

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: October 7, 2013
Time: 6:30PM
Place: Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT
For: Regular Meeting of the Board of Directors

AGENDA

I. Call To Order

- A. Call To Order
- B. Public Participation on Non-Agenda Items¹

II. Approval of Minutes

- A. Approval of Meeting Minutes for September 3, 2013

III. Reports of Officers, Standing Committees, and Special Committees

- A. Report of General Manager & Report of Financial Condition (Donnelly)
- B. Report of Community Liaison Committee (Janes)
- C. Report of Engineer (Thomson)
 - i. Technical Status
 - ii. Feedback and Discussion of Initial Design Drawings
 - iii. RUS Reports, Administration and Draw Requests
 - iv. TSEP Reports, Administration and Draw Requests
 - v. CDBG Reports, Administration and Draw Requests
 - vi. DNRC Reports, Administration and Draw Requests

Iç. Unfinished Business and General Orders

- A. Second Reading of an Ordinance Establishing Rules & Regulations, Establishing Rates and Governing the Administration of the District and Decision on Adopting Ordinance

ç. New Business

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

çI. 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 October 7, 2013. Present at the meeting were board members Merle Adams, Ted Border, Steve Janes, David Sullivan, and Earl Wortman. Secretary Maralee Parsons Sullivan was also present; General Manager Matt Donnelly was absent. In attendance were Kurt Thomson from Stahly Engineering, and Larry Watson from Gallatin County. Also present were Gallatin County Commissioners Steve White and Pierre Martineau. Public attendees included Dick and Donna Shockley and Dick DeBernadis.

President Border called the meeting to order at 6:31 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 September 3, 2013 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Wortman made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

REPORT OF GENERAL MANAGER & REPORT OF FINANCIAL CONDITION

President Border read aloud the report filed by Matt Donnelly:

Financials: Financial statements are attached. We have approximately \$1400 cash and approximately \$31,500 in payables. Of the payables, approximately \$25,000 is for engineering expenses, and the remainder is legal.

Project status: As of 10/2 Stahly was working to complete the preliminary design.

- vii. Now that the parameters of the discharge permit are known, Stahly is able to design the treatment portion of the preliminary design. Once the design parameters are finalized Stahly will seek to prequalify a manufacturer for the treatment plant. Contractors will be required to use the prequali-

fied treatment system when they bid the project.

- viii. The collection preliminary design is substantially complete and has been under review for several months. Stahly is putting the finishing touches on the collection system preliminary design. They are still trying to put together all of the easement documents we will need to finalize the routing for the mains.
- ix. Stahly has asked a local contractor to take an informal look at the collection system routing to try to get a better handle on estimated costs. They will be delivering a new cost estimate as soon as they receive this feedback.

There were no questions on the financial reports.

REPORT OF COMMUNITY LIASON COMMITTEE

Committee Chair Steve Janes reported there has been no activity and nothing to report.

REPORT OF ENGINEER

Technical Status: Kurt Thomson provided the report. Easement from GG Inn was received in the mail today. 3 reaches of easements needed for sewer routing; some on all 3 reaches have been received, but not all. GG Inn easement will be filed right away. Design is being done based on discharge permit and phosphorous limits will be the limiting factor. We are allowed 486 lb./year of phosphorous, and it is estimated that we will be within this limit treating about 26,000 gpd, which is consistent with our original plan of 25,000 gpd. Director Wortman asked what options are available to deal with higher phosphorous. Kurt advised there are a number of options, all of which will result in higher O&M costs, including adding additional treatment to the plant to remove phosphorous, or obtaining additional drain field property. Stahly feels the DEQ is being extremely conservative and protesting this phosphorous limit will delay the project. Every 5 years we will need to renew the discharge permit, and at that time the phosphorous limit can be expanded. There was some discussion around the need to purchase more land, and it was decided that the results of on-going monitoring would determine if additional land is needed.

Treatment prequalification is essentially complete, based on the parameters of the discharge permit, and the design will be sent out to pre-qualify 2-4 treatment systems. The budget has not been adjusted yet, pending estimated costs from a local contractor for the collection system. Kurt expects to have a revised budget for the Board to review before the next Board meeting. Kurt anticipates there could be 8-12 firms bidding on the project. Resident feedback will be needed in the next 2 months; however, we can tell residents that when the stakes go in the ground, adjustments can still be made. Ensuring as much information as

possible is obtained prior to bid will help to keep costs down, as changes made mid-project increase costs. DEQ and funding agencies will review the plans, which will likely have a long time frame. It was confirmed that service would not be run to empty lots in town.

Agency Reports: President Border reported on the various government reports, administration and draw requests:

Grant administrator Teresa Doig advised via email that she had advised the agencies of the lawsuit. Initial reaction is basically supportive but more information on the basis of the suit is needed before agencies can advise us of impacts to funding, if any. More discussion will be undertaken at the November Board meeting, and President Border will request that council Susan Swimley attend that meeting. There is a draw request for TSEP pending for \$31,603.81:

\$976 – Teresa Doig, Grant Administrator

\$7,070 – Realtor commission on land acquisition

Approx. \$5,700 & \$17,800 invoices for Stahly Engineering (pays up through 9/10/13 of design phase).

Director Adams made the motion to approve the TSEP draw request; Director Sullivan seconded the motion, and it passed unanimously. Director Adams also commented that the Board would need to understand ASAP the impact of the lawsuit on the funding and timing of the project. President Border stated that council Susan Swimley believes the District is on solid ground in defending the lawsuit; how it affects funding agencies is still unknown.

