

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – January 17, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, January 17, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, Secretary Dick Fast (left at 11:18) and Directors Mike DuCuennois, Brian Wheeler, Bob Shanks, and William Shropshire. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, and Grant Burroughs.

Others present: Suzan Scott and John Loomis, BSOA; Karl Uhlig, WGM Group; Jon Olsen, Lone Mountain Land; Tim Kent, Big Sky Western Bank; Steve Johnson, Big Sky Zoning and Planning; and Mace Mangold, Woodard & Curran (TREC Engineering). Mike Cusick, legal counsel, participated by telephone. (Cusick, Uhlig and Scott left the meeting at 10:09 am.)

PUBLIC FORUM

With no public comment, President Cronin called the meeting to order at 8:02 am.

CONSENT AGENDA

Minutes: Correct minutes to read Director Shanks was not present.

Sewer operations: The sewer flows were 13% over last year's totals. Edwards reported on the sewer main backup on the mountain caused by a muni-ball plug lost into the sewer main and never reported to the District. A nearby resident reporting the manhole overflowing said that it had been flowing out of the manhole for about a week prior to reporting it. The contractor will be billed for time and material relating to the spill. A spill report addressing the volume of flow and what was done for repair and clean-up needs will be filed with DEQ. To prevent this in the future, a District operator will tag the muni-ball plug. Burroughs commended the Big Sky groomer for the assistance provided District staff in getting access to the spill site.

Director Reeves moved to approve the consent agenda with the corrected minutes, financials, sewer and water operations reports. Director Shanks seconded the motion. Motion unanimously passed.

WASTEWATER CAPITAL IMPROVEMENTS PLAN FINDINGS PRESENTATION

Ray Armstrong, DOWL, presented his final wastewater capital improvement plan and master plan recommending that the CIP be revisited annually during the budgeting processing. Armstrong reviewed the projects for the years 2016-2020 and answered questions from the board. Based on current and projected flows the third basin should be planned in 2018-2019. Armstrong's recommendations for immediate needs were in the nitrogen removal process and SCADA system upgrades. An RFP process will be needed to start the projects requiring engineering. The board would like to move forward on the FY16 projects as funded in the current FY budget. President Cronin would like Armstrong's report to provide scenarios of handling growth and disposal capacity that includes the use of YC's obligation of 160 million gallons of storage and disposal. The board discussed the YC agreement, converting Spanish Peak's total gallon capacity to SFEs, disposal options, wastewater solutions for outlying areas, and the need to increase capacity for growth. *Director Shanks requested an update on the CIP projects at each board meeting.*

BSOA POND RESTORATION PROJECT

Edwards summarized the background on the pond project and reviewed the pros and cons of amending the water right change application to change the “place of use” and purpose from “irrigation” to “municipal”. The deadline to amend the application is 1/17/17. Edwards recommended submitting an amendment to the application filed in November 2015. Mike Cusick and Karl Uhlig recommended putting 60 acre feet into in-stream flow. In-stream flow can only be temporary for 10 years and then it reverts to its original use. Uhlig explained that objections to the application can easily add a year to the review process. The District can withdraw the amendment, or parts of it, if there are objections. Suzan Scott reported that, to minimize impact and as a cost savings, the bridge replacement and pond construction were to simultaneously begin fall 2017. An amendment could delay their construction schedule. .

Director Reeves moved that the District submit a waiver for 120-day statutory guidelines and submit the amendment. Director Shanks seconded the motion. Call for discussion. Motion unanimously passed. Uhlig, Cusick and Edwards will work on the amendment. Edwards is to keep the board updated on the process. The District will pay the cost to file the amendment to be filed by Karl Uhlig.

ELECTION OF OFFICERS

Director Shropshire moved to re-elect the current slate of officers; Packy Cronin as President, Tom Reeves as Vice-President, and Dick Fast as Secretary-Treasurer. Director Wheeler seconded the motion. Motion unanimously passed.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

Edwards reported that the meetings are online for viewing. Questions from the meetings are summarized in the report in the board packet. About 75% of the stakeholders are from outside the Big Sky area. One solution will be identified based on a 75% consensus.

DEVELOPMENTS AND SUBDIVISIONS

A few emails have been received regarding future development in the Town Center, but no applications have been submitted.

SUCCESSION PLAN

The District received 20 applications for the new water operator position. Staff will rate the applications then interview 3-5 applicants. A hiring decision could be made in February, or March. The board recommended background checks.

YELLOWSTONE CLUB AGREEMENT

Edwards’s letter dated 1/12/17 to YC specified a 2/15/17 deadline to have easements for storage and disposal prepared for signature and to also resolve the stalemate billing between the two entities. Mike DuCuennois stated that the 4-week easement deadline is not feasible. The board discussed the District’s storage and disposal needs, the need to identify and record easements for YC’s commitment for storage and disposal areas to perfect the YC agreement, and the need to work out a reasonable solution/formula for water commitments for irrigation. A meeting needs

to occur with DEQ to work on the chain of custody issue with the wastewater once it is pumped to the ponds so that YC and SP are responsible, not the District. Director Reeves wants the parties to meet with DEQ within the next two weeks. *DuCuennois will have legal counsel look into state regulations on this. Olsen, DuCuennois, Wheeler, and Edwards will work together to identify the irrigation needs of each developer. DuCuennois will get a proposal from an engineering firm for identifying the disposal area. DuCuennois will prepare and distribute to the board a task list of items that need to be worked on.*

Spanish Peaks Golf Course Storage & Irrigation Project: The District will not sign SP's draft agreement as written by Gina Sherman as it is not the direction the board wants to go. According to Jon Olson, the extension on the lodge's permit fees could be impacted by DEQ requirements. They are hesitant to write a check until their storage pond project is approved by DEQ. (Director Fast left the meeting at 11:18 am).

District and YC Invoices: The board discussed the stalemate invoices. DuCuennois's letter documented YC's power costs for the District's second effluent booster station pumping costs. The District invoiced YC for reimbursement for its costs in dealing with YC's failed pond. The District's rate for dumping into its wastewater collection system is 5 cents per gallon. *The board wants each party to write their respective checks. The board also wants the District to get the electric meter work at the booster station done.*

SEWER & WATER PERMITS & CORRESPONDENCE

Jon Olson asked for a payment extension for the SP Lodge permit fees that are due on 2/15/17. If SP voluntarily withdraws the permit, the 180-day delay to reapply does not apply.

Director Wheeler moved to extend the payment deadline for Spanish Peaks Lodge permit fees until after the February 21, 2017, meeting. Director Shropshire seconded the motion. Motion unanimously passed.

GENERAL CORRESPONDENCE

Mace Mangold, Woodard & Curran, prepared a study on the hydrogen sulfide on the mountain wells. Edwards recommended the second phase being a pilot study. Edwards will distribute the report to the board.

There was no general correspondence requiring board action.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, February 21, 2017, at 8:00 am.

ADJOURNMENT

Director Shropshire moved to adjourn the meeting at 11:43 am. Director Shanks seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – February 21, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, February 21, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Directors Mike DuCuennois, Brian Wheeler, Bob Shanks and William Shropshire. Vice-President Tom Reeves and Secretary Dick Fast were not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, and Grant Burroughs.

Others present: Jon Olsen and Alex Iskenderiam, Lone Mountain Land Company; Tim Kent, Big Sky Western Bank; Steve Johnson, Gallatin Canyon/Big Sky Zoning & Advisory Committee; Mace Mangold, TREC; and Peter Manka, Resident/Alpine Water.

PUBLIC FORUM

With no public comment, President Cronin called the meeting to order at 8:05 am.

CONSENT AGENDA

Minutes: Correct minutes. Delete Director DuCuennois's request on page 1 regarding the wastewater capital improvement plan.

Financials: Smith explained the reasons for accounts (BSOA pond, sewer vehicle repair, sewer pond liner repair, filter building repairs, computer software) either approaching over budget, or being over budget. Next year, heavy equipment repair will be added to the budget. The sewer budget is in the negative because the rate increase did not go into effect until October 1, 2016.

Sewer operations: The District sent a letter to a contractor requesting about \$10,000 for reimbursement of repair and clean up from the sewer main backup on the mountain caused by a muni-ball plug lost in the sewer main by the contractor. With about a 20% increase in flows, the District began pumping to YC on January 31, 2017.

Water operations: No comments.

Director Shropshire moved to approve the consent agenda items with the corrected January 21, 2017 meeting minutes, January financials, and the sewer and water operations monthly reports. Director Shanks seconded the motion. Motion unanimously passed.

PETITION FOR ANNEXATION: ASPEN GROVES AREA C.O.S. 1812A, TRACT 1A-1
Bill Fallon submitted a formal petition for water annexation of Tract 1A-1 in COS 1812A located in the Aspen Groves area. Fallon now owns the property. He is asking for water only since the board denied sewer service at its November board meeting. Edwards had sent a letter in December explaining the boards' position to not consider expanding the District until it can increase disposal capacity. An ordinance with three readings would be required for processing an annexation request. If annexed, the property would have to pay bond service and the District could define development capacity. Jim Muscat stated that the District has a finite amount of water and does not have enough water for full build out now. It would be difficult for the board to decide who to expand service to as this may open Pandora's box. The District will basically have a moratorium on annexation until it can meet its sewer and water capacity needs. The board will adopt a policy on annexation requests to ensure consistent responses.

Director Shanks moved to follow the motion on sewer annexation requests adopted at an earlier meeting and to create a policy on requests for water annexation that will be reviewed case by case. Director Shropshire seconded the motion. Discussion. The board will continue to work on meeting capacity needs of the District. Motion unanimously passed.

LONE MOUNTAIN LAND: REQUEST FOR EXTENSION ON LODGE PERMIT

Alex requested another extension from the 90-day extension granted in November 2016 on the Spanish Peaks Lodge permit fees of approximately 1 million dollars until they receive DEQ approval on their pond. SP is fully committed to building the pond as soon as DEQ approval is received. With the permit hinging on building the pond as a condition of approval, they do not want to pay the fee until DEQ approval is received. With the need for an irrigation agreement with the District before SP can get DEQ approval, Iskenderiam feels that the District has some responsibility, too. The subcommittee is making progress on the draft SP irrigation agreement. The attorneys will prepare the final agreement to present to the board. The board discussed Iskenderiam's request, reviewed the District's policy of requiring payment of permit fees, and setting precedence in extending payment of permit fees. If the permit is voluntarily withdrawn the 180-day delay to reapply does not apply. The original motion for the 90-day extension was reviewed where the condition of approval was payment of fees and not connecting until pond is built. Iskenderiam asked for assurances that they would get the money back.

Director Shanks moved to have SP write the check, or withdraw the application within one week from today. If the fees are not paid, or the permit is not withdrawn within that week, the District will void the permit and the 180-day delay for resubmittal applies. Director Shropshire seconded the motion. Motion unanimously passed.

CASCADE WELL 5 & 6 WATER QUALITY STUDY FINDINGS PRESENTATION

Mace Mangold, Woodard & Curran (TREC Engineering) presented their findings from the water quality study on Cascade Wells 5 & 6. The general results listed six potential treatment options for the aquifer source H₂S, with greensand filtration and standard oxidation being the primary treatment options. Arsenic removal will be added to the treatment plan. The dissolved oxygen variability needs to be narrowed down. Muscat noted that Well 6 is 600 gallons per minute and doing a test just to draw enough water for a sample could be skewing the oxidation results. The long-term plan for use of the wells was reviewed. Putting in a dedicated mainline to the tank, or close to it, was discussed as that would solve the contact time and pressure issues. Muscat advocated for money to be spent on this as these wells represent 60% of capacity on the mountain. It would also be a benefit to the District by reducing the high pressure. Mangold is at Phase 2B of its proposal of \$18,250. The next steps are to do a bench study, complete a pilot study with two or three preferred treatment options, and do a life cycle cost analysis.

