

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING
May 21, 2020

Pat Goodover	President	PRESENT	Walt Hill	Vice President	PRESENT
Mike Boltz	Director	PRESENT*	Davy Good	Director	ABSENT
Beth Hutchinson	Director	PRESENT	Felicity Derry	Secretary	PRESENT
Jean Curtiss	Manager	PRESENT	Kim Myre	Missoula Co	PRESENT

* Joined the meeting at 6:02pm
Public Attendance - Appendix A

CALL TO ORDER:

The meeting was called to order by Pat Goodover at 5:30pm. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

Pat Goodover noted that Tom Morris and Jason Gilpin were also present for the meeting.

APPROVAL OF AGENDA:

Jean Curtiss requested that the EDA grant be switched from a discussion item to an action item to ratify the change in focus of the grant application stemming from a poll of the directors. The Board discussed the agenda.

Walt Hill moved to approve the agenda as it needed to be modified. Pat Goodover clarified that the Board member comments would be repositioned to the President's Comments. There was no further discussion. The motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Absent
Beth Hutchinson	Aye

PRESIDENT'S COMMENTS:

Pat Goodover noted that the two perspective Board members were present and their input was requested. Pat Goodover read a statement (Appendix B) to assist the perspective Board members be informed about the status of the project.

Tom Morris noted that in the protest, only the assessment methodology could be protested, not the project. Tom Morris disagreed that the public did not need to vote on the project.

Individual Board Member Comments Regarding Board Transition

Walt Hill thought that the Board had moved the sewer system forward as per the by-law's purpose, and had done everything necessary to mitigate the Health Department's concerns. Walt Hill was in favor of continuing on the current path and to get the project out to bid while bids were coming back extremely low.

Beth Hutchinson was in favor of putting the decision as to whether the sewer project should move forward or not to the electorate, as she felt that the Board had historically refused to listen to the electorate.

Tom Morris felt that the sewer project should be put to a vote of the electorate.

Jason Gilpin felt that the sewer project should be put to a vote of everybody in the District.

Pat Goodover agreed with Walt Hill that the sewer project was ready to go to bid. Agency approved alternative systems had been evaluated. Numerous agencies had reviewed and approved the proposed system. There was no better system to accomplish the environmental needs.

PUBLIC COMMENT:

Franny Trexler read an email she had sent to Pat Goodover. (Appendix C).

Franny Trexler was concerned that unemployment was high and COVID would exacerbate the affordability of the sewer to the people in Seeley Lake. It was the wrong time to continue with the project. Slowing the process down had been voted on twice. It had been said that if the project did not happen the feds would make it happen. Currently the Trump administration had eliminated the clean water act and was making it easier to discharge sewage. So, listen to the voters.

Colleen Krause disagreed that the alternatives had been considered.

Michael Richards had requested a spreadsheet showing the cost of the system by phase and how each phase was funded at several previous meetings. To date nothing showing the funding, the overall cost or the cost to the customers had been produced. Michael Richards questioned how it could go to bid when the customers didn't know how much it would cost per month? Pat Goodover explained that the actual cost would not be known until the bids were received. Mike Richards was frustrated at being told the cost was not known.

Nathan Bourne asked Jon Beal to clarify a comment from the previous meeting. This would be discussed under legal update.

CORRESPONDENCE:

DEQ – Phase I Approval for Collection & Treatment & USDA – Agency Concurrence

Jean Curtiss clarified that the District had received DEQ approval for the treatment plant and Phase I collection system. Also, concurrence had been received from USDA. The project was ready to go to bid.

05/21/2020

Seeley Lake Sewer District

Regular Meeting & Public Hearing

Jean Curtiss explained that the customers in Phase I already had received their maximum monthly debt service cost for the Phase I collection system and the treatment plant. GWE had been contracted for the Phase II final design. Currently there were only estimates for Phases III & IV.

A document showing the project funds and cost would be put on the website for the public to view.

Response to the John Richards

This letter requested clarification from John Richards.

6:02pm Mike Boltz joined the meeting.

MINUTES:

April 13, 2020

The Board discussed the amount of the EDA grant. The minutes for the April 13, 2020 meeting were approved as presented.

April 16, 2020

There was no discussion. The minutes for the April 16, 2020 meeting were approved as presented.

April 20, 2020

Beth Hutchinson requested more detail be added in the discussion regarding the attorney bill and that a binder and basic documents be added towards the end of the minutes regarding the information for new Board members. There was no further discussion.

Pat Goodover moved to approve the April 20, 2020 minutes as modified. There was no further discussion. The motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Aye
Davy Good	Absent
Beth Hutchinson	Aye

FINANCIAL REPORTS:

Invoices – April 2020

There was no discussion regarding the invoices.

Pat Goodover moved to pay all of the invoices as presented. There was no discussion. The motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Aye
Davy Good	Absent
Beth Hutchinson	Aye

March 2020 Financial Reports

The Board discussed an audit as well as well and lake monitoring. Pat Goodover informed the Board that he had discussed the attorney invoice with Jon Beal, who had discounted it by \$5,000.

