



SEELEY LAKE SEWER

PO Box 403
Seeley Lake, MT 59868

September 17, 2020

Blaise Devins
P.O. Box 140
Seeley Lake, MT 59868

Dear Mr. Devins,

The Seeley Lake Sewer District Board received your email expressing your concerns regarding your property that is adjacent to the District. This letter is to confirm the District's intentions regarding annexation.

The Seeley Lake Sewer District does not intend to initiate annexation of your property. As you stated, your property is not currently within the boundaries of the Seeley Lake Sewer District. You are investing in a septic system that will meet the requirements of the Special Management Area established by the Missoula City County Board of Health and the Health Codes for Wastewater. This system will protect the aquifer and is a substantial investment for your family. The location of your property, adjacent to two properties that will not be developed, the U.S. Forest Service and the common area of your subdivision that protects Morrell Creek, adds a buffer to your septic system. Even if the other properties within your subdivision, along the east side of Tamarack Drive, petition into the District in the future, your property is isolated at the end of the subdivision and would not have to be annexed.

The District's first responsibility is to provide service to properties within the District and maintain the capacity to serve undeveloped properties within those boundaries. However, you or a future owner of your parcel may petition to be annexed into the District in the future if your system fails. The Sewer Board would consider that petition at that time but it would be initiated by the landowner.

Sincerely,

Tom Morris, Board President

APPENDIX C

ASSIGNMENT OF RIGHTS AND CLAIMS

This 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 is 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; and

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 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 under Policy No. EMN 049 47 24 issued by the Cincinnati Insurance Company on July 1, 2018; 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 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

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;

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.

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 files and records, including but not limited to access to its files and records concerning the above referenced litigation, 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, 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. 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 Assignment and the terms contained herein, MACo PCT agrees and covenants that it will not pursue recovery of its defense fees and costs from Seeley Lake Sewer District or any of its assets.

DATED this _____ day of _____, 2020.

SEELEY LAKE SEWER DISTRICT

By: _____
Its: _____

DATED this _____ day of _____, 2020.

MACo PCT

By: _____
Its: _____

Jon G. Beal

Kristine J. Beal

Jacob Anderson

Ian Gillespie

Paralegal/Property Manager - Shaelynn Neel

Katelyn Riordan - Paralegal/HR Manager

September 2, 2020

Via Email Only:

Pat Goodover
Director
Seeley Lake Sewer District
sbp@centric.net

Via Email Only:

Beth Hutchinson
Vice President
Seeley Lake Sewer District
bethyhutchinson@hotmail.com

Via Email Only:

Walt Hill
Director
Seeley Lake Sewer District
walt.hill@mso.umt.edu

Via Email Only:

Jean Curtiss
District Manager
Seeley Lake Sewer District
jcurtiss53@gmail.com

**Re: Response to August 26, 2020 Correspondence Re: Board Refusal to Pay Firm Invoices
Seeley Lake Sewer District (General Business - CLOSED) - SLS 17-00
Seeley Lake Sewer District (Declaratory Judgment Action - CLOSED) - SLS 20-01**

Dear Ladies and Gentlemen:

Thank you for your August 26, 2020 correspondence (attached), regarding the Board's actions taken with respect to our firm's June 2020 and July 2020 invoices in SLS 17-00 and SLS 20-01. These invoices were submitted for payment on June 29, 2020 and July 31, 2020, and were outstanding for 57 days and 26 days respectively before you responded stating you do not want to pay some or all of the invoices. My firm worked tirelessly, including over nights and weekends to complete work for the Board as authorized by past-Board President Pat Goodover, and I am disappointed and flummoxed by your continued refusal to pay now that adverse directors have taken over as Board majority and President. As you know, Mr. Goodover was designated by the Board to be our contact for these matters, and fully authorized this work, **including** work performed on the declaratory judgment action that you now dispute (attached). I have enclosed the fully executed Retainer Agreements for both files. Relevant portions of the May 21, 2020 closed Board meeting and action authorizing us to perform work on the declaratory judgment action are included in the SLS 20-01 Retainer Agreement. Mr. Goodover informed Ms. Hutchinson on July 28, 2020 that there were no "issues" with these invoices and that the charges were authorized (attached), and informed me on August 25, 2020 that the invoices had been approved by the Board (attached). **It is not clear to me what charges you do not want to pay and what you are apparently reserving your right not to pay pending further "review".**

Beal Law Firm, PLLC

Pat Goodover, Walt Hill, Beth Hutchinson and Jean Curtiss

September 2, 2020

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Enclosed are our firm's invoices for June 2020 through August 2020. **I respectfully request that you immediately pay all undisputed amounts in these invoices and set forth the basis each and every amount that you dispute in writing.** After we have received payment for all undisputed amounts, and an explanation related to the amounts that are disputed (if any), I will be in a position to discuss this matter with you. As an example of the charges you dispute, you state that attorney Neilson only listed 0.30 hours for our phone call on July 13, 2020, but as you know from my billing entry on that date, the 0.80 hours I charged encompassed more than the phone call and included work I performed drafting a memorandum and letter.

Thank you and stay healthy.

Kindest Personal Regards,
Beal Law Firm, PLLC

/s/ Jon G. Beal

Jon G. Beal

jonbeal@beallawfirm.com

JGB/sn

Encl.

cc: Felicity Derry (via Email Only)

Attachments

1. 2017-10-09 Retainer Agreement (SLSD)(Fully Executed)
2. 2020-06-10 Letter from Beal to Goodover (Addition of New Matter Agreement)(Fully Executed)
3. 2020-06-12 Email from Goodover to Neel (Authorization to File Complaint)
4. 2020-06-30 SLS 17-00 Invoice 12214
5. 2020-06-30 SLS 20-01 Invoice 12215
6. 2020-07-31 SLS 17-00 Invoice 12248
7. 2020-07-31 SLS 20-01 Invoice 12249
8. 2020-08-25 Emails Goodover and Beal (Past Due Invoices; Approval)
9. 2020-08-26 Email from Curtiss to Beal (Firm Invoices)
10. 2020-08-28 Email from Goodover to Neel (2020-07-28 Email to Hutchinson)
11. 2020-08-31 SLS 17-00 Invoice 12278
12. 2020-08-31 SLS 20-01 Invoice 12277