

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: October 6, 2014
Time: 6:30PM
Place: Gallatin Gateway Fire Station, 320 Webb St., Gallatin Gateway, MT
For: Regular Meeting of the Board of Directors

AGENDA

- 1. Public Participation on Non-Agenda Items¹**
- 2. Approval of Minutes**
 - a. Approval of Meeting Minutes for August 21, 2014
 - b. Approval of Meeting Minutes for August 23, 2014
 - c. Approval of Meeting Minutes for September 2, 2014
- 3. Reports of Officers, Standing Committees, and Special Committees**
 - a. Report of General Manager & Report of Financial Condition
 - b. Report of Community Liaison Committee
 - c. Report of Engineer
 - i. Technical Status and ongoing design review comments
 - 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
- 4. Unfinished Business and General Orders**
 - a. Public Hearing and Second Reading of an Ordinance Amending the Rules and Regulations of the District and Establishing a Volume Ratio Unit Allocation Schedule
- 5. New Business**
 - a. Any New Business Which May Come Properly to the Board

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 Oct 6, 2014. Present at the meeting were board members Merle Adams, Eric Amend, Ted Border, Steve Janes, and David Sullivan. General Manager Matt Donnelly and Secretary Maralee Parsons Sullivan were also present. In attendance were Kurt Thomson from Stahly Engineering, and Larry Watson from Gallatin County. Pubic attendees included Gary Kirt and Tim Szafaryn.

President Border called the meeting to order at 6:31 p.m. Secretary 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 August 21, 2014 special meeting minutes, President Border asked whether there were any corrections. GM Donnelly requested the first paragraph be amended to: *“Ms. Swimley provided the Board with a summary of the 8/18/14 hearing regarding the Gateway Village v MDEQ lawsuit. The general consensus from the District/MDEQ council was that the hearing went well. Gateway Village council argued the permit issued by MDEQ did not address or consider the Nicklin comments and analysis (remainder the same).”* Director Janes made the motion to approve the minutes as amended, Director Sullivan seconded the motion and the minutes were approved unanimously.

After confirming that all directors had a draft copy of the August 23, 2014 special meeting minutes, President Border asked if there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Amend seconded the motion and the minutes were approved unanimously with 2 abstentions from Directors who were not present at the meeting.

After confirming that all directors had a draft copy of the September 2, 2014 meeting minutes, President Border asked if there were any corrections. Director Amend noted that the Definitions section as referenced in the meeting should be section 106 (not 105). Director Sullivan made the motion to approve the minutes

as amended, director Janes seconded the motion and the minutes were approved unanimously.

REPORT OF GENERAL MANAGER, TREASURER & APPROVAL OF EXPENDITURES

GM Matt Donnelly provided the report. Mr. Donnelly has been working on activities related to CDBG and Stahly, which will be covered in reports later in the meeting. He noted that dirt had been observed to have been moved on the District land, and he is still trying to determine who is responsible. President Border found someone on the land with a back hoe, who was told the manager of the Buffalo Station had told him he could move some dirt in exchange for some services, but we still don't know who moved imported dirt. Mr. Donnelly has spoken with the manager of the Buffalo Station, and she said the owner had contracted with the state to get rid of the motor-cross hills. Mr. Donnelly will pursue this, and has put a sign on the land to stop work. Director Amend will post a no-trespassing sign on the property.

Treasurer Maralee Sullivan reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2014: One small TSEP grant of \$2,254 was received to pay Stahly a small amount of what is owed. Quarterly invoicing totaling \$2,322 was mailed on September 30, which also included \$220 in late fees assessed. Payables for the month included \$1,174 in legal, and \$11,888 in engineering invoices. Ms. Sullivan reviewed the Q1 "budget to actual" for the General Fund and Project Fund budgets. Lawsuit expenses are being applied to the General Fund and amounted to \$14,128 last fiscal year, and \$1,379 in Q1 of this year. The Project Fund saw little activity in Q1 since most grant money is on hold. Outstanding invoices include \$70,886 for Stahly and \$19K for legal.

REPORT OF COMMUNITY LIAISON COMMITTEE

Director Janes reported there has been no new activity.

