

Seeley Lake Sewer District
REGULAR BOARD MEETING AGENDA

DATE: Thursday October 22, 2020
PLACE: Virtual Meeting via Zoom
Computer: <https://us02web.zoom.us/j/8563339071?pwd=Z0NhbmRoWitlUFpyME8vTWJ0QlZ0Zz09>
Telephone: 1 669 900 6833
Meeting ID: 856 333 9071
Password: 123528
TIME: 6:00 p.m.

ROLL CALL

Tom Morris, President	O	05/2024
Beth Hutchinson, Vice President	O	05/2022
Pat Goodover, Director	O	05/2022
Walt Hill, Director	O	05/2022
Jason Gilpin, Director	O	05/2024
Felicity Derry, Secretary	O	

1. OPENING: Scheduled for 6:00 PM Via Zoom
2. APPROVAL OF AGENDA:
3. PRESIDENT'S COMMENTS:
4. PUBLIC COMMENT: On Items not on the Agenda of the Meeting and within the Jurisdiction of the Sewer District [MCA 2-3-103 (1)a]
5. CORRESPONDENCE: None
6. MINUTES: July 28, 2020 & September 17, 2020 - *Action*
7. FINANCIAL REPORTS:
 - a} Invoices - *Action*
 - b} August 2020
8. MANAGER'S REPORT: Status Report
9. WELL & LAKE TESTING REPORT: September 2020
10. UNFINISHED BUSINESS:
 - a} Resolution# 11192020 - Calling for a Bond Election - *Discussion/Action*
 - b} Draft Policy on Setting the Agenda - *Discussion/Action*
 - c} Proposed Amendments to By-Laws - *Discussion/Action*
 - d} Status of Insurance Regarding Lawsuit Legal Bills - *Discussion/Action*
 - e} Board Member/Board Accountability - *Discussion*
 - f} Board/Employee - Staff Relations - *Discussion*
11. NEW BUSINESS:
 - a} Response to 7/31/20 Don Larson Letter - *Discussion/Action*
 - b} Draft Letter to District Property Owners - *Discussion/Action*
12. NEXT SCHEDULED MEETING: November 19, 2020
13. AGENDA ITEMS FOR NEXT SCHEDULED MEETING
14. ADJOURNMENT:

SEELEY LAKE SEWER DISTRICT
BOARD WORK SESSION
July 28, 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

* Joined at 7:44pm

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 agenda was approved as presented.

NEW BUSINESS:

Conceptual Discussion of Bonding Options Based on a Preliminary Analysis

Jean Curtiss reviewed Dan Clark's comments from the board training workshop regarding the responsibilities of the board.

Presentation by Dan Semmens, Dorsey & Whitney Bond Counsel for the Seeley Lake Sewer District (Topics may Include: General Obligation Bonds, Revenue Bonds and Other Tools)

Dan Semmens introduced himself and gave the board some background on how long he had been involved with the District.

Dan Semmens explained what bonds were and outlined the different kinds of bonds available to water and sewer districts. Also, the different methods each used to assess the cost within the District in order to repay the bonds.

Dan Semmens reviewed examples of a general obligation bond, a revenue bond and a combined general obligation bond and revenue bond, explaining how the cost for each would be spread within the District. Also, how the change in taxable value effected general obligation bonds.

Discussion/Questions – Board Members

Dan Semmens outlined how the Board could proceed to a bond election and inform the public. The discussion moved to how a general obligation bond would affect customers' monthly payments.

The election/notice and protest requirements for the various bonds were discussed.

Dan Semmens outlined the options available to the Board and recommended that the Board evaluate their fundamental financing concerns and the mixture of bonds that could best address them.

The Board discussed the feasibility of putting a District bond election on the November 2020 ballot and the requirements of such an election.

When and how a deficiency tax could be levied was discussed.

The Board discussed the options available and the importance of having the correct figures to present to the public. Also, how quickly the Department of Revenue (DOR) could provide the District's taxable value to facilitate this being placed on a ballot was discussed.

The possibility of presenting two options on a ballot was discussed. Discussion turned to when the Board would discuss a bond election and placing this on the ballot. The Board agreed that a bond election should be added to the August 6, 2020 meeting agenda. The Board discussed the procedure for moving towards a bond election and the optimal time to schedule it.

The fine line between informing the public and not influencing them in the event of an election was outlined and discussed.

Voter turnout in past Sewer District elections and public education were discussed. There was further dialog on the Board's bond election discussion that had taken place at the August 6, 2020 meeting.

PUBLIC COMMENT:

Nathan Bourne asked if the Board went forward with a bond election would it eliminate the current methodology. Dan Semmens confirmed that the bond election would replace the current notice and protest and assessment methodology.

Discussion followed on the agenda items for the August 3, 2020 meeting and when the insurance company's request for reimbursement of litigation expenses would be addressed. It was confirmed that the primary focus of the August 3, 2020 meeting was to be prepared to present, if needed, a resolution and a notice of hearing for an alternative assessment methodology. When the litigation expenses would be addressed was discussed further.

Preparing the documents for the alternative assessment methodology and what would trigger the Board to change the assessment methodology was discussed.

NEXT REGULARLY SCHEDULED MEETING: August 20, 2020

ADJOURNMENT OF MONTHLY BOARD MEETING:

Tom Morris moved to adjourn the meeting at 8:17pm. Walt Hill seconded the motion, which was then passed.

Attest:

Tom Morris, President

Felicity Derry, Secretary

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

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.

09/17/2020

Seeley Lake Sewer District
Regular Board Meeting

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

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

Jon Beal

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.

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. 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

Members of the Board reviewed their thoughts on the meaning of board accountability. 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 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 9:41 pm

Attest:

Tom Morris, President

Felicity Derry, Secretary

**Seeley Lake Sewer District
Invoices for September 2020**

District:

Seeley Lake Water District - <i>Inv#189 September 2020</i>	\$342.35
ME Lab - <i>Inv#2009925 September Testing</i>	\$169.65
ME Lab - <i>Inv#2009938 September State Lands Testing</i>	\$684.80
Curtiss Consulting - <i>September/October</i>	\$1,790.00
Felicity Derry - <i>September/October</i>	\$427.50
Christian, Samson & Baskett - <i>Inv#5645 September</i>	\$1,025.00
	<hr/>
	\$4,439.30

Project:

Great West Engineering - <i>Inv#22548 Phase 2 Aug 16 - Sept 19, 2020</i>	\$5,830.00
Project Total	<hr/> \$5,830.00

Total Invoices:

\$10,269.30

Seeley Lake - Missoula County Water District

PO Box 503
 Seeley Lake, MT 59868-0503

Phone # 406-677-2559

Invoice

DATE	INVOICE #
10/1/2020	189

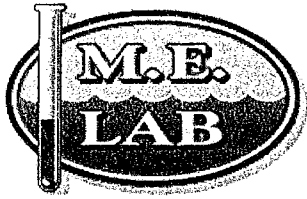
BILL TO
Seeley Lake Sewer District PO Box 403 Seeley Lake, MT 59868-0403

SHIP TO

P.O. NUMBER	TERMS	REP	SHIP	VIA	
	Due on Receipt		10/1/2020	Vince	

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
22	MiscI	Bookkeeping September 2020	15.00	330.00
247	MiscO	Copies	0.05	12.35

THANK YOU!	Total	\$342.35
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Montana Environmental Laboratory LLC

P.O. Box 8900
Kalispell, MT 59904
www.melab.us

INVOICE

Invoice Date: 09/24/2020
Invoice #: 2009925

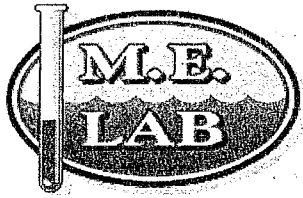
Felicity Derry
Seeley Lake Sewer District
P.O. Box 403
Seeley Lake, MT 59868

Order#: M2009925
PO #:
Project: Quarterly Monitoring Wells

Service	Procedure Description	QTY	Price	Price Factor	Invoice Amount
Laboratory	Coliform	3	\$68.00	15%	\$173.40
	Chloride	5	\$22.00	15%	\$93.50
	Nitrate + Nitrite, Total	5	\$23.00	15%	\$97.75
Office Service	Additional copies or faxes	1	\$1.00	0%	\$1.00
	Postage	1	\$34.00	0%	\$34.00

Balance Due: \$399.65
MCLHD — 230.00
\$169.65





Montana Environmental Laboratory LLC

P.O. Box 8900
 Kalispell, MT 59904
 www.melab.us

INVOICE

Invoice Date: 09/29/2020
 Invoice #: 2009938

Vince Chappell
 Seeley Lake Sewer District
 P O Box 403
 Seeley Lake, MT 59868

Order#: M2009938
PO #:
Project: Proposed Plant Site

Service	Procedure Description	QTY	Price	Price Factor	Invoice Amount
Laboratory	Ammonia	3	\$25.00	15%	\$63.75
	Chloride	3	\$22.00	15%	\$56.10
	Coliform, Fecal	3	\$45.00	15%	\$114.75
	Conductivity	3	\$12.00	15%	\$30.60
	Nitrate + Nitrite, Total	3	\$23.00	15%	\$58.65
	Organic Carbon, Total (TOC)	3	\$47.00	0%	\$141.00
	pH	3	\$12.00	15%	\$30.60
	Total Dissolved Solids (TDS)	3	\$20.00	15%	\$51.00
	Total Kjeldahl Nitrogen (TKN)	3	\$37.00	15%	\$94.35
Office Service	Postage	1	\$44.00	0%	\$44.00

Balance Due: \$684.80



Curtiss Consulting LLC

1419 Howell St

Missoula, MT 59802

District Manager for Seeley Lake Sewer District Board Invoice

9-11-20	general admin	2 hrs
9-14-20	Resolution, bonds, board repost	2 hrs
9-15-20	Semmens, bonds, taxable value	2hrs
9-16-20	General admin	3 hrs
9-17-20	Board prep, policy draft, board mtg	7.75 hrs
9-18-20	Letter of agreement CSB law firm, mtg followup	1.5 hr
9-21-20	Call on taxable value for District, WRDA	3 hr
9-23-20	WRDA draw, agenda policy amendments, admin	2.5 hrs
9-24-20	Gen admin	2 hrs
9-25-20	Project cost allocations with Semmens	1 hr
9-29-20	general admin	2 hrs
9-30-20	general admin	1 hr
10-2-20	Project costs, budget call, general admin	3 hrs
10-5-20	general admin	1.5 hrs
10-7-20	project budget	2 hr
10-8-20	Project call, costs, budget	3.5 hrs
10-13-20	board prep, insurance claim, agenda	2 hrs
10-15-20	bylaws, draft letter to District, project call	3 hrs
Total	44.75 hours @ \$40/hr =	\$1790.00

Payable to Curtiss Consulting, LLC

Felicity Derry
August/September

Date	Time	Subject	Hours
9/17/2020	5:30-9:45p	Meeting	4.25
9/21/2020	5:45-8:45p	Meeting Mins	3.00
9/22/2020	5:30-10:15p	Meeting Mins	4.75
9/28/2020	5:00-7:45p	Meeting Mins	2.75
9/29/2020	5:00-7:00p	Meeting Mins	2.00
10/5/2020	5:30-8:30p	Meeting Mins	3.00
10/6/2020	5:15-8:45p	Meeting Mins	3.50
10/12/2020	9:15-11:45a	Meeting Mins	2.50
10/13/2020	5:15-8:00p	Meeting Mins	2.75
			<hr/>
			28.50

28.5 x \$15 = \$427.50

\$427.50
\$427.50

Christian, Samson & Baskett, PLLC

**310 W Spruce St.
Missoula, MT 59802**

(406) 721-7772

Invoice submitted to:

Seeley Lake Sewer District

c/o Jean Curtiss

jcurtiss53@gmail.com

P.O Box 403

Seeley Lake, MT 59868

October 16, 2020

Balance Due: \$1,025.00

Charges through: 9/30/2020

Invoice # 5645

Professional Services

		<u>Hours</u>	<u>Amount</u>
<u>SE42-03 General Matters</u>			
9/18/2020	ML	Met with Aaron regarding new role as general counsel; Prepared engagement letter; Sent to Aaron for review	0.30
	AMN	Exchange emails with Jean; review and finalize the engagement letter;	0.20
9/21/2020	ML	Reviewed email from Aaron with updated contact information; Updated timeslips regarding same	0.10
9/25/2020	AMN	Review the proposed Assignment of Rights and Claims and the various emails and related documents that Jean sent me;	1.80
9/28/2020	AMN	Begin researching legal issues pertaining to the denial of coverage letters from MACo and Cincinnati Insurance; review and make redlined edits to the Assignment of Rights and Claims MACo presented to Jean;	0.90
9/29/2020	AMN	Update the Assignment of Rights and Claims; review the Cincinnati Insurance Company policy re rights and risks associated with assigning the District's claim to MACo; talk to Bridger to have him research the enforceability of a provision in Cincinnati Insurance Company's policy;	1.00

	<u>Hours</u>	<u>Amount</u>
SUBTOTAL:	[4.30	1,025.00]
For professional services rendered	<u>4.30</u>	<u>\$1,025.00</u>
Previous balance		\$300.00
9/21/2020 Payment - Thank You. Check No. 68001873		<u>(\$300.00)</u>
Total payments and adjustments		(\$300.00)
Balance due		<u><u>\$1,025.00</u></u>

A service charge of 1% per month (12% APR) will be charged on all invoices not paid within 30 days from the invoice date.

Please make amounts payable to Christian, Samson & Baskett, PLLC. If you wish to pay by credit card, please visit our website at CSBLawOffice.com. A processing surcharge of 2.5% will be applied to all credit card transactions.



PO Box 4817
2501 Belt View Drive
Helena, MT 59604

Phone: 406.449.8627

Seeley Lake Sewer District
Pat Goodover, District President
PO Box 403
Seeley Lake, MT 59868

Invoice number 22548
Date 09/28/2020

Project 1-19246 SEELEY LAKE PHASE 2

Professional Services from August 16, 2020 through September 19, 2020

	<u>Amount</u>	
10-13 Preliminary Design		
Contract Amount	149,600.00	
Percent Complete	100.00	
Prior Billed	149,600.00	
Total Billed	149,600.00	
		Current Billed 0.00
11-13 Final Design		
Contract Amount	116,600.00	
Percent Complete	20.00	
Prior Billed	17,490.00	
Total Billed	23,320.00	
		Current Billed 5,830.00
12-13 Bidding & Negotiating		
Contract Amount	51,000.00	
Percent Complete	0.00	
Prior Billed	0.00	
Total Billed	0.00	
		Current Billed 0.00
13-13 Construction		
Contract Amount	313,000.00	
Percent Complete	0.00	
Prior Billed	0.00	
Total Billed	0.00	
		Current Billed 0.00
14-13 Post-Construction		
Contract Amount	20,000.00	
Percent Complete	0.00	
Prior Billed	0.00	
Total Billed	0.00	
		Current Billed 0.00

		<u>Amount</u>
15-13 Resident Project Representative (RPR)		
Contract Amount		420,800.00
Percent Complete		0.00
Prior Billed		0.00
Total Billed		0.00
	Current Billed	0.00
	Total	<u>5,830.00</u>
	Invoice total	<u><u>5,830.00</u></u>

Invoice Summary

Description	Contract Amount	Percent Complete	Prior Billed	Total Billed	Remaining	Remaining Percent	Current Billed
10-13 Preliminary Design	149,600.00	100.00	149,600.00	149,600.00	0.00	0.00	0.00
11-13 Final Design	116,600.00	20.00	17,490.00	23,320.00	93,280.00	80.00	5,830.00
12-13 Bidding & Negotiating	51,000.00	0.00	0.00	0.00	51,000.00	100.00	0.00
13-13 Construction	313,000.00	0.00	0.00	0.00	313,000.00	100.00	0.00
14-13 Post-Construction	20,000.00	0.00	0.00	0.00	20,000.00	100.00	0.00
15-13 Resident Project Representative (RPR)	420,800.00	0.00	0.00	0.00	420,800.00	100.00	0.00
60-13 Geotechnical Investigation	10,000.00	0.00	0.00	0.00	10,000.00	100.00	0.00
61-13 TSEP - Phase 2 Application Revision	5,000.00	100.00	5,000.00	5,000.00	0.00	0.00	0.00
Total	1,086,000.00	16.38	172,090.00	177,920.00	908,080.00	83.62	5,830.00

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
20558	11/19/2019	44,880.00					44,880.00
21904	06/26/2020	4,908.25				4,908.25	
22333	08/21/2020	3,498.00		3,498.00			
22548	09/28/2020	5,830.00	5,830.00				
	Total	59,116.25	5,830.00	3,498.00	0.00	4,908.25	44,880.00

Payments are due within 30 days of the invoice date. Thank you.

