

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 Fire Station, 320 Webb Street, Gallatin Gateway, MT, on 4/21/2023. Present at the meeting were board members Eric Amend, Ted Border, and Cary Fox. Staff present included Stuart Cannaday. Members of the public included Tom Henesh, Chris Wasia, and Dan Alexander.

President Border called the meeting to order at 5:32 p.m. Secretary Alison Curry recorded the minutes of the meeting.

PUBLIC PARTICIPATION OF NON-AGENDA ITEMS

President Border asked for public comment on non-agenda items. None recorded.

CONFLICT OF INTEREST DISCLOSURE

President Border asked if there were any items of conflict of interest, or potential conflict of interest, to be raised. None were raised.

APPROVAL OF MINUTES

These will be approved at next month's regular meeting.

OLD BUSINESS

A. LONG TERM PLANS FOR GGWSD

Stuart Cannaday confirmed that Four Corners has 800 EDUs available for purchase, the District has \$285,668.87 in funds to purchase capacity from Four Corners. There is discussion about having Gateway Inn overages and if they would foot the bill for necessary EDUs to keep up with their excessive flow, or the alternative being stop up the excess flow from Gateway Inn as a last resort. The Gateway Inn has a water meter, GM Proconier planned to see if they would share their usage numbers with the District, he may not have been able to access this. There is continued discussion of the Gateway Inn capacity, overages, and how to meter/manage their flow. District Council Swimley said if Gateway Inn won't cooperate the Board needs to authorize GM Proconier to do what is necessary to acquire the data. Director Amend said that if everyone that the GGWSD serves uses their allotted 160 gallons per VRU per day, the District would be in excess of their 37,000 gallons; this is not including the will-serves under review, after that there will be associated penalties from Four Corners. There is discussion about the cause and effect of infiltration, Director Amend said

it was very cyclical and temperature dependent. The Gateway Inn has their own well, they do not receive water from the District. Mr. Cannaday said he will note this for GM Proconier to make this issue a priority. Director Amend thinks the Board should evaluate the District's funds and connect with Mr. George about what capacity they can purchase from Four Corners. Director Fox noted that the Board had discussed buying incremental EDUs from Four Corners as needed; Director Amend said the Board needs evidence of where the spike of 17,000 gallons per day has come from between October 2022-March 2023. The projection was that the flow numbers should have been around 8000 gallons per day, which would have aligned with the allotted 160 gallons per VRU. Once the District gets an accurate picture of flows, they will be able to build a budget of capacity for the rest of the town.

NEW BUSINESS

A. GENESIS ENGINEERING WILL-SERVE EXTENSION

Director Amend referenced initial approval of this project in January of 2022, at which point flow was around 13,000 gallons per day. He then discussed the exponential flow increases over the last few months, mostly due to both dorms of the Gateway Inn coming on-line. These overwhelming statistics have contributed to the Board's hesitation in assigning larger numbers of VRUs to projects in the Gateway District. District Council Swimley gives an overview of the Genesis will-serve extension request; 17.07 VRUs for industrial/commercial has been applied for, and Genesis is moving their project forward in order to use this capacity as soon as possible. The Board wanted clarification of how this building will be used, Mr. Henesh confirms it will be warehouse with offices. District Council Swimley said that the Board is reassessing this will-serve because the Genesis project technically exceeds the District rules and regulations of 4 VRUs per acre and there is a shortage of capacity. She asserts that it should be made clear on the record what the intended use of the Genesis building is, and that this warehouse/office space will not be converted to any other use without presentation to and approval from the GGWSD Board.

