

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes –August 19, 2008
WSD Community Room

The Big Sky County Water & Sewer District No. 363 scheduled a regular meeting for 8:00 AM on Tuesday, August 19, 2008, in the WSD Community Room. President Packy Cronin called the meeting to order with the following Board members present: Directors Dick Allgood, Jeff Daniels, Bill Olson, and William Shropshire (via telephone). Secretary Dick Fast and Vice-President Gary McRae were not present. WSD staff present were Ron Edwards, Marlene Kennedy, and Jim Muscat. Others present were The Lodge (Mountain Inn) representative Jeff Quackenbush, Boyne representatives Brian Wheeler and Jamie Roberts, and Big Sky Search and Rescue representatives Steve Johnson and Todd Thesing.

PUBLIC FORUM

President Cronin called for public comment at 8:24 AM. Jeff Quackenbush asked if there was any way to reduce the base rates on The Lodge, formerly the Mountain Inn. He asked if the base rates would be reduced if they combined some of the units back into one unit. Edwards and the Board stated that the District policy is to charge a base rate to each parcel and if they reduced the recorded parcels then the billable accounts would be reduced.

With no further public comment, President Cronin called the meeting to order at 8:25 am.

MEETING MINUTES

Director Daniels moved to approve the minutes of July 15, 2008, as written. Director Olson seconded the motion. Motion passed, 5 yea votes to 0 no votes with President Cronin voting.

FINANCIALS

Edwards presented the financials that were prepared by Smith. Edwards asked for Board approval for the mill rates presented at 16.17 for water and 21.52 for sewer. The mills rates are similar to last year at about 38 mills.

Director Olson moved to approve the tax mill rates as presented. Director Daniels seconded the motion. Motion passed, 5 yea votes to 0 no votes with President Cronin voting.

Edwards stated that he did not know of any significant findings in the financials that were prepared by Smith. Director Allgood suggested that the August financials be tabled until the next meeting so that Smith could review the financials with the Board.

STORAGE POND HOLD HARMLESS AGREEMENT

Edwards reviewed the agreement noting the change that would allow the developer to fix any damage at their expense, but if it is a recurring problem then the District can require that the cooling and heating system equipment in the pond to be removed. The last paragraph stipulates a performance bond. Director Shropshire asked that *the agreement include that the bond amount will be negotiated and agreed upon by the parties. President Cronin stated that the bond amount should be based on what the damage would cost to be repaired. Edwards is to consult Grant Burroughs on the costs for repairs.* Director Allgood asked if there should be a deposit for the lease of the property/pond—a bond needs to cover the District and its property in the future.

Edwards said 90% of the security/bond could be released after a year and then retain a portion for future security. Director Daniels asked that *wording be included that would require them to post an additional bond/replacement of security if something has to be fixed in the future.* President Cronin stated that the developer wants to move forward on this project. *The Board directed Edwards to work on the document per Board discussion for the next couple of days and then Edwards will prepare the agreement in final draft and email it to the Board members for approval. The Board members are to contact Edwards by the end of the week if they want any changes to the document.*

SEARCH & RESCUE LEASE AGREEMENT

Edwards stated that he sees the bigger problem as the road access easement. Thesing reported that the Search and Rescue has the CUP, and now they need the lease agreement from WSD and the road agreement from BSOA/BSCC. Todd Thesing asked for a letter from the District stating that the District is working out the road access with BSOA and they will also ask for a similar letter from BSOA. The lease is a big issue in that the county attorney will then decide if a subdivision by lease is required. Although, there is an exemption provision that may be able to be used. Search and Rescue cannot move forward without a lease agreement in place and asked the District to get the easement executed as soon as possible. Edwards asked if the Board wants to review the agreement and if the lease should be free or should there be a rent fee. Search and Rescue has a sense of urgency as they may lose their Resort Tax funding. Johnson said they need to demonstrate that they have 12 parking spaces for the land use permitting process. The road from the sewer plant will need to be cut to the Search and Rescue site, but it would not be finished until Northwestern completes their project. With the septic issue, it needs to be determined if a leach field can be built, but they would prefer a holding tank if that is possible. Johnson reported that a normal septic field would be required without an exemption that would allow them to use a holding tank. The lease agreement will include that the lease comes without sewer service. Johnson and Thesing will be working on getting an exemption from the leach field and feels that including language in the lease that states sewer service is not available will help. Edwards will work on the lease where there is no charge. Todd Thesing will take the executed lease to the county attorney. Edwards stated that Swimley feels that Search and Rescue can go the exemption route. If the county attorney denies the exemption, then Steve Johnson asked if Swimley could work with the county to find out what Search and Rescue will need to get an exemption. Thesing stated that the lease needs to be executed by the end of next week so that they can go to the county. Director Olson stated that he feels the District should execute the agreement so that the Search and Rescue can proceed with getting a land use permit. *Edwards asked that the Board members read the draft lease agreement and get back to him by Friday if any changes are needed.* Steve Johnson wants the draft modified to include that sewer service will not be available. Edwards will email the draft document to Todd and Steve for review and completion. The agreement will be executed on Friday. *Edwards will also email the revised draft document to the Board for review.* Edwards reported that the hang up with the road access is because of traffic count BSOA is asking for. Director Olson noted that the District should have had an easement already in place as the District agreed to make the road and trail improvements for an easement. Director Olson wants an easement done as that was the original understanding with BSOA. Director Olson offered to go to the BSCC board with Edwards and explain the history of the access agreement discussions. President Cronin wants the easement to be simple—no traffic count, no alternate access, etc. Director Allgood feels that the District probably already has a presumptive easement.

