

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: September 2, 2014

Time: 6:30PM

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

For: Regular Meeting of the Board of Directors

AGENDA

- 1. Public Participation on Non-Agenda Items¹**
- 2. Approval of Minutes**
 - a. Approval of Meeting Minutes for August 4, 2014
 - b. Approval of Meeting Minutes for August 21, 2014
 - c. Approval of Meeting Minutes for August 23, 2014
- 3. 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 and ongoing design review comments including: discussion of phosphorous removal by factory rep; discussion of factory support by factory rep; discussion of sludge handling methods
 - 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
- 4. Unfinished Business and General Orders**
 - a. First Reading of an Ordinance Amending the Rules and Regulations of the District and Establishing a Volume Ratio Unit Allocation Schedule
- 5. 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 September 2, 2014. Present at the meeting were board members Merle Adams, Eric Amend, Ted Border, Steve Janes, and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Greg Steckler from Stahly Engineering, Francis Pastors from Xylem, and Larry Watson from Gallatin County. One member of the public, Tim Szafaryn, was present.

President Border called the meeting to order at 6:32 p.m. Secretary Maralee Parsons Sullivan recorded the minutes of the meeting.

PUBLIC COMMENT

President Border asked for public comment on non-agenda items. There were no non-agenda items raised.

President Border proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the August 4, 2014 meeting minutes, President Border asked whether there were any corrections. 1 typo was noted on page 3. Director Sullivan made the motion to approve the minutes as corrected, Director Janes seconded the motion and the minutes were approved unanimously.

After confirming that all directors had a draft copy of the August 21, 2014 special meeting minutes, President Border asked if there were any corrections. Director Janes questioned whether a comment made by Council Swimley should be included in the minutes. Mr. Donnelly agreed to ask council Swimley to review the minutes and they will be presented for approval at the October 6 meeting.

Minutes from the August 23, 2014 meeting (tour of Manhattan sludge handling) were not yet distributed, and will be distributed for review/approval at the next regular meeting.

REPORT OF GENERAL MANAGER, TREASURER & APPROVAL OF EXPENDITURES

GM Matt Donnelly provided the report. He attended the school board and fire board meetings in August, providing an update on the District's progress.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2014: Balance sheet indicates \$2,279 in the operating account, with \$1,017 in receivables. The Line of Credit was renewed for a period of 1 year, through July 31, 2015. Invoices for the month of August include \$70 legal and \$11,262 engineering. There are 9 customer accounts which were in arrears at the close of the fiscal year (June 30), and which remained in arrears through August. On August 27, the list of accounts was provided to the Gallatin County Treasurer, to add to the county's tax rolls for collection. The list of the 9 accounts was provided to the Board. Ms. Sullivan noted that the District did not assess any penalty other than the standard \$10 late fee, to these accounts, despite the fact that most have never paid their bills, and the District will not have access to the money owed until it is collected by the County in several months. She suggested the Board consider a 'Delinquent Account' fee be implemented, and noted that Big Sky Water & Sewer District has implemented a \$100 fee for all accounts turned over to the County. The Board agreed to discuss this in their review of the Rules and Regulations later in the meeting.

Ms. Sullivan gave an update on the audit. In reviewing the revised budgets from the granting agencies, Teresa Doig advised Ms. Sullivan that the funds to pay for the audit are provided in the RD budget, but the District cannot access these funds until a construction contract is signed. Ms. Sullivan contacted Troy Watling of JCCS (audit services) to explain the situation, and he recommended the audit (already underway) be halted, and will provide the District with pricing options for "Agreed Upon Procedures", a cafeteria-style list of financial services available to the District, focusing on client-agreed upon areas. A full audit would cost \$6800, and is not required this year. Mr. Watling will be providing Ms. Sullivan with cost estimates (in the range of \$1500 to \$2500). The Board agreed this would be worthwhile to pursue, with the intent of making the District's financial statements and internal controls more robust. Director Sullivan made the motion to authorize Ms. Sullivan to proceed on the District's behalf with the Agreed Upon Procedures; Director Janes seconded the motion and it passed unanimously.

REPORT OF COMMUNITY LIAISON COMMITTEE

Director Janes had nothing to report.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Greg Steckler provided the engineer's report. He introduced Francis Pastors, Territory Manager from Xylem. Mr. Steckler provided a brief summary of activities: They have moved into the final design and the main focus is now on the headworks. They are working on equipment drawings for biological reactors and doing some design work on sludge system. Structural engineers are starting to look at the tank layout, with final design of tankage system, wall thickness, reinforcing, etc. The Board asked a number of technical questions of the Xylem rep. regarding the sludge handling system, phosphorous handling, and technical support. Mr. Pastors advised that for very urgent needs (within 1 hour, which is very infrequent), the technical support contact would be Mark Garring out of

Helena. The main expertise for the system resides in Milwaukee. The system is very much a technology driven system, so Xylem is able to dial into the system and provide in-depth support immediately over the internet. There is also a 24-hour 'hotline' for access to an individual familiar with all facets of the equipment and operation. They are designing a 2-basin system, which provides operational flexibility, including the ability to shut off half the equipment if flows are such that 2 basins are not needed (e.g. at start-up), saving energy. The plant is designed for 30K gal/day (PER estimates 27K gal/day) but the flow could be cut down to about 7K if needed, with no concerns. Similarly, the modular design of the system also accommodates growth by the addition of tanks. The system is designed for wastewater temperature to meet effluent parameters at the coldest time of the year. Xylem has over 500 installations in the US, many in the northern-most climates. GM Donnelly stated the District's goal is to minimize O&M expenses, so any automation packages that reduce the amount of time the operator spends on-site would be welcome.

