

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: January 6, 2014

Time: 6:30PM

Place: Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT

For: Regular Meeting of the Board of Directors

AGENDA

I. Public Participation on Non-Agenda Items¹

II. Approval of Minutes

- A. Approval of Meeting Minutes for December 2, 2013
- B. Approval of Meeting Minutes for December 19, 2013

III. Reports of Officers, Standing Committees, and Special Committees

- A. Report of General Manager & Report of Financial Condition
- B. Report of Community Liaison Committee
- C. 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

IV. Unfinished Business and General Orders

- A. Review 20 Year Capital Plan

V. New Business

- A. Any New Business Which May Come Properly to the Board

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.

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 Fire Station, 320 Webb St., Gallatin Gateway, MT, on January 6, 2014. Present at the meeting were board members Merle Adams, Ted Border, Steve Janes, and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Greg Benjamin from Stahly Engineering, Larry Watson from Gallatin County, and grant consultant Teresa Doig.

President Border called the meeting to order at 6:30 p.m. Maralee Parsons Sullivan recorded the minutes of the meeting.

PUBLIC COMMENT

President Border asked for public comment on non-agenda items. Gateway resident Tim Szafaryn asked a question about the agenda posted on line. GM Matt Donnelly clarified that the agenda is usually at a high level. Mr. Szafaryn asked if the District is moving forward with the sewer plans despite the pending lawsuit. Mr. Donnelly explained that the District cannot access grant money for construction until the lawsuit is settled, but it is moving forward with finalizing the design. With no other public comments on non-agenda items, President Border proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the December 2, 2013 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Janes seconded the motion and the minutes were approved unanimously.

After confirming that all directors had a draft copy of the December 19, 2013 special meeting minutes, President Border asked if there were any corrections. None were noted. Director Adams made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

REPORT OF GENERAL MANAGER & REPORT OF FINANCIAL CONDITION

Matt Donnelly reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2013. The District's books have been moved from a stand-alone QuickBooks account to an on-line QuickBooks account, and we are transitioning the financial responsibilities from Matt Donnelly to Maralee Sullivan (District Treasurer). Balance sheet indicates \$1100 in LOC account (unrestricted, available for use), \$1500 in project account (earmarked for back

taxes owed on the land purchased, which was held out of escrow account). District now has A/R of \$1,375.50 from our first invoicing completed on Dec 30, 2013, for 1.75 months of the first quarterly benefitted lot charge. Going forward the quarterly billing will be for 133 lots at \$6.00/lot per month, for 3 months, or \$2,394 in receivables. Payables include \$12K, mostly in outstanding engineering invoices; Teresa will present a draw request. The P&L indicates \$306.1K income from TSEP grant, most of which has been charged to land purchase (\$189K), engineering (\$82.5K), and realtor fees (\$8K).

Maralee Sullivan is assuming posting invoices from attorneys, engineers, and others and will be reporting to the Board each month. Susan Swimley is holding her charges with no interest until such time as the District is able to pay her. The new attorney in Helena does, however, expect payment and initial invoices have been received, for approximately \$4500. There was discussion as to whether to pay these invoices from the existing LOC, or possibly ask for deferral. Director Sullivan indicated the LOC is there for the District to draw against when needed, with interest only payment due monthly. Mr. Donnelly indicated that if the legal fees exceed the revenue and LOC maximum, there may be state funds available to assist with the District's debts, and the Helena attorney is still attempting to have the District's insurance company pay the legal fees.

Director Sullivan made the motion to draw on the line of credit for \$4500 to pay the invoices from Payne, et al; Director Janes seconded the motion, and it passed unanimously.

REPORT OF COMMUNITY LIAISON COMMITTEE

Director Janes indicated there is no activity to report except a thank you to Maralee for writing the newsletter, which accompanied the invoices to property owners. Copies of the newsletter were available at the meeting as well.