	AUGUST 2020	MTHLY BUDGET	2021 FISCAL YTD	YTD BUDGET	2021 BUDGET	% OF BUDGET
OPERATING BILLED INCOME						
Fee Assessment	\$575.72	\$17,860.75	\$3,002.43	\$35,721.50	\$214,329.00	1.4
Interest Income CAB	\$90.40	\$0.00	\$171.09	\$0.00	\$0.00	
Interest Income Missoula County	\$37.46	\$0.00	\$82.75	\$0.00	\$0.00	
TOTAL OPERATING INCOME	\$703.58	\$17,860.75	\$3,256.27	\$35,721.50	\$214,329.00	1.5
OPERATING EXPENSES						
Audit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0
Bookkeeping	\$727.50	\$416.67	\$1,447.50	\$833.33	\$5,000.00	29.0
Dues & Subscriptions	\$0.00	\$41.67	\$0.00	\$83.33	\$500.00	0.0
Election	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.0
Equipment	\$0.00	\$4.17	\$0.00	\$8.33	\$50.00	0.0
Income Survey	\$0.00	\$62.50	\$0.00	\$125.00	\$750.00	0.0
Insurance - Liability	\$0.00	\$166.67	\$0.00	\$333.33	\$2,000.00	0.0
Legal	\$2,261.35	\$0.00	\$3,149.64	\$2,500.00	\$15,000.00	21.0
Licenses & Fees	\$0.00	\$81.25	\$0.00	\$162.50	\$975.00	0.0
Meals & Entertainment	\$0.00	\$4.17	\$0.00	\$8.33	\$50.00	0.0
Office Supplies	\$13.35	\$33.33	\$61.17	\$66.67	\$400.00	15.3
Postage	\$0.00	\$58.33	\$185.35	\$116.67	\$700.00	26.5
Public Relations	\$0.00	\$100.00	\$144.00	\$200.00	\$1,200.00	12.0
Manager	\$2,440.00	\$0.00	\$5,600.00	\$6,400.00	\$38,400.00	14.6
Secretary	\$570.00	\$350.00	\$1,158.75	\$700.00	\$4,200.00	27.6
Training	\$0.00	\$41.67	\$0.00	\$83.33	\$500.00	0.0
Travel	\$0.00	\$16.67	\$0.00	\$33.33	\$200.00	0.0
SSHS Testing	\$0.00	\$83.33	\$0.00	\$166.67	\$1,000.00	0.0
Water Testing	\$0.00	\$75.00	\$0.00	\$150.00	\$900.00	0.0
Well/Lake Monitoring	\$0.00	\$250.00	\$833.45	\$500.00	\$3,000.00	27.8
Reserve	\$0.00	\$0.00	\$0.00	\$4,666.67	\$28,000.00	0.0
Grant Match	\$0.00	\$1,250.00	\$0.00	\$2,500.00	\$15,000.00	0.0
Grant Writing Contracts	\$0.00	\$1,125.33	\$0.00	\$2,250.67	\$13,504.00	0.0
Repay Reserve	\$0.00	\$5,666.67	\$0.00	\$11,333.33	\$68,000.00	0.0
Pin Drive Easements	\$0.00	\$1,250.00	\$0.00	\$2,500.00	\$15,000.00	0.0
TOTAL OPERATING EXPENSES	\$6,012.20	\$11,077.42	\$12,579.86	\$35,721.50	\$214,329.00	5.87
NET OP. INCOME (LOSS)	(\$5,308.62)	\$6,783.33	(\$9,323.59)	\$0.00	\$0.00	
OTHER INCOME & EXPENSES						
Grant WRDA - 2017	\$0.00	\$0.00	\$4,191.56	\$0.00	\$0.00	
Grant DNRC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Grant TSEP 2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
LOR Grant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
RRGL - 2020	\$60,140.00	\$0.00	\$60,140.00	\$0.00	\$0.00	
Grant STAG	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Missoula County Match Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
TOTAL OTHER INCOME & EXPENSES	\$60,140.00	\$0.00	\$64,331.56	\$0.00	\$0.00	
TOTAL NET INCOME (LOSS)	\$54,831.38	\$6,783.33	\$55,007.97	\$0.00	\$0.00	

BALANCE SHEET

ASSETS

06/30/20

07/31/20

08/31/20

CURRENT ASSETS

Cash Accounts			
Citizens Alliance Bank Account	\$313,977.94	\$314,058.63	\$314,149.03
Missoula County Account	\$85,760.23	\$79,500.51	\$52,874.09
- District Reserve Funds	\$0.00	\$0.00	\$0.00
- General District Funds	\$85,760.23	\$79,500.51	\$52,874.09

Total Cash Assets**\$399,738.17****\$393,559.14****\$367,023.12****Accounts Receivable****\$0.00****\$0.00****\$0.00****TOTAL CURRENT ASSETS****\$399,738.17****\$393,559.14****\$367,023.12**

FIXED ASSETS

Construction in Progress			
Grant Administration	\$10,487.36	\$10,487.36	\$10,487.36
Fees	\$143,402.31	\$143,402.31	\$142,477.31
Capital Expenditure	\$55,917.00	\$55,917.00	\$70,917.00
Engineering			
Coordinate with District	\$2,111.13	\$2,111.13	\$2,111.13
Environmental Analysis & Review	\$6,506.40	\$6,506.40	\$6,506.40
USFS Land Acquisition	\$11,522.60	\$11,522.60	\$11,522.60
Groundwater Discharge Permit	\$99,957.17	\$99,957.17	\$99,957.17
Public Meeting	\$2,362.80	\$2,362.80	\$2,362.80
Treatment and Collection System	\$88,825.09	\$88,825.09	\$88,825.09
Study & Report Phase	\$75,760.29	\$75,760.29	\$75,760.29
TSEP Grant Application	\$19,528.52	\$19,528.52	\$19,528.52
Coordinate with District & Attend Monthly Board Meetings	\$5,767.28	\$5,767.28	\$5,767.28
Groundwater Discharge Permit DNRC Site	\$24,270.30	\$24,270.30	\$24,270.30
Geotechnical Investigation	\$25,255.50	\$25,255.50	\$25,255.50
Powell County Land Use Permit	\$4,119.25	\$4,119.25	\$4,119.25
DNRC Land Application Assistance	\$1,528.25	\$1,528.25	\$1,528.25
Environmental Analysis & Review DNRC	\$15,509.40	\$15,509.40	\$15,509.40
Preliminary Design	\$332,916.66	\$332,916.66	\$332,916.66
Final Design	\$343,834.55	\$343,834.55	\$343,834.55
Sewer Service Field Work	\$74,403.05	\$74,403.05	\$74,403.05
Aerial Photo	\$7,809.99	\$7,809.99	\$7,809.99
Force main/Lift Stat Topo/Aerial	\$10,179.70	\$10,179.70	\$10,179.70
Funding Agency Assistance	\$47,307.80	\$47,307.80	\$47,307.80
Add Services - Grant Application	\$3,312.25	\$3,312.25	\$3,312.25
Add Services - Phase Collection - Bid & Construction	\$81.75	\$81.75	\$81.75
Add Services - Separate Treatment & Collection	\$10,499.99	\$10,499.99	\$10,499.99
Add Services - Startup Assistance	\$60.00	\$60.00	\$60.00
Add Services - Coordinate with District	\$23,526.05	\$23,526.05	\$23,526.05
Add Services - Phase 3 & 4 Cost Estimates	\$4,000.50	\$4,000.50	\$4,000.50
Add Services - Geotechnical Investigation	\$60,228.54	\$60,228.54	\$60,228.54
Add Services - Forcemain & Lift Station Topo	\$2,058.85	\$2,058.85	\$2,058.85
Add Services - Funding Agency Assistance	\$197.25	\$197.25	\$197.25
Add Services - EDA Grant App B-E	\$3,000.00	\$3,800.00	\$4,000.00
Add Services - EDA Grant App	\$5,314.25	\$8,555.75	\$9,587.00
Construction in Progress - Other	\$131,320.15	\$131,320.15	\$131,320.15
Bidding & Negotiating	\$34,650.00	\$34,650.00	\$34,650.00
Phase II Preliminary Design	\$149,600.00	\$149,600.00	\$149,600.00
Phase II Final Design	\$13,992.00	\$13,992.00	\$17,490.00
Phase II TSEP Application Revision	\$5,000.00	\$5,000.00	\$5,000.00

Total Fixed Assets**\$1,856,123.98****\$1,860,165.48****\$1,878,969.73****TOTAL ASSETS****\$2,255,862.15****\$2,253,724.62****\$2,245,992.85**

BALANCE SHEET**LIABILITIES & EQUITY**

06/30/20

07/31/20

08/31/20

CURRENT LIABILITIES

Accounts Payable	\$152,541.11	\$150,226.99	\$88,588.84
Advance LOR Grant Income	\$308,963.37	\$308,963.37	\$308,963.37
Total Current Liabilities	\$461,504.48	\$459,190.36	\$397,552.21

TOTAL LIABILITIES\$461,504.48\$459,190.36\$397,552.21**OWNERS' EQUITY**

Retained Earnings	\$1,481,386.38	\$1,794,357.67	\$1,793,432.67
Net Income (Loss)	\$312,971.29	\$176.59	\$55,007.97
Total Owners' Equity	\$1,794,357.67	\$1,794,534.26	\$1,848,440.64

TOTAL LIABILITIES & EQUITY\$2,255,862.15\$2,253,724.62\$2,245,992.85

CASH FLOW RECONCILIATION

	31-Jul	31-Aug	FISCAL YTD
TOTAL NET INCOME (LOSS)	\$176.59	\$54,831.38	\$55,007.97
Operating Activities			
Accounts Payable	(\$2,314.12)	(\$61,638.15)	(\$63,952.27)
Advance LOR Grant Income	\$0.00	\$0.00	\$0.00
Total Investing Activities	(\$2,314.12)	(\$61,638.15)	(\$63,952.27)
INCREASE (DECREASE) IN NON-CASH ASSETS			
Accounts Receivable	\$0.00	\$0.00	\$0.00
Net Cash Provided by Operating Activities	<u>(\$2,137.53)</u>	<u>(\$6,806.77)</u>	<u>(\$8,944.30)</u>
INCREASE (DECREASE) INVESTING ACTIVITIES			
Construction in Progress	(\$4,041.50)	(\$19,729.25)	(\$23,770.75)
Total Incr (Decr) in Investments	(\$4,041.50)	(\$19,729.25)	(\$23,770.75)
NET CASH INCREASE (DECREASE)	<u>(\$6,179.03)</u>	<u>(\$26,536.02)</u>	<u>(\$32,715.05)</u>
CHANGE IN ACCOUNT BALANCES			
Cash at Beginning of Period	\$399,738.17	\$393,559.14	\$399,738.17
Cash at End of Period	\$393,559.14	\$367,023.12	\$367,023.12
Change in Account Balances	<u>(\$6,179.03)</u>	<u>(\$26,536.02)</u>	<u>(\$32,715.05)</u>

Seeley Lake - Missoula County Sewer District
Check Detail

August 2020

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check	1470	08/20/2020	Great West Engineering	1000 · Citizens Alliance Bank Checking		-60,140.00	
Bill	Inv#21472	04/22/2020		15107 · Preliminary Design		-6,363.42	7,480.00
				15113 · TSEP Phase 2 Application Revise		-1,116.58	1,312.50
Bill	Inv#21785	05/28/2020		15107 · Preliminary Design		-40,994.44	44,880.00
				15108 · Final Design		-10,650.52	11,660.00
				15113 · TSEP Phase 2 Application Revise		-1,015.04	1,111.25
TOTAL						-60,140.00	66,443.75
Bill Pmt -Check	1865	08/20/2020	Seeley Lake Water District	1001 · Missoula County Account		-740.85	
Bill	Inv#187	08/01/2020		6652 · Bookkeeping Services		-727.50	727.50
				Copies		-13.35	13.35
TOTAL						-740.85	740.85
Bill Pmt -Check	1866	08/20/2020	Christian, Samson & Basket, PLLC	1001 · Missoula County Account		-2,041.00	
Bill	Inv#5245	08/18/2020		6282 · Legal Fees - General Business		-2,041.00	2,041.00
TOTAL						-2,041.00	2,041.00
Bill Pmt -Check	1867	08/20/2020	Curtiss Consulting LLC	1001 · Missoula County Account		-2,440.00	
Bill		08/01/2020		6117 · Sewer District Consultant		-2,440.00	2,440.00
TOTAL						-2,440.00	2,440.00
Bill Pmt -Check	1868	08/20/2020	Pathfinder	1001 · Missoula County Account		-144.00	
Bill	Inv#25513	07/31/2020		6670 · Public Relations		-144.00	144.00
TOTAL						-144.00	144.00
Check	1869	08/20/2020	Felicity Derry	1001 · Missoula County Account		-570.00	

Seeley Lake - Missoula County Sewer District
Check Detail

August 2020

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
TOTAL				6110 · Secretary		-570.00	570.00
Check	1870	08/20/2020	McKee, Jeanette S.		1001 · Missoula County Account		-7,500.00
				15002 · Const. In Prog - Capital Expend		-7,500.00	7,500.00
TOTAL						-7,500.00	7,500.00
Check	1871	08/20/2020	Harrison, Rosemary S.		1001 · Missoula County Account		-7,500.00
				15002 · Const. In Prog - Capital Expend		-7,500.00	7,500.00
TOTAL						-7,500.00	7,500.00
Bill Pmt - Check	1872	08/20/2020	Great West Engineering		1001 · Missoula County Account		-6,303.75
Bill	Inv#21472	04/22/2020		15107 · Preliminary Design		-1,116.58	7,480.00
				15113 · TSEP Phase 2 Application Revise		-195.92	1,312.50
Bill	Inv#21785	05/28/2020		15107 · Preliminary Design		-3,885.56	44,880.00
				15108 · Final Design		-1,009.48	11,660.00
				15113 · TSEP Phase 2 Application Revise		-96.21	1,111.25
TOTAL						-6,303.75	66,443.75

