

PUBLIC MEETING – APRIL 21, 2008
SEELEY LAKE ELEMENTARY SCHOOL, SEELEY LAKE, MONTANA

The Public Meeting was called to order at 6:40 p.m. by Chair Jean Curtiss. Also present were Commissioner Larry Anderson, Commissioner Bill Carey, Chief Civil Deputy County Attorney Mike Sehestedt, Office of Planning & Grants Senior Grants Administrator Cindy Wulfekuhle, Office of Planning and Grants Grants Administrator Jean Harte, and Rural Initiatives Planner Matt Boulanger, Seeley Lake Sewer District Board member Glenn Morin, Seeley Lake Sewer District Board member Bob Skiles, Seeley Lake Sewer District Board member Dave Whitesite, Seeley Lake Sewer District Board member Tom Morris, and Seeley Lake Sewer Manager Ralph Kloser.

Hearing: Seeley Lake Sewer District Annual Assessment for Fiscal Year 2009

Chair Curtiss opened the hearing.

Glenn Morin, Seeley Lake Sewer District Board, presented the staff report.

Welcome everybody for coming back out. I'll kind of go through a report, same report that we gave the Commissioners for the assessment, a little bit of information on what we have and what we are going to do. Contract for preliminary work prior to design and construction is about completed. This contract is using STAG grant money with DNRC grant match. The contract is approximately \$110,000. The contract is for trying to identify a site and compatible system, including major basic design work. Update the original PER is being completed under this contract and is the basis for the current grant applications. Listed here below is our grant history of the things we have done in the past year, of the grants that we've gotten. Down at the bottom, engineering, the preliminary engineering report [inaudible] completed. The project, in fact when we started this, was \$12 to \$13 million, broke into four manageable phases, water testing, \$10,000, completed, but ongoing testing. Drill wells and established testing program is still ongoing. The water testing is currently done quarterly. Vince Chapel has been doing that from the Water District. He's the only one that's certified to take the samples, send them in. I have a report up here also if you'd like to see some of the water testing results. Test sites, wells and also from the lake water and from the river, testing for nitrates, chlorides, fecal coliform, and e. coliform.

Financial strategy, the calendar of grant needs: applied for WRDA, STAG grants, that's usually our larger grant money and as Jean was stating tonight that we're apply for the TSEP and CDBG grant also. A summary of the sewer, major problem faced is having enough of the right type of money to fulfill the grants match requirements. First contract on identifying site, costs, and updating PER is about complete. Preparing information for the current grant cycle, grants being written by OPG, Cindy Wulfekuhle is doing the work for Missoula County and Jean Harte. Jean Harte does most of it. Hired county lobbyist to assist in accessing federal grants, on this we went in with Missoula County on being able to hire a lobbyist to pick up some extra money from Washington DC. That's my report.

Chair Curtiss: Thank you, Mr. Morin. Just to clarify, the county has a contract with a lobbyist and now we have the sewer and water district has an additional contract with the same person. Addrien Marx, myself, and Ann Mary Dussault went to Washington DC to lobby, met with the lobbyist there, so that's our first step in that.

At this time, we'll ask Dave Aune to present the findings that have been going on in the district. He has a PowerPoint. Sure. No, I was going to do the assessment part first. So does yours go with hers or this?

Dave Aune: There's essentially a preliminary engineering report, public meeting, and there's also the grant application public meeting. What else did you have in mind? Is CDBG included, just the TSEP grant, and the PER?

Chair Curtiss: Okay, so we take public comment on the assessments first and then move to this. We'll do that then. At this time, we'd accept public comment or comments from the board on setting assessments for the Seeley Lake Sewer District for the 2009 tax bill cycle. For the past several years since 2003, we have assessed \$72 per parcel of folks who live within the district. One year we reduced that, but this past year it was still \$72, so at this time we'd accept comment on continuing that or looking at a different methodology. If you'd like to make comment, please come up and we'll hand you a microphone so that our--oh, there's one here--so that our tape recorder can pick it up.

Mike Sehestedt: I was going to read the staff report [inaudible].

Chair Curtiss: Oh, you can probably clarify it if you'd like.

Mike Sehestedt: [Inaudible].

Chair Curtiss: Right, we do have a request to--the Sewer District is recommending an assessment of \$72 per parcel, so staff has prepared a resolution; we're having a public hearing tonight to decide whether or not to do that. Someone from the board like to make comment about the need for continuing this assessment? You kind of summarized it, Glenn, as to what the continued needs are.

Glenn Morin: We have our financial budget in front of us with our handouts that we gave you tonight. We have our expenses, the bookkeeping service, district election, grant writing lobbyist money, insurance, liability that we have to carry, money for the bond council, legal fees, [inaudible] consultants, money that he gets postage, the office supplies, postage, professional fees, and grant administration money, public relation money, telephone, travel for well monitoring. It costs us for six months for \$2,000? The \$2,000 is for six months for the water monitoring?

Unidentified Speaker: Per year.

Glenn Morin: Per year.

Chair Curtiss: This says January through December of 2008, so one-year budget.

Glenn Morin: Total expenses \$32,000. Our assessment fee at the top that comes in at \$32,112 and...

Chair Curtiss: With the interest income, you have a very balanced budget.

Glenn Morin: Any questions on our financial statement? There's been quite busy this year, talking with our engineer, and talking with Missoula County, and helping us kind of stay in form. We're applying for grants, a lot of contact with Cindy Wulfekuhle and Jean Harte. Is that right, Harte? Okay, and Dave was our manager, does most of the phone calling and emailing and back and forth, so there's quite a bit of time being spent there, and being able to have the money to do this and to be able to have some money for grant writing when that comes in. Sometimes something happens, like for this lobbyist we were able to, we didn't have any money to set out yet for other grant writing, other than--so we was able to hire the lobbyist to [inaudible] look like a really good deal for being about to get some more money for the sewer, so we went in that direction.

Unidentified Speaker: [Inaudible, spoke without mic.]

Chair Curtiss: Could you come up to the microphone please?

Mike Sehestedt: [Inaudible, spoke with mic.] This isn't really...

Chair Curtiss: So I didn't introduce the other county staff people, this is Mike Sehestedt, who's the Deputy County Attorney, Chief Civil.

Mike Sehestedt: The question that we got is is this going to remain \$72 is a question for the board. I think there are really two issues for the board to consider. The first of which is the question of how much money is appropriate to assess and then the second question is by what methodology should this dollar amount be spread through the district? We have used a per parcel methodology in the past and the number, based on number of parcels, comes up to approximately the \$31,000 that the board is request. Alternative methods of assessment include taking that \$31 and spreading it among the various parcels in the district based on area. So if your property constitutes one percent of the district, you'd pay one percent of the assessment. If it constitutes half a percent, you'd pay a half of a percent. Right now, those two hypothetical property owners both pay \$72 for their parcel. The third methodology that's available is to spread it based on the taxable value of the real property without the improvements. It's spread strictly based on property value. We have not done that in the past because it is, among other things, substantially more difficult to compute. At this point if you approve an assessment in whatever amount you should choose to approve it, we've got between now and tax bill time later in the year to come up with that spread of the assessments on property in the district. I said we've got time to come

up with it using the different spread methods. I'm not suggesting any one of them as necessarily superior, but I do know it's been an issue in the past at these hearings and I want to lay it out there and also--because we do have some people here who may wish to comment, to kind of encourage them by saying you can comment on the amount and you can comment on the methodology by which it's spread. Ultimately, the Commissioners will make a decision. We have reduced the amount assessed in the past based on public comment. By we, I mean the Board of County Commissioners. By all means, if you have an opinion, step up, and express it because this is your annual opportunity to tell us how messed up we are.

