

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: February 3, 2014
Time: 6:30PM
Place: Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT
For: Regular Meeting of the Board of Directors

AGENDA

I. Public Participation on Non-Agenda Items¹

II. Approval of Minutes

- A. Approval of Meeting Minutes for January 6, 2014

III. 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

IV. Unfinished Business and General Orders

- A. Expense Reimbursement Policy

V. New Business

- A. Any New Business Which May Come Properly to the Board

VI. 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.

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 St., Gallatin Gateway, MT, on February 3, 2014. Present at the meeting were board members Merle Adams, Ted Border, and David Sullivan was present via phone. Director Steve Janes was absent. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Kurt Thomson from Stahly Engineering, and Larry Watson from Gallatin County. One member of the public, Eric Amend, was present.

President Border called the meeting to order at 6:30 p.m. 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 January 6, 2014 meeting minutes, President Border asked whether there were any corrections. Maralee noted that there was a typo on page 2; the per-lot charge should read \$6, not \$8. No other corrections were noted. Director Adams made the motion to approve the minutes as written, Director Sullivan seconded the motion and the edited minutes were approved unanimously.

REPORT OF GENERAL MANAGER, TREASURER & APPROVAL OF EXPENDITURES

Matt Donnelly provided the GM report. There will be a hearing later this month on motion to dismiss the lawsuit, and the ruling on that will be made in March.

Maralee Parsons Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2013: Balance sheet indicates there is just under \$1K in the Stockman operating account, deposits were funds received from the first invoicing of the District's property owners. A detail of the outstanding A/R balance by customer was reviewed. Of the 73 invoices sent, 47 were paid on time and 25 are passed due. There were 4 invoices returned to sender, 2 of which were corrected and re-sent. 2 invoices are pending corrections, as the county website indicates the addresses are correct. After some discussion it was decided that Maralee would send past due reminder

notices in about 1 week to any landowners with past-due invoices, without adding late fees.

Accounts payable of \$36.7K is made up of invoices for legal and engineering fees. The District made a partial payment on the property tax bill of \$1,193.19, which is the amount left in escrow upon purchase of the District's land. There is a remainder of \$105 on the tax bill. Matt reported that he was contacted by the county, and was informed that they are unable to process anything but a full or 50% payment, and the remaining \$105 needs to be paid now. Director Adams made the motion to pay the remaining \$105 out of the Stockman unrestricted operating account; Director Sullivan seconded the motion, and it passed unanimously.

Director Sullivan made the request to have the Balance sheet indicate the remaining funds in the Line of Credit (currently \$18K) and this will be incorporated into future reports. Director Sullivan also requested that the monthly interest not be paid from the LOC account; it was decided that future interest payments should be made from the Stockman non-restricted operating account.

One invoice was received in January from the Helena attorney for \$1,829.64 and one from late December for \$452.88. GM Donnelly suggested we hold these invoices for payment next month, since no interest is being charged at this point, and the Board agreed.

REPORT OF COMMUNITY LIAISON COMMITTEE

President Border noted that Director Janes had previously reported there was no activity this month.

REPORT OF ENGINEER

Kurt Thomson provided the engineer's report. As follow up to the meeting held last week at Stahly with Ted and Maralee, Greg Benjamin will provide a letter summarizing his agreement to not require payment until after the May Board meeting (awaiting CDBG funding and/or modifications of the budget in case of no CDBG funding). They are completing the plans to submit for DEQ approval on everything except the design of the treatment & disposal system, which will be delayed until after litigation is complete. They are anticipating that by the May Board meeting, the Stahly invoices will be upwards of \$50K. Kurt passed out a contract amendment, "Exhibit K, amendment #2", which does not include Stahly's time on litigation which currently is a small amount. The amendment to the contract amount is \$13,500, and includes time spent on investigating phosphorous limit in discharge permit, and adding task 8.02 "Phosphorous Removal – Investigation, Analysis and Report. Matt Donnelly noted that this should be amendment #3, not 2, and also asked for clarification on how time spent on litigation will be charged. It was clarified that should litigation hours increase to the point Stahly feels they should invoice time spent, amendment #4 will be issued to allow them to invoice us for those hours. Kurt will re-issue

Exhibit K as amendment #3. Director Adams made the motion to approve the amendment with the one correction, Director Sullivan seconded the motion, and it passed unanimously.

Collection system plans are close to being finished. Lift station and forced main design reports are also being worked on. Pre-qualification submittals will be reviewed to make sure Stahly brings forth the best recommendations. At first glance, they are pleased with the responses, and the variety of systems that are being proposed. President Border had looked through the responses and indicated he was happy with pricing and breadth of proposals: Of the responses, 3 proposed a level 2 system, 4 proposed an SBR system (or variations thereof); and one proposed a rotating biological contactor. Kurt indicated they should have recommendations by the next Board meeting.

Grant Agencies and Draw Requests:

- RUS: Nothing to report
- TSEP: \$1509 is all that is left in the TSEP budget for design phase engineering invoices, leaving a balance of \$21,619 on Stahly invoice #21 until CDBG funds can be accessed. Teresa Doig (via President Border) submitted a TSEP draw request for \$1509. Director Sullivan made a motion to approve the draw request; Director Adams seconded the motion and it passed unanimously.
- CDBG: Larry Watson provided the report. He is initiating the second environmental review process in order to clearly differentiate the changes in the project, due to the change in the property acquired by the District. State Historic preservation review and tribal review are complete. Now trying to initiate the one-month public hearing process, and has worked on an edit of the original environmental assessment (EA) report, a copy of which has been provided to the Dept. of Commerce. Some questions have come up, and additional verbiage and exhibits were provided in response. The current hold-up is their inability to determine from photos provided in the original preliminary engineering report, whether or not structures within the project itself are within the 100-year flood plane. There are some outbuildings on the NW boundary of the District; our PER states the project will have no impact on the 100-year flood plane. They also have some questions about Wortman Creek flood plane information (goes through the pond in GGI property), which has never been mapped. This could delay the one-month public hearing process. Matt Donnelly advised that the first step of the 8-step process is to determine if there is an impact on the 100-year flood plane, and there is no clear guidance on what is an "impact", but our project is a sewer project which will not be building or remodeling structures which may be on the property. According to the process, it is the District's job to decide if there is an impact, and we should state there is no impact. Larry will contact Great West to get further information and work with Matt to determine what building(s) are involved; if no service will be brought to the buildings, it should put the impact issue to rest.
- DNRC: Nothing to report

UNFINISHED BUSINESS AND GENERAL ORDERS

Expense Reimbursement Policy:

Maralee Sullivan reviewed the draft “Non-Travel Expense Reimbursement Policy & Procedure”. In anticipation of the audit later this year, the District needs to have in place procedures that document the transactions that are captured as line items in the District’s financial statements. She will be drafting procedures for invoicing, applying cash, vendor management in QuickBooks, etc. for the Board to approve, and compile into a Policy & Procedure manual (filed separately from ordinances and by-laws). The expense reimbursement policy will allow the District to reimburse expenses made by staff and Directors on behalf of the District’s business. Director Adams made the motion to approve the “Non-Travel Expense Reimbursement Policy & Procedure; Director Sullivan seconded the motion, and it was approved unanimously.

NEW BUSINESS

President Border asked for any unfinished or new business, and seeing none, President Border noted that the next meeting date is March 3, 2014.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:30 p.m.

Secretary