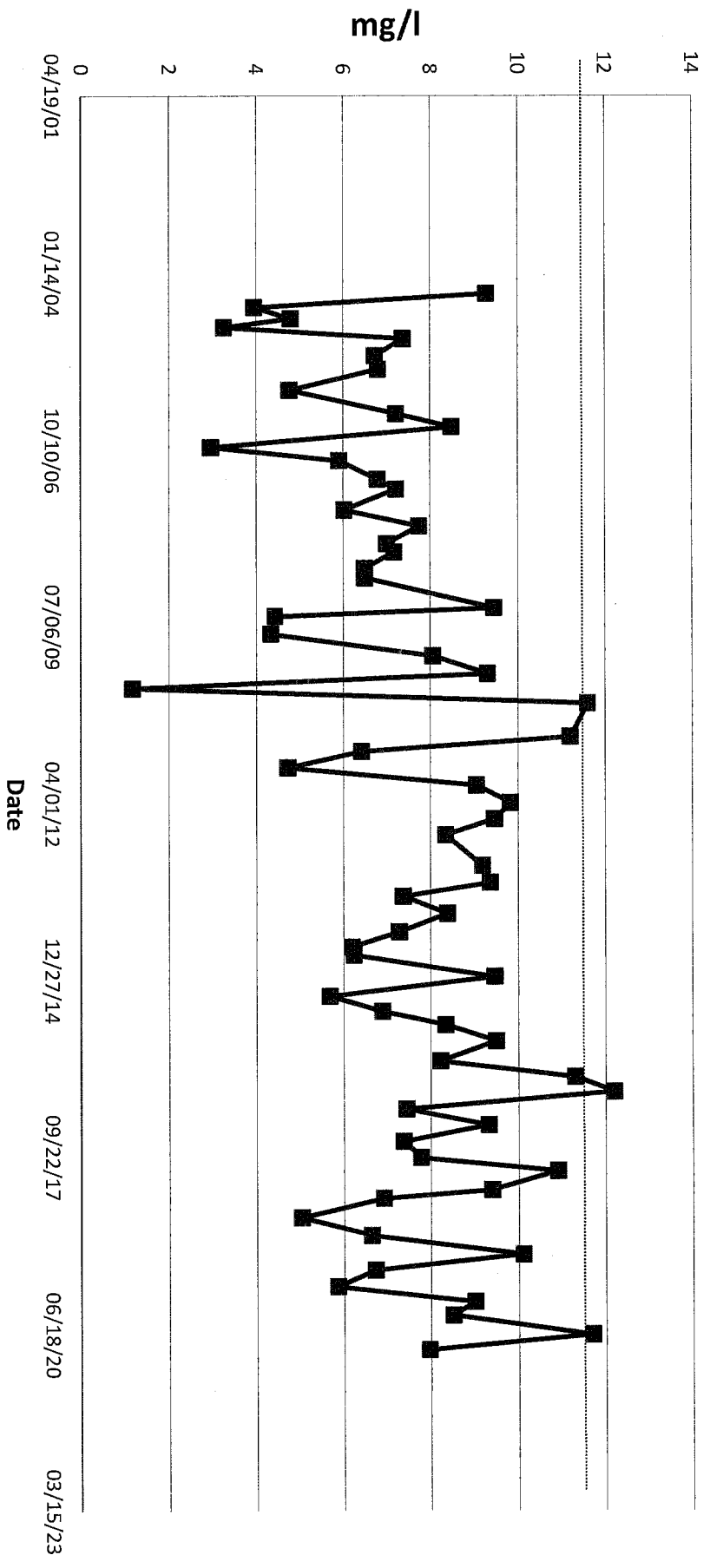
Well #1

Date 2019	Depth of Well	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml
20-Jan-19	35'					
10-Feb-19	36'-8"					
27-Mar-19	38'	7.5	6.1	10.1	89	411
21-Apr-19	37'-6"					
5-May-19	36'-4"					
24-Jun-19	35'-3"	8.6	6.68	6.73	82	355
21-Jul-19	35'-6"					
11-Aug-19	35'-6"					
24-Sep-19	35'-9"	8.30	6.31*	5.85	111	>2419
19-Oct-19						
19-Nov-20						
18-Dec-19	36'	5.4	6.01	9	104	

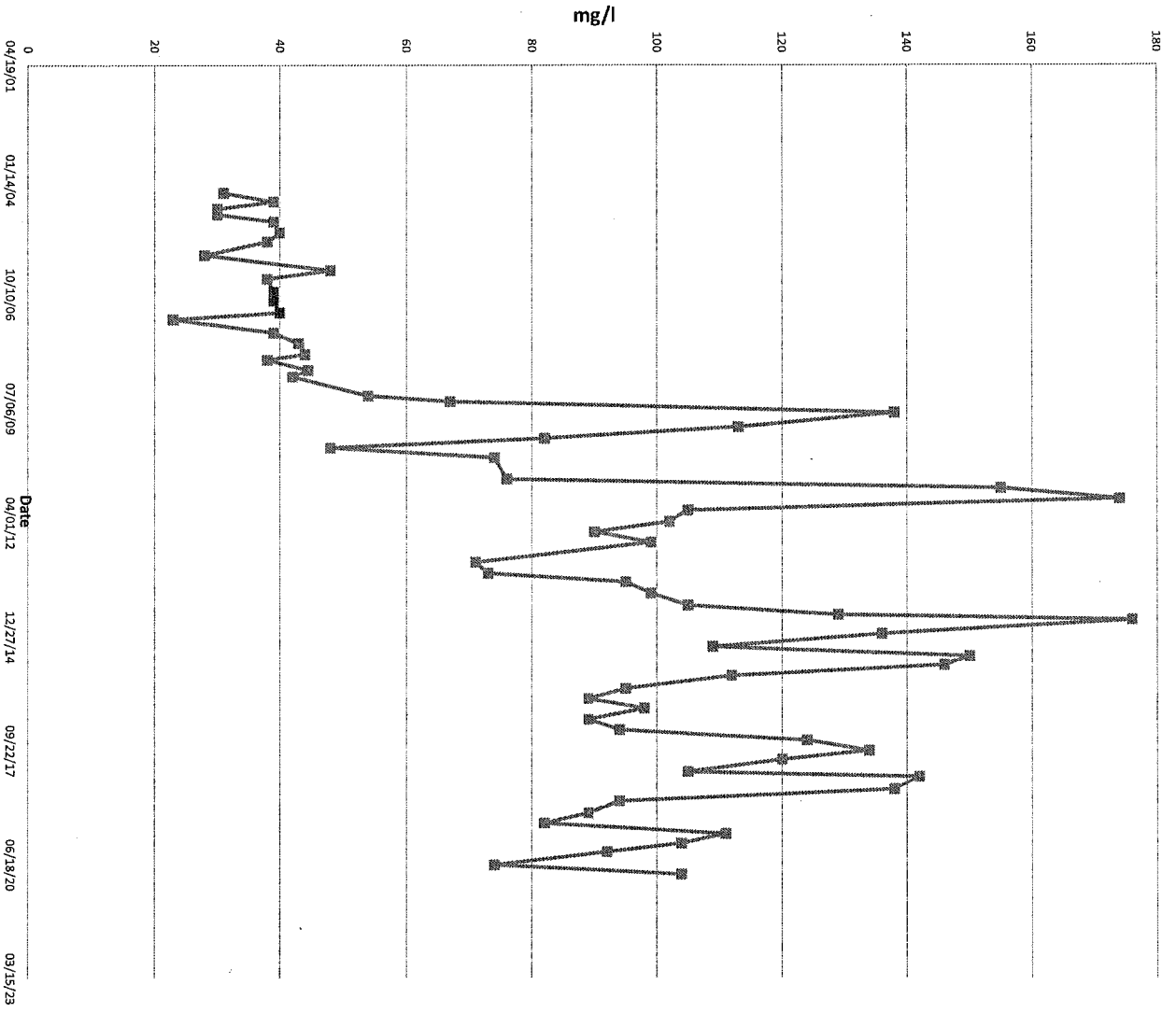
Well #1

Date 2020	Depth of Well	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml
12-Jan-20	36'					
2-Feb-20	36'-2"					
3-Mar-20	36'-6"	6.2	6.71	8.51	92	411
12-Apr-20	36'-0"					
17-May-20	35'-9"					
22-Jun-20	35'	8.1	6.12	11.7	74	Present
19-Jul-20	35'-6"					
15-Aug-20	35'-9"					
15-Sep-20	36'	8.10	6.39	7.96	104	Present

Well 1 Nitrate_Nitrite



Well 1 Chlorides



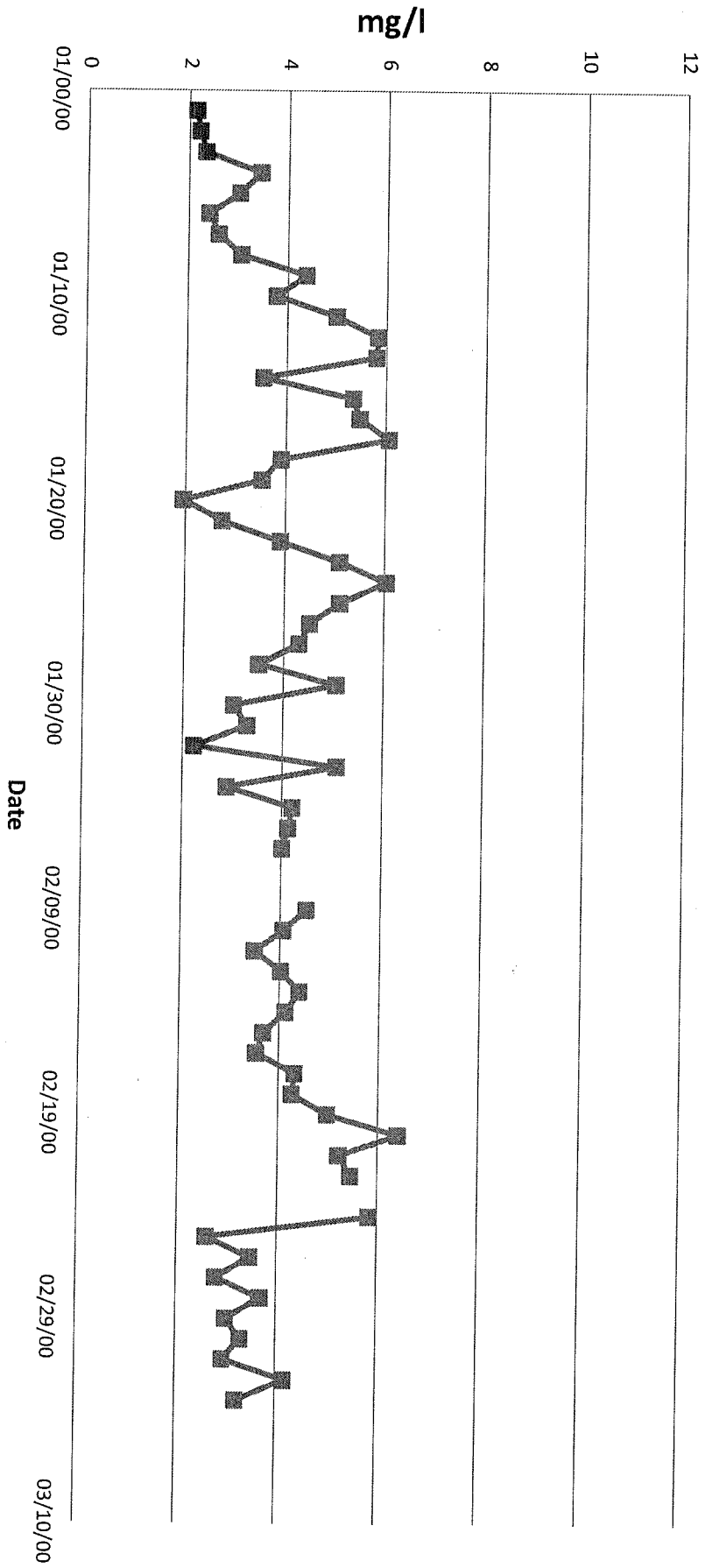
Well #3

Date 2019	Depth of Well	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml
20-Jan-19	17'-8"					
10-Feb-19	17'-10"					
27-Mar-19	18'	6.5	5.65	2.78	44	261
21-Apr-19	18'					
5-May-19	17'-4"					
24-Jun-19	17'	7	5.5	3.68	80	221
21-Jul-19	17'-6"					
11-Aug-19	18'					
24-Sep-19	18'-9"	8.9*	6.07	2.99	48	517.2
18-Dec-19	19'	7	5.55	3.29	44	

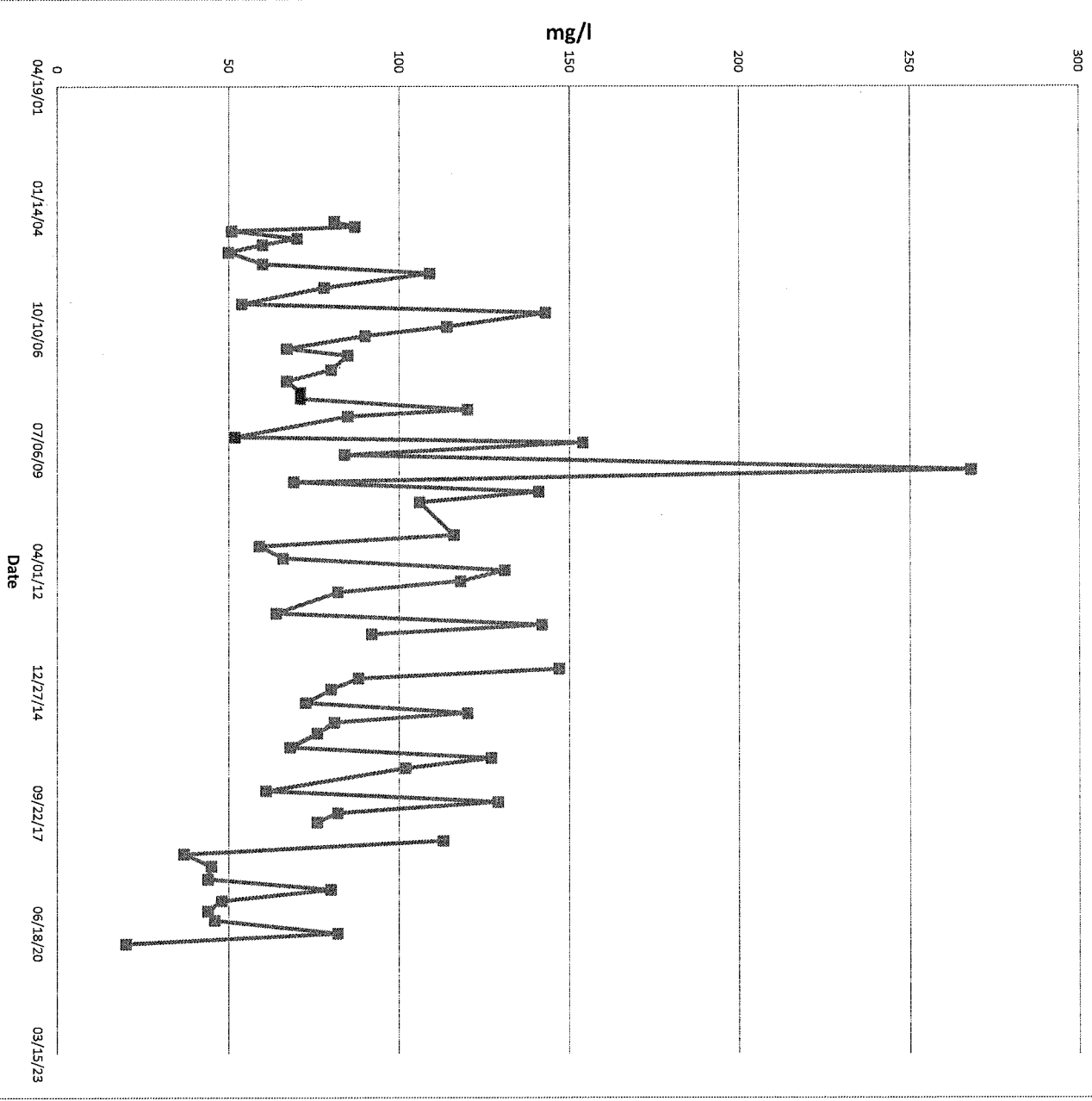
Well #3

Date 2020	Depth of Well	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml
12-Jan-20						
2-Feb-20						
3-Mar-20	18'	7.5	5.51	2.93	46	79
12-Apr-20	17'-4"					
17-May-20	17'					
22-Jun-20	16'-4"	7.7	5.88	4.16	82	Present
19-Jul-20	17'-2"					
15-Aug-20	18'-4"					
15-Sep-20	19'	8.4	5.79	3.2	50	Present

