

Seeley Lake Sewer District
AMENDED REGULAR BOARD MEETING AGENDA

DATE: Thursday, December 17, 2020
PLACE: **Virtual Meeting via Zoom**
Computer: <https://us02web.zoom.us/j/8563339071?pwd=Z0NhbmRoWitlUUFpyME8vTWJ0QlZ0Zz09>
Telephone: 1 669 900 6833
Meeting ID: 856 333 9071
Password: 123528
TIME: 6:00 p.m.

ROLL CALL

Tom Morris, President	○	05/2024
Beth Hutchinson, Vice President	○	05/2022
Pat Goodover, Director	○	05/2022
Walt Hill, Director	○	05/2022
Jason Gilpin, Director	○	05/2024
Felicity Derry, Secretary	○	

1. OPENING: Scheduled for 6:00 PM Via Zoom
2. APPROVAL OF AGENDA:
3. PRESIDENT'S COMMENTS:
4. PUBLIC COMMENT: On Items not on the Agenda of the Meeting and within the Jurisdiction of the Sewer District [MCA 2-3-103 (1)a]
5. CORRESPONDENCE:
 - a} Don Larson
 - b} Great West Engineering – EDA Grant
6. MINUTES: August 6, 2020 & November 19, 2020 - *Action*
7. FINANCIAL REPORTS: Invoices – *Action*
8. MANAGER'S REPORT: Status Report
9. UNFINISHED BUSINESS: None
10. NEW BUSINESS: Resolution # 12172020 – To Approve Memo from SLSD Board to Property Owners *and* Qualified Electors in the District – Discussion/ Action
11. NEXT SCHEDULED MEETING: January 21, 2021
12. AGENDA ITEMS FOR NEXT SCHEDULED MEETING
13. ADJOURNMENT:

DEC 07 REC'D

December 2, 2020

Seeley Lake Sewer District Board

Box 403

Seeley Lake, MT 59868

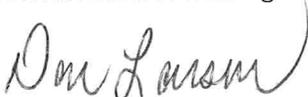
Madam, and Sirs

I would like to take this opportunity to weigh in on the proposed February bond issue election. I have reviewed the proposed letter written by your manager to be sent to sewer district residents and consider it to be less than factual, and not wholly accurate.

I would like to propose to you that two 500-word statements be drafted to explain the project to Sewer District Resident Voters. One would be drafted by the proponents of the project and one would be drafted by the opponents. This would be similar to the procedure used by state and county election officials to explain ballot initiatives.

The two statements would be submitted to the residents with the February bond election ballots. Neither proponents or opponents should be able to review the others' statement. The statements should be submitted to the Missoula County Elections office for inclusion in the ballot mailing.

I look forward to hearing from you on this proposal



Don Larson, Citizens for Sensible Wastewater Solutions

Cc: Pathfinder

HELENA
PO Box 4817 ▪ 2501 Belt View Drive
Helena, MT 59604
406.449.8627 ▪ Fax 406.449.8631
www.greatwesteng.com



December 15, 2020

Jean Curtiss
Seeley Lake Sewer District
P.O. Box 403
Seeley Lake, MT 59868-0403

RE: Economic Development Administration (EDA)

Dear Jean,

I am writing in response to your request to summarize the District's efforts to secure grant funding from the EDA for the wastewater project. The District and Great West Engineering worked closely with Kirk Keyser, the EDA's representative in Montana, to make a case for CARES ACT funding from the EDA. Congress allocated CARES ACT funding to the EDA to help distressed communities become more resilient to infectious diseases such as COVID-19. Great West Engineering prepared a Preliminary Engineering Technical Memo and an Environmental Report that comply with EDA requirements. We also prepared an application in which we attempted (with support of the PER Technical Memo) to identify a strong "nexus" between the project and protecting the community from COVID-19 or similar viruses. We spent a significant amount of time reaching out and discussing the proposed project with Seeley Lake business owners. The initial feedback on the project from the EDA was encouraging. However, after Mr. Keyser further reviewed the application and PER memo, he recommended the District take a more traditional approach by preparing an application for funding through the EDA's Public Works Program.

It is important to understand an EDA grant application's competitiveness for funding is directly related to the applicants' ability to demonstrate a direct relationship between a project and job creation. The businesses we contacted stated off the record the construction of a wastewater system would likely allow them to expand their existing facilities or build new facilities. However, no one we spoke with would provide the District with a written estimate of the jobs they would create if they were connected to the proposed system. Without direct evidence of job creation, the District could not submit the Public Works application through Grants.gov. However, if a business does step forward in the future, the District could take the work that has been done and apply for EDA funding.

Sincerely,

Great West Engineering, Inc.

Craig Erickson

Craig Erickson, CGW
Funding Director

BILLINGS
6780 Trade Center Ave.
Billings, MT 59101
406.652.5000
Fax 406.248.1363

BOISE
3050 N. Lakeharbor Ln.
Suite 201
Boise, ID 83703
208.576.6646

GREAT FALLS
702 2nd Street South #2
Great Falls, MT 59405
406.952.1109

SPOKANE
9221 N. Division St.,
Suite F
Spokane, WA 99218
509.413.1430

SEELEY LAKE SEWER DISTRICT
PUBLIC HEARING MEETING
August 6, 2020

Tom Morris	President	PRESENT	Pat Goodover	Director	PRESENT
Beth Hutchinson	Vice President	PRESENT	Walt Hill	Director	PRESENT
Jason Gilpin	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 Tom Morris at 6:01pm. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

APPROVAL OF AGENDA:

Beth Hutchinson moved to approve the agenda as presented. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Walt Hill	Aye
Jason Gilpin	Aye

PRESIDENT'S COMMENTS:

Tom Morris requested that meeting participants be respectful and succinct.

PUBLIC COMMENT:

Colleen Krause commented that if the Board had chosen a different assessment method, the people in town would not have protested as their assessment was quite low.

Michael Richards questioned what the Board's concerns were regarding the other assessment option. Beth Hutchinson outlined the Board's concerns for the alternative assessment methodology and discussion followed on the Board's reasoning.

Colleen Krause commented that it would be interesting to see the comments in the protests. Tom Morris noted that the public were invited to read their protests at the meeting.

Pastor Jim Johnson, Baptist Church commented that this assessment was high compared to those in other states. Also, a table showing the administrative fee for comparable sewer systems had been

requested. Jean Curtiss responded that the District's assessment was different to most other districts that had a functioning system, and then explained the assessment and how it related to the District's budget. Discussion followed on the applicable state law.

Michael Richards requested that the Board consider spreading the cost of the District's budget equally, as all properties received equal benefit, rather than burdening a small number of properties. Jim Johnson concurred.

There were no other public comments.

Tom Morris thanked the public for their participation and closed the public hearing portion of the meeting at 6:33pm

OLD BUSINESS:

Report of Written Protests received by the August 3rd, 2020 Deadline

Jean Curtiss noted that one more protest had been received in the mail this morning, postmarked August 4, 2020, which was beyond the deadline. This late protest would not have changed the outcome of the protest. Jean Curtiss reviewed the protests received for the assessment, concluding that the protest had been inadequate and outlined why the Board had not changed the assessment methodology at the previous meeting.

Pastor Jim Johnson questioned if the Board would be proceeding with the assessment because the protest was inadequate. Tom Morris noted that the Board would proceed with a vote. Jean Curtiss reviewed the amount of the protest and what the threshold was. The number of protests that had been received and counted was discussed.

Resolution# 08062020 Setting Assessments Seeley Lake Sewer District

Felicity Derry read Resolution# 08062020 (Appendix B). Tom Morris asked if the Board wanted make any amendments to the resolution.

Pat Goodover moved to approve Resolution#08062020 Setting Assessments Seeley Lake Sewer District as presented. Walt Hill seconded the motion. Michael Richards urged the Board to reject the resolution as it was not fair, equitable and equal across the District. Pastor Jim Johnson and Colleen Krause both concurred. There was no discussion. The motion was carried and Resolution# 08062020 passed.

