

November 6, 2022

To: Cooke City/Silver Gate/Colter Pass Sewer District Board
From: Concerned Citizens from the Valley
Re: Proposed Sewer Treatment and Drain Field Project

Dear Bob, Kenny, Lilly, and Allen:

We are writing to continue the conversation regarding topics raised during the September 21st Sewer Board meeting, as well as to assure you of our interest in helping to solve our valley's sewage treatment issues. You have worked long and hard to find a solution to these issues, and we are grateful for your effort. We would like to forge a more collaborative and proactive dialogue with the Board and other citizens of the District and Sub-District and expect that the Board will do the same as a unit of local government.

We would also like to thank you for your willingness to consider changes to the project recommendations outlined by Triple Tree Engineering in the April-2022 Preliminary Engineering Report (PER). During the September Board meeting, the proximity of the proposed drain field location to the Silver Gate community well (about 400 feet) and other wells became evident. Jason was to reconsider the original proposed site and investigate a location to the west (i.e., farther away from Silver Gate's water supply and other newly identified wells). Our understanding was that he would also redraw maps and continue site testing at the proposed and a new location prior to the Board's November meeting. It's unfortunate that these wells were not documented in either the 2020 or the 2022 PERs, respectively.

We remain concerned about the integrity of our well system, the safety of our community drinking water and of the many private wells near the proposed drain field, and the economic prosperity of Silver Gate businesses.

We ask that you make Jason's updated map/s, narratives, and any documents he has prepared since the September Board meeting, along with all meeting materials shared or circulated among Board members prior to the November meeting, available on the Board's website. That way, we can all review the meeting materials ahead of time and valuable meeting time can be used most efficiently. We also ask that you adopt this practice going forward for all future Board meetings. We recognize the limitations of a small staff, but also note the website provides an efficient platform for improved transparency.

We completed a detailed review of both the 2020 Performance Engineering Preliminary Engineering Report (Mar-2020 PER) and the 2022 Triple Tree Engineering Preliminary Engineering Report (Apr-2022 PER). The Board appears to have adopted the Apr-2022 PER as the document guiding the project going forward. We agree with the well documented needs and problem statements in the Apr-2022 PER on pages 7-8 and 25-28. And we agree that a solution is sorely needed.

However, we also point out that the Apr-2022 PER and the Board's Uniform Application submitted to the State of Montana take a Cooke City centric view in framing the problem and the solution. Cooke City is a Sub-district, delineated in the Board's 2019 Bylaws (Appendix B: Subdistrict Boundaries For Proposed Project as of 2019). The District is delineated in the Board's 2019 Bylaws in Appendix A (Appendix A: District Boundaries). The Apr-2022 PER briefly described the sewer district history on pages 16-17.

The PERs and the Uniform Application blur the distinction and treat the Sub-District and the District as if they are the same, when in fact they are not. The proposed infrastructure in total, its siting, and the financing, will affect every single one of the District's property owners from Silver Gate to Colter Pass. We strongly encourage the Board and Triple Tree Engineering to adopt a more holistic view of potential solutions to what is described as, and confined to, a Sub-district problem.

We also find it striking that the lynch pin of the entire project got so little mention in either PER -- namely the 3-plus mile pipeline between the proposed centralized collection system in Cooke City and the proposed drain field in Silver Gate. There are a few brief mentions of the pipeline ("forcemain") along U.S. Highway 212. The Apr-2022 PER recommended a conventional gravity sewer collection system for Cooke City and a community drain field in Silver Gate but did not provide any feasibility analysis beyond a few short paragraphs (page 29, which is ambiguous as to whether it refers to the Cooke City jurisdictional boundary or the pipeline more generally; page 46 under the heading "Potential Construction Problems" when discussing selection of Site E for the drain field vs. other Sites). In fact, each of the Sites A-D similarly require a pipeline (and pumps and power) and those linear distances are considerably shorter than Site E. So not only did the Apr-2022 PER shortchange its analysis of the pipeline for its own recommended Site E, the Apr-2022 PER cited a pipeline, pump, and power as disqualifying attributes of Sites A-D even though those attributes are needed and common to all treatment sites considered for siting the drain field.

