

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 January 13, 2020. 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 Cary Fox.

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. None were raised.

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 November 11, 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

Second Reading of Ordinance to Annex the Parcel Described As Peakview Sub2, S02, T03S, R04E, Block1, Lot3 Into the District

GM Matt Donnelly read Ordinance 19-02, noting that a 3rd reading will be necessary next month, since the law requires 2 consecutive readings not more than 45 days apart and the December 2019 meeting was cancelled so the second reading exceeds the time limitation.

Ordinance 19-02

AN ORDINANCE ACCEPTING THE ANNEXATION PETITION OF DIAMOND K DEVELOPMENT LLC AT PEAKVIEW SUB 2, S02, T03 S, R04E, BLOCK 1, LOT 3, ACRES 1.78 FOR ANNEXATION INTO THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT

WHEREAS, Diamond K Development LLC submitted a petition for annexation of a parcel of land described as PEAKVIEW SUB 2, S02, T03 S, R04E, BLOCK 1, LOT 3, ACRES 1.78 situated in Gallatin County, Montana, hereinafter also referred to as "Property", requesting that the Property be annexed into the Gallatin Gateway County Water and Sewer District; and

WHEREAS, the property is contiguous to the District boundary; and

WHEREAS, on November 11, 2019 at a duly noticed meeting of the Board of Directors, the Board considered the Petition to annex the Property as contiguous property and determined that the system will have sufficient future capacity to provide service to the Property; and
WHEREAS, Diamond K Development LLC has filed application for 2.5 Volume Ratio Units (VRU) of wastewater treatment capacity and agreed to pay the applicable capacity charge and monthly fees associated with the application;

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT AS FOLLOWS:

The Board by passage of this ordinance does agree to annex the property described as PEAKVIEW SUB 2, S02, T03 S, R04E, BLOCK 1, LOT 3, ACRES 1.78 situated in Section 2, Township 03 South, Range 04 East, Gallatin County, Montana into the District.

There was no public comment and no Board discussion. Director Amend moved to accept the second reading of Ordinance 19-02; Director Sullivan seconded the motion. The motion carried 3-0.

Discussion and Decision on the Proposed Engineer Amendment #12 for Engineering Services Related to the Sewer Project Warranty Work

GM Donnelly advised that Stahly has submitted Engineering Amendment #12 for \$9,210.00 to cover additional inspection and construction oversight for punchlist/warranty work. He noted that additional grant fund money from USDA is available to cover this amendment as well as other items on the District's "wish list" that would serve to reduce O&M costs or provide additional safety and environmental protections. Because grant funds are available to pay for amendment #12, he recommends the Board approve the amendment. Board discussion included noting that weather hampered the warranty inspection process, but also noting that the District should not pay Stahly's invoice for the \$9210 until all punchlist items have been completed and all deliverables requested by the District's GM have been provided by Stahly.

Director Amend moved to approve Engineering Amendment #12 and to direct the GM to inform the engineer that all project items must be complete before any invoices will be approved. Director Sullivan seconded the motion. There was no public comment and no further Board discussion. The motion carried 3-0.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided his report:

- 3 Director seats (Border, Engler, Sullivan) will expire in May 2020, and the filing deadline for candidates is February 10, 2020. There is an additional seat open, to which a candidate may be appointed by the Board.
- On the O&M report, he noted that flows are staying consistent at around 17K gal/day, and he will also be contacting Scenic City to come out and pump the lift station.
- SuperSun, which has been waiting to connect to the District, has been given the go-ahead from DEQ.
- He is still working on finding candidates to fill the GM position.

- He will be writing a scope of work for hiring a new engineer of record for the District, noting the work consists mainly of inspecting new connections. He advised that he contacted Marty Gagnon at Morrison-Maierle to see if he would be interested. After checking with FCWSD to determine if any conflict of interest would occur, Marty advised that none would, and he would be willing to come on board if chosen as the new engineer of record.
- There was some general discussion on the items on the District's "wish list" for USDA grant funds.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2019: Expenses for December included the \$800 filing fee for the District's annual financial report, which was budgeted. It was noted that there is no filing fee if the District's annual income is less than \$750K. Ms. Sullivan provided the quarterly review of budget to actual income/expense for both the District's funds. The General Fund is right on target in both income and expenses. The Sewer Enterprise Fund is slightly under budget in income due to the new VRU classification method implemented in July, but she noted that 5 VRU's were added in Q2. Expenses are significantly under budget, primarily due to lower than expected O&M expenses.

Invoice approval: Ms. Sullivan noted that the District will be submitting a draw request to USDA/RD to cover Stahly invoice #71 for \$740, the audit fees (\$13,500 total) and possibly the additional engineering warranty expenses. She requested Board approval on Stahly invoice #71 for \$740; Anderson Zurmuehlen invoice #38259 for \$8000, and Anderson Zurmuehlen invoice #TBD for \$5,500, all to be paid with grant funds. There was no public comment and no Board discussion. Director Amend moved to approve the invoices as requested; Director Sullivan seconded the motion, and the motion carried 3-0.

Cary Fox introduced himself as a potential buyer of property in the District, which is next to the District's lift station. He noted that the property contains a conservation easement which allows for 2 structures to exist on the property. The property currently contains a mobile home and a 1700 sq. ft. 2-bedroom house. There was some general discussion on the process for obtaining additional sewer capacity if he were to remove the mobile home and possibly replace the existing house with a larger (2500 sq. ft) house. It was noted that the mobile home is currently in the District, but the house is outside the District, so he would need to annex in that portion of the property .

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:42 p.m.



Secretary