

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

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## **PUBLIC MEETING**

**Date:** November 6, 2017  
**Time:** 6:30PM  
**Place:** Gallatin Gateway School, 100 Mill St., Gallatin Gateway, MT  
**For:** Regular Meeting of the Board of Directors

## **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 October 2, 2017

### **IV.Consent Agenda**

- A. None

### **V.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. INTERCAP Reports, Administration and Draw Requests

### **VI. Regular Business**

- A. Discussion and Decision on Construction Change Order #6 for Amending the Contract Substantial Completion Date
- B. Discussion and Decision on Petition to Create an Exception to Policy 702 to Allow Billing of Tenant

### **VII.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.

<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 School, 100 Mill St., Gallatin Gateway, MT, November 6, 2017. Present at the meeting were board members Eric Amend, Ted Border, David Sullivan, EJ Engler, and Elana Wexall. Secretary Maralee Parsons Sullivan and Kurt Thomson from Stahly Engineering were present. Members of the public included Laramie McCullough, Frank Silva, Brooke Savage, Pete Stein, Kerri Payne.

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. 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 October 2, 2017, 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 Engler 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

There was no GM report due to the absence of Matt Donnelly.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2017: A long-term liability has been added to the District's balance sheet following the Oct. 6 closing of the Series B Assessment Bond, amounting to \$668,700, which is the amount of the Bond (\$787,000) less the "prepayment" of \$118,300 for the 20 approved LMI parcels by the County, through the direct benefit portion of the District's CDBG grant. This long-term debt will be paid over 40 years. She noted that the District will have its first required financial audit the week of November 13. She presented 3 invoices for the District's administrative support services, covering the months of August, September and October, 2017, totaling \$1,307.50, which have been approved by GM Matt Donnelly, and which are to be paid from the District's General Fund. Director Amend moved to approve payment of the 3 invoices submitted, totaling \$1,307.50; Director Engler seconded the motion. There was no Board discussion or public comment. The motion carried 5-0.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Draw Requests: Ms. Sullivan presented a draw request prepared by Grant Administrator Teresa Doig:

RD Loan	\$ 37,524.53
RD Grant	\$ 143,021.05
	<b>\$ 180,545.58</b>

<b>Invoices:</b>	JR Civil#8	\$ 143,790.27	}JR Civil	\$ 142,352.37
			}Dept of Rev	\$ 1,437.90
	Stahly#62	\$ 35,300.05		
	Swimley	\$ 1,455.26		
		<b>\$ 180,545.58</b>		

Director Amend moved to approve the draw request as presented; Director Wexall seconded the motion. There was no Board discussion and no public comment. The motion carried 5-0.

Kurt Thomson provided the engineer's report. He advised that all components of the system are installed, except the services (connections to structures). They have tested the force main from the Elk Grove treatment plant to the double pig port located on the highway at the turn off to the lift station. The pumps and controls for the lift station will be tested this week, and the manufacturer will be there as well. The majority of the sanitary sewer has been tested, but some of the video has to be redone. The 3-phase power is at the lift station and the final connection should be completed in time for the testing of the lift station. The schedule for the service hook-ups is unknown, pending approval from DEQ to complete the live service connections. Mr. Thomson stated he must provide DEQ with a certification that all components have been tested and approved, before DEQ will provide their approval. It was noted that dry lines (stubs) can be done any time, but have not yet been done. President Border commented that he has seen a decrease in the amount of machinery and construction crews working in town over the last few weeks. Mr. Thomson advised that the contractor has been putting a lot of their efforts on the Peach Street project in Bozeman, and hopes to see the attention shifted back to the Gallatin Gateway project. He also noted that they have been working on the highway cleanup. He noted the contractor has been talking about having 4-6 crews for the tie-in services and hopes that will indeed be the case, to expedite hook-up completion.

Following the engineer's report, several members of the public who were in attendance spoke to offer their opinion on the status, progress and timing of the sewer construction in town:

Frank Silva stated he is a strong supporter of the sewer project, but expressed his concerns about the plan to complete the connections to homes before spring, stating the current harsh weather is not conducive to doing a quality job. He expressed his concern that the contractor will cut corners, which could lead to septic problems this winter due to poor workmanship. He urged the Board to wait until spring to hook up

residences, and offered that perhaps commercial buildings could be hooked up now and just delay residences. He also expressed concerns about the quality of roads going into winter. Brook Savage also stated she believes it would be best to wait until Spring, noting her dad is a master plumber, who expressed his concern to her about frozen ground which could impact the digging, and lead to septic problems in town. She also expressed concerns about the conditions of the roads over winter. She also noted she appreciated the recent mailing from the District which outlines the procedure for project, and non-project, connections to the new sewer system. Mr. Silva further expressed his opinion that the engineer and contractor have not been working together as a team to ensure things are done right. Mr. Thomson stated that the engineer did offer advice throughout the project, but noted that the contractor is responsible for determining methods and means for construction, and the engineers cannot tell them how to build it. Kerry Payne expressed her concern regarding road conditions and the timing of hook-ups and septic abandonment, stating she would be in favor of postponing until spring. She noted that she understands the contractor likely ran into many unforeseen issues in the ground, such as water, and understands why delays have resulted. She also raised a concern about the number of permits she received; Ms. Sullivan stated she would investigate and advise. Pete Stein said his main concern is water infiltration, and expressed an interest in reviewing the test data. Mr. Thomson advised infiltration is a component of testing. There was some general discussion on how infiltration testing is done, and also concerns expressed on re-filling trenches following service connections in winter weather. It was noted that most roads have spots that will need to be re-dug for stubs, and the contractor is responsible for putting roads back to like conditions.

At the completion of public comment, Director Wexall summarized the issues discussed: 1) should we delay the service connections until spring and 2) the quality of the roads going into winter. President Border noted that there will be discussions between the Board, the contractor, and the engineers on how best to move forward. Ms. Payne asked that the District communicate to the public what was discussed and decided by the Board and project team, and it was agreed that the District's website would continue to be updated to provide current project status. It was also noted that concerns can be emailed to President Border or the customer service mailbox, and President Border will take the concerns to the weekly Thursday meetings.

## REGULAR BUSINESS

### Discussion and Decision on Construction Change Order #6 for Amending the Contract Substantial Completion Date


Mr. Thomson advised that Change Order #6 adds 13 days for substantial completion to the contract, with 10 days added for weather days and 3 days added for federal holidays. The engineer has already granted the 13 days to the contractor, and this change order formalizes the change, in order to satisfy RD requirements. There is no cost associated with the change order. Director Sullivan asked when DEQ would be providing approval on the system so structural connections can commence. Mr. Thomson advised he has to send a certification to DEQ that the system has been tested and approved, and certify that the system is ready. It was noted that the

manhole by the community center needs to be moved before DEQ approval can be sought, and the timing of that is still unknown, although the contractor has been aware of this for months. Mr. Thomson stated that if need be, hookup of services upstream could be delayed, with this segment separated from what is presented to DEQ for approval. Mr. Silva asked if any additional manhole rings would be needed to be added to bring them up to grade. Mr. Thomson advised that if they are too low, a ring will be added but they are kept intentionally low for plowing purposes, further noting that a 6" concrete collar will be added at the request of the county. Director Amend moved to approve Change Order #6; Director Sullivan seconded the motion. There was no further Board discussion and no further public comment. The motion carried 5-0.

Discussion and Decision on Petition to Create an Exception to Policy 702 to Allow Billing of Tenant

Ms. Sullivan reviewed the staff recommendation provided to the Board regarding the request from the Yellowstone Club to be designated as the billing party for the property known as the Gallatin Gateway Inn (GGI). Section 702 of the District's rules and regulations state that the District will not bill tenants or lessees, primarily to ensure that the District does not diminish its ability to turn over delinquent accounts to the County Treasurer for collection under state law, and also to limit administrative work to change billing addresses for transient renters. In this case, however, staff recommends that the Board grant the Yellowstone Club's petition for an exception to section 702, noting that the Yellowstone Club is a unique, long-term, triple-net-lease of the GGI, and the Yellowstone Club is a commercial entity utilizing the property for commercial purposes. The Yellowstone Club has also been paying the quarterly invoices (mailed to the property owner) during its approximate 2-year tenancy, and sending the invoices directly to them would likely reduce the time to cash. Board discussion centered on a concern on setting precedent, as well as on the Yellowstone club's status as a triple-net tenant, which usually states the tenant is responsible for maintenance, including utilities. It was noted that this is a commercial property with differentiating factors from a residence. The Board agreed with staff recommendation to authorize staff to send a letter to the property owner, M&M Hospitality, reiterating that they continue to be the responsible party and will be subject to collection per the provisions of state law, should the account become delinquent. Director Amend moved to make and exception to section 702 of the District's R&R for the property known as the Gallatin Gateway Inn, due to the unique property circumstances discussed. Director Engler seconded the motion. There was no further Board discussion and no public comment. The motion carried 5-0.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:42 p.m.



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Secretary