SEWER OPERATIONS

Burroughs was not available to review his flow report.

WATER OPERATIONS

Muscat stated that there were no significant leaks found this summer. The summer use in the meadow is probably down because of the repairs at Hidden Village, but we are still using tons of water. However, we have not come close to running out of water. The line from the mountain to the aspen groves tank is working like a charm. The Yellowstone Club is using water within their allotment, but they are close to their gallons allowed. The telemetry work has been completed. With changing the cycles, it is more real time start/stop on the mountain, and now we are capable of producing almost three times of what we previously could. Muscat reported that the sulphur well on the mountain was put on line for about three days to test the system—it worked and the sulphur water was blended with four other wells—it allowed the tank to be filled and we have been able to keep up since. The District did receive calls about the sulphur smell, but we were able to demonstrate that we could tap into this water as an option in an emergency. People were understanding once the situation was explained. Edwards and Muscat stated that they are still working with the State on the issue of full-time disinfection by December 2009, which the District does not want to do. President Cronin stated that the Board had previously discussed using UV for disinfection. Edwards is concerned about going UV and then the possibility of the State deciding that chlorination is still required. The mountain well #3 has been reconnected, but the State is requiring all the excess sampling. The Board and staff commented that the District has some of the best water and now the State is requiring chlorination. President Cronin said that it is good to hear that the system upgrades are working. Muscat said there are some final touch ups needed on the PRV and then the project will be done. Muscat reported that we have been able to keep the tanks full this year. Edwards reported that he is still working on getting the two new meadow wells on line—which will probably result in requiring chlorination of the entire water system.

The Hidden Village pipeline project is complete with only the paving that needs to be completed. President Cronin said that the trail leading to Lone Mountain Ranch, that the District work disturbed, now needs to be improved. *Nic Wellenstein will take a look at the trail and try to get the holes filled, and the trail smoothed out a little. Wellenstein said the area will be reseeded this fall.*

The Silverbow project received two bids. The engineers estimate was at \$612,492, Johnston's bid was \$654,449 and Western Municipal came in at \$1.2 million. HKM Engineer is reviewing Johnston's bid. Muscat said the project needs to be done in phases.

CANYON AREA STUDY

Edwards reported that he has the preliminary draft of the Canyon Study if any board members want to review the document. Project costs will be a factor if this is to move forward—it would cost about \$25-30 million for just snowmaking.

NEXT MEETING

Director Shropshire asked if the Board would consider moving the meeting date to either Monday, or Friday, as Tuesday has been a difficult day to make because of his schedule in Helena. Director Shropshire asked if the pond cover has been inspected. Edwards said he did not see any damage to the liner during the spring inspection and the rock liner had not moved. *Edwards said the big pond will be pretty empty going into September and he will inspect it again at that time.*

To try to accommodate Shropshire, the next Board meeting is tentatively scheduled for Monday, September 22, 2008, at 8:00 AM. *Director Olson asked that Edwards distribute the packet at least a week early, Monday or Tuesday, before the meeting.*

ADJOURNMENT

Director Allgood moved to adjourn the meeting at 9:50 am. Director Olson seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

08-19-08. min (Board Approved 9/22/08)