

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING
June 21, 2018

Attendance:

Mike Boltz	President	ABSENT
Davy Good	Director	PRESENT
Juli Cole	Director	PRESENT
Beth Hutchinson	Director	PRESENT
Troy Spence	Director	PRESENT
Greg Robertson	Missoula Co	PRESENT
Felicity Derry	Secretary	PRESENT
Kim Myre	Missoula Co	PRESENT

CALL TO ORDER:

The meeting was brought to order at 5:17pm by Felicity Derry at The County Offices, located at 3360 Highway 83 N, Seeley Lake.

Troy Spence moved to have Beth Hutchinson run the meeting. Juli Cole seconded the motion which was then passed. Davy Good said that he would make a motion to run the meeting himself but because there were three for Beth Hutchinson she would run the meeting.

Beth Hutchinson said that if she had not been chosen chairman she was going to make a point of order that it was not a legal meeting. Based on the fact that the public insisted, and the Board went along with it, for a strict interpretation of the by-laws. It was made clear during that meeting that the by-laws had not been kept up to date. They were twenty-four so years old with no corrections. The by-laws stated that the regular meeting was held on the fourth Tuesday of the month. It was not a total disaster. Following on with the strict interpretation of the by-laws it seemed logical to be consistent.

Bruce Hall corrected that that Montana state law be adhered to and not the by-laws. Beth Hutchinson said that it was also the by-laws and then clarified that position. The situation could be saved as the last meeting was not legally closed. There was a motion and a second but no vote, which was required. If we did not open tonight's meeting we can continue the last meeting and much could be accomplished. As the chairperson, she could decide whether to have a vote on it. She would open it to vote on if it were a legal meeting or not.

Davy Good moved that it was a legal meeting as it was advertised and to continue with the normal meeting as opposed to continuing a meeting that all of the board and the public thought was closed. Troy Spence seconded the motion. Beth Hutchinson then opened the topic for discussion.

Mike Lindemer said that the meeting was moved to Thursday to gain the best attendance, and also

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that was the only day that would work with his schedule and had been held on Thursdays for many years. Beth Hutchinson thanked him for that interesting information.

Davy Good noted that they had agreed that the by-laws needed to be updated. The meeting could not be delayed if they had not been updated. Beth Hutchinson said that she was not trying to delay, just pick up on the other meeting as it was not closed. Nathan Bourne said that the meeting had been on Thursday nights for at least the last five years.

Davy Good called the question. Beth Hutchinson requested a roll call vote. Felicity Derry polled the Board: Davy Good, yes; Juli Cole present, then changed to yes; Beth Hutchinson yes and Troy Spence yes.

ROLL CALL DIRECTORS:

PRESIDENT'S COMMENTS:

Beth Hutchinson noted that there was no president present or legally representing the group because there was not an election for president in November, according to the by-laws that had not been changed they did not have president's comments.

MINUTES:

May 17, 2018

Davy Good moved to approve the minutes for the board meeting held on May 17, 2018. Juli Cole seconded the motion. There was no discussion or corrections. Davy Good called the question. The vote was unanimous and the motion was passed.

May 24, 2018

Davy Good moved to approve the minutes of the special board meeting held on May 24, 2018. Troy Spence seconded the motion. Beth Hutchinson said that the reference to the EPA should have been DEQ page 3 and page 4. Discussion followed on that and also the purchasing of the discharge permit. Greg Robertson clarified that DEQ issued the permit on behalf of EPA. It was essentially the same thing done through a primacy agreement. Beth Hutchinson reminded people that they should state their name and address. It was agreed that DEQ should be put in parenthesis after EPA for clarification. Davy Good called the question. The vote was unanimous and the motion was passed.

June 19, 2018

Felicity Derry noted that the meeting was two days before this meeting and due to its length, she had been unable to complete them before this meeting.

FINANCIAL REPORTS:

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Invoices

Felicity Derry noted that all of the invoices had been included to help the new board members become acquainted with the regular invoices and then reviewed the invoices for the Board.

Davy Good moved to approve the invoices as presented. Juli Cole seconded the motion. Davy Good called the question. The vote was unanimous and the motion was passed.

April 2018

Felicity Derry reviewed the financial reports for the Board. Troy Spence asked what the SSSH testing was. Felicity Derry replied that the District agreed that they would pay for the lab testing of Morrell Creek done by the High School. In turn, the Health Department helped the District and paid for a portion of the well and lake testing. Mike Lindemer said that the District had paid for the testing of the creek to get a baseline before the treatment plant was in operation as it was the closest body of water that could potentially be affected. Beth Hutchinson questioned that the airport site was quite close to Trail Creek. Mike Lindemer said that he thought that there was a misunderstanding of the location of the site.

Beth Hutchinson said that it was important information and thought that it would be helpful if the County could print out a large topo map for the public to be able to see. The map in the 2012 PER was almost impossible to read. Mike Lindemer said that they did have access to the LIDAR file. Beth Hutchinson said that the county had a plotter and she would like to see a plotted base map. She had professional training and wanted to push it. A large base map could be used to illustrate things such as flows. Nathan Bourne said that Great West Engineering had previously distributed some of those maps and they could be requested. Kim Myre might have them on file. Beth Hutchinson would like to see a map showing the entire District and some of the surrounding areas. She would talk to Kim Myre and Greg Robertson about it.

Mike Lindemer said that they had tried to educate the public and had put maps up. The Pathfinder had printed them. Both Glen Morin and Bob Skiles had a District map on their walls for years. Maps had been provided. They had done everything in their power to educate the community. Beth Hutchinson said based on her experience she wanted to have it at every meeting.

Felicity Derry continued to review the financial reports.