Chair Curtiss: Oh, Mike. If you'd like to come and state your name and your question.

Harold Sheets: I'm Harold Sheets, this thing ain't working anyway.

Chair Curtiss: You just have to talk close to it.

Harold Sheets: I was just understanding from, I don't even remember his name again--

Chair Curtiss: Mike.

Harold Sheets: Mike, but that there are different ways to assess this money they're asking for, instead of \$72 from each parcel owner to assess it by property value? I personally think that's a great idea. I have a very small lot in Riverview Drive and I'm sitting next door to Pyramid Lumber Company with hundreds of acres, or hundred acres or whatever, they're paying \$72 too. I don't think that's fair. I think it should be by property value without the improvements, of course, as he said. Now, there are people on the lake that probably their property's worth more, but it depends upon on how much they're going to have to pay when they grump. Me, a very small lot, make a little money, I think yeah, let's do the property value part and see how it comes out. They may like it better too.

Chair Curtiss: Thank you for your comment. Any other comment? We'd really like to hear comments especially about the assessment method and about, I think it's probably pretty well universally agreed that it's important for us to continue this project to figure out how to do a sewer here.

Robert Skiles: I'm Robert Skiles and I think that the reason that the \$72 a lot makes sense to me is because the sewer board needs \$32,000 to operate, pretty obvious, our bottom line is zero this year. The sewer board needs \$32,000 and if you go through the process of--I don't know what it would take to assess every lot and see what its worth and assess everyone for a different amount of money and collect that. I can't imagine that being nothing but a bureaucratic nightmare and at \$72 per lot for 400 and how many ever lots it is, it just seems like an easy way. I personally feel like I'm getting shafted just like everybody else is. I own more than one lot and I get--and some of my lots are undeveloped and can't never build on them and stuff and I end up paying for more lots than I can use and I still have to pay that. Probably the assessed value on my lots is not very much, but I think the \$72 or whatever figures out. It's not a magic number that was picked out of the sky. All it is is how many lots there is in our district divided by \$32,000 and that's what it comes up to. It's the easiest, simplest, the less thing that everybody can argue about. It's just \$72 a lot. In my opinion, that how they come by the \$72 is so that it's just a simple thing. It's \$72 a lot, you have a lot, you have to pay. That's just how it is. Rather than try to go through and see how much the [inaudible] owes and you know, how much this guy owes. Well, his house is worth this much and well, I can appeal that because then my house is not worth that much. Well, I'm going to appeal this. Seventy-two dollars a lot, \$72 a lot, simplest way to do it, I don't like it either, but I don't want to go through all the assessment stuff.

Chair Curtiss: Mike, could I ask you a question please? Would the methodology to figure out an assessment be based on the Department of Revenue's...?

Mike Sehestedt: Right, if you use value, it would be based on whatever the taxable value is by DOR. We're not going to establish a value of our own and I feel like the Hunchback of Notre Dame trying to--I'll go back to my rock star mode. If you use area, we would use the same area that DOR uses basically in their computer-assisted mass appraisal system. Every parcel in that system has, in addition to an assigned taxable value for the land, has an established area for assessment purposes. I would admit that this is more trouble than the straight nose count, at least the first time out, but this isn't something where the district would be establishing a property value or where the district would be determining the square footage. We'd lift it straight from Department of Revenue tax records.

Chair Curtiss: Did you say that we would do that based on the assessed value of the land, not the improvements?

Mike Sehestedt: We can do it on the assessed value of the land without improvements or we can do it on the area of the land in each parcel.

Chair Curtiss: So if you had a mobile home and four lots or if you had an expensive log home and four lots, you'd be paying on the four lots...

Mike Sehestedt: Assuming the lots were the same size and the same value, yes. None of these do perfect social justice to everyone and I simply put those out there because I think it's a legitimate subject for discussion. I know it's been a discussion here before. We've had larger meetings before and I don't want people to get discouraged thinking we come up here and don't listen to them. We may not ultimately agree with what they say, but there are legitimate issues for discussion here. I like to have the community come and tell us and I know you do as Commissioners as well.

Chair Curtiss: Thank you, Mike.

Glenn Morin: Glenn Morin. I too, I wish that we didn't have to do this, but it was the only way we could actually run the district and also be applying for grants. We've had a big--with the elections that happened with Burns knocked out, we lost a big bunch of money that we would have gotten last year and that's set us back. This is a temporary assessment and it's not something that's going to continue to go on once we decide on a sewer system. The sewer system hasn't been decided on. We have to get all the money in place before we can every go forward. It's kind of backwards, but I hate having to charge you guys \$72 a year so we can keep operating to keep getting grant money, but that's the way the systems runs. We're trying our best to get as much as we can. Missoula County is helping us; Dave Aune from Great Western is helping us as much as they can. If you can hang in there with us, we will try to get rid of this and we can go on and either get a sewer system or not, one or the other.

Chair Curtiss: So far tonight from the public comments, we've got one comment from Mr. Sheets in favor of assessing based on property value. We'd really like to have the other six of you come and comment. Yes, if you could come to the microphone though, we've got to record because it's a public hearing.

Diane Braach: Diane Braach, I live on the lake.

Chair Curtiss: What was your first name, ma'am?

Diane Braach: Diane.

Chair Curtiss: Diane Braach.

Diane Braach: B-R-A-A-C-H. I live on the lake and I agree with Bob that it should, until things are fully operational, it should be a flat fee for each lot, not based on property value.

Chair Curtiss: Okay, so you're in favor of the flat fee, the \$72.00.

Diane Braach: Yes.

Chair Curtiss: Thank you. Other comments? So far, it's a tie. That's not true, Hal.

Unidentified Speaker: John, come on.

Chair Curtiss: Come on, Mr. Richards, we know you're not shy.

Unidentified Speaker: Okay, that's enough.

John Richards: My name's John Richards. I'm not sure which way you should assess, but I think that you need to move forward with what's happening and stop the--the turnout here is pathetic. I just happened to be reading the legal notices yesterday or I wouldn't have known about it. There should be signs up all over town; people

should have been made aware of it. It wasn't that well advertised. The \$72 a lot doesn't kill anybody. That's the way it's been done; it's probably okay to keep doing that. If you change horses in the middle of the stream, you'll have everybody confused. You need to go forward with finding some money. Seeley Lake can't afford a sewer system, plain and simple. There won't be any residents in Seeley Lake left if you assess them the cost of a sewer system, so thank you.

