

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 July 9, 2018. Present at the meeting were board members Eric Amend, Ted Border, David Sullivan, and Elana Wexall. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were present. Also in attendance was Kurt Thomson from Stahly Engineering. Members of the public included Kerri Payne and Denise Albrecht.

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.

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 June 4, 2018 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Amend made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

After confirming that all directors had a draft copy of the June 14, 2018 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Wexall made the motion to approve the minutes as written, Director Sullivan 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 provided the O&M report. With 33 connections through June, flows are looking good. The lift station issues have been remedied, and there were no new issues in June. A power outage occurred and the backup generator kicked in as expected. He noted there are still some issues with infiltration.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2017:

The District received \$44,749 in grant money in June to pay engineering and construction costs. Monthly/quarterly invoicing was completed June 30. She noted that the land use agreement with NW Energy was renewed for another summer season, with the District receiving \$200/mo. to allow NW Energy to store materials on the District's property. Expenses for sewer operations included \$1,039.50 paid to FCCWSD for 2 months of treatment & disposal charges. The A/R aging was reviewed with the Board, and the 8 accounts with delinquent balances were highlighted. These accounts will

receive a letter from the District by July 15 advising them of the county collections process, if the amount in arrears is not paid by August 15, 2018.

Report of Ad Hoc Committee on Rules

Director Wexall provided the report. She advised that the committee is looking at 5 key topics: Excessive usage; late/delinquent fees; application process for remodels; updating technical specs (e.g. double-T clean out at lot line); and clarification of the District's definition of a VRU. The committee will bring some recommendations to the Board in the next few months.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson provided the engineer's report. He advised that the contractor is spending the majority of their time fixing punch-list issues (e.g. manholes) as well as working on the restoration of yards. He noted that there have been fewer complaints from the community in the last few weeks. He said Stahly is waiting on a schedule for road repair. The "dreaded alley" is scheduled for hook-ups after the last manhole repair is completed.

GM Donnelly reviewed JR Civil pay app#12 with the Board. He noted a correction, in which line 8 ("amount due this application") is \$9,808.63, inclusive of the 1% MT gross receipt tax. Mr. Donnelly provided his recommendation to the Board that they set off the amount of \$9,808.63 pursuant to article 15 of the contract, which allows the District to offset all or a portion of a pay application if any of a number of issues arise. He noted that Stahly Engineering is accruing expenses each month for additional inspection time. Mr. Donnelly noted that this recommendation is consistent with the opinion of the District's legal counsel. It was noted that there were 226 days of damages as of July 5, 2018. Board comment indicated that offsetting this pay app per the terms of the contract seems appropriate. Director Amend moved to offset \$9,080.63 pursuant to article 15 of the contract; Director Sullivan seconded. There was no further Board comment and no public comment. The motion passed 4-0.

REGULAR BUSINESS

Determination of Audit Requirement and Selection of Audit Firm

GM Donnelly noted that this is an annual task on the District's calendar but noted that the District entered into a 2-year contract with the audit firm of Anderson-ZurMuehlen in November 2017. The District will require an audit this year, and \$13,000 has been budgeted. There was no further discussion.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 6:51 p.m.



Secretary