

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – January 22, 2019

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, January 22, 2019, 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 (left at 10:48), Brian Wheeler, William Shropshire, and Peter Manka. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, Vince Palafox, and Jake Porter.

Others present: Karl Kasper and Stacey Hellekson, Woodard & Curran; Jana Bounds, Lone Peak Lookout; Jon Olsen, Lone Mountain Land; Steve Chern and Mindy Cummings, Big Sky residents; Kristen Gardner, Gallatin River Task Force; Scott Buecker and Maria Effertz Hanson, AE2S; Candace Strauss, Big Sky Chamber; Scott Johnson, A2LD/Powder Light Subdivision; Mace Mangold, WGM Group; Steve Johnson, Big Sky Resort Area District; Guy Alsentzer, Missouri River Water Keepers; Patrick Byorth, Montana Trout Unlimited; Scott Bosse, American Rivers; Susan Swimley, Swimley Law; Bay Stephens, Explore/Outlook Big Sky; and Alex Iskenderian, CH SP Acquisition LLC. Steve Robbins, Woodard & Curran, listened in via conference call through the wastewater treatment plant upgrade discussion.

PUBLIC FORUM

President Cronin called the meeting to order at 8:05 am asking for public comment on non-agenda items. Steve Johnson reported on draft legislation for a 1% resort tax increase for infrastructure only that the resort tax board wants support on from WSD and the community. The bill only enables the 1% resort tax approval locally by registered voters in the specific 10 resort tax districts in Montana. The draft legislation will define infrastructure and will include work force housing. The bill's sponsor has not yet been decided. A community visioning strategy project is also being launched. President Cronin stated the board has a precedent of not formally supporting via a letter. That said it will be a board decision if it will put out a position statement. Candace Strauss stated that they have hired Bridge Economic Development to identify the gaps and solve the issues in the community and identify our municipal funding mechanisms. Conflict of interest declarations: Bill Shropshire is on the board of directors, with no share holding interest, of Carus Corporation that produces the manganese chemicals. Mike DuCuennois is a representative for Yellowstone Club.

CONSENT AGENDA

Minutes: No comments. Financials: The financial reports are through December 2018, not November, 2018. Sewer operations: The board would like the District's flow meters checked and the flow numbers verified as they are not tracking with Boyne's 15% increase in occupancy and the increase in skier visits. Flow is also to be compared with water use. Water operations: Muscat's Cascade Wells 5 and 6 report will be discussed later in the meeting.

Director Reeves moved to approve the consent agenda with the minutes of December 19, 2018, and excluding the water operations report. Director Shropshire seconded the motion. Motion unanimously passed.

BIG SKY SEARCH & RESCUE LEASE RENEWAL

The Big Sky Search and Rescue sent a letter requesting renewal of its property lease with the District for another 10 years under the terms of the current lease that expires in February 2019. The non-cash \$500 monthly rent works against their improvements and is still within the

\$250,000 in the rent provisions. Susan Swimley and Edwards reported that they reviewed the agreement and have no problems with it. Scott Buecker reported that the District may need this land in coming decades. AE2s has been trying to accommodate access to the search & rescue facility while working on plans for the treatment plant upgrades. The board discussed the needed ability of road rerouting, or combining the roads, and wants the agreement modified to allow for termination if necessary. As written, there is nothing in the lease that allows for termination for convenience. At any point the lease is terminated, the District owns the building, or enforce a leasable state. The search & rescue facility currently has a holding tank. The board will require the facility to be connected to the District's treatment system within 3-5 years now that there is access to the system. Search & Rescue will have to handle the *solids*. *Swimley will revise the lease to include termination ability and to require connection to sewer in 5 years at their cost.* The board can always consider an extension.

DISTRICT AGREEMENTS

Yellowstone Club Agreement: With threat of litigation from CH SP (Alex Iskenderian's letter) and Lone Mountain Land Company for its request for additional SFEs for development in Spanish Peaks and from Bozeman conservation groups (Guy Altzenter, et al) over the District's proposed wastewater treatment plant upgrades and disposal methods, Susan Swimley provided legal advice to the board. Swimley stated that legal philosophies should not be put in detail on paper through legal opinions as this gives information to entities that may want to sue the District. Swimley recommended that the District find the common ground and not pursue litigation if it can be avoided. The board supported Swimley's recommendation to form a subcommittee to amend the YC agreement as it speaks to a maximum volume with 1,000 SFEs assigned. Subcommittee volunteers Directors Wheeler, Fast, and Shropshire will meet on February 12, 8:30 am, to gather data, establish flows with trend lines, etc, for making an amendment recommendation to the board at its February 19, 2019, meeting. With the board needing to fully understand what the data possibilities are 40+ years from now and to be protected and confident with the projections, the board discussed obtaining engineering data from like communities that are fully developed. Jon Olsen reported that Lone Mountain Land already hired *Eric Blanksma, Morrison & Maierle, to do an engineering study that will be ready for the February board meeting.* Ron recommended having Ray Armstrong review Blanksma's study data. Director Wheeler recommended using the extensive data on usage and SFEs from the WGM study.

With their development plans, Olson stated that SP does have a timeframe to resolve the issue. It was noted that YC has not yet met its storage and disposal obligations in the agreement that the board is now being asked to amend.

As with all District meetings, the subcommittee meeting on February 12, 2019, will be a public meeting. There will be opportunity for public comment, but the public does not have a chair at the table. Swimley and Alex Iskenderian may attend the subcommittee meeting.

PRESENTATION – WASTEWATER TREATMENT PLANT UPGRADE

Guy Alsentzer, Scott Bosse and Pat Byroth each presented their concerns and comments on AE2S's draft WWTP Upgrade Plan. The board packet included a letter dated 12/21/18 submitted by Alsentzer; Bob Zimmer, Greater Yellowstone Coalition; Patrick Byroth, Montana Trout Unlimited; and Scott Bosse, American Rivers. The Review of Treatment and Discharge

Alternatives and Potential BSCWSD Impacts on the Gallatin River System document prepared by Dave LaLiberte, Liberte Environmental Associates for the Upper Missouri Waterkeeper was also discussed. The environmental groups feel that the District should look at other treatment and disposal methods and expand its service area before making decisions on upgrading the treatment plant. They want Big Sky to be a model water community, think of other ways of reusing the water, and not look to direct discharge for disposal as discussed in the forum group. Kristen Gardner, Candice Strauss, and Mindy Cummings all noted that the Gallatin River Task Force did not have a part in the letter submitted by the environmental groups and does not represent Big Sky. According to Gardner, the GRTF is unified in environmentally representing Big Sky, wants to see advanced treatment moving forward to protect our rivers and streams and supports reusing the water in Big Sky through snowmaking, groundwater discharge, and expanding purple pipe. GRTF does not think discharging into the Gallatin is the best option. GRTF would like to continue working with the board in the future on this. Spearheaded by GRTF the Canyon Water Resources will meet on January 23, 2019, at Buck's T-4.

Scott Buecker provided a rebuttal to the Bozeman environmental groups comments and also distributed AE2S's responses to the approximately 60 written comments received on the proposed treatment plant upgrade. With the District's limitations, Scott believes an MBR treatment process is the best solution for upgrade and expansion for treatment. With the MBR, 70-75% more nitrogen and 90% more phosphorous will be removed from the District's current treatment process, facilitating all disposal options, i.e. snowmaking, direct ground water, etc. Board members, Edwards and Alsentzer supported an MBR upgrade for phase 1. According to Buecker, disposal is a huge issue if the District expands its boundaries. The board discussed political and logistical aspects in expanding its boundaries trying to include the canyon area. The board has a fiduciary responsibility to deal with the issues caused by growth in its boundaries and cannot fail to do its obligations for its District. The board reviewed the scope for Phase 2 Design Services for the Wastewater Treatment Plant Upgrade prepared by AE2S with fees of \$671,580. Supporting the work done by AE2S, the board directed Edwards to move forward on engineering and design services for the treatment plant upgrades. Affordability for District constituents and getting their support through a bond is a concern to the board. Edwards has enough information to go to the resort tax for engineering design. The board wants to rekindle the relationship with resort tax and work with them to earmark the 1% resort tax increase for infrastructure projects like Firelight.

The subcommittee, including Scott Buecker and Director DuCuennois, will engage with the environmental groups on reviewing their comments. According to Buecker, as long as both groups work on a parallel path a subcommittee would work.

President Cronin thanked the environmental groups and community members for their comments and urged them to continue to attend District meetings and to communicate with the board. (DuCuennois left the meeting at 10:48 am)

CASCADE WELLS 5 & 6 PROJECT

Stacy Hellekson presented the results of the pilot study with Well 5 having more opportunity for treatment. With arsenic an issue on Well 6, the District will need to assess whether to deepen the well another 60-70 feet, or move the water source. Muscat stated that it will be a challenge to find another mountain water source with the original estimated volume of these wells. Steve Robbins's pilot study update memo dated 12/21/2018 was in the board packet. Director

Shropshire reported that Carus Corporation provides a dry chemical solution to eliminate arsenic if the District wants explore another treatment method. Edwards, Muscat, Manka, and Shropshire will meet with Carcus to discuss this treatment method. *The District will continue to work on additional mountain village water sources. Hellekson will provide refined, itemized cost estimates for treatment for each well. The board will discuss Muscat's detailed memo on Cascade Wells 5 & 6 water and water rights at the February meeting.*

DEVELOPMENTS AND SUBDIVISIONS

The agreement for conveyance of sewer extension for Spanish Peaks Resort Phase 5, Inspiration Point, is complete. The agreement for conveyance of sewer and water extension for Meadowview Condominium Subdivision is also complete. A capacity letter for the Powder Light Subdivision (ACE Hardware property) was written.

SEWER & WATER PERMITS & CORRESPONDENCE

The board will *review the request for extension of the permit for the Spanish Peaks Lodge at the February meeting.*

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

Madison County corrected the appointed term for Director Brian Wheeler to four years, expiring on December 1, 2022. *Officers will be elected at the February meeting.* Secretary-Treasurer Fast recommended splitting his officer position and volunteered to continue serving in a secretary capacity only.

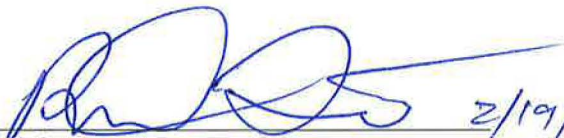
The board authorized Edwards to sign the BSCO exemption application for the boundary line adjustment for the park land exchange.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, February 19, 2019, at 8:00 am. Director Wheeler will serve as chair for the YC agreement subcommittee that will meet on February 12. The WGM report will be distributed to the subcommittee.

ADJOURNMENT

Secretary-Treasurer Fast moved to adjourn the meeting at 11:30 am. Director Shropshire seconded the motion. Motion unanimously passed.


Dick Fast, Secretary 2/19/19

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – February 19, 2019

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, February 19, 2019, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Secretary-Treasurer Dick Fast and Directors Mike DuCuennois, Brian Wheeler, William Shropshire, and Peter Manka (left at 10:45 am). Director Vice-President Tom Reeves participated via conference call. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, and Peter Bedell.

Others present: Jon Olsen, Lone Mountain Land Company; Steve Johnson and Buz Davis, Big Sky Resort Area District; Martin Johnson, HRDC; Laura Seyfang, Big Sky Community Housing Trust/HRDC; Stacey Hellerson, Woodard & Curran; Brent Campbell, WGM Group; Mary Ann Comstock, District property owner; R J Klotz, Big Sky Chamber; Guy Alsentzer, Missouri River Water Keepers; Bay Stephens, Explore/Outlook Big Sky; Jana Bounds, Lone Peak Lookout; and Kristin Gardner, Gallatin River Task Force. Participating via conference call: Steve Robbins, Woodard & Curran and Scott Buecker, AE2S.

PUBLIC FORUM

President Cronin called the meeting to order at 8:00 am. Public comment was taken on non-agenda items. Steve Johnson updated the board on the SB241, the 1% resort tax increase bill and requested a letter of support from the District. Responding to Buz Davis's inquiry, Edwards provided the history of the District's plant investment charge and why it was reduced after the Tischler Bise rate study.

Conflict of interest declarations: Brian Wheeler no longer has an interest in the Meadowview Condominium development and is an employee of Big Sky Resort/Boyne. Mike DuCuennois is a representative for Yellowstone Club.

CONSENT AGENDA

Minutes: As a follow up to the January 22, 2019, meeting, Burroughs has ordered a secondary meter to measure flow to the plant. The District will also be cross checking the flows with water use.

Director Wheeler moved to approve the consent agenda with the minutes of January 22, 2019 as written. Secretary Fast seconded the motion. Motion unanimously passed.

SPANISH PEAKS LODGE REQUEST FOR CONNECTION PERMIT EXTENSION

Lone Mountain Land Company requested an extension for sewer conveyance and connection for the Spanish Peaks Lodge to March 30, 2021. Jon Olsen verified that the Lodge will be completed fall of 2021. The sewer mains and service connections will be completed by September 2020. Permit fees for 277.85 SFEs were paid with the permit that expires on March 30, 2019. The board discussed the request.

Director Shropshire moved to approve the extension for sewer service connection for Spanish Peaks Lodge to March 30, 2021, as requested. Director Manka seconded the motion. Motion unanimously passed.

ELECTION OF OFFICERS

Secretary-Treasurer Dick Fast would like the position split. All officers agreed to continue serving in their current positions with Peter Manka volunteering to serve as Treasurer.

Director Shropshire moved to elect the current slate of officers and Peter Manka as Treasurer. Secretary Fast seconded the motion. Officers are: Packy Cronin, President; Tom Reeves, Vice President; Dick Fast, Secretary; and Peter Manka, Treasurer. Motion unanimously passed.

MEADOWVIEW CONDOS BUILD OUT

Sweetgrass Hills, Tract 2, Meadowview Condominiums has an allocation of 36.3 SFEs after many reallocations. The new developer, HRDC, is requesting 1.66 additional SFEs as it needs 37.96 SFEs for the 52 units for full build-out. Phase 1 is being permitted at 13.74 SFEs and Phase 2 needs 24.22 SFEs. Laura Seyfang confirmed that the plans will not change for Phase 2.

Director DuCuennois moved to approve the increase of 1.66 SFEs for Tract 2 as the original intent of the subdivision is unchanged. Secretary Fast seconded the motion. Discussion. HRDC is not requesting any financial relief from the connection fees. Motion unanimously passed. Director Wheeler abstained.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

Cascade Wells 5 & 6: The board discussed the two treatment options and estimated costs presented by Steve Robbins, Woodard & Curran. Carus Corporation will provide a cost estimate for a pilot test to use permanganate to treat the water in well 6 for arsenic. Edwards would like Blue Leaf to do the pilot testing if the District goes forward with exploring this treatment. Muscat noted that well exploration this summer may reduce, or eliminate, the need for well 6 or its treatment. *The treatment options will be on the March agenda as additional information will be provided by Woodard & Curran and Carus Corporation.* Director DuCuennois reported that YC does not have any current plans to develop a new water source on Andesite Mountain.