Chair Curtiss: Thank you, Mr. Richards. There's four left.

Ed McCoy: I'm Ed McCoy. I guess the \$72 has been, like everybody else said here, in the works for so many years that probably just continue on that way. The only question I have is how many more years do you think it's going to be?

Chair Curtiss: Mr. Morin, would you like to--or will it be in the presentation how many more years we think until we know?

Glenn Morin: Dave Aune will get a closer on the timeline in the presentation and get a little idea where we're going with that.

Chair Curtiss: The other factor that will play in of course is when you can get federal money and how much at a time. Sure, if you'd like, I'm sorry, Mrs. Braach, but we can't hear a thing if we don't have it on the tape. I can tell you what it will say when Cathie types it; it will say inaudible. Mrs. Braach. You were going to talk about the notification.

Diane Braach: Oh, notification, when this first started, all those in the district received a notice by mail and not just the legal ads. That hasn't happened other than the first one and, like Mr. Richards said, I think the turnout is evident because when they first started this thing, there were a lot of objections. It didn't matter; the County Commissioners had their minds made up we were going to do this and it hasn't changed.

Chair Curtiss: Other comments? Yes, Mr. Sheets.

Harold Sheets: Just one comment--or one question actually, from my understanding from the sewer board that the County Commissioners are going to force this sewer no matter what anyway, right? Sooner or later?

Chair Curtiss: The County Commissioners aren't trying to force the sewer; we're trying to help find a way to design a sewer that fits the needs of the district and then help find funding if that's what the community wants.

Harold Sheets: Right, is there going to be enough funding for a large amount of growth because, Jean, you know this town is going to go big. They better make it big enough so you don't, like the water, keep building and building and building. They keep having to redo, redo, redo. It went from \$11 a month to \$70 a month, the sewers going to do the same thing. Is it going to be built big enough to amount the growth that's coming. I hope everybody understandings that because it's going to be big. We want up, not out.

Chair Curtiss: I think that we'll see more about the design when Mr. Aune gives his presentation and it's designed in phases. I guess the biggest concern, since I happened to go to Washington DC with Addrien, who represented your sewer and water district, in DC. The problem is that the people who live here now already have an issue, so we've got to address the issue of the lake becoming contaminated from wastewater. We know that it's going to grow here no matter what, just look at the Double Arrow. I mean...

Unidentified Speaker: [Inaudible, spoke without mic.]

Chair Curtiss: No, I know they're not, so we'll need to expand that too, but people want to come here because it's a nice place and if we don't figure out a way to take care of the wastewater and the water issue, it's not going to be a nice place. I want keep it nice for the people who live here as well as the people who are going to move too.

Unidentified Speaker: [Inaudible, spoke without mic.]

Cathie Cichosz: You're not on record if talk from the audience.

Harold Sheets: I'm sorry, Harold Sheets. I'm more worried about the district. That's all that matters because it's never going to get bigger. They're worried about the lake, the sewers, for the lake, I'm gathering. My worry is the amount of growth that's going to happen around that lake because there's a lot of property around it. I hate using Pyramid as an example, but it is. It's going to be big and I just hope that the sewer is built big enough the first time to accommodate massive building because that's what's going to happen.

Diane Braach: Mrs. Braach. I wanted to ask on these sample sites, the water sample sites, if you're so worried about the lake, I see there's only two sites on the lake that are being sampled. The rest are up in Double Arrow and down around the outlet.

Chair Curtiss: I'm sure that will get addressed more and you can ask more questions at that time as we see the presentation because I don't have that right in front of me at the moment. Thank you. Okay, other comments on setting the assessment for the 2009 tax bill cycle? Okay, seeing no one come forward, I'll close the hearing on the assessments. We'll have the other hearing in a minute. Are there questions or directions from the Commission?

Commissioner Carey: Based on what we've heard tonight, I would support continuing the \$72 per parcel assessment unless I have some reasons from the staff perhaps not to, but it didn't seem that way.

Commissioner Anderson: I would agree with that.

Commissioner Carey made a motion that the Board of County Commissioners accept the recommendation from the Seeley Lake Sewer District to approve the continuation of a \$72 per parcel assessment for Fiscal Year 2009 for the Seeley Lake Sewer District. Commissioner Anderson seconded the motion. The motion carried on a vote of 3-0.

Hearing: Seeley Lake Wastewater System Preliminary Engineering Report and Funding Strategy Update

Chair Curtiss opened the hearing.

Jean Harte presented the staff report.

The purpose of tonight's meeting is to take comments concerning applications for Community Development Block funds, which are commonly referred as CDBG funds and Treasure State Endowment Program funds, called TSEP funds. Missoula County may apply annually to the Montana Department of Commerce for new funding through the through the Community Development Block program (CDBG) every year and every two years for the TSEP (Treasure State Endowment Program). One of the application requirements is to hold public hearing in the communities where funding is allocated in order to obtain comments from local citizens on the proposed uses of new funding. The most common use of CDBG funds is for infrastructure, including street reconstruction, sanitary sewers, waterline extensions, storm drainage improvements, sidewalks, and projects to remove architectural barriers, such as handicapped accessibility. CDBG fund infrastructure projects may only be done in areas where the neighborhood is at least 51% lower and moderate income; that's according to HUD guidelines or possibly on a direct benefit basis to eligible households. Then over the past couple of years, we've conducted a door-to-door income survey, which was conducted in Phase 1 of the Seeley Lake Sewer District and it does qualify the area for CDBG funding because we've reached that 51% low and moderate-income level for those households.

At this time, Missoula County proposes to submit an application in the amount of \$450,000 on behalf of the Seeley Lake Sewer District for CDBG funding. Funding is usually then awarded around October 1. TSEP construction grants are awarded by the state legislature every two years. Funds are limited to a maximum of \$750,000 per application based upon the combined user rates for water and sewer. Missoula County proposes to submit a TSEP application on behalf of the Seeley Lake Sewer District in the amount of \$750,000. The district also intends to submit a TSEP application for Phase 1, also in the amount of \$750,000. These state funds are used in combination with other federal, state, and local funds to make public improvements affordable to Montana residents, primarily to low and moderate income persons. We have here today Dave Aune, who's the project engineer with Great West Engineering and Dave will present the preliminary engineering report and the funding strategy on behalf of Missoula County and the district.

I did want to make note for the record about the public notification for this meeting. Through the work of the Board of County Commissioners, we made advertisements in the Seeley/Swan Pathfinder in two separate weeks

within the proper notification time, which is approximately two weeks ahead of time; we made two of those. We also made two ads in the Missoulian newspaper. I do notice that there's a board at the entrance of the community on Highway 83, very proud to see that. The sewer district put up postings around town, I believe, in at least five places. Please, I do hope that--I'm just slightly disappointed that there's not a greater attendance, but I do encourage anyone who has comments to continue to send any comments that they have about the sewer district or about applying for grant programs to Glenn and he'll get the letters to us at the county. Thank you.

