

# **Gallatin Gateway County Water & Sewer District**

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## MINUTES OF THE

### **BOARD OF DIRECTORS**

A regular meeting of the Board of Directors of the Gallatin Gateway County Water & Sewer District was held via teleconference on April 13, 2020. Present at the meeting were board members Eric Amend and Ted Border. General Manager Matt Donnelly and Secretary/Treasurer Maralee Parsons Sullivan were also present. Members of the public included Pete Stein, Linda Cox and Justin Brechtelsbauer.

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

GM Donnelly noted that the District had received 3 sets of public comments related to the proposed campground site, which have been distributed to the Board and which shall be appended to the meeting minutes.

#### PUBLIC PARTICIPATION OF NON-AGENDA ITEMS

President Border asked for public comment on non-agenda items. Pete Stein asked if a quorum was present to conduct business. GM Matt Donnelly replied that statute dictates that a vacancy in the Board of Directors shall be filled by majority vote of the remaining directors. It was noted that the first item of business on the agenda is to nominate and elect a director to fill the vacant board position.

There was some public comment on the proposed campground site. GM Matt Donnelly stated that the District has extended the applicant's "Will-Serve" letter. It was the legal opinion of the District's counsel that denying the applicant's written request for extension would put the District at risk of litigation, which the District would need to defend, with legal fees being paid for by the District's rate-payers. Other public comments expressed concern about the proposed campground being in a flood-plain. It was noted that the District could revise its application procedures so that all permits needed from the various reviewing/approving agencies are listed on the application.

#### CONFLICT OF INTEREST DISCLOSURE

President Border asked if there were any items of conflict of interest, or potential conflict of interest, to be raised. None were raised.

#### ANNOUNCEMENTS

1. GM Matt Donnelly read the notice posted on the District's website, announcing the passing of Director David Sullivan on March 22, 2020.
2. Mr. Donnelly advised the Board that Maralee Parsons Sullivan has resigned her position of District Treasurer, effective immediately, and thanked her for her years of service in the position.
3. Mr. Donnelly advised the Board that he is submitting his resignation as General Manager, effective April 30, 2020.

President Border thanked both Maralee and Matt for their years of hard work on behalf of the sewer district, noting he expected both would continue to be involved in other capacities.

### BOARD VACANCY

#### Nominations For and Election of Director to Fill Vacant Board Position

After it was noted that Matt Donnelly's resignation will not be effective until the end of the month, Director Amend nominated Maralee Parsons Sullivan to fill one of the two vacant seats on the Board, effective immediately. There were no other nominations. Ms. Parsons Sullivan accepted the nomination. There was no Board discussion and no public comment. Ms. Parsons Sullivan was elected to the Board of Directors unanimously and attended the remainder of the meeting in her new capacity of Director. It was further decided she would take the open seat vacated in 2019 by Elana Wexall's resignation.

### APPROVAL OF MINUTES

After confirming that all directors had a draft copy of the March 9, 2020 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 Parsons Sullivan seconded the motion and the minutes were approved unanimously.

### REGULAR BUSINESS

#### Discussion and Decision Modifying Fees and Penalties in Response to the Governor's Coronavirus Directives

Ms. Parsons Sullivan reviewed the staff recommendation provided to the Board on this topic. She noted that due to economic impacts being felt from the Governor's stay-at-home directives, some customers may be unable to pay some or all of their sewer bills over the next few months. She reviewed the District's current cash flow, and recommended that the District suspend its \$10 late fee for 60 days, starting with the 4/30/2020 invoices. She noted this would reduce the District's General Fund by approximately \$210-300 through 6/30/2020. Board comments included acknowledgment that many utilities are offering similar help for customers, and taking this action may help the community. Director Amend moved to approve the temporary policy to suspend late fees for 60 days, effective 4/30/2020. Director Parsons Sullivan seconded, and the motion carried 3-0.

#### Discussion and Decision on Contract Service to Fulfill General Manager Duties

GM Matt Donnelly provided the Board with an Independent Contractor Agreement for GM Services, which was drawn up by the District's attorney. Mr. Donnelly introduced Justin Brechtelsbauer, candidate for the contract position of General Manager. It was noted that all Directors were able to meet with Justin prior to the meeting. Mr. Brechtelsbauer is currently Maintenance Manager at Four Corners Water & Sewer District. Mr. Donnelly noted that the GM of FCWSD is supportive of Justin taking on the role of GM of GGWSD, a role which is expected to require 6-8 hours per week, and Justin would devote his personal time outside of his regular 40-hour work week at FCWSD to these duties. Mr. Brechtelsbauer noted that he has aspirations of assuming the GM role at FCWSD, and believes the experience of leading a small District such as GGWSD

would provide him with a path toward achieving that goal. He also noted that he sees this as an opportunity for the two districts to work more closely together. Board comment indicated that they felt Mr. Brechtelsbauer has strong technical skills and has shown a willingness to learn the financial and customer-facing responsibilities of the job. It was also noted that having him working in both districts provides synergies from which both districts can benefit.

Director Amend moved to authorize Director Parsons Sullivan to engage in contract negotiations with Mr. Brechtelsbauer; Director Parsons Sullivan seconded. The motion carried 3-0.

#### 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 March flows were down. On March 20 the District's contractor completed the work on a bypass for the lift station, which will allow the District to pump into the force main using a portable pump or pump truck, in the event there is a total failure of the lift station pumps. During the work the contractor turned off the circuit breaker feeding the flow meter. The issue was not caught and corrected until March 25. He also advised that he is working on two new pre-design applications.

The Board reviewed the current monthly financial package (P&L and Balance sheet) for FY starting July 1, 2019. Ms. Parsons Sullivan also provided a quarterly review of the budget. General Fund is under-budget in expenses by \$1,882 through Q3. Sewer Enterprise Fund is under-budget in revenue by \$4483, primarily due to the revised methodology for determining VRU, and slower than anticipated growth. Sewer Enterprise expenses are significantly under-budget (\$35,174), due to lower than anticipated O&M costs and the anticipated agreement with FCWSD for contract operator services has not been initiated. The District's debt payments and reserves are right on target.

The Board briefly reviewed the construction contractor's punch list of outstanding items, noting it is Stahly's responsibility to hold the contractor's feet to the fire and get the items done. Director Amend agreed to contact Kurt Thompson this week.

President Border then asked for unanimous consent to adjourn. Seeing no objection, the meeting was adjourned at 7:42 p.m.



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Secretary

