

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 via teleconference on May 11, 2020. Present at the meeting were board members Eric Amend, Ted Border and Maralee Parsons Sullivan. General Manager Justin Brechtelsbauer was also present. Members of the public included former District GM Matt Donnelly and Linda Cox.

President Border called the meeting to order at 6:30 p.m. Acting 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. Linda Cox stated that she would like to volunteer to help improve the District's website, noting that it could be a more useful communications tool. Matt Donnelly provided the historical perspective that volunteering has been relatively informal, and suggested Linda and Justin talk and develop a plan for website development.

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 April 13, 2020 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 Parsons Sullivan seconded the motion and the minutes were approved unanimously.

REGULAR & NEW BUSINESS

Review Draft FY20-21 Budget (No action to be taken at this meeting)

GM Justin Brechtelsbauer and (former) Treasurer Maralee Parsons Sullivan reviewed the first draft of the budget with the Board. The budget assumes a small amount of growth (additional 5 VRU), although it was noted that if the proposed campground is placed into service during this fiscal year, the GM will need to revise the budget appropriately for Board review. Board comment included a request for the District to begin jetting ASAP, and to add money to the Sewer Enterprise budget to accommodate that, as well as funds for Scenic City to pump solids. There was some discussion on the line item "Contract Operator Services FCWSD" (\$16.8K in FY19-20), whether it should be 0 or some number between 0 and \$16.8K. Justin will re-work the numbers. It was noted that there was a rate increase for the FCWSD treatment, and the new budget reflects that.

It was suggested that a new laptop and printer be purchased for the new GM this fiscal year since expenses are significantly under budget.

Review and Acceptance of the District's FY2019 Audit Report

Director Parsons Sullivan reviewed the results of the District's FY2019 audit with the Board. She noted this is the 3rd (and final) audit covering the District's sewer project, and the audit was once again fully paid for by grant funds from Rural Development. She advised that there were no material weaknesses and no significant deficiencies identified in either the Financial Statements portion, or the Single Audit portion. There was one procedural finding, specifically, the District did not update its procurement policy to comply with prescribed Uniform Guidance. In management's response, the District concurred with the finding and agreed to implement an updated procurement policy within 6 months (from 3/31/2020). Director Parsons Sullivan suggested this would be a good initial policy for Justin to write, and could likely use the FCWSD procurement policy as a template. The Board agreed with that suggestion, and also thanked Director Parsons Sullivan for the work she performed over the past several years in her capacity of District Treasurer, resulting in 3 years of successful audit results.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Justin Brechtelsbauer provided the report. Flows for April were down significantly due to the stay-at-home order, with an average daily flow of \$9,300 gal. There were no issues related to maintenance reported.

There was some discussion around what the primary goals of the District should be going forward, while managing growth of the District. Board comment included the need to keep rates low while maintaining a highly functioning system with appropriate maintenance. To accommodate future growth, the District may need an additional 20K gal over its current 27K gal/day. The Board directed Justin to ask the FCWSD General Manager for an additional 20K gal, while recognizing that the District may only be able to get an additional 10K gal.

Justin reviewed a proposal from AnswerNet for an answering service for after hours, noting this is the service used by FCWSD. It was noted that the proposal looks reasonable, and the Board asked that the proposal be revised for 24/7 coverage. The District currently monitors its phone's voicemail, as it does not have adequate staff to support answering the phone during business hours. It would improve service to the District's customers to have phone coverage during the business week as well.

Former Treasurer Maralee Parsons Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2019. She also noted the District's temporary policy of waiving late fees due to the shut-down went into effect on April 30, 2020, noting that so far customers have been paying their monthly invoices on-time.

Director Parsons Sullivan also noted that the District's additional grant money must be spent prior to June 30, 2020. Director Border noted that he is working on the bypass valves for the metering vault, and will also look into the safety grate. The final fencing invoice should be in by the end of May.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:46 p.m.

Secretary