Wastewater Treatment Plant Upgrade: Participating via GoTo meeting, Scott Buecker, AE2S, gave a brief update. Buecker also recorded the last 25 minutes of his presentation material from the November 27th meeting and offered to present it to a live audience. Edwards reported that the District applied to be on the SRF loan wastewater project priority list. AE2S is on track with design work and the preliminary engineering draft will be ready in the next couple of weeks. Once a vendor for the MBR equipment is selected, the 50% drawings can be completed. Director Manka has not received any responses from the conservation groups he contacted for input on Phase I. Guy Alzenter reported that since the confusion they had on Phases I and II has been cleared up, the environmental groups now do not have any problems with Phase I. Alzenter said that they would like other water quality technologies explored for dual water use where treated wastewater can be used as an additional long-term potable water supply. The Board discussed the need for a fate and transport study. *The board asked Buecker to prepare a proposal for the March board meeting for review and approval for an April 29th resort tax submittal for infrastructure support.* Edwards will work with Buecker and Mark Cunnane on contracts and RFPs for competitive bids if required. In response to Mary Ann Comstock's inquiry on potable water use for irrigation, residential winter average water use is approximately 3,000 gallons per month and about 10,000 gallons per month in the summer. Comstock would like to see expansion of purple pipe for reuse. It was noted that the board does have the ability to completely restrict summer irrigation.

Staff will be at the Rural Water Conference this week.

DEVELOPMENTS AND SUBDIVISIONS

Big Sky Community Organization: The common boundary realignment was completed by Meridian Land Surveying with a draft copy of the certificate of survey in the board packet. *Buecker will review the draft copy.* For long term planning, the land acquisition is helpful. It was noted that COSA (certificate of subdivision approval) was requested by Gallatin County.

Alpenglow Condos Tract: There is a new owner for build out of the Alpenglow project.

Westfork Meadows: The laundry building is on the market and will probably sell for multi-family development. Edwards reviewed his SFE analysis he did in 2014 for the lot, and the 1982 Westfork Meadows agreement that stipulated capacity in the amount of 48,000 gallons per day for 800 people. The lot has an old well which can be grandfathered but metering would be required for any rebuilds or any new development. *As requested by the board, Edwards will get legal counsel's opinion on replacement development in Westfork Meadows. The board would like to see the current flow numbers from Westfork Meadows.*

DISTRICT AGREEMENTS- YELLOWSTONE CLUB AGREEMENT

Mountain Water: The 2010 agreement with Boyne for their snowmaking needs to be renegotiated because Cascade wells 5 and 6 are not capable of producing what was originally estimated, and plans to split the mountain water supply. Discussed moving Boyne's water use to well 3 near Lake Condos. Edwards reviewed his estimated calculations of what is being pumped into Lake Lavinsky and its impact on the lake when Boyne uses the wells. *With the complexity of the issue, the board appointed a subcommittee of Director DuCuennois and Jim Muscat to meet with Boyne representative Taylor Middleton on the agreement, water rights, and water use and to come up with solutions.*

Spanish Peaks Development: The February 12, 2019, subcommittee meeting minutes were reviewed. Based on annual use in the Summit Hotel going back to 2010, meter data shows approximately 65 gallons per day (gpd) per SFE. Since January 15, 2019, average use is well over 100 gpd per SFE. Jon Olsen reported that that SP is 40-45 gpd today. Director Wheeler reviewed the correlation with occupancy and gpd. The subcommittee and Alex Iskadarian, YC/SP representative, discussed remedies and checks and balances if allowed gpd were exceeded. The board discussed capping SFEs per lot to prevent SP from running out of SFEs, remedies needed to deter SP from exceeding 42,500,000 gpy, monetary damages not being an effective remedy, and service commitment with capacity letters. Not including the hotel, approximately 20-25% of SP is built with 135 permits issued. SP has hired Eric Blanksma, Morrison-Maierle, to do an in-depth look at SP's flow data to develop a monitoring plan. The board wants improved and consistent monitoring with periodic review of the SP data along with data from other areas like Town Center and Westfork Meadows that also have a service agreement tied to gallons. *(Director Manka left the meeting at 10:45.)* The subcommittee will meet before the March board meeting. *At its March meeting, the board will discuss remedies that could include additional disposal and storage requirements if SP exceeds 42,500,000 gpy.*

NEW DEVELOPMENTS & SUBDIVISIONS

Montana Club: Haystack Development is preparing a subdivision application for Phase II which consists of 27 lots and tracts, 1 utility lot, and 1 operations and maintenance tract.

2019 LEGISLATIVE SESSION

HB447 Create Grievance Committee: Edwards reported on House Bill 447 that would create a grievance committee for water and sewer districts. Susan Swimley also weighed in that this bill is a bad idea.

SB241 1% Resort Tax Increase for Infrastructure: Through a poll by President Cronin, the majority of the board agreed and directed Edwards to write a letter of support on behalf of the District as requested by Steve Johnson and supported by Buz Davis and Edwards.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

Wireless Internet Tower: ATNI, a wireless internet company investigating the installation of an 80-foot tower for wireless communication in Big Sky, contacted the District about leasing a 50' x 50' area on the Cascade 1.5 million gallon tank site. As proposed, staff were not receptive of the terms and covenants probably would not allow the tower. No board action was required.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, March 19, 2019, at 8:00 am.

ADJOURNMENT

Director Wheeler moved to adjourn the meeting at 11:30 am. Secretary Fast seconded the motion. Motion unanimously passed.

 4/16/19
Dick Fast, Secretary

2-19-19. min (Board Approved 3/19/19)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – March 19, 2019
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, March 19, 2019, 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, Treasurer Peter Manka, and Directors Brian Wheeler (left at 11:42), and William Shropshire. Vice President Tom Reeves participated via GoTo Meeting 8:00-9:30 am. Director Mike DuCuennois was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, Vince Palafox, Jake Porter, and Eric Daniels.

Others present: Steve Johnson, Big Sky Resort Area District; William Farhat, Big Sky Fire Department; Mary Anne Comstock, District property owner; Stacy Hellekson, Woodard & Curran; Frank Kern and Doug Bing, Huntley Hills (Blue Grouse Lot 1); Mace Mangold, WGM Group; Candace Strauss, Big Sky Chamber of Commerce; Alex Iskadian, Yellowstone Club/Lone Mountain Land; Ciara Wolfe, Big Sky Community Corporation; Bay Stephens, Explore Big Sky; and Ryan Hamilton, Town Center. Attending via GoTo Meeting: Jana Bounds, Lone Peak Lookout, Scott Jungwirth, AE2S, and Steve Robbins, Woodard and Curran.

PUBLIC FORUM

President Cronin called the meeting to order at 7:59 am. There was no public comment on non-agenda items. Conflict of interest declarations: Packy Cronin is the owner and real estate agent for the Blue Grouse Hills property and will not participate in the discussion on that agenda item. Brian Wheeler is an employee of Big Sky Resort/Boyne.

CONSENT AGENDA

Minutes: Under the Spanish Peaks discussion, correct 42,500 gpd to 42,500,000 gpy.

Financials: The estimated mill levy needs board approval. Sewer operations: A spill report was filed with the State for the manhole overflow in Spanish Peaks caused by asphalt in the manhole and compounded by grease in the line. It appears the asphalt was maliciously dumped, but it is impossible to track down who did it. The District started pumping to Yellowstone Club on March 18th and will continue pumping until Boyne's golf course is ready for irrigation. Flows are 10% lower than last year and there is 30 million gallons additional storage capacity going into spring. Water operations: Muscat's production report was distributed.

Director Shropshire moved to approve the consent agenda with the corrected minutes of February 19, 2019. Director Fast seconded the motion. Motion unanimously passed.

BLUE GROUSE HILLS DEVELOPMENT

The board discussed the SFE allocation for Blue Grouse Hills and the number of allowed dwelling units per the 2001 plat for undeveloped lots 1, 2, 4, and 5. Based on Edwards's prorata calculations for all of Blue Grouse Hills, these undeveloped lots could have 123.78 SFEs with the plat designating 74 units. Doug Bing and Frank Kern, Huntley Hills, LLC, prospective buyers of all four lots, presented their preliminary 50 unit (25 duplexes) rental condominium development plan for Lot 1 as allowed by current zoning density. With the plat specifying only 22 dwelling units allowed for Lot 1, a plat amendment will be required along with Certificate of Subdivision Approval (COSA). Stating they already have fire department and county planning support for amending the plat, Bing and Kern asked for WSD board support to amend the plat and requested an additional 20 SFEs for Lot 1 for their community rental units they believe could be "affordable." At 1,500 square feet each, the 50 units need about 64 SFEs with Edwards's prorata data showing 42.01 SFEs for Lot 1. The Blue Grouse Hills Subdivision, including Deer Run and Big Pine, has a total allocation of 196 SFEs. Supporting the concept of community

housing, board discussion included the following key points 1) There are plenty of SFEs between the lots without allocating additional SFEs for Lot 1. 2) Concrete development plans are needed for all lots. 3) Amending the plat and allocating additional SFEs for Lot 1 diminishes the availability of SFEs possibly needed for development of Lots 2, 4, and 5. 4) Will the developers ask for additional SFEs for the other lots. 5) The District cannot meet its capacity needs today and its \$20+ million dollar plant expansion has not even started. 6) Affordable housing is not a defined term. 7) For affordable housing, deed restrictions are needed for no short term rental, rent control, and appreciation if the units are ever sold. 6) Tax credit housing models (HRDC) need to be explored so there is an insurance policy on affordable rental in perpetuity. 7) Will occupancy and vehicle limits be addressed. 8) The number of SFEs already committed to Deer Run and Big Pine need to be identified. The board wants these points addressed before it considers supporting the plat amendment and deviating from Table 3.01's allocation of SFEs. Director Wheeler encouraged Kern and Bing to attend the Big Sky Housing Trust meeting on Thursday and work with the Trust for their support. Kern asked if better clarification for development on the other three lots would help to get the 50% more SFEs for Lot 1. The board wants some certainty on the development plan and needs the whole development picture prior to considering the request. The board agreed with Edwards's analysis that with the existing allocation there are SFEs for Lot 1, zoning works for 50 units, and approximately 60 SFEs would remain for development of the other lots.

FIRE DEPARTMENT PERMIT APPLICATIONS

The board reviewed and discussed the applicable permit fees and possible penalties on two remodeling permit applications for the Big Sky Fire Department where remodeling construction began on both fire stations months before applications were submitted. Permit 29000800, Cascade, Tract 7-1B, is for 3.46 additional SFEs with fees totaling \$22,158 for sewer and water plant investment charges, development surcharge, and the remodeling fee. Permit RLE19318, Westfork Meadows, Block 3, Lot 3, is for 6.60 additional SFEs with fees totaling \$3,499 for water investment charges and the remodeling fee. Properties in Westfork are exempt from sewer plant investment charges. William Farhat stated that the architects should have submitted permit applications prior to construction, but failed to do so. Farhat respectively requested a concession on the impact charges and penalties. The board was in agreement to charge a penalty for each permit, not waive the applicable Boyne settlement surcharge on the Cascade property as it would set a precedence and the surcharge has historically never been waived, and waive the sewer and water plant investment charges on both permits as allowed under "Other Exemptions" in District Ordinance 97-1002 and as waived in 1996 for the Cascade fire station that is being remodeled.

Director Shropshire moved to apply a \$500 penalty to both permit applications, waive the regular sewer and water plant investment charges on both applications, apply the surcharge to the mountain station, and to apply the remodeling fee to both applications. Seconded by Vice President Reeves. Motion unanimously passed.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

Cascade Wells 5 & 6: At 9:38 am, via GoToMeeting, Steve Robbins provided a brief synopsis of the estimated draft costs for the 3 treatment options for Cascade wells as follows: Option 1—\$51,000-\$70,000; Option 2—\$672,000-1,036,000; and Option 3—720,000-\$1,109,000. The board asked for a rough O&M estimate. Robbins noted that the chemical option will be the lowest cost to operate with ozone being the most costly. Well 5 could be treated with chlorine alone. Well 6 would require filtration. Manka stated that the information is useful, but additional information is needed before the board can make a decision to move forward. Edwards reported on his discussion with Carus Corporation on the arsenic control with their

product being more expensive. The District has never had a compliance issue with arsenic as the water sources have always been combined. Base on staff recommendation, the board will wait for Mark Cunnane's additional exploratory information before it proceeds with decision making.

Wastewater Treatment Plant Upgrade: Scott Buecker, AE2S, provided a written progress report. Scott Jungwirth, AE2S, explained the retrofitting needs of the headworks building, recommending a new building at an estimated cost of \$2.1 million. AE2S is at about 50% design completion. Edwards and Burroughs spoke of the advantages of the proposal. *Jungwirth was asked to provide more detailed costs.* With the recent scope changes and resort tax funding deadlines, Phase 1 construction will be delayed to Spring of 2021 instead of 2020. AE2S has begun scoping the potable water reuse study with DEQ not requiring another RFQ. The board discussed underground disposal with Edwards providing an update on the potential use of Firelight Meadow's drain field. With the success in using Mark Cunnane on previous studies, the District will use AE2S and Cunnane for its fate and transport study .

DEVELOPMENTS AND SUBDIVISIONS

The Pines, Phase 2: Building M four plex is the last building and is part of the original site plan and scope for The Pines. Lone Mountain Ranch (LMR): Mace Mangold, WGM Group, is working with Lone Mountain Ranch on their development plans. Mangold will provide additional information for the April board meeting where LMR will request additional SFEs for additional development. Future use of purple pipe, as discussed at previous meetings, is probably not worth the capital investment. Mangold does not think there is any plan to upgrade LMR's collection network. *Prior to any decisions on LMR's development proposal, Burroughs would like the board and staff to have a discussion on where the District's responsibility ends in regards to the manholes.*

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks: The subcommittee minutes of March 11, 2019, were reviewed. Director Wheeler summarized the meeting. The agreement identifies 1,000 SFEs based on 116 gpd but it comes to 42,500,000 mgd. Build out flow with historical data was reviewed with the committee supporting 64 gpd per SFE for build-out capacity. Director Wheeler asked for board consensus on using either the 42,560,000 mgd, or 1,000 SFEs. The board discussed incremental release of SFEs; tracking; potential, penalties, and remedies for exceeding gallons; physical way to limit flow to 42,560,000 mgd; timeline for reporting; upgrading equipment for improved monitoring; future occupancy potential; flow trend lines; incremental increases for capacity letters; and litigation possibility. Edwards reviewed the historical data of gallons used through meter reads in SP where the 304 SFEs permitted are averaging 50 gpd per SFE for the 1st quarter. The Summit Hotel's 1st quarter use is approximately 135 gpd per SFE. With an average 40% occupancy, the Summit Hotel's use is 66.75 gpd per SFEs. Using the 40 gpd provided by SP, they are looking at an 80% increase in SFEs. Based on Edwards estimated projections, SP has exceeded the 1,000 SFEs for build out on the capacity letters that have already been written. President Cronin does not want any additional capacity letter issued until Montage is built and there is a trend line. Iskadarian stated that they have a couple of project areas they need capacity letters for. At the board's request, *Alex Iskadarian will provide the year round occupancy rates on the Deer Valley Montage resort that the board previously requested. Iskadarian will also summarize their position and what has been discussed in the two subcommittee meetings and present their information in writing to the District.* The board also discussed complications with the capacity letter written for Phase 8A (Section 33) where it was for land never originally in the SP development plans. The board will delay any decision, waiting for Iskadarian's *summary that will also address the Phase 8A issue.* Director Shropshire suggested that the subcommittee

consider Iskadian's letter and report to the board. Iskadian stated that he wants to continue working cooperatively with the board.

