

---

**STAFF REPORTS:  
GENERAL MANAGER'S  
REPORT**

---

**GENERAL MANAGER'S REPORT**  
**BIG SKY COUNTY WATER & SEWER DISTRICT No. 363**  
**Board of Directors Meeting**  
**January 17, 2012**

---

**I. REGULAR MEETING CALL TO ORDER**

**II. BOARD ELECTION OF OFFICERS**

Our Bylaws stipulate that the District Board of Directors has three officers; a President, Vice-President and a Secretary. We currently have Packy Cronin as the President, Gary McCrae as the Vice President and Dick Fast as the Secretary. The Board can keep move to keep these or move to elect different directors for these offices at our meeting next week. The term for each office is 1 year.

**III. APPROVAL OF MINUTES** 

**A. November 22, 2011 Regular Meeting Minutes**

**IV. FINANCIAL REPORTS** 

**A. December & November Financial Reports**

The summary of the District's finances through December are shown in the table below. The District has \$190,847 as unrestricted cash on hand. The District's restricted operating reserve account balance is \$635,947 for sewer and water operations. The restricted asset replacement fund balance is \$5,717,061. The total operating revenue is \$1,221,884 which is 2.3% above year to date budget projections. Total operating expenses is at \$1,266,784 which is 6.3% over year to date budget projections. The Plant Investment Charge fund balance is currently \$3,315,778.

<b>BUDGET OPERATING SUMMARY</b>		
<b>Dec-11</b>		
<b>Category</b>	<b>Dollars</b>	<b>Percent of Budget</b>
<b>Year To Date Total Operating Revenue</b>	\$ 1,221,884	102.29%
<b>Year To Date Total Operating Expenses</b>	<b>\$ (1,266,784)</b>	106.26%
<b>Unrestricted Cash On Hand</b>	<b>\$ 190,847</b>	
Sewer	\$ 73,836	
Water	\$ 73,476	
Admin	\$ 43,535	
<b>Restricted Operating Reserve</b>	<b>\$ 635,947</b>	
Sewer	\$ 307,705	
Water	\$ 328,243	
<b>Asset Replacement Fund</b>	<b>\$ 5,717,061</b>	
Sewer	\$ 4,186,914	
Water	\$ 1,530,147	
<b>Plant Investment Fund Balance</b>	<b>\$ 3,315,778</b>	

**B. Financial Audit Report for FY 2010/11**

Rosie Barndt mailed us the final audit reports for fiscal year 2010/11. Terry has extra copies of the final report from Holmes & Turner that he can hand out at our meeting. I also uploaded a copy of the audit report to our website which is at the top of the "[Documents](#)" page. She also mailed a copy to the Department of Commerce.

**V. BUSINESS ACTION & PRIORITY ITEMS**

**A. Mountain Lakes Condominiums Annexation**

At our last meeting we discussed the Mountain Lakes annexation issue.

1. WSD363 to send mill rate tax impact information to MLP for owners consents
2. Susan Swimley to draft a “Consent Form” for the District and forward to Art Wittich for comments
3. Developer (MLP) will provide a recordable letter or document that confirms that MLP will pay the SFE connection fees

Terry put together the tax estimate which has been emailed to Lennie Liston. The table below summarizes the tax costs for the current year. These costs are not fixed costs and are subject to change depending on the taxable values of the condo units, the amount that the District certifies as the levy amounts needed for bond payments, and to some extent the resort tax contributions that offset our tax levies.

**Mountain Lakes Condominiums Tax Levy Estimates for 2011**

<b>Account</b>	<b>Unit #</b>	<b>Taxable Value</b>	<b>Water Mill Rate * @ 21.63 mills</b>	<b>Sewer Mill Rate @ 21.05 mills</b>	<b>Total 42.68 mills</b>
29003450	201	\$9,376	\$202.80	\$197.36	\$400.17
29003451	202	\$6,293	\$136.12	\$132.47	\$268.59
29003453	301	\$9,291	\$200.96	\$195.58	\$396.54
29003454	302	\$8,964	\$193.89	\$188.69	\$382.58
29003455	303	\$12,783	\$276.50	\$269.08	\$545.58
29003456	203	\$11,710	\$253.29	\$246.50	\$499.78
<b>Total</b>		<b>\$58,417</b>	<b>\$1,285.19</b>	<b>\$1,250.73</b>	<b>\$2,535.92</b>

I did get an email back from Lennie that they (MLP) had a discussion with the HOA about these costs. He reported that the discussion went well. Susan is in trial this week in Virginia City. I have not received the draft “Consent Form” to include in the board packet. I may have one before the meeting that I can send via email.

**B. Spanish Peaks Resort**

**1. Spanish Peaks Resort Bankruptcy**

I met with Dean Genge last week to discuss the Spanish Peaks bankruptcy issue. Dean is on the HOA board and he thought that the bankruptcy will take much more than the 90 days which was the original timeline for the liquidation. He estimated that it might be done in the spring. I also talked to the Treasurer from the Owner’s Association, Karen Roberts about our operating agreement. She followed up by sending a letter which is enclosed in the packet under the “General Correspondence” section. Also enclosed are copies of the mailings that we received concerning the bankruptcy proceedings. As far as the status of the water system I don’t have anything new to report.

The creditor’s attorneys filed for a motion to the court in Delaware to have the bankruptcy proceedings moved back to Montana. Most of you probably read the article in the Bozeman Chronicle that a judge subsequently ruled in favor of moving the proceedings back to Montana.

 [Bozeman Chronicle- Spanish Peaks Article](#)

**VI. OPERATOR REPORTS** 

**A. Sewer Operations Report.**

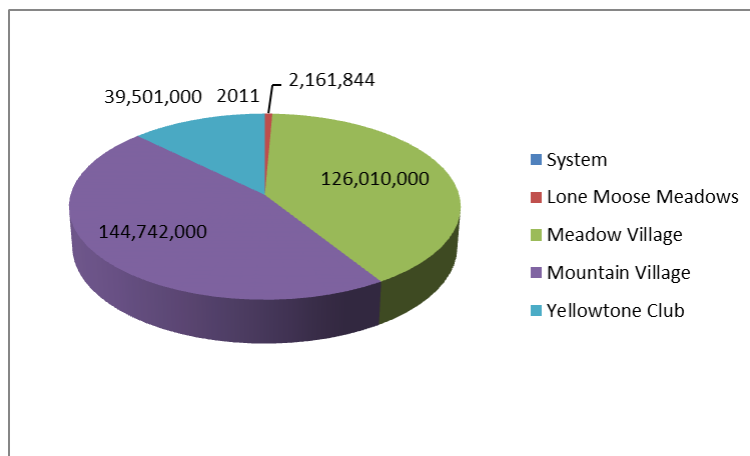
Grant is on vacation this week and gets back on Sunday. Grant or Peter will give the sewer report at the meeting.

**B. Water Operations Report.**

Jim’s production report is enclosed in the board packet. The table and pie chart below show our 2011 year end totals for each part of our water system going back to 2006. With the exception of Lone Moose all of the usage was down from 2010. Apsen Groves shows no use beginning 2008 which was the year that we started feeding the Aspen Groves tank from the Mountain Village water system. It is also nice to see that the Yellowstone Club water use totals continue to drop.

**Big Sky Water System Production Totals: 2006-2011**

System	2006	2007	% Inc/Dec	2008	% Inc/Dec	2009	% Inc/Dec	2010	% Inc/Dec	2011	% Inc/Dec
Aspen Groves	7,580,200	8,413,681	11.0%	NA		NA		NA			
Lone Moose Meadows	2,149,030	1,353,492	-37.0%	1,132,410	-16.3%	1,036,262	-8.5%	1,831,222	76.7%	2,161,844	18.1%
Meadow Village	138,554,000	146,568,000	5.8%	115,271,000	-21.4%	128,998,000	11.9%	136,560,000	5.9%	126,010,000	-7.7%
Mountain Village	156,099,200	165,757,800	6.2%	170,662,000	3.0%	160,745,000	-5.8%	152,892,000	-4.9%	144,742,000	-5.3%
Yellowstone Club	33,926,000	48,622,000	43.3%	51,165,000	5.2%	46,295,000	-9.5%	40,886,000	-11.7%	39,501,000	-3.4%
<b>TOTALS</b>	<b>338,308,430</b>	<b>370,714,973</b>	<b>9.6%</b>	<b>338,230,410</b>	<b>-8.8%</b>	<b>337,074,262</b>	<b>-0.3%</b>	<b>332,169,222</b>	<b>-1.5%</b>	<b>312,414,844</b>	<b>-5.9%</b>



Pie chart showing the total volume of water produced for each part of the public water system. These total are calculated from master water meters that read the volume of water produced from the supply wells that feed the water system. From this chart you can see that the Mountain Village wells