

# **Gallatin Gateway County Water & Sewer District**

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## **PUBLIC MEETING**

**Date:** June 4, 2012

**Time:** 6:30PM

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

**For:** Regular Meeting of the Board of Directors

## **AGENDA**

### **I. Call To Order**

- A. Call To Order
- B. Public Participation on Non-Agenda Items<sup>1</sup>

### **II. Approval of Minutes**

- A. Approval of Meeting Minutes for May 10, 2012

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

- A. Report of General Manager & Report of Financial Condition
- B. Report of Site Selection Committee
- C. Report of Engineer

### **IV. Unfinished Business and General Orders**

- A. Budget Discussion and Approval of 2012-2013 Budget
- B. Discussion and Decision on Resolution Waiving Directors' Compensation for the 2012-2013 Fiscal Year

### **V. New Business**

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

### **VI. Adjourn**

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<sup>1</sup> 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**

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## MINUTES OF THE

### **BOARD OF DIRECTORS**

A regular meeting of the Board of Directors of the Gallatin Gateway County Water & Sewer District was held in the Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT on June 4, 2012. Present at the meeting were board members Merle Adams, Ted Border, David Sullivan, and Charlie White. Director Wortman was absent. Matt Donnelly was present, as well as Kurt Thomson and Greg Benjamin (Stahly Engineering).

The meeting was called to order at 6:30 p.m. by President White. Matt Donnelly recorded the minutes of the meeting.

#### PUBLIC COMMENT

President White asked for public comment. Pete Stein raised the question of how the District will set rates, stressing that if the District uses DEQ Circular 4 for setting commercial rates they should also use Circular 4 for residential rates. The methodology used in the Preliminary Engineering Review (PER) was brought up repeatedly. It was noted that there were two motivations for attempting to determine flow rates in the PER. One motivation was for engineering considerations such as sizing pipes and drainfields; another motivation was estimating rates. The Board indicated that they can't explicitly set rates until they know the cost of the project and the amount of debt to be incurred by the District. Nevertheless several Board members thought it would be a good idea to put the item on the agenda for future meetings in an effort to disseminate more information to the District.

Francis Vargo expressed concern about the cost of the overall sewer project and about the fairness of assessing each parcel in the District regardless of whether or not the parcel consumes sewer services. Specifically, Mr. Vargo felt that vacant lots and lots that do not connect to sewer should not be assessed. This, as well as additional public comment regarding the DEQ requirement that landowners wishing to aggregate sign an affidavit that they will move their well under certain circumstances, led to a public discussion of whether the Board intended to pass an ordinance requiring all buildings to connect to the sewer system. Matt Donnelly explained that the Board had signed a Letter of Conditions with USDA to receive a \$1.8M grant, and that one of the conditions imposed by USDA for the District to receive its grant is that a minimum of 68 users sign affidavits that they will connect or that the Board pass an ordinance requiring mandatory hookups.

President White expressed a concern that it may not be possible for the Board to take up the issue of who would hook up to the system and when they would hook up before the District has the ability to offer sewer service, that is

before the sewer project has been started. He then stated he would seek an opinion on the matter from the District's attorney and would place it on a future agenda.

Seeing no additional public comment, President White proceeded to the next item on the agenda.

#### APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the May 10 minutes, President White asked whether there were any corrections. Seeing none, Director Sullivan moved to approve. Director Border seconded the motion, which passed unanimously.

#### REPORT OF GENERAL MANAGER

Matt Donnelly presented the financial position of the District, which had not significantly changed from the last meeting. No additional grant funds will be available until the assessment is complete, at the earliest, and no news regarding the CDBG grant application had been received.

#### REPORT OF SITE SELECTION COMMITTEE

Kurt Thomson reported on the progress of the site selection committee. The committee is considering six properties, and each has either technical difficulties or difficulties with the seller's position. Mr. Thomson made it clear that there is no ideal property for the District's purposes, but that there are a few acceptable options. Stahly Engineering will be digging test pits on some of these sites to get a better understanding of groundwater levels. Leah Olson will be trying to set up meetings with prospective landowners to answer their questions.

#### REPORT OF ENGINEER

Kurt Thomson reported on the engineer's progress. Surveying is complete within the District, but additional surveying will be required to map the force-main to the discharge site once it has been selected. Stahly will begin going house-to-house within the District to identify service connections and to get orientations for service connections for each building in the District.

