

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING
October 22, 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

*Joined the meeting at 6:14pm

CALL TO ORDER:

The meeting was called to order by Beth Hutchinson at 6:04pm. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

APPROVAL OF AGENDA:

Walt Hill moved to delete item e (Board Member/Board Accountability) from the agenda. Pat Goodover seconded the motion. Pat Goodover suggested moving the item to a later meeting. There was no discussion.

Beth Hutchinson requested that the Board vote on putting item e on a later agenda.

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

The Board agreed by consensus to move item f (Board/Employee – Staff Relations) and item b (Draft Policy on Setting the Agenda) to a later meeting.

Pat Goodover moved to approve the agenda as modified. There was no discussion. The motion was carried.

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

PUBLIC COMMENT:

Deb Bell, Missoula County Public Works Department noted that due to the increase in COVID cases, beginning November 4, 2020 the main office on Training Drive would be closed to public

access and would only be accepting online permits. The Seeley office would remain open by appointment only. The Surveyor's Office is also closed to the public. The road crews would continue Monday through Thursday as normal. The Road & Engineering Office would continue to work remotely. For questions call (406)258 3702 or (406)531 8468.

Kim Myre added that she had requested for the office hours to be removed from the District's website. The building was locked and only open by appointment.

Tom Morris joined the meeting at 6:14pm and Beth Hutchinson yielded the chair to Tom Morris.

PRESIDENT'S COMMENTS:

Tom Morris had been delayed printing some last-minute documents and apologized for being late.

Tom Morris noted that Jean Curtiss had done a really good job in the October 7, 2020 NBC news article. However, no elected officials were interviewed. During the article the reporter had listed the adverse health effects of the consumption of increased nitrates, and then strategically placed a clip of Jim Erven confirming that was happening in Seeley Lake. It was sensationalized journalism that was misleading and deceptive. Tom Morris was not aware of any reported cases with those side effects from consuming increased nitrates occurring in Seeley Lake.

Jim Erven agreed that his clip had not been portrayed correctly. He had not said that there had been those kind of documented health effects in Seeley Lake. The majority of Seeley Lake residents were drinking lake water and not groundwater.

CORRESPONDENCE:

None.

MINUTES:

July 28, 2020

The Board agreed by consensus to postpone reviewing these minutes until the November meeting.

September 17, 2020

Beth Hutchinson's proposed amendments were discussed. What information should be included in the minutes was discussed. The proposed amendment discussion continued.

Tom Morris moved to approve the minutes for September 17, 2020 as amended. Pat Goodover 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

There was further discussion on what would be included in the amendments and then clarification as to how Beth Hutchinson had voted.

FINANCIAL REPORTS:

Invoices – September 2020

Jean Curtiss noted that the general counsel's invoice was to review MACo's insurance claim. The Board discussed requiring an estimate from the attorney prior to work commencing. The Board discussed where the money to pay the attorney bill would come from and acknowledged that it would probably come out of the reserve.

Pat Goodover moved to pay all of the 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

August 2020 Financial Reports

Felicity Derry reviewed the August 2020 financial reports for the Board. Discussion followed on the three payments to the Beal Law Firm and confirmation that the agreed upon payment schedule was being kept. The upcoming WRDA draws and the matching funds were reviewed.

Tom Morris moved to accept the August 2020 Financial Reports. Walt Hill seconded the motion. Pat Goodover commented that a report was not required to be approved.

MANAGER'S REPORT:

Jean Curtiss noted that the process to request an extension for the RRGL planning grant for Phase III had begun.

The quiet title on Pine Drive still was not complete.

Overall, the reporter for KECI had done a pretty good job learning about the system.

WELL & LAKE TESTING REPORT:

This item was moved after the next item.

UNFINISHED BUSINESS:

Resolution#11192020 Calling for a Bond Election

Dan Semmens noted that the resolution was a discussion draft to be voted on at the November meeting.

Dan Semmens outlined how the treatment plant and the collection system would be paid for using a general obligation bond and a revenue bond respectively. The estimated cost of the project and how that cost was allocated to the components of the project was reviewed.

Discussion followed on the terminology used in the bond election and the type of property it related to. How businesses would be assessed was reviewed.

Dan Semmens reviewed the general obligation bonds and the loan that would pay the estimated cost of the treatment plant and then explained how the debt service was calculated and would be assessed.

Jean Curtiss reviewed where the increase to the estimated cost of the project had come from and how some components that served all four phases had been moved to the treatment plant, which would be assessed across all four phases. How the project would be bid was reviewed.

Dan Semmens reviewed the revenue bond that would be used to pay the cost of the Phase I collection system and how it would be assessed.

Dan Semmens reviewed how the combined revenue and general obligation bonds would be assessed to properties, using different property values to illustrate the effect on the monthly bill.

Dan Semmens reviewed the two ballots in the proposed resolution and who would be eligible to vote in the bond election.

The high proportion of grants to loans was discussed.

