

**SEELEY LAKE MISSOULA COUNTY SEWER DISTRICT**  
**Board of Directors Meeting**  
**July 17, 2008**

**Attendance:**

Glen Morin	President	PRESENT	Ralph Kloser	Manager	PRESENT
Dave Whitesitt	Vice-President	PRESENT	Felicity Derry	Secretary	PRESENT
Bob Skiles	Director	PRESENT	Vince Chappell	Advisor	PRESENT
Tom Morris	Director	PRESENT	Marnie Russ	Lobbyist	PRESENT
Dan Johnson, Jr.	Director	ABSENT	Dale McCormick	PCI	PRESENT

**OPENING**

The meeting was called to order by President Glen Morin, at 5:10 pm, at Pyramid Mountain Lumber, Inc., located at 379 Boy Scout Road.

**MINUTES**

The minutes from the June 19, 2008 meeting were presented.

Tom Morris moved to approve the minutes as presented, Bob Skiles seconded. The motion passed unanimously.

**FINANCIAL REPORT**

**Bills**

Dave Whitesitt presented the bills to the Board.

1.	RTK & Associates	\$ 550.00
	Office Supplies (Labels & Ink Cartridge)	\$ <u>27.97</u>
		\$ 577.94
2.	Secretary Felicity Derry	\$ 67.50
3.	Seeley Lake Water District – Bookkeeping    Inv#29	\$ 105.00
4.	Transfer Grant Money to OPG	\$ 14,653.35
5.	MT Assoc. of Counties – JPIA (Insurance)	\$ 1,126.00

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

**Financial Statement**

Glen Morin presented the financial statements for June 2008.

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

### **Housing Development Project – Dale McCormick, PCI**

Dale McCormick told the Board that this project is on the corner of Highway 83 and Morrell Creek Road. The access for the development would primarily be off of Morrell Creek Road. It is in the preliminary stages of being submitted to the County. It is for 54 acres with a proposed 52 residential lots. He has met with the Seeley Lake Water Board and discussed the ability to get water to the lots so that the development can have drain fields with a community water system. To follow in with the land use plan they are compiling a zoning proposal where the area closer to the highway would have a higher density. Phase 1 would be single family 1 acre lots. If the sewer were available then Phase 2 would have a higher density of 4 per acre. The County would only approve this if the sewer was available. Dale McCormick wanted to verify the District boundaries with the Board and also the timing and process for annexation in to the Sewer District. The Board showed Dale McCormick the District boundaries on his plat map.

Bob Skiles explained that it will be very hard to annex in to the district. The Sewer is going to be a tough sell to the public at \$91 per month. If it is annexed in the \$72 that you would pay per lot for the past 4 years would not be significant in the minds of the public. Right now the people in Seeley Lake are paying \$72 per lot each year to support the sewer system. We are trying to service the town and not encourage development. It's not that we will not welcome you in to the Sewer District, but right now we are not going to welcome you. Tom Morris said that the PER has just been revised and you came in right after that was completed. The system has been designed to handle growth because by law we have. This development being annexed in depends on how the project is funded and how fast it all comes together. The resolution from the previous meeting is to make sure that the people in the District get serviced first. The plan is to have all phases built by 2013.

Dale McCormick said their plan was for the phase 1 lots to be transferable within a couple of years, and Phase 2 in 4 years. We are looking for the flexibility to have more density and would be more marketable. The lots can not be platted until the water is available. We have asked the Water District to write a letter to say that the infrastructure will be there to support the development by the time they get to plat approval. Vince Chappell explained that the water plant is not designed for that capacity. The growth has been factored in to the new project, but the District needs more water rights.

Ralph Kloser asked who Dale McCormick was representing. Dale McCormick replied that he represents KAKWA River Partners, LLC which is Kevin and Wendy Wetherell.

Bob Skiles said that the sewer system has been designed so it can accept an expansion. There are 400 lots, and about 284 dwellings. When the sewer goes in those lots will be built out. The system has been designed for a 20 year growth projection. Dale McCormick asked if they would be allowed to annex in after everybody in the District had hooked up or after everybody had the opportunity to hook up. Would the District be expanded if some people chose not to hook up? The Board agreed they had not thought that far ahead. Bob Skiles commented that it would be easy to add onto the sequenced batch reactor to expand capacity. Glen Morin said that if the District gets a big chunk of money the sewer will be quicker built, but at this point we have to say no.

Dale McCormick surmised that it is a timing issue and the soonest that the annexation could occur would be 2013. Tom Morris explained that if all of the money for the entire project was received, the project could be built in one phase.

Dale McCormick concluded that maybe the lots could be platted and then they could come back in 5 years and have the same discussion. Tom Morris asked if the lots in Phase 1 will stay forested. Dale McCormick replied there will be some thinning, but yes. Tom Morris stated that if the development was approved by the Water

District it will have an impact on the ground water because of the added septic systems. Bob Skiles added because of the drainage direction and proximity it will put pressure on the lake, and that makes us in more of a hurry to get the sewer in. With 30 lots in Phase 1 that's a lot of sewage.

