

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

## **PUBLIC MEETING**

**Date: Monday, February 14, 2022**

**Time: 6:30 PM**

**Place: Gallatin Gateway Fire Department, 320 Webb St. Gallatin Gateway, MT**

A teleconference bridge for public input can be joined at **1-605-562-8400** and

using **Participant Access Code 1286503** or by using the following web link:

**<http://hello.freeconference.com/conf/call/1286503>**

### **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 January 10, 2022

#### **IV. Old Business**

- A. Lot 4A of Minor Subdivision 56B - Genesis Engineering Pre-Design Application
- B. COS# 4599 Tract 1 - Lutsen, LLC Pre-Design Application

#### **V. New Business**

- A. Discussion and Decision on transition of GGWSD Treasurer's financial duties
- B. 8998000 TURNBAY - N OF GALLATIN GATEWAY
- C. "The Jump" owners (Tom Henesh and one other) are interested in purchasing the District's adjacent property. They currently have primary and secondary/backup drainfield easement on the property.
- D. Consideration of 475 Gallatin Road South Annexation Petition
- E. Jeff Pfeil and his Attorney discussion

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

- A. General Manager's Report
  - District Capacity Report
- B. Existing Will Serve Agreements
- C. Gateway Village Report (Director Fox)

#### **VII. Adjourn**

<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.

## District Activities Currently Managed by Treasurer

### MONTHLY ACTIVITIES:

#### **Bill payments**

APE is already handling most of this. I am just scheduling payment upon approval of GM, using QB on-line bill pay system.

Time and access requirements: Less than 1 hour per month. This does not require on-line banking.

*Recommendation: Transfer to APE Bookkeeping & Billing – bill payments is included in current contract.*

#### **Processing of Money Collected by Gallatin County Treasurer: Series B Proceeds & Delinquent Account Proceeds:**

Money is collected by the County Treasurer as directed by the District through a special assessment on property taxes, and reports are sent to me via email each month for the prior month's proceeds. The County Treasurer automatically deposits money each month into our Operations account. (Some months \$0 is collected/deposited.) For months which money is deposited (8-10 months/year), the following needs to be done:

- a. Check Stockman bank on-line for deposit – usually 1 day after reports are received
- b. Break out Series B proceeds from Delinquent Account (if any) and note amounts for each.
- c. Log Deposit of Series B proceeds A/N 363020 in QB
- d. If any delinquent account proceeds: look up the RHF number on the report to determine customer who paid. Record payment on the oldest invoices in QB in the customer account.
- e. On-line banking: transfer amount of Series B proceeds from Operations account to Debt Holding account. Perform same transaction in QB.
- f. In mid-October and April each year, RD will automatically withdraw the semi-annual payment of \$11,402. It is important to monitor the balance in the Debt Holding Account to ensure there is sufficient funds for each payment. The payments need to be logged in QB.

Time and access requirements: About 1-2 hours per month. Requires on-line banking access for Stockman Bank and QB.

*Recommendation: Transfer to APE bookkeeping and billing – may need to update contract*

#### **Processing of Series A&C Bond Debt**

USDA RD automatically withdraws \$3332 each month from the District's Debt Holding account at Stockman Bank as payment of the District's Series A & C bond debt. The District pays this amount from a portion of its revenue.

The following needs to be done:

- a. Monthly transfer of \$3332 from Operations account to Debt Holding account in both Stockman on-line banking and QB. Recurring transactions are set up for both Stockman

Bank and QB, so no transactions need to be done each month, other than be aware of and monitor the transactions.

- b. Each month the amount of interest and principal paid vary by a few dollars as the principal decreases. This needs to be updated manually in QB using the amortization schedule. (This could be done quarterly)
- c. Time and access requirements: About 1 hour per month. Requires on-line banking access for Stockman Bank.
- d. Recommendation: Transfer to APE – may need to update contract

Time and access requirements: About 1 hour per month. Requires on-line banking access for Stockman Bank and QB.

*Recommendation: Transfer to APE bookkeeping and billing – may need to update contract*

### **On-line Transfer of Mandated Reserves**

According to our agreement with USDA RD, we are required to make monthly transfers from the operating revenue account to 1) Bond Reserve/Surplus account and 2) Short lived Asset (SLA) account):

Bond Reserve/Surplus: We are required to transfer at least \$335 per month into this account until the balance = \$44,000. We have surpassed the minimum threshold of \$44,000 in this account, so we no longer need to transfer money into this account, unless money is spent on debt payment or improvements to the sewer system.