Larry Watson provided the report on CDBG. He has contacted CDBG and advised them of the lawsuit and asked if they anticipated any release-of-fund delays as a result, with no response received yet. The county has received no correspondence from CDBG since July; the questions raised during the public hearing period have not yet been responded to. He will advise Matt Donnelly as soon as information is received.

UNFINISHED BUSINESS AND GENERAL ORDERS

Second Reading of an Ordinance Establishing Rules & Regulations, Establishing Rates and Governing the Administration of the District and Decision on Adopting Ordinance

President Border asked for any public comment on the published Rules & Regulations (R&R), and seeing none, asked for any Board comment. There was no additional Board comment on the R&R. President Border performed the second reading of Ordinance 2013-01:

AN ORDINANCE GOVERNING THE OPERATION OF AND ESTABLISHING
RATES, FEES AND CHARGES FOR THE GALLATIN GATEWAY COUNTY
WATER AND SEWER DISTRICT

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT AS FOLLOWS:

That pursuant to the authority granted under Section 7-13-2218 and Section 7-13-2301, MCA, the Board of Directors of the Gallatin Gateway County Water and Sewer District ('District') hereby adopts an ordinance regulating the public wastewater system, the installation and connection of wastewater services, and the use of the facilities of the District; and that said regulations shall be codified in the Rules and Regulations of the Gallatin Gateway County Water and Sewer District attached hereto; and

That pursuant to the authority granted under Section 7-13-2301, MCA, the Board of Directors of the Gallatin Gateway County Water and Sewer District ('District') hereby adopts an ordinance establishing rates, fees and charges for the public sewer and water system; and that said rates, fees and charges shall be codified in Section 6 and Appendix A of the Rules and Regulations of the Gallatin Gateway County Water and Sewer District attached hereto.

ADOPTED by the Board of Directors of the Gallatin Gateway County Water and Sewer District after reading on September 3, 2013 and second reading on October 7, 2013. This Ordinance shall be in effect 30 days after the date of the second reading.

Director Sullivan made the motion to adopt ordinance 2013-01; Director Wortman seconded the motion, and the motion passed unanimously.

NEW BUSINESS

President Border asked for any unfinished or new business.

There was some further discussion on the pending lawsuit. President Border stated that the District was served tonight with papers, and Council Susan Swimley has not yet read the pleading. DEQ is the primary party on the lawsuit, and the District is included as a party because the District is affected by the outcome. Ms. Swimley is looking for co-council to defend the lawsuit.

There was discussion on the article published in the Bozeman Daily Chronicle on Oct. 4, regarding the lawsuit brought forth by Gateway Village, which contained some inaccurate statements. The article stated that the Buffalo station well is vulnerable to contamination. Kurt Thomson stated the well is located in the mixing zone of the replacement drain field, and as part of the GGWSD project, the well is going to be moved, removing it from the mixing zone, and DEQ is aware of this, so this is a moot point. President Border asked the County Commissioners present to comment on the article's statement that the Gallatin County Commissioners had requested a public hearing, and DEQ refused to do so. Commissioner Steve White clarified the communication which occurred between the Commissioners and the DEQ on the topic of a public hearing: The 3 County commissioners had sent a letter to DEQ, stating that they had received

some interest in having a local hearing or meeting in their community room, and asked DEQ to consider that. DEQ asked for a conference call, which took place between the Commissioners and 3-4 members of DEQ. In response to Commissioner White's question on how many written comments were received, DEQ replied they had received 5-6 comments, including one from David Loseff, and GG School. Commissioner White asked if DEQ had received any complaints that stated that there had not been sufficient time to comment, or which stated that they were unable to comment due to a time crunch, and the DEQ replied, "no". DEQ stated that they had been able to consider all comments received. The DEQ then advised the Commissioners that they could hold a public hearing if the Commissioners want one, and that this will add 60 days to the discharge permit process. The Commissioners stated that they recognize the importance of ensuring everyone has had an opportunity to make comments, and wanted to ensure this had occurred. The Commissioners said they had not heard from anyone who indicated they did not have an opportunity to make comments, so they are not asking for DEQ to hold a public hearing, just want to confirm with DEQ that everyone who wanted to comment, had an opportunity to do so. Commissioner White stated he personally felt that this had been achieved, he was not aware of any missing information which could be presented at a public hearing, and a hearing would just drag out the process. Commissioner White commented that the Chronicle reporter who wrote the article was not present at the meeting with DEQ, so he did not know where the conclusion drawn in the article came from.

There was some discussion around the GG School Board meeting mentioned in the article, at which 3 staff members of DEQ were present, along with members of the public, and 3 Sewer District Board members. The article quotes Terry Threlkeld as stating that DEQ refused to answer questions specific to the permit at this meeting, and would only field general inquiries on the permitting process. Kurt Thomson (who was in attendance at that meeting) stated that no one at the meeting asked any questions, other than one question around the number of comments DEQ had received, to which DEQ replied the number of comments received were average. Donna Shockley, a member of the Gallatin Gateway School Board, also commented that the DEQ presenters asked 3 or 4 times for questions from the Board or public, and there were no questions asked. Another error in the article states that Terry Threlkeld is a "former water and sewer district trustee", which is false. Director Wortman commented that District council's advice is to not follow-up with the reporter at this time, and allow the case to be tried in court and hope the reporters get it right there.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next meeting date is November 4, 2013.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:20 p.m.

Secretary