

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: March 3, 2014

Time: 6:30PM

Place: Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT

For: Regular Meeting of the Board of Directors

AGENDA

- 1. Public Participation on Non-Agenda Items¹**
- 2. Approval of Minutes**
 - a. Approval of Meeting Minutes for February 3, 2014
- 3. Reports of Officers, Standing Committees, and Special Committees**
 - a. General Manager Report, Treasurer Report, Approval of Expenditures
 - b. Report of Community Liaison Committee
 - c. Report of Engineer
 - i. Technical Status
 - ii. RUS Reports, Administration and Draw Requests
 - iii. TSEP Reports, Administration and Draw Requests
 - iv. CDBG Reports, Administration and Draw Requests
 - v. DNRC Reports, Administration and Draw Requests
- 4. Unfinished Business and General Orders**
 - a. Nominations and Appointment to Fill Vacant Director Seat
 - b. Review and Approval of Treatment System Vendor
- 5. New Business**
 - a. Any New Business Which May Come Properly to the Board
- 6. Adjourn**

¹ The opportunity for members of the public to comment on District matters which are not on the agenda. Time limits may be imposed at the discretion of the President.

Gallatin Gateway County Water & Sewer District

MINUTES OF THE

BOARD OF DIRECTORS

A regular meeting of the Board of Directors of the Gallatin Gateway County Water & Sewer District was held at the Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT, on March 3, 2014. Present at the meeting were board members Merle Adams, Ted Border, Steve Janes, and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Kurt Thomson from Stahly Engineering, and Larry Watson from Gallatin County. Members of the public included Eric Amend, Tim Szafaryn and Pete Stein.

President Border called the meeting to order at 6:33 p.m. Secretary Maralee Parsons Sullivan recorded the minutes of the meeting.

PUBLIC COMMENT

President Border asked for public comment on non-agenda items. There were no non-agenda items raised.

President Border proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the February 3, 2014 meeting minutes, President Border asked whether there were any corrections. President Border requested that the sentence contained in the engineering report: "Greg Benjamin will provide a letter summarizing his agreement to not require payment until after the May Board meeting (awaiting CDBG funding)" be modified to include the following: "(awaiting CDBG funding and/or modifications of the budget in case of no CDBG funding)". Director Sullivan made the motion to approve the minutes as amended, Director Adams seconded the motion and the amended minutes were approved unanimously.

REPORT OF GENERAL MANAGER, TREASURER & APPROVAL OF EXPENDITURES

GM Matt Donnelly provided the report. The District received a request from the Gateway Village (GV) attorney to supply documents per the MT Public Records Act. Copies of the request were supplied to the Board at the meeting. The County (Planning Board and Commissioners) and GG School received a similar request, so this is likely for the GV sub-division application, but may be used for the DEQ/District lawsuit as well. After discussions with District council, Matt is directing each staff and Board member to go through their email boxes for messages pertaining to the request; Matt will email instructions on how to complete this. All files will be aggregated into a single PDF file and District Council Swimley will review the file, to ensure no attorney-client privileged

information is contained in the file. We also need to do a search of written documents regarding GV, and Matt will assist in this process. There was some discussion around charging fees to comply with the request. A policy addressing compliance with the MT Public Records Act, and associated fees, has been drafted by Maralee, and will be put on the agenda for the next meeting. At this point Matt will advise the GV attorney that the District will at least pass through attorney costs, which will be greater than \$100. Larry Watson requested that the county attorney be notified that there has been a request for copies of communications to/from county personnel, and Matt will ensure this happens.

There will be a scheduling hearing on Tuesday 3/4 which will lay out the timeline for the GV lawsuit. The Helena attorney has finally been successful in convincing the insurance company to agree to pay some legal fees incurred in the lawsuit after a certain date; details are not yet available but will be provided to the Board as soon as possible.

The DEQ advised via phone call that Mr. Loseff has submitted a proposal for a gravel pit, following the failure of his sub-division application, which led to concern that there could be an impact to the District's drain field and the existing mixing zone, since the proposed gravel pit will abut the District's property line, according to the design submitted. Kurt Thomson and Susan Swimley have investigated informally, and so far there is no indication that there would be harm done to the District's project.

Last week Matt and President Border attended the treatment vendor finalist presentations at the Stahly offices. There are 2 SBR vendors and 2 Level II vendors. O&M costs appear to be less significant than originally believed, so an SBR system may be within reach as the initial system chosen, rather than upgrading from a level II to an SBR in the future. Stahly will be providing details on both options to the Board. Next steps include getting the vendor treatment selection finalized and also getting easements filed. Matt gave thanks to Kurt and Pete Stein for their work on an easement on Mill Street, which will avoid added costs to the District.

