LEWIS AND CLARK COUNTY
WATER QUALITY PROTECTION DISTRICT
BOARD MEETING
Helena, MT 59601
316 N. Park, Room 226
March 27, 2012

Members Present
Gary Ingman
Stan Frasier
Steve Ackerlund
Jamie Schell
Eric Regensburger
John Rundquist

Staff
Jim Wilbur
Jennifer McBroom
James Swierc
Susan Browne
Melanie Reynolds

Members Absent
Mike Murray
Kammy Johnson
Khris Goss

Guests Present

Gary Ingman, chair, called the 179th meeting of the Lewis and Clark County Water Quality Protection District (WQPD) Board of Directors to order at 5:30 p.m. A quorum was established.

Introductions of attending board members and staff were made.

MINUTES
Gary Ingman asked if there were any corrections or additions to the minutes February 28, 2012. Gary requested a change to the minutes in the Board Orientation Packet first paragraph to state “recommended that staff explore opportunities for coordinating with the Bureau of Reclamation on monitoring tile drains and return flows from the Helena Valley Irrigation District”. Stan Frasier moved to accept the minutes as amended. Gary Ingman seconded the motion. The motion carried 6-0.

REVIEW OF AGENDA
No changes were made.

PUBLIC COMMENT
There was no public comment.

FINANCE MANAGER'S REPORT
Norman Rostocki, Finance Coordinator, presented the cash flow statement and comparison to budget for the WQPD (See Attachment “A”). As of February 29, 2012, we are 66% through the year, beginning cash is $115,396; total revenues received are $171,272 or 61% amount budgeted; total expenditures are $186,257 or 62% amount budgeted; revenues are under expenditures by $14,984; ending cash balance is $100,411. Jim Wilbur, Water Quality District Coordinator, stated that the restricted cash of $5,200 is a reserve for the Lake Helena Watershed Group. Norman presented a Cash Flow Analysis for Fund 203 (See Attachment “B”) to help explain the year- to-date revenues, revenue assessments, fee collections, and funding balance for fiscal years (FY) 2012 and 2013.
Norman stated that the final budget for FY 2013 will go before the Commissioners on April 27, 2012. Melanie Reynolds, Health Officer, stated that the Board of Health Finance Committee will meet on April 9, 2012, to review all health department budgets including the Districts. Jim stated that the cash reserve is a crucial element to creating the next fiscal year budget.

**PRELIMINARY FISCAL YEAR 2013 BUDGET REVIEW**
Norman presented the draft FY2013 District Budget (See Attachment “C”) to the Board. Norman highlighted the projected data for the full-time-equivalent (FTE’s) for the District, personnel salaries and operating expenditures, and revenue for FY 2013. Norman noted that there will be a 2.5 percent pay increase for employees for FY2013. The operations figures were carried over purposely until an exact figure is determined based on the cash reserves. The revenue maintenance district fees show a 1.75 percent revenue increase. In answer to John Rundquist’s question, Norman stated that any revenue loss will come from the cash reserve. To prevent using monies from the reserve in case of a revenue loss, the budget would have to be reduced or the District would have to request a fee increase. Maintaining a 90 day reserve would be in the best interest for the District. Jim noted that small incremental district fee increases would benefit the cash reserve more than large increases when needed. Norman stated that it would be beneficial to have the Board provide an ending fund balance of what the Board would like and then staff could provide one or more alternatives for a final ending fund balance. In answer to John Rundquist’s question, Jim stated that a 10 percent fee increase would increase the city’s residential assessment from $6.93 to $7.62 per year. The county residential assessment would go from $8.46 to $9.31 per year. Commercial and industrial users pay more in fees based on gallons of use. In answer to Steve Ackerlund’s question, Jim stated that future needs of staff and the District would be to increase training for staff and the possibility of a part-time tech to help with the work load.

**CITY OF HELENA WASTEWATER PERMIT UPDATE**
John Rundquist with the City of Helena stated that the current wastewater permit expired in 2001. In 2010, the City of Helena and the Montana Department of Environmental Quality (MDEQ) drafted a new permit which was then rejected by the Environmental Protection Agency (EPA). The city is now working under their original permit from the 1990’s. In April of 2011, the EPA issued a new draft permit which the City of Helena appealed. The reason for the appeal was because the permit capped the nutrient loads which controlled the capacity of the wastewater treatment plant via nutrients. The City of Helena is currently in negotiations with MDEQ for a new draft permit. The new permit will still have capped nutrient loads but will receive load credits for new hook-ups the plant takes on. John noted that if the EPA doesn’t accept the new permit then the city will appeal again. The city is currently accepting septic waste at the plant and applies the end waste product to the land. MDEQ has commented that the city charges too little for the acceptance of this waste. The city has hired a consultant to provide alternatives for future septic waste going into the plant. In answer to Gary Ingman’s question, John stated that the city has applied for a permit modification to discharge effluent to the Helena Valley Irrigation Canal but it is up to the Helena Valley Irrigation District to accept the effluent if the permit was approved.

**HELENA VALLEY FLOODING GROUNDWATER ANALYSIS**
The presentation on the Helena Valley Flooding Groundwater Analysis by James Swierc will be deferred until the April board meeting.
UPDATES AND ANNOUNCEMENTS
Drumlummon Mine Permit Review Memo: Jim Wilbur highlighted the letter sent to the RX Exploration and Drumlummon Gold Corporation on pages 12-22 of the board packet regarding the comments provided by the District involving the operating permit application review. Jim noted that MDEQ has sent out a deficiency letter to mine regarding their permit. The mine will work with the county and the Department of Commerce to create a hard rock planning permit that will develop a plan to deal with the impacts of the mine on the public and the economy. Funding for this plan will be paid from the taxes the mine pays out.

Upper Tenmile Controlled Ground Water Area Application: Jim Wilbur stated that at the last meeting board packet there was a copy of a proposal made to the Board of Health to consider applying for a controlled ground water area for the Upper Tenmile Mining Area. Staff met with members from Montana Department of Natural Resources & Conservation (MDNRC), MDEQ, EPA and Steve Ackerlund from the local Technical Advisory Group (TAG) to discuss the proposal and the monitoring of individual wells. Steve stated that the EPA is working on a revision to the petition for the controlled groundwater area. Once the revision is completed, the TAG group will present the petition to the County, Board of Health or the Water Quality District for backing. Steve also noted that the petition would not be submitted until it is presented to the legislature for funding. Steve stated that the residents in Upper Tenmile are in favor of self imposed restrictions regarding their groundwater.

Watershed Activities Update: Jennifer McBroom stated that the Watershed group met on March 15, 2012. James Swierc gave a presentation on the Helena Valley flooding along with a discussion by the West Valley Residence Flood Committee regarding preparation for upcoming potential flooding throughout the valley. Jim Ford with METG was there to discuss the ongoing cleanup at the former Asarco smelter site and Prickly Pear Creek. Water monitoring volunteers will be heading out in April to monitor 12 sites. In addition, the Clancy 7 & 8th Graders along with the East Valley Middle School 7 & 8th Graders will participate in setting up additional monitoring sites. The next Watershed meeting will be on April 19, 2012. Jim stated that the staff will be starting the spring surface water monitoring of 22 sites throughout Lake Helena Watershed.

BOARD MEMBER DISCUSSION
John Rundquist requested a presentation by the DEQ on the Pleasant Valley enforcement at a future board meeting. Jim Wilbur will work to get the presentation scheduled.

The meeting adjourned at 7:25 p.m.

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Gary Ingman, chair