SEELEY LAKE SEWER DISTRICT
SCHEDULED REGULAR BOARD MEETING
July 20, 2017

ROLL CALL
Mike Boltz President PRESENT Mike Lindemer Vice President PRESENT
Bob Skiles Director PRESENT 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

OPENING:
The meeting was called to order by Mike Boltz at 5:17pm at The County Offices, located on Highway 83 N.

PUBLIC COMMENTS:
Public asked when the letter of intent for bond indebtedness was coming out. Greg replied that it was …. Public interrupted and said that he had asked Mike Boltz the question.

Mike Boltz replied that he did not know, he would have to ask Greg Robertson. Greg Robertson replied that it was the first step in the notice and protest process and it would be available in October. It would be mailed to all property owners within the District once the Board took official action on it.

Colleen Krause asked Mike what the schedule was for presenting the PR. Would it be displays or visiting property owners or mailings? Mike Boltz replied that it was already underway using many avenues. Colleen Krause asked when the materials would be presented. Mike Lindemer handed her some information. Mike Boltz continued that they wanted to make sure that the facts were correct. Colleen Krause said that for the summer people summer was half over. Mike Boltz said that he currently did not have all of the answers, but summer was not over. Everything would get going in the next thirty days.

Public asked Mike what were the specific topics that were being included in the PR information. Mike Lindemer replied that all of the information was being reviewed by the PR firm and being condensed down.

Public asked what some of the topics were. Mike Lindemer replied that the online presence had started today, and he handed her some more information with the website address on it. It had been a team effort.

Al Castonguay asked what if you were not online. Mike Lindemer replied that all of the information would be mailed to all of the people in the Sewer District once it had been compiled.

Public asked what were some of the topics. Mike Boltz replied that it was what people had been asking. Such as the cost. People needed to know the cost. The need and the environmental situation. The PR company was extremely skilled, which was why they were hired, and the information produced would be detailed.
Public questioned that some of the information was ten years old. They had to get the information from the Board. Mike Lindemer replied that it was a volunteer board and they did not have experience running a plant. The manager Greg Robertson was a professional in this field. The Board relied on the professionals for getting them the information, and then passing it along to the public. There was a great deal of information that had changed over the course of the process. Such as hooking up properties as the project went by and abandoning the septic tank. It would be put back to grade, but the landowner would be responsible for the final landscaping. Public noted that could be a big expensive. Mike Lindemer said that the District had been working hard to get the public the proper information.

Public noted that the construction costs were still unknown. Mike Lindemer replied that they were working with the engineers on the cost. It had taken years to get to this point, and the information was being finalized to be presented.

Public questioned if the piece would be ready by the end of August. Mike Lindemer replied that as soon as the information had been reviewed, as well as the many questions, the facts would be presented.

Lee Boman said that in response to some of the questions asked the frequently asked questions (FAQ) were on the website at SeeleySewer.org. Many of the questions that had been asked were on the website. It had been updated very recently.

Public asked Bob how many contract use agreements did Rural Development (RD) require. Bob Skiles declined to answer. Mike Boltz replied he did not know, he would have to get back to him.

Public noted that the letter had required one hundred fifty signed contracts from Phase I. Mike Boltz replied that was part of it, but he thought it had been laid out differently.

Public questioned that the Board would put in a sewer and collection system with no guarantee that people would participate. The debt could be put on the taxes. Mike Boltz replied that was historically ridiculous, it did not happen, and was not a reality. Davy Good added that there were many lots that could not be used in Phase I because there was no sewer system. Those people would sign up for the sewer.

Public questioned how the debt would be paid back. There would need to be a legal commitment. She understood that if the Sewer District could not pay for the system then the county would pick up the debt. Mike Boltz replied that they had done it before.

Public questioned that one hundred fifty users had been discussed at the last meeting. Mike Boltz said that he had heard it before, but that was not how it had been laid out to them and questioned why it had been brought up again.

Public said that people needed clear information to review quickly so they had time to discuss it. Mike Lindemer said that they had been working with the PR firm to get everybody’s questions answered.

Public asked under what circumstances could the sewer project go forward.

Public asked if the money was coming from USDA, RD. Mike Boltz replied that a large block was from RD. Mike Lindemer added that there were multiple sources. Public noted that those would be
the people who dictated the rules. Mike Boltz replied that had been laid out last month. Mike Lindemer added that there were grants from State Tribal Assistance Grant (STAG), Treasure State Endowment Program (TSEP) and Water Resources and Development Act (WRDA), and each had different stipulations. The grant money was secure.

Public asked what were the rules of approval. There had been a vote last fall. He had heard that signed petitions were needed to move forward, but that was not the case? Mike Boltz replied that it would move forward. There would be a notice of the project and everybody had a right to appeal. If more than 50% did appeal it would not move forward.

Public noted that he had made a clarifying statement, that the notice of appeal was the same as a notice of intent. Mike Boltz replied that it was the current measure. Everybody within the District had a voice.

