, Marty Gagnon representing MMI; Maralee Parsons, Secretary; Matt Donnelly, Jeff Droge, K.C. Barnhardt, P.A. Thatcher, Thomas Kallerbach, Justin Buchanan

Approval of Minutes

November 21, 2017 Board Meeting:

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

Public Participation on Non-Agenda Items:

None were raised.

GENERAL BUSINESS

Elk Grove Discussion/Updates

GM Kevin Kundert provided an email update from District council Susan Swimley, on the Elk Grove annexation process. Her office is continuing to review the petitions received. There was no Board comment and no public comment. A copy of the email is attached to the minutes.

Fee Increase of 5% for Water & Sewer Capacity Charges

GM Kundert presented a proposal to raise the new development Water & Sewer Capacity charges by approximately 5%, effective January 1, 2018.

Current charges: \$7,875/EDU (\$2,625 water; \$5,250 sewer)

Proposed charges: \$8,265/EDU (\$2,755 water; \$5,510 sewer)

It was noted that new developments in the pipeline with an existing, signed contract at the old rates would not be impacted by the change.

Motion: Member Heather West moved to increase the capacity fees as proposed, effective January 1, 2018. Member Phil George seconded. ***The motion carried 3-0.***

Gallatin Gateway Bulk Sewer Service/O&M Contract Update

GM Kundert noted that he has been working on the draft O&M contract with GGWSD and should finalize it soon. The pipeline has started to flow, with 4 connections completed so far. He noted that the construction & engineering crew are responsible for the operations of the system until "substantial completion" of the project. GGWSD Matt Donnelly was in attendance and noted that GGWSD intends to complete pigging of the main line before the contractor completes the project. He has purchased pigs and is searching for an appropriate contractor to complete the work, as this will be done outside of the construction contract. He hopes to have this completed by mid-January.

Engineer's report

Marty Gagnon provided the report. He stated that the Korner Klub application has been submitted to DEQ, which has 60 days to review it. He noted everything is on track to have Korner Klub hooked up with sewer service next spring.

Water Reclamation Facility Committee Report

Phil George provided the report. He noted that the committee continues to meet weekly, and they are holding to the plan to finance the expansion of the WWTP through revenue bonds. He noted that they are working with a marketing firm on developing a public messaging campaign, which will be passed on to the Board as soon as it is available. The target timeline for a vote on the revenue bonds is May 2018, and he further noted that the engineers would be working with the District's bond council & DEQ, with the goal of meeting that timeline. The completion of the first expansion is expected Feb/March 2020.

Approval/Timeline to address Overages on Large User Category 4 Water/Sewer Services

GM Kundert stated that District staff has reviewed the usage of several large water users to determine if there are any large discrepancies between EDU's allotted and actual usage. The GM recommends that the large water user accounts be inspected in December/January of each year going forward, with remedial adjustments to be implemented by March 31. If a variance of 25% or more is found on a 3-month average, then the rates will either be subject to increase to meet that amount of flow, or the property owner could agree to limit the flow to the agreed-upon capacity for that service. He noted that new contracts specifically state that water usage will be examined annually.

Motion: Member Phil George moved to direct the GM to review the large water user accounts annually, and have a plan for remediation in place by April 1, for any accounts with usage exceeding 25% of their allotted EDU's. Member Heather West seconded. ***The motion carried 3-0.***

Monthly Water & Usage Financial Reports

The Board reviewed the reports provided. GM Kundert noted that the tax assessment payments have not yet been received from the County. There was an unbudgeted water expense for the unscheduled replacement of the RI basin meter, and he noted that some capital expenses were erroneously booked as O&M, and will be corrected.

Monthly Operation & Maintenance Report

- Gallatin Gateway began connecting sewer laterals to their collection system. The quantity of wastewater being received by the EGWWTP will be small at first and will grow as more connections are made. The OMNI Scada monitoring system is hooked up and so far one operator has tested it.
- Digester aeration improvements are nearing completion, all digester piping is complete, and installation of blowers, electrical and controls should be finished by mid-January.
- Galactic Park lift station bypass pumping connection has been completed with a test run of the bypass pump, and minor changes to the suction were requested. The replacement pumps for the lift station arrived but one pump was severely damaged

in shipping, and is back at the factory for repair. The good pump has been installed and is performing as expected.

