

SEELEY LAKE SEWER DISTRICT
SPECIAL BOARD MEETING
August 6, 2020

Tom Morris	President	PRESENT	Pat Goodover	Director	PRESENT
Beth Hutchinson	Vice President	PRESENT	Walt Hill	Director	PRESENT
Jason Gilpin	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 6:40pm, which followed immediately after the conclusion of the Public Hearing. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

NEW BUSINESS:

Possible General Obligation and/or Revenue Bond Election for Project to make the cost more equitable for property owners as discussed in the July 28, 2020 Work Session on Bonding Options

Jean Curtiss gave some background as to how the Board had reached this point of considering different bonding options to replace those currently in place, and the possible outcomes. Noting that both USDA and DNRC needed a commitment to the project from the Board to avoid the USDA funds being reallocated.

Walt Hill questioned if the GO bond could be a replacement funding method, whereby allowing the current assessment bond method to remain intact if the GO bond were to fail.

Dan Semmens, Dorsey & Whitney reviewed how a bond election was reached as a path forward to address the Board's concerns regarding affordability and an election. The current assessment bonds did not address the affordability or the desire for an election. Keeping the current bonds would complicate the bond election and cause confusion, therefore a bond election would substitute the current bonds.

Pat Goodover questioned the language that could be used in a bond election.

Dan Semmens felt that the Board had determined that the assessment bonds did not address the fundamental concerns and were taking a different path to address those concerns of affordability and an election.

Walt Hill commented that if the bond election were to fail it would be jumping off a \$10 million cliff without a parachute, and questioned possible wording allowing the District to revert to the assessment bond if the bond election failed.

Dan Semmens understood these concerns, but felt that approach could be problematic and explained his reasoning why. Discussion followed on the initiation of a bond election, general obligation bonds, assessment bonds and the project's funding. Using language to have the voters choose between the assessment bonds or the general obligation bonds was discussed.

Beth Hutchinson felt that time should be taken to educate the public to ensure that the community understood the bond election before proceeding with the election. Discussion followed on the importance of educating the public and the way forward for the Board.

Dan Semmens reviewed how the cost of the project could be spread utilizing general obligation bonds, revenue bonds and the District's grants. Also, ways to address the shortfall in funding.

Dan Semmens reviewed the process and timeline for a bond election.

Tom Morris wanted to be representative of the people that elected him and was in favor of giving the people a voice by holding a bond election, whereby enabling the project to move forward with the approval of the people. The Board had a responsibility to educate themselves and the public. Jason Gilpin agreed that the Board should be the voice of the electors.

The Board discussed whether the voters in Seeley could be unduly influenced to vote against the bond to stop the project, and that it was imperative not to rush the process and to educate the public.

Dan Semmens reviewed the importance of having the correct taxable value of the District and the progress that had been made on securing that information. The general obligation and revenue bond information presented to the Board was reviewed.

A possible timeline for an election was reviewed. The Board discussed the affordability of the project and the bond options available.

Walt Hill supported the proposed system and was willing to evaluate if a general obligation bond would be advantageous; however, he was concerned that the election could be hijacked as a way to stop the project. The nitrogen issue had to be resolved. The Board should move ahead as effectively as possible and should review the bond options at the next meeting.

Pat Goodover agreed with Walt Hill's comments.

Tom Morris emphasized that the Board should do the right thing for the people. Discussion followed on the regulations and codes governing the District

Beth Hutchinson had concerns over the functionality of the Board, and felt that it was not a constructive environment and the Board had difficulty moving to consensus. The public should have confidence in the Board. Moving forward to review the bonding would be a wonderful opportunity to rethink how to operate and to show that the District can have a Board that functions properly.

Beth Hutchinson was concerned about the cost as well as the O&M. The bonding process was not foreign to people, as they had experienced it for the school and fire department. Beth Hutchinson felt that there should be a vote by the people who would be using the system and that people should be empowered.

Dan Semmens thanked the Board for their open discussion.

How the resolution calling for a bond election would be presented at the August Board meeting was discussed.

Tom Morris moved to authorize Jean Curtiss and Dan Semmens to move forward with working on the resolution calling for a bond election, to be presented to the Board at the next regular meeting on August 20, 2020. Beth Hutchinson seconded the motion. There was no further discussion. The motion was carried unanimously.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Walt Hill	Aye
Jason Gilpin	Aye

PUBLIC COMMENT:

Colleen Krause questioned if she would know what her payment would be before she voted, as she was concerned that her cost would be high. Dan Semmens replied that there would be information that would give her a very good idea of her cost for the general obligation and revenue bonds. Colleen Krause added that while she was against the sewer, her biggest concern was that it was not affordable for the community and she would appreciate more information on the bonds.

Dan Semmens clarified who in the District would pay the general obligation and revenue bonds.

ADJOURNMENT OF BOARD MEETING:

Tom Morris moved to adjourn the meeting at 8:14pm. Walt Hill seconded the motion.

Attest:

Tom Morris, President

Felicity Derry, Secretary