

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING
August 15, 2019

Pat Goodover	President	PRESENT	Walt Hill	Vice President	PRESENT
Mike Boltz	Director	ABSENT	Davy Good	Director	PRESENT
Beth Hutchinson	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 Pat Goodover at 5:17pm at The Community Hall, located at 3248 Highway 83 N, Seeley Lake.

APPROVAL OF AGENDA:

Walt Hill moved to approve the agenda as presented. Davy Good seconded the motion. There was no discussion, and the motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Aye

PRESIDENT'S COMMENTS:

Pat Goodover reviewed the District's purpose, the duties of the president and the 2017 notice and protest, in which the majority of the property owners did not protest. The Board had approved the subsequent resolution to move forward with constructing the sewer and incurring debt. It was the duty of the Board to comply with that resolution to construct a sewer and act in the best interest of the public. The Board was also required to install the most cost-effective system to remediate the nitrate levels in the groundwater in Seeley Lake. The Board was asking everybody to connect for the benefit of the community.

The nitrate levels in the test wells had exceeded the maximum allowed standard of 10mg/l. The Health Board had been monitoring the test wells, which showed an upward trend in nitrate levels. The Health Board approximated that completion of all stages of the sewer system would reduce nitrates entering the groundwater by at least 85%. It was unlawful to pollute surface or groundwater and the Board was duty bound to provide a solution, which was the public sewer system. The Board has broad authority and may establish rules and regulations stating which properties must connect to the sewer system.

Jim Erven read a letter from the Health Board to the Seeley Lake Sewer Board and gave the letter to the Board. (Appendix B).

Pat Goodover noted that the purpose of requiring connection of all the properties that could, was to make a safe and clean environment for the residents and visitors to Seeley Lake, whereby accomplishing the goal of abatement of nitrates. It would also reduce the individual cost to customers. The Linda Vista area had a nitrate issue. The state stepped in and ordered the Board of Health to correct the issue, which they did by building a sewer system. The sewer would be built, it was a question of if the District or the government would do it.

Whether Linda Vista had a public water system was discussed. Also, if the state stepped in would the cost be more equitably distributed throughout a wider area?

Beth Hutchinson felt that the President's comments were inappropriate. Pat Goodover disagreed, and continued that if the community wanted to present a different option, which had been approved by the Health Department, that could be put before the Board at the next meeting.

Discussion followed on the subsidies for the O&M cost and the lessons learned from other communities.

PUBLIC COMMENTS:

The question of what would happen to the people that could not afford \$100 per month was asked. The Board was addressing this by researching other funding sources to offset the cost for low income residents, such as grants, private funds, and the resort tax.

CORRESPONDENCE:

Elections Office – Don Larson

This was an email from Don Larson to the Elections Office.

Elections Office – Beth Hutchinson

This was also an email from Beth Hutchinson to the Elections Office. Beth Hutchinson questioned why an email to the Elections Office requesting information was included in correspondence, when it had not been addressed to the District. It was noted that it had been included in the information Jean Curtiss had requested from the Elections Office regarding a petition that would affect the Board.

Causby Letter to Dowdall; Petition Rejected

This email was from the Elections Office to Colleen Dowdall rejecting the petition.

Lone Larch Storage, Richard Steiner

Richard Steiner was generally in favor of the sewer, but his properties currently would not need a sewer and was protesting the way he was being billed. The actual number of properties he was being billed for was discussed.

MINUTES:

None

FINANCIAL REPORTS:

Invoices – July 2019

Felicity Derry reviewed the invoices for the Board.

Davy Good moved to approve the July 2019 invoices for payment as presented. Walt Hill seconded the motion. There was no discussion, and the motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Aye

MANAGER’S REPORT:

Jean Curtiss continued to work on the easements. Owners had been found for three of the lots in question on Pine Street, which would probably delay the process. The new location of the lift station on the high school property was being drawn up.

Missoula County had agreed to write the grant request for a local assistance grant of up to \$750,000. It would fill in some gaps left by Missoula County in the project budget.

