

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: JANUARY 9, 2017

Time: 6:30PM

Place: Gallatin Gateway School, 100 Mill St., Gallatin Gateway, MT

For: Regular Meeting of the Board of Directors

AGENDA

I.Public Participation on Non-Agenda Items¹ and Conflict of Interest Disclosure

II.Approval of Minutes

- A. Approval of Meeting Minutes for December 5, 2016

III.Consent Agenda

- A. Application for Sewer Connection in Excess of 5 VRU by TS Four LLC

IV.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. SEARCH Reports, Administration and Draw Requests
 - vii. USACE 595 Reports, Administration and Draw Requests

V.Regular Business

- A. First Reading of Ordinance Establishing Noncompliant Property Charge and Amending Sections of the Rules and Regulations and Setting the Date for a Public Hearing

VI.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 (rescheduled) 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 January 9, 2017. Present at the meeting were board members Eric Amend, Ted Border, Ashley Kroon and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. There were no members of the public in attendance.

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 & CONFLICT OF INTEREST DISCLOSURE

President Border asked for public comment on non-agenda items. There were no non-agenda items raised by the public. President Border asked that the minutes reflect that 3 board members were present at the Dec. 17, 2016, public information session held at the school, and that no District business was discussed. The information session was held to allow individual property owners to ask questions specific to their property.

President Border asked whether there were any items of conflict of interest, or potential items of conflict of interest, to disclose. None were raised.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the December 5, 2016 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Kroon made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

CONSENT AGENDA

Application for Sewer Connection in Excess of 5 VRU by TS Four LLC.

Director Kroon made a motion to approve the Consent Agenda; Director Sullivan seconded the motion. There was no discussion. The Consent Agenda was approved 4-0.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided the report. Mr. Donnelly stated that since the District's rates were established using 124 VRU's, RD expects the District to validate that agreements are in place for at least 124 VRU's (or has a plan in place for reaching 124 VRUs), prior to authorizing the District to proceed with

awarding the bid. He advised that staff has compiled a list of the initial connections for the project and a revised “best estimate” of VRU’s at this point totals 143 VRU’s. A mailing consisting of an Application for Sewer Connection and a Temporary Use Permit, allowing the contractor access to the property, was sent on Dec. 9 to all landowners identified as having a sewer connection. Mr. Donnelly noted that as of today, the District has received signed applications totaling 106 VRUs. A reminder mailing for those who have not returned their applications will be completed this week. He noted that a process for petition for review of the VRU calculation has been established, so that customers may request a review of the calculation, if they feel the information on which the calculation was made (MT state records) is incorrect. Mr. Donnelly further stated that the bid opening will be held at Stahly’s office on Jan. 12. Bids will be read, but no announcements will be made. Stahly will then go through a process to qualify the bids, which will take about 1 month.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2016: Quarterly invoicing of benefitted lot charges was completed on Dec. 31, 2016. There was only 1 vendor invoice in December, \$201 for legal expenses. She noted that the \$1,000 payment on the LOC, authorized by the Board in September, 2016, was paid in December.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

GM Matt Donnelly provided the engineer’s report, which Kurt Thomson had provided in his absence. He advised that Mr. Thomson will be issuing an addendum to the bid documents to include the MDT contractor agreement. President Border provided a brief overview of the pre-bid meeting, held on Jan. 3. He noted there was good attendance, with 9 contractors and some sub-contractors represented, and good questions were raised. One issue raised is how to quantify utility conflicts, which is listed as a lump sum item in the bid docs.

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

- RUS: Nothing to report
- TSEP: Nothing to report
- CDBG: He noted that the County is still in the process of re-writing the contract, to change the grant benefit for LMI residents from paying a portion of construction (which is being paid by other agencies), to paying the bond assessment.
- DNRC: Nothing to report
- COE: Nothing to report
- SEARCH: Nothing to report

REGULAR BUSINESS

First Reading of Ordinance 2017-01 Establishing Noncompliant Property Charge and Amending Sections of the Rules and Regulations and Setting the Date for a Public Hearing.

GM Donnelly recommended that the Board establish a non-compliance charge, to generally enforce the District's Ordinance requiring connection to the sewer system. The charge would be roughly equal to the rate the customer would pay if compliant with the connection ordinance. This charge would be a change to the District's R&R's, requiring an Ordinance to be read at 2 public meetings, published in the newspaper, and mailed to all property owners, noticing a public hearing on Feb. 6, 2017. Director Sullivan noted that he would like to see the charge be 10% higher than the sewer rate.

Ordinance 2017 - 01

AN ORDINANCE AMENDING THE RULES AND REGULATIONS OF THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT AND ESTABLISHING A NONCOMPLIANT PROPERTY CHARGE

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT AS FOLLOWS:

That pursuant to the authority granted under Section 7-13-2218 and Section 7-13-2301, MCA, the Board of Directors of the Gallatin Gateway County Water and Sewer District ('District') hereby adopts an ordinance amending the Rules and Regulations of the Gallatin Gateway County Water and Sewer District attached hereto inclusive of amendments; and

That pursuant to the authority granted under Section 7-13-2301, MCA, the Board of Directors of the Gallatin Gateway County Water and Sewer District ('District') hereby adopts an ordinance establishing a noncompliant property charge for the public sewer and water system; and that said rates, fees and charges shall be codified in Section 6 and Appendices A and B of the Rules and Regulations of the Gallatin Gateway County Water and Sewer District attached hereto.