Lack of any preliminary engineering analysis for the pipeline (forcemain) seems a serious omission given that: 1. the entire project as proposed utterly depends on it; and 2. the June 2022-floods resulted in serious downcutting and erosion along US Highway 212 exposing utilities already buried in the corridor, eroding the very road base in many places, and washing out a bridge. The hypothesized (though apparently unmapped or unsited) pipeline route crosses several streams and ephemeral drainages alongside U.S. Highway 212, all of which were seriously affected by the record floods.

It is simply not enough to state that the pipeline would require permits from the Montana Dept. of Transportation and maybe Montana Dept. of Environmental Quality. It does not make sense that the Board would pursue the proposed location of the drain field (Site E) without an informed understanding of the feasibility of the pipeline (e.g., its specific route, whether there is even room in the federal highway right-of-way for the entire route, any potentially affected private landowners whose land may be required for crossing) and most especially the cost. It's premature to devote precious resources to pursue permits and land acquisition for Site E in Silver Gate without more knowledge about the pipeline. Additional engineering analysis and robust discussion are warranted.

We learned through informal conversations with Bob and Mike Thom (USFS Gardiner District Ranger), that employee dorm-style housing near the proposed drain field site is no longer being contemplated. We ask that you confirm this in writing, for the record. We can all work together best when there is a shared, common understanding of the facts and speculations and rumors are put to rest quickly.

Additional questions emerged from our review of the two PERs, as well as of our notes from the September meeting. (Hopefully you have all received those by now via Allen). We request that these topics be placed on the Board's November agenda and addressed during the meeting for the benefit of all District members.

We have endeavored to educate ourselves about the proposed project, the overall process the Board is pursuing, what decisions have been made, and the general status. We encountered a paucity of information on the District's website. The Board's minutes do not contain any details to keep District members informed. And, minutes of prior Board meetings are not even available on the Board's website.

More specifically, we ask that you address the following topics and questions at the November and/or subsequent Board meetings. You may even decide to hold a publicly noticed work session where more time could be devoted to these topics that have important implications for all District members and businesses.

1. What are the roles, responsibilities, and decision authorities of the Sewer District Board, Park County Commissioners, and Triple Tree Engineering, respectively? Assuming the Board has retained Triple Tree Engineering after being in receipt of the April-22 PER, what is the scope of work and what has the Board delegated to Triple Tree?
2. Who will hire the actual contractors when the time comes and what is that process? Who oversees their work?
3. What is the Board's position regarding future property tax assessments? Does the Board intend to assess properties within the Cooke City Sub-district that connect to the system or to assess all property owners in the District as a whole? When, by whom, and how will this decision be made? When exactly does the Board expect to determine how much taxes would go up and when the increased taxes would take effect? Has the Board considered apportionment of fees based on the number of users who actually connect to the system and directly benefit?
4. Please explain the Phasing section on page 4 of the Uniform Application Form signed on April 20, 2022 in greater detail for both Phases 2 and 3, including all the uncertainties. What activities would occur under the Project Scope list, respectively, and when and who undertakes stepped down work to complete each bulleted item (e.g. acquiring USFS land)? What are the more specific cost estimates of each bulleted Phase 2 and 3 Scope list, respectively? During which phase would the pipeline be planned and completed? What is the process to seek funding for each of the Funding Strategy Bullets and when would the Board be notified of the status of each grant or loan application and whether any loan forgiveness materializes? Are their additional application processes beyond this Uniform Application, and when and how are those done? How competitive are

these funding sources and what are the prospects that each of the listed sources identified in Phase 2 and 3, respectively?

