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February 5, 2025

Dear Evergreen Water & Sewer Customers:

Today the Evergreen Water & Sewer Board took actions to construct a critical sewer project. These improvements to our largest pump station, Lift Station 19, will protect neighborhoods in Evergreen near Hwy 35 and Spring Creek as well as all of the Flathead River drainage from sewage spills.

We were very fortunate to receive a \$2 million grant from the state and \$850,000 of debt forgiveness to minimize costs. Almost half of the costs of the project are NOT paid for by Evergreen's customers. The grant money has a strict requirement that this project MUST be completed by December of this year. Our schedule for this project is incredibly tight and we will lose the \$2 million in "free money" if we miss the deadline.

We just finished the bidding process. Montana law allows the Board to award a contract to the low bidder, who is both responsive AND responsible. Selecting a responsible bid from any contractor is critically important, requiring a thorough examination of the bid itself, as well as the history and reputation of the contractor bidding. As to this key word 'responsible', our staff and board must fully trust that any contractor can demonstrate a track record that shows they can meet deadlines, run a safe operation, comply with the contract fully, and treat their subcontractors – particularly Evergreen and Kalispell businesses, in a professional manner.

Please know, your highly competent District staff as well as your Board of Directors have very carefully reviewed all bids received for Lift Station 19 and have concluded that the low bid received must not be accepted, and for reasons stated above. The considerable detail discovered through this review process is not appropriate for this letter. We intend 'no harm, no foul', but must take great care that we do not make a decision through the bidding process, that could result in harm to our critically important Evergreen District.

Although the low bidder's bid is over \$ 500,000 lower than the other bidder's final contract price, the District could lose \$ 2 million if the low bidder performs as it has consistently done in recent Montana projects.

We will always provide safe, reliable, and cost-effective water and sewer services for our customers. That means choosing contractors who are RESPONSIBLE even if the cost is higher than the low bidder. Thank you for your continued support!

Sincerely,

B.J. Lupton, President of the Board of Directors