As you know, the Seeley Lake Sewer District Board sent a memo to voters and property owners in the Sewer District about the upcoming Bond Election. The Board would like to take this opportunity to clarify the facts. Supplemental materials can be found at <u>www.seeleysewer.org</u>.

Our purpose is "to maintain and provide a healthful environment for present and future generations and to supervise wastewater treatment within the District". The data shows the nitrate levels in groundwater within the District are trending upward. This concerns MT DEQ and the Missoula City-County Health Department, as it is their responsibility to protect the quality of state waters. Both agencies support the remedy: to build a community wastewater treatment system to replace the individual septic systems that by design do not reduce the nitrates going into the groundwater. DEQ states in their letter of September 13, 2019, "Should circumstances arise that cause the District to abandon or delay efforts toward completing this project, the Seeley Lake community may lose its best option to remedy the nitrate pollution. That would not, however, remove the need for corrective action to protect state waters, the environment, and public health".

While neither agency has immediate plans to require the construction of a community wastewater treatment system if the bond election fails, resulting in the loss of funding and ability to construct the approved system, they may be forced to do so in the future. DEQ and the Health Department have told the Board that **doing nothing to address the elevated nitrates is not an option**.

The estimated cost of the treatment plant is \$11,927,750. The grants equal \$6,985,750, a 58.4% discount, leaving us with a loan of \$4,942,000, only 41.6% of the cost of the treatment plant, if the General Obligation bond is approved February 23, 2021. To repay the General Obligation bond is estimated to cost about \$11.59/month per \$100,000 of the market value of a home.

The estimated cost of the Phase 1 collection system is \$5,072,250, of which approximately \$3,584,250 will be paid by grants. This is a 70.7% discount leaving only 29.3% (\$1,488,000) to be paid by the revenue bond, if approved February 23rd. It is expected to cost about \$25/month, per property in Phase 1, to repay the revenue bond.

The Board is asking the qualified electors to inform themselves and vote on the bonds **to repay only the portion of the project funded with low interest loans**. We want you to understand that if the General Obligation and Revenue bonds do not pass, we will have no loans or grants to provide the generous discounts outlined above. The grants cannot be accessed without the loans to complete the funding package. The bonds must be approved so that the loans can be repaid. The USDA has stated they intend to de-obligate both the loans and grants if the community does not approve the bonds. They have held this money for almost 6 years for Seeley Lake. The financial burden to fund any kind of a sewage treatment facility in the future will likely fall on the property owners and may not include grants.

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Signed Seeley Lake Sewer District Board Members, Tom Morris, Beth Hutchinson, Pat Goodover, Walt Hill, Jason Gilpin