

SEELEY LAKE MISSOULA COUNTY SEWER DISTRICT
Board of Directors Meeting
January 17, 2007

Attendance:

Glen Morin	President	PRESENT	Ralph Kloser	Manager	PRESENT
Dave Whitesitt	Vice-President	PRESENT	Felicity Derry	Secretary	PRESENT
Bob Skiles	Director	PRESENT	Dave Aune	Engineer	PRESENT
Tom Morris	Director	PRESENT	Walter Hill	Advisor	PRESENT
Dan Johnson, Jr.	Director	PRESENT			

OPENING

The meeting was called to order by Vice President Dave Whitesitt, at 5:16pm, at Pyramid Mountain Lumber, Inc., located at 379 Boy Scout Road.

MINUTES

The minutes from the December 6, 2007 meeting were presented.

Dave Whitesitt moved to approve them as presented, Tom Morris seconded. The motion passed unanimously.

FINANCIAL REPORT

Bills

January

1.	RTK & Associates		\$ 550.00
2.	Secretary Felicity Derry		\$ 67.50
3.	Seeley Lake Water District – Bookkeeping	Inv#21	\$ 30.00
4.	Energy Labs		\$ 278.25
5.	Great West Engineering (Submitted to Grant Administrator)		\$ 2625.40
6.	Vince Chappell		\$ 115.70

Tom Morris moved to pay all bills as presented, Dave Whitesitt seconded. The motion passed unanimously.

Financial Statement

The financial reports were presented for December 2007. It was noted that even though the fee assessment was under budget because total expenses were also under budget total income was more than 200% over budget.

Tom Morris moved to approve the December 2007 financial statements, Dan Johnson seconded. The motion passed unanimously.

CORRESPONDENCE

DNRC sent a Termination Date Extension Amendment to be completed, signed and returned. This was done

Ralph Kloser reported that Walter Hill and Caroline Jenkins (The Pathfinder) had emailed information on a mini grant. DEQ is offering \$1,500 grants for local water outreach and education. These are mainly for things such as school science projects. Dave Aune suggested maybe approaching a teacher about getting their kids to put together a science project. This would increase public awareness.

U.S. Forest Service sent a letter requesting that the Engineers stop their work. Dave Aune explained that the Forest Service communicates with the District, who then communicates with the engineer. Great West sent the Forest Service a letter explaining what work needed to be done and that they would ultimately need a land use permit. The Forest Service reviews it and then writes a response letter voicing their concerns. Dave Aune said he had expected a bigger letter, they only had two concerns, bull trout and the view shed along Cottonwood Lakes Road. The latter may mean we walk the site with them so they are more comfortable with it. Glen Morin asked what the District needs to do. Dave Aune replied the Forest Services wants the District to request a meeting with them and then invite the engineer. Even though there is great local support it is a big agency and they may have a problem once the environmental scientists get involved. Dave Aune hopes that an environmental assessment (EA) is all that is needed; however it could go to a full environmental impact study (EIS).

Terry Campbell, DEQ sent a letter to say they have reviewed the application from Great West. Their comments were that the site is close to the run way (FAA needs to be contacted regarding the wildlife), soil analysis needs to be performed, a long term lease needs to be negotiated with the Forest Service, and limiting public access. The DEQ is supportive of project.

Dave Aune said this is part of the process. The District sends out letters to all of the agencies to receive this kind of feedback letter. The environmental assessment check list has been completed a couple of times. The site is no different than any other site for any other project. Right now we are trying to identify any more red flags that could stop the process. The FAA could be a hurdle. The Forest Service issues a record of decision, if they get uncomfortable because there are too many red flags they will require an EIS. Basically Terry Campbell is acknowledging that we are not ready to answer all of his questions.

CONTRACT MANAGER'S REPORT

Ralph Kloser checked with the Treasurers Office to verify that the annexed properties are paying the fee assessment. Dave Aune has requested the legal descriptions of these annexed properties. He reviewed the District with The Surveyors and Mapping Department as they had maps from 2002, and they will get back to him. Ralph Kloser asked Dave Aune if there is a true phase map. Dave Aune said there were some early aerial ones, Amy will update the boundaries and get one to him.

There was a teleconference with Dave Aune & Craig Pozega (Great West), Glen Morin & himself, Cindy Wulfekuhle & Jean Harte (OPG), DEQ, DNRC, EPA and SRF. This is the third time we have gone through this. Basically this all came about because the EPA instructed Dave Aune to check the wrong box. This has all been cleared up; Glen Morin signed an OPG letter, which was sent to OPG.

Ralph Kloser collected the RFP scoring sheets, questions and recommendations to make up a packet for OPG. They recommended that the Sewer District send a letter to the Forest Service requesting that they send a copy of any correspondence to the engineer and OPG.

Tom Morris moved to approve Manager's Report, Dave Whitesitt seconded. The motion passed unanimously.

