

# **Gallatin Gateway County Water & Sewer District**

## **PUBLIC MEETING**

**Date: Monday, March 14, 2022**

**Time: 6:30 PM**

**Place: Gallatin Gateway Fire Department, 320 Webb St. Gallatin Gateway, MT**

A teleconference bridge for public input can be joined at **1-605-562-8400** and using **Participant Access Code 1286503** or by using the following web link:

**<http://hello.freeconference.com/conf/call/1286503>**

### **AGENDA**

#### **I. Public Participation on Non-Agenda Items<sup>1</sup>**

#### **II. Conflict of Interest Disclosure<sup>2</sup>**

#### **III. Approval of Minutes**

- A. Approval of meeting minutes for January 10, 2022
- B. Approval of meeting minutes for February 14, 2022

#### **IV. Old Business**

- A. 8998000 TURNBAY - N OF GALLATIN GATEWAY

#### **V. New Business**

- A. Petition to Annex 475 Gateway South Road, LLC
- B. Transition of GGWSD Treasurer's financial duties
  - Peak Water Services Proposal

#### **VI. Reports of Officers, Standing Committees and Special Committees**

- A. General Manager's Report
  - District Capacity Report
- B. Existing Will Serve Agreements
- C. Gateway Village Report (Director Fox)

#### **VII. Adjourn**

<sup>1</sup>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.

<sup>2</sup> 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**

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## 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 January 10, 2022. Present at the meeting were board members Eric Amend, Ted Border, Cary Fox, and Maralee Parsons Sullivan. District council Susan Swimley was also present. Staff members included GM Sam Proconier and Andrew Huggins (APE). Members of the public included Alison Curry and Pete Stein.

President Border called the meeting to order at 6:30 p.m. Acting 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 13, 2021, 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 Parsons Sullivan seconded the motion, and the minutes were approved unanimously.

#### OLD BUSINESS

- A. Establish requirements and fee structure to disconnect from GGWSD Service  
GM Sam Proconier will continue to try to contact the property owner who is requesting to disconnect service after removing the existing tiny house. The Board opted to not make any decision at this time but will consider it at the Board's next review of the District's Rules & Regulations (R&R).
- B. Connection Application fee for force main (\$500) vs. gravity main (\$200); currently \$500 for both  
The Board received updated pricing information from its Engineering Firm, Morrison Maierle, for connection inspection fees. The new fee structure is set at \$500 per trip for gravity connections and \$750 per trip for force main connections, and \$150 per each additional hour. Additional fees may apply, as outlined in the 1/7/2022 memo. District council Swimley noted that the

Board updates its fees as listed in Appendix A of its Rules & Regulations, by resolution and she can prepare a resolution for the next meeting. Director Amend moved to set the District's new connection fee at \$500 per trip for gravity connections and \$750 per trip for force main connections. Director Fox seconded the motion. There was no further Board discussion and no public comment. The motion passed 4-0.

## NEW BUSINESS

### A. Lot 4A of Minor Subdivision 56B – Genesis Engineering Pre-Design Application

This in-District project proposal consists of 3 office buildings with projections of approximately 230 employees. Director Amend noted that within the District's existing R&Rs, calculations seem correct by square footage. He noted, however, that by DEQ standards, projected flow would be 3600 gal/day, and by the District's current stated calculations in its R&R's, (160 gal/day) projected flow would be 2700 gal/day, or 17.07 VRUs. The District's original calculations anticipated lower density units than this project is projecting. Using DEQ standards would mean the developer should purchase an additional 6 VRUs. There was discussion on possibly metering the property, which could be difficult and/or expensive. Susan Swimely noted that the District will need to issue a service agreement which requires an easement be granted for the service extension. APE will open a conversation on whether they would be willing to purchase additional VRUs per DEQ guidelines or agree to monitor the flow rate and possibly incur fees on excess flow rate. It was noted that there are structures on the property now, with 2 existing VRUs, and which will be torn down.

Director Amend moved to approve the Genesis Engineering pre-design application, conditional upon the following: 1) resolution of the difference between the District and DEQ VRU count; 2) DEQ approval of the mainline extension; 3) granting an easement for extension of the mainline; and 4) if additional VRUs are not purchased, agreement upon the use of a measuring device, to be determined. Director Parsons Sullivan seconded the motion. There was no further Board discussion and no public comment. The motion carried 4-0.

Susan Swimley & APE will work on a will-serve letter with the above noted conditions.

