

# **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 at the Gallatin Gateway Fire Station, 320 Webb Street, Gallatin Gateway, MT, on 4/12/2023. Present at the meeting were board members Eric Amend, Ted Border, Cary Fox. Staff present included GM Procnier and Stuart Cannaday. Members of the public included Jeff Wexall, Tim Szafaryn, Ron Page, and Tom Henesh.

President Border called the meeting to order at 6:40 p.m. Secretary Alison Curry recorded the minutes of the meeting.

#### PUBLIC PARTICIPATION OF NON-AGENDA ITEMS

Mr. Szafaryn expressed his appreciation for the Board and their work in the community. He inquired about where to find information on the schedule of Board meetings in the future. GM Procnier responded that the agenda should have been posted in the Post Office. He also asked about what developments are occurring around the District at this time, he asked about whether he has a VRU commodity that he could sell. It sounds as if any such VRUs would simply go back into the general pool for capacity. Mr. Henesh said he thinks that the VRU sticks with whatever property it was allotted to, the Board agreed with this assessment.

GM Procnier demonstrated to Mr. Szafaryn how to find the notice of Board Meetings on the District's website.

#### 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 03/08/2023 meeting minutes, President Border asked whether there were any corrections. Director Fox noticed the spelling of Lynde Street needed corrected. Director Amend made the motion to approve the minutes as amended, Director Fox seconded the motion, and the minutes were approved unanimously.

#### OLD BUSINESS

- A. Future Development of GGWSD

Director Amend is working on an aerial survey of buildable lots, it is not complete for this month's meeting. President Border was able to locate the Preliminary Engineering Report (PER) that contain the original plans of development and capacity of the sewer district. Director Amend offered a copy of this report to members of the public. GM Procnier will see if the streamline website can store a copy of this report online as well. Mr. Henesh asked whether this report is set in stone, or simply a projection of the next several years. Director Fox said that what more-or-less what engineers believed would take 20 years to use up capacity, the District has used in 5. The parameters of this is a topic of discussion. Mr. Page inquired after specifics with regards to the District's growth. President Border said he believes the Board will likely scale back boundaries of growth back to what was outlined in the PER, with the idea to service that core area to the best of the District's ability. Mr. Page said Four Corners has a huge service area and wondered where/how the District is defining their boundary terms. President Border referred to the meeting where Mr. Page expressed interest in taking possession of a portion of the main line, hence his interest in these terms. President Border said that he remembered that Mr. Page was going to contact the funding agencies and touch base with the Board once this was achieved. There is a general discussion of Four Corners WSD service area, the potential for FCWSD to take ownership that side of Gooch Hill, if they are willing to add that to their service area, it would not be in the FCWSD unless it was annexed in. Director Amend lists a few sticking points of the GGWSD guidelines, a six-inch pipe is a requirement from Gateway to Four Corners, the engineer said that this would adequately serve about 50,000 gal with the current equipment, and with upgrades this could be raised to 75,000 gallons staying within a 6-inch pipe. This might include upgrading pumps, Director Amend said that could become an issue because the District would need to check with existing rate payers to secure additional funds for these upgrades. He is not confident this expense would be met with approval from the community. Mr. Wexall expressed the uncertainty dwindling capacity and whether it is maxed out yet. He inquired about a pending moratorium, Director Fox talked about Gateway Inn occupancy and that there was a spike in flow, so the District is in the process of evaluating what capacity they even have left to offer. Director Amend referenced the initial assessment of 80-90 gallons per VRU per day, but as the larger developments have tied in the average flow has increased significantly, with the current average hovering around 120 gallons per VRU per day. The predictions from the past have become increasingly skewed since the flow rate started climbing. He said the District needs more time to evaluate these averages before reaching conclusive statements about available capacity. Director Fox also mentioned that there are still 59 VRUS on current will-serves that have yet to hook up to the District's line. Mr. Page asked about whether the numbers from the Gateway Inn, etc are based on the DEQ calculations, Director Amend said that the District had been using those figures at first, which bases 1 VRU on an average flow of 160 gallons per day. This is now based on square footage, 1800 square feet per 1 VRU. Mr. Wexall asked whether he can acquire 1 more VRU, Director Amend said they may be able to get more capacity from Four Corners,

