

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – February 18, 2020
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular board meeting on Tuesday, February 18, 2020, in the WSD Community Room. Vice-President Tom Reeves called the meeting to order with the following board members present: Treasurer Peter Manka, and Directors Mike DuCuennois, and Brian Wheeler. Director William Shropshire participated via GoToMeeting. President Packy Cronin arrived at 8:15 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: Deb Kozisek and Peter Bachman, Lone Moose Meadows HOA; Dave Donohue, Hydro Solutions, Inc., Steve Johnson, Jenny Muscat and Daniel Bierschweler, Big Sky Resort Area District; Bill Anderson, Anderson Engineering/ Middle Fork Properties; Chris Leonard, Western Mountain Investments/Lone Moose Meadows/Middle Fork Properties; Jon Olsen, Lone Mountain Land; Mary Ann Comstock, District property owner; Mark Cunnane, Western Groundwater Services; Brandon Walker, Explore Big Sky; Mike Wilcynski, Moonlight Basin; Kate Ketschek, Big Sky Community Corporation; Clay Lorinsky, Big Sky resident; Scott Buecker, AE2S; Rick Simkins, Town Center; Laura Seyfang, Big Sky Community Housing Trust; Mace Mangold, WGM Group; Guy Alsentzer, Upper Missouri Waterkeeper; and Olivia Regnier and Kristen Gardner, Gallatin River Task Force. Participating by conference call: Jana Bounds, Lone Peak Lookout.

PUBLIC FORUM

Vice President Reeves called the meeting to order at 8:01 am with no public comment on non-agenda items. Conflict of interest declarations: Peter Manka reported that he is the vendor for the water softer system the District will use on its treatment plant chlorine injection system.

CONSENT AGENDA

There were no comments on the minutes, financials, or sewer and water operations.

Director Manka moved to approve the consent agenda with the regular meeting minutes of January 21 and the special meeting minutes of February 5, 2020. Director DuCuennois seconded the motion. Motion unanimously passed.

PRESENTATIONS

Lone Moose Meadow (LMM): Edwards reported that he has had a couple of meetings with the new developers of Middle Fork Meadows, formerly known as Lone Moose Meadows. Bill Anderson and Chris Leonard are attending this meeting to begin open dialogue with the District regarding LMM's development plans. They are also starting dialogue with the HOA. With Anderson working with the previous owners on development of the property, they are reassessing Dolan's original development plans. They are now just trying to understand the constraints (wetlands) for development and are in the process of due diligence. Being in the early stages of development planning, and waiting for economic analysis and other reports, final density numbers have not been determined. They do not want to plan top down using the maximum density of units originally allowed. Anderson does not see any construction starting this summer. Optimistically, they will begin publicizing a plan through the county this summer, or fall. Development will be at least a ten-year project. The board discussed LMM's wells. The two wells that the District took over when LMM came into the District are not good wells and are no longer used. Muscat reported that one well gets a sustained 17 gpm and the other gets

sucked dry. LMM is now provided water from the mountain water supply. The board packet included DOWL's pump test results from two other wells drilled years ago. Anderson reported that the water rights for these two wells are in progress. When asked if they are thinking of paving the poop shoot road for their secondary access, they reported that they are looking at lots of ideas to improve transportation. Director Wheeler reported that there is a 30' easement at the end of Low Dog Road and it goes thru two private properties.

Mountain Village Well Exploration: Mark Cunnane, Western Groundwater Resources, reviewed his final report on his findings of the well exploration and presented his recommendations for the District's next steps. The draw down analysis does not support completion of either well. Cunnane would like the District to not be that desperate for water to have to move toward completion phase on these test wells. He also reported that there is no data showing the tank site for another test well would be any more successful than test wells 1 and 2. Muscat and Cunnane also reported that there is nothing to get excited about on the test wells drilled by Powder Seeker either. Muscat stated that the District is facing challenges for water supply and nothing is off the table. Cunnane reviewed his preliminary test well plan showing sites 1-8 being either from alluvium, intrusive, or Kootenai aquifer targets. He recommended that the board follow his test well plan. All proposed sites would require access permission from Boyne/Big Sky Resort with some sites in neighborhoods. Director Wheeler described Boyne's potential development. He wants to work in a symbiotic relationship with the District.

The continual expense of exploring test wells as compared to using the site by the well was discussed. With the suggestion of moving the mountain tank up hill, Muscat stated that the tank is now at a perfect location from an operations standpoint for ideal pressure. A second tank needs to be higher up. The board discussed burying a water tank, looking at using the small production wells during seasonal high demand, the increased cost of pipe infrastructure when wells are farther away from tanks, and expanding the use of purple pipe for irrigation. The District has \$100,000 remaining for well exploration. If needed, the District can allocate additional funds by either using reserves, or look at a rate increase. Guy Alsentzer suggested that the District put more resources into indirect potable reuse and encouraged the District to use new technology and new solutions instead of putting more money into finding new water resources. Edwards reported the District is moving forward in exploring indirect potable reuse.

The board directed Cunnane and Director Wheeler work together to identify accessible, desirable test well sites. The board also directed Cunnane and District staff to then work on a priority list to be on track for exploration this summer. Cunnane asked that Edwards provide him with electronic data from the Lone Moose wells discussed earlier.