SP, Lone Moose, Town Center and Westfork all have agreements based on gallons of flows and SFEs. It was reported that Lone Moose Meadows and Town Center have already asked how many additional SFEs they will get using gallons.

BSCO LAND EXCHANGE

Ciara Wolfe thanked the board for their cooperation and timeliness in keeping the project moving forward. Mindy Cummings has facilitated completing the paperwork with filing the subdivision exemption claim application with Gallatin County for BSCO and the District.

2019 LEGISLATIVE SESSION

An update was given on SB241 that allows a 1% increase in resort tax for infrastructure. The bill passed in the senate March 18, 2019. (Director Wheeler left the meeting at 11:42 pm)

RESORT TAX APPLICATION

The deadline for submittal of resort tax applications is April 29, 2019. Edwards will submit an application for \$400,000-\$500,000 for some of the engineering work, the groundwater study, and for replacement of carpet and chairs in the meeting room. Edwards reported that he is on the community visioning strategy advisory committee funded by the resort tax. Director Shropshire asked how much more the District can be involved in and still focus on and complete its work. He is concerned about Edwards committing time on too many outside District activities which takes his time and focus away from the District. *The board recommended Edwards look into hiring an assistant to handle his routine operations.* Steve Johnson stated that he feels there is a benefit to the District having a seat at the community visioning table.

NEW DEVELOPMENTS & SUBDIVISIONS

Town Center, Block 4: A meeting was held with TD&H engineers for sewer and water main extensions for a multi-family development planned for this property.

Montana Club, Phase II: A request for a capacity letter was received.

SEWER & WATER PERMITS & CORRESPONDENCE

There are 36 SFEs remaining for permitting. *Edwards will prepare an ordinance to release additional SFEs.*

GENERAL CORRESPONDENCE


There was no general correspondence requiring board action.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, April 16, 2019, at 8:00 am.

ADJOURNMENT

Director Shropshire moved to adjourn the meeting at 11:56 am. Secretary Fast seconded the motion. Motion unanimously passed.

 4/16/19

Dick Fast, Secretary

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – April 16, 2019

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, April 16, 2019, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Secretary Dick Fast, Treasurer Peter Manka, and Directors Mike DuCuennois, Brian Wheeler, and William Shropshire. Vice-President Tom Reeves participated via GoToMeeting. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Vince Palafox, Jake Porter.

Others present: Steve Johnson, Buz Davis, and Daniel Bierschwale, Big Sky Resort Area District; Jon Olsen, Lone Mountain Land Company; Scott Olson, Big Sky resident; Valerie Bednarski, Gallatin River Task Force; Stacey Hellekson, Woodard & Curran; Scott Buecker, AE2S; Ryan Hamilton and Rick Simkins, Town Center; and Jana Bounds, Lone Peak Lookout. Via GoToMeeting: Ryan Graf, AE2S, participated in the discussion on rates from 8:00-8:20 am.

PUBLIC FORUM

President Cronin called the meeting to order at 7:59 am with no public comment. Conflict of interest declarations: Mike DuCuennois is a representative for Yellowstone Club. Brian Wheeler is an employee of Big Sky Resort/Boyne. Packy Cronin has a lawsuit with Eric Ossario and Lauren Bough. Frank Kern has opted out on purchasing Cronin's Blue Grouse lots.

CONSENT AGENDA

No comments were received on the minutes, or water operations. With approving the consent agenda, the preliminary budget will not be approved. To satisfy the point of delivery for treated wastewater quality, Burroughs reported that a pellet chlorination system will be used on water pumped to Spanish Peaks (SP) and Yellowstone Club (YC). For the Big Sky golf course, Burroughs plans on chlorinating that water as it leaves the filter building. Director DuCuennois reported that YC is pulling samples now and will also pull samples once the chlorination is on line. Jon Olson reported that both SP ponds are full. Director Wheeler noted a 20% decrease in flows from last year and questioned the discrepancy in water production and decreased flows. Burroughs will be calibrating the treatment plant meters to verify accuracy of flows. *The board asked for a monthly report of storage capacity available in all the ponds (YC, SP, and District). Well use, flows and disposal need to be tracked.*

Director Shroshire moved to approve the consent agenda with the minutes of March 19, 2019. Secretary Fast seconded the motion. Motion unanimously passed.

SEWER & WATER RATES

To assist the District in reviewing its sewer and water rates, Ryan Graf, AE2S, provided an update on the work he is doing on the rate model that uses cost of service analysis (COSA). The long term capital improvement plans will be incorporated into the rate model. *Graf will provide a preliminary summary with rate classifications for the May board meeting.* Under the commercial class, the board would like food service as its own class. As historically done with rate increases, a rate hearing for amending the rate ordinance would be required. A rate resolution would not require three readings. A rate can be adopted for the budget and then later amended if needed. The Tischler Bise rate study was briefly reviewed. Graf explained the District's ability to set rates using a forward looking analysis. President Cronin wants the District to proceed cautiously and to give rate payers time for review and comment. Smith reported that the District is currently operating at a loss in both the water and sewer services. Staffing added to the water department costs and another sewer operator needs to be added.

USGS STREAM GAGING STATION CONTRACT & MOU

The Gallatin River Task Force (GRTF) requested that the District, which is a taxing authority, contract with USGS for stream gaging to meet GRTF's cost share funding. The gage will be on the main stem of the Gallatin River. Scott Buecker would prefer the gage be upstream of the Westfork as it would be beneficial if the District pursues a discharge permit. A memorandum of understanding between the District and GRTF was presented that stipulates all financial and operations are GRTF's responsibility. The only future obligation to the District is if the GRTF no longer funds the gaging station and the District wants the monitoring to continue.

Director Shropshire moved to approve the amended MOU with GRTF as prepared by legal counsel. Secretary Fast seconded the motion. Motion unanimously passed.

ORDINANCE 19-1001 (First Reading)

The District has 30.2 SFEs remaining for sewer permits. The Ordinance is written to release 100 new SFEs. Edwards recommended increasing the release to 200 SFEs to get it through the year. The District does not have an engineer's letter on current capacity.

Director DuCuenois moved to approve the first reading of Ordinance 19-1001 with the addition of another 100 SFEs for the second reading. Director Manka seconded the motion. Motion unanimously passed.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

Cascade Wells 5 & 6: Steve Robbins, Woodard Curran, is working on the option of chlorination costs. In the spring Mark Cunnane will be doing well exploration for better water sources on the mountain.

Wastewater Treatment Plant Upgrade: Edwards and Burroughs reported on their tour of a couple of California plants that uses the MBR treatment system the District will be using. Scott Buecker, AE2S, discussed siting the new headworks and MBR facilities using the newly acquired land. This will facilitate keeping the plant on line during construction. The overall schedule is for breaking ground in spring in 2021. This year delay will allow for the District to apply for TCEP funding of \$750,000. Buecker presented two alternatives for Phase 2 future expansion. Buecker asked the board to consider building new process basins south of the new headworks facility and move the digesters. Conceptual level cost estimates of constructing new process basins in Phase 1 were reviewed. Acquiring the land to the west has created an opportunity for designing a more efficient treatment plant design for future growth. The board and community members in attendance supported Buecker's redesign concept as it consolidates operations and gives the District the most options for future growth. Edwards will continue to work with Buecker on the modified design. *Buecker will rework the cost estimates for both Phases 1 and 2 and present the final numbers at the May meeting along with the indirect use hydrogeology study will be presented at the May meeting.*

Edwards reviewed the history of the one-time, long-term resort tax funding the District received in 1996 for 16 years. Steve Johnson reported that resort tax legal counsel is looking into long-term project funding. Their intent is to present the voters a 1% resort tax increase for specific projects. Buecker will provide capital cost estimates for a resort tax funding request for treatment plant upgrades that will benefit rate payers. Buecker explained that MBR procurement is being done now for holding contract figures that are needed for the capital costs. Engineering design is more efficient and cost effective working with one manufacturer.

With the redesign of the treatment plant, Steve Johnson suggested the District consider helping the canyon solve its sewer treatment and disposal issues. Edwards is working on a letter to the county on how storm water is managed for the treatment plant.

DEVELOPMENTS AND SUBDIVISIONS

Montana Club Phase 2: District staff met with Gaston Engineering prior to the subdivision submittal being sent to DEQ for review and approval.

DISTRICT AGREEMENTS

Yellowstone Club (Spanish Peaks): Jon Olsen reported that the summary document from Alex Iskadian outlining what the committee talked about as requested at the March 19, 2019, board meeting should be available soon. The District is also waiting for the numbers from the Montage Deer Valley facility. *President Cronin asked Edwards to prepare a summary of the SFEs that have been moved out of Exhibit F.*

2019 LEGISLATIVE SESSION

Senate Bill 241, the 1% resort tax increase, passed the legislature and is waiting for signature by the governor to sign it into law.

RESORT TAX

Edwards is waiting on numbers from Mark Cunnane on the fate & transport study. The Q&A this year will have questions in advance to the applicant.

SEWER & WATER PERMITS & CORRESPONDENCE

There are 30.2 SFEs available for permitting.

NEW DEVELOPMENTS AND SUBDIVISIONS

No new developments to report.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action. For community public meetings not involving District issues, there can be more than three board members in attendance as long as no District business is being discussed. .

NEXT MEETING

The next regular Board meeting is tentatively scheduled for Tuesday, May 21, 2019, at 8:00 am. Shropshire will participate via conference call. Edwards asked if the board wants to have a budget committee of Dick Fast and Tom Reeves for reviewing the draft FY 2019-2020 budget.

ADJOURNMENT

Vice President Fast moved to adjourn the meeting at 10:08 am. Director Shropshire seconded the motion. Motion unanimously passed.


Dick Fast, Secretary 5/17/19

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – May 21, 2019

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, May 21, 2019, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, Treasurer Peter Manka (arrived at 8:14 am), and Directors Mike DuCuennois, and Brian Wheeler. Director William Shropshire participated via GoToMeeting (left at 11:09 am). Secretary Dick Fast was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, Vince Palafox, and Jake Porter.

Others present: Jon Olsen, Lone Mountain Land; Jana Bounds, Lone Peak Lookout; Bay Stephens, Explore Big Sky; Scott Buecker, Ryan Graf, Lance Lehigh and Donovan Voeller (via GoToMeeting), AE2S; Stacey Hellekson, Woodard & Curran; Matt Walker, Firelight HOA; Mace Mangold, WGM Group, Kristin Gardner, Gallatin River Task Force; Guy Alsentzer, Upper Missouri Waterkeeper; Ryan Hamilton, Town Center; and Alex Iskederian, Yellowstone Club (9:42 – 11:09 am).

PUBLIC FORUM

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

Conflict of interest declarations: Mike DuCuennois is an employee of Yellowstone Club. Brian Wheeler is an employee of Big Sky Resort/Boyne and they are building a new locker room plus Mountain Lodge East. Packy Cronin has a lawsuit against Lauren Bough and Eric Ossario.

CONSENT AGENDA

No comments were received on the minutes, or sewer and water operations. Smith reported that an updated copy of the 2019-2020 draft budget is in the board packet. A subcommittee of Vice President Reeves, and Secretary Fast, Edwards and Smith will work on the budget and present it to the board at the June meeting.

Director Reeves moved to approve the consent agenda with the minutes of April 16, 2019 as written. Director Wheeler seconded the motion. Motion unanimously passed.

COST OF SERVICES ANALYSIS (COSA)FOR RATES

Ryan Graf presented his draft findings on the COSA for both water and sewer classes. Knowing of the capital improvements for the next 5-10 years, Graf wants to ensure rate classes make it possible for the District to operate in a sustainable manner. (Director Manka arrived at 8:14). The differences and benefits on the use of both General Obligation and Revenue Bonds were explained and discussed. Graf clarified that he feels the District's current rate tiers are too large and its quarterly billing cycle is too long for effective consumer feedback for promoting conservation. Graf recommended a separate irrigation rate with possible dedicated irrigation meters. Single family homes only have one meter, where there are 170 dedicated irrigation meters for condominium and commercial complexes. User classes were discussed along with the disparity of the 199.5 mg water billed and the 265 mg pumped. Rate setting for the wholesale user class needs to be comparative to the District's residential rates with Smith recommending the wholesale class with approximately 218 YC residents being rolled into the residential class. Graf recommends additional user classes for the commercial category to set up the frame work for data collection in future rate setting. If supported by the board, the next step is for Graf to work on a new rate structure for the District. The initial five sewer user classes were reviewed.

Instituting a grease trap inspection charge was discussed as the new MBR system will be impacted by fats, oils and greases (FOG) that need to be taken care before reaching the plant. The board was in agreement with Graf's recommendation for separate commercial and high strength rates. Through an ordinance, the use of phosphorus could be stopped. With potable reuse an asset, a rate structure should be set now even if the District doesn't charge at this point. The District needs to set policy direction: 1) introduction of new user classes and rates, 2) adjustment of water tiers, and 3) consideration of potable reuse charge. The board needs to agree on what its goals are: 1) cost recouping, 2) conservation of water, 3) reduce BODs /phosphorous to the system, and 4) apply rate fairness to users. Graf will evaluate rate structures with more classes to show what rate changes would cost District customers. The board wants this information presented at the June meeting. If rates change more than 5%, a public hearing is required.

WATER MODELING

Lance Lehigh, Donovan Voeller (GoToMeeting) and Vince Palafox reviewed the modeling history, challenges to the current system, and provided an update on the GIS water modeling project that is now being field verified. The heart of the analysis was to look at fire flows to enable the District to be more proactive in dealing with growth. All of this data culminates into the District being in a proactive position to deal with growth and be able to use the data for facility planning and operations and management. A big effort of doing the model is to be able to eventually decrease the high pressure in the mountain system. Meters are being implemented on PRVs to enable water distribution monitoring and isolate leak detection. (Alex Iskadarian arrived at 9:42.) Muscat said the modeling being done by Lehigh and Donovan is quite thorough and quite complete. *The board would like a budget line item for annual updates.* (Discussion ended at 9:57.)

ORDINANCE 19-1001: Release 200 SFEs for Permitting (2nd Reading)

Ray Armstrong's letter of May 17, 2019, verified sewer storage capacity to release an additional 200 SFEs, but questioned the District's disposal capacity. Armstrong's updated letter of May 20, 2019, was distributed where again he is comfortable with storage capacity for releasing SFEs, but has not seen any documentation supporting additional disposal capacity. Olson reported that Spanish Peaks (SP) is working with DEQ to expand SP's irrigation area. To validate disposal capacity, *Director DuCuennois will provide additional YC engineering information to Armstrong to review and verify disposal within the next 30 days.* The board will approve the ordinance once Armstrong provides a letter stating the District has disposal capacity. Edwards and DuCuennois will work with Armstrong to provide the needed data. The board will have a GoToMeeting on Friday to approve the second and third reading and to adopt the ordinance on third reading based on Armstrong's verification of disposal capacity.

