

# BIG SKY COUNTY

**WATER & SEWER DISTRICT 363**

## *Monthly Operating Report*



**October/November  
2025**

*Prepared by*



**BIG SKY COUNTY  
WATER & SEWER  
DISTRICT NO. 363**

## Executive Summary

The Big Sky County Water & Sewer District ends October and November 2025 in a stable financial and operational position. Operating revenues totaled \$2.45 million, slightly ahead of budget, while expenses reached \$4.23 million due to seasonal work and \$476,000 in legal defense costs. Despite these expenditures, the District maintains strong liquidity with \$18.8 million in fully collateralized cash reserves and low delinquency levels. Staff also initiated a review of financial and billing systems, including proposed upgrades to the CUSI platform to improve efficiency and reduce customer fees.

Progress continues across major CIP initiatives, including asset and fleet management implementation, bulk water fill station design, solids-handling planning, and well monitoring estimates. Community engagement remains strong, with nearly 2,300 newsletter subscribers and ongoing updates to the District's website.

A significant legal development occurred with the jury's unanimous ruling in favor of the District and Boyne in the Cottonwood lawsuit concerning reclaimed water use. The decision reinforces Big Sky's standing as Montana's largest zero-discharge community and affirms the integrity of its Class A-1 reuse program. Annexation efforts also continue, with several agreements completed and others moving forward.

Operational activity remained high. Water production fluctuated seasonally, with broad increases across all sources in November. Key field accomplishments included the abandonment of two wells, PRV vault repairs, sanitary survey coordination, meter installations, system winterization, and continued OpenGov integration. The Collection & Distribution team completed over 150 locates, sewer inspections, aeration pond line removal, winter yard preparation, and a golf course irrigation main break repair. Safety training continued with two incidents reported.

Overall, the District remains financially sound, operationally effective, and focused on advancing long-term infrastructure, regulatory compliance, and community service.



Regards,

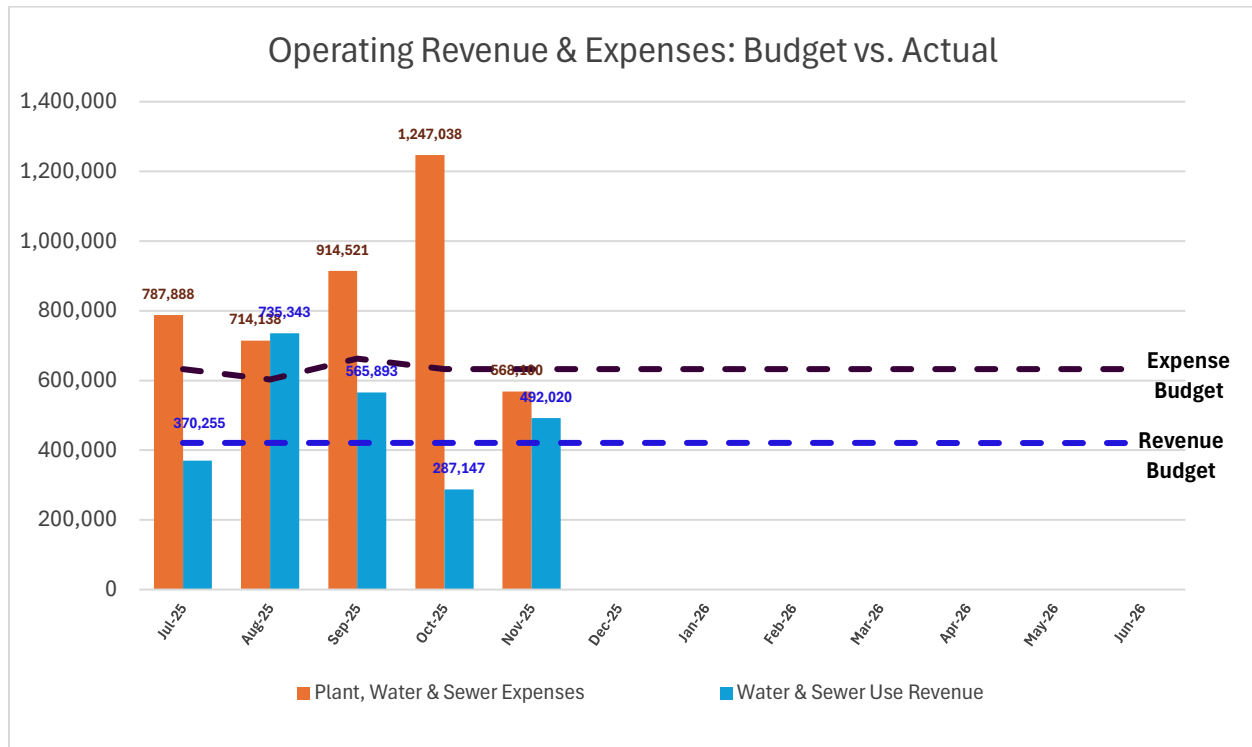
Johnny O'Connor  
Executive Director | BSCWSD 363

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# Financial Spotlight

Full Financial and Audit Report: Please See Board Packet



## Current CIP projects

- Year 1 on MH Lining (postponed in review)
- Purchased Bulk Water Fill Station, working on cost estimates for installation.
- Asset Management & Fleet Management – implementation has begun.
- Solids handling, centrifuge project (in review)
- Well monitoring project estimates in.
- Upcoming project sheets have been sent out for next year.

## Community Outreach & Engagement

Our monthly newsletter continues to be a success, with 2,298 subscribers and an impressive open rate of over 67%. New website design is progressing, with employee and board headshots scheduled for December.

October Newsletter [[Click Here](#)]

## Closing Summary

The District's financial position remains stable as of November month-end. Operating revenues totaled **\$2.45 million**, slightly ahead of budget, while operating expenses reached **\$4.23 million**, reflecting the final wave of seasonal maintenance, project activity, and **\$476,000 in legal defense costs**. Overall, the District posted a year-to-date operating deficit of **\$1.78 million**,

which is consistent with seasonal trends. Cash balances remain strong at **\$18.8 million**, up modestly from September, and all deposits continue to be fully collateralized. Accounts receivable totaled **\$13.7 million**, driven primarily by Resort Tax receivables, with customer delinquencies remaining low following the October 1 quarterly billing. An examination of our financial reporting and budgeting needs has also begun in preparation for improving and modernizing the District’s bookkeeping and billing systems. The attached CUSI proposal outlines recommended upgrades to our billing software and merchant services, which will enhance operational efficiency and reduce fees for customers.

## Legal Spotlight

- **Cottonwood vs. Boyne Lawsuit Resolution**

The long-running Cottonwood vs. Boyne lawsuit concerning the use of recycled water for golf course irrigation concluded in November, with a unanimous jury ruling against Cottonwood. This outcome marks yet another in Cottonwood’s extensive history of unsuccessful litigation targeting businesses, taxpayers, and local government in the Big Sky community.

Originally filed in 2020 against the Big Sky Water & Sewer District—and expanded in 2022 to include Boyne—the case has been referenced in multiple news stories, including recent coverage of sanctions issued against Cottonwood. Throughout the proceedings, our Class A-1 reclaimed water program served as a key element of the defense. The ruling reinforces Big Sky’s position as Montana’s largest zero-discharge community and highlights our role as a model for responsible water reuse across the state.

