ROLL CALL
Mike Boltz  President  PRESENT  Mike Lindemer  Vice President  PRESENT
Bob Skiles  Director  ABSENT  Davy Good  Director  PRESENT
Mark Butcher  Director  PRESENT*  Felicity Derry  Secretary  PRESENT
Greg Robertson  Missoula Co  PRESENT  Kim Myre  Missoula Co  PRESENT
Public Attendance - Appendix A
*Via Telephone

OPENING:
The meeting was called to order by Mike Boltz at 5:32pm at The County Offices, located on Highway 83 N.

PUBLIC COMMENTS:
Colleen Kraus asked where the money came from to pay for the sales program? Was any Sewer District money being used to further the outreach project? Was there a meeting to discuss the use of District funds and were other bids collected? Mike Boltz replied that the money came from the bank, and no other money had been used. Greg Robertson noted that it had not been publicly bid because it was below the threshold of the state competitive bid laws. The firm was highly recommended with excellent references.

Colleen Kraus asked how were they to know that the facts put forward were accurate and truthful. Would they go door to door so they could be asked questions? How could the District be fact checked, to know that they were telling the truth on the numbers? How long will the outreach program continue? Will the protest period be before or after the summer homens leave? Could the protest procedure be detailed?

Greg Robertson requested that the questions be repeated. He noted that the public vote last fall had failed. Afterward the primary funding source, Rural Development (RD) notified the District that they would withdraw their funding offer. The District board of directors decided to appeal. There was an administrative hearing with the local RD officials, where the District explained their request to move on to the second phase with the notice and protest. The bond election that had been held was not a statutory requirement; however, RD required it to show support for the project. The request was granted and the District was given a one-year extension. Currently the pieces of the puzzle were being worked on, including the updated cost, the community education program, and readying the legal part of the process after the public education. The notice and protest was tentatively scheduled to end mid-November.

Greg Robertson explained that the process would begin with a resolution of intension to issue special assessment bonds and levy assessments. That would be done at a public meeting and acted on by the Board. Once the resolution was signed the thirty-day protest period would begin. The notice of the resolution would include the appropriate protest provisions, which would be sent to the property owners of each lot of record within the District. After thirty days, the protests would be counted. If more than 50 % of the land owners bearing the cost of the improvement protested then the District
board would be prohibited to move forward. If less than 50% protested it would be an unsuccessful protest and that would authorize the District board to proceed with the issuance of the special assessment bonds. The timeframe had initially been chosen to allow adequate time for the public education process, enabling the public to make an informed decision. The Board wanted the property owners to decide the future of the District.

Colleen Kraus noted that most of the lake residents would be gone by October, so it was not being done during the summer when most people were here. Greg Robertson replied that the notice would be mailed to the address of record for the tax bill. That would probably be the permanent address and not a vacation residence. Legally the mailing was drawn from the Department of Revenue’s (DOR) official assessment roll for the District.

Colleen Kraus asked what the mailing would contain. Greg Robertson replied that it would have a copy of the resolution outlining the elements of the proposal, including the provisions for waging a protest. It was detailed, but hopefully the public process would help to make the decision a little easier. The District was required to provide full information on what to expect of the assessments. If that were to be exceeded the District would have two options. For example, if the resolution of intention was for $1 million. It was ratified, went out to bid and came in at $2 million. Then the District would have exceeded the authority given to them by the landowners. The District could reject the bids and start the process over or secure the difference in funds from another source.

Colleen Kraus asked if the mailing said at the end she agreed or disagreed. Greg Robertson replied that there were clear and specific instructions on how to protest. It was not a check box format.

Colleen Kraus asked who reviewed them and decided. Greg Robertson replied that usually each protest was reviewed by a panel of three and then tallied. Questions would be referred to the County Attorneys Office. It would all be open for public review.

Beth Hutchinson asked if the bond covered more than sub district one. Greg Robertson replied that there were two different assessment bonds for $1.4 million and $3 million. The $1.4 million bond was for the Phase I collection system. That bond would be the burden of Phase I property owners. The $3 million (based on preliminary numbers) was for the treatment facility, which was sized for all four phases. Therefore, that assessment would be spread over all four phases, meaning that everybody had a say in the future of the District.

