

**SEELEY LAKE SEWER DISTRICT**  
**REGULAR BOARD MEETING**  
**August 20, 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 6:03pm. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

**APPROVAL OF AGENDA:**

The definition of District employees was discussed. The Board discussed whether some items could be deferred to a later agenda. The Board agreed to leave them at the end of the agenda and assess postponing those items to a subsequent meeting at that time.

**PRESIDENT'S COMMENTS:**

Tom Morris thanked all of the attendees for their interest, noting that it was a very busy agenda and requested that everybody be succinct with comments to keep the meeting moving along.

**PUBLIC COMMENT:**

Colleen Krause requested that she would like the addresses for everybody in the Sewer District. Whether this would violate privacy was discussed.

**CORRESPONDENCE:**

Don Larson

Beth Hutchinson read this letter. (Appendix B)

Board of County Commissioners

Tom Morris read this letter. (Appendix C)

**MINUTES:**

July 16, 2020

Walt Hill and Beth Hutchinson reviewed their amendments to the minutes and discussion followed on what should be included in the minutes.

Walt Hill moved to approve the minutes for July 16, 2020 as amended. There was no discussion. The motion was carried.

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

## **FINANCIAL REPORTS:**

### **Invoices – July 2020**

Felicity Derry reviewed the invoices for the Board.

Tom Morris moved to pay all of the invoices, with the exception of the Beal Law Firm invoices, as presented. Beth Hutchinson seconded the motion. There was no further discussion. The motion was carried.

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

### **June 2020 Financial Reports**

Felicity Derry reviewed the June 2020 financial reports for the Board. Discussion followed on the legal expenses and their effect on the budget for FY2020.

## **MANAGER’S REPORT:**

Jean Curtiss noted that the WRDA contract had been signed by both parties. This would allow the District to begin drawing those funds to pay for the Phase II engineering expenses. District funds would be used as match.

TSEP had approved the suggested language changes in the Phase III planning grant contract. That contract was ready to be signed.

The Pine Drive agreement had been signed by all parties. The checks for this easement that had been approved tonight would be held until the quiet title had been completed.

The agenda setting policy, which stemmed from the board training, was before the Board for review.

Jean Curtiss reviewed the District funds that would be used to pay the District’s expenses until November, when the fee assessment income would be received.

Jean Curtiss reviewed a draft of the District reserve, which reflected both budgeted and other line items for the Board.

Where the funds for an election and legal fees, that were either unbudgeted or over budget, would be moved from were discussed. Discussion followed on making budget amendments.

Jean Curtiss reviewed the overall project budget, but focused on Phase I and the treatment plant and their grants and match requirements. Discussion followed on the possibility of the District being required to pay back any of the grant funds if the project failed.

Discussion turned to the Phase III TSEP planning grant and the District's match. The Board agreed that Great West Engineering should not begin that work until after January 2021.

**WELL & LAKE TESTING REPORT:**

Vince Chappell was unavailable to attend the meeting. Jean Curtiss noted that in light of the publicity regarding the Post Office, some of the samples for the last quarter's testing did not reach the lab in time. Jean's husband drove to Seeley to pick them up and delivery them to the lab.

**UNFINISHED BUSINESS:**

**Resolution#08202020 To Reflect Taxable Values Provided By MT Dept of Revenue Setting Assessments – Seeley Lake Sewer District (Replacing Resolution#08062020)**

Jean Curtiss noted that the Department of Revenue (DOR) would not finalize the taxable values until towards the end of September and then reviewed what effect this could have on the overall taxable value of the District and the amount assessed to properties. These changes necessitated that Resolution#08062020 Setting Assessments – Seeley Lake Sewer District be replaced. The Board discussed contacting the people whose assessment had changed significantly or whether to wait until the DOR had finalized the taxable values.

Pat Goodover moved to adopt Resolution#08202020 To Reflect Taxable Values Provided by MT Dept of Revenue Setting Assessments – Seeley Lake Sewer District (Replacing Resolution#08062020). Walt Hill seconded the motion. The Board discussed when the tax roll would be finalized. Kim Myre noted that the tax roll had been finalized and gave the Board the timeline for the submission of the resolution and the tax roll. The Board discussed notifying the owners of the properties that had significant changes to their assessments. Beth Hutchinson volunteered to call those owners.

There was no further discussion. The motion carried.

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

### Discussion on Call for Bond Elections with Dan Semmens, Bond Counsel

Dan Semmens gave some background information and explained how the bonding process worked and how the changes in the taxable value of the District effected the amount of tax assessed.

Dan Semmens reviewed the draft resolution, possible election schedules, the noticing process and the amount of the bond utilized in the discussion draft. The two draft ballots and who could vote in the debt elections were reviewed in depth.

Dan Semmens reviewed the difference between an assessment and a tax. Also, how an increase in the District's taxable value would affect the taxes assessed for a General Obligation (GO) bond.

Dan Semmens laid out how the treatment plant had a general benefit across the entire District and could therefore utilize a GO bond. Whereas the collection system provided a direct benefit and therefore a revenue bond could be used.

The Board discussed with Dan Semmens how an increase to a property's taxable value would affect the District's taxable value and the taxes assessed.

The Board and Dan Semmens discussed if the GO bond were to fail and the RD grants disappeared, would that cause the project to also fail. The discussion turned to whether that would be contrary to the Board's commitment to move the project forward as designed, or if funding the project was a different topic.

