

**STILLWATER COUNTY
COMMISSIONERS MINUTES**

Notice: These minutes reflect the proceedings of the Board of County Commissioners. The official minutes were approved and are on file with the Clerk and Recorder (MCA 7-4-2611(2)(b)).

PUBLIC HEARING

AUGUST 13, 2015 - 6:30 PM

**ABSAROKEE RSID 5 & 7 - PROPOSED RATE INCREASE
COBBLESTONE SCHOOL COMMUNITY CENTER - ABSAROKEE, MT**

Present: Commissioner Gerald W. Dell, Member; Lori Dobitz, Administrative Assistant; Cathy McClurg, Absarokee Sewer District Manager; Collette Anderson, Great West Engineering; Rick Hanners, Stillwater County News. Public in attendance: Jerry Gardner, Roger Nummerdor, Peter Ostoj, Dennis Oltrogee, Fred White, Karl Gaustad, Robert Jacobson, Steve Skuhra, John and Linda Labries, Lori Good, and Pete Gaustad.

Open the Hearing: Commissioner Dell welcomed everyone to the hearing and introduced staff. He stated the purpose for the hearing is to receive comments from proponents and opponents in regards to the proposed annual rate increase for the Absarokee RSID 5 & 7 Sewer District for sewer services to maintain sufficient resources for operations, debt service, and replacement of infrastructure. He read Resolution 2015-21A, adopted on July 21, 2015, a resolution of intent to increase the sewer rates at a rate of 31.2% to the current sewer base and usage rates broken up in installments over the next three years. He said the increase of \$5.24 per month would be for residential and small commercial. Other commercial rates would have a formula to calculate the increase. Notices of the public hearing were published in the Stillwater County News, on July, 2015, 30 and August 6, 2015, posted in the courthouse, website, and various locations throughout the town of Absarokee.

Commissioner Dell told the group, one of the main reasons for the proposed increase was to get our funds built up so that we can qualify for grant opportunities on a matching basis. He said with the rate we currently have, we are not in the position for being accepted for grant funding or low interest loans. The last time the rates were increased was in 2003, he said, and at that time - they were doubled. He said the commission is proposing to stretch out this increase over the next three years. In that three year period, it will give us the ability to increase our resources to be eligible for grant funding. Dell told the group that one of the grants we would be eligible for is a TSEP grant, which is a 50-50 match grant.

Collette Anderson, Great West Engineering, explained what the rate increase is based on. She explained the "Target Rate" developed by the Department of Commerce, which is a percentage of the median household income determined by the last census. She said you have to be at or above that

target rate after the implementation of a project in order to be eligible for the grant resources. She said the TSEP Grant is the largest resource available, up to \$750,000 in grant funds. Commissioner Dell said the next grant cycle for TSEP is in 2017.

Question Period: Commissioner Dell opened the hearing to questions and comments.

Pete Gaustad - asked if a wage survey or household income survey has been conducted for Absarokee. Collette Anderson said one is currently underway for the Water District and they will be incorporating that study for the Sewer District, because the boundaries are very similar.

Roger Nummerdor- asked if this rate increase will provide a way to lift the moratorium that has been in place for over a decade. Collette Anderson explained when the preliminary engineering report is being compiled, the current system will be evaluated for deficiencies and what the necessary improvements will be. She explained that one of the things they do is look at a planning area and use it as a planning document and try to project out 20-years which is a requirement of the funding agency. We look at where growth could occur in the community and comparing that to the proposed improvement. She said part of the process and any improvements will have to address growth. Commissioner Dell said we are hoping in what we do, and what DEQ directs us to do, that it will help and maybe eliminate the moratorium that we have.

Jerry Gardner - asked how much revenue would be generated at an increase of \$5.24 per household. Commissioner Dell said approximately \$110,000 per year. The district's reserve account will have approximately \$304,000 remaining after a small project is completed this fall

Collette Anderson - said the number one priority will be making sure the sewer system can meet the discharge permit requirements. Currently Great West Engineering is in the beginning process of the Preliminary Engineering Report (PER) and preliminary analysis to determine what is the best direction to take with the Absarokee Sewer District, i.e. treatments, lagoon size, funding packages, low interest loan programs, project cost, etc. From that point, it will develop into a project. Commissioner Dell said the one of the problems we face at this time is the infiltration of water into the system, which will be addressed in a project this fall.

Commissioner Dell - Following much discussion regarding funding options, Commissioner Dell said the commissioners are looking at forming an advisory committee that will be made up of Absarokee sewer users for the residents to have input in the decision process.

Close Hearing: Commissioner Dell said it is the commissioners objective to place the rate increase on our next agenda (August 18, 2015, at 9:00 am) for a vote. He said everyone is welcome to attend the agenda meeting. We will accept any written comments, emails, comments at that meeting. At that time, he thanked everyone for attending and adjourned the hearing.

Hearing Closed at 7:13 PM