Chair Curtiss: The TSEP applications, the reason that's two years, they're actually approved by the legislature. They're ranked ahead of time, but the money for those are approved by the legislature. We'll have Dave Aune do his presentation and then we'll take public comment and answer questions.

Dave Aune: Thank you, can everyone hear me?

Chair Curtiss: The tape recorder can't. Sorry, you get to hold a microphone, any one of them.

Dave Aune: What I'm here today is basically give you a little bit of background information. I want to generally discuss the septic tank system that you currently have, overview your wastewater management, review the results of the preliminary engineering report itself, overview of the funding strategy that we have developed and then open it up to public discussion. So that's what I hope to accomplish today.

Dave Aune presented PowerPoint slides, which can be found in the file.

[Public comment was interspersed throughout the PowerPoint presentation. Below are only the public comments. In addition, some of those comments are inaudible due to community members not using a microphone, in which case, a summary of what was said might be included.]

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: I'll get to that in just a little bit, but yeah.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: I actually went through every permit that you have. Since 72 permits have been recorded with Missoula County and I went through a large number of the permits. Actually, we went down to the Missoula County Records and you can go through and see what most everyone has in their yards, you know the date of the permit and the configuration. It's greatly varied from, what I would consider standard septic tanks that have a concrete tank and a [tape ended]. The question--go ahead.

Unidentified Speaker: [Inaudible, spoke from audience.]

Cathie Cichosz: It would help if you'd restate the question since she's not on the microphone.

Dave Aune: The question is I thought you couldn't build drainfields any more. I guess the answer is and it's probably best answered by the Missoula County Sanitarian, but what I'm presenting here is that it's very difficult to do it and meet current standards. What the county, and I hate to speak for the county, but I can say in general terms, when a county finds itself in this place, they have to make things work. Otherwise, you kick people out of yards and houses. The consequence of them being in a position where you have, you know, 73 of them less than a half an acre. The county sanitarians, I can imagine, often get confronted with the situation where they're at a yard, maybe a drainfield seeping, have to find some other place to put it. There's a shed over there, maybe they move that shed and pretty soon maybe they have to put in maybe a seepage pit because it doesn't take as much space or they put a lateral across some back fence just to make it work. They get variances and Lewis & Clark is confronted with this, I'm sure Missoula County is, where they break--I hate to put it that way, but they give variances to make it work. In a situation like Seeley is extremely difficult to do that certainly in a way that meets the standards. There's a reason we have these standards. They are tied to public health and that's why they exist.

Unidentified Speaker: So Mr. Aune are you saying that the other wells might just be someone's private well and you just periodically monitor...?

Dave Aune: Yeah, we don't have--in a perfect world, we'd have a lot of money, and we could do multi-hundred thousand-dollar study. We have to work with what we've got. Now one thing we have in this area is we have a very good Bureau of Mines study that did a lot of work on the front end of this project. We were able to build on their wells to answer your question. They had monitored many wells and they [inaudible] monitoring wells. We were able to build on those wells and develop a trending based on the information that they had. Then we've been trying to supplement it with our own wells, just largely for our own confidence that what the Bureau of Mines said in their study represents a reality of what we're seeing. I guess much more simplistic terms, lean on the back of your chair kinds of terms, not in necessarily high scientific terms. I'll get to that. I have examples of one of those wells. This is the Bureau of Mines network of wells that we used, again to answer your question, and they collected an extensive amount of water quality data on those wells, including chlorides, nitrates, and specific inductance and several things. They tried to develop a fairly sophisticated scientific study on the impact of groundwater in the area and they've drawn some conclusions, which I'll share with you in a little bit.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: I can't answer that, actually Vince takes the samples. Actually, I think he probably takes 250 milliliters and there's one-liter bottles and I couldn't tell you which one he's taking them on.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: Parts per million.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: Yeah, it's a concentration of nitrates in solution. It's dissolved in there, you wouldn't see it, it's not particulate or anything like that. It's dissolved in solution like if you put sugar in water, you wouldn't see it, but there would be a concentration of that sugar in water.

Chair Curtiss: So it wouldn't matter if you had a liter or 10 gallons, the percent should be the same per million?

Dave Aune: Right, that's parts per million so it's independent of the volume that you have available to you at any one time.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: Yeah, chloride. What's that?

Chair Curtiss: Is the chloride added to the water system?

Dave Aune: I'm not familiar with the drinking water quality, but you can expect some chloride in the drinking water, yes. Right.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: No, that's not--this is nitrates. What Lindy's done--whatever Lindy's is doing has nothing to do with this. This is nitrates, the only--its nitrogen.

Chair Curtiss: You're going to have to stand by the mic, Diane, because you just have too many questions.

Unidentified Speaker: [Inaudible, spoke from audience.]

Chair Curtiss: You can take it over there if it reaches that far.

Dave Aune: That's what we want; we want the comments.

Chair Curtiss: Either that or you need to repeat every one of them.

Dave Aune: I'll try to repeat them. The comment was that Lindy's has...

Chair Curtiss: Has their own chlorination.

Dave Aune: Has their own chlorination, right? Yeah. Right. That's chlorine though, nitrates is the constituent here, so that's nitrogen, so there's no relationship between those two particular constituents. Whether they disinfect or chlorinate has nothing to do with whether we have nitrogen in the groundwater. One's chlorine, the other one's nitrogen, it's like salt and pepper. There's no relationship between the two.

Unidentified Speaker: Fertilizer?

Dave Aune: Fertilizer from [inaudible], farmers apply nitrogen and that would be another source of nitrogen. Most sources of nitrogen are manmade or human-caused, so the inference is in a situation like that that it's septic tank effluent.

Diane Braach: Well, I'll restate then, Lindy's fertilizes because it's a big lawn area.

Dave Aune: Right and I'm sure they do and that's something that we would want to consider, but Lindy's fertilizers above our well. Their lawn area is above the groundwater well.

Diane Braach: But wouldn't--[inaudible].

Dave Aune: We're above theirs from a groundwater flow perspective. We're above Lindy's actually...

Diane Braach: [Inaudible].

Dave Aune: ...but you're on track. You're thinking about the things you need to think about. The question she said was, well, wait a minute, Lindy's fertilizes their grass, and they probably do. I wouldn't be a bit surprised and fertilizer would be the other source that we could get nitrogen from.

Chair Curtiss: But this particular well that we're talking about testing is not downhill from...

Dave Aune: Yeah, this well's up gradient from Lindy's lawns.

Chair Curtiss: But some of the nitrates that show up in the lake at that point could be from the lawn maybe.

Dave Aune: Sure, you bet, if you fertilize a lawn, you bet you could do that. I think you'd in fact--it's likely you are. The issue is also--I brought an example of one particular well so we could share that well with you. If I pick any of our wells, they have these trends, so that's the idea behind having multiple wells is to look at the trends because we're trying to isolate those kinds of questions. We don't want to be in one place because there are things like you're suggesting that could occur, but if we have this trend of everywhere we go and look down gradient and nitrates in the groundwater and you saw the map--if I go back a few maps here. I think this is in a lot of ways more telling; you can see the trend pretty real. Upstream we have no wells, downstream we have several wells. Lindy's happens to be this well. Actually, it's not even on this--it's actually right in there somewhere. The trend is that we have elevated nitrates in the groundwater from septic tank effluent.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: No, nitrates in the wells up--those blue ones are all wells that we just don't see nitrates in them at all.