Well 3 Nitrate/Nitrite



Well 3 Chlorides



Seeley Lake Bay

Date 2019	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml	Ecoli per 100 ml
27-Mar-19	1.3*	5.1	0.05	6	>2419	<1
24-Jun-19	16.00	7.36	0.03	2	6	<10
24-Sep-19	15.5*	7.9	ND	3	980.4	<10
18-Dec-19	-0.1	5.52	ND	3	85	<10

Seeley Lake Bay

Date 2020	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml	Ecoli per 100 ml
3-Mar-20	0.01	5.7	0.02	3	66	<10
22-Jun-20	18.40	7.58	0.02	2	23	<10
15-Sep-20	16.30	7.68	ND	2	52	<10

Riverview Bridge

Date 2019	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml	Ecoli per 100 ml
27-Mar-19	2.6*	6.15	0.03	3	lab broke sa	<1
24-Jun-19	15.2	7.22	0.02	2	816	31
24-Sep-19	14.4*	7.01	ND	3	816	<10
18-Dec-19	2	5.15	ND	4	161	<10

Riverview Bridge

Date 2020	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml	Ecoli per 100 ml
3-Mar-20	3.5	6.36	0.02	2	>2419	10
22-Jun-20	17.4	7.36	0.04	2	420	<10
15-Sep-20	14.50	7.15	0.02	2	2250	20

Lions Club

Date 2019	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml	Ecoli per 100 ml
27-Mar-19	0.05	5.35	0.17	26	364	<1
24-Jun-19	16.4	6.55	0.02	54	6,490	<10
24-Sep-19	12.8*	6.11	ND	71	>24,200	98
18-Dec-19	-0.2	4.9	0.01	82	2910	<10

Lions Club

Date 2020	Water Temp *C	Water pH	Nitrate/ Nitrite mg/L	Chloride mg/L	Total Coliform per 100 ml	Ecoli per 100 ml
3-Mar-20	1.3	5.47	0.03	84	2110	<10
22-Jun-20	20.2	6.86	ND	51	13,000	<10
15-Sep-20	9.10	5.6	0.02	82	5170	<10

Well #1 State Lands - Treatment Site

Date	Depth of Well	Ammonia	Chloride mg/L	Fecal Coliform per 100 ml	Conductivity	Nitrate Nitrite Total	TOC mg/l	Water pH	Total Dissolved Solids	Total Kjeldahl Nitrogen
26-Sep-12	39'-8"		12	<1	313	0.15	1.68	7.85	181	ND
26-Dec-12	39'		21	<1	356	0.02	1.64	8.1	205	ND
19-Mar-13	39'-2"		22.00	<1	360.00	0.13	1.75	8.20	203.00	ND
24-Jun-13	36'-3"		13	<1	327	0.02	2.32	8.02	194	ND
9-Sep-13	39'-7"		6	<1	321	0.2		6.81	183	ND
17-Dec-13	39'		15	<1	339	0.19	1.54	7.91	190	ND
27-Mar-14	30'		3	<1	314	0.16	0.39	6.55	176	ND
24-Jun-14	37'-6"		2	<1	308		0.4	7.7	158	ND
8-Sep-14	39'		2	<1	307	0.15	0.58	7.7	180	ND
9-Dec-14	38'		4	<1	313	0.27	0.66	7.72	180	1.45
30-Mar-15	35'-5"		1	<1	306	0.17	0.56	7.8	190	ND
24-Jun-15	39'		9	<1	335	0.17	1.64	7.79	167	ND
8-Sep-15	40'	0.01	1	<1	304	0.31	0.7	7.22	172	ND
8-Dec-15	39'-9"	N/D	20	<1	371	0.21	0.72	7.73	210	ND
31-Mar-16	37'-6"	0.17	14	<1	316	0.25	0.72	7.73	199	ND
28-Jun-16	39'-3"	0.03	21	<1	352	0.18	0.8	7.62	173	ND
20-Sep-16	40'-1"	0.01	3	<1	266	0.2	1.06	7.78	139	ND
27-Dec-16	39'	N/D	5	<1	302	0.2	1.85	7.75	178	ND
28-Mar-17	36'	0.02	3	<1	272	0.18	0.6	7.65	148	ND
28-Jun-17	38'	0.05	1	<1	275	0.19	0.4	7.7	168	ND
12-Dec-17	39'-10"	0.03	2	<1	274	0.2	0.85	7.35	180	0.03
29-Mar-18	38'	0.09	2	<1	302	0.16	0.37	7.68	181	ND
16-May-18	34"	0.21	8	<1	315	0.2	0.97	7.19	185	ND
1-Sep-18	39.25'	0.09	2	<1	294	0.18	0.44	7.45	160	0.39
11-Dec-18	37'-6"	0.07	2	<1	261	0.19	1.52	7.65	178	0.22
27-Mar-19	39'	0.13	3	<1	309	0.21	1.1	7.67	168	0.21
24-Jun-19	36'	0.04	2	<1	306	0.18	1	7.72	187	ND
24-Sep-19	39'	0.10	2	<1	266	0.18	N/D	7.65	179	ND

18-Dec-19	39'	0.08	2	<1	271	0.18	1.1	6.9	164	ND
4-Mar-20	39'	0.04	3	<1	271	0.18	4	6.92	203	ND
22-Jun-20	36'-2"	0.02	2	<1	316	0.17	3.9	7.64	183	ND
15-Sep-20	36'	0.04	2	<1	264	0.17	1.3	7.73	186	ND

Well #2 State Lands - Treatment Site

Date	Depth of Well	Amonia	Chloride mg/L	Fecal Coliform per 100 ml	Conductivity	Nitrate Nitrite Total	TOC mg/l	Water pH	Total Dissolved Solids	Total Kjeldahl Nitrogen
2012 - 2019										
26-Sep-12	39'-9"		9	<1	214	0.17	0.52	7.92	141	ND
26-Dec-12	27'-6"		21	<1	276	0.16	0.68	8.17	163	ND
19-Mar-13	27'-6"		35.00	<1	327.00	0.50	0.69	8.21	206.00	ND
24-Jun-13	27'-5"		4	<1	205	0.19	1.6	7.93	123	ND
9-Sep-13	30'-6"		3	<1	198	0.17		7.41	123	ND
17-Dec-13	28'		44	<1	353	0.1	0.92	8.28	200	ND
27-Mar-14	24'		10	<1	221	0.16	1.74	6.93	136	0.24
24-Jun-14	25'-8"		3	<1	193		0.58	7.91	108	ND
8-Sep-14	30'		2	<1	200	0.14	0.6	7.9	121	ND
9-Dec-14	27'		3	<1	195	0.23	0.55	7.98	121	ND
30-Mar-15	22'		1.1	<1	194	0.14	0.64	8.01	129	ND
24-Jun-15	38'		3	<1	201	0.18	2.5	7.91	117	ND
8-Sep-15	31.5'	ND	ND	<1	195	0.28	0.64	7.42	103	ND
8-Dec-15	29'	0.01	6	<1	206	0.21	0.63	7.92	99	ND
31-Mar-16	26'-6"	0.05	3	<1	174	0.26	0.55	8	109	ND
28-Jun-16	28'	0.05	3	<1	185	0.19	0.38	7.87	117	ND
20-Sep-16	32'-6"	0.02	3	<1	172	0.2	0.55	7.93	86	ND
27-Dec-16	27'-6"	ND	3	<1	193	0.16	1.21	8.05	115	ND
28-Mar-17	25'	0.01	2	<1	174	0.16	1.35	7.97	103	0.23
28-Jun-17	29'-6"	0.05	ND	<1	175	0.19	0.4	7.69	108	ND
12-Dec-17	30'	0.03	2	<1	182	0.17	1.12	6.98	108	ND
29-Mar-18	25'-8"	0.04	2	<1	195	0.16	0.37	7.91	118	ND
16-May-18	24"	0.12	3	<1	185	0.16	0.48	7.22	123	ND
1-Sep-18	30'	0.12	2	<1	187	0.17	0.43	7.4	88	0.39
11-Dec-18	27'	0.13	3	<1	301	0.18	2.57	7.96	107	ND
27-Mar-19	28'-6"	0.14	3	<1	197	0.2	1.3	7.2	115	0.25
24-Jun-19	26'	0.04	2	<1	187	0.18	ND	7.85	93	ND
24-Sep-19	29'	0.08	2	<1	165	0.17	ND	7.88	95	ND
18-Dec-19	28'-9"	0.06	2	<1	168	0.16	1.5	7.29	98	ND

3-Mar-20	29'	ND	2	<1	308	0.13	3.9	7.02	197	ND
22-Jun-20	37'-1"	0.05	1	<1	357	0.13	3.2	7.8	212	ND
15-Sep-20	39-6"	0.04	2	<1	312	0.13	0.9	7.9	214	ND

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Seeley Lake-Missoula County Sewer District, Montana (the "District"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "A RESOLUTION OF SEELEY LAKE-MISSOULA COUNTY SEWER DISTRICT, MONTANA, SUBMITTING TO THE QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF ISSUING (I) GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED FOUR MILLION NINE HUNDRED FORTY-TWO THOUSAND AND NO/100 DOLLARS (\$4,942,000.00) FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS OF A SEWAGE TREATMENT PLANT AND ASSOCIATED IMPROVEMENTS TO SERVE ALL PROPERTIES IN THE DISTRICT, AND (II) REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION FOUR HUNDRED EIGHTY-EIGHT THOUSAND AND NO/100 DOLLARS \$1,488,000.00 FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS OF A SEWAGE COLLECTION SYSTEM AND ASSOCIATED IMPROVEMENTS TO SERVE ALL PROPERTIES IN SUBDISTRICT NO. 1 OF THE DISTRICT, AND (III) PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS" (the "Resolution"), on file in the original records of the District in my legal custody; that the Resolution was duly adopted by the Board of Directors of the District at a meeting on November __, 2020, and that the meeting was duly held by the Board of Directors and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Directors voted in favor thereof: _____; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand and seal officially this _____ day of November, 2020.

Secretary

RESOLUTION NO. _____

A RESOLUTION OF SEELEY LAKE-MISSOULA COUNTY SEWER DISTRICT, MONTANA, SUBMITTING TO THE QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF ISSUING (I) GENERAL OBLIGATION BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED FOUR MILLION NINE HUNDRED FORTY-TWO THOUSAND AND NO/100 DOLLARS (\$4,942,000.00) FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS OF A SEWAGE TREATMENT PLANT AND ASSOCIATED IMPROVEMENTS TO SERVE ALL PROPERTIES IN THE DISTRICT, AND (II) REVENUE BONDS IN A PRINCIPAL AMOUNT NOT TO EXCEED ONE MILLION FOUR HUNDRED EIGHTY-EIGHT THOUSAND AND NO/100 DOLLARS \$1,488,000.00 FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS OF A SEWAGE COLLECTION SYSTEM AND ASSOCIATED IMPROVEMENTS TO SERVE ALL PROPERTIES IN SUBDISTRICT NO. 1 OF THE DISTRICT, AND (III) PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS

RECITALS

WHEREAS, the Seeley Lake-Missoula County Sewer District, Montana (the "District") is a county water and sewer district, validly organized pursuant to Title 7, Chapter 13, Parts 21 and 22, Montana Code Annotated (the "Act"); and

WHEREAS, the District was incorporated on June 18, 1992 and is located within the boundaries of Missoula County, a political subdivision of the State of Montana; and

WHEREAS, pursuant to Resolution No.09072016A adopted following a public hearing on September 7, 2016, the District created Subdistrict No. 1, Subdistrict No. 2, Subdistrict No. 3, and Subdistrict No. 4, and pursuant to Resolution No. 01162020 adopted following a public hearing on January 16, 2020, the District amended the boundaries of Subdistrict No. 2, Subdistrict No. 3, and Subdistrict No. 4; and

WHEREAS, Subdistrict No. 1, Subdistrict No. 2, Subdistrict No. 3, and Subdistrict No. 4 are legally described and depicted on Exhibit A and Exhibit B hereto, respectively (which are hereby incorporated herein and made a part hereof); and

WHEREAS, the Board of Directors of the District (the "Board") conducted special assessment proceedings to seek to authorize the levy of special assessments (the "Special Assessments") against properties in the District to repay bonds in the total principal amount of \$5,790,000, and pursuant to Resolution No. 12212017 (the "Resolution Approving the Special Assessments") adopted following a public hearing on December 21, 2017, the District approved the Special Assessments for the purpose of repaying special assessment bonds to pay a portion of the costs of the design, construction, and installation of the Improvements (as defined below); and

WHEREAS, the Board has caused to be designed and now proposes to cause to be constructed and installed a sewer system for the District, including the construction and installation of a sewage treatment plant, a force main, lift stations, and associated improvements that has the capacity to serve all properties in the District (the "Sewage Treatment Plant") and a sewage collection system and associated improvements that serves all properties in Subdistrict No. 1 of the District (the "Collection System"); and

WHEREAS, the Board has determined that it is the best interests of the District to construct and install the Sewage Treatment Plant and the Collection System (collectively, the "Improvements") as the initial stage of an overall undertaking that will result in a public sewer system serving the District, with Subdistrict Nos. 2, 3, and 4 subsequently being served by sewage collection systems; and

WHEREAS, the Board, as presently constituted, has determined that rather than proceeding with the Special Assessments contemplated by the Resolution Approving the Special Assessments it now desires to (i) hold an election on bonds to finance a portion of the costs of the Sewage Treatment Plant and of the Collection System, and (ii) provide for a methodology that in the Board's estimation spreads the costs of the Improvements in a manner that is more equitable than the methodology employed under the Resolution Approving the Special Assessments; and

WHEREAS, the election on the bonds authorized by this Resolution supersedes, replaces, and renders of no further force or effect the authority to levy the Special Assessments conferred upon the Board by the Resolution Approving the Special Assessment; and

WHEREAS, the Sewage Treatment Plant will benefit all of the properties in the District and the Collection System will benefit properties in Subdistrict No. 1; and

WHEREAS, pursuant to Section 7-13-2321, Montana Code Annotated, whenever the board of directors of a county water or sewer district deems it necessary for the district to incur a bonded indebtedness, it shall by resolution so declare and state the purpose or purposes for which the debt is proposed to be incurred, the land within the district to be benefited thereby, the amount of the debt to be incurred, the maximum term the bonds proposed to be issued shall run before maturity, and the proposition to be submitted to the electors; and

WHEREAS, the Board has determined that there should be submitted to the electors of the District qualified to vote at bond elections in accordance with the provisions of Title 7, Chapter 13, Parts 22 and 23, the questions of whether the Board shall be authorized to sell and issue (i) general obligation bonds for the purpose of paying a portion of the costs of constructing and installing the Sewage Treatment Plant and paying associated costs of issuance, and (ii) revenue bonds for the purpose of paying a portion of the costs of constructing and installing the Collection System and paying associated costs of issuance; and

WHEREAS, based on the information provided to the District from Great West Engineering, Inc., of Helena, Montana (the "Engineer"), the estimated total cost of the Sewage Treatment Plant and associated costs is \$11,927,750, which will be paid from the proceeds of

general obligation bonds proposed to be issued in one or more series in the total principal amount of \$4,942,000 and grants available to or funds on hand of the District in the total amount of \$6,985,750; and

WHEREAS, based on the information provided to the District from the Engineer, the estimated total cost of the Collection System and associated costs is \$5,072,250, which will be paid from the proceeds of revenue bonds proposed to be issued in one or more series in the total principal amount of \$1,488,000 and grants available to or funds on hand of the District in the total amount of \$3,584,250; and

WHEREAS, it is necessary to submit to the qualified electors of the District the questions of whether the Board of the District shall be authorized to issue bonds for the Improvements;

WHEREAS, pursuant to Sections 7-13-2323, 13-1-504, and 13-19-104, M.C.A., such election can be conducted by a mail ballot election; and

WHEREAS, the Board has determined that a mail ballot election conducted in accordance with the provisions of Title 13, Chapter 19, Parts 1-3, M.C.A. (the "Mail Ballot Act"), is in the best interests of the District and the residents thereof and owners of real property therein, and has notified the County Election Administrator of its desire to have the County Election Administrator conduct a mail ballot election; and

WHEREAS, the County Election Administrator will prepare a mail ballot election plan in accordance with the provisions of Section 13-19-205, M.C.A. (the "Mail Ballot Plan"); and

WHEREAS, this Resolution relates to seeking to authorize bonds to pay a portion of the costs of the Sewage Treatment Plant and the Collection System and nothing in this Resolution binds or obligates the Board in connection with the planning for or provision of the sewage collection systems to serve Subdistrict Nos. 2, 3, or 4.