The Rules & Regulations were posted on the website. They would also be available at the library and the County Satellite Office for public review and comment. The public hearing would take place next month.

TSEP had awarded the District a \$15,000 planning grant for Phase III.

OLD BUSINESS:

A. Troy Savage, Energy Smart Industrial Partner - Presentation

Dan Rogers, MEC and Troy Savage explained the efficiency program and how it could assist the District to maximize power efficiency and possibly receive rebates.

Pat Goodover recessed the meeting at 6:07pm.

SEELEY LAKE SEWER DISTRICT **PUBLIC HEARING**

The public hearing was called to order by Pat Goodover at 6:07pm at The Community Hall, located at 3248 Highway 83 N, Seeley Lake.

PUBLIC COMMENTS:

None.

NEW BUSINESS:

Resolution #08152019 Setting Assessments

This resolution was regarding the assessment methodology for the annual assessment. Concern was raised that the assessment amount had doubled and the assessment methodology was unfair to the mill, while other businesses paid a disproportionate amount. Also, that the reserve should be used to pay the manager.

Loren Rose, Pyramid Mountain Lumber was concerned that the mill had funded 20% of the District since inception, but had not received 20% of the benefit. The mill would not pay 20% of the bill for the new system.

Concern was raised that the assessment could cause a housing shortage and negatively impact the downtown area. Landlords would have to pass the increased cost onto the tenants. Conversely, if the sewer did not happen and no new septic permits were issued, whereby inhibiting new affordable housing, then the current landlords, unconstrained by competition, could charge whatever they wanted. Development would lead to more people paying the fees, whereby lowering the individual cost. Discussion followed on the state or county mandating the sewer and the cost to the customers without the grants that the District had secured.

The equity of the way the District would charge customers for the sewer was raised.

The budget had been on the agenda since March and the assessment methodology resolution for quite some time. The timeline for the Department of Revenue dictated that the resolution had to be adopted tonight. Discussion followed on the Board researching and discussing the methodology for next year to make it more equitable for the mill.

Concern was voiced that the decision had to be made tonight and that did not give the public enough time to respond. The same thing had happened last year. Also, that there was enough money in the reserve to pay the manager for the upcoming year. The Board noted that the reserve money had been set aside to initially subsidize the O&M cost. Discussion followed on the amount of the reserve, the increase in the budget and the possibility of changing the assessment methodology that had been unchanged for the past seven years.

It was suggested that the assessment methodology continue unchanged and not to increase the budget amount. Then next year find a more equitable way to assess the fee. That would mean that the District reserve, which had already been depleted by matching grants, would fund the increased expenditures. It was noted that previous methodologies that had been utilized had been thought to be inequitable also.

Discussion followed on how much the increased assessment cost was, the possibility of only raising the budget by 5%, and that the Board had set the budget to cover the District's expenses. The District's reserve was discussed.

Beth Hutchinson moved to have a special meeting a week from tonight, to rescind the current budget and put forth a budget that was increased by 5%, and work out the District's needs through the reserves to the best of our abilities. The Board discussed moving forward with the approved budget and to look at the assessment methodology for the next year. Also, that spending the reserve now would mean less money to subsidize O&M. The motion failed. The Board voted as follows:

Pat Goodover	Nay
Walt Hill	Nay
Mike Boltz	Absent
Davy Good	Nay
Beth Hutchinson	Aye

The way the protests would be counted and when the comment period would end was outlined.

The Board voted on Resolution#08152019, which would be signed on August 26, 2019, and was passed as follows:

Pat Goodover	Ay
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Nay

ADJOURNMENT OF PUBLIC HEARING:

Pat Goodover adjourned the public hearing at 6:49pm.

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING

The board meeting was reopened by Pat Goodover at 6:49pm at The Community Hall, located at 3248 Highway 83 N, Seeley Lake.

B. Transfer Lindey’s RV Dump Property to Phase II – Revisit July 18, 2019 Vote

While there was no issue with the RV dump station, moving the property to an earlier phase would address previous public comment that the RV dump influenced the closest test well. There would be minimal financial impact on Phase II. Discussion followed on the requirements as listed in the Rules & Regulations for pretreatment of an RV dump station.

