

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: June 3, 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 May 6, 2013

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 Community Communication Committee
- D. 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

IV. Unfinished Business and General Orders

- A. Review Rules/Responsibilities for Public Officials (Swimley)
- B. Board member election filings (Donnelly)
- C. 2013-2014 Budget Discussion and Decision (Donnelly)
- D. Discussion and Decision on Resolution Waiving Directors' Compensation for the 2012-2013 Fiscal Year
- E. Review of Process for Establishment of Rates and Charges
- F. Prepare for June 4 Public Meeting

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 June 3, 2013. Present at the meeting were board members Merle Adams, Ted Border, Steve Janes, David Sullivan, and Earl Wortman. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. Greg Benjamin, Kurt Thomson and Ryan Rittal from Stahly Engineering; Larry Watson, County, and Susan Swimley, legal council for the District, were also in attendance. Public attendance included Dick Shockley, Pete Stein, Marsha Ferraro, Michael & Camille Faller.

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

PUBLIC COMMENT

President Border asked for public comment on non-agenda items. There were no 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 May 6, 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

GM Matt Donnelly presented the District's monthly financial package. P&L statements indicate the District's project fund has incurred \$67,591 for the month (\$189,860 YTD) in engineering expenses, and \$122 for the month (\$8977 YTD) in legal expenses. The district has \$397 in cash, with accounts payable of \$31,993 in engineering and legal expenses. Engineering costs are being tracked by contract tasks, actual to budget. The District has received an engineering invoice for May in the amount of \$28,509, which includes the grant administration invoice from Teresa Doig.

REPORT OF SITE SELECTION COMMITTEE

President Border then moved to the report of the site selection committee. He noted that the committee had met and determined that the District has about

\$40K in additional funds to purchase additional land. The decision to move forward at this point, however, is waiting further discussion from the Board.

REPORT OF COMMUNITY COMMUNICATIONS COMMITTEE

Director Janes suggested changing the committee's name to Community Liaison Committee, which was agreed to by the Board. He is currently seeking volunteers within the community and noted that resident Brook Savage has volunteered to serve on the committee. He stated the goal of the committee is to ensure that members of the GG community have a clear channel to voice concerns or request changes specific to their own property, and these requests will then be presented to the engineering team to be reviewed and addressed appropriately. Kurt agreed to provide Director Janes with copies of Stahly's door-to-door survey results.

REPORT OF ENGINEER

Engineer Ryan Rittal provided the engineer's report. The preliminary plans for the collection and treatment sites have been distributed to the Board; Board members are to review and provide comments by mid-June, with the goal being to complete the final design in late summer. Stahly is working through the preliminary engineering tasks provided by Matt Donnelly, which should be complete in a few weeks, and will be presented to the Board.

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

- RUS: Nothing until the project is in the construction phase
- TSEP: No draw request tonight; waiting on new budgets to be signed off by county commissioners.
- CDBG: Larry Watson reported on the status of CDBG grant. He reported that he is working on several start-up requirements. The sub-recipient agreement between the District and Gallatin County is in place. The environmental review has been resubmitted, and he learned today that there is a tribal notification requirement, which includes a 30-day period of review and comment. Ms. Swimley suggested we might be able to contact the tribe to expedite their comments; she and Larry will pursue this.

Matt Donnelly reported that the District had intended to use CDBG money for land purchase, but we won't be able to draw against this grant until at least August 10, which puts the land purchase agreement at risk. We could potentially use TSEP money for land purchase, and there was some discussion around the apparent need to pay David-Bacon wages on the construction phase, if we did not use CDBG funds. Teresa Doig will check with TSEP on the feasibility of using TSEP funds for land purchase.

Matt further reported that there is a Stahly invoice for \$28,509 and requested a motion to pay this. Director Sullivan made a motion to pay the current Stahly invoice, Director Wortman seconded the motion, and the motion passed unanimously.

- DNRC: Nothing to report

UNFINISHED BUSINESS AND GENERAL ORDERS

Board Member Election Filings

Matt reported that the terms currently held by Directors Janes and Wortman will expire this year. He presented a packet, which includes activities and deadlines to be aware of for the re-election process. The filing process begins June 24, 2013 and closes August 22, 2013. Ms. Swimley clarified the procedures for re-election: if 3 or more people file for 2 open positions, an election must be held. If 2 people file for 2 open positions, the 2 people are elected by acclamation of the County. If only 1 person files, that person is elected by acclamation, and the Board fills the other open seat.

2013-2014 Budget Discussion

Matt presented 3 budgets for the District:

- 1) Sewer Enterprise Fund (O&M) – since there will be no operations before June 30, 2014, budget is zero.
- 2) General Fund – includes all activities not directly related to sewer and water (e.g. insurance). This budget includes \$10,000 in revenue to be generated via new fees to be imposed (\$6/lot in district). This money can be used for professional services or advice (non-sewer legal or other subject matter experts).
- 3) Project Fund #1 – includes all funding sources and expenses directly related to the project, estimating construction progress by June 30, 2014.

