

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: APRIL 3, 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 March 6, 2017

B. Approval of Meeting Minutes for March 20, 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. SEARCH Reports, Administration and Draw Requests

vii. USACE 595 Reports, Administration and Draw Requests

viii. INTERCAP Reports, Administration and Draw Requests

VI. Regular Business

A. Discussion and Decision on Petition by Faller to Decrease VRU Count Established by General Manager

B. Discussion and Decision on Petition by Svenvold to Waive Policy To Allow Connecting Multiple Lots to Single Service

C. Approval of Updated Wastewater Project Budget

D. Approval of Updated District Administrative Budget To Include Payment for Administrative Services

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 April 3, 2017. Present at the meeting were board members Eric Amend, Ted Border, Ashley Kroon and David Sullivan. General Manager Matt Donnelly, Secretary/Treasurer Maralee Parsons Sullivan and grant administrator Teresa Doig were also present. Kurt Thomson from Stahly Engineering was in attendance. Public attendees included Elana Wexall, Jeff Wexall, Donna Shockley and Ruth Hargrove.

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. Jeff Wexall introduced himself as a customer of the District, who would like to have a stub placed on his property off Lynde Street, and also would like to upsize the existing connection to the mobile home. The property owners will work with engineer Kurt Thomson and GM Matt Donnelly, to determine proper size and location, and any changes to plans requiring Board approval will be placed on the May agenda.

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 March 6, 2017 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Amend seconded the motion and the minutes were approved unanimously.

After confirming that all directors had a draft copy of the March 20, 2017 special meeting minutes, President Border asked if there were any corrections. None were noted. Director Amend made the motion to approve the minutes as written, Director Sullivan 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 advised he had nothing to report other than the upcoming agenda items.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2016: Expenses for the month of March included \$350 legal, \$6811 engineering, and the \$975 annual discharge permit fee (Board approved payment at the March Board meeting). She noted that the District has now obtained a cell phone through Verizon, and she was able to get a 23% discounted government rate, as well as a free iPhone. Ms. Sullivan noted that the monthly payment will be about \$54, and requested that the Board approve the addition of the Verizon monthly cell phone bill to the District's Recurring Expense Approval Policy. Director Sullivan moved to add the Verizon monthly cell phone bill to the District's Recurring Expense Approval Policy; Director Kroon seconded the motion, and it passed 4-0.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson provided the engineer's report. He reported that the contractors, JR Civil, had a rough start, but they are working through some internal issues, and he feels they are taking positive steps overall. He noted that the contractor was fined by DEQ (which will be paid by the contractor). A tank is on the way to help with turbidity issues, and the crews will continue working on the hole for the lift station on Lynde Street. He noted that JR Civil now has a new superintendent on site. Grant administrator Teresa Doig requested that she be provided with the name/number for the new superintendent, and also request that Stahly provide her with a brief summary after each Thursday meeting. The required sign is being built and should be installed this week. Mr. Thomson walked the Board through JR Civil's pay application #1. The majority of the invoice is for materials and storage, as well as traffic control and de-watering. He does not anticipate a change order for increased de-watering costs. There will be a weekly update each Monday sent to Matt Donnelly, which Matt will forward to the Board. JR Civil does not yet have the required MDT permit to work in the highway. He noted that MDT has requested GGWSD, FCWSD and the County sign an encroachment permit before issuing the permit. Mr. Donnelly will investigate if this has already been signed, and forward or handle appropriately to ensure a permit is signed and sent to MDT.

Teresa Doig reported on the various funding agency draw requests. She advised that the Intercap loan (RD) will be closing on Friday for \$49,886.73, which will pay the entire Stahly engineering backlog. Stahly's current invoice #55, \$18,159.16, was passed to Board to review and approve. Mr. Thomson noted that going forward Stahly would move their invoice date up 1 week to allow the Board to review/approve. Ms. Doig noted during the meeting that she discovered an error in her TSEP draw request, but it will be approximately \$240,683. In summary, legal, engineering, and construction invoices will be paid with the following draw requests (*final 595 & TSEP draw request numbers reflected in the*

connect two or three small cabins to a single lateral. The cabins span three lots owned by the same entity. Section 1145 of the District's rules prohibits a single lateral serving multiple buildings, and further prohibits a single lateral to cross property lines. The rule provides for exceptions. Ms. Senvold's development plans call for two or three one-bedroom "fishing cabins" on three standard Salesville lots. Though these are standard 50x150 foot lots, at least half of the overall area is not suitable for building due to proximity to the Gallatin River. Ms. Senvold is not in the "original project", and has not yet submitted an application for sewer connection. She understands and agrees that she needs to go through the application process prior to connection. She has requested a stub to her property and has agreed to pay for the stub.

Mr. Donnelly noted that each individual cabin would be only one bedroom, and therefore the property may be more properly treated as a multi-tenant property, such as a studio apartment building, which would be assessed 1.8 VRU for 3 units, or 1.2 VRU for 2 units. He noted that the lateral spanning multiple lots may cause a billing and easement problem in the future, and as such would recommend the Board direct staff to negotiate terms that would require future owners to make a separate connection to the sewer main if any single parcel is ever sold separately from the original three parcels. It was also noted that the owner would need DEQ review and approval to serve multiple buildings from one service line, before the District could approve it (which would be additional expense for the property owner). Board discussion focused on concerns about granting exceptions to the District's rules, either the rule that a separate and independent sewer lateral shall be installed per building, or the rule of each building shall be assigned a minimum 1 VRU. Board comment noted that each lot should have its own connection. After some discussion it was suggested that the property owner work with Kurt Thomson to discuss the options available and the financial feasibility of options, and table the decision for now. It was noted that the GM is authorized to approve addition of stubs according to the District's stub policy, which follows all District rules.

Approval of Updated Wastewater Project Budget

Mr. Donnelly advised that the revised budget is not ready for review and no action is needed this month.

Approval of Updated District Administrative Budget to Include Payment for Administrative Services

Ms. Sullivan provided the Board with a staff recommendation that the District begin paying for some of the administrative labor, which has been 100% volunteer since the inception of the District. The proposal is to pay Ms. Sullivan an estimated 15-20 hours per month at \$25 per hour for the short term, with a long-term staffing proposal to be provided to the Board in early 2018. In discussing the funding available, it was noted that there is \$1400 in TSEP budget for administrative expenses, and an additional \$4500 which had been moved into construction, and could possibly be moved back into administrative expenses. Discussion also included updating the District's General Fund budget, which

included \$3K in interest expenses, which could be re-appropriated to admin expenses. Director Kroon made a motion to start paying Ms. Sullivan \$25 per hour immediately, and the budget will be reviewed and adjusted to source the funding of this administrative pay. Director Amend seconded the motion, which passed 3-0, with Director Sullivan abstaining.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:11 p.m.

A handwritten signature in black ink, appearing to read "Nancy Kroon", written above a horizontal line.

Secretary