NOW, THEREFORE, BE IT RESOLVED by the Board of the District as follows:

1. Calling of the Election. The Board of the District hereby calls and directs a special election to be held in the District on February 23, 2021, to be conducted by mail ballot pursuant to the provisions of the Mail Ballot Act for the purpose of voting on the question of whether the Board, acting on behalf of the District, shall be authorized to sell and issue (i) general obligation bonds of the District in one or more series in an aggregate principal amount not to exceed \$4,942,000 for the purpose of paying a portion of the costs of designing, constructing and installing a sewage treatment plant, a force main, lift stations, and associated improvements to serve all properties in the District and paying costs associated with the sale and issuance of such bonds, and (ii) revenue bonds of the District in one or more series in the aggregate principal amount not to exceed \$1,488,000 for the purpose of paying a portion of the costs of designing, constructing and installing a sewage collection system and associated improvements to serve all properties in Subdistrict No. 1 of the District and paying costs associated with the sale and issuance of such bonds. Each series of bonds shall be payable during a period of not more than forty (40) years.

2. Benefited Land. All land within the District will be benefited by the Sewage Treatment Plant and all land within Subdistrict No. 1 will be benefited by the Collection System, as such land is described as set forth in Exhibit A hereto and as shown on the map attached as Exhibit B hereto (which exhibits are incorporated by reference and made a part hereof).

3. Conduct of Election. All qualified electors of the District shall be entitled to vote at the bond election. For purposes of this election, the qualified electors include those registered electors owning or residing upon real property in the District who have satisfied the requirements of Section 7-13-2212, M.C.A. The Secretary of the District is hereby authorized and directed to give notice of the call and details of this election to the County Election Administrator at least 85 days before the election. The County Election Administrator is requested to give notice of the close of registration and thereafter prepare printed lists of the qualified electors in the District entitled to vote in the election and to conduct the election in the form and manner prescribed by law and consistent with the Mail Ballot Plan and the attached Exhibit C.

All qualified electors, as defined in Section 7-13-2201, M.C.A., are those who reside within the District and are registered to vote and, upon satisfaction of the requirements of Section 7-13-2212, M.C.A, qualified electors also include registered electors owning real property in the District.

For electors qualified under general election laws who reside in the District and who miss the close of registration deadline, late registration is available through the office of the County Election Administrator until noon on February 22, 2021, and will resume on Election Day, February 23, 2021, from 7:00 a.m. until 8:00 p.m.

For an elector who is not a resident of the District but owns taxable real property in the District, such elector must provide written proof of the individual's qualification to vote to the Missoula County Election Administrator by no later than January 29, 2021. Electors who are not residents of the District but own taxable real property in the District and who therefore are eligible to be qualified electors include individuals, individuals representing a corporation or a company that owns such property, or a designated agent of a trust that owns such property, as described more particularly in Section 7-13-2212, M.C.A.

4. Notice of Election. The County Election Administrator is hereby authorized and requested to cause notice of the call and holding of the election at least three times no earlier than 40 days and no later than 10 days before the election by publishing notice in the *Missoulian* and the *Seeley Swan Pathfinder*, both newspapers of general circulation in Missoula County. The notice as published shall read substantially as shown on Exhibit C hereto (which is incorporated by reference and made a part hereof) with such additions or deletions as shall be necessary or appropriate.

5. Forms of Ballot. The ballots shall be printed in substantially the following forms, with such additions or deletions as shall be necessary or appropriate:

OFFICIAL BALLOT

SEELEY LAKE-MISSOULA COUNTY SEWER DISTRICT, MONTANA

MAIL BALLOT BOND ELECTION – SEWAGE TREATMENT PLANT
FEBRUARY 23, 2021

INSTRUCTIONS TO VOTERS: Completely fill in the oval using a blue or black ink pen before the words “BONDS—YES” if you wish to vote for the bond issue; if you are opposed to the bond issue, completely fill in the oval using a blue or black ink pen before the words “BONDS—NO.”

Shall the Board of Directors of Seeley Lake-Missoula County Sewer District, Montana (the “District”) be authorized to sell and issue general obligation bonds of the District in one or more series in a total principal amount of up to Four Million Nine Hundred Forty-Two Thousand and No/100 Dollars (\$4,942,000), payable over a period of not more than forty (40) years, for the purpose of paying a portion of the costs of designing, constructing and installing a sewage treatment plant, a force main, lift stations, and associated improvements to serve all properties in the District and paying costs associated with the sale and issuance of the bonds (the “Sewage Treatment Plant Project”)?

The total estimated cost of the Sewage Treatment Plant Project is approximately \$11,927,750. Costs of the Sewage Treatment Plant Project in excess of \$4,942,000 are expected to be paid from grants available to and funds on hand at the District in the total amount of approximately \$6,985,750. The Sewage Treatment Plant Project will benefit all properties in the District, the boundaries of which are on file in the office of the District and the office of the Missoula County Clerk and Recorder.

The annual property tax to pay debt service on the bonds assuming the bonds bear interest at the rate of 2.35% per annum and have a 40-year term and based on the current estimate of taxable value of taxable property in the District is \$139.05 (or \$11.59 per month) for a home valued at \$100,000 and \$278.10 (or \$23.18 per month) for a home valued at \$200,000).

BONDS – YES

BONDS – NO

OFFICIAL BALLOT

SEELEY LAKE-MISSOULA COUNTY SEWER DISTRICT, MONTANA

MAIL BALLOT BOND ELECTION – SUBDISTRICT NO. 1 COLLECTION SYSTEM
FEBRUARY 23, 2021

INSTRUCTIONS TO VOTERS: Completely fill in the oval using a blue or black ink pen before the words “BONDS—YES” if you wish to vote for the bond issue; if you are opposed to the bond issue, completely fill in the oval using a blue or black ink pen before the words “BONDS—NO.”

Shall the Board of Directors of Seeley Lake-Missoula County Sewer District, Montana (the “District”) be authorized to sell and issue revenue bonds of the District in one or more series in a total principal amount of up to One Million Four Hundred Eighty-Eight Thousand and No/100 Dollars (\$1,488,000), payable over a period of not more than forty (40) years, for the purpose of paying a portion of the costs of designing, constructing and installing a sewage collection system and associated improvements to serve all properties in Subdistrict No. 1 of the District and paying costs associated with the sale and issuance of the bonds (the “Collection System Project”)?

The total estimated cost of the Collection System Project is approximately \$5,072,250. Costs of the Collection System Project in excess of \$1,488,000 are expected to be paid from grants available to and funds on hand at the District in the total amount of approximately \$3,584,250. The Collection System Project will benefit all properties in Subdistrict No. 1 of the District, the boundaries of which are on file in the office of the District and the office of the Missoula County Clerk and Recorder.

The monthly charge to pay debt service on the bonds and fund a debt service reserve assuming the bonds bear interest at the rate of 2.25% per annum and have a term of 40 years is approximately \$25 per each lot, tract, or parcel in Subdistrict No. 1 of the District.

- BONDS – YES
- BONDS – NO

Passed and approved this ____ day of November, 2020.

President, Board of Directors

ATTEST:

Secretary

EXHIBIT A

LEGAL DESCRIPTION OF SUBDISTRICTS

SUBDISTRICT NO. 1

Tract A COS 3181 including Portion A, Carnes' Seeley Creek Tracts, No. 1, in Section 35, T17N, R15W; Section 3, T16N, R15W, easterly of Highway 83 and northerly of Redwood Lane, excluding the following lots in Seeley Lake Homesites No. 4, lots 3, 4 and Clearwater Park in block 6, lots 1 and 2 block 5, lots 2-15 block 4, all lots in blocks 1, 2, 3, and 7; and excluding the following lots in Seeley Lake Homesites No. 1, lots 2-9 block 1 and lots 1-7 block 2; also excluding Deed Exhibit 307; also excluding any public rights-of-way.

SUBDISTRICT NO. 2

Section 3, T16N R15W, westerly of Highway 83, easterly of Seeley Lake, and northerly of the southerly boundary of Parcel B COS 3861; the following lots in Seeley Lake Homesites No. r, lots 3, 4 and Clearwater Park in block 6, lots 1 and 2 block 5, lots 2 12 block 4, all lots and blocks 1, 2, 3 and 7; and the following lots in Seeley Lake Homesites NO. 1, lots 2-9 block 1 and lots 1-7 block 2; Deed Exhibit 3007; Sections 3 and 10, T16N R15W, Tract 1 COS 5056, Parcel A COS 3186 and Parcel B-1 COS 5925; S34, T17 N, R15 W, C.O.S. 5079, PARCEL 1, IN SE4 and a portion of portion of gov. lot S34, T17 N, R15 W, ACRES 0.52, PT GOVT LOT 8 LESS R/W; SEELEY LAKE SHORE SITES, S03, T16 N, R15 W, Lot 3A, ACRES 4.03, OF LOTS 1A AND 3A; excluding any public rights-of-way.

SUBDISTRICT NO. 3

Section 3, T16N R15W, southerly of Boy Scout Road and westerly of Highway 83; all lots in Seeley Lake Shore Sites along the southerly and westerly shore of Seeley Lake, southerly or westerly of the southerly boundary of Parcel B COS 3861 excluding SEELEY LAKE SHORE SITES, S03, T16 N, R15 W, Lot 3A, ACRES 4.03, OF LOTS 1A AND 3A; and Lazy Pine Addition in Section 10, T16N R15 W; excluding any public rights-of-way and beds of navigable waters.

SUBDISTRICT NO. 4

The SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, and Government Lot 8 in Section 34, T17 N, R15 W excluding S34, T17 N, R15 W, C.O.S. 5079, PARCEL 1, IN SE4 and a portion of gov. lot S34, T17 N, R15 W, ACRES 0.52, PT GOVT LOT 8 LESS R/W; excluding public rights-of-way.

EXHIBIT B
MAP OF SUBDISTRICTS

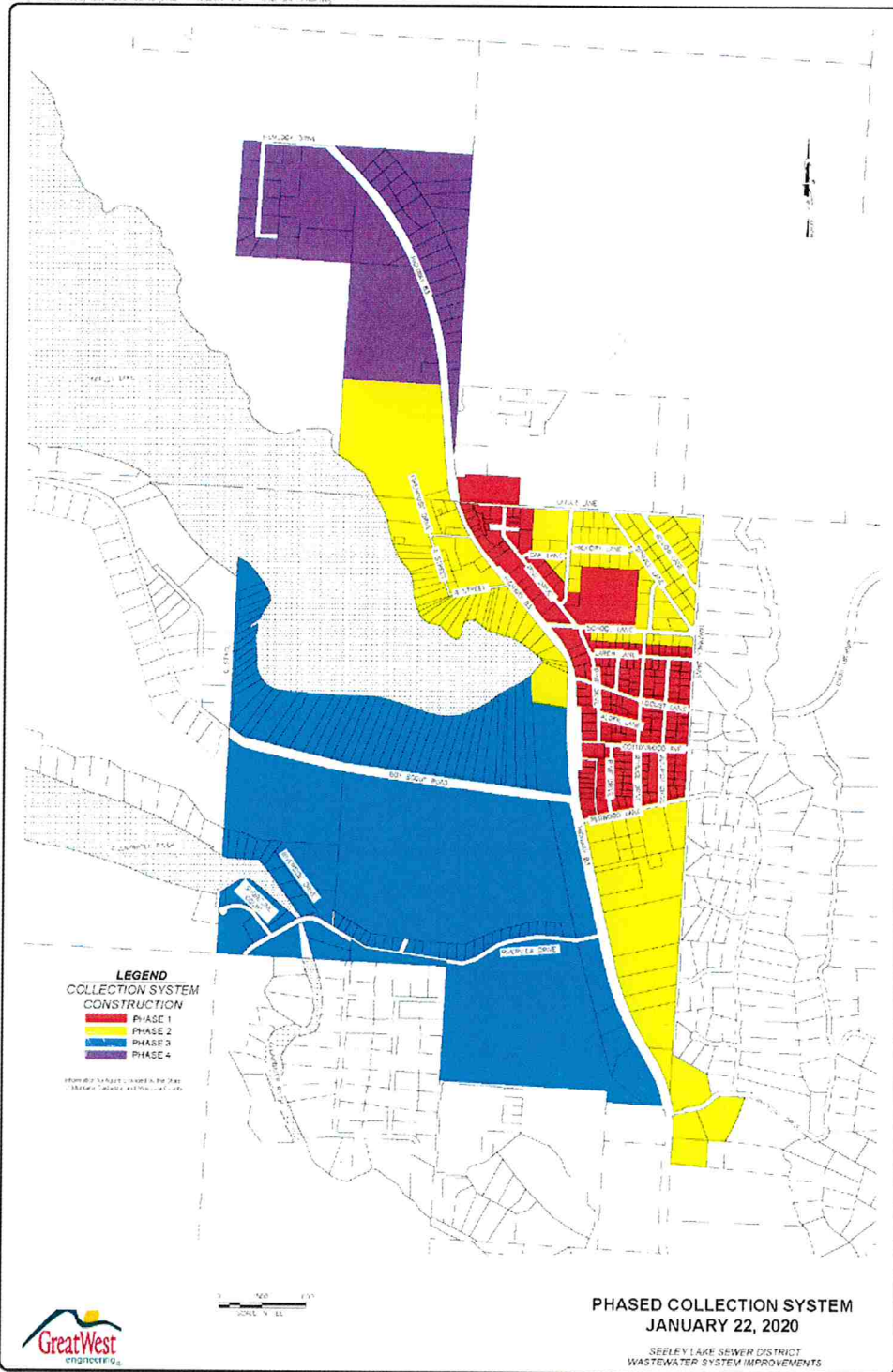


EXHIBIT C

NOTICE OF SEELEY LAKE-MISSOULA COUNTY SEWER DISTRICT, MONTANA BOND ELECTION

NOTICE IS HEREBY GIVEN by the Board of Directors (the "Board") of Seeley Lake-Missoula County Sewer District, Montana (the "District"), that pursuant to a certain resolution duly adopted at a meeting of the Board on November __, 2020, which resolution is available for public inspection, a mail ballot election of the qualified electors of the District will be held February 23, 2021 for the purpose of voting on the question of whether the Board shall be authorized to sell and issue:

- (i) General obligation bonds of the District in one or more series in a total principal amount of up to Four Million Nine Hundred Forty-Two Thousand and No/100 Dollars (\$4,942,000), payable over a period of not more than forty (40) years, for the purpose of paying a portion of the costs of designing, constructing and installing a sewage treatment plant, a force main, lift stations, and associated improvements to serve all properties in the District and paying costs associated with the sale and issuance of the bonds (the "Sewage Treatment Plant Project"). The total estimated cost of the Sewage Treatment Plant Project is approximately \$11,927,750. Costs of the Sewage Treatment Plant Project in excess of \$4,942,000 are expected to be paid from grants available to and funds on hand at the District in the total amount of approximately \$6,985,750. The Sewage Treatment Plant Project will benefit all properties in the District, the boundaries of which are on file in the office of the District and the office of the Missoula County Clerk and Recorder. The annual property tax to pay debt service on the bonds assuming the bonds bear interest at the rate of 2.35% per annum and have a 40-year term and based on the current estimate of taxable value of taxable property in the District is \$139.05 (or \$11.59 per month) for a home valued at \$100,000 and \$278.10 (or \$23.18 per month) for a home valued at \$200,000.
- (ii) Revenue bonds of the District in one or more series in a total principal amount of up to One Million Four Hundred Eighty-Eight Thousand and No/100 Dollars (\$1,488,000), payable over a period of not more than forty (40) years, for the purpose of paying a portion of the costs of designing, constructing and installing a sewage collection system and associated improvements to serve all properties in Subdistrict No. 1 of the District and paying costs associated with the sale and issuance of the bonds (the "Collection System Project"). The total estimated cost of the Collection System Project is approximately \$5,072,250. Costs of the Collection System Project in excess of \$1,488,000 are expected to be paid from grants available to and funds on hand at the District in the total amount of approximately \$3,584,250. The Collection System Project will benefit all properties in Subdistrict No. 1 of the District, the boundaries of which are on file in the office of the District and the office of the Missoula County Clerk and Recorder. The monthly charge to pay debt service on the bonds and fund a debt

service reserve assuming the bonds bear interest at the rate of 2.25% per annum and have a term of 40 years is approximately \$25 per each lot, tract, or parcel in Subdistrict No. 1 of the District.