### B. COS# 4599 Tract 1 – Lutsen, LLC Pre-Design Application

This proposed project is out of District. It is contiguous to the northern boundary line (Penny Lane) so it can be annexed. There was general discussion on the proposed design as presented, and it was agreed that more information is needed on the use of the structures, particularly the wash house. The Board noted its concern on the proposed leach field: what is it to be used for, who would

regulate it, can it be in the district, what happens if it fails? APE will work with the developers to gather more information for the next meeting.

- C. Receipt of petition requesting annexation of 475 Gateway South Road, LLC (Pfeil)
- D. Consideration of annexation agreement for 475 Gateway South Road, LLC (Pfeil)
- E. 1<sup>st</sup> reading of Annexation Ordinance for 475 Gateway South Road, LLC (Pfeil)

No action was taken on agenda items C,D,E at the request of the attorney for 475 Gateway South Road, LLC.

## REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

### General Manager Report

Andrew Huggins reviewed the GGWSD Capacity Report table the team has compiled and there was general discussion around it. Higher density commercial and housing units than the Board originally anticipated, e.g., the new GG Inn structures, could significantly impact the District's flows. It was agreed the Board should changing its flow formulas in the R&R Appendix B.

There was discussion on the Eco-Camp project. 2 of the 5 houses have been constructed. District council Susan Swimley will work with the APE team on an out-of-district service contract.

### Existing will Serve Agreements – no report

### Gateway Village Report – no report

The Board also met with Alison Curry, who has expressed interest in being the Board's new secretary. The Board welcomed Ms. Curry to the team.

President Border asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:12.

Secretary

# **Gallatin Gateway County Water & Sewer District**

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## 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 2/14/2022. Present at the meeting were board members Eric Amend, Ted Border, Cary Fox, and Maralee Parsons Sullivan, and District Council Swimley. Staff present included APE representatives Andrew Huggins and General Manager Sam Procnier. Members of the public included Mike Halverson, John Kauffman, Jeff Pfeil, Pete Stein, and Ronald Page.

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

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

#### 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

A. With Regards to Meeting Minutes for January 10, 2022

President Border made the comment that the minutes were not submitted for the January meeting. There was a consensus that these minutes would be made available at the March meeting.

#### OLD BUSINESS

##### Lot 4A of Minor Subdivision 56B – Genesis Engineering Pre-Design Application

GM Sam Procnier advised that the will-serve letter was sent to the engineers for the project, which included the contingencies the Board had stipulated at the January 2022 meeting. The applicant is still in the process of getting his plans approved by the various authorities and is ok with either using the DEQ calculation of VRU, or perhaps using a meter

##### COS #4599 Tract 1 – Lutsen Pre-Design Application (Montana Reclaimed Lumber)

There was general discussion of the email previously distributed to the Board regarding the plans for Montana Reclaimed Lumber submitted for treating their This treatment plan is a preliminary schematic of their water filtration/recycling system which will ultimately need to be designed and engineered along with the tank and leach field for discharge. There would need to be approval from the

County and/or the DEQ. Concern was noted that if the District allowed this property to annex, it might be difficult to stop others in the District from wanting to install a leach field. Council Susan Swimley noted that the District could craft a permit for “grey water” processing unique for this development. Director Amend noted that the plans as submitted represent an environmental improvement from the current conditions, and moved to approve the Pre-Design application for Lutsen LLC and authorize the GM to send a will-service letter, contingent upon: (1) The GGWSD General Manager must approve the final lot design and receive the approval letter from the state or country for the wash water treatment and leach field and 2) Connection to the District’s facilities will be located on the gravity main on Penny Lane. Director Parsons Sullivan seconded the motion. The motion carried unanimously.

## NEW BUSINESS

### 899800 Turnbay – N of Gallatin Gateway

There is going to be a new Turnbay (turn lane) put in on HWY 191 between Gooch Hill Rd and Zachariah Ln. During a recent meeting with MDT, it was discussed that the district's force main might have one conflict near Zachariah Lane. There is going to be a new box culvert installed and one of the new wing walls is going to be extremely close to the force main. To determine how close, the force main will need to be exposed, surveyed, and put into the MDT plans and cross sections. If the line is in conflict, it will need to be moved horizontally or vertically. If the line is in proximity, the decision will be left up to the district to keep the line in place or move the line. There was some discussion as to the type of permit the District had obtained with MDT (encroachment or occupancy). An encroachment permit would mean the costs of moving the line would fall to the District. District Council Swimley will check her records for a signed permit. MDT needs to have everything located and moved by November 17, 2022. Cost to the District of moving its force main could surpass \$10,000. It was noted that the engineers need to see and approve final design for moving of the force main.