Dale McCormick asked if the PER is available in Missoula. Tom Morris replied it is available at Glens Automotive and the library.

Dale McCormick left the meeting at 5:40pm

Vince Chappell stated that the Water District has not approved this either, and if they do there will be huge conditions attached. The goal of the Water District is to service the people within the District. There are about 100 properties that cannot be serviced until the sewer is put in. Just like the sewer it will service every home in the District, however not every lot will hook up. We give the public the information and it is their choice. There has been no dereliction of duty by the Water Board or Vince Chappell. We are taking care of our customers. Whether the Board agrees to service the development or not is down the road. In the project there are many lines that will be looped to correct the system and this will give service to more customers. At that time it is their choice to hook on or not. The goal of the Water District project is to fix the problems that we have and not to help development.

## **NEW BUSINESS**

### **Report from Lobbyist – Marnie Russ**

Marnie Russ said that she had received an email from Ralph Kloser regarding the dollar amount of the mark up that Seeley Lake had received. In response to that this is a victory because the bill includes only a handful of start up projects. The Seeley Lake project was presented as a new project because it has been combined with the water project as it is such a high dollar project. Earmarks generally run from \$150,000 to \$1 million for a good one. High dollar earmarks run \$1 – 3 million. They are very hard to get and require a comprehensive program to be presented. She thinks that our delegation can get this for us. Rehberg got two earmarks and Baucus got lots of earmarks, his largest was \$4 million. There is no reason that we cannot get those. Usually everything has to be in by February. Our first meeting was in March. With a great deal of help from Addrien Marx we put together a couple of page prospectus. The staffers came out this month and the members are coming in August. The big victory is that we have a start up with seed money. There are only 4 or 5 funded new projects in the entire country. We now have a Federal commitment and can conceivably see Federal commitment until the project is completed.

As long as we don't do anything on the project to make the members look bad. Marnie Russ expressed concern that if the staffers ever got word we were ungrateful, they would walk. Every year the numbers of projects that are being funded is going down. Earmarks are being closely scrutinized. After the members come in August we might be able to more money if can make a compelling case. It has not gone to full committee, so the numbers can change but we will not get \$5 million. Nothing is going to change until after the election. We need to get our project together, which we did not have. It was really a good faith investment on behalf of the delegation.

We really need to look at what can be done to make our project stand out. The dead fish on the map did a lot. Glen Morin said that we were hoping for a lot more we were supposed to have started this project 5 years ago. Marnie Russ explained that it is really hard to get a start up project funded the first time. The WRDA money for the Water District helped to get the Federal investment. Ralph Kloser asked how it ties in with the STAG money that has already been committed to the District. Marnie Russ did not know the District had got STAG money for the previous 2 years; however STAG funding is much smaller than what we are looking for. The project was presented as a whole new project with two units coming together for multimillion dollar project.

Vince Chappell asked how much money we got and how will it be divided up. Marnie Russ replied that it is estimated at \$200,000 and the districts can divide it up as they please. Vince Chappell asked when the Water District has completed their project will the sewer get all the rest of the money. Marnie Russ explained it will depend on how the project is written. Vince Chappell stated that the Water's project is \$4 million of which \$1.2 million has been received in grants and the remainder is being paid with an SRF bond. If everything goes right it will be over next year. He did not want to hinder the sewer project when later down the road the Water District will not have a project. Marnie Russ said that she needed to revisit how she wrote everything and some of the verbiage may need to be changed before it closes. Marnie Russ suggested that the Water District project gets funded on the front end and Sewer District later. Tom Morris said that was how the inter-local agreement was written so that each could help the other legally.

Ralph Kloser asked how does is the money paid to the Districts. Marnie Russ replied that it is drawn down like any grant.

Glen Morin asked if there is anything that Marnie Russ needs from the Board. Marnie Russ said that if the delegation comes in August she will try to be here. Tom Morris thanked Marnie Russ. Glen Morin asked if Dave Aune give her all of the information she needed. Marnie Russ replied that she has not contacted him until we have decided what we are going to write. She will contact Pat O'Herren as it sounds like he did a really good job combining the projects.

Ralph Kloser added that he did a good job with the staffers; however he has never been to a meeting, neither has Addrien. Dave Aune put together a very detailed funding strategy. Marnie Russ suggested that a planning meeting is scheduled to work on the prospectus as she feels that she does not have a good handle on this and she is the one representing the project on the hill. This will have to be done by February 2009. Invite Pat O'Herren, Dave Aune, the Sewer and Water Boards and herself. The Board agreed that would be a good idea. Marnie Russ said that she is based in Missoula until January. Bob Skiles said that personally he didn't want to read a letter stating that a person (Addrien Marx) the Board has never talked to is going to DC with our lobbyist representing him. We hire a representative; we did not hire Addrien Marx. Glen Morin that Addrien Marx did a great job and we should talk to her about that. Marnie Russ replied that she understood where he was coming from and the Board wants to see a return on your investment. We got a late start; the County decided to make this a priority and is thrilled that we have a Federal commitment.

