

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: April 7, 2014

Time: 6:30PM

Place: Gallatin Gateway Fire Station, 320 Webb 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 March 3, 2014

III. Reports of Officers, Standing Committees, and Special Committees

- A. General Manager Report, Treasurer Report, Approval of Expenditures
- B. Report of Community Liaison Committee
- C. 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

IV. Unfinished Business and General Orders

- A. Discussion and Decision on Treatment System Prequalification
- B. Discussion and Decision on Records Access Policy
- C. Discussion and Decision on Records Retention Policy
- D. Initial Budget Discussion for FY2014-2015

V. New Business

- A. Any New Business Which May Come Properly to the Board

VI. 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 Fire Station, 320 Webb St., Gallatin Gateway, MT, on April 7, 2014. Present at the meeting were board members Merle Adams, Ted Border, Steve Janes, and David Sullivan. Director Eric Amend was absent. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. Kurt Thomson from Stahly Engineering was present. Public attendees included Philip Kedrowski, Pete Stein, Ruth Hargrove and Tim Szafaryn.

President Border called the meeting to order at 6:34 p.m. Secretary Maralee Parsons Sullivan recorded the minutes of the meeting.

PUBLIC COMMENT

President Border asked for public comment on non-agenda items. There were no non-agenda items raised. Philip Kedrowski introduced himself, representing Quanics Aerocell, one of the vendors submitting a prequalification for treatment equipment.

President Border proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the March 3, 2014 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 Janes seconded the motion and the minutes were approved unanimously.

REPORT OF GENERAL MANAGER, TREASURER & APPROVAL OF EXPENDITURES

GM Matt Donnelly provided the GM report.

- There was a conference call 10 days ago with the grant agencies, Kurt Thomson, Susan Swimley & Ted Border also in attendance. The lawsuit schedule was reviewed, and the agencies indicated funding was not in jeopardy. There is a TSEP deadline in 2016 that we need to be aware of, but if construction starts in 2015 there should be no issues with grant funding. Overall the agencies were very supportive. In discussion about the upcoming equipment purchase, they advised the District to be sure to have a good understanding of the O&M costs as well as short-lived assets (equipment parts which wear out and which will need replacement in the next 5 years, like pumps & motors); they require that a fund be in place for short-lived asset replacement.

- Lawsuit: no changes to schedule; Susan Swimley thinks the judge will wait to hear the case, and then will decide whether to dismiss it, or rule on it. No action is expected until August.
- Request for Information under MT public records act: We sent back a letter advising due to the broad nature of the request, attorney review will be required, which will cost about \$1000. We have not heard back if they want us to proceed.
- Easements: Ted Border has been working on getting these complete; about 90% are done.
- Matt will forward to the Board Susan Swimley's email explaining legal expenses incurred at the Gateway Village County Commissioner's hearing.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2013:

- Quarterly invoicing was completed on March 31 for the benefitted lot charge for Jan-Mar, 2014, for a total of \$2,304. \$336 remains unpaid (20 accounts) from the Dec. 31 2013 invoices. These accounts all received a past due account letter with their invoices, which advises them of MT state law which the District must follow for any account remaining in arrears at the end of June.
- New expenses for the month of March included \$711 in legal fees and \$19,674 in engineering expenses. The Treasurer recommends 2 Payne invoices, which are passed due, be paid this month. There was some discussion around whether to draw from the LOC or pay from operating account (need to keep \$1500 in reserve for the insurance premium). Director Sullivan made the motion to pay \$1809.48 to Payne from the LOC account; Director Adams seconded the motion, and it passed unanimously.

REPORT OF COMMUNITY LIAISON COMMITTEE

Director Janes provided the report. There has been no volunteer activity resulting from the 2 newsletters that went to the community, so people may be in a wait-and-see mode with the lawsuit. It might be a good idea to have a community meeting once the lawsuit is behind us.

REPORT OF ENGINEER

Kurt Thomson provided the engineers report. Efforts have shifted toward treatment system (see below for discussion) and easements.

Matt Donnelly reported on the various government reports, administration and draw requests:

- RUS: nothing to report
- TSEP: President Border presented a draw request of \$1870.87 to pay Stahly a portion of what is due (last of the TSEP engineering money). Director Janes made the motion to approve the draw request; Director Sullivan seconded the motion, and it passed unanimously.