ADOPTED by the Board of Directors of the Gallatin Gateway County Water and Sewer District after first reading on January 9, 2017 and second reading and public hearing on February 6, 2017. This Ordinance shall be in effect 30 days after the date of the second reading.

Director Sullivan made a motion to accept the first reading of Ordinance 2017-01; Director Amend seconded the motion. There was no further discussion. The motion passed 4-0.

Discussion and Decision on Resolution 2017-01 Setting the Date for a Public Hearing to Establish Rates

GM Donnelly noted that he would like the Board to review and establish various fees listed in Appendix A of the Rules and Regulations, in addition to the noncompliant property charge.

GALLATIN GATEWAY COUNTY WATER & SEWER DISTRICT RESOLUTION NO. 2017-01

RESOLUTION OF INTENTION TO ESTABLISH NEW RATES AND CHARGES AND CALLING FOR A PUBLIC HEARING ON NEW RATES FOR GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT

WHEREAS on November 3, 2014 the Board of Directors of the Gallatin Gateway County Water and Sewer District ("the Board") enacted revised Rules and Regulations through Ordinance 14-01 pursuant to Section 7-13-2275, Montana Code Annotated; and

WHEREAS the revised Rules and Regulations (“the Rules and Regulations”) of the Gallatin Gateway County Water and Sewer District (“the District”) became effective December 4, 2014; and

WHEREAS the Rules and Regulations can be found at <http://www.gatewaywsd.com>; and

WHEREAS Section 601 of the revised Rules and Regulations of the District and Section 7-13-2275, Montana Code Annotated, authorize the Board to establish Rates, Fees and Charges to fund expenses of the District, to make principal and interest payments on the District's debt, to ensure the continued viability of the District's facilities, to ensure the District's facilities are sufficient to allow the District to comply with all applicable state and federal standards, and to ensure the District's facilities have sufficient capacity to serve current and projected demand;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Gallatin Gateway County Water and Sewer District, Gallatin County, Montana as follows:

1. Recitals. The Board has determined that the Gallatin Gateway County Water and Sewer District needs to establish charges for expenses related to processing applications for service, for future treatment plant investment, and for noncompliant properties pursuant to Sections 611, 612, 613, 614, 615, 616, 617, 618, 624 and an anticipated new Section 625 of the Rules and Regulations. The rates already established under Sections 619, 620, 621, 622 and 623 will not change.

2. Public Hearing. Section 7-13-2275, Montana Code Annotated, provides that prior to establishing such rates and charges the Board shall give notice and hold a public hearing. Pursuant to such authority, a public hearing for the District is called for and shall be held on the 6th day of February 2017, at 6:30 p.m., at the Gallatin Gateway School, 100 Mill St., in Gallatin Gateway, Montana.

3. Form of Notice. The notice of the public hearing shall be in substantially the following form:

NOTICE OF PUBLIC HEARING
ON ESTABLISHMENT OF RATES AND CHARGES FOR THE
GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT

NOTICE IS HEREBY GIVEN that the Board of Directors of the Gallatin Gateway County Water and Sewer District, Gallatin County, Montana, passed its Resolution No. 2017-01 of Intent to Establish New Rates and Charges and will meet on the 6th day of February, 2017, at 6:30 p.m., at the Gallatin Gateway School, 100 Mill St., in Gallatin Gateway, Montana, for the purpose of holding a public hearing on establishing rates and charges for the District. The District Board intends to establish a Noncompliant Property Charge to generally enforce the District’s ordinance requiring connection to the sewer system. The District Board also intends to establish various rates and charges to fund the expense of processing applications to connect to the sewer system. Under the proposed charges, a noncompliant property will be charged an amount roughly equivalent to the charge the property would pay if it were compliant with the connection ordinance. The new rates and charges will be effective upon completion of the wastewater project, which is anticipated to be August 2017. All persons interested may appear and be heard at said time and place of the hearing. For further information regarding the hearing or to review a copy of Resolution No. 2017-01 or Appendix B of the District’s Rules and Regulations, contact Matt Donnelly, General Manger, by phone at 406-763-4258 or by email at gm@gatewaywsd.com.

Dated this 9th day of January 2017.

BY ORDER OF THE BOARD OF DIRECTORS OF
THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT

4. Publication of Notice. The District Secretary shall cause the above Notice to be published in the Bozeman Daily Chronicle on January 21, 2017 and January 28, 2017 in accordance with Section 7-13-2275 (4)(b), MCA.

5. Mailing of Notice. The District Secretary shall mail the above Notice to all customers of the District and all persons who own property in the District at least 7 days prior to the date set for the hearing in accordance with Section 7-13-2275 (4)(c), MCA.

Passed and approved by the Board of Directors this 9th day of January 2017.

GALLATIN GATEWAY COUNTY WATER AND
SEWER DISTRICT

Director Amend made a motion to adopt Resolution 2017-01; Director Kroon seconded the motion. There was no further discussion. Resolution 2017-01 was adopted with a vote of 4-0.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:23 p.m.



Secretary