Tom Morris	Aye
Beth Hutchinson	Nay
Pat Goodover	Aye
Walt Hill	Aye
Jason Gilpin	Nay

ADJOURNMENT OF BOARD MEETING:

Tom Morris adjourned the meeting at 6:40pm.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Walt Hill	Aye
Jason Gilpin	Aye

Attest:

Tom Morris, President

Felicity Derry, Secretary

APPENDIX B

RESOLUTION NO. 08062020 SETTING ASSESSMENTS – SEELEY LAKE SEWER DISTRICT

WHEREAS, the Board of Directors of the Seeley Lake Sewer District (the “Board”) adopted a fiscal year budget for the purpose of setting assessments to fund the administrative costs of District operations and the establishment or maintenance of any required reserves for the District for Fiscal Year 2021; and

WHEREAS, the Board heard recommendation to establish new methods for setting annual assessments; and

WHEREAS, after giving notice as required, the Board held a public hearing on August 6, 2020 at 6:00 p.m. for the purpose of accepting public comment on establishing new methodology for annual assessments; and

WHEREAS, upon taking public testimony, the Board considered all comments, both written and verbal; and

WHEREAS, the Board determined that the assessment method would provide sufficient revenues for fiscal year 2021, in the amount of approximately \$214,329.00;

NOW, THEREFORE BE IT RESOLVED by the Board that the Secretary is directed to coordinate the placement of assessment on the property tax bills for Fiscal Year 2021 as follows:

Assessed Value. Each lot, tract or parcel of land in the District shall be assessed for that part of the Administrative Fee that the actual assessed land market value of such lot, tract or parcel bears to the total actual value of all lots, tracts or parcels of land in the District. The total actual assessed value of the District to be assessed is \$53,878,778.00. The amount of the Administrative Fee assessed against each lot, tract or parcel of the District is \$.003977986 per dollar of assessed market value.

DATED THIS ____ DAY OF AUGUST, 2020

President

Attest:

Secretary

SEELEY LAKE SEWER DISTRICT
SPECIAL BOARD MEETING
August 6, 2020

Tom Morris	President	PRESENT	Pat Goodover	Director	PRESENT
Beth Hutchinson	Vice President	PRESENT	Walt Hill	Director	PRESENT
Jason Gilpin	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 Tom Morris at 6:40pm, which followed immediately after the conclusion of the Public Hearing. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

NEW BUSINESS:

Possible General Obligation and/or Revenue Bond Election for Project to make the cost more equitable for property owners as discussed in the July 28, 2020 Work Session on Bonding Options

Jean Curtiss gave some background as to how the Board had reached this point of considering different bonding options to replace those currently in place, and the possible outcomes. Noting that both USDA and DNRC needed a commitment to the project from the Board to avoid the USDA funds being reallocated.

Walt Hill questioned if the GO bond could be a replacement funding method, whereby allowing the current assessment bond method to remain intact if the GO bond were to fail.

Dan Semmens, Dorsey & Whitney reviewed how a bond election was reached as a path forward to address the Board's concerns regarding affordability and an election. The current assessment bonds did not address the affordability or the desire for an election. Keeping the current bonds would complicate the bond election and cause confusion, therefore a bond election would substitute the current bonds.

Pat Goodover questioned the language that could be used in a bond election.

Dan Semmens felt that the Board had determined that the assessment bonds did not address the fundamental concerns and were taking a different path to address those concerns of affordability and an election.

Walt Hill commented that if the bond election were to fail it would be jumping off a \$10 million cliff without a parachute, and questioned possible wording allowing the District to revert to the assessment bond if the bond election failed.

Dan Semmens understood these concerns, but felt that approach could be problematic and explained his reasoning why. Discussion followed on the initiation of a bond election, general obligation bonds, assessment bonds and the project's funding. Using language to have the voters choose between the assessment bonds or the general obligation bonds was discussed.

Beth Hutchinson felt that time should be taken to educate the public to ensure that the community understood the bond election before proceeding with the election. Discussion followed on the importance of educating the public and the way forward for the Board.

Dan Semmens reviewed how the cost of the project could be spread utilizing general obligation bonds, revenue bonds and the District's grants. Also, ways to address the shortfall in funding.

Dan Semmens reviewed the process and timeline for a bond election.

Tom Morris wanted to be representative of the people that elected him and was in favor of giving the people a voice by holding a bond election, whereby enabling the project to move forward with the approval of the people. The Board had a responsibility to educate themselves and the public. Jason Gilpin agreed that the Board should be the voice of the electors.

The Board discussed whether the voters in Seeley could be unduly influenced to vote against the bond to stop the project, and that it was imperative not to rush the process and to educate the public.

Dan Semmens reviewed the importance of having the correct taxable value of the District and the progress that had been made on securing that information. The general obligation and revenue bond information presented to the Board was reviewed.

A possible timeline for an election was reviewed. The Board discussed the affordability of the project and the bond options available.

Walt Hill supported the proposed system and was willing to evaluate if a general obligation bond would be advantageous; however, he was concerned that the election could be hijacked as a way to stop the project. The nitrogen issue had to be resolved. The Board should move ahead as effectively as possible and should review the bond options at the next meeting.

Pat Goodover agreed with Walt Hill's comments.

Tom Morris emphasized that the Board should do the right thing for the people. Discussion followed on the regulations and codes governing the District

Beth Hutchinson had concerns over the functionality of the Board, and felt that it was not a constructive environment and the Board had difficulty moving to consensus. The public should have confidence in the Board. Moving forward to review the bonding would be a wonderful opportunity to rethink how to operate and to show that the District can have a Board that functions properly.

Beth Hutchinson was concerned about the cost as well as the O&M. The bonding process was not foreign to people, as they had experienced it for the school and fire department. Beth Hutchinson felt that there should be a vote by the people who would be using the system and that people should be empowered.

Dan Semmens thanked the Board for their open discussion.

How the resolution calling for a bond election would be presented at the August Board meeting was discussed.

Tom Morris moved to authorize Jean Curtiss and Dan Semmens to move forward with working on the resolution calling for a bond election, to be presented to the Board at the next regular meeting on August 20, 2020. Beth Hutchinson seconded the motion. There was no further discussion. The motion was carried unanimously.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Walt Hill	Aye
Jason Gilpin	Aye

PUBLIC COMMENT:

Colleen Krause questioned if she would know what her payment would be before she voted, as she was concerned that her cost would be high. Dan Semmens replied that there would be information that would give her a very good idea of her cost for the general obligation and revenue bonds. Colleen Krause added that while she was against the sewer, her biggest concern was that it was not affordable for the community and she would appreciate more information on the bonds.

Dan Semmens clarified who in the District would pay the general obligation and revenue bonds.

ADJOURNMENT OF BOARD MEETING:

Tom Morris moved to adjourned the meeting at 8:14pm. Walt Hill seconded the motion.

Attest:

Tom Morris, President

Felicity Derry, Secretary

DRAFT

SEELEY LAKE SEWER DISTRICT
REGULAR BOARD MEETING
November 19, 2020

Tom Morris	President	PRESENT	Pat Goodover	Director	PRESENT
Beth Hutchinson	Vice President	PRESENT	Walt Hill	Director	PRESENT
Jason Gilpin	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 Tom Morris at 6:19pm, after some technical difficulties had been resolved. The meeting was held remotely via Zoom, due to the ongoing COVID-19 situation.

APPROVAL OF AGENDA:

The agenda was approved as presented.

PRESIDENT'S COMMENTS:

Tom Morris requested that everybody be respectful.

PUBLIC COMMENT:

None.

CORRESPONDENCE:

MACO Insurance (Appendix B)

Jean Curtiss informed the Board that this correspondence from Gary Zadick noted that he was in the process of getting the requested invoices.

Jon Beal (Appendix C)

Jean Curtiss noted that this correspondence from Jon Beal was a notice of termination as counsel.

Seeley Lake Baptist Church (Appendix D)

The Board discussed the letters from the Baptist Church and agreed that Tom Morris should call Pastor Johnson, to explain what the assessment was for and to clear up any confusion there might be.