### “The Jump” owners’ interest in purchasing the District’s Property

The Jump owner Tom Henesh has expressed interest in purchasing the GGWSD property adjacent to The Jump. The Board noted that the property has been viewed as critical for future expansion of the District’s facilities. Director Parsons Sullivan noted that the Board should consider its long-term planning (1-5 years) in the next 6-12 months.

There was consensus from the Board that the GGWSD is not interested in selling the property at this time.

### Consideration of 475 Gallatin Road South Petition for Annexation

District Council Swimley provided a brief history of discussions with the property owner. Pfeil Acquisition LLC recently sold this property to 475 Gateway Road South ("475"). Council Swimley's office provided draft annexation agreement, draft annexation ordinance and draft service contract to "475" and to the Board to consider at the January Board meeting. Consideration was postponed at the request of the attorney for "475". Council Swimley advised that on 1/19/22, via email, "475" rejected the District's draft documents and offered redlined edits to the District's draft annexation agreement, draft service contract and annexation ordinance. The notable differences are:

1. Treatment agreement: District provided a service agreement with "475" and applicant seeks 1<sup>st</sup> amendment to include Pfeil Acquisitions, LLC service contract (former owner) and
2. Annexation Agreement: "475" inserted Pfeil Acquisitions as "former landowner" and struck the District's inclusion of \$1,000,000 insurance provision; and
3. Ordinance: removed term "insured"

As currently proposed and acceptable to the Board, the sewer line under the Gallatin River would remain privately owned by "475". However, since "475" has declined to purchase insurance for the line and add the District as an additional insured without exception, the District's liability is unclear according to District council Swimley. Should the private line under the river break and a party, public or private, sues for the damage and pollution to the river, the District's risks and obligations for damage is unclear as the District would be agreeing to the annexation under terms which include no insurance, and the District's insurance will not cover any claims arising under this scenario.

John Kaufmann introduced himself as the Council for Jeff Pfeil, who owns 475 Gateway Road South. He stated he is interested in resolving outstanding issues and provided documentation of the annexation agreement signed in 2020 (District council Swimley noted the validity of the agreement is in dispute), GGWSD contract, a check and receipt from 2020. He acknowledged that Mr. Pfeil initially did not want to retain ownership of the sewer line under the river, as the District had insisted, but has since agreed to these terms. Mr. Kauffman urged the Board to consider the signed drafts of the agreements from 475 Gateway Road South. Regarding the outstanding issue of insurance of the line under the river, Council Kaufmann noted that the "project" will be insured, but does not agree that his client should be required to specifically insure the line under the river. He noted costs of obtaining such a policy, as well as uncertainty as to whether or not such insurance will even be available in the future. District Council Swimley noted that the District had not previously discussed general liability insurance on the property. Mr. Kaufmann clarified that they would present the District with a general liability insurance proposal for the project and name GGWSD as additionally insured. District Council Swimley noted she had contacted DEQ with regards to potential damages to the line resulting from movement of the river, and who DEQ might enforce against. She was told most

likely the landowner, but risks to the District remain. Comments from the Board strongly indicated the need to protect the District from any liability should litigation result from any line breakage.

District council Swimley noted that the District has returned the PIC charges to Pfeil Acquisitions at her request. Provided the outstanding issues can be resolved, PIC charges for the new owner, 475 Gateway Road South, can be billed. She polled the Board informally on whether the PIC charges should be at the previous rate or the current rate. 3 of the 4 Board members indicated their agreement on the PIC rate remaining at the previous amount, with Director Fox expressing his opinion that the PIC charge should be raised to the current rate. District Council Swimley noted all comments and concerns from the Board as she prepares next steps.

#### Discussion and Decision on transition of GGWSD Treasurer's financial duties

Director Parsons Sullivan discussed the transfer of duties of the treasurer, considering her upcoming leave from the Board. She reviewed with the Board her recommendations for new responsible parties for the financial and reporting duties, most of which would be transferred to the GM and/or financial support staff of the APE group. She noted that most tasks require on-line banking access, so that person(s) would need to have signing authority on the District's banking accounts. It was agreed that the Board would rotate the monthly bank reconciliation duties among themselves. APE representative Huggins said they will take the list of items of Treasurer responsibilities to their office and return with the details of added cost to the District.

### REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

#### General Manager Report:

General Manager Procnier provided the report:

- Capacity: He noted Genesis Engineering has been added as a current will serve, while Pfeil project was removed. Gallatin Gateway Inn adds 50 additional VRUS to what they currently have.
- There was general discussion of rules and regulations regarding the calculation of enforceable VRUs, and the managers will continue to use the 160 gallons/VRU amount in their calculations.
- GM Procnier estimates that 400-500 gallons a day from the downstream meters of the River Run development, which was included in their calculation.
- APE Representative Huggins said that numbers will become much clearer in the next few months. The client wants to stick with one meter per lot, they want to be able to enforce each homeowner based on what the meter reading is. Engineers conveyed to the client that they must have a meter reading per month to ascertain this information. Engineers presented the idea to client of a run time counter, to count gallons per minute until the meter is installed.

Engineers will send letter to client clarifying the date of August 1<sup>st</sup> to have the meter installed, with potential for extension.

- The property located at 5 Rabel Lane came under corrective action with the county, and the District was copied on the corrective action letter. The owners will need to reapply and purchase more VRUs as it appears there are at least 2 structures on the property being used as residences and they are currently being charge for just one residence. Campers are not allowed on this property, there is to be no dumping of any kind, and there will be no RV hookups.
- There was general discussion of Flushing/scoping gravity lines. Engineers wanting to know if they should proceed and were directed to focus on.
- areas that are being camera 'ed' that year.
- It was confirmed that the District wants to maintain its existing discharge permit on its land, for future use.

#### Gateway Village Report

Engineers confirm there is no one living in the village yet. No knowledge of what meters are being used, or what charges will be.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:26 P.M.

Alison W. Curry

Secretary

**KASTING, KAUFFMAN & MERSEN, P.C.**

A T T O R N E Y S A T L A W

JOHN M. KAUFFMAN  
JANE MERSEN  
DENNIS L. MUNSON  
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716 SOUTH 20th AVENUE, SUITE 101  
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KENT M. KASTING, *Of Counsel*

March 9, 2022

**VIA EMAIL**

Susan B. Swimley  
Attorney at Law  
1807 West Dickerson #B  
Bozeman, MT 59715

Re: Gateway W&S District – 475 Gateway, LLC/Pfeil Acquisition, LLC  
Subject to Rule 408 M.R.Evid.

Dear Susan:

This letter follows my March 7, 2022 letter. Enclosed please find an insurance quote for my clients' project and a letter confirming the vagaries of securing pollution insurance (as a product) into the future. Our concern remains that we cannot contractually tie service to a product we may not be able to secure in the future. We continue to believe this should not be a condition of annexation or service and hope that the District will work with us in another way. Please let me know if we can meet to discuss this further.

Sincerely,



John M. Kauffman

Encl.

c. Jeff Pfeil (email only)

## Commercial Insurance Quote Proposal



**To:** HUB International Mountain States, Ltd -  
Bozeman  
**Contact Name:** Blaine Martin  
**Contact Email:** blaine.martin@hubinternational.com  
**Contact Phone:** (406) 373-8612

**From:** CRC Binding (Greenwood, CO)  
**Address:** 6200 S Syracuse Way Ste 100 Greenwood  
Village CO 80111-4738  
**Contact Name:** Toni Naylor  
**Contact Email:** tnaylor@crcgroup.com  
**Contact Phone:**  
**License #:** 108582 - Idaho,696435 - Montana

**Underwritten By:** SCOTTSDALE INSURANCE COMPANY

**A.M. Best rated A+ (Superior), FSC XV**

**Commission:** 10.00%

**Minimum Earned:** 25%

**Minimum and Advance  
Premium:**

100%

These terms are valid for 60 days from MARCH 08,2022. Our quote may differ from the terms requested. Please review the quote carefully.

If the policy is cancelled at the insured's request, including non-payment of premium, there will be a minimum earned premium retained by us. If a policy or inspection fee is applicable to this policy, the fees are fully earned. No flat cancellations.

At the close of each audit period, we will compute the earned premium for that period. If the earned premium is greater than the advance premium paid, an audit premium will be due. There will be no returned premium upon Audit if the estimated exposure is less than shown, unless the Minimum and Advance Premium is less than 100%.

<b>Applicant Name:</b>	RIVERBEND MT, LLC
<b>Proposed Policy Period:</b>	03/08/2022 To 03/08/2023
<b>Quote Number:</b>	QT-01617915
<b>Agent Reference Number:</b>	10302096
<b>Renewal of #:</b>	NEW

### Premium Summary

LIABILITY	\$4,668
<b>Sub Total Premium:</b>	<b>\$4,668</b>
Policy Fee	\$100.00
Inspection Fee	\$130.00
Surplus Lines Tax	\$131.95
<b>Grand Total:</b>	<b>\$5,029.95</b>

**Terrorism:** Terrorism coverage can be purchased for an additional premium of \$233.00 plus applicable taxes and fees. Signed acceptance/rejection required at binding.

