

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: APRIL 26, 2016

Time: 6:30 PM

Place: Gallatin Gateway School, 100 Mill St., Gallatin Gateway, MT

For: Special Meeting of the Board of Directors

AGENDA

I. Public Participation on Non-Agenda Items¹

II. Regular Business

- A. Review and Approval of a budget for the District's wastewater project
- B. Discussion and Decision on a Loan Resolution for accepting a USDA loan to fund the District's wastewater project
- C. Discussion and Decision to authorize payment of an annual fee to maintain the District's discharge permit

III. 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 special 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 April 26, 2016. Present at the meeting were board members Merle Adams, Eric Amend, Ted Border, Ashley Kroon (arrival at 6:55 p.m.) and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. Public attendees included Donna Shockley and Martin Stensrum.

President Border called the meeting to order at 6:32 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 no non-agenda items raised.

Review and Approval of a budget for the District's wastewater project

GM Matt Donnelly reviewed the current project budget presented in 2 formats:

- 1) Project budget dated April 8, 2016, as prepared by the District's grant administrator, formatted to comply with the grant agency requirements. This budget includes the Direct Benefit portion of the CDBG grant in activity costs (which will pay off the series B assessment for the District's low income property owners), and which does not, in fact, add to the project costs. The District's bond council will use this budget in drafting the District's bond resolutions.
- 2) Project budget derived from the engineer's opinion of probably cost, which provides detail line item breakout for the construction cost subtotal.

Mr. Donnelly stated the budget is an estimate, based on the best information available now, until construction bids have been received. Board discussion included options available to the District, should the bids come in significantly higher than the estimated costs. Options include borrowing more money, or selling the District's land, and also an inflation factor and contingency funds are included in the budget, providing some flexibility. President Border asked for public comment; none was provided.

Director Amend moved to approve the agency budget dated April 8, 2016, as presented; Director Sullivan seconded the motion. Motion passed 4-0 (Director Kroon absent from the vote).

Discussion and Decision on a Loan Resolution for accepting a USDA loan to fund the District's wastewater project

GM Donnelly explained that the USDA is both a granting agency and a loaning agency for the District's project. The loan resolutions before the Board are

different from bond resolutions, which the District's bond council is preparing for the Board's review, discussion and adoption, and which will require a public hearing (noticed in the newspaper). The 3 loans resolutions cover:

- *Series A loan*, \$863,000: secured by a revenue bond, previously voted on and approved by the District's eligible voters in a bond election. The bond election does not need to be repeated. The loan is repaid through the District's rates and charges, secured by a deficiency levy.
- *Series B loan*, \$787,000: secured by a special assessment, repaid through an assessment placed on the District's property owners' property taxes. The District has already held hearings that do not need to be repeated, but the Board will need to re-allocate the assessment on each of the property owners, since the interest rate on the loan has been reduced (assessment amount will be decreased).
- *Series C loan*, \$295,000: secured by a revenue bond. The loan is repaid through the District's rates and charges, secured by a Board-voted revenue bond (not a deficiency levy). The Board will need to hold public hearings for this bond. The USDA has made a special compensation to the Series C loan that the District can draw from the USDA grant money prior to tapping into the Series C loan money (since it may not be needed and the District does not want to borrow more money than is needed.)

Board discussion clarified stipulation 17 in each loan resolution, which states the District agrees "to accept a grant in the amount not to exceed \$1.845M under terms offered by the Government". "Government" is defined in the loan resolution as United States Department of Agriculture, and the District's has received grants totaling \$1.845M from the USDA.

President Border asked for public comment; none was provided.

Director Sullivan moved to adopt Loan Resolution for series A loan (\$863,000) and Loan Resolution for series B loan (\$787,000) and Loan Resolution for Series C loan (\$295,000). Director Adams seconded the motion. No further discussion ensued. Motion passed 5-0.

Discussion and Decision to authorize payment of an annual fee to maintain the District's discharge permit

The District received an invoice from DEQ for \$975.00 as an annual fee for its discharge permit#MTX000229. The Board indicated they would like to keep the District's options open for the time being on the future of its Cottonwood Road land, and see merit in keeping its discharge permit current. Payment would be made from the District's general fund and is due April 29, 2016.

Director Sullivan moved to approve payment of the DEQ invoice. Discussion ensued on whether the invoice might actually be for the District's previous Discharge permit, since the invoice states that it is the "annual fee for the previous calendar year" for its permit. The first discharge permit issued to the District in 2013 also was given the designation of "MTX000229". Director Kroon

offered to investigate with DEQ, and determine which permit the invoice pertains to. Director Sullivan amended his motion to approve payment of the DEQ invoice, pending confirmation from Director Kroon that the invoice pertains to the District's current discharge permit. Director Amend seconded the motion. There was no public comment. The motion passed 5-0.

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



Secretary