- CDBG: (Larry Watson was not in attendance). One of the start-up conditions is to have the environmental assessment completed, with a finding that this project will not have an adverse environmental impact. This is being redone due to a clerical error in the drawing in the first submission. Gallatin County administers the grant. There is a 30-day comment period, (15 days at the county and 15 days at the state). There was an administrative error made at the county: they received comments, and were supposed to notify the state that they reviewed the comments, but failed to do so, and the state's 15-day period expired. So the assessment 30-day comment period must begin again. Matt will discuss this new delay in CDBG funding with Stahly, as they were expecting to receive payment on deferred invoices in May, drawn from CDBG funds.
- DNRC: nothing to report.

UNFINISHED BUSINESS AND GENERAL ORDERS

Discussion and Decision on Treatment System Prequalification

The Board entered into discussion on the 2 technologies being considered: Level II or SBR. There was some discussion around the higher capital costs for the Level II system; if the lower capital cost option of an SBR were chosen, would the funding agencies allow the difference to be "banked" to pay for the higher O&M costs of an SBR system (no they will not). Matt will ask for a legal opinion on whether an SBR system will have an impact on the outcome of the lawsuit. The Board reviewed and discussed the spreadsheets prepared by Matt for each of the 2 technologies, which presents a 20 year plan with future projects, assumptions and variables (number of users, capacity, and nitrogen and phosphorous levels, etc.) Growth assumes 5% annually. Matt indicated an SBR system will incur higher O&M costs on day one, and a Level II system will incur higher capital costs down the road when an upgrade is needed (growth will force an upgrade at some point). With a level II, we will need a new discharge site, after the 50K GPD threshold is reached (or upgrade to an SBR). Discharge permit sets a limit on nitrogen (N) going in the ground, and level II does not take out as much N as SBR, so we will hit that permit level around 50K gallons. The District would like to keep user rates at around \$60 per month. Higher O&M costs associated with an SBR system would challenge us to stay around the \$60 level with 104 users; a level II system, on the other hand, would have lower O&M costs and a monthly user fee of \$60 would allow the District to "bank" some money to fund a future upgrade (about \$14K a year). There was discussion around growth. If an SBR system is selected, the District will need to grow user base aggressively to absorb the higher O&M costs, which might mean expanding the boundaries of the District. Once the sewer is in place, demand is expected to drive natural growth in the town, which would allow the District to grow the user base to support the higher O&M costs of an SBR system. All members of the Board indicated they are leaning toward an SBR system, but agreed more information is needed before making a final decision; in particular, confirm O&M costs (there are some variations in the vendor estimates). It was suggested that the Board visit an existing SBR system and determine their actual O&M costs.

Matt will set up a visit to the Rae system this Saturday. A follow-up meeting for the Board to decide on the technology of choice will be set up for Tues. April 15, location TBD.

Public comment: Ruth Hargrove said she is excited to hear the Board is considering an SBR system, now that the O&M costs are not as high as they were 5 years ago, as it will allow for growth.

Discussion and Decision on Records Access Policy

The Board reviewed the draft Records Access Policy. Director Sullivan made the motion to adopt the policy as drafted with one change to the fees charged for copies, to specify "black & white" copies; Director Adams seconded the motion, and it passed unanimously.

Discussion and Decision on Records Retention Policy

The Board reviewed the Records Retention Policy currently in effect for the Big Sky County Water & Sewer District. The Board requested the following changes:

- 1) Replace BSCWSD with GGWSD throughout the document
- 2) Remove "newsletter" from governing documents section
- 3) Add "District Communications" under miscellaneous section

Director Sullivan made the motion to adopt the policy with the above changes; director Adams seconded the motion, and it passed unanimously.

Initial Budget Discussion for FY2014-2015

A draft budget will be presented at next month's Board meeting and should be adopted at the June meeting. The budget will assume FY2015 will not have a sewer system in place, but construction costs will be included.

NEW BUSINESS

President Border asked for any unfinished or new business.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next regular meeting date is May 5, 2014.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:39 p.m.

Secretary