#### Subject to following terms and conditions:

- 3/8/2022 - Revised indication for General Liability. Once construction is complete or within 60 days of completion, please review and provide updates to operations/exposures in order to submit to the carrier for current rates/forms.

## Commercial Liability Coverage

	Limits
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Per Occurrence	\$1,000,000
Damage to Premises Rented to You	\$100,000
Medical Payments	\$5,000
Deductible	\$0 BI/PD/PA PER CLAIMANT

### Liability Rating Classifications and Premium

Loc #/ Bldg #	Program / ISO	Class Code	Description	Exposure	Prem / Prod Rate	Prem / Prod Premium
<b>475 GATEWAY SOUTH RD GALLATIN GATEWAY MT 59730</b>						
1 / 1	JQ	63010	MANAGER HOUSE RATED AS DWELLINGS - ONE FAMILY (LESSOR'S RISK ONLY)+	1 / PER DWELLING/EACH	\$127.00 INCL	\$127 INCL
1 / 2	ISO	68707	STORAGE SHED RATED AS WAREHOUSES - PRIVATE - NOT-FOR-PROFIT ONLY+	2,000 / PER 1000/AREA	\$131.23 INCL	\$262 INCL
1 / 3	BZ	10331	RV HOOK-UPS RATED AS CAMPGROUNDS - OTHER THAN NOT-FOR-PROFIT+	9 / PER SPACE/EACH	\$20.95 INCL	\$189 INCL
1 / 4	BZ	10331	TENTS RATED AS CAMPGROUNDS - OTHER THAN NOT-FOR-PROFIT+	48 / PER SPACE/EACH	\$20.95 INCL	\$1,006 INCL
1 / 5	BZ	63010	MOBILE WAGONS RATED AS MOBILE HOMES RENTED TO OTHERS BY THE NAMED INSURED+	6 / PER MOBILE HOME RENTED TO OTHERS/EACH	\$188.00 INCL	\$1,128 INCL
1 / 6	BZ	18435	CONVENIENCE STORES - PREM. OPS./PRODUCTS	1 / PER STORE/EACH	\$260.00	\$260

**Liability Rating Classifications and Premium**

Loc #/ Bldg #	Program / ISO	Class Code	Description	Exposure	Prem / Prod Rate	Prem / Prod Premium
1 / 7	BZ	45524	POND RATED AS LAKES - OWNED (SUBMIT OVER 35 ACRES)+	1 / PER ACRE/EACH	\$40.00 INCL	\$40 INCL
1 / 8	BZ	48727	STREETS & ROADS+	1 / PER MILE/EACH	\$85.00 INCL	\$85 INCL
1 / 9	BZ	99943	EASEMENT FOR 85' SEWER LINE RATED AS SEWAGE TREATMENT FACILITY+	1 / EACH	\$100.00 INCL	\$100 INCL
1 / 10	AG	16920	RESTAURANTS - WITH SALES OF ALCOHOLIC BEVERAGES THAT ARE 75% OR MORE OF THE TOTAL ANNUAL RECEIPTS OF THE RESTAURANTS - WITH TABLES - WITH DANCE FLOOR - TABLE SERVICE.	50,000 / PER \$1000/GROSS SALES	\$29.42	\$1,471

† + PRODUCTS/COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT

**Commercial Liability Additional Coverages**

Coverage Description	Form	Limit 1	Limit 2	Deductible	Premium
ASSAULT AND/OR BATTERY SUB-LIMIT (DESIGNATED PREMISES)	GLS (HI) 285s				
1 - 475 GATEWAY SOUTH RD., GALLATIN GATEWAY, MT, 59730, GALLATIN		\$25,000	\$50,000		\$0

