

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING
March 18, 2021

Tom Morris	President	PRESENT	Vacant	Director	
Beth Hutchinson	Vice President	PRESENT	Jason Gilpin	Director	PRESENT
Pat Goodover	Director	PRESENT	Felicity Derry	Secretary	PRESENT
Jean Curtiss	Manager	PRESENT	Kim Myre	Missoula Co	PRESENT

Public Attendance - Appendix A

CALL TO ORDER:

The meeting was called to order by Tom Morris at 6:04pm. The meeting was held remotely via Zoom, due to COVID-19.

APPROVAL OF AGENDA:

Beth Hutchinson requested that the 2022 Budget be moved to 11e. There were no objections to this amendment.

PRESIDENT’S COMMENTS:

Tom Morris commented that there had been many untrue rumors circulating regarding the Board. The Board would continue to be transparent. Board decisions would only be taken during open meetings. The electorate had voted no to the bonds and therefore the Board was obligated to review alternatives, while not unnecessarily spending money.

PUBLIC COMMENT:

None.

CORRESPONDENCE:

Rural Development (RD)

Jean Curtiss noted that this correspondence, which informed the District that RD was withdrawing the funding, was referenced at the February meeting, but had been received too late to be put on that agenda.

Don Larson

Jean Curtiss noted that Don Larson had repeated his request for the District to reimburse him for his attorney’s fees. A response to this letter was under New Business.

MACo

Jean Curtiss noted that MACo would not make any decisions regarding covering the District until April.

MINUTES:

February 4 & 24, 2021

Jason Gilpin moved to approve the minutes of the February 4 & 24, 2021 Board Meetings as presented. Pat Goodover seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

FINANCIAL REPORTS:

Invoices – February 2021

Jean Curtiss suggested that the Board postpone addressing the bond counsel invoice until the April meeting, while the possibility for grant reimbursement was researched.

Tom Morris moved to hold off discussion and/or action on the bond counsel invoice until the April meeting.

Jean Curtiss suggested also separating out the DEQ discharge permit invoice until after the budget discussion and outlined the annual cost to renew the discharge permit. Tom Morris noted that there was a motion on the floor. Jason Gilpin, Beth Hutchinson and Pat Goodover all seconded the motion, which carried the motion.

Colleen Krause questioned when the Board was informed that they would have to pay the bond counsel and when the Board had taken action on that. Tom Morris noted that was currently being researched.

Tom Morris moved to wait to pay the DEQ discharge permit invoice also, until there had been discussion at the next meeting. Beth Hutchinson seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Jean Curtiss reviewed the invoices for the Board. At the request of Beth Hutchinson Jean Curtiss reviewed the general administration listed on her invoice and outlined the zoom meeting with the Seeley Lake Community Council. The Board discussed the unfinished items within the Great West Engineering (GWE) contract and that Phase II design would be completed by the end of March, but GWE would not perform any other work.

Jason Gilpin moved to approve the invoices for payment, minus those from Dorsey & Whitney and DEQ. Beth Hutchinson seconded the motion. There was no further discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Jean Curtiss noted that the Christian, Samson & Baskett invoice had been received late and therefore would be on the April agenda.

Financial Reports – January 2021

Felicity Derry reviewed the bank account balances at the request of Beth Hutchinson. Jason Gilpin requested that the second page of the check detail be sent to him as it had not been included in his packet.

MANAGER’S REPORT:

Jean Curtiss reviewed the bond election results and how they could be interpreted with regard to the next steps for the District. Without a project the electorate would expect the District’s annual assessment to be minimal. This was reflected in the projected 2022 draft budget. Jean Curtiss outlined the necessary acts of the District and the associated costs.

Jean Curtiss noted that she had been contacted by various legislators with regard to federal COVID funds for Montana and she had provided the legislators with the information that they had requested. Jean Curtiss had a conversation with RD regarding any possible funding from the COVID funds and how that might possibly work with RD. The funders confirmed that none of the expended grant funds would need to be repaid by the District.

Jean Curtiss noted that Vince Chappell had damaged his snowmobile trailer while testing this month and would be submitting a bid for the repair at the next meeting.

UNFINISHED BUSINESS:

Legal Update

Jean Faure informed the Board that she had filed the brief in opposition to the plaintiffs’ motion for summary judgement, as well as a brief in support of the District’s own motion for summary judgement. Jean Faure then explained what that meant to the District and what the focus of the argument was.

Due to the backlog of cases due to COVID, Jean Faure expected that the judge would rule on the case in about four to six months.

Next Steps - Regarding Closing Out The SBR Project & The Relating Grants

Jean Curtiss outlined what the next steps were with regards to the funding from the LOR Foundation/Community Foundation, RD, RRGL, TSEP, WRDA and STAG. DEQ would need to be notified if the discharge permit was not renewed.