Beth Hutchinson asked if that was all loan. Greg Robertson replied that it was. Beth Hutchinson asked if there was a time frame for completing the system. Greg Robertson replied that state funding followed the two-year legislative cycle. There was a call for projects after each session. The next call would be in September 2017 to start planning for future projects to be considered by the legislature at their next session. It took approximately six months to rank the projects. TSEP and DNRC were two of the funding sources for these projects, and both could be applied for. The legislature then decided who would be funded. If the District were successful they would be plugged in for the next round of grants. Seeley Lake had ranked extremely high in the past due to the water quality issues, it would be expected that future applications would go through. RD, TSEP & DNRC would participate in the funding of the future phases. Beth Hutchinson questioned if it was certain. Greg Robertson replied that it was pretty certain. Seeley ranked highly and had qualified in the top two. Once the infrastructure was in the ground the District became a lot more competitive and less speculative with the funding agencies.
Colleen Kraus asked if the public education would be door to door and when would it start. Greg Robertson replied that currently Partners Creative were working on the frequently asked questions (FAQ). This would enable people to understand what the issue was and what would be expected of them. The initial schedule had changed a little. The notice and protest was a fluid date. The public process would involve meetings, probably in July and August so people were here. Prior to those there would be an internet campaign and advertisements in the Pathfinder and the Missoulian newspapers. There would be a web and social media presence to get the message out.

Colleen Kraus asked if there would be anything via regular mail. Greg Robertson replied that there would be using the DOR assessment roll.

Colleen Kraus asked if she could have a copy of the names and addresses. Greg Robertson replied that it was public record. It could be requested from the Elections Office.

Beth Hutchinson asked if it would use 2016 information, or more current. Greg Robertson replied that it was a statutory requirement to use the DOR records. The last assessment roll produced by DOR would be used. It was not uncommon that land transactions lagged behind the record.

Bruce Hall said that he had updated his information with DOR and the Elections Office and they were very helpful and friendly. Greg Robertson added that it was incumbent on property owners to ensure that their information was correct.

Bruce Hall asked what volunteers could do to help, and could people call for facts to dispel rumors. Greg Robertson replied that he was available via email and phone to answer questions. In Seeley Lake, the information was spread via coffee clubs because there was no infrastructure as there was with a city or a county. It would be grassroots advocacy. They would do their best to make sure the information that was disseminated to the property owners was as accurate and timely as possible. Mike Boltz added that they could come into his office at the Motor Lodge to ask him anytime. Greg Robertson said that if anybody had a question he was available. Call him at 258-4818. It was all about public information and dispelling rumors. He was not going to advocate either way, but he was in full support of the direction that the Board had chosen.

Al Castonguay asked why the last election was screwed up. Mike Boltz replied that there were many reasons. Such as the District spent a year trying to get public support from the banks, schools, people, and community groups. They did not understand who would be voting. The people that supported the District could not vote. He felt that the people that owned the properties needed to vote. Pyramid Mountain Lumber could not vote, which was not right. After listening to many people within the community this was what they came up with. Greg Robertson added that the Elections Office had struggled with who should get ballots. There was not a clear statute. The principle argument put forward to RD was that the subset of people that received a ballot was not the same as those who were expected to repay the debt. The property owners that would pay back the debt should have the say. RD excepted that argument.

Beth Hutchinson noted that the state election law was put in place when the state was dominated by business. People who leased and rented paid indirectly. No landlord could afford to absorb the costs and not put it in the rent, so that was fallacious. Greg Robertson disagreed, and said that if he were expected to repay a debt he would want to have a voice. Beth Hutchinson said that the District was making generalizations that were not based on specifics. She had reviewed the numbers, and there were few businesses that did not have a voice. Most of the people that owned businesses had another
vote. Many had multiple votes if it were a husband and wife, who could both vote. Greg Robertson agreed both could vote, as with residents. Beth Hutchinson said that there were many businesses that were owned by a husband and wife that had multiple votes. It was how the property was listed. Greg Robertson said that it stemmed from the electorate, being a registered voter, and not how the property was listed. Beth Hutchinson added that either way they were registered to vote. There could be issues, but they had not been proven to be issues because the data had not been assessed. Davy Good added that some people who had moved out of the District still received a ballot. Beth Hutchinson said that was checked and found to be negligible. The numbers were not perfect, but could still be reliable.