OLD BUSINESS

Project Report Great West

Dave Aune informed the Board that they are still waiting for some O&M costs. The plan sheets are 95% complete, however depending on the Forest Service there may need to be changes. Amy & Craig came to town and went through the sewer collection in detail. The biggest change is that the collection system has a few more lift stations. There is a need for easements. From the cadastral database these have been identified as Pyramid Lumber, Michael & David Letcher, Cheryl & Steven Thompson, The Town of Seeley, Highway Department, and Forest Service. Most of the collection system is in existing roadway easements.

We are still waiting on the funding strategy; TSEP has not finalized yet, and is not expected to for a couple more weeks. Then the funding strategy can be revised, the PER will be updated and it will be sent to Cindy Wulfekuhle, OPG. The bulk of the work has been done.

Walter Hill asked if ground injection is still the method of choice. Dave Aune answered that the treatment method is the District's choice. After the Forest Service meeting, around the time that the funding strategy is being developed the Board will have to decide. Dave Aune recommended that he sit down with the Board for a minimum of a couple of hours and give the Board all the information they need to enable them to make an educated decision. This will have to be done very soon. Ground injection, or as he likes to call it ground water disposal, was primarily added to give some flexibility if the Forest Service couldn't deal with 100 acres.

Walter Hill asked where the funding on this is. Dave Aune replied DNRC is intact; TSEP is in limbo. The District is one of two last projects that have not utilized their funds. Which ever project goes ahead first will get the funding. We will reapply on behalf the District and Missoula County for another round of TSEP funds. The two STAG applications are in place for \$1 million and \$750,000. The first has been obligated, so is kind of safe. The other million until we get more state match is always subject to Congressional pull away because it is an appropriation that is hanging out there. As far as WRDA the President signed it. The Core will soon send funds to everybody on the list (Seeley Water and Sewer). Montana Rural Water was assigned \$5 million for unspecified projects. Dave Aune has been assured that it will be split among the projects equally; this should mean \$260,000 for both districts. Dave Aune said he has done everything he can both Districts money.

Dave Aune addressed Dave Whitesitt's letter starting with rate structures. He explained that the PER used Equivalent Dwelling Units (EDUs), as it is the simplest presentation method. This is a flat rate system, which is based on the usage of an average home and is nationally accepted in the industry. Another potential rate

structure is based on water flows; using a three month average which is usually in the winter months. The challenge here is that the revenue varies as the flow does. In this system usually a base rate is charged to all customers, allowing the District to have some constant income. It does cause extra management for the District; however it is the fairest method. A bond counsel should guide the District through this process.

Dave Aune said that it is common to charge impact fees; however this does not really apply to the District's situation right now. Future newcomers or developers will have an impact on capacity and should pay their share. Impact fee laws are different for municipalities and districts, but all have to be defensible in court. They are important, are a good idea and need to be addressed, but the District is not quite there yet.

The disposal options are evaporation, run it to the lake, run it to the creek or put it in the ground. Ground water irrigation and ground water injection through a drain field in effect is the same thing. The net effect to the ground water is the same. We will have to talk to the Forest Service about the impact on ground water and surface water. They may make us model the ground water network as to how the creeks interact. Both treatment methods are great and they will not pollute the ground water.

Every plant is an activated sludge plant. Our waste is fed the bugs, the bugs grow very well and the bugs are called activated sludge. The sludge is stored in big concrete tanks called digesters. The big question is how long do we store the sludge and what do we do with it? The options are to use it on agricultural land, compost it, put it in the landfill, or burn it (nobody incinerates it in Montana). Our current thought is to over design the digesters, put it in two sludge dewatering trucks and put the water back to the front end of the plant. The trucks will sit in a garage all winter and then in the spring take the sludge to the land fill. Glen Morin asked where it would have to be taken it. Dave Aune answered any landfill will take it.

You will have to decide between UV and chlorine. Montana has very strict regulations on chlorine residuals discharged in to streams, and are getting stricter, making it difficult to meet the criteria. Most systems are going with UV because then there is no chlorine residual to worry about. However the maintenance with UV is higher and a chlorine system is easier to operate.

Dave Whitesitt asked if the District needs to do something with the by laws now in reference to the free hook ups. Dave Aune suggested that it is a legal question that should be directed to an attorney. Glen Morin asked where the line should be drawn for the free hook ups. Dave Aune replied the easiest way to do it is when the debt is amortized and the capacity is set. All of them equally share the debt, anybody that comes in after that will impact the capacity and should pay their fair share. The number of undeveloped properties will have to be examined and to date it has not been determined how to deal with them yet.

Tom Morris asked if the FAA will try to put a stop to the lagoons. Dave Aune answered that they probably will, however there is not much choice for the location of the lagoons.

NEW BUSINESS

Manager's Contract.

Ralph Kloser stated that the dates are the only thing that has been changed and it is good for a year.

Tom Morris moved to accept the manager's contract, Dan Johnson seconded. The motion passed unanimously.

PUBLIC COMMENTS

None.

NEXT REGULAR MEETING:

Scheduled for February 21, 2008

Glen Morin motioned to adjourn the meeting.

ADJOURMENT:

The meeting was adjourned at 7:12pm

Attest:

Glen Morin, President

Felicity Derry, Secretary