

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

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## **PUBLIC MEETING**

**Date:** April 1, 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 Items<sup>1</sup>

### **II. Approval of Minutes**

- A. Approval of Meeting Minutes for March 4, 2013

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

- A. Report of General Manager & Report of Financial Condition
- B. Report of Site Selection 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. Board Vacancy and Recruitment Discussion and Decision
- B. CDBG Subrecipient Agreement Discussion and Decision (Larry Watson)
- C. Discussion about response to Gallatin Planning Dept request regarding the Gateway Village proposal

### **V. New Business**

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

### **VI. 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 April 1, 2013. Present at the meeting were board members Merle Adams, Ted Border, David Sullivan, and Earl Wortman. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. Ryan Rittal from Stahly Engineering, and Larry Watson, County, were also in attendance. Public attendance included Steve Janes, Tim Szafaryn, Dan & Kathy Pittenger, Dick Shockley, Pete Stein, and Dick DeBernadis.

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 March 4, 2013 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 Wortman seconded the motion and the minutes were approved unanimously.

#### REPORT OF GENERAL MANAGER & REPORT OF FINANCIAL CONDITION

Prior to reviewing the District's financial package for the month, GM Matt Donnelly commented on the prior month's draw request and payment from DNRC. Due to an oversight the draw request included approximately \$4K in legal expenses incurred in 2009 prior to project start-up, which were not really project related expenses. The draw request was approved and paid prior to catching the error, and as a result, District council Susan Swimley will defer this amount from future invoices. Matt cautioned that going forward the Board and GM will need to ensure all invoices add up to the bottom line on draw requests.

An amendment to the Stahly Engineering contract was brought to the board's attention. Some additional costs were incurred during the land selection phase. The district had been verbally advised that there would be a cost overrun on Phase I and had previously approved draw requests in excess of the budgeted amount for Phase I. Stahly did not send a written contract amendment until they

knew how long the site selection process would take. RD had some questions about the amendment, but advised Matt today that they have approved the contract amendment. Matt advised that he would need to check with Teresa Doig to determine if any other agency approvals are needed at this time. Director Wortman stated that he wants to see documentation on the extra costs incurred, and the Board agreed this was needed from Stahly.

Matt reviewed the District's monthly financial package. Balance sheet indicates still just \$397 in the bank, with \$2,492 in payables (mostly legal). Balance sheet indicates \$160,153 in income from state grants. The engineering budget was reviewed. The District needs to provide written authorization to begin phase II, although the process has started. There was discussion around closing out phase I if the District decides to purchase an additional acre of land. It was decided to close out phase I, and if the district decides to purchase more land, another engineering amendment will be requested (see Report of Engineer section below for deliverables required prior to closing).

#### REPORT OF SITE SELECTION COMMITTEE

There was discussion around the question of dissolving the Site Selection Committee, or to keep it intact. The district is considering purchasing additional land for expansion, and the timing of the purchase is not yet clear. The Board agreed to keep the Site Selection Committee in tact.

#### REPORT OF ENGINEER

Engineer Ryan Rittal passed out site plan maps showing existing connections to septic systems; just a few homes remain to be mapped. The service design will be based off of these plans. Phase II has started, with a preliminary design of layout of collection system and treatment site. Ryan reported he hopes to have more detailed reporting to share at next month's meeting. DEQ will begin their completeness review on the discharge permit right away and Stahly will contact them in about a week to expedite the process.

Ryan advised that Kurt Thompson is working on the site selection matrix, which will document work completed by the firm, including the additional costs incurred resulting in the previously discussed engineering contract amendment. There was some discussion as to what is needed and President Border summarized the deliverables required from Stahly, in order to close phase I:

- 🕒 Site Selection matrix
- 🕒 A copy of the new discharge permit application
- 🕒 Documentation on cost sharing of the new discharge permit application (per a prior agreement with Greg Benjamin from Stahly, if a final land procurement deal with Gateway Village LLC could not be reached, the District and Stahly would split the fee for a new discharge permit for the new site.)
- 🕒 Documentation detailing additional engineering costs in the amount of \$55,549, as listed in the engineering amendment.

Ryan agreed to advise Greg Benjamin of these deliverables.

