

SEELEY LAKE MISSOULA COUNTY SEWER DISTRICT
Board of Directors Meeting
July 16, 2009

Attendance:

Glen Morin	President	PRESENT	Tom Morris	Director	PRESENT
Dave Whitesitt	Vice-President	PRESENT	Ralph Kloser	Manager	PRESENT
Bob Skiles	Director	PRESENT	Randy Gordon	Consultant	PRESENT
Bob Scott	Director	PRESENT	Felicity Derry	Secretary	PRESENT

OPENING

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

MINUTES

The minutes from the June 18, 2009 were presented.

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

FINANCIAL REPORT

Bills

Glen Morin presented the bills to the Board.

1.	RTK & Associates	Inv#77	\$	550.00
2.	Secretary Felicity Derry		\$	75.00
3.	Seeley Lake Water District	Inv#41	\$	97.98
4.	Rock-N-Horse Ranch, LLC	(June)	\$	1763.18
5.	MACo/JPIA	(Insurance)	\$	1233.00

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

Financial Statements

The June financial statements were presented to the Board. Dave Whitesitt asked if anybody had received a sewer bill from the County yet. Nobody had. Ralph Kloser said that he would call the County to get more information regarding this matter.

Tom Morris moved to approve the financials, and Dave Whitesitt seconded. The motion passed unanimously.

CORRESPONDENCE

None

CONTRACT MANAGERS REPORT

Ralph Kloser distributed his report, noting that he was doing mostly administrative duties as Randy Gordon is taking the most of the hard-core stuff. He, Glen Morin and Scott Smith met with Jean Harte, Cindy Wulfekuhle, Dale Bickell and Pat O'Herren from the County. They would like the minutes emailed to them from this point forward. The Board agreed to send the approved minutes. The County Commissioners were concerned that the District was stagnant. Randy Gordon thought that this would show them that the District is moving forward. Scott Smith noted that Pat O'Herren and Dale Bickell said that the Commissioners feared that we were stagnant and anti-sewer. This opinion was formulated by one of the Commissioners when they came to Seeley Lake for the hearing. Bob Skiles noted that Commissioner had not done her homework, was clueless about the Seeley Lake Sewer District, and she made herself look bad.

Tom Morris motioned to accept the manager's report and Scott Smith seconded. The motion passed unanimously.

CONSULTANT'S REPORT

Randy Gordon distributed his report to the Board. He has now reviewed both of the PERS. All of the references to lagoons need to be replaced with SBR so it reflects the District's current plans. The pertinent information from the 2004 PER has to be incorporated into the 2008 PER so as to make a working sewer plan.

Randy Gordon reviewed the laws regarding forming and operating the District for his own information. He explained what he had learned regarding changing the District boundaries. He has spoken to CDBG and others who agree that there are not enough homes within the District to share the cost. Dogtown, along the Clearwater River, Boy Scout Road and the campgrounds need to be included. If the State Lease lands were included then the State would have to pay their fare share. This also has the potential to incorporate 100 or so low-income people, which would help with CDBG. Cindy Wulfekuhle and Jean Harte mentioned possibly doing another income survey to enable us to apply for another CDBG grant. It will be easier to get the people within the District to vote yes on expanding the District if they know it will lower their cost for the sewer. The state will have to pay the \$72 assessment.

Dave Whitesitt questioned if the State were in the District would the State pay the fee or the lessees. Randy Gordon said that the bill would go to the State and he could only speculate that it may trickle down to the lessees. The Board discussed who would have a vote on these properties. Randy Gordon said that he would research this and get more information. One way to get the cost of the sewer down is to not include the hook-ups. To include them is a liability. If anything happens while hooking the sewer up then the District becomes responsible. Dave Whitesitt said that the Board has been telling people they will not have to pay for a hook-up. Scott Smith said that the County informed him that if the District builds the infrastructure, there is funding for the people to hook-up to the sewer in the form of grants based upon income levels and loans. The savings from not including the hook-ups would lower the cost of the infrastructure. Tom Morris said that it would lower the monthly bill, but people would have to pay for the hook-ups either upfront or take out a loan. That is not what we have been telling people. Randy Gordon said that the system would not get built if the hook-ups were included. Scott Smith added that the County would not help us if the hook-ups were included. Dave Whitesitt said that we would have to do a lot of PR if the hook-ups are not included. Glen Morin said that we are not moving forward with the current plan, so we have to think differently. All of the other sewer systems did not hook up to the house. Bob Skiles said that we could be the first. He did not understand why we could not do what we have been saying all along. If the hook-ups are not included the vote will not pass. Dave Whitesitt agreed that it would be better if the District were not responsible for maintaining the service lines. Some people in Missoula have lost their properties because of the cost of hook-ups.

Bob Skiles said that he has installed sewer lines before and it does not take long to stub a sewer in to property and then move on to the next. He does not agree with somebody else coming in after the fact and charging \$20,000 for the hook-up. Randy Gordon said that the cost would be approximately \$4-5,000. The Board discussed the different options for doing this.

Randy Gordon spoke with Dale Bickell who went to DC to speak to Tester and Baucus. The District has \$4.25 million appropriated for the project. He also spoke to Bob Fischer regarding ways to lower the O&M costs and may be help write another grant application. The Seeley Sewer project has been designed to be 90% funded by grants and 10% loans. This is unheard of, the Board is asking for the sky. Ralph Kloser said that it was designed that way because the Board held Dave Aunes' feet to the fire at a \$28 user rate. Randy Gordon said that right now the monthly cost for the first two phases of the project would be \$108. After that they will drop down to about \$55. The O&M cost does not drop down until half of the users are on line. If a lot has access to the pipe they are a benefitted lot. Once it is up and running every lot pays the same amount whether they are hooked up or not.

Glen Morin suggested talking to a contractor to get an estimate for hookups. Randy Gordon said that he would. The problem is that there are no drawings for a lot of the old septic tanks. On jobs that Randy Gordon has done in the past the sewer was brought in to each property as deep as they could. The rest was up to the homeowner.

Randy Gordon informed the Board that there is a new water quality study for the Seeley Swan watershed that showed non-native aquatic life growing in Seeley Lake. It grows in areas that have contaminated ground water with elevated nitrogen levels. In due course the EPA will step in, as they did in Spokane, and mandate that a sewer is needed. It costs \$20,000 to hook up to the sewer in Spokane because it was mandated and there was no grant money available to help pay for it. Ralph Kloser said that the Bureau of Mines and other studies show that the ground water from town does not flow in to the lake. It goes south in to the river. The people around the lake are contaminating it.

Scott Smith said that County Commissioners had reviewed the Sewer District's plan to hook up the houses. They questioned the high expense for engineering the individual hook-ups. Randy Gordon added that the hook-ups do not need to be engineered. Tom Morris noted that each time Dave Aune revised the funding strategy he added inflation. He was being conservative, as he did not want to come back and tell the people that they have to pay more.

Glen Morin suggested talking to Gary Lewis to get a cost for the hook ups. Scott Smith asked if the District builds the infrastructure and the hooks up to each home; can the District then sell the service line to the customer for a dollar, therefore making it the responsibility of the homeowner. This would enable the Board not to go back on what they have told the people. Maybe the District could assist the homeowners with the funding and do the building for them. All strategies need to be explored.

Tom Morris said the Board needed to contact DNRC about the State Lands to see if they are interested in being included in the District. Randy Gordon said he would talk with DNRC and investigate the particulars of the election in relation to the State Lands.

Scott Smith said that the County thought that the District needed a business plan. It needs to be drafted as if it were an application applying for funding. Randy Gordon added there is a very basic one in the PER. Scott Smith said it needed to be updated and expanded on. Randy Gordon had spoken to Dave Aune and he agreed with the views from the County. We have to do something to get the system in the ground. Right now we do not have a project.

Dave Whitesitt asked what District boundaries Randy Gordon was proposing. Randy Gordon replied that the funding agencies wanted the water and sewer boundaries to be the same, which they are not. He will work with the County Surveyors Office on this.

Scott Smith said that the County wanted the District to have a website. The Board discussed this. Glen Morin questioned a committee should be formed to make the boundaries. Randy Gordon has a District map and has been working on his ideas for the boundaries. Extending the District west to the river would be phase 1; after that incorporate high school hill and around the airport. The community council has been working on a place to put low-income housing. If there were a sewer up there it would qualify for federal funding. This would help the people that live and work here all year round. Dave Whitesitt said that he was not arguing with his theory, the boundaries are what they are because that is where the ad hoc committee thought the people would vote for a sewer. There is a petition of over hundred signatures saying that they do not want the sewer up there. Randy Gordon said that is why it is done in phases. When the majority of the properties are hooked up 75% of the District would vote to add the extra people because it would save them money. Everybody in the District has to vote on an annexation. Dave Whitesitt said that he was concerned that by doing all of this it would make it a harder sell to the public.

Randy Gordon said that right now we are not getting the funding to get the sewer built. There are people that have been paying their \$72 for four years who are concerned because they perceive that nothing is getting done. He is trying to get an article in the paper the week before the Board meeting which talks about the progress and relevant topics. The first article will be the week before the August meeting. Does the Board want to review the article first? Tom Morris said that it could include an outline of what was discussed, but nobody could be quoted until the minutes have been approved. Randy Gordon said that the PR has to start so that the information can get out to the public. Glen Morin suggested that the piece be circulated around to the Board for review.

Scott Smith said that there should be a subcommittee to explore expanding the boundaries and could then bring their findings to the Board. The County felt that the Board needed to talk to Roger Johnson about the land. Who should meet with Roger? Tom Morris said that Roger Johnson had requested a letter on intent. Ralph Kloser said that he has been working on it. Scott Smith said that the committee could work on the expansion of the District, get a letter of intent and talk to Roger Johnson by the next meeting. Randy Gordon said first we have to find out if he is willing to sell the land to the District. The Board discussed if the land had to be bought or could be leased. Randy Gordon said that he would investigate this.

The Board agreed that Glen Morin and Randy Gordon should talk to Roger Johnson. Bob Skiles said he is not convinced that we need to expand the District boundaries. He agreed that Dogtown needs a sewer, but is not convinced about changing the whole system to get this done. He thought that it had been tried before and it did not happen because of the State. If the State does want to be in then you might be able to convince him that expanding the boundaries would be a good thing. Glen Morin said that he would contact Roger Johnson. Scott Smith will help with the boundaries. Randy Gordon will draft the letter of intent for ownership and be on both committees.

OLD BUSINESS

Ralph Kloser said that Bob Skiles, Glen Morin and Dave Whitesitt are up for re-election. They need to fill out the forms. These forms have to be at the County Court House by August 20th, 2009.

NEW BUSINESS

Rehire the Lobbyist

The Board discussed the lobbyist. The general opinion of the Board was not to rehire her. Randy Gordon talked about the appropriation and said he is still trying to clarify this.

PUBLIC COMMENT

None

NEXT REGULAR MEETING:

Scheduled for August 20, 2009

ADJOURMENT:

The meeting was adjourned at 6:38pm by Glen Morin

Attest:

Dave Whitesitt, Vice President

Felicity Derry, Secretary