Diane Braach: My other question was too, you're other testing site, there's only two on the lake.

Dave Aune: The question was there's only two testing sites on the lake. That's all we can afford. I mean what it really comes down to is we would like to have--certainly, we would like to have a network of wells all along, you know, in a, if you will, across the perpendicular of the groundwater [inaudible]. I should probably go back to that.

Diane Braach: But you're saying that we are polluting the lake, but you've only got two test sites there.

Chair Curtiss: But we're monitoring other people's wells beside the test wells.

Dave Aune: Right, we are only using those two wells to sort of check all of these wells that we've been monitoring in the Bureau of Mines and monitoring over time. So those two wells, don't put too much weight on them either. There just a way for the district to monitor wells themselves to have some sense of the data themselves so they're not completely reliant on other scientific studies. So it's sort of a gut check for them. It's nothing more than that. The data here is representative of the Bureau of Mines study and lots of wells in the area. Again, back to general trends, do we tend to see nitrates above or below the dense septic tank areas? We tend to see that.

Unidentified Speaker: Is there a test well [inaudible] bridge?

Dave Aune: That's right here right?

Unidentified Speaker: Is there a water test?

Dave Aune: I couldn't answer that. I don't know. We don't have a well there. We have wells in this corridor.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: Oh, those are surface water sampling sites. Who does those? Yeah, yeah, there are a couple of surface water sampling sites in the lake in this bridge, yeah. I don't have that data up here but there are some surface water sources.

Diane Braach: I just got a list of the sites and you have Lindy's [inaudible], which you're showing, but you've also got the [inaudible] bridge and Lindy's dock, so that's not above the water level.

Chair Curtiss: They said those were groundwater--or surface water...

Dave Aune: Surface water, some of them are surface water sources.

Chair Curtiss: They test surface water...

Dave Aune: We test surface water as well and we're largely testing that for e-coli.

Diane Braach: [Inaudible] marina?

Dave Aune: What's that?

Diane Braach: It's also kind of a marina at Lindy's dock, so there's going to be a lot of pollution.

Chair Curtiss: But pollution from a boat wouldn't be nitrates, it would be oil.

Diane Braach: Not [inaudible] nitrates, but...

Dave Aune: We're actually focusing--tend to focus on e-coli, generally considered to be the closest pathogen most likely tied to human pathogens, but it's not a perfect science. I mean absolutely, I mean in that sense, we're going to agree with you is that we can't isolate that sort of thing. We can't say with any kind of definitive and absolute proof that, you know, this causes this effect. Again, we tend to look at the general trend. What seems to make sense? If I can oversimplify it, lean in the back of your chair, ask yourself the hard question whether it make sense. Everyone here's going to arrive at a different place and that's fine. What--or probably again, the thing I keep looking at from my [inaudible] I look at that density of septic tank effluent, I look at that groundwater flow path, and I look at the trend of nothing above here and something down here. That tells me that there's more likely, in my opinion, related to septic tank effluent.

Chair Curtiss: Mike, did you have a question?

Mike Sehestedt: Yeah, I wanted to find out when you're doing the water sampling at Lindy's upper well, since that's the illustration, we're talking wellhead, not water out of the tap. Is that...?

Dave Aune: We have monitoring wells that are constructed to protect themselves against surface water influences. We use standard sampling protocol to go in and take those samples so that we believe them to be isolated and be groundwater specific sources.

Chair Curtiss: So you're not taking it out of the faucet...?

Dave Aune: No, we're taking them out of...

Mike Sehestedt: That answers the chloride question. It also makes me feel better eating at Lindy's because I notice the fecal coliform was coming up unsafe on multiple samples.

Dave Aune: That [inaudible] something I haven't really spent a lot of time. We are getting fecal [inaudible] forms in most of these samples that we're taking as well as nitrates, so we're getting a lot of indicators that there is a septic tank effluent impact on the groundwater in this localized area.

Unidentified Speaker: Is the stuff that they put on the road [inaudible] the lake at all?

Dave Aune: Mag-chloride? You'll have to talk to the highway department about it. I mean I think, you know, when we talk about impacts to lakes and streams, there's more than one. There are lots of impacts to streams and anytime we have activity, you know as humans--increases sediment, sands, silt loads, we have impervious areas like concrete and pavement. We have an impact on natural resources, there's no doubt about it. Question is what is the degree and what is the impact and I can't speak to the impact of mag-chloride, I really can't. I'm sure it finds its way into surface waters.

Chair Curtiss: That's a salt and not a nitrate.

Dave Aune: Right, and it's [inaudible] and it's not septic tank effluent. What I'm really focusing in here is not nitrates or chlorides, but human pathogens. The fact that we're using those as indicators that septic tank effluence is finding its way to groundwater. What are we concerned about? Neither chlorides or nitrates or any of those things, we're worried about the possible presence of human pathogens and that's what it really comes down to.

Harold Sheets: My question is that you're all worried about the lake more than you are anything else. Is that correct?

Dave Aune: You know, I'm going to get to a summary sheet here because my view is that--and again, I want to emphasize something, my job here is to give you the impacts and give you the science of those impacts, not to necessarily pass a judgment as to what a community should do. So it doesn't really matter what I think, but when I get done here, the bottom line is that I'll summarize the impacts, and I think there more than one. There are many things to consider when one considers whether or not they want to spend the significant amount of money that a central sewer would cost. One of them is lake water quality, one of them is sanitary condition in your yards, another one is groundwater pollution and the impact of that, another one is economic development, and I'll have a [inaudible]. I don't think its one thing and I would encourage people to take that holistic view when they look at this.

Harold Sheets: So realistically in the area you're doing your studies on right now is not essential we have a sewer system but maybe years down the road we probably will, but how many years, nobody will know but you?

Dave Aune: Actually, again I'm the least important person in this room. I think the--what I think doesn't matter, what information I give you, you need to take and make your own judgment of all the things that [inaudible]. Many people, that's the beauty of living in a democratic society is that you can have this debate. Many people would draw a conclusion that one milligram per liter of nitrate is more than I want to spend. Another would say, I'm okay with it, I'm comfortable with it. So take the information, synthesize it however you like, and I'll throw the dollar amount. One would say a hundred dollars a month, no problem; another one would say one buck on sewer is more than I want to spend. This is a--I guess a very complex mosaic of values. I'm not going to say it's essential because it doesn't, again, it doesn't matter what I think. I'm going to say that there is septic tank effluent finding its way into the groundwater. I'll say that. I view that to be pretty convincing argument. I think that it finds its way to the surface water. That impact of surface water is--I've argued, I've said this many times in many public meetings, that's very complex. The interdynamics of surface water and what happens to algae and fish, my

goodness, that's going to be very hard for me to say. You're going to have to lean back in your chair and decide yourself whether you think that is or isn't an important impact. The impacts of yards, septic tanks, small yards, drainfields in those things, that's a personal choice. Someone that just had this septic tank effluent come to surface and has a lot of problems with it, they're going to arrive at a much different decision than someone that has two acres sitting somewhere and has--is sitting pretty good on an onsite system. It's going to be that kind of divergence in a situation like this. People are going to arrive at a different decision in economic development. I want my community to grow, I'm not so interested in it growing, and that's what makes this such a complex...