Ralph Kloser said that the planning meeting needs to earlier, maybe in September. Marnie Russ agreed, and said that she will be here the whole month. Marnie Russ will email a draft prospectus to the Board to use as an outline and use that to work on in the meeting. Ralph Kloser suggested that the planning meeting be at the September Board meeting. Marnie Russ stated that Addrien Marx has done a great job and she should sit in.

Dave Whitesitt said that we do have grants, however they are not enough. The people of the town cannot afford to pay \$100 a month for a sewer. Marnie Russ agreed and said that it what makes it compelling.

Marnie Russ left the meeting at 6:15pm.

Ralph Kloser commented that he sent an email to Marnie Russ saying it is the same as what we got last year without a lobbyist. \$200,000 is 1% of what we need and it is of little value. Glen Morin added that he was ticked. Tom Morris said we are a joint project so that somebody in DC can feel comfortable.

Vince Chappell said if you get \$4 million next year and the Water District's project is closed, we cannot take any money to pay off the loan. Bob Skiles said that it comes to the joint Water/Sewer District and we spend it how we want. Vince Chappell added that this needs to be ironed out before hand. It is basically a sewer project; would it be better to rephrase the wording? It will have to be stated up front how much the Water District will get and how much the Sewer District will get. He wants to make sure that the sewer district gets what is due to

them. The Board agreed that the wording of the project needs attention. Ralph Kloser suggested that if it is worded to be used as needed by the joint board it should cover it.

Tom Morris asked how long the inter-local agreement should last and when will the districts join. Also we were well represented by people who didn't understand the project.

### **Aune Visit in August?**

Ralph Kloser asked the Board if they wanted Dave Aune to attend the August meeting. Glen Morin said that would be good, he has lots of questions for him. Ralph Kloser read the reply that he received from Dave Aune. Bob Skiles said that the resort tax is not a done deal and he should not be talking as if it is. Ralph Kloser said that Dave Aune needs to hear that. Glen Morin said that there will only be enough for the water. Vince Chappell added that the public will have to vote on it. Vince Chappell said that any of the resort tax money would be a bonus, but it is not included in the Water District's funding strategy.

### **Water Testing – Vince Chappell**

Vince Chappell informed the Board that the testing was done in May. The data continues to track fairly consistently with previous years across the board. The ground water level was up so the flow was a little different. The chlorides were down at the Baptist church well. All of tests sites came back unsafe. If there are any questions from anybody about the well locations you should get those answered by the engineer before anymore testing is performed.

Bob Skiles stated that Vince Chappell is testing the wells because he is qualified to do so and the Board has asked him to. Vince Chappell replied yes he is certified both in water and waste water. Tom Morris said that the testing has to continue, whether the wells were done right or not. The well locations were changed at the engineer's request. Vince Chappell said the he did not want anybody you to think that the numbers were padded or incorrect. Tom Morris and Bob Skiles stated that the Board is spending the money well and the testing should continue if Vince Chappell is doing his job right, which he is. Glen Morin agreed that the question that was raised about the wells needs to be answered. Vince Chappell said that the engineer chose the well sites and he does not want to do the testing if they are not legitimate. The Board discussed the Lindey's well which Tom Morris said was drilled using a bit that drilled through the sewer. Vince Chappell informed the Board that a well will clean itself and the tests have been consistent. However, if the bit contaminated all of the other wells, this needs to be clarified so that everybody can be comfortable. Bob Skiles asked what Chappell's opinion was. Vince Chappell replied that in his personal professional opinion he did not think it was a problem the wells are tracking each other.

Bob Skiles said in his opinion the engineer doesn't live here, Vince Chappell is a professional. If he doesn't feel there is a problem he doesn't think that the Board needs to ask Dave Aune. Vince Chappell said that Dave Aune is the main man, he just performs testing. Everybody needs to have answers to their questions and move forward. Dave Whitesitt said the wells might be too close, but we can't move the well and do any better. Vince Chappell said that if the Board wants to continue he will, but you should ask the engineer about this.

Tom Morris said that this was not against Vince Chappell, he has a difference of opinion.

Glen Morin responded that it was an attack on the Board. Why bring up a difference of opinion after the fact? Are we in this together? Tom Morris said that we don't all have the same opinion; however we should not use half truths and inexact figures. That is how engineers sell their work. The testing should continue, it is the right thing to do. Vince Chappell said that he wanted everybody to be comfortable. If anybody has a question they have to make it right in your own minds. Bob Skiles said that the testing needs to continue and Dave Aune will be at the August meeting and we can talk to him then. We need to go forward and we need data to back it up.

If we find it is not right then we stop it at that time and ask the engineer. We cannot ask for the engineer's advice and then ignore it.

Vince Chappell stated that he wants to make sure everybody is comfortable. Dave Whitesitt said that he was satisfied and the testing should continue. Tom Morris said that he was satisfied also.

**NEXT REGULAR MEETING:** Scheduled for August 21, 2008

Glen Morin motioned to adjourn the meeting.

**ADJOURMENT:** The meeting was adjourned at 6:55pm

Attest:

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Glen Morin, President

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Felicity Derry, Secretary