Davy Good called the question. The vote was unanimous and the motion was passed.

CORRESPONDENCE:

DNRC Letter

Felicity Derry noted that this letter was confirming the grant application for Phase II construction.

Rural Development (RD)

Felicity Derry noted that this letter addressed that there were some extra fees included in the project. RD was requesting an explanation of those expenditures. RD also noted that the schedule had

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changed and they needed to be updated on that.

PUBLIC COMMENTS:

Beth Hutchinson opened public comment asking the public to limit their comment to three minutes and everybody would have the opportunity to speak before anybody spoke a second time. She might cut off the comments without people speaking a second time due to time constraints. All questions should be directed to her.

Walt Hill introduced himself and read the following: My name is Walt Hill and I have property in the Sewer District. I have been attending sewer board meetings for over a decade now, missing very few. I have watched the trustees address many problems and issues, including the optimal system for this community and the surrounding lakes and streams. In my opinion they have done a magnificent job, and, after years of struggle have an excellent plan on the brink of execution, which will meet the stringent demands of EPA and DEQ to address the problem of increasing pollution of our lakes and streams by effluent from multiple less than functional septic systems.

Article II, Section 3 of the Constitution of the State of Montana reads: Section 3. Inalienable rights. All persons are born free and have certain inalienable rights. They include the right to a clean and healthful environment and the rights of pursuing life's basic necessities, enjoying and defending their lives and liberties, acquiring, possessing and protecting property, and seeking their safety, health and happiness in all lawful ways.

As trustees of the Seeley Lake Sewer District, each of you have sworn to “support, protect and defend the constitution of the United State and the constitution of the State of Montana” and are obligated to discharge your duties with fidelity.

If you fail to do this, you are liable under the law to be tried for this failure. The district presently has substantial grants and funding to allow us to maintain and improve the quality of our polluted waters. Any effort on the part of any one of you to derail the present course of action will, in my opinion, constitute an abrogation of your sworn duties and an infringement of our constitutional right to a clean and healthful environment and is therefore subject to legal action.

Had you new trustees, as “concerned citizens,” been seriously interested in making substantive changes to the present plan, there have been at least twelve meetings a year held over the last decade at which you could have offered your opinions and suggestions, as I have done. To my knowledge two of you have not come to any of these public meetings, and one of you has come but a few times recently, AFTER the plan was almost complete. To me this does NOT indicate that you are concerned or even interested in the quality of our environment.

Rachelle Harman said that because they were a board of less than ten members there were certain restrictions that were not necessary, certain waivers that were allowable. The strictness of Roberts rules of order needed to be voted on. She advised the Board to read Roberts rules of order and get it right for a small board, which was not the same as a huge corporation. Although she directed the question at the Board, she was concerned with the three new Board members. They all needed time

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to work together. How much information did they acquire before coming to the Board. It was not a question of credibility, but how much information and research did they do prior to coming to the Board. When they became candidates and wanted to be a voice with economic solutions and bring a new perspective. What were they bringing to the Board based on the information that had already been produced? The GWE meeting, did any of you attend the meeting or read it? Beth Hutchinson noted that it was directed to the chair and she would ask each of the Board to respond.

Juli Cole said that she did not attend and did not read it. Davy Good said that he did not attend nor read it. He had been on the Board for two years and had done as much research as possible to try to get up to speed. Troy Spence said that he did not attend nor read it. Beth Hutchinson said that she had read it, as well as what was in the library. Rachelle Harman asked for a yes or no answer. Beth Hutchinson said that she was out of order and she was not to be argumentative. One of the goals of the three new members was to communicate with each other peacefully and sincerely and gently. The people that commented before had shown great decorum and asked that she did. Rachelle Harman noted that she understood professional courtesy and was waiting for the rest of the answer from that item. Beth Hutchinson said that she read it. Rachelle Harman said that there were maps that Mike Lindemer had addressed earlier. Beth Hutchinson said that there were lots and lots of maps. She wanted a big map so it was easy for people to see, so they could look for discrete information. Rachelle Harman asked if the Board members were familiar with the agreement between the Seeley Lake Sewer District and Missoula County. Beth Hutchinson asked the Board if they were. Juli Cole said she was not. Davy Good said that yes, he was and he had read it. Troy Spence said he had not read it. Beth Hutchinson said that she was familiar with it. Rachelle Harman said that in 2017 the community health assessment was conducted by the county health. It was a survey only 14% of the residents in this area completed the survey regarding what they felt the needs of the community was. Was anybody on the Board familiar with this assessment from last year? Beth asked the Board if they were. Juli Cole said that she was not familiar. Davy Good said that he was not. Troy Spence said that he was not. Beth Hutchinson said that she was. Rachelle Harman said that she was questioning the knowledge that the Board had based on all of the research that had been performed. Were they coming to the Board with that knowledgeable information so they could really make solid decisions on what was best for the community? Beth Hutchinson said that she appreciated her point.

Cris Volinkaty said that she had been here since she was nine years old. She became involved because she believed that the best thing for Seeley Lake was a sewer system to stop the pollution to the lake. One of the biggest stops of any sewer system was the money it took. She had talked with some of the County Commissioners. In 1980 Missoula received money for the Linda Vista development. They felt they did not need it to put in a sewer system and refused it. In the 1990s Linda Vista lost that grant, gave it back and somebody else got it. Each homeowner then paid a great deal for the cost of the sewer. If that was becoming an issue she wanted everybody to think really hard about how smart it was to give all of that money back. Or say they were not going to do it and give the money back. She was afraid they would never get it again.