Harold Sheets: [Inaudible, interrupted Mr. Aune] Seeley Lake could not grow.

Dave Aune: You are exactly--I believe that to be the case or it's certainly...

Harold Sheets: [Inaudible, interrupted Mr. Aune] industry leaving town soon is really going to go down and the property in town is already developed as far as it can develop without the sewer system.

Dave Aune: Those are all true statements.

Harold Sheets: So these conducting surveys you're doing aren't going to get much worse because it can't grow anymore.

Dave Aune: I would agree that if there's no growth you have a certain static wastewater management condition.

Harold Sheets: Peace and quiet Seeley Lake again.

Unidentified Speaker: Excuse me sir, I want a question. This whole thing is uphill?

Dave Aune: This part of it uphill, we pump it uphill. We gravity feed everything...

Unidentified Speaker: Everywhere is uphill.

Dave Aune: We gravity feed all the way to here, all right? This we have to put little grinder pumps we call them. They're grinder pumps that serve individual homes. They would pump the sewage up to gravity line that we would feed into this section of the community. This area, it's difficult to sewer because it's lower and we do have to use grinder pumps to do that.

Unidentified Speaker: And if they fail?

Dave Aune: Yeah, we would like not to use grinder pumps. If we had a preference, we would like everything to be gravity sewer, but grinder pumps are a reality in places where we have undulating sewer systems, so we have to use them and grinder pumps do fail. I mean, they're a piece of mechanical equipment. They're pretty reliable; they're good grinder pumps. We have great success with them. There's lots of them put around all over the country. We would love to avoid them, but we aren't going to be able to.

Unidentified Speaker: I've just heard a lot of comment that when this fails, the whole town's going to be knee deep, especially the downhill people.

Dave Aune: No, grinder pumps service...

Unidentified Speaker: [Inaudible, interrupted Mr. Aune] worried about.

Dave Aune: You hear lots of things, but let me just say this. Grinder pumps serve individual homes so if a grinder pump fails, that home will fail and there's alarms on them and they go off and they warn everyone that the grinder pump's failed and the homeowner can take action to deal with the grinder pump. That's why we at city services don't like them. I mean, that's one of the reasons we don't like them because someone in city service gets a call about a grinder pump, but I can't do magic here. I have water, I have a trough, that's why a lake exists and so I can't service this by gravity even though I don't like it, so the only way to service homes along the lake is to put grinder pumps. It's the best technology we have. There's no better way to do it, but it's not ideal, it can certainly fail. Go ahead.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: You know we did a lot more work since in the preliminary engineering work than we did earlier and we were very concerned about the depth. Depth is an issue. Right in here is a bit of a ridge and we have to get to, to get sewer from this depth, we have to get real deep right in here. We get 20 feet deep to get through that corridor. We're trying to avoid--there's two kinds of lifts. I talked about grinder pumps that would serve individual homes, then there's the [inaudible] that we put in sewer systems that serve low zones, so you might gravity a whole zone here and then pump up to another zone, all right? That's done all over the county and so those are the bigger lift stations that if they fail, then many homes may have issues and concerns. So we're always concerned about that. We want to avoid those pumps, any pump we can at all cost. Our only solution in this case was to dig a really deep sewer. We had to dig a really deep sewer right through here, 22 feet. I hate to see it, but I tell you what. We sat around and debated that for quite a while. I know I'm getting into a lot of detail, but debate a lot about whether we put a grinder pump there or a 22-foot sewer. We decided a 22-foot sewer; another guy might decide something different.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: That's always a concern and especially in gravel because the trenches tend to migrate outward, so if we're in a shallow narrow alleyway, like Townsend had that very problem. They had some 15-foot deep sewers and we had to migrate, when we had to replace them. We didn't build them initially, but when we had to replace them, that was a problem and you do have to get right-of-ways. That's right, there's absolutely nothing, nothing simple about this.

Unidentified Speaker: Why do it?

Dave Aune: I wish that I could say that I had this really grand magic wand and I could put sewers in magically in the ground, but it's complicated. It's complicated from a permitting perspective and environmental perspective and technical perspective, financing, impacts to persons while we're building it. There are a huge number of impacts.

Unidentified Speaker: [Inaudible] question.

Chair Curtiss: So that first chart that you had was the cost of getting the pipe up there?

Dave Aune: The entire system.

Chair Curtiss: The entire system.

Dave Aune: The first cost I showed you was the entire system, \$12 million. The later cost I'm going to show you is Phase 1, just this pipe and this lift station, and this pipe up to the treatment plant.

Unidentified Speaker: Phase 1 will be working before you start on another phase. Is that correct?

Dave Aune: Yes.

Unidentified Speaker: It will be up and running, working.

Chair Curtiss: Yes.

Dave Aune: Yeah, we would be pursuing financing though and maybe design depending upon a variety, again, complex issues, but the idea is each one of these is stand alone. We won't get the funding agencies to move with us unless these are stand-alone. They're functioning systems whether anything else is built; whether any other phase of it's build. They're not dependent upon each other, but they will build on each other.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: No, we would literally spray on it. We'd have a series of laterals and we would spray irrigate it.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: We don't spray in the winter; we only spray in the summer. We store all winter. That's what these big storage ponds are about. These big ponds, that's a downside of irrigation, we've got to store wastewater all winter long and then we irrigate all that, plus whatever comes in. We actually looked at snow [inaudible], where you make snow and irrigate at the same time. That would downsize these ponds, but snow-fluent is a proprietary product. They had a patent for it. It's really really expensive. It didn't work out for us.

Harold Sheets: Talking about spraying in 40 below weather?

Dave Aune: No, we're not going to spray--we're only going to spray in the summer, store it in the winter.

Unidentified Speaker: How clean is the water [inaudible]?

Dave Aune: The aerated ponds provide aeration and then we use biomass or bugs in there to eat the organic contaminants. We aerated, we settle it here, we also settle it in here. By the time it gets out of there, it's probably reduced a good 85% and 90% of its contaminants that it originally started with.

Unidentified Speaker: [Inaudible, spoke from audience.]

Chair Curtiss: We just had a subdivision proposal come before us using this type of a system to irrigate alfalfa. So it can be used for alfalfa, for trees, you don't want to put it on your carrots.

