

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: October 5, 2015
Time: 6:30PM
Place: Gallatin Gateway School, 100 Mill 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 September 8, 2015
- 3. Reports of Officers, Standing Committees, and Special Committees**
 - a. General Manager Report, Treasurer Report, Approval of Expenditures
 - b. 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
 - vi. COE Reports, Administration and Draw Requests
 - vii. SEARCH Reports, Administration and Draw Requests
- 4. Unfinished Business and General Orders**
 - a. None
- 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 School, 100 Mill St., Gallatin Gateway, MT, on October 5, 2015. Present at the meeting were board members Merle Adams, Eric Amend, Ted Border, Ashley Kroon and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. Also in attendance was Kurt Thomson from Stahly Engineering. Public attendees included Donna and Dick Shockley, Tim Szafaryn and Travis Anderson.

President Border called the meeting to order at 6:30 p.m. Secretary Maralee Parsons Sullivan recorded the minutes of the meeting.

PUBLIC PARTICIPATION OF NON-AGENDA ITEMS

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 September 8, 2015 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Adams made the motion to approve the minutes as written, Director Kroon seconded the motion and the minutes were approved unanimously with Director Sullivan abstaining.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided the GM report:

- The Supreme Court has rendered its decision on the District's appeal, vacating that portion of the District Court ruling that dealt with the trespass issue. The District's attorneys had indicated that this was the likely outcome and is acceptable, although it would have been preferable to receive a ruling that the District court had erred in its decision.
- The draft discharge permit public comment period closed on September 16. DEQ will decide within 30 days whether or not to hold a public hearing, based on comments received.
- Four Corners has signed off on their financial package to purchase the assets of Utility Solutions. As previously advised, the anticipated SRF funding did not come through, but it has been replaced with RD money. They expect to close the purchase by December 20, 2015. Mr. Donnelly indicated this makes the Four Corners a viable option for the Board to consider.

- Mr. Donnelly advised a new bond might be needed, due to the escalation of project costs, even if the District does not need to borrow more money. He will be speaking with the District's bond council and will advise more details when available.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2015:

Income for September included \$2476 in quarterly invoicing. Expenses for the month included \$296 in legal fees; there was no engineering invoice this month. Engineering expenses for the first quarter total \$2919, of which \$2294 is for interest on outstanding invoices. The District's payables as of 9/30/15 total \$132,629 for legal and engineering expenses. The Army COE grant money of \$223,000 is still in the District's project bank account (see agency report below).

The Secretary requests that the minutes reflect that a quorum of the Board of Directors was present at the 9/30/15 public meeting at which the District's engineers presented the wastewater treatment and disposal alternatives to the community. No District business was conducted and the Board did not discuss the options presented or make any decisions at this meeting.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson provided the engineer's report. Estimates for construction and O&M for both options were communicated in the September 30, 2015 community meeting, at which public comment was captured. PER amendment is on schedule to be completed in mid-October, and he will need the Board's feedback on their preferred option, prior to finalizing the amendment. Mr. Donnelly provided the Board with a summary on expected costs: The Four Corners (FC) board has passed a resolution for charging GGWSD a monthly rate of \$88 to \$109 per 1000 gal/day. Example: if we delivered 300,000 gal in a month to FC for treatment, there would be an average of 10,000 gal/day, so we would be charged $10 \times \text{rate}$, or \$880 to \$1090 per month. The rate provided by FC is a bulk rate that only includes costs for sewer treatment. The FC Board cannot sign a contract until December. Kurt advised that he used the high-end figure of \$109 to determine his FC O&M costs (the range in his numbers of \$71-79 are to allow for a range in flow), so the costs may actually be lower than what was communicated. The Manhattan/Amsterdam inter-local agreement will likely be used a basis for developing an agreement between the GGWSD and FCWSD; Mr. Donnelly will provide a copy to the Board. Mr. Donnelly asked for a "straw-poll" (non-binding) of the Board which resulted in 5 Directors leaning toward the Four Corners option, citing it is the faster, less expensive option, and working with a neighboring district would provide more flexibility for future capacity and expansion possibilities. A formal discussion and decision on the Four Corners option will be on the November 2 Board meeting agenda. Mr. Thomson indicated he needs about 2 months from the time of the Board decision to submit the design to DEQ. Mr. Donnelly asked the status of the design review of the

collection system, which has been in the hands of DEQ for 18 months. Mr. Thomson indicated he did not have updated information but will follow up.

President Border asked for Mr. Thomson's opinion on the current Manhattan/Churchill sewage smell issue. Mr. Thomson said that Manhattan is receiving raw sewage from Churchill via a 7-8 mile pipeline, and the sewage sits in the forced main for over a day, prior to flowing through town. The sewage is venting possibly through manhole covers around the town. The engineers are working on a solution, but Mr. Thomson noted that the design for the FC hookup would be different, in that our forced main would go directly to a tank or lift station or connect to their piping, it would not be to a gravity sewer, so this has much less potential for a smell issue. He has also put a placeholder in the cost estimates for odor control.

GM Matt Donnelly reported on the various government reports, administration and draw requests:

- RUS: Nothing to report
- TSEP: There was a mis-communications between the TSEP administrator and the District Grant administrator, in which Teresa believed TSEP had granted permission for her to submit previously paid invoices for reimbursement by the COE grant, and then credit the TSEP budget the same amount with funds remaining in the District's account, which would only be released by TSEP via future draw requests. The District received a letter from TSEP saying they had not ok'd this process, and are asking for the TSEP money which was reimbursed, to be returned to Helena. Mr. Donnelly sent a letter to TSEP answering their questions, along with the previously approved \$115K draw request, and we are waiting for a response.
- CDBG: It is back in the County Commissioners hands for their finding of no significant impact (for the 5th time), which then goes to the state on Oct. 14 (the required timeline was mis-handled by Larry Watson.)
- DNRC: Nothing to report
- COE: Nothing to report
- SEARCH: This will be used to pay for the PER amendment, and RD wants a single draw request when the work is complete.

NEW BUSINESS

President Border asked for any unfinished or new business and seeing none, President Border noted that the next regular meeting date is November 2, 2015.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:28 p.m.



Secretary