

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

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## **PUBLIC MEETING**

**Date:** SEPTEMBER 7, 2016

**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. Approval of Minutes**

- A. Approval of Meeting Minutes for August 1, 2016
- B. Approval of Meeting Minutes for August 18, 2016

### **III. 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. SEARCH Reports, Administration and Draw Requests
  - vii. USACE 595 Reports, Administration and Draw Requests

### **IV. Regular Business**

- A. Discussion and Decision on Resolution of Intent to Establish Rates effective upon completion of the sewer project and calling for a Public Hearing
- B. Discussion and Decision on Memorandum of Agreement with Montana Dept. of Transportation regarding sewer main in Highway 191 right-of-way
- C. Discussion and Decision on adoption of Conflict of Interest Policy
- D. Discussion and Decision on certifying that the District has acquired adequate rights-of-way to complete the sewer project

### **V. 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 (rescheduled) 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, on September 7, 2016. Present at the meeting were board members Eric Amend, Ted Border, Ashley Kroon and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. District grant administrator Teresa Doig was in attendance. There were no members of the public present. President Border called the meeting to order at 6:32 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. There were no non-agenda items raised.

### APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the August 1, 2016 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 Amend seconded the motion and the minutes were approved unanimously.

After confirming that all directors had a draft copy of the August 18, 2016 special meeting minutes, President Border asked if there were any corrections. None were noted. Director Amend made the motion to approve the minutes as written, Director Kroon 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

GM Matt Donnelly provided the report. He has been working with the District engineers to get the final permit and design review applications completed. All other activities will be reviewed later in the meeting as agenda items.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2016: Income for August 2016 included \$17,070 in TSEP grants, which was paid to Stahly. The 5 delinquent accounts, discussed in the August Board meeting, were assessed a \$60 delinquent account fee, and the accounts were submitted to Gallatin County Treasurer for collection on the tax rolls. Ms. Sullivan reviewed the detail provided for outstanding legal invoices (Swimley). The District will at times incur non-project related legal expenses, which are not payable by grant agencies, such as

reviewing policies, training of new Board members or other non-project legal activity. The District currently has \$4,462 in legal fees falling into this category (along with \$6,995 in project related legal fees). The majority of the non-project legal activity involved the District's interest in the Gateway Village subdivision application, and its subsequent lawsuit against the County Commissioners. In addition, the District has \$11,300 in outstanding debt on its line of credit (LOC), paying approximately \$30 per month in interest. Ms. Sullivan provided the Board with a cash flow projection and proposal to pay down 100% of non-project legal invoices, and a portion (\$5500) of the LOC debt from the District's General Fund over the next 10 months. The Board agreed that it would not expect large expenses due and payable from the General Fund, prior to construction. There was discussion on paying more on the LOC, and it was decided to wait until Q3 to review cash flow at that time, and determine if additional payments against the LOC would be prudent and feasible. Director Amend made a motion to authorize the payment of \$1,500 in September 2016, and \$1,000 in Q2, to pay down the LOC, and also authorize a payment of \$4,462 to Ms. Swimley in October. Director Sullivan seconded the motion. There was no further discussion. The motion passed 4-0.

Ms. Sullivan presented a staff expense report for approval (expenses >\$100 require Board as well as GM approval). GM has reviewed and approved the expense report and receipts. Director Kroon made a motion to approve the expense report; Director Sullivan seconded the motion. There was no further discussion. The motion passed 4-0.

Ms. Sullivan has sent a request for proposal to 2 auditing firms in Bozeman: Rudd & Company and Anderson ZurMuehlen. Proposals received will be presented to the Board for review in October.

#### REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

District engineer Kurt Thomson was not present so Matt Donnelly provided a quick update on Mr. Thomson's activities: He attended a meeting with MDT to get a cursory review of the new routing (Board members Border & Sullivan also attended the meeting). He came out of the meeting with a good idea of the pipeline routing that would be approved by MDT and finished the design based on that understanding. Mr. Thomson received a report from Hyalite Environmental, which apparently determined that the project would not affect wetlands (Mr. Donnelly will get more information on this). Mr. Thomson has submitted the plans to MDT and is awaiting review, and he has also filed the DEQ design report for the new east side alignment.