Franny Trexler asked if they could amend the by-laws tonight to change the meeting to Thursday nights. Beth Hutchinson said that in the absence of proper notification, which was seven days, and without the entire Board it was likely that they could not. She had circulated a draft at the special

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meeting which was sufficient for the notice of the four of them. She did not know that Mike Boltz had seen it in time.

Franny Trexler asked regarding the health of the lake which was the most important thing. If the sewer were to go through the most pressing need was to get it around the lake. Why wasn't that the first phase of the project? Mike Lindemer said that it was to sewer the most populated area first to help lower the cost and then build out. The lake was secondary as there were less year-round residents. The biggest problem was that it was not visual to the naked eye. The groundwater was being contaminated and that could not be seen. Unless you were a scientist it was very confusing. You could not see the difference between the contaminated glass of water and a clean one. Franny Trexler said that it seemed that if septic systems were working properly in town then they would not contaminate the lake. Then that would be ok and the only problem would be around the lake.

Deborah Francine, Senator Jon Tester's Regional Director said that she was here. Senator Tester was concerned and wanted her to report back on the of status of the wastewater project. He was concerned about the potential loss of grants and loans because the clock was ticking on the project. If their office could be of any help to please let them know. Beth Hutchinson said that the status report would be coming up.

Mike Richards said that around the lake needed to be clarified as the project did not go around Seeley Lake. Mike Lindemer said that only so much of the property around the lake was deeded. There was also State lease and USFS lease. The State had approached the District in the past about hooking up if the project went through. There was the potential to get other people. You had to start somewhere. The treatment plant was fairly small and expandable. The proposal to go around the lake had been considered. It had been virtually impossible to get the government to sign on currently. It was our responsibility as stewards of the land to do what they had. The town was aging with multiple septic tanks over 20 years old. The soil was conducive for good drainage limiting the number of backups on drain fields until this spring. If there were a sewer system in place the contamination of the groundwater that occurred during the flooding would have been avoided.

Bob Skiles said the septic systems in town were old and would fail. A typical town lot was less than 10,000 square feet, maybe 8,000. By the time you put 150 feet of sewer and a house and a garage and a driveway it would not leave much room. You probably would not be able to get a permit because you would not have enough room for a replacement drain field and tank. If it was not addressed soon there would be 30 and 40-year-old septic systems which would not be efficient. Much less than the proposed treatment plant would be.

Colleen Kraus said that she had talked to one of the most prominent people in the community who had the most properties for septic tanks, or sewer proposals. He said that the Sewer District needed to start over and they needed to add more people to the District. More people should be involved. His reasoning was that there were so many people that were low income people. Davy Good said that it had to start somewhere. Start with the most concentrated area and then build it out.

Mike Lindemer said that he could address those questions. Lee Boman with the Community Foundation was working on some financial aid for people that were less fortunate and could not

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afford the sewer. If you owned a quarter acre lot or smaller and your septic system failed you could get a septic permit. However, you have to do a water perk test, then you have to prove that the system meets the new standards and you have to have all of your soils removed and replaced. That would cost \$20,000 - \$30,000, versus an estimated monthly payment, which they hoped would be lower. If there were ten mobile homes on one lot they pay one service fee, not for each individual house. If you had a fourplex you would pay one service fee.

Bob Skiles said that it was frustrating that the Sewer District was divided into five districts. Everybody that was in Seeley Lake with the exception of the Double Arrow. If you included the Double Arrow to get more people the cost to hook them up would be so high. Probably the Double Arrow would never get a sewer because it was cost prohibitive. Everybody that could be in the Sewer District was already in unless they developed other stuff. When the State and the USFS were willing to come in they would have a lot more people and it would drive the cost down. Where you were you would pay \$13-\$17 a month. He was downtown and would pay about seven times that per month. He had to pay for the treatment plant. Not because he wanted to but that was the way it was. They could not bring more people in now. They could not build a little tiny plant. How could they build for the Double Arrow? That was the only place they could go other than the state to get more people. We have everybody in it. Beth Hutchinson said that she wanted to clarify that in the by-laws it said that it should be decided whether the Sewer District needed a sewer for the entirety and only a part. That person might have been thinking about the watershed issue. There were a few ways of defining how wastewater treatment could occur. The Sewer District was focused on does the entire district need to be sewerred or does simply a part of it need to be sewerred.

Mike Lindemer said he believed that Don Larson knew how the Sewer District boundaries were defined. Don Larson said that he was on the Sewer Board when they drew the boundaries. That was back in the Reagan years when there was 92% federal funding available for sewer projects. They deliberately drew the boundaries to reflect the lowest income profile possible and exclude the more affluent areas, such as the lake shore. That way they would qualify for federal funding.

Beth Hutchinson said that most people thought that the lake shore was in it. Don Larson said that their perception was that the higher end residences were on the lake shore. Beth Hutchinson questioned that they were not in the original boundaries. Don Larson confirmed that was correct.

Lee Boman said he wanted to follow-up on something that Mike Lindemer had mentioned. He was involved with the Community Foundation who had been involved with the Sewer District and bringing the LOR Foundation. One of their concerns was how to make the sewer affordable for all. For the last year they had been exploring different possibilities. They came up with five good shots at it which he had shared with Davy Good. He had not been expecting to present them as they were kind of detailed. Beth Hutchinson suggested putting it on a future agenda and asked if he had any kind of umbrella statement to make. Lee Boman said it was hard not to get excited, there were some real potential. Greg Robertson had been very helpful in facilitating developing the necessary contacts.

George Hauser asked if the State had a borrowing limit for sewer districts. Mike Lindemer replied that he would refer that to Greg Robertson. Greg Robertson said that he was the District's contract manager and had been working with the District for 7 years. The statute relating to water and sewer

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did not have a borrowing limit that a district could bond for. The bonding limit was whatever the capacity of the district was to repay the debt.