Director Shropshire moved to authorize Woodard & Curran to conduct the Phase 2B study. Director Shanks seconded the motion. Motion unanimously approved. Mangold discussed the project timeline with about two months needed for completion. Muscat suggested that an updated 72-hour pump test on the two wells would be prudent.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

Another stakeholder meeting will be held today, 2/21/17, from 1-4 pm in the WSD conference room. The board is welcome to sit in on the meeting.

BSOA POND RESTORATION PROJECT

On February 13, 2017, Karl Uhlig submitted the District's amendment to its water right change application with additional use added to the amendment. The place of use was the entire District boundary. Edwards feels DNRC will take four weeks to review the application then move it to publication for public comment. BSOA has abandoned this year's start date for its project. The District utilized its water right this year to demonstrate use.

CAPITAL IMPROVEMENTS PLAN PROJECTS

Wastewater Projects: A draft RFQ for the wastewater CIP engineering selection process was provided in the board packet. A quote of \$36,685 to upgrade the treatment plant computer SCADA system was received. The scope of services was reviewed. The proposed piping that would allow full draw down of the aeration pond would provide the District additional storage capacity. Edwards suggested adding a scope to reduce temperatures of the ambient water. Edwards is pushing for a full design on the pipeline, but not submitting to DEQ. The board discussed the financial risk when designing without approval. *Edwards will verify the use of public right of way for the lines.* Edwards has informed the sustainable water solutions group about the RFQ.

Director Shanks moved to go forward with the RFQ presented and to add the temperature bullet point and how it will impact the river. Director Shropshire seconded. Motion unanimously approved.

The board discussed the need for a PR campaign for presenting the project to the public. Edwards feels this is being done through the public meetings through the sustainability water solutions group. According to Steve Johnson, there is minimal participation from Big Sky community members in this group. An additional PR campaign is needed. The board consensus was that the District has a fiduciary responsibility and moral obligation to get its information out through its own PR campaign. The community needs to know that the District has turned over every stone to solve capacity issues for the building growth for Big Sky. It was noted that the District could include printed information in its quarterly statements. *President Cronin directed Edwards to put on the next meeting's agenda a report on what the District/Board could do to be proactive on the issue of providing capacity for buildout and how Edwards is going to advise the board on how to address the issue through dissemination of information.*

Water System Projects: Mountain Village Well 3 is in need of repair, or replacement. Mark Cunanne, Western Groundwater Services, has recommended moving the well. This would involve DNRC approval with the water right needing to be changed to municipal. Not knowing what is wrong with the well, Muscat recommended that the District hire Red Tiger Drilling to have them do an assessment on the well. If the problem is not a quick fix, then the District should move forward at moving the well location.

DEVELOPMENTS AND SUBDIVISIONS

Bough Project/COS 214: A meeting was held with Jon Olsen to review the extension work on this development. Comments on the extension were provided on the board packet.

MEADOW VILLAGE UV DISINFECTIN PROJECT

A copy of the article in the February issue of the TPO magazine was provided in the board packet. Steve White, Gallatin County Commissioner, contacted Edwards to congratulate the District on its work.

SUCCESSION PLAN

The applications for the new water operator position have been reviewed with four applicants selected for interviews. The interviews will be scheduled in March.

YELLOWSTONE CLUB AGREEMENT

Director DuCuennois reviewed the water and wastewater task tracker list he prepared as discussed at the last meeting. The force main pipeline and irrigation easements need to be completed by October. Jon Olson stated that until DEQ approval is received on the SP pond, the golf course irrigation easement cannot be done. To facilitate legal counsel meeting the District's timelines, Edwards will inform Susan Swimley that the draft document will be sent for her review. For the next meeting, *Director DuCuennois will present the documentation of acreage needed to satisfy the irrigation commitment and a map of the proposed lands. The subcommittee will work diligently to complete the draft irrigation agreement done.*

Spanish Peaks Golf Course Storage & Irrigation Project: Staff and subcommittee will work on a draft irrigation agreement with SP that will be similar to the one the District has with Boyne for the meadow golf course. It will be presented to the board once reviewed by legal counsel.

NEW DEVELOPMENTS & SUBDIVISIONS

Phase 3A of Yellowstone Club is for comment only as it is out of the District.

SEWER & WATER PERMITS & CORRESPONDENCE

There are 56.33 SFEs available for permitting. Two large permit applications for projects in the Town Center require board approval as they are over 25 SFEs. The Plaza Loft is 46.33 SFEs and the Marriot Residence Inn Hotel is 107.7 SFEs. To approve both permits, the board would need to release additional SFEs through approval of another ordinance, or resolution. Per state law, an ordinance requires three separate readings. The Plaza Loft application will be considered first on next month's agenda. There are easement issues that need to be addressed. *Edwards will also have an answer from legal counsel on how it can release SFEs without three readings.*

GENERAL CORRESPONDENCE


The snowpack reports shows that this area is behind average. A joint county commission meeting will be held in Big Sky on April 6, 2017. There was no general correspondence requiring board action.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, March 21, 2017, at 8:00 am. Directors Shropshire and Shanks are available. *Before the next meeting, Edwards will send Alex Iskenderiam a letter regarding fees and service commitment for the SP Lodge. Director DuCuennois will provide a map and acreage of the irrigation area at YC. Edwards will contact the title company on the easement recordings. Edwards will contact Ray Armstrong to have him verify capacity for release of 200 SFEs before the board approves a resolution, or ordinance releasing SFEs.*

ADJOURNMENT

Director Shropshire moved to adjourn the meeting at 10:50 am. Director Shanks seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

2-21-17. min (Board Approved 3/21/17)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – March 21, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, March 21, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Directors Mike DuCuennois, William Shropshire, and Brian Wheeler. Directors Bob Shanks and Tom Reeves participated via conference call. Secretary Dick Fast was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Jim Muscat, and Peter Bedell.

Others present: Jon Olsen, Lone Mountain Land Company and Susan Scott, Big Sky Owners Association.

PUBLIC FORUM

With no public comment, President Cronin called the meeting to order at 8:04 am.

CONSENT AGENDA

Minutes: Correct minutes. Directors Shanks and Shropshire were present, not participating via conference call.

Sewer & Water Operations: No comments.

Director Wheeler moved to approve the consent agenda with the February 17, 2017, meeting minutes as corrected and the sewer and operations monthly reports. Director Shropshire seconded the motion. Motion unanimously passed.

ORDINANCE 17-1001: RELEASE OF SEWER SFEs

Once approved, the ordinance will release an additional 400 SFEs. With the permit applications waiting for approval, the District currently has a negative number of SFEs. The process for approving the ordinance requires three separate readings. To facilitate processing permits, two special board meetings will be held March 28 and 31 for the second and third readings, respectively.

Director Shropshire moved to approve the first reading draft of Ordinance 17-1001. Director DuCuennois seconded the motion. Motion unanimously passed.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

The next meeting is March 30. Karen Filipovich will be invited to the May, or June, board meeting to give a short presentation on the group's work sessions.

BSOA POND RESTORATION PROJECT

DNRC is writing the Preliminary Determination Document supporting the application which should be completed by the end March, or early April. Mike Cusick will also review the document. The application will then be published for 45 days for public comment. All board members were in agreement that it was the right thing for the District to amend its application to include the whole District boundary. BSOA's start date for the pond dredging and bridge construction projects have been pushed back to 2018.

CAPITAL IMPROVEMENTS PLAN PROJECTS

The wastewater engineering RFP will be advertised this week. Proposals are anticipated to be substantial at \$200,000 to \$300,000. *Edwards will send Director DuCuennois a copy of the RFP for review.*

Mark Cunnane, Western Groundwater Services, submitted a proposal for hydrogeology services to plan and observe rehabilitation of mountain well 3. Drilled in the 70s, this well produced around 100 gpm. It has been offline for 2-3 years because of a separated screen. His cost is \$9,700 and an estimated \$25,000 for a driller. As proposed, the pipe will be TV inspected, cleaned, and re-TV inspected with the goal of determining if the well can be repaired. (*Suzan Scott arrived at 8:30 am.*) The process and risks to rehabilitate the well were then discussed.

Director Shropshire moved to approved Cunnane's proposal. Director Shropshire withdrew his motion.

Director Shanks moved to approve Cunnane's proposal for rehabilitating mountain well 3, but reduce Cunnane's billable hours charge of \$9,700 to not include attendance at a WSD meeting to present findings. Director Shropshire seconded the motion. Motion unanimously passed.

Mace Mangold submitted a proposal for Phase II hydrogen sulfide (H₂S) treatment evaluation of Cascade Wells 5 & 6. As discussed at a previous meeting, a dedicated water line to the Cascade tank has been added to the scope. *Edwards will provide a copy of Mangold's proposal to Director Shropshire for review.* The proposed scope will be completed within four months with time and materials not to exceed \$25,000.

Director Shropshire moved to approve Mangold's proposal not to exceed \$25,000 for phase II of Cascade Wells 5 & 6 H₂S treatment evaluation. Director Shanks seconded the motion. Motion unanimously passed.

DEVELOPMENTS AND SUBDIVISIONS

No discussion.

SUCCESSION PLAN

Four candidates for the new water operator will be interviewed this week.

YELLOWSTONE CLUB AGREEMENT

Director DuCuennois reviewed his summary of effluent TN information he prepared per discussion at the last board meeting. Working off Moonlight Basin's numbers for spray irrigation of its forested land, and using a middle of the road approach, DuCuennois's quick calculations came up with a target area of 150-200 acres YC needs to meet its commitment for disposal. This estimate will need to be refined. Board members commended DuCuennois for preparing and presenting this information. *Edwards will contact Swimley for the forcemain easement language. Director DuCuennois will use it for easements he will present to the third party property owners. Edwards put a draft irrigation agreement online for DuCuennois, Olsen and the subcommittee. As requested by Director Shanks, Edwards is to have the agreement also available to the subcommittee for edits.*

NEW DEVELOPMENTS AND SUBDIVISIONS

A development proposed in Westfork Meadows on Lot 5A for a 3-plex and 4-plex fits within zoning regulations. The YC Happy Ranch Development is for courtesy review only as it is outside of the District's water service area

SEWER & WATER PERMITS & CORRESPONDENCE

Lieberman will amend his single family residence permit in South Fork 5, Lot 4, to include an accessory apartment that is a secondary structure. TC Building 3 application for 46.33 SFEs for a mixed use building in Town Center can be approved once additional SFEs are released. The SP sales cabin does not need state approval.

GENERAL CORRESPONDENCE

The snow pack report was reviewed. No general correspondence required board action. The exchange of checks between YC and the District has been done. *Director DuCuennois will talk with Northwestern Power to resolve how the meter will be read at the pump station.*

NEXT MEETING

The next regular Board meeting is tentatively scheduled for Tuesday, April 18, 2017, at 8:00 am. Director Shropshire will be available by phone. Director Shanks will be available by phone, if not available in person. Director Reeves will be available in person. Special meetings will be held on March 28 and 31, 2017, to meet the three readings requirement to pass Ordinance 17-1001.

ADJOURNMENT

Director Wheeler moved to adjourn the meeting at 9:10 am. Director Shanks seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

BIG SKY WATER & SEWER DISTRICT NO. 363
Special Meeting Minutes – March 28, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a special meeting on Tuesday, March 28, 2017, in the WSD Community Room. Vice-President Tom Reeves called the meeting to order with Directors Mike DuCuennois and Brian Wheeler present. President Packy Cronin and Director Bob Shanks participated via conference call. Secretary Dick Fast and Director William Shropshire were not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Eric Daniels, and Peter Bedell.

Others present: Steve Johnson, Gallatin Canyon/Big Sky Zoning & Advisory Committee.

PUBLIC FORUM

With no public comment, Vice President Reeves called the meeting to order at 8:05 am.

ORDINANCE 17-1001: RELEASE OF 400 SEWER SFEs (Second Reading)

Once passed, the ordinance will release an additional 400 SFEs for permitting sewer SFEs. The only change made to the ordinance after the March 21, 2017, meeting was to make it read "second reading." A special board meeting will be held March 31, 2017, for the third and final reading.

Director Wheeler moved to approve the second reading of Ordinance 17-1001 to release 400 SFEs for sewer permitting. Director Shanks seconded the motion.