- Two types of leak detection equipment were demonstrated, and the Tricorr Touch Pro system was selected and a purchase price is being negotiated.
- NS Well #1 PLC has been replaced and is operating without issues.
- The boiler at the EGWWTP was repaired and is back online after a faulty circulating pump was replaced.
- Staff is setting up the confined space gas monitor to log the H₂S (primary gas odor) emissions at the outside of the EGWWTP headworks building. The monitor will be attached to the fence to provide data about the concentration of H₂S leaving the property.
- Montana DEQ conducted an O&M inspection of the EGWWTP and wastewater collection system, due to the odor complaints they have received, finding no deficiencies in operations. The DEQ report indicates awareness of FCWSD staff working to address odor complaints by implementing plans to reduce odor, e.g. magnesium hydroxide injection. In discussion, GGWSD GM Matt Donnelly noted that their engineer designed the pipeline from Gateway to EGWWTP at a constant grade with air injection ports along the way to reduce any risk of odor of effluent.

Reallocation of Water Capital Project Fund to Purchase Leak Detection Equipment

GM Kundert recommends reallocating budgeted funds in the 2017-18 capital budget from the Zoot booster station project toward the purchase of the leak detection equipment. The Zoot booster station project will be delayed, as it is not urgent. The Board agreed with the GM's proposal.

Board Member Topics

Member Phil George recommended forming a short-term committee to develop the District's strategy on bonds. It was agreed that President Cory Klumb and Phil George would serve on the committee, to begin shortly after January 1.

Adjourn

There being no further business before the Board, the Four Corners Water & Sewer District meeting of December 19, 2017 at 7:15 p.m.



Maralee Parsons
Secretary

From: "Susan Swimley" <swimley@swimleylaw.com>
Subject: Update on Elk Grove annexation
Date: December 14, 2017 at 5:58:37 PM MST
To: "Kevin Kundert, GM FCCWSD" <kevin@fcwsd.org>
Cc: "'Maralee Parsons Sullivan'" "Lindsay Minnick"

Kevin

Please distribute this email to the Board, public and attach to the minutes as the status of the petitions to annex Elk Grove.

There are 591 qualified electors within the Elk Grove Subdivision.

Minnick Management provided my office with approximately 150 petitions in October of 2017 and an additional 110 or so petitions on November 6, 2017.

Of the approximate 260 petitions, 220 are signed by qualified electors (active and inactive registered voters in Elk Grove).

38 of the petitions were signed by persons who are not qualified electors in Elk Grove.

The District is now in possession of 220 petitions signed by and representing 37% of the qualified electors in Elk Grove. As you may recall, statutorily the District is authorized to act up 10% or signatures of 59 qualified electors.

There are valid petitions from every street in Elk Grove except Kelly Court. Oddly the two petitions we received from Kelly Court were not qualified electors. I am following up with the Election Department to ensure the electorate information we receive is correct. Stated another way, the District received petitions from every street in Elk Grove.

With 37%, my office is proceeding to review the petitions to determine how many of the petitions sought annexation of their individual lot (which is how the form is set up) or of the subdivision. I have retained Magpie Consulting to conduct that work. Finally, there was some early indication that Elk Grove Development Company did not want the commercial lots annexed at this time. As the commercial lots remain undeveloped and based upon the acrimony from Elk Grove Development Company, the petition signers will be asked their opinion regarding annexation of only the Elk Grove residential lots. When that information becomes available, I will pass it along.

Finally, I spoke with the Gallatin County Treasurer's office about the timing of completing the annexation process and how that would impact tax bills. If the District completes the process by May or June of 2018, and Elk Grove is annexed, the annexed Elk Grove properties would receive a tax bill in November 2018 with the Four Corners District tax assessment on it.

Once we have more information regarding the petitions to annex, the District should proceed

with annexation. Realistically, the process hearing and ordinance will commence in March of 2018, with second reading in May and annexation in June 2018.

Please let me know if you or the Board has any questions.

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