Walt Hill asked in the recent history of developing sewer plants were there any alternative ways that had been tested and had worked in Montana that were different than having an SBR and a central facility? Beth Hutchinson had said that Greg Robertson had looked largely at sewer alternatives rather than the broad realm of wastewater treatment alternatives. Were there alternatives that would be categorized as sewer that would offer different opportunities from the current proposal that were in place or had been used? Greg Robertson said that there were not in the state of Montana that he was aware of. The highest level of efficiency that was demanded was mechanical treatment. Whether it be SBR or one of the other technologies that were all basically mechanically based. He was unaware of any alternatives that had been approved or tried by state DEQ. Some proprietary technology might exist which in order to be tested they would have to petition DEQ and EPA for trial and prove it provided the same level of efficiency that the mechanical system did. Greg Robertson was not aware of any.

Mike Lindemer asked if he could have his three minutes now to address all of the board members. Beth Hutchinson reminded him that he could not speak to them directly. Mike Lindemer said that it came from the heart. He hoped that the Board would make the right decision for his kids and his grandkids and the future of Seeley Lake. He hoped that they made the right decision.

MANAGER'S REPORT:

Beth Hutchinson noted that this was the status report for the proposed sewer. Where it stood today. Greg Robertson said that since the last meeting that he had attended they continued to work through the startup conditions that had been outline by RD in their multiple letters. They were working on the right-of-way issue. They were required to certify the right-of-way before the project could proceed. That meant that the District had to acquire the necessary easements. Beth Hutchinson asked what the current path was. Greg Robertson replied that the right-of-way plan was on the website. Beth Hutchinson asked if it went up Cedar or across the bridge. Greg Robertson replied that it was up Cedar, nothing had changed. There were three easements that had to be acquired. Those discussions were currently ongoing. He hoped to bring proposals for the Board's consideration shortly. Great West Engineering (GWE) was over half way done with their design. They asked that a workshop was convened to update the Board and make some final decisions so they could complete the design documents necessary for DEQ approval as well as the various grant agencies that review those documents. Primarily that was RD and DEQ/SRF. He would like to leave with at least a couple of dates that they could spend the better part of half a day reviewing the design elements and getting the new Board members up to speed but also making some final decisions so they could complete the process.

The other good news was they were successful in obtaining additional funding thanks to Senator Tester's office. The District received an additional \$500,000 in WRDA funding that could be used to complete the project. He would be meeting with the Army Corps of Engineers to talk about integrating that funding with the District's current WRDA funds and that agreement. He should be able to bring an amended agreement from the Army Corps of Engineers to incorporate the additional

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funding to the next meeting. At this time Greg Robertson excused himself from the meeting as he needed to be on a conference call that he had to drive back to Missoula for. He asked if anybody had any questions. Beth Hutchinson thanked him and asked that he leave some cards.

OLD BUSINESS:

Annual Administrative Fee Assessment Hearing

Felicity Derry said that it was the fee assessment hearing that the District held every year. The resolution to hold it had been adopted and now the date needed to be set. The community hall had been reserved for August 16th, 2018, which was the scheduled August meeting. Beth Hutchinson said that the three of them had never seen the budget so it would be helpful to get a copy of it. Felicity Derry said that she would give her that. Beth Hutchinson asked how many days in advance did the date have to be set. Discussion on the required logistics followed. Beth Hutchinson thought it was too early to set the date with three brand new people that had not seen the budget. Since it could be done at the next meeting they would do that.

Rural Development Letter of Conditions

Dan Johnson said that the District had a letter of conditions and an offer that had been accepted. Were there questions about that or some discussion? Juli Cole said that she was not as familiar as she would like to be. Davy Good said that he had read it and had no questions. Troy Spence said that he had read it and he had no questions. Beth Hutchinson said that one of the things hanging over the head of the District was the user agreements and asked Dan Johnson to explain a little bit. Dan Johnson said that the District needed to have 140 user agreements signed for Phase I. That was done as there would be no point to build a system if nobody were going to use it. They were encouraging the District to sign up users to connect to the system. In general, they would pay for it whether they used it or not. It did not make sense to build the system if people were not going to connect to it. The connection was paid for in the project, so people would be hooked up. Beth Hutchinson asked if there were vacant lots where was the connection for those. She had concerns the sewer might not go onto a vacant lot. Dan Johnson said that was a question for the engineers that were designing it. Beth Hutchinson said that the contract should be prepared legally prior to going to bid. Dan Johnson confirmed that the engineer would develop the contract as part of the final design. They would finalize that at the workshop that Greg Robertson had mentioned. Then there would be the plans and specifications and the contract documents were included. The contract documents would be prepared. They would be supplemented by RD. The RD engineer would review that contract as well as the plans and specifications along with DEQ. Once the contract was developed the District's attorney would also review the contract. Beth Hutchinson noted that the Board, previous and current, was not behind on the implementation of that. It was incorporated into the engineering process and nobody had been negligent. Dan Johnson said that there was no accusation of negligence. The project was currently approximately six months behind the schedule that was given to the District in the letter of conditions. It was behind because it took some time to get to the notice and protest period and get through that. They were asking for an updated schedule. Once the funds were obligated the District had 3 years to commence construction. They were receiving pressure to shorten the deadline even further and get the project to move forward. If people were not going to use the money then that money needed to go to somebody else that would use it. They were nudging the

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District forward to set a schedule. Get with the schedule and get the project done. Beth Hutchinson said that she asked the question because there were people in the community who said that they knew there had to be signed contracts and they had not seen them and wondered what was going on. You could spread the information that the last Board was not dilly dallying. It was part of the engineering process.

