

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: November 5, 2012

Time: 6:30PM

Place: Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT

For: Regular Meeting of the Board of Directors

AGENDA

I. Call To Order

- A. Call To Order
- B. Public Participation on Non-Agenda Items¹

II. Approval of Minutes

- A. Approval of Meeting Minutes for October 1, 2012

III. Reports of Officers, Standing Committees, and Special Committees

- A. Report of General Manager & Report of Financial Condition
- B. Report of Site Selection Committee
- C. Report of Engineer

IV. Unfinished Business and General Orders

- A. CDBG Grant Budget Changes (Direct or Area-Wide Benefit)

V. New Business

- A. Any New Business Which May Come Properly to the Board

VI. Adjourn

¹ 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

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 Inn, 76405 Gallatin Road Gallatin Gateway, MT on November 5, 2012. Present at the meeting were board members Merle Adams, Ted Border, David Sullivan, Charlie White and Earl Wortman. Matt Donnelly and Maralee Parsons were also present.

President White called the meeting to order at 6:30 p.m. Maralee Parsons 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.

President White proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the October 1, 2012, minutes, President White asked whether there were any corrections. Director Sullivan requested the addition of the word "district" following "Rae Sewer" under the report of the General Manager section, and pointed out a misspelling of the a name referenced; the correct spelling is Syd Kurland. Director Border made the motion to approve the minutes as amended, Director Sullivan seconded the motion and the amended minutes were approved unanimously.

REPORT OF GENERAL MANAGER

Matt Donnelly reported no substantive change in the District's financial condition from October 1.

Matt advised he is in the process of obtaining proposals for auditors for the District, and will present these hopefully by the December meeting.

REPORT OF SITE SELECTION COMMITTEE

Director Merle Adams reported on the progress of the site selection committee. He had a recent conversation with David Loseff, since there had been no recent contact from the District on land negotiations, and Merle explained the need for the District to be in compliance with CDBG grant regulations, which does not allow for land negotiation prior to the CDBG grant being approved.

Matt advised again that the CDBG is tentatively won (\$450K), however, there now appears to be an issue with the allocations of the grant as originally

submitted in the District's application. It now appears CDBG requires the grant be applied to either "Area-wide benefit" or Direct Benefit, but not both. Currently the CDBG portion of the budget is split between 1) paying down construction costs on the RD loan (Area Wide Benefit) and 2) offsetting the assessments for LMI households (Direct Benefit). Also the District needs to comply with the land negotiation rules per CDBG, exhibit 7-c, which was provided to the Board as an attachment to the meeting agenda. One of the requirements is to invite public participation in land acquisition for the District, and this ad was published in the Bozeman Daily Chronicle on Sunday Nov. 4, 2012.

Teresa Doig is the District's grant administrator for all grants except CDBG, and was present at the meeting. She advised that she has revised the budget according to advice she received from RD. This revised budget was submitted to the Board and the revised allocations were discussed. Director Sullivan motioned to approve Teresa submitting the revised budget as is to TSEP so that TSEP funds can be released to the District; Director Adams seconded the motion, and the motion was unanimously passed. There was additional discussion on the distinction between Area Wide Benefit and Direct Benefit, and Matt agreed to contact attorney Susan Swimley to seek further clarification from CDBG.

The Board discussed moving forward with negotiations with Loseff. The District's opening offer will be \$40K/acre for 8 acres, as previously discussed, and there was some discussion around potential negotiating tools, such as reserving un-built capacity for the seller. Chairman White motioned to have Leah and Merle begin negotiations with Loseff for \$40K/acre for 8 acres with an option to purchase 2 more acres at the same price within 18 months; any other concessions or offers will require a special public meeting of the Board to discuss and approve. The motion was seconded by Director Wortman, and the motion was unanimously approved.

Teresa requested that the Board provide a storage location where District files can be maintained. These files need to be accessible to the public. Chairman White advised that the Gallatin Gateway Inn has a room with spare file cabinets which can be used. It was also suggested that the District may want to share a storage space with Rae Sewer District.

REPORT OF ENGINEER

Kurt Thompson gave the Engineer's Report. Door-to-door surveys to determine the location of service lines for each building in the District is underway and is approximately 85% complete. Weekly updates have slowed down due to lack of activity to report. The Board approved Stahly's request to reduce the weekly updates to bi-weekly until engineering activity increases, at which point the updates will be resumed weekly.

UNFINISHED AND NEW BUSINESS

President White asked for unfinished or new business. Larry Watson advised the Board that there are significant procedures contained in the CDBG administration manual, in order for CDBG funds to be released throughout the project, and encouraged the Board to familiarize themselves with these procedures. He urged the Board to develop a CDBG fund-authorization policy. Since the County is the recipient of the CDGB grant, the county will hold the District responsible for government compliance before releasing funds to the District. Since the District is new it will likely be considered high risk and will be closely monitored by CDBG. The CDBG administration manual may be accessed on-line at <http://comdev.mt.gov/CDBG/cdbggrantadminmanual.mcpX>.

President White asked for any additional unfinished or new business and seeing none, President White noted that the next meeting date is December 3, 2012.

President White then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:48 p.m.

Secretary