

BOARD OF TRUSTEES

WAYNE O. HILL
Chairman

Michael H. Ankeny
Trustee

Raymond J. Tout
Trustee

Dee Rothschilder
Administrative Assistant

RURAL IMPROVEMENT DISTRICT 305

P.O. BOX 57
BIG SKY, MONTANA 59716
PHONE (406) 995-4166

RURAL IMPROVEMENT DISTRICT #305
Board of Trustees Meeting
July 20, 1988

AGENDA:

- 1) Budget
- 2) Resolution regarding rates
- 3) BSOA request for increase
- 4) Lawsuit status
- 5) Miscellaneous
 - Letter from Paul Cronin
 - Westfork Meadow Condominium construction
 - Square footage of sewer building for insurance

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RURAL IMPROVEMENT DISTRICT #305

Board of Trustees Meeting

Minutes - March 3, 1988

The Rural Improvement District #305 met March 3, 1988 at 8:00 a.m. Trustees in attendance were Wayne Hill, Chairman; Michael Ankeny and Raymond Tout. Dee Rothschilder and Joel Shouse were also present.

Wayne Hill reported on the court hearing held March 2. Prior to this hearing the counsel for the parties met with Jack Thomas, Chairman of BSOA, to discuss possible resolution of the disputes between the parties. The Plaintiffs proposed a three step approach to resolving the differences between the parties. (copy enclosed) Ed Sedivy and Mike Kerwin met March 1 to determine what number of hook ups would be satisfactory to both sides. The District asked for 35 and Simkins offered 10. The final number agreed to was 15. Judge Rapkock granted a continuing stay of execution regarding sewer hook ups at Big Sky. He gave the District the right to permit the hook up of 15 living units to the existing system until June 1. During this period of time the engineers will meet in a non-adversary setting and attempt to reconcile the differences in their engineering opinions as called for in step one.

The Trustees are now concerned that there be a fair allocation of the 15 permits. After discussion it was decided to split the hook ups with 7 going to condominium developments and 7 to individual homes, keeping one in reserve to be allocated where and when, in the Trustees judgement, that connection would best serve the community.

Action

- " Each applicant must go before the Architectural Committee and receive a valid building permit before applying for a sewer hook up. Once the permit is granted that unit must be under construction within 30 calendar days from the day the permit is issued. Should actual construction not be underway, in the judgement of the Architectural Committee, the permit will be reclaimed by the Trustees and made available to others. This will prevent someone from coming in and stockpiling permits for later use.
- " Hidden Village will not be included in this allotment as it is the Districts position that Hidden Village has not used up the 130 hook ups in place when Camper Village was converted to a condo tract. Once they have built 130 units they will have to go before the county for an additional major sub-division approval, then ask for more sewer permits from the District.
- " The District will publish a notice, as directed by the Judge, informing Big Sky property owners of the Judges decision. The notice will be in the Lone Peak Lookout, Bozeman Chronicle, BSOA spring letter and letters mailed to local contractors so they are aware of the availability of hook ups. All of the Trustees are very positive that an agreement will be reached by June 1.

Wayne Hill will call Mike Kerwin and ask him to put pressure on the two engineers to meet and complete the compromise as soon as possible.

Mike Ankeny asked Ray Tout to get the maps out and have them ready for Everett Kircher when he arrives in Big Sky this week end. Everett could then indicate what land would be available and review this with Ray and John Kircher. The next step would be to present this to Bob Simkins and Vernon Taylor.

Mike Ankeny met with Jim Taylor last friday morning. Jim seemed very receptive to the land swap between the Corporation and themselves. He seemed anxious to help settle this problem.

Wayne Hill reported that he has been checking into d&o insurance for the Board. The State of Montana, Senate bill 25, has set up a method where-by people engaged in philanthropic activities may not be touched by a lawsuit unless they could show gross negligence and inappropriate behavior. Insurance carriers and lawyers are distressed over this bill and are appealing the decision. Wayne asked each Trustee to check with their homeowners policy and get a one million dollar liability umbrella that would cover any functions performed under RIO business. The District would reimburse the Trustees for the added premium. Mike Ankeny asked Wayne to call Bob Donovan and see how the Fire Board obtains coverage. Joel Shouse told the Trustees that since they are a sub-division of county government, whatever protection the county has should extend to the trustees.