YELLOWSTONE CLUB AGREEMENT

Spanish Peaks Golf Course Storage & Irrigation Project: Alex Iskaderian's letter dated May 17, 2019, discussed a process for measuring and monitoring SFE flows under the YC Agreement. The letter states: 1) The District will estimate flow using 65 gpd. 2) Within one year Spanish Peaks have state of the art flow meters installed. 3) Once 15 mgd is measured the flow meters will be used to calculate the actual gpd per SFE with adjustments to the 65 gpd as necessary. 4) If in any given year (Nov 1-Oct 31) SP generates more than 42,560,000 gallons, SP pays a \$1,000,000 penalty, and provides additional storage and capacity. 5) The district is under no obligation to issue any additional SFE capacity letters if SP has an overage in any year.

6) Section 33 will be part of the land area approved for SFEs in exhibit F in the agreement. 7) Any assignee to SP assets assumes SP's obligations under the letter. Director DuCuennois stated that the District needs to clean up a mistake which was already permitting SFEs in Section 33. Secretary Fast's emailed comments were read. The District is still waiting for Montage's flow data. The board discussed the letter. The Spanish Peaks Resort Phase 3C subdivision pre-application was reviewed. President Cronin believes SP's Section 33 (not in the original agreement) expands the service area beyond Exhibit F and needs to be encompassed in the 1,000 SFEs. With the District still waiting on YC's completion of storage and disposal, it is premature to sell future capacity based on obligations that have not been met and then also be asked to expand the service area. President Cronin stated that the District needs to look at the ramifications of SP's estimated flow now against what is yet to happen with use and occupancy in the future. As part of the committee, Directors Wheeler and Shropshire feel that the District has an obligation of 42,560 million gallons per year and based on the data presented in committee meetings believes the 65 gpd is reasonable. If Iskederian's letter is approved, Section 33 will be added to the service area. It was noted that Boyne sold Section 33 to Spanish Peaks without any SFEs. Board members questioned the sunset period of 5 years on item 4 in the letter as it would be problematic in the future. The language needs to be very clear. No board action was taken on the letter. The board wants the following: 1) more detailed board review, 2) legal counsel review, 3) provide any input to Edwards within the next 2 weeks, and 4) consensus in moving forward by the board. Director Shropshire reported that the subcommittee has met three times with SP and recommended that the board have a special board meeting with legal counsel in attendance. (Shropshire & Iskaderian left the meeting at 11:09)

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

Cascade Wells 5 & 6: Nothing new to report.

Wastewater Treatment Plant Upgrade: Scott Buecker reviewed the cost estimate update of the three potential alternatives and site layouts. The three bids for Phase 1, the membrane equipment package, range from \$1.3-\$1.99 million. The original budget allowed \$2.4 million. *AE2S is working on a value analysis of the bids and will provide a recommendation for board approval in June.* The board has to make a decision on the tech memo at the June 18 meeting, or an earlier special meeting. Retrofitting the existing SBR increases costs from \$23.8 to \$33.5 million and will require future bio solids upgrades at \$6.8 million for Phase 1. Buecker preferred Alternative 3, a new process basin, at an estimate of \$27.2 million without a bio solids project. This alternative allows the existing treatment plant to be kept on line during construction and future O&M costs also are decreased. This alternative also provides for future expansion. Ryan Graf spoke on financing options. As requested, *Edwards will distribute Buecker's memo to the board. Buecker will need board pre-procurement approval at the June meeting.* The board suggested a special meeting, or subcommittee, to address the WWTP upgrades. Buecker will send an email with to subcommittee volunteers, Vice President Reeves and Director DuCuennois. Presenting an update to the resort tax board in July and August on this project and the potential escalation of costs and the expanded treatment levels was discussed.

Guy Altsentzer spoke on the controversial discussion on SFEs and capacity. He feels the District can slow down the process and make informed decisions with legal support. He wants the District to build in higher levels of treatment and supported Alternative 3.

DEVELOPMENTS AND SUBDIVISIONS

Town Center Block 4: The water main extension is for the area south of the new Wilson Hotel.

Mountain: Boyne has begun remodeling the mountain mall has plans to build a new ski locker building between Powder Ridge Phase 2 and Beaverhead Condominiums.

BSCO LAND EXCHANGE

The boundary line adjustment has been approved by Gallatin County. President Cronin needs to sign the Quit Claim Deed for the land exchange. Mindy Cummings will take care of recording the COS and Quit Claim Deed.

RESORT TAX

The District submitted a resort tax application for \$500,000 for three projects: 1) \$245,000 for the groundwater study for indirect potable recharge of treated effluent, 2) \$250,000 for design upgrades to the wastewater treatment plant, and 3) \$5,000 replace flooring in community meeting room and public bathrooms and replace meeting room chairs.

SEWER & WATER PERMITS & CORRESPONDENCE

Approximately 30 SFEs were permitted since the April board meeting with .07 SFEs remaining.

NEW DEVELOPMENTS & SUBDIVISIONS

Mountain Lodge East: Located between the old Mountain Lodge and Hill Condominiums, Boyne will be building new employee housing with 65 rooms. The new lodge will be built in 3 phases with 24 rooms for 72 employees in Phase 1.

Spanish Peaks Resort Phase 3: Near the new SP Lodge project, Phase 3 is for 19 condominium units on a 10.85 acre lot. SP is requesting preliminary plat approval from Gallatin County and has asked the District for comment as part of subdivision application process. .

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.


University of Nebraska Tour WSD Facilities: University water professionals will tour District facilities in the fall and are in Big Sky to set up the tour.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, June 18, 2019, at 8:00 am. Director Shropshire will be in attendance at the June meeting.

ADJOURNMENT

Director Manka moved to adjourn the meeting at 11:50 am. Vice President Reeves seconded the motion. Motion unanimously passed.


Dick Fast, Secretary 6/18/19

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – June 18, 2019

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, June 18, 2019, in the WSD Community Room. Board members present: Vice President Tom Reeves, Secretary Dick Fast and Directors Brian Wheeler and William Shropshire. President Packy Cronin and Treasurer Peter Manka were not present. Director Mike DuCuennois recently sold his property in the District and is looking at resolving this eligibility requirement of owning or leasing property in the District. Director DuCuennois's eligibility to continue to serve on the board will be addressed at the July meeting. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, and Peter Bedell.

Others present: Mace Mangold, WGM Group for Lone Mountain Ranch; Bay Stephens, Explore Big Sky; Jon Olsen and Alex Iskenderian, Lone Mountain Land; Guy Alsentzer, Upper Missouri Waterkeeper; Rick Simkins and Ryan Hamilton, Town Center; Daniel Bierschwale & Steve Johnson, Big Sky Resort Tax Area District; Eddie Starz, Big Sky Resort Development; Scott Buecker, AE2S; Kristen Gardner, Gallatin River Task Force; Michael Gagnet and Ryan Kunz, Lone Mountain Ranch; and Jana Bounds, Lone Peak Lookout. From 8:20-8:34 am Susan Swimley participated via conference call on the Spanish Peaks Phase 3C discussion.

PUBLIC FORUM

Chairing the meeting, Vice President Reeves called the meeting to order at 8:01 am. There was no public comment on non-agenda items. Conflict of interest declarations: Brian Wheeler is an employee of Big Sky Resort/Boyne, the developer of the Montana Club.

CONSENT AGENDA

Typographical errors were corrected in the meeting minutes. There were no comments on the financials, or sewer operations. Jim Muscat will be meeting with Mark Cunnane to start field development for additional water sources.

Director Fast moved to approve the consent agenda with the corrected minutes of May 21, 2019. Director Shropshire seconded the motion. Motion unanimously passed.

DISTRICT ORDINANCE 19-1001 (Second & Third Reading)

Ray Armstrong's letter of June 11, 2019, verified there is sufficient storage and disposal capacity to release 200 SFEs for new sewer and water connection permits. Mike DuCuennois provided the YC's expansion information Armstrong needed to verify disposal.

Director Shropshire moved to approve the second and third reading and to adopt Ordinance 19-1001 to release 200 SFEs for permitting. Director Wheeler seconded the motion. Call for discussion. The board would like Armstrong to prepare a follow up letter on the District's total capacity. For releasing SFEs in the future, the capacity process needs to be started earlier. Disposal options, i.e Firelight Meadows, were briefly discussed. Motion unanimously passed.

FISCAL YEAR 2019-2020 BUDGET

The FY 2019-2020 draft budget prepared by the budget committee was presented by Smith. A new sewer operator will be added as part of the succession plan and also as a result of the upgrade to the facility. The \$250,000 resort tax allocation is included in the budget. The board must adopt a budget by July 1. The rate structures will be presented at the July meeting by Ryan Graf, AE2S. Smith noted that rates can be incrementally increased to cover the budget.

Director Shropshire moved to adopt the Fiscal Year 2019-2020 Budget as presented. Director Fast seconded the motion. Motion unanimously passed.

SPANISH PEAKS PHASE 3C CAPACITY LETTER

The Spanish Peaks Phase 3C capacity letter from Jon Olsen requested an estimated 49.46 SFEs for 19 dwelling units with lots located in Section 33 and Section 4. The sub-committee along with Jon Olsen and Alex Iskenderian reviewed the capacity request. Edwards reviewed Swimley's recommendations to not memorialize the 65 gpd per SFE and that new development in Section 33 be counted in the total capacity of 42.5 mgy stated in the YC Agreement. SFEs already permitted in Section 33 were an error by the District as Section 33 is not on Exhibit F of the YC Agreement. The board discussed if a capacity letter should be written for the lots in Section 33. A draft motion was reviewed. Jon Olsen requested the motion refer to the developer agreement, not YC agreement.

Director Wheeler moved to direct the General Manager to draft the capacity letter for the Spanish Peaks Resort Phase 3C development. The letter shall acknowledge that the development area lies partly in Section 33 and that all flow from the development shall be counted towards the 42.5 million gallon capacity commitment in the developer agreement dated 2002. And, that the District continue to work with the developer to resolve any discrepancy between the developer agreement and the District boundaries. Director Fast seconded the motion. Discussion points: 1) continue to work through the Section 33 issue, and 2) continue to work on the monitoring program. Motion unanimously passed.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

WWTP Upgrade: Scott Buecker's, AE2S, monthly report was provided in the board packet. Buecker reviewed his procurement evaluation of the MBR bids that were opened on April 30, 2019. The bids were for the supply of MBR equipment and supporting services in Phase 1. The board has 90 days (until July 29) to award the bid. The three bids reviewed were: 1) Suez Water Technologies & Solutions at \$1,320,000, 2) Evoqua Water Technologies at \$1,549,333, and 3) Aqua-Aerobics Systems at \$1,998,540. The award will obligate the District to 50% of the contract within 60 days. The remaining 50% will be due when the AE2S shop drawings are near completion. The reasoning for early pre-procurement bidding of the equipment was discussed. Comparing the bids from Suez and Evoqua, Buecker noted the big difference was \$195,376 in "soft" costs for support and care during construction with Evoqua at \$390,621 as compared to Suez at \$195,245. Operations and maintenance costs were provided by the bidders. Suez claims they are less expensive, but they are close with the life cycle costs from Suez at \$3,026,531 and Evoqua at \$3,118,453. Suez did not meet the I/O specs as they did not provide much information on the construction system and instrumentation. Suez did bid a better warranty. Buecker reported that Terry Campbell, DEQ, stated that with meeting bid requirements, the District could select the company with the best value. Buecker stated it comes down to which company will perform the best for the District. For the July board meeting, *Buecker is to provide a summary sampling of at least three references for the companies covering install and unanticipated costs, actual O&M costs, etc.* Buecker noted that the suppliers can also be interviewed. Within the next two weeks, *a site walk will be done by Buecker and the subcommittee members Bill Shropshire, Peter Manka and Packy Cronin. Mike DuCuennois and Bob Shanks will also be invited.* Buecker would like to give the contractor two summer seasons to complete the construction with a schedule of breaking ground in spring 2021 and finishing up in summer of 2022. The board thanked Buecker for providing a thorough summary of the bids.

DEVELOPMENTS AND SUBDIVISIONS

Lone Mountain Guest Ranch Request for Additional SFEs: The Ranch is in the sewer district, but not the water district. The sleigh ride dinner building is not connected to the sewer district. For Phase 1 development, Ryan Kunz's letter requests 10 SFEs. This is 3 SFEs over the 7 unused SFEs they have available for development. LMR's overall proposed development plan from 2018 was reviewed. According to Mace Mangold onsite disposal and use of purple pipe at LMR is not feasible due to costs and no ideal sites. Mangold will submit a formal application to connect LMR's new development to the District's sewer system. According to Mike Gagnet, LMR is working on design work with construction to start in spring 2020. The board recommended that LMR's entire build out summary be presented with their Phase 1 request for an additional 3 SFEs. Director Wheeler recommended LMR define employee housing with their application. The reason for the District not using its well on LMR land was discussed,

RESORT TAX

At the June 10th allocation meeting, the District received \$250,000 of its \$500,000 request. No designation was stipulated as to what the funds had to be used for. The board thanked the resort tax board for the funding. New District Manager, Daniel Bierschwale, was introduced. The resort tax's bonding authority was discussed. The resort tax allocated \$8,413,051 to community projects. The board wants Edwards to continue discussion with the resort tax board on the District's need for \$30 million and to pursue the 1% tax increase for infrastructure projects.

SEWER & WATER PERMITS & CORRESPONDENCE

No comments.

DEVELOPMENTS AND SUBDIVISIONS

Cascade Lot 120A, Block 2, Variance Request: No discussion.

Lone Moose Meadows Overall Development Plan: Part of the area planned for development is in the District and the rest is outside of the District's boundary. Also part of the area is not on Exhibit F in the YC Agreement. They have not asked the District for service yet, but Edwards wanted to inform the board of what will be coming.

GENERAL CORRESPONDENCE


There was no general correspondence requiring board action. Edwards noted the visioning group hired by Big Sky Resort Tax Area District is doing a survey on ourbigskymt.com. The final result of the project will be a 10-year plan.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, July 16, 2019 at 8:00 am.

ADJOURNMENT

Director Shropshire moved to adjourn the meeting at 10:05 am. Director Fast seconded the motion. Motion unanimously passed.

 8/26/19
Dick Fast, Secretary

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – July 16, 2019
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, July 16, 2019, 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, Treasurer Peter Manka, and Directors Mike DuCuennois, and Brian Wheeler. Director William Shropshire was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, Vince Palafox, and Jake Porter.

Others present: Scott Buecker, AE2S; Steve Johnson, Big Sky Resort Area District; Hugh Long, Deb Rozesek and Beth Mannebach, Lone Moose Meadows Unit Owners Association; Mark Cunnane, Western Groundwater Services; Bay Stephens, Explore Big Sky; Jana Bounds, Lone Peak Lookout; Eddie Starz, Big Sky Resort; Valerie Bednarski, Gallatin River Task Force; Rick Simkins, Town Center; Guy Alsentzer, Upper Missouri Waterkeeper; and Candace Strauss, Big Sky Chamber/Visit Big Sky. Ryan Graf and Miranda Kleven, AE2S, participated via conference call for the discussion on the sewer and water system rate study.