MINUTES:

July 28, 2020

Tom Morris moved to approve the minutes of the July 28, 2020 Board Work Session as presented. Jason Gilpin seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Absent (due to technical difficulties)
Walt Hill	Aye
Jason Gilpin	Aye

August 3, 2020

Jason Gilpin moved to approve the minutes of the August 3, 2020 Special Board Meeting as presented. Walt Hill seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Absent (due to technical difficulties)
Walt Hill	Aye
Jason Gilpin	Aye

October 22, 2020

Tom Morris moved to approve the minutes of the October 22, 2020 Regular Board Meeting as presented. Jason Gilpin seconded the motion. There was no discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Absent (due to technical difficulties)
Walt Hill	Aye
Jason Gilpin	Aye

FINANCIAL REPORTS:

Invoices – October 2020

Jean Curtiss gave some background information relating to the MACo invoice for the insurance deductible. The Board agreed that Jean Curtiss should contact MACo for clarification on the invoice prior to approving it for payment.

Walt Hill moved to pay the District invoices, excluding the MACo invoice. There was discussion that the attorney did not provide an estimate prior to commencing the work. Jason Gilpin seconded the motion. There was no further discussion. The motion was carried unanimously.

Tom Morris Aye
Beth Hutchinson Aye
Pat Goodover Aye
Walt Hill Aye
Jason Gilpin Aye

The Board reviewed what funds would be used to pay the project invoices and if there was sufficient District money to pay the match.

Beth Hutchinson moved to pay the Great West Engineering invoices. Tom Morris seconded the motion. There was no further discussion. The motion was carried unanimously.

Tom Morris Aye
Beth Hutchinson Aye
Pat Goodover Aye
Walt Hill Aye
Jason Gilpin Aye

September 2020 Financial Reports

Felicity Derry reviewed the September 2020 financial reports for the Board. Discussion followed on the legal fees that had been accrued in FY2020 and FY2021.

MANAGER'S REPORT:

Jean Curtiss noted that the discharge permit renewal was still being processed.

The last payment to Jon Beal would be made this month.

Jean Curtiss had received several calls regarding tax bills. Some people wanted to know if it was a one-time thing, some were in favor of the sewer and others planned to protest their taxes.

UNFINISHED BUSINESS:

Resolution# 11192020 Calling for a Bond Election

Dan Semmens gave an overview of the bond election and Resolution# 11192020 Calling for a Bond Election and the exhibits. The general obligation (GO) and revenue bonds were reviewed and how the repayment of those bonds would be spread over the properties within the District. Dan Semmens noted that the adoption of the resolution would begin the process for the election on February 23, 2021.

Jim Erven asked if residents, as well as property owners, could vote in Phase I. Dan Semmens clarified that any qualified elector would be entitled to vote in Sub-District 1, and then reviewed what constituted a qualified in this bond election.

Colleen Krause asked what the cost would be for properties that were worth \$700,000 to \$800,000. Dan Semmens noted that a table for properties worth up to \$500,000 had been developed, and additional impact information would be made available.

Discussion followed on the proceeds of the bonds paying for the bond counsel and the bond election being a straight vote and not weighted, as the assessment protest had been.

The ballot wording regarding the examples of cost and what could be added to this for clarification was discussed. Dan Semmens reviewed the basis of the paragraph and why that specific language had been used. The Board discussed including additional clarifying information in the letter that would be sent to the District property owners.

Beth Hutchinson moved that we cut that last paragraph. All that information is put in the letter to the people of the District that Jean Curtiss is composing. The Board discussed having the language in both places and then discussed the language on the ballot further.

Colleen Krause asked if the O&M would be addressed in the letter. Jean Curtiss confirmed that it would be addressed in the letter.

Beth Hutchinson withdrew her motion.

Pat Goodover moved to adopt Resolution#11192020 – Resolution of Seeley Lake – Missoula County Sewer District, Montana, submitting to the qualified electors of the District the questions of issuing (I) general obligation bonds in a principal amount not to exceed four million nine hundred forty-two thousand and no/100 dollars (\$4,942,000.00) for the purpose of paying a portion of the costs of a sewage treatment plant and associated improvements to serve all properties in the District, and (II) revenue bonds in a principal amount not to exceed one million four hundred eighty-eight thousand and no/100 dollars (\$1,488,000.00) for the purpose of paying a portion of the costs of a sewage collection system and associated improvements to serve all properties in Subdistrict No.1 of the District, and (III) paying costs associated with the sale and issuance of the bonds. Tom Morris seconded the motion.

Walt Hill read the following statement: “I am opposed to the GO bond since there is no alternative funding if it goes down. As a community we are draining an estimated 150,000 gallons of urine annually into our aquifer. As responsible citizens we have no right to pollute our pristine watershed. I am well aware that some of us on the Board are here to bring to pass a popular vote as to whether or not we should have a sewer system in Seeley Lake. The primary reason for not having such a system is that we can’t afford it. However, the flip side of this coin is that we cannot afford not to have it. Under present conditions, the present treatment plant and phase 1 collection system will cost us about 30-40% of the real and total cost, were we to pay the entire bill ourselves. In my judgement there is no other effective system that would cost as little. Therefore, although I am in favor of the GO bond approach in paying for the system, I cannot vote for it since there is no sensible or financially secure alternative if it were not passed.”

Nathan Bourne noted that the bond would be for a larger amount to cover the budget shortfall. If the bond election did not take place would the project be able to go to bid this winter, or would

additional funding need to be found to bridge the gap, before RD would allow the District to go to bid? Dan Semmens noted that the gap needed to be filled before going to bid. The GO bond would provide the additional funding that would allow the District to go to bid. Jean Curtiss concurred that RD's letter of conditions required that the project be fully funded before going to bid. The District could ask RD for those additional funds.

There was no further discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Walt Hill	Nay
Jason Gilpin	Aye

Dan Semmens left the meeting at this time.

Draft Policy on Setting the Agenda

The Board discussed how to address the public contributing to the agenda within the policy, streamlining the policy and who specifically should be listed in the policy.

Pat Goodover moved to approve the board meeting agenda policy as it was presented to us. Tom Morris seconded the motion. There was no further discussion. The motion was carried.

Tom Morris	Aye
Beth Hutchinson	Nay
Pat Goodover	Aye
Walt Hill	Aye
Jason Gilpin	Aye

Proposed Amendments to the By-Laws

Tom Morris noted that the by-law committee had met and came to a consensus on Section.1. Tom Morris read the by-law committee's recommendation for the purpose of the District.

Beth Hutchinson moved to accept the bylaw committee recommendation as the purpose. (The purpose of the District is multi-factored: a) to support and maintain a healthful environment for present and future generations in accord with state regulations, b) to determine the appropriate wastewater treatment for all or part of the District and c) to supervise wastewater treatment within the District in the most responsible and affordable manner). Tom Morris seconded the motion. There was no discussion. The motion was carried unanimously.

Tom Morris	Aye
Beth Hutchinson	Aye

Pat Goodover Aye
Walt Hill Aye
Jason Gilpin Aye

Jean Curtiss read the four options for the duties section of the by-laws that had been presented. Discussion followed on the language of the first paragraph in Option B, to add some of that language to the second paragraph and then delete the rest of the first paragraph. Including the constitution language in the by-laws was discussed.

Tom Morris moved to adopt Option B as amended. (Removing the first paragraph and after directors, adding “staff members, volunteers and any individuals appointed to committees” to the new first paragraph of section 14.) Beth Hutchinson seconded the motion. Walt Hill requested that “some” be removed from part 2) of that paragraph. **Tom Morris amended his motion to include removing “some” in part 2) of that paragraph.** Beth Hutchinson’s second remained. There was no further discussion. The motion was carried unanimously.

Tom Morris Aye
Beth Hutchinson Aye
Pat Goodover Aye
Walt Hill Aye
Jason Gilpin Aye

Tom Morris restated the previous motion for clarity. **Tom Morris moved to adopt Option B. Substitute the following for the first paragraph of section 14 and keep specific duties A through G: Directors, staff members, volunteers and any individuals appointed to committees of the Board of the Seeley Lake Sewer District have a duty and obligation to conduct their representative activities under the parameters of 1) the US Constitution, 2) relevant federal law, 3) the Montana State Constitution, 4) Montana Code Annotated (M.C.A.) and District by-laws, all as may be amended.**

M.C.A. portions of particular utility and frequent reference are found in Titles 1, 2, 7, 13, and 15. Beth Hutchinson seconded the motion. There was no further discussion. The vote was taken and the motion carried unanimously.

