

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING
September 17, 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 6:01pm. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

APPROVAL OF AGENDA:

The Board discussed the agenda and the Board agreed to move Board Member/Board Accountability to the first item of New Business.

PRESIDENT'S COMMENTS:

Tom Morris noted that it was a long agenda and encouraged everybody to keep the meeting moving along.

PUBLIC COMMENT:

Troy Spence commented that several people felt that Pat Goodover should resign because he had moved forward with the lawsuit against Jason Gilpin and Tom Morris. If he would not resign then a recall should be initiated. Pat Goodover responded that he would not resign, and the authorization had occurred in a closed Board meeting.

Michael Richards requested the status of the spreadsheet showing the monthly payments for the system. Jean Curtiss noted that the project breakdown was on the website, and then reviewed the monthly costs, which would be put on the website.

CORRESPONDENCE:

Blaise Devins (Appendix B)

Jean Curtiss gave some background information on this property and that Blaise Devins was requesting that the District provide a letter stating that his property would not be annexed into the District. There was discussion on strengthening the language in the draft letter, which then continued with Blaise Devins and what he felt was acceptable.

Tom Morris moved that the letter be sent as amended. 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

MACo Proposed Assignment of Rights & Claims (Appendix C)

Jean Curtiss gave some background regarding this correspondence, noting that it was on the agenda later in the meeting.

Jon Beal (Appendix D)

Jean Curtiss noted that this item was on the agenda later on in the meeting and would be discussed then.

MINUTES:

June 22, 2020

Beth Hutchinson reviewed her amendments for the June 22, 2020 minutes. The Board discussed the amendments.

Jason Gilpin moved to approve the minutes for the June 22, 2020 Board meeting as amended. Walt Hill 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

July 8, 2020

Beth Hutchinson reviewed her amendments for the July 8, 2020 minutes. The Board discussed these amendments and how to clarify motions in the meetings and also in the minutes. The discussion turned to what should be included in the minutes and how to streamline the process of approving the minutes during the meetings by circulating the amendments prior to the meeting.

Pat Goodover moved to approve the minutes for the July 8, 2020 Board meeting as amended. 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

July 25, 2020

Beth Hutchinson moved to approve the minutes for the July 25, 2020 Board Training as presented. Walt Hill seconded the motion. There was no discussion. The motion was carried.

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

Mike Richards commented that he could not find the ordinance online. It was noted that 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, and to Provide Enforcement Abilities, was on the website within the board papers for the August and September meetings. Mike Richards urged the Board to return to holding the meetings in the community hall.

August 20, 2020

Beth Hutchinson reviewed her amendments for the August 20, 2020 minutes and discussion followed.

Tom Morris moved to approve the minutes for the August 20, 2020 Board meeting as amended. Walt Hill 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

FINANCIAL REPORTS:

Invoices – August 2020

Felicity Derry reviewed the invoices for the Board.

Walt Hill moved to accept the invoices (including the Christian, Samson & Baskett invoice) for payment as presented. Pat Goodover seconded the motion. There was no discussion. The motion was carried.

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

July 2020 Financial Reports

Felicity Derry reviewed the July 2020 financial reports for the Board. The Board discussed the current operating funds for the District.

MANAGER'S REPORT:

Jean Curtiss reviewed a path forward utilizing a bond election, which could help with the equitability of the project and the possible outcomes if the bond election were to fail.

KECI had interviewed Jean Curtiss regarding the sewer project.

The Pine Drive easement had been recorded, but the quiet title was incomplete. The checks in payment for the easement were being held until the quiet title had been completed.

Colleen Krause had requested the District's mailing list. The MCAs stated that the District may not distribute a mailing list without first securing the permission from those in the District.

There was one response to the general counsel solicitation.

MAP was happy to help with public education.

A few more temporary right of entry forms have been returned. However, a more concerted effort was needed in order to collect more. MAP was also willing to help with that.

Colleen Krause questioned why Jean Curtiss had done the KECI interview. Jean Curtiss noted that her job was to represent the Board and had therefore provided the reporter with much documentation to support the information in the interview.

WELL & LAKE TESTING REPORT:

Vince Chappell was unavailable.

UNFINISHED BUSINESS:

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

Dan Semmens outlined the progress that had been made preparing the documents needed for a bond election and the timeline for such an election. The bonds proposed for the election were reviewed, along with the taxable value of the District and how the debt service would be assessed.

The Board discussed moving the October 15, 2020 Board meeting to October 22, 2020, whereby allowing Dan Semmens to use the finalized taxable value of the District in the bond election figures. The Board unanimously agreed to move the meeting to October 22, 2020.

Dan Semmens reviewed the difference between the fee assessment methodology and how the bonds were calculated.

The Board discussed moving the bond election forward and its timing.

Dan Semmens outlined how a revenue bond for the Phase I collection system could be spread equally across that phase and how it could work well with a GO bond for the treatment plant.

