

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

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## **PUBLIC MEETING**

**Date:** November 2, 2015

**Time:** 6:30PM

**Place:** Gallatin Gateway School, 100 Mill St., Gallatin Gateway, MT

**For:** Regular Meeting of the Board of Directors

## **AGENDA**

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

### **2. Approval of Minutes**

- a. Approval of Meeting Minutes for October 5, 2015
- b. Approval of Meeting Minutes for October 17, 2015

### **3. 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. SEARCH Reports, Administration and Draw Requests

### **4. General Orders**

- a. Review Records Access Policy and Discussion and Decision On Amendments to Policy
- b. Discussion and Decision to sign Conflict of Interest Waiver from Susan Swimley in her representation of Four Corners bulk services agreement negotiations with GGWSD
- c. Discussion and Decision on Adopting New Preferred Alternative within Amendment to Preliminary Engineering Report for Sewer Project
- d. Discussion and Decision on Approving Engineer Amendment #7 for Additional Design Costs Related to Sewer Project

### **5. Adjourn**

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<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.

# **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 School, 100 Mill St., Gallatin Gateway, MT, on November 2, 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. Kurt Thomson from Stahly Engineering was present. Public attendees included Kelly Bush, Jim Doar, Christie Francis.

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. 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 October 5, 2015 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Adams made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

After confirming that all directors had a draft copy of the October 17, 2015 special meeting minutes, President Border asked if there were any corrections. President Border requested that the first sentence on page 2 be amended from "commissioners" to "Dept. of Commerce". Director Adams made the motion to approve the minutes as amended, Director Sullivan seconded the motion and the minutes were approved unanimously.

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

##### General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided the report. The Four Corners District funding package is still secure, and the purchase is scheduled to close on December 23, 2015. In Mr. Donnelly's opinion, this reduces the perceived risk the Directors might have in their evaluation of the Four Corners option. He has received and replied to a few email inquiries from potential property buyers within the District, regarding the status of the sewer project.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2015: The money that TSEP had requested be returned to them following the District's reimbursement from COE (\$198,436) was sent to TSEP. A credit memo of \$24.00 was issued to a property owner who sold 2 of their 3 lots during the billing cycle. The new owner has not been invoiced, as the county has not yet updated the property records. Expenses for the month of October include \$52 in legal and \$7666 in Engineering (a partial billing for the PER amendment services). The Operating account has approximately \$10,025, with \$24,874 in the project account.

### REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson provided the engineer's report. He checked on status of the discharge permit with DEQ on 10/22, and they said they are currently responding to comments and will have a final determination soon. The plans for the lift station and collection system should be approved soon. Kurt has already addressed the 3 comments from DEQ.

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

- RUS: Nothing to report
- TSEP: Mr. Donnelly presented a draw request for \$36,381.58, to pay engineering invoices already approved by the board, for non-SBR costs. Director Sullivan made a motion to approve the draw request; Director Amend seconded the motion, and it passed unanimously.
- CDBG:
  - Mr. Donnelly advised that the County sent the paperwork to the state; public comment period closes Nov. 4. The Board reviewed and discussed the draft letter from the Board of Directors to the Dept. of Commerce, which addresses comments submitted to Gallatin County by Terry Threlkeld and David Loseff during the public comment period. After some discussion the Board agreed the overall intent of the letter should be to reiterate that the District's project is environmentally sound and beneficial to the community, and also to correct factually incorrect statements made in the referenced public comments. The Board approved the draft, with amendments agreed to in the meeting, and each Director signed the letter. Secretary Sullivan will email the letter and attachments to the Dept. of Commerce on Nov. 3.
  - Mr. Donnelly summarized the CDBG process going forward: we hope the Dept of Commerce will release the funds after the public comment period closes this week. If the board decides to accept the engineer's recommendation in the PER amendment and connect to Four Corners (FC), the Dept. of Commerce will consider this a change in scope. The District will duly notify Gallatin County of the Board's decision, and the County will then develop an environmental assessment (EA)

evaluating this new option, and present the new EA to the Dept. of Commerce. The District has been informed by USDA that they would also consider this to be a change of scope, (if the Board chooses the FC option), and USDA has offered funds to conduct the new EA. USDA and Dept. of Commerce have unified the requirements so that one EA document can be used to satisfy both USDA and Dept. of Commerce requirements.

- DNRC: Mr. Donnelly presented a draw request for \$24,563.16; covering previously approved engineering expenses (includes SBR design work). Director Adams made the motion to approve the draw request; Director Sullivan seconded the motion and it passed unanimously.
- COE: Nothing to report
- SEARCH: Nothing to report

#### UNFINISHED BUSINESS AND GENERAL ORDERS

##### Discussion and Decision Adopting Policy for Public Information Requests.

The Board reviewed the District's existing policy and procedure for public information requests. Mr. Donnelly recommended creating a Public Information Request form, to be located on the District's website, which would need to be completed and submitted by the requester. Director Kroon made a motion to amend the policy to direct the requester to the form on the District's website; Director Adams seconded the motion and it passed unanimously.