Pat Goodover recessed the regular meeting at 6:15pm

SEELEY LAKE SEWER DISTRICT **PUBLIC HEARING** **May 21, 2020**

CALL TO ORDER:

The meeting was called to order by Pat Goodover at 6:15pm. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

TSEP Grant Application

Amy Deitchler, Great West Engineering shared her screen and gave a presentation for the Phase II PER and TSEP grant application. The presentation included the background of the project, already secured project funding, other potential funding sources, study conclusions, the treatment alternatives already considered, the environmental assessment and the project funding strategy.

The estimated Phase II monthly residential user rate would be \$109, which was 300% of the TSEP target rate. The District was working hard to bring that amount down by utilizing other funding sources. If the Rural Development grant obtained was raised from 25% to 50% it would lower the monthly cost to \$76.

Once public comment had been accepted on the draft environmental assessment and the PER, the PER would be finalized and the TSEP grant application would be submitted. Phase II was scheduled to go to bid spring 2021 and then constructed summer 2021.

PUBLIC COMMENTS:

Beth Hutchinson and Amy Deitchler discussed the importance of an income survey and aspects that influenced the TSEP ranking system.

Pat Goodover asked Tom Morris and Jason Gilpin if there was anything that concerned them. Tom Morris was concerned about the cost and repeated a previous request that a real cost for the project be provided. Jason Gilpin was concerned that the numbers did not add up. Amy Deitchler requested that the Tom Morris and Jason Gilpin meet with her and review the funding scenario spreadsheet. The engineer's estimated cost of construction was the number that was being used. Currently bids had been coming in at 40% below the engineer's estimate.

Tom Morris was concerned that SBR systems in the state that had no building, such as what was planned in Seeley Lake, had frozen. Amy Deitchler clarified that the regular aeration inhibited freezing and referenced various systems around the state operating without buildings that had not frozen.

Nathan Bourne and Amy Deitchler discussed the funding scenario that would be submitted with the grant application and the combined cost of the water and sewer bill.

Doug Hadnot found a monthly sewer bill of around \$175 to be totally unacceptable. DEQ had said there was no pollution in Seeley Lake stemming from septic systems. Nitrate levels were not above the accepted level, so there was no reason for the sewer system. The District did not encompass all of the homes around the lake. The reasoning behind the sewer was questionable and the solution was inadequate. The people of Seeley Lake could not afford the system and a regional solution should be explored. He did not want his tax money spent in the form of grants. Amy Deitchler commented that additional grant funding was being pursued to lower the rates, as the proposed rates were very high.

Jim Erven, Missoula City County Health Department, clarified that there was documented pollution in groundwater caused by septic systems. DEQ had not say there was no pollution. While Jim Erven respected everybody's opinion on what was a fiscally responsible solution, there was definitely a pollution problem.

Jean Curtiss added that the funding had been approved by the Montana legislature in 2021 from coal tax money. The Board discussed the circulation of the resolution. Jean Curtiss then read Resolution#05212020 (Appendix D).

Pat Goodover moved to approve Resolution#05212020. There was no further discussion. The motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Aye
Davy Good	Absent
Beth Hutchinson	Abstain

Pat Goodover asked how Tom Morris and Jason Gilpin would vote. Tom Morris and Jason Gilpin both would have voted nay.

Pat Goodover adjourned the Public Hearing at 7:00pm

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING
(CONTINUED AFTER TSEP HEARING)
May 21, 2020

CALL TO ORDER:

The meeting was reconvened by Pat Goodover at 7:00pm. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

MANAGER'S REPORT:

Jean Curtiss noted that the Board would be reviewing the estimated 2021 operating budget and the assessment methodology later in the meeting.

USDA had expressed concerns over committing a large amount of money to the project, and that next year it would be 5 years since the money had been obligated.

Documents had been circulated to the Board to clarify how VRUs factored into the system.

Documents regarding an income survey had also been circulated to the Board. Missoula County grants had indicated that the overall project would not be eligible for CDBG money. Jean Curtiss would be exploring if individuals could qualify.

The assessment methods had been reviewed and the different ways to spread the cost. There was a reference in the PER to Bruce Wold's lot on Whitetail Drive being annexed into the District.

The LOR Foundation was considering helping the District work with a professional firm to get the facts out to the public and do some public outreach.

The District had spent a lot of money out of the reserves, which the District had been setting aside rather than using the grant money, because the lawsuit had prevented the project going to bid. To date spending out of the reserve account had been approximately \$160,489.

Jean Curtiss had compiled a list of materials for the new directors.

OLD BUSINESS:

Legal Update

Pat Goodover noted that there were two lawsuits that affected the District. The lawsuit comprising of approximately fifty-five people was in the hands of the judge. The other between Tom Morris & Don Larson with Missoula County was also awaiting the judge's decision.