There was public discussion regarding the house-to-house visits, and members of the public noted that community members will have questions as Stahly conducts this tasks. Mr. Stein offered to draft a brochure in the form of a door hangar explaining who Stahly Engineering is and why they are seeking access to properties within the District.

Mr. Thomson concluding the engineer's report by reiterating the progress of the site selection committee.

## BUDGET DISCUSSION AND APPROVAL OF FY2012-2013 BUDGET

Matt Donnelly presented a preliminary FY2012-2013 budget. After review and discussion, Director Sullivan noted that the District would be sending out at least two mailings to all landowners in the District this year, and he moved to amend the proposed budget by adding \$150 to the budget for the postage account. Director Adams seconded the motion, which passed unanimously. After further discussion, Director Sullivan moved to adopt the budget as amended. Director Adams seconded the motion, which passed unanimously. The President ordered the budget, as approved, to be appended to the minutes.

## DIRECTOR'S COMPENSATION

The Board then turned to a discussion of director compensation. The directors are authorized monthly compensation by the Bylaws of the District. Director Border moved to adopt Resolution 12-03, "That the Gallatin Gateway County Water & Sewer District Board of Directors does hereby waive the Directors compensation for the 2012-2013 fiscal year. It is intended that this resolution shall be in full force and effect until June 30, 2013." Director Sullivan seconded the motion which, after discussion, passed unanimously.

## NEW BUSINESS

President White asked for new business. After receiving the floor, Matt Donnelly tendered his resignation for the position of Secretary of the District. President White then opened the floor for nominations for the vacated position and Mr. Donnelly nominated Maralee Parsons. After seeking additional nominees, President White closed the nominations. Director Border moved to appoint Maralee Parsons to the office Secretary for the District and that no compensation will be provided for the performance of her duties in this role. After being duly seconded, President White called for the vote. The motion passed unanimously and Ms. Parsons was appointed to the post of Secretary. Seeing no additional new business, President White noted that the next meeting date is July 2, 2012.

President White then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:03 p.m.

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Secretary

Sewer

**GALLATIN GATEWAY COUNTY WATER/SEWER DISTRICT  
SEWER ENTERPRISE FUND**

*The sewer enterprise fund records all financial activity related to the regular, ongoing operating and maintenance expenses for the sewer system.*

Description	FY 10-11 Actual	FY 11-12 Current Budget	FY 11-12 Estimated Year End	FY 12-13 Budget
<b><u>Funding Sources</u></b>				
Non-Tax Revenues	\$0	\$0	\$0	\$0
Tax Revenues	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0
Contributions	\$500	\$0	\$100	\$0
	<u>\$500</u>	<u>\$0</u>	<u>\$100</u>	<u>\$0</u>
<b><u>Expenses</u></b>				
<b><u>General &amp; Administrative</u></b>				
Auto Expenses	\$0	\$0	\$0	\$0
Education & Travel	\$0	\$0	\$0	\$0
Election Expense	\$0	\$0	\$0	\$0
Salaries & Compensation	\$0	\$0	\$0	\$0
Engineering Services (General)	\$576	\$0	\$344	\$0
Insurance	\$0	\$0	\$0	\$0
Interest on Operating Loans	\$0	\$0	\$0	\$0
Memberships	\$0	\$0	\$0	\$0
Miscellaneous	\$500	\$0	\$850	\$0
Office Supplies & Postage	\$0	\$100	\$0	\$0
Professional Services	\$908	\$0	\$815	\$0
Publications & Notices	\$703	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0
<b><u>Sewer Operations</u></b>	\$0	\$0	\$0	\$0
Salaries & Compensation	\$0	\$0	\$0	\$0
Plant Expenses	\$0	\$0	\$0	\$0
Operating Reserve	\$0	\$0	\$0	\$0
<b><u>Reduction of Principle on Debt</u></b>	\$0	\$0	\$0	\$0
<b><u>Interest on Debt</u></b>	\$0	\$0	\$0	\$0
<b><u>Capital Outlay</u></b>	\$0	\$0	\$0	\$0
<b><u>Capital Reserve</u></b>	\$0	\$0	\$0	\$0
	<u>\$2,687</u>	<u>\$100</u>	<u>\$2,009</u>	<u>\$0</u>
<b>Net Income</b>	<b>-\$2,187</b>	<b>-\$100</b>	<b>-\$1,909</b>	<b>\$0</b>