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, and to Provide Enforcement Abilities

Pat Goodover outlined why this ordinance had been developed.

Colleen Krause recalled that USDA had required that 158 people sign up agreeing to connect to the system, and questioned if the ordinance was trying to force public support. Jean Curtiss explained the reason for the temporary right of entry and that the Board had already adopted a resolution that required connection, so as to resolve Seeley Lake's nitrate issue.

The Board discussed if the ordinance was trying to coerce property owners to connect and whether the District should play the role of the regulatory agency in this regard. Discussion followed on the role of the Health Department and Missoula County as regulatory agencies.

Discussion followed with Colleen Krause on the use of the ordinance to enforce the resolution that had been passed previously. Also, those who did not connect would have to acknowledge their choice, which would result in them having to pay the full cost to connect when their septic system failed.

Jean Curtiss reviewed the changes to 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, and to Provide Enforcement Abilities from the previous meeting.

Walt Hill moved to passed 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, and to Provide Enforcement Abilities as amended. Pat Goodover seconded the ordinance. There was no further discussion. The motion failed.

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

General Counsel Response

Jean Curtiss noted that one response to the solicitation for general counsel had been received from Christian, Samson & Baskett. The Board discussed the response from Christian, Samson & Baskett and felt it was complete and that the firm had the necessary experience. The Board discussed requesting a recommendation of more law firms to solicit and interviewing the candidates in October.

Walt Hill moved that on behalf of the Board, Jean Curtiss will respond to Christian, Samson & Baskett's response to our solicitation and request a letter of engagement for President Morris to sign. The Board discussed the wording of the motion and that the solicitation had been sent to three companies. The motion was carried.

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

Beth Hutchinson opposed the motion as she felt the process needed to be carried out further.

Review Attorney Fees to Date

Jean Curtiss informed the Board that she had been negotiating the charges in question with Jon Beal and then reviewed the proposed reduction in fees, the elimination of interest charges and the payment schedule. The Board discussed the proposal and the District funds that would be used to pay the invoices. Jean Curtiss suggested that the funds would probably come from the reserve. Also, how future legal fees would be paid. The retainer, the Board direction given to Jon Beal in the closed meeting and the documents that Jon Beal should have sent to members of the Board were discussed.

Tom Morris requested that the discussion return to the negotiated charges to avoid issues with confidentiality.

Walt Hill moved to pay the \$20,000 of legal fees to Jon Beal as negotiated by Jean Curtiss in three payments of \$6,000, \$6,000 and \$8,000, paying no interest. The motion was carried.

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

NEW BUSINESS:

Board Member/Board Accountability

Some of the members of the Board reviewed their thoughts on the meaning of board accountability, while others had not had an opportunity prior to the meeting to address this item. Discussion followed on the accountability of the Board and it was agreed that this item would be placed on the October agenda.

Draft Policy on setting the Agenda

Jean Curtiss reviewed the draft policy that had been developed from the recent board training.

The Board discussed amending limiting the time for agenda items and the overall length of board meetings. The Board discussed amending who should contribute to the agenda, who should set the agenda and when it should be finalized. Amending the positioning of certain items within the agenda to help with the flow of the meeting was discussed. The discussion moved to how by-law amendments should be handled.

Jean Curtiss reviewed the proposed amendments to the draft policy.

The Board discussed when amendments to the by-laws should be sent to an attorney and what was appropriate to be included in the draft agenda policy. Board members agreed that they should not automatically send by-law amendments to the attorney.

Setting a date to finalize the agenda and posting the agenda was discussed. The Board agreed that Board members should have items for the agenda to the Board Secretary ten days prior to the meeting.

The Board agreed to review and approve the finalized draft agenda policy at the October meeting.

Status of Insurance Regarding Lawsuit Legal Bills

The Board discussed whether this item should be sent to the attorney for review once their letter of engagement had been signed. The Board agreed that it should be sent to the District's attorney, who prior to commencing the work should provide the District with an estimate of their time and cost for the Board to review at the October meeting.

Discussion followed on what would happen if the cost of the review was high and the possibility of amending the budget at the end of the year.

Board/Employee – Staff Relations

The Board agreed that this item should be moved to the October agenda.

Audit

The need for an audit to ascertain how the reserve funds had been spent was discussed. The Board discussed that an audit had not been budgeted for and the possibility of budgeting for an audit or a review in the next fiscal year.

NEXT REGULARLY SCHEDULED MEETING: October 22, 2020

The Board discussed the Don Larson letter from the previous meeting and that a response should be drafted for the October meeting.

Whether a call list for the unreturned temporary right of entry forms should be made prior to a possible bond election in February was discussed. How public education for a bond election would be handled and paid for was discussed.

ADJOURNMENT OF MONTHLY BOARD MEETING:

Tom Morris adjourned the meeting at 9:41pm

Attest:

Tom Morris, President

Felicity Derry, Secretary