At the request of Nathan Bourne Jon Beal clarified an earlier statement prior to the beginning of special meeting regarding the perspective Board members.

Cheri Thompson noted that the by-laws had been approved last month, but questioned why after being vetted by the attorney was there now a conflict with state law regarding the seating of Board members. Also, would the by-laws be updated. Jon Beal noted there was a difference in interpretation of which provision applied between the by-laws and statute, as such Montana Code superseded the by-laws. The Board had chosen the conservative approach and followed the specific statute addressing when new Board members were installed. The by-laws should be revised in that regard.

Discussion followed with Jon Beal on how this issue arose after the District had spent a large amount of money updating the by-laws, the history of how the particular statute was included in the by-laws and the appearance that gave. Pat Goodover's request for guidance from Jon Beal was discussed.

Tom Morris turned the discussion to what he felt was the inconsistent use a Montana code and how he would handle any conflict of interest once on the Board.

Easements Update

Jean Curtiss informed the Board that the Pine Drive easement was imminent and the other easements had been recorded.

EDA Grant Update

Jean Curtiss reviewed the timeline of the EDA grant application and the reasons for changing the focus of the application to the COVID-19 virus in wastewater.

Discussion followed on the timeline of the grant application and how the focus of the grant was changed. Also, that a change encompassing the use of UV, which had already been designed for use in the treatment plant, to kill the COVID-19 virus in wastewater would strengthen the grant application.

Walt Hill moved to approve the change in direction of the EDA grant to UV treatment of the sewage rather than the previous flooding. There was no discussion. The motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Aye

Davy Good Absent
Beth Hutchinson Nay

Pat Goodover asked how Tom Morris and Jason Gilpin would vote. Tom Morris and Jason Gilpin both would have voted aye.

By-Laws/State Law

This item was moved to the June meeting.

NEW BUSINESS:

2021 Operating Budget, Fee Assessment & Public Hearing Resolution#07162020

Jean Curtiss shared her screen with a spreadsheet showing the 2020 budget year to date. The Board discussed the expenses and income, the reserve, including board training and adding money for an income survey in the 2021 budget.

Discussion followed on what was a realistic amount for legal fees and whether to reimburse the money spent from the reserve. The Board discussed when the budget needed to be adopted, the different assessment methodologies and public input. Beth Hutchinson felt that the budget was too expensive for the people of Seeley Lake.

Discussion continued on when the budget needed to be adopted and the assessment methodology finalized. The Board agreed by consensus to make the draft 2021 budget available to the public and hold a special meeting on June 4, 2020 to review the budget and the assessment methodology.

Authorize Signature WRDA 2020 (\$660,000) Agreement

The Board discussed if the sewer was not constructed whether the grants would have to be reimbursed.

Pat Goodover moved to have the Board approve the President to sign the WRDA 2020 Agreement. There was no further discussion. The motion was carried.

Pat Goodover Aye
Walt Hill Aye
Mike Boltz Aye
Davy Good Absent
Beth Hutchinson Aye

Tom Morris and Jason Gilpin both would both have voted aye.

New Test Well

The Board discussed the possibility of drilling new test wells in Phases III & IV, and if there was any grant money to pay for them. Discussion followed on if there were individuals that would allow the District to use their wells for testing.

Income Survey

The Board discussed the need for an income survey to understand the economic needs of the District. The income survey procedure, who would be included in the survey and possible assistance from MAP was discussed.

Legal Representation

The Board discussed the need for the District to have a litigation attorney and a general business attorney.

Beth Hutchinson moved that the District should have an attorney for litigation and a second attorney for normal business. To accumulate resumes for attorneys skilled in local government, particularly board activity, and review them with the intention of hiring an attorney for normal board business. Beth Hutchinson withdrew the motion because it was listed as a discussion item on the agenda.

The Board discussed the expense of having two attorneys and whether it would add expense to the budget. Discussion followed on the litigation and its possible cost.

Cheri Thompson was offended by Walt Hill's comments during the discussion regarding the citizens and their litigation. Walt Hill questioned why his comments were out of order; however, did not mean any offense.

Phases Project Funding

Jean Curtiss reviewed the project cost for the phases and the format used.

System Business VRUs

Beth Hutchinson felt it was important for businesses to see what their sewer cost would be using different rate mechanisms. Discussion followed on the use of VRUs and water usage to charge businesses and residents.

Colleen Krause questioned the high cost for Phase III. Discussion followed on why the current estimated cost was higher than for the other phases, and that possible cost savings were being reviewed. How usage would be billed was discussed.

Thank You to Directors

Pat Goodover thanked Davy Good and Mike Boltz for their valuable service to the District.

NEXT REGULARLY SCHEDULED MEETING: June 15, 2020

ADJOURNMENT OF MONTHLY BOARD MEETING:

Pat Goodover adjourned the meeting at 9:00pm.

Attest:

Pat Goodover, President

Felicity Derry, Secretary