Misc: \$500-prize winner; \$850 copy costs for CDBG grant proposal

General

**GALLATIN GATEWAY COUNTY WATER/SEWER DISTRICT  
GENERAL FUND**

*The general fund records all financial activity related to the regular, ongoing operating and maintenance expenses that cannot be directly attributed to either providing water or sewer services.*

Description	FY 10-11 Actual	FY 11-12 Current Budget	FY 11-12 Estimated Year End	FY 12-13 Budget
<b><u>Funding Sources</u></b>				
Non-Tax Revenues	\$0	\$0	\$0	\$0
Tax Revenues	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0
Contributions	\$0	\$0	\$0	\$0
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Expenses</u></b>				
<b><u>General &amp; Administrative</u></b>				
Accounting & Bookkeeping	\$0	\$0	\$0	\$0
Auditing	\$0	\$0	\$0	\$0
Directors' Compensation	\$0	\$0	\$0	\$0
Education & Travel	\$0	\$0	\$0	\$0
Election Expense	\$0	\$0	\$0	\$0
Salaries & Compensation	\$0	\$0	\$0	\$0
Engineering Services (General)	\$0	\$0	\$0	\$0
Insurance	\$1,440	\$1,500	\$1,440	\$1,440
Memberships	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0
Office Supplies & Postage	\$40	\$50	\$52	\$200
Professional Services	\$217	\$0	\$70	\$250
Publications & Notices	\$0	\$100	\$0	\$100
Utilities	\$0	\$0	\$0	\$0
	<u>\$1,697</u>	<u>\$1,650</u>	<u>\$1,562</u>	<u>\$1,990</u>
<b><u>Net Income</u></b>	<b>-\$1,697</b>	<b>-\$1,650</b>	<b>-\$1,562</b>	<b>-\$1,990</b>

**GALLATIN GATEWAY COUNTY WATER/SEWER DISTRICT  
PROJECT FUND #1**

*This project fund records all financial activity related to the initial sewer project, i.e. the design and construction of a sewer collection and treatment system.*

Description	FY 10-11 Actual	FY 11-12 Current Budget	FY 11-12 Estimated Year End	FY 12-13 Budget
<b>Funding Sources</b>				
Grants				
DNRC	\$0	\$0	\$24,563	\$75,000
TSEP	\$0	\$0	\$0	\$500,000
RD	\$0	\$0	\$0	\$0
CDBG	\$0	\$0	\$0	\$0
Loan Receipts	\$0	\$0	\$0	\$400,000
Contributions	\$0	\$0	\$100	\$0
	<u>\$0</u>	<u>\$0</u>	<u>\$24,663</u>	<u>\$975,000</u>
<b>Expenses</b>				
<u>Project Related Expenses (Capital Expenses)</u>				
Education & Travel	\$0	\$0	\$0	\$0
Election Expense	\$0	\$2,000	\$1,206	\$0
Salaries & Compensation	\$0	\$0	\$0	\$0
Engineering Services (Project)	\$0	\$0	\$44,563	\$400,000
Construction Services (Project)	\$0	\$0	\$0	\$550,000
Insurance	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0
Office Supplies & Postage	\$0	\$0	\$0	\$0
Professional Services (Project)	\$0	\$2,000	\$7,169	\$7,000
Publications & Notices	\$0	\$500	\$477	\$500
Utilities	\$0	\$0	\$0	\$0
Interest on Interim Debt	\$0	\$0	\$0	\$10,000
	<u>\$0</u>	<u>\$4,500</u>	<u>\$53,415</u>	<u>\$967,500</u>
<b>Net Income</b>	\$0	-\$4,500	-\$28,752	\$7,500

Staffing

**GALLATIN GATEWAY COUNTY WATER/SEWER DISTRICT  
STAFFING LEVELS**

*The District's anticipated staffing levels for all activities.*

Description	FY 10-11 Actual	FY 11-12 Current Budget	FY 11-12 Estimated Year End	FY 12-13 Budget
<b>Staffing Levels</b>				
Administrative	0	0	0	0
Sewer Operations	0	0	0	0
Water Operations	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>