SLA: We are required to transfer \$450/month from the Operating account to SLA reserve account, until the loans are repaid in full.

Time and access requirements: Less than 1 hour per month. Requires on-line banking access for Stockman Bank and QB.

*Recommendation: Transfer to APE bookkeeping and billing – may need to update contract*

### **Bank Account Reconciliation**

Can be done quarterly. 2 checking accounts (Operating account and Debt Holding account) have monthly bank statements, the 3 savings accounts have quarterly statements.

Time and access requirements: About 1-2 hours per quarterly reconciliation. Requires access to QB and on-line banking access for Stockman Bank in order to print bank statements.

*Recommendation: Board member assume this duty. This provides important oversight and segregation of duties between the group managing the deposits and checks.*

### **ANNUAL ACTIVITIES:**

#### **Delinquent Accounts:**

- a. Prepare list of delinquent accounts (balance > 90 days as of June 30) and letters: Letters to be dated and mailed by July 15 each year, and presented to the Board of Directors at the July meeting.
- b. Send the list of delinquent accounts to County Treasurer by August 30 each year.

Time requirements: Entire process is about 3 hours

*Recommendation: Transfer to GM with assist from bookkeeping group- may need to update contract*

**Annual Tax Assessment:**

We provide the Gallatin County Treasurer each year with a spreadsheet of all taxable properties in the District, and the annual amount to be assessed. The amount per parcel is determined by the annual payment to RD (\$22,804) divided by the number of parcels in the District. Keeping track of annexations is important to ensure all properties are counted.

- a. Prepare resolution for Board approval – to be approved at the August or September Board meeting
- b. Prepare and send assessment spreadsheet to County Treasurer – by Sept 15

Time requirements: Entire process is about 3-4 hours

*Recommendation: Transfer to GM*

**Budget Preparation:**

First draft should be reviewed by the Board in May so it can be finalized in June. Historically the Treasurer has assisted the GM in the preparation of the budget, but the budget should be prepared and tracked by the GM.

**Annual Reports:**

- a. RD Annual Report: Due by August 31 for previous fiscal year (includes 3 forms)  
Time requirements: 2-3 hours
- b. State of Montana Annual Financial Report – due by December 31 for previous fiscal year.  
Filled out on-line and submitted.  
Time requirements: 2-3 hours

*Recommendation: Either the APE bookkeeping group, or the District's CPA's. If CPA's be sure to budget about \$5K for annual reporting services.*

### Gallatin Gateway WSD Capacity Report

<b>Current VRU's in Service</b>	<b>159.85</b>			
<b>Additional Will Serve VRU's</b>	<b>71.88</b>			
<b>Applied for VRU's</b>	<b>8.48</b>		<b>Subtotal VRU's</b>	<b>240.21</b>
<b>Current Capacity and Flow for GGWSD w/ in Service VRU's (5000gal Reserve Included)</b>				
<b>Purchased Flow to FCWSD (total, no reserve)</b>	<b>37080</b>		<b>Total VRU's (160gal/VRU) Alloted to FCWSD</b>	<b>200.5</b>
<b>Average Monthly Flow</b>	<b>16100</b>		<b>Average Flow / In Service VRU</b>	<b>100.7</b>
<b>Available Flow (w/ reserve)</b>	<b>15980</b>		<b>Total VRU's (Based on Average Flow) Alloted to FCWSD</b>	<b>318.51</b>
<b>Future Capacity and Flow for GGWSD once Will Serve VRU's Connect w/ 5000g Reserve</b>				
<b>Total VRU's in Service</b>	<b>231.73</b>	----->	<b>VRU Allotment to FCWSD (160gal/VRU)</b>	<b>-31.23</b>
<b>Predicted Flow Rate w/ 160gal/VRU</b>	<b>37076.8</b>	----->	<b>Flow Rate Allotment</b>	<b>-4996.8</b>
<b>Predicted Flow Rate w/ current Ave.</b>	<b>23339.7</b>	----->	<b>Flow Rate Allotment</b>	<b>8740.3</b>
<b>Predicted Flow Rate Using Current Average Flow for in service VRU's and 160g/VRU for Will Serve VRU's</b>	<b>27600.8</b>	----->	<b>Flow Rate Allotment</b>	<b>4479.2</b>

GALLATIN GATEWAY COUNTY WATER & SEWER DISTRICT

To: Pfeil Acquisitions, LLC

From: Gallatin Gateway Water and Sewer District General Manager

Date: January 31, 2022

RE: Plant Investment Charge Reimbursement

Enclosed please find check # \_\_\_\_\_ in the amount of \$134,100 made payable to Pfeil Acquisition, LLC.