Nathan Bourne read part of the user agreements in the RD letter of conditions that indicated that there would be a cost to connect to the system. That contradicted what the Board had said that there would be free hook ups. How would that be handled? Dan Johnson said that it was generic language in the letter of conditions used in many different situations. This project did include the cost of connections.

Beth Hutchinson opened the meeting to public comment.

Congetta Betson asked when you received a letter of intent to sign on to the sewer would you also have to pay an amount at that time. Was that what it was saying? Dan Johnson said that it was generic language that was in every letter of conditions. In this case the connections would be paid for by the project cost. Unless the Board decided to collect a fee for securing your commitment. RD was not requiring a payment.

Dan Johnson said that he was not asking for a vote but was it the sense of the Board to go ahead and learn about the process and move forward until such time as you don't want to do the process. Were they intended to stay engaged in the process? Beth Hutchinson said that she would attempt to speak for them. The new board members had always said that they were not cutting it off because there had been a great deal invested in it. They were simultaneously checking some other options. They would move forward with things in place with the engineering. They may request some more engineering. They were going to look at other options for a portion of the community. They were currently neutral getting information because the people that elected them felt they needed a lot more information. Holistically and specifically. She knew that upset some people that really liked the idea of the sewer. In reality if we do this and get it done and do not keep avoiding it then it should reassure people and make them feel more secure in making decisions. Juli Cole said that she was interested in learning more about it and moving forward. It helped to be informed. Information was power. She was not saying no that was not what she wanted to do. Troy Spence said that he was not against it. He was for it. He was looking for stuff that was overlooked. Other options that were pushed aside and see if that was more reasonable for the residents of Seeley Lake. Go the affordability route. Davy Good said that he was for it and had been involved in it for the last couple of years. He was really excited about the opportunity they had been given. It was one of the largest grants ever in the state of Montana. For most sewer systems people had to get a loan on their house to hook up to it. The Sewer District had said that there would not be a bill until 2022, or whenever the system was actually working. He was for it. He had talked to the new members and thought that once they were brought up to speed it would happen. One of the biggest concerns was that the District was a financially inept area. The \$90 a month that was put in the Pathfinder was not something that would work. The Board had a lot of time. Lee Boman had five opportunities that were presented at the meeting. They needed to make it where there was a sliding fee scale. Once the Board was brought up to speed the Board would move forward on it. Beth Hutchinson said that she had no focused opposition to a

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sewer. She had many questions that she needed to be answered. Her chief concern was the financing for low and lower middle-income people. She felt very strongly that she wanted to see the funds available prior to a commitment. She knew that was a big request but thought it was a sane request. They had talked a lot about meeting the obligations and the stress on the lower part of the financial picture. They did not have a bird in the hand. There were lots of great opportunities and she wanted to work with Lee Boman on that. She believed to make a firm commit without substantial birds in the hand was not a very sensible thing to do.

Dan Johnson said that he had been asked to communicate to the Board that most of the pieces of the puzzle were on the table right now. If any of those pieces fall off of the table the project would be difficult if not impossible to complete. The requested schedule needed to be given to them and it needed to not extend very much longer. If they did not hear about a schedule within 30 days then RD would assign a schedule. If they decided to take a different approach that was not what RD financed, this was the project that they financed. Beth Hutchinson said that they were aware of that. A different approach required starting over. Dan Johnson said that meant that they were not able to give the District \$6.7million in grant funds. They would only be able to come up with \$5million at the most as \$5million was the limit from the agency headquarters. There was a \$1.7million grant that would not be available to the District. As the Board made those considerations, it was not a threat it was educational. Beth Hutchinson said that she appreciated the concrete statement that he had made as it would give them something to push off of in terms of getting information and feel that they needed to focus on getting it done. Dan Johnson said that as the Board looked at the different options for rate structures to engage the bond counsel. They would assist with the rate setting process. Dan Semmens with Dorsey and Whitney was very well informed and would keep the District out of trouble and set it up in accordance with the law. RD worked with them to secure the loans with the bonds. Beth Hutchinson questioned if they had questions they could have discussions about and they could say that it did not interest them in any way.

Beth Hutchinson said that the next part of the meeting was pretty important to the new Board members and she hoped it was as important to Davy Good. She hoped people would get engaged with. Sorry but they were not quite to that part.

NEW BUSINESS:

Environmental Assessment

Felicity Derry said that it had not arrived to date. Kim Myre added that it would be time sensitive when it did show up so it was put on the agenda.

Well & Lake Monitoring

Vince Chappell said that the testing had been completed in March and May. He had expected that the May tests would show changes in the wells due to high groundwater. All of the wells were 3' – 6' shallower than previous years. Meaning that there was more water pushing through the ground flushing the system. In well#1 the nitrates tracked close to last year. Sometimes the results fluctuated. In May well#2 had a nitrate level of 6.97mg/L, while last year it was 2.32mg/L. There was a huge

