

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: January 8, 2018
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 December 11, 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 on Services Contract for Wastewater System O&M – No Action
- B. First Reading of Resolution Amending Bylaws – No Action

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 January 8, 2018. Present at the meeting were board members Eric Amend, Ted Border, David Sullivan, and Elana Wexall (arrived at 6:37). General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were present. Also in attendance was Kurt Thomson from Stahly Engineering. Members of the public included Tony Dohle.

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. None were 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 December 11, 2017 meeting minutes, President Border asked whether 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 by a vote of 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 now that the sewer system is operational a written operating report would be provided going forward. He noted that 24.8 VRU's are now on-line (17% of the District's total), and he is tracking the flows to determine if the community's flows are at or below regional averages. He noted that the District has received 2 pre-design applications for new connections, which total 2.31 VRU's. Based on initial flow rates, which are tracking below regional averages, Mr. Donnelly has issued "will-serve" letters to the two applicants, and has documented his decision in a memo to staff and the District President. He further reported that 3 additional applicants have been qualified for LMI status, and is now working with the District's bond attorney to update and finalize the Series B bond. He further noted that the District's on-line hosted SCADA system is operational; flows can be viewed on-line and the system also provides alarms in case of power failure or other issues.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2017: Income for the month of December included \$21,793 from RD, which paid for the monthly invoices for engineering and auditors. The December 31 billing included 6 residences with sewer service charges, prorated to the number of days in December they were hooked up. She noted that the District will now be moving to monthly invoicing of customers as they are connected to the system (quarterly invoicing of the benefitted lot charge will continue for vacant lots and those not yet connected.) The District also paid its first sewer operations overhead bills in December for the lift station power and telemetry. Ms. Sullivan presented one invoice for Board approval, \$276 from OmniSite for the annual fee for the lift station telemetry service. Director Amend moved to approve the OmniSite invoice of \$276; Director Wexall seconded the motion and the motion carried 4-0.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Maralee Sullivan presented the draw request prepared by grant administrator Teresa Doig.

JR pay app#9	-	\$42,519.90 *	(includes \$7,858.10 "stubs", CO#3)
Stahly inv#64	-	\$5,508.65	
		<u>\$8,137.45</u>	Balance remaining from inv#63
		\$56,166.00	

NOTE: CO#3 line item of \$7,858.10 to be split:

\$4,068.01 paid by project (RD) – property included in original project and needed changes

\$3,790.09 paid by District (private funds paid by customers who had stubs installed on property not included in the original project)

\$7,858.10

RD Request	-	\$52,375.91	{ Stahly \$13,646.10
			{ JR \$38,729.81

District **	-	\$3,790.09	{ JR
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\$56,166.00

Ms. Sullivan advised the Board that the funds available from private funds paid to the District for the stub services is \$2,604.14, leaving a shortfall of \$1,185.95. She reviewed the spreadsheet that tracks the stub invoices and payments received. She noted that 2 customers, EJ Engler and Gwen Allen, have unpaid balances for the stub services of \$1,195.25 and \$1,100.26, respectively. Ms. Sullivan presented 2 options for making up the shortfall, if payment from these 2 customers has not been paid when the District needs to write the check:

- 1) Borrow from the District’s line of credit (at current interest rate of 4.25%) or 2)
- Perform an inter-fund transfer of District funds from its general fund to its project fund, which will need to be transferred back and would need to be carefully documented for an audit trail. Ms. Sullivan noted it would be cleaner from an

audit and financial standpoint to borrow for the line of credit. There was general discussion on whether the District can assess late fees and/or interest on the outstanding invoices. Mr. Donnelly advised that late fees can be assessed 30 days after the contractor completes the work on the stubs, at which point a \$10 late fee can be assessed (per the current rules & regulations). Board comment included suggestions on making the District's late charges more robust, and also having charges on services performed such as 'stubs' be paid in advance. Ms. Sullivan noted that the District will be holding a rate hearing some time in the spring and she will be drafting a proposal for changes to the late fee policy.

Director Amend moved to approve the draw request as presented; Director Wexall seconded the motion, which carried 4-0.

Director Amend moved to authorize the Treasurer to withdraw from the District's line of credit to make up for the shortfall on the District's portion of the stub fees (\$1,185.95); Director Wexall seconded the motion, which carried 4-0.

Kurt Thomson provided the engineer's report. He advised that as of today, the contractors have completed 16 sewer connections and 11 stubs to the right-of-way line. He continues to work with JR Civil for a change order (approximately \$35K) for a number of additional services performed e.g., NW Energy's requirement of a wall on the lift station to which the gas meter can be connected, as well as 3 or 4 other items, which will be spelled out in the change order. He is still negotiating with JR Civil on utilities not located on the plan. The school hook-up is waiting for the manhole in the parking lot to pass tests.

REGULAR BUSINESS

Discussion on Services Contract for Wastewater System O&M – No action

Mr. Donnelly advised he is continuing to work with FCWSD GM Kevin Kundert on the O&M services contract, which was reviewed with the Board last month. In response to the Board's prior question of whether the GM has complete authority to sign an O&M contract, he advised that the District's attorney confirmed that if the Board has approved a budget, then the District's GM can operate within that budget. He noted that FCWSD wants oversight and responsibility of the GGWSD lift station, and Mr. Donnelly is working to include all services of a licensed wastewater operator. He noted that the engineer and contractor are responsible for the operations of the system until substantial completion. Director Amend asked whether standard language to protect from unforeseen occurrences, e.g. named insurers, hold harmless clauses, etc. would apply and should be included in the contract. GM Donnelly noted that both Districts are named as co-insured, but commented that it would be appropriate to include such language, and will add it.

First Reading of Resolution Amending Bylaws – No action

GM Donnelly advised that the resolution would document changes to the District's by-laws, which specific changes to the wording on 1) the timing of Board member elections; 2) change the completion of an audit from "annual" to "when required by law or as desired by the Board of Directors". Board comment

included a request to change the wording to “as desired by a majority vote of the Board of Directors.” Mr. Donnelly will make the change prior to the second reading.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:21 p.m.

Secretary