Discussion followed on the Board's concern over the equitability of the assessment bond, their wish for an election and how to comply with the Board's commitment to move the project forward. The corresponding resolution and affording the public a say in the project was discussed. Also, being mandated to build a sewer and having to pay for the entire project if the funding was lost or the possibility of pursuing alternative methods. The discussion moved to finding alternative ways to make the project affordable and to stop the pollution the groundwater.

Dan Semmens discussed the funds available to the District if the bond election failed and the current funding package disappeared.

The Board and Dan Semmens discussed how the GO bond would spread the cost of the project across the District. Also, that a GO bond was favored by lenders, as it did not require a reserve.

The Board agreed by consensus that Dan Semmens should continue researching this item.

### Draft Solicitation for General Counsel

Jean Curtiss reviewed the draft solicitation for general counsel. The Board discussed the draft, adding several items and clarifying some of the language.

Tom Morris moved to adopt the draft solicitation as amended. The board discussed reviewing the final draft before it was sent out. The motion was carried.

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

The Board discussed who to send the solicitation to and agreed to send it to the appropriate firms in Missoula and Bozeman.

### Review Attorney Fees to Date

Tom Morris requested that the Board review the attorney fees without descending into who did what and why.

Jean Curtiss reviewed the attorney fees and what the Board might consider to be ineligible charges.

The current Board members that were present at the May 21, 2020 closed meeting discussed in depth whether they had directed Jon Beal to pursue the declaratory action and how much of what was billed in those invoices had been authorized by the Board. Also, if a contract had been signed for the work that had been done.

Jean Curtiss reviewed some of the charges that the Board might consider not paying. The Board discussed further review of the charges and requesting that Jon Beal resubmit some of the June 2020 charges. The Board discussed making three payments to spread the cost.

Pat Goodover moved to reduce the invoices by \$1,392 and request that Jon Beal reconsider some of the cost for \$1,591.50 charged regarding TSEP & WRDA. Nathan Bourne suggested that Jon Beal had set a precedence by reducing a previous bill for the District. The motion was carried.

|                 |     |
|-----------------|-----|
| Tom Morris      | Aye |
| Beth Hutchinson | Nay |
| Pat Goodover    | Aye |
| Walt Hill       | Aye |
| Jason Gilpin    | Aye |

### Community Fund to Offset Assessment

Tom Morris noted that there had been community members that were interested in this topic. This was opened for discussion. There was no discussion.

### Employee/Staff Job Descriptions

Tom Morris noted that Jean Curtiss and Felicity Derry were contracted labor. The Board discussed forming a committee to define the job descriptions, roles and relationships for those people that work for the District. This would help Board members with their expectations.

Beth Hutchinson and Tom Morris volunteered to be on this committee.

### Communications Structure/Plan

Beth Hutchinson suggested a committee be formed to help upgrade and improve communications with the public and invite public participation.

Beth Hutchinson and Tom Morris volunteered to be on this committee.

### **NEW BUSINESS:**

#### Ordinance#09172020 To Enforce The Rules & Regulations Of The SLSD As They Relate To The Mandate That All Properties In The SLSD Connect To The Community Sewer System

Pat Goodover gave some background for the ordinance. The Board discussed the language of the ordinance and the failure to connect charge. The discussion turned to public resistance to the mandated connection resolution and its enforceability.

The Board discussed making the amendment to the failure to connect charge and putting the ordinance on the September agenda.

Nathan Bourne questioned some of the technical aspects of the ordinance and whether the District would be responsible for the pretreatment cost and if it applied to all four phases. Discussion followed on what that part actually referenced and whether that section should be removed.

### Proposed Amendments to the By-Laws

Beth Hutchinson noted that primarily this revision to the by-laws had been drafted to remove the weaponization that had been included by the attorney and to remove inconsistencies using the by-laws that had been presented from the committee.

Beth Hutchinson reviewed the proposed amendments to the by-laws.

The Board discussed holding off implementing the changes until an attorney had been hired and could review them. Also, that while the suggested amendments were in line with other sewer districts, the set from the recent board training could be used as a reference.

The Board agreed to form a committee of Beth Hutchinson, Tom Morris and Jean Curtiss for the by-laws and to add this item on the September agenda (meeting addressed at changed on page 7).

### Draft Policy on Setting the Agenda

The Board agreed that due to the time this item should be moved to the September agenda.

Status of Insurance Regarding Lawsuit Legal Bills

Jean Curtiss reviewed the history for this item and would provide an update for the Board at the next meeting.

Board Member/Board Accountability

The Board agreed to move this item to the September agenda.

Board/Employee – Staff Relations

The Board agreed to move this item to the September agenda.

**NEXT REGULARLY SCHEDULED MEETING: September 17, 2020**

The Board discussed which meeting the amendments to the by-laws should be presented at.

Tom Morris moved to present the by-law amendments at the September meeting.

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|-----------------|-----|
| Tom Morris      | Aye |
| Beth Hutchinson | Aye |
| Pat Goodover    | Nay |
| Walt Hill       | Nay |
| Jason Gilpin    | Nay |

The motion failed. Therefore, the by-laws would be presented at the October meeting.

**ADJOURNMENT OF MONTHLY BOARD MEETING:**

Tom Morris adjourned the meeting at 10:11pm

Attest:

\_\_\_\_\_  
Tom Morris, President

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Felicity Derry, Secretary