PUBLIC FORUM

President Cronin called the meeting to order at 8:00 am. There was no public comment. No conflicts of interests were declared by board members. Director Mike DuCuennois has resolved his ownership interest and is eligible to serve on the board. Brian Wheeler is an employee of Big Sky Resort/Boyne.

CONSENT AGENDA

Minutes: Syntax corrections were made by Secretary Fast. Financials: No comments.

Sewer Operations: Burroughs reported was distributed. The chlorination system was installed at pump station 1 for water that will be sent to Spanish Peaks, or Yellowstone Club. Chlorination injection for other irrigation areas will also be completed this summer. Burroughs is pulling samples for E. coli bacteria. Pond volumes are about where we were at this time last year.

Water Operations: Due to perpetual spring flooding of the Lone Moose pump house Jim Muscat and Vince Palafox have been working on bringing it up to grade; where it should have been when originally built. The two wells at Lone Moose are very low producing with the existing development being supplied with additional water from the mountain wells.

Director Reeves moved to approve the consent agenda with the corrected minutes of June 18, 2019, and directed the general manager to have his manager's report distributed in the paper board packet the Friday prior to the meeting. Director Fast seconded the motion. Motion unanimously passed.

MOUNTAIN VILLAGE WELL EXPLORATION

Mark Cunnane reviewed his preliminary report that identified three potential test well sites for evaluating additional water supply on the mountain. This report follows up the source capacity plan. The test site near the Cascade tank was identified due to its proximity to existing infrastructure with potential long-term savings on reduced pumping costs and water supply. Director Wheeler stated that moving forward to use Boyne property now would be more proactive. Using the privately owned residential lot would be more involved. Cunnane reported that with board approval he could get the bids out and have a driller on site within a month. Board members supported finding out what water production is on the most northern site by the tank. The board would like any easements worked out with Boyne. Wheeler stated that option agreements with Boyne will take about 4 months. It was suggested to move forward with

drilling the test well at the tank and work on the easements for the other two sites. Edwards recommended board authorization to drill the test site at the tank.

Director DuCuennois moved to approve the drilling site by the tank and move forward to get permission from Boyne to drill further north. Motion died due to a lack of a second.

Muscat would like to get the test well done on the privately owned lot. Director Wheeler reported that drilling on the residential property would be more cumbersome and require Big Sky Architectural review and approval. Wheeler confirmed access for a test well on Boyne's property, but not allowing an easement without going through Boyne's review and approval process that routinely takes four months. Cunnane also looked at other sites in the mountain village area for additional water sources.

Vice President Reeves moved to authorize the general manager to begin the test drilling at the Cascade tank site as discussed by Mark Cunnane and to negotiate a short term access on the Boyne property. Director DuCuennois seconded the motion. Discussion involved other potential test sites. Motion passed. Director Wheeler abstained.

Treasurer Manka moved to proceed with exploratory drilling at two sites in the Mountain Village area that is to be funded as secondary priority to the three test wells already discussed and approved to be drilled in the earlier motion by Vice President Reeves. Director DuCuennois seconded motion. Discussion. Muscat explained how the mountain water system works. Our priority is additional water supply for the upper Cascade area. Director Wheeler wants to explore data relating to the Lone Moose exploratory test wells for potential additional water supply. Motion passed. Director Wheeler abstained.

For a future meeting, the board wants to review the Elk Park/Lone Moose area exploratory test wells logs and a report on what was done.

AMEND AGENDA

Director Reeves moved to amend the agenda to move Scott Buecker's presentation up next. Motion seconded and unanimously passed.

CAPITAL IMPROVEMENTS PLAN PROJECTS: WWTP UPGRADE

Scott Buecker provided an update on the wastewater treatment plant upgrade project. The state has already issued a loan forgiveness on SRF funding. *Edwards will get clarification on how the funding can be used and capture this SRF funding.* Director DuCuennois thought the District put the responsibility on Firelight to complete the fate and transport study. Edwards explained the allocation of resort tax funding could be used for this study. The site visit done with board and staff resulted in a reconfiguration of the site. Director Manka has discussed landscape screening of the facility with Big Sky Community Corporation. The board agreed that it makes sense to involve a landscape architect in the design process. Buecker recommended awarding the MBR contract to Evoqua.

Treasurer Manka moved to approved Evoqua for the MBR procurement as recommended by Scott Buecker. Vice President Reeves seconded the motion. Discussion. Motion unanimously passed.

Vice President Reeves moved to approve the site plan as presented by Scott Buecker. Director DuCuennois seconded the motion. Discussion. Manka qualified his vote as he wants the

District to ensure the aesthetic impacts to the community park are considered as part of the design process. Motion unanimously passed.

Buecker requested a \$62,500 amendment to the AE2S contract for increased costs for project management such as a presentation to the resort tax board, force main extension work, and cost comparison of pumping water. Additionally, Ryan Graf confirmed that \$33,168 is for the plant investment charge rate study. The board asked that AE2S account for these costs separately from the contract costs.

Treasurer Manka moved to approve the potable reuse study as proposed. Director DuCuennois seconded the motion. Motion unanimously passed.

With Firelight Meadows, the board would like further discussion with the utility company. Westfork Utilities is in a rate hearing process for fund fixing the problems they are having. Buecker recommended a study prior to the District considering use of the Firelight Meadows drain field for disposal. It was asked if the District has approval from the utility company to do the fate and transport study. The District could also study the margins of the drain field with test wells. *The board directed Edwards is to have the utility company attend a board meeting to present their goals.*

Director Reeves moved that the general manager to begin discussions with the private Westfork Utility Company and Firelight HOA and to report to the board at the next meeting. The fate and transport study is contingent on information from the utility company and owners association. This is to be on the agenda for the next meeting. Motion died due to a lack of second.

Director Reeves moved to break the fate and transport study into two phases and to begin with phase one with having Mark Cunnane proceed with two monitoring test wells on the margins of the Firelight Meadows drain fields. Director DuCuennois seconded the motion. Motion unanimously passed. Edwards is to still bring Westfork Utilities into the discussion.

The board will continue to work towards multi-faceted disposal.

SEWER & WATER SYSTEM RATES

With the goal to target reduction in single family 3rd quarter usage and irrigation usage, and to correct the cost of service disparity, Ryan Graf and Miranda Kleven presented the draft sewer and water rate analysis. Reviewing the cost of services analysis included looking at tier structures and rates, user classes, and conservation incentives. Director Reeves questioned the use of single family median and factoring in unoccupied homes. He does not want full time residents to be penalized because they use water every quarter. The current first tier of 0-60,000 gallons does not capture the higher use. Three alternatives were presented for water system tiered rate design and cost per 1,000 gallons. Alternative 4 was preferred by AE2S and the board as it does the best job of correcting cost of service disparity that exists with the District's current rate structure. Bill comparisons were provided for the three alternatives. A mock billing to the District customers would show how a change in the rate structure would affect them. Changing the rates would require a rate hearing. The board agreed to Alternative 4 with the recommendation of tweaking the tiers as noted by Director Fast. *The proposed rates will be presented at the August meeting along with a list of the top 20 water users and their use at the next meeting.* Graf also presented the affects to the sewer rate system from a change on the water rate change. The board recommended flow based and to look at high strength user class.

The next step is to present the rate change at the August meeting. *Graf will provide more detail on the rate of the wholesale water.*

OLD DEVELOPMENTS AND SUBDIVISIONS

Edwards reviewed the sewer capacity letters written for Spanish Peaks Resort Phase 3C for Section 33 and Section 4 and for the Town Center sewer and water main extensions in Section 1.

DISTRICT AGREEMENTS

Yellowstone Club: The YC's Design Report prepared by Morrison Maierle for the expansion of the North Storage Pond (Pond #2) was provided in the board packet. Director DuCuennois explained YC's need to expand its current pond volume by 20 million gallons so as to cut down on the excavation that would be needed for a new pond. The board thought the idea was good. Director DuCuennois reported that YC will be going forward with the Montana department of Environmental Quality approval for pond expansion. They are holding off on the snow making pond until data on water quality on Phase 1 WWTP upgrades is available.

NEW DEVELOPMENTS AND SUBDIVISIONS

TD&H Engineering submitted an application to Montana Department of Environmental Quality for development of Town Center, Block 6, Lot 1 for residential development.

SEWER & WATER PERMITS & CORRESPONDENCE

A new permit for 32.13 SFEs was submitted on Friday afternoon for TC Building 3, LLC, for a three story mixed-use building in Town Center, Block 4, Lot 1. Staff have not reviewed the application to verify the SFEs requested. *The board directed Edwards to have Ray Armstrong review our overall SFE capacity.*

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

The Big Sky Owner's Association meeting is August 30 at 3:00 pm.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, August 20, 2019, at 8:00 am. Secretary Fast and Director Manka will not be available.

ADJOURNMENT

Director Reeves moved to adjourn the meeting at 11:30 am. Director Fast seconded the motion. Motion unanimously passed.

 8/20/19
Dick Fast, Secretary

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – August 20, 2019

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, August 20, 2019 in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, Directors Mike DuCuennois, Brian Wheeler, Bill Shropshire and Treasurer Peter Manka, participated via GoTo Meeting conference. Director Dick Fast was not present. WSD staff present: Ron Edwards, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, Vince Palafox.

Others present: Jon Olsen, Deb Kozisek, Lone Moose Meadows; Jana Bounds, Lone Peak Lookout; Bay Stephens, Explore Big Sky; Ryan Graf, Scott Buecker and Miranda Kleven via conference AE2S; Guy Alsentzer, Water Keepers; Ron Downer, homeowner; Eddie Starz, resident; Ciara Wolfe, Big Sky Community Organization; Rick Simkins, Town Center; Valerie Bednarski, Gallatin River Task Force; Laura Seyfang, Big Sky Community Housing Trust.

PUBLIC FORUM

President Cronin called the meeting to order at 8:00 am. President Cronin called for public comment on non-agenda items. Ron Downer, Big Sky homeowner discussed the sewer and water rate history and asked the board to carefully consider the impacts of new rate structures for residents who work and live in Big Sky. Some may not be able to absorb increases of the magnitude contemplated within the proposals. There were no conflicts of interests stated by board members. Brian Wheeler is an employee of Big Sky Resort/Boyne. Mike DuCuennois is a contractor for the YC.

CONSENT AGENDA

Financials, Minutes. Operators Reports: The board had a short discussion regarding the consent agenda items including the year end financials.

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

BUSINESS ACTION ITEMS

Director Wheeler moved to amend the agenda by moving III G. to the top of the list of BAI. Director Reeves seconded the motion. Motion passed unanimously

Sewer Connections Permits

Ciara Wolfe, BSCO submitted a permit with SFE's totaling 26.61. The permit will use 7 SFE's donated by the Town Center Group and 19.61 from the 40 SFE's the District traded for the piece of land adjacent to the existing treatment plant. The BSCO will have 20.39 remaining for future building projects by the BSCO. The 19.61 SFE the District traded will be subject to the Sewer Plant Investment Charge. The 7 donated by the Town Center Group will not be subject to the Sewer Plant Investment charge.

Director Reeves moved to approve the BSCO permit. Director DuCuennois seconded the motion. Motion passed unanimously

Edwards also discussed a letter regarding the current Westfork Laundry. The property has its own well and would need to be metered. Cross Harbor Capital is interested in acquiring the property and expanding the laundry facilities. Before they purchase it they want to know if the facility can be expanded by adding more laundry machines. The board discussed the issue and agreed that it is just a remodel permit. If and when the permit is submitted the staff will review

the remodeling permit. For a commercial laundry facility, the permit should require that no phosphates detergent must be used as a permit condition. No board action.

Edwards discussed the Country Market remodeling permit for an employee apartment that requires additional SFE's. The board briefly discussed the issue and determined that board action is not required.

Edwards discussed a Town Center Project submitted by LML BLD #4. The permit came in at 32.13 SFE's. The board asked if there are any issues with the permit. Edwards said the permit is standard permit with the total number of SFE's exceeding 25 which triggers board approval.

Director Reeves moved to approve the LML Bld #4 permit. Director Wheeler seconded the motion. Motion passed unanimously

Approve Final Tax Levy Certification

The board discussed the two options on the tax levy staff proposed. The board consensus was to retain District funds to spend on the proposed projects the District is currently funding. If the funds were used to provide tax relief now the funds would need to be borrowed in the future.

Director DuCuennois moved to approve the option two which did not include any District funds. Director Reeves seconded the motion. Motion passed unanimously

Sewer & Water Rates

See Ryan Graf,s Presentation on Sewer Rates, and see Miranda Kleven's Presentation on Water Rates. The board discussed the proposed rates presented by the two AE2S consultants. The board directed staff to begin working on the rate hearing, and a plan to work with the Resort Tax Board to work on the funding of the District's major water and sewer projects. The board discussed the new 1% Resort Tax and directed staff to include this topic in the Resort Tax Plan.

Director Reeves moved to approve the sewer rate proposal by AE2S with a 5% increase on the residential rate and a 10% increase on the commercial rate applied to both the base and volumetric rate. For the water rate approve alternative 4 as presented by AE2S which has a 4% increase in base rate and a 9% increase on the volumetric rate for both residential and commercial with the change in tiers as presented. Director Shropshire seconded the motion. Motion passed unanimously

Mountain Village Well Exploration

Director Reeves moved to approve the bid by Potts Drilling for approximately \$56K but to limit the drilling to the two sites one owned by the District the other owned by Boyne(pending approval by Boyne). Director Shropshire seconded the motion. Motion passed unanimously

Wastewater Engineering Studies Task Order 2: IPR Study

Director Reeves moved to approve the contract at \$153,500. Director DuCuennois seconded the motion. Motion passed unanimously

Wastewater Engineering Studies Task Order 2: IPR Study

No motion made. The board directed staff to contact Westfork Utility and the Firelight HOA to determine their intentions with respect to the BSCWSD 363.

OLD BUSINESS

Capital Improvements Plan Projects: WWTP Upgrade

Scott Buecker provided an update on the wastewater treatment plant upgrade. Buecker said the schedule and status looked fine. The project is now approximately a year out from construction.

The board discussed the funding of the project and directed staff to contact bond counsel to have a meeting to discuss the funding options regarding revenue bonds or general obligation bonds for the October meeting.

Developments and Subdivisions

Edwards discussed the Montana Club correspondence.

District Agreements

No Discussion

NEW BUSINESS

Sewer & Water Permits & Correspondence

Edwards reviewed the recent permit activity report.

New Developments and Subdivisions

No Discussion

General Correspondence

There was no general correspondence requiring board action.

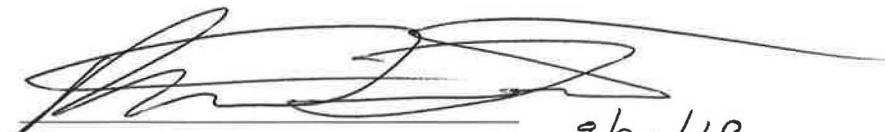
August 30 at 3:00 pm for BSOA annual meeting.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, September 17, 2019, at 8:00 am. Shropshire will not be available.