Our reclaimed water supports critical community needs such as irrigation, snowmaking, and even potential wildland firefighting applications, all while advancing our commitment to protecting and enhancing a truly pristine watershed. Although several systems—such as those in Firelight and the Gallatin River Canyon—continue to operate with substandard treatment, we are actively working to integrate them into the District’s system so they can meet Big Sky’s high water-quality standards.

- Flat Iron Annexation Agreement in progress
- Boyne USA Annexation Agreement in progress

<b>Fiscal Year</b>	<b>Legal Defense</b>	<b>Total Operating Expenses</b>	<b>Legal % of Operating</b>	<b>Annual Legal Cost / Rate Payer</b>
<b>2020-21</b>	\$397,757	\$3,945,154	<b>10%</b>	\$113.64
<b>2021-22</b>	\$1,109,731	\$4,865,599	<b>23%</b>	\$317.07

<b>2022-23</b>	\$426,459	\$4,899,652	<b>9%</b>	\$121.85
<b>2023-24</b>	\$230,927	\$5,481,514	<b>4%</b>	\$65.98
<b>2024-25</b>	\$850,916	\$7,826,876	<b>11%</b>	\$243.12
<b>2025-26 YTD</b>	\$476,066	\$4,231,685	<b>11%</b>	\$136.02

\*Avg legal defense expense 2015-2020 was less than 1% of operating expenses.

Notable events during the month:

- August- had several meetings and phone conversations with legal counsel to complete items that are being worked on.

### **Closing Summary**

Work on annexation agreements and other items listed above continues to move forward.

## **District Clerk Spotlight**

### ***Will Serve/Capacity Letters***

- None

### ***Permitting Activity – October & November 2025 Update***

- There were three new build permits submitted in October (two in Spanish Peaks Resort and 1 in Aspen Groves. None have come through in November although I have sent out a couple, just waiting to hear back. Received a few payments from previous submittals. The following summary highlights recent reviews and notable submissions:

### ***Total Applications Reviewed***

- Remodels: None
- New Construction: Three permits submitted.



Net SFEs						
Date Applied	Subdivision	Condo	Phase	Lot	PermitType	Total
12/2/2024	WESTFORK MEADOWS	-	3A Unit 7	Unit 7	NEW	6.87
1/31/2025	WESTFORK MEADOWS	-	-	4	REMODEL	-1.40
2/28/2025	SOUTH FORK	-	-	23	NEW	2.60
3/5/2025	MEADOW VILLAGE	-	-	9	NEW	1.93
3/5/2025	TOWN CENTER	-	-	3A	NEW	73.29
3/11/2025	SPANISH PEAKS RESORT	-	-	1	NEW	3.48
3/13/2025	MEADOW VILLAGE	-	-	13	REMODEL	0.66
3/19/2025	MEADOW VILLAGE	-	-	45	NEW	1.89
3/21/2025	SPANISH PEAKS RESORT	-	6B	2	NEW	4.21
3/25/2025	TOWN CENTER	Franklin Building	-	-	REMODEL	-0.01
3/28/2025	ASPEN GROVES	-	2	1	REMODEL	-0.03
4/3/2025	MEADOW VILLAGE	-	-	44	REMODEL	0.07
4/8/2025	SPANISH PEAKS RESORT	-	1B	28	NEW	3.78
5/8/2025	WESTFORK MEADOWS	-	-	3	REMODEL	2.97
6/9/2025	MOUNTAIN VILLAGE	Cascade Ridge	-	13A	NEW	1.70
6/23/2025	MOUNTAIN VILLAGE	-	-	342	NEW	1.97
6/25/2025	POWDER LIGHT	Powder Light	-	4A	NEW	23.37
6/26/2025	MEADOW VILLAGE	-	-	1A	REMODEL	0.78
7/14/2025	WESTFORK MEADOWS	Jefferson Building	-	3	REMODEL	2.47
7/15/2025	SOUTH FORK	-	1	13	NEW	2.90
7/29/2025	WESTFORK MEADOWS	Jefferson Building	-	3	REMODEL	-7.78
8/11/2025	MOUNTAIN VILLAGE	Cascade Ridge	-	13A	NEW	2.02
8/15/2025	SPANISH PEAKS RESORT	-	-	15	NEW	3.56
8/19/2025	MOUNTAIN VILLAGE	Cascade Ridge	-	13A	NEW	1.98
8/19/2025	SOUTH FORK	-	-	13	NEW	1.83
9/8/2025	MEADOW VILLAGE	-	-	30	REMODEL	1.87
9/18/2025	MEADOW VILLAGE	-	-	1	NEW	18.70
9/19/2025	MEADOW VILLAGE	-	-	33	REMODEL	0.20
10/15/2025	SPANISH PEAKS RESORT	-	3	1	NEW	
10/17/2025	ASPEN GROVES	-	2	1	NEW	
10/28/2025	SPANISH PEAKS RESORT	-	-	10	NEW	
Grand Total						155.87

### *Board Approval Requested*

No projects currently need approval.

### Conveyance

- Yellowtail Residences –waiting final inspection & acceptance
- Riverview in Progress
- Free West Hotel in Progress
- Upper Whitefish – Agreement to developer
- Town Center Bathrooms in Progress

### Closing Summary

Permitting work continues as new applications are received. As we move into the next quarter, the team continues to emphasize compliance, efficiency, and community connection. Continuing to help with AP and AR, customer billing and customer service.

## **Safety & Compliance Spotlight**

- Safety Training platform and monthly safety meetings
- Safety Compliance
- Incidents: there were 2 incidents

### Notable events during the month:

- Monthly safety meeting discussion: Ladders were covered at our meeting.