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impact during this time. In well#3 the nitrate and chloride levels tracked fairly close to last year. He could not test in March because the well was not accessible. Coliform was absent in all three wells. It was probably due to the amount of water flushing through. Both lake sites had chloride levels almost double that from last year. The nitrates had a no detect last year and there was a trace detect this year. Beth Hutchinson asked for clarification that the chlorides had almost doubled but they were very low. Vince Chappell said that the chloride level in March 2017 was at 3mg/L and this March it was almost 5mg/L. That was almost double. In June, 2017 it was 2mg/L and May this year it was 4mg/L which was double that. Beth Hutchinson said that the studies she had done suggested that there were no concerns about chlorides until they got to 250. She wondered if it was a rough winter and there was a lot of salt on the roads. Vince Chappell said that he did not know, he did not salt the roads. Tammy Lewis said that they did not use salt in town. In the outer parts, such as Condon they did but it was lower than previous years. Vince Chappell said that most of what you were looking at with chlorides was coming from soaps and by products out of septic systems. Nitrates were byproducts of human waste out of septic systems or sewage. Those parameters were chosen to see what was being flushed through the groundwater into the lake. Beth Hutchinson said that it was a measurable way to assess, but the chlorides were not scary. Vince Chappell said that the chlorides that she was talking about with salt on the road was not the same issue. Beth Hutchinson said that the limit was not scary either. Vince Chappell said that he did not say that. They were, and always had been, low in the lake. The E. coli and coliform had always been high but that was seen on surface water. That was why the Water District had to have a filtration system and it had to be treated. The chlorides and nitrates on the lake were low, they were higher than last year, almost double. They started testing the Lions Club pond in June of last year at the request of the Board. It was a body of water in town that had close proximity to homes and septic systems. The chloride level was not above the limits, but it was pretty high. Last June they were 45mg/L and then up to 80mg/L in September. They were 20mg/L in March and 46mg/L in May. The nitrate level was not as high, a trace at only 0.02mg/L and up to 0.16mg/L. The legal limit for nitrates in drinking water was 10mg/L. It was low. The Lions Club Pond was on the outside edge of the flow, so was not getting the influence from the septic tanks in town. Beth Hutchinson asked Tammy Lewis about what was used on the roads. Tammy Lewis said that she should contact the state regarding that but it would not impact the tests. Beth Hutchinson asked if Vince Chappell had the discretion to retest if there was an extraordinary figure. Vince Chappell said that he could and he had done. Beth Hutchinson said that there was the off the chart result at the Lions Club Pond in December. It was a crazy number. Either tell the Board that it was crazy or retest. Vince Chappell said that would need Board approval to do that.

Walt Hill asked if there were numbers for where the sewer plant would be as they were a great baseline.

Vince Chappell said that the last three wells were at the proposed treatment site. They had been tested since 2012 it was a DEQ requirement for the discharge permit. The groundwater was being monitored in the proximity of where the plant would be. The tests would continue after the plant started discharging and then forever. They wanted to see a baseline before and then what impact the plant was having. If it were to spike off the chart there would be a problem. The tests were very consistent with very low numbers. Each well had passed and were well within the standards and showed no impact. The District had the discharge permit waiting to go.

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Direction of New Board

Bringing the District to Consensus

Beth Hutchinson said that there was a great deal of polarization on the subject. At the moment, there were a lot of people that were extremely pro-sewer and a few people with doubts that a sewer was the best solution. To make progress and to make Dan Johnson happy they had to move towards consensus. That meant people listening to each other and finding common ground. Understanding what information the people who do not want a sewer needed. Was there a statement that everybody would agree upon to begin to bring people together?

Deb Thomas said that one statement was that we all believe we need to save the lake and need to make it a safe place for grandkids, kids and ourselves. They had been given an opportunity to live in a wonderful place. She had been here 60-years. A safe and healthy place to live. Beth Hutchinson asked those to agree with that statement to raise their hands. That was a common place to start from.

George Hauser asked that if the Board had a mission statement and that would be a good starting point to expand upon. Beth Hutchinson said that the Board's mission statement was polarizing. It was to pursue a sewer and get right on with it. Tammy Lewis asked if she was paraphrasing. Beth Hutchinson said that she was paraphrasing.

Beth Hutchinson asked for another statement that they could agree upon.

Walt Hill said that it was exactly what was said in the Montana state constitution. As a member of the state and to do what was necessary to provide a clean and healthful environment. It was an inherent right. Beth Hutchinson that was good but people didn't always agree with what was in the constitution. They had established that was something that the community could agree upon.

Nathan Bourne said that there were parts of town that could not afford to do this system let alone anything. There was not agreement on that. Now the people that did not agree could make a statement as to why. To move to consensus, we had to solve that problem.

Chris Volinkaty said that she did not feel that she had the knowledge base of the incomes. Beth Hutchinson said that was important as we had to get information about the income in order to solve the problem.

Congetta Betson said that she kind of agreed with the statement. After all the years of studying it they did not know how much it would cost. They should be able to say it would cost you \$60 a month. Not knowing if people could afford it was because they had no clue how much it would be. Beth Hutchinson said that they needed to get closer to knowing how much it would cost. Also, they needed to know that for every phase and a projection for inflation.

Franny Trexler said that they would like the most efficient and cost-effective method to manage wastewater. That was agreed upon. Davy Good said that he felt that what was in place was the best system for the town. Beth Hutchinson cut him off as they were not advocating, only trying to arrive upon statements that they could agree upon.

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Deb Thomas asked how long people in the lower income section had been there. Were they transient? Beth Hutchinson said that was an excellent question. That would impact any financial support.

Bruce Hall said that his goal was to see us stop doing any harm to our environment and to the community. Just as doctors do no harm. We want it to be great in the future you better stop harming it first. In this he did not think that income was not an insurmountable obstacle to discontinue to do harm. Juli Cole said that was why they had the ideas for helping the lower income people so that they could get the project moving.

Beth Hutchinson said that the first thing was that we should stop doing harm. That was agreed upon.

Vince Chappell said that a key word that kept getting used was our effect on the lake. As Bruce Hall said, it was not just the lake. It was the environment, the groundwater. It was the entire watershed. Not saying that one thing was being affected.

Beth Hutchinson said that she was impressed that they had four things they could agree upon.

