

SEELEY LAKE MISSOULA COUNTY SEWER DISTRICT
Board of Directors Meeting
October 21, 2010

Attendance:

Glen Morin	President	ABESENT	Mike Lindemer	Director	PRESENT
Scott Smith	Vice-President	PRESENT	Randy Gordon	Consultant	PRESENT
Bob Skiles	Director	ABSENT	Felicity Derry	Secretary	ABSENT
Tom Morris	Director	PRESENT	Dave Whitesitt	Public	PRESENT
Walter Hill	Advisor	PRESENT	Elizabeth Meyn	Public	PRESENT
Craig Pozega	Engineer	PRESENT			

OPENING

The meeting was called to order at 5:28pm by Vice President, Scott Smith at The Barn, located on Highway 83 N.

CORRESPONDENCE:

Randy Gordon noted that he had received some periodicals; grant reimbursements and quite a few responses for the income survey. Scott Smith asked how many surveys were needed to complete the survey. Randy Gordon replied that the number had changed because the number of year round residents was not known when the income survey had been sent out. In Phase IV almost all of the surveys needed to be returned to reach the required number. He had not received the actual numbers from Montana Rural Water to date. Currently the median household income was \$27,619. This would mean that the District would be eligible for the grant money if it were available. He had a list of several hundred people that had not returned their survey that he would be calling. He said that it was legal for him to talk to them regarding returning their survey and answer any questions that they might have. He could not touch the survey or help anybody fill it out.

Randy Gordon had the numbers from the people that returned their surveys in time to qualify for the drawing for the Chamber Bucks. The numbers would be drawn at the next Board meeting.

MANAGER'S REPORT

Randy Gordon noted that he had the reports for the three wells that had been dug. Scott Smith asked if they were available to the public. Randy Gordon said that he would scan them in so they could be put on the website. The first testing was complete. Scott Smith requested that the reports be emailed to the Board members. Randy Gordon said that he would. The next quarter's test would be performed in a couple of weeks. The tests would give a baseline before the plant was built. Because the effluent from the treatment plant will meet surface water discharge requirements a mixing zone was not required, so the testing should not be too bad.

The archeologist's report to the USFS noted that there was nothing of historical value present. This will help in the Environmental Assessment (EA). Randy Gordon said that he had completed the flooded trench basin tests yesterday. The soil was sandy so the water dissipated very quickly. He said that he would get the results and the soil samples from the pits to Craig Pozega, Great West Engineering. The District had the survey and the layout of the proposed treatment site and the discharge level. Therefore with the exception of the results from the water tests, the District had everything needed to apply for the DEQ discharge permit. He and Craig Pozega met with Lou Volpe, DEQ Permits, and the District would be eligible for the discharge permit in April 2011. Realistically it might not happen until the next quarter. However because the District could lose grant funds if the project does begin DEQ could expedite the permit. If all goes well then the District could move forward and buy the property from the US Forest Service, which would initiate the Environmental Assessment (EA). The District will have to buy approximately 20.25 acres to fit everything on the site. The survey for the Phase I collection system was 85% complete. Once that was complete the design for the collection system could begin.

Randy Gordon informed the Board that he had been reviewing different RFPs for SBR and MBR plants. There were still different options. For instance the District could run a SBR for several years. Then if somebody moved to town that needed 200,000 gallons of water then the District could put in another tank and install an MBR or a cloth filter. He had been working with Craig Pozega to decide how much of the plant the vendor should design. Great West Engineering would engineer the head works and the sludge handling after it goes to the digester. Everything in between would be the responsibility of the chosen vendor. The RFP will give the specifications that the District requires and vendor would design the technology accordingly. The RFP was almost complete.

NEW BUSINESS

The District will have to provide Great West Engineering with a notice to proceed for the design of the collection system for Phase I. Scott Smith asked when that would need to be done. Randy Gordon replied that once the survey was complete they would have a better idea if that section of town would gravity drain or if it would need to be pumped.

MINUTES OF SEPTEMBER MEETINGS

The minutes of the September 16, 2010 meeting and the September 21, 2010 special meeting were presented to the Board. Scott Smith noted that Dave Whitesitt was not present for the September 21, 2010 meeting.

Tom Morris moved to accept the minutes for the September 16, 2010 and September 21, 2010 with the attendance correction, Mike Lindemer seconded. The motion passed.

WATER SAMPLING REPORT

Randy Gordon noted that Vince Chappell was at the Water Plant with a contractor so he was unable to attend. The report showed that the data was tracking consistently with one exception. This well had an extremely high level of nitrates that was above the legal limit. While the data was tracking consistently the highs were getting higher and the lows were getting lower. Randy Gordon said that he would put the data into a graph to illustrate that.