5. When will the Board and Triple Tree Engineering be submitting a complete application to the USFS Gardiner Ranger District to acquire a parcel for a drain field? How many acres of land is the Board seeking to acquire from the USFS for a drain field relative to actual system and DEQ requirements and as compared to various documents indicating up to 30 or more acres? Does the Board intend to enact any deed restrictions on the parcel it eventually acquires?
6. Has the Board or Triple Tree Engineering begun to scope potential pipeline routes and determine feasibility between the Cooke City Collection System site and the proposed drain field in Silver Gate? If so, what progress has been made? If not, when would that occur? The April-2022 PER noted multiple challenges. What is the process to obtain a right-of-way and/or easements to place a new pipeline alongside US Hwy 212?
7. Has the Board reached out to the Park County Sanitarian's Office to determine what bearing, if any, the system as recommended in the April-2022 PER has for future septic permits proposed within the boundaries of the Cooke City Sub-district shown in Appendix B of the 2019 Bylaws and the rest of the District encompassed in Appendix A of the 2019 Bylaws?
8. Has the Board reached out to the Park County Planning Office to determine whether a change in zoning regulations is required to implement the April-2022 recommended system? If a change is required, when would the Board seek to do so?

We recognize that not all of these questions can be addressed in a single meeting and that some information is unknown at the present time. We commend the Board for taking on a long-standing, multifaceted problem. Nonetheless, we submit that this list is only a partial representation of what is on the minds of District members, not just those in Silver Gate. Again, we ask the Board to address them. If the decision authority for some facet of the project rests with another entity, we encourage the Board to invite a representative to attend a Board meeting to share their information.

For example, the process the Board would follow to acquire land from the USFS is not at all clear. The details of what the transaction would look like and what, if any restrictions would be placed on the land is not mentioned anywhere that we could find. We encourage the Board to invite a representative from the USFS Gardiner Ranger District to attend a Board meeting in the near future to explain their process and projected timelines so District members understand.

We also encourage the Board to invite representatives from the Montana Dept. of Transportation (MDT) and the Federal Highway Administration (FHA) to attend a Board meeting to explain their process, timelines, and what is required to place a projected 4-inch sewer pipeline along US Highway 212 to reach a drain field in Site E in Silver Gate. These representatives should also address whether or not the June-2022 floods affect or invalidate any assumptions that apparently were made in the Apr-2022 PER.

Finally, as mentioned earlier, we are very interested in helping to find a viable solution to the sewage treatment issues, one that benefits everyone, supports tourism, nurtures a vibrant business/ economic climate, and solves the problem. To that end, see the enclosed summary

presentation of an alternative that builds upon the preliminary engineering work that has been done to date. We formally request the Board research it (or task Triple Tree to do so) and then put it on the Board's agenda within the next two months.

Briefly, there is a more affordable solution to the community drain field that appears to meet all the regulatory, permitting, and system requirements (including DEQ), requires less infrastructure, falls within the range of alternatives and analysis in the April-2022 PER for a centralized collection system with underground treatment but was apparently overlooked by both engineering firms as an alternative to a traditional gravity/drain field system. It is a “self-contained” treatment plant.

The option requires far less land than the apparent 30+ acres that appears in the Board's documents. A self-contained treatment plant can be expanded to increase capacity and the environmental risks are much lower. According to the firm we contacted (AquaTech Systems), it can be buried and is suitable for cold climates. An AquaTech Systems representative stated this type of system is being used successfully in Scandinavia, northern Russia, and other European countries. The engineering firm we contacted in Bozeman knows of at least three other companies who install and maintain self-contained treatment plants.

The initial up-front costs are lower, as are the estimated annual operations and maintenance costs – which in turn means the Board takes on less debt and lower taxes and fees assessed to District members. Most importantly, it solves the problem and addresses deficiencies listed in the Uniform Application submitted for grants and loans and the problems enumerated in the April-2022 PER.

We formally request you delay submitting a groundwater discharge permit application to DEQ for the proposed drain field site in Silver Gate (Site E or the area to the west) until after exploring this alternative and obtaining facts about the pipeline's geophysical feasibility, engineering requirements, route, and cost. Accordingly, we formally request you delay finalizing and submitting the application to purchase land from the USFS to the Gardiner Ranger District.

