

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: July 10, 2017

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

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. Nomination and Election of Candidate(s) to Fill Vacant Seat on Board of Directors
- B. Discussion and Decision on Approving Construction Change Order #2 in the Amount of \$7685.82 for Work Related to Sleeve for Gravity Main.

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 (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 10, 2017. Present at the meeting were board members Eric Amend, Ted Border, David Sullivan, and EJ Engler. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Kurt Thomson from Stahly Engineering, and grant administrator Teresa Doig. Public attendees included Elana Wexall, Tim Szafaryn, and 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. Director Engler asked for an update on the issue he raised regarding his personal property at the weekly construction meeting. Mr. Thomson advised that they are preparing a written initial response to ensure his concerns have been correctly captured and are addressed, which will be provided the following day. In response to Mr. Engler's question as to whether the engineer feels the soil was adequately compacted and consolidated underneath his foundation, Mr. Thomson stated he cannot personally answer the question as he was not there, and will speak with JR Civil and the inspector present, who keeps a daily log, will review pictures and the compaction tests, and will provide this documentation to Mr. Engler.

Public attendee Tim Szafaryn stated that he feels the District's property should be sold to reduce debt. He stated his concern that members of the Board of GGWSD are also involved with the Salesville Commercial Club and perceives this as a conflict of interest. Director Sullivan stated he does not feel the District's land on Cottonwood Road has anything to do with activities being taken by the Salesville Commercial Club, which is focused on the entrance to Gateway, on the southwest corner of Mill Street & Hwy 191. GM Donnelly rephrased Mr. Szafaryn's question as, is it in the best interest of the ratepayers of the GGWSD for the District to retain the land for water and sewer purposes, or sell it to reduce debt? GM Donnelly said he would provide a written response to the concerns he has raised. Director Amend also offered to Mr. Szafaryn his willingness to discuss his views on the subject.

CONFLICT OF INTEREST DISCLOSURE

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

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the June 5, 2017 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 3-0 with Director Engler abstaining as he was not present at the meeting.

President Border asked that the order of the agenda be re-arranged to begin with Item VI. B.

Discussion and Decision on Approving Construction Change Order #2 in the Amount of \$7,685.82 for Work Related to Sleeve for Gravity Main

Change Order #2 description: *56 lineal feet of 12 inch carrier pipe was installed with the 8 inch sanitary sewer main through the well isolation zone at station 5+44 to 6+00 on Tracy Street, Sheet C3.5. This change order also includes down time of labor and equipment resulting from added change.*

Mr. Thomson noted that the cost was negotiated down, and recommends approval of the change order. It was noted that there will be an additional change order related to the shrink-wrap, as the amount needed was "guesstimated" and went over that, so there will be an additional change order to match the total actual amount. Director Sullivan moved to approve change order #2 for \$7,685.82; Director Amend seconded the motion. Board discussion included a comment that the Board was aware that this additional expense was coming, and see it as great solution to the problem. There was no public comment. *The motion passed 4-0.*

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided the report. He has been working with HRDC in their efforts to implement the County's responsibilities with respect to the District's CDBG grant, which is intended to pay off assessments for the District's low and moderate income residents. He was advised that HRDC has sent a letter to all property owners, dated July 7, 2017. They apparently neglected to include the application, but will send a second mailing with the application. HRDC will be holding a public meeting on July 18 at the Community Center.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2016: Income for June 2017 included \$2,636 in quarterly invoices, and \$600 in Miscellaneous income, which was payment from NW Energy, for use of the District's land to store materials (\$200 per month, for 3 months use). She noted that the engineering invoice was received late, and should be added to the P&L, \$46,299.95, revising the total A/P to \$58,652.45. The A/R aging report was reviewed, and Ms. Sullivan noted that

by July 15 she will be sending the annual written notice to accounts with delinquent balances greater than 90 days, which advises that delinquent amounts must be paid by the stated deadline to avoid having their delinquent account sent to the County Treasurer for collection on the tax roll. It was also noted that some customers have been invoiced for a “stub fee” to install a stub to their property for a future project (not included in the initial sewer installation project). Mr. Donnelly will work with Mr. Thomson to determine the timing of the contractor’s request for payment on the “stub” work.