The interlocal agreement with Missoula County will expire in the fall and the Commissioners will be sending a letter releasing some of the commitments. The District will need to repay the expended \$21,000 of the loan from Missoula County.

The District will have to withdraw from the GWE contracts.

Tom Morris added that the funding agencies had confirmed that the District did not have to pay back any of the expended grant funds. Tom Morris questioned if the Board wished to appeal the de-obligation of the RD funds.

Pat Goodover moved that the District did not plan to appeal the decision of USDA Rural Development to de-obligate their funds. Beth Hutchinson seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Discussion followed as to whether the notification should be written. It was agreed that Tom Morris should sign the letter and that no Board was needed prior to being sent.

Tom Morris reviewed what action needed to be taken with DNRC/RRGL.

Pat Goodover moved that the Board submit to DNRC/RRGL the final report and submit a draw for the final \$12,500 for the Phase II grant and to relinquish \$15,000 funds for Phase III planning grant and for Tom Morris to sign it as President. Beth Hutchinson seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Tom Morris reviewed the actions that needed to be taken with regard to the TSEP grant funds.

Tom Morris moved to notify TSEP that the District will relinquish the \$750,000 award for the Phase I construction, the \$15,000 for the Phase III planning grant and the \$750,000 in HB11 for the Phase II construction. Jason Gilpin seconded the motion. The Board discussed the wording of the motion and that the \$750,000 for Phase II had not been awarded. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Tom Morris reviewed the WRDA grant funds, noting that some would be used for the Phase II final design through March 31, 2021, as well as for the bond counsel invoice and the remaining funds would be relinquished. Discussion followed on if there were figures for the items discussed. The amount that WRDA had set aside for the District's final reimbursement was reviewed and that the letter would not be sent until after that reimbursement request had been submitted. Aaron Neilson confirmed that WRDA had agreed to pay the engineering work through March 31, 2021. Discussion followed on approving the letter to be sent to WRDA and the possibility of a special meeting to approve a letter that included precise numbers. A motion and the language to be used in such a motion was discussed.

Pat Goodover moved to submit the qualifying expenses for the Phase II final design work completed through March 31st of this year and to submit qualifying expenses for bond counsel related to the design for Phase I and the treatment plant and to relinquish the remaining funds in the 2010, 2017 and 2018 awards, not already invoiced with our last draw and for Tom to sign anything he needs to make this happen. Tom Morris seconded the motion. There was no further discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Tom Morris noted that EPA/STAG needed to be notified that the District would relinquish the remaining funds. The Board reviewed how much STAG money remained.

Pat Goodover moved that the District notify EPA and STAG to relinquish \$513,840.06 and for Tom to sign anything that he needs to. Jason Gilpin seconded the motion. There was no further discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye

Jason Gilpin Aye
Director Vacant

Tom Morris requested discussion from the Board on whether to renew the DEQ discharge permit. Discussion followed on the annual expense to maintain the discharge permit and that a different system would require a new permit application.

Beth Hutchinson moved to send a letter to DEQ indicating that the District does not wish to renew the discharge permit on the property up by the airport and that Tom should sign it. Tom Morris seconded the motion. There was no further discussion. The motion was carried.

Tom Morris Aye
Beth Hutchinson Aye
Pat Goodover Aye
Jason Gilpin Aye
Director Vacant

Discussion followed regarding withdrawing from the GWE contract, not proceeding with Phase III and that GWE would complete the Phase II design through March 31, 2021. Amy Deitchler confirmed that taking official action on this at the April meeting would work for GWE.

NEW BUSINESS:

Process for Appointing a Director

Jean Curtiss, as a private citizen, had requested an amendment to HB255 and it had been granted. The current status of HB255 and the changes that had been made to the bill were reviewed. Discussion followed on the Board members sending comments on HB255 and how the District should proceed to fill the vacant director position. Who qualified for the position was reviewed. The Board agreed that there should be preapproved questions for the interviews and that the Board should send those questions to the Secretary.

The Board agreed that the process should not be rushed on account of HB255 and that a committee to approve the questions should consist of Pat Goodover and Tom Morris.

Colleen Krause suggested that one of the criteria should be those that had taken an interest and attended the meetings.

The Board agreed that Beth Hutchinson should draft an advertisement that would be sent to Jean Curtiss, who would ensure that it complied with state law before submitting it for publication in the Pathfinder's next issue. The Board agreed that the applications should be requested by April 13, 2021 and discussed when the interviews could take place.

Tom Morris needed to take a break and relinquished the chair to Beth Hutchinson.

