

Gallatin Gateway County Water & Sewer District

PUBLIC MEETING

Date: June 2, 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 April 7, 2014
 - b. Approval of Meeting Minutes for May 5, 2014
- 3. Reports of Officers, Standing Committees, and Special Committees**
 - a. General Manager Report, Treasurer Report, Approval of Expenditures
 - b. Report of Community Liaison Committee
 - c. 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
- 4. Unfinished Business and General Orders**
 - a. Presentation and approval of 2014/2015 Budget.
- 5. New Business**
 - a. Any New Business Which May Come Properly to the Board
- 6. 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 2, 2014. Present at the meeting were board members Ted Border, Steve Janes, David Sullivan, Merle Adams and Eric Amend. Secretary/Treasurer Maralee Parsons Sullivan was also present; GM Matt Donnelly was absent. Kurt Thomson from Stahly Engineering and Larry Watson from Gallatin County were also present. Public attendees included Michael & Camille Faller, Christie Francis, Tim Szafaryn.

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. 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 April 7, 2014 meeting minutes, President Border asked whether there were any corrections. None were noted. Director Sullivan made the motion to approve the minutes as written, Director Adams seconded the motion and the minutes were approved unanimously with Director Amend abstaining as he was not present at the meeting.

After confirming that all directors had a draft copy of the May 5, 2014 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 Adams seconded the motion and the minutes were approved unanimously, with Director Sullivan abstaining as he was not present at the meeting.

REPORT OF GENERAL MANAGER & REPORT OF FINANCIAL CONDITION

No GM report.

Maralee Parsons Sullivan provided the Treasurer's report. The District's insurance company, MACo, is now receiving and paying invoices from the Helena attorney directly, to defend against the Gateway Village lawsuit. The District received an invoice from MACo for the \$1,000 deductible according to its policy. Director Sullivan made a motion to pay the \$1,000 invoice from the general fund; Director Amend seconded the motion and it passed unanimously. Matt Donnelly is attempting to get copies of the invoices that are being paid directly by the insurance company.

P&L: No income for the month of May. Expenses of \$1735 are for legal fees and the \$1000 insurance deductible.

Balance sheet: \$2,532 in the general fund, with \$670 in outstanding A/R. A/P of \$73,500 is primarily for legal and engineering charges. We do have a TSEP draw request to be approved tonight to pay down some Stahly invoices, so Stahly has agreed to continue to provide carry the remaining balance due interest free through August (a big thanks to Stahly). See TSEP section below.

A/R Aging: The aging summary was reviewed. Matt Donnelly is looking into what the District's obligations are legally to attempt to collect balances, and report past due accounts to the county.

Ms. Sullivan presented an expense report for \$117 on behalf of Matt Donnelly, for reimbursement for the District's expense for a 3-month period of the monthly \$39 fee for QuickBooks. Director Sullivan made a motion to pay the expense report; Director Amend seconded the motion, and it passed unanimously. Ms. Sullivan then requested Board approval to change the monthly \$39 billing for QuickBooks from Mr. Donnelly's personal credit card, to the newly acquired District debit card. Director Sullivan made the motion to approve the use of the District's debit card for future QuickBooks invoices; Director Adams seconded the motion, and it passed unanimously.

Ms. Sullivan asked for suggestions for topics for the next newsletter, in addition to an article about the selection of the SBR technology for its treatment plant, and the selection of the Xylem ICEAS system. There was some discussion around how to handle the people who are not paying their quarterly bills. A \$10 late fee will be assessed on all past-due accounts on the next quarterly billing on June 30, 2014.

REPORT OF COMMUNITY LIASON COMMITTEE

Director Janes indicated he had nothing to report.

