

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: Wednesday, August 10, 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 Items¹

II. Conflict of Interest Disclosure²

III. Approval of Minutes

- A. Approval of meeting minutes for July 22, 2022

IV. Old Business

- A. None

V. New Business

- A. Consideration of Terms of Annexation Agreement and Petition for Annexation for 475 Gateway Road South

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

¹The 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.

² 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.

Gallatin Gateway County Water & Sewer District

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 Street, Gallatin Gateway, MT, on 07/22/2022. Present at the meeting were board members Eric Amend, Ted Border, and Cary Fox, as was District Council Swimley. Staff present included GM Procnier. There were no members of the public in attendance.

President Border called the meeting to order at 6:30 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.

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

After confirming that all directors had a draft copy of the 05/16/2022 meeting minutes, President Border asked whether there were any corrections. Director Amend noted that Genesis Engineering needed to be removed from the VRU counts line item. Director Amend moved to approve the 05/16/2022 minutes as amended, President Border seconded the motion, and the motion passed unanimously. After confirming that all directors had a draft copy of the 06/08/2022 meeting minutes, President Border asked whether there were any corrections. Director Amend moved to approve the minutes as written, Director Fox seconded, and the motion passed unanimously.

OLD BUSINESS

A. 475 Gateway Road South

Conditions of terms for annexation of 475 South. District Council Swimley reviewed the conditions laid out by the District. 475 proposes to insure both the District and Pfeil Acquisitions for one million dollars each, the District would be named additionally insured. This insurance would provide the means to assist in clean up due to potential catastrophe, if the District is deemed liable in such an event. There is discussion with regards to the capping of insurance premiums; the general consensus from the District is that 475 should not cap what they will pay for the District's liability insurance premiums. There is a real threat of liability due to flooding of river. 475 intends to indemnify the District, and if there is no

adequate pollution insurance available, this property would become the security. District Council Swimley mentioned her reticence to accept these terms from 475, her concern is that if such adverse events eventually occur, the property may well not offer the indemnity necessary to cover the District. District Council Swimley has worked with 475 to negotiate the best possible coverage for the District, but 475 is reticent to negotiate any further. The District's preference is for 475 to hold adequate pollution insurance; If there is no A rated pollution insurance in the state of MT, the District will negotiate some other means of security. District Council Swimley notes that in her proposed terms, the line system and liability has to stay with the ownership of the land, which carries down into any subsequent owners. Director Fox raised the issue of the District having the necessary 23 VRUs to offer to 475. With current average flow and will-serves, if it is maintained the District could potentially sell 372 VRUs this is 86.3 flow per VRU. Total allotment to Gateway is 200 VRUs at 160 flow rate. If current users maintained same flow rate, but all new users used their 160, the District would have 4000 gallons remaining; so there would still be a 25 VRU buffer. Director Fox raised the question of whether the District wants to allot these VRUs to 475, or if they should offer these resources to business/landowners who desire to expand into Gallatin Gateway. District Council Swimley noted the difference between annexation and a service contract; annexation would include property assessment for tax levies, i.e. 475 would be responsible to pay any increasing taxes in the future. District Council Swimley notes that 475 has continued the conversation in good faith with the District, despite the fact that their will-serve expired and their payment refunded, this should be kept in consideration when the District decides whether or not to offer up the 23 VRUs to 475 again. DISTRICT COUNCIL SWIMLEY presents proposal: Submit annexation, the District will achieve annexation and issue a will-serve at current PIC charges for 6 months, they will be granted one 6 month extension as is consistent with the District policies, if PIC rates are raised they will pay the increased rate, 475 needs to be aware that although they may be annexed, the District may not have the service capacity if 475 does not utilize the VRUs within the aforementioned 12 months. District Council Swimley notes that the District will work to provide more capacity, but it cannot be guaranteed at that juncture. Director Amend made the motion to approve 475's proposal under the following terms: 475 will cover the District under a \$1,000,000 policy, 475 will pay insurance premiums with NO cap, 475 will own the lines, the District will be named as additionally insured without exception or exemption, if there is no A rated company in the state of MT that offers pollution insurance, than the District will accept the land as a substitute for security and indemnity which will apply to all owners, current or subsequent, when 475 applies for annexation they have to apply for a new will-serve at increased PIC charges, the will-serve is good for 6 months and they can be issued one 6 month extension, however if there is increased PIC charges they will need to pay it; if 475 allows their will-serve to expire it will terminate and the District may not be able to offer service, however the District will diligently pursue expansion and will offer VRUs if/as they come available. President Border seconded the motion, the vote concluded 2 in favor and 1 opposed.

