

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: August 6, 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 Items¹

II. Approval of Minutes

- A. Approval of Meeting Minutes for July 2, 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. Resolution of intent to Levy a Special Assessment – hearing to review any written protests received by the District between July 7 and August 6, 2012.

V. New Business

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

VI. 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.

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 in the Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT on August 6, 2012. Present at the meeting were board members Earl Wortman, Merle Adams, Ted Border, David Sullivan, and Charlie White. Matt Donnelly and Maralee Parsons were present, as well as Kurt Thomson and Greg Benjamin (Stahly Engineering).

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

PUBLIC COMMENT

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

President White proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the July 2 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 reported that Earl has spoken to Janine Roberts about assuming the responsibility of keeping the district's books (not a Treasurer position) and requested approval from the Board. Janine has been informed that this is an unpaid position but once the District is functional the board may consider a proposal to convert it to a paid position. Director Sullivan motioned to approve and Director Wortman seconded. The motion was approved unanimously. Earl will contact Janine.

Matt presented financial statements for month one of the current fiscal year: P&L and Balance sheet. Outstanding A/P items are attorney fees for \$3,045.00 and Stahly invoice for \$252.36.

Balance sheet (aggregate): \$1476 – Board has approved insurance invoice, which is attached to minutes for \$1361. Charlie has signed the check and this will deplete the District's cash until project funds come in.

Short-term A/P for \$43,538 is broken down on A/P aging summary. 2 large payables are to Stahly and attorney.

Grants: 3 grants and possibly a fourth from CDBG.

- DNRC grant: signed contract for \$100K grant, \$25K of which is already released to us (paid to Stahly). The remainder will not be released until we have signed agreement with TSEP.
- TSEP start up conditions are not met until the environmental assessment is done, which is waiting on the site selection.
- RD grant – won't release funds until we have a signed construction contract.

In the meantime District will need to borrow money from InterCap loan money, which we can tap into when we pass the assessment resolution. Once the construction contract is signed, RD grant funds will float us until the end of the project.

The next Board resolution will be an intent to authorize a bond to cover the special assessment so RD will pay us money upfront based on assessment money coming in. Counsel (Bob) will need to draft that resolution for the Board so we are unable to pass it tonight.

REPORT OF SITE SELECTION COMMITTEE

Director Merle Adams reported on the progress of the site selection committee.

We are proceeding with an appraisal on Loseff's property, which should be in by 8/9 at which point negotiations will begin and Leah Olson will be performing the negotiation. Loseff wants to sell only 8 acres, which will be one of the negotiating points, as the District would like 10 acres. Stahly is still doing the calculations on Loseff site but conservatively they believe that 8 acres will be sufficient; however the DEQ position will be unknown until we submit the discharge permit. There will be a buy/sell agreement, which Susan will write up, with contingencies to determine if site will meet the needs of District.

Kurt Thomson indicated he is working with Matt on a matrix of each site to illustrate pros/cons as well as reasons for sites dropping out of consideration. In the meantime a site selection summary of each site was handed out and reviewed. Engineers believe at this point that no sites are acceptable except Loseff site. Director Adams commented that this has been a particularly painful process made worse by conducting discussions with sites that were not even feasible. Matt also commented that he is not comfortable with the engineer's opinion that no other sites are suitable.

The engineer indicated it is possible we may be re-drilling wells to make the Loseff site work. Stahly will get an estimate.

Matt indicated the Board should decide how much latitude the site selection committee and Leah should have in deciding site. The Board indicated

committee and Leah have negotiating authority (within budget) but terms will be brought to the Board before any deals are finalized.

Merle requested Director Border call Dick DeBernardis to discuss his letter of 8/3/12 and indicate the District is not interested in his land as it is too expensive and not suitable (down-grading wells).

There was discussion around Loseff's undeveloped parcels. It was noted that he would have to pay for hook-ups to the District and if he develops his parcels in the future it may reduce the monthly user rates for existing users, however the assessment fee (\$300/yr) for existing users will not change. Assessment pays for pipes in the ground for the original users, and anyone who annexes in will need to pay for their own pipes in the ground. Loseff development would either be annexed in or they could be served as out of district users. His development could potentially max out the system, but it was noted that the system is being initially built for 30,000 gallons per day; the discharge permit will be good for 50,000 or more gallons per day; and the PER estimates that initial flow will be 26,000 gallons per day. There are lots of unknowns in the flow rate estimates at this time.

REPORT OF ENGINEER

Kurt Thomson reviewed the document titled "Budget: Review Opinion of Probably Cost (Pre-Design Opinion)" noting only items added or significantly changed.

Gravity Coll Item 7: Private property Surface Restoration: added to do restoration on private property (\$81K)

Treatment Item 6: Dose tanks added (\$90K)

Treatment Item 17: Groundwater infiltration adjusted.

Treatment Item 25 – still a rough estimate

Assumptions on quantities may change as we get into construction phase so this will be continuously updated. These are 2013-14 construction numbers so if construction is delayed to 2014 these numbers would still be accurate estimate.

Stahly is still looking at a layout for treating in town using Bozeman street right-of-way and will prepare a layout for Board review and send to Board directly. Will need to investigate where well is on west side of property; 100 ft distance between wells is required and District would have maintenance responsibilities. Stahly will need to survey to ensure it is high enough above flood plane. If there is a need to contact adjoining landowners Director Adams indicated he will do this.

Matt stated his desire to utilize all of the available grant money to build the best systems for residents. As we get closer to construction bid, we will need to ensure we are pushing to get the best we can get.

Stahly will be sending weekly updates to Board and solicited feedback from the Board on any changes in format, and recommends these weekly updates be posted at the Gallatin Gateway Post Office once construction phase commences.

RESOLUTION OF INTENT TO LEVY A SPECIAL ASSESSMENT – HEARING TO REVIEW ANY WRITTEN PROTESTS RECEIVED BY THE DISTRICT BETWEEN JULY 7 AND AUGUST 6, 2012.

Matt reviewed the process and timeline: The Board passed the resolution in April 2012 and notified residents. On May 10, 2012, residents indicated they needed more time for the aggregation process. At that time, there were 137 parcels in the district. The Board granted more time and on July 2, 2012 passed the resolution of intent with a public hearing to be held on August 6, 2102, to review any letters of protest received during the 30 day protest period between July 7 and August 6, 2012. During this time 4 additional parcels were aggregated, so now there are 133 parcels in district. Matt reviewed the new assessment numbers for 133 parcels: \$5,917.30 per parcel assessment (owner can pay upfront or pay \$297.88 per year for 40 years which will be added to tax bill.)

The District received one letter from a resident indicating there is no plumbing on the land. He has no problem paying the assessment but does not want to pay monthly user fees. The Board indicated that properties not connected to the system will not be charged user fees and as this is not a protest to the assessment fee it was noted that the District received 0 protest letters.

Charlie opened the meeting up to public comment on this issue.

It was clarified 1 line is 1 lot on Exhibit A attached to the Resolution.

With no further public comments, Director Sullivan made the motion to approve, seconded by Director Border. The Resolution passed unanimously.

NEW BUSINESS

President White asked for new business. Seeing no additional new business, President White noted that the next meeting date is Sept 4, 2012. (Note: Tuesday as Monday is a holiday). Location will be posted.

President White then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:45 p.m. .

Secretary