

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](http://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.*

  
Dick Fast, Secretary

8/26/19