

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 9<sup>th</sup> 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](http://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 3<sup>rd</sup> 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)