

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: August 5, 2013

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 July 1, 2013

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

- A. Report of General Manager & Report of Financial Condition (Donnelly)
- B. Report of Site Selection Committee (Border)
- C. Report of Community Liaison Committee (Janes)
- D. Report of Engineer (Thomson)
 - i. Technical Status
 - ii. Feedback and Discussion of Initial Design Drawings
 - iii. RUS Reports, Administration and Draw Requests
 - iv. TSEP Reports, Administration and Draw Requests
 - v. CDBG Reports, Administration and Draw Requests
 - vi. DNRC Reports, Administration and Draw Requests

IV. Unfinished Business and General Orders

- A. Discussion and Decision on Audit Services (Donnelly)
- B. Discussion of Gateway Village Subdivision Application to Gallatin County (Donnelly)
- C. Discussion of Easements for Sewer Collection System and Discussion of Sewer Main Routing South of Mill Street (Donnelly)
- D. Review of Draft Rules/Regulations Including Rates and Charges (Border)
- E. Review of Current Status of Property Purchase for Discharge Site (Donnelly)

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 Fire Station, 320 Webb St., Gallatin Gateway, MT, on August 5, 2013. Present at the meeting were board members Ted Border, Steve Janes, David Sullivan, and Earl Wortman. Director Merle Adams was absent. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance from Stahly Engineering were Kurt Thomson and Ryan Rittal. Present from Gallatin County were Larry Watson and Commissioner Pierre Martineau. Public attendees included Michael & Camille Faller, George & Mary Ellen Stewart, Marsha Ferraro and Pete Stein.

President Border called the meeting to order at 6:32 p.m. Maralee Parsons Sullivan recorded the minutes of the meeting.

PUBLIC COMMENT

President Border asked for public comment on non-agenda items. Larry Watson introduced Pierre Martineau, the new Commissioner for Gallatin County.

There were no further non-agenda items raised. President Border proceeded to the next item on the agenda.

APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the July 1, 2013 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Wortman made the motion to approve the minutes as written, Director Sullivan seconded the motion and the minutes were approved unanimously.

REPORT OF GENERAL MANAGER & REPORT OF FINANCIAL CONDITION

Matt Donnelly reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2013:

P&L: Income reflects \$218,509 from grants; legal expenses of \$1,386 and engineering expenses of \$55,178 were incurred in July.

Balance sheet: \$190,397 in the bank received from TSEP grant, and is earmarked for the completion of the land purchase for the discharge site. Buy-sell agreement indicates closure date of on or before Aug 21. This does not show the recently completed line of credit agreement with Big Sky Western Bank (\$1500 has been drawn into the Big Sky Western account to pay the outstanding insurance invoice).

A/P summary: \$55,178 to Stahly (services from June 1 to Aug 1); \$5596 in legal fees.

Director Sullivan made a motion to approve payment of the insurance invoice of \$1,387; Director Wortman seconded the motion and it was unanimously approved. 2 new invoices were received in July: Legal fees of \$1,386.04 and Engineering fees of \$55,178.56.

Two Director positions are open, currently held by Director Wortman and Director Janes. Elections are to be held in November and August 22 is the deadline to file for candidacy for Board Member.

REPORT OF SITE SELECTION COMMITTEE

President Border reported on this committee. Since the District has reached its desired 50K GPD on the resubmitted discharge permit, there is probably no reason to pursue additional land at this time, and recommends that the Committee be dissolved at this time. There were no objections, and the Site Selection Committee is now dissolved.

REPORT OF COMMUNITY LIASON COMMITTEE

Director Janes reported on this committee. He has attempted to contact about 15% of property owners and has made contact with about 8%. Some specific questions were reviewed:

Q: Does the service line create any limitation for what can be built on top of it?

A: Prop owners own the service line so they can build on top of it if they choose.

Q: Gas utility line is not on record according to one prop owner; how is this to be handled?

A: They can let Kurt know of any discrepancies.

