

CONFIDENTIAL

**BIG SKY COUNTY WATER & SEWER DISTRICT #363
EXECUTIVE SESSION
MINUTES - DECEMBER 20, 1994**

President Hill asked that personnel matters be postponed until Secretary Neece could be present.

Vice President Ogle motioned that Mike Wheat be the exclusive representative for the District in the Boyne litigation negotiation process. Director Rothschiller seconded the motion. The motion passed unanimously.

The remainder of the Executive Session dealt with the District's legal strategy relating the Environmental Assessment.



W.F. Neece, Secretary

BIG SKY COUNTY WATER & SEWER

DISTRICT #363

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BIG SKY COUNTY WATER & SEWER DISTRICT #363 MINUTES - DECEMBER 20, 1994

The Big Sky County Water & Sewer District #363 met at 3:00 pm on December 20, 1994, in the WSD #363 Conference Room. President Hill, Vice President Ogle and Directors Juel, Meabon, Radick and Rothschiller were in attendance. Secretary Neece was excused for his absence. Also present were Mona Jamison and Mike Wheat, legal counsel for the District, and Bob Bristol, Anderson ZurMuehlen & Co., P.C..

President Hill called the meeting to order. The minutes of the November 15th Board meeting were approved as amended.

Bob Bristol of Anderson ZurMuehlen & Co., P.C., presented the Year End Audit. Vice President Ogle motioned to accept the report. Director Rotschiller seconded the motion. The Year End Audit was unanimously approved.

Ordinance No. 94-1001, limiting the use of individual wastewater treatment systems and establishing requirements for connection to the District's wastewater treatment system, received its second reading. Director Meabon motioned to include the term "lessee" in the definitions segment of the ordinance, to submit the ordinance to Mona Jamison for further revisions, and to resubmit the ordinance to the approval process. Director Radick seconded the motion. The motion was unanimously approved.

Draft Ordinance No. 94-1002, requiring the installation of water conservation devices on faucets, shower heads, and toilets in any new construction and remodeling of buildings within the District, received its first reading. Director Radick motioned that the Board approve Mona Jamison's changes to Ordinances No. 94-1001 and 94-1002 when they are completed, then publish the two together. Director Juel seconded the motion and the motion carried.

Vice President Ogle motioned that the Manger be directed to draft a request to HKM seeking a cost estimate for an approved facilities plan and permits. Director Meabon seconded the motion. During discussion, Director Meabon amended the motion to eliminate the request for permits and Vice President Ogle amended the motion to request that the facility plan be acceptable to the State. The motion carried.

Director Meabon motioned that the Board deny Paul Waters' permit application until such time as his State and County approvals have been provided to the District. Vice President Ogle seconded the motion. The motion passed unanimously.

Director Meabon motioned that the vote on Resolution 94-01, directing the Manager and Operator/Engineer to undertake all necessary and proper actions in order to identify and eliminate all sources of inflow into the sewer system, be recorded. Director Juel seconded the motion. Those in favor: President Hill, Vice President Ogle and Directors Juel, Meabon, Radick and Rothschiller. Those opposed: none.

Director Radick was asked to put his request for inclusion of Aspen Groves Subdivision in the Big Sky County Water and Sewer District in writing.

Director Meabon motioned to approve Resolution 94-02, authorizing the District to enter into a management contract with Lone Mountain Springs. Director Radick seconded the motion. The vote was recorded. Those in favor: President Hill, Vice President Ogle and Directors Meabon and Radick. Those abstaining: Directors Juel and Rothschiller.

President Hill adjourned to Executive Session, but reopened the meeting to address aspects of the Environmental Assessment not related to the District's legal strategy.

President Hill adjourned the meeting to Executive Session.

Director Rothschiller motioned that the meeting be adjourned. Vice President Ogle seconded the motion. The meeting was adjourned.



W.F. Neece, Secretary

CONFIDENTIAL

**BIG SKY COUNTY WATER & SEWER DISTRICT #363
EXECUTIVE SESSION
MINUTES - NOVEMBER 15, 1994**

President Hill adjourned the meeting to Executive Session. In regards to the Boyne Settlement Offer, the Board unanimously agreed to accept the offer presented in Mike Wheat's draft letter to Stephen Barrett, Boyne's legal counsel. A response deadline of Friday, December 15, 1994, was agreed upon as were the most important aspects of the offer - the value of the system, the cost of fully implementing the Interim Action Work Plan, and the credit issues. President Hill directed the Manager to establish a meeting between the District, its legal counsel, Mike Wheat, and legal counsel for the BSOA, Bob Planalp. The Manager was also directed to place a value on the negotiable items of the settlement offer.


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**BIG SKY COUNTY WATER & SEWER DISTRICT #363
MINUTES - NOVEMBER 15, 1994**

The Big Sky County Water & Sewer District #363 met at 3:00 pm on November 15, 1994, in the WSD #363 Conference Room. President Hill, Vice President Ogle, Secretary Neece and Directors Juel, Meabon and Rothschiller were in attendance. Director Radick was excused for his absence.

President Hill called the meeting to order. The minutes of the October 18th Board meeting were approved as published.

President Hill adjourned the Regular Meeting to Executive Session.

The Policy Governing Adoption of Ordinances was adopted unanimously.

Vice President Ogle motioned to adopt draft Ordinance No. 94-1001, Alternative 1, authorizing the Manager to present requests for variances and his recommendations to the Board of Directors for final approval within 45 days of receiving the Manager's recommendations. Secretary Neece seconded the motion. Director Meabon asked that the wording of the ordinance be formalized and that the term "SFE's" in Section 8 (c) be changed to a more general term. The motion passed.

Vice President Ogle motioned that the Manager establish a meeting with HKM Associates to discuss implementation of the Interim Action Work Plan at the previously agreed upon price. Secretary Neece seconded the motion. The motion passed.

Vice President Ogle motioned that the Board accept the Manager's Report. Secretary Neece seconded the motion. The motion passed.

President Hill declared that the meeting was adjourned.



W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - August 31, 1994 Special Meeting

The Big Sky Sewer District 363 Board of Directors met August 31, 1994 at 5:30 p.m. in a special session. President Wayne Hill called the meeting to order. Directors in attendance included Bill Ogle, Skip Radick, Harry Meabon, Bob Juel and Dee Rothschiller. Bill Neece was excused for his absence. HKM engineers, Ray Armstrong, Fred Videon and Al Kirsich were also present.

President Hill called the meeting to executive session to discuss legal issues pertaining to the coordination of a meeting of the district directors, their legal counsel and engineers with the Water Quality Bureau. Following discussion Bill Ogle moved to adjourn the executive session, Dee Rothschiller seconded the motion, motion carried.

HKM engineers took part in the discussion of the coordination of the Long Term Compliance Work Plan and the Interim Action Work Plan. HKM will address the technical issues and outline any questions they may have of the Espey report. The Board decided to postpone the scheduled meeting with the WQB to allow time to submit an additional plan that would meet the needs of the compliance order by addressing increased aeration of the ponds, expanded irrigation on the golf course and demonstrates water conservation measures taken within the community.

There being no further business the meeting was adjourned

W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - July 19, 1994

The Big Sky Sewer District 363 met at 2:30 pm on July 19, 1994 in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Skip Radick, Bob Juel and Dee Rothschiller. Bill Ogle was excused for his absence.