REPORT OF ENGINEER, GRANT AGENCY DRAWS & REPORTS

Kurt Thomson provided the engineer's report. He has been providing additional information to DEQ at their request following their review of the design report for the collection & lift station/forced main. He does not have an official timeline, but hopes to have DEQ approval by end of the year. Stahly has been working with the vendor on the treatment & disposal design report and are targeting end of November to have this submitted to DEQ. He hopes for a quick turn-around from DEQ, and Stahly will in turn quickly reply to comments from DEQ. The complete package should likely be ready in February. He will also be working on the realignment of the sewer on the north property of the Inn.

Easements: all are complete except for Ron Page. There will likely be some adjustments to the existing easements from Mawhinny and GG Inn to

accommodate requests from Page for his easement; all parties are in agreement in principal. Kurt needs to complete the drawings and will put a rush on that. Mr. Gary Kirt introduced himself as one of the new owners of the Inn (M&M Hospitality), and GM Donnelly provided a brief overview of the District's activities.

Grant Agencies:

- RUS: nothing to report
- TSEP: nothing to report
- CDBG: Larry Watson provided the report. The public hearing process on the Environmental Assessment (EA) "version 3" ended 9/24/14. He met with the County Commissioners on 9/25/14 to discuss whether comments received during the public hearing process had been adequately addressed, in order for the commissioners to send the letter requesting release of funds to the Department of Commerce (DOC). In attendance at the meeting were the Deputy County Attorney, the consultant from Morrison-Maierle, all 3 commissioners, attorney Brian Gallik, David Loseff, and Terry Threlkeld. The intent of the meeting was not to have a discussion of the merits of the EA, however, the 3 parties were allowed to make additional public comments. The commissioners made the unanimous decision to accept Mr. Watson's recommendation, to send the letter to the DOC, requesting release of funds. The letter was sent on 9/25/14. DOC has a 15-day public hearing period, which will end on 10/20/14, and a decision will be made by DOC on 10/21/14 on whether or not comments received during public hearing process had been adequately addressed, in order to release funds.
- DNRC: nothing to report

UNFINISHED BUSINESS AND GENERAL ORDERS

Public hearing and Second Reading of an Ordinance Amending the Rules and Regulations of the District and Establishing a Volume Ration Unit Allocation Schedule

President Border opened a public hearing. The following sections of the Rules and Regulations were reviewed and discussed.

703: Delete "water and/or wastewater".

Director Sullivan made the motion to accept the change, Director Janes seconded the motion and it passed unanimously.

704 Strike and replace (in red) as follows:

~~All bills must be paid at the District office (or other designated location) promptly when due. Bills are due upon receipt but shall become delinquent 21 days from the date the billing is mailed.~~

All bills are due 30 days from billing date. Bills which remain unpaid 45 days or more from the billing date are considered delinquent and will be assessed a Late Payment Fee in accordance with Section 619.

Director Adams made the motion to accept the change, Director Janes seconded the motion and it passed unanimously.

721-727: Becomes Section 721. Sections 722-727 shall become bullet points within section 721; no changes to text.

Director Janes made the motion to accept the change, Director Amend seconded the motion and it passed unanimously.

811: Delete "water and/or wastewater". Director Sullivan proposed this statement is deleted from each statement in which it is included.

Director Sullivan made the motion to accept the change, Director Amend seconded the motion and it passed unanimously.

822: Change very last sentence as follows:

The permit shall remain in effect until the Board District makes a decision.

Director Janes made the motion to accept the change, Director Amend seconded the motion and it passed unanimously.

823: Change very last sentence as follows:

The permit shall remain in effect until the Board District makes a decision.

Director Janes made the motion to accept the change, Director Amend seconded the motion and it passed unanimously.

832: Change last sentence of first paragraph:

Other significant users proposing to connect to the system who are determined to be subject to Industrial Discharge Permit requirements shall apply at least 60 days prior to any discharges that possess the characteristics enumerated in Sections ~~313 and~~ 314.

Director Sullivan made the motion to accept the change, Director Adams seconded the motion and it passed unanimously.

832: Section 3, p. 54 change as follows:

3. Denial of Application: The Board District may reject any Industrial Discharge Permit Application where such application does not meet the requirements of these rules.

Director Amend made the motion to accept the change, Director Janes seconded the motion. Director Sullivan opposed the motion, which passed.