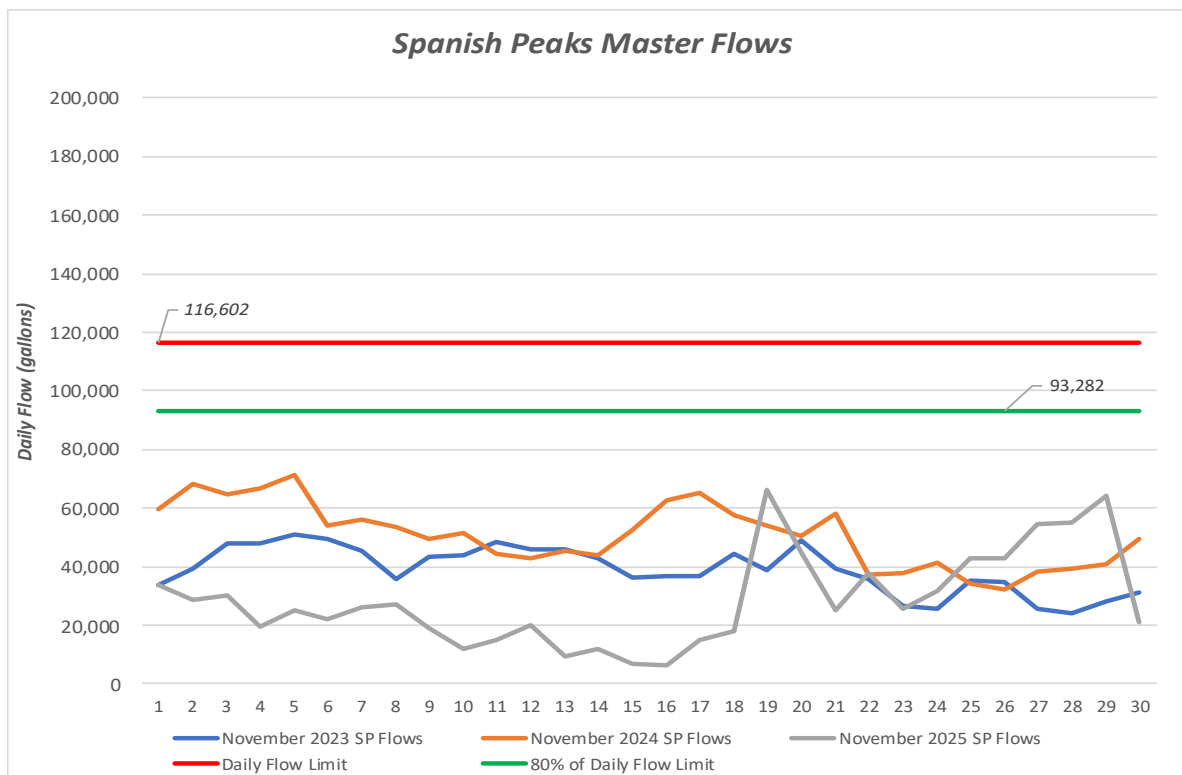
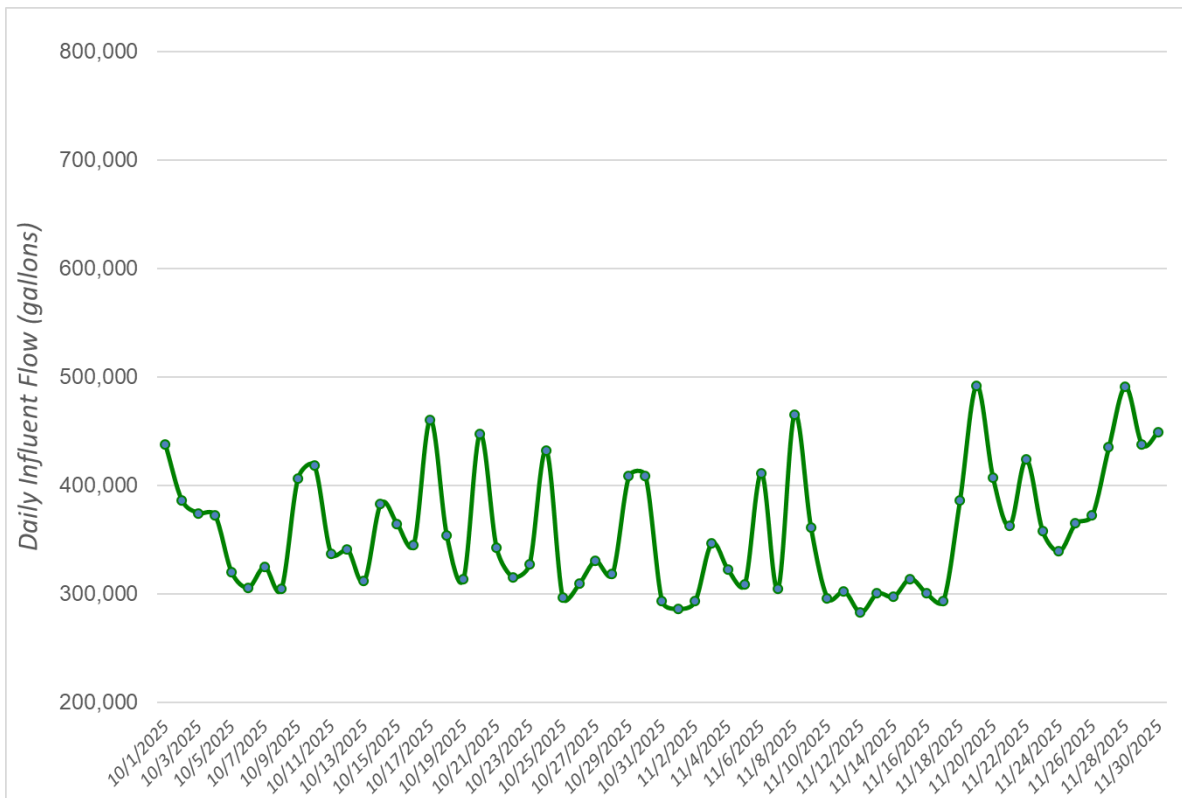
## **Closing Summary**

The District continues to implement and utilize compliance and safety measures

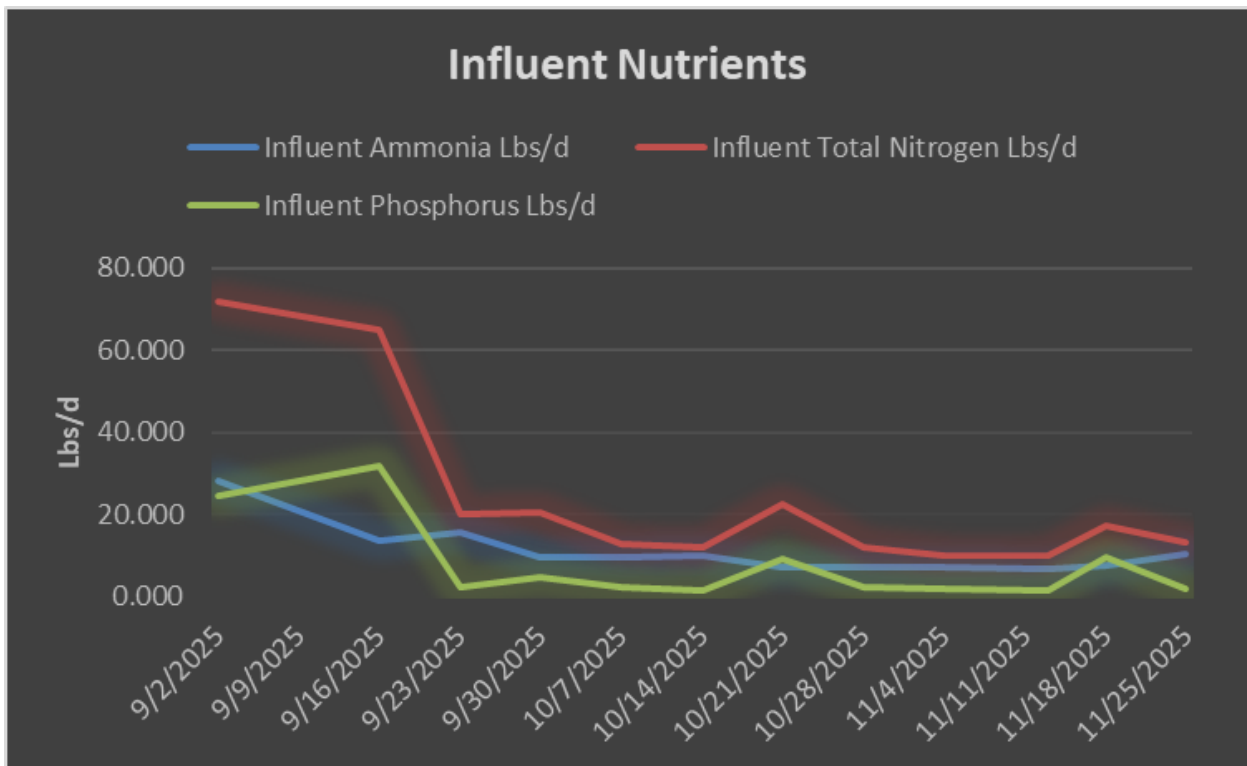
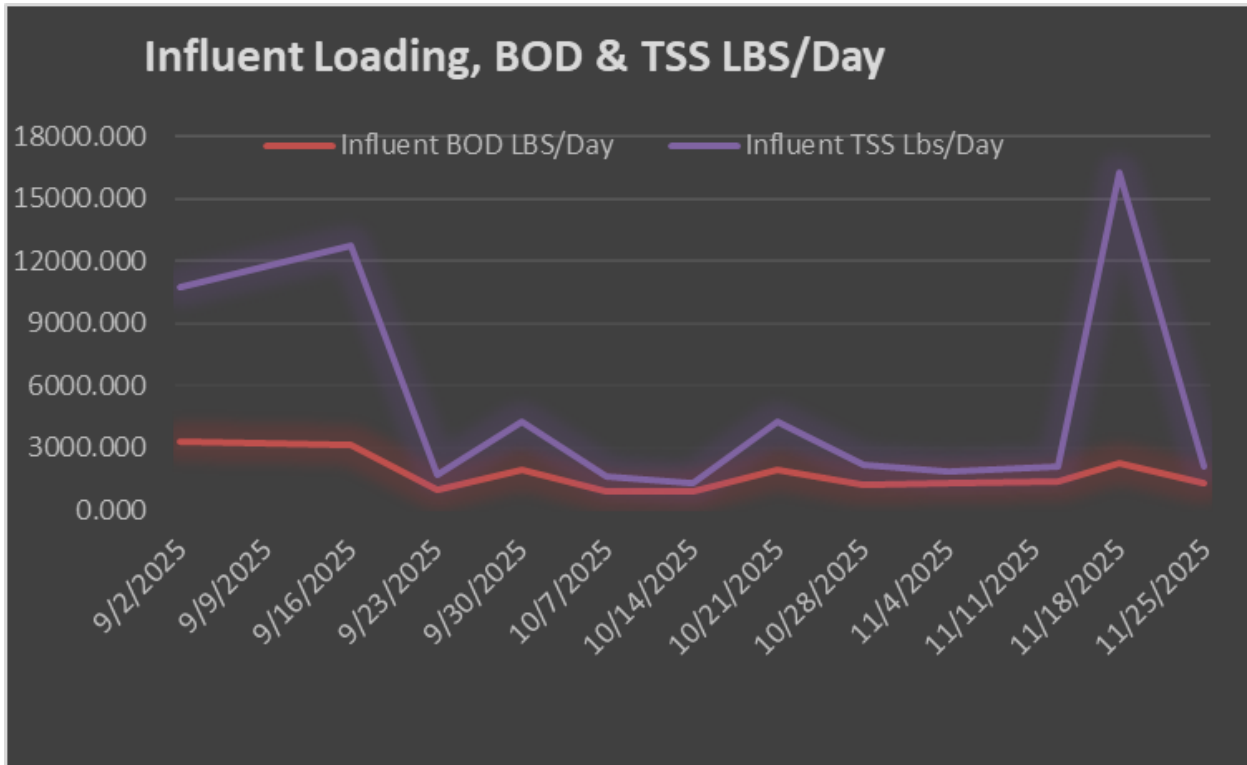