Public said that may or may not be true, as renters would be impacted. Landlords would pass on the increased costs to their renters. Because the project was complicated the response to the opportunity was complicated. It was frustrating as the ground rules constantly changed. The main cause of anxiety was cost. When the Board could not answer questions, it did not inspire confidence and created more questions. Mark Butcher added that they would find the correct honest answers.

Public noted that the Board had been working on it for twenty-five years. That gave the Board a long time to develop a certain expertise, which appeared to be missing. Everybody had to solve their problems. Mike Lindemer replied that three different sites for the treatment facility had been evaluated. Each site required three quarters of testing before it could be qualified or disqualified. They had worked hard to secure each of the grants while working through RD's process. All of the grants lowered the cost. The type of system had changed. He was offended to be told that they did not know what they were doing. He was a volunteer who had a fulltime job. He relied on the professionals, such as Greg Robertson and Great West Engineering (GWE) to educate him. He had also been frustrated, but he was starting to understand it more and more every day.

Public wanted to clarify the I know or I don’t know statement. She was quoting things that were given to people. Mike Lindemer said that they were taking questions because they did not have all of the answers. Bob Skiles added that was why Greg Robertson was there, to answer questions. If you refused to talk to him you would not get the answers. They relied on the professionals. Greg Robertson was the manager and he was a professional standing behind the Board. He was extremely knowledgeable and should not be excluded from the conversation. The questions asked had been asked many times and were redundant. They did not have all of the answers, nobody did. But Greg Robertson was the best person to answer the questions.

Don Larson asked Greg if there would be a letter of protest for each land owner or property? Greg Robertson replied that it would be per property.

Public noted that emphasis had been put on business development. The Board felt that the last vote was not relevant because the business community was not sufficiently represented. She asked Bob what kind of business development did the Board envision if the sewer went through. Mark Butcher said he would be able to have a toilet in his store. Bob Skiles replied that there was not much property along the strip. There would be some housing, which would be a good thing. Mike Boltz said that it depended on the economy and what the town did. It was up to the business community. He did not think anybody was counting on the sewer being put in, and there were no projects waiting in the wings.
Public noted that if a McDonalds came in it would take away from the current restaurants. It would harm the community. Mike Boltz said that McDonalds could come in now without a sewer. Discussion followed.

Deb Thomas said that her concern for the sewer project was that the land owners had the responsibility to get the lake cleaned up. It was the most important thing. There were lots of people present that owned property on the lake and had a responsibility to clean the lake.

Public said that she was not at the meeting when she talked about that. The government leased land around the lake would not be hooked up. She agreed that the lake needed to be cleaned and would be for the sewer if everybody on the lake were hooked up. The people up to C Street would not save the lake.

Deb Thomas said that the entire town needed to save the lake, not just the people on the lake. If the lake became contaminated, forget Seeley Lake. Discussion followed.

Mike Lindemer said that the project had to start somewhere. It was designed to be expandable. People could annex in. Discussion on the government lands hooking up followed.

Sally Reinhart said that it was not just the people who were polluting the lake. The animals on the lake were. She had lived here for seventy years and had not had a problem with geese until the last ten years. She held up a bag to show how much the geese pooped in one day. Mike Lindemer replied that that Vince Chappell tested the lake for nitrates originating from various sources.

Public relayed a story regarding her septic tank not needing to be pumped, even though the Health Department had suggested that she should, and concluded that she did not need to be paying monthly on a sewer. If the sewer cost $100 per month, after seven years it would be the same cost for people as to upgrade their septic systems. Mike Boltz questioned her knowledge of septic systems.

Public noted that she was suggesting that because she was here a short time it would not serve the purpose for her property to have a sewer. Would she ever transfer the property? Public replied that she would not. Public suggested that if she did and it transferred in fifty years, then she would write in a covenant that it could only be used for one third of the year. Public replied that the property could not be used in the winter. Public said that it could if it were rebuilt. Mike Lindemer said that it was a luxury item because it was a secondary home. For the people that lived here year-round it was a valuable asset. They were trying to save it. If you did not want to hook up you did not have to. Discussion followed.

The recent $600,000 WRDA grant awarded to the District from Jon Tester’s office was discussed.

Public asked what the USDA grant and loan amounts were. Greg Robertson replied that the RD grant was $5.7 million, and the loan $4.4 million. There was also $2.5 million in grant funds from other sources.

Public asked what it covered. Greg Robertson replied that it covered the construction for the treatment facility, sized for all four phases, and the Phase I collection system. The state funding was a two-year cycle. The Phase II collection system would be put forward for funding for the next cycle. Then Phase III would be submitted for the following cycle, and so on. Public asked if the state was
in favor of that. Greg Robertson replied that previously Seeley had been the number one ranked project in the state.

Public asked if there was an approximate cost for the Phase II collection system. Greg Robertson replied that there were planning level numbers in the Preliminary Engineering Report (PER). The cost would not be known until the bids were opened. Funding would be pursued from the same sources as for this project, WRDA, EPA, RD, TSEP & Renewable Resources Loan & Grant (RRGL). There were many things on the horizon. The project would rank very high because of its past record.

Public asked the District to check the math on the sheets before handing anymore out. The implication was that two thirds of Phase I was being paid for free and the numbers did not reflect that accurately. Discussion followed. Greg Robertson replied that two thirds were paid for with grant funds.