ADJOURNMENT

Director Reeves moved to adjourn the meeting at 11:05 am. Director Wheeler seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

9/20/19

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – September 17, 2019
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, September 17, 2019, 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, Treasurer Peter Manka, and Directors Mike DuCuennois, and Brian Wheeler. Director William Shropshire participated via conference. Director Mike DuCuennois was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs

Others present: Steve Johnson, Big Sky Planning & Zoning/Big Sky Resort Area District; Scott Buecker, Maria Effertz Hanson, and Jennifer Simmons, AE2S; Beth Mannebach, Lone Moose Meadows UOA; Michael Somerby, EBS; Jana Bounds, Lone Peak Lookout; Daniel Bierschwale and Jenny Muscat, Big Sky Resort Area District; Guy Alsentzer, Upper Missouri Waterkeepers; Kristen Gardner and Stefanee Lucksley, Gallatin River Task Force; Laura Seyfang, Human Resource Development Council, Matt Huggins, Westfork Utilities; Ryan Hamilton, Town Center Owners Association. Ryan Graff, AE2S, participated via conference call.

PUBLIC FORUM

President Cronin called the meeting to order at 8:04 am asking for public comment on non-agenda items. Steve Johnson provided an update on the planning and zoning commission meeting on the 175-acre quarry project in Gallatin canyon. The developer's proposal is for 12 satellite level 2 systems with a 5,000 gallon threshold for wastewater treatment. The advisory committee suggested the developer instead set aside 5 acres for a wastewater treatment plant that could serve this development and the canyon. Big Sky Zoning recommended approval with the added condition that the developer participate in forming a District if proposed. The commission will require a planned unit development (PUD). Before making a decision, the commission has requested more information and that includes the planning department collecting information from the District. Guy Alsentzer commented on the development from a waterkeeper's perspective noting their concerns on water availability, water rights, drain fields/wastewater disposal, and treatment levels. The waterkeepers want the county to require an impact study. They also want the District to build its new treatment plant with the highest levels of treatment available and to be able to handle growth such as this.

Conflict of interest declarations: No conflicts of interests were declared.

CONSENT AGENDA

There were no comments on the minutes, financials, sewer operations, or water operations. Smith reported that the audit field work was completed by Holmes & Turner last week.

Director Reeves moved to approve the consent agenda with the minutes of August 20, 2019, as written. Director Wheeler seconded the motion. Motion unanimously passed.

GENERAL ENGINEERING CONTRACT

Edwards recommended board approval of the new contract from AE2S effective today. It is for work outside of the scope of their wastewater treatment plant upgrade contract that will include such tasks as PE review of main extensions. *The board requested a tracking method so that the District does not financially over commit for additional engineering.* Smith reported that after the new water and sewer rates are set, the budget will probably be updated in November to reflect the new engineering costs, etc.

Vice President Reeves moved to approve the AE2S contract for work outside of the contract for wastewater treatment plant upgrade. Treasurer Manka seconded the motion. Motion unanimously passed.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

AE2S Report: Scott Buecker provided an update on the treatment plant project. The site layout will be done in November using the left side of the property where the headworks will be located. AE2S is working with the vendor on terms and conditions. DEQ wants verification that there is concurrence from Spanish Peaks. The overall schedule is on track with bidding September 2020 and breaking ground spring 2021. The board discussed the need for a long term financial commitment from resort tax using the 1% and 3% resort tax before the bond goes out for a vote. Discussion also included a variety of other funding sources such as PIC, SRF, loans, etc. *The board wants District staff to immediately start routine communications with resort tax on its long term planning and infrastructure needs and the need for resort tax funding.*

Reporting that the resort tax board wants to engage with the District on its needs, Bierschwale believes that resort tax can commit to a certain percentage of funding from the special 1% infrastructure tax. The fire and sheriff departments have already entered into an MOU and/or interlocal agreement using the 3% resort tax. Bierschwale invited the District to the October 9th resort tax meeting to start a discussion and map out how the two entities can work together on common goals. Edwards and Directors Reeves, Fast and possibly Cronin will attend this meeting. Buecker will provide assistance in preparing the presentation that is to provide a simple update on the water and wastewater projects and allow time for any questions. The District needs to provide very specific information before resort tax proceeds with asking its voters to approve the 1% infrastructure resort tax. Bierschwale recommended everyone participate in the ranking of projects in its community visioning project on its website, ourbigskymt.com.

Potable Reuse Study: Buecker provided an update and timelines on the study.

Gallatin Canyon: Buecker briefly reported on the Gallatin Canyon wastewater treatment and disposal study that AE2S is working on through a contract with the Gallatin River Task Force with funding from the resort tax. When available, Buecker will provide a copy of the report to the District. Their September 19 meeting is to discuss the study with the community.

Mountain Well Exploration: Potts Drilling will be mobilizing today. A copy of the bonds and contract were in the board packet. The licensing agreement with Boyne has been completed. The well 3 site has some issues with required set backs from sewer mains. Edwards will talk to the owner if it needs to be visited after drilling of test wells 1 and 2. Information on the test wells should be available to the board at its October meeting.

OLD DEVELOPMENTS AND SUBDIVISIONS

There was nothing new to report.

DISTRICT AGREEMENT

Yellowstone Club Agreement: Morrison & Maierle Engineering's updated submittal on YC's Pond expansion was received. To satisfy YC's 130 million gallon storage commitment, the plan is to build one new pond and make YC's existing pond taller. To facilitate information sharing with the resort tax, *the District will request YC to verify its storage and disposal capacity commitment.* Last year the District pumped 100 million gallons to YC and anticipates doing the same this year. Director Wheeler would like the District to focus on its treatment levels.

RATES & RATE HEARING

Ryan Graff reviewed the proposed rates and prepared an example for the mailer for noticing the rate hearing to be held on October 22, 8:30 am. Noticing requirements are 15 days prior to the hearing. The mailer is to be included in our 3rd quarter billing. *Ryan Hamilton was asked to review the proposed rate structure and comment to the District prior to the rate hearing. Director Wheeler and Smith will work on information to present to condo associations. Graff will correct the Tier 4 existing gallons on the rate proposal.* To recoup lost revenue where rate payers use reuse water, Smith recommended having a reuse water rate category with a water base rate and a minimum \$.10 per 1,000 gallons to be included on the report. At this time, the board wants to encourage disposal as it is a win-win to the rate payer and to the District in getting rid of wastewater. Graff will show the category on the rate proposal only as a placeholder for charging for wastewater in the future. *Edwards will send the board the AE2S rate study.*

Vice President Reeves moved that the reuse customer be charged the current water base rate and also show that there is a zero charge on the bill for reuse water. Treasurer Manka seconded the motion. Motion passed unanimously.

OLD BUSINESS

Firelight Fate and Transport Study: The task has not been approved by the board. Edwards was to reach out to Firelight Meadows, which he has not yet done. Edwards was directed to meet with Matt Huggins, Westfork Utilities, and Matt Walk, Firelight HOA, to discuss Firelight being served by the District and the potential expenses to do so. BSOA Pond Dredging. The project has been delayed due to the impact of the TIGER grant. The District does have a commitment with BSOA for water rights to facilitate their pond project.

SEWER & WATER PERMITS & CORRESPONDENCE

There are only 14.39 SFEs remaining for permitting since releasing 200 SFEs in June.

NEW DEVELOPMENTS & SUBDIVISIONS

Town Center Block 6, Lot 1, multi-family project requiring 40+ SFEs. As previously directed by the board, Edwards has not yet asked Ray Armstrong to provide a comprehensive study on what the District's ultimate capacity is. It was noted that it took about 3 months turnaround for Armstrong's last letter. To make permitting as smooth as possible, the board directed Edwards to ask Armstrong for a capacity letter for 200 SFEs to take care of immediate needs and a letter on total capacity with a turnaround timeline.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

NEXT MEETING

The next Board meeting is Tuesday, October 15, 2019, at 8:00 am. Vice President Reeves wants the succession plan revisited by the end of the year. A public hearing for the proposed rate structure is October 22, 2019, 8:30 am. Director Shropshire will be available by conference.

ADJOURNMENT

Director Shropshire moved to adjourn the meeting at 10:03 am. Secretary Fast seconded the motion. Motion unanimously passed.


Dick Fast, Secretary

9-17-19. min (Board Approved 10-15-19)

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – October 15, 2019

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, October 15, 2019, 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. Director William Shropshire participated via conference. Director Peter Manka participated via conference call. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Peter Bedell, Vince Palafox, and Jake Porter.

Others present: Steve Johnson, Big Sky Planning & Zoning/Big Sky Resort Area District; Jon Olsen, Lone Mountain Land; Jana Bounds, Lone Peak Lookout; Doug Hare, Explore Big Sky; Scott Buecker, Donovan Voeller, and Brian Viall, AE2S; Rick Simkins, Town Center; Laura Seyfang, Human Resource Development Council/BSCHT; Kristen Gardener and Stefanee Lucksley, Gallatin River Task Force; Suzan Scott, Big Sky Owners Association and John Mizelle, Alpha Telecom Consulting Services.

PUBLIC FORUM

President Cronin called the meeting to order at 8:00 am asking for public comment on non-agenda items. Steve Johnson asked that resort tax be moved up on the agenda if it requires his input. Conflict of interest declarations: There were no conflicts of interest stated.

CONSENT AGENDA

There was a typographical correction to the September 17, 2019, minutes. There were no comments on the financials, sewer operations and water operations.

Secretary Fast moved to approve the consent agenda with the corrected minutes of September 17, 2019. Director Reeves seconded the motion. Motion unanimously passed.

DISTRICT ORDINANCE 19-1002: RELEASE 200 SFES (First Reading)

Ray Armstrong's capacity review letter was presented. According to Armstrong, the current plant has capacity for 7,000 SFEs without upgrades, which leaves 800 SFEs for permitting. The board discussed the analysis of full capacity. The board will authorize 400 SFEs now and have Armstrong review capacity again before releasing additional SFEs. Armstrong is retiring at the end of October but will be available to the District for this type of analysis review. If Armstrong is not available in the future, the District will shift the SFE capacity analysis to AE2S.

Vice President Reeves moved to approve the first, second and third reading and adopt Ordinance 19-1002: Release of 400 SFES. Director DuCuennois seconded the motion. Edwards will add the exact number of SFES used into the ordinance. Discussion. Director DuCuennois wants the District to think about expediting the plant improvements. Motion unanimously passed.

SEWER & WATER PERMITS & CORRESPONDENCE

The permit application for 50.82 SFEs for DL2's condominium project requires board approval.

Vice President Reeves moved to approve the 50.82 SFES for DL2, LL (Romney) sewer permit application for 13 duplexes in Town Center, Block 6, Lot 1. Director Wheeler seconded the motion. Staff will review the main extensions. Motion unanimously approved.

AMEND AGENDA

Vice President Reeves moved to amend the agenda to discuss resort tax to provide for Steve Johnson's participation in the discussion. Secretary Fast seconded the motion. Motion unanimously approved.

RESORT TAX

Scott Buecker and Terry Smith represented the District at the October 9th resort tax meeting. Kevin Germain and Steve Johnson were appointed to a subcommittee with the goal to map a legal path to have wastewater improvements/projects funded with resort tax. District subcommittee representatives are Directors Reeves and DuCuennois along with Ron Edwards and Terry Smith. The forum with the subcommittee is to help facilitate discussion and make it all work. The draft Big Sky Vision and Strategy Project, which is available today, did not show wastewater high up on the project list. Steve Johnson stated that there is still time to comment on the visioning project as the final report will not be completed until the end of the year. Johnson was asked if the results of the visioning project will dictate the resort tax board's funding decision making. Johnson stated that the resort tax board will value the community's input. There is an opportunity for the resort tax board and WSD to discuss the 1% infrastructure resort tax that will require a community vote. The termination clause in the 1% tax was discussed. Johnson thinks that with the resort tax's responsibilities across the community, affordable housing needs to be addressed which will include housing in the canyon which should have a central wastewater treatment system. Director Wheeler stated that with the biggest obstacle for affordable housing being water and sewer availability, the District needs to prioritize growth. Scott Buecker reviewed the preliminary schedule with the upgraded plant being online by September 2022. Buecker wants the District to move forward with the 1% infrastructure tax as it is project specific and to also pursue the 3% resort tax funding for other District needs. The resort tax thinks a mail ballot election can be done at any time for the 1% infrastructure resort tax. To meet the District's August 2020 deadline for final bond note, the board discussed the necessity of having funding (i.e. resort tax, GEO bond, revenue bond) in place before proceeding. The District needs to communicate to resort tax and dovetail the District's needs with resort tax funding as it needs decisions by December. Edwards recommended using Dan Semmens, Dorsey Whitney, as bond counsel. The appropriations schedule was discussed. Johnson reported that the resort tax will not consider a long-term commitment like what was previously done with the District. President Cronin feels that the District should make an application for resort tax funding in June for projects it needs.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

WWTP Upgrade: Scott Buecker's report was in the board packet. AE2S will have better 3-D modeling of the site layouts available. The board needs to consider fencing aesthetics. Buecker recommended that the funding subcommittee also be the wastewater subcommittee. To complete the MBR contract, Edwards will talk to Swimley this week on keeping the communication line open with the vendor's attorney. For monitoring funding, Edwards added a WWTP contract summary table to his report. Buecker asked the board for approval to move forward with the contract for the study on the use of Firelight Meadows's drain field for additional disposal through recharge. Firelight needs to give its approval to the District to study its drain field before the board can approve a contract. Ultimately the District needs to protect its water supply through this analysis. *Edwards will meet with Firelight this week to find out the potential of connecting Firelight to the District and to get approval to get a core sample of their drain field too determine if there is value to the District in moving forward in using Firelight's drain field. Edwards will meet with Firelight's attorney, Alana Griffith, on October 22.*

Mountain Well Exploration: Two exploratory wells were drilled where water was found. The site by the tank only produced 40 gpm. The Energy Lab results do not show arsenic. At this point, the preliminary results do not show much iron. Additional testing with draw down logging will be done within the next couple of week.

CRAIL RANCH GARDEN PROJECT

Edwards briefly reviewed the Crail Ranch native demonstration garden project. The District will keep data on its metered water use.

DEVELOPMENTS AND SUBDIVISIONS

Firelight Meadows: Already discussed early in the meeting.

Sweetgrass Hills, Tract A1: Scott Altman has completed the main extension for future development.

DISTRICT AGREEMENTS

YC/Spanish Peaks: YC is responding to DEQ comments regarding their storage pond expansion. They are in design.

FINANCE RATE HEARING SCHEDULE

The rate hearing is Tuesday, October 22, 2019, 8:30 am. A mailer notification was sent to District property owners. The board can pass the rate after the hearing, or wait until its next regular meeting.

NEW DEVELOPMENTS AND SUBDIVISIONS

A capacity letter was written for the community center in Town Center, Block 5, Lot G. The sewer line has to be rerouted out of Lot G.

