

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: November 7, 2015

Time: 11:00AM

Place: Big Timberworks Conference Room, One Rabel Lane, Gallatin Gateway, MT

For: Special Meeting of the Board of Directors

AGENDA

- 1. Public Participation on Non-Agenda Items¹**
- 2. General Orders**
 - a. Discussion and Decision on Adopting New Preferred Alternative within Amendment to Preliminary Engineering Report for Sewer Project
 - b. Discussion and Decision on Approving Engineer Amendment #7 for Additional Design Costs Related to Sewer Project
- 3. 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 Big Timber Works, 1 Rabel Lane, Gallatin Gateway, MT, on November 7, 2015. Present at the meeting were board members Merle Adams, Eric Amend, Ted Border, Ashley Kroon and David Sullivan. Also present were General Manager Matt Donnelly, Secretary/Treasurer Maralee Parsons Sullivan, and Kurt Thomson from Stahly Engineering. Public attendees: Dale Knutson.

President Border called the meeting to order at 11:00 am. 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.

President Border proceeded to the next item on the agenda.

GENERAL ORDERS

Discussion and Decision on Adopting New Preferred Alternative within Amendment to Preliminary Engineering Report for Sewer Project

President Border advised that he, Kurt Thomson and Director Sullivan met with MDOT earlier in the week. The District will need final plans before MDOT can begin their review process. Mr. Thomson indicated that discussions could begin once he has the layout prepared. Mr. Border advised that in the unlikely event a section of the District's pipeline needs to be moved due to a DOT project, the expense falls 100% to the District, and as such the County would have to enter into a separate agreement with MDOT to ensure finances would be available. He spoke with Jim Doar at the County who indicated this would not be an issue, but the interlocal agreement should probably have a clause specifying how this would be handled. The risk of a portion of the pipeline being moved is very low and only applies to MDOT projects.

Mr. Donnelly advised he had sent the draft PER amendment to Rural Development, who generally concurred and made some recommendations on timelines/next steps. Mr. Donnelly's staff recommendation discussed in the November 2 Board meeting still stands.

Director Amend made a motion to adopt the new preferred alternative within the PER amendment, i.e., connect to FCWSD; Director Kroon seconded the motion.

Board discussion ensued, focused on risks, costs, and timeline for both options. The Board expressed concern of a high risk of continued litigation if they move forward with building their own treatment plant, due to continued express threats by the adjacent landowner. The Board expressed a strong desire to keep its land as a community asset and means to future expansion. Director Sullivan stated he feels strongly that building our own plant would allow the District and community to have more independence and control over their own system, but he understands the threat of continued litigation could jeopardize the District's funding.

President Border called the motion. The motion carried with 4 Directors in favor, Director Sullivan abstained.

Board's findings regarding their decision:

- Connecting to FCWSD for treatment and disposal for GGWSD wastewater will require less capital cost than GGWSD constructing its own treatment plant, according to the PER amendment.
- Connecting to FCWSD for treatment and disposal for GGWSD wastewater will allow for lower initial O&M costs, according to the PER amendment.
- FCWSD would have been the preferred alternative in the 2010 PER, if not for risk and public comment related to private ownership of the utility at that time.
- Connecting to FCWSD for treatment and disposal for GGWSD wastewater mitigates the near term risk of the implied continued legal challenge on developing our own treatment plant.
- This decision is responsive to the community's desire to get the project completed as quickly as possible to mitigate the existing health, safety and economic problems of the community.
- Connecting to FCWSD for treatment and disposal for GGWSD wastewater meets all applicable state and federal regulations (the plant is currently operational).
- It was fortuitous for the community that the Four Corners bond election passed by 95% of the constituency to purchase the assets of Utility Solutions, becoming a public utility.
- Because GGWSD is a small district, the FCWSD option mitigates the risk of unknown O&M charges and capital costs for future upgrades, given the small number of users of the system.
- This decision does not preclude GGWSD from developing its own infrastructure if future conditions make that alternative favorable.

Discussion and Decision on Approving Engineer Amendment #7 for Additional Design Costs Related to Sewer Project

Amendment #7 authorizes engineering costs associated with additional services to design the force main to connection with FCWSD. The Board discussed authorizing engineering activities necessary to support permit applications and

approval prior to: 1) Completion of the sale of Utility Solutions to FCWSD (expected 12/23/15); 2) completion of the ER (timeline TBD); 3) Inter-local agreement is in place (after 1/1/16). Per Mr. Thomson, providing plans to DEQ in order to complete their 60-day review is driving the timeline. Engineering activities for the plan (3-4 weeks) include determining best option for pipeline placement along the highway, calling for locates, surveying, preparing the layout. Other activities include determining where to connect to the plant, odor control options and obtaining 310/404 permits. The Board discussed the time sensitivity in starting the engineering survey work as soon as possible due to weather conditions. If borrow pit fills with snow, it makes it difficult to survey. Delaying design work could push the timeline out so that construction bids are delayed until next summer, and potentially much more costly. Mr. Thomson will provide a breakdown of the amendment costs by task. Mr. Thomson also will be completing the 9 required items listed by RD on their informal review of the PER amendment.

Director Sullivan made the motion to approve Engineering Amendment #7 with an authorization cap of \$20,000 until the Board takes further action. Director Kroon seconded the motion. After some discussion Director Adams moved to amend the motion to strike the authorization cap of \$20,000, and insert **approval is restricted to the costs of survey related work**. Director Kroon seconded the amendment to the motion. President Border called the question on the amended motion, which carried unanimously. President Border called the question on the main motion, which carried unanimously.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 12:30 p.m.



Secretary