Tom Morris Aye
Beth Hutchinson Aye
Pat Goodover Aye
Walt Hill Aye
Jason Gilpin Aye

Board/Employee – Staff Relations

Beth Hutchinson had raised this item to define the many undefined relationships within the District. Discussion followed on when materials were circulated to the Board. This led to a discussion regarding the District property owners’ letter and when it should be sent out. The Board discussed

whether the letter should be placed on the December agenda and the when to set the deadline to have input on the letter to Jean Curtiss.

Draft Letter to District Property Owners

The Board continued their discussion as to when the letter needed to be finalized and agreed that they would send their comments to Jean Curtiss by November 25, 2020. What supporting documents should be included with the letter were discussed. The discussion turned to the cost estimate reference for the later phases and how that could be addressed.

NEW BUSINESS:

RRGL Grant Extension

Jean Curtiss noted that this was an extension for the RRGL \$15,000 grant.

Walt Hill moved that Tom Morris sign the grant document. Jason Gilpin seconded the motion. The motion was carried unanimously.

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Walt Hill	Aye
Jason Gilpin	Aye

NEXT REGULARLY SCHEDULED MEETING: December 17, 2020

ADJOURNMENT OF MONTHLY BOARD MEETING:

Pat Goodover adjourned the meeting at 8:30pm

Tom Morris	Aye
Beth Hutchinson	Aye
Pat Goodover	Aye
Walt Hill	Aye
Jason Gilpin	Aye

Attest:

Tom Morris, President

Felicity Derry, Secretary

DRAFT

APPENDIX B

Seeley Lake Water District

From: Jean Curtiss <jcurtiss53@gmail.com>
Sent: Wednesday, November 4, 2020 1:55 PM
To: Seeley Lake Water District
Subject: Fwd: MACo Form

From: Gary Zadick <gmz@uazh.com>
Date: Tue, Oct 27, 2020 at 5:05 PM
Subject: RE: MACo Form
To: Jean Curtiss <jcurtiss53@gmail.com>, Seeley Lake Water District <slk2559@blackfoot.net>
Cc: Andrea Callender <ajc@uazh.com>

Thanks Jean please mail the original to me too. PO box 1746, great falls 59403

I am gathering the bills & invoices. I don't have them yet but i have requested them and will send them to you

Gary

From: Jean Curtiss [mailto:jcurtiss53@gmail.com]
Sent: Tuesday, October 27, 2020 4:42 PM
To: Gary Zadick <gmz@uazh.com>; Seeley Lake Water District <slk2559@blackfoot.net>
Subject: Fwd: MACo Form

Hi Gary, I have attached the signed Assignment of Rights and Claims. Do you want us to mail the original or is the scanned version sufficient?

Also, at the Board meeting, Beth Hutchinson, who called you a few months ago, requested that I ask you for an accounting of the bills MACO paid for Mr. Beal's legal work on this lawsuit. I told her I would ask for a copy.

Thanks

Jean



Jon G. Beal Kristine J. Beal
Jacob Anderson Ian Gillespie
Katelyn Riordan - Paralegal/HR Manager

TRANSMITTAL

Date: October 29 , 2020

From: Hope Slowik

Via Email and US Mail:

Seeley Lake Sewer District
PO Box 403
Seeley Lake, MT 59868

Regarding: Notice of Termination as Counsel of Record Pursuant to Montana Fourth
Judicial District Court Rule of Practice 21(D)
Seeley Lake Sewer District (adv. Larson) - SLS 18-01

Attachment:

- 2020-10-29 Notice of Termination as Counsel of Record Pursuant to Montana Fourth Judicial District Court Rule of Practice 21(D)

<input type="checkbox"/> File or record	<input type="checkbox"/> Per your request
<input type="checkbox"/> Return a conformed copy	<input checked="" type="checkbox"/> For your information
<input type="checkbox"/> Present to the Judge	<input type="checkbox"/> For review. Please contact

//

CONFIDENTIALITY NOTICE

This transmittal (and/or the documents accompanying it) may contain confidential information belonging to the sender which is protected by the attorney-client privilege and/or may be attorney work product. Recipients should not file copies of this transmittal (and/or the documents accompanying it) with publicly accessible records. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient or authorized agent, you are hereby notified that any further review, disclosure, dissemination, forwarding, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmittal in error, please immediately notify us by telephone at (406) 728-2911 Thank you

Beal Law Firm, PLLC
Seeley Lake Sewer District
October 29, 2020
Page 2

Dear Ladies and Gentlemen,

Please find enclosed the above-referenced document that was emailed to you today. If you have any questions, please do not hesitate to contact me at the number below. Thank you.

Sincerely,
Beal Law Firm, PLLC



Hope Slowik
hslowik@beallawfirm.com

CONFIDENTIALITY NOTICE

This transmittal (and/or the documents accompanying it) may contain confidential information belonging to the sender which is protected by the attorney-client privilege and/or may be attorney work product. Recipients should not file copies of this transmittal (and/or the documents accompanying it) with publicly accessible records. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient or authorized agent, you are hereby notified that any further review, disclosure, dissemination, forwarding, copying, distribution or the taking of any action in reliance on the contents of this information is strictly prohibited. If you have received this transmittal in error, please immediately notify us by telephone at (406) 728-2911. Thank you.

1 Jon G. Beal
2 **BEAL LAW FIRM, PLLC**
3 121 Hickory St., Suite 4
4 P.O. Box 8898
5 Missoula, MT 59807-8898
6 (406) 728-2911
7 jonbeal@beallawfirm.com

8 Attorneys for Seeley Lake Sewer District.

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**MONTANA FOURTH JUDICIAL DISTRICT COURT,
MISSOULA COUNTY**

Donald Larsen, et al.,

Plaintiffs,

v.

Seeley Lake Sewer District,

Defendant.

Cause No. DV-18-913
Dept. 1

**NOTICE OF TERMINATION AS
COUNSEL OF RECORD
PURSUANT TO MONTANA
FOURTH JUDICIAL DISTRICT
COURT RULE OF PRACTICE
21(D)**

Comes now Jon G. Beal of Beal Law Firm, PLLC, counsel of record for Seeley Lake Sewer District, and respectfully submits this Notice of Termination as Counsel pursuant to Montana Fourth Judicial District Court Rule of Practice 21(D).

A final disposition of this case was made on July 8, 2020 by Judge Leslie Halligan. *Dkt. 99.*

These conditions having been satisfied, Beal Law Firm, PLLC and Jon G. Beal are hereby automatically relieved of any further duty as counsel of record for Seeley Lake Sewer District.

1 DATED this 29th day of October, 2020.

2
3 BEAL LAW FIRM, PLLC
4 Attorneys for Seeley Lake Sewer District

5 By: /s/ Jon G. Beal
6 Jon G. Beal

7
8 **CERTIFICATE OF MAILING**

9 I, the undersigned, an employee of Beal Law Firm, PLLC, hereby certify
10 that a true and correct copy of the foregoing was forwarded as set forth
11 below, at Missoula, Montana this 29th day of October, 2020, to:

12 Colleen Dowdall
13 Colleen M. Dowdall Law
14 120 West Broadway, Ste B
15 Missoula, MT 59802
16 colleen@dowdall-law.com
17 *Attorneys for Plaintiff*

U.S. Mail
 Hand Delivery
 Federal Express
 Facsimile
 Email

15 Seeley Lake Sewer District
16 PO Box 403
17 Seeley Lake, MT
18 sbp@centric.net
19 walt.hill@mso.umt.edu
20 bethyhutchinson@hotmail.com
21 jcurtiss53@gmail.com
22 slk2559@blackfoot.net
23 *Defendant*

U.S. Mail
 Hand Delivery
 Federal Express
 Facsimile
 Email

24
25 /s/ Hope Slowik
Hope Slowik, Legal Assistant to
Jon G. Beal

APPENDIX D



SEELEY LAKE BAPTIST CHURCH
3116 HWY 83N
P.O. BOX 304
SEELEY LAKE, MONTANA 59868
(406) 6772268



NOV 12 REC'D

11/6/2020

Seeley Lake Sewer District Board

In this envelope you will find 3 letters protesting the tax assessment levied on the Seeley Lake Baptist Church for something that is not even sure will be built as is. Two are hand-written by the deacons and trustees of the church and this one by me.