Triple Tree Engineering may already have experience with small treatment plants like this, based on its website. At a minimum, it appears to have the expertise to research a self-contained treatment plant system, even within the confines of the April-2022 PER. The April-2022 PER largely quotes the Mar-2020 PER and adopted its framework and conclusions. Triple Tree did not appear to conduct any independent work or bring its own expertise to bear. We understand the expediency associated with deadlines to submit grant and loan applications. However, we also believe a self-contained treatment plant tank system should be considered and can be considered even though the Uniform Application has been submitted.

The additional time to learn more is worth taking when compared to an \$8.15 million dollar project estimated in 2022 dollars– funded and budgeted in multiple phases and that may not be fully operational until September 2026 or later. We are confident any funding already in hand or pending applications would not be jeopardized if the Board finds a comparable system that meets, if not exceeds, all the myriad requirements, including those imposed by grant and loan

providers. The problem statement remains the same. The foundational purpose remains the same, even if the project specifics evolve.

Those selecting and administering grants and loans expect complicated multi-year projects to evolve and morph as opportunities or constraints emerge. They and the overall process can accommodate those changes, and the project adapts. In the end, the debt owed by the District will be based on the final completed costs. We encourage the Board to directly contact representatives from the agencies and programs identified in the Funding Strategy Narrative on pages 5-6 of the Uniform Application Form for Montana Public Facility Projects signed April 20, 2022 to learn more. Better yet, invite them to call into a Board meeting to explain their processes, timelines, how changes are addressed and accommodated over a multi-year project.

The Board aims to undertake a complex project and assume a considerable amount of long-term debt, the servicing of the unforgiven debt will then be passed along to landowners and businesses through higher taxes and new assessments. Interest rates are clearly higher than in 2019 and still going up. The cost of materials is going up. It does not seem possible that the \$8.14 million estimate in 2022 could possibly hold going forward.

The state's low interest loan programs are not wholly insulated from the broader lending and bond markets. The state would seem to have an inherent interest in making the available funds go farther if a final project costs than projected as a result of how it evolves. We estimated the treatment plant tank system would be \$4.32 million cheaper. This is a meaningful amount of money that would become available for much needed wastewater projects in other local Montana communities.

Many of us will attend the November Board meeting either in person or by telephone. Thank you for making a dial-in number available. We can be contacted at Concerned Citizens from the Valley, P.O. Box 20094, Billings, MT 59104-0094 or concernedcitizensvalleysewage@gmail.com. We look forward to solving this problem together.

Sincerely,

Concerned Citizens from the Valley
M. Michael Menzel
Mary Kathleen Mahnke
Kathryn Iverson
Henry Finkbeiner
Vic Taber
Beckie Taber
Colben Sime
Liane Vadheim
Judy Visty
Marcia Woolman

Enclosure: Treatment Plant Tank System Alternative presentation

CC by hard copy and/or by electronic mail:

Jason Crawford, Triple Tree Engineering
Cooke City Community Council
Cooke City Water District
Cooke City Chamber of Commerce
Silver Gate Water Users Association
Southwest Silver Gate Homeowners Association
Bill Berg, Park County Commissioner
Steve Caldwell, Park County Commissioner
Clint Tinsley, Park County Commissioner
Park County Sanitarian's Office
Park County Planning Office
Rep. Marty Malone, HD 59
Sen. John Esp, SD 30
Mike Thom, USFS Gardiner Ranger District
Mary Erickson, Custer Gallatin Forest Supervisor
Cameron Sholly, Superintendent Yellowstone National Park
Chris Boe, Steve Lipetsky, Montana Department of Environmental Quality
Mark Bostrom, Autumn Coleman, Montana DNRC Conservation and Resource Development
Division
Steve Giard, Andrew Harmon, Montana Dept. of Transportation Utility Section
Brian Hasselbach, Federal Highway Administration, Realty Program / ROW