Vince Chappell said that as RD had mentioned tonight knowing what the status of the project was with timelines. Time was of the essence. Not just because of the funding and the project situation but because of our environmental situation. Beth Hutchinson asked if he would be comfortable with her adding getting complete information. Vince Chappell said that time was of the essence on everything. There was a deadline and part of that was the environment. Everybody agreed with that. Beth Hutchinson said that she could count on Nathan Bourne when he wrote it up. Or they should put an ad in the paper and proclaim that there were five things that everybody agreed upon. There was the potential to come together and stop squabbling and stop the waste of time. There were five places to start.

Deb Thomas said that time was of the essence. How much per day would the Board commit to getting a solution and getting the ball rolling to meet those deadlines. Beth Hutchinson thought that was a brilliant question as they needed a working board.

Davy Good said that he could dedicate an hour or two a day. Troy Spence said that he could do the same. Juli Cole said that she could do the same. It was important and time was of the essence. Beth Hutchinson said that she had more flexibility and was also obsessive. She would match them.

Deb Thomas said that she would like to get a report on the hours spent per week so they knew the Board was on top of it. Beth Hutchinson said she thought that accountability was fair. The Board did not have a problem with that.

Franny Trexler said that sometime she only read the ads. So, a box ad would be a great idea if the budget allowed it.

George Hauser said that he had been on boards before and found it helpful to communicate outside of the scheduled meetings. Individually communications could work wonders.

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Nathan Bourne asked if that was communications between board members or the public and individual board members. George Hauser said that it could be both. When you throw ideas out, you could make a motion at the board meeting. Beth Hutchinson added but still discuss it. George Hauser said that they needed to be honest with each other. Beth Hutchinson that was what she and Troy Spence did. They wrestled with ideas.

Tammy Lewis thought that it was great that they were willing to dedicate an hour or two a day. You had talked about doing a lot more than the others. All you seemed to have was questions and holes. Having been on the periphery for 12-years or so the answers were there if you were willing to look. The answers were there simply in some of the presentations. The answers were there. It was far enough down the road and they could put the brakes on it. It could not be the next board meeting. Go out there and proactively find the information. Please do your part. Do not just find the holes but find the answers that were there. Come to a conclusion if those answer serve your purpose.

Beth Hutchinson said that she was trained to persistently ask questions to make sure that things hold together. She had a concern in the past that the Board was not asking enough questions. It did not mean that you were finding fault but were engaged. When there were questions they could ask each other. Juli Cole said that if you saw her on the street you had a question. They would collaborate and that should include the community. Ask her or the Board. Beth Hutchinson said they should reach out.

Improving Communications with Constituents

Beth Hutchinson said that there were five items where they needed information. Improving communications with constituents. She would like to get emails for everybody and if there were questions or information to put forth they could get it to them quickly and cheaply. Juli Cole asked if that could be put in the paper. Beth Hutchinson said that they could reinforce it in the paper and slide it into the notice on the fee assessment. Nathan Bourne said that the Community Council kept track of the emails on the sign in sheets and then sent out an email ahead of their meeting. Discussion followed and it was agreed to use the addresses on the sign in sheet.

Environmental Circumstances

Beth Hutchinson said that Tammy Lewis had said that the stuff was out there but it needed to be pulled together and put on a flip chart so that people could look at it. She knew it was out there. Tammy Lewis said that the problem was to find somebody to do it. Beth Hutchinson said that if somebody would put a rough sheet together she did not mind doing it.

Site-Specific Wastewater Treatment Assessments

Beth Hutchinson said that meant what they were you using now. What shape was it in and could you afford to improve it if you had to so we were not doing harm. We need that information and that would give them contact with lots of people. Tammy Lewis said that from a water perspective they do not know what pipe people have in the ground. The District only maps to the curb, they do not know what people have. Septic systems from before a certain date have no maps. People call her to find septic lids. It was a tough one for a homeowner. Beth Hutchinson said that some people did know. It could be looked up on the county website. They could educate people on how to find out what

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they have. Davy Good said that they might be able to work with Greg Robertson to get copies. Felicity Derry said that septic information was available was on the website. Beth Hutchinson said that at least they had done the assessment and found something concrete. The closer they got the more they could assure people that there was a problem. It could be put on a chart. Juli Cole questioned if people that had a problem with their septic system would they confess to that. Beth Hutchinson said that some would and some wouldn't.

Bruce Hall said that the Health Department had a single criterion for the failure which was when it would no longer accept liquid. If it was still accepting liquid it had not failed. It had either failed or it had not. Beth Hutchinson said that they needed to give it a shot. She did not know of a solitary scientific related project where you did not get a baseline with an assessment. There would be some holes. Bruce Hall said that you would not learn that one aspect. Beth Hutchinson said you could go back and work with them. Bruce Hall said and try to convince them to prematurely replace their septic. He thought she was missing the point. Beth Hutchinson said that she knew what he was saying but she was not finished. There were ways to accomplish what he was not sure they could. They were not going to get polarized again. People had differences of opinion. They needed to represent the entire district. It could come down to saying that septic systems needed to be inspected. Tammy Lewis said that they were not a city that could demand that. Beth Hutchinson said that it could be put forth in a manner. Tammy Lewis said as a suggestion. Beth Hutchinson said that it could be mandated. Bruce Hall asked what they would do with the inspection, it still had not met the criteria. It had not failed. It was the health department.

Beth Hutchinson said as the monitoring person she had the authority to say they were not going to sit here and argue. Bruce Hall said that he agreed but time was of the essence. Beth Hutchinson said that they agreed upon that. Tammy Lewis asked if that was what they wanted to do did they have a timeline for it this month. Time was of the essence, when would that be done. Beth Hutchinson said that if they chose to pursue it they would have to work it out.