Agency draws:

- RUS: - Nothing to report
- TSEP: - Nothing to report
- DNRC: - Nothing to report
- CDBG: Larry Watson provided the report. Morrison-Maierle has finished the environmental assessment (EA), and the 15-day public hearing process was initiated and completed on 8/25/14. 2 sets of comments were received, one from the Gallik Law Firm and one from Threlkeld Engineering. Comments were very similar to those received during the previous public hearing process, relying heavily on the data in the Nicklin report, despite the fact that the technology has changed to an SBR system. A one-week period was built in to the public hearing process to allow Morrison-Maierle to consider the public comments. They have 2 options: 1) determine that the comments are significant based on the content of their own report and need to be addressed, and they would then issue an addendum to the EA. If there is an addendum, it must be vetted by another 15-day public hearing process. 2) Determine the comments are not substantial, finding their report adequately addresses the concerns raised. They would then put a memo to the file stating that they have reviewed and considered the comments, and find no need to modify or amend the report. They would then report that to the County commissioners, who decide whether or not to issue the request to release of funds to Dept. of Commerce. At that time the DOC will open a 15 day public comment period, after which they will make a decision on whether to release funds.

UNFINISHED BUSINESS AND GENERAL ORDERS

First Reading of an Ordinance Amending the Rules and Regulations of the District and Establishing a Volume ratio Unit Allocation Schedule

GM Donnelly had previously supplied the Board with proposed redlines to the existing Rules & Regulations (R&R). In addition to the proposed redlines, the

Board opted to review the R&R section-by-section. The following changes were proposed, discussed, and where agreed to, the agreement was unanimous.

101.3: GM's proposed change of 'will' to 'may' was accepted.

106 Definitions:

1. GM's proposed change: replace 'improvements' with 'improvement' and change 'is' to 'and' was accepted.

18: There was discussion around 'dead animals' and does this refer to game processing. Discussion tabled.

34 – Delete '2 bathroom' from definition

Appendix B footnote 8 refers to 'sanitary waste' but there is no definition of sanitary waste. Remove footnote 8, 13, 14 of App B.

111 – Should all powers of GM be delegated? No action – agreed to leave as is.

121 – Is punishment appropriate word? No action – agreed to leave as is.

123 The District is responsible for facilities up to the service ~~wye or tee~~. ~~lateral~~. All facilities from the building up to ~~and including the service wye or tee but excluding the lateral stub~~, are the responsibility of the property owner.

302 – GM's proposed changes accepted:

'District, and any subsequently approved additions thereto. ~~The boundaries of the wastewater service area represent an area within which applicants for new service may reasonably expect that the District will have adequate treatment capacity to allow the proposed connection.~~ A map depicting the wastewater service areas adopted herein, and any enlargements that may be from time to time approved by the Board of Directors, ~~shall be made available for public inspection during regular working hours is contained in ??~~'

303 – Delete last sentence of paragraph: 'Remodeling...is available'

305 – Do we need a section pertaining to initial customers of the District, who are not being charged hook-up fees, potentially: ' All connection permit fees will be waived for properties connecting in the initial project'. GM to consult with council.

307 – In first sentence, replace 'wastewater service' with 'services'.

314.3 – Delete 'restaurants, or other commercial establishments,'

317.1 Delete from first sentence 'except that such interceptors shall not be required for private living quarters or dwelling units'.

317.3 – Discussion on whether this is required for any initial users, and is it in the plan? Discussion tabled, no change.

318.4 – GM's proposed change of word 'industry' to 'customer' (in 2 places) accepted.

611.1 – Change 'fee is applicable' to 'fee may be applicable' in second sentence.

615.2 – Discussion on charges being levied by the county; no changes made.

616.2 – Change word 'effluent' to 'wastewater'.

621.1 – Change 'ongoing operation and maintenance' to 'ongoing operation, maintenance and repair'.

621.3.c – Change word 'effluent' to 'wastewater'.

622.1 – Change '2014' to 'Phase I' in 2 places

623 - Replace '2014' with 'Phase I' in all places in the section.

The Board decided to continue with the review at the next Board meeting.

NEW BUSINESS

President Border asked for any unfinished or new business, and seeing none, noted that the next meeting date is October 6 2014.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 9:35 p.m.

Secretary