Pat Goodover moved to transfer the Lindey’s RV dump property from Phase III into Phase II. Walt Hill seconded the motion. There was no further discussion, and the motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Aye

C. Resolution#08152019A to Require All Property Owners to Connect to the Sewer

Pat Goodover stated that the notice which had been mailed out contained some typographic errors. Requiring all to connect was the best way to address the environmental issue, cost effectiveness and not illegally discharging nitrates into the groundwater. Discussion followed on whether vacant lots would pay any of the O&M cost.

Concern was raised that it had been previously stated that septic systems did not adequately remove nitrates, therefore it did not seem right that 30 septic systems had been approved for the new subdivision. Jim Erven outlined the level at which various septic systems could reduce nitrates. That it had taken years for the new subdivision to show it would not cause or contribute to a further violation of the standard in the special management area.

Colleen Krause had a petition with 182 signatures of people opposing the mandate to connect to the sewer. Pat Goodover noted that Missoula County had stated that the way to correct the nitrate issue would be to have everybody connect to the sewer.

Shannon Therriault, Health Department noted that the Health Department and DEQ could stop people from using their septic systems because it was causing or contributing to a violation of the standard. Linda Vista had refused to be sewerred twice. Finally, DEQ had tasked the Commissioners and the Health Board to solve the violation of the nitrate groundwater standard. Linda Vista was sewerred at a higher cost than if they had agreed to a sewer in the beginning.

If the Board didn't require everybody to connect, while it was unclear what the Health Board would do, they did have the authority and responsibility to talk about it and make decisions. The Health Department had a role in requiring a solution to the nitrate problem. Onsite systems, even level 2 systems, were not a solution in Seeley Lake. Sewer was a really good solution to remove the nitrates from the water. The way to solve the problem was to have everybody connect to the sewer.

Beth Hutchinson questioned that Phase III & IV had no indication of problems. Shannon Therriault noted that when the Health Department became involved the community had already decided to move forward with the sewer system, and felt that a sewer system would solve the nitrate problem. There was a real public health problem and an environmental pollution problem. A sewer was an environmentally appropriate way to address it.

Beth Hutchinson noted that some of the larger lots in town that had not shown a nitrate problem might take offense to being mandated to be sewered with no scientific support. Shannon Therriault disagreed stating that there was a lot of scientific support.

Colleen Krause suggested that the Health Department check some of the septic systems. Shannon Therriault replied that a working septic system would contribute nitrates to the groundwater. A sewer would eliminate the nitrates from close to the lake and the area of town with dense septic systems.

Frank Paxton was concerned that the effluent would affect the private wells by the treatment plant. Shannon Therriault noted that the nitrate level of the effluent was below the drinking water standard and would be monitored. Many different locations for the treatment plant had been considered and dismissed prior to the current location. It was no longer recommended that old pharmaceuticals be flushed down the toilet, and a public education program could help the community. The location of the monitoring wells at the treatment plant would be reviewed with the engineers.

Walt Hill added that dilution was the solution for many problems. The effluent would be treated by UV light which would destroy many pharmaceuticals as well as bugs.

Why the Board opted to mandate connection to the sewer was discussed.

Discussion turned to the Rural Development (RD) requirement for 148 connections and that the mandate to connect would alleviate the need for user agreements and would satisfy RD's requirement.

Colleen Krause said that a resident had received a letter from DEQ stating that the lake was not polluted and was not on any watch list. Concluding that the septic systems around the lake must be working well. Shannon Therriault noted that the septic waste could still go into shallow groundwater and affect the lake. Saying that there was no septic system influence on the lake was not scientifically true.

Troy Spence said that in the PER the Butte School of Mines showed that water from the town did not reach the lake. Shannon Therriault replied that septic systems were causing high nitrates in ground water and studies showed that it was mixing with the lake. The wells on the east side of the highway also showed elevated nitrate levels.