**Final Liability Premium:**

**\$4,668**

## Forms and Endorsements

### Common Policy

NOTX0178CW 03-16 CLAIM REPORTING INFORMATION

NOTX0423CW 12-20 POLICYHOLDER DISCLOSURE - NOTICE OF TERRORISM INSURANCE COVERAGE

UTS-COVPG 03-21 COVER PAGE

OPS-D-1-0117 01-21 COMMON POLICY DECLARATIONS

UTS-126L 10-93 SCHEDULE OF TAXES, SURCHARGES OR FEES

UTS-SP-2 12-95 SCHEDULE OF FORMS AND ENDORSEMENTS

UTS-SP-3 08-96 SCHEDULE OF LOCATIONS

IL 00 17 11-98 COMMON POLICY CONDITIONS

IL 01 67 10-13 MONTANA CHANGES-CONFORMITY WITH STATUTES

IL 02 43 09-07 MONTANA CHANGES

UTS-302s-MT 07-03 RENEWAL CHANGES-MONTANA

UTS-496 06-19 MINIMUM EARNED CANCELLATION PREMIUM

UTS-9g 06-20 SERVICE OF SUIT CLAUSE

### Commercial Liability

CLS-SD-1L 08-01 COMMERCIAL GENERAL LIABILITY COVERAGE PART SUPPLEMENTAL DECLARATIONS

CLS-SP-1L 10-93 COMMERCIAL GENERAL LIABILITY COVERAGE PART EXTENSION OF SUPPLEMENTAL DECLARATIONS

CG 00 01 04-13 COMMERCIAL GENERAL LIABILITY COVERAGE FORM

CG 21 01 12-19 EXCLUSION-ATHLETIC OR SPORTS PARTICIPANTS

#### **Description of Operations** Campground

CG 21 06 05-14 EXCLUSION-ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY-WITH LIMITED BODILY INJURY EXCEPTION

CG 21 44 04-17 LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION

CG 21 47 12-07 EMPLOYMENT-RELATED PRACTICES EXCLUSION

CG 21 49 09-99 TOTAL POLLUTION EXCLUSION ENDORSEMENT

CG 21 67 12-04 FUNGI OR BACTERIA EXCLUSION

CG 21 73 01-15 EXCLUSION OF CERTIFIED ACTS OF TERRORISM

CG 24 07 01-96 PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED

#### **Description of Premises and Operations** Campground

CG 24 26 04-13 AMENDMENT OF INSURED CONTRACT DEFINITION

CG 40 12 12-19 EXCLUSION - ALL HAZARDS IN CONNECTION WITH AN ELECTRONIC SMOKING DEVICE, ITS VAPOR, COMPONENT PARTS, EQUIPMENT AND ACCESSORIES

CG 40 15 12-20 CANNABIS EXCLUSION WITH HEMP EXCEPTION

GLS-106s 12-13 TOTAL LIQUOR LIABILITY EXCLUSION

GLS-152s 08-16 AMENDMENT TO OTHER INSURANCE CONDITION

GLS-281s 09-07 CONTINUING OR ONGOING DAMAGE EXCLUSION

## Forms and Endorsements

GLS-285s 04-18 ASSAULT AND/OR BATTERY LIMITED LIABILITY COVERAGE FORM (DESIGNATED PREMISES)

GLS-289s 11-07 KNOWN INJURY OR DAMAGE EXCLUSION-PERSONAL AND ADVERTISING INJURY

GLS-296s 07-08 PRIOR COMPLETED WORK EXCLUSION-SPECIFIED DATE

GLS-328s 11-20 INJURY TO EMPLOYEE AND WORKER EXCLUSION

GLS-341s 08-12 HYDRAULIC FRACTURING EXCLUSION

GLS-457s 10-14 AIRCRAFT EXCLUSION

GLS-47s 10-07 MINIMUM AND ADVANCE PREMIUM ENDORSEMENT

GLS-570 03-21 CONTRACTORS SPECIAL CONDITIONS

IL 00 21 09-08 NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

UTS-266g 05-98 ASBESTOS EXCLUSION

UTS-267g 05-98 LEAD CONTAMINATION EXCLUSION

UTS-365s 02-09 AMENDMENT OF NONPAYMENT CANCELLATION CONDITION

UTS-428g 11-12 PREMIUM AUDIT

UTS-74g 08-95 PUNITIVE OR EXEMPLARY DAMAGE EXCLUSION

UTS-85g 02-98 ANIMAL EXCLUSION



HUB International Limited

4535 Valley Commons Drive #201  
Bozeman, MT 59718  
Office: 406-582-8868  
Fax: 406-582-8878

[hubinternational.com](http://hubinternational.com)

March 8, 2022

Riverbend MT LLC  
1442 Baxter Lane E  
Bozeman MT 59718

Re: Pollution Insurance at: 475 Gateway South Rd

Jeff, pursuant to our discussion regarding Pollution Insurance for this location, I wanted to reiterate that this type of insurance can be challenging to place given the proximity to a waterway like the Gallatin River.