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

- RUS: nothing to report
- TSEP: nothing to report

- CDBG: She has checked with Nicquo Hope on status of the District's ability to draw funds, and Nicquo advised that the County wants to see "more progress made" which, Teresa believes, would be going out to bid.
- DNRC: nothing to report
- COE "595": The District is now able to request funds release, and Ms. Doig noted that there is a 25% cost share (which can be paid for by other grants and loans). The District can submit unpaid Stahly invoices totaling \$132,466.82 and \$6,994.87 unpaid Swimley invoices, for a total draw request of \$139,461. The District will receive 75% of this amount, or \$104,595, which can all go to Stahly. The difference will be paid by other agencies at a later time, according to the project budget. Director Kroon made a motion to submit a draw request to Army Corp of Engineers for \$139,461, of which 25% is cost share. Director Sullivan seconded the motion. There was no further discussion. The motion passed 4-0.
- SEARCH: nothing to report

## UNFINISHED BUSINESS AND GENERAL ORDERS

### A. Discussion and Decision on Resolution of Intent to Establish Rates effective upon completion of the sewer project and calling for a Public Hearing

GM Donnelly stated that the District's bond council needs to submit a certified bond opinion to USDA and he is waiting on 2 pieces: 1) opinion of Right-of-way (awaiting assurance from MDT that the District will get the permit) and 2) assurance that the Board will enact rates sufficient to repay debt. The rates would be effective upon completion of the project. The process includes passing a resolution of intention to establish new wastewater rates and charges (GGCWSD Resolution 2016-03), publishing notice of a rate hearing in the newspaper, mailing a notice to all property owners in the District, and then hold the public rate hearing. Director Sullivan made a motion to approve Resolution 2016-03; Director Amend seconded the motion. There was no further discussion. The motion passed 4-0.

### B. Discussion and Decision on Memorandum of Agreement with Montana Dept. of Transportation regarding sewer main in Highway 191 right-of-way

GM Donnelly stated that in order to obtain an encroachment permit, the District needs technical approval, as well as a completed memorandum of agreement, which defines responsible parties in the event of a future highway expansion, etc. A draft of the memorandum of agreement between GGCWSD, FCCWSD, Gallatin County and Montana Dept. of Transportation (MDT), was previously sent to the Board. Mr. Donnelly stated he was advised that Jean Riley of MDT was waiting on internal (MDT) comments, and would be sending a revised draft reflecting those comments on or about September 12, 2016. Director Amend commented that he had reviewed the draft, understood the intent, and agreed the District should sign the agreement. GM Donnelly stated that District council would be reviewing the changes to the draft. Director Amend made a motion to authorize District President Border to sign the memorandum of agreement, based on approval of District council, and provided there is no substantial

change. Director Sullivan seconded the motion. There was no further discussion. The motion passed 4-0.

C. Discussion and Decision on adoption of Conflict of Interest Policy

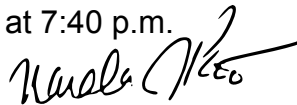
Ms. Sullivan stated that this policy is a requirement of the USDA grant. The draft was developed from a few sample policies from a website USDA had recommended. The draft was reviewed and approved by District council Swimley. Director Kroon commented she thought the policy was nicely written. There was some discussion around the section on corrective action, which is intended to allow the Board to use judgment and discretion, in determining appropriate corrective action based on the severity of the conflict. Director Kroon made a motion to adopt Conflict of Interest Policy as written; Director Sullivan seconded the motion. There was no further discussion. The motion passed 4-0.

D. Discussion and Decision on certifying that the District has acquired adequate rights-of-way to complete the sewer project.

GM Donnelly stated that District's bond council requires this certificate as part of his package to be sent to USDA, and essentially the Board needs to certify that the District has acquired all of the needed right-of-ways to complete its project. It was noted that the attachment labeled "Exhibit B" on the Opinion of Council document is not the latest version (easements on file with the District). Director Amend made a motion to authorize District President Border to sign the Right-of-Way certificate, provided Appendix B is updated to reflect all easements are on file with the District. Director Sullivan seconded the motion. There was no further discussion. The motion passed 4-0.

Ms. Sullivan will email the correct file to President Border, to be marked as "Exhibit B" and return the signed document to the District's council.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:40 p.m.



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Secretary