Breaking out Costs on Sub-Division (1 & 2)

Beth Hutchinson said that they had discussed that they would like to break out the cost. So that they knew the cost of the distribution system of the effluent, the cost of the plant, the cost of the forcemain, the cost of the Phase I mains and the cost of connecting to the homes from the main. So, they knew what each component cost.

Nathan Bourne asked if Beth Hutchinson had seen the opinions of probable cost. It broke down the cost. Felicity Derry should be able to send it to you, she had sent them to him.

Beth Hutchinson said that they agreed that they wanted a PER or to have the engineers to go back over the PER to tell them the cost for Phases III & IV. That might cost some money, but it would settle a lot of concerns that had been put forward.

Bob Skiles said that the engineers gave the previous Board three options about how to proceed with Phase I. They discussed it thoroughly. The Board chose option three. They could not do all gravity feed due to the big hump in the ground at Glen's Auto. There was a photo map of the town. One of

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the reasons that the current plan with the grinders was chosen because in back of his house he would lose three or four 80' or 90' pine trees in order to put a mainline deep enough. They looked at all of the options and the impact on the properties. Fences were on the lines. It would be really hard. There was a 10' right-of-way. How would you put a 20' sewer in there? It was all very well thought out. The cost was broken down by line item. Beth Hutchinson said that she did try that but was missing a couple of components. It was fair to people in Phases III & IV to have a ballpark idea of what it was going to cost.

Beth Hutchinson said that the last thing was to secure information on income surveys. So, the people that were helping had an idea how many people would need help and how long they would have to help them out. Juli Cole asked if the income survey would determine what help they got. Beth Hutchinson said that it would help them to negotiate a formula. Juli Cole asked if there was help based on how many people they were helping or would they help people who fell in that category. Beth Hutchinson said that they would look for help for people whose income was under \$50,000 for three years and what would happen beyond that.

Tester's Office said that there was a chart available for the federal poverty guidelines. It based on the number of people in the home and the income. It would be a more accurate way of assessing income. Not just saying \$50,000 but for a family of four.

Beth Hutchinson said that they would look at how to secure the information. Look at what they would spend money on. Breaking out the cost of Phase I & II should not be very expensive. It was just a couple of hours. They could put a cost limit on it. The PER reports would be more expensive. Either Davy Good or Felicity Derry would have an idea of the cost. The income survey could be pursued through the county planning department, through the university or we could do it ourselves.

Davy Good said that the numbers were there for breaking out the costs for Phase I & II. That would be a long conversation to the engineering firm. That should not cost money and did not need a motion. It was just research. Beth Hutchinson said because time was of the essence if it was not quite there, were they willing to spend a few \$1,000? Davy Good said yes to spend money with the engineering firm to break the numbers out they could go to \$2,000.

Davy Good moved to spend up to \$2,000 to break out the costs that were already there for Phases I & II. Juli Cole seconded the motion. There was no discussion. It passed unanimously.

Preliminary Engineering Reports for Sub-Divisions 3 & 4

Beth Hutchinson said that she thought that it could cost \$20,000 to \$25,000 each. Davy Good said that they were done in 2012 so they should be able to do the calculations for the other phases. He did not think they really needed to spend money on that.

Nathan Bourne suggested to ask Great West Engineering for an estimate of what it would cost to do the task. Discussion followed.

Davy Good moved to get a bid from Great West Engineering for the cost of Phases III & IV. Troy Spence seconded the motion. There was no further discussion. The motion passed unanimously.

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Income Survey

Nathan Bourne said that in the PER Missoula County did an income survey. The numbers were outdated. It was successful whereas the District's was not. The County had invested a lot of money already suggested to ask the county if they had time to do an income survey. Beth Hutchinson said that the university and the county were both handy and did reasonable work. Should they get an estimate to do the work.

Davy Good moved to get an estimate for the cost of an income survey and if it was something they could do this summer. Troy Spence seconded the motion. There was no further discussion. The motion passed unanimously.

Felicity Derry said that currently the old Board members were on the signature cards for both bank accounts. None of the new Board members could sign checks. Approval for the new members to be added with signatory status and the old members should be removed needed to be in the minutes to get that changed.

Davy Good moved to add the new Board members (Juli Cole, Beth Hutchinson and Troy Spence) as signers on both checking accounts and also to remove the old Board members (Mike Lindemer, Bob Skiles & Mark Butcher). Juli Cole seconded the motion. The motion passes unanimously.

Tammy Lewis asked who would push forward in the time crunch. Was there a plan? The Board discussed this and agreed that Davy Good would contact Missoula County and the university to get a bid and available time for the income survey. Troy Spence would contact the engineers to break out the costs for Phases I & II. Beth Hutchinson said that she could try to do the estimate from the 2012 PER and get the estimate on what it would cost the engineers for Phases III & IV.

OTHER BUSINESS:

NEXT SCHEDULED MEETING:

The next Board meeting was scheduled for July 19, 2018.

Beth Hutchinson said that the next scheduled meeting had been written in but the by-laws said it had to be discussed and voted upon. The Board discussed the date of next meeting. Davy Good said that he could call in. Beth Hutchinson said that would be breaking the written by-laws. Felicity Derry Davy Good and Tammy Lewis all agreed that the by-laws had been changed to allow a director to call into a meeting. While it did not make it into the by-laws it was in the minutes.

The Board agreed that the next meeting would stay on Thursday July 19, 2018 at 5:15pm.

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ADJOURNMENT:

Davy Good moved to adjourn the meeting at 8:10pm. Juli Cole seconded the motion. There was no further discussion. The motion was passed unanimously

Attest:

Beth Hutchinson, Director

-And-

| SEAL |

Felicity Derry, Secretary