President Hill called the meeting to executive session to hear a report from the District's legal counsel Mona Jamison regarding current status with the Water Quality Bureau.

President Hill called the regular meeting of the Board of Directors to order. The minutes of the June 21, 1994 meeting were approved as prepared. Skip Radick moved to ratify the minutes and Board actions of the June 7, 1994 special meeting. Bill Neece seconded the motion, motion carried. Harry Meabon moved to approve the minutes and Board action of the July 15, 1994 special meeting. Bob Juel seconded the motion, motion carried.

Harry Meabon moved to authorize Mona Jamison to write County Attorneys Mike Salvagni and Loren Tucker urging them to accept her interpretation regarding the counties' ability to contract with Sewer District 363 to commit resort tax revenues to the construction, maintenance and operation of the sewer system. Bill Neece seconded the motion, motion carried.

Mona Jamison offered to contact Mae Nan Ellingson in regards to introducing legislation to provide resort areas with the same bonding authority as resort communities.

Following review and research of Low Dog Road Lot 339 construction re-start staff recommended to re-issue the permit as the project met the criteria established for an on-going project i.e. Big Horn Condominiums.

Harry Meabon moved to approve payment of HKM amended invoice #20-4M357.102, in the amount of \$9,232.34, as approved by the Board in May. Dee Rothschiller seconded the motion, motion carried.

Bill Neece moved to approve the implementation of a reporting policy for unauthorized sewer discharge. Bob Juel seconded the motion, motion carried.

Lone Mountain Ranch submitted an amended hook-up application for the Carlin residence changing the structure from residential to commercial. Bob Juel moved to approve the commercial designation subject to submittal of a full set of working drawings for District 363 files, the inspection of plumbing fixtures prior to connection to the system and installation of low flow fixtures. Dee Rothschiller seconded the motion, motion carried.

Harry Meabon moved to adopt I&I Resolution # 94-01 and prepare it for signatures of the District President and Secretary. Skip Radick seconded the motion, motion carried. The Board considers inflow to be water discharged into the sewer system from unauthorized sources. Staff was directed to identify and eliminate all sources of inflow into the system.

Chip Hamilton was directed to research existing subdivisions that must comply with an architectural committee, including those on septic systems.

Chip Hamilton will research and draft a water management ordinance aimed at new construction and be included in the architectural review process of subdivisions within the District boundaries. The application would require a full set of working drawings by a licensed architect for District files.

Bob Juel motioned to authorize Chip Hamilton to hire Grant Burroughs for the position of operator for the District. Dee Rothschiller seconded the motion, motion carried. Chip will outline job conditions and forward a proposal to Burroughs.

Skip Radick moved to approve the final budget as prepared for fiscal year 1994/95. Dee Rothschiller seconded the motion, motion carried.

There being no further business the meeting adjourned at 5:30 p.m.

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SEWER DISTRICT 363
SPECIAL MEETING
Minutes - July 15, 1994

The Big Sky Sewer District 363 Board of Directors met July 15, 1994 at 7:30 a.m. in the BSOA Conference Room. This special meeting was called by Chip Hamilton, Project Manager, to review the Interim Action Work Plan as requested by the Water Quality Bureau and prepared by Espey, Huston and Associates.

President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Bill Ogle, Bill Neece, Bob Juel, Skip Radick and Dee Rothschiller. Chip Hamilton was also present.

Following page by page review of the document Bill Ogle moved to adopt the Interim Action Work Plan, with changes, as prepared by Espey, Huston. Bill Neece seconded the motion, motion carried unanimously. The report was approved for submission to the Water Quality Bureau the week of July 20, 1994.

W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - June 21, 1994

The Directors of Sewer District 363 met June 21, 1994 in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Bill Ogle, Harry Meabon, Skip Radick, Bob Juel, Bill Neece and Dee Rothschiller. Chip Hamilton, Project Manager, was also present. The minutes of the May 17th meeting and the special meeting of June 7th were approved as prepared.

Hank Miller and Richard Barton from the Gallatin Canyon Rural Fire District discussed the addition to Fire Station #1. The department will need to complete a commercial application to determine the monthly useage fee and provide the office with a set of building plans. There will not be a hookup fee for the addition as there will not be additional load to the system.

The draft facility plan was finalized and has been submitted to the State for review. Comments back to the district are not expected for several weeks. The Interim Action Work Plan is in the process of design and will also be submitted to the state for approval.

Harry Meabon moved to direct Chip Hamilton to research the legalities of passing a resolution acknowledging the District seek reimbursement of past engineering expenditures from the first bond sale. Bill Ogle seconded the motion, motion carried.

Office lease has been signed with Meadow Center Inc. for space above the post office building with common area and receptionist to be shared with BSOA.

Bill Ogle moved to accept the preliminary budget as presented with adjustments to the benefits and payroll tax line items. Skip Radick seconded the motion, motion carried. The budget will include \$400,000 in resort tax funds as allocated by the joint county commissions.

Bob Juel moved to include all letters regarding the alleged involvement of Harry Meabon in the purchase of the Westfork water system, including Meabon's personal letter to be part of the District's official records. Skip Radick seconded the motion, motion carried with Meabon abstained. Mike Wheat will respond to the Barrett letter of June 6, 1994.

Skip Radick moved that the District pursue the purchase of the Westfork water system and be a party to the negotiation process, Bill Ogle seconded the motion, motion carried with Bob Juel abstained.

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Minutes - June 21, 1994

A letter will be written to Paul Pariser, Big Horn Condominiums, giving him five working days to respond to the illegal Big Horn sewer connection. The connection was not approved by the District and must go back to the State for review and approval.

Chip Hamilton will look for additional sources of land for spray irrigation from Boyne, Simkins and BSOA properties.

Chip Hamilton will investigate the hookup application of Lone Mountain Ranch as submitted July 1, 1993 to see if there have been any changes from the original submittal.

There being no further business the meeting was adjourned.

W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - June 7, 1994

The Sewer District Directors met in special session June 7, 1994 at 12:00 noon in the sewer office. President Wayne Hill called the special meeting to order. Meeting notice was posted in the window of the BSOA office. Action taken at this special meeting will be ratified by the Board of Directors at the next scheduled formal meeting per Mike Wheat opinion. Directors in attendance included Bill Ogle, Bob Juel, Skip Radick, Dee Rothschiller, and Bill Neece. Chip Hamilton was also present. President Hill called the meeting to executive session to discuss personnel and legal matters.

The Board read a letter of resignation from Terry Threlkeld as engineer/operator for the District. Bill Ogle moved to accept the resignation of Terry Threlkeld effective immediately. Bill Neece seconded the motion, motion carried. Chip Hamilton was directed to write a letter to Threlkeld accepting his resignation unconditionally, letter to be signed by Chip Hamilton for the District and Bill Murdock for the Steering Committee. Steering Committee in its present form is now abolished. Chip Hamilton was directed to seek out a replacement operator immediately.

Bill Ogle moved to adjourn the executive session Bill Neece seconded the motion, motion carried. Regular session followed.

Lone Mountain Springs has offered to contract with the Sewer District to operate and maintain the water distribution system owned by LMS. Chip Hamilton was directed to draft a contract to be reviewed by Mike Wheat similar to the MOU that was just dissolved.