Call for discussion. After processing the backlog of permits, the District will have about 300 SFEs remaining for permitting new sewer connections. Edwards will get a capacity letter from DOWL/HKM engineer Ray Armstrong before the Ordinance goes to third reading. If the capacity letter is not available, the special meeting for Friday, March 31, 2017, will be cancelled. The motion unanimously passed.


If the ordinance is adopted on March 31, 2017, the board will review and possibly approve the backlog of permit applications requesting over 25 SFEs; which require board review and approval.

NEXT MEETINGS

The Board will hold a special meeting on Friday, March 31, 2017, at 8:00 am. The next regular meeting is tentatively scheduled for Tuesday, April 18, 2017, 8:00 am.

ADJOURNMENT

Director Wheeler moved to adjourn the meeting at 8:12 am. President Cronin seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

BIG SKY WATER & SEWER DISTRICT NO. 363

Special Meeting Minutes – March 31, 2017

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a special meeting on Friday, March 31, 2017, in the WSD Community Room. Vice-President Tom Reeves called the meeting to order with Director Brian Wheeler present. President Packy Cronin and Directors Bob Shanks and Mike DuCuennois (*called in at 8:15 am*) participated via conference call. Secretary Dick Fast and Director William Shropshire were not present. WSD staff present: Ron Edwards, Marlene Kennedy, Nic Wellenstein, and Eric Daniels.

Others present: Steve Johnson, Gallatin Canyon/Big Sky Zoning & Advisory Committee. Ray Armstrong, DOWL HKM, participated via conference call.

PUBLIC FORUM

With no public comment, Vice President Reeves called the meeting to order at 8:02.

ORDINANCE 17-1001: RELEASE OF 400 SEWER SFEs (Third & Final Reading)

Ray Armstrong reviewed his capacity letter calculations prepared on March 30, 2017. Using 432 SFEs and the last ten years of historical data, Armstrong analyzed capacity for disposal, treatment plant, and storage. Armstrong included the new Spanish Peaks (SP) 14.9 million gallons pond to determine that the District has capacity to release an additional 400 SFEs for permitting. Vice President Reeves noted that adding these 400 SFEs to the 300 SFEs released earlier this year, the District is rapidly approaching maximum capacity with an additional 750 SFEs. (*DuCuennois called in at 8:15 am.*) With a 2022 projected date for running out of capacity, the board discussed sending YC the phase three letter to trigger the completion of the developer's obligations for storage and disposal. If the letter is written, it gives the developer two years to complete its obligation. Armstrong stated that the disposal obligation is more important at this point. President Cronin and Vice President Reeves requested the issue of YC's obligations for storage and disposal is on future agendas for further discussion as the District needs to continue moving ahead with expanding storage and disposal capacity.

Director Shanks moved to approve the third reading and to adopt Ordinance 17-1001 to release 400 SFEs for sewer permitting. Director Wheeler seconded the motion. Call for discussion. Motion unanimously passed.

FORCEMAIN PIPELINE

Edwards showed photographs of slumping road over the District's force main pipeline where the "T" is on the force main in Spanish Peaks. The District does not own the land or the road. Jon Olsen has Dick Anderson Construction lined up to make repairs to the road next week. Grant Burroughs will be monitoring the slumping to make sure that the pipeline is not compromised. The board was in agreement to contract with Greg Underhill, DOWL/HKM geotech engineer, to inspect and monitor the pipeline so that the road repair would not impact the pipeline. Underhill will coordinate with Burroughs.

SEWER & WATER PERMIT APPLICATIONS

Two permits over 25 SFEs required board approval. There may be a small decrease in SFEs on the hotel as the architect has disputed the District's calculations.

Director Wheeler moved to approve TC Building 3, LLC's permit application for 46.33 SFEs for the Plaza Lofts. Director Shanks seconded the motion. Motion unanimously passed.

Director Wheeler moved to approve TC Hotel 1, LLC's permit application for the Marriot Residence Inn for up to 126.90 SFEs. Director Shanks seconded the motion. Call for discussion. Until the SFEs are confirmed between the architect and the District, the SFEs will not move to the commitment column. Motion unanimously passed.

NEXT MEETINGS

The next regular meeting is tentatively scheduled for Tuesday, April 18, 2017, 8:00 am.

Director DuCuennois would like the District to work on an agreement document firming up the disposal obligation of Big Sky's Golf Course of 140 million gallons as the District needs to be able to count on this obligation. He also wants to know if Armstrong's numbers included a gallon commitment from Big Sky's Golf Course. Board consensus was that all agreements need to be tightened up to alleviate ambiguity. However, the District needs to move ahead to completion with the critical issues it is currently addressing. The District will continue working on solutions to solving disposal capacity. The Big Sky Golf Course commitment will be addressed in the future. Director Wheeler stated that Boyne and the District are looking at expanding its commitment through better management.

Edwards reported that he sent out a revised link on the draft SP irrigation agreement this morning. This document can be edited and will be presented at the next meeting.

ADJOURNMENT

The meeting was adjourned at 8:42 am.



Dick East, Secretary

3-31-17.special min (Board Approved 4/18/17)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – April 18, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 Board of Directors held a regular meeting on Tuesday, April 18, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, Secretary Dick Fast and Directors Mike DuCuennois and Brian Wheeler. Directors Bob Shanks and William Shropshire participated via conference call. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, and Grant Burroughs.

Others present: Jon Olsen, Lone Mountain Land Company; Emily Casey, Gallatin River Task Force; Tim Kent, Big Sky Western Bank; Mike Richter, Montana Bureau of Mines; Steve Johnson, Gallatin Canyon/Big Sky Zoning; and Suzan Scott, Big Sky Owners Association.

PUBLIC FORUM

With no public comment, President Cronin called the meeting to order at 8:00 am.

CONSENT AGENDA

Minutes: No comments.

Financials: There was a big increase in sewer operations due for extra pumping to the YC and the new line to the recirculation building near the ACE Hardware building. When the plat for Tract (Altman) is recorded, it will be added to our insurance.

Sewer operations: The wastewater flow has increased about 20% this year. Burroughs does not feel this is a reflection of I&I. Burroughs reported that the force main in Spanish Peaks has not been compromised with the slumping of the road. Jon Olsen reported that road construction to fix the slumping had to be suspended because it is too wet and they were destroying the road.

Water operations: No comments.

Director Reeves moved to approve the consent agenda with the meeting minutes of March 21, 28 & 31, 2017, the February financials, and the operators' reports. Director Wheeler seconded the motion. Motion unanimously passed.

PRESENTATIONS

Meadow Village Monitoring Wells: Mike Richter provided an update on the Montana Bureau of Mines study of their monitoring wells in the meadow area. Kirk Warren will be building a model for the area and have that the information available for review by the end of 2017. Richter identified the monitoring wells the District would probably want to abandon, the wells to continue to monitor through a data logger already in place, and the wells the District may want to take on the monitoring of. The recommendation of continuing monitoring may provide interesting and helpful long-term data. Edwards recommended that the District maintain some of the wells identified by Richter as, overtime, it will show if the aquifer is being depleted. The cost of instrumenting the wells is approximately \$500 per well. The Bureau of Mines would add the new automatic data to its wells already on data loggers and continue its monitoring. The process for abandoning a well was discussed. With the well easements being temporary, new easements will have to be worked out with Boyne. Director Wheeler recommended working towards a yearly license to use the sites and to have a system for marking the wells for winter and summer maintenance work. Board members were in agreement with Director Shanks that the District will get the best possible data by adding data loggers on two or three of the wells, abandon wells not needed, and to work with Boyne to get an easement for the wells sites. As part of the new fiscal year budget process, staff will make recommendations for this work and the estimated costs.

Water Conservation Program: Emily Casey, Gallatin River Task Force (GRTF), provided an update on the water conservation program and their efforts on community education. With a budget of \$78,200, the District contributed \$10,000 to the program. About \$37,558 has been spent. Thirty-six fixtures (26 toilets, 7 washing machines, rest for shower) have been replaced in 19 (16 within the District) households. Casey discussed the amount of water saved with the fixture replacements. About 150 responses have been received on the water conservation survey. The outside water conservation program was launched in March. They would like the District to have low flow toilets in its office. They will be asking for \$50,000 in resort tax and also asking for \$5,000 from the District. The conservation corps funds Casey's position. They want to hire a part time program manager. Edwards will talk to Kristen about asking for a roll over on unspent resort tax funds. They will be the first program in the state to offer conservation assistance to commercial buildings. They will be working with the resort on the Huntley building remodeling. Edwards feels that there is a value to the District in outside conservation. With the GRTF doing the heavy lifting, the District will put \$5,000 in the budget for funding the water conservation program.

PRELIMINARY LEVY NOTICE FOR GALLTIN & MADISON COUNTIES

Smith explained the proposed levy that the District does annually. The taxable value is used for the mill levies at 81.9 mills for water and sewer; which is 0.1 point higher than last year. With the taxable value expected to increase. This mill will be on the 2017 tax bills.

Director Reeves moved to approve the estimated 81.9 mill levy for 2017. Director Fast seconded the motion. Motion unanimously passed.

SUSTAINABLE WATER SOLUTIONS COLLABORATION

The last two meetings were spent refining the goals statements. The next meetings will get into discussion and implementation of options. The next meeting is April 27th.

BSOA POND PROJECT

Edwards reported on a conference call held with Karl Uhlig and Mike Cusick. They discussed the temporary instream changes that DNRC will review. The application will possibly go out to public comment in the next couple of weeks. DNRC will have to address any protests. Edwards feels that we should know by mid summer if the project is approved.

CAPITAL IMPROVEMENTS PLAN PROJECTS

Edwards reported that the RFP has not yet been advertised. Contracts with Mark Cunnane have been signed for the mountain wells 5 & 6 rehab project. Cunnane will be hiring a driller with the highest quality camera capabilities.

DEVELOPMENTS AND SUBDIVISIONS

The preliminary plat application for Spanish Peaks Phase 6B proposed 4 residential lots, reducing the original plan by 1 lot. Each lot will have a private water well and be connected to the District's sewer system. The District wrote a capacity letter in 2014, but DEQ will require a new capacity letter. *Edwards will include that the District will require that the well water must be metered.*

Jon Olsen reported that Spanish Peaks is moving forward on its lodge with an opening timeline in 2020.

SUCCESSION PLAN

Four individuals were interviewed for the new water operator position. Edwards will send a letter to Vincent Palafox offering him the position. Palafox has worked with H & H Earthworks and lives near 4 corners. He is not a certified operator, but will get certifications needed. Palafox will be introduced to the board at its next meeting.

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks (SP) Golf Course Storage & Irrigation Project: A meeting was held April 14, 2017, to review and edit the draft agreement. *Edwards will email the "revision two" draft from the editing meeting. Edwards would like everyone to have an opportunity to comment and edit in the next couple of weeks. Any comments and edits should be sent to Edwards. The edited agreement will be an agenda item at the next board meeting. The agreement will then be sent to the attorneys for review. The exhibits will be included.*

Jon Olsen reported that DEQ has given SP approval on its pond. Construction is planned to start the first week in May with completion at the end of summer. The pond will be available for water storage this fall. The full plan is available online on the District's website.

YELLOWSTONE CLUB FORCEMAIN PIPELINE RELOCATE

Edwards received an email from Brian Ash, YC, to again reroute the force main that is near the YC storage pond. Ray Armstrong, DOWL engineer, will review the proposed reroute. The electric meter in the upper YC pump house will be read by Northwestern Energy.

SEWER & WATER PERMITS & CORRESPONDENCE

Edwards still needs to meet with the architect on the Hotel project in Town Center regarding the SFE discrepancy. The District stands by its calculations of 129.9 SFEs.