Dave Aune: Yeah, we've designed dozens of them and there's several tiers of them. I would take exception to the brown; I've been around a lot of them. I've seen dozens of them and I can tell you that it will have a green algae look to it. It will--in some cases, it can look very clean. You pull a glass of it, it will look clean, but it won't look drinking water clean. Don't get me wrong, you don't want to oversell it. They'll be algae-like particles. That's what we're trying to accomplish. We're trying to get the organic mass out of it and convert it to a variety of biomass, bugs, cells, and algae. That's the product, that's actually the success that we ultimately have with it. What you need to focus on the technology removes about 85% of the BOD and TSS. It removes about two-thirds of the nitrogen and phosphorus. It's high-quality effluent, not as high quality as will come out of a wastewater treatment plant. We get the rest of our nitrogen removal here. These are designed for 100% nitrogen uptake of the trees, that's what we worked with the University of Montana on is to design and spread that wastewater out so the nitrogen phosphorus we do have remaining in this effluent is consumed by the plant life. The amount that moves its way to the groundwater is negligible and that's what you're getting at. When we look at this one, we get good BOD and TSS removal, here pretty good nitrogen removal and very good nitrogen phosphorus removal [inaudible] irrigation process. The bottom line is when we get through the soil matrix; we have a pretty good wastewater treatment. It's a little different than a wastewater treatment plant that does it all at once. It does not rely on irrigation to do that.

Mike Sehestedt: [Inaudible, spoke from audience] chlorination of the effluent prior to sprinkling?

Dave Aune: Yeah we actually disinfect using UV, not chlorination.

Mike Sehestedt: But it disinfects.

Dave Aune: We disinfect.

Mike Sehestedt: Second, what tree product are you--what tree are you proposing to grow...

Dave Aune: We're going to stay with the natural species at this time and we're going to thin it every once in a while. That's how we take the nitrogen out of the system is thin it.

Chair Curtiss: So this area currently has trees on it?

Dave Aune: Yes. We'll initially thin that somewhat. We want the small growth trees obviously; they'll be consumers of the nitrogen. Ultimately, as time goes on, we'll get the bigger--we'll get to that point where we have a good balance of nitrogen in the tree population we're growing.

Unidentified Speaker: [Inaudible, spoke from audience] grizzly bear habitat?

Dave Aune: We're working on that. I'd be lying to you to say that that's easy. It's a very difficult task; we've met with the Forest Service. They've had a large multi-disciplined team of scientists that have looked at the impacts of this thing initially and I want to emphasize initially. That initial look got us past the permitting process, past the acceptance, just the acceptance of the permit. That's how complicated it is just to get them to decide--we have that document and then there's another document equally thick with a lot of plants [inaudible] and then resource comments from every state and federal agency, just to get them to say--and we had to meet with them, just to get them to say they'll look at it. We've got a long ways to go and a lot--this is--losing one of the problems. It's a lot of money to getting someone like the Forest Service to buy into this technology. That's going to be expensive. There is no doubt that that's a huge hurdle. Is it insurmountable? I can't answer that, I think it's manageable, but it's not going to happen easily or quickly. Go ahead.

Unidentified Speaker: [Inaudible, spoke from audience] groundwater [inaudible].

Dave Aune: As a general rule, we're looking at eight feet, eight to 11 feet. We've done a few test [inaudible] out in there, which is manageable. We'd love 30 or 40.

Unidentified Speaker: [Inaudible, spoke from audience] this is upstream [inaudible].

Dave Aune: Right, hence my emphasis on the level of treatment that's being provided here because the first and the obvious conclusion one would arrive at is wait a minute, this don't make any sense at all. We got septic tanks and drainfields in the yards, right? We're going to take all of our wastewater, we're going to pump it up a hill, and we're going to dispose of it up there. Why would that make any sense? Why is that any better than what we have today? All right? A couple answers to that. Number one, we're taking that wastewater in a controlled environment and putting it up in ponds and designing a treatment system that has greater capacity. Remember I pointed out that septic tank treatment capacity at 50% earlier for a reason. We're talking about 50% removal to 85 or 90%. That's essentially seven, eight-fold increase. That's a significant increase or decrease if you want to look at--in the amount of contaminates we're putting on that system. That's equivalent to multiplying your load now times eight and you could have 80 more persons or eight times 400 more persons if you will disposing of wastewater only to bear the equal of what you currently have. That's one thing. It's heavily regulated. We are regulated here. We are required to monitor and run and operate this system as a centralized system, do you can't do anything you want up here. Thirdly, it's [inaudible] yards that aren't designed and have adequate size, all right? The sanitary conditions in yards is greatly improved, which is really what we would like to get at the most. That is an understated problem, but the sanitary conditions in yards is greatly improved when you have wastewater being treated in an area that is managed for treatment rather than trying to treat it in yards that are undersized.

Chair Curtiss: I think this other gentleman had question.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: This question is that [inaudible] is just north of the gun range and the answer is yes, it is.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: Yeah, the gun range, if I can go back, let me put this in perspective. The gun range is right in here, isn't it guys? Yeah, right at the end--this is the runway, so it's sitting right there. You guys--I actually walked back in there, you have targets right back in that area. This is certainly not without impact. It certainly has impact. It's a question of balance.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: Yeah.

Chair Curtiss: This system here is big enough all the [inaudible]?

Dave Aune: Yes.

Unidentified Speaker: And then some?

Dave Aune: Well, here's the deal. Yeah, I'll get that. Phase 1, Phase 2, how we had to only design the treatment in this case into Phases 1 and Phase 2 because at some point there's no economical advantage to getting them too small. If I broke this up into four phases, I have to have two of these sequencing batch [inaudible] sequence back and forth between each other. At some point, this is as small as we want to get, so there's no economy of scales working for us at that point, so that's why it has two phases. It will treat all four phases, but it will be built in two phases. Because of this nature, that's why I put this up; I knew the question was growth. The board had the question, well, what about growth? Well, seeing these little reactors, we just add them on. The digester, we just add it on in a modular sort of way, so as the community grows, we can add to this facility and its more growth friendly than the more expansive storage and irrigation facilities. Yes, Tom?

Tom Morris: Would you please clarify for everybody what a reactor is and how much nuclear there is in it?

Dave Aune: Zero nuclear, it's a biological reactor. You know what these things are, you know, in nature when you load a lake or river with organic matter or waste, bugs eat it. We just take that natural process and make it highly efficient and put a lot more bugs in it. We're sitting there controlling the bugs. We recycle the bugs back in here. We're trying to control a very specific concentration of bugs in there that matches the amount of organic mass we have in there, so the bugs are healthy and eat all the organic mass. Then we take those bugs and we say sludge. It's nothing but a pile of bugs. It's not fecal matter; it's a pile of bugs. Those pile of bugs we [inaudible] into this digester, we treat them further, and then we take that to the landfill. We're converting fecal matter to bugs. That's what these systems do. This is a biological reactor.

Unidentified Speaker: [Inaudible, spoke from audience] mosquitoes would be up there [inaudible].

Dave Aune: We'll try to enclose it.

Chair Curtiss: She wanted you to draw the mosquitoes out of town.