Chip Hamilton reviewed the Wastewater Treatment & Disposal System Field Investigation Report prepared by Espey, Huston & Associates, Inc. for the Big Sky Water & Sewer District 363. This report analyzed the existing system to determine possible solutions for an Interim Action Work Plan as requested by the Compliance Order from the DHES. Bill Ogle moved to contact Espey, Huston & Associates to complete the study now in draft form and engage them for the budget amount, not to exceed 10%, of the proposed construction price of \$1,102,500 for their services to engineer the project and present to the State of Montana, for their approval, an Interim Action Work Plan. Mike Wheat and Mona Jamison must be contacted for legal approval before the contract is executed by President Hill. Motion carried unanimously.

Page 2
Special Meeting - June 7, 1994

Chip Hamilton and Bill Neece will meet with John Kircher and Doug Kremer regarding golf course irrigation utilization of more treated water. The Espey report determined that less than 50% of irrigable land is actually being irrigated.

Special Meeting adjourned at 1:30 p.m.


W.F. Neece, Secretary

SEWER DISTRICT #363

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STEERING COMMITTEE Minutes - June 7, 1994

PRESENT: Bill Murdock, Chairman, Wayne Hill, John Kircher, Bill Ogle, Chip Hamilton and Dee Rothschiller

Chairman Bill Murdock called a meeting of the Steering Committee to order at 9:30 a.m. on June 7, 1994. This meeting was called to discuss the status of the Steering Committee following the resignation of Terry Threlkeld, Water & Sewer Operator and a motion by the BSOA Board of Directors to no longer participate in the Steering Committee under its current makeup. Chip Hamilton, Project Manager for Sewer District 363, suggested the District enter into a similar contract with Lone Mountain Springs for management services that would include hiring a joint water & sewer operator plus management of the daily operations of LMS, operator to answer to District Manager. The end goal would be the District acquiring LMS and having the ownership of both under one entity. A management document will be drafted for LMS review. Written reports to be supplied on a regular basis, with accounting/billing to be in control of LMS per Kircher request.

Wayne Hill moved to liquidate the Steering Committee based on the BSOA motion and the premise that a similar relationship be formed between Lone Mountain Springs and District 363. John Kircher seconded the motion, motion carried.

Terry Threlkeld may continue to offer his services on a consulting basis as needed for the water and sewer operation.

There being no further business the meeting was adjourned.

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SEWER DISTRICT 363 Minutes - May 17, 1994

The Directors of Sewer District 363 met May 17, 1994 in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Bill Ogle, Skip Radick, Bob Juel, Bill Neece, Dee Rothschiller and Harry Meabon. Chip Hamilton, Project Manager, was also present. The minutes of the May 10, 1994 meeting were approved as prepared.

Chip Hamilton reported that HKM will have a facility plan draft ready for Board review on Friday with state submittal scheduled for June 1.

Legal opinion will be requested for allocation of hookups assuming the state and District moratorium is lifted.

Bill Ogle moved to authorize Chip Hamilton to retain the services of Espey Huston & Associates, Inc. Engineering & Environmental Consultants as outlined in their proposal. Bill Neece seconded the motion, motion carried. The firm will determine what type of interim measures may be taken to increase the efficiency and improve the existing plant. They will also be asked for a soil analysis of the golf course.

Chip Hamilton will meet with Doug Kremer, golf course superintendent to review soil analysis charts from the past several years.

Skip Radick moved to adopt the policy on access to public information as written. Dee Rothschiller seconded the motion, motion carried. Access through this policy is for the sole purpose of protection of District original records and files, requests for information to be made in writing to the President of the Board.

Bill Ogle moved to lease unit K of the Meadow Center Commercial building for sewer district office space as soon as it becomes available, terms as presented by Chip Hamilton, Harry Meabon seconded the motion, motion carried.

Anderson Zurmuehlen data base consultant will meet with Chip Hamilton early June to discuss implementation of a data base system capable of handling the District's financial needs. Harry Meabon moved to direct Chip Hamilton to research the data base needs of the District, Bill Ogle seconded the motion, motion carried.

Chip Hamilton will report back to the Board following a meeting with the Steering Committee and legal opinion as to the District approaching the Steering Committee MOU from a different perspective and contracting operator services to Lone Mountain Springs.

Harry Meabon moved to authorize Chip Hamilton to contact Mae Nan Ellingson to serve as bond counsel to the District with respect to the issuance of bonds to finance the Project and sign her employment contract as submitted providing legal counsel agrees. Bob Juel seconded the motion, motion carried.

Harry Meabon moved to approve the \$10,808.10 HKM invoice dated April 21, 1994 as submitted, Bill Ogle seconded the motion, motion carried.

Chip Hamilton was directed to draft a Water Conservation Ordinance for Board review.

Harry Meabon moved to have Chip Hamilton review the amnesty resolution concept and prepare a resolution for Board action. Skip Radick seconded the motion, motion carried. The public would be noticed to report any illegally connected drains that may have an impact on the system such as storm drains, etc.

Chip Hamilton will contact the owners of the home on Low Dog that are having problems with sewer freeze ups due to improper installation at the time of construction.

There being no further business, the meeting adjourned at 6:20 pm.


W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - May 10, 1994

The Sewer District Directors met May 10, 1994 in the Kenyon Noble Board Room in Bozeman at 1:30 pm. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Skip Radick, Bob Juel, Bill Ogle and Dee Rothschiller. Bill Neece was excused for his absence. Mona Jamison, Mike Wheat and Bob Planalp were also present. The minutes of the April 26 and April 28 were approved as prepared.

Chip Hamilton reviewed a baseline time schedule of critical issues facing the District beginning with the facility plan submittal to the State thru the approved operation of the Phase 1 plant.

Chip Hamilton was directed to answer the letter from HKM dated May 6, 1994 approving the request for additional engineering services for phase 1 only, verify full build out of approved subdivisions.

President Hill moved that the meeting adjourn to executive session to discuss legal issues.

Following executive session President Hill reconvened to regular session.

Formal Board of Director meeting dates have been set for the third tuesday at 3:00 pm with special meetings called as needed.



W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - May 3, 1994

The Sewer District 363 scheduled meeting for May 3, 1994 was not officially called to order for lack of a quorum. Directors in attendance included Harry Meabon, Bill Neece and Dee Rothschiller.

Secretary Bill Neece welcomed Chip Hamilton, newly hired project manager for the District.

The Directors present reviewed the project manager contract and scope of services with Hamilton and mutually agreed on a few minor changes. Contract to be signed upon the return of Wayne Hill.

Chip Hamilton suggested setting one date per month for the formal monthly meeting. Directors will vote on an agreed upon date at the next meeting.

Harry Meabon and Bill Neece will present the District's application for Resort Tax funding at the May 4th meeting of the Resort Tax Advisory Board. Extra copies of the application will be available to review in the Sewer District office.

Ground rules will be set for one single media spokesman that will serve as the District voice to the community for public information.

Agenda action items were tabled until the next board meeting

The next scheduled meeting will be May 10 in the Kenyon Noble Board room. This meeting will adjourn to executive session to discuss legal matters. Mona Jamison, Bob Planalp and Mike Wheat will be in attendance at that time.



W.F. Neece, Secretary

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SEWER DISTRICT 363 Minutes - April 28, 1994

Sewer District 363 Directors met in the Sewer Conference room on April 28, 1994 at 10:00 am. President Wayne Hill called the meeting to order. Directors in attendance included Skip Radick, Bill Neece, Harry Meabon, Bob Juel and Dee Rothschiller. Bill Ogle was excused for his absence.

