

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: May 7, 2018

Time: 6:30 PM

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 April 9, 2018

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. Discussion and Decision on Forming Ad-Hoc Subcommittee to Review Rules & Regs

B. First Reading of 2018/2019 Budget (no action)

C. Performance Evaluation for General Manager and Secretary (The Board will convene in Executive Session for this Discussion).

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 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 May 7, 2018. Present at the meeting were board members Ted Border, David Sullivan, and Elana Wexall. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were present. Also in attendance were grant administrator Teresa Doig and District council Susan Swimley. Members of the public included Gwen Allen, Brooke Savage, Ronald Page, Lee Hart, Chad Spring, Ruth Hargrove, Kathy & Dan Pittenger, Pete Stein, and Kerri Payne.

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. There were a number of comments from the public regarding the state of yards and roads in town, and questions as to when the residents can expect the contractor to return to work to address the issues raised and continue with the hook-ups. GM Matt Donnelly stated that the District and engineer have not received any direct communication from the contractor regarding the work schedule, but the District is aware that the contractor has recently filed a number of utility locates, and a few trucks have been spotted back in town, and may return to work tomorrow. Mr. Donnelly stated that the contractor has a responsibility to provide the District and the engineer with a schedule for the resumption of work, and so far, that has not happened. If the contractor continues to violate the terms of the contract, one remedy for the District is to declare the contractor in default of the contract, noting that he is talking almost daily with the District's attorneys regarding the matter. Mr. Donnelly acknowledged that the project needs a better mechanism for notifying residents of activities in town. District council Susan Swimley stated that she has been working with the attorneys for the engineer and the contractor, noting that the contractor claims additional money is owed to them, but they have not followed the change order procedure prescribed in the contract. She advised that the District has retained a contract litigation attorney to assist in the discussions. She also noted that it is helpful to hear the public's complaints and requests for answers on remediation to the state of their property and the roads in town. Ms. Swimley further noted that it would be helpful for the residents to document any conversations they have with the contractor's workers, as well as documenting any complaints with the contractor's work (or lack thereof). Public feedback can be directed to Matt Donnelly, who can forward it to the engineering and legal teams. Brook Savage commented that she feels the contractor is being disrespectful to the community and have destroyed people's yards. Lee Hart said he felt the work done along the highway was performed well, noting the

repairs were adequate, but the work in town fell far short. It was further noted that the contract is clear that the landscaping and roads must be returned to like condition prior to the construction activities, and the contract is bonded. Ms. Swimley advised that a call with the bonding company has already occurred, and the priority now is to get the work completed while pushing toward a resolution per the terms of the contract. She noted that trying to get a different contractor at this point would likely be a long, drawn out process. It was also noted that there is no provision in the contract for residents to be reimbursed if they choose to hire workers to do the repairs on their property.

There was also a question on how the District determines the monthly rate the residents are paying, and Mr. Donnelly advised that the District is charging \$69.30 per VRU, with one VRU being equal to a 2-bedroom house. Each additional bedroom adds .31 VRU. The number of bedrooms per residence has been determined through review of Montana tax records, and a process has been set up for residents to petition a review of the number of VRU's assigned to their property.

CONFLICT OF INTEREST DISCLOSURE

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

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the April 9, 2018 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Wexall made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided the report. The collection system is being exposed to substantial amounts of infiltration due to snowmelt. The cause is twofold: the manholes are in an unfinished state due to the inability of the contractor to finish before winter; the roads are not graded and, in some cases, are sloped so as to drain snowmelt directly into the manhole.

With 50.87 VRU's currently connected, Mr. Donnelly noted that flows continue to be at or below anticipated levels, around 4K gallons per day.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2017: There were no project draws for the month of April. The District received its first PIC charge for an additional 1 VRU for a remodel project. The reclassifications of engineering and construction expenses to Construction-In-Progress, as prescribed in the FY2017 audit were performed.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson was not in attendance at the meeting. GM Matt Donnelly stated that he talked to Mr. Thomson and he had no knowledge of the contractor's return to work. There was some further discussion on when the District might declare the contractor in default of the contract, if the contractor does not return to work this week as "rumored". Ms. Swimley stated that depending on what happens in the next 7-10 days, she may be asking President Border to call a special meeting to determine next steps.

Teresa Doig presented the following draw request to the Board:

Swimley (legal) invoice #8058 (\$1,566.25) + #8155 (\$1,260.00)	
Anderson Zurmuehlen (audit):	\$1,200 (previously approved by Board)
Stahly #63 partial	\$8,137.45 (previously approved by Board)

Total RD grant Request	\$12,163.70
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Director Sullivan moved to approve the 2 Swimley invoices and the draw request in the amount of \$12,163.70. Director Wexall seconds. The motion carried 3-0.

Ms. Doig also advised that the TSEP contract will expire on 6/30/18, and TSEP has indicated in an email that they are not inclined to grant another extension. There is \$17K left on the grant. Ms. Swimley asked that Ms. Doig make a formal request for an extension, so that if it is denied, the District has a formal denial. Ms. Doig further noted that CDBG has granted an extension on the contract and have also approved a budget change to move some of the remaining direct benefit money into the activity costs (about \$275K, to reimburse a portion of the FCWSD connection fee).

REGULAR BUSINESS

Discussion and Decision on Forming an Ad-Hoc Subcommittee to Review Rules and Regulations

There was general discussion on forming an ad-hoc subcommittee to review the District's Rules & Regulations, with the goal of formulating minor changes and process improvements, to be presented to the Board. Director Wexall volunteered, and it was noted that Director Amend (not present) had previously expressed interest in serving on the committee. GM Matt Donnelly will also be a member. It was noted that a community member would be a valuable addition to the committee. Kerry Payne said her time is limited and cannot attend meetings, but would be willing to serve in a limited capacity, i.e., reviewing documents via email.

Director Sullivan moved to approve the formation of an ad-hoc subcommittee as described above; Director Wexall seconded the motion, which carried unanimously.

First Reading of 2018/2019 Budget (no action)

Ms. Sullivan presented the first draft of the 2018/2019 budget. The District maintains 2 operating budgets: The General Fund (expenses that cannot be directly attributed to sewer services) and the Sewer Enterprise Fund (on-going operating and maintenance expenses of the sewer system). The Board commented that the budgets as drafted look appropriate. The budgets will be presented again at the June Board meeting for approval.

Performance Evaluation for General Manager and Secretary (The Board will convene in Executive Session for this discussion)

GM Donnelly advised that he had received feedback from the Board and secretary that it would be prudent for the Board to start conversations on developing job descriptions, since both he and Ms. Sullivan are unpaid volunteers in these positions. Over the next few months he and Ms. Sullivan will work on drafting some job descriptions which the Board can review and further develop, and also establish criteria and goals by which the GM would be evaluated next year.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:00 p.m.



Secretary