**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 Street, Gallatin Gateway, MT, on 5/16/2022. Present at the meeting were board members Eric Amend (remotely), Ted Border, Cary Fox, as was District Council Swimley. Staff present included APE representatives Andrew Huggins and General Manager Sam Procunier. Members of the public included Pete Stein, and Tom Hennesh.

President Border called the meeting to order at 6:30 p.m. Secretary Alison Curry recorded the minutes of the meeting.

PUBLIC PARTICIPATION OF NON-AGENDA ITEMS

A. President Border asked for public comment on non-agenda items. No comments were made.

B. President Border made the motion to appoint Director Amend as an official member of the District’s board. Director Fox seconded the motion, and it was passed unanimously. Director Amend has accepted the position as board member.

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

Director Amend moved for the approval of 4/11/2022 minutes as is. Director Fox seconded the motion. Motion passed 3-0.

OLD BUSINESS

A. THE JUMP

Tom Hennesh who is a co-owner of The Jump is planning to host a concert June 11th on their property; this event will be a nonprofit event for a group of veterans, and additional parking is needed.

The Jump presented a proposal to use some of the District’s property to the east as overflow parking. The Jump is committed to picking up trash, mowing, and adding the District onto their insurance policy.

There was a general discussion of potential vehicular impact to the District’s property. The primary concerns would be damage to the District’s well head, and soil compaction that may cause problems to a future drain field site. APE Representative Huggins noted that due to the lack of infrastructure and potential damage thereof, there would probably be no lasting impact to the site.

District Council Swimley encouraged the board to approve the Jump’s proposal, provided the engineer confirms the low risk to the District’s property. There was a consensus to speak with the engineer to assuage any concerns that may arise.

Director Fox makes motion for one time use of District property for the Jump to use for their event with the conditions laid out. Director Amend seconds, motion passed unanimously.

District Council Swimley will work on a license agreement for the Jump.

B. 475 Gateway Road South

District Council Swimley notes the District is negotiating terms of an annexation agreement, and distributed a 4/27/2022 letter from John Kauffman.

District Council Swimley is insistent with 475 that the District must have some kind of financial security, she is concerned about a flood event that would wipe out east/west bank. There is ambiguity in 475’s response regarding pollution insurance; they have not pursued this coverage at this time. Though there is no resolution, John Kauffman asked that his letter be presented at the May board meeting.

It is noted that Mr. Pfeil does not have the right to tie into the District line; 475 has installed pipe up to the District’s line, but has not made any breach of the line as of yet. Annexation is advantageous for 475 because they will pay less on a monthly basis than if they were on an out of District contract. District Council Swimley defers to the Board, but notes she does not believe 475’s insurance is sufficient. If responsibility is assumed as indemnitor, there could be a catastrophic event for which the District would be held liable. Info on the boring has been acquired and flood exhibits have been provided. Director Fox would like to see more clarity from 475 South and an agreement made in the Pfeil name before they continue discussion. President Border agrees. Pete Stein discussed the concern of past events that could trigger a larger problem; there is potential for cottonwoods to collapse, creating a dam and flooding the area in question. Director Amend agrees that appropriate liability insurance needs to be attained.

There is continued discussion of potential negative events that could occur. District Council Swimley will relay the details and consensus of the discussion to John Kauffman.

1. VRU COUNTS

There are properties that have recently connected to the District line, and will be charged accordingly. Gateway Inn is in the process of coming online, GM Procunier estimates they will be using their allotted 50 VRUs, which is a significant increase from the previous 158. They will be billed within the next quarter.

Quarter 1

There is a general discussion about new and pending applications, as well as existing will-serves; Gary Kirt is adding units on his property and plans for completion by the end of summer. There are current will-serves that are approaching the 6 month mark, these locations will be contacted and charged. Gallatin Gateway and Montana Reclaimed Lumber are all coming on line; with these locations and pending applications the District is toeing the line of over capacity. There are approximately 87 VRUs that have been applied for; if the 160 gallons are made available and maximized by each property, the District will have exceeded available resources by roughly 40 VRUs. There is discussion about the purchase of VRUs from Four Corners, or the expansion of such on District property. When all VRUs from Four Corners are bought out this opportunity is obsolete.

D. BUDGET DRAFT

GM Procunier noted that the prediction for lot charges was on target, with $30 being the only difference. Then same growth pattern that the District had laid out was followed for this budget proposal. GM Procunier added a few lots, with 139 lots predicted at the conclusion of the year.

The District is $10,000 underwater on Budget, because of contract administration services; Peak Water Services is taking over Treasurer duties. President Border notes we need to figure out where $10k is coming from.

Sewer Enterprise is taking most of the cost, and is the same as what was budgeted last year. 25 percent of this line item is Administration services; secretary income will come from this item as well. Prior year was copy and pasted- Answering Service accounted for $2000 budgeted for last year, but will be removed from budget for this year.

Morris and Maierle Engineering contract was budgeted at $7500 last year, but it is concluded that only $5000 is needed.

Legal Services are a little higher because of need of council to help navigate 475 South’s petition for annexation.

Treatment services from 4 corners is the same percentage from last budget but GM Procunier used 9 month averages instead of 6 months due to unusual flow on the odd month. 30 percent over what the cost was for 9 months.

There was a general discussion with regards to Facilities line item and where the total number came from. Especially with regard to the lift station. There is no certain answer, and GM Procunier will investigate.

Four Corners fees are based on total amount the District paid last year. With more usage, there is less need to pay.

There is discussion as to numbers regarding the shed was from last year’s budget. This will be looked into as well. The number may have come from extra cash from Capital Improvements Fund; the tool shed may have been covered by this fund. It is noted that the District’s fiscal year ends June 30th.

Plant Investment Charge

GM Procunier calculated this line item from the will serves that are not paid, plus extra for the upcoming year. President Border would like to stay conservative on income projections. Stacey’s will serve is coming up on 1 year anniversary; Peak will contact them. Will-serves expire after 6 months, but there is some leniency with regards to projects in progess. If a second extension is issued and expired, the District would require payment, otherwise the VRUs from those locations would come available for application and purchase. Peak will bring list of existing will-serves to next month’s meeting. The District will continue to reissue checks to Pfeil Acquisitions until it is deposited. It is noted that the District’s position on the 22 VRUs that were allotted to 475 are back in the pool, if they wish to make use of said VRUs they will need to reapply. Peak did not include these VRUs in their initial calculation.

Overage from budget proposal came from legal services, amounting to approximately $3000. This line item is upped for the upcoming year.

The Board will look at Budget and get back to Peak about it. Director Amend notes that the Board should carefully review the proposed budget; the General Fund is of greatest concern at this time, with largest expense coming from contract administration services.

1. ENGINEER RECORDS CONTRACT

Director Fox makes motion to renew Morrison-Maierle engineering fee structure agreed to, Director Amend seconds, motion passed unanimously.

NEW BUSINESS

None recorded.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report

A.

Peak will become signatory on the District’s account. This needs to happen asap so invoices can be paid.

The discharge permit on record was for 2020, there is question as to whether the permit renewal filed (DEQ). Peak will make sure permit is in the queue and will ascertain when permit will be received.

B.TURNBAY

Locates were found with no issue, Peak is still waiting to hear from MDT.

Some funds may need to be added to budget; Peak needs to know exactly where pipe is, not just the wire.

Existing will Serve Agreements

None recorded.

Gateway Village Report

Nothing to report.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:54 P.M.

 Alison W. Curry

 Secretary