

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – July 17, 2018

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, July 17, 2018, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Secretary Dick Fast and Directors Brian Wheeler, and Peter Manka. Director Mike DuCuennois joined the meeting at 8:15 am via conference. Vice-President Tom Reeves and Director William Shropshire were not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, and Vince Palafox.

Others present: Steve Johnson, Big Sky Resort Area District; Jon Olsen, Lone Mountain Land; David Madison, Lone Peak Lookout; Sarah Gianelli, Explore Big Sky; Ryan Kuntz and Jesse McGowan, Lone Mountain Ranch; Mace Mangold, WGM Group; Guy Alsentzer, Upper Missouri Waterkeeper; and Kristin Gardner, Gallatin River Task Fork. Scott Buecker, AE2S, participated via conference call.

PUBLIC FORUM

President Cronin called the meeting to order at 8:04 am with no public comment on non-agenda items. Conflict of interest declarations: There are no issues on the agenda that impact President Cronin's lawsuit against Loren Bough and Eric Ossario. Mike DuCuennois is a representative for Yellowstone Club.

CONSENT AGENDA

No comments on consent agenda items. Water and sewer issues will be discussed later in the meeting. Sewer Operations: Burroughs written report stated that he received a request from TD&H for the Town Center's new hotel's pool perimeter be tied into the public sewer system drain for collecting runoff of snow and rain. A new administrative rule requires this. The number of estimated gallons needs to be estimated so that the hotel can be charged for this flow. Water Operations: Matt Huggins, HLH, LLC, sent a follow up letter after his emergency water service request for Firelight at the June meeting. They are no longer in immediate need of water service from the District as they received approval from the HOA to utilize its irrigation well for potable water when needed and a driller was on site last week to begin drilling a new well.

Director Wheeler moved to approve the consent agenda with the minutes of June 19, 2018.

Director Fast seconded the motion. Motion unanimously passed.

LONE MOUNTAIN RANCH (LMR) PRESENTATION

Edwards reported on his meeting with LMR regarding their plans for expansion. On Table 3.01, LMR has 48.2 SFEs allocated, it is considered built out, and shows 7.0 SFEs as unused. LMR is connected to the public sewer system and has an independent water system. Using the "unused" 7.0 SFEs, Ryan Kuntz, LMR General Manager, asked for an increase of 54.55 SFEs for LMR's 10-year plus master development plan needs of 61.55 SFEs. LMR intends to build 3-6 rental cabins within two years and then employee housing, with the rest of the development plans to follow. Resort zoning was explained. No ODP is required. LMR is open to purple pipe for irrigation. Prior to considering approval of additional SFEs, the District will look for a win-win situation where LMR would present beneficial options, i.e. drain field for winter disposal, etc. President Cronin requested LMR's plan be filed as an ODP where development expansion cannot be requested in the future. (*Director DuCuennois joined the meeting at 8:15.*) Infrastructure delivery was discussed. *Kuntz is to provide LMR's water flow to estimate its wastewater flow.* Burroughs addressed the sewer infrastructure, stating that the District's

responsibility ends at the first manhole at LMR. *The board wants the LMR system above this manhole memorialized as LMR's ownership and maintenance responsibility. The board directed Kuntz to have I & I monitored above the manhole.* If needed, District staff can provide assistance and ideas to get the monitoring done. LMR was given clear direction to identify where a drain field for the District's disposal needs can be located and to present any other benefits to the District. If there is to be an agreement with LMR, preliminary work will need to be done with soils and topography, easements etc. Concern about having a dispersed system with disposal at YC, SP, LMR, and Firelight was discussed. The District needs to explore all options for disposal, even the adjoining large tracts.

FY 2018-2019 BUDGET AMENDMENT

Per previous discussion at a budget setting meeting, Smith requested board approval to increase capital expenses up to \$100,000 for a mini-excavator. This increase will not result in a rate increase. The District currently hires outside contractors to do excavation work that staff could do if it had the equipment. With staff already being equipment operators, this excavation work will not affect the District's insurance rates. Pay back would take approximately five years.

Director Fast moved to approve the capital expense budget amendment up to \$100,000 as requested. Director Wheeler seconded the motion. Motion unanimously passed.

ONLINE BANKING AUTHORIZATION

Smith requested the board authorize him to conduct the District's online banking at American Bank, like what is done at First Security Bank (formerly Big Sky Western Bank). The bank's authorization form needs signatures from President Cronin and Secretary Fast.

Director Manka moved to approve adding Smith to the American Bank account to allow him to conduct online banking for the District at the bank. Director Wheeler seconded the motion. Motion unanimously passed.

CAPITAL IMPROVEMENTS PLAN PROJECTS

WWTP Upgrade: Scott Buecker and Maria Effertz Hanson, AE2S, provided their respective engineering and communications report. AE2S, Aqua Aerobics, and equipment suppliers for Nereda SBR and membrane bioreactor (MBR) toured the site with Edwards and Burroughs. SUEZ Water Technologies & Solutions report on the MBR was provided in the board packet. Buecker will provide an update at the August meeting. The engineers are still working on the numbers for using Firelight's drain field as additional information on the drain field is needed.

Edwards reported on his weekly conference call with AE2S staff. The District's new website will be ready the end of August. A "summer" issue newsletter will be mailed out the end of July. A "special edition" newsletter will be sent out the end of August. There was discussion about having an open house at the treatment plant at the end of August, at the time HOAs have their annual meetings. Videographers will be here August 13 to film current operations, which will then be on the District website. The District logo has been reworked.

