

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.*

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Dick Fast, Secretary

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