

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: June 1, 2015

Time: 6:30PM

Place: Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT

For: Regular Meeting of the Board of Directors

AGENDA

- 1. Public Participation on Non-Agenda Items¹**
- 2. Approval of Minutes**
 - a. Approval of Meeting Minutes for May 1, 2015
- 3. Reports of Officers, Standing Committees, and Special Committees**
 - a. Report of General Manager & Report of Financial Condition
 - b. Report of Engineer
 - i. Technical Status and ongoing design review comments
 - 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
- 4. Unfinished Business and General Orders**
 - a. None
- 5. New Business**
 - a. Any New Business Which May Come Properly to the Board

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 June 1, 2015. Present at the meeting were board members Merle Adams, Eric Amend, Ted Border, Ashley Kroon and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Kurt Thomson and Greg Benjamin from Stahly Engineering, and Larry Watson from Gallatin County. Members of the public included Lee and Sandra Hart, and Kerri Payne.

President Border called the meeting to order at 6:30 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.

President Border proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the May 4, 2015 meeting minutes, President Border asked whether there were any corrections. One discrepancy in director's name was noted (should be Border instead of Adams). Director Amend made the motion to approve the minutes as amended, Director Adams seconded the motion and the minutes were approved unanimously.

President Border moved ahead to the item on the agenda for CDBG grant updates.

Larry Watson provided the report. Mr. Watson provided an update on activity of the last several months. The 30-day extended public hearing period ended in March, after which a meeting held at county courthouse to discuss comments received during that period. The County has not taken any action since then, however, the county's environmental consultant (Morrison-Maerle) has completing her review of the District's new discharge permit application, and has issued another 90 pages of information which included everything she has reviewed and 2 findings related to this new information: 1) she sees no cause to change her environmental assessment (EA) or make an addendum to it and 2) she sees no cause to change her opinion of finding of no significant impact. Mr. Watson is waiting for information from the Dept. of Commerce as to whether or not further public hearing periods will be required, and will advise the Board of any meetings which are scheduled.

REPORT OF GENERAL MANAGER, TREASURER & APPROVAL OF EXPENDITURES

GM Matt Donnelly provided the report. He has sent a request to the County Commissioners on behalf of the District requesting release of funds from the Department of Commerce for the CDBG grant.

Mr. Donnelly then reviewed the process and likely time frame for the discharge permit application: DEQ is reviewing the application now. Once the review is complete, DEQ issues a draft permit, followed by a public comment period, followed by comment review, and then a final discharge permit may be issued. He hopes to receive a draft permit sometime in July 2015. When the parameters of the permit are known, the engineers can complete the design, and with a permit in hand, bids for construction can commence.

The District's attorneys filed a brief with the MT Supreme Court in early May to review the District Court's decision on the trespass claim the recent litigation by Gateway Village. Gateway Village filed a motion to dismiss our claim, which has been denied by the Supreme Court. GV's response is due June 24, after which the District will file a response. The court will put the case on its docket with categorization (allow oral arguments, allow written comments only, or issue a non-binding opinion). All arguments ought to be in early August, the case will be placed on the calendar with categorization, and the Court will release a written opinion later in the year. Details and briefs can be found on line at <http://supremecourtdocket.mt.gov/search/case?case=17611>. Mr. Donnelly commented that the appeal has no impact on the timeline of the District's sewer project.

Mr. Donnelly has been working with MT Opticom, which is laying fiber optics in town, and is working around the District's property and the Buffalo Station drain field.

Four Corners Sewer District held a bond election in May to authorize a loan to purchase the sewer and water system from a private entity, and the bond passed overwhelmingly. The impact to the District is to make Four Corners a viable option, since the District's financial package would not have allowed for a hook-up to a private sewer system. Mr. Donnelly would like to get a bulk rate estimate (how much to treat x amount of raw sewage); he will be setting up meetings with the Four Corners District to initiate discussions, and will invite members of the Board to attend.

President Border opened the meeting to public comment; none was made at this point.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2014: The District made a payment of \$19,703 to its legal council, which was covered through a TSEP draw. The District did not receive an engineering invoice in May. Accounts receivable are \$1,035, most of which are for customers who are not paying, and will be sent to the County for collections. Current payables include \$128,267 in engineering expenses, and \$7,155 remaining in legal expenses. Ms. Sullivan will be preparing the new budget for FY16, to be sent to the Board for review and adoption at the July Board meeting.