Cascade Wells 5 & 6: The 72-hour pump testing has gone well. The video did not show any problems with the well casings. Mark Cunnane's draft report on the pump test results will be presented at the August meeting. The pump test on Well 6 shows the sustainability is greatly reduced from the District's original estimate at 400 gpm to Mark Cunnane's estimate of 110 gpm. Due to this lower production, the District will need to downsize and change to a vfd pump.

Muscat stated that the reason for the pump testing was so that the District does not build a treatment plant way bigger than what we can produce. Addressing concerns from Director DuCuennois, *staff will talk to Mark Cunnane about DNRC's 2/3rds rule on well production capacity.* Edwards signed the revised contract with Woodard Curran on June 27, 2018. The pilot project for removing H2S will start the week of September 10th.

DEVELOPMENTS AND SUBDIVISIONS

No new developments to report.

DISTRICT AGREEMENTS

Yellowstone Agreement: All executed pipeline easements for the YC portion of the force main pipeline were obtained by Director DuCuennois and signed by President Cronin. Edwards will record the easements. *The easements around the YC golf course areas need to be completed.* Edwards requested a *legal opinion on July 9 from Susan Swimley regarding the volume commitment at Spanish Peaks as it relates to SFEs that should be available this week.* This opinion will also affect Lone Moose Meadows. *Swimley is to also provide an opinion on liability if the District does not act on breach of contract and what remedies are available.*

Ray Armstrong's notice for engineering and construction for Phase 3 storage capacity and disposal dated July 12, 2018, was in the board packet. This letter starts a two-year timeline for completion with one year for DEQ approval and one year for construction. In July 2020, the District will be able to count on YC for 130 million gallons of storage and 160 million gallons of disposal. *Edwards will verify that the notice letter has been sent to Mike DuCuennois.*

DISTRICT ELECTIONS

Charlotte Mills, Gallatin County Elections Department, verified that appointed directors must meet the same criteria as elected board members...including being registered to vote in Montana. Director Wheeler is registered to vote in Big Sky. Director Shropshire is not registered to vote in Montana. Shropshire would have to change his registered place of voting to Helena to qualify for reappointment. Edwards sent a letter to Mills to clarify that this is correct and also asked for clarification on Wheeler's eligibility (i.e., "lives" in Madison County) for reappointment.

WASTEWATER IRRIGATION SYSTEMS

Meadow Village Golf Course Irrigation: With the weather cooperating, the irrigation flows to Tract B look good. The board packet included graphs and spreadsheets on volumes and year-end target volumes. President Cronin commended District and Boyne staff for their hard work at getting Tract B irrigation working and making a significant decrease in the pond levels. Edwards noted that both SP and YC staff have also worked very hard at getting their irrigation working.

Spanish Peaks Golf Course Irrigation: July 5, 2018, was the two-year deadline for YC/SP to complete its Phase 2 storage pond. The District was notified on July 10th it could again begin pumping water to SP's new booster station even though the project is not 100% complete. Edwards explained the District's ability to move water to SP's pump house and its hole 10/club house pond and the bypass option. SP is irrigating 400,000 to 500,000 gpd and YC is using about 700,000 gpd. Olson reported that they do not have back up pumps, but eventually will. With the complaints of smell Olsen has received, and the interruption in business it has caused, he asked what the District is going to do about odor disinfection. With the District aerating its irrigation pond and not receiving complaints of smell on Tract B, or Boyne's golf

course, Burroughs suggested SP aerate its irrigation pond water before use. SP currently does not have aeration, but a SolarBee system will be installed soon. The board discussed its direct pumping from the District's Pond 1 to SP's irrigation and possible water quality issues to be resolved. Aeration in the District's large pond was discussed with the board directing *Burroughs to work towards a solution at getting an aeration system up and running.* A SolarBee system was suggested with Scott Buecker stating that he does not think that a SolarBee system will be effective. Buecker reported that with the long line to SP, the odor may not be eliminated with pond aeration. AE2S is looking at UV, or other alternatives for treatment. Buecker will work with Edwards and Burroughs on this odor problem as a priority. Olson discussed SP's plan to find the leak in its pond.

Storage Capacity: With the pond volumes and anticipated summer flows, the District needs to dispose of approximately 1.1 mg per day for 76 consecutive days. Including YC's numbers, the District need to irrigate about 172 million gallons by October 1. If everyone meets their irrigation targets, cooperates, and communicates, the District will have enough storage for the winter. Edwards will rework the numbers in his spreadsheet. Underground disposal was discussed. Guy Alsentzer stated that if the treatment levels are really low, then drain field disposal should be considered. Scott Buecker reported that year-round underground disposal on the driving range and horse pasture property does not look good because of hydraulic gradients. For Firelight, DEQ will require updating the non-degradation study. It was noted that South Fork park land, the Simkins vacant lot next to it, and the Ousel Falls strip next to Spruce Cone Drive may work for underground disposal. If the District is already looking at Firelight's drain field and we will have infrastructure in the area, it should look for every space of open ground in that vicinity for disposal. Director DuCuennois reported that YC is working on bringing more irrigation area online in September. To have winter storage available for the District, Olson reported that from September 15-October 15 SP intends to find other areas for irrigation that will allow them to empty its pond.

NEW DEVELOPMENTS AND SUBDIVISIONS

There were no new developments to report this month.

SEWER & WATER PERMITS & CORRESPONDENCE

Approximately 60 SFEs remain for permitting. Tract 2, Meadow View Condos, will be submitting permits applications for about 16 SFEs.

GENERAL CORRESPONDENCE


There was no general correspondence.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, August 21, 2018, at 8:00 am.

ADJOURNMENT

Director Fast moved to adjourn the meeting at 10:13 am. Director Manka seconded the motion. Motion unanimously passed.


Dick Fast, Secretary