Colleen Kraus said that she sent out twenty-two letters to trusts and LLCs. They were all notified. Greg Robertson said that those arguments were water under the bridge. The arguments had been accepted by RD and we had moved on.

Beth Hutchinson noted that if they were water under the bridge it would be better not to reference them. Greg Robertson replied that she had asked. Beth Hutchinson replied that she did not, she was clarifying that they were not accurate.

Micha Drew, Pathfinder, asked if there were cost estimates for the other phases. Greg Robertson replied that there were planning level numbers in the PER, but the engineering work to had not be done for the cost. Micha Drew asked if they were expected to be lower than Phase I. Greg Robertson replied that it depended on the funding package for the future phases.

Colleen Krause asked numerous other multiple questions. Greg Robertson noted that they were legitimate questions and asked her to email the questions to him so they could be included in the FAQ.

Colleen Krause said that Steve Troendle had said that the government would never pay to put sewer in. Greg Robertson said that they were outside of the District. Colleen Krause said that they had been talking about pollution in the lake. The few people in the District on the lake were not going to save it, the government properties needed to be included. Greg Robertson noted that they were referring to the DNRC school trust lands in Dogtown. They had met with DNRC early on and they were willing to consider that they needed to be part of the solution. Federal leases had not been intended to be included in the District. There would be capacity for expansion beyond the current boundaries, but not enough to include all of Seeley Lake. Mike Boltz said that they had talked to DNRC. They wanted to get rid of all of their leased lots statewide. They were looking at all possibilities, including joining the sewer.

**CORRESPONDENCE:**
None

**MINUTES:**
Board Meeting Held on May 18, 2017
The minutes of the board meeting held on May 18, 2017 were presented to the Board for review.

Davy Good moved to approve the minutes of the board meeting held on May 18, 2017 as presented. Mark Butcher seconded the motion, which was then passed unanimously.
INVOICES:
May 2017
Felicity Derry reviewed the invoices for the Board. The Flathead Biological Station invoices for the high school testing had been received. A copy of the test results had been included for information.

Davy Good moved to approve the May 2017 invoices for payment as presented. Mark Butcher seconded the motion, which was then passed unanimously.

FINANCIAL REPORTS:
April 2017
Felicity Derry informed the Board that it had been a very quiet month with the usual transactions.

Davy Good moved to approve the April 2017 Financial Reports as presented. Mark Butcher seconded the motion, which was then passed unanimously.

MANAGER'S REPORT:
Greg Robertson informed the Board that he had reviewed the grant agreement with the Community Foundation. It was reasonable and he would recommend that the Board approve it as presented.

Davy Good moved to approve the grant agreement from the Community Foundation. Mark Butcher seconded the motion, which was then passed unanimously.

Greg Robertson said that there was a contract amendment with GWE. He had requested additional grant funds from RD to cover the increased costs. GWE was currently compiling the application. The contract amendment was to cover that cost.

Davy Good moved to approve GWE contract amendment. Mark Butcher seconded the motion, which was then passed unanimously.

OLD BUSINESS:
Public Outreach
None.

NEW BUSINESS:
Fee Assessment
Kim Myre noted that the Board had approved the FY2018 budget at the last meeting. The dollar amount and the flat fee were the same. The only changes were that mobile homes had moved around the District, as well as in and out of the District. They were all checked and accounted for accordingly. The dwelling units remained the same, but the per square footage changed marginally. It was basically the same as it had always been. This had to be sent to DOR by September. It was a draft for review by the Board.

Community Foundation Agreement
Previously covered.
Amendment to Engineering Agreement
Previously covered

Mike Boltz requested that the pond on Cedar Lane in the park where the kids played be added as another site for testing. Greg Robertson replied that it would be easy to add it.