Dave Aune: I don't think we're going to do that. They're not going to like it because we really don't have any surface water, but it's a good point. There really isn't surface water exposed there, so they're not going to have access to exposed surface water.

Harold Sheets: Harold Sheets again. My other question was how much you're talking about each individual in the lower end, which I'm in, will have their own individual grinder in their yard...

Dave Aune: Yeah, it's a little--if you're along the lake, let me put this down [inaudible, spoke without mic].

Harold Sheets: And when it fails, the sewer district...

Dave Aune: [Inaudible, spoke without mic.]

Harold Sheets: ...will the sewer district replace it or do individuals have to replace it?

Dave Aune: Yeah, you know that's one of the things that the sewer district has to look at and that's one of the things [inaudible] struggle with is that we typically recommend and most sewer districts want to take those on because they don't want individuals replacing and having all kinds of problems, so typically the sewer districts do take that on. They don't like it because, for the reason you don't like it, they don't like that 2 a.m. 20 below, because that's when these things always fail, call. They just don't like them. Now, and I wish there was a better answer, I wish I could take a skyhook and make it go away, but this is the best we can do.

Harold Sheets: [Inaudible] sewer, but what difference does it make?

Unidentified Speaker: [Inaudible, spoke from audience] Are those numbers [inaudible] previous slide there [inaudible] today's dollars?

Dave Aune: No, they're adjusted for each phase. Each phase, if you went back to my earlier cost estimate, each phase had a construction inflation number. That construction inflation number was based on my best guess on when construction would occur, which is actually outlined in this very complex funding strategy is that this funding strategy you'll not has design and construction periods for each one of these phases and so you'll generally see

the numbers correspond to [inaudible] for those periods. In this case, I've got a couple years inflation, in this case, I've got four years, in this case, I've got six years inflation and so on down the line, which makes it really hard to compare apples to oranges one alternative to the other because how you string it out makes the bottom dollar look differently. You've really got to compare them to 2008 dollars if you ever really want to compare the various alternatives.

Unidentified Speaker: I've got a question for Jean. You were talking to Tester on TV about the Seeley Lake Sewer. I seen you on the news and did he say anything about the federal government helping out here? You were saying, telling him that maybe Seeley Lake could use some help here? What did he say to you?

Chair Curtiss: Yes, when we went to Washington DC actually, Senator Tester's office was the one that seemed most interested in funding this. It is on actually Senator Tester's, Senator Baucus, and Representative Rehberg's list as important items. We aren't sure who might carry that particular item through the Congress, but it is of interest to them.

Unidentified Speaker: So Missoula County's pursuing that or the Seeley Lake Sewer District?

Chair Curtiss: Missoula County helped facilitate that. The sewer and water district have both put money forward to help pay for the lobbyist, who's the same lobbyist that we use...

Unidentified Speaker: Same thing you talked about earlier...

Chair Curtiss: So what we said is--we were told to have one county project. Our county project is our emergency operations and training center, but we give letters of support for this project. It is an important project in the county, it's your project, ours is a different one.

Unidentified Speaker: Right.

Unidentified Speaker: [Inaudible, spoke from audience.]

Dave Aune: Not technically, but practically there is. Eventually people get tired of holding onto this money this long. It doesn't reflect well when you go into future work, future projects when you ask for money and then don't get around to using it. Now, Lockwood held onto their money. They had STAG and WRDA money for a very long time. Lewis & Clark had some very old STAG money, seven, eight years old, so it can get pretty old, but you've got to keep showing progress. We obligated this by matching the DNRC money and the district money, that helps because--what you do is once it gets appropriated, you go back and you make an application for these funds that you already applied for but you applied back to the administration. They can sign a contract and we've got \$733,000 of this or something like that under contract. That makes it a lot safer, but we still have a million hanging out there that even though we've been appropriated it, we got to get the state match to claim that. That's kind of where we're at.

Unidentified Speaker: Excuse me?

Chair Curtiss: Mr. Sheets, I think you had a question?

Harold Sheets: I was going to thanks for all--I've got to go.

[End of PowerPoint presentation.]

Chair Curtiss: So the question tonight, this is a hearing to give the Commissioners direction as to whether we should apply for the CDBG grant money in the amount of \$400,000 and the TSEP grant application in the amount of \$750,000, those would both be on behalf of the Seeley Lake Sewer District.

Unidentified Speaker: [Inaudible, spoke from audience.]

Chair Curtiss: Did I say it backwards? Four fifty--okay 450, you're right and \$750 for TSEP. Anyone who would like to make comment on whether or not we should apply on behalf of the district? Mr. Richards.

John Richards: My name's John Richards. Why wouldn't you?

Chair Curtiss: I take that as a yes.

John Richards: If you're really interested in the lake and the water quality, why wouldn't you?

Chair Curtiss: Other comments? I guess to just comment, some of the statements that were made today. One of the big reasons we need to worry about the lake is the fact that's where your drinking water comes from is the lake. I know that we take it out on the inlet and this is an outlet end. This is an odd lake actually, because the outlet's kind of partway up the lake, but that's one of the reasons we want to protect it. Other comments? Ms. Braach, did you have a comment? Microphone please.

Diane Braach: [Inaudible] landfill, is that going to alter our fees up there at the dump, the refuge?

Chair Curtiss: We wouldn't take it--they wouldn't go to this land, to the transfer site. This is only a transfer site.

Dave Aune: Right. Basically, the landfill costs, that would be part of operation and maintenance because we already figured that in. When we figured the operation and maintenance of the water and sewer district, we figured the tipping cost associated with the landfill.

Chair Curtiss: And very possibly it would go to Eco-composite or someone like that who then mixes it with other organic material and reuses it that way. Other comments? Mr. Aune, if we could, before we leave tonight, get a copy of your presentation. Cathie has a jump drive we could just put it one, so we can have that for the record. Okay, however we get it. Any other comments before I close the hearing. [Inaudible] were you wanting to comment? Okay, if there's no one that wants to make further comment, I'll close the public hearing and accept questions or motions from the Commission.

Commissioner Anderson made a motion that the Board of County Commissioners authorize the submittal by resolution of a State Community Development Block Grant application in the amount of \$450,000 and a Treasure State Endowment Program application on behalf of the Seeley Lake Sewer District in the amount of \$750,000 and authorize the Chair to approve submittal documents. Commissioner Carey seconded the motion. The motion carried on a vote of 3-0.

Chair Curtiss: Just for the record, Glenn, could you tell us what the regular date of the Sewer and Water District Board meetings are for folks who may want to come and visit with your board off and on?

Glenn Morin: Every third Thursday.

Chair Curtiss: At what time?

Glenn Morin: Every third Thursday at 5:00 at the office up in Pyramid.

Chair Curtiss: At Pyramid Lumber?

Glenn Morin: Uh, huh, Pyramid Lumber.

Chair Curtiss: Those are always open to the public if anyone wants to come.

Glenn Morin: Yes, they are.

Other Business

There being no further business to come before the Board, the Commissioners were in recess at 8:46 p.m.