The last protest apparently fell on deaf ears and again we ask that this issue be brought before the citizens for a rather vote rather than ramming it down pipeline regardless of what the citizens think. It would better to wait until the project is 100% assured of happening before collecting these fees. As of my knowledge, it is still up in the air.

I was told at the meeting I attended by calling into Zoom to protest this levy, that a chart would be provided with comparable towns of the same size and have yet to receive that document.

I would also like to know if this project does not occur what will happen to the money and how that money will be paid back to those that pay it under protest. I understand how governments work and once money is paid in it is very rarely given back.

So, for the record Seeley Lake Baptist Church is paying this assessment we just received under protest.

Sincerely,

Pastor Jim Johnson

520-251-2858

Email: pastor@seeleylakebc.org

Web: www.seeleylakebc.org



Seeley Lake Baptist Church
Loving God, Loving Others, Serving All



NOV 12 REC'D

Seeley Lake Baptist Church
Seeley Lake Montana 59868
P.O. Box 304
Parcel #9000051
Statement 53372

We recieved this bill of \$870¹³
for seeley lake sewer which we are
not hooked up to because there isn't
one, not even a pipe!

Not one drop of water has
gone into a new sewer system!

How many year has this been
going on?

How can you charge for a service
that does not exist?

When I was in business I didn't
ask people to pay for an engine
rebuild befor their car even
broke down!!

In hopes of fairness
and in wisdom
Martin E. Cahoon

NOV 12 2020

11/6/20

Seeley Lake Sewer District:

I am writing with concern + opposition to the Sewer Districts charges on our tax bill.

These charges seem to be excessive and without any tangible benefits for us.

I believe the current projected project is unaffordable for our community. The District needs to propose something that will work - efficient and affordable for all.

Thank you,

Jack Greenwood-

board member of Seeley
Lake Baptist Church-

**Seeley Lake Sewer District
Invoices for November 2020**

District:

Seeley Lake Water District - <i>Inv#191 November 2020</i>	\$330.10
Curtiss Consulting - <i>November/December</i>	\$1,440.00
Felicity Derry - <i>November/December</i>	\$401.25
MACo Insurance Deductible	\$1,000.00
	\$3,171.35

Project:

Great West Engineering - <i>Inv#22952 Oct 18 - Nov 14, 2020</i>	\$11,660.00
Project Total	\$11,660.00

Total Invoices:

\$14,831.35

Proposed Grant Reimbursement/District Match For Project Invoices

Invoice	Total	WRDA	District Match
GWE#22952	\$11,660.00	\$8,745.00	\$2,915.00

Seeley Lake - Missoula County Water District

PO Box 503
Seeley Lake, MT 59868-0503

Phone # 406-677-2559

Invoice

DATE	INVOICE #
12/1/2020	191

BILL TO
Seeley Lake Sewer District PO Box 403 Seeley Lake, MT 59868-0403

SHIP TO

P.O. NUMBER	TERMS	REP	SHIP	VIA	
	Due on Receipt		12/1/2020	Vince	

QUANTITY	ITEM CODE	DESCRIPTION	PRICE EACH	AMOUNT
21	MiscI	Bookkeeping & Admin November 2020	15.00	315.00
302	MiscO	Copies	0.05	15.10

THANK YOU!	Total	\$330.10
------------	--------------	----------

CURTISS CONSULTING, LLC
1419 HOWELL STREET
MISSOULA, MT 59802

District Manager for Seeley Lake Sewer District Board Invoice

11-16-20	Board prep, supporting materials for letter to district	6.5 hrs
11-17-20	Calls, emails, board prep	3 hrs
11-18-20	General admin, board prep	4.5 hrs
11-19-20	Board prep, board meeting	4.5 hrs
12-1-20	Reviewed board comments on letter	2 hrs
12-2-20	Call w/ Amy & Michelle, work with elections, edits to drafts	2.5 hrs
12-3-20	Editing draft documents	2 hrs
12-8-20	General admin, editing	2 hrs
12-9-20	Editing	3 hrs
12-10-20	Editing	2 hrs
12-10-20	Board prep, editing, input on drafts	4 hrs
Total	36 hrs @ \$40/hr =	\$1440

Payable to Curtiss Consulting, LLC

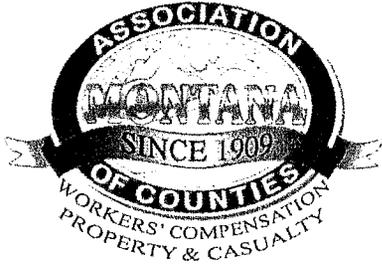
Felicity Derry
November/December

Date	Time	Subject	Hours
11/19/2020	5:40-8:40p	Meeting	3.00
11/30/2020	5:45-9:30p	Meeting Mins	3.75
12/1/2020	5:00-9:00p	Meeting Mins	4.00
12/2/2020	5:45-9:30p	Meeting Mins	3.75
12/7/2020	5:45-9:15p	Meeting Mins	3.50
12/8/2020	6:15-9:00p	Meeting Mins	2.75
12/9/2020	4:30:-8:00p	Meeting Mins	3.50
12/10/2020	7:00-9:30p	Meeting Mins	2.50
			<hr/>
			26.75

26.75 x \$15 = \$401.25

\$401.25

\$401.25



Montana Association of Counties

Claims Services

2717 SKYWAY DR STE A, HELENA, MT 59602
(406) 442-1178 • E-Fax (406) 443-4161
www.mtcounties.org



September 24, 2020

Seeley Lake Missoula County Sewer District
PO Box 403
Seeley Lake, MT 59868-0403

SENT VIA MAIL & EMAIL

RE: Deductible Billing Invoice for:
Claimant: Larson, Donald
Claim #: EO8050033570
Department: * Water / Sewer District
Date of Loss: 6/26/2018
Claim Type: Errors & Omissions

Dear Member:

The above referenced claim has either reached or exceeded the applicable deductible. The claim financials are presented below:

Bodily Injury Paid:	0.00
Expenses Paid:	321,500.99
Property Paid:	0.00
Total Paid:	320,990.75

<i>Errors & Omissions</i> Deductible:	1,000.00
--	----------

Amount Due:	\$1,000.00
--------------------	-------------------

Please find the applicable billing statement below. As always, if you have any questions or concerns regarding this claim or the amount due, please contact the Claims Department at (406) 442-1178. THANK YOU!

BILLING STATEMENT

Please make all checks payable to: MACo PCT

To ensure proper credit, please write the claim number on the check or enclose this statement with your payment.

Covered Member: Seeley Lake Missoula County Sewer District

Montana Association of Counties PCT
Attn: Claims Department
2717 Skyway Dr Ste A
Helena, MT 59602

PAYMENT INFORMATION	
Policy ID:	8172PCT2018
Claim Number:	EO8050033570
Payment Due:	10/24/2020
Amount Due:	\$1,000.00

Thank you for your continued trust in Montana Association of Counties Property & Casualty Trust!

Seeley Lake Water District

From: Jean Curtiss <jcurtiss53@gmail.com>
Sent: Wednesday, December 9, 2020 9:37 AM
To: Seeley Lake Water District
Subject: Fwd: EO8050033570 - 2nd Request - Deductible Billing Statement

----- Forwarded message -----

From: Gary Zadick <gmz@uazh.com>
Date: Fri, Dec 4, 2020 at 2:49 PM
Subject: RE: EO8050033570 - 2nd Request - Deductible Billing Statement
To: Jean Curtiss <jcurtiss53@gmail.com>
Cc: David Payne <dpayne@mtcounties.org>

Hi Jean

I have copied dave at maco. In these type of situations, if the insurer who should have paid eventually does, the deductible is refunded. Since it is \$1000 my recommendation is to pay it and the first 1000 of any recovery would go to you... i will ask dave to confirm.