Harry Meabon moved to adopt the Project Manager Agreement as revised. Skip Radick seconded the motion, motion carried.

Skip Radick moved to adopt the Scope of Services for the project manager as finalized. Bill Neece seconded the motion, motion carried.

Harry Meabon moved to include the compilation of financial statements for the period ending March 31, 1994 as prepared by Anderson Zurmuehlen, CPA, in the application to the Resort Tax Advisory Board as part of the request for funds for fiscal 1994, 1995. Skip Radick seconded the motion, motion carried.

Following review of the 1994/1995 budget Harry Meabon moved to approve the budget as finalized. Bob Juel seconded the motion, motion carried.

Dee Rothschiller moved that the Directors of 363 request the Resort Tax Advisory Board to appropriate \$500,000 of resort tax revenues to Sewer District 363 for the fiscal year ending June 30, 1995. Bob Juel seconded the motion, motion carried.

Harry Meabon and Bill Neece will present Sewer District 363's application for Resort Tax funds to the Resort Tax Advisory Committee on May 4, 1994. The request will be made to offset extraordinary costs anticipated in the next budget cycle.

There being no further business the meeting was adjourned



W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - April 26, 1994

The Sewer District 363 Board of Directors met April 26, 1994 at 2:30 pm in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Bill Ogle, Bill Neece, Skip Radick, Bob Juel and Dee Rothschilder. Mona Jamison, Jim Woy, Fred Videon and Ray Armstrong were also present. The minutes of the April 19, 1994 meeting were approved as changed.

Jim Woy, CPA, discussed the draft compilation of the financial position of the District for the six month period ended March 31, 1994. Woy will finalize the interim report for inclusion in the resort tax application. Woy encouraged the Board to petition the counties to continue to perform the 1994 billing and initiate a good billing system in house during the year with a long range plan that would include joint billing possibilities and give adequate notice to District members of the changes that would take place the following billing cycle.

Fred Videon and Ray Armstrong, HKM engineers, reviewed draft facility plan options for a sewage treatment facility. Discussion included an interim and long range plan that would include an advanced treatment plant, construction of an additional pond that would also be used while the large pond is being lined, spray irrigation on the golf course, pumping and storing effluent for snow making uses, and moving ahead with the request for a discharge permit.

Mona Jamison strongly recommended that the facility plan be structured to reflect all of the originally approved subdivisions, and all previous commitments, including Westlands. These prior approved commitments constitute the base line for "no-growth" construction. Further, the baseline commitments must translate to a sewage treatment plant capable of handling wastewater volumes expected with the "full build-out" accompanying these historical and prior approved commitments. A facility plan designed for volumes less than that required for "full build-out" would be considered a phased facility, which recognizes the economics of building a smaller plant to handle reasonable projected volumes in the near term. It is this smaller plant, not a full build out plant, that will be presented in the Draft Facility Plan. This facility plan will be referred to as "Final Draft For Purposes of Discussion Only".

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Minutes - April 26, 1994

President Hill called the meeting to executive session to discuss matters of potential litigation. Following the executive session the meeting was adjourned.

A handwritten signature in blue ink, appearing to read "W.F. Neece", is written over a horizontal line.

W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - April 19, 1994

The Sewer District Board of Directors met April 19, 1994 at 3:00 pm in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Bill Ogle, Bill Neece, Dee Rothschilder, Skip Radick, Bob Juel and Harry Meabon. Mona Jamison, attorney, was also present. The minutes of the April 14, 1994 meeting were approved as prepared.

President Wayne Hill asked that the record show that he called the meeting to executive session to allow the Directors and legal counsel Mona Jamison to discuss strategy with the Water Quality Bureau.

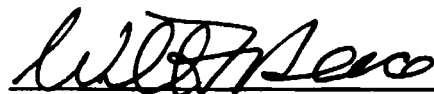
The meeting was reconvened following the adjournment of the executive session.

Bill Ogle moved to approve the assignment of engineering consultant tasks designated by Mona Jamison retroactive to the date of the signed engagement letter with Jamison. Bill Neece seconded the motion, motion carried.

Harry Meabon will attend a meeting with WQB, HKM and Mona Jamison on April 20th in Helena to discuss the status of the facility plan for the Big Sky sewer improvements.

Mona Jamison, HKM and Jim Woy will attend the next Board meeting scheduled for April 26 at 3:00 pm in the BSOA conference room.

The meeting was adjoured at 6:00 pm



W.F. Neece, Secretary

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SEWER DISTRICT 363 Minutes - April 14, 1994

Sewer District 363 met April 14, 1994 at 3:00 pm in the BSOA conference room. Chairman Wayne Hill called the meeting to order. Directors in attendance included Skip Radick, Dee Rothschiller, Bill Ogle and Harry Meabon. Bill Neece and Bob Juel were excused for their absence. Bill Ogle moved to amend the agenda to discuss selection of a project manager first. Harry Meabon seconded the motion, motion carried. The minutes of the April 5, 1994 meeting were approved as corrected.

Bill Ogle moved the board take action to hire Z.O. Hamilton as consultant for Sewer District 363 for an initial period of 6 months, terms and conditions of hiring agreement as directed by the President and or one other board member and approved by the entire board. Draft consultant agreement to be reviewed by legal counsel. Skip Radick seconded the motion, motion carried.

Wayne Hill will contact Mike Wheat regarding the employment contract, job description and insurance for the consultant. Also an opinion on the district's legal responsibility and liability regarding water issues in Big Sky.

Harry Meabon will provide HKM with a legal description of the Simkins property east of the ponds for survey crews that are expected to arrive the third week of April.

HKM will be asked to attend the April 26th Board meeting to discuss the draft facility plan to be submitted to the WQB May 1, 1994. Jim Woy, CPA, Anderson Zurmuehlen will also attend to present a complete compilation of the District's financial position for the period ended March 31, 1994.

Terry Threlkeld will respond to the letter from Paul LaVigne dated April 8, 1994.

Harry Meabon was directed to draft a legally sound resolution that would consider granting amnesty to any 363 customer who may have inflow discharging into the system for a period of time to be set by the Directors.

Terry Threlkeld, Ray Tout and Harry Meabon will attend the Montana Water Environment Association convention in Helena April 21 & 22.

There being no further business the meeting was adjourned


W.F. Neece, Secretary

SEWER DISTRICT #363

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Big Sky, Montana 59716

(406) 995-4166

FAX: 995-4899

SEWER DISTRICT 363 Minutes - April 5, 1994

Sewer District 363 met April 5, 1994 in the BSOA conference room. Vice Chairman Bill Ogle called the meeting to order. Directors in attendance included Dee Rothschiller, Bill Neece, Bob Juel, Skip Radick and Wayne Hill. Harry Meabon moved to approve the minutes of the March 29, 1994 meeting as prepared. Bill Ogle seconded the motion, motion carried.

The HKM Summary Report of Infiltration & Inflow at Big Sky was distributed for review. Action will be taken at the next board meeting.

Bill Ogle will contact three other engineering firms that have designed spray irrigation oriented systems. The District and Boyne will attempt a joint effort to write a new golf course irrigation contract that the District needs to perform under. Legal opinion will be requested from Mike Wheat.