Colleen Krause was questioned by Nathan Bourne as to what the petition read. It read as follows: “We the undersigned strongly oppose any efforts on your part, meaning the Board, to mandate that property owners hook up to your proposed sewer system should it get constructed.”

Mike Lindemer noted that ten years ago, the average age was 55, now it was 65. There had been a tremendous change in the lake, the project needed to move forward. There was alternative funding for people that were on a fixed income. The primary residences for both Beth Hutchinson and Colleen Krause were not in Seeley Lake. Beth Hutchinson noted that she drove 600 miles and got a separate job to be on the Board.

Pat Goodover moved that the typographical errors be corrected in Resolution#08152019A. There was no discussion. The Board voted as follows:

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Nay

The comment period for Resolution#08152019A had concluded. There was no further discussion. The Board voted in favor of the Resolution#0812019A as follows:

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Nay

Jon Beal explained that the Board operated by resolutions and ordinances. The resolution was the position of the Board moving forward for the project.

Colleen Krause complained the that Board had not listened to the petition that she had brought. Discussion on elections and appointments followed.

D. Legal Update

Jon Beal noted that the case was still pending before Judge Townsend. A notice of issue was filed to bring the case to her attention before she retired at the end of August.

E. By-Laws Revision & Approval

Walt Hill suggested that the By-Laws be postponed for another month. This item was tabled for a month by consensus of the Board.

F. Clarification of President’s Role with Regard to Attorney

Beth Hutchinson noted that the Board had voted that Pat Goodover should be the conduit to speak to the attorney, but felt that the legal process was not being followed and that the attorney had jumped the gun without directive from the President/Board.

Jon Beal responded that he had been directed to take appropriate legal action to look out for the Board and the community of Seeley Lake and then outlined the events leading to the action that had been taken.

Beth Hutchinson felt that she had done nothing to forestall the project, except to ask questions on behalf of the constituents and be objective.

G. Board Detouring from Commitment to Advertise for GM

Beth Hutchinson was concerned that the Board reacted to crises in hiring Jean Curtiss as the manager.

NEW BUSINESS:

A. Possible Ordinance Arising from Resolution to Require All Property Owners to Connect to the Sewer

No ordinance was needed for Resolution 08152019A.

The difference between an ordinance and a resolution was discussed with Jon Beal.

B. Resolution to Open the Public Comment Period for the Proposed Rules & Regulations

Jean Curtiss noted that the Rules & Regulations were posted on the website and were available at the library, as well as the Satellite Office. Some of the pertinent chapters and exemptions were reviewed. A number of the commercial/industrial properties were discussed. There would be a 30-day comment period.

Walt Hill moved to adopt Resolution#08152019B, opening the 30-day comment period and to have the public hearing at 6:00pm on September 19, 2019. Davy Good seconded the motion. There was no further discussion and the motion was carried. The Board voted as follows:

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Nay

C. Sign Letters of Engagement with Stevens & Associates for Appraisals on Easements

Jean Curtiss noted that the owners of three of the properties on Pine Street had only just discovered that they owned them and might want to be paid for the easement. Therefore, an appraisal would establish the value of the easement. The language in the letter of engagement was discussed.

Beth Hutchinson moved to sign the letter of engagement. Davy Good seconded the motion. There was no discussion, and the motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Aye

D. Authorize Board President to Sign Dept of Commerce Grant Application for \$750,000 Phase I Local Assistance

Missoula County would write the application and apply for the grant on the District's behalf. It was not ready to be signed.

Davy Good moved to approve Pat Goodover to sign the grant application when completed. Walt Hill seconded the motion. There was no further discussion, and the motion was carried.

Pat Goodover	Aye
Walt Hill	Aye
Mike Boltz	Absent
Davy Good	Aye
Beth Hutchinson	Aye

E. Where do we (the Board and the Community) go from here? Possible Motions Generated After Discussion

This item was delayed for another meeting.

NEXT REGULARLY SCHEDULED MEETING: September 19, 2019

ADJOURNMENT OF MONTHLY BOARD MEETING:

Pat Goodover adjourned the meeting at 8:44pm

Attest:

Pat Goodover, President

Felicity Derry, Secretary