Beth Hutchinson asked when the administration issues would be addressed. If the District were positive and enthusiastic about the sewer going through then the issues of administration should be underway. Greg Robertson replied that there were some estimated costs for O&M, which would be made available for the review by the public. He had been hesitant to do so because it involved a lot of work. It didn’t make much sense to do it before the sewer. There would be plenty of time, assuming that the District moved forward, to create a strategy to manage the system. As an interim step, it was likely that Missoula County would volunteer operators to help with the transition to the new individual. They currently ran several systems and it would be an easy extension to add this one.

Beth Hutchinson noted that Colleen Kraus had asked if it would be a monthly charge or on the taxes. She was also concerned that property labeled commercial would be called a business, which would pay a different cost. How was the District going to charge for services? There was a property that had multiple households, at one point nine. Would they pay the same as one lot owner? These things needed to be put out there. Greg Robertson replied that they were legitimate questions. Colleen’s question had been one of about three hundred questions that she had asked. He remembered a couple, but that was why he had asked her to email them to him. She was free to do the same thing. They all deserved answers. Collection was a fair question. Instead of creating another layer of billing they would like to use the tax bill as the collection mechanism. It worked well. Beth Hutchinson replied that it showed a tremendous amount of disregard for the residents in a hard part of that area. For those people to have to save up that money on a regular basis was asking a great deal. Then to postpone using it for an entire year, when there could be one crisis after another and they would need to dip into it. They would be better off paying monthly. Also, households usually give discounts for seasonal residents. It would be relatively simple to work by the amount of water used. The majority of properties were on city water. There could be a flat fee for the others, that way they would not be subsidizing properties that used lots of water. These things needed to be addressed.

Bruce Hall questioned that it had been addressed previously. Greg Robertson replied that the District would have to migrate to a more conventional rates and charges system. Initially on start up the infrastructure was not in place. The system that would be utilized had worked for twenty years. The question of how the O&M charges would be paid was the purview of the Board. We were not quite there yet.

Beth Hutchinson said that it needed to be addressed as soon as possible because it factored into the acceptance of the project.

Colleen Krause noted none of Boy Scout Road had city water, they all hauled their own water. Greg Robertson said that there were seasonal rates for part time residents. There were many different strategies to spread the O&M costs. The costs were generally going to be fixed. That decision had not been made yet, and probably would not be for some time. They were going to use the status quo; however, it would change in the future.
Colleen Krause was confused how the PR people could sell the sewer when so many things were up in the air. Mike Lindemer said that it was not selling the sewer, it was giving the people the choice after they had the correct information. The informational project was to educate as many people as possible within the Sewer District so they could understand what the pros and cons were. Colleen Krause questioned the inclusion of the cost. Greg Robertson said that the cost would be included.

Colleen Krause said that this was the time to make your case. They were here during the summer. Mike Lindemer replied that all of the questions had to be researched to have the correct answer.

? asked when the town hall dates would be available. There needed to be some lead time with Partners Creative. Discussion on some dates followed. Greg Robertson said that he would send some dates to Felicity Derry to circulate to the Board. Then the dates would be solidified. Mike Lindemer added that notices would be published in the Pathfinder, as well as around town.

Colleen Krause questioned what had been done from January to now and they did not have many of the answers. Greg Robertson replied that they had been working through the appellant process with RD. That took time. The extension from RD had only recently been received. There were many moving parts. They had recently received the updated cost estimate at RD’s request, and were applying for additional funding to cover that. He requested that questions be sent to him, and they would be answered.

Mike Boltz noted Bruce Hall had referenced previous discussions on charging for volume. There had been discussions as to what would be the most equitable. Most towns did charge businesses by the volume of water used. That would be considered. Greg Robertson added that it was a very common billing method. Discussion followed.

Colleen Krause requested to see a sample of the protest letter. Greg Robertson replied that it would be a detailed multi page document and very specific to the District. He could email a previous notice.

? noted that there would be a thirty-day period that people would have the notice to protest in their hands. If they were confused they would have time to review it with a lawyer if they wished. Greg Robertson noted that he had not had many questions in the past.

NEXT REGULARLY SCHEDULED MEETING: July 20, 2017

ADJOURNMENT OF MONTHLY BOARD MEETING:
Mike Boltz adjourned the meeting at 6:50pm.
Attest:

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Mike Boltz, President

______________________________
Felicity Derry, Secretary