Q: Has there been an attempt in the design to run service lines as close as possible to adjacent properties?

A: They have tried to make common locations that make sense where they have found existing septic tanks, avoiding trees, etc.

Q: How long will residents be without sewer service during construction?

A: Each house will be without service for less than 8 hours.

Q: What are the general process steps of construction?

A: First build the entire collection system, step out services to property line, finish lift station and treatment disposal, then residents can be hooked in.

Q: What clearance is needed to bring service between buildings?

A: It depends on depth; if it is shallow, just need enough to bring equipment in (about 10 ft).

Q: If a property owner has an existing level 2 system, would the District consider excavating the system for resale possibilities?

A: DEQ normally would not allow the use of used systems, so it is unsure what the market might be. There was some discussion on whether or not property owners with level 2 systems would be exempt from the resolution requiring all properties in the district to hook-up. The Board has always said that everyone must hook up, but will consider the possibility of a cash incentive. *Kurt will look at the county records they have to see if they indicate the type of system so we*

can determine the number of level 2 systems in the district and will check with DEQ on resale of used systems.

REPORT OF ENGINEER

Technical Status

Kurt Thomson provided the engineer's report. August 8 is the date public comment period closes for DEQ discharge permit, and Kurt will provide the feedback as soon as it is available. Kurt is working on a schedule of upcoming events so the Board has visibility to upcoming responsibilities, and will have this shortly after the Aug 8 DEQ closing date. Kurt distributed to the Board a revised construction budget (opinion of probably cost) based on the preliminary design, with changes to PER (Preliminary Engineering Report) numbers in red. It was noted that the main line and services trenches fees had increased; Director Janes asked if there was a possibility of shallower trenches (4-6 ft depth). Kurt advised one run is not possible, as it needs to stay deep; *Kurt will investigate getting a per-foot price to determine cost difference on other trenches. Kurt to email a copy of the revised construction budget to Larry Watson.* Matt stated that the estimated overage needs to come down significantly before the District goes out for construction bids; the true bid numbers are what grant agencies compare to original project estimates per the PER, which is what the grants were based off of. Kurt indicated the pre-qualification document for construction bid is in process and should be complete in about a month for the Board to review, (pending receipt of DEQ draft discharge permit). *Kurt to provide the Board with a list of all variables that can affect the construction budget.*

Feedback And Discussion Of Initial Design Drawings

Matt Donnelly briefly discussed the DEQ circular 4 which was distributed via email to the Board, drawing attention to chapter 5 flow rates per type of customer (residence, restaurant, etc).

The engineer's budget was distributed in the meeting packet and is tracking well. Engineers are almost complete with costs associated with phase II and have started on phase III, which is the final design.

Matt encouraged any ideas on how best to aggregate, document, and track comments received from property owners, Board members, and others commenting on design, and ensure feedback is being appropriately distributed to the engineers for action, and the action taken (or not) by engineers is documented.

Government reports, administration and draw requests:

- vii. RUS: nothing to report
- viii. TSEP: Matt presented a draw request for the consolidated June & July Stahly Engineering invoices \$55,178.56. Director Sullivan made a motion to approve the draw request; Director Wortman seconded the motion and it was approved unanimously.

- ix. CDBG: Larry Watson reported he has completed the 2 public hearings required as part of the start-up conditions; there were no comments from the public and none of the participating agencies responded with the written notice sent out. One week ago he issued the written request for notice of release of funds, and response is expected any day, which will allow us to draw down funds from CDBG. As part of the process they had to redo the historic preservation review, and also modified the budget; no CDBG expenses will be accrued prior to July 1, 2013. Attorney fees directly attributable to a CDBG action are eligible for CDBG funds. Construction schedule will be very important, as Larry will need to make 3 different attempts per household in the District to allow them to participate in the subsidy program, and prove eligibility for the low-to-moderate income assistance.
- x. DNRC: Nothing to report.