BUSINESS ACTION ITEM

Sewer Permit - Spanish Peaks Ph 7, Lot 1: CH SP Acquisition is requesting 66.84 SFEs for the Inn at Spanish Peaks Condominiums, with 30 residential units and 2 offices. The District has 390 SFEs remaining for permitting. Additional CH SP projects Jon Olsen reported on were: a 29-unit condo development that already has a capacity letter written, Highland homes being phased in at 10 per year, and Inspiration Point has a potential for 40 units. The board discussed their concern for having SFEs available to continue permitting before the plant upgrade is complete in October 2022, as planned. The District will continue to reevaluate its capacity data.

Vice President Reeves moved to approve the 66.84 SFEs for the Inn at Spanish Peaks. Director Wheeler seconded the motion. Motion unanimously passed.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

WWTP Upgrade: Scott Buecker, AE2S, reported that the project is still on track with starting construction in Spring 2021 with completion in summer of 2022. Delay scenarios were discussed even though Buecker does not anticipate any delays from DEQ as there are other plants like this in the state. According to Buecker, the District can go to bid without DEQ approval. The media release needs to inform constituents of: 1) reasons to support the 1% resort tax election, 2) the plant will get built, 3) the District does not want the entire cost to go to the rate payers, and 4) what if the 1% resort tax fails. *The board wants this media release piece in the next quarterly bill and outreach done at the post office twice a week that Buecker will organize.* Buecker will edit the document and get it out to the community. Additionally, detailed information will be on the District's website. The District's own mailing list does not include the resort tax boundary. The board asked that legal counsel be consulted on how the District can do its advocating campaign, i.e. put flyer in quarterly bill, have public meetings, etc. The ballot will be mailed 3-4 weeks ahead of the May 5th election. Buecker will be meeting with DEQ & Firelight Meadows on the studies being done. Buecker will meet with breweries about the need for them to use a different processing method as phosphorous in brewery waste will be an issue with the new plant.

Representing YC, Director DuCuennois will meet with DEQ on February 21, 2020, regarding its hesitancy to approve YC's request for a pond. YC has even offered to pay for consultants to help DEQ with its review. DEQ's approval is needed before YC can start construction to meet its deadline with the District. Edwards offered to participate in discussions with DEQ on the District's need to have this project move forward. *The board asked that YC/DuCuennois submit a status report on the pond and what YC has done.* Burroughs reported that he anticipates the flows will be up this year. There is a national push to conserve water with water use down nationally. Director DuCuennois did not have an update on YC's snowmaking permit that maybe submitted to DEQ at the end of this month. Guy Alsentzer stated that the conservation world would love to have the feedback from DEQ on snowmaking and thinks it could be a win-win situation. Alsentzer offered to work with YC and DEQ to get that this alternative disposal strategy used. The pilot study has really good data and is a key contributor in the next step in permitting approval. DuCuennois will provide information to Alsentzer.

Edwards noted that the force main pipeline running through Hwy 64 and little Coyote. And the tunnel project is going there. Ray Armstrong is looking at relocating the force main.

DEVELOPMENTS AND SUBDIVISIONS

Once the conveyances are done in the Town Center, two permits will be processed.

DISTRICT BOARD ELECTIONS

There are four applicants for the three board seats up for election in May. The three seats are currently held by Packy Cronin, Dick Fast, and Mike DuCuennois. Applicants are: Dick Fast, Mike DuCuennois, Clay Lorensky, and Mike Wilcynski. President Packy Cronin is not seeking reelection after a combined 22 years of service that began in 1997. Edwards will interview the candidates for a biography that will be on the District's website and also published.

The Resort Tax will host a candidate meet and greet for the community on April 1, 2020, Talus Room, Summit Hotel.

RESORT TAX

The interlocal agreement was approved by both BSRAD and BSWSD boards. The ballot language was presented. On behalf of the WSD board, President Cronin thanked Steve Johnson for his effort in getting the 1% tax on the ballot.

NEW DEVELOPMENTS AND SUBDIVISIONS

Lone Mountain Land is proposing a community-commercial development in Westfork Meadows, Block 1, Lot 4, which is the old laundry building currently owned by Ryans. If they are including 1 commercial unit on the main level just to avoid zoning, the board would like them to rezone the property and make it all residential. For Westfork area remodeling projects, the board supports charging for any additional SFEs permitted above the current allocation. Even if a permit application is submitted for fewer than 25 SFEs, the board will review the application. The employee housing condo category at 1 SFE was discussed. To be consistent with other residential projects, the board wants square footage used. As directed by the board, *for the March meeting, Edwards will prepare an ordinance amendment to eliminate the employee housing condo category at 1 SFE.*

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action. Edwards reviewed the snow pack report. Scott Buecker reported that creation of a canyon sewer district is still moving forward.

NEXT MEETING

The next regular Board meeting is tentatively scheduled for Tuesday, March 17, 2020, at 8:00 am. Vice President Reeves and Director DuCuennois will not be available.

ADJOURNMENT

Director Wheeler moved to adjourn the meeting at 10:45am. Director Reeves seconded the motion. Motion unanimously passed.

Dick Fast, Secretary

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