REPORT OF ENGINEER

Greg Benjamin provided the engineer's report. Pre-qualifications are due this Friday for the level 2 treatment plant, with good response so far, then there will be a recommendation made to the Board. Discussions continue on phosphorous levels; Robert is available the week of Jan 20 to discuss options with the 2 Board members who still need to meet with him. Stahly is focused on the DEQ submittal, which will include the plan & specs and design report for the collection system and lift station and force main. Along with plan & specs and design report they will also include the design report, but not the plans & specs, for treatment and disposal, to minimize the risk of having to do it twice. They expect to have the submission complete in the next month or two. Once the submittal is in, Stahly will stop most activity except to hit milestones, to minimize expenses. Stahly wants to start filing easements as soon as they are signed; a notary is available at Stahly. Mr. Benjamin expressed his thoughts on the litigation, which is not uncommon in projects of this type, and perhaps there might be some funding available from grant agencies as litigation is part of project costs, and this project is still marching forward. Teresa will have a discussion with the grant

agencies. Matt says we have no more TSEP engineering money, the remainder will need to come from CDBG, and so Stahly's plan to minimize activity following the DEQ submittal will help the District minimize expenses. President Border asked once litigation is resolved, how much time will it likely take to go to bid? Mr. Benjamin indicated he will need to get an answer on that, but one option is to just bid the collection pump station, and do a dual bid in order to get some work started this fall.

Teresa Doig reported on the various government reports, administration and draw requests:

- RUS: Nothing to report
- TSEP: There are 2 Stahly invoices to be paid, #19 and 21, one for \$3152.62 and \$7425.50, so Teresa presented a draw request for \$10,578.12. She has moved approx. \$3K from contingency into design; there is still money left in study report and preliminary which is budgeted, so it can be changed, but going forward it is unlikely we will be able to move much more out of contingency. There is money in CDBG for engineering. Funding agencies are all supportive regarding the litigation, and at this point we are keeping them in the loop, making a tentative new schedule with the now delayed construction timeline; will likely have another conference call next month. Director Sullivan made the motion to approve the TSEP draw request; Director Adams seconded the motion and it passed unanimously.
- CDBG: Larry Watson provided the report. As previously reported, the environmental hearing process is being repeated due to findings, so they have initiated the hearing process for both tribal review and state historic preservation office, which responded immediately. There has been no response from tribal review. A revised environmental assessment has been submitted to Dept. of Commerce, with the correct property map and some language changes to include Vaughn property. There has been no response after a month, which is holding up Mr. Watson's ability to begin the next set up public hearings, which will take about 2 months to complete. CDBG is likely being cautious, waiting to see what will happen with litigation. We may want to consider another modification to the budget if delays are pushed into the April/May timeframe. Other start-up conditions are met. We will need to ensure that the revised environmental report addresses the Nicklin report. Mr. Donnelly indicated there might be a gap between when TSEP turns off engineering funds, and when CDBG is in place to pay engineering funds; Greg indicated he will work with Kurt for cost estimates to hit the project milestones, and will work with the District to help mitigate delay of availability of funds.
- DNRC: Will pick up again with construction costs.

UNFINISHED BUSINESS AND GENERAL ORDERS

Review 20 Year Capital Plan

The Board reviewed the financial spreadsheet tool provided by Mr. Donnelly. A hot question with the community is when will the District need to upgrade the sewage treatment plant, and the financial tool provides insight into assumption

variables such as phosphorous, flow rate, etc., and how these variables impact the timeline for upgrading the system. This tool will help develop a 20-year capital improvement plan the Board will need to approve; the Board will continue to work with this tool. Feedback so far indicates this is an easy-to-use tool, and helpful in communications with the engineers and public, when discussing what the future holds.

NEW BUSINESS

President Border asked for any unfinished or new business. Mr. Donnelly asked about the status of the open Director position, and if Erik Amend is interested. The Board decided to follow up next month. Matt also indicated the County Commissioner's public hearing on Gateway Village (GV) is Tues. January 14, and a community meeting on January 9 at 6:30. The District's response to the GV response to the motion to dismiss is due January 17, then the judge will make a ruling on whether or not to dismiss.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next meeting date is February 3, 2014.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:40 p.m.

Secretary