GENERAL CORRESPONDENCE

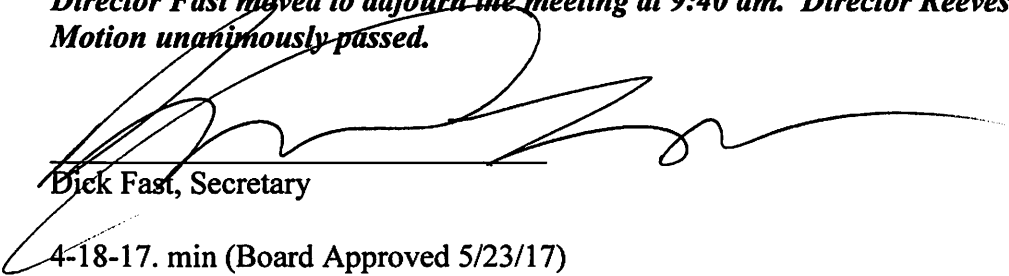
There was no general correspondence requiring board action. The snow pack report was reviewed.

NEXT MEETING

To allow time to prepare the draft budget, and to accommodate board members' schedules, the next Board meeting is tentatively scheduled for Tuesday, May 23, 2017, at 8:00 am.

ADJOURNMENT

Director Fast moved to adjourn the meeting at 9:40 am. Director Reeves seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

4-18-17. min (Board Approved 5/23/17)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – May 23, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 Board of Directors held a regular meeting on Tuesday, May 23, 2017, in the WSD Community Room. Vice-President Tom Reeves called the meeting to order with the following board members present: Directors Brian Wheeler and Bob Shanks. Secretary Dick Fast and Directors William Shropshire and Mike DuCuennois (joined at 8:05) participated via go to meeting. President Packy Cronin was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, and Vince Palafox.

Others present: Jon Olsen, Lone Mountain Land Company; Steve Johnson, Big Sky Planning and Zoning; Tim Kent, Big Sky Western Bank; Kevin Kundert, Four Corners Water & Sewer District; and Suzan Scott, Big Sky Owners Association.

PUBLIC FORUM

After board introductions, and with no public comment, Vice President Reeves called the meeting to order at 8:03 am.

CONSENT AGENDA

Sewer Operations/Water Operations: Through sampling results, Burroughs feels that the increased wastewater flows in March reflect actual use, not I & I. Muscat reported that the water supply decreased during that same period. The meter for the YC booster is on order from Northwestern Energy. Northwestern Energy will install the meter once received.

Director Shanks moved to approve the consent agenda with the meeting minutes of April 18, 2017, the April financials, and the operators' reports. Director Wheeler seconded the motion. Motion unanimously passed.

General Manager's Report: Edwards reviewed his report noting the water line break caused by the boring being done for Northwestern Energy. A few properties did experience water damage due to individual pressure reducing valves (PRV) malfunctioning, or not being installed. District staff will assist Mark Perdue/Boyne maintenance in assessing if PRVs are installed in older mountain facilities.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

The next collaboration group meeting will be held May 24 at 1:00 pm at the Big Sky Chapel. Its facilitator, Karen Filipovich, will give a presentation at the June WSD board meeting.

Emily Casey, Gallatin River Task Force, is coordinating a drought committee to address drought resilience. The drought committee will meet May 24 at 10:00 am at the Big Sky Chapel.

BSOA POND RESTORATION PROJECT

In regards to the District's application, DNRC is going to make the water measuring and reporting conditions applicable to the 1902 and 1952 water rights. Edwards suggested that Gallatin River Task could do the measuring. Cost sharing will be discussed with BSOA for the equipment and ongoing measuring. *The next budget cycle will need to include these costs.* The pond restoration will be done in 2018. The Big Sky Community Organization is actively working on the tunnel project and the pedestrian path and bridge replacement. Edwards has received the tunnel engineering plans.

CAPITAL IMPROVEMENTS PLAN PROJECTS

Wastewater Projects: The request for qualifications (RFQ), published in the Bozeman Chronicle and provided in the board packet, has a submittal deadline of Friday, June 16, 2017, 5:00 pm. A link to the RFQ is available on the District's website. Edwards reviewed the qualification proposal requirements, selection process and scope of services. Submittals will be reviewed by Edwards, and Directors Shanks and DuCuennois. One more board member could be on the review committee.

Water System Projects: Two of the four drillers contacted by Mark Cunnane submitted a bid. Bridger Drilling will be awarded the contract with a bid of \$14,885. Cunnane has not yet submitted a schedule.

DEVELOPMENTS AND SUBDIVISIONS

Sweetgrass Hills Tract A-1: The 1.4 acres will be transferred to the District once the title insurance documents are received. The previous request to the District for the parcel to be used for a recycling site is not relevant at this time as John Haas has provided a recycling site. Muscat asked the board if the 1.4 acres should be fenced as part of the District's land. Director Wheeler recommended not fencing the parcel unless it is going to be used by the District in the immediate future. The value of the land was discussed with the board in consensus that the District should not consider selling it.

SUCCESSION PLAN

On May 8, 2017, the District hired a new full time water operator, Vince Palafox. Palafox has lots of experience operating equipment and working on pipeline through his previous employment with H & H.

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks Golf Course Storage & Irrigation Project: Olsen reported that the 14 million gallon pond project has been started. The contractor has a 150-day contract to complete the project. With the exception of Ts and greens, SP will irrigate the golf course with treated wastewater once the pond is complete. Irrigation Agreement: *The edited draft agreement will be presented at the June meeting for board approval prior to sending it to the attorneys for review.* Director Shanks reported that he recently edited Sections 4 and 7 clarifying that the quality of the treated wastewater is certified as it leaves the treatment process, not once it has been stored in the ponds. Burroughs reported that the sampling is done as it is coming out of the plant and it has excellent standards at sampling. Though it is not required, Burroughs also samples the irrigation water at the start of irrigation season. Director DuCuennois would like the District's delivery obligations under the agreement reviewed. The board agreed that *the responsible party of the ponds is the owner(s) and that will be clarified in the agreement.* *Director DuCuennois will be getting revised exhibits that should be available for review at the next meeting.* The YC and SP are still preceding with their spray irrigation studies this summer. They are also looking at alternative disposal methods on its properties. *The issues requiring further investigation will be discussed at the next meeting.*

GROUNDWATER MONITORING WELLS: Edwards reviewed the map showing the four monitoring wells that will be kept and those that will be abandoned. The District will need to *work with Boyne on obtaining a yearly license for access to use the sites. The costs for the loggers need to be included in the new fiscal year budget.*

FISCAL YEAR 2017-2018 DRAFT DUGET

The board reviewed the draft budget. A couple of line items may change, i.e. sewer operating expenses for the alum, the new expense for pumping costs to YC and SP, backup generators for both mountain wells, and data loggers for the monitoring wells. The District's health insurance costs went up 26%. A significant savings would result if those eligible were on Medicare. Conceptually, the board agreed with Smith's recommendation to gross up the affected employee's salary to cover the costs of individuals going to Medicare. The board discussed how the District might manage converting eligible employees to Medicare and still ensure that the employee and family are whole from the standpoint of coverage and deductibles. Secondary and supplemental policies need to be looked into. *An employee Medicare benefit policy needs to be drafted.* A dollar cap could be considered so the employee has flexibility with the coverage they sign up for. After a review of employee compensation offered in Bozeman and Gallatin County, the budget is in line with what these communities offer. The board is comfortable with the employee compensation as presented. The board discussed rolling over funds for projects not completed. *The draft budget will be presented for approval at its June meeting.*

The District will use the water and sewer rates set for three years at the budget hearing last year. The rates set last year did not factor in the YC booster station power costs. Once these costs are established, the District may need to adjust its budget and rates. *YC/Mike DuCuennois needs to invoice the District for the power costs for the fiscal year before June 30, 2017.*

NEW DEVELOPMENTS & SUBDIVISIONS

The District's comments for the Sweetgrass Hills Tract 1A development plan that splits the parcel into four commercial lots will address water and sewer extension plans and the SFE committal to the parcel.

SEWER & WATER PERMITS & CORRESPONDENCE

There are 260 SFEs available for permitting with no known big projects coming in for permitting. The SFEs for the Marriot project in Town Center were reviewed and adjusted to 121.58 SFEs with \$69,386 for permit fees. A sewer only connection permit will be designed for use within Spanish Peaks. The permit fees will only be for sewer investment charges, sewer connection fees, and meter equipment charges. A water meter and reader will be required for lots served that have private wells. Olsen and Smith are working on the details to release approximately \$27,000 in quarterly water fees that the District has collected.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action. The snowpack report showed that Gallatin Basin is 110% and Madison Basin is 119% of normal. The report is available online.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, June 20, 2017, at 8:00 am. The budget will be presented for approval.

ADJOURNMENT

Director Wheeler moved to adjourn the meeting at 9:38 am. Director Shanks seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

5-23-17. min (Board Approved 6/20/17)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – June 20, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, June 20, 2017, in the WSD Community Room. Vice-President Tom Reeves chaired the meeting with the following board members present: Secretary Dick Fast and Directors Mike DuCuennois, Bob Shanks, William Shropshire, and Brian Wheeler. President Packy Cronin participated via conference call. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, and Grant Burroughs and Peter Bedell.

Others present: Jon Olsen, Lone Mountain Land Co; Karen Filipovich, Big Sky Sustainable Water Solutions consultant; Jeff Dunn, RESPEC; Steve Johnson, Big Sky Planning and Zoning; Bob Zimmer, Greater Yellowstone Coalition; Peter Bing, community member; Peter Manka, Alpine Water and community member.

PUBLIC FORUM

Vice President Reeves called the meeting to order at 8:04 am. There was no public comment.

CONSENT AGENDA

Water Operations: Director Fast would like the Aspen Groves homeowners notified of the water tank maintenance schedule so that they are aware of possible interruptions of service.

Director Wheeler moved to approve the consent agenda with the meeting minutes of May 23, 2017, the April financials, and the operators' report. Director Fast seconded the motion. Motion unanimously passed.

BIG SKY SUSTAINABLE WATER SOLUTIONS (BSSWS) PRESENTATION

Karen Filipovich, BSSWS consultant, and Jeff Dunn, RESPEC, gave a presentation on the sustainable water solutions project and answered questions. The project area is the resort tax boundary with 36 stakeholders that have co-equal status. The project timeline is June 2016 to December 2017. The forum group is focusing on areas of ecological health of the river systems, water supply and availability, wastewater treatment and reuse. Goals, objectives and initial priorities where action should be taken will be identified. Implementing, planning, and monitoring will come later. The stakeholders are looking for broader community input as to what is feasible. The board asked about current monitoring on the Gallatin River and the possible need to have additional water quality monitoring on the river. Also discussed were ecological benefits to providing sewer service to properties on septic systems and management of storm water runoff. Filipovich provided her vision of Big Sky in 10 years and what value the group will have provided during that time. Director DuCuennois would like to see properties with septic systems provided public sewer service. Another key component is water conservation. Filipovich reported that the forum is now fully funded through December with funding from the resort tax and Madison and Gallatin Counties. The next forum meeting is in September. Filipovich thanked the District for providing financial, technical, and participatory support to the forum group.

FISCAL YEAR 2017-2018 BUDGET

The only change to the draft budget presented in May was adding \$20,000 for a new roof for the SBR building. Edwards recommended also adding \$6,000 for re-carpeting the meeting room and main office. Director Fast suggested that with the meeting room being used like a community center, new carpet for the room would be an appropriate resort tax funding request. It was noted, that from the testimony given at the legislature, the resort tax might be more receptive to funding

water and sewer infrastructure in the future. A list of resort tax allocations was provided in the packet.

Director Shropshire moved to adopt the 2017-2018 fiscal year budget adding \$6,000 for replacing carpet in the main office building. Director Wheeler seconded the motion. Call for discussion. A Medicare option to the District's health insurance was discussed. Smith reported that under advisement from our insurer, the District should offer the "option" of Medicare. Smith will ask the insurance agent to attend a board meeting to explain the reason for "option" of Medicare. The budget will have a savings if a person goes on Medicare. Employees need to be aware of any deadlines for enrolling in Medicare without penalty, and changes of coverage. The Medicare policy will be presented to the board next month and will be addressed outside of the budgeting process. Smith believes that the water and sewer rates instituted last year have worked as a catch up in funding and is confident in the rate structure going forward. Vice President Reeves noted that the budget had a 26% increase in insurance this year. The District may need to look at a participatory program with individuals making choices on their individual plan and employees paying into their health insurance. The District needs to look at this in future years. Motion unanimously passed.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

The board packet included information on the sustainable water solutions meetings.

