

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)