## Gallatin County

### CORRECTIVE ACTION LETTER

January 25, 2022

Luke Walker  
Jesse Hoag  
PO Box 417  
Gallatin Gateway, MT 59730-0417

Sent via Email:  
[bozemanluke@gmail.com](mailto:bozemanluke@gmail.com)

Joseph Dickey  
PO Box 21  
Bozeman, MT 59771-0021

Sent via Email:  
[alpinejd@gmail.com](mailto:alpinejd@gmail.com)

**Re: Sanitation Act, unpermitted wastewater disposal, unlicensed Establishment, Gallatin County Subdivision Regulation, Montana Subdivision and Platting Act and Buildings for Lease or Rent Regulation Complaint (Compliance ID#22-066)**

Dear Mr. Walker, Mr. Hoag and Mr. Dickey:

As you know, the Gallatin County Compliance Department (Department) has been working with you to resolve potential violations on the property addressed as 5 Rabel Lane, Gallatin Gateway; and legally described as Lot 3 of Minor Subdivision No. 56 (Property).

Thank you to Mr. Walker for meeting with me on the Property on January 13, 2022 (Site Visit).

Based on the Site Visit and my investigation, the following structures and uses exist on the Property:

- Living Unit #1
  - Brown house – double wide manufactured home owned by Mr. Walker & Mr. Hoag
  - Four bedrooms
  - Each of the four bedrooms are on separate leases for 30+ days at a time
    - It is unclear if the renters are employees of Mr. Walker, Mr. Hoag or Mr. Dickey
  - Connected to on-site water system
  - Connected to Gallatin Gateway Water & Sewer district for wastewater disposal
    - Addressed as 5 Rabel Lane
  
- Mixed Use Structure
  - Owned by Mr. Walker & Mr. Hoag
  - Living Unit #2 (Mr. Walker's residence)
    - Sleeping area
    - Bathroom with toilet, shower & sink
    - Kitchen with sink, stove, oven, microwave
    - Laundry area

- Shop
  - Space is also used for employee meetings
- Connected to on-site water system
- Connected to Gallatin Gateway Water & Sewer district for wastewater disposal
  - Addressed as 5 Rabel Lane
  
- RV space located south of the brown Living Unit
  - Fifth wheel owned by Mr. Dickey
  - Locked and unable to view the inside
  - Fully skirted
  - Connected to power via a cord from the brown Living Unit
  - Not connect to water/wastewater hookups
    - Mr. Walker explained that the water pipes are broken and they are in the process of being repaired
  - Used as overflow/guest housing space
  
- Property Use
  - Residential and commercial
  - Property used by Alpine Custom Inc. for storage of materials and staging of materials for Big Sky
  
- Semi-Trailer
  - Located south of skirted RV
  - Power connection run from Living Unit #2/shop
  - No water/wastewater connections
  - Used for equipment and tool storage
  
- Storage sheds south of Living Unit #2/shop
  - Storage of shovels, rakes, etc.
  - No connections
  
- Wood cutting area
  - Located south of the semi-trailer storage
  
- Prowler RV
  - Owned by one of the employees
  - No connections
  - Owner sometimes hangs out in the RV, but Mr. Walker states it is not used as a Living Unit
  
- Holiday Rambler RV
  - Empty
  - No connections
  - Planned to be used for a future office
  
- Short White Semi-Trailer & attached structure
  - Storage



- Great Divide RV
  - No connections
  - Storage
  - Future office
  
- Small rust colored trailer with fish art
  - Finished, heated interior
  - No connections other than power
  - Used to keep materials warm
  
- Miscellaneous other vehicles and box trucks used for work, storage etc. and employee vehicles

### **Sanitation in Subdivisions Act (Sanitation Act)**

Minor Subdivision No. 56 received Certificate of Subdivision Approval (COSA) approval most recently in May 1990 (No. 16-90-S34-653) by the Montana Department of Environmental Quality (DEQ) for one (1) single family dwelling (Living Unit) on your Property.