Ms. Sullivan further noted that the District has applied to QuickBooks (Intuit) to implement online payment ability for its customers, and she and Mr. Donnelly are working with Intuit on completing the process, which will then need to be tested.

Ms. Sullivan presented the annual invoice for the District’s liability insurance from MACo, for \$1,944.00. She noted that this amount is approximately a 25% increase from the prior year, and noted that the broker has advised that the District is part of an aggregate of entities covered under the MACo Property & Casualty Trust, and each member’s contribution is assessed by the Trust each year, and that amount will vary. Director Sullivan moved to approve the MACo invoice for \$1,944.00; Director Amend seconded. There was no Board discussion and no public comment. *The motion carried 4-0.*

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Teresa Doig reported on the various government reports, administration and draw requests. She provided the Board with an updated budget (with updated RPR services) and an updated expense-tracking sheet. She presented a draw request to RD for \$887,839.57. She noted that the Board previously approved the payment of \$540,000 to Four Corners WSD in June, but Steve Troendle from RD denied it, stating that he didn’t want to release federal funds before the District was closer to sending flow to the treatment plant. Ms. Doig stated she will ask for it again in July. The Board reviewed JR Civil Pay Request #4 and Stahly Invoice #58. Mr. Donnelly noted the contractor’s pay request is acceptable, although he further noted that the materials in storage did not change for June. He has advised Mr. Thomson that if there is no change in the stored materials for July, he will not recommend Board approval.

Total draw request submitted for approval:

\$289,597.37	JR Civil Pay Request #4
\$ 46,299.95	Stahly #58
\$ 5,228.75	Balance Stahly #56
\$ 6,712.50	Balance Stahly #57
\$540,000.00	Four Corners Connection Fee
<hr/>	
\$887,839.57	

Director Amend moved to approve JR Civil pay application #4, Stahly invoice #58, the balance of Stahly invoice #56 & 57, and Four Corners, and approve the draw request to RD for \$887,839.57. Director Sullivan seconded the motion. There was no further Board discussion and no public comment. *The motion carried 4-0.*

Kurt Thomson provided the engineer's report. He said the contractors are coming close to the halfway point, both in budget and timeline. He has some concerns on the progress of the force main, mostly due to delays caused by ground water, but noted that once they are past the cemetery, progress should improve greatly. The progress in town has been good.

He noted there are 3 crews working, with 2 crews in town and one on the force main. The replacement directional drilling contractor has been on the job, and doing a good job working through the ground water issues. Mr. Thomson will provide an updated project schedule on Thursday. He feels they are beyond the worst of the private utilities. Ms. Doig asked if the OSHA issues have been resolved, and Mr. Thomson advised he believes they have been addressed. OSHA arrived at the point when the workers were fusing in a trench without a trench box, which was a violation, and noted that he believes this was an isolated incident and has been corrected.

REGULAR BUSINESS

Nomination and Election of Candidates to Fill Vacant Seat on Board of Directors

President Border opened the floor to nominations for the vacant seat on the Board of Directors. President Border nominated Elana Wexall, and Director Engler seconded the nomination. Ms. Wexall spoke briefly on her background and qualifications, stating she has been working in the real estate field for about 12 years, and has lived in Gallatin County since 1996. She and her husband own property in the District. She noted she would bring real estate knowledge to the Board and looks forward to a chance to work with, and for, the community. Board comment noted that her real estate knowledge would bring a different perspective to the Board, previously lacking. GM Donnelly noted that he has been communicating with Ms. Wexall and her husband on sewer business, and senses that they are great property owners and love the community. President Border asked for further nominations and, seeing none, closed the nominations. President Border called the question, and Ms. Wexall was elected to the Board by a vote of 4-0.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:15 p.m.



Secretary