



July 15, 2025

County Commissioners,

You have before you two agenda items related to the Lakeside County Water & Sewer District's expansion project. The budget attached to the first agenda item related to LCWSD – (A) – is unreadable. Unfortunately, we had to call the County's Finance Department to get the full budget. This is a barrier to public engagement as interested parties would need to have the time to call into the office and request the readable version of the budget. The budget that is required according to the box checked for the report for the Western Montana Conservation Commission is also not attached and we request that you require that to also be made available to the public.

Next, the reports reference a payment to RPA for a rate study, dated May 14, 2025. CBF has repeatedly requested this rate study from LCWSD and has yet to be provided with it. Now, the hearing for a rate increase is today, July 15th at 2:00 pm, and the rate study– which should supply information to qualify the significant increase – has not been provided to the public, ratepayers or CBF. It is clearly completed or else how else would LCWSD know that it must increase rates? LCWSD is presently being challenged in court over its lack of a public participation procedure and its failure to provide documents prior to decision making on items that the public should be able to provide feedback on. LCWSD fails to provide pertinent documents and information with its posted agendas, therefore, no meaningful comment can be provided. Failing to provide the rate study prior to a public hearing where rates are set to increase as much as 60% and more, is a prime example of this public participation conundrum. Even if LCWSD were to provide the study at the hearing today, it would not be within adequate time for the public to read and review the analysis. The rate study is referenced in your agenda but not attached to the docket, therefore, how are the Commissioners, as representatives of the public, able to make a sound decision on the reimbursement of this work?

CBF requested a budget for the LCWSD expansion plant and received a budget sheet (attached), through a FOIA request, for \$58 million in costs associated with Phase I and Phase II. The budget presented to you by the County does not include these construction costs for the wastewater treatment plant. There are a number of other issues we've identified in this budget, such as the "Loan Reserves" line item. In the budget presented to you by the County, the "Loan Reserves" consists of \$34,194.00. Whereas, the budget provided to CBF by the District indicates approximately \$622,000.00 for "Loan Reserves." The "Engineering for WWTP Phase II" is allocated about \$1,481,000.00 yet, the budget received from our FOIA allocates about

\$1,971,000.00. If you are aware of these discrepancies, please elaborate and explain them to us. Additionally, the District has yet to produce an annual, Board-approved budget for FY 2026 to CBF or the public at large, however, the District is proceeding to host a public hearing and vote on a rate increase. We are not clear if this is even legal.

As mentioned, LCWSD is currently being legally challenged for its lack of public participation and transparency. CBF has also challenged DEQ in court regarding its issuance of the groundwater discharge permit to LCWSD, as DEQ did not respond to the hydrogeological reports submitted to the agency during the public comment period. DEQ did not conduct the non-degradation analysis required for new pollution discharges under MCA § 75-5-303(2) nor did it provide an analysis of cumulative impacts or synergistic effects of the proposed discharge to Lower Ashley Creek or Flathead Lake as required by ARM §§ 17.30.715(2)(a), 17.30.637(2). In ignoring the hydrogeological reports submitted, DEQ also ignored record evidence that its significant findings were based on an improper groundwater model and thus erroneous.

With this information, we ask the Commissioners to halt any decision on reimbursement for the rate study to LCWSD until the rate study has been provided to the public with adequate and reasonable time to review and respond.

Respectfully submitted,

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