GM approved one expense report for \$89 for Maralee Sullivan, for postage & check printing costs.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L, Balance sheet, and A/R aging) for FY starting July 1, 2013:
Balance sheet: an unexpected excess of about \$200 in the restricted Stockman Project account was investigated and determined to be a timing issue of when grant money was received as reimbursement for costs which had already been paid out from a prior account, now closed. The LOC balance (currently \$18K) is now footnoted, as requested. P&L current month: Legal invoices for the month of \$3,139 include \$1800 due to the Helena attorney. Director Janes made the motion to pay all outstanding invoices through the Jan 17, 2014 invoice, for a total of \$2,282.52. Director Sullivan seconded the motion and it passed

unanimously. A/R aging shows \$336 past due. There was some discussion as to whether or not to include a late fee on delinquent accounts on the next benefited lot charge invoice, which will be mailed March 31. Director Janes made the motion to waive the late fee for the first billing cycle, until more information on the process can be provided to the public; Director Sullivan seconded the motion and it passed unanimously. The Winter 2014 newsletter was well received by the public and provided a good vehicle for communication with the community, so a new edition will be included in the next invoice mailing, and will include information on late fees and legal consequences of delinquent accounts.

REPORT OF COMMUNITY LIAISON COMMITTEE

Director Janes advised he had nothing to report.

REPORT OF ENGINEER & GRANT AGENCIES

Kurt Thomson provided the engineer's report. The selection of treatment vendor is in full swing with 4 finalists being reviewed and analyzed. The treatment system includes everything between, but not including, the septic tank and dose tank. The cost of level II treatment systems (off the shelf price) has gone up about 50% since the PER was written, and SBR systems are coming down in price, so this led Stahly to open up the pre-qualifications to include both types of systems. Stahly will be making sure that the vendor pre-qualifications are all equal in terms of features included in the bids, including O&M costs, prior to scoring the bids. Vendors have been requested to hold prices for 12 months. They will likely present to the Board in April one recommendation, with supporting documentation, for each type of system. Stahly wants to include the selected treatment system on the collection, lift station, force main design report, so everything will be presented at that time to DEQ except the treatment design plan and specs. Eric Amend asked if an SBR system is selected, could there be an impact on the pending litigation? Kurt replied that technically it would likely have a positive impact.

- RUS: nothing to report
- TSEP: nothing to report
- CDBG: Larry Watson provided the report. Thanks to a team effort, an updated version of the environmental statement has been assembled and delivered to the state department and new public hearings have been initiated. County public hearing period will close on Mar 14, at which point Larry will send the request to release funds to the State Dept. of Commerce. The 15-day public hearing period for Dept. of Commerce then begins, and their response (with any follow up questions) will be due by the end of the first week of April. An actual public hearing can be held, if needed. The flood plane issue, which was discussed at a previous meeting, was resolved with a letter written by the flood plane administrator, including maps illustrating elevations, showing no buildings will be impacted.
- DNRC: nothing to report

UNFINISHED BUSINESS AND GENERAL ORDERS

Nominations and Appointment to Fill Vacant Director Seat

President Border introduced Eric Amend as a potential candidate to join the Board of Directors. Eric stated that he has a limited engineering background from a few years study at MSU, and is now a cabinetmaker, so he is more familiar with the mechanical side of engineering than civil engineering. He has never served on a government board but can bring to the table energy and a fresh take on issues. President Border then opened nominations for the vacant seat on the Board of Directors. Director Sullivan nominated Eric Amend to fill the vacant seat; Director Adams seconded the nomination. There was no discussion among the Board or public. There were no further nominations presented, so President Border closed nominations. President Border asked the Board for approval of the nomination, and with unanimous approval Eric Amend was appointed to the Board of Directors, with his term set to expire in Nov. 2017.

Review and Approval of Treatment System Vendor

Discussion occurred previously in the meeting; approval is deferred to a future Board meeting.

NEW BUSINESS

President Border asked for any unfinished or new business.

President Border raised a question about how to approximate flows for businesses, based on occupancy. DEQ has a circular that has usage statistics that can be used for hotels, schools, restaurants, etc., based on number of customer or guests, but estimating occupancy is difficult to determine, and we need to be thinking about this.

Director Sullivan asked for clarification on an invoice received from council Susan Swimley, which included charges of over \$1300 for an associate to prepare for and attend the county commissioners hearing on the GV subdivision. Since the associate did not speak on behalf of the District (as the Board and GM expected) what was accomplished on behalf of the District? Director Janes asked for a report on the expense, so it can be justified on behalf of the public, and Matt agreed to pursue this with Ms. Swimley.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next meeting date is April 7, 2014.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:55 p.m.

Secretary