BSOA POND RESTORATION PROJECT

The state is still reviewing the District's application. It is not yet at a point for public comment.

CAPITAL IMPROVEMENTS PLAN PROJECTS

Wastewater Projects: Edwards reviewed what the wastewater projects will include with this being the design process, not any construction. A force main return to the canyon will be discussed. Design standards will provide for discharge in the event the District ever has to make the decision to apply for discharge. If MDT work is to be done, the District will coordinate any highway area pipeline. Use of Firelight's drainfield system was discussed in regards to nutrient credits if treated wastewater was disposed of in this drainfield. Snowmaking was discussed. The four firms submitting RFQs are AE2S, Anderson-Montgomery, Dowl, and Morrison & Maierle. The committee will review the RFQs. Edwards and Director Shanks declared their conflict of interest with each having a family member working at Morrison and Maierle. Director Shropshire declared that he has had a long standing relationship with Morrison and Maierle. The review committee will be Edwards, DuCuennois, Shanks, and Shropshire. Edwards will circulate emails to schedule a committee meeting date.

Water System Projects: The well 3 rehabilitation project has been delayed until fall as there are too many Lake condominium tenants in the area.

DEVELOPMENTS AND SUBDIVISIONS

Accessory dwelling units (ADUs) have become a development issue. Edwards explained his correspondence addressing ADUs in South Fork Phase 5-7 and Blue Grouse Hills Big Pine provided in the board packet. MDEQ is saying subdivision approval did not allow for ADUs, but county approval allows ADUs as a conditional use. Steve Johnson explained the county and DEQ approval process. It is now a technicality in the COSA rewrite. County planning is acting as if they cannot approve ADUs without this being cleared up. Johnson believes that DEQ has delegated authority to WSD to allow permits for ADUs. Director DuCuennois stated that the recorded subdivision plat is what prevails. Johnson reported that the community wants

the ADUs to be able to proceed. It is the most the reasonable way to deal with affordable housing. The District has always approved permits with ADUs if zoning allows the use. How ADUs relate to RMF 3500 was discussed. It was asked if the District is at risk for authorizing permits that are not in line with what the subdivision allows. The SFE commitment to the Bough project that was based on 32 units was discussed. A permit for this project was never applied for and no permits have been issued. Bough's COS 214 was never in the original SFE table. A new WSD commitment letter will be needed if this project changes. *Edwards will update the SFE table when the engineering work is done.*

Spanish Peaks Phase 6B is a 4-lot subdivision that will be connected to the District's public sewer system, but have individual wells. The letter approved 4 individual wells being drilled.

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks Golf Course Storage & Irrigation Project: Edwards recommended sending the draft document to the attorneys. The issue of treatment standards stored in ponds was discussed. The chlorination point was changed. Director DuCuennois said this agreement is in conflict with the YC agreement in points of treatment standards. To eliminate the conflict with the YC/SP agreement, Director Shanks recommended taking out the first sentence in Section 7 and the entire Section 8. The District then can look at chlorination at the point of irrigation. The revised document will be sent to the attorneys.

Director Shropshire moved to send the draft irrigation agreement document to the attorneys after revising Sections 7 and 8 as discussed by the board. Director Fast seconded the motion. Motion passed unanimously.

SEWER & WATER PERMITS & CORRESPONDENCE

Edwards reviewed the "water only" permit for Cleve Johnson in the 4-lot minor on Plank Road. The District has sufficient SFEs to continue issuing water and sewer permits.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

NEXT MEETING

Director Shanks asked that the July and August meeting dates be change. Due to scheduling conflicts with other board members, the July meeting date will not be changed. The board will meet the third Tuesday, July 18, 2017, at 8:00 am. The meeting date for August will be changed to the fourth Tuesday, August 22, at 8:00 am as requested.

ADJOURNMENT

Director Shanks moved to adjourn the meeting at 10:24 am. Director DuCuennois seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – July 18, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, July 18, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, Secretary Dick Fast and Director Mike Ducuennis. Directors William Shropshire participated via conference. Directors Brian Wheeler and Bob Shanks were not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, and Grant Burroughs.

Others present: Jon Olson, Lone Mountain Land Company; Steve Johnson, Big Sky Planning and Zoning; Peter Manka, Alpine Water; Suzan Scott, Big Sky Owners Association; and Peter Bing, District resident.

PUBLIC FORUM

With no public comment, President Cronin called the meeting to order at 8:08 am.

CONSENT AGENDA

Minutes: The board would like the minutes distributed within a week after the meeting if possible. Financials: No comments. Sewer Operations: No comments. Water Operations: Our tanks are in good shape. The Aspen Groves (AG) water tank has been inspected and cleaned. With eight years of use on AG wells, the tank had 7" of silt that was removed. Sediment accumulation should not be an issue going forward as the AG system was put on the mountain water system in 2006. The painting of the mountain water tank will be done this week. The District now has a dedicated computer for our SCADA system, lowering the risk of hacking the system. If the board is worried about tampering, Muscat thinks that the District should think about fencing the tanks as that is where he believes the risk is for tampering with the water system. With summer water use at a record low, the new meadow wells and UV treatment system have not yet been used this season. We are working towards getting a back up generator for the hill booster for the mountain water system that will be located near the mountain shop. The cascade mountain water system will need to have a backup generator in the future once growth demands it. *Muscat will discuss the finances of a back up generator with Smith.*

Director Reeves moved to approve the consent agenda with the meeting minutes of June 20, 2017, the May financials, and the operators' reports. Director Fast seconded the motion. Motion unanimously passed.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

The June 23, 2017, meeting agenda and notes were provided in the board packet. The next stakeholder meeting is August 31, 2017. The draft Watershed Management Plan is being drafted by Jeff Dunn, RESPEC, and should be available in mid-September.

BSOA POND RESTORATION PROJECT

The District's application, submitted in November 2015, has not been moved to public comment. Brent Zundel, DNRC, is reviewing the comments from their legal review of the application.

CAPITAL IMPROVEMENTS PLAN PROJECTS

The committee is in the process of scoring the four RFQs received from AE2S, Anderson-Montgomery, Dowl, and Morrison & Maierle. Dowl and AE2S have thus far scored higher than the other two submittals. The committee will meet this week to finalize its review. If there is a consensus with the group with one firm, the firm will not be brought in for an interview.

DEVELOPMENTS AND SUBDIVISIONS

Stony Creek Minor Subdivision, Lot 5: Robert Pueringer is interested in petitioning the board to connect Lot 5 to the public sewer system. All lots in Stony Creek are approved for private on-site septic systems. Edwards reviewed the history of the Stony Creek Subdivision Water Pipeline and Access Easement Agreement explaining why there are curb stops to provide water service to only lots 2 and 5. In consideration for providing the District with a 20' easement in their open space, the District provided curb stops to Lots 2 and 5. Edwards feels that if the District is going to provide water, it should provide sewer service and recommended annexing the property. Once the property owner understands the financial obligation when annexed, he may not want to be provided sewer service. The board discussed its policy passed in November 2016 that said the District would not consider annexing property for 1.5 years unless there was a benefit to the District. This policy was passed to allow time for the District to try to solve some of its capacity issues. The board has denied other annexation requests that have been contiguous to the District's boundary. The board discussed the potential of opening Pandora's box if it annexes this one property. The board was in consensus that it wants consistency in District responses to property owners requesting annexation and will not consider annexing during the 1.5 years the policy is in effect. The District will honor the obligation per the easement agreement, which is to allow water for purchase for lots 2 and 5 if requested. *Edwards will inform Pueringer that he can connect to the public water system per the agreement, but not the public sewer system. The District needs a water service agreement prior to providing water to Lots 2 and/or 5.* Edwards does not believe there would be any affect to the District wells, or Spanish Peaks wells, if Stony Creek property owners drill individual wells.

The board discussed the District's finite water resource that is limited by nature. Even though it is in the best interest of the District to not have islands of non-service, it needs to quantify what it can serve as the District currently does not have enough water supply for full build out. The mountain wells are projected to provide surplus capacity until 2022. The agreement with YC is wrapped around providing surplus water. An agreement with Boyne allows them to use the water supply from wells 5 and 6 for three months. *The board directed Muscat and Edwards to review the old water engineering studies and present a recommendation to the District.*

The board wants to address annexation before the policy in effect for 1.5 years expires. *For the August meeting, the board directed Edwards and Muscat to review the current water annexation policy. Edwards is to draft a stand-alone policy to address both water and sewer annexation to extend beyond the 1.5 years.* The District needs to have a policy that includes criteria as to why the District would annex property, i.e. what is the benefit to the District. *The board directed Edwards to also inform Bill Fallon of the District's stance on annexation.*

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks (SP) Golf Course Storage Pond & Irrigation Project:

Jon Olson provided a video of the SP pond construction. The pond will provide 14.5 million gallons capacity.

The draft irrigation agreement, which Susan Swimley is reviewing, was provided in the board packet. Edwards did not know if Swimley and Gina Sherman will be working jointly in reviewing the agreement. President Cronin stated that he is opposed to Section 10, Operating Expenses (second paragraph) as written. It sets up a limited perpetual rate structure for any treated water pumped by only specifying recovery of the electricity pumping costs and the

depreciation costs of the wastewater supply infrastructure. To be responsible to ratepayers, the District needs to be able to set rates for selling treated water as the value of water will change. When the District needs to pump water to get rid of it, there would not be a charge for the treated water. If YC, or SP, asks for water the District should be able to charge for the water. One of the concepts with the irrigation agreement was to not add on to the YC agreement. Vice-President Reeves was concerned about in perpetuity and asked if a time frame is needed. The board was in consensus with a middle ground modification to Section 10, Operating Expenses. There will be clarification as to a maximum number of gallons available to what parties at a guaranteed reimbursement cost with the District then having the option of selling additional treated water for an additional cost at the going rate. *The committee will review and edit the agreement before it is presented to the board for approval.*

Edwards said once SP gets its ponds completed, it would be cheaper for the District to pump to SP pond as the water would only have to go through one pump station. Consequently, the District would probably pump to SP if it needs to get rid of water. The exhibits of the use areas currently proposed were displayed. Director DuCuennois reported that YC engineers are exploring other areas of disposal. Burroughs noted that the drawing for point of delivery is not correct with the pipe alignment. Director DuCuennois will have the exhibit corrected. Burroughs explained that the District engineers designed up to the vault, not the point of delivery identified. The exhibits will be recorded with the irrigation agreement.

DEVELOPMENTS & SUBDIVISIONS

No comments.

SEWER & WATER PERMITS & CORRESPONDENCE

Edwards reported 210 SFEs are still available for permitting. Applications may soon be submitted for residential projects in Town Center, Lot 4; Lodges at Elk Horn Creek; and Mountain Lakes.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

NEXT MEETING

The next Board meeting is tentatively scheduled for the fourth Tuesday, August 22, 2017, at 8:00 am.

ADJOURNMENT

Director Fast moved to adjourn the meeting at 10:14 am. Director Reeves seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – August 22, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, August 22, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves and Directors Mike DuCuennois, Brian Wheeler (left at 10:45), Bob Shanks, and William Shropshire. Secretary Dick Fast was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, and Grant Burroughs.

Others present: Beth Kuhl, Kuhl Insurance; Steve Johnson, Big Sky Planning and Zoning; and Jon Olson, Lone Mountain Land Company.

PUBLIC FORUM

With no public comment, President Cronin called the meeting to order at 10:08 am.

CONSENT AGENDA

Minutes: Add islands of “non-service” to Stony Creek discussion, paragraph 2, sentence 2.

