

**SEELEY LAKE MISSOULA COUNTY SEWER DISTRICT**  
**Board of Directors Meeting**  
**September 18, 2008**

**Attendance:**

Glen Morin	President	ABSENT	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	Marnie Russ	Lobbyist	PRESENT
Dan Johnson, Jr.	Director	ABSENT	Vince Chappell	Advisor	PRESENT
			Jean Harte	OPG	PRESENT
			Dwight Jenkins	Pathfinder	PRESENT
			Addrien Marx	Community Co.	PRESENT
			Gary Pelletier	Community Co.	PRESENT
			Margorie Pelletier	Community Co.	PRESENT

**OPENING**

The meeting was called to order at 5:05pm by Vice President, Dave Whitesitt at Pyramid Mountain Lumber, Inc., located at 379 Boy Scout Road.

**MINUTES**

The minutes from the August 21, 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 |
| 2. | Secretary Felicity Derry                 |        | \$ | 67.50  |
| 3. | Seeley Lake Water District – Bookkeeping | Inv#31 | \$ | 52.50  |

- |    |                                    |              |
|----|------------------------------------|--------------|
| 4. | ME Laboratory                      | \$ 352.00    |
| 5. | Great Western Engineering Inv#4308 | \$ 21,587.69 |
| 6. | Vince Chappell Water Testing       | \$ 90.00     |

Ralph Kloser informed that Board that Vince Chappell's bill for \$90 needed to be added to the bill sheet. The Great Western Engineering invoice contract coverage of \$8,557.04 could partially be paid with the STAG grant with the District paying a \$3,850.67 match. The Board discussed what area of the budget the funds to pay this would be taken from and amending various line items to accommodate this. Dave Whitesitt recommended thinking about this matter further.

Bob Skiles moved to pay the bills, including Vince Chappell's invoice, Tom Morris seconded. The motion passed unanimously.

## OLD BUSINESS

### Funding Strategy

Marnie Russ said that she wants to ensure that she presents a cohesive project to the delegation and all of the needs are included in the prospectus. The prospectus that she presented was thrown together at the last minute, in March. Usually they are developed in around November. There is a pocket of money in energy and water that can go up to \$4-5 million. In order to get that our project needs to get a lot more legs. She needs a lot more education on what this project really is. Ralph Kloser said that Dave Aune would be the best person to do that as he developed the funding strategy. The information she had been given previously was heavy on water, it should have been heavy on sewer because that is the bulk of the project.

Vince Chappell said that the engineering on the water project is 50% complete. The completed engineering design should be turned to DEQ the end of October, 2008. It should go out to bid by March and begin construction April/May 2009. It is approximately a \$4 million project and we have received \$1.1 million in grants.

Marnie Russ said that she had listed for the combined project as \$27.5 million. Dave Aune said that was probably about right, maybe a little high. The sewer portion would be approximately \$18-19 million. Dave Whitesitt asked if it was built in one phase would it cost less than \$18 million. Dave Aune replied that it would but he could not say how much, off the top of his head. Tom Morris said that there will be a bond issue for the water project, therefore in order to reduce the loan amount the money has to be here before the end of the water project. Vince Chappell agreed that the Water District would need the funding before the project is closed out.

Marnie Russ said that if the project cost goes down it looks good to the delegation. The project was presented to the Montana delegation as a new \$27 million Seeley water/sewer project. Dave Aune said that the sewer project has been presented to them for many years. Addrien Marx said it was her understanding that the project had a lot more teeth if they were presented together. Dave Aune said that is not necessarily true, the State programs do not like it; however the Federal level is Marnie Russ' area of expertise. When the projects have significant differences in benefits you have to be careful how you present it. Marnie Russ

said that the State looks at the projects very closely. The Feds look at how much it benefits the community. When the projects are combined they have a much greater community need.

Dave Aune asked if the money that Marnie Russ was going after was section 595. Marnie Russ replied no we qualify for energy and water, as well as some pockets of discretionary money from the interior. They are less competitive and have a much greater allocation to our members. We already have commitment to our project; we need to position ourselves and build on our project. This project has the ability to garner big money.

Dave Aune presented the funding history. In 2003 we got representatives from the funding agencies together and had a brainstorming session. A normal project is \$1-2 million; this kind of project is out of the box. The goal was to break up a \$20 million project in to 4 phases and continue to apply for grants for each phase. The anticipation was that we could go to STAG/WRDA (preferably WRDA because it had a 25% match which was critical because of limited state funds) and get large packets of money. Now STAG has dropped off the planet and WRDA is available with \$5 million for Montana rural water projects.