Beth Hutchinson moved to persue an application process that will involve having people submit a letter of interest and resumes and then to meet with the Board for an interview. The Board will not necessarily have to accept these applicants if they are not suitable. Tentatively the schedule is to put an ad in for March 22nd and March 29th. To collect applications by April 13th and to decide at the April meeting when the interviews will be conducted. Pat Goodover seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Absent
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Resolution#03182021a – Postponing the Project Until Adequate Funding is Authorized, Approved and Available

This resolution had originated from Aaron Neilson, with input from the District’s bond counsel. Aaron Neilson clarified that the resolution documented the history of the resolutions and showed the trajectory to this point. This resolution would put the project on hold until adequate funding was available.

Tom Morris returned to the meeting.

There was in depth discussion regarding the wording and intent of the resolution and that certain language had been included by the bond counsel. Tabling the item until after the Executive Session was discussed. The language of the resolution and the purpose of the District, with regards to the resolution was discussed with Aaron Neilson. Aaron Neilson suggested continuing the conversation in the Executive Session. Discussion continued as to the wording of the resolution between the Board and Aaron Neilson. Beth Hutchinson requested that this item be tabled until after the Executive Session.

Nathan Bourne questioned closing the meeting to discuss the resolution, when it was not covered under litigation. The Board discussed closing the meeting. Aaron Neilson clarified that it would be to discuss anything relating to the lawsuit and not the resolution itself.

Beth Hutchinson moved that in the last whereas, ultimate completion of the project is scratched and furtherance of the District’s purpose (is inserted). Then in the resolved that a sewer system project is scratched and the District’s purpose is put in there.

Arron Neilson noted that the last recital had changed it to read, “while equally devoted to the furtherance of the District’s purpose.” Then in the resolution portion it read, “with undertakings in furtherance of the District’s purpose.” This made the resolution more general and in line with the District’s purpose.

Jean Curtiss read the resolved paragraph, “Resolved that the District hereby places plans for the project on hold until the District’s then-existing board of directors finds sources of adequate funding to proceed with undertakings in furtherance of the District’s purpose.” Discussion followed on removing “adequate funding” from the paragraph. After much discussion, the Board agreed that “adequate funding” should remain. The language of the resolved paragraph in Beth Hutchinson’s motion was compared to what had been read and they were found to say basically the same thing. Pat Goodover seconded the motion. There was no further discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Tom Morris clarified that when he returned, he had retaken the chair from Beth Hutchinson.

Resolution#03182021b – To Reprioritize and Broaden District Efforts to Address Wastewater Treatment

Tom Morris read the resolution. The Board discussed the public rejecting the financing and not the system and agreed to change the wording to reflect that. The Board and Aaron Neilson discussed what the public had voted on. Aaron Neilson and the Board further discussed the language of the first paragraph and agreed to, “the qualified Seeley Lake Sewer District electorate voted on February 23 to not support the bonding measures by 198 to 98.”

The Board discussed the second paragraph and agreed to remove “SBR treatment system” and “USDA” from the second paragraph.

Discussion moved to the language and the intent of the resolution. Aaron Neilson suggested changing the language to, “shall continue to evaluate existing and other wastewater treatment systems within the District.” Pat Goodover, as well as Jim Erven, agreed with Aaron Neilson’s amendment. There was further discussion with Aaron Neilson regarding the language and intent of the resolution.

Beth Hutchinson suggested the following language, “therefore be it resolved that the Seeley Lake Sewer District board of directors shall move forward to pursue various options to address wastewater treatment within the District.” This language was discussed and Aaron Neilson suggested replacing “pursue” with “evaluate”. After further discussion the Board agreed to, “study and evaluate options to address wastewater treatment.”

The Board and Aaron Neilson reviewed how the two resolutions fit together and whether they could be combined. The purpose of the second resolution was defined and discussed. The Board agreed that the two resolutions should be separate.

The language of the title was reviewed and it was agreed that it should reflect the language used in the resolved paragraph. The amendments to the resolution were reviewed. Beth Hutchinson read the amended resolution.

The Board agreed to remove “SBR treatment system” from the first whereas, to replace “aside from” with “in addition to” in the fourth whereas and to replace “various options” with “options” in the resolved paragraph.

Beth Hutchinson moved to pass this resolution with the last editing modifications, taking out the various and taking in the resolved and taking out SBR in the first whereas. Pat Goodover seconded the motion. There was no further discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Nathan Bourne noted that he would send the information he had received from Rural Development regarding funding for alternative systems.

Phase III Preliminary Work

Jean Curtiss gave the Board some background on the decision to move forward or not with Phase III.

Tom Morris moved to terminate the contract for the preliminary work on Phase III and notify the funders. Beth Hutchinson seconded the motion. Pat Goodover added to the motion that Tom Morris should sign the necessary paperwork. **Tom Morris reiterated the motion to terminate the contract for the preliminary work on Phase III, to notify the funders and that the President should sign the necessary paperwork.** There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

2022 Budget, Including Monitoring Wells & Testing Parameters

Jean Curtiss shared the FY2022 budget working document on the screen and reviewed the draft budget, noting that the figures assumed that the Board would only meet four times a year. Also, reminding the Board that a methodology for the fee assessment would need to be discussed and approved.