CELL TOWER PROPOSAL

John Mizelle, Alpha Telecom Consulting Services, asked the District to lease ground at the Cascade water tank site for a cell tower. A copy of the written request and proposed contract with Tower Ventures LLC was provided in the board packet. The proposed rent is \$1,500 per month for a maximum of ten five-year terms to be renewed automatically. The tree like tower would have to be compounded (fenced) in a 25-foot square area if the equipment is above ground. It is possible that a generator will be connected. Suzan Scott reported that the property is under BSAA jurisdiction where the tower height, access, and aesthetics for neighboring property could be possible problems. With covenant height restrictions in Cascade Subdivision at 28 feet, the cell tower height needs to be considered. WSD would need to submit an application into BSAC. BSAC would notify neighboring property owners of the project. Benefits such as lease income for the District and greater cell service for the community were discussed. The tower would give Moonlight area about 75% cell coverage. The board does not want the District to spend a lot of time on this. John Mizelle, Alpha Telecom, would need to fill out the application and have the District sign it. *The board would like to see a more detailed site plan before making a decision.* Director Wheeler would like a team put together for finding a location on Andesite Mountain. Mizelle stated that the Cascade site is needed for community cell coverage. The District will need to do more due diligence. The board could be open to signing a lease if all other entities are in agreement and it does not impede the District in its operations. *Muscat and Mizelle will walk the site.*

NORTHWESTERN ENERGY LAND ACQUISITION

The District needs to look at purchasing the old substation site in Sweetgrass Hills for a future water tank site. Edwards and Muscat have talked with Northwestern Energy. NEW is receptive, but Edwards does not know what compensation would be needed. The District needs to review what is legally allowed on the site. Muscat reported that the existing tank is near its end of life cycle and it would be a big win for the community. He recommended proceeding with acquiring the parcel. The board agreed with staff doing its due diligence and to work with BSOA.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

Secretary Fast noted the covenant amendment ballot for Sweetgrass Hills in the board packet and asked if there is a way to waive the District's right to vote. Susan Scott said each individual property in the subdivision has to be treated the same. If the District does not vote, it is counted as a no vote. The board said this type of communication has to be timely enough for it to be discussed during a board meeting.

NEXT MEETING

The next regular Board meeting is tentatively scheduled for Tuesday, November 19, 2018, at 8:00 am. The rate hearing is Tuesday, October 22, 2019, 8:30 am.

ADJOURNMENT

Secretary Fast moved to adjourn the meeting at 10:38 am. Director DuCuennois seconded the motion. Motion unanimously passed.


Dick Fast, Secretary

11/21/19

10-15-19. min (Board Approved 11/19/19)

BIG SKY WATER & SEWER DISTRICT NO. 363
Public Hearing Minutes – October 22, 2019
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a public hearing and regular meeting on Tuesday, October 22, 2019, in the WSD Community Room. Vice-President Tom Reeves chaired the meeting with the following board members present: Director Mike DuCuennois and Secretary Dick Fast (arrived 8:20). President Cronin and Treasurer Peter Manka participated via conference. Director Brian Wheeler was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, and Peter Bedell.

Others present: Mary Ann Comstock and Ron Downer, District residents, Steve Johnson, Big Sky Resort Area District; Doug Hare, Explore Big Sky; and Jana Bounds, Lone Peak Lookout.

PUBLIC FORUM

With no public comment on non-agenda items, Vice President Reeves called the meeting to order at 8:05 am. No conflicts of interest were declared by board members.

PUBLIC HEARING – WATER & SEWER RATES

Edwards explained the purpose of the rate hearing is to address disparity in rates in residential and commercial customers through the proposed rate structure. Ryan Graf, AE2S/Nexus, provided the background on the overall rate study and presented the cost of service methodology for long term planning. The steps used in preparing the proposed rate structure were briefly discussed. Graf also reviewed the proposed adjusted tiers recommending future cost planning through annual review of rates. Funding options for the treatment plant upgrade were discussed. The rates in the notice are the rates that the District will consider adopting. Edwards reviewed the rate study process summary which was the bases of the letter sent to customers/property owners. A 5% increase is proposed for the sewer base fee from \$80.64 to \$84.66 along with the increase in use rate per 1,000 gallons from \$6.55 to \$7.21 for residential and condo properties and \$6.55 to \$7.86 for commercial and other properties. A 4% increase is proposed for the water base fee with a proposed rate change from \$50.70 to \$52.74. The tiered use rates for residential, commercial, and irrigation rates were reviewed. The irrigation tier was established to encourage conservation. For now the District will not charge for the use of reclaimed water, but knows that it will eventually become an asset. The tiered rate structure for Yellowstone Club water use was reviewed. Even though YC is limited in its water use through the agreement, the District's focus in the rate change is conservation.

Steve Johnson commented that he sees the proposed rates as the District's attempt to correct the revenue imbalance between user categories: residential, condo, commercial, irrigation, other and wholesale.

Mary Anne Comstock stated that she supports the rate structure as designed and commended the District in recognizing the need to make the rate equitable. Comstock understands the need to keep up with the costs.

Ron Downer explained how the rate change would adversely affect him for irrigating his 10,000 sf of lawn. Edwards showed that, under the proposed tiered water rate, Downer's current bill would be \$293.97 as compared to \$200.12. Downer did not have any objections to the rate once it was explained. Downer commented on the increase in sewer and water rates affecting those in affordable housing.

District property owner Steve Reiger stopped in the office a few days ago to offer a suggestion that the District send letters to customers showing how the rates would reflect in their bills.

The board had evaluated what impact the proposed rates would make on a sampling of the constituents in the District. The objective of the rate change effort was to capture the higher volume water users. Graf noted that, with the District's new water use monitoring system, users will be able to log in and check out what their flow rates are and be able to make adjustments in their use. Steve Johnson commented that the reality is that Big Sky will see more brown lawns. Providing lawns are cut, the fire danger is low.

Edwards noted that the board can adopt the rate today, but does not have to. Board members were in agreement to delay a vote on the rates until more board members are present. Edwards suggested consulting legal counsel for rate setting through a resolution instead of an ordinance where three readings are needed.


Director DuCuennois moved to have the general manager to move forward on the recommended rate structure through either a resolution, or 1st reading in a rate ordinance, to present at the next board meeting for adoption. Secretary Fast seconded the motion. Motion unanimously passed. The board discussed the effective date of the new rates agreeing to a January 1, 2020, start date. *Edwards will talk to legal counsel, Susan Swimley, for setting the rates through a resolution.*

NEXT MEETING

The next regular Board meeting is tentatively scheduled for Tuesday, November 19, 2018, at 8:00 am.

ADJOURNMENT

Secretary Fast moved to adjourn the meeting at 9:09 am. Director DuCuennois seconded the motion. Motion unanimously passed.


Dick Fast, Secretary 11/21/19

10-22-19. min (Board Approved 11/19/19)

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – November 19, 2019
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, November 19, 2019, 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, Treasurer Peter Manka, and Directors William Shropshire, Mike DuCuennois, and Brian Wheeler. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, and Eric Daniels.

Others present: Steve Johnson and Sara Huger, Big Sky Resort Area District; Jon Olsen, Lone Mountain Land Company; Jana Bounds, Lone Peak Lookout; Mary Ann Comstock, District resident; Jennifer Simmens, Brent Bogar and Scott Buecker, AE2S; Jeff Lusin, 45 Architecture; Laura Seyfang, Big Sky Community Housing Trust; Rick Simkins, Big Sky Town Center; Guy Alsentzer, Upper Missouri Water Keeper; Emily O'Connor and Kristen Gardner, Gallatin River Task Force; Mace Mangold, WGM Group; Suzan Scott, Big Sky Owners Association; and Tim Kent, First Security Bank.

PUBLIC FORUM

President Cronin called the meeting to order at 8:05 am with no comments on non-agenda items. Conflict of interest declarations: No conflicts were declared.

CONSENT AGENDA

Financials: The updated budget with the proposed rates and the additional \$10,000 for sewer engineering and \$3,500 for education was reviewed. The draft FY2018/2019 audit report will be on the December agenda to accept.

Director Shropshire moved to approve the consent agenda with the regular minutes of October 15, 2019, and public hearing minutes of October 22, 2019. Treasurer Manka seconded the motion. Motion unanimously passed.

DISTRICT ORDINANCE 97-1002: PUBLIC SEWER AND WATER SYSTEM RATES

The draft amendments included a new rate structure with a base rate for reuse water and clarified metering requirements. The District will be allowed, at its discretion, to make individual metering mandatory for each residential unit, including apartments. Plumbing to allow for future individual metering will be required at the time of construction. If apartments will be condominiumized, individual meters will be required. Each unit will have a base rate. Smith will work with Director Wheeler to fine tune the language before the December meeting to make sure that there are no unintended consequences like penalizing dormitory style housing. If there is a change of use in buildings, the District should require prior review and approval. Edwards reported that as long as the presented rate is not changed today, the board can still adopt the amended ordinance at the second reading in December. The language and rates can be amended as needed in the future.

Vice President Reeves moved to approve the first reading of Amended Ordinance 97-1002: Public Sewer and Water System Rate. Director Shropshire seconded the motion. Discussion was to reword the ordinance. Motion died for a lack of a vote.

Director DuCuennois moved to approve amended Ordinance 97-1002: Public Sewer and Water System Rate first reading draft with the anticipation of the second reading having Section C, Articles 1 and 2 rewritten. Vice President Reeves seconded. Motion passed. Specific language for dormitory style housing will be included.

Edwards reported that the new fixed-base meter read system has the capability of hourly water meter reads. The board wants this tool in the hands of its customers. The District is getting estimates for a customer portal system that will allow customers access to this information.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

WWTP Upgrade: . The board commended Scott Buecker on his presentation to the commissioners at their joint meeting. Buecker, reviewed his report and drawing of the site plan provided in the packet. The contract work with Evoqua for the MBR equipment is almost complete. Buecker will provide better financial numbers for the bond. With the increased costs in other recent community projects, Buecker will increase the cost estimates for concrete and electrical 10% . AE2S will have a bid form for alternates if something has to be eliminated due to the costs. The Infrastructure Subcommittee, which is creating a collaborative effort in providing for the community, will meet on Thursday. The bond counsel will be advising the subcommittee on funding via GEO and/or revenue bonding. Edward explained how a revenue bond works. Gallatin County provided a March 3, 2020, deadline to have a bond election if they will be administering it. The school district is talking about a bond issue in the same time frame. The District needs to know what commitment resort tax will make so it can inform its rate payers. Steve Johnson reported that the full resort tax board approval is needed to approve any funding. At the last resort tax meeting, there was reluctance to commitment of the full 1% to the WSD project as they want wastewater disposal addressed in the canyon. According to Vice President Reeves, if the full 1% was funded, the District's project would be paid off in 9 years. The board would like 1% taken to the voters for infrastructure for the District and future canyon projects. Peter Bedell reported that a canyon wastewater feasibility study will be presented in March 2020 for property owners to consider. The canyon will need to form a district.

With a cost of maybe \$20,000, Buecker reviewed the proposed communications schedule starting with informing the community of what we are doing with the project and why it is needed. Communications then can get into the details of possible funding. The board agreed that we have something to communicate right now and there is need to start educating the public on the project. The board discussed having AE2S proceed on the communications including a direct mailing right away to rate payers and letters to the editor. The subcommittee will give Buecker direction on communication materials. Buecker asked that the board approve release of information. The local papers have been reporting on the District's meetings and have already made the community aware of what is going on. The board discussed the District's growth rate. Buecker's PR information will include skier impact on the District's treatment capacity. Plant investment charges will have to be revisited after the costs of the plant are known. Buecker will put together a cash flow model to present to the subcommittee. Buecker and Edwards met with Firelight Meadows. The correspondence received from Matt Huggins was reviewed. The owners association and the utility company are interested in annexation into WSD. The District received verbal authorization for conducting the study. The cost of the study is \$84,500. The full report prepared by AE2S is online. MSU is interested in riding along on the District's reuse water study. The board approved of Buecker inviting MSU to participate. Director Shropshire said a risk and opportunity analysis has to be done before taking on Firelight.

Vice President Reeves moved to authorize \$84,500 to do the study at Firelight Meadows. Director Wheeler seconded the motion. Discussion. AE2S will work with Bureau of Mines and Mark Cunnane on the flow data. Motion unanimously passed. Responding to board inquiry, Edwards said it is to be determined if water will be included in the study.

To avoid a future moratorium on permitting new development, the board asked what can be done with its current treatment plant to increase capacity. Buecker stated that the plant capacity is tied to a peak flow, but it can be pushed for additional treatment. Storage and disposal capacity are the issues. Ray Armstrong's letter contradicts the storage issue cited by Burroughs and Buecker, where he thinks treatment capacity is the issue. Director DuCuennois provided an update on DEQ's review and approval process of YC's storage pond expansion project through building up their embankment. There has been pushback from DEQ, but YC will continue to work with DEQ to build additional storage. Director DuCuennois also provided an update of YC's future snowmaking plans that he feels looks fairly favorable. YC is the forerunner in working with the State on snowmaking with the State being super cautious. The YC pilot study is being used for their modeling. If approved, it will be a discharge permit. Steve Johnson commented that the elephant in the room is discharging into the Gallatin River, which could be done at run off.

Mountain Well Exploration: Edwards reported on the pump testing. Pump tests on exploration well 2 are planned for December 3-6 to determine its water capability. The lab results showed no Sulphur found in the wells.

CELL TOWER PROPOSAL UPDATE

John Mizelle, Alpha Telecomm Consulting Services, reported to Edwards that they have not made any progress on finding an alternate site for their cell tower. The proposed Cascade water tank site has logistic issues with BSOA and the neighboring properties. Suzan Scott stated that BSOA is willing to work with Mizelle when they receive a proposal.

DEVELOPMENTS AND SUBDIVISIONS

Mountain Lake Condominiums interior water lines for their Building C were installed with our water operator doing the inspection. They will pull a permit next spring for water and sewer service connections. All their obligations from previous commitments have been met.

Meadowview Condominiums will be tying into the existing reuse irrigation line between the two softball fields in the meadow village park. Mindy Cummings is working with Edwards on the needed easement through the park. Cummings is also working with the District to draft a generic document for the use of reuse water as there is also a lot of interest in other developments tying into reuse water. The District and Boyne will need an easement agreement to get the line to the Town Center area. The District will need to address any obstacles such as pump demands and infrastructure to make sure that purple pipe use is effective in the future. Peter Bedell asked that the District think ahead and require a separate meter for irrigation so that we can monitor reuse water. At some point, the board will need to address adjustments in revenue loss from not currently charging for reuse water.

DISTRICT AGREEMENTS

No agreements were discussed.

