

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 September 9, 2019. Present at the meeting were board members Eric Amend, Ted Border and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were present. Members of the public included Erin Pepus.

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. Ms. Pepus stated she resides on Latigo Drive and asked when that road would be repaired, noting it has been over one year. GM Matt Donnelly advised that the District's contractor, JR Civil, is contractually obligated to return to work to perform the items remaining on the warranty list, including road repair. He stated that he has been told that JR will have an employee in town on Wednesday Sept. 11, who will assess the work and provide a schedule of completion. Mr. Donnelly further stated that if JR Civil does not return this week, the District will be contacting the bonding company on the project. The bonding company will either force JR Civil to complete the work or find another contractor to do so. He told Ms. Pepus he would email her this Friday with an update.

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 July 8, 2019 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Amend made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

REGULAR BUSINESS

Discussion and Public Comment on Proposal to Increase Plant Investment Charge (PIC) for New Connections to Adjust for Cost Increase to Purchase New Wastewater Treatment Capacity (Information only-no action to be taken at this meeting. This charge would apply only to new connections. It would not affect existing services.)

GM Matt Donnelly stated that he was advised in July by the FCWSD GM that the construction bids on their new treatment plant came in about 50% over the engineer's estimate, at roughly \$12M. As a result, the Board of FCWSD recognized that the actual cost of construction equates to about \$9K per VRU and as such has raised its PIC fee to \$9K. This is the amount GGWSD will need to pay for future capacity from FCWSD beyond its contracted 27K average gal/day, and he is proposing that the District also raise its PIC fee for future connections to \$9K per VRU. He intends to place this item for discussion and decision on the October 2019 agenda. Board discussion indicated they will need to deliberate on whether to sell through the existing capacity at the current price or raise it now. It was noted that the District has some existing applications with a will-serve letter who will take advantage of the current \$6K price. GM Donnelly also noted that he will need to lock in the amount of capacity being requested from FCWSD by the end of the year, but the District will not need to pay for it at the time of locking it in.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided the report. Flows continue to look very good, with an average daily flow of 11,584 in August. There were no lift station or collection system issues in August. He noted that he has been provided with solid documentation on the system's service laterals. He also noted the O&M agreement with FCWSD is waiting on signatures and should be signed before the October meeting. He briefly reviewed the warranty inspection which occurred in August and advised that he will send Kurt Thomson's list of warranty items to the Board.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2019: Monthly sewer revenue was reduced by about \$380/month starting in July, due to the District's new methodology of determining VRU allocation. She noted 14 customers (18 connections) saw a reduction in the monthly bill ranging from \$2 to \$21 per connection due to the new methodology, and the effected customers were notified of this in writing with their July 31 invoices. Expenses included \$1,450 for 3 months of administrative services, and about \$400 for the District's new CPA. It was noted that the financial reports are now showing the bond interest as an expense; series A&C are monthly expenses and series B is a semi-annual expense. Ms. Sullivan reviewed the annual Delinquent Accounts list, which was sent to the Gallatin County Treasurer on September 3, 2019. Five accounts were duly notified in writing on July 15, 2019 that their accounts were considered delinquent and must be made current by August 15, 2019 in order to avoid having their delinquencies and resulting penalties levied on their property taxes. She noted that 1 of the 5 accounts did respond and brought his account current. The other 4 did not respond to the notice.

Report of Ad Hoc Committee on Policies and Practices

Ms. Sullivan advised that the committee has not met, but she and Mr. Donnelly have been developing a staffing tool to help determine District needs and develop job descriptions. She noted that she would like the committee to get together to review this document and provide input. Due to travel schedules in September the committee will try to meet the first week of October.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:20 p.m.



Secretary