

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: AUGUST 1, 2016

Time: 6:30PM

Place: Gallatin Gateway School, 100 Mill St., Gallatin Gateway, MT

For: Regular Meeting of the Board of Directors

AGENDA

I.Public Participation on Non-Agenda Items¹

II.Approval of Minutes

- A. Approval of Meeting Minutes for July 11, 2016
- B. Approval of Meeting Minutes for July 20, 2016

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

- A. General Manager Report, Treasurer Report, Approval of Expenditures
- B. Report of Engineer
 - i. Technical Status
 - ii. RUS Reports, Administration and Draw Requests
 - iii. TSEP Reports, Administration and Draw Requests
 - iv. CDBG Reports, Administration and Draw Requests
 - v. DNRC Reports, Administration and Draw Requests
 - vi. SEARCH Reports, Administration and Draw Requests
 - vii. USACE 595 Reports, Administration and Draw Requests

IV. Regular Business

- A. Review and Approve Sewer Project Budget
- B. Review and Approve USDA Letter of Conditions for loan to finance a portion of sewer project

V.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 School, 100 Mill St., Gallatin Gateway, MT, on August 1, 2016. Present at the meeting were board members Eric Amend, Ted Border, Ashley Kroon (by phone) and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Kurt Thomson from Stahly Engineering and Steve Troendle from the RD office of the USDA. Public attendees included Michael Faller.

President Border called the meeting to order at 6:30 p.m. Secretary Maralee Parsons Sullivan recorded the minutes of the meeting.

PUBLIC PARTICIPATION OF NON-AGENDA ITEMS

President Border asked for public comment on non-agenda items. There were no non-agenda items raised.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the July 11, 2016 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Amend made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved 4-0.

After confirming that all directors had a draft copy of the July 20, 2016 special meeting minutes, President Border asked if there were any corrections. Director Amend requested the word nitpick, attributed to Greg Benjamin's discussion of MDT's review of submissions, be noted in quotes (rather than attempting to define his meaning of the word). Director Sullivan made the motion to approve the minutes as amended, Director Amend seconded the motion and the minutes were approved 3-0 with Director Kroon abstaining.

REPORT OF OFFICERS, STANDING COMMITTEES, AND SPECIAL COMMITTEES

General Manager Report, Treasurer Report, Approval of Expenditures

GM Matt Donnelly provided the report. He advised that he, among others, is still seeking clarification at the state level on whether the District is entitled to an encroachment permit or an occupancy permit from MDT. Regardless of the type of permit, he reported that the District is on track to get a permit to occupy the right-of-way along the highway.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2016: Expenses for July included \$6,403 in engineering, \$297 in legal, and \$1,557 for the District's liability

insurance premium. The 6 customer accounts, reviewed at the regular July 2016 Board meeting, which were considered delinquent as of the end of the fiscal year, were sent a letter on July 15, advising them their accounts must be made current by August 15, 2016, to avoid being sent to the County Treasurer's office for collection via the tax rolls.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson provided the engineer's report. He has finished the survey along the east side of the highway; there were some problems with the Opticom locators (mostly crossings), which caused a slight delay. It should be in design later in the week. Once he has the preliminary alignment he will review it with the local MDT office, and he will document those discussions. He has been in contact with Carol Lee-Roark, who is back with Hyalite Environmental. She will be delineating the wetlands, and Mr. Thomson will align the pipeline so as little wetlands are disturbed as possible or, potentially, completely avoid the wetlands. The amount of land being disturbed will determine whether or not a permit is needed (a quarter acre); he will check with Carol as to how long a permit would take. Steve Troendle asked that he be kept informed of the wetland delineation, as soon as the information is available, and Mr. Thomson agreed to share the information as soon as he has it. Mr. Thomson said the ideal plan is to submit the design report to DEQ and MDT at the end of August or beginning of September, and he will be talking with both agencies to fill them in on the current plans.

Matt Donnelly reported on the various government reports, administration and draw requests:

- RUS: nothing to report
- TSEP: nothing to report
- CDBG: nothing to report
- DNRC: nothing to report
- COE: The contract has been signed so the District's grant administrator Teresa Doig will be working on submitting Stahly invoices.
- SEARCH: nothing to report

UNFINISHED BUSINESS AND GENERAL ORDERS

Review and Approve Sewer Project Budget

GM Donnelly reviewed the current budget (dated "July 27, 2016"). The budget is substantially the same as the budget approved at the July 20, 2016 Board meeting, with a few changes: The construction line item remains the same, the contingency line was moved from CDBG column to RDLoan2 column, to most effectively use Series C funds, since this fund is the last fund to be spent during the project. Director Sullivan made a motion to approve the July 27, 2016 project budget; Director Amend seconded the motion. There was no further discussion. The motion passed 4-0.

Review and Approve USDA Letter of Conditions for loan to finance a portion of sewer project.

GM Donnelly introduced Steve Troendle from USDA, who passed out a new Letter of Conditions (LOC) for the 3 loans (2 existing and 1 new) proposed for the project ("Series A, B & C").

Series A \$863,000 Voted Revenue Bond

Series B \$787,000 Assessment Bond

Series C \$310,000 Revenue Bond (new)

Mr. Donnelly commented that the loans are at a reduced interest rate (1.1625%), which is good for the project and good for the community, and recommends the Board approve the new LOC dated July 28, 2016 (replacing the August 1, 2011 LOC and June 25, 2015 Amendment to LOC). Mr. Troendle then reviewed the LOC with the Board in detail. GM Donnelly took note of the documents required prior to bidding and will provide these to the RD office. Director Sullivan made a motion to approve and sign the Letter of Intent to meet the Letter of Conditions; approve the loan resolution for new \$310,000 loan; and approve the 3 requests for money (Series A,B,C bonds) all at 40 years, at 1.625% interest. Director Kroon seconded the motion. There was no further discussion. The motion passed 4-0.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:52 p.m.

Secretary