Dan Semmens outlined what could happen if one bond election passed and the other bond election failed, and discussion followed.

Dan Semmens encouraged the Board to read the resolution and then ask questions and make comments. Dan Semmens clarified that the proposed general obligation and revenue bonds would supersede the current assessment bonds, passed by the notice and protest, and requested direction from the Board regarding moving forward with the bond election.

Discussion followed that if the bond election were to fail the grant money more than likely would be reallocated elsewhere, as the Rural Development funds were only committed until April 2021.

The deadline to get responses regarding the draft resolution to Dan Semmens was discussed and a deadline of November 2, 2020 was agreed upon.

The election rules for water and sewer districts were reviewed and discussed.

Jim Erven questioned how much more equitable a bond election would be and if the Board had weighed that against the risks of losing the funding.

Dan Semmens noted that the Board was concerned about the affordability for the low-income residents and felt this methodology would make the project more equitable. The Board had discussed this matter at great length.

Tom Morris moved to have Resolution#11192020 as action item on the November meeting agenda. Beth Hutchinson 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

WELL & LAKE TESTING REPORT:

Vince Chappell reviewed the test results for the well & lake monitoring as well as those for the proposed treatment site. Concluding that the test results showed the levels downtown were slowly elevating. The test results for the proposed treatment plant site were excellent.

Draft Policy on Setting the Agenda

This item was moved to next meeting.

Proposed Amendments to the By-Laws

Tom Morris noted that Jean Curtiss had not been included when the by-law committee met in error. The Board discussed whether Jean Curtiss' absence from the by-law committee meeting should cause the full committee to be convened and thus, postpone the item until the next meeting. Sending the by-law amendments to an attorney for review and why the by-laws were being amended were discussed.

The proposed amendments to the purpose of the District and the duties sections were reviewed. The proposed language regarding the need for a centralized sewer was discussed.

There was further discussion as to what effect Jean Curtiss being absent from the initial committee meeting and submitting her comments after the fact had made. The committee discussed whether they felt that Jean Curtiss' absence from the committee meeting had been detrimental to the document that it had produced.

Pat Goodover moved to delay the discussion until the next meeting and to have the three committee members (Tom Morris, Beth Hutchinson and Jean Curtiss) actually get together by phone, by Zoom or by some method, so that you can interact with each other and discuss

the by-law changes. Walt Hill seconded the motion. Discussion followed on what had been included in the by-laws purpose of the District over the years and the necessity to amend the by-laws at this time.

Tom Morris requested that the Board vote on moving this item to the November meeting as an action item.

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

Status of Insurance Regarding Lawsuit Legal Bills

Jean Curtiss reviewed the events leading up to this point with the assignment of rights and claims from MACo and what it would mean to the District if the Board President signed the agreement.

Nathan Bourne requested the actual invoices for the legal fees in the amount of \$321,000.

The Board discussed how the agreement would affect past and present Board members. The billing practices of the attorney were reviewed and how the agreement would protect the District was discussed. A spelling error was noted.

Pat Goodover moved that the Board authorize Tom Morris to sign, as the President, the agreement with the spelling error corrected. Walt Hill seconded the motion. Beth Hutchinson recused herself, as she had been unable to read the final document. There was no further discussion. The motion was carried.

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

Board member/Board Accountability

Postpone until next month

Employee/Staff Job Descriptions

Postponed until next month

NEW BUSINESS:

Response to 7/31/20 Don Larson Letter

The Board discussed the draft letter and agreed by consensus that the last two paragraphs be deleted from the letter and that Walt Hill should sign the letter.

Walt Hill moved to delete the last two paragraphs and have Walt Hill sign the letter on behalf of the Seeley Lake Sewer District Board. Pat Goodover seconded the motion. The motion was carried.

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

Draft Letter to District Property Owners

Jean Curtiss outlined the reasons for sending a letter to the District's property owners and then reviewed the draft letter and the extensive information it contained.

The Board discussed shortening the letter and adding this item to the November agenda.

Nathan Bourne questioned if the Board intended to construct the project if the bond failed. Discussion followed on the how to address that in the letter and that the Board had not resolved to move the project forward without the funding.

The discussion turned to the Health Department's statements that doing nothing was not an option. Jim Erven added that the Health Department or DEQ had not made any decisions regarding the path forward, but there had to be a solution. Jim Erven suggested that it would be a good idea to inform the public that there could be additional costs if they elected to not take advantage of the funding.

The Board discussed the best method to convey their amendments to Jean Curtiss and when the letter should be mailed out.

Tom Morris moved that the Board should get all their ideas and changes to the draft letter to Jean Curtiss by November 2, 2020. It should be a discussion and an action item on the November agenda. Jason Gilpin 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

NEXT REGULARLY SCHEDULED MEETING: November 19, 2020

ADJOURNMENT OF MONTHLY BOARD MEETING:

Walt Hill adjourned the meeting at 9:08pm

Attest:

Tom Morris, President

Felicity Derry, Secretary