

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: MARCH 7, 2016

Time: 6:30PM

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.Approval of Minutes

- A. Approval of Meeting Minutes for January 11, 2016

III.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. SEARCH Reports, Administration and Draw Requests
 - vii. USACE 595 Reports, Administration and Draw Requests

IV.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 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 March 7, 2016. Present at the meeting were board members Merle Adams, Eric Amend, Ashley Kroon and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. Kurt Thomson from Stahly Engineering was present, and members of the public included Camille & Michael Faller, Carol Lee-Roark, Ann and Jeff Prescott.

Due to the absence of President Border, Vice President Amend 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

VP Amend asked for public comment on non-agenda items. A member of the public asked for an update on the current direction of the sewer project. VP Amend suggested, and it was agreed to, that the question be addressed during the GM's report. There were no further non-agenda items raised.

APPROVAL OF MINUTES

It was noted there was a typo in the agenda, and the minutes presented to the Board for approval were for the February 1 and February 22, 2016, Board meetings. After confirming that all directors had a draft copy of the February 1, 2016 meeting minutes, VP Amend asked whether there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Adams seconded the motion and the minutes were approved unanimously.

After confirming that all directors had a draft copy of the February 22, 2016 special meeting minutes, VP Amend asked if there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Kroon 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. He provided a brief recap of the recent activities of the sewer project, leading up to the Board's decision in November 2015 to connect to Four Corners County Water & Sewer District (FCCWSD). He advised that the interlocal agreement for the treatment of Gallatin Gateway's wastewater has been agreed to and signed by both Boards. Funding agencies have been informed in the change in scope. DEQ approval of the GGWSD

collection system is in place, and the District's engineers are working on the design for the pipeline to Four Corners, which must be approved by DEQ. He reported that a contract has been signed with Sanderson Stewart to provide environmental consulting services, amending the environmental assessment (EA) for the updated design of GGWSD's sewer project. Carol Lee-Roark, who prepared the District's first EA while a principal with Hyalite Environmental, is now with Sanderson Stewart, and she will amend and update the District's two EA's. This path will satisfy the USDA & CDBG requirements. USDA SEARCH grant funds have already been made available to GGWSD and will be used to pay for the EA amendment.

A member of the public asked what would happen with the land the District has purchased. Mr. Donnelly stated that TSEP money (\$200K) had been used to purchase the land. He stated the Board has indicated they feel the land is valuable to the community as a potential expansion site, or as a water source, but it is likely the agencies will advise that all money funded by the agencies must be used directly for the sewer project, and the project would then need to reimburse that money. Options include selling the land to a third party, financing a commercial loan to keep it, or possibly selling it to FCCWSD, who may want it for expansion or additional water rights. The GGWSD Board will debate the issue in coming months, and make a decision once the funding agency directives are known.

Mr. Donnelly has been working with CDBG; start-up conditions have been met except for the EA amendment. Following completion of the EA, the County Commissioners will once again proceed with the prescribed process of public hearings, followed by making a determination of whether or not to make a finding of no significant impact (FONSI), and recommend the release of CDBG funds. He and Maralee have provided updated paperwork to USDA needed for the SEARCH grant funds (to pay for engineering fees for the updated PER, interlocal agreement legal fees, and amended EA). In addition, the District was awarded a second grant by the Army Corp of Engineers Section 595, in the amount of \$190K. Grant Administrator Teresa Doig is working on a draw request from this grant, to pay all back invoices for Stahly Engineering.

The project budget has been updated to include the reduction in the interest rate charged on the USDA Series A & Series B loans, totaling \$1.65M, from 3.375% to 2.125% (as advised by the USDA in June 2015). The effect of the reduction in interest rate enables the District to borrow approximately \$400K more, without impacting the District's debt payments or the community's rates. Teresa Doig is working on the paperwork for borrowing an additional \$294K from USDA. The revised budget also reflects the \$200K spent on the District's land.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2015: Expenses for the month of February included \$600 in legal fees for the interlocal agreement; \$8,806 in engineering, and \$60 for the District's annual fee for its PO box. The legal work

for the interlocal agreement is complete, totaling \$3,275. The Board had earmarked \$9K from the SEARCH grant for interlocal legal fees.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

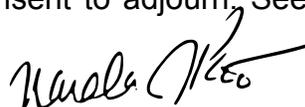
Kurt Thomson provided the engineer's report. He has been working on the plans for the pipeline from the lift station to the FCCWSD treatment plant, performing some final redlines, hydraulic analysis, and refining design report details. He expects to have this completed and submitted to Morrison-Maerle & DEQ for review and approval late this week or early next week. It will be framed as a re-submittal, not a new submittal, and he will push for a quick review by DEQ. Surveyors have surveyed the easement going to the plant and the wet well at the lift station (behind the treatment plant). Mr. Thomson stated the plans are available for review. Mr. Thomson also asked Mr. Donnelly to follow up as needed with a contact from the Dept. of Commerce who spoke with him about the GGWSD project at a recent conference. Mr. Thomson will respond to the MDOT questions once the detailed plans are complete and he can include them in his response. He was asked for an update on the timeline for construction. He advised DEQ and the funding agencies need to review and approve the plans, and believes bids could be open in June 2016. He feels the project is large enough to attract bids even during the busy construction period. There were some general questions and discussion on the technical aspects of the lift station and pipeline.

Carol Lee-Roark reported that she has had conversations with environmental specialists at two of the District's funding agencies, and together developed a plan that the EA amendment will be very succinct and bare bones. It will not be a stand-alone document but rather an addendum to the previous two EA's. The reduced scope will keep the costs low. Mr. Thomson will provide her with documents on the project. Ms. Lee-Roark expressed her personal regret that she could not offer her services pro bono, as she did while preparing the District's first EA. Mr. Donnelly and the Board stated they are extremely grateful for her efforts on behalf of the District and the community of Gallatin Gateway.

Government reports, administration and draw requests:

- RUS: Nothing to report
- TSEP: Nothing to report
- CDBG: Nothing to report
- DNRC: Nothing to report
- COE: Nothing to report
- SEARCH: Nothing to report

VP Amend then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:35 p.m.



Secretary