A complete legal description of the property in the District and of the Subdistricts therein is on file in the office of the District at 3360 Highway 83 North in Seeley Lake, Montana, and at the office of the Missoula County Clerk and Recorder in the Missoula County Courthouse, 200 West Broadway, Missoula, Montana 59802.

The election will be conducted by the County Election Administrator solely by mail ballot. Ballots will be mailed to all qualified electors in the District on February 3, 2021, and must be returned by each voter, by mail to the Missoula County Election Administrator at Missoula County Courthouse, 200 West Broadway, Missoula, Montana 59802 or in person to the Missoula County Election Office at 140 N. Russell Street, in Missoula, Montana, during regular business hours (8:00 a.m. to 5:00 p.m.), weekdays (exclusive of holidays) February 4, 2021 through February 22, 2021, or as described below:

On Election Day, February 23, 2021, the only places for deposit of voted ballots will be:

- Missoula County Election Office at 140 N. Russell Street, in Missoula
- [Other locations?]

A qualified elector who will be absent from the District during the time the election is being conducted may:

- A. Vote in person in the office of the Missoula County Election Administrator as soon as the ballots are available and until noon on February 2, 2021.
- B. Make a written request prior to noon on February 2, 2021 signed by the applicant and addressed to the office of the Missoula County Election Administrator requesting the ballot be mailed to an address other than that which appears on the registration records. All ballots to be mailed will be mailed no later than February 3, 2021.

An elector may obtain a replacement ballot if his or her ballot is destroyed, spoiled, lost, or not received by the elector by filling out and mailing, emailing, or faxing back a completed replacement ballot request form or by personally appearing at the Elections Office at 140 N. Russell Street in Missoula.

Ballots may be returned in person at the places of deposit listed above, or returned by mail. If returning by mail, please use the then-prevailing first-class-postage price or one Forever Stamp. Postmark date does not apply; ballots returned by mail must be received by the 8:00 p.m. Election Day deadline to be counted.

Please note, a "qualified elector" with regard to this election is defined in Section 7-13-2201, Montana Code Annotated.

For electors who are residents of the District and who miss the close of registration deadline, such electors may register late at the Elections Office (140 N. Russell Street in Missoula) from January 26, 2021 until noon on February 22, 2021. Same day voter registration is available for such electors at the Elections Office on Election Day, February 23, 2021, from 7:00 a.m. until 8:00 p.m.

For an elector who is not a resident of the District but owns taxable real property in the District, such elector must provide written proof of the individual's qualification to vote to the Missoula County Election Administrator by no later than January 29, 2021. Electors who are not residents of the District but own taxable real property in the District and who therefore are eligible to be qualified electors include individuals, individuals representing a corporation or a company that owns such property, or a designated agent of a trust that owns such property, as described more particularly in Section 7-13-2212, M.C.A.

DATED this __ day of _____, 20__.

/s/Bradley Seaman

Missoula County Election Administrator

Publish: January 28, 2021, February 4, 2021, and February 11, 2021

\$4,942,000 General Obligation Bonds, consisting of \$3,000,000 Bond, \$1,302,000 Bond, and \$640,000 Bond -- Treatment Plant Bonds

Interest on \$3,000,000 Bond at 2.25% per annum, payable over 40-year term
 Interest on \$1,302,000 Bond at 2.625% per annum, payable over 40-year term
 Interest on \$640,000 Bond at 2.25% per annum, payable over 40-year term

Estimated District Taxable Valuation ¹	\$1,857,334
1 mill (estimate)	\$1,858
Estimated Annual Debt Service	\$191,314
Estimated Number of mills required to cover debt service	103

¹ Estimate from Missoula County. Assumes \$1,622,000 in [2020] tax year taxable values associated with real property and \$235,334 in 2020 tax year taxable values relating to centrally assessed property. Values are preliminary and subject to change.

	Value of a Home	Value of a Home	Estimated Annual Debt Service Levy	Estimated Monthly Payment
Market Value	\$50,000			
Taxable Value	\$675		\$69.53	\$5.79
Market Value	\$100,000			
Taxable Value	\$1,350		\$139.05	\$11.59
Market Value	\$200,000			
Taxable Value	\$2,700		\$278.10	\$23.18
Market Value	\$500,000			
Taxable Value	\$6,750		\$695.25	\$57.94

Seeley Lake Missoula County Sewer District Board Policy on Meeting Agendas

The agenda for Regular Monthly Board Meetings of the District will be set by the Board President with input from Board members and the General Manager.

Criteria for setting the agenda may include:

- keeping the meeting length manageable-2 hours is the goal
- whether the item is time sensitive
- does the board have the needed information
- should a speaker be invited to present
- is it an item that is the board's role or responsibility
- has the item been discussed already
- is the item one that needs addressed regularly -on District calendar- like annual conflict of interest statement to be signed

Basic Agenda for Monthly Meetings

1. Open Meeting
2. Roll Call Attendance
3. Public Comment on items not on the agenda of the meeting and is within the jurisdiction of the sewer district {MCA 2-3-103 (1)a} *(can limit time/ do not have to respond at the time/ ask to focus on issues/ be respectful)*
4. President's Comments
5. Approval of Minutes
6. Financial reports
 - a. Claims list
 - b. Monthly report
7. Manager Status Report
8. Committee Reports
9. Unfinished Business
10. New Business
11. Next Scheduled Meeting
12. Agenda Items for Next Meeting
13. Adjournment

Public right to know and participate – Montana Constitution Article II Declaration of Rights, Sections 8, 9, 10.

- Board goal to facilitate public participation (MCA 2-3-103 (1)(a))
 - **Permit participation-** notice of when, where and how meetings are being held
 - Minimum of 48 hours notice for meetings
 - The goal is to post the agenda a week prior to the meeting with a note that the agenda may be amended up to 48 hours prior to the meeting
 - Action items must be on the noticed agenda

- **Encourage participation/engagement-** welcome questions and comments
 - Action items listed on agenda should be followed by *adopt/amend/reject*
 - Should there be discussion first or should the motion be put on the floor first? - either is ok
 - Board discussion followed by public comment may lead to a different motion than originally intended.
 - Once a motion is made
 - Person who made the motion should be asked if they would like to speak to their motion
 - President should ask for board discussion and then public input
 - Discussion and public comment may require amending the motion (that's ok)
 - The motion should be restated by the President prior to the vote.
 - Board should deliberate in the open, make decision in the open, board members should state reason for vote even when it is not controversial so the public hears their rationale
 - If public comment is taken before the motion is made, you do not have to take it again after the motion is on the floor.
 - Public comment on agenda items can be limited in time
 - Public comment during agenda items needs to focus on the item, be respectful and can be limited to one comment per person
 - Public comment or questions do not have to be addressed immediately. If it is a pertinent sewer district issue, it could be referred to another meeting or method of response.
 - The order of agenda items and time limits for each item allows public to know when the item they are interested in will be addressed and it also makes the meeting length manageable
- **Assist participation-** provide notice and access to documents and links
 - Resolutions and ordinances should be linked to agenda
 - Board packet should be posted for public access

Placing items on the agenda

Board chair should work with board members, District Manager and Board Secretary to set the agenda

Agenda items should be to the Board secretary 10 days prior to the meeting

Goal to have meeting no more than 2 hours long with a reasonable number of items on agenda for discussion/action

Board members, District Manager and others may suggest items for next meeting, at the end of the meeting. President will ask Board if there is interest in the item being on the next agenda and what additional information or background material they may need.

If a Board member has a proposed motion, resolution, or ordinance to be considered- it should be drafted and sent to the Board President, District Manager and Secretary 10 days prior to the meeting.

Bylaw amendments should first be brought forward as a discussion item. If there is a need for amendments, the responsibility of drafting amendments may be referred to the bylaws committee. Once drafted, the amendments must be sent to the Secretary to distribute to all Board members a minimum of 14 days before the meeting where action on the amendments is on the agenda. The proposed amendments shall be posted on the website for a minimum of 10 days before the meeting.

Bylaw amendments may be sent to the general counsel for review.

Special meetings shall be set as per the bylaws.

DRAFT

Two proposed changes to the SLSD By-laws to be addressed October 20, 2020

ARTICLE IV. Purpose of District

Currently in Force (April 20, 2020) as distributed by Jean Curtiss 8/10/20:

ARTICLE IV. Purpose of District

It is the purpose of the District to maintain and provide a healthful environment for present and future generations and to supervise wastewater treatment within the District.

Proposed Change:

Section 1. The purpose of the District is multi-factored: a) to support and maintain a healthful environment for present and future generations in accord with state regulations, b) to determine whether centralized community wastewater treatment is needed for all or part of the District and c) to supervise wastewater treatment within the District in the most responsible, technologically reasonable and affordable manner, recognizing the diversity of economic resources of property owners and residents within the district.

ARTICLE VII. Composition and Responsibilities of the Board of Directors

Currently in Force as distributed by Jean Curtiss 8/10/20 :

Section 14. Duties. Board directors, staff members, volunteers and any individuals appointed to committees of the Board owe attendant duties of loyalty, trust and competence to the District and the Board in carrying out the purpose and intent of the Board's duly adopted resolutions and/or ordinances pursuant to M.C.A. 2-2-103(1) and other applicable law. All persons must comply with the laws of Montana pursuant to M.C.A. 1-1-101 through 1-1-109, as may be amended, including but not limited to Mont. Const. Art. II – 9 and related case law. No person may use their own rights so as to infringe on the rights of another, pursuant to M.C.A. 1-3-205, as may be amended.

“The holding of public office or employment is a public trust, created by the confidence that the electorate reposes in the integrity of public officers, legislators, and public

employees. A public officer, legislator, or public employee shall carry out the individual's duties for the benefit of the people of the state. "M.C.A. 2-2-103(1). The Montana Supreme Court has held that a fiduciary relationship has "attendant fiduciary duties of loyalty, trust, and competence". *Anderson v. ReconTrust Co., N.A.*, 2017 MT 313, Parag. 11, 390 Mont. 12, 407 P.3d 692. Likewise, the public trust set forth in M.C.A. 2-2-103(1) has been described as requiring "a duty of loyalty and responsibility to act in the best interests of...the public" *Sheehy v. Comm'r of Political Practices for Mont.*, 2020 MT 37, Parag. 60, 399 Mont. 26 (Justice McKinnon, concurrence). Thus, board directors, staff members, volunteers, and any individuals appointed to committees of the Board must place the best interests of the District and the Board above their own competing interests and personal beliefs when carrying out the purpose and intent of resolutions and/or ordinances that have been duly adopted by the Board. Any action taken by any individual to interfere with, delay or otherwise prevent the Board from pursuing its duly adopted resolutions and/or ordinances may constitute a conflict of interest and breach of the individual's attendant duties of loyalty, trust, and competence to the District and the Board.

Proposed Change:

Remove the above portion of Section 14 Duties; leave the rest.

ASSIGNMENT OF RIGHTS AND CLAIMS

This Assignment of Rights and Claims ("Agreement") is entered into by and between Montana Association of Counties Joint Powers Insurance Authority Property and Casualty Trust (MACo PCT) and Seeley Lake Water and Sewer District.

WHEREAS, Seeley Lake Sewer District was a defendant in an action in the Montana Fourth Judicial District Court, Missoula County, entitled "***Donald Larson, et. al. v. Seeley Lake Sewer District, Missoula County, et. al.***, Cause No. DV-18-913 (the "Lawsuit"); and

Commented [AMN1]: Was?

WHEREAS, MACo PCT has provided a defense to Seeley Lake Sewer District under full and express reservation of rights, including the right to recover its defense fees and costs; and

WHEREAS, the Indemnity Agreement between MACo PCT and Seeley Lake Sewer District expired July 1, 2018 and MACo PCT believes the First Notice to MACo PCT of the suit was August 8, 2018 which was beyond the policy term and the extended reporting period; and

WHEREAS, Seeley Lake Sewer District became an insured of Cincinnati Insurance Company ("Cincinnati") under Policy No. EMN 049 47 24 issued by ~~the~~ Cincinnati ~~Insurance Company~~ on July 1, 2018 (the "Cincinnati Policy"); and

WHEREAS, Cincinnati ~~Insurance Company~~ has declined to undertake the defense of or indemnify the Seeley Lake Sewer District based upon a policy requirement which, in MACo PCT's opinion, presents an impossibility because the Cincinnati Policy improperly and in violation of Montana law required Seeley Lake Sewer District to do an impossible thing: Report a claim within a certain period including at the time of the filing of a Complaint. Under Montana law, a Complaint may be filed but not served for three years and the defendant, or insured, including the Seeley Lake Sewer District in this instance, would have no actual knowledge or notice of the filing of a Complaint that has

not been served; and

WHEREAS, Seeley Lake Sewer District represents that it had no knowledge of the filing of the Lawsuit on June 26, 2018 until August 8, 2018; and

Commented [AMN2]: Your email quotes John Hart as being served on 8/1/2018—not 8/8/2018. What is this 8/8/2018 date referring to?

WHEREAS, Seeley Lake Sewer District, for and in consideration of the agreements below, wishes to assign its rights under the Cincinnati Policy ~~or Policies~~ to MACo PCT subject to the below terms and conditions;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Seeley Lake Sewer District hereby assigns to MACo PCT all ~~of~~ its rights and interests in and to the Cincinnati Policy ~~of Insurance described above~~ and any extension or renewal thereof, and all ~~of~~ its rights and protections afforded under Montana law, for the limited purpose of MACo PCT seeking recovery from Cincinnati of the fees incurred by MACo PCT in paying to defend Seeley Lake Sewer District in the Lawsuit.