Financials: Beth Kuhl discussed Medicare insurance options pertaining to the District. Kuhl explained the financial and coverage benefits of the District’s health and Medicare insurance plans. Medicare offers a better health insurance plan and is a substantial savings to the District. She recommended having an opt-in/opt-out policy for its health insurance plan for all employees. Kuhl recommended a \$350 monthly salary compensation to those opting out of the District’s insurance plan. Kuhl cautioned that the District cannot mandate Medicare enrollment, and an employer cannot pay the Medicare insurance premium. *Smith will prepare a new health insurance policy to be presented to the board for adoption at the next meeting.* Kuhl will be available to help individuals sort through the Medicare options.

Sewer operations: Flow levels are up approximately 10% from last year and year-to-date pond levels are higher than previous years. At the request of Spanish Peaks (SP), the District will pump 15 million gallons to SP’s new pond when they are ready to test it. Burroughs discussed the Mountain Lake sewer extension project. The developer has been notified about deficiencies that must be corrected to meet District standards before the sewer extension will be accepted. This led to a general discussion about having an inspector on site that is hired by the District for extensions (Director Wheeler left at 10:45 AM). *The board directed staff to figure out what they want and provide a written policy for the next board meeting.*

Water operations: An unannounced water facilities safety inspection was completed by the Montana Department of Labor and Industry. The list of deficiencies to be corrected for the District to comply was provided in the board packet.

Director Reeves moved to approve the consent agenda with the corrected meeting minutes of July 18, 2017, the June financials, and the operators’ reports. Director Shropshire seconded the motion. Motion unanimously passed.

MILL RATE

The certified taxable values have decreased the mill rate from 81.81 to 61.21. The manager's report covered the changes. One hundred percent of the bonds will be put on the tax rolls. Board approval is needed to submit the tax levy summary to the counties.

Director Reeves moved to approve the combined mill rate of 62.2. Director DuCuennois seconded the motion. Motion unanimously passed.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

The next meeting is September 21, 2017. *Edwards will email board members a direct link to the Solutions Group community input survey. The response deadline is September 15, 2017.* Steve Johnson urged the District rebut false information about a discharge permit with facts. To address the false information, the board discussed waiting until the District selects the wastewater CIP engineering firm. Director DuCuennois reported that the solutions forum group is making presentations in the Bozeman area on wastewater solutions being discussed.

BSOA POND RESTORATION PROJECT

The Department of Natural Resources has completed its review of the District's change of water right application. The public notice will be published in the Bozeman Daily Chronicle on August 23, 2017; with an objection deadline of October 6, 2017. Edwards reported that Mike Cusick will be talking to the original organizations the District contacted (FWP, AGAI and TU) as a courtesy. *Edwards will have the previously signed agreement with BSOA in the next board packet.* If approved, the BSOA's project will begin in fall of 2018.

WASTEWATER CAPITAL IMPROVEMENTS PROJECTS

The committee will interview AE2S and Dowl in the morning of September 21.

DEVELOPMENTS AND SUBDIVISIONS

A capacity letter was sent to DEQ for a multi-family project scheduled to start construction in Town Center, Block 17, Lot 4A, in October. The hotel project in Town Center has started. The mixed-use project in Town Center has not started.

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks Golf Course Storage & Irrigation Project: Construction is still on schedule. SP will fill and test the pond in early October.

Irrigation Agreement: District counsel Susan Swimley's edits to the draft document were distributed. *Any comments, or edits, to Swimley's draft need to be sent to Edwards by the end of the week. Edwards will send the revised document to Swimley next week.* Pipeline and irrigation easements need to be cleaned up. *Edwards will email Director DuCuennois the pipeline exhibit and easement form.* Once received, Director DuCuennois will start getting the necessary signatures. The board wants the irrigation agreement completed next month. The forcemain pipeline and irrigation easements should be cleaned up by November.

SEWER & WATER PERMITS & CORRESPONDENCE

No comments.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

Bill Fallon sent the District a letter requesting annexation when the day comes for the District to consider annexing property. *The board directed Edwards to prepare a draft annexation policy for the September board meeting.*

Edwards will speak at the BSOA annual meeting on Friday, September 1, at the Summit Hotel.

NEXT MEETING

The next Board meeting is tentatively scheduled for Thursday, September 28, 2017, at 8:00 am. Director Shropshire will not be available. Director Shanks will participate via conference call.

ADJOURNMENT

Director Reeves moved to adjourn the meeting at 11:15 am. Director Shanks seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

8-22-17. min (Board Approved 9/28/17)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – September 28, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Thursday, September 28, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, Secretary Dick Fast (left at 10:15 am) and Directors and Brian Wheeler. Director Bob Shanks participated via gotomeeting. Directors William Shropshire and Mike DuCuennois were not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Peter Bedell, Nic Wellenstein, and Eric Daniels.

Others present beginning at 8:08 am: Steve Johnson, Big Sky Planning and Zoning and Peter Manka, Alpine Water. Ryan Hamilton, Town Center, participated via GoToMeeting.

PUBLIC FORUM

With no public in attendance and no public comment, President Cronin called the meeting to order at 8:00 am.

CONSENT AGENDA

Minutes: No comments.

Financials: Smith asked for the board to amend the budget, increasing the water capital budget. The six-year old hand-held water meter reader needed replacement which costs \$7,000, and for water operator education, an increase in the amount of \$3,500 is needed.

Director Reeves moved to approve the budget amendment of \$3,500 for water education account and \$7,000 for the water capital budget. Director Shanks seconded the motion. Motion unanimously passed.

The draft "Opt Out Health Insurance Policy" was presented to the board for adoption. Smith asked the draft policy be amended by adding a clause at the end to read "for each participant withdrawing." The board discussed the circumstances of reimbursement for opting out, stating the policy can always be amended if needed.

Director Reeves moved to approve the draft "Opt Out Health Insurance Policy" as amended. Director Wheeler seconded the motion. Motion unanimously passed.

Sewer operations: To protect the District's water rights, water was pumped out of the middle fork pond. To avoid clogging irrigation heads this water was pumped into the District's irrigation pond. The horse pasture area was turned on to irrigate the additional water. The ponds are higher than they ever have been at this point in the irrigation season. We will be sending approximately 13 million gallons to the new Spanish Peaks pond. The board discussed overall capacity and having backup storage available in the event of pond failure. With the time it takes to bring a pond to completion, the board discussed when the District should write a letter to YC requiring the construction of the Phase 3 storage pond. *The board directed Edwards to provide comprehensive capacity data by October 12. The data is to include storage and disposal/irrigation for YC, SP, Boyne, and the District.* Using this data, the board will discuss the YC Phase 3 letter at the next board meeting. If irrigation on the horse pasture is used, Peter Bedell is to contact Taylor Middleton to communicate the need of its use and to also properly monitor its use. The board discussed the fluctuations of the total nitrogen levels. *In the data to the board, Edwards is to include the stream monitoring data from above the golf course.*

Water operations: After rehab work is complete, mountain well 3 should be back on line next week if the BacTs sample pass. Early pump tests indicate production could be as high as 150 gpm which may require a larger well pump. The rehab inspection and video did not show a well screen as shown in the historical well log. The District might be able to add a screen if sand production becomes an issue again. The Micro-Comm SCADA system has been updated.

Director Reeves moved to approve the consent agenda with the amended meeting minutes of August 22, 2017, the July Financials, and the operator's reports. Director Fast seconded the motion. Motion unanimously passed.

BIG SKY SEARCH & RESCUE

In response to a request from Gallatin County Emergency Service, the Big Sky Search & Rescue asked for approval to widen the radius of their access road to their building for the county's RV command center. Their lease, which expires in February 2019, requires approval from the District for any alterations. Edwards does not have any problem with their proposal. The board wants staff to monitor that trees are not unnecessarily cut down for this project. The proposed driveway expansion needs to be staked, and any trees to be removed must be marked and approved by the District for removal. It was noted that the RV responder vehicle is a mobile unit that does not need to be next to the building.

Director Reeves moved to approve the Search & Rescue request for expansion of the driveway, but to protect as many trees as possible with the trees marked that cannot be removed and subject to approval with WSD staff inspection. Director Wheeler seconded the motion. Motion unanimously failed.

The board did not have a problem with the request, but it does want to preserve trees. *Edwards will have Search and Rescue stake their driveway proposal. After staking is complete, the request will be presented to the board for review and approval.*

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

The two engineering firms, AE2S and Dowl, interviewed for the capital improvements plan project also presented at the stakeholder meeting on September 21, 2017. Good discussion was followed by the stakeholder's group with the level of treatment being a high priority. The group seemed to support snow making. *Edwards will send the article on snowmaking to the board.*

The group held public meetings in the valley at Belgrade Library and Bozeman Library on September 13 and 18, respectively. No one from the public showed up for the meeting on the 13th. President Cronin reported that the meeting on the 18th had about 30 people in attendance.

BSOA POND RESTORATION PROJECT

The objection deadline is October 6th. As of last week, no objections had been filed with DNRC. According to the BSOA MOU provided in the packet, the District can charge for the water at fair market value at any time it chooses to exercise that option.

WASTEWATER CAPITAL IMPROVEMENTS PLAN FINDINGS PRESENTATION

Interviews were conducted on September 21, 2017, with Dowl and AE2S. President Cronin noted that he was impressed with the presentations and the proposals from both firms. Cost estimates were not a focus, but AE2S roughly estimated \$15 million and Dowl estimated \$15-\$20 million. Operations and maintenance of the proposed treatment plans were not discussed. It was noted that Director Shropshire would like information about the potential operating costs of the different plans prior to making a decision. Grant Burroughs also needs to review the interviews when he returns. Director Shanks recommended selecting a firm and then select options regardless of what firm to use. Using the best practices, the board would like the District's treatment for total nitrogens down to level 2 if possible. *Director Shanks will contact committee members for a consensus on recommendation to present to the board at the October meeting. Edwards will contact AE2S to ask if they are planning pilot testing in their proposal.* If planning for future expansion to the canyon is in the proposal, President Cronin would like the District to keep strict accounting for future reimbursement for any expansion engineering and construction costs. Edwards explained the procurement process in hiring an engineering firm. (Secretary Fast left the meeting at 10:15 am.)

DEVELOPMENTS AND SUBDIVISIONS

No new developments were reported.

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks (SP) Golf Course Storage & Irrigation Project:

The August 30, 2017, draft wastewater irrigation agreement was provided in the board packet along with Edwards's letter to Jon Olson regarding the WSD's best effort commitment to have the SP pond filled with treated water during the spring, summer and autumn months. The SP pond will be filled in October for testing. The board discussed if the SP pond could be delayed because SP has not applied for and does not have a conditional use permit. *Steve Johnson will follow up on county regulations of conditional use permit requirements.*

The August 30, 2017, draft agreement will be on the board's October meeting agenda as a business action item unless a more current version is presented. The final draft has to provide the District the option to reserve the right to charge for its treated wastewater. Edwards is to notify Director DuCuennois that the agreement will be voted on at the next meeting, and the pipeline easements have to be done. There are five areas that YC needs to provide legal descriptions for to complete the easements. It is YC's responsibility to get the easements signed and recorded. *Edwards is to ask legal counsel if the District can charge YC/SP on any wastewater requested by YC/SP, including the 160,000 million gallons the District can pump to YC, or SP. This legal opinion is to be done well before the next board meeting.* As the District's financial officer, Smith stated that the District should never give up the storage and disposal capacity commitment from YC as it is a "priceless asset". The board also wants a legal opinion as to whether the YC Agreement has been breached since 16 years have passed without YC recording easements. A comprehensive punch list specifying tasks and deadlines was recommended.

After discussing the high levels in the District's ponds, *the board directed staff to begin pumping to YC's pond to avoid any capacity problems going into winter. Peter Bedell will notify YC that the District will be pumping to the YC pond.*

DIRECTOR ELECTIONS

During the 2015 legislative session, House Bill 84 changed board elections from November to May and eliminated county commission appointments which force all board positions into elections. The term for the appointed seats was also changed from 6-year to 4-year terms. The election may have to be filled through a county-wide election. The seats held by Tom Reeves and Bob Shanks are up for election in May 2018. *The filing period for the May 2018 election is December 14, 2017 through February 12, 2018.* The county appointed positions held by Brian Wheeler and William Shropshire expire December 2018 with possibly a May 2019 election. The District will rely on the review and interpretation provided through legal counsel and Charlotte Mills, Gallatin County Election Office.