but the issue of funds persists. Mr. Page asked about how much longer the District will need to monitor the Gateway Inn before accepting more capacity, Director Amend said hoped for a year of assessment from January. Mr. Page asked whether the main line is being monitored as well as the gravity pipe, Director Amend said that the force main might be able to receive flow as long as it does not go through the District's lift station. This would be dependent on if FCWSD would be able to accept this flow. Mr. George is investigating to see if a rate payer could buy capacity directly from Four Corners instead of going through GGWSD; Gateway has ownership of the force main. Mr. Henesh asked if Gateway Inn will be held accountable if they continue to exceed their will-serve, Director Fox noted that they will be charged if these overages persist. Director Amend added that if the situation warrants, the District can refuse to accept flow and cut off the line if need be. There is a discussion about use of kitchens and how that impacts the flows from Gateway Inn. GM Procnier said the highest flow from last spring was 17,000, August was 15,000, September was 13,500, October was 10,500, November 13,000, then December of 2022 was back up to 17,800. January 2023 was 18,400, Feb 19,300, March was 25,200. These major spikes in flow are why the Board continues to be conservative in approving additional will-serves, the District doesn't know yet if this pattern is permanent. Director Fox pointed out that the unit will handle 50,000 gallons, but the District only owns 37,000, so they cannot exceed this number without subsequent penalties from Four Corners. There is a general discussion of what FCWSD has left to sell for capacity, and how these EDUs can be purchased for rate payers of Gateway. Director Amend said the District may have to accept another 9600 gallons a day, with the current at 26,000, this would add up to 35,600 with the maximum being 37,000. The Board would like to keep a reserve to handle unforeseen spikes in flow, once everyone with current will-serves is connected, the District may have used up any reserve. Mr. Page said a large residence could cause problems, but if residents are asking for few VRUs and are paying their dues, he thinks it seems that there would still be reserve in that scenario. Director Amend said they would like to figure out a way to accept smaller users without getting sued by the larger users. Director Fox referred to the PER outline of four VRUs per acre, which the District would like to stand by. The Board's desire would be to offer capacity to the smaller projects with the preference to avoid a moratorium, since that was why the District was created in the first place. The Board continues to receive applications for larger developments. Director Amend said that the District did not foresee that developers would want to build projects of this scale in Gateway, and the Board is dealing with burgeoning growth that far exceeds the original projections.

Director Fox said the Board could ask Mr. George if the District could purchase 1-2 EDUs at a time in order to offer capacity for the smaller projects in Gateway, the consensus is that this option should be pursued.

#### B. 475 Gateway Road South

GM Procnier will add these previously reserved VRUs back into the pool of capacity to be purchased.

### C. Jeff Wexall's Predesign Application

Mr. Wexall has four possible connections on his 2 lots, three connections on one, one connection on the other. On the vacant lot, one of those tei-ins is being used for his mobile home, he has a tiny home that is connected, and the main house on Mill street is also connected. GM Procnier said that there should have been 3 VRUs reserved for Mr. Wexall originally, but for unknown reasons he was only allotted 1. There is a 2 VRU increase from last month's meeting, this is because Mr. Wexall's capacity is now represented correctly. He now has 3 VRUs at his disposal. His tiny home is only 300 square feet, therefore using only a fraction of 1 VRU. He would like to move his mobile home over to the lot where the actual sewer connection is located, once that is achieved he would like to build a structure in that same spot that will be attached to the tiny home. The VRU that serves the tiny home would then serve the entire structure. GM Procnier believes that the increase from what Mr. Wexall is already using would only amount to 0.23 VRUs. This would be a single residence 1800 sq. ft. to be added to the tiny home. GM Procnier will make the final decision on this project, he asked Mr. Wexall to pass along his square footage to PEAK in order to confirm that he would not surpass the 1 VRU.

GM Procnier has 4 possible connections on 2 lots. This is on the south side of Mill street, corner of Lynde and Mill.