That approach won't work any more, so the new approach was to hire a lobbyist who hopefully will open the door to Federal funding. . The funding needs to be in larger packets of money. \$4 million would be nice, but \$2 million every couple of years would keep us ahead of construction inflation which is currently very high.

Marnie Russ said to get that kind of money we have to present a project that merits it. The community tax base does not bring in the revenue; our delegation is strong and the 2007 fire session showed need, this is reason enough. One of the things that resonated the most on the hill was the EPA map with the dead fish. People don't associate Montana and Seeley Lake with a dead fish. Addrien Marx said that the crown of the continent map coincided with their visit. It created much excitement illustrating such a beautiful resource and purity when the reality is we need help.

Marnie Russ asked how much Federal money has the sewer received. Dave Aune replied around \$1.75 million. Marnie Russ requested that Dave Aune review the four phases with her, outlining from a funding standpoint what are the biggest costs. Dave Aune replied that the cost is spread out; there is a very detailed cost breakdown. . There is a great detail in the Engineering reports, the Preliminary Design and the report to the Forest Service for the special use permit. Dave Aune said that he would be able to send her the executive summary. The most reduced version is the last Federal appropriation request from January 2008. Marnie Russ asked if the Sewer District applied this year. Dave Aune replied yes. Marnie Russ said we doubled the application that is bad. Dave Aune said that the Sewer did get an appropriation of \$240,000 which was given to the Water District as it made a difference in the funding of their project. Vince Chappell said that the Water District's engineer was supposed to apply also. Marnie Russ said that it was the joint project that was funded because they called her. Dave Aune said he had got a call also it sounded like there is some confusion.

Marnie Russ said she is looking at the earmarks that come out of energy and water and other parts of the interior. These are line items, direct earmarks which you are not competing within your line item with anybody else. Dave Aune said that we need \$4.25 million from somewhere with the lowest State match possible. Marnie Russ said that she would look in to that aspect. She will try to find an account with no match.

Marnie Russ asked if there was anything to do with this project on the ballot. Addrien Marx said that the delegation's ears were tweaked when they heard that this economically burdened community voted to take on a \$4 million bond. They understood that the community had bought in on the project and that sold it to them as a viable project. What differentiates our community from others is that we are the shortest route between Yellowstone and Glacier National Parks. All of the people that pass through impact our community and they can see what we are trying to protect. Bob Skiles said that \$100 million was spent taking the Milltown dam and theoretically we are sending our sewage down stream, it doesn't make any sense.

Dave Whitesitt said that he has heard the importance of local support being stressed. He has lived here for 30 years and the community is pretty evenly divided on everything that comes up. We won't know what the support is until we know how much it is going to cost, where the disposal site is and we have a vote. More of the business community is for it, and the residents are not. Dave Whitesitt said that the price is a big problem, as well as it will cause big development which many residents are opposed to. Bob Skiles said that the community support is not here because of the fear of development and cost. There is so much misconception around town. You could almost drink the effluent, but people think we will be dumping sewage on their back yard. Bob Skiles asked if the septic systems from the town are impacting the lake. Vince Chappell said that the ground water is currently being impacted the most, it is moving down to the lake but not to the same extent.

Bob Skiles said that he did not want to tell people that the sewer is causing the dead fish. The ground water from town goes in to the river, not in to the lake. The exception to this is the septic systems around the lake which do impact the lake. Dave Whitesitt said that the ground water goes to the river and will impact Salmon Lake and the Clark Fork. Bob Skiles agreed with this.

Addrien Marx said that she has a different perspective and thinks that the community support is higher. We may not be totally contaminating the lake; however growth will impact the lake. The people that love their community need to be proactive and not wait until we have to close everything down. A sewer is needed because there is no affordable housing. She cannot get people to work in her store because they cannot afford to live here. The people that she talks to in the store want the sewer, there are people that live on the Double Arrow that will never be a part of the sewer that want to do their part to pay for it.

Dave Whitesitt clarified that he had said most of the people that he knows did not want a sewer. Bob Skiles said if there was a vote today more than half of the people would vote against it because they do not want to pay for all of it. Addrien Marx agreed that to be true. Dave Aune said that the cause of the pollution in the lake is hard to prove or refute. It is a question of how much does each person value a pristine lake and how involved in the stewardship do they want to be.

Marnie Russ said that she would like to get together with Dave Aune, and also Vince Chappell to incorporate the water aspect of it so they can put together a meaty project. It is important to not let on to the delegation that the community may not want the sewer. Addrien Marx said that there are some that do not want it; however that does not necessarily reflect the community

Tom Morris said that the District qualifies for CDBG, because there are a lot of low income residents. It is important to find money with low or no match requirements. Marnie Russ said that if the community has to pay a large amount then the project is not viable. Bob Skiles said that the project needs funding if it going to happen. Marnie Russ said that can be quoted. There is obviously a need, whether it is going to

work is based on how much money we can get from them. We will be going back and forth this fall to get the project where we need it to be.

Bob Skiles said that every person that owns a lot within the District pays \$72 per year to finance the Board. Tom Morris said that this Board has been proactive, we are ready to go. The Board as a whole, with public approval would give the go ahead for the project.

Jean Harte said that we will need very strong public support in the TSEP hearing room next year. Gary Pelletier said that we will get a feel for the community support at election time on the resort tax. Addrien Marx said that the community is going the extra mile to reduce the cost of the project.

Dave Aune said that the funding strategy is very tightly wound it has a \$5,000 excess Federal/State match. The user rate of \$55 was worked backwards to get more State money to leverage more Federal money. As the Federal package comes together there will need to be a great deal of communication between the Board and Marnie Russ. Right now the rate has to stay at \$55. If the Federal money has no match then that can change.

Tom Morris said that in Phase I there is probably more than 51% low to moderate income now. Dwight Jenkins said that in 2007 52% of the students at Seeley Lake Elementary qualified for Federal free or reduced meals. We also qualify for a Federal program that during the summer served free lunch to anybody less than 18 years. The enrollment this year is 180 students K-8<sup>th</sup> grade. Tom Morris added that Pyramid Lumber, one of the major employers, had a 10% pay cut.

Marnie Russ said that she would be able to use 51% low income. Dave Aune will email the PowerPoint presentation and a description of each of the phases.

At this point Marnie Russ thanked everybody for their time and left the meeting.

Ralph Kloser commented that Marnie Russ has been very responsive. Dave Aune said that he was excited that she thinks there is the potential for money. Addrien Marx said that everybody is very hopeful. Dave Aune said that somebody from the District should talk to Jim Edgcomb, TSEP and let them know that the lobbyist is very hopeful that she can find money. That will make them feel more comfortable.

## **PUBLIC COMMENT**

Addrien Marx said that she appreciated the work that the Board does. If she disagrees with Dave Whitesitt it is not to demean what he does. Dave Whitesitt said that he will say what he thinks. Gary Pelletier said that he has only lived here for 4 years on the Double Arrow and he thinks that they will support the community as a whole. They would like to help. Dave Whitesitt said he agreed that there are many new people that have moved in that are very different from the old timers. The community has always been 50/50 on things and nobody will know until there is a vote. An informal poll was taken at an election before the PER was completed. The Double Arrow people thought that the town needed a sewer, they did not need one, and those effected should pay for it. The people within the District thought that if there is ground water pollution they would be in favor of it. That was before we found out how much it was going to cost.

Gary Pelletier said that 40-45 homes are being built here per year; this places a heavier burden on the area. We need to look at this long term. Bob Skiles said that we are looking at it long term. We have thick logs on monitoring the water; we know where the water goes. We are all concerned about our lake and it is our lake. We have to be very concerned about Salmon Lake, Blanchard Lake and Elbow Lake. He worries about the lake probably just as much as anybody else. His business is the lake and 80% of his money comes from tourists. Addrien Marx voiced her concern regarding the high cost to the core of town and said the only way to lower it is to share the burden with the Double Arrow and have the tourists pay their part by way of the resort tax. Bob Skiles reflected that there were more people at this meeting than the public meetings at the grade school.

Tom Morris moved to dispense with all other business until the next scheduled meeting, other than the financial statements, Bob Skiles seconded. The motion passed unanimously.

## **FINANCIAL STATEMENT**

Tom Morris moved to resolve an amendment to the budget to remove the District election, bond counsel and legal fees line items and to move those monies to a new line item named 2008 preliminary design report completion, Bob Skiles seconded. The motion passed unanimously.

Tom Morris moved to adjourn the meeting.

## **NEXT REGULAR MEETING:**

Scheduled for October 16, 2008

## **ADJOURNMENT:**

The meeting was adjourned at 7:36pm

Attest:

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Dave Whitesitt, Vice President

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Felicity Derry, Secretary