Chris Wasia confirms that the capacity numbers from this will-serve are in congruency with office flows of 13-16 gallons per employee per day; these stats are the basis from which Genesis generated their numbers for this application. The Genesis application stated 230 employees, Director Amend said that the math calculates that flow to just under 12 gallons (per employee per day). Mr. Henesh said that whatever was on their original application of acceptable flow per employee for office space is what came out to the originally approved 17.07 VRUs. There is a general discussion between the Board and representatives of Genesis about a potential discrepancy in numbers; the Board uses the DEQ method of square footage in determining flow numbers. Director Amend is concerned about the potential that Genesis will exceed the capacity of their will-serve, which the District cannot afford with resources limited such as they are.

District Council Swimley asked the Board whether or not they intend to implement the meter that they had required, which would offer conclusive information of potential overages. Mr. Wasia confirmed that Genesis has not changed anything with regards to their original will-serve, he also confirmed that they are installing a meter on the water side, to which Director Amend responded that the will-serve stipulated that a meter be installed on the effluent side, he had requested this in the January 2022 meeting at which the Genesis will-serve was approved. Mr. Wasia said they are willing to install this type of meter if that is what the Board requires. District Council Swimley outlines to Genesis why their will serve is being scrutinized; the District is low on capacity and will be charged by Four Corners if they ultimately exceed the 37,000 gallons they possess. It is imperative that Genesis not exceed the 17.07 VRUs as stipulated on the will-serve. She then urged the Board to extend this will-serve, the VRUs have been sold and there is no evidence that Genesis will exceed this amount. Furthermore, Genesis has been warned of the consequences of overages should that situation arise. There is discussion about a future will-serve extension; it is noted that Genesis is ready to break ground but are waiting on a decision from DEQ. Director Amend made clear that this project may not turn into housing or another type of high-flow usage without prior approval from the Board. Chris Wasia confirms that this structure is light industrial, defined loosely as vendors/service providers who need an affordable heated space with proximity to Big Sky, who use minimal water and have low flow rates. District Council Swimley asked if Genesis is willing to add to service contract that this structure is restricted to office space/light industrial with discharge meeting regulations and that there will be no change in use without the District's approval. Mr. Wasia thought that was reasonable and said that any change would have to go before DEQ as well, Mr. Henesh agreed. Director Amend was amenable to this arrangement, and reiterated that it is essential that the District be made aware of any/all connections to their line, and when those tie-ins would occur. District Council Swimley noted that these parameters are consistent throughout the District, as the Board remains impartial regardless of the customer. Director Amend inquired after a timeline of when the DEQ would approve Genesis construction, he asks this because the Board wants to discern flows from larger contributors asap in order to accurately budget capacity for the rest of Gateway District. Mr. Henesh said he hopes they will be allowed to break ground in 6 months.

Mr. Alexander emphasizes the difference between development and occupancy, e.g. even if the construction is concluded, there will be a period of time before there are accurate depictions of flow. Mr. Henesh references the Gateway Inn as an example of this situation. District Council Swimley notes that Genesis has hired an exceptional expert in Nicklin Earth & Water Inc, with regards to hydrogeology she believes there is none better; The Board can be confident in their level of expertise. Mr. Wasia addressed the minutiae of concerns that DEQ raises, and confirmed the extent of accuracy that Nicklin pursues in order to assuage these apprehensions. Director Amend said he would like to have additionally discussed parameters in writing, District Council Swimley clarifies that the Board plans to move for will-serve extension and that she will work on

the service contract which will outline the restriction to office space and light industrial use within the District's regulations and that use will not change without the Board's approval, Director Amend said that the Genesis site specifically not become housing. Susan will specify all this in service contract. Mr. Henesh said that Genesis does plan to use their capacity up to the 17.07 that they will have paid for, District Council Swimley affirms this plan.

Director Amend made motion to extend Genesis will-serve with the conditions laid out, director Fox seconded, motion passed unanimously.

Mr. Alexander made a closing comment about his long-term residency of Gateway, his plan for development and also that he plans for long term ownership and investment into the Gateway community.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report

N/A for Special Meeting

Existing will Serve Agreements

N/A

Gateway Village Report

N/A

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 6:12.

Alison W Curry.

Secretary