The Montana Department of Environmental Quality utilizes Circular DEQ 4 for the definitions of Living Unit and Bedrooms:

§ 1.2.9 **Bedroom** means any room that is or may be used for sleeping. An unfinished basement is considered an additional bedroom.

§ 1.2.51 **Living unit** means the area under one roof that can be used for one residential unit and which has facilities for sleeping, cooking, and sanitation. A duplex is considered two living units.

The Sanitation Act requirements and approvals are still applicable to this Property even though wastewater is disposed of via connections to the Gallatin Gateway Water & Sewer District given the change in use from one Living Unit to all of the uses that are now occurring on the Property as described above. Therefore, it appears you will need a COSA re-write to accommodate these changes.

As part of the COSA re-write application process, a letter from the Gallatin Gateway Water & Sewer District will be required to be submitted with the application agreeing to the wastewater use happening on the Property. Secondly, based on the number of uses it appears that the water system will be considered a shared or multiuser system dependent upon how Living Unit #1 is occupied (employee housing or one residence) and if the water pipes on the RV are repaired. Lastly, as part of the application a letter from the Montana Department of Natural Resources and Conservation concerning water rights will be required.

Since it appears that your Property is being used in a way other than as described in COSA No. 16-90-S34-653, the use is a deviation from the COSA in violation of the Sanitation Act.

Therefore, corrective action is required as described below.

**Septic Permit (Health Code)**

The Gallatin County septic permit files include one approved septic permit associated with your Property:

- Permit #5446 was approved in September 1985 for one two-bedroom trailer (Living Unit)

This permit appears that it is no longer valid for the Property given the wastewater connections described above.

Therefore, no further action is required by you at this time on this item.

**Establishment License**

Section 50-52-101(3), Montana Code Annotated (MCA) defines an Establishment as:

*a campground, trailer court, work camp, or youth camp.*

Section 50-52-101(1), MCA defines a Campground as:

*a parcel of land available to and principally used by the public for camping, where persons can camp, secure tents or cabins, or park trailers for camping and sleeping purposes.*

According to the Health Department this includes even one parcel or space.

Section 50-52-101(7), MCA defines a Trailer Court as:

- a parcel of land upon which two or more spaces are available to the public and designated for occupancy by trailers or mobile homes for use as residences.*
- The term does not include a parcel composed of platted lots, each lot of which:*
  - is filed with the county clerk and recorder;*
  - contains only one trailer space; and*
  - is served by a public water supply system and public sewage system that meet the requirements of rules for systems adopted pursuant to Title 75, chapter 6, part 1, and that are located within the boundaries of an incorporated city or town.*

Section 50-52-101(8), MCA defines Work Camp as:

*a parcel of land on which housing is provided by a person for two or more families or individuals living separately, for the exclusive use of the employees of the person and the families, if any, of the employees. For purposes of this subsection, "housing" includes but is not limited to camping spaces; trailer parking spaces; mobile, modular, or permanent barracks or structures; and any appurtenant water supply and distribution system, sewage collection and disposal system, solid waste collection and disposal system, or food service and dining facilities. Housing does not include shelter provided by an employer for persons who are employed to perform agricultural duties on a ranch or farm.*

Further, § 50-52-103 requires that:

*A person operating an establishment shall:*

- (1) *possess a current license to do so from the department. However, a campground owned by the state or a political subdivision need not obtain a license but must comply with rules applicable to it adopted by the department.*
- (2) *permit inspections by state or local health officers, sanitarians, or other authorized persons at all reasonable times.*

The requirement to obtain an establishment license to operate an Establishment also is required by Chapter 2 of the Gallatin City-County Health Code.

Chapter 2, Section 1.13 states:

*B) A person violates these regulations or does not comply with the rules set forth in these regulations if the person operates, controls or uses an Establishment without a License or Registration.*

According to my research, and the Site Visit, there is one RV space on the Property. This RV is owned by Mr. Dickey, but it is unclear who uses this RV as overflow/guest housing. Additionally, Living Unit #1 contains four bedrooms leased out separately, but it is unclear if the renters are employees of Mr. Walker, Mr. Hoag or Mr. Dickey.