REPORT OF ENGINEER

Technical Status

Kurt Thomson provided the engineer's report. As of this date there is just one outstanding easement, from resident Ron Paige, which is pending a real estate transaction with another resident. A delay on this easement would not impact the DEQ submission. Stahly will submit the design report to the Board and DEQ at the same time, address comments from both, and then resubmit the report with the comments to the Board and DEQ. Director Janes asked if the proposed gravel pit might have any impact on the District's plans. Mr. Thomson indicated he called DEQ but was not able to make contact, but his understanding is the gravel pit will require a setback from the existing drain field from the DEQ. Christie Francis asked if the District plans to request a hearing on the gravel pit application, in response to the letter mailed to all residents within a half-mile radius of the proposed gravel pit. President Border agreed to discuss this as new business at this point in the meeting. Should effluent come to the surface on

the drain field, the District would likely be required to apply UV disinfection, incurring a cost not currently in the District's O&M plan. As an adjacent landowner, with an existing drain field, the District may want to express concern, and specifically ask what protections would exist for its existing drain field, within the 500 foot mixing zone. The Board agreed to consult with the District's attorneys (Mr. Donnelly is already looking into this) and Director Janes requested the minutes of this meeting document the concerns discussed at this meeting. Director Adams made the motion to check the "yes" box on the form letter sent to the District, requesting a public hearing; Director Sullivan seconded the motion, and it passed unanimously.

Government reports, administration and draw requests:

- RUS: nothing to report
- TSEP: Ms. Sullivan presented a draw request for the January & February 2014 Stahly Engineering invoices, totaling \$32,559.75. Director Sullivan made a motion to approve the draw request; Director Janes seconded the motion and it was approved unanimously.
- CDBG: Larry Watson reported on the recent meeting with the commissioners and county attorney, at which the re-issuance of environmental assessment (EA) was discussed. The county attorney felt it was in the best interest of the county to reissue the EA. At the direction of the commissioners, Mr. Watson withdrew the EA, and the finding of no significant impact. He conducted a direct solicitation of 6 engineering firms, with 2 responses received. It was expected the cost would be about \$10K. The first proposal was for \$20K and the second was for \$18.2K. A contract is pending for the second firm for \$18.2K to re-do the EA, with a 90 day time frame (draft report due in 45 days, final report due 45 days later), followed by a 1-month public hearing period. With this schedule, CDBG funding may be available to the District by October. The county will be paying the cost of the new EA, and the new report will indicate the use of SBR technology selected by the Board in April. In addition, Mr. Watson is following up on the resolutions for the bond to ensure the bond language and timing allows the District to capture all necessary expenditures, and will be able to bill against the bonds.
- DNRC: Nothing to report.

UNFINISHED BUSINESS AND GENERAL ORDERS

Presentation and approval of 2014/2015 Budget

Ms. Sullivan presented the draft 2014/2015 budget. There are 3 individual budgets for each of the District's 3 funds:

1. **Sewer Enterprise:** 0 budget proposed since no operations are anticipated in FY2015.
2. **General Fund** (anything not paid for by grants and loans). Sole income is budgeted as \$10K from the benefited lot charge. Expenses are budgeted in categories of accounting, insurance, office supplies, professional services, publications, and interest expense, amounting to \$10K.

3. **Project Fund** (all activity related to initial sewer project, with income from funding sources DNRC, TSEP, RD and CDBG.) Total FY2015 budget for income and expenses line up at \$2,504,450. Staffing levels are budgeted at 0.

Director Sullivan made the motion to approve the budget as written as a whole; Director Janes seconded the motion, and it passed unanimously.

NEW BUSINESS

President Border introduced as new business the discussion around VRU (volume ratio units) in estimating wastewater flow, for different types of property uses (hotel, restaurant, etc.) and some examples were reviewed. President Border indicated he has looked at the VRU used by Big Sky Sewer District, but feels GGWSD should be able to justify its own determination of units, and also will need to ensure the District has a good appeals process in place should customers feel they are not being treated equitably. There is very little metering currently being done in Gateway. There will be further discussion on this at future meetings.

President Border then introduced as new business a clarification of the late fee listed in Appendix A of the GGCWSD Rules & Regulations. The late fee is written as "\$10/month, per occurrence," but the intent was to levy a \$10 per occurrence late fee, and the billing frequency is currently quarterly. There was discussion around amending the late fee to include a TBD percent late charge, based on outstanding balance. Changes in rules and regs will require an agenda item and a public notice, so this will need to be changed in the next few months.

President Border asked for additional unfinished or new business, and seeing none, President Border noted that the next meeting date is July 7, 2014.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 8:25 p.m.

Secretary