1101 – Section 2 delete comma. Section 3 change 'systems' to 'system'

1103 – Change ‘systems’ to ‘system’

1126.01 Change first sentence as follows:

Where feasible, ~~provide~~ an unobstructed 20 twenty foot wide permanent easement to the District over the improvements for access, maintenance and repair **must be provided**.

1126.03 Delete ‘inspecting’ and replace with ‘inspection of’.

Director Janes made the motion to accept the above 4 changes, Director Amend seconded the motion and it passed unanimously.

Appendix A

The following 3 changes were proposed to Appendix A:

1. Benefited property charge: add footnote #2:

²Any combination of lots less than 7,600 sq ft having the same owner and billed to the same customer shall, for the purpose of this charge, be considered as one lot.

2. Late Payment Fee:

Delete “per month”, now reads “\$10.00” with frequency of “each occurrence”.

3. Charge for Discontinuance or Reestablishment **of** Service

Director Janes made the motion to accept the above 3 changes, Director Amend seconded the motion and it passed unanimously.

The following 3 changes were proposed for the addition of a Delinquent Account Fee:

1. Add Section **624 Delinquent Account Fee**

1. Purpose: The Delinquent Account Fee offsets the District’s expenses related to securing liens and turning over collection of delinquent accounts in accordance with Section 711. The Board also finds that prompt collections are essential to the viability of the District. Therefore this fee also provides an incentive for prompt payment.

2. Cost Basis: The basis for the fee shall be the actual expenses incurred to secure the lien and to execute the provisions of MCA 7-13-2301 and additional charges to deter delinquencies as may be determined by the Board.

3. Method of Allocation: The Delinquent Account Fee shall be levied on all accounts delinquent under the provisions of MCA 7-13-2301. See Appendix A, Schedule of Rates, Fees, and Charges for current amount.

2. Amend Section 711 as follows (with addition in red)

Bills become delinquent as specified in Section 704. Delinquent public system user fees under this Ordinance shall be a lien upon the property served by the public system. Liens shall be executed against all delinquent accounts in accordance with Montana law and specifically §7-13-2301 MCA. Delinquent accounts which are transferred to Gallatin County for collection through the tax roll will be assessed a Delinquent Account Fee, in addition to late fees already applied to the account.

In the event of foreclosures or other reasons for changes in ownership, unpaid delinquencies, together with interest, costs, and reasonable attorney fees, shall remain a continuing lien upon the property against which each such assessment is made.

3. Add Delinquent Account Fee to Appendix A:

Delinquent Account Fee	\$60.00	Annually
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Director Janes made the motion to accept the above 3 changes, Director Amend seconded the motion and it passed unanimously.

Appendix B:

No changes were proposed.

Director Janes made the motion to accept Appendix B as written, Director Amend seconded the motion, and it passed unanimously.

Additional notes from discussion:

1. Advice from Council Swimley is still pending on how to document exceptions (e.g. for cost of connection, application and permits) for customers in the initial project phase.

GM Donnelly performed a second reading of Ordinance 2014-01:

Ordinance 2014 - 01

AN ORDINANCE AMENDING THE RULES AND REGULATIONS OF THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT AND ESTABLISHING A SCHEDULE FOR VOLUME RATIO UNIT ALLOCATION

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT AS FOLLOWS:

That pursuant to the authority granted under Section 7-13-2218 and Section 7-13-2301, MCA, the Board of Directors of the Gallatin Gateway County Water and Sewer District ('District') hereby adopts an ordinance amending the Rules and Regulations of the Gallatin Gateway County Water and Sewer District attached hereto inclusive of amendments; and

That pursuant to the authority granted under Section 7-13-2301, MCA, the Board of Directors of the Gallatin Gateway County Water and Sewer District ('District') hereby adopts an ordinance establishing rates, fees and charges for the public sewer and water system; and that said rates, fees and charges shall be codified in Section 6 and Appendices A and B of the Rules and Regulations of the Gallatin Gateway County Water and Sewer District attached hereto.

ADOPTED by the Board of Directors of the Gallatin Gateway County Water and Sewer District after reading on September 2, 2014 and second reading on October 6, 2014, and a third reading on November 3, 2014. This Ordinance shall be in effect 30 days after the date of the third reading.

NEW BUSINESS

President Border asked for any unfinished or new business.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next meeting date is November 3, 2014.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:54 p.m.

Secretary