

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

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## **PUBLIC MEETING**

**Date:** July 7, 2014

**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 Items<sup>1</sup>**
- 2. Approval of Minutes**
  - a. Approval of Meeting Minutes for June 2, 2014
- 3. Reports of Officers, Standing Committees, and Special Committees**
  - a. General Manager Report, Treasurer Report, Approval of Expenditures
  - b. Report of Community Liaison Committee
  - c. 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
- 4. Unfinished Business and General Orders**
  - a. Discussion regarding VRU allocation table establishing volume ratios to commercial and multi-family structures. (NOTE: This agenda item is for discussion only. A public hearing will be held before the any changes are implemented.)
- 5. New Business**
  - a. Any New Business Which May Come Properly to the Board
- 6. 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 Fire Station, 320 Webb St., Gallatin Gateway, MT, on July 7, 2014. Present at the meeting were board members Merle Adams, Eric Amend, Ted Border, Steve Janes, and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Greg Benjamin from Stahly Engineering, and Larry Watson from Gallatin County. Public attendees included Tim Szafaryn.

President Border called the meeting to order at 6:32 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 June 2, 2014 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Amend seconded the motion and the minutes were approved unanimously.

#### REPORT OF GENERAL MANAGER, TREASURER & APPROVAL OF EXPENDITURES

GM Matt Donnelly provided the report. Activities this month include working with CDBG, and he will have a meeting later in July with Rural Development, to keep them advised of the District's status. He has been working with Stahly as they are putting the finishing touches on the treatment plant design for DEQ. The hearing date for the lawsuit is August 18.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2013:

The fiscal year has just been completed so Ms. Sullivan presented the year-end financial review. With 2 ½ billing cycles complete, the District has total revenues of \$6,166 derived from the benefitted lot charge invoices, and has grant income of \$352,615. Total expenses incurred for the year are \$388,367, which includes \$208K in land acquisition and realtor services, \$164K in engineering expenses, and \$23,722 in legal services. Mr. Donnelly will contact the insurance company,

which is now paying the Helena attorney directly for services rendered in the District's defense of the lawsuit, to determine if any invoices already paid by the District were subsequently also paid by the insurance company, and he will also check on the status of the \$1,000 retainer paid by the District directly to the Helena law firm. The District balance sheet indicates approximately \$5K in cash and receivables, and \$55.6K in accounts payable (legal & engineering), with \$11,095 due on the line of credit. Accounts receivable detail was reviewed; past due accounts were charged a \$10.00 late fee on the June 30 invoice. Those accounts not paid up by July 15 will receive a letter from the GM explaining the legal process, which requires payment by August 15 or the District will submit their name to the county treasurer, resulting in a lien against the property. The annual insurance premium invoice of \$1,405 has been received and is due on August 15. Director Janes made the motion to approve payment from the general fund on August 1, Director Adams seconded the motion, and the motion passed unanimously.

The District's first audit will occur in the next few months, to be performed by JCCS, PC. The District is not legally required to have an audit this year, as revenues did not exceed the minimum threshold, but will use this first audit as a learning opportunity to improve upon the District's policies and procedures.

#### REPORT OF COMMUNITY LIAISON COMMITTEE

Director Janes advised he had nothing to report this month, except he found the summer newsletter to be informative and well written.

#### REPORT OF ENGINEER

Greg Benjamin provided the report. Stahly has provided to Morrison-Maierle all of the deliverables requested for the Environmental Assessment they are preparing. The final design and specs for collection system, lift station and forced main will be done by the end of this week, and it will be submitted to both the Board and DEQ. The design report for the treatment plant will also be included and sent to the Board. The review process by DEQ can take up to 180 days by statute, but Stahly expects it will be completed in a shorter timeframe, and they will request a faster review. Easements are all complete except for Ron Page, which has been pending a common boundary realignment with neighbor Mawhinney, however, this may not happen. This should not hold up any project activity, however. Mr. Donnelly advised there will be a contract amendment for the extra design work required for the SBR system, and will be an agenda item at the next Board meeting. This amendment should not impact the bottom line budget for the project, since the District saved money on the purchase price of the treatment plant. Grant administrator Teresa Doig is working on new budgets that will be available for review soon. There was some discussion on additional items, which may or may not be added to the bid, in addition to the base system bid. Mr. Benjamin stated that the Board can use the upcoming plans and specs of the collection system & lift station, and the design treatment plant design

report as a basis for discussions with Robert & Kurt on the pros and cons of add-ons. There may be a special Board meeting after the reports and amendment are received, to be determined.

Government reports, administration and draw requests:

- RUS: nothing to report
- TSEP: nothing to report
- CDBG: Larry Watson provided the report. Mr. Watson attended the last County Planning Board meeting to present the county commissioners' request to fund \$18,200 for the environmental assessment (EA) being done by Morrison-Maierle. The Planning Board voted to approve the request. The 3<sup>rd</sup> environmental process has been underway for about a month and Mr. Watson signed off on the letters sent to the tribal representatives and other agencies for their comments. Mr. Watson has also had some conversations with Morrison-Maierle. There will need to be a public hearing on the EA. Mr. Donnelly will check with council to determine if the District should be able to review the draft of the EA for factual accuracy prior to it being released for public comment.
- DNRC: nothing to report

#### UNFINISHED BUSINESS AND GENERAL ORDERS

Discussion regarding VRU allocation table establishing volume ratios to commercial and multi-family structures. (NOTE: This agenda item is for discussion only. A public hearing will be held before any changes are implemented.)

GM Donnelly kicked off the discussion on VRU (volume ratio units). The District's sewer rates will be based on VRU's. The total number of "units" will determine how the operating budget is divided among the users, as equitably as possible. For residential buildings a 2 BR 2 BA house would be 1 unit (based on DEQ guidelines). For commercial buildings there are various options of what to measure to determine a "unit" (e.g. employees, # tables, square footage, etc.). The general understanding is there needs to be a rationale behind the adoption of the definition of a "unit", but any agreed upon definition will not be perfect, so a robust adjustment process should be developed as part of this process. The Board reviewed President Border's proposed table of categories and units to be assigned to residential and business types, and discussed merits of the proposal using various examples of business in the District. Residential units could be measured in number of bedrooms, or by square footage.

Mr. Benjamin advised the Board that the 2 most important things to think about in terms of impact to its waste water system are the **flow** (how much is going down) and the **strength** (what is going down). He recommends the District base its units on existing standards of practice being used by other districts, perhaps tweaking it slightly for the specific needs of the community. Keeping it simple initially and implementing a good appeals process will allow individuals of the

community to come forward with more details, and those details can then be incorporated into the District's usage table. He also mentioned that consistency with what neighboring districts are charging could be an important factor in a developer's choice of building in Gateway, or somewhere else, if sewer rates are significantly different.

The Board decided to look up the specifics (# BR/BA) of the residences and business in GG from the state website, to get an idea of what the unit structure would look like based on the proposed table, and continue the discussion at the next meeting.

### NEW BUSINESS

President Border reminded the Board that Robert has offered to take anyone interested on a field trip to Manhattan to see a sludge field. Directors Sullivan and Amend expressed interest. President Border will check with Robert's availability in the next few weeks for an evening or weekend visit.

President Border asked if the treatment vendor is planning on meeting with the Board, as previously requested. Mr. Benjamin suggested he be invited to the next Board meeting since the design report will be available then. GM Donnelly will ask Kurt to invite the vendor rep from Helena, and ask him to provide a brief presentation on the system.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next meeting date is August 4, 2014.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:25 p.m.

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Secretary