

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: March 5, 2018

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

II. Conflict of Interest Disclosure²

III. Approval of Minutes

- A. Approval of Meeting Minutes for February 5, 2018

IV. Consent Agenda

- A. None

V. 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. INTERCAP Reports, Administration and Draw Requests

VI. Regular Business

- A. First Reading of Ordinance Revising Rules and Regulations and Call for Public Hearing

VII. 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.

² An opportunity for Board members to disclose any potential, perceived or real conflict of interest on any item on the agenda or for any District business.

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 March 6, 2018. Present at the meeting were board members Eric Amend, Ted Border, David Sullivan, EJ Engler, and Elana Wexall. General Manager Matt Donnelly was absent. Secretary Maralee Parsons Sullivan and Kurt Thomson from Stahly Engineering were present. Members of the public included Pete Stein, and Travis Anderson & Carrie Fisher from the GG School.

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. Travis Anderson introduced himself as the GG School Superintendent. Mr. Anderson asked some clarifying questions on the school's sewer invoices, in particular if the school's assigned 12.8 VRU will be consistent each month, or if this will be adjusted over the summer months when the students are not present. President Border replied that the 12.8 VRU was determined by the student enrollment, according to DEQ volume estimates, and was multiplied by a factor of .75 to incorporate the expected reduced sewer usage over the 3 summer months. It was noted that the student enrollment could be reviewed on an annual basis. Mr. Anderson and Ms. Fisher noted that their budget cycle begins in the Spring with the budget being finalized in August, so they would appreciate notification of any VRU adjustments in May each year, so they can budget accordingly.

CONFLICT OF INTEREST DISCLOSURE

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

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the February 5, 2018, meeting minutes, President Border asked whether there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Wexall seconded the motion and the minutes were approved unanimously.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly had provided a written GM report and O&M report in his absence:

- There was no construction activity in February

- He continues to work with the engineer to ensure the contractor restores properties and roads to the condition required by the construction contract documents.
- The District has remitted payment to USDA for the last 3 CDBG LMI qualifying parcels. This action reduces the amount owed on the District's Series B bond.
- Stahly has asked the contractor for a properly formatted change proposal for the winter shutdown and for any other changes the contractor feels are appropriate. Per the terms of the contract, when Stahly receives the change proposal(s) they will review and provide a recommendation to the District. Mr. Thomson noted that the contractor has not signed the change order for the winter shutdown.
- The collection system is being exposed to substantial amounts of infiltration due to snowmelt. The cause is twofold: the manholes are in an unfinished state due to the inability of the contractor to finish before winter; the roads are not graded and, in some cases, are sloped so as to drain snowmelt directly into the manhole. Mr. Thomson noted that this will be resolved with rings around the manholes with a tar seal, followed by concrete being poured around the manholes.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2017: The District invoiced the monthly sewer charges in February for the 23 completed connections (\$3,499). Grant income of \$120,902 paid the contractor and engineering monthly invoices. Ms. Sullivan made the recommendation to pay down \$1500 on the District's line of credit in March, bringing the balance down to \$6,031 (noting the District borrowed an additional \$1,186 in January to pay 2 customer stub fee line items on the contractor's pay application). She noted a principal payment for Q4 is to be determined. Director Amend moved to approve the payment of \$1500 toward the LOC principal in March; Director Wexall seconded the motion. There was no further discussion. The motion passed 5-0.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson provided the engineer's report. He noted there was no activity this month other than working with the contractor on change orders, previously discussed.

Ms. Sullivan presented a draw request prepared by Grant Administrator Teresa

| | | |
|-----------------------------|---|---|
| Anderson Zurmuehlen (audit) | - | \$2,000 |
| Swimley (legal) | - | <u>\$3,946.25</u> |
| | | \$5,946.25 - Rural Development Grant |

Director Wexall moved to approve the audit and legal invoices and draw request as presented. Director Sullivan seconded. There was no further discussion. The motion passed 5-0.

REGULAR BUSINESS

First reading of Ordinance Revising Rules and Regulations and Call for Public Hearing

The Board reviewed and discussed the following proposed changes in the District's Rules and Regulations:

1. Section 314 Limitation on Discharge: Add to materials or restrictions list, 9b "Unusual or excessive volume of flow, or concentration of wastes constituting slugs;"

Board comment included a request for clarification on how excessive usage would be identified as coming from a particular property, and also to define the term "excessive".

2. Addition of Section 626:

626 General Fines and Penalties

Purpose: General Fines and Penalties penalize noncompliance with general provisions of the Rules & Regulations of the Gallatin Gateway County Water & Sewer District. Noncompliance with Rules & Regulations may detrimentally impact the environment, may have significant health effects on community residents, may affect the financial viability of the community's infrastructure investment, and/or may unfairly burden one class of ratepayer over another by causing inequities in the apportionment of costs.

Cost Basis: The charge is intended to incentivize compliance with the Rules and Regulations and to recover the cost incurred by the District for repairing or correcting any damage to the District's property. The Board shall set the amount of the fine or penalty for the most common infractions. The General Manager shall compute the actual cost to the District for any repairs or corrective action. The General Manager shall compute the estimate the value of any inequities in apportionment of Section 621 and Section 622 charges where appropriate. The cost basis for the Fine and/or Penalty shall be the sum of the three aforementioned amounts.

Method of Allocation: The General Fine and/or Penalty shall be applied to the property owner of the property on which the violation occurred, or to the offending party if the offense occurs outside the boundaries of the District.

Board comment noted that this section needs to be tied to the verbiage of the excessive volume of flow (section 314 above).

3. Section 811 Service Request Application Addition of the following:

In the case of a remodel or change of use, a sketch of the remodeled facility including intended use for all areas within the facility and any other information requested by the General Manager for the purpose of determining the number of VRUs to be assigned to the remodeled facility. If the proposed remodel or change of use anticipates the need for additional VRUs, a valid "will serve" letter obtained through the process of Section 821 shall be required to be submitted with the application.

The Board had no additional comments or concerns on this section.

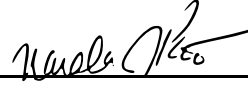
4. Change section 1142 as follows:

1142 Lateral Construction Materials & Methods

All sewer laterals and sewer lateral stubs shall be constructed and laid in accordance with the Montana Public Works Standard Specifications as supplemented by Section 3.3 of the Big Sky County Water & Sewer District Standard Specifications & Drawings, current edition. All other applicable rules and regulations of the District also apply. In the absence of code provisions, the materials and procedures set forth in applicable sections of the ASTM and WPCF Manual of Practice No. 9 shall apply.

Board comment noted that Big Sky section 3.3 should be imported into the document. The Board also stated they would like to consider these and other changes (PIC charges and late fees) again next month and would like to have the public hearing in May rather than April.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:08 p.m.

A handwritten signature in black ink, appearing to read "Nancy K. Co.", is written above a horizontal line.

Secretary