##### Discussion and Decision to sign Conflict of Interest Waiver from Susan Swimley in her representation of Four Corners bulk services agreement negotiations with GGWSD.

Mr. Donnelly advised that District council Susan Swimley, who also represents Four Corners Water & Sewer District (FCWSD), has requested that GGWSD sign a waiver acknowledging that she works for FCWSD, and will not represent GGWSD in bulk rate negotiations between the two districts (if the GGWSD Board chooses to hook up to FCWSD). The District has retained Tara DePuy to represent its interest in this matter. Director Adams made a motion to sign the Conflict of Interest Waiver for Susan Swimley; Director Sullivan seconded the motion and it passed unanimously.

##### Discussion and Decision on Adopting New Preferred Alternative within Amendment to Preliminary Engineering Report for Sewer Project

Kurt Thomson had previously sent out the draft PER amendment and is seeking Board comment. The engineer's recommendation, based on the decision matrix, public input, and other factors considered in the PER amendment, is to connect to Four Corners. Mr. Donnelly has provided the Board with his analysis of the PER amendment as well as conditions surrounding all environmental and engineering reviews completed on the project since 2010, and he concurs with the engineer's opinion that connecting to Four Corners presents the best option for our community at this time. President Border opened up the discussion to public comment. There was no public comment presented, so the Board went into discussions, starting with amendments and comments/questions to the draft:

- Section 7.3.2 Land Requirements: delete second paragraph referencing the District's 5-acre parcel, which could potentially be sold. The board agreed the land is an asset to the District/Community and can be used for many purposes, and agreed to strike this paragraph.
- Concern about potential roadblocks from MDOT in having the occupancy permit granted for the pipeline was discussed. Mr. Thomson indicated he has not seen an issue, but offered to set up a meeting with Board members to discuss.
- Financial feasibility narrative needs to be expanded upon.

President Border opened up the discussion to general comments/questions:

- Director Amend asked if the draft PER amendment has changed since the one provided 2 weeks earlier. Mr. Thomson said there have been some additions, and a few additions will be coming, however nothing to be added would change his recommendation. Director Amend stated his request to have time to review the most recent draft outside of this meeting.
- President Border: Joining FCWSD will be a good thing for the community in the immediate future, but struggling with the long-term (20-year) implications.
- Director Kroon: Does the estimated monthly rate for both options have a capital improvement element to it? Mr. Donnelly said neither O&M estimated rates have capital improvement, purely O&M and SLA (short-lived assets) reserves.
- Director Amend: How do we gain capacity? Mr. Donnelly stated we either buy more capacity from FCWSD, or build our own. New users would be charged a plant investment charge to build a fund for expansion.
- President Border: are there any new discussions or thoughts from the attorneys regarding threat of lawsuit with the FC option? Mr. Donnelly replied there are no new discussions, but attorneys have stated Gateway Village has no standings to sue us if we don't choose to use the site next to them as discharge site, but his opinion is the threat of a lawsuit still exists, and the Board should assess the risk but not unduly weight the threat in its decision.
- Director Sullivan: Section 8.4.5. How were the scores determined? This was carried over from the original document. O&M considerations in this section referred to skill level needed, not cost.
- Director Sullivan: Table 8.4.3A values are not filled in. Mr. Thomson provided the values for Present Worth cost: \$5,669,862.60 for T2 and \$6,375,870.40 for T5.
- The Board requested more information/discussion on 20-year salvage value between 20-year old plant and 20-year old pipeline (table 8.4.3A).

The Board decided to postpone its decision pending a meeting with MDOT on timelines for gaining access from the time we formally make a request for occupancy permit until the permit is in hand. Mr. Thomson will set up a meeting this week to include President Border and Director Sullivan. The Board

tentatively set Saturday Nov. 7 at 11:00 for a special meeting to continue discussions and make a decision.

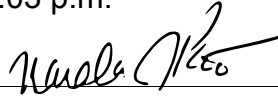
Discussion and Decision on Approving Engineer Amendment #7 for Additional Design Costs Related to Sewer Project

Discussion was postponed since there was no decision on the previous agenda item.

NEW BUSINESS

President Border asked for any unfinished or new business, and seeing none, President Border noted that the next regular meeting date is December 7, 2015.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:03 p.m.

A handwritten signature in black ink, appearing to read "Ronald K. KEO", is written above a horizontal line.

Secretary