

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 August 13, 2018. Present at the meeting were board members Eric Amend, Ted Border, and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were present. Kurt Thomson from Stahly Engineering was present. Members of the public included Denise Albrecht, Erin Pepus, Amy Malousa, Pete Stein.

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. A question was raised as to when roads would be restored. Kurt Thomson advised that the contractors are obligated per the terms of the contract to restore roads to like conditions and indicated it would be about 3-4 weeks before they would be restoring the roads.

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 July 9, 2018, meeting minutes, President Border asked whether there were any corrections. Director Amend noted a typo on page 2 and made the motion to approve the minutes as corrected, 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 report. He advised that Steve Troendle of RD will be having a phone conference with CDBG staff later in the week to try to finalize the CDBG funding of the project. Mr. Donnelly reviewed the O&M report, advising that flows are still tracking well. As a result of the contractor flushing the system as part of a sewer main cleaning process, water flushed through the system causing excessive surge flows through the lift station and caused the lift station alarm to go off. The contractor was asked by the engineer to stop flushing through to the lift station and instead to vacuum any surge flows they produce.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2018: Sewer revenue for the month of July, \$4,578, accounts for 44 hook-ups (79.23 VRU), as of July 31. Expenses included \$2,136 for the annual liability insurance premium and \$4,181 in legal expenses. She advised that the Line of Credit (LOC) was renewed for another year as of July 31, 2018 and noted that the interest rate was increased from 4.3% to 5%. She recommended the Board approve a pay-off of the outstanding \$5,002 in 2 payments: \$2,500 this quarter, and \$2,502 next quarter.

Director Amend moved to approve the treasurer's recommendation to pay \$2,500 this quarter and \$2,502 next quarter (between Oct-Dec 2018) toward the outstanding principle of the District's LOC. Director Sullivan seconded the motion. There was no public comment and no further Board discussion. The motion carried 3-0.

The Board agreed to move the September meeting to September 10, 2018, due to the Labor Day Holiday.

Report of Ad Hoc Committee on Rules

GM Matt Donnelly advised that the committee met last week. One area of concern is around users who are generating excessive flow, and the need to develop a mechanism to have them limit flow, since capacity is a concern. He noted that this spurred a discussion on how the District currently allocates its VRU's (currently by number of bedrooms for residential units). The committee is reviewing alternative methods of assigning VRU's that other Districts have changed to, e.g., square footage for residential units. Director Amend is using state records to compare the VRU count of District properties by both methods. The committee is also looking at delinquent account fees, and is on-track to present recommendations to the Board in a few months.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson provided the engineer's report. He advised that 3 crews are now on site as of today. One crew is working on the alley and manhole across from the fire station, one crew is on Latigo and one crew is at the Inn. He noted they are focusing on hook-ups and are not working on clean-ups, other than cleaning up a property after it is connected.

GM Matt Donnelly presented the agency draw report. He presented the contractor pay app #13, for \$5,479.37, and recommended the Board approve the pay app and approve a draw request from RD grant funds. Director Amend moved to approve JR Civil pay app #13 for \$5,479.37 and payment from RD grant funds. Director Sullivan seconded the motion. There was no public comment and no further Board discussion. The motion carried 3-0. GM Donnelly further noted that an engineer amendment is pending and is still in review with the legal team, and he noted that there will likely be negotiations between the District, contractor and engineer at substantial completion.

REGULAR BUSINESS

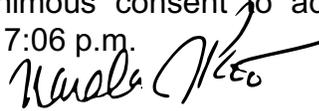
Discussion and Decision on a Resolution Extending the Bond Anticipation Note for the Wastewater Project

GM Donnelly advised that the District's INTERCAP loan, which is a bridge loan prior to the USDA loan secured by the District's Series 2017 bond, is due to mature on September 1, 2018. The District's bond council has asked that the District extend its Bond Anticipation Note (BAN) to September 1, 2019, and Resolution 18-03 has been prepared to authorize an extension of the maturity of the Series 2017 Wastewater System Bond Anticipation Note from September 1, 2018, to September 1, 2019. Director Amend moved to approve Resolution 18-03; Director Sullivan seconded. There was no public comment and no further Board discussion. The motion carried 3-0.

Review of Delinquent Accounts for Tax Collection (MCA 7-13-2031(4)(b))

Ms. Sullivan reviewed the list of accounts which were notified in writing on July 15, 2018, that their accounts are delinquent, and advising them of the process for collections through the County. She noted that the District is required to follow MCA 7-13-2301 (4)(a), which states that accounts that have amounts due and payable in a fiscal year and which are not paid by the end of the fiscal year shall be collected as a tax against the property.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:06 p.m.



Secretary