2. Seeley Lake Sewer District agrees to cooperate with MACo PCT with respect to MACo PCT pursuit of recovery of defense fees from Cincinnati ~~Insurance Company~~ including providing access to its relevant files and records, including but not limited to access to its files and records concerning the ~~above—referenced litigation~~ Lawsuit, its solicitation and purchase of the Cincinnati Policy, its communications and records relating to its purchase of the policy through its agent and including its communications with its agent ~~—all of which files and records MACo PCT may only use, as well as access to the files and records of its defense counsel~~ to the extent necessary for pursuit of the claim against Cincinnati ~~Insurance Company~~. Nothing in this Agreement shall require Seeley Lake Sewer District to disclose, provide, or otherwise divulge any privileged attorney-client communications, confidential attorney work-product, and/or any other confidential or privileged documentation, records, and information. Seeley Lake Sewer District, its officers and board members also agree to cooperate with respect to discovery, including depositions and hearings, regarding the claim against Cincinnati

Insurance Company.

3. In consideration of the above aAssignment and the terms contained herein, MACo PCT (a) agrees and covenants that it will not pursue recovery of its defense fees and costs from Seeley Lake Sewer District or any of its existing or former directors, officers, employees, agents, or attorneys, or any of its or their respective assets, and (b) hereby waives and releases Seeley Lake Sewer District and its existing and former directors, officers, employees, agents, and attorneys (collectively, the "Released Parties") from any and all claims, causes of action, damages, demands, and liability, known and unknown, liquidated and contingent, arising from or related to the above-referenced Lawsuit, the Indemnity Agreement, the tender of claims to Cincinnati, the tender of claims to MACo PCT, and/or related matters (collectively, the "Claims").

4. MACo PCT further agrees and acknowledges nothing in this Agreement does, or shall serve to, waive or release any rights and/or interests that Seeley Lake Sewer District may have in and to any policy(ies) Seeley Lake Sewer District has or had with MACo PCT or under applicable law, whether relating to the claim the Seeley Lake Sewer District filed with Mao PCT, the Lawsuit, or any other claim or matter.

3.5. MACo PCT shall not enter into an agreement with Cincinnati resolving the claim(s) assigned from Seeley Lake Sewer District to MACo PCT unless in that agreement Cincinnati unconditionally waives and releases all the Released Parties of and from all Claims.

DATED this _____ day of _____, 2020.

SEELEY LAKE SEWER DISTRICT

By: _____
Its: _____

DATED this _____ day of _____, 2020.

MACo PCT

By: _____
Its: _____



User Name: Eric Henkel

Date and Time: Wednesday, October 7, 2020 2:05:00 PM MDT

Job Number: 127135442

Document (1)

1. *Casualty Indem. Exch. Ins. Co. v. Liberty Nat'l Fire Ins. Co.*, 902 F. Supp. 1235

Client/Matter: -None-

Search Terms: insurer or insurance /s contribution

Search Type: Terms and Connectors

Narrowed by:

Content Type
Cases

Narrowed by
Court: State Courts > Montana

Casualty Indem. Exch. Ins. Co. v. Liberty Nat'l Fire Ins. Co.

United States District Court for the District of Montana, Butte Division

September 21, 1995, Decided

NO. CV-94-048-BU

Reporter

902 F. Supp. 1235 *; 1995 U.S. Dist. LEXIS 16332 **

CASUALTY INDEMNITY EXCHANGE INSURANCE COMPANY, in Rehabilitation, Plaintiff, vs. LIBERTY NATIONAL FIRE INSURANCE COMPANY, Defendant.

Disposition: **[**1]** GRANTED.

Core Terms

equitable, notice, settlement, coverage, motel, triggered

Case Summary

Procedural Posture

Plaintiff **insurer** filed an action against defendant **insurer**, seeking **contribution** with respect to its satisfaction of a motel guest's claim for personal injury against the owners of the motel. Defendant filed a motion for summary judgment pursuant to *Fed. R. Civ. P. 65*.

Overview

The owners had liability insurance policies with plaintiff and defendant. The guest sustained injuries from exposure to carbon monoxide that had emanated from a heater located in his motel unit. The incident was reported to plaintiff but not defendant. The guest filed a

personal injury action against the owners. The limits of the owners' policy with plaintiff were tendered to the guest in exchange for a release of the owners' liability. The owners' attorney notified defendant of the settlement and demanded that it defend and indemnify the owners. Plaintiff filed suit against defendant for contribution. The court held that because the owners' demand occurred after the settlement it was not a demand to defend the guest's action but to contribute to a settlement. Plaintiff had the duty to exercise due diligence in determining the existence of other insurance so that the owners were made fully aware of all available insurance coverage and could make a deliberate and informed decision regarding the tendering of the defense to all potential **insurers**. Plaintiff did not satisfy its obligation and placed the owners at risk. Therefore, it could not seek equitable **contribution** from defendant.

Outcome

The court granted defendant's motion for summary judgment and directed the clerk to enter judgment in favor of defendant.

LexisNexis® Headnotes

Insurance Law > Claim, Contract & Practice
Issues > Coinsurance > **Contribution**

HN1 [↓] **Coinsurance, Contribution**

The doctrine of "equitable contribution" permits an insurer, which has paid a claim, to seek contribution directly from other insurers who are liable for the same loss. The rule, which is based upon equitable principles, is applied in those cases where an insured discharges a common obligation of another insured. The doctrine presupposes the existence of two or more contracts of insurance which render the respective insurers equally liable for the discharge of a common obligation. Restated, the prerequisite to an insurer's invocation of the right to equitable contribution as against a coinsurer is that the policies insure the same risk.

Insurance Law > Claim, Contract & Practice
Issues > Coinsurance > Subrogation Rights

HN2 [📄] Coinsurance, Subrogation Rights

Subrogation is a device of equity which is designed to compel the ultimate payment of a debt by the one who in justice, equity and good conscience should pay it. A property insurer who has indemnified the insured is usually subrogated to any rights the insured may have against the third party who is responsible for the loss.

Insurance Law > Liability & Performance
Standards > Good Faith & Fair Dealing > Duty to Defend

Insurance Law > Claim, Contract & Practice
Issues > Estoppel & Waiver > General Overview

Insurance Law > Liability & Performance
Standards > Notice to Insurers > General Overview

HN3 [📄] Good Faith & Fair Dealing, Duty to Defend

Under Montana law, an insurer's duty to defend its insured arises when the insurer, through reference to pleadings, discovery, or final issues declared ready for trial, has received notice of facts representing a risk covered by the terms of the policy. This general rule contemplates the institution of an action by a claimant against the insured. Consequently, the rule is often restated to acknowledge that an insurer's duty to defend is ordinarily "triggered" when the insured, or someone on the insured's behalf, tenders the defense of an action potentially within the policy coverage. An insurer which, without justification, refuses to defend its insured, will be estopped from denying coverage.

Insurance Law > Liability & Performance
Standards > Good Faith & Fair Dealing > Duty to Defend

HN4 [📄] Good Faith & Fair Dealing, Duty to Defend

The obligation of an insurer to provide a defense is "triggered" when the insured, or someone at the direction of the insured, tenders the defense of an action which is potentially within the policy coverage. Mere knowledge that an insured is sued does not constitute tender of a claim. What is required is knowledge that the suit is potentially within the policy's coverage coupled with knowledge that the insurer's assistance is desired. An insurance company is not required to intermeddle officiously where its services have not been requested. Consequently, where the insured has failed to tender the defense of an action to its insurer, the latter is excused from its duty to perform under its policy or to contribute to a settlement procured by a coinsurer.

Insurance Law > Claim, Contract & Practice
Issues > Coinsurance > Contribution

HN5 [📄] Coinsurance, Contribution

An insurer is not allowed to seek equitable contribution from a coinsurer for a claim never tendered by the insured to the latter carrier. The right of an insurer to contribution from a coinsurer exists when both insurers are liable for the loss, a situation which can only arise when the obligations of both insurers under their respective policies are "triggered."

Insurance Law > Claim, Contract & Practice
Issues > Coinsurance > Contribution

Insurance Law > Liability & Performance
Standards > Good Faith & Fair Dealing > General Overview

HN6 [📄] Coinsurance, Contribution

An insurer must be charged with the duty to exercise due diligence in determining the existence of "other insurance" in order that the insured is made fully aware of all available insurance coverage and can make a deliberate and informed decision regarding the

tendering of the defense to all potential insurers. Where the insurer does not satisfy this affirmative obligation, and thereby places the insured at risk, the insurer may not seek equitable contribution from a coinsurer.

Counsel: For CASUALTY INDEMNITY EXCHANGE INSURANCE COMPANY, IN REHABILITATION, plaintiff: William M. O'Leary, CORETTE, POHLMAN, ALLEN, BLACK & CARLSON, Butte, MT.

For LIBERTY NATIONAL FIRE INSURANCE COMPANY, defendant: G. Curtis Drake, KELLER, REYNOLDS, DRAKE, JOHNSON & GILLESPIE, PC, Helena, MT.

Judges: PAUL G. HATFIELD, CHIEF JUDGE, UNITED STATES DISTRICT COURT

Opinion by: PAUL G. HATFIELD

Opinion

[*1236] MEMORANDUM AND ORDER

This action has its genesis in a controversy between two insurance companies which successively provided liability insurance coverage relative to the operation of a motel. The plaintiff, Casualty Indemnity Exchange Insurance Company ("Casualty"), instituted the action seeking contribution from the defendant, Liberty National Fire Insurance Company ("Liberty National"), with respect to Casualty's satisfaction of a claim for personal injury advanced against the owners of a motel by a guest. Liberty National moves the court, pursuant to Fed.R.Civ.P. 65, to enter summary judgment in that entity's favor upon the claims for relief advanced by Casualty.

BACKGROUND

Casualty had issued a policy of liability insurance to the owners of the motel, Frank **[**2]** and Virginia Burgess.

The policy issued by Casualty was in effect until 12:01 A.M. January 22, 1991. Liberty National, in turn, had issued a liability insurance policy to the Burgesses which became effective at 12:01 A.M., January 22, 1991. Both of the referenced policies were procured by FBS Insurance, a local insurance agency.

An individual identified as Kenneth E. Miller occupied a unit at the Skookum Motel located in Butte, Montana. During his period of occupancy, Miller sustained personal injuries from exposure to carbon monoxide that had emanated from the heater located in the motel unit. In that regard, the parties agree that at approximately 10:00 P.M. on the evening of January 21, 1991, Miller, having occupied the motel unit for a number of hours, became ill and sought treatment at a local hospital emergency room. After an examination, Miller returned to and spent the remainder of January 21st and the morning hours of January 22nd at the motel unit, where he was discovered unconscious on the morning of January 22nd. The Miller incident was reported by the Burgesses, on January 22, 1991, to FBS Insurance. FBS Insurance, in turn, reported the incident to Casualty, but did **[**3]** not similarly notify Liberty National.

Mr. Miller filed his lawsuit against the Burgesses on July 23, 1992, and effected service of a Summons and Complaint upon the Burgesses in August of 1992. It is undisputed the suit papers were forwarded to Casualty, which, in turn, referred the matter to its local attorneys to defend. It is likewise undisputed that no specific notice of the Miller action was provided to Liberty National by the Burgesses. After discovery and analysis revealed the potential monetary value of Miller's claim exceeded the limits of the Casualty policy, the limits of the policy, *i.e.*, \$ 300,000.00, were tendered to Miller in exchange for a release of the Burgesses from liability for Miller's injuries. After a release was executed, a check in the amount of \$ 300,000.00 was forwarded to plaintiff's counsel on March 26, 1993. Subsequent to the foregoing transaction, Casualty was, on April 1, 1993, ordered into rehabilitation by the Commissioner of Insurance in the State of Missouri. Having been advised the check was issued by Casualty to Miller's attorney had been rejected for payment, the attorneys for the Burgesses and Miller agreed to a 90-day stay of the Miller **[**4]** litigation.

Concerned that Casualty's rehabilitation might jeopardize the settlement and put the Burgesses' personal assets at risk, Mr. Burgess undertook to review the files he maintained in relation to the Burgesses'

operation of the Skookum Motel and discovered the policy of insurance that had been issued to the Burgesses by Liberty National. On June 11, 1993, Burgess notified his attorney of the [*1237] existence of the Liberty National policy and directed the attorney to notify Liberty National. By correspondence dated June 16, 1993, the attorney notified Liberty National of the settlement negotiations that had transpired with regard to the Miller action and, in accordance with the directive of the Burgesses, demanded Liberty National to defend and indemnify the Burgesses in accordance with the terms of the Liberty National Policy.¹ The check tendered by Casualty to him in accordance with the terms of the settlement agreement having been dishonored, Miller sought relief in the court in which the action was pending requiring the Burgesses to specifically perform the terms of the settlement agreement. Ultimately, in early July, 1993, the check was honored by Casualty resulting in the [**5] termination of the Miller action against the Burgesses.

DISCUSSION

Liberty National takes the position that Casualty is precluded, as a matter of law, from seeking contribution from Liberty National because Casualty failed to provide Liberty National timely notice of the Miller claim.²

¹The attorney for Burgess notified Miller's attorney on June 23, 1993, of the existence of the Liberty National policy as providing potential coverage for Miller's claim.

²Liberty National also requests the court, in the event it determines coverage for the Miller claim exists under the Liberty National policy, to enter a summary ruling establishing that both the Liberty National policy and the Casualty policy are to be considered "primary"; a determination that would result in the two insurers being responsible for a pro-rata share of the damages ultimately determined to have been sustained by Miller. Liberty National, of course, relies upon the "other insurance" clause of the Liberty National policy, which Liberty National states results in both policies providing primary coverage. See, e.g., *Truck Ins. Exchange v. Transport Indemnity Co.*, 180 Mont. 419, 591 P.2d 188 (Mont. 1979); see also, *Bill Atkin Volkswagen, Inc. v. McClafferty*, 213 Mont. 99, 689 P.2d 1237 (Mont. 1984). Accordingly, Liberty National implicitly concedes the coverage provided by the subject policies are, under the circumstances attendant to the Miller claim, properly considered to be concurrent. See, *Glacier General Assurance Co. v. Continental Casualty Co.*, 605 F. Supp. 126 (D.C.D.C. 1985). Liberty National further concedes that if the court finds Liberty National was provided with notice sufficient to trigger its obligations under the Liberty National policy, liability resulting from the Miller claim should be

Liberty National acknowledges the doctrine of "equitable contribution" permits one insurer who has paid the entire loss to seek contribution from other insurers who are liable for the same loss, but simply argues that an insurer seeking equitable contribution from another insurer bears the burden of establishing that it provided sufficient notice to the other insurer. In retort, Casualty takes the position that notice was provided by Burgess, the insured, to Liberty National via FBS Insurance, an entity properly considered to be an agent of Liberty National. Any detriment sustained by Liberty National as a result of its agent's failure to communicate, directly to Liberty National, the notice provided [**6] by the insured, must be borne by Liberty National. In a correlative argument, Casualty takes the position that Liberty National cannot avoid its liability for equitable contribution based upon untimely notice because it has not been prejudiced by the purportedly late notice.

