

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes –March 24, 2009
WSD Community Room

The Big Sky County Water & Sewer District No. 363 scheduled a regular meeting for 8:00 am on Tuesday, March 24, 2009, in the WSD Community Room. President Packy Cronin called the meeting to order with the following Board members present: Vice-President Gary McRae, and Directors Dick Allgood, Jeff Daniels (left at 9:55 am), and William Shropshire. Secretary Dick Fast and Director Bill Olson were not present. WSD staff present were Ron Edwards, Marlene Kennedy, and Terry Smith. The Weekly reporter, Laura Bell, was also present.

PUBLIC FORUM

With no public comment, President Cronin called for public comment at 8:09AM.

MEETING MINUTES

Director Daniels moved to approve the minutes of February 17, 2009, as written. Director Shropshire seconded the motion. Motion passed, 5 yeas to 0 no votes with President Cronin voting.

FINANCIALS

Smith reported that non-operating revenues are not on target due to the decline in new construction. The outstanding receivables are higher than they have been in previous years which will mean that Smith will be turning more accounts over to the counties for collection. The board discussed their decision from a previous meeting on approving the Spanish Peaks Resort's request to delay making their hookup payments. Smith reported that the Spanish Peaks Resort made their first 3 payments on their hookup fees prior to the board approving the delay for future payments. Smith also reported that the financing fees are prime plus one and that the balance due is accruing interest. Edwards reported that he met with Spanish Peaks representatives last week and was told that there is about a 60% chance that they will be completing the project. President Cronin reminded the board that, proportionately, the small homebuilder feels the same effect when paying their connection fees. Director Shropshire recommended that the board not concede if/when the Spanish Peaks Resort comes back to the board for further concessions. *Director Allgood directed Smith to send Spanish Peaks Resort a quarterly statement that picks up the payment schedule and the back interest.* President Cronin doesn't feel that the board did anything wrong by approving the delay in the permit fees since they are not technically connected to the sewer main. Edwards reported that no concessions were made to Boyne when they built the Summit even though they asked for a delay. According to Director Shropshire, precedence has been set by the District through the approval of the request from Spanish Peaks Resort.

Director Allgood moved to approve the February financials as presented. Director McRae seconded the motion. Motion passed, 5 yeas to 0 no votes with President Cronin voting.

MOUNTAIN LAKE CONDOS ANNEXATION AGREEMENT

Edwards reviewed the minor changes made to the Mountain Lake Annexation Agreement from the board's discussion at the February meeting. Edwards noted that if the well pumps more than 75 gpm then the District has the discretion to increase the pump size with the District paying any additional costs. President Cronin asked if the agreement included the maximum SFEs allowed and if it states that the SFEs are non-transferrable. *President Cronin directed Edwards to make sure that that information was in the agreement and to communicate with Director Fast on these changes.* President Cronin also noted that at the February meeting *the board wanted to have the agreement to include the ability to have a pump house.*

Director Shropshire moved to approve the annexation agreement document with the addition of listing the maximum SFEs available to the project and to state that the SFEs are not transferable from the property. Director Daniels seconded the motion. Motion passed, 5 yeas to 0 no votes with President Cronin voting.

TOWN CENTER EASEMENT RELEASE

Edwards stated that the Town Center developers want to eliminate the redundant easements and that the release is essentially clean-up work. Edwards has discussed this request with Ryan Hamilton and Edwards does not have a problem with the easement release because it is now covered by the new plat that has been recorded in Town Center. *President Cronin directed Edwards to review the plats to make sure all the lines are platted as installed.*

Director McRae moved to approve the document to release the easement in the Town Center within the platted area of Plat J-336-C recorded as Document No. 2070337. Director Daniels seconded the motion. President Cronin called for discussion. Director Allgood wants Edwards to make sure that the recorded easement covers all the District's lines installed as is. Edwards reported that all of the lines on the Town Center plat are correct. Motion passed, 5 yeas to 0 no votes with President Cronin voting.

DISTRICT PERMITTING POLICY REVIEW

Edwards stated that he didn't feel that the board should take any action on this topic until Directors Fast and Olson are also in attendance. *The board tabled the review of the permitting policy until the next meeting.*

SEWER OPERATIONS

Burroughs was not present to discuss the sewer operations, but distributed the flow reports. Edwards reported that a crew from the Livingston Public Works is coming to Big Sky this Thursday to look at our compost facilities.

WATER OPERATIONS

Muscat was not available to review the production reports provided in the board packet. Edwards reported that a Big Horn unit froze up last week and he does not recall any problems there in the past.

Mountain to Meadow: Since the mountain and meadow water systems are now connected, Edwards sent a letter to the State requesting that the Big Sky water system be classified as one system. The letter will be reviewed by the State tomorrow, but Edwards feels that it will probably take a couple of months to get the approval. The end result will be that less sampling will be required and one system will also be administratively easier. Edwards reported that there is a little bit of paving that needs to be done in Lone Moose and he plans on giving Lone Moose a payment in lieu of the paving and then that will finish the project done by SMI.

Weather permitting, the Silverbow Project is planned to start on May 4 with Johnson beginning on Black Otter Road. *President Cronin informed Edwards that 3 Rivers does have a public relations person (Sheri) that he would like Edwards to make contact with. Edwards will invite 3 Rivers to our pre-construction meeting.* Edwards reported that the installation of 3 Rivers' fiber optic cables last year was not coordinated with the District and their contractor was not willing to delay their work. *Edwards will also include Klip TV in the pre-construction meeting as they will be doing upgrade work in Big Sky.*

Other than a little clean-up work that the District is responsible for, the Hidden Village project is done.