HKM to arrive next week to survey site specific treatment ponds, acres east of the ponds and 7 observation well elevations.

The Board's involvement in community fire protection and local developers share of the cost of tankage that would ensure adequate protection for the entire community and was discussed. Wayne Hill moved to set up the procedure to investigate the legal responsibility, liability and legal authority to deal with water related issues in Big Sky. Bill Neece seconded the motion, motion carried. Wayne Hill as a member of the Public Works Committee and Skip Radick were designated to represent the District on water issues. Bill Ogle will direct these questions to Mike Wheat.

Skip Radick reported that references have been checked for the three project consultant finalists. Interviews will be completed by April 14 and a hiring decision made at that time. Skip Radick moved to reimburse the candidates for interview expenses. Bill Neece seconded the motion, motion carried. Each Board member is to submit two interview questions to Skip Radick. Mike Wheat will write up an employment contract.

Dee Rothschiller was directed to contact three companies for available office space. Physical handicapped access that meets the American Disability Act required.

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Minutes - April 5, 1994

Wayne Hill moved to direct Anderson Zurmuehlen to estimate the cost for a data base program keyed to the county program currently in use with expanded capabilities. Bill Neece seconded the motion, motion carried. Bill Ogle will also contact an outsource firm.

Terry Threlkeld reported that there has been no change in the status of Cascade 292 septic permit request from the state or county.

Mona Jamison will attend the April 19, 1994 board meeting.

There being no further business the meeting was adjourned.



W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - March 29, 1994

Sewer District 363 Directors met March 29, 1994 at 1:00 pm in the Sewer Conference Room. Vice President Bill Ogle called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Skip Radick, Bob Juel and Dee Rothschiller. Wayne Hill was excused for his absence. Harry Meabon moved to approve the minutes of the March 22, 1994 meeting as prepared. Bill Neece seconded the motion, motion carried.

Bill Neece moved to approve the Anderson Zurmuehlen audit, ending September 30, 1993, as submitted with the attached list of deposit accounts and balances. Skip Radick seconded the motion, motion carried. Dee Rothschiller will request AZ to provide a cash position as of March 31, 1994 that will be included in the May 6th Resort Tax request.

The District received a letter from American Bank, Livingston, pledging a \$1,000,000 U.S. Treasury Note Cusip No. 912827L91 as security for District funds on Deposit at American Bank.

A summary of the March 23, 1994 meeting with WQB was received from Ray Armstrong, HKM. The final draft facility plan will be submitted on May 1, 1994. WQB has asked the District to elaborate on what measures will be taken to undertake the implement of water conservation. Spray irrigation at the Yellow Mule site and the golf course was reviewed. Construction of a advanced treatment plant cannot proceed until the final disposal process, irrigation or discharge, is resolved. Bill Ogle will respond to the Big Sky Lumber spray irrigation memorandum of March 22, 1994.

Harry Meabon moved to pay HKM \$9,413.73 as reflected in the March 21, 1994 billing and shift \$574.02 from the facility plan to the I&I budget. Bill Neece seconded, motion carried. \$30,000 in paid HKM invoices will be submitted to the Resort Tax Board for reimbursement.

Survey work of the Simkins property east of the ponds will begin as soon as weather permits. The Board will consider summer construction of a lined storage pond to be used while the large pond is under repair and look for land that might be available to lease for temporary irrigation.

Skip Radick and Bob Juel were directed to narrow the field of candidates for a project manager to three choices for board review at the next meeting.

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Minutes - March 29, 1994

Big Horn Condominiums received final architectural approval for 17 additional units at the March 24, 1994 meeting. Mr. Pariser submitted a sewer hookup and inspection application for 17 units. The check in the amount of \$8,500 was paid under protest.

Terry Threlkeld reported that the Data Gator has been shipped.

There being no further business the meeting adjourned at 3:00 pm.



W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT 363 Minutes - March 22, 1994

The Sewer District Directors met March 22, 1994 in the Sewer Conference room. Vice President Bill Ogle called the meeting to order. Directors in attendance included Dee Rothschiller, Bill Neece, Skip Radick, Bob Juel and Harry Meabon. Wayne Hill was excused for his absence. Harry Meabon moved to approve the minutes as written, Bill Neece seconded the motion, motion carried.

Bill Ogle was authorized to sign the written proposal from Mona Jamison regarding representation of the District on matters relating to Compliance Order No. W2-93-001 as outlined in her letter of March 22, 1994.

Mae Nan Ellingson's bond counsel proposal will be forwarded to Mona Jamison for legal review.

Dee Rothschiller was directed to contact Ginnie Tate, American Bank of Livingston requesting a written agreement from the bank to collateralize 100% of District Accounts that are over FDIC limits.

Harry Meabon will attend the joint County Commission Resort Tax meeting March 25. Harry will give the Commissioners a synopsis of important events that have occurred in the current and future operations of the Big Sky treatment facility. This information is for review in advance of the April 6th Resort Tax meeting. The District has requested to be on the agenda for that meeting.

Bill Ogle will sign the letter to Joe Sabol, Big Sky Lumber attorney, outlining the District's perception of Big Sky Lumber's offer to deed 900 acres to be used for spray irrigation. Big Sky Lumber response will be evaluated at the next board meeting.

Harry Meabon will represent the District at the March 23, 1994 meeting with the WQB and HKM engineers. Meeting will focus on steps needed to meet the May 1, 1994 final facility plan deadline and to gather prices for spray irrigation at the Yellow Mule site.

A letter will be written to Tom Leroy regarding test results for the well recently drilled on his property. If test results show that there is a problem and it is the District's fault the District will pay for a proper solution.

~~There being no~~ further business the meeting was adjourned.



W.F. Neece, Secretary

SEWER DISTRICT #363

PO Box 160057 • Big Sky, Montana 59716 • (406) 995-4166 • FAX: 995-4899

SEWER DISTRICT 363 Minutes - March 16, 1994

The Sewer District 363 met March 16, 1994 at 4:00 pm in the sewer conference room. Vice President Bill Ogle called the meeting to order. Directors in attendance included Skip Radick, Harry Meabon, Bob Juel, Bill Neece and Dee Rothschiller. Wayne Hill was excused for his absence. Skip Radick moved to approve the minutes of the March 11 meeting as prepared, Bill Neece seconded, motion carried.

District Directors attended a 2:30 pm joint meeting with the Citizens Advisory Committee to hear a proposal from Joe Sabol, Big Sky Lumber attorney, for the possible joint use of 900 acres for spray irrigation. The 900 acres and easements would be dedicated to the District with BSL receiving the right to hook 1200 defined units to the system. BSL would pay all hookup, inspection and user fees but no impact fees. Bill Neece was directed to outline the Directors' perception of the meeting in letter form to Big Sky Lumber. Harry Meabon was directed to meet with HKM to determine cost data.

Harry Meabon moved to accept Terry Threlkeld's recommendation to purchase an 8 inch Data Gator with accessories necessary for the operation of the device at an approximate cost of \$7,000. Skip Radick seconded the motion, motion carried.

Dee Rothschiller moved to hire a project consultant for no less than three months or as long as necessary to accomplish the goals as set forth by the Water Quality Bureau. Bill Neece seconded the motion, motion carried. Final three general manager applicants will be sent a letter asking if they would be interested in any future solicitation.

Bill Ogle will contact Jock Anderson for a legal opinion on the change to Cascade covenants that allows on site septic systems and draft By-law and Articles of Incorporation for the district.