President Border requested additional deliverables from Stahly:

- ⌚ A new engineering schedule, now that land has been obtained.
- ⌚ A modification to Stahly's invoicing system which will carry accumulative balance-to-date on each task, and percent completion.
- ⌚ Agreement that cost overruns will be documented in an amendment, and submitted to the District for approval prior to incurring the costs.
- ⌚ Pump station design: the District wants to ensure the pump station is put in the best place to ensure optimal engineering design, not necessarily as it was originally placed at the end of Bozeman Street.
- ⌚ Rationale for the intended depth of the line (shallow vs. deeper to accommodate basements): District would like a cost analysis showing number of basements and costs of deeper vs. standard sewer.

A motion to authorize phase II was made by Director Sullivan and seconded by Director Wortman. The motion was unanimously approved. Note: the closing of phase I is pending the Board approval of the amendment, and the receipt of the deliverables listed above.

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

- ⌚ RUS: Engineering contract amendment; already discussed.
- ⌚ TSEP: A new draw request for \$12,830 for Stahly invoice and DEQ permit fees. \$3,871 from phase I work will remain unpaid until amendment is approved. A motion to approve the draw request was made by Director Wortman, seconded by Director Sullivan and the motion was unanimously approved
- ⌚ CDBG: See CDBG discussion section below.
- ⌚ DNRC: Nothing to report

## UNFINISHED BUSINESS AND GENERAL ORDERS

### Board Vacancy and Recruitment Discussion

There is currently a vacancy in position #5, vacated by the resignation of Charlie White; the term expires in Nov. 2013. President Border placed in nomination to the Board the name of Mr. Steve Janes, and asked Steve to introduce himself. Mr. Janes has been a MT resident for 25 years and a resident of Gallatin Gateway for 10 years, and owns 2 properties in GG. He is trained as an RN, and his employment history has included Deaconess, as well as hospice work. The last 2 years he has served as a consultant to the hospice industry, assessing compliance to federal regulations throughout the country. Mr. Janes advised he has attended some GGWSD meetings in the past but not recently. President Border asked for any other nominations and, seeing none, closed the nominations. All members of the board voted in favor of Mr. Janes filling the vacant seat, and the Board welcomed Mr. Janes to the Board table.

### CDBG Subrecipient Agreement Discussion and Decision

Larry Watson advised that the CDBG subrecipient agreement is in place and he is preparing the agreement for CDBG funding, which District council has reviewed and edited to expedite the approval process by the Dept. of Commerce. Larry advised he is working on paperwork needed, including revising the original management plan to update personnel and clarify roles, and will have everything done by the next meeting. The approval process starts with DOC approval, then Board approval, and then goes to the county commissioner.

The District is required to keep all records accessible to the public during business hours. Director Adams offered to house a file cabinet at his place of business.

### Discussion about response to Gallatin Planning Dept. request regarding the Gateway Village Proposal

Matt Donnelly received a Request for Review letter, dated March 25, 2013, requesting feedback from the District by April 12, 2013, as part of the pre-application review process for a proposed 54-acre subdivision in Gallatin Gateway. There was some discussion by the Board about the proposal, which calls for the development of a 190-space land lease community, which includes a proposed private sewer system to support the development. Matt advised that state law stipulates that if a public collection and treatment system is readily available within 200 feet of the property line of a new development, then wastewater must be discharged to the public system. This brings into question the timing of the completion of the proposed Gateway Village, and the completion of the public sewer services. It is the Board's intention to support the community's plan for growth, and to seek to improve environmental quality by directing wastewater flows to central public systems, while maintaining reasonable rates and fees, and therefore will request that the applicant join the public sewer district. Public comments heard by the Board were opposed to the development. Dick Shockley commented that he had spoken with Mr. Scott in the Planning Dept., and pointed out discrepancies between the proposed sub-development and the community growth plan. Mr. Scott advised that the growth plan is not regulated. Mr. Shockley requested as strong a statement as possible from the Board against the proposed plan as submitted. The Board directed Matt Donnelly to ask legal council Susan Swimley to draft a letter in response, speaking strictly from the perspective of the sewer district, and Matt will distribute the draft to the Board for comments.

Director Wortman raised a concern that the engineer on the proposed project is Terry Threlkeld, who worked on the GGWSD project as a consultant to Stahly Engineering, and there could be a conflict of interest, which was discussed. The Board requested that Stahly provide a copy of the contract between Stahly and

it's subcontractor Terry Threlkeld, and also requests that Stahly sever ties with Mr. Threlkeld.

NEW BUSINESS

President Border asked for any unfinished or new business, and seeing none, noted that the next meeting date is May 6, 2013.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:36 p.m.

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Secretary