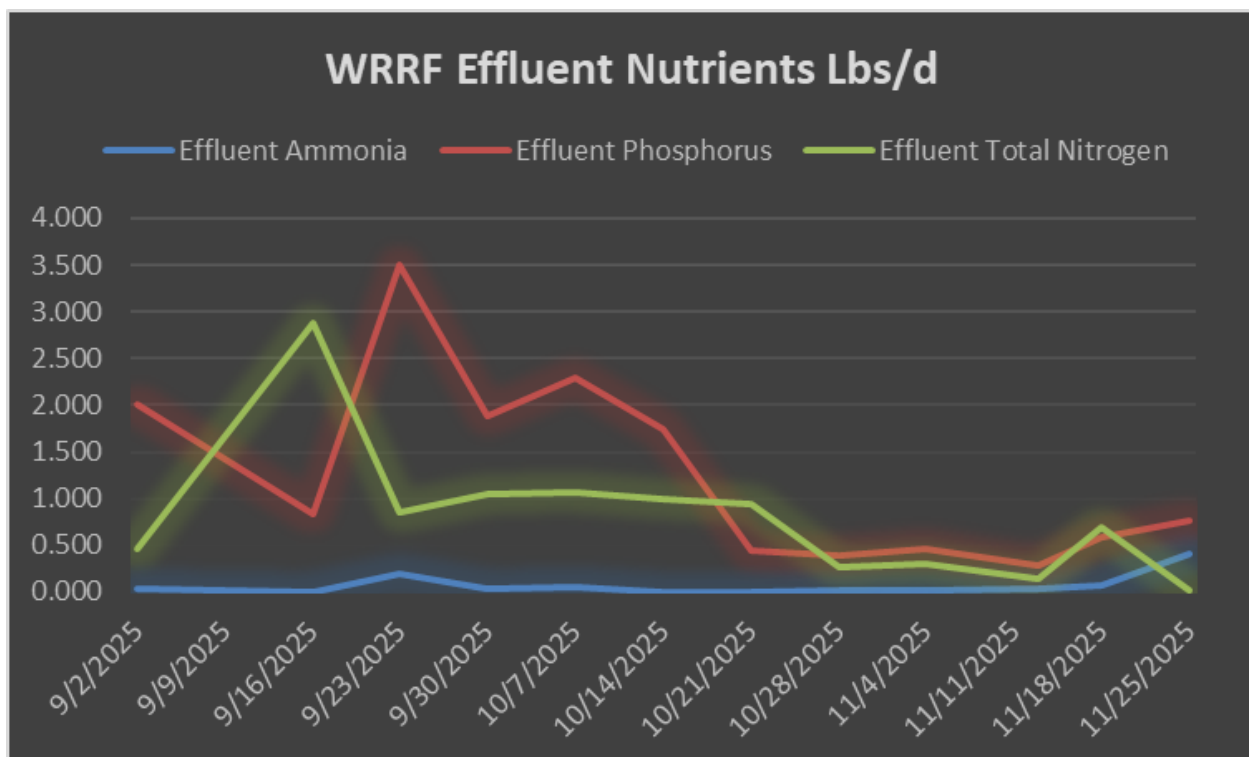
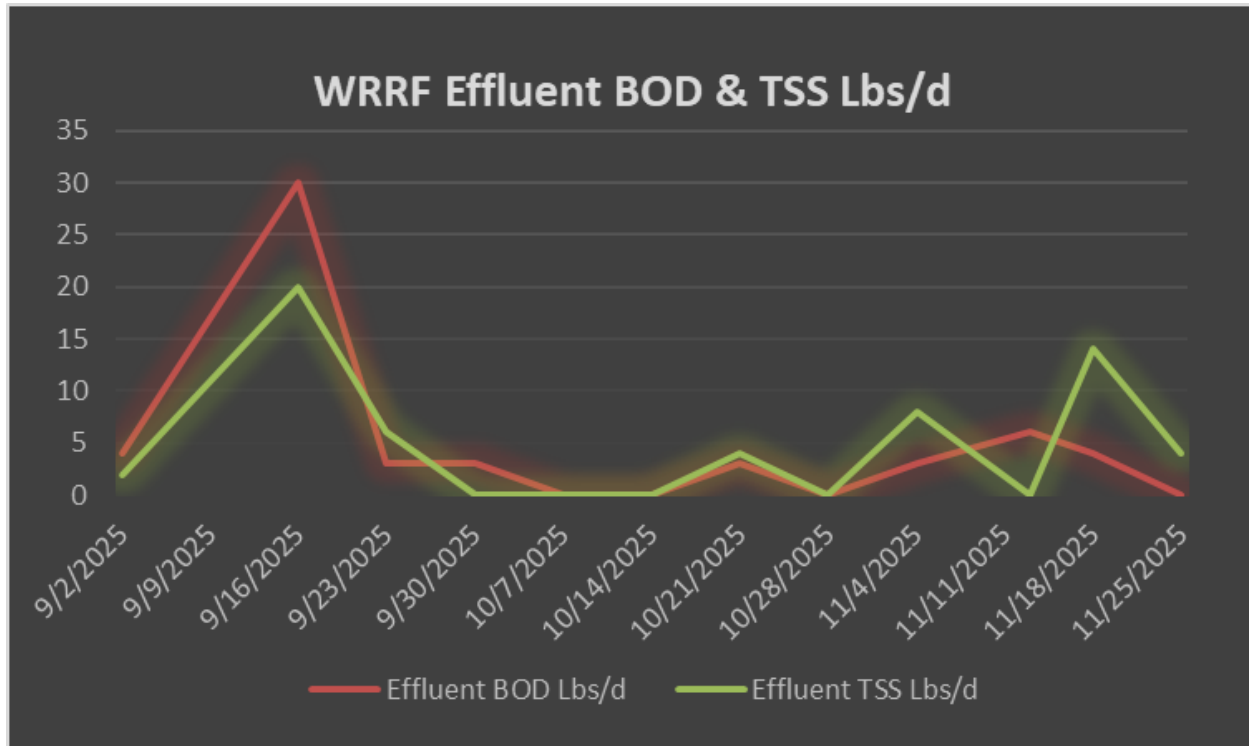
# Water Reclamation and Reuse Operations Spotlight