In order to clarify whether your Property complies with the Establishment licensing requirements, additional information is needed from you and corrective action may be required as described below.

### **Montana Subdivision and Platting Act (MSPA) and Gallatin County Subdivision Regulations (Subdivision Regulations)**

The Subdivision Regulations govern the subdivision of land within the jurisdictional area of the governing body of Gallatin County as stated in Section 1.C of the Subdivision Regulations. The authority of the Subdivision Regulations are derived through the Montana Subdivision and Platting Act (MSPA), [Title 76, Chapter 3, Montana Code Annotated (MCA)] as stated in Section 1.B of the Subdivision Regulations.

The Subdivision Regulations can be found in its entirety online at the Gallatin County Department of Planning and Community Development (Planning Department) website.

State statute and the Subdivision Regulations include “an area, regardless of its size, that provides or will provide multiple spaces for rent or lease on which recreational camping vehicles or mobile homes will be placed” in the definition of a Subdivision. (See Section 76-3-103, MCA) The Subdivision Regulations and MSPA prohibits the construction and the installation of infrastructure for a Subdivision until Preliminary Plat has been granted by the County Commission and all of the appropriate approvals and authorizations are in place.

According to my research, and the Site Visit, there is one RV space used as overflow/ guest housing on the Property, not multiple spaces for rent or lease.

Therefore, no further action is required by you at this time on this item.

**Buildings for Lease or Rent Regulations**

This Property is located within Gallatin County and therefore must comply with the Buildings for Lease or Rent Regulations (BLR Regulation). The BLR Regulations were adopted by the Board of County Commissioners on September 10, 2013. The BLR Regulation can be found in its entirety online at the Planning Department website.

The BLR Regulations state that Buildings rented for commercial and/or residential occupancy are subject to BLR review unless they meet one of the exemption criteria listed in the BLR Regulations. All applicable requirements of the BLR Regulations must be met prior to leasing or renting of a Building. The BLR Regulations define Building:

*As defined in Section 76-8-101(1), Mont. Code Ann., a structure or a unit of a structure with a roof supported by columns or walls for the permanent or temporary housing or enclosure of persons or property or for the operation of a business. Except as provided in Section 76-3-103(15), Mont. Code Ann., the term includes a recreational camping vehicle, mobile home, or cell tower. The term does not include a condominium or townhome.*

According to my research, and the Site Visit, there is one rented residential occupancy Building on the Property, the main house.

Therefore, at this time, the Buildings are exempt from the BLR Regulations per Section 5.A.ii as the Building is one of three or fewer Buildings for lease or rent that was in existence on the Tract of record before September 1, 2013.

Therefore, no further action is required by you at this time on this item.

**Corrective Action**

Thank you for your efforts to discuss and clarify the violations on your Property. Additional information has been requested from you under the Establishment Licensing.

- Please discuss who uses the RV as overflow/guest housing and who the renters are in Living Unit #1 with the Health Department as described below and provide a written response regarding the outcome of that discussion

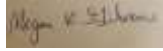
Based on the information available to me at this time, your Property appears to be in violation of the Sanitation Act. Therefore, corrective action is required.

The Health Department would like to assist you in understanding what Sanitation Act approvals mean for the use and structures on your Property and those that need improvements/modifications, along with identifying which, if any, Establishment licenses are required. The Health Department can also help you formulate a plan of correction to resolve these outstanding issues. An acceptable plan of correction may include hiring a registered site evaluator or engineer by a specific date, and then establishing the necessary actions and dates those actions will be completed by. The Health Department can be reached at 406-582-3120 to discuss the options that are available to you.

Whatever corrective actions you decide to pursue, **you must notify me in writing of your plan of correction within 15 days of the date of this letter.**

Please keep in mind that a failure to initiate the corrective actions and notify me as discussed above, could result in additional enforcement action. If you have any questions about this letter, feel free to call me at 406-582-3775.

Sincerely,



Megan K. Gibson  
Code Compliance Officer  
[megan.gibson@gallatin.mt.gov](mailto:megan.gibson@gallatin.mt.gov)

cc: County Attorney's Office via email  
Environmental Health Department via email  
County Planning Department via email  
Montana Department of Revenue via email  
Gallatin Gateway Water & Sewer District via email