The Bough water line replacement (the old Faubert property) needs to be completed. With this being a wet area, Edwards reported that the pipe may need to be installed later in the season—possibly in September, or October.

Meadow Pipeline: Edwards reported that he met with Brian Wheeler and Jeremy Olson on the pipeline location to serve the new meadow wells. Wheeler will take the information to CNL for approval. TD&H is working on the profile engineering so that the project can go out to bid.

Future Mountain Water Tank Easement: Edwards is working with Brian Wheeler to get an easement for the future mountain tank recorded. This will also have to go to CNL for approval. *President Cronin directed Edwards to stay on track with this easement and to get it done.*

NORTHWESTERN ENERGY SUBSTATION

Edwards reported that a rig will be moved in to start doing the geotechnical work next week. Northwestern has changed their engineer and they will now be using HKM for the work because they did our plant work and are familiar with the area. Once completed, a copy of their geotechnical report will be sent to the District. From Northwestern's standpoint, they will determine if the site is appropriate based on the geotechnical work. For the record, President Cronin stated that the board spent a lot of time considering the substation options and the board felt that this is the best location option for the community. Edwards reported that the letter from Lisa Kass stating that they offered the Kass property for sale to Northwestern was in the board packet. Director Shropshire asked if Kass is working with NW on this. Edwards doesn't think that NW is considering purchasing the Kass property. Edwards reported that the board packet includes the request for comment from the forest service on the line upgrades. Once the new substation is in, it will replace the Sweetgrass substation. President Cronin stated that the District is holding NW to high standards with the least impact to the community and there will be more benefits to the community. *President Cronin directed Edwards to put together a proposed compensation package for Northwestern's lease of the land and present it at the next board meeting.* Edwards stated the land use will be allowed through a lease just like what was done for the Big Sky Search and Rescue. *President Cronin asked that all board members think about fair compensation from NW for lease of the WSD land.*

DISTRICT LAND REZONING

Edwards reported that the rezoning was approved on March 12, 2009, by the Gallatin County Planning Board. The 32-acre parcel and the water tank parcel are now zoned community service. Edwards feels that the rezoning resolves the Search and Rescue issue and they now have their land use permit.

BSOA EASEMENT

Edwards reported that they went back to BSOA with the changes and they have agreed to everything but changing the width from 30 feet to 60 feet. Edwards distributed a letter dated 3/23/09 from Susan Swimley asking the board to reconsider the 60 foot requirement as it would create a conflict with BSOA's existing and future park improvements. President Cronin and Director McRae stated that the county requires a 60-foot easement and the world operates with a 60-foot easement. President Cronin feels that the District would be hugely disadvantaged if we do not have a 60-foot easement. *The board was in consensus that a 60-foot easement is necessary and Edwards will inform BSOA and Swimley of their decision.*

DISTRICT BOARD ELECTION

Edwards reported that the terms expire on 11/3/2009 for Directors Daniels and Shropshire with the candidate filing period running from 7/2/2009 to 8/20/2009. There will be five positions up in 2011. Director Shropshire intends to rerun for another term. Edwards will remind Daniels and Shropshire when the filing period opens up.

2009 RESORT TAX APPLICATIONS

Edwards reported that the applications for resort tax funding are due on 4/22/2009. The Q & A forum is 5/20/2009 and the appropriation meeting is 6/11/2009. Director Shropshire reported that he has inspected the test baskets on the ponds and feels that they are not damaging the liners and that there does not appear to be any problem with stabilization. Director Shropshire also reported that there is no corrosion on the metal baskets and no rock displacement--no degradation. Director Shropshire said that the liner definitely improves the view shed and that the District needs to make an effort to complete a significant portion of the liner—it is the perfect time to do it with material and labor costs down. Smith reported that there is \$750,000 left in the bond. Director Allgood also feels that the economic conditions should bring the price down so the timing should be good. Director Shropshire recommended that we ask for additional resort tax funds for the project. *Director McRae directed Edwards to come up with the number to complete the highway view length.* Edwards reported that he is looking into new quotes on the steel baskets. *The board asked Edwards to look into getting federal stimulus funds.* Edwards said pond 3 is not in the plans for the liner. Edwards feels that the resort tax funds available this year will be less than last year. Edwards knows that funding requests will come from the BSOA/BSCC for their park improvements, the fire district since their bond did not pass, and the Morning Star for their day care school. *Edwards will prepare a resort tax funding request as a cost share.* Edwards doesn't like the idea of changing the contractor from Burke and we have been able to get the work funded through SRF. (Director Daniels left the meeting at 9:55 am.)

GENERAL CORRESPONDENCE

The Board discussed the correspondence in the board packet on the RID for the Ousel Falls Road.


Smith noted that the financials will be presented in May along with the FY 2009-2010 budget. Considering the economic times, *President Cronin asked Smith to be critical and take a fresh look of how we do things and where we spend money when reviewing the new budget.*

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, May 5, 2009, at 8:00 AM. There will not be an April meeting.

ADJOURNMENT

Director McRae moved to adjourn the meeting at 10:02 am. Director Allgood seconded the motion. Motion unanimously passed.



Dick Fast, Secretary