Gary

From: Jean Curtiss [mailto:jcurtiss53@gmail.com]
Sent: Friday, December 4, 2020 1:26 PM
To: Gary Zadick <gmz@uazh.com>
Subject: Fwd: EO8050033570 - 2nd Request - Deductible Billing Statement

Gary, do you think we should pay this deductible?. What if MACO and Cincinnati settle and Cincinnati is liable, does the District still owe the deductible? It seemed in limbo so we did not pay the first request.

Or is this something I should refer to our attorney?

Jean

----- Forwarded message -----

From: Bonnie Knopf <notifications@origamirisk.com>
Date: Fri, Dec 4, 2020 at 8:50 AM
Subject: EO8050033570 - 2nd Request - Deductible Billing Statement

To: <jcurtiss53@gmail.com>

Cc: <smcgowan@mtcounties.org>, <kjohnson@mtcounties.org>, <bknopf@mtcounties.org>

Greetings,

Please find a copy of the attached **2nd Request** deductible billing statement which is being mailed today. This is for the claim referenced below:

Claimant: Larson, Donald

Date of Loss: 6/26/2018

**Claim
Number:** EO8050033570

Claim Type: Errors & Omissions

Department: * Water & Sewer District

Event Plaintiff is requesting declaratory relief regarding the construction of a new sewer

Description: system

Sincerely,

MACo Claims Department

2717 Skyway Dr Ste A, Helena, MT 59602

(406) 442-1178 * (888) 442-8552 Toll Free * (406) 443-4161 Fax2Mail

Replies to this email message will be saved with our email records.





PO Box 4817
2501 Belt View Drive
Helena, MT 59604

Phone: 406.449.8627

Seeley Lake Sewer District
Pat Goodover, District President
PO Box 403
Seeley Lake, MT 59868

Invoice number 22952
Date 11/18/2020

Project 1-19246 SEELEY LAKE PHASE 2

Professional Services from October 18, 2020 through November 14, 2020

	<u>Amount</u>	
10-13 Preliminary Design		
Contract Amount	149,600.00	
Percent Complete	100.00	
Prior Billed	149,600.00	
Total Billed	149,600.00	
		Current Billed 0.00
11-13 Final Design		
Contract Amount	116,600.00	
Percent Complete	40.00	
Prior Billed	34,980.00	
Total Billed	46,640.00	
		Current Billed 11,660.00
12-13 Bidding & Negotiating		
Contract Amount	51,000.00	
Percent Complete	0.00	
Prior Billed	0.00	
Total Billed	0.00	
		Current Billed 0.00
13-13 Construction		
Contract Amount	313,000.00	
Percent Complete	0.00	
Prior Billed	0.00	
Total Billed	0.00	
		Current Billed 0.00
14-13 Post-Construction		
Contract Amount	20,000.00	
Percent Complete	0.00	
Prior Billed	0.00	
Total Billed	0.00	
		Current Billed 0.00

Amount

15-13 Resident Project Representative (RPR)

Contract Amount	420,800.00
Percent Complete	0.00
Prior Billed	0.00
Total Billed	0.00

Current Billed	0.00
Total	<u>11,660.00</u>

Invoice total **11,660.00**

Invoice Summary

Description	Contract Amount	Percent Complete	Prior Billed	Total Billed	Remaining	Remaining Percent	Current Billed
10-13 Preliminary Design	149,600.00	100.00	149,600.00	149,600.00	0.00	0.00	0.00
11-13 Final Design	116,600.00	40.00	34,980.00	46,640.00	69,960.00	60.00	11,660.00
12-13 Bidding & Negotiating	51,000.00	0.00	0.00	0.00	51,000.00	100.00	0.00
13-13 Construction	313,000.00	0.00	0.00	0.00	313,000.00	100.00	0.00
14-13 Post-Construction	20,000.00	0.00	0.00	0.00	20,000.00	100.00	0.00
15-13 Resident Project Representative (RPR)	420,800.00	0.00	0.00	0.00	420,800.00	100.00	0.00
60-13 Geotechnical Investigation	10,000.00	0.00	0.00	0.00	10,000.00	100.00	0.00
61-13 TSEP - Phase 2 Application Revision	5,000.00	100.00	5,000.00	5,000.00	0.00	0.00	0.00
Total	1,086,000.00	18.53	189,580.00	201,240.00	884,760.00	81.47	11,660.00

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
20558	11/19/2019	44,880.00					44,880.00
21904	06/26/2020	4,908.25					4,908.25
22333	08/21/2020	3,498.00			3,498.00		
22548	09/28/2020	5,830.00		5,830.00			
22735	10/26/2020	11,660.00	11,660.00				
22952	11/18/2020	11,660.00	11,660.00				
	Total	82,436.25	23,320.00	5,830.00	3,498.00	0.00	49,788.25

Payments are due within 30 days of the invoice date. Thank you.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Seeley Lake-Missoula County Sewer District, Montana (the "District"), hereby certify that the attached resolution is a true copy of Resolution No. 12172020, entitled: "RESOLUTION APPROVING MEMO FROM SLSD BOARD TO PROPERTY OWNERS AND QUALIFIED ELECTORS IN THE DISTRICT" (the "Resolution"), on file in the original records of the District in my legal custody; that the Resolution was duly adopted by the Board of Directors of the District at a meeting on December 17, 2020, and that the meeting was duly held by the Board of Directors and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Directors voted in favor thereof: _____
_____ ; voted against the same: _____ ;
abstained from voting thereon: _____ ; or
were absent: _____.

WITNESS my hand and seal officially this _____ day of December, 2020.

Secretary

RESOLUTION NO. 12172020

RESOLUTION APPROVING MEMO FROM SLSD BOARD TO PROPERTY OWNERS AND QUALIFIED ELECTORS IN THE DISTRICT

RECITALS

WHEREAS, in 2017 the Board of Directors (the "Board") of the Seeley Lake-Missoula County Sewer District, Montana (the "District") conducted special assessment proceedings regarding financing costs of a sewage treatment plant and sewage collection system (together, the "Project"), culminating in a resolution approving special assessments; and

WHEREAS, it has subsequently been determined that the sources of funds available to the District to pay the total estimated costs of the Project are \$1,185,000 less than the amount needed to have a fully funded Project; and

WHEREAS, the lead funding agency, the USDA, requires, among other things, that before the District can proceed to bid on the Project, the District must have a fully funded Project; and

WHEREAS, the Board has determined to pursue an election on general obligation bonds and revenue bonds to pay the estimated costs of the Project for a variety of reasons, including that the Board: (i) needs to seek additional bond authority, (ii) desires that the bonds go to a vote, and (iii) has determined that the spreading of costs to owners of property in the District by a combination of general obligation bonds and revenue bonds results in a more equitable distribution of costs than the spreading of costs under the inadequate special assessment authority; and

WHEREAS, the Board, having called an election on general obligation bonds and revenue bonds, now desires to inform its constituents of important matters regarding the bond election, including the reasons for the bond election, the costs and benefits of the Project, and the reasons, as described above, for proceeding to seek authority to issue general obligation bonds and revenue bonds in replacement of the inadequate special assessment bond authority; and

WHEREAS, attached hereto is a memorandum of the Board in substantially final form (the "Board Memo") that the Board desires to share with its constituents.

NOW, THEREFORE, BE IT RESOLVED THAT, the Board hereby approves the Board Memo in substantially the form attached hereto and authorizes and directs that it be distributed to persons who reside or own property in the District and to other constituents of the Board. The Board emphasizes that the Board Memo is distributed for informational purposes only for the purpose of educating the recipients of the Board Memo with regard to important matters relating to the bond election.

Passed and approved this 17th day of December, 2020.

President, Board of Directors

ATTEST:

Secretary

EXHIBIT A
BOARD MEMORANDUM

Memo to the members of the Seeley Lake Sewer District from the District Board of Directors

In an effort to improve community engagement, we have prepared this memo and some supporting documents that are footnoted and available at www.seeleysewer.org.¹

The Problem- groundwater degradation and costs

Since its formation in 1992, 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.