There being no further business the meeting adjourned to executive session to discuss legal matters.


W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT #363 Minutes - March 11, 1994

The Sewer District #363 met March 11, 1994 at 2:00 p.m. in the BSOA conference room. Bill Neece, secretary, called the meeting to order. Directors in attendance included Harry Meabon, Bob Juel, Skip Radick, Dee Rothschilder and Bill Ogle. Wayne Hill was excused for his absence. Harry Meabon moved to approve the minutes as changed. Bob Juel seconded, motion carried.

Skip Radick and Bob Juel will include district state and federal codes to the job description for general manager. The top three candidates will be presented to the board for review at the next meeting. The Board will also discuss hiring a project manager vs general manager at this time.

Mona Jamison, attorney, briefed the Board on her past association with the WQB and a possible action plan for short and long term solutions to the compliance order. She also stressed the importance of creating a paper trail and positive public opinion. Harry Meabon moved to offer Mona Jamison to be our legal counsel in guiding District 363 through the permit process, the facility plan and the compliance order or until we choose to discharge her for any reason. Bill Neece seconded the motion, motion carried unanimously. Bill Ogle was directed to notify Alan Joscelyn that another choice has been made and thank him for his high quality services to date. Jamison will write a letter of engagement to the District.

Terry Threlkeld was directed to provide the directors with a firm cost, availability, and three field users that would verify the effectiveness and accuracy of a Data Gator to record instantaneous flow over a 90 day period.

The Citizens Advisory Committee has scheduled a special meeting on March 16th at 2:30 p.m. with the District and interested parties to discuss a land offer from Big Sky Lumber to the District for possible spray irrigation.

Bob Juel moved to authorize Bill Ogle to sign a letter of representation in respect to the financial position of RID 305 for Anderson Zurmuehlen, CPA firm. Harry Meabon seconded, motion carried. Final audit report will be available for distribution by March 18th.

Correspondence from C.J. Hanan will be forwarded to legal counsel for opinion as to what the district is legally obligated to provide.

Page 2
March 11, 1994

Harry Meabon is in the process of preparing a presentation for the Resort Tax Committee complete with projections and exhibits. A draft will be available for Board review at the next meeting.

Bob Planalp and Mike Wheat will receive a copy of the letter from Boyne's attorney discussing the February 1992 amendment to Cascade Subdivision Covenants. The District does not condone this covenant change and would expect any temporary sewer facility to disconnect temporary facilities when community service is available.

A current status report of the suspense account funds will be forwarded to Boyne as of February's bank statement. Quarterly reports will be scheduled from that date forward.

Harry Meabon moved to request HKM to assess the golf course contract and provide the District with a scope and cost estimate for testing and analysis of the total program so meet pollution laws. Bill Neece seconded the motion, motion carried. Terry Threlkeld was directed to monitor water elevations in the ponds.

Bill Neece moved to authorize Dee Rothschiller to investigate the cost and terms of renting units A&B of the Meadow Center for sewer offices. Harry Meabon seconded, motion carried.

Harry Meabon was directed to attend a 1:30 p.m. meeting of HKM and WQB engineers March 23rd at the Bozeman HKM office to discuss the status of the Facility Plan for the Big Sky sewer improvements. A meeting notice has been mailed to Boyne.

Bill Neece moved that the meeting adjourn to Executive Session. Dee Rothschiller seconded, motion carried.

A handwritten signature in dark ink, appearing to read 'W.F. Neece', is written over a horizontal line.

W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT #363 Minutes - March 7, 1994

The Sewer District #363 Board of Directors met March 7, 1994 at 3:30 pm in the BSOA Conference Room. Vice-President Bill Ogle called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Skip Radick, Bob Juel, and Dee Rothschiller. Wayne Hill was excused for his absence. Skip Radick moved to approve the minutes of the February 25, 1994 meeting as changed, Dee Rothschiller seconded the motion, motion carried.

Vice President Bill Ogle signed the HKM authorization request to increase the Facility Plan Phase by \$37,153 as approved by the board on February 25, 1994.

Steering Committee has requested Bill Murdock provide a weekly work report identifying work items, work accomplished and percentage of time spent on sewer and water duties. This report will be part of the management record and tasks performed by Threlkeld and part time employees.

Water analysis and testing program for the wells and surface water is being done on a monthly basis. Terry Threlkeld was directed to send a map of the test sites with a cover letter to the WQB and HKM requesting comment and approval. One additional test will be done below the confluence of the Gallatin.

Terry Threlkeld was directed to put together a proposal to rent or purchase two Data Gators, to measure I&I flows and document where the flows are coming from. The second phase of I&I work was planned to begin April 11th but the Board will wait until the I&I report from HKM is in hand.

Harry Meabon will hand deliver a draft copy of the history of Big Sky to HKM. BSOA and Boyne will be provided a copy of the finalized copy.

Harry Meabon moved to approve the addition of \$100 to the HKM significance review budget bringing that total to \$10,564.70. Bob Juel seconded the motion, motion carried.

Harry Meabon moved to approve the additional invoice of \$4,725.51 to the HKM facility planning phase, including I&I bringing current total invoices to \$19,517.36. Bill Neece seconded the motion, motion carried.

Harry Meabon will work with HKM to prepare a budget for 94/95 to include spray irrigation and SBR. HKM will begin the survey project

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Minutes - March 7, 1994

Board members were requested to review the job descriptions for a general manager, project manager and operator with comments to Skip Radick before the next meeting.

Dee Rothschiller will write a letter to the Resort Tax Committee requesting to be placed on the agenda for the March 25th meeting to be held on the mountain with full County Commissioner attendance.

There being no further agenda business, Bill Neece moved the meeting adjourn to Executive Session to discuss legal matters. Bob Juel seconded the motion, motion carried.



W.F. Neece, Secretary

SEWER DISTRICT #363

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SEWER DISTRICT #363 Minutes - February 25, 1994

The Sewer District #363 Board of Directors met February 25 at 3:00 pm in the BSOA conference room. Vice-President Bill Ogle called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Skip Radick and Bob Juel. Dee Rothschiller was excused for her absence. The minutes of the February 16, 1994 meeting were approved as prepared.

Harry Meabon moved to adopt a resolution to incorporate into our Articles of Incorporation or By-laws, whichever is appropriate, that individual members of the board would be indemnified as long as they are acting prudently in each instance to the extent of the District's ability to fund each occurrence. Bob Juel seconded the motion, motion carried unanimously.

Harry Meabon discussed collateralization of cash assets, recognizing that there are standards for collateralizing all of our deposits. Harry moved that the Directors comply with the laws dealing with the governing body. Bill Neece seconded the motion, motion carried unanimously.

Jim Woy, CPA from Anderson Zurmuehlen discussed the financial audit.

Mona Jamison wished to attend the March 11 meeting. The Board directed Bill Ogle to notify her to attend the next meeting with no obligation to contract with her. The Board is aware that reimbursement of travel expenses may be required.

The Board discussed HKM services required to complete the final facility plan. Harry moved to accept HKM's proposal of January 27, 1994, requesting an estimated amount of \$37,153 additional funding to complete the final facility plan by May 1, 1994. Bill Neece seconded the motion, motion carried unanimously.