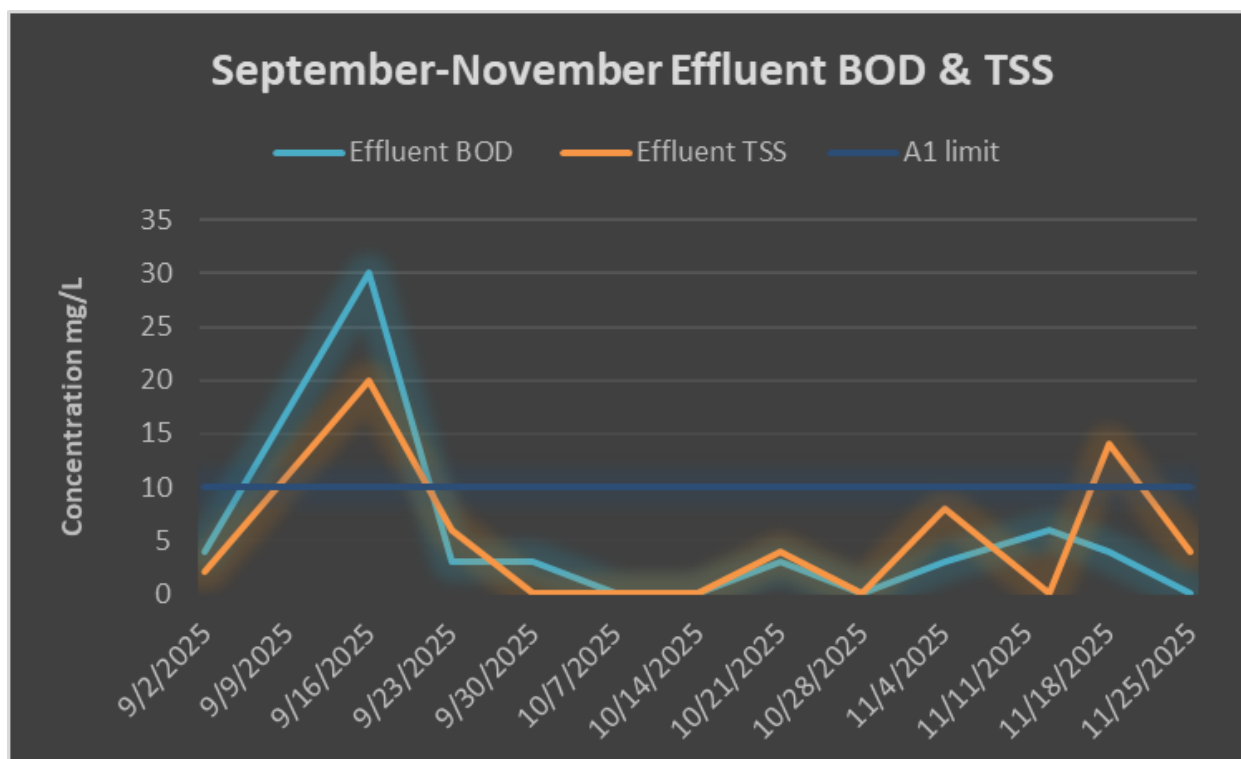
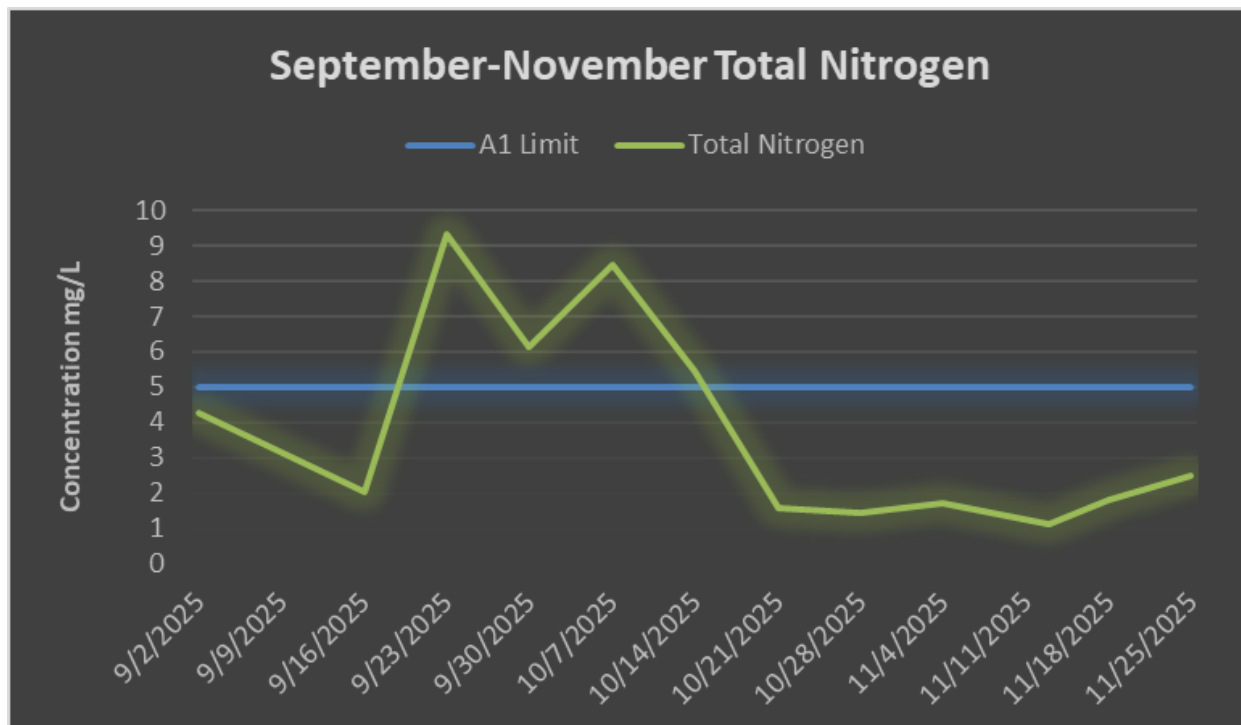
## Flow Data