UNFINISHED BUSINESS AND GENERAL ORDERS

Discussion and Decision on Audit Services

Matt advised he had received a letter saying the audit firm which the District had contracted with, JCCS, would no longer be able to provide audit services. Upon contacting JCCS, Matt was advised that former employees who had left the firm sent the letter, and the contract between the District and JCCS is still in place; no further action is needed. In June of 2014 we will need to form an audit committee to prepare for the audit on FY2014 books.

Discussion of Gateway Village Subdivision Application to Gallatin County

Matt advised that Gallatin County has requested comments from the District on the subdivision, due date now pushed back to early September. The plan calls for 190 units to be constructed in 8 phases and includes a sewage treatment and collection facility, separate from the District's facility. Their upgrade plan is the same as that of the District: start with a level 2 system and as capacity needs increase, upgrade to an SBR system. To assist in planning and decision making, Matt has inserted some scenarios that include the "phased growth" of the subdivision in his long-term planning spreadsheets. There are a number of questions the Board will need to discuss in responding to the application, and this will be an agenda item at the next meeting.

Discussion of Easements for Sewer Collection System and Discussion of Sewer Main Routing South of Mill Street

Pete Stein reported on his meeting with Rick & Sue Blevins, to discuss the proposed sewer easement in the abandoned alley through their property. Rick indicated he was not going to allow it as designed. Pete distributed and reviewed a drawing of a potential alternative sewer easement through lots 3,4,5 and 6 of

black 13 Gallatin Gateway, with the following conditions: Width 12 ft; Max depth 6 ft; locations of trees to be determined exactly; special care exercised when excavating near the 2 spruce trees indicated in the drawing. This was previously reviewed with Kurt Thomson and it appears this alternative easement could work.

Easements have been secured from Moweny, Tate and Hawaii Pines. Ruth Hargrove has additional questions and Director Wortman will be setting up an appointment to discuss with her. *Need to determine status of easement discussions with Lehfeld and GG Inn; Ryan to follow up with Kurt on status.*

Review of Draft Rules/Regulations Including Rates and Charges

Director Border discussed the latest draft of the R&R, which includes the edited versions of the previous 3 chapters presented, plus additional chapters. This represents what is minimally required to begin charging rates, following the public hearing to receive comments on September 3. Director Sullivan made the motion to approve the Rules and Regulations as “Draft – For Public Comment”, to be presented to the public for comment at the September 3 Board Meeting. Director Janes seconded the motion and it was passed unanimously. Notice of the meeting and the draft R&R document will be published prior to the meeting.

Review of Current Status of Property Purchase

Director Border advised that the funds are now in the District’s bank account to close on the property; we are still waiting for information from DEQ on the discharge permit, and we are also doing a common boundary re-alignment at the request of the owner who wanted to hold on to an additional 30 feet. There has been some delay in getting the paperwork back from the owner’s partner in CA so this may push back the closing date by a week or two.

NEW BUSINESS

President Border asked for any unfinished or new business.

Director Janes presented a proposed communication process to follow for any member of the District who is approached with a question or comment requiring a response from the District. The process follows 2 paths, depending on whether the issue has already been addressed, or if it is a new issue not previously addressed. The Board informally agreed to use this process.

Director Sullivan agreed to call Emily Gadd on behalf of the Board to address her concerns raised in conversations with several board members.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next meeting date is September 3, 2013.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:19 p.m.

Secretary

Summary of Action Items from August 5, 2013

- F. *Kurt will look at the county records they have to see if they indicate the type of system so we can determine the number of level 2 systems in the district and check with DEQ on resale of used systems.*
- G. *Kurt will investigate getting a per-foot price to determine cost difference on other trenches.*
- H. *Kurt to email a copy of the revised construction budget to Larry Watson.*
- I. *Kurt to provide the Board with a list of all variables that can affect the construction budget.*
- J. *Ryan to follow up with Kurt to provide status of easement discussions with Lehfeld and GG Inn.*
- K. *Director Sullivan to call Emily Gadd on behalf of the Board to address her concerns raised in conversations with several board members.*