The Board prioritized goals for 1994

- 1) Facility Plan: HKM/Harry Meabon
Complete by May 1 - include spray irrigation
- 2) I&I: Terry Threlkeld
Begin work April 11
- 3) Flow Measurement & Water Quality: Terry Threlkeld
Begin March 1

- 4) Administration & Goals Management: Bill Ogle/Wayne Hill
 - Chart Activities - 90 days
 - Policy Manual - 90 days
 - Articles of Incorporation/By-laws - 30 days
 - Indemnification
 - Collateralization of Funds
- 5) Budget: Dee Rothschilder/Bill Neece
 - Pay & Benefits - 15 days
 - Revenue & Billing - Draft April 1
- 6) Personnel Management: Skip Radick/Bob Juel
 - Job Description, manager - 15 days
 - Job Description, operator - 15 days
 - Consultant - 15 days
- 7) Water Quality Bureau: Bill Ogle/Alan Joscelyn

All other business on the agenda was referred to the next meeting.
No further comments or discussion.

Meeting adjourned to Executive Session.



W.F. Neece, Secretary

BOARD OF TRUSTEES

WAYNE O. HILL
Chairman

Michael H. Ankeny
Trustee

Raymond J. Tout
Trustee

Dee Rothschilder
Administrative Assistant

RURAL IMPROVEMENT DISTRICT 305

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SEWER DISTRICT #363
Minutes - February 16, 1994

The Sewer District #363 Board of Directors met February 16, 1994 at 3:00 p.m. in the Kenyon Noble Board Room. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Skip Radick, Bob Juel, Bill Ogle and Dee Rothschilder. Alan Joscelyn, attorney, was also present. The minutes of the February 11, 1994 meeting were approved as prepared.

Alan Joscelyn recapped the morning meeting held in Big Sky with Bob Robinson, Bob Thompson and Paul LaVigne of the Water Quality Bureau. The board will meet with WQB, at the departments earliest convenience, to discuss a phased approach plan for a treatment system that would address the current load, legal commitments and anticipated construction within the District's boundaries and not require an EIS. If an EIS is required for the second phase, current improvements would not be delayed.

Alan Joscelyn will contact Mike Salvagni to find out what possibilities there are for the District to work with the county on filings for septic permits within District boundaries and exercise our right to participate in the permit approval process.

Harry Meabon moved that Wayne Hill direct HKM to scope, evaluate and estimate the cost of the spray irrigation offer from Big Sky Lumber. Bill Ogle seconded the motion, motion carried.

Bill Ogle moved to accept the Agreement for Transfer of Assets and Liabilities from RID #305 to District #363 as prepared by legal counsel from both districts. Skip Radick seconded, motion carried.

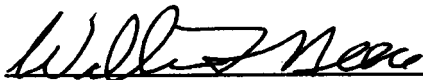
Bill Neece moved that the Resolution of the Board of Directors of the Big Sky County Water and Sewer District #363 is acceptable for Bill Ogle, Vice President to sign. Skip Radick seconded the motion, motion carried.

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Minutes - February 16, 1994

Mae Nan Ellingson, nationally recognized bond counsel, spoke to the board about finance options for local governments to borrow money after bids are in hand. Mae Nan will send the board a contract proposal. She also touched on problems the district will face regarding the inability to lien past due accounts, forcing properties to utilize the system and the inability to assess properties for capital costs that not presently tied into the system but may receive future benefits.

There being no further business, the meeting adjourned at 7 p.m.

A handwritten signature in dark ink, appearing to read "W.F. Neece", is written over a horizontal line.

W.F. Neece, Secretary

BOARD OF TRUSTEES

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SEWER DISTRICT #363
Minutes - February 11, 1994

The Big Sky Sewer District #363 met February 11, 1994 in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Skip Radick, Bill Ogle, Bob Juel, Bill Neece and Dee Rothschiller. Attorneys Mike Wheat and Jock Anderson were also present. The minutes of the February 4, 1994 meeting were approved as prepared.

The transfer agreement between Sewer District #363 & RID #305 was reviewed and modified with attorneys from both districts present. The document should be ready for signatures at the next meeting.

Terry Threlkeld was directed to write a letter to the Montana Rural Water Systems Legislative Committee regarding problems we are having with the state and what legislative action we feel is needed to correct the problem. Testimony will be heard at the February 23 conference in Great Falls.

Dee Rothschiller was directed to write to Alexander & Alexander Insurance to obtain a quote for Directors & Officers Liability. #363 Directors are not willing to risk personal exposure based on the promise of indemnification. So far environmental degradation insurance has been impossible to obtain.

Bill Ogle will write a memo to Alan Joscelyn stating the board is unanimous in their decision to avoid an EIS as a condition of implementing corrective action required by the moratorium order. The board also wants to be informed of the status of the compliance work plan, the maximum annual load, and be informed of septic system permit applications within the district boundaries. Joscelyn will focus on the boards interests at state level.

President Hill called the meeting to executive session to discuss legal matters.


W.F. Neece, Secretary

BOARD OF TRUSTEES

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SEWER DISTRICT #363
Minutes - February 4, 1994

The Big Sky Sewer District #363 met February 4, 1994 in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Bill Ogle, Skip Radick, Bob Juel and Dee Rothschiller. The minutes of the January 28, 1994 meeting were approved as changed.

Jock Anderson and Mike Wheat, attorneys for District #363 and RID #305 will be requested to attend the February 11 meeting to finalize the transfer document.

Harry Meabon, moved to approve the letter drafted by Jock Anderson addressing the concerns of Boyne for those persons attending the January 19, 1994 engineer meeting with WQB/HKM. Bill Ogle seconded the motion, motion carried.

The Districts received a legal opinion that they do not have the authority to require review and approval of on-site septic systems within the district boundaries. Bill Ogle moved to direct President Hill to communicate our concerns regarding septic systems within the district to the Water Quality Bureau. Bill Neece seconded the motion, motion carried.

Harry Meabon moved to approve the HKM request for additional services for work on the facility plan. Skip Radick seconded the motion. Discussion followed with the Board expressing concern over the continued requests for additional fees without a clear definition of what the final facility plan. Motion withdrawn.

Jock Anderson will be asked to advise the Board on matters of insurance that would include D&O and pollution coverage.

Terry Threlkeld was directed to contact the WQB expressing concern that they have not signed off on an approved Maximum Annual Load for the District and request that they do so in writing to President Hill.

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Minutes - February 4, 1994

Chip Hamilton, H&H Resources, spoke to the Board about an interim modular plant package that is similar to the SBR but on a smaller scale. Following his presentation President Hill requested Hamilton put together a proposal for board consideration that would include a project manager obtaining state approval for the design, construction and operation of a phased development interim plant that would be in place by fall of 1994.

President Hill adjourned the meeting to Executive Session to discuss legal matters.



W.F. Neece, Secretary

BOARD OF TRUSTEES

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RURAL IMPROVEMENT DISTRICT 305

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SEWER DISTRICT #363
Minutes - January 28, 1994

The Big Sky Sewer District #363 met January 28, 1994 in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Bill Ogle and Dee Rothschilder. Skip Radick and Bob Juel were excused for their absence. The minutes of the January 21, 1994 meeting were approved as changed.

Mike Richards, Resort Tax Chairman, requested that the district present the Resort Tax Committee with a five year long term sewer plan for future anticipated budget requests.