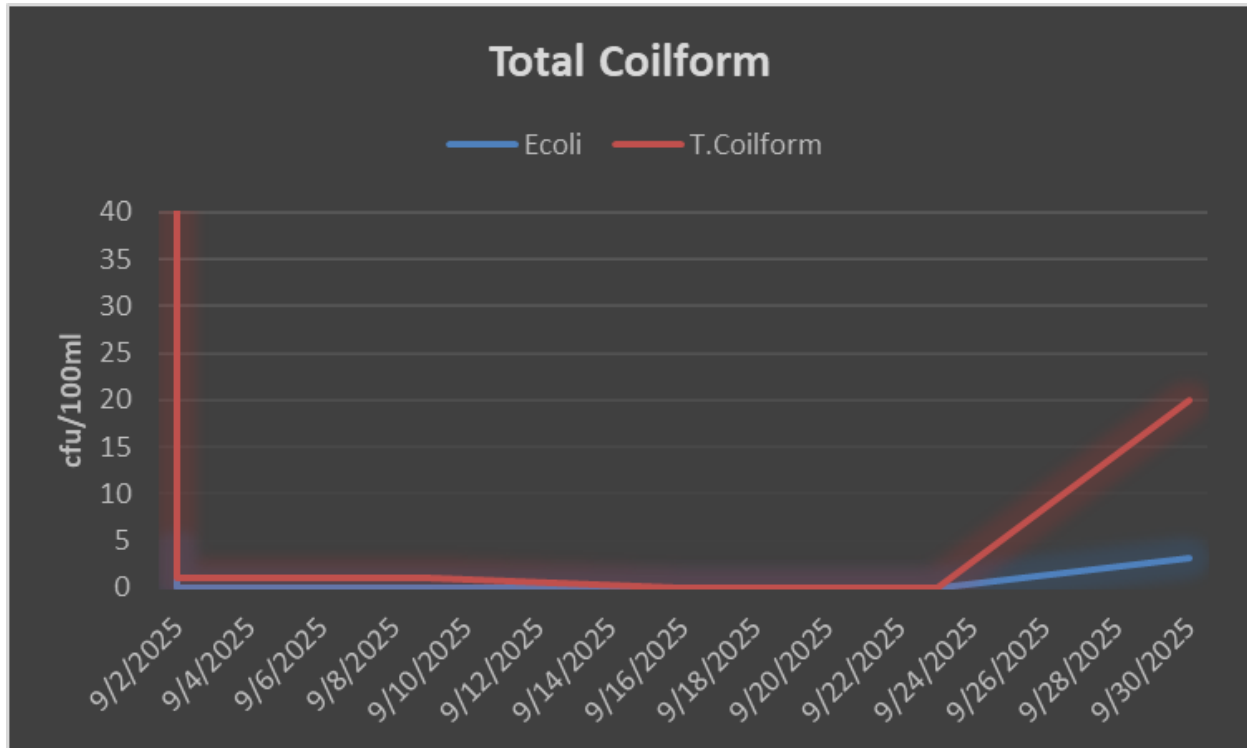


### *Treatment Performance Data*









### ***Biosolids and Composting***

Please see the table below that summarizes our biosolids operation year-to-date.

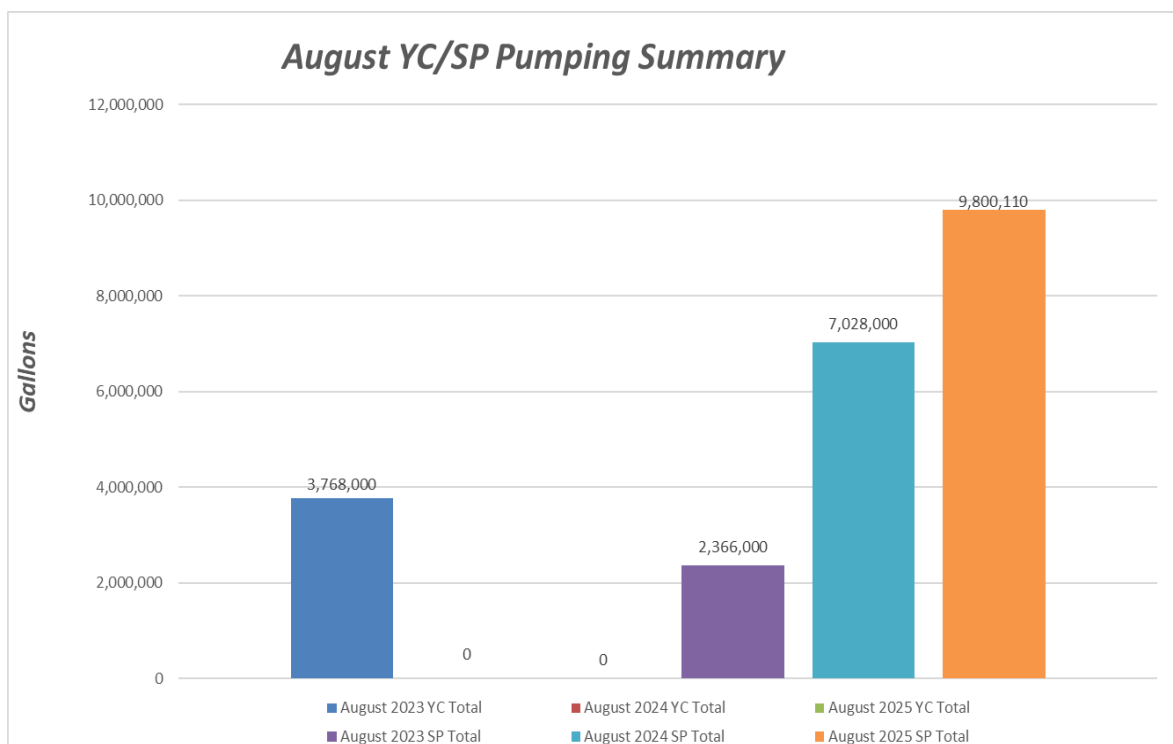
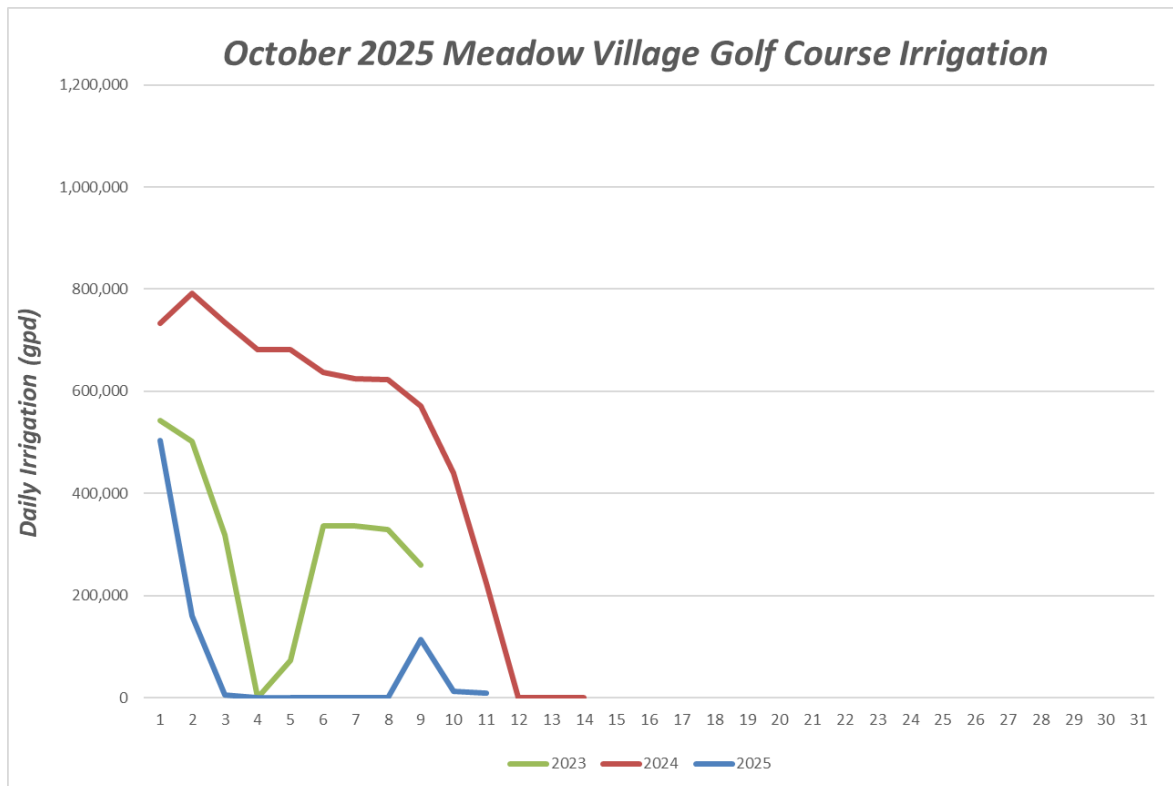
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total	YTD Average
Total Biosolids Produced (Tons)	30.5	40.5	46	134.7	193.25	152.75	167.34	130.6	125.6	128.6	48.2		1,198.04	108.91
Total Biosolids Hauled (Tons)	30.5	40.5	46	134.7	193.25	152.75	154.5	119.25	125.6	117.25	36.85		1,151.15	104.65
Total Compost Produced (tons)	0	0	0	0	0	12.84	11.35	11.35	0	11.35	11.35		58.24	5.29
Total Sludge Pumped to Dewatering (Gallons)	81,314.00	140,885.00	299,930.00	366,748.00	316,605.00	605,487.00	422,781.00	288,524.00	263,120.00	242,969.00	93,622.00		3,121,985.00	283,816.82
Average Total Solids %	12.78	11.44	10.14	10.88	9.28	11.48	11.14	12.23	11.45	12.69	12.35			11.44