[**7] HN1 [**7] The doctrine of "equitable contribution" permits an insurer, which has paid a claim, to seek contribution directly from other insurers who are liable for the same loss. See, *Northern Ins. Co. of New York v. Allied Mutual Ins. Co.*, 955 F.2d 1353, 1360 (9th Cir.), cert. denied, 505 U.S. 1221, 120 L. Ed. 2d 903, 112 S. Ct. 3033 (1992) (construing California law); *Western Agricultural Ins. Co. v. Industrial Indemnity Ins. Co.*, 172 Ariz. 592, 838 P.2d 1353, 1355-56 (Ariz.App., Div.1 1992); *Institute of London Underwriters v. Hartford Fire Ins. Co.*, 234 Ill. App. 3d 70, 599 N.E.2d 1311, 175 Ill. Dec. 297 (Ill.App., Div. 5 1992). The rule, which is based upon equitable principles, is applied in those cases where an insured discharges a common obligation of another insured. *Northern Ins. Co. of New York*, 955 F.2d at 1360; *Royal Globe Ins. Co. [*1238] v. Aetna Ins. Co.*, 82 Ill. App. 3d 1003, 403 N.E.2d 680, 682, 38 Ill. Dec. 449 (Ill.App. 1980). The doctrine presupposes the existence of two or more contracts of insurance which render the respective insurers "equally liable for the discharge of a common obligation." COUCH ON INSURANCE SECOND P 62:151 (1983). Restated, the prerequisite to an insurer's invocation of the right to equitable contribution as against a coinsurer [**8] is

distributed equally between the two insurers.

Review of the record reveals Casualty did not respond to the latter aspect of Liberty National's motion for summary judgment. Consistent with the prescription of Rule 220-1, RULES OF PROCEDURE OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MONTANA, the court deems the lack of response as an admission that, in the opinion of counsel for Casualty, the position of Liberty National upon the issue of apportionment is well taken.

that the policies insure the same risk. See, Northern Ins. Co. of New York v. Allied Mutual Ins. Co., 955 F.2d at 1360; Western Agricultural Ins. Co. v. Industrial Indemnity Ins. Co., 838 P.2d at 1355.

The essence of the position advocated by Liberty National is that the principle of equitable contribution has no application to the present case because coverage under the Liberty National policy was never "triggered" and, hence, Liberty National is not equally liable for the Miller claim. Coverage under the Liberty National policy was not triggered, so the argument goes, because Liberty National was not provided timely notice of the Miller claim nor tendered the defense of that claim.

In this diversity action, Montana law controls the substantive rights and obligations of the parties. St. Paul Fire & Marine Ins. Co. v. Weiner, 606 F.2d 864, 867 (9th Cir. 1979). The court is unaware of, and neither party cites decisional law by the Montana Supreme Court discussing the principle of equitable **contribution** among **insurers**. The principle of equitable subrogation, however, is well established in Montana law.³ Cognizant of the fact that the principle of equitable **contribution** [****9**] between **insurers** is akin to the general principle of equitable subrogation, the court is confident the Montana Supreme Court would recognize the viability of the principle of equitable **contribution** as developed in other jurisdictions.

The issue determinative of Liberty National's motion for summary judgment is [****10**] whether that entity's

³The Montana Supreme Court addressed the principle of equitable subrogation in Skauge v. Mountain States Tel. & Tel. Co., 172 Mont. 521, 565 P.2d 628 (Mont. 1977), stating as follows:

HN2 [¶] Subrogation is a device of equity which is designed to compel the ultimate payment of a debt by the one who in justice, equity and good conscience should pay it. (citation omitted). A property insurer who has indemnified the insured is usually subrogated to any rights the insured may have against the third party who is responsible for the loss. The theory behind this principle is that absent repayment of the insurer the insured would be unjustly enriched by virtue of recovery from both the insurer and the wrongdoer, or in the absence of such double recovery by the insured, the third party would go free despite his legal obligation in connection with the loss.

565 P.2d at 630.

obligations under its **insurance** contract with Burgess were "triggered" with respect to the Miller claim. Of singular importance in the present case, is the issue of when, if at all, Liberty National's duty to defend its insured against the Miller claim was "triggered". **HN3** [¶] Under Montana law, an insurer's duty to defend its insured arises when the insurer, through reference to pleadings, discovery, or final issues declared ready for trial, has received notice of facts representing a risk covered by the terms of the policy. See, Lindsay Drilling & Contracting v. United States Fidelity & Guaranty Co., 208 Mont. 91, 676 P.2d 203, 205 (Mont. 1984); Northwestern National Cas. Co. v. Phalen, 182 Mont. 448, 597 P.2d 720, 727 (Mont. 1979); McAlear v. St. Paul Ins. Cos., 158 Mont. 452, 493 P.2d 331, 334 (Mont. 1972); see also, Liberty Bank of Montana v. Travelers Indemnity Co., 870 F.2d 1504, 1506 (9th Cir. 1989). This general rule contemplates the institution of an action by a claimant against the insured. See, e.g., Fisher v. Hartford Accident & Indemnity Co., 329 F.2d 352, 353 (7th Cir. 1964). Consequently, the rule is often restated to acknowledge that an insurer's duty to defend is ordinarily [****11**] "triggered" when the insured, or someone on the insured's behalf, tenders the defense of an action potentially within the policy coverage. See, e.g., Hartford Accident & Indemnity Co. v. Gulf Ins. Co., 776 F.2d 1380, 1383 (7th Cir. 1985). An insurer which, without justification, refuses to defend its insured, will be estopped from denying coverage. Id., at 1382; see also, Independent Milk & Cream Co. v. Aetna Life Ins. Co., 68 Mont. 152, 216 P. 1109 (Mont. 1923).

[****1239**] Liberty National argues the first notice it received of the existence of the Miller claim came by way of a letter from Casualty's attorney to Liberty National dated June 14, 1993; a point in time when a settlement of the Miller action had already been effected between Miller and Casualty. Contrary to the suggestion of Liberty National, however, the notice provided by Burgess to FBS Insurance, constitutes notice, under Montana Law, to Liberty National. See, Federal Land Bank of Spokane v. Rocky Mountain Fire Ins. Co., 85 Mont. 405, 279 P. 239 (Mont. 1929). See also, Kootenai County v. Western Casualty & Surety Co., 113 Idaho 908, 750 P.2d 87 (Idaho 1988).

Liberty National effectively concedes this point and argues that the focus of its notice [****12**] argument lies in the assertion that Casualty, as a coinsurer seeking equitable contribution, had an independent duty to provide adequate notice of the Miller action to Liberty National. Liberty National's argument is misguided.

The focus in this case is properly brought to bear upon the question of whether Liberty National was tendered the defense of the Miller action. As noted, HN4 the obligation of an insurer to provide a defense is "triggered" when the insured, or someone at the direction of the insured, tenders the defense of an action which is potentially within the policy coverage. See, Hartford Accident & Indemnity Co. v. Gulf Ins. Co., 776 F.2d at 1383. The Seventh Circuit Court of Appeals in Hartford, acknowledging the decision whether to tender the defense of an action lies with the insured, stated as follows:

Mere knowledge that an insured is sued does not constitute tender of a claim. What is required is knowledge that the suit is potentially within the policy's coverage coupled with knowledge that the insurer's assistance is desired. (citation omitted.) An insurance company is not required to intermeddle officiously where its services have not been requested. **[**13]** (citation omitted.) Hartford Accident, 776 F.2d at 1383.

Consequently, where the insured has failed to tender the defense of an action to its insurer, the latter is excused from its duty to perform under its policy or to contribute to a settlement procured by a coinsurer. See, Hartford Accident, 776 F.2d at 1383-84; Institute of London Underwriters v. Hartford Fire Ins. Co., 234 Ill. App. 3d 70, 599 N.E.2d 1311, 1313, 175 Ill. Dec. 297 (1st App. Ill. 1992).⁴

⁴There exists no decisional law from the courts of the State of Montana discussing whether under the doctrine of equitable subrogation, as the doctrine has evolved in the State of Montana, an insurer has a right to seek contribution from a coinsurer, regardless of whether or not the insured has tendered a defense to the latter carrier. This court is confident, however, that if presented with the issue, the Montana Supreme Court would recognize that HN5 an insurer is not allowed to seek equitable contribution from a coinsurer for a claim never tendered by the insured to the latter carrier. The right of an insurer to contribution from a coinsurer exists when both insurers are liable for the loss; a situation which can only arise when the obligations of both insurers under their respective policies are "triggered". Otherwise, if the doctrine of equitable contribution were applied to a coinsurer for a claim never tendered by the insured to that coinsurer, "the insurance policy becomes, in effect, a third-party beneficiary contract entered into by the insured for the direct benefit of other carriers." Institute of London Underwriters v. Hartford Fire Ins. Co., 234 Ill. app. 3d 70, 599 N.E.2d 1311, 1316, 175 Ill. Dec. 297. Such a rule would be "inequitable" in

[14]** Under the circumstances of this case, equity dictates that Casualty not be allowed to obtain contribution from Liberty National. First, the demand made by the Burgesses occurred after a settlement of the Miller action had effectively been negotiated by Casualty on behalf of the Burgesses. Consequently, the demand must, under the unique circumstances presented, be viewed not as a demand to defend the Miller action, but as a demand to contribute to a settlement. Had the Miller action not been settled in accordance with the terms of the settlement negotiated by Casualty on behalf of the Burgesses, it is indeed arguable that coverage under the Liberty National policy would have been "triggered" by the demand. The court, however, **[*1240]** is not called upon to address that precise issue.

In reaching its conclusion, the court remains mindful that an insurer has an affirmative duty to inquire as to the existence of other applicable insurance in order that the insured may make an informed decision regarding the tender of the defense to multiple insurers. See, e.g., American Star Ins. Co. v. Allstate Ins. Co., 12 Ore. App. 553, 508 P.2d 244, 249-50 (Ore. App. 1973). While the reason for the rule is obvious in **[**15]** the situation where an insurer seeks contribution from an insured, the need for the rule under the facts of the present case is equally obvious. HN6 Casualty must be charged with the duty to exercise due diligence in determining the existence of "other insurance" in order that the insured is made fully aware of all available insurance coverage and can make a deliberate and informed decision regarding the tendering of the defense to all potential insurers. Where the insurer does not satisfy this affirmative obligation, and thereby places the insured at risk, the insurer may not seek equitable contribution from a coinsurer. The rule is of particular importance in the present case, where Casualty is charged with knowledge, via its local agent, of the existence of the Liberty National policy. Therefore, for the reasons set forth herein,

IT IS HEREBY ORDERED that the motion for summary judgment presented by Liberty National Fire Insurance Company be, and the same hereby is GRANTED. Accordingly, the plaintiff, Casualty Indemnity Exchange Insurance Company shall take nothing by the way of its complaint and the Clerk is directed to enter JUDGMENT

that it would "require an insurer to reimburse another carrier for a claim it has no obligation to pay to its insured and in circumvention of the insurer's wish with whom it has the contract." Id., at 1317.

in favor of Liberty National Fire Insurance Company.

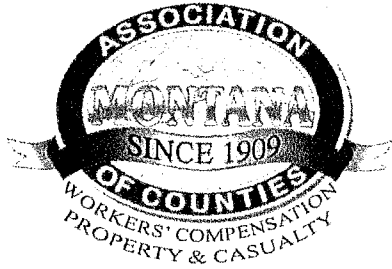
[16]** Each party shall bear their costs.

DATED this 21 day of September, 1995.

/s/ PAUL G. HATFIELD, CHIEF JUDGE

UNITED STATES DISTRICT COURT

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Montana Association of Counties

Claims Services

2717 SKYWAY DR STE A, HELENA, MT 59602
(406) 442-1178 • E-Fax (406) 443-4161
www.mtcounties.org



September 24, 2020

Seeley Lake Missoula County Sewer District
PO Box 403
Seeley Lake, MT 59868-0403

SENT VIA MAIL & EMAIL

RE: Deductible Billing Invoice for:
Claimant: Larson, Donald
Claim #: EO8050033570
Department: * Water / Sewer District
Date of Loss: 6/26/2018
Claim Type: Errors & Omissions

Dear Member:

The above referenced claim has either reached or exceeded the applicable deductible. The claim financials are presented below:

Bodily Injury Paid:	0.00
Expenses Paid:	321,500.99
Property Paid:	0.00
Total Paid:	320,990.75

Errors & Omissions
Deductible: 1,000.00

Amount Due:	\$1,000.00
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Please find the applicable billing statement below. As always, if you have any questions or concerns regarding this claim or the amount due, please contact the Claims Department at (406) 442-1178. THANK YOU!

BILLING STATEMENT

Please make all checks payable to: MACo PCT
To ensure proper credit, please write the claim number on the check or enclose this statement with your payment.

Covered Member: Seeley Lake Missoula County Sewer District

Montana Association of Counties PCT
Attn: Claims Department
2717 Skyway Dr Ste A
Helena, MT 59602

PAYMENT INFORMATION	
Policy ID:	8172PCT2018
Claim Number:	EO8050033570
Payment Due:	10/24/2020
Amount Due:	\$1,000.00

Thank you for your continued trust in Montana Association of Counties Property & Casualty Trust!

Discussion/Action Regarding ACCOUNTABILITY

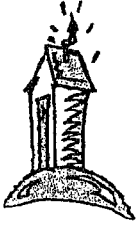
Accountability as constituent representatives is something very important. It seems to me that many of our issues or crises stem from the fact that our generations of boards have not clarified or sufficiently clarified the topic.

I see us discussing and dealing with a number of questions over time, including, but not necessarily limited to the following:

1. What does accountability mean to me as an individual/as a sewer board director?
2. What are various dimensions of accountability that we need to keep in the forefront of our thinking and decision-making as board members?
3. How can we structure the pursuit of accountability as board members? Are there questions or procedures we should be using to carefully monitor our actions/decisions?
4. We deal with numerous individuals, agencies and companies. How does accountability flow between and among us as board members and them as "partners, helpers, etc."? Can we make a flow chart to show how accountability flows and what elements are involved?
5. What measures do we need to have in place in case accountability fails?
6. What consequences are appropriate if accountability is missing/lost?
7. Can you identify any situations where accountability has gone off target in our board's activities? Large, medium, small? In what ways might it matter? Does it matter to you?
8. Is there a tendency for us as board directors to be less accountable because we are not paid? Do we easily make excuses or become defensive when we slip up?
9. What are the various "costs" when accountability goes awry?

These are just a selection of questions I have. I think they need to be addressed so that we can become more effective as sincerely governing parties.

Beth



SEELEY LAKE SEWER

PO Box 403
Seeley Lake, MT 59868

October 22, 2020

Seeley Lake Sewer District
P.O. Box 403
Seeley Lake, MT 59868

Dear Mr. Larson,

This letter is written in response to your letter to the Seeley Lake Sewer District Board, dated July 31, 2020.

In your letter, you asked the Sewer District to reimburse you in the amount of \$84,340.32, for the costs of your legal fees for pursuing a lawsuit against the Sewer District which was dismissed on May 21, 2020. The Seeley Lake Sewer District Board of Directors declines to reimburse you for these costs.

The following are a couple excerpts from the judge's ruling and dismissal of the case that support our decision. - MONTANA FOURTH JUDICIAL DISTRICT COURT, MISSOULA COUNTY DONALD LARSON, et al., Plaintiffs, v. SEELEY LAKE SEWER DISTRICT, Defendant. Dept. No. 1 Cause No. DV-18-913 ORDER GRANTING SEELEY LAKE SEWER DISTRICT'S RULE 37 MOTION FOR SANCTIONS AND DISMISSING CASE

As the Court has already determined, this declaratory action depends on the analysis of what laws the District allegedly violated and the facts of those violations – and in their discovery responses, the Plaintiffs avoid disclosing this information. This is abusive. Given that the Court is already required to deem the Motion as well taken, the Court is comfortable applying its conclusion here to compel dismissal of the Amended Complaint. However, if Plaintiffs elect to file anew, they should be prepared to provide a such a bond.

Sincerely,

Tom Morris, President
Seeley Lake Sewer District Board