

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: JUNE 5, 2017

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. Conflict of Interest Disclosure²

III. Approval of Minutes

- A. Approval of Meeting Minutes for May 1, 2017

IV. Consent Agenda

- A. None

V. 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. INTERCAP Reports, Administration and Draw Requests

VI. Regular Business

- A. Discussion and Decision on Petition by McReynolds to Decrease VRU Count Assigned by General Manager
- B. Discussion and Decision on Approving Engineer Amendment for Additional Engineering Inspection Services
- C. Discussion and Decision on Approving Construction Change Order for Well Separation Measures in Several Areas
- D. Discussion and Decision on Adopting 2017/2018 Operation Budget

VII. 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.

² An opportunity for board members to disclose any potential, perceived or real conflict of interest on any item on the agenda or for any District business.

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 June 5, 2017. Present at the meeting were board members Eric Amend, Ted Border, and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Kurt Thomson from Stahly Engineering, and grant administrator Teresa Doig. Members of the public included Pete Stein and Gwen Senvold.

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. There were no non-agenda items 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 May 1, 2017 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Amend moved to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

President Border asked if there were any objections to moving item C of Regular Business up the beginning of the agenda. Seeing no objections, the agenda item Discussion and Decision on Approving Construction Change Order for Well Separation Measures in Several Areas was discussed.

Discussion and Decision on Approving Construction Change Order for Well Separation Measures in Several Areas.

President Border noted that JR Civil's change order no. 1, for a net increase of \$19,285.00, was needed for the DEQ variance to comply with well separation requirements. Kurt Thomson noted that this change order also modifies the stated number of "days to substantial completion" from 210 to 215, as this additional work did slow them down. He noted that there will be a second change order submitted for the well separation issue, for casing already installed on Tracy Street (lineal footage of 56 ft.), which will add cost, but will not change the days to completion. Mr. Thomson noted he has received all but one deviation letter from DEQ. Director Sullivan made a motion to approve Change

Order No. 1 and Director Amend 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 the report. He stated that all but one customer has returned their applications for sewer service. He noted that this customer may still submit a signed application, following some exploratory legal discussions.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2016: Income for the month of May included \$23,709 in TSEP draw, as well as \$302,951 from the InterCap loan, all of which went to pay Stahly Engineering and JR Civil invoices approved by the Board at the May meeting. Ms. Sullivan noted that the District received a \$100 credit from Verizon in May, apparently as part of Verizon's government procurement agreement. She noted that she will be meeting with the District's new accounting firm later in the month, and will discuss how to ensure the construction costs are properly reclassified from expenses to fixed assets.

Ms. Sullivan submitted an invoice for the District's administrative expenses, covering work completed in April and May 2017 (\$481.25 and \$287.50 respectively). She noted GM Donnelly, following the review/approval process developed by Ms. Sullivan, has approved these invoices. Director Amend moved to approve the payment of the District's administrative support invoices; Director Sullivan seconded. There was no public comment and no Board discussion. The motion carried 3-0.

The Board discussed and agreed to move the July 3 regular Board meeting to July 10, due to the July 4 holiday.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Teresa Doig reported on the various government reports, administration and draw requests. She has prepared a draw request on the RD (InterCap) loan for \$1,029,473.63 covering the following invoices:

\$450,868.98	JR Civil Construction – Pay Request #3
\$ 38,604.65	Stahly Invoice #47, less task 8.08 (to be paid in July)
\$540,000.00	Connection Fee to Four Corners Water & Sewer District

Ms. Doig noted that in discussions with bond council Bob Murdo, he indicated it made good sense to close out the intercap loan sooner rather than later, since RD will assume the loan at a much lower interest rate. GM Donnelly provided a summary of the contractor's work, as a supplement to the contractor's pay application. Director Amend moved to approve the 3 invoices, and approve the draw request for \$1,029,473.46. Director Sullivan seconded the motion. There

was no public comment and no further Board discussion. The motion carried 3-0.

Ms. Doig further noted that she will be in contact with Ed Blackman from Gallatin County to verify that HRDC is on track in their efforts to qualify residents for eligibility for a rebate on the property tax assessment, as subscribed in the District's CDBG grant.

Kurt Thomson provided the engineer's report. He stated that progress on the force main along the highway has been slowed by high ground water, and as a result, they have multiple pumps in the trench. He noted that they have stopped using the 150-foot long sets and have gone to 50-foot sets. Conversely progress in town accelerated when the crews got out of the ground water. He noted the contractor is within a few days of being on schedule. He further noted that service location changes/additions are being reviewed at the weekly Thursday meetings, and are being tracked on the weekly reports. There have been some issues of hitting private utilities, including a phone line the previous week, which has since been put back into service. Mr. Thomson clarified that the construction contract contains 2 utility conflicts, one for the force main and one in town, which cover all costs, whether it is a hit of a utility or just slowed progress to avoid a utility. A utility that had *not been located and documented* in the engineer's survey/plans, would not be covered. All of the hits so far have been located and, therefore, are covered. He noted that a section at Blackwood, which was skipped over, will be completed after JR Civil is able to replace the sub-contractor doing the work.

REGULAR BUSINESS

Discussion and Decision on Petition by McReynolds to Decrease VRU Count Assigned by General Manager

GM Donnelly stated that the McReynolds property is listed as a 3-bedroom residence according to state tax records, and so was assessed 1.31 VRU. The property owner signed the application, but crossed out 3 bedrooms and wrote 2 bedrooms, and as a result was asked by the District to submit a formal Petition to Review. Mr. Donnelly stated that he has not inspected the inside of the property but based on his observations of the external perimeter of the house it appears to be a small house. Following some brief discussion, the Board asked the GM to provide more documentation on the number of bedrooms, prior to making a decision on the petition.

Discussion and Decision on Approving Engineer Amendment for Additional Engineering Inspections Services

Engineer's amendment #9 has been issued for the addition of Task 8.08 - additional inspection and construction oversight, work that has been previously authorized by the Board. This amendment adds \$40,000.00 to the contract cost. Balances remaining from several tasks that have been completed or discontinued, amounting to \$17,663.46, have been subtracted from the overall agreement amount. The net change to the agreement for amendment #9 is

\$40,000 - \$17,663.46, or **\$22,336.54**. It was noted that Teresa Doig's budget would be amended to reflect these changes. There was no public discussion and no further board discussion. Director Amend moved to approve Engineer Amendment #9; Director Sullivan seconded the motion, which carried 3-0.

Discussion and Decision on Adopting 2017/2018 Operating Budget

GM Donnelly reviewed the draft budget for each of the District's 3 funds: General Fund, Project Fund, and Sewer Enterprise Fund.

General Fund Budget: The Board requested that the line item "Gen. Liability Insurance" be increased from \$1500 to \$1557. There was some discussion on whether to increase the line item "Principle on LOC", but it was decided to keep it at \$1500. There were no other changes requested to the General Fund 2017/2018 budget.

Project Fund Budget: GM Donnelly explained that he developed this budget from Teresa Doig's project budget, which utilizes the format required by, and approved by, the funding agencies. After some discussion, the Board requested that the District use Ms. Doig's formatted budget, as the District's Project Fund Budget.

Sewer Enterprise Fund Budget: GM Donnelly advised that he developed this budget assuming 9 months of operations. The Board asked some clarifying questions but no changes were recommended.

Director Sullivan moved to approve the General Fund budget as amended, adopt and approve Ms. Doig's Project Fund Budget, and approve the Sewer Enterprise Fund budget as presented. Director Amend seconded the motion. There was no public comment and no further Board discussion. The motion carried 3-0.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:55 p.m.



Secretary