Seeley Lake Sewer District- Background/ History

Seeley Lake Sewer District -OUR MISSION

The Seeley Lake Sewer District was formed in 1992 to assist the community in determining the need and cost of a centralized sewer system. The District's goals are to:

1. Identify grant opportunities and other funding strategies that support an affordable sewer project
2. Address water quality concerns from high density septic system influence
3. Facilitate solutions related to design, construction, acquisition or financing needs for proposed improvements

Since its formation in 1992, by a vote of the people, the District Board has been charged with determining if a community wastewater treatment system is needed; and if so, to construct, operate and maintain a sanitary sewerworks for purposes beneficial to the District including, but not limited to, pollution abatement; and figuring out how to fund it.

As far back as 1998, studies have linked groundwater degradation to septic-tank effluent. When presented with the data, the District contracted with Great West Engineering to do the **2012 Preliminary Engineering Report** (PER) to identify the needs of the District and present solutions. The PER identified the need for a central collection and treatment system. A public hearing was held to review the PER and solicit public input on the alternative solutions for addressing the issue and regarding funding for the project. The Seeley Lake Sewer District Board adopted the final PER on May 1, 2012 with Resolution #04192012B choosing a wastewater treatment plant with groundwater discharge as the solution.

The 2018 PER Update Executive Summary states that current wastewater management within the District consists of standard septic tanks and drainfields on small lots with a few exceptions. **Figure 3-1, Groundwater Flow Paths, Monitoring Wells and Septic Location**, depicts the location of existing septic tanks and shows a high concentration within the boundaries of the District. The Executive Summary also notes that 48% of the lots within the District are less than 1/3 acre in size with 40% less than ½ acre in size. A detailed review of the County septic permits documented that a significant percentage of the permitted systems were installed without solid header pipes for uniform distribution to the wastewater laterals in the drainfields and many lots only have seepage pits. Seepage pits do not provide for an aerobic phase of effluent treatment which is important in killing pathogens and breaking down waste. Public health risks were identified by the Montana Bureau of Mines and Geology report. Monitoring of wells since 2004 have confirmed elevated nitrates, total coliforms and fecal coliforms in a portion of the District and strongly supports the conclusion that groundwater is being degraded by septic systems in the area.

The Missoula City-County Board of Health established a Special Management Area in a portion of Seeley Lake in 2015 because of an upward trend in elevated nitrate levels.

The following is an excerpt from a letter from the Missoula City County Health Dept- *The community of Seeley Lake has a water quality problem. The problem is that the local groundwater has elevated levels of nitrate. The main source of the nitrate is septic systems located in Seeley Lake. Septic systems do a great job removing bacteria and viruses from wastewater, but do not remove much nitrate from wastewater. As a result, septic systems contribute nitrate to groundwater. Because of the high density of septic systems located in the town of Seeley Lake, nitrate levels are high. Fortunately, there is a great solution to this problem- it's a community sewer system. The sewer system would greatly reduce the nitrate being contributed to the Seeley Lake ground water and surface water, and over time, the water quality would improve. The Health Department supports the Seeley Sewer project and urges the people of Seeley Lake to do the same.*

The Board has worked to secure state and federal grants to fund a large portion of the community wastewater treatment plant and centralized collection system proposed to be built in four phases. **So where are we TODAY with the sewer system? <u>Moving forward</u>!** This Board is on record as committing to the community sewer system as designed and approved by DEQ and USDA Rural Development. The cost of the sewer system project designed to serve the Seeley Lake Sewer District is now estimated at approximately $12 million for the sewage treatment plant that will serve the whole District and approximately $5 million for the collection system that will serve properties in Phase 1 of the District. The board recognize this is a considerable cost for property owners in the sewer district and has secured about $10.5 million in grants and $6.5 million in low interest loans reducing the debt for property owners.

On November 8, 2017, the Board adopted Resolution No. 11082017, giving real property owners within the District an **opportunity to protest the proposed levy of assessments** to finance the loan portion of the funding package for the sewer system. The majority of the property owners did not protest, so the Board moved forward to final design and approval of the sewer system.

On December 21, 2017, the Board adopted Resolution No. 12212017 which **authorized the District to levy special assessments to finance the project through one or more series of special assessment bonds**, which was estimated at a cost $15 million. The assessment bonds would provide $5,790,000 in funding, including: one bond of approximately $1,488,000 to pay a portion of the cost of the collection system, and two bonds of approximately $3,000,000 and $1,302,000 to pay a portion of the cost of a sewage treatment plant. Unfortunately, these Assessment Bonds, in conjunction with the obligated grant funds, are not sufficient to fully fund the project which is now estimated at a cost of $17 million. The District Board cannot put the project out to bid without identifying additional funding and meeting other USDA conditions.

The most cost-effective and efficient sewer system is one where everyone shares the cost and all properties in the District, generating wastewater, are connected to the sewer system to reduce the amount of nitrates going into the groundwater from effluent. Recognizing these facts, on 8/15/2019 the Board passed Resolution 8152019A **requiring all properties generating wastewater to connect to the sewer system within 90 days of the system being operational and available to the property.**

On 7/16/2020 the Sewer Board passed resolution 07162020B **recommitting to the Boards desire and intent to pursue implementation of the approved sewer system** and looking at other financing methods to be more equitable and to fully fund the project.

On November 19, 2020, the Board adopted Resolution 11192020 **calling for a Bond Election to be held on February 23, 2021 to authorize the use of General Obligation Bonds and Revenue Bonds to finance the portion of the project not funded by grants and other funds**. These bonds will be used to repay the low interest loan portion of the project funding package. In conjunction with the grants and other funds, the bonds will fully fund the wastewater treatment plant and the first phase of the collection system of the project.
More details are included in the memo to the District from the Board and in the supporting documents on the seeleysewer.org website.