

# City takes hard look at Lion Mountain annexation

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A few Whitefish City Councilors say the city might be forced to annex Lion Mountain and other neighborhoods in order to clean up the septic leachate pollution found in Whitefish Lake.

"They have to have city sewer, plain and simple," Councilor Andy Feury said earlier this month. "We've known this problem has been coming for decades. Lion Mountain has to be sewered and so do all the other areas that need some kind of upgrade. Lion Mountain is clos-

er to us and that makes it easier. We're going to have to come to grips with annexation."

Council held a work session to discuss possible steps to address the pollution as outlined in a recently completed engineering study of the neighborhood. One of the options includes connecting the homes to city sewer and annexing the properties.

Councilor Richard Hildner said the issue is about protecting the water quality of Whitefish Lake, and that means a financial investment from homeowners and likely the city of Whitefish to fix the

problem.

"It's going to be painful for everyone," he said. "It's about how we share the pain with everyone."

Councilor Frank Sweeney said delaying annexation on Lion Mountain might prove to be a compromise of sorts between homeowners and the city.

"It gives people a chance to get comfortable with it and they're not being forced to pay higher taxes right now," he said. "They are paying higher dollars to

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support the cost of providing their own sewer services."

Annexation into the city is not necessarily a palatable option for those who live on Lion Mountain. The city has said annexation could increase property taxes by up to 20 percent for homeowners, in addition to the costs of connecting to city sewer.

Mark Svennungsen said getting a majority of homeowners to agree to annexation isn't likely to happen. He noted that Lion Mountain has its own water system and maintains its own roads.

"When you say you're going to demand to annex, you're not going to be able to provide those other things," he said. "We're not against cleaning up sewer, but annexation is a real problem."

Blaine Wright said he is not convinced that homes in Lion Mountain are or could be the only homes causing an issue in Dog Bay.

"I'm not convinced we have a great big problem with Lion Mountain," he said. "We should be finding the root cause. If there's one small cluster of houses contributing to this, putting in a new system doesn't make sense. I don't want us to pollute the water, but to blanket the whole area and say it's every house up there is not pragmatic."

Del Coolidge said he

wouldn't be happy about the increase he would have to pay for sewer and property taxes, if annexed.

"Like many of the people on Lion Mountain, I live on a fixed income," he said.

Aging septic systems on Lion Mountain and other neighborhoods around Whitefish Lake have been identified as sources of groundwater contamination impacting the lake. Research from Whitefish Lake Institute shows chronic signs of pollution in Dog Bay near Whitefish Lake State Park where groundwater from Lion Mountain seeps into the lake. The majority of homes on Lion Mountain are using septic systems, with half of those over 25 years old, and a third over 35 years old.

A report by Carver Engineering says homeowners should abandon their septic systems and hook up to city sewer to prevent contamination entering the lake and their drinking water. Capital costs to connect the neighborhood to city service is estimated to be \$2.9 million with an annual operating and maintenance costs of \$86,877. That pencils out to user costs of about \$138 a month if some grant funding is obtained, up to \$173 a month without grants.

Council on April 4 did not vote on the matter, but did direct the city attorney to look into the issue of annexation and return with options. Any decisions by Council will need to go through a formal public hearing process.

Mayor John Muhlfeld

said the issue involving Lion Mountain and the other neighborhoods is the link between failing septic tanks and the impact on the water quality of Whitefish Lake.

"I would like to know if there is a way to provide deferred annexation for those neighborhoods because of this issue, while still preserving the right not to defer annexation for other areas within the city," he said. "We need to understand what those potential ramifications are."

City Manager Chuck Stearns says City Council could consider tax rebates as incentives to hook up to city services, or other options to lessen the financial blow. Delaying annexation also is a possibility, but Stearns warned that setting such a precedent is a major concern.

"Anyone else wanting to connect will ask for a deferral," he said. "Without annexation the city will starve."

The city previously had a policy of deferred annexation for up to two years to encourage connection to the water and sewer system. It still has an agreement with Big Mountain that doesn't expire until 2022 when the city can decide whether to annex. However, in 1998 when the city was preparing to annex five large areas right next to city limits it rescinded the resolution and began requiring property owners who were already on water and sewer to sign a consent to annex. The city was sued over the annexation of the areas and the case went to the

Montana Supreme Court where it was decided in 2004 in favor of the city.

Stearns said the city incurred expenses from defending the lawsuit and the annexations were delayed by six years, thus suggesting that delayed annexation might not be the best option.

"People like to live right outside the city limits and still get the benefits from city services without paying city taxes," Stearns said. "People don't like annexation — that's human nature."

Feury disagreed that deferred annexation is an issue for the city saying that no one has challenged the delay of annexation for Big Mountain.

"If we take this area as a whole it's different" than annexing individual homes that connect to services, he said.

If the Lion Mountain neighborhood is annexed, the city would receive increased property taxes. In order to help offset the construction and connection costs, the city could agree to rebate or credit each property owner with an annual amount for a limited time period, Stearns noted.

While grant money could help pay for the cost, at least 50 percent of affected homeowners need to show support for connecting to city services in order to be eligible for funding, according to Lori Curtis of the Whitefish Lake Institute. Curtis says currently the neighborhood is nowhere near reaching that level of support.

"There is an enormous amount of contention about

annexation," Curtis said. "We'd like folks to take advantage of the funding that is available, but the community has to be willing to do it."

A questionnaire sent out to Lion Mountain homeowners regarding the septic leachate only garnered a 36 percent response rate. Of those who did respond, about half said they would prefer to stick with the status quo and do nothing to address the issue.

A study released in 2012 by the institute confirmed septic contamination in Whitefish Lake likely as the result of failing septic tanks. While the study said the lake was safe, it also said the problem was in need of attention before it became worse. An ad hoc city committee then created a management document on the issue recommending preliminary engineering reports to outline mitigation and cost estimates for five neighborhoods — East Lakeshore, Lion Mountain, Lazy Bay, Viking Creek and Point of Pines.

Curtis said systems of policies developed for Lion Mountain would likely be applied to the remaining four neighborhoods to increase management and to treat the issue holistically.

"This will set the tone for the rest of the community," she said. "Everyone needs to participate and find some options that are palatable. If we continue to have issues with the lake, we could be told what to do [by federal and state regulators]. It's better to do something before that happens."