B. DISTRICT INSURANCE

It is noted that infrastructure charge is not annually repeatable. Insurance payment is due August 15th, there is discussion of when to pay the first installment, there is the potential to be refunded for overpayment. The Insurance company is fine with quarterly payments from the District if necessary, GM Proconier will pursue the quarterly payments if there is no resolve in discussion about increased charges. There is discussion about delinquent accounts that need to be amended.

NEW BUSINESS

N/A

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report

A. TURNBAY

There are issues with line, the District engineer is coming up with a plan with how to move the District line during turnbay construction. GM Proconier discussed the temporary divergence of the line, this is the least risky option, but probably not the most cost effective. The District may have a little extra time since MDT is pulled in several directions with different projects around the state.

WILL SERVE LETTERS

GM Proconier raised the topic of landowners who don't respond to will-serve letters and increased PIC charges; they probably do not want to pay increased rates. These will-serves expire in 180 days. GM Proconier proposed getting a docusign, which would provide proof of exactly when owner signs the will-serve. GM Proconier has done preliminary research on costs; There is a general discussion of commercial vs. private docusign, either way the fee seems to be negligible. There is a consensus to offer both docusign as well as a certified mail option.

If there is a will-serve and the owner has a stub, this is technically proof that they will then need to pay the increased PIC rate. District Council Swimley mentions the need to enforce the PIC rate; the value of lines and cost of replacing them are going up in price. District Council Swimley notes the importance of staying economically viable. There will be no paying monthly charges as a place holder

in the District's capacity; the Board also emphasized the importance of staying consistent with all customers.

DOHLIES

President Border noted Dohlies are living in their house, Peak has not received an application for the additional VRUs from these owners. GM Proconier will look into it.

GATEWAY INN

Gateway Inn is connected and can be billed accordingly.

Existing will Serve Agreements

N/A

Gateway Village Report

Director Fox spoke with Clayton Peacock, he said they are starting up on September 15th, there are people moving in; once they see how it goes, any necessary adjustments will be addressed. They have commercial land that they will use first; there will be continued discussion about commercial land versus residential with regards to water usage.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:25 p.m.

Alison W Curry

Secretary

Gallatin Gateway WSD Capacity Report

Current VRU's in Service	162.21			
Additional Will Serve VRU's	89.76			
Applied for VRU's	1.48		Subtotal VRU's	253.45
Current Capacity and Flow for GGWSD w/ in Service VRU's (5000gal Reserve Included)				
Purchased Flow to FCWSD (total, no reserve)	37080		Total VRU's (160gal/VRU) Alloted to FCWSD	200.5
Average Monthly Flow	15000		Average Flow / In Service VRUs	92.5
Available Flow (w/ reserve)	17080		Total Possible VRU's (Based on Average Flow) Alloted to FCWSD	346.91
Future Capacity and Flow for GGWSD once Will Serve VRU's Connect w/ 5000g Reserve				
Total Future VRU's in Service	251.97	----->	VRU Allotment to FCWSD (160gal/VRU)	-51.47
Predicted Flow Rate w/ 160gal/VRU	40315.2	----->	Remaining Flow Rate Allotment to FCWSD	-8235.2
Predicted Flow Rate w/ current Ave.	23300.4	----->	Remaining Flow Rate Allotment to FCWSD	8779.6
Predicted Flow Rate Using Current Average Flow for in service VRU's and 160g/VRU for Will Serve VRU's	29361.6	----->	Remaining Flow Rate Allotment to FCWSD	2718.4