Multiple studies in the Seeley Lake area have linked high nitrate levels in groundwater to the discharge of wastewater from septic systems. More than 15 years of groundwater monitoring in the area has consistently found elevated nitrate levels in groundwater throughout the Seeley Lake community. Conventional septic systems like the majority of those in the town of Seeley Lake do not, as part of their normal function, remove nitrate from wastewater. The density of the existing septic systems in the town of Seeley Lake has resulted in consistently elevated nitrate levels in groundwater.² The Missoula City-County Board of Health established a Special Management Area³ in a portion of Seeley Lake in 2015 because of an upward trend in elevated nitrate levels. Property owners proposing projects with new or increased septic use must demonstrate they will not cause or contribute to a violation of the MT water quality laws before a septic permit can be issued. The Health Department is supportive of the community solution to address the high nitrates. If the bond election fails and a public wastewater treatment system is not constructed, the Health Department and DEQ will need to take steps to address the nitrate exceedances in groundwater.

The cost of construction for the sewer system designed to serve the Seeley Lake Sewer District is now estimated at \$11,927,750 for the sewage treatment plant that will serve all of the District and \$5,072,250 for the collection system that will serve properties in Phase 1 of the project.⁴ The board recognize this is considerable for property owners in the sewer district and has secured about \$10.5 million in grants and \$6.5 million in low interest loans **to help reduce reducing** the debt for property owners.

The Solution- community wastewater treatment /grants and low interest loans to reduce costs

Presented with this information, the Board sought grant funding to hire engineers to do a Preliminary Engineering Report (PER) in 2012⁵ and an update in 2018.⁶ The Board reviewed the PER and chose a wastewater treatment system and established four subdistricts⁷. The treatment plant and the Phase 1 Collection system are designed, approved and preparing to go to bid **once a fully funded financing package is approved by USDA**.

Over the last several years, the Sewer Board has managed to secure several large grants and the commitment of low interest loans to reduce the amount we, the members of the sewer district, will have to pay. Property owners in the District will repay **the loans covering** approximately 40% of the estimated total cost to construct the sewage treatment plant. Property owners in Subdistrict #1 (Phase 1) of the District will repay **the loans covering** approximately 30% of the total estimated cost to construct the collection system that serves Phase 1.

The Gorilla-Operation and Maintenance of the System

We know there is a gorilla in the room- the annual cost for operations and maintenance (O&M). The Board adopted an estimated budget of \$227,508 for O&M for the proposed system.⁸ **If Once** all Phases are built the monthly costs for O&M **may will** be shared by the entire district. Although some may feel the O&M is an unnecessary burden, all wastewater treatment systems require regular maintenance. Even septic systems need maintenance and eventually to be replaced. The grants and loans cannot be applied to the O&M costs, but the Board continues to research programs that may help low-income families with these costs.

¹ Background/ history

² Map of groundwater flow paths, monitoring wells and septic locations

³ Map of Special Management Area

⁴ Project budget

⁵ 2012 PER Executive Summary

⁶ 2018 PER Update Executive summary

⁷ Phased Collection System map

⁸ O&M projected budget

The Benefits to Public Health, the Environment and the Economy

According to the Missoula City-County Health Department, public and environmental health are not being adequately protected under current conditions. The density of septic systems coupled with the hydrogeologic conditions in the area are causing nitrate levels to elevate far beyond natural concentrations and have, at times, caused violations of State and Federal water quality standards. The approved wastewater treatment system will reduce the nitrates entering groundwater in Seeley Lake by at least 85%. The concentration of nitrate in typical, residential strength wastewater is 50 mg/L. The discharge permit issued by DEQ for the treatment plant requires the treated wastewater to have maximum nitrate concentrations of 7.5 mg/L or less before being discharged into the ground. The plant is designed to meet 5 mg/L, under normal function, to ensure if an upset condition takes place, the maximum daily limit of 7.5 mg/L can still be met.

The clean water we enjoy for fishing and swimming is impacted by the elevated nitrates because of the shallow aquifer in the area. Most people who live in Seeley Lake either full-time or seasonally enjoy being in the great outdoors. Protecting clean water in Seeley Lake and the other lakes, rivers and streams in the watershed are important to all of us.

We also know that Seeley Lake businesses increasingly count on the growing recreation economy in the area which also relies on clean water. Some businesses have already been forced to invest in expensive replacement septic systems. Without the ability to connect to a public wastewater treatment system, some property owners within the District cannot develop their lots or expand their existing use unless they invest in an expensive alternative system or (a system providing secondary treatment).

The Vote

The Seeley Lake Missoula County Sewer District Board of Directors adopted Resolution #11192020⁹, calling for a bond election on February 23, 2021, by mail ballot, asking the qualified electors in the District¹⁰ to approve a **General Obligation (GO) Bond** to finance a portion of the construction costs for the treatment plant and associated infrastructure and a **Revenue Bond** to finance a portion of the cost of the Phase 1 Collection system.

These bonds will replace the Assessment Bond methodology authorized through the Notice and Protest process in 2017. USDA, the leading funding agency in connection with the grant and loan package will not allow the project to go to bid without the District securing an additional \$1,185,000 to fully fund the project. Recognizing the Assessment Bonds were not enough to fully fund the project and wanting to find a more affordable funding method, the Board chose to call for the Bond Election.

New Financing Option: General Obligation Bonds for Sewage Treatment Plant¹¹

Sewage Treatment Plant and associated infrastructure costs shared by all taxable properties in the District

- estimated **total construction cost** \$11,927,750
- **secured grants*** -\$ 6,985,750
- **Portion Financed /General Obligation Bonds** **\$ 4,942,000**

Annual property tax per	\$100,000 market value (on your tax bill)	\$139.05/year or \$11.59/month
(residential tax rate)	\$200,000 market value (on your tax bill)	\$278.10/year or \$23.18/month

⁹ Seeley Lake Sewer District Resolution #11192020

¹⁰ Who can vote in a Sewer District elections

¹¹ Tax impact table

New Financing Option: Revenue Bonds for Phase 1 Collection System

Phase 1 Collection costs shared equally by property owners in *Phase 1 only* with Revenue Bond

• estimated total construction cost	\$5,072,250
• secured grants*	\$3,584,250
• Portion financed /Revenue Bond	\$1,488,000

Each Phase 1 property will pay a charge of approximately \$25/ property/ month

***Most of the state and federal grants are only secure until the spring of 2021. If the bond elections fail, there is no guarantee future grants will be available for the Seeley Lake Sewer Project. The amount each property in the District will have to pay will be substantially more if the system is built without the approximately \$10M in grants.**

A YES vote will approve the General Obligation **[Golden Opportunity]** Bond **authorizing the Board** to finance \$4,942,000 (41.4%) of the \$11,927,750 sewage treatment plant with low interest loans.

A YES vote will approve the Revenue Bond **authorizing the Board** to finance \$1,488,000 (29.3%) of the \$5,072,250 Phase 1 Collection System with low interest loans.

A NO vote on the two bonds means **the project will likely lose the grants and low interest loans secured to help fund the majority of the sewer project construction may be in jeopardy or forfeited.** If a sewer system is built in the future, property owners face the prospect of significantly increased out-of-pocket costs. While a community wastewater treatment plant is not mandated at this time, if the nitrate levels continue to trend upward from septic effluent, **the Health Department and DEQ will need to take steps to address the nitrate exceedances in groundwater.**

We hope you will read through this letter and the supporting materials on the www.seeleysewer.org website. Please call or write us with questions or comments.

Seeley Lake Sewer District Board

	phone	email
Tom Morris, Board President	406-677-4199	tomree82@gmail.com
Beth Hutchinson, Board Vice-President	406-425-3601	bethyhutchinson@hotmail.com
Pat Goodover, Member	406-799-2030	sbp@centric.net
Walt Hill, Member	406-677-6563	walt.hill@mso.umt.edu
Jason Gilpin, Member	406-261-6063	twolf.gilpin@gmail.com

Blue board member edits, Yellow new wording, Green proposed board member deletions

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 1/2 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 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 worked to secure state and federal grants to fund a majority 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? Moving forward!** 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 construction for the sewer system designed to serve the Seeley Lake Sewer District is now estimated at approximately \$12 million for the sewage treatment plant that will serve all of the District and approximately \$5 million for the collection system that will serve properties in Phase 1 of the project. The board recognize this is considerable 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** used to pay for special assessment bonds for funding the sewer system. The majority of the property owners did not protest, so the Board moved forward to pursue the sewer system.