RESORT TAX

The meeting notes and agenda from the subcommittee's first meeting on October 23, 2019 were in the board packet. Bond attorneys Dan Semmens and Courtney Ellis, Dorsey Whitney, will be at the next meeting on November 21, 2019. The Gallatin County Election Office recommended that the District conduct a special election no later than March 3, 2020. According to Edwards, the bylaws could be changed so that Madison County could run the special election. With a resolve deadline of December 9, 2019, by the board, Edwards believes that a revenue bond is the District's best option. The board discussed the 1% infrastructure resort tax election process. The link to the resort tax's final envisioning document was provided in the board packet

SWEETGRASS WATER TANK

Future infrastructure of locating a water tank on the former Northwestern Energy (NWE) substation site in Sweetgrass Hills was discussed. The District needs a larger tank and would hate to miss the opportunity to use this site as it provides an elevation gain of 13 feet, it is invisible to everyone, and it allows the District to keep the existing tank on line during construction. With this site being the logical place for a new tank the District needs to work out the logistics while the opportunity is available. Edwards reported on the meeting he and Cody Lux, NWE engineer, had with the BSOA Board of Directors on November 15, 2019, on the needed easement for the NWE lines. There is a timing concern with a tight schedule for NWE as they need to upgrade their poles whether they are moved, or not. Edwards believes relocating NWE power lines could be done with BSOA board approval and not require a covenant amendment. Suzan Scott agreed that moving the power lines should not be an obstacle. NWE will be providing BSOA with detailed information. Regarding the land exchange, BSOA President, Gary Walton, believes that the Sweetgrass Hills covenants will need to be amended to allow a water tank on the site. Scott reported that BSOA had prior trail plans in the area, but understands that BSOA still need to work with the District on water rights. President Cronin stated that the board appreciates that BSOA will work with the District. It has a history of building trails and will work with BSOA to get it done.

AFFORDABLE COMMUNITY HOUSING

Laura Seyfang, Big Sky Community Housing Trust (BSCHT), discussed the need for affordable workforce housing and identified potential project sites. BSCHT wants a collaborative community effort to provide 350-500 housing units in the next 5 years. They are working on zoning amendments to allow workforce housing in more areas. Seyfang provided their definition and requirements of affordable housing. BSCHT will ensure compliance. Seyfang asked the board for access, annexation, or fee for service for water and sewer service for American Bank's property across from the ponds. The District already provides water service to the bank's building. The planning department will not work with BSCHT until they get water and sewer as the lots have issues with easements and are outside the District boundary. The board was in agreement that the District does not have excess SFEs and it cannot commitment to something it does not have. The board shares in BSCHT's desire for a collaborative effort to provide affordable housing, but the District has a burden that will not be relieved until it gets additional sewer treatment and disposal capacity online and has also addressed increased potable water capacity, too. The board supports affordable housing, but it needs to provide for capacity for meeting its current build out obligations. There is possibility of additional capacity in 3-5 years, but the District has limitations as to what it can do today. The board questioned if solving workforce housing needs is the sole responsibility of the District. It was suggested BSCHT work with entities such as Spanish Peaks, Boyne, etc. for reallocating their SFEs. The timing of Seyfang's request makes it a difficult decision for the District as it is uncertain of its funding to even move forward with a new plant. The board could not make a commitment to Seyfang's request. The 1% infrastructure resort tax was discussed, noting that the 1% is specifically written without including affordable housing. Steve Johnson stated that there would be affordable housing opportunities in the canyon if wastewater development was done. Seyfang stated that there are a lot of smart people in the community and this will be figured out.

SEWER & WATER PERMITS & CORRESPONDENCE

Edwards will update his SFE table.

NEW DEVELOPMENTS AND SUBDIVISIONS

There were no new developments, or subdivisions, to report on.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

Northwestern Energy's Community Sustainability Discussion: Edwards intends to participate in the meeting on December 3 and at The Wilson. There is a lot of discussion lately on making Big Sky a sustainable resort and its carbon footprint.

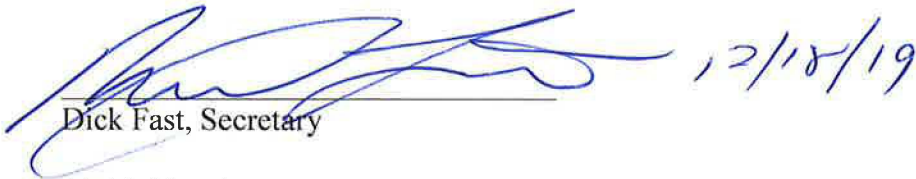
WSD Board Election: Terms expire in May 2020 for Directors Fast, DuCuennois and Cronin. The Gallatin County will provide the open and close candidate filing dates in December.

NEXT MEETING

To accommodate board members schedules, the next regular Board meeting is tentatively scheduled for Wednesday, December 18, 2019, at a time to be determined.

ADJOURNMENT

Secretary Fast moved to adjourn the meeting at 11:25 am. Vice President Reeves seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

11-19-19. min

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – December 18, 2019
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Wednesday, December 18, 2019, 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, Treasurer Peter Manka, and Directors Mike DuCuennois (left at 12:28 pm), Brian Wheeler (left at 12:34 pm) and William Shropshire. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, Vince Palafox, Jake Porter, and Eric Daniels.

Others present: Matt Cope, Holmes & Turner; Scott Buecker and Scott Jungwirth, AE2S; Steve Johnson, Jenny Muscat, Daniel Bierschweler and Buz Davis, Big Sky Resort Area District; Andrew Meng, Big Sky resident; Kim Beatty, Browning Kaleczyc Berry & Hoven and Jerry Pape both representing American Bank; Laura Seyfang, Big Sky Community Housing Trust (BSCHT); Guy Alsentzer, Upper Missouri Waterkeeper; Doug Hare, Explore Big Sky; David Tucker and Kristin Gardner, Gallatin River Task Force; Rick Simkins, Big Sky Town Center; and Suzan Swimley, legal counsel. Participating via GoToMeeting: Brent Bogar, AE2S.

PUBLIC FORUM

President Cronin called the meeting to order at 10:00 am and asked for public comment on non-agenda items. Secretary Fast reported that he is working as District liaison with the school committee on the WSD and school bonds.

Conflict of interest declarations: President Cronin noted that he banks at American Bank and knows its personnel. Edwards reported that the District also banks at American Bank. Director Wheeler reported that he does corporate and personal banking at American Bank and that his wife, Mary Wheeler, is a realtor.

CONSENT AGENDA

No comments on any consent agenda items.

Vice President Reeves moved to approve the consent agenda with the minutes of November 19, 2019. Director Shropshire seconded the motion. Motion unanimously passed.

DRAFT 2018-2019 AUDIT REPORT

Matthew Cope, Holmes & Turner, presented the 2018-2019 audit report. Both the basic and government reports were clean with no issues of noncompliance. The audit overall was a success. The report will be filed with the State by December 31, 2019. Holmes & Turner is on year two of a three-year contract for the District's annual audit.

Vice President Reeves moved to accept the 2018-2019 Audit Report as prepared by Holmes & Turner. Director Shropshire seconded the motion. Motion unanimously passed.

ORDINANCE 97-1002: Public Sewer and Water System Rates (Second & Final Reading)

With no changes from the last meeting, the board reviewed and discussed the draft amended rate Ordinance No. 97-1002. Director Wheeler reported that the resort understands the intent of making the rates more equitable and fair for everyone. He asked that the rates be revisited if they have unintended consequences, such as on dormitory style employee housing. Edwards reviewed the history of how the new rates were set and demonstrated the website tool that will provide customers cost comparisons of the old and the new rate. The combined quarterly base rate will increase from \$131.34 to \$137.40. Different categories of use were established. The variable sewer rate per 1,000 gallons is \$6.88 for residential and \$7.21 for commercial. For

water rates, there are four use and rate tiers for commercial, residential, and irrigation categories. The rates will go into effect on January 1, 2020. District staff will review the rate scenarios after the quarterly billing. Smith was commended for the work he put into the new rate.

Director Shropshire moved to approve the second and final reading of amended Ordinance No. 97-1002: Public Sewer and Water System Rate Ordinance. Vice President Reeves seconded the motion. Motion unanimously passed.

Smith noted that the new rates will be reassessed after next years' irrigation season. A customer portal to self monitor use will be presented at the next board meeting. Once set up, there will be a web link to the portal on the District's website. At the boards' request, Smith will have a notice inserted into the quarterly bill that will alert customers of the rate change.

RATIFY 1% RESORT TAX PROPOSAL

Edwards reviewed his summary of the four subcommittee meetings requesting the board ratify the preliminary document with the following recommendations: 1) 1% resort tax pays 60% of the District's overall project cost amortized over 12 years; 2) create 500 SFEs capacity allocation for deed restricted workforce housing within the District, or annexed parcels; 3) build a force main and lift station to the meadow for canyon sewer and a treated effluent gravity pipeline to Highway 191 entrance for future disposal in the canyon area with 100% of costs to be funded through a resort tax application; and 4) use the quarry project area for the District's future drainfield disposal needs. The recommendations were discussed. Scenarios of payment options for the plant upgrade and length of years were reviewed. The bulk of District's current SRF loans will be paid off in 2023 with a water bond that will be paid off in 2027. *Edwards will forward yesterday's email from Dan Semmens on bonding to the board.* To create the 500 SFEs for housing, the District would need a 2 to 1 offset with disposal in the canyon. These SFEs for housing are not necessarily accounted for in the plant upgrade unless it is land in the District with an existing SFE allocation. The issue of water capacity for the SFEs still needs to be addressed. Prior to pipelines being built to the canyon, the board will require a signed service agreement. Details on impact fees, plant upgrades, capital costs, etc. would have to be worked out through future negotiations. Canyon properties would not be annexed into the WSD District. Steve Johnson reported that canyon property owners with large parcels (Quarry, Lazy J, Hammond, and Bucks) are working together to form a district. They will meet in January for further discussion. Scott Altman and Scott Johnson have been cooperative with the District on the geotech work they already had done on their quarry property. Dan Bierschweler reported that the resort tax went through a thorough community input project with sewer and water infrastructure management and expansion being supported. The resort tax board will review the applications for use of the 1% resort tax and decide how to move forward with a May election.

Director Shropshire moved to ratify the proposal at the subcommittee's recommendation. Treasurer Manka seconded the motion. Discussion. Laura Seyfang stated that BSCHT does not want to be boxed in with the term "deed restricted" housing as there are other ways to regulate affordable housing. Guy Alsentzer noted his objections to the quarry project, proposed disposal option in the canyon, and the installation of dual main pipelines. He has concern about the initial data presented. He thinks more information with better science is needed. Alsentzer supports a canyon wastewater district being formed. Steve Johnson reported on the county hearing on the quarry project and the canyon study being done by AE2S and WGM Group. Motion unanimously passed. Directors DuCuennois and Vice President Reeves will attend the resort tax meeting in January.

AMEND AGENDA

Vice President Reeves moved to amend the agenda to address the American Bank Annexation, New Business item V. A. Treasurer Manka seconded the motion. Motion unanimously passed.

AMERICAN BANK ANNEXATION/KIM BEATTY LETTER

The District received a letter from American Bank's legal counsel, Kimberly Beatty, demanding public water and sewer services for the bank (Tract 1) and the property west of the bank (Tract 2B-1). The properties are not in the District. The bank is on a private septic system, but connected to the meadow water system on a 1 1/2" water line. The properties are not in the water jurisdictional area. The board reviewed Beatty's December 5, 2019, letter; the 2016 annexation petition, related correspondence, and meeting minutes; and the 1996 settlement agreement with LeRoy's. Edwards asked if American Bank wants the District to work from the 2016 annexation petition. Susan Swimley advised, that from a process standpoint, the 2016 petition needs to be acted on once it is determined from the applicant what their development plan is. The 2016 application had 5.6 SFEs for the original building and 19 SFEs for development of the vacant lot for a total of 20.6 SFEs. As recommended by Swimley, *the issue will be on the January agenda*. As requested by the board, Swimley will prepare an analysis for the next board meeting after reviewing all information with Edwards. The board noted that, historically, the District has not taken on any new annexation because it needs to solve its capacity issues. Jerry Pape, Jr., explained his relationship with the bank and the bank's intended development plans. Pape provided a history of the use of the bank building, the contamination of its private well, and subsequent connection to water service through Lone Mountain Springs (now the WSD). He requested a decision on annexation within the next 90 days based on the bank's original petition so that the properties can be marketed. The bank wants to find a buyer with a community favorable use like affordable housing, even though it may not be the use originally proposed in the 2016 petition. If additional SFEs are needed, it will be the purchasers' responsibility to make a request to the District. The bank is compelled by law to ask for public service due to proximity to the District's boundary. They are prepared to pay for sewer and water infrastructure required. American Bank will sell its existing building and vacant lot once it moves into the former First Security Bank building in the Meadow Village. *They are remodeling the First Security Bank and will submit a remodeling application for that project in the not too distant future*. Kim Beatty reported that she represents American Bank and also the resort tax district. The impetus of her letter is to get a decision from the board. The bank will file a new annexation petition if the board desires. Laura Seyfang reported that HRDC does not have the manpower to undertake affordable housing on this property at this time. The BSCHT should be approved as a new agency within the next few months and may evaluate workforce housing opportunities on this property if it is still available.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

WWTP Upgrade: Scott Buecker provided an update and project rendering for the treatment plant upgrade project with his monthly report in the board packet. The bidding schedule is early fall. Buecker will coordinate a design workshop subcommittee meeting in January with DuCuennois, Reeves, Manka, Edwards and Burroughs. AE2S's full design and bidding services contract for \$1.88 million will be reviewed at the January meeting. The 50% design budget has sufficient remaining funds for AE2S's work through the month of January. Resort tax funding for phase II was discussed. The impact fee study will continue to be addressed. The Firelight Meadows study is underway. Edwards is working with Anna Miller on whether an election is needed on a bond. The letter from DEQ was a standard response.

Mountain Well Exploration: The pump test for Mountain Test Well #2 produced disappointing results. This well will not be worth pursuing. The Lone Peak Lookout published an article on the test results. *Mark Cunnane, Western Groundwater, will analyze the data and present his written report at the February meeting and guide the District in its next step.* The District has a water deficiency in the upper cascade area. The site by the old water tank will be explored in the spring. The board thanked Big Sky Resort for working with the District on its water exploration. (DuCuennois left the meeting at 12:28 pm.)

DEVELOPMENTS AND SUBDIVISIONS

A capacity letter for Big Pine View Subdivision, Lot 13, was in the board packet.

DISTRICT AGREEMENTS

There was nothing new to report.

RESORT TAX

This topic was discussed earlier in the meeting. Edwards has been representing the District at the "G 9" group meetings. The draft meeting notes were in the board packet.

SWEETGRASS HILLS WATER TANK

With Northwestern Energy's short timelines, they are moving forward with replacing their overhead lines. *The District will work towards acquiring the old substation location.*

SEWER & WATER PERMITS & CORRESPONDENCE

If the plant upgrade is completed in the proposed timeline, there will be no delay in issuing permits.

NEW DEVELOPMENTS AND SUBDIVISIONS

There was nothing new to report.

GENERAL CORRESPONDENCE

No general correspondence required board action.

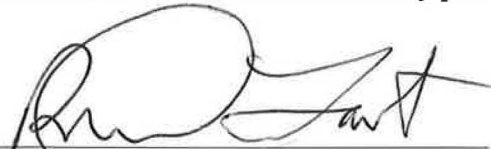
WSD Board Election: The filing period for the May election for the expiring terms of three board positions started on December 12, 2019, and closes at 5:00 pm on February 10, 2020. *This will be on the agenda for January.* The District office will be the polling place for Big Sky.

NEXT MEETING

The next regular Board meeting is tentatively scheduled for Tuesday, January 21, 2020. An annual dinner will be scheduled later. (Wheeler left at 12:34)

ADJOURNMENT

Treasurer Manka moved to adjourn the meeting at 12:38 am. Director Shropshire seconded the motion. Motion unanimously passed.

 1/31/20
Dick East, Secretary