SEWER & WATER PERMITS & CORRESPONDENCE

Permit applications were submitted for several single family homes and the Lodges at Elkhorn Creek.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, October 17, 2017, at 8:00 am.

Secretary Fast is not available on the 17th. Director Shanks will get a consensus from the committee on the engineering firm to be able to make a recommendation at the meeting. If there is a committee meeting before the board meeting, Edwards will post the meeting 3 days in advance. *Edwards will send the board the snowmaking article, the link to the engineers' presentations, and the comprehensive data of disposal and storage capacity by October 12.*

ADJOURNMENT

Director Reeves moved to adjourn the meeting at 11:18 am. Director Shanks seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

9-28-17. min (Board Approved 10/17/2017)

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – October 17, 2017

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, October 17, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, and Directors Mike DuCuennois, Bob Shanks, and Brian Wheeler. Secretary Dick Fast and Director William Shropshire were not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Vincent Palafox, Grant Burroughs, Nic Wellenstein, and Eric Daniels.

Others present: Steve Johnson, Big Sky Planning and Zoning; Patrick Edger, Montana Department of Administration; Mary Ann Comstock, District property owner; Jon Olson, Lone Mountain Land Co.; Peter Manka, Alpine Water; Tim Kent, Big Sky Western Bank; Suzan Scott, Big Sky Owners Association; and Jeff Trulen, Big Sky Search & Rescue. Susan Swimley, legal counsel, via conference call.

PUBLIC FORUM

With no public comment, President Cronin called the meeting to order at 8:00 am.

CONSENT AGENDA

Director Shanks moved to approve the consent agenda with the corrected meeting minutes of September 28, 2017, the August financials, and the operators' reports. Director Wheeler seconded the motion. Motion unanimously passed.

PRESENTATION: ETHICS

A presentation on the state code of ethics was provided by Dr. Patrick Edger, Professional Development Center, Montana Department of Administration. Board members should submit the disclosure document form to the Commissioner of Political Practices with a copy kept on file at the District. The board would like the minutes to reflect when a board member discloses a conflict of interest and when a board member abstains from voting. Susan Swimley recommended adding conflict of interest disclosure on the forefront of every board agenda. The state Standards of Conduct is available online. Cronin would like it read by staff and the Board every three years as required. Swimley's suggestion will be incorporated into the agenda.

BIG SKY SEARCH & RESCUE

Search & Rescue's proposed driveway expansion was staked by Andy Dreisbach as requested. He also provided drawings outlining the proposed approach extension and revegetation plan to offset the proposed tree removal to improve the driveway approach. Jeff Trulen, President of Big Sky Search and Rescue attended the meeting to address any questions from the board.

Director Shanks moved to accept the proposal as presented and to eliminate the three trees proposed for planting. Director Reeves seconded the motion. Motion unanimously passed.

YELLOWSTONE CLUB/SPANISH PEAKS IRRIGATION AGREEMENT

The draft agreement dated 10/16/17 was distributed. Discussion followed about water quality when it leaves the plant versus water quality delivered after storage. DuCuennois said that YC has never irrigated non-compliant water in all the years they have been spray irrigating. Section 10 of the agreement previously reserved the right for the District to charge for treated water. The new draft effectively removes this from the agreement but does not concede this point in the future. For water requested by YC and SP, the District will charge for the power pumping costs.

If the District needs to pump water it will pay for the pumping costs. Attorneys recommend a six-month schedule to get the easements agreements done. Edwards will work on locating the pipeline and then a GPS survey. Gina Sherman will be responsible for getting the recordable pipeline and golf course easements. Cronin wants a checklist of tasks and progress reports to hold to the timeline. Shanks would like the liability language in Section 13 to be verified that it does not increase the District's liability. The November meeting agenda will include the revised draft agreement, pipeline survey, and YC's draft alternative disposal methods report. DuCuennois was asked to submit YC's draft report early so that it can be reviewed prior to the meeting.

Vice President Reeves moved that the irrigation agreement be signed and recorded, the pipeline easements recorded, and the storage and disposal easement be recorded by the April 2018 meeting. Director Shanks seconded the motion. Motion unanimously passed. Director DuCuennois abstained.

Following up from the September meeting, Edwards reviewed his first analysis of the overall storage and capacity. The storage left going into the winter is approximately 50 million gallons. If the spreadsheet data is accurate all ponds will be full around May 1st. Burroughs reported that 69 million gallons was irrigated to Boyne's golf course and that very little irrigation occurred from September 15 to October 1. He noted that each year we are leaving more water in our ponds at the end of the irrigation season than we should be. Jon Olsen reported that the SP pond should be ready to receive water in about two weeks. SP will "experimentally" begin using 100% of treated effluent for irrigation. This will allow the District's use of the storage pond by the clubhouse for a total SP storage capacity estimated at 31 million gallons for next year. President Cronin directed Edwards to have Ray Armstrong review the model presented. Other discussion included the District writing a letter requesting YC to build another pond, the need for an emergency action plan, and notifying regulatory agencies now. The analysis model needs to be reviewed by Ray Armstrong then presented again at the next meeting.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

The next meeting is tomorrow, October 18, at the WSD conference room.

BSOA POND RESTORATION PROJECT.

The Bozeman DNRC office reported that no objections had been filed by the October 6th deadline.

CAPITAL IMPROVEMENTS PLAN PROJECTS

After a thorough review of information presented by both engineering firms, DOWL and AE2S, the committee recommended selection of AE2S. The next step is to write letters to begin negotiating a contract. Board consensus is to maintain our relationship with DOWL (formerly HKM).

Director Shanks moved to select AE2S based on the careful consideration of the committee and directed staff to begin negotiations of the next phase of the plant expansion. Vice President Reeves seconded the motion. Motion unanimously passed.

SEWER & WATER PERMITS & CORRESPONDENCE

There are 145 SFEs remaining for permitting.

GENERAL CORRESPONDENCE

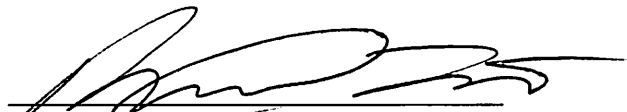
There was no general correspondence requiring board action. Edwards explained the email regarding DeShields property on Crow King Road. They want water and service services to DeShields two large 20-acre tracts that are in the District. DeShields will need to hire an engineer and get DEQ approval for extension work. Muscat reported that the Department of Labor's water system inspection punch list has been completed.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, November 21, 2017, at 8:00 am.

ADJOURNMENT

Director Shanks moved to adjourn the meeting at 11:24 am. Director Reeves seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

10-17-17. min (Board Approved--11/21/17)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – November 21, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, November 21, 2017, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, Secretary Dick Fast, Directors Mike DuCuennois, William Shropshire and Brian Wheeler. Director Bob Shanks was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, and Grant Burroughs.

Others present: Jon Olsen, Lone Mountain Land Company; Steve Johnson, Big Sky Planning and Zoning; Suzan Scott, Big Sky Owners Association; Scott Buecker, AE2S; Scott Olson, property owner; and Bob Zimmer, Greater Yellowstone Coalition.

PUBLIC FORUM

With no public comment, President Cronin called the meeting to order at 8:03 am. Director DuCuennois disclosed a potential conflict of interest under Old Business, Item E, District Agreements, where he will represent Yellowstone Club.

CONSENT AGENDA

Financials: Auditor, Tony Vanorny from Junkermier, Clark, Campanella & Stevens, (JCCS) presented the highlights of audited financial statements. They finished their onsite detailed testing yesterday with no issues and no deficiencies of internal control. JCCS's required communication letter will be clean. This letter will be issued in the final audit packet that will be presented to the board for review and acceptance at its December meeting.

Water operations: No comments.

Director Reeves moved to approve the consent agenda with the exception of the sewer report. Director Shropshire seconded the motion. Motion unanimously passed.

Sewer Operations: The board reviewed and discussed the analysis of the District's total storage and projected wastewater flows using May 15 as the target date when the District's large storage pond will be full. Burroughs and Olsen discussed the strategy for fixing the liner leak in SP's new pond. Burroughs reviewed the irrigated volume to Boyne's golf course, which was about average. Burroughs recommended setting up weekly meetings with Boyne's golf course superintendent during irrigation season to review irrigated flows and the weekly volumes that need to be met. To keep up with flows, irrigation on the horse pasture, or other areas, would be used when weekly irrigation volumes to the golf course are not met. Agreeing with Burroughs, the board wants the discussions with Boyne to start this winter. Subcommittee members are: Brian Wheeler, Dick Fast, Tom Reeves, Ron Edwards, Grant Burroughs, and Nic Wellenstein. Taylor Middleton will also be invited. It was also stated the meetings need to include the three entities Boyne, YC, and WSD. The meetings will also be noticed.

Director Shropshire moved to accept the sewer operator's report. Director DuCuennois seconded the motion. Motion unanimously passed.

Meeting Minutes: Corrections to the October 17, 2017 minutes were requested.

Vice President Reeves moved to accept the October 27, 2017, meeting minutes with corrections as noted by Director DuCuennois and staff. Secretary Fast seconded. Motion passed.

YELLOWSTONE CLUB/SPANISH PEAKS IRRIGATION AGREEMENT

Edwards distributed the draft irrigation agreement dated 11/17/17. The board discussed editing Section 8 as suggested by Vice President Reeves to add “within two years from signing the document.” The District’s previous letter to YC triggered additional storage capacity. The Agreement has no provision for written requests for additional disposal/irrigation capacity. Director DuCuennois suggested that the District send YC a letter with a disposal plan to formally put YC on notice to expand its disposal.

Director Shropshire moved to approve the irrigation agreement as presented. Director Wheeler seconded the motion. Discussion. President Cronin stated that Director Shanks has thoroughly reviewed and approved the draft agreement. Motion unanimously passed. Director DuCuennois abstained.

A MOU, or letter of expectations, was discussed for putting the YC on notice that the District needs 160 million gallons of disposal. Edwards recommended requesting YC do a phased-in approach of providing the 160 million gallons of disposal. The District needs deadlines specified.

Director Shropshire moved to have Edwards develop a MOU between the District and the developer/YC. Director Reeves seconded the motion. Discussion. Director DuCuennois asked that a capital expansion plan be provided via Edwards before a MOU is done and then decide if that plan is to be put into a formal agreement, or an MOU. President Cronin wants the “developer’s irrigation obligation schedule” on the board’s meeting agenda every month. Edwards will distribute a report by December 8. To be proactive, targets and goals need to be set that then can be tracked. Director Shropshire amended his motion directing Edwards to prepare a “Developer’s Irrigation Obligation Schedule” for distribution by December 8, 2017. Vice President Reeves seconded the amended motion. Motion unanimously passed.

Director DuCuennois will provide the final exhibits to the Irrigation Agreement. The pipeline easement language will be given to DuCuennois to get signatures after Susan Swimley and Gina Sherman review the easement language.

ETHICS POLICY

As a follow up to the ethics presentation at the October board meeting, the District’s Conflict of Interest Policy (“CIP”) signed March 23, 1999, was distributed. According to District policy, the disclosure form needs to be completed by board members. The board discussed disclosure of conflict of interests and adhering to Montana State Law. Every year in January, board and staff need to read the CIP and ethics policy and sign the acknowledgement form. The CIP will be amended and presented at the December board meeting. Smith recommended that the Standards of Conduct be adopted as an attachment to the CIP.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

Edwards reviewed the final stakeholder group recommendations: no consensus on a discharge permit, focus on reuse options, high levels of treatment for all disposal options. Jeff Dunn, Respec, will have a draft “Watershed Management Plan” completed by December 31, 2017. DEQ is starting to look at snowmaking regulations for treated effluent disposal. *The last advisory meeting is December 8, 2017.* The collaboration relationships developed through the process have been good. The board recognizes the need for an emergency discharge permit.