On December 21, 2017, the Board adopted Resolution No. 12212017 which **authorizes the District to levy special assessments to finance the project through one or more series of special assessment bonds**, which are currently estimated to 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 are not adequate to fully fund the project so the Board cannot put the project out to bid without additional funding.

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 keeping the nitrates from effluent out of the aquifer. Recognizing this, on 8/15/2019 the Board passed Resolution 8152019A **requiring all property owners to connect to the sewer system within 90 days of it being operational.**

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.

The Board adopted Resolution 11192020 **calling for a Bond Election 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.** These bonds will fully fund the construction of the wastewater treatment plant and the first phase of the collection system. More details are included in the memo to the District from the Board.

Who can vote in the February 23, 2021 Seeley Lake Sewer District bond election?

M.C.A. 7-13-2201 & 2212 define qualified electors in a sewer district in Montana and can be any of the following:

1. A resident of the sewer district who is registered to vote in the district. The resident may own the property or rent or lease property in the sewer district.
 - a. Go to **My Voter Page Montana** to check your voter status.
 - b. Residents in the district will have until January 25, 2021 to register to vote or update their voter status and their ballot will be mailed to them.*
 - c. If you have questions, call the Missoula County Elections Office at **406-258-4751** or email at electioninfo@missoulacounty.us
2. An owner of taxable real property within the sewer district who does not reside in the district may request a ballot from the Missoula County Elections Administrator. If the property is owned by more than one person, an agent (to vote) must be designated by the owners.**
3. An individual representing a corporation or company that owns taxable real property within the sewer district may request a ballot from the Missoula County Elections Administrator.**
4. A designated agent for a property held in trust within the sewer district may request a ballot from the Missoula County Elections Administrator.**

The following link will allow you to enter your property address to see which Phase of the Sewer Project the property is in: <https://gis.missoulacounty.us/elections/voter/>.

***Late registration for residents of the district** will be open January 26 until noon February 22, 2021, and will resume on Election Day, February 23, 2021, from 7 a.m. to 8 p.m. Late registrations is **only for qualified electors living in the district** who missed the registration deadline of January 25, 2021. **Those residents must register, in person, at the Missoula County Election Center located at 140 N. Russell in Missoula, MT. Phone- 406-258-4751** Those who register late will be given their ballot and may vote at that time or take the ballot and return it my mail or drop it off by the Election Day deadline.

****The owner or designated agent for taxable property within the District but does not reside in the District may request a ballot** from the Missoula County Elections Administrator. This may be an additional owner or designated agent who is not also a registered voter in the district. The owner or designated agent must provide written proof of the individual's qualification to vote in the district by no later than January 29, 2021 for the Seeley Lake Sewer District bond election. The **Missoula County Election Designation of Special District Agent Form** is available on the Seeley Sewer website, www.seeleysewer.org, for convenience. **An elector may have provided the same written proof for the May election of board members. State law requires this step for each election.**

Ballots will be mailed on February 3, 2020 to registered voters in the Seeley Lake Sewer District and those electors who have provided written proof of their qualification to vote in the Seeley Lake Sewer District by January 29, 2021. Ballots may be returned by mail or dropped off, in person, at the Missoula County Elections Center, in Missoula. For voter convenience, **a ballot collection site will be located in the Seeley Lake Elementary School from 7 a.m. to 8 p.m., ONLY ON ELECTION DAY.** Ballots must be received by mail or in person by the Missoula County Elections Office, either in Missoula or at the Seeley Lake collection site, by 8 p.m. on February 23, 2021, to be counted.

ITEM	QTY	UNITS	UNIT PRICE	ANNUAL	PHASE 1	PHASE 2	PHASE 3	PHASE 4
General Liability Insurance				\$2,000				
Directors & Officers Insurance								
Board communication				\$1,400				
Professional Services								
Secretarial				\$2,400				
Bookkeeping				\$7,000				
Legal				\$7,000				
Audit				\$2,500				
District Manager (independent contractor)	960	HRS	\$40	\$38,400				
Total district admin/ benefitted property charge				\$60,700				
Treatment Plant operator/GM	2080	HRS	\$26.50	\$55,120				
Health Insurance (operator)				\$10,000				
Back up Operators	240	HRS	\$25	\$6,000				
Collection System Operator	200	HRS	\$25	\$5,000				
Payroll Expenses				\$11,400				
Training	1	LS	\$3,000.00	\$3,000				
Contract Services/ Trades	1	LS	\$5,000.00	\$5,000				
Lift Station Power	65500	KWH	\$0.12	\$7,860				
Lift Station Power (discharge pumps running 2900 Hrs/	13,400	KWH	\$0.12	\$1,608		\$934.20		
SBR Power Consumption	106,000	KWH	\$0.12	\$12,720				
ASHT Power Consumption	19,500	KWH	\$0.12	\$2,340				
Post EQ Power Consumption	8,500	KWH	\$0.12	\$1,020				
Pumping Power Consumption	170	KWH	\$0.12	\$20.40				
Headworks, UV	25000	KWH	\$0.12	\$3,000				
Laboratory Testing Fees	12	month	\$750	\$9,000				
Primary Screen Handling	1	LS	\$2,500	\$2,500				
Geofabric tubes	13	YR	\$1,079	\$14,027		\$14,027	33 bags/yr	35,607
Disposal of sludge in geotubes	13	YR	\$991	\$12,883		\$12,883		\$32,703
Polymer		YR		\$1,330		\$1,330		\$3,375
Chemicals	1	LS	\$10,000	\$10,000				
Misc Spare Parts/Repair/Maintenance/Tool Replacement				\$6,000				
Short Lived Assets (see GWE spreadsheet)	\$1.00	LS	\$6,000	\$6,000				
Clean 20% Collection System annually begin yr 5	\$1.25	LF	\$22,930	\$22,930				\$3,750
Vehicle Fuel	700	GAL	\$2.50	\$1,750				
Vehicle Insurance	1	LS	\$700	\$700				
Generator Fuel	500	GAL	\$2.75	\$1,375				
Health and Safety Supplies	1	LS	\$500	\$500				
Permits & Fees	1	LS	\$3,500	\$3,500				
Laboratory Supplies	1	LS	\$600	\$600				
Snow Removal- access road and lot	1	LS	\$2,500	\$2,500				
Telephone/DSL/Modern assurance plan (SCADA)	12	MONTH	\$175	\$2,100				
Subtotal				\$215,783				
Liability Insurance	1	YEAR	\$6,000	\$6,000				
Accounting	1	LS	\$2,500	\$2,500				

Postage	1 LS	\$1,000	\$1,000						
Printing/copies	1 LS	\$500	\$500						
Billing Supplies	1 LS	\$200	\$200						
Billing Software annual fee	1 LS	\$525	\$525						
Office Expenses	1 LS	\$1,000	\$1,000						
office totals			\$11,725						
total O&M costs			\$227,508						
Benefitted property fee with District manager in there is \$10 month for 504 lots- if we can pay for district manager in another way it would be \$3,69/ month or \$44.25 per year									
\$60700 year divided by 504 total lots= \$10/month benefitted property charge, replaces annual assessment beginning November 2021									
\$227,508/YR- \$50,000 county subsidy and \$25,000 dis \$227,500/YR- \$50,000 county subsidy and \$25,000 district subsidy=\$152,508/150 lots in phase 1=\$1016.72/yr or \$84.73/month									
\$227,508 /yr-\$50,000 county subsidy and \$25,000 district subsidy +\$5000 extra costs for Phase 2 power, etc/ 280 lots ,Phase 1 & 2 = \$562.53/yr or \$46.88/mo									
The O&M sewer rate calculation needs to take into account the VRU per home/business. So it would not just be divided by total lots.									
small assets needs to have some grinder pumps, they have an 8-10 year life									

