

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: January 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 December 3, 2012
- B. Approval of Meeting Minutes for December 20, 2012

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

- A. Report of General Manager & Report of Financial Condition
- B. Report of Site Selection Committee
 - Specific items to be discussed in General Orders
- 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. Review of Draft Audit Contract
- B. Review of Response to Land Offer from Gateway Village, LLC
- C. Discussion of Alternatives to Gateway Village Discharge Site

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 January 7, 2013. Present at the meeting were board members Merle Adams, Ted Border, David Sullivan, Charlie White and Earl Wortman. Maralee Parsons Sullivan was also present. In attendance were the district's council, Susan Swimley, and Kurt Thompson and Greg Benjamin from Stahly Engineering. General Manager Matt Donnelly was absent.

President White called the meeting to order at 6:30 p.m. Maralee Parsons Sullivan recorded the minutes of the meeting.

PUBLIC COMMENT

President White asked for public comment on non-agenda items. There were no non-agenda items raised.

President White proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the November 3, 2012, minutes, President White asked whether there were any corrections. Director Border advised his vote on the land purchase from Gateway Village was a descent, not an abstain. Director Sullivan made the motion to approve the minutes as amended, Director Adams seconded the motion and the amended minutes were approved unanimously.

After confirming that all directors had a draft copy of the December 20, 2012, special meeting minutes, President White asked if there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Border seconded the motion and the minutes were approved unanimously.

REPORT OF GENERAL MANAGER & REPORT OF FINANCIAL CONDITION

Matt Donnelly was not attendance but had submitted a report via email, which was read at the meeting by President White. In summary:

- vi. 2 new invoices were received totaling approx. \$10K from Stahly and Swimley Law firm, with approx. \$296 in the bank.
- vii. Teresa Doig has prepared a TSEP draw in the amount of \$83,573.43, to cover engineering expenses through 12/12/2012 (summary of engineering expenses were submitted to the Board via email). Teresa has committed to

- try to get an appropriate draw request for legal and administrative services by next month.
- viii. Financial statements were appended to the email.
 - ix. Dawn Smith, bookkeeper for Rae WSD, is working on a quote for services to be rendered as GGWSD bookkeeper, and hopes to have information to be presented at the February meeting.
 - x. A draft contract of the audit services developed by JCCS was submitted for review by the board.

REPORT OF SITE SELECTION COMMITTEE

Discussion deferred to agenda item IV. Unfinished Business, below.

REPORT OF ENGINEER

Kurt Thompson gave the Engineer's Report. 90% of survey of homes complete for existing sewer status; Director Wortman advised he has access to 3 more homes. The layout indicates that sewer mains will likely go in the alleys.

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

- I. RUS Reports, Administration and Draw Requests: nothing to report.
- II. TSEP Reports, Administration and Draw Requests: Teresa has prepared a draw request of \$83,573.43 for Board approval. A motion to approve the draw request was made by Director Border, seconded by Director Sullivan and unanimously approved, and was subsequently signed at the meeting. Signatures of all Board members as well as Secretary were obtained for official records. Status of future draws are dependent upon finalization of the CDBG contract, which will come to the county, then it will take 1-2 weeks to get a sub-recipient contract to the Board to review, so this probably will not be in place until February 2013. Teresa is proceeding to make budget changes to enable payment for legal and administrative expenses.
- III. CDBG Reports, Administration and Draw Requests: Larry indicated to Teresa that he has emailed and left messages to determine status, but apparently no response received as of the meeting.
- IV. DNRC Reports, Administration and Draw Requests: nothing to report.

UNFINISHED BUSINESS AND GENERAL ORDERS

Review of Draft Audit Contract

Each member of the Board reviewed the draft contract. Director Sullivan made the motion to approve the contract, Director Border seconded the motion, and the motion was unanimously approved.

Review and Decision on Land Offer from Gateway Village, LLC

Ms. Swimley provided a summary of the current status. A new Buy-Sell offer was submitted to Gateway Village, LLC, on Dec. 28, 2012. This offer was rejected via email on Dec. 31, 2012. The seller was unhappy with the offer's provisions on the leaseback of the surface rights, the proposed mixing zone easement language, as well as water rights provisions. Ms. Swimley advised that she had attempted to make contact to further explain the District's position and was advised that the District is best served to seek property elsewhere. The result of this failed land negotiation will be a push-out of the construction contract beyond 2013, and Ms. Swimley recommended the Board move to discussion on alternative sites. Kurt Thompson stated that Stahly Engineering is requesting the Board's permission to resume discussions with David Loseff of Gateway Village, to determine if all options have been exhausted, or if anything can be resurrected. This discussion would be parallel to Stahly's investigation on alternative sites, and the time involved would not be charged to the District.

Discussion of Alternatives to Gateway Village Discharge Site

The Board and engineers discussed in general terms sites that were considered and investigated prior to the Buy-Sell offer was submitted to Gateway Village, and President White also brought up the possibility of using some of the GG Inn's land. 3 former sites plus the Inn will need to be re-evaluated by the Site Selection committee and engineers.

President White motioned to allow Kurt and the Stahly team 2 weeks commencing Jan. 7 and ending on midnight Jan. 21, to pursue discussions with Gateway Village, and, meanwhile, have Director Adams contact the 3 former potential sites (Dick DeBarnardos, Durham, Black) to determine interest in resuming discussions. If there is no deal on Gateway Village by Jan. 21, the Site Selection committee will move forward with any site that indicates interest. Director Sullivan seconded the motion and it was unanimously approved. Kurt indicated he would send an email to the Board on 1/22/13 with a status update on all land options.

Director Border re-iterated his request to Kurt for a matrix of the sites previously investigated and subsequently rejected, listing reasons for rejection.

Director Adams suggested a possibility of using the condemnation process. Ms. Swimley indicated this was possible, but would be a long and arduous process. She agreed to forward to the Board the written procedures and requirements which must be followed.

NEW BUSINESS

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

President White then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:38 p.m.

Secretary