Pond Storage and Reuse Water Data

Please note that due to staffing changes this reporting section will not be completed for November. We expect a full report next month.

STORAGE POND 1 DEPTH COMPARISONS: AUG				
Year	Measurements	Average of Depth	Max of Depth	Min of Depth
2021	10	7.13	8.44	3.16
2022	6	9.50	13.03	6.75
2023	7	9.94	10.88	8.10
2024	6	5.35	6.04	4.14
2025	5	5.10	6.70	4.30
Averages	7	7.40	13.03	3.16





*Note: There was no pumping to YC in August 2024 or 2025.*

## Closing Summary

Spent time getting the report updated and new staff up-to-speed.

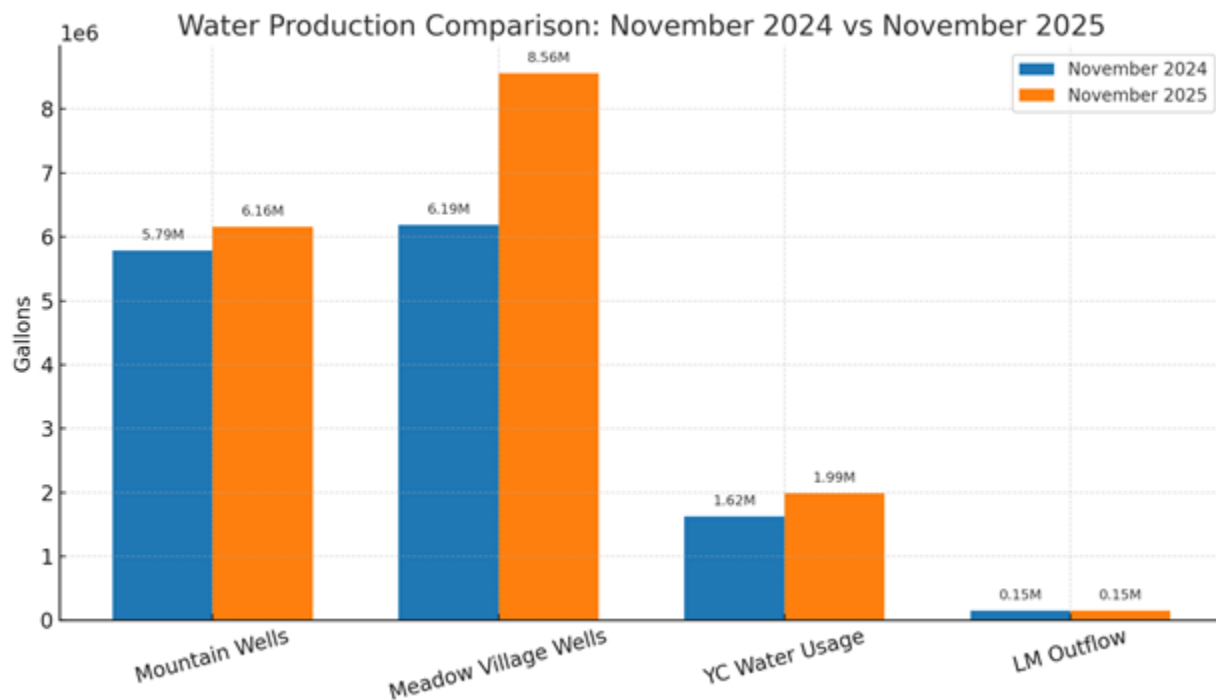


# Water Operations Spotlight

## Operations Summary – October & November 2025

### *Water Production & Precipitation Summary*

- In October and November 2025, water production displayed notable fluctuations across the system. October showed mixed pumping demands, with Mountain Wells down 11.5% and YC usage declining slightly, while Meadow Village Wells rose 14.5%. Lone Mountain Outflow saw a sharper drop of 30.7%. In contrast, November production increased across all sources: Mountain Wells climbed 6.4%, Meadow Village Wells jumped 38.4%, YC usage rose 22.6%, and LM Outflow grew by just 2%.



- Precipitation for the month tracked near seasonal norms, with the Madison Basin receiving 89% of average monthly precipitation and the Gallatin Basin reaching 97% of its 20-year average.

## *System Maintenance & Operations*

### *PRVs & Booster Stations:*

- Coordinated efforts were focused on the Upper Whitefish PRV vault before conveyance with Walker Excavation, LMLC and the district. Cracks in the vault were sealed, and the drainage system was adjusted by Prestige Worldwide.
- Colder winter conditions triggered booster station, tank and SCADA out building checks.