Mr. Wexall should have been allotted 3 VRUs, so the one VRU he had has been corrected to 3 VRUs. He would like to move the tiny home so it is on lot 5, the area that is left he would like to build a structure and use the tiny home's former connection. GM Procnier said that it would only increase .23 VRUs. This is for a 1800 square foot single family home. Any application 5 VRU and under needs to be decided by the GM. There is a general discussion about how many VRUs Mr. Wexall will need in order to build his project. He would like to build his 1800 square foot home and purchase 1 more VRU. Mr. Wexall clarified that he is asking for an extra VRU because he is hoping to build an 1800 sq. foot dwelling in addition to the sq. footage of the tiny home, whereby minimally exceeding the allowable square footage for 1 VRU. He would much rather secure another VRU than have to shrink his project plans. GM Procnier said that he would simply offer Mr. Wexall 0.23 VRUs since that is what his project would require. GM Procnier will mull this over and return with a decision. Director Amend thinks that this project would be quite feasible despite dwindling capacity, GM Procnier says he doesn't want to set a precedent.

### D. Genesis Engineering

Genesis provided a memo of progress from their construction project. GM Procnier spoke with District Council Swimley about the Board's concern about

the capacity that the Genesis project will require; She responded over email and GM Proconier forwarded it along to the Board.

Since the email was received with short notice, the Board expressed interest in looking over the email and coming back with a decision for Genesis next month.

Mr. Henesh spoke on behalf of Genesis Engineering, he mentioned that GM Proconier discussed halting the project with Chris, in case there weren't enough VRUs to go around. Mr. Henesh said that the aspects of this project are very complex, that getting items as simple as a text amendment pushed through DEQ often takes a minimum of 6 months. His concern is that the District only issues 6 month will-serves, during which time it is probable DEQ won't have addressed the necessities of the Genesis project. Mr. Henesh referenced the tremendous cost to the developers during this period of construction, whether in the purchase of VRUs, engineering, planning, predesign, as well as approval. He emphasized that their project is way too far along to think about halting progress at this point, he urged the Board to approve the extension for will-serve as soon as possible. Mr. Henesh also brought to attention the late notice of the Board meeting, and that he would have presented Genesis concerns earlier had they been properly notified. He offered his concerns and awaits the Board's decision.

There is a general discussion about the will-serve extension, GM Proconier and the Board affirmed that the capacity is still reserved for Genesis at this juncture, and Genesis has paid all associated charges. Director Amend noted that Genesis capacity is noted among the will-serve that are not yet connected, and observed that these VRUs will be among the last capacity the District has to offer. He spoke briefly about the year prior about what DEQ thought the Genesis building flows would be, and how that differs from what the GGWSD rules and regulations stipulated. Director Amend expressed that last spring the Board had concerns that the Genesis flow would exceed 17 VRUs, he had requested that the project be set at 23 VRUs in order to offset this potential issue. It was ultimately approved at 17 VRUs. At that time the District had much more capacity, but now the VRUs are almost tapped out and the Board cannot have customers exceed their allotted capacity without the District getting fined by Four Corners for overages. Director Amend said that with the unforeseen overages of flow from the Gateway Inn, the District has kept the will-serves at 6 months in order to reassess capacity before offering up VRUs for sale.

Director Fox said that the Board needed to read through the correspondence from District Council Swimley in order to make an informed decision, he asked whether there could be a special meeting to address Genesis' concerns as soon as possible. President Border and Director Amend agreed that the Board could call a special meeting, as long as it was properly notified to the community.

The Board will be in touch with District Council Swimley and plans to call a special meeting within the next week.

## E. Budget Proposal

The proposal is not complete at this time, but may be prepared in time for the special meeting. If not, it will be ready by next month's regularly scheduled meeting in order to get it approved by the end of June.

There is a brief discussion about whether Mr. Wexall had actually paid for all 3 VRUs that he was to be allotted or if he has only paid for the 1 VRU. GM Procnier discussed this plot of land and stubs tied into the District line, Mr. Wexall has 3 structures connected and per the District's rules, each structure should have it's own VRU. GM Procnier has not upped Mr. Wexall's PIC rate to 3 VRUs, PEAK simply corrected his monthly bill from 1 VRUs to 3. GM Procnier expressed concern that this may not be the only property with overlooked structures/VRUs.

Director Fox inquired about the District's costs associated with MDT's project on Zachariah Lane, GM Procnier said there is no official number as of yet. They will take into account paying the contractor, there will be costs for bypass, as well as additional material costs. There is a brief discussion of where/how to clean and store bypass pipe once the project is complete, in case it could be used in the future. The MDT project will likely occur in the fall.

## REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

### General Manager Report

#### Existing will Serve Agreements

N/A

#### Gateway Village Report

N/A

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:01 p.m..

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Alison W. Curry

Secretary