Public noted that it had been said that the feds were not being involved with the people on the lake that were polluting. Her friend was buying a property and the contract said that she agreed that if the sewer were adopted she would provide the sewer for the property.

Al Castonguay asked if after the protest notice had been sent out and the property owner did not protest, was that a yes vote for the sewer. Greg Robertson replied that if no action was taken by the property owner then it was an affirmative support for the project. The only thing that was counted would be the protests.

Don Larson asked if each property owner had a vote, how many votes would Pyramid Mountain Lumber get. Greg Robertson replied that they would get the number of protests associated with the number of parcels that they own. Discussion followed.

Nathan Bourne asked if the percentage of the protest related to the amount that they would have to pay in the end. Greg Robertson replied that the value of the protest was based on their assessment. Nathan Bourne noted that if a lot were listed as commercial it would pay a slightly higher assessment, so they would have a slightly higher say in it because they would pay more. Greg Robertson replied that they would. Nathan Bourne questioned that it was based on that and not dwelling units, so a duplex would not get two votes. It was based per lot. Greg Robertson replied that was correct.

**CORRESPONDENCE:**
Pathfinder Letter - June 29, 2017
Felicity Derry informed the Board that this had been included for information.

Don Larson & Reply
Felicity Derry informed the Board that these had also been included for information.

**MINUTES:**
Board Meeting Held on June 15, 2017
The minutes of the board meeting held on June 15, 2017 were presented to the Board for review.

Davy Good moved to approve the minutes of the board meeting held on June 15, 2017 as presented.
Bob Skiles seconded the motion, which was then passed unanimously.

**INVOICES:**

**June 2017**
Felicity Derry reviewed the invoices for the Board. There were two annual bills, one from Montana Rural Water and the other for the District’s insurance. There were also some invoices from Partners Creative, which had just been received. Mike Lindemer requested clarification on Partners Creative invoice #9254 before it was paid.

Mike Lindemer moved to pay all of the June 2017 invoices, with the acceptance of the Partners Creative Invoice #9254. Davy Seconded the motion, which was then passed.

**FINANCIAL REPORTS:**

**May 2017**
Felicity Derry informed the Board that other than almost $10,000 of fee assessment received it had been an extremely quiet month with the usual transactions.

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

**MANAGER'S REPORT:**

Greg Robertson informed the Board that he had submitted, on behalf of the Board, a request for additional funding from RD. There were four other projects around the state that were facing increased costs. There was a good probability that the District would receive the funding to close the gap from the latest cost estimate. The District had received a $600,000 grant from the Army Corps of Engineers and Senator Tester towards the project. He was reviewing the project management plan and once it was finalized it would circulated be to the Board for consideration at the next meeting. Upon execution of the agreement the funds would become available. There would be a meeting with the Corps of Engineers in a couple of weeks.

The website was up and functional. The address was seeleysewer.org. There was a link to the county’s website to the FAQ and other documents. If anything was missing it could be added. It was a living document.

The dates for the upcoming public meetings had been set. They would be held at 6:00 pm on August 23, 2017 & September 21, 2017 at the community hall. There would be a brief meeting in advance to organize PowerPoint and the structure and agenda. Once the additional funding had been agreed he would be able to finalize the numbers and get them up on the website. Hopefully that information would be available well before the first public meeting. RD had said that the decision would be made the first week of August.

Mike Boltz asked if the design was far enough along for contractors to review. Greg Robertson replied that it was not, and it would not be advantageous. The District would prequalify bidders due to the level of sophistication of the treatment facility.

Mike Lindemer noted that people had asked if there could be a PowerPoint or informational meeting.
on a Sunday afternoon for summer home people. Greg Robertson replied that it was fine. He had experienced poor attendance for weekend meetings and they had not been that beneficial. Mike Lindemer requested that he could get some of the information for a meeting. Greg Robertson said that the PowerPoint information could be made available.

Nathan Bourne asked if there had been a new letter of conditions from RD that did not contain the one hundred fifty-five figure. Greg Robertson replied that it was in the original letter. The only thing that the new letter did was supplement and extend the time. Nathan Bourne noted that phase would come after the notice and protest. Greg Robertson confirmed that it would. He would not waste time collecting agreements if the project was dead. It would be done in due course.

**OLD BUSINESS:**
Resolution #08172017 – Fee Assessment
Greg Robertson said that the resolution was for the annual administrative assessment to continue for operation of the District. This was a resolution of intention to assess the levy. The public meeting would need to be held. At the next regular meeting, they would take public comment and decide on whether to proceed.

Mike Lindemer moved to adopt the resolution. Mark Butcher moved to second the motion, which was then passed.

**NEW BUSINESS:**
Fee Assessment Public Hearing
Previously covered.

**NEXT REGULARLY SCHEDULED MEETING:** August 17, 2017

**ADJOURNMENT OF MONTHLY BOARD MEETING:**
Mike Boltz adjourned the meeting at 6:37pm.
Attest:

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Mike Boltz, President

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Felicity Derry, Secretary