

Gallatin Gateway County Water & Sewer District

MINUTES OF THE

BOARD OF DIRECTORS

A special meeting of the Board of Directors of the Gallatin Gateway County Water & Sewer District was held at the Gallatin Gateway Inn, 76405 Gallatin Road Gallatin Gateway, MT on September 24, 2012. Present at the meeting were board members Merle Adams, Ted Border and Charlie White. Matt Donnelly was present; Directors Sullivan and Wortman, Maralee Parsons and Susan Swimley were absent.

President White called the meeting to order at 6:04 p.m. Matt Donnelly 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.

DISCUSSION OF FILING DISCHARGE PERMIT APPLICATION

The only item on the agenda was the question of whether to authorize the engineer to proceed with a discharge permit application on the site at S11, T03 S, R04 E, C.O.S. 347C, PARCEL 2B in the absence of a signed buy/sell agreement from the current owner. The motivation for raising this question, as described by Kurt Thomson, is to keep the project moving forward toward a possible 2013 construction schedule while concurrently waiting for the outcome of the CDBG grant application which is deemed to be vitally important to the District. President White opened the meeting for discussion on this topic.

Kurt Thomson gave a report on the discharge permit application process. He noted that if we don't get started in this process we will likely lose the opportunity to begin construction in 2013.

Director Adams asked about the status of the CDBG grant application and whether we have any idea about a timeline for their decision. Larry Watson responded that there will be a public hearing on September 27 and that the District should know about our ranking after this hearing. He also noted that the District would probably not be able to make major decisions on subjects such as land acquisition until several weeks after the CDBG public hearing. He noted that it will take time for the Dept. of Commerce to finalize the awards and to come up to speed on our project.

The Board assessed the risk of a failure to begin construction in 2013 versus the risk of failed land acquisition negotiations on the parcel in question. Kurt Thomson estimated the financial risk at approximately \$5,000 if the engineer proceeds with a discharge permit application on the parcel in question and there

is a subsequent failure to complete a purchase on this land. Stahly Engineering has offered to split the cost of filing the first discharge permit application, estimated at \$10,000, if the negotiation on the land acquisition fails.

Director Adams moved to direct Stahly to begin the process of filing a discharge permit application on the property at S11, T03 S, R04 E, C.O.S. 347C, PARCEL 2B. Director Border seconded the motion. During Board deliberation it was noted that the Board understands the financial risk of approving this motion to be on the order of \$5,000; that this risk is minimal in comparison to the costs the District will incur if it has to wait until the 2014 construction season; that this cost will only be realized if the District fails to negotiate acceptable terms for the purchase of the land; and that this risk is acceptable. After deliberation was exhausted President White called for the vote. The motion passed unanimously.

Director Adams moved to adjourn. The motion was seconded by Director Border and passed unanimously. The meeting was adjourned at 6:32 p.m.

Secretary