

BIG SKY WATER & SEWER DISTRICT NO. 363
Special Meeting Minutes – September 17, 2009
WSD Community Room

The Big Sky County Water & Sewer District No. 363 scheduled a special meeting for 8:00 am on Tuesday, September 17, 2009, in the WSD Community Room. Vice President McRae chaired the meeting with the following Board members present: Secretary Dick Fast and Directors Dick Allgood, Jeff Daniels, and Bill Olson. President Packy Cronin and Director William Shropshire participated via telephone. WSD staff present were Ron Edwards and Marlene Kennedy. Others present were Northwestern Energy representatives Matt Micklewright, Ernie Hulit, and Pat Asay. District legal counsel, Susan Swimley, participated via telephone.

PUBLIC FORUM

With no public comment, Vice-President Gary McRae called the meeting to order at 8:07 am.

NORTHWESTERN ENERGY SUBSTATION

Edwards explained that Susan Swimley and Northwestern Energy's legal counsel have been working on a buy-sell agreement. Edwards had sent a copy of the document via email to board members and distributed a hard copy at this special meeting. After receiving comments from Board members, Edwards stated that the issue still to be settled is the park funds. Edwards suggested using that portion (\$75,000) of the proceeds for a restricted fund for road maintenance. Swimley commented that she doesn't have any problem with the \$75,000 allocation to BSCC, as presented in the draft in the document, as it would be considered compensation for the use of the road that originally did not have an easement. Additionally, Swimley was not concerned about the earnest money as she cannot see the deal falling apart. Swimley did not advise changing to another title company as all that would do is delay getting a title policy. According to Swimley, Northwestern Energy would have to maintain the road from the end of the current road, essentially from the treatment plant to the NW substation. Edwards stated that he and President Cronin had discussed increasing the earnest money. Edwards feels that it would be cleaner if the \$75,000 went directly to BSCC than to the WSD and then to the BSCC. At the risk of the park project falling through, Vice-President McRae suggested that the funds be set aside as a separate fund. Swimley said if the WSD takes the \$75,000, it would have to be expended per Edwards's suggestion on road maintenance, etc. Director Olson stated that he is all for the park, but in our responsibility to the WSD members it is water and sewer that we are responsible for, not parks. Director Olson also stated that we are not a philanthropic organization, we are responsible to the District and he does not believe we should fund the BSCC. Director Olson reported that the District has done a lot for BSCC already--built the road, improved the entrance, and many other things. Director Olson feels that if later down the road the District wants to do something like install water and sewer for the park, then the Board can address it at that time. President Cronin agreed with Director Olson.

Director Allgood moved to change the Agreement to Buy and Sell by increasing the purchase price to \$375,000 with no encumbrances, eliminate the \$75,000 to BSCC, and to change the earnest money to \$30,000. Director Shropshire seconded the motion. Vice President McRae called for discussion. Edwards explained why it was suggested to change the title company. Director Fast asked about a standard amount as earnest money in a transaction. Director Olson asked about Northwestern's previous commitment to help build a trail through the WSD

property. Edwards explained that the WSD Board had talked about handling the trail extension and leaving Northwestern Energy out of it. Edwards reported that it would cost about \$20,000 for extending the whole trail and Matt Micklewright thought it was earlier reported by Steve Johnson that the cost would be about \$30,000. Director Allgood stated that the trail would be on District land and the District could use the proceeds to build the trail. Edwards suggested that the \$75,000 could be set aside to maintain roads and build a trail. Director Shropshire stated that the WSD should not obligate the \$75,000 to anything in the document and then the WSD Board can decide how to use the funds. Motion passed, 6 yeas to 0 no votes without Vice-President McRae voting.

DIRECTOR ELECTIONS

Edwards reported that three people have filed for two board seats. In addition to Shropshire and Daniels re-filing, Betsy Weltner, who is from the mountain village, also filed. Edwards is working with the Gallatin County election office to hold a mail ballot election with the election date of November 3, 2009.

Director Fast asked that the Board be on the record that it is the District's intent to work on extending the trail on District property.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, October 13, 2009, at 8:00 am.

ADJOURNMENT

Director Fast moved to adjourn the meeting at 8:30 am. Director Daniels seconded the motion. Motion unanimously passed.



Dick Fast, Secretary

9/17/09 (Board Approved 10/13/09)

LEADERSHIP TRAINING COURSE

Edwards reported that he will attend the leadership course being offered on November 12. If any board members want to attend they are to let Edwards know—the cost of \$450 will be shared by all the participants with the District covering the cost of their staff and board members that participate.

FARMHOUSE PARTNERS REQUEST

Edwards explained that according to Dabney he has had a lot of vacancies and he also has a regulated maximum allowed rent charge and he is asking for a concession on the water and sewer fees that are charged per unit. President Cronin explained that Farmhouse is in no different of a situation than other property owners that have not been able to rent out their vacant units and with the rental price decreasing because of supply and demand. Edwards said that there is one angle on Dabney's request that might benefit him. They have 3 irrigation meters that might be able to be disconnected if they are not using them, thus eliminating the billing on these inactive accounts. *Edwards said it is possible that the District could ask for resort tax funds for low income subsidy for water and sewer charges.* Director Olson stated that he wouldn't object to assisting low income residents. President Cronin said if it is supported through the community and the resort tax then the District could administer it. Edwards feels that this would be a legitimate resort tax request. *The board directed Edwards to write a letter to Dabney denying his request.*

Director McRae moved to deny Dabney's request as it would be in violation of the District's ordinance to provide a break on water and sewer charges for a select individual. Director Daniels seconded the motion. Motion passed, 5 yea votes to 0 no votes with President Cronin voting.

GENERAL CORRESPONDENCE

There was no general correspondence for the board to address.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, December 15, 2009, at 8:00 am.

ADJOURNMENT

Director Olson moved to adjourn the meeting at 10:05 am. Vice President McRae seconded the motion. Motion unanimously passed.



Dick Fast, Secretary