The meeting ended on an up-beat note with the Trustees confident that by June 1 the suit will be resolved, agreements signed and Big Sky can resume a normal construction season.

Meeting adjourned 8:35 a.m

Need to sort out substantive action taken and label as such and indication which areas are discussion (no decisions made) only

*editorial
comments
not germane*

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RURAL IMPROVEMENT DISTRICT # 305
Board of Trustees Meeting
February 12, 1988

The Rural Improvement District #305 Board of Trustees met February 12, 1988 at 9:00 a.m. Trustees in attendance were Chairman, Wayne Hill; Ray Tout and Michael Ankeny. Dee Rothschiller, Rick Kerin and Tom Rothschiller were also present.

Tom Rothschiller reviewed the revised budget summary and expense statement with the Board. The bank balance as of February 1 is \$29,985. Anticipated expenditures are \$45,170 leaving a revenue shortfall of \$15,185. Delinquent assessment receivables stand at \$26,080. Unless Gallatin County gets tough with collecting delinquent taxes it is realistic to assume that the District may only collect a small portion of this amount. Since there is some question as to the borrowing power of the District these monies must be carefully disbursed. Tom Rothschiller will meet with Wayne Hill to draft a preliminary budget for operations for 1989 and decide if an increase per unit will be necessary. Wayne will report back to the Board at the next meeting.

There is about 300 feet of undersized sewerline at the Beaverhead subdivision that needs to be replaced. A letter was received last July 15, 1987 from James C. McCauley, Supervisor Subdivisions, Department of Health and Environmental Sciences, stating the Districts willingness to replace the existing 6 inch line with an 8 inch line per the original plans. Discussion was held as to whose responsibility it is to pay for this replacement. Wayne Hill will correspond with Mr. McCauley and also Jim Dobrowski, Morrison-Maierle, to see if: 1) there was a letter authorizing this project, 2) who approved and installed the 6 inch instead of the 8 inch line per original plans, 3) why the original plans were not followed, and 4) what role RID 305 should play in replacing the pipe line in question.

Ray Tout said that the sewer line road from the mountain to the meadow will need to be cleaned and maintained this summer. The ditches and culverts are full of debris. Ray is concerned that if there is a heavy rain the side banks may collapse resulting in a loss of the line. 3 Rivers Telephone also has a big investment here as their cable is buried in the easement. Wayne Hill will call Dick Wick, Burlington Northern, to see what arrangement they have with 3 Rivers regarding the cable easement. Michael Ankeny will call Gene Andrus, 3 Rivers, and see if they will share the expense of the maintenance as they have a great deal to loose should their lines be severed.

Rick Kerin, engineer for the District, introduced himself to the Trustees. He reported that Mike Kerwin and Ed Sedivy have agreed to set up some guidelines for a meeting between the engineers of both sides of the lawsuit. They will then meet and negotiate with give and take on both sides and hopefully end up with a compromise. Rick added that when you look at the original agreement vs. the agreement we have now a great injustice has been done to the District.

Rick reported that the collection system is intact and a log of each manhole has been completed. The pipes are generally in good shape with very little intrusion of water into the system. The infiltration is down to where he said it was in court. He encouraged the District to continue to make improvements by taking out the minor leaks

and sealing the manhole covers with grout. Up to 1/3 of the infiltration from the entire area is coming from Bill Ogles house. It would probably cost \$10,000 to dispose of this via a gravity line that would run across the golf course.

Monitory wells were drilled last fall. There is some leakage but it is not causing a pollution problem to Simkins land to the east of the ponds. Mike Ankeny asked if there was enough seepage to require lined ponds. Rick said that it comforts the state to know we are monitoring and if the readings would show an increase they may say to line it. The water is going to find its way to the creek via the golf course irrigation or the ponds. The treatment plant will have to be enlarged and improvements made as Big Sky grows. Money should be put into a reserve maintenance fund for future improvements. Mike Ankeny said he would favor raising the rates to get enough of a reserve and maintenance system properly in place to get the entire system in apple pie shape.

Mike Ankeny talked to Boyne at length two weeks ago. They do realize that they have an obligation regarding the sewer lawsuit and are receptive to a land exchange such as a condo tract for the sage brush flat. Bob Simkins would acquire a highly valuable tract that is already watered and sewerred. Mike will meet with Everett Kircher and put together a list and identify what property Boyne is willing to trade. Then they will go to Simkins with a positive game plan. Mike said he is willing to do what he can to negotiate with Boyne and Simkins.

The District does not have any D&O insurance for the Trustees. Wayne Hill will pursue this area and report back to the Board at the next meeting. Under the present circumstances the Trustees need action now.

The Trustees expressed concern about the continuing cost of engineer and legal fees plus the cost of the appeal. It was the general understanding that the Trustees be notified in advance what needs to be done and what it will cost.

Meeting adjourned

BOARD OF DIRECTORS

JACK HARPER
Chairman

JOHN W. McCULLEY
Owner

RAY TOUT
Member

DEE ROTHSCHILLER
Administrative Assistant

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FEBRUARY 3, 1988

RURAL IMPROVEMENT DISTRICT 305
BOARD OF DIRECTORS MEETING

AGENDA

- Elect Chairman
- 2) Sign new bank signature cards
 - 3) Insurance
 - 4) Pay bills
 - 5) Letter to Edelweiss
 - 6) Financial needs for coming year
 - 7) Lawsuit status

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RURAL IMPROVEMENT DISTRICT # 305

Board of Trustees Meeting

February 3, 1988

The RID #305 Board of Trustees met February 3, 1988 at 9 a.m. Trustees in attendance were Wayne Hill, Michael Ankeny and Ray Tout. Joel Shouse and Dee Rothschilder were also present.

Ray Tout nominated Wayne Hill to be the new Chairman of RID #305. Mike Ankeny seconded the motion, motion carried.

The lawsuit with Simkins/Taylor was discussed. The January 29th hearing was cancelled following a meeting attended by Jack Thomas, Chairman of BSOA, Mike Kerwin, Steve Barrett, Ed Sedivy and Bob Simkins. In essence both sides agreed to approach the Judge with a stipulation that the District be granted uncontested additional hook-ups to continue another building season. In exchange the engineers for the District, Simkins and the State Water Quality Bureau would meet and reach an engineers consensus as to what additional facilities would be needed in the future, what it would cost and how much land would be needed. Mike Kerwin will take the lead to rapidly organize this meeting of the engineers. If a stipulation can not be worked out a hearing will be held in March. If the stipulation is agreed to by all parties the hearing will not take place. The Corporation has agreed to pay a share of these engineers costs. Meanwhile the appeal to the Supreme Court is still going ahead.

Mike Ankeny said that he has talked to Everett Kircher about the exchange of land. The Corporation more than likely would go for a land exchange but probably would not put up money for additional construction. Mike will talk to Everett again after February 16th.

A question was brought up as to the responsibility of RID paying for the entire power bill to irrigate the golf course during the summer season. It does cost the District an additional \$500 to pump the water onto the course. The District needs a place to pump the water and the golf course needs the water. The Trustees will look into the possibility of sharing this expense.

Chairman Wayne Hill will visit with insurance agent Jim Dixon about the insurance needs of the District. At this time the District has liability insurance only and no directors and officers insurance. Mike Ankeny asked that the District get this done immediately.

The Trustees reviewed the accounts payable and agreed to pay 50% of the account due as of January 1. As more money comes in from the counties, additional funds will be disbursed to these outstanding accounts. The District must keep enough funds in their checking account to operate during the coming year. The budget will be reviewed at the next meeting.

The District was informed by James A. Patterson, a firm from Billings that unplugged the sewer line from the Chace building to First Place, that this blockage was due to Edelweiss Cafe pouring grease down the drain. It cost the District \$1700 to unplug this drain. A registered letter will be written to Annalise Miller, owner, giving her 30 days to install a grease trap as required per state law.

Meeting adjourned at 10:45 a.m.

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RURAL IMPROVEMENT DISTRICT # 305
Minutes - January 22, 1988
Board of Trustees

The Rural Improvement District #305 Trustees met January 22, 1988 at 2:00 p.m. Trustees in attendance were Wayne Hill and Ray Tout. Dee Rothschilder and Joel Shouse were also present.

A quorum was established.

A short business meeting was held for the purpose of paying a note due to InterWest Bank on January 26, 1988. Wayne Hill made a motion to pay the note in the amount of \$40,635.80 as stipulated. Ray Tout seconded the motion. Motion carried.

Meeting adjourned.