Discussion around the budgets included the fact that District council Susan Swimley is deferring much of her legal fees until such time as the District is in a strong financial position, and Ms. Swimley stated she continues to be in agreement with this arrangement. The procedure for establishing fees was discussed: establishment of draft rules and regulations, followed by a public hearing to hear public comment on proposed rates. At that point the Board would pass an ordinance, followed by a 30-day waiting period before rates are effective. The Board is targeting a public hearing in August 2013, and rates would then be effective in September 2013. The topic of fees will be included in the public meeting to be held on June 4.

The Board proposed 2 changes to the budgets as presented:

- 1) Move \$3600 from Directors Comp to professional services in General Fund.
- 2) Reduce the amount of interim interest from \$72,000 to \$30,000.

Director Janes made the motion to approve the budgets as amended; Director Adams seconded the motion, and the motion was passed unanimously.

Discussion and Decision on Resolution Waiving Director's Compensation for the 2013-2014 Fiscal Year

Director Sullivan made the motion to adopt resolution 13-01, waiving Director's compensation of \$60.00 per month. Director Wortman seconded the motion, and the motion passed unanimously.

Review of Process for Establishment of Rates and Charges

Matt had previously distributed to the Board a set of draft rules and regulations (R&R's). Rates are defined by regulations, which defines the justification for charges, how they will be charged, and who will be charged, to ensure a fair and equitable distribution of costs associated with the system. Matt requested that the Board review the draft R&R's, perhaps also review other district's R&R's, and provide feedback and comments. More discussion will follow next month.

Prepare for June 4 Public Meeting

Matt had previously distributed the proposed financial slides and received feedback. Engineering slides are being prepared which will present the layout of the lift station and treatment & disposal site. One objective is to encourage the public to look at their individual lots and provide feedback. There was discussion around potential questions, and it was agreed that the presenters should be prepared to speak specifically about future expansion and/or upgrading capabilities. There was discussion around an FAQ document, which will be handed out at the meeting. It was noted that notice of the meeting was sent to property owners, and has also been posted at the post office for 2 weeks.

Review Rules/Responsibilities for Public Officials

Ms. Swimley reviewed the MT Open Meeting Act. The legislative intent of the act is to ensure procedures are enacted and adhered to in order "to secure to the people of Montana their constitutional right to be afforded reasonable opportunity to participate in the operation of governmental agencies prior to the final decision of the agency." This includes all matters of discussion and decision that "are of significant interest to the public". All public meetings require at least 48 hours notice (posted on internet site and post office). Items dictated by statute, such as rate hearings, must also be posted in the newspaper twice. Agendas for meetings must include an item allowing public comment on any public matter that is not on the agenda; however, no action may be taken on that item unless specific notice of that matter is included on an agenda, and public comment has been allowed on that matter. Ms. Swimley noted that email communications between Board members could be considered public information as it may cover a matter of significant public interest, and could potentially be subpoenaed in a legal matter. A quorum is a majority of board members present. Should a quorum meet socially, or at some other setting outside of a public meeting, it should be noted in the next meeting's minutes that a District quorum existed, but no District business was discussed, or, if business was discussed, a summary of the discussion should be reported in the meeting and captured in minutes.

NEW BUSINESS

President Border asked for any unfinished or new business. Director Adams noted that the District should pursue seeking a loan or line of credit from a financial institution, to cover expenses not covered by grants, such as the

insurance invoice due in July. Director Janes made a motion to authorize Director Sullivan to contact a few financial institutions to discuss options for the District to meet its debt obligations; Director Adams seconded the motion, and the motion passed unanimously.

It was noted that 3 Board members attended the public meeting on May 30, held by the proposed Gateway Village development group, and each member in attendance provided feedback. Director Wortman noted that he had asked the developer directly what his opposition is to the suggestion of incorporating his development into the public district, and was told, "I would lose control". Director Wortman commented that he heard a lot of rhetoric about helping the community, and suggested that helping reduce the user rates (by adding users) would help the community, and received no comment from the developer. Director Sullivan commented that the developer stated that he would not join the district, period, and that our system could not be upgraded (to which Director Wortman countered that it could, in fact, be upgraded). Director Border commented that the presentation and ensuing discussion was designed to enforce in the public's mind that our technology was not as advanced, while in fact the District has known all along that we would be making upgrades as it became necessary and financially feasible. It was noted that at this time, no actions are being taken by the Board as a result of attendance at this meeting.

President Border asked for any further unfinished or new business, and seeing none, noted that the next meeting date is July 1, 2013.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 9:01 p.m.

Secretary