REPORT OF ENGINEER

Kurt Thomson provided the report. He has prepared amendment #6 to the engineering contract, which allows for additional design work required for a no mixing zone, and a revised estimate of cost, which includes new items recommended for the treatment plant. The 5 components listed are: grit removal system, greenhouse or tank covers, sludge chlorination system, filtration system, and UV light disinfection. Mr. Thomson stated the only required component is UV light disinfection. There was some general discussion on the features, which may or may not be added to the general design. Cost

estimates are ballpark at this point, actual costs will not be known until the project is out for bid. Director Kroon stated she would like to do some research on some of the items. Director Sullivan requested what infrastructure would be needed, and associated costs, for items which would not be put in right away, but may be added later; Mr. Thomson agreed to provide a ballpark estimate. Ms. Sullivan asked Mr. Thomson to provide more detail on the line item "Engineering, Legal, and Administrative (\$966,713), specifically what engineering costs have been a) invoiced and paid, and b) invoiced, not paid.

Mr. Donnelly broadly reviewed the financials, stating the original budget was \$4.3M and the project estimate now is at \$5.2M, or a \$900K increase. The new cost estimates are for "gold standard" design elements, which can be reduced; a new \$200K grant was received from Army Corp of Engineers, and in summary Mr. Donnelly feels that the difference is not insurmountable. There was discussion about how much debt customers of the District will be asked to repay, and informing the community of current status. Mr. Donnelly advised that the District's loan package amounts to \$1.6M in debt, (\$863K from the bond election passed by voters in 2012, and a \$787K loan secured by a special assessment, to be paid through property taxes over 40 years). The amount of debt has not changed, and if the District finds it needs to borrow more money to finance the project, there would need to be another bond election put before the voters. Actual costs will not be known until construction bids come in. Communications to the community will continue through the District's quarterly newsletter, and a community meeting may be considered once more definitive costs are known (around September).

GRANT AGENCY DRAWS & REPORTS

- RUS: nothing to report
- TSEP: nothing to report
- CDBG: See above for Larry Watson's report
- DNRC: nothing to report

UNFINISHED BUSINESS AND GENERAL ORDERS

None

NEW BUSINESS

President Border asked for any unfinished or new business. GM Donnelly asked the Board to pass a resolution calling for an election of 3 seats of the Board of Directors on November 3, 2015, so a copy of said resolution can be sent to the county election department. Mr. Donnelly read the following resolution that will also be on the July agenda, and will be re-read at the July meeting:

Gallatin Gateway County Water & Sewer District
Resolution 15-01

A Resolution Calling for A Board of Directors Election

WHEREAS, Section 7-13-2262, M.C.A., requires that the Board of Directors of the Gallatin Gateway County Water & Sewer District are to be elected and can only be appointed by the Board of Directors if no nominations are made for the trustee offices; and

WHEREAS, candidates for the office of Board of Directors of the Gallatin Gateway County Water & Sewer District to be filled by the election may be nominated by petition at least 75 days before the election day; and

WHEREAS, the Montana election laws require the election to be held on the Municipal General Election day, which is November 3, 2015 and

WHEREAS, the Board of Directors of the Gallatin Gateway County Water & Sewer District have determined that 3 board of director positions will expire in November, 2015; and

WHEREAS, the Board of Directors find that it is necessary to elect 3 board of directors at the election in 2015.

NOW THEREFORE, IT IS RESOLVED:

1. A board of director election for the above-named water/sewer district to elect 3 board of directors shall be held on November 3, 2015.
2. Nominating petitions for candidates for Board of Director may be filed with the Gallatin County Election Department no later than August 20, 2015. If the number of candidates is equal to or less than the number of positions to be elected, the Board of Directors shall declare elected by acclamation each candidate who filed a nominating petition for a position. If no candidates filed a nominating petition for the position, the Board of Directors shall make an appointment to fill the position and the term is the same as if the Director were elected.

Dated this _____ day of _____, 2015

Director Sullivan made the motion to pass the resolution as read; Director Kroon seconded the motion. There was no discussion and the resolution passed unanimously.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next meeting date is July 6, 2015.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:30 p.m.

Secretary