BSOA POND RESTORATION PROJECT

DNRC issued its final Water Right Change of Authorization on October 27, 2017. The BSOA's pond project is funded and the work is scheduled for the fall of 2018. Mike Cusick is working on the access easement required by the MOU between the District and BSOA. The bridge and tunnel projects do not have their funding in place yet. Edwards is participating in the bridge replacement project as there are water and sewer main lines attached underneath the bridge.

CAPITAL IMPROVEMENTS PLAN PROJECTS

AE2S Contract: The draft contract document was provided in the board packet. Scott Buecker, AE2S, reviewed his draft project scope. The board's comments will be incorporated in the project scope. *The board would like a cost and benefit analysis that includes operating costs for the different options.* The board agreed with Buecker's recommendation of looking at least two options. The board discussed phasing out accepting hauled septic waste at the treatment plant. The scope needs to focus on current District boundary. President Cronin wants all costs segregated for any engineering work for areas outside of the District's boundary. A procedure, or possibly a permit, needs to be set up for food service facilities to insure that the inspection and maintenance of grease traps has been done by an independent contractor. Funding options were discussed. Communication is a critical component of the project and should include project specific web page(s). Buecker will revise the scope and send it back for District review and comments. The District will work to have a signed contract with AE2S by the end of December with a completion timeline of July 31, 2018 for a first draft. Buecker feels that a six month timeline is ambitious. Separate special board meetings can be set up to work with AE2S to keep the project on schedule.

DEVELOPMENTS AND SUBDIVISIONS

Powder Light Subdivision was rejected by the county commission due to public safety issues without having a turning lane to the development on Highway 64. The conveyance for the sewer main extension was recorded for Big Pine View Subdivision. Edwards is working on a sewer conveyance agreement for Mountain Lakes Condominiums. Spanish Peaks Phase 6B is a rewrite, the density is not changing. The development information for Lone View project in YC was sent as a courtesy, it is not in our water service area.

DISTRICT AGREEMENTS

Yellowstone Club Agreement: Edwards provided an update on the tasks associated with completing the YC pipeline easement. Spanish Peaks Golf Course Storage Pond & Irrigation Project: The agreement was discussed earlier in the meeting.

SEWER & WATER PERMITS & CORRESPONDENCE

Six connection permits were issued, five in Spanish Peaks Phase 8A and one in Meadow Village.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, December 19, 2017, at 8:00 am.

It was suggested that the annual dinner be scheduled for the same time each year, but to not coincide with the holidays. The end of January, or early February was suggested.

ADJOURNMENT

Director Shropshire moved to adjourn the meeting at 11:24 am. Director Reeves seconded the motion. Motion unanimously passed.

A handwritten signature in black ink, appearing to read "Dick Fast", written over a horizontal line.

Dick Fast, Secretary

11-21-17. min (Board Approved 12/19/17)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – December 19, 2017
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, December 19, 2017, in the WSD Community Room. Vice-President Tom Reeves called the meeting to order with Directors Mike DuCuennois, Bob Shanks and Brian Wheeler present. Director William Shropshire and Secretary Dick Fast participated via GoTo Meeting. President Packy Cronin were not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Nic Wellenstein, Vince Palafox, and Peter Bedell.

Others present: Leonard Liston, Mountain Lakes Partners; Scott Buecker, AE2S; Jon Olson, Lone Mountain Land Company; Steve Johnson, Gallatin County Planning & Zoning; David Madison, Lone Peak Lookout reporter; Tim Kent, Big Sky Western Bank; Peter Manka, District property owner/Alpine Water; Bob Zimmer, Greater Yellowstone Coalition; and Bill Farhat, Big Sky Fire Department, via GoToMeeting.

PUBLIC FORUM

With no public comment, Vice President Reeves called the meeting to order at 8:03 am.

Declarations of Conflict of Interest: Brian Wheeler noted he represents the Golden Eagle remodel, Mike DuCuennois continues to represent YC, and Tom Reeves is a trustee on the Big Sky Fire Department. Bob Shanks reported that the District assisted the Spanish Peaks Club Condominiums divert a flooding creek channel two times over the weekend and last Friday. The association will fully reimburse the District for this assistance. Nic Wellenstein was thanked for his assistance.

AMEND AGENDA

Director Shanks moved to amend the agenda to the discussion on the fire department after the consent agenda. Director Wheeler seconded the motion. Motion unanimously passed.

CONSENT AGENDA

There was no discussion on the consent agenda items.

Director Shropshire moved to approve the consent agenda. Director Wheeler seconded the motion. Motion unanimously passed.

FIRE DISTRICT TRAINING REQUEST

Bill Farhat, Big Sky Fire Department, explained their proposal for a training facility. They are looking for a suitable location for a two-story structure built from shipping containers. Edwards stated that the District does not have any plans for its land east of the Northwestern Energy (NWE) substation. Farhat said a normal driveway will be needed for access and the training facility would not need to have footings. Edwards said the District could do a lease like Search & Rescue's (S&R) for a ten-year period. Vice President Reeves suggested using the area next to the S&R parking area with a lease period of five-years. The District needs to keep its options open for expansion of its treatment facility. Directors Shropshire and Wheeler recommended the farther east location. Edwards raised concern about the facility being a possible attractive nuisance. Farhat said the training facility could be fenced. The District needs to find out if it has proper access through the NWE property. Farhat will do the research to find out if there is an access easement. Farhat also said they would not impede the access to the Black Diamond Trail. The fire department has not asked for resort tax funding for lease costs of the optional property site in the canyon.

ACCEPT FISCAL YEAR 2016/17 AUDIT REPORT

Director Shropshire noted that this is a clean audit.

Director Shropshire moved to accept the 2016-2017 audit as prepared by JCCS. Director Shanks seconded the motion. Motion unanimously passed.

MOUNTAIN LAKES IN LIEU WELL PAYMENT

Edwards reviewed the history of the Mountain Lakes development noting that it was the last parcel annexed into the District. The annexation agreement stated they would pay \$10,000 per SFE and provide a well for the District. In August 2015, the board approved allowing Mountain Lakes to make a one-time \$175,000 payment in lieu of drilling a well. Leonard Liston is requesting a three-phase payment stream as he builds the next two phases. Liston has paid the \$175,000 and would like approximately \$90,000 refunded. Vice President Reeves asked if there has been any change from the board's perspective on the one-time payment. The board agreed it did not want a payment stream and that the payment was due when the first permit is issued. Liston's letter also stated 60.5 SFES, where the agreement stated an allocation of 52.5 SFES. Liston reported that he came before the board years after the agreement and got the additional SFES approved. The board will do research on its minutes on the additional SFES as this is not an agenda issue. Smith noted that the board has previously set up payment schedules that did not work. The board agreed that because of the history of these types of requests, the board should not become a financing mechanism.

Director Shanks moved that the board reaffirm that it maintains the current one-time \$175,000 payment structure and avoid participating in a developer based concession on fees. Director Shropshire seconded the motion. Call for discussion. Motion unanimously passed.

Director Shropshire moved to direct Edwards to confirm Mountain Lake's allocation of 52.5 SFES as stated in the Annexation Agreement, or the 60.5 SFES referred to in Liston's correspondence. Director Shanks seconded the motion. Motion unanimously passed.

CONFLICT OF INTEREST POLICY

The draft amendments to the District's Conflict of Interest Policy were presented for board approval per follow up from the November meeting. The board still needs to fill out and file the forms at the District office each year.

Director Wheeler moved to delay the motion for approval on the Conflict of Interest Policy until the January meeting. Director Shanks seconded the motion. Motion unanimously approved. Edwards will email the form to the board members.

BIG SKY SUSTAINABLE WATER SOLUTIONS COLLABORATION

The last meeting is scheduled for January 31, 2018, 5:30-7:00 pm at the Big Sky Chapel. This meeting will be a recap of the collaboration meetings and present the Watershed Management Plan. Vice President Reeves recommended that the project recommendations be only the ones that can be done and funded.

BSOA POND RESTORATION PROJECT

The board packet included the draft Grant of Easement between the District and Big Sky Owners Association for access and control of the head gate that was prepared by Mike Cusick. *Edwards will send it to BSOA for their review.*

CAPITAL IMPROVEMENTS PLAN PROJECTS

AE2S Scope & Contract: The revised project scope was provided in the board packet. A letter from property owner Scott Olson regarding a future wastewater treatment facility was also in the packet. Scott Buecker is still working on the costs for the contract. Buecker reported that any treatment options they present will be tried and true. Director Shanks would like a clear understanding of the choices in treatment, its OM&R costs, and cross references to the wastewater CIP presented to the board. Snowmaking was also discussed. The PR management of this process is an important issue and needs to be addressed with rapid response with factual basis within a few days. The board would like a guest editorial in the Bozeman Chronicle written with AE2S to help validate the article. Buecker will contact the AE2S media team to start writing a response as a guest editorial. One board member and Edwards will review the material prior to publication. Edwards said a webpage will be developed covering the plant expansion project. David Madison stated that a 500-word slot for a guest editorial is available in the Lone Peak Lookout which is being published by the Madisonian and the West Yellowstone Star. Buecker reported that the final scope and contract costs will be available by the first week in January. The final draft report will still be completed in July of 2018.

DEVELOPMENTS AND SUBDIVISIONS

COS 214 Bough Subdivision: The new submittal for the Bough Subdivision and Edwards's capacity letter for 64.8 SFEs were provided in the board packet. It will be a higher density project than originally proposed. Olson said the property is going for preliminary plat and that they are still interested in doing the project for the community. They hope to have approval in May to move forward. District staff are reviewing the proposed water and sewer extensions.

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks easements will be ready for the January meeting. Susan Swimley and Gina Sherman are still working on the language. *Edwards and Director DuCuennois will work on the respective legal counsel to finalize the language.*

SPANISH PEAKS GOLF COURSE STORAGE POND & IRRIGATION PROJECT

Olson reported that SP self-reported the leak to DEQ. The pond is completely drained and that a contractor for ice removal in the bottom of the pond will be here this week. SP has a good plan in place and the liner contractor is committed to fixing the leak. SP will be able to use the north pond for additional storage capacity.

At the request of Edwards, Ray Armstrong, DOWL, prepared a letter projecting storage and disposal needs. The District needs a new pond by December 2019. Vice President Reeves would like data that is more conservative and not conflicting with actual golf course irrigation demands. *At the next board meeting, Reeves wants the board to decide on whether, or not, to send a letter to YC triggering another pond.* The committee on irrigation will include all the golf courses, Boyne, SP, and YC so Jon Olson and Mike DuCuennois will be invited. The committee will try to meet the second week in January. The meeting will also be noticed.

ELECTIONS

Gallatin County Election office confirmed that two director seats, held by Shanks and Reeves, are up for election in May 2018. The issue of residency for board candidates is being reviewed by legal counsel. The filing window is December 14 through February 12, 2018 (Director DuCuennois left at 10:25).

NEW DEVELOPMENTS

Edwards briefly reviewed the proposed development at Sweetgrass Hills Tract 2. Director Wheeler stated he has a conflict of interest as he is a representative of this proposed development. Boyne also has another employee housing project planned for Sweetgrass Hills Lot 1A near the tennis courts.

SEWER & WATER PERMITS & CORRESPONDENCE

No discussion.

GENERAL CORRESPONDENCE

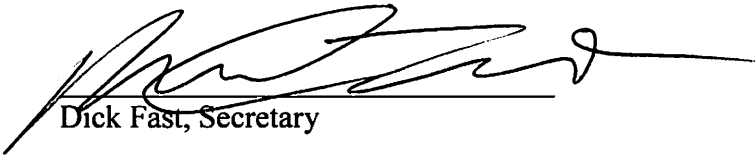
There was no general correspondence requiring board action.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, January 16, 2018, at 8:00 am.

ADJOURNMENT

Director Shanks moved to adjourn the meeting at 10:40 am. Director Wheeler seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

12-19-17. min (Board Approved 1/16/18)