Bill Murdock requested district participation in the mid year membership forum to be held February 18th in the mountain mall. Wayne Hill, president, will speak on behalf of the district. All directors will be available at the subject table to answer questions from the audience.

Harry Meabon moved to approve the budget request of up to \$800 for the shared services of a planning intern with BSOA. Bill Neece seconded the motion, motion carried. Terry Threlkeld will provide a scope of work to be completed for this budget request.

Jock Anderson is preparing a formal resolution to be signed by the directors accepting the transfer of assets and liabilities.

Mae Nan Ellingson, bond attorney, will meet with the directors in Bozeman on February 16th at 5 pm in the Kenyon Noble board room. Mae Nan is a finance expert and will discuss methods of financing a new plant.

Skip Radick and Bob Juel have been directed to recommend three finalists for the general manager position, draft a job description, salary and benefit package consistent with public utilities.

Jock Anderson will respond to the letter from Steve Barrett regarding the January 19th WQB/HKM meeting.

Harry Meabon is compiling a history of Big Sky and the Sewer District documenting facts and the flow of events from the inception of Big Sky to the present. The first draft will be available for review by the district and then with Board approval, BSOA and attorneys. The Board will decide on further review and distribution.

WQB has not responded to the district regarding the Paul Waters request for a septic system in Cascade.

HKM will be notified to begin the Simkins survey.

President Wayne Hill adjourned the meeting and called an executive session to order to discuss legal matters.


W.F. Neece, Secretary

BOARD OF TRUSTEES

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SEWER DISTRICT #363
Minutes - January 21, 1994

The Big Sky Sewer District #363 met January 21, 1994 in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Bob Juel and Dee Rothschiller. Bill Ogle and Skip Radick were excused for their absence. The minutes of the January 14, 1994 meeting were approved as changed.

Harry Meabon reported on the January 19 & 20 Helena meeting with HKM and the WQB. Meabon & Threlkeld attended representing District #363. The goal of the meeting was to reach agreement on the unresolved portions of the 55 comments and what steps need to be met before actual construction may begin. If the bureau does not require an EIS bids could be let in June of 1995. Alan Joscelyn will be contacted for a legal opinion regarding the EIS.

Terry Threlkeld will meet with Bill Murdock to draft a scope of work for a planning intern to document Big Sky growth rates. The intern and documented information would be shared jointly with the district and the BSOA planning committee. Harry Meabon will provide the intern with a summary of the relationship between Boyne and Big Sky.

Paul Waters, Cascade Lot 292, has contacted the WQB for approval of a septic system. Terry Threlkeld will call Linda Hills of the department to see if this request has been acted on. Boyne USA amended the Mountain Village, Cascade Subdivision covenants to allow a private well and/or sewer facility. BSOA will be asked to take a stand on overseeing the covenants and verify if Boyne owns 75% of the votes necessary to change the covenants. Mike Wheat, attorney for #305, has been asked if the district has the authority to require review and approval of all on site systems within the district boundaries and if the state or county can give approval without district review and approval.

A news release has been prepared for the local media and the BSOA newsletter stating that new construction or additions to existing structures which impact the sewer system will not be permitted until significant loading to the waters of Montana are metigated.

A letter has been sent to 51 non-qualified general manager applicants. The board will choose finalists from a list of 12 candidates that are the most qualified.

Those persons contacting the district or directors with plant proposals and/or solutions will be asked to put their proposals in writing.

Wayne Hill will respond to Bill Erwin's request to be exempted out of the boundaries of district #363 as set by the county commissioners. Harry Meabon moved that the board at this time feel that no action is necessary on the board's part to adjust the boundaries as there is no liability to the Erwins under the current conditions. Bill Neece seconded the motion, motion carried.

Copies of the agreement for the RID #305 transfer to Water & Sewer District #363 as prepared and reviewed by Mike Wheat on behalf of #305 and Jock Anderson on behalf of #363 were distributed to the directors of #363. In order to complete the transfer the following items are still needed: documentation from Boyne authorizing Steve Barrett to sign on behalf of Boyne, the title company report, CPA audit from Anderson/ZurMuehlen and D&O insurance.

There being no further business the meeting adjourned at 3:30 p.m.


W.F. Neece, Secretary

BOARD OF TRUSTEES

WAYNE O. HILL
Chairman

Michael H. Ankeny
Trustee

Raymond J. Tout
Trustee

Dee Rothschiller
Administrative Assistant

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SEWER DISTRICT #363 Minutes - January 14, 1994

The Big Sky Sewer District #363 met January 14, 1994 in the BSOA conference room. President Wayne Hill called the meeting to order. Directors in attendance included Harry Meabon, Bill Neece, Skip Radick, Bob Juel and Dee Rothschiller. Bill Ogle was excused for his absence. The minutes of the December 17, 1993 meeting were approved as prepared. Tom Rothschiller, Aspen Accounting, reviewed the unaudited December financial statement. Harry Meabon motioned to direct Tom Rothschiller to contact the Boyne Michigan office for authorization to place the joint MOU funds in a treasury fund or government securities that would allow withdrawals as needed. Bill Neece seconded the motion, motion carried.

All invoices, \$188,000, from the fall I&I work have been paid. President Hill directed Terry Threlkeld to define the I&I problem and a solution to the problem on Yellowtail Road and research the expenditure of funds that would be needed to correct the problem.

A meeting will be held in Helena on January 19 & 20 to facilitate communications between the engineers from WQB and HKM. Terry Threlkeld and Harry Meabon will attend to represent #305 & #363. The 55 item response and technical data will be included on the agenda. Alan Joscelyn and Bob Thompson will sit in at the end of the session to summarize the meeting.

Terry Threlkeld was directed to respond to the December 27, 1993 letter from Dan Fraser after review by counsel. All WQB correspondence is to be cleared with Alan Joscelyn.

Wayne Hill and Harry Meabon met with Fred Videon of HKM on January 6, 1994 to discuss revision of the scope of the design phase. The design scope through WQB review and through the bidding process is now estimated at \$306,000.

Wayne Hill and Harry Meabon met with Simkins family representatives to determine if they would be interested in selling their acreage east of the current RID #305 ponds. They did indicate an interest in this proposal. Harry Meabon moved to direct HKM to survey the Simkins acreage. Bill Neece seconded, motion carried. Once the land has been surveyed an assessor will be hired to determine a fair market value.

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Harry Meabon moved to approve HKM's request of January 7, 1994 for an additional significance review fee in the amount of \$132.70 and I&I report in the amount of \$250.00. Bob Juel seconded the motion, motion carried.

It is the district's policy that all on site septic systems within the boundaries of the district require review and approval on a case by case basis. BSOA covenants state that all structures, within the recorded subdivisions, that are designed for occupancy be connected to the sewer system. Paul Waters, Cascade 262, may have contacted the WQB requesting approval of a septic system for his property. The status and legality of this request will be looked into.

Directors are urged not to give anyone a false sense of hope when asked about the availability of future hookups. The district is under a compliance order until Septemeber of 1995 and are in no position to give any opinion otherwise. Skip Radick will write a statement for board review and approval that will then be available to the press and the BSOA newsletter.

Skip Radick and Bob Juel have sorted applications for the position of general manager of #363. A letter will be sent to those not meeting minimum qualifications. The best qualified applicants will be reviewed by the entire board.

There being no further business the meeting was adjourned at 4:30 p.m.



F. Neece, Secretary