

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 July 8, 2019. 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. No members of the public were in attendance.

President Border called the meeting to order at 6:36 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. None were raised.

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 3, 2019 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.

REGULAR BUSINESS

Determination of Audit Requirement and Selection of Audit Firm if Required.

Treasurer Maralee Sullivan advised that the District will undergo a 3rd audit for fiscal year 2018-2019, since the District had project income in excess of the \$750K minimum to trigger an audit. The firm of Anderson ZurMuehlen has been retained for a 3rd year. No action required on this agenda item.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided the GM report and the O&M update. Flows for the month of June averaged 11.8K gal. (average daily flow). There were no issues to report for the lift station or collection system. He advised that he ordered bacteria inserts, and some manhole inflow preventers which just arrived and will be tested before ordering more. The O&M contract with FCWSD is still in Susan Swimley's hands for review (acting on behalf of FCWSD) – Tara Dupuy reviewed the

contract on behalf of GGWSD. He noted that FCWSD has advised him that they will be hiring a contractor to perform the necessary repairs (e.g. compaction) on-site, which JR Civil was supposed to complete but has not yet done so. The District's attorney is drafting a letter to JR Civil informing them of this, and Mr. Donnelly will ask her to copy the bonding company on that correspondence.

He also noted that the FCWSD plant expansion, which had been estimated by its engineers to be about \$8M, came in at about \$12M. As a result, FCWSD has increased its Plant Investment Charge (PIC) to \$9K per EDU to align the charge to actual costs of expanding capacity. As a result, GGWSD will need to pay the higher PIC charge of \$9K per EDU when requesting additional capacity. He noted the Board will need to discuss raising its PIC charges from the existing \$6K soon, the timing of which needs to be determined.

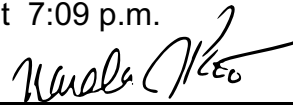
Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2018: Current and short-term liabilities remain at \$0 at the close of the fiscal year. She advised that the District has hired a CPA to work on an hourly basis to review the District's books and they have been given access to the District's QuickBooks. She will be reviewing and updating the "construction in progress" account to move assets into service with a depreciation schedule, and has also been provided with amortization schedules for the District's 3 loans to make sure these long-term liabilities are being appropriately stated.

She presented one invoice for approval for the District's annual liability insurance, noting that the premium for the coming year has dropped to \$428, down from \$2,136 the prior year. Director Amend moved to approve payment of \$428 to MACo for its annual insurance premium; Director Sullivan seconded. The motion carried 3-0.

Report of Ad Hoc Committee on Policies and Practices

No report: Due to heavy travel schedules in June, the committee was not able to meet.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:09 p.m.



Secretary