*Hidden Village Tank Inspection*

### *Well Abandonment:*

- Both Test Well #9 and Hidden Village Well #2 were successfully abandoned. Artesian flow at Well #9 was stopped, and the casing at HV#2 was cut and capped below grade. Coordination of the abandonments was performed by Bridger Drilling and Jim Potts.





*Test Well #9 Abandonment*



*Sealing the casing of Test Well #9*



*Jim Potts and Tyler from Bridger Drilling*



*Hidden Village Well #2 casing*



*Hidden Village Well #2 location after completion of abandonment*



### *Service Lines & Meters:*

- Fire service linework was completed at the Gondola Base Terminal, Vet Clinic, and Powderlight Building C.
- Water meter installations and inspections occurred at 112 Moose Hill Rd, Franklin Building Unit F1, and Big Sky Resort.
- Multiple curb stop issues. A few had to be located after being buried, and one had to be dug up and replaced after discovering that it was damaged during construction.
- Meter programming troubleshooting and system communication resets performed across the Meadow and Mountain systems.

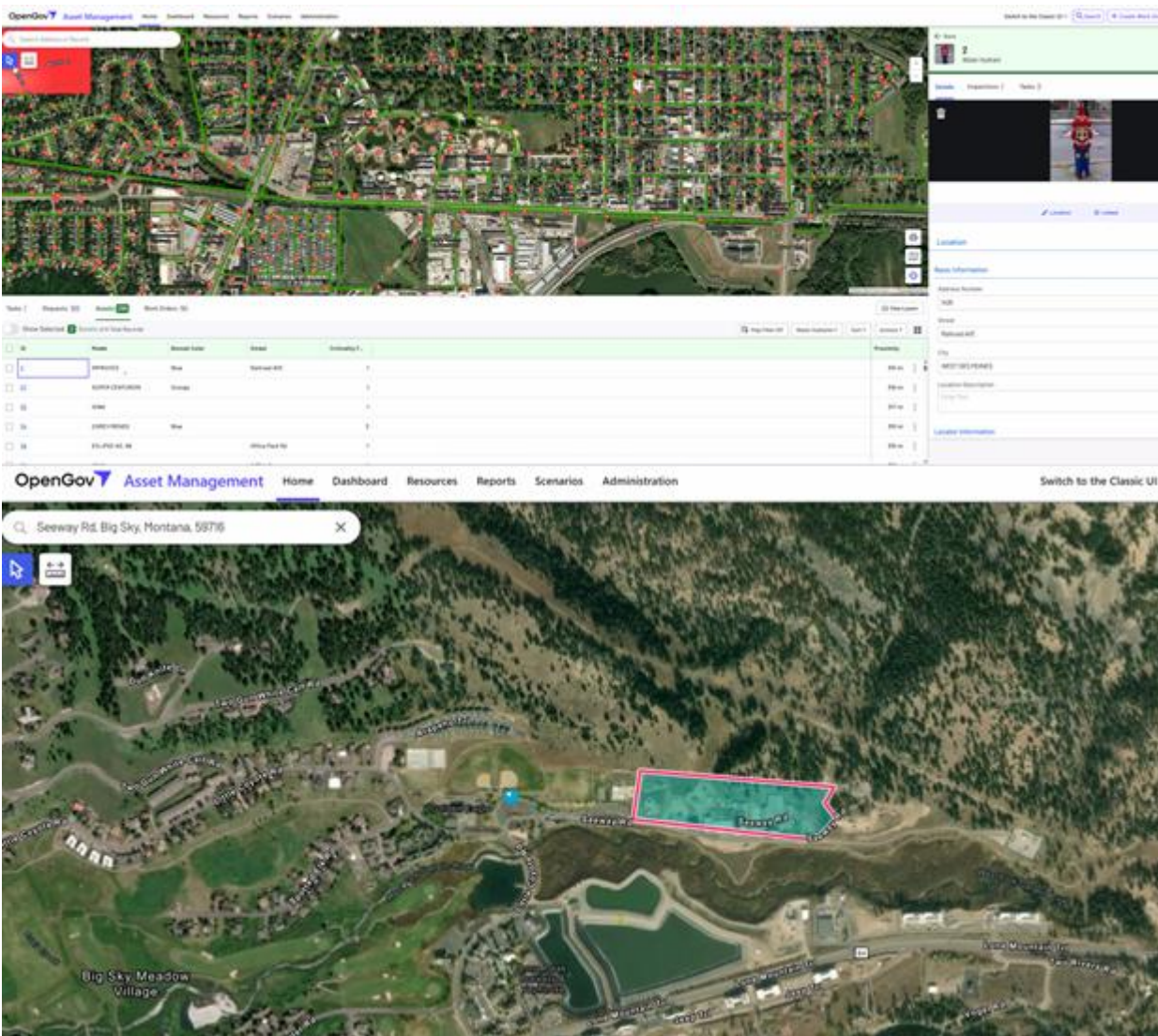


*Big Sky Resort's Gondola Bottom Station*

### *Sampling, Testing & Compliance:*

- DEQ Sanitary Survey was conducted on October 2.
- Monthly sampling
- Fire flow and disinfection tests were completed at the Gondola site and Powderlight development.

## OpenGov Implementation:



OpenGov Asset Management Platform

- Ongoing training, data acquisition, and GIS integration meetings spanned both months. Worked with Anna from OpenGov to develop and streamline digital workflow improvements.

### Water Rights – POU & POD:

- Meetings with WGM Group, DNRC focused on place of use and point of diversion strategies related to water rights modification.
- Julie Merritt, Susan Swimmley and Mike Cusick discussed the meeting and gave guidance to us following the DNRC pre-application meeting.

*Construction & Development:*

- Worked with multiple contractors including Langlas, Walker Construction, and Jackson Group on plumbing specs, fire suppression design, and metering requirements for ongoing developments.
- Coordinated with Big Sky Resort, Firelight District, and Peak Utilities for project reviews and temporary service evaluations.

**Notable Events**

- Multiple staff meetings, safety sessions, and Fall Water School attendance.

# Collection & Distribution Maintenance Spotlight

## Spotlight/Major Projects

- Hidden Village Well abandoned completed
- Aeration pond 2 air lines removed
- Lower yard, prepped for winter
- Traveled to Billings to pick up a hydraulic hammer that was purchased
- 3 trips to tire shop for new studded tire on rim
- Transport 40 F/L's from town back to lower
- Golf Course Main break, Fix completed

## Work Orders

### *Planned Work Orders*

- Locates Ongoing
- Sewer Asset Management Survey/Locations
- Sewer Inspections Ongoing
- Manhole Rehab 4 I & I MH meter maintenance

### *Reactive Work Orders*

- None

### *Completed Work Orders*

- 104 Locates completed in October, 53 Locates completed in November
- Sewer Inspections: 2
- Spanish Peaks Flum MH Weekly Check
- Monthly Vehicle checks, 3 set of winter tire installed, prepped plow vehicles for the season

### *Outstanding Work Orders*

- Continued Organization of Maintenance Shop
- FOG Inspections will resume for winter





*Aeration pond line removal*



*Hidden Village Well building removal*



*Hidden Village Well #2 Foundation Removal*



*HV Well #2 Foundation Removal*



*HV Well #2 Foundation Removal*

## Closing Summary

Construction season is slowing down. Our amazing C & D dream team completed the Hidden Village well abandonment project, removed all air lines from the aeration pond. The team completed 101 locates in October, 54 locates in November. The lower yard was prepared for the winter season. One last golf course irrigation main break was fixed.