Beth Hutchinson felt that the Board should continue to meet monthly as there was so much work to be done and invited discussion on that subject. Pat Goodover agreed that the Board should actively pursue options, which would require more frequent meetings. Tom Morris concurred that the Board needed to do what they had been elected to do, despite the effect that would have on the budget. Jason Gilpin agreed that the Board had a responsibility to meet monthly and should continue to do so. The Board agreed by consensus that monthly meetings should be reflected in the draft budget.

The well and lake tests performed and reducing the testing frequency was discussed. Jim Erven felt that the Health Department would not support reducing the testing, noting that the Health Department was discussing options for data gathering to assist with regulatory decisions. The continuity of the data was discussed.

Beth Hutchinson reviewed the estimated cost to drill five additional wells and suggested holding a public hearing to gauge public opinion. Chloride testing was discussed and possible sources for chlorides. Pat Goodover suggested keeping the quarterly testing, but felt that the additional wells could be addressed in the future. Aaron Neilson added that the Board had the option of calling a special meeting if the Board chose to hold quarterly meetings. The additional wells were discussed further. Tom Morris requested public comment. There was no public comment.

Pat Goodover moved to test four times a year and to drill the additional five wells when possible. Beth Hutchinson seconded the motion. Colleen Krause noted that she would welcome testing on C Street and was fine with the increase to the budget, if it was assessed as a flat fee. Nathan Bourne estimated that there would be \$70,000 to \$80,000 in the reserve funds, which could be used to pay for the additional wells, whereby reducing the 2022 budget. Jean Curtiss reviewed the items that were over budget in the current budget and what effect that had. Tom Morris felt that the District should budget for its expenditures, and then reduce the budget accordingly the following year as needed. The motion was carried.

Tom Morris	Nay
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Jean Curtiss noted that the Board needed to discuss the fee assessment methodology at the April meeting and then reviewed the options available to the District. The Board discussed the different methods and those that the District had utilized in the past. The Board discussed the flat fee, the market value and the commercial residential bare lot methods. The Board requested that the fee assessment methodology options be brought to the April meeting for review. Jean Curtiss outlined the public process for the budget and then for the fee assessment methodology. Aaron Neilson suggested that the Board not adopt the budget before it had been finalized. The Board agreed to the changes that had been made to the draft FY2022 budget during the meeting and that the draft FY2022 budget and two assessment methodologies would be reviewed at the April meeting.

Kim Myre noted that preparing the market value methodology would not be a problem and questioned when the assessment methodologies would need to be posted on the website. Also, when the draft FY2022 budget would be posted online. Jean Curtiss reviewed which assessment methodologies needed to be prepared for review at the April meeting.

Pat Goodover moved to put out the working budget that had been prepared for further discussion and decision making at the next meeting. Beth Hutchinson seconded the motion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Response to Don Larson Correspondence

Beth Hutchinson moved that Jean Curtiss find the last letter the Board sent to him and send it again. Aaron Neilson suggested replying by saying, kindly no. The response letter that had been drafted was reviewed, discussed and amended to just say, no. Beth Hutchinson approved the modification to the motion; however, was happy with the first letter. Discussion followed on the language that should be used in the letter. Beth Hutchinson gave Aaron Neilson some background on the Larson case and possible developments. Aaron Neilson felt that this was possible legal advice on a case unfamiliar to him and should be discussed in an Executive Session. The Board discussed whether it could be discussed at this meeting or, at the April meeting. Beth Hutchinson withdrew her motion.

Pat Goodover moved to respond by saying your request is denied and leave it at that. Tom Morris seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Jason Gilpin moved to enter into Executive Session for Legal Strategy Regarding the Lawsuit. Pat Goodover seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

All of the Regular Board Meeting attendees who did not attend the Executive Session were placed in the Zoom meeting waiting room while the Executive Session took place.

EXECUTIVE SESSION:

The Board entered into the Executive Session at 9:37pm. The Executive Session concluded and the Regular Board Meeting resumed at 10:11pm.

The public rejoined the meeting from the Zoom waiting room at 10:11pm.

NEXT REGULARLY SCHEDULED MEETING: April 15, 2021

AGENDA ITEMS FOR NEXT SCHEDULED MEETING:

Tom Morris noted that the following items should be added to the April agenda: FY2022 Budget & Assessment Methodology, Appointing a Director, Appointment Committee Report, Funding Final Report, GWE Contract and Alternatives - Discussion

ADJOURNMENT OF MONTHLY BOARD MEETING:

Tom Morris moved to adjourn the meeting at 10:17pm. Jason Gilpin seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Jason Gilpin	Aye
Director	Vacant

Attest:

Tom Morris, President

Felicity Derry, Secretary