It's available today, but as we all know insurance markets are changing daily especially in this market segment. This coverage sector is also experiencing an increase in claims frequency and severity, which can negatively impact the availability of future coverage.

That said, I would be careful not to commit to a line of coverage that you may or may not be able to acquire in the coming years.

Regards,

A handwritten signature in blue ink, appearing to read 'Blaine', with a long horizontal flourish extending to the right.

Blaine D Martin, CIC

HUB International



**SUSAN B. SWIMLEY**  
*Attorney and Counselor At Law*

1807 West Dickerson, #B  
Bozeman, MT 59715  
Phone: (406) 586-5544  
Facsimile: (406) 586-3130

To: Gallatin Gateway County Water and Sewer District (“District”)  
Date: 3.14.2022  
Subject: Annexation Petition – 475 Gateway South Road, LLC  
From: Attorney Susan Swimley *CSJ*

Good Evening:

On January 6, 2022, via my office the District received a Petition for Annexation from 475 Gateway South Road, LLC seeking annexation of Tracts 1 and 2 of Certificate of Survey No. 2901, parcels located in the SW¼ of the NW¼ of §11, T3S, R4E, P.M.M., Gallatin County Montana.

Please do not take any action on the Petition. Please place consideration of the Petition for Annexation on the April 11, 2022 meeting agenda.

Attached please find the letter from the attorney for 475 Gateway South Road indicating “475 Gateway South” is “working within an insurance agent to find a commercial general liability policy that would incorporate the pipeline.” I take that sentence to mean that such a policy does not exist at this time.

In response to my letter dated February 15, 2022 in which I asked:

Additionally, last evening I heard for the second time that a pollution/environmental policy was too expensive or cost prohibitive for the project. Such statements imply that your client or the predecessor in interest to the property, Pfiel Acquisition, LLC, investigate such a policy. Please provide as soon as possible please provide the application for such a policy as well as the response from the insurance provider.

and my February 28, 2022 letter in which I asked:

Further, in my February 15, 2022 letter, I requested the supporting information that a pollution/environmental policy was too expensive or cost prohibitive for the project. Again I request the application for such a policy as well as the response from the insurance provider.

You will see the response that the “issue had to do with its availability into the future.”

I will take the non-response and misdirection to mean that 475 Gateway South Road, LLC and the former owner did not apply for a pollution/environmental policy and thus does not have responsive documentation.

KASTING, KAUFFMAN & MERSEN, P.C.  
A T T O R N E Y S   A T   L A W

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KENT M. KASTING, *Of Counsel*

March 7, 2022

VIA EMAIL

Susan B. Swimley  
Attorney at Law  
1807 West Dickerson #B  
Bozeman, MT 59715

Re: Gateway W&S District – 475 Gateway, LLC/Pfeil Acquisition, LLC  
Subject to Rule 408 M.R.Evid.

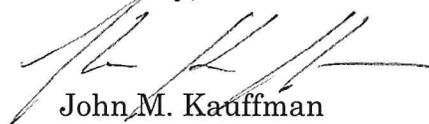
Dear Susan:

This letter is in response to your February 28, 2022 letter. Mr. Pfeil is working with an insurance agent to find a commercial general liability policy that would incorporate the pipeline. As soon as we get that policy I will pass it along, but we do not have it yet.

With respect to your inquiries about a stand alone pollution/environmental policy, we explained to the water and sewer district that the issue had to do with its availability into the future. Specifically, we expressed the concern that such a product may not be offered in the future or that the premiums of such a product would be cost prohibitive in the future. As a result, making insurance a condition of ongoing service was the problem. Your correspondence did not capture that we had expressed that as the issue.

We are looking forward to working with you and the District to find a compromise solution to the problem and believe that would be most productive once we have a draft CGL policy we can share with you. I will let you know when we have that in hand.

Sincerely,

  
John M. Kauffman

c. Jeff Pfeil (email only)

**Scope of Work: #2.1**

**Master Services Agreement: 2242**

**SOW/Project Name:** Bookkeeping and Billing

**Description of Work:** General bookkeeping services, including:

1. Set up of internet systems:
  - a. Quickbooks account,
  - b. cloud and hard-copy file storage,
2. On a monthly basis, we will enter all monies received from customers into the District file. This includes a payment address, receiving checks and making deposits, working with customers to keep information correct and answering any questions that may arrive from the billing process. It also includes monthly invoicing, and monthly statement reminders for past due accounts.
3. We will perform reconciliations of customer accounts periodically, and we will also enter adjusting journal entries as necessary.
4. Receivable reports will be provided on a monthly basis. We will enter, and pay with the District account, expenses incurred by the District on a semi-monthly schedule.
5. On a semi monthly basis, on behalf of the District, we will process payments to vendors for expenses incurred by the District. Expenses will need to be sent to APE thru an approval process that is to be determined by the Board so payments may be issued in a timely manner.
6. Financial reports will be provided as requested but at a minimum on a quarterly basis. Requests will need a week's notice to have documents generated.
7. Periodic mailings to customers that include notifications of rate hearings and other notices as directed by the Board.
8. Processing of Money Collected by Gallatin County Treasurer: Series B Proceeds & Delinquent Account Proceeds
9. Processing of Series A&C Bond Debt
10. On-line Transfer of Mandated Reserves
11. Handling of Delinquent Accounts
12. Prepare Annual Tax Assessment - Prepare and send assessment to County Treasurer
13. Budget Preparation

**Exclusions and Limitations:** We will work with your CPA, Legal Counsel, and other consultants or subcontractors, but will limit self-performed work in specific

1. We will make no attempt to adjust the records to reflect Generally Accepted Accounting Principles nor to reflect proper tax record keeping.
2. We will make no audit or other verification of the data you submit.
3. We may provide reports that contain portions of financial information; these reports are for internal management use only.
4. We will provide financial statements based on information provided but will not perform any compilation, review or audit of any of the financial information.
5. We do not at any time provide legal services of any type. We have not been requested to discover errors, misrepresentations, fraud, illegal acts, or theft. Therefore, have not

included any procedures designed or intended to discover such acts, and you agree we have no responsibility to do so.

**What We Need from You:** To perform our services, we will need to obtain information on a timely and periodic basis from your company, including:

1. check registers
2. bank statements
3. customer account information
4. customer invoices
5. sales ledgers and receipts
6. sales tax account information
7. vendor information
8. purchase orders and vendor invoices
9. federal tax ID number
10. payroll information
11. employee data
12. unemployment account information
13. any other information that we may require to complete the work of this engagement.

These items and any other items that we obtain from you will be based on information provided by you and will be used without any further verification or investigation on our part.

**Time of Performance:** The initial term will begin 04/01/2022 and end 12/31/2022; additional terms will be each calendar year until termination of this SOW and/or the MSA.

**Price:** Payments of \$1500.00 per month for the initial term; any proposed adjustments will be delivered to the District by November 30th with an effective date of January 1st of the following year.

**Authorized by:**

\_\_\_\_\_, on \_\_\_/\_\_\_/\_\_\_\_  
(sign)

\_\_\_\_\_  
(print)

### Gallatin Gateway WSD Capacity Report

<b>Current VRU's in Service</b>	<b>162.05</b>			
<b>Additional Will Serve VRU's</b>	<b>75.96</b>			
<b>Applied for VRU's</b>	<b>0</b>		<b>Subtotal VRU's</b>	<b>238.01</b>
<b>Current Capacity and Flow for GGWSD w/ in Service VRU's (5000gal Reserve Included)</b>				
<b>Purchased Flow to FCWSD (total, no reserve)</b>	<b>37080</b>		<b>Total VRU's (160gal/VRU) Alloted to FCWSD</b>	<b>200.5</b>
<b>Average Monthly Flow</b>	<b>17200</b>		<b>Average Flow / In Service VRU</b>	<b>106.1</b>
<b>Available Flow (w/ reserve)</b>	<b>14880</b>		<b>Total VRU's (Based on Average Flow) Alloted to FCWSD</b>	<b>302.24</b>
<b>Future Capacity and Flow for GGWSD once Will Serve VRU's Connect w/ 5000g Reserve</b>				
<b>Total VRU's in Service</b>	<b>238.01</b>	----->	<b>VRU Allotment to FCWSD (160gal/VRU)</b>	<b>-37.51</b>
<b>Predicted Flow Rate w/ 160gal/VRU</b>	<b>38081.6</b>	----->	<b>Flow Rate Allotment</b>	<b>-6001.6</b>
<b>Predicted Flow Rate w/ current Ave.</b>	<b>25262.4</b>	----->	<b>Flow Rate Allotment</b>	<b>6817.6</b>
<b>Predicted Flow Rate Using Current Average Flow for in service VRU's and 160g/VRU for Will Serve VRU's</b>	<b>29353.6</b>	----->	<b>Flow Rate Allotment</b>	<b>2726.4</b>