Walt Hill noted that the District would be purchasing the land and not utilizing a special use permit. He was concerned about the cost for that. Randy Gordon replied that the US Forest Service did not want to lease the land to the District. The cost would probably be \$3,000 per acre. Walt Hill asked if the money being spent was from the existing grants or if any new grants had been secured. Randy Gordon replied that the money that was currently being used for the design was last year's Water Resources Development Act (WRDA) grant. WRDA was Federal money and was being matched with the State money from Renewable Resources Grant Loan (RRGL). Also the District would probably have to take out \$100,000 Intercap Loan to meet the match for the WRDA money. Walt Hill asked how that would be paid back. Randy Gordon replied that it would be paid back utilizing an assessment over 15 years. This was a variable rate loan and the interest rate was currently 1.95%. The highest it had been over the past 5 years was 3%. There would be public hearings for this. Missoula County agreed that the District could borrow \$100,000 and the County would assess each property owner in the District their portion for 15 years. Walt Hill asked if any effort was being made to secure any stimulus money. Randy Gordon said that after talking to State Revolving Fund (SRF) and Rural Development (RD) there was nothing available for the District until the project was shovel ready. Walt Hill asked if Randy Gordon had spoken to Max Baucus directly to get some of the money to Seeley Lake. Randy Gordon said that he had been talking to the offices of Max Baucus and John Tester on a weekly basis. He was told that Montana was the number one state for putting their allocated money to work the fastest. Scott Smith suggested that the Board write a letter to the three politicians. Walt Hill suggested writing to Max Baucus and carbon copy the other two politicians. It should be done soon as there was a limited window of opportunity.

Dave Whitesitt asked if he had heard correctly that the loan would be put on the taxes. Randy Gordon replied that it would be. Dave Whitesitt asked how it could be put on the taxes without a vote. Randy Gordon said that the District could borrow \$100,000 from the Intercap Loan Program if the County Commissioners approved it. The Commissioners would have public meetings regarding this. If the Commissioners deem that the District needed the money to get the project done they could approve it. The annual payment for the loan was approximately \$7,000, which would be split amongst the 512 lots in the District. If the other properties were annexed in to the District, the \$7,000 would be divided amongst approximately 800 lots. This assessment would be for 15 years. With that money the District would be ready to go to an election to build the project. That loan would be paid off with the project, so the assessment would end. Scott Smith said that the goal was not to borrow the money and let the taxpayers pay for it; it was to borrow the money and then take the proceeds from the construction to pay it back.

Randy Gordon said that the District had \$430,000 Federal money which needed 25% match. To date the District has \$50,000, which meant that they would have to borrow the remaining money for match. Otherwise the \$430,000 would be given to another project. The funds could not be released from Treasure State Endowment Program (TSEP) grant. The District would be lucky to get 35-40% grants for this project. Walt Hill asked where the funds would come from that would pay off the \$100,000 loan. Randy Gordon said that it would be a mixture of grants and bond money. At that point they did not know how much the bond would be because they did not know how much the project would cost, also what the outcome of the income survey was.

Dave Whitesitt asked if a date had been set for the County Commissioners Hearing. Randy Gordon replied that he had the paperwork and they were not to that point yet.

FINANCIAL REPORT

September 2010 Financial Statements

Randy Gordon outlined the financial statements. The District budget was where it should be. To date the disbursements from the funding agencies had been fast. The project funds flow through the 1st Valley Bank and the operating funds for the District budget go through the Missoula County account.

Mike Lindemer moved to approve the September financial statements, Tom Morris seconded. The motion passed.

Bills

Randy Gordon presented the bills to the Board.

District Bills

Gordon Professional Services	\$ 1,616.64
Secretary Felicity Derry	\$ 150.00
Seeley Lake Water District – Bookkeeping Inv#52	\$ 67.50
ME Labs	\$ 293.50
Vince Chappell	\$ 90.00
Heritage Office Stop	\$ 39.10

Total \$2,256.74

Tom Morris moved to approve payment of the District bills, Mike Lindemer seconded. The motion passed.

Project Bills

Great West Engineering	\$ 30,751.28
Gordon Professional Services	\$ 2,298.71
Rent All	\$ 275.00

Total \$31,026.28

Tom Morris moved to approve payment of the project bills, Mike Lindemer seconded. The motion passed.

Tom Morris moved to give notice to proceed to Great West Engineering for the design of Phase I collection system, Mike Lindemer seconded. The motion passed.

Randy Gordon said that he would type the notice to proceed and email it to the Board for approval and signature.

PUBLIC COMMENT

None

NEXT REGULAR MEETING:

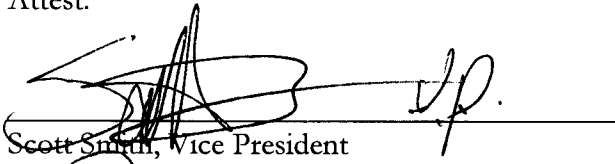
Scheduled for November 18, 2010

ADJOURMENT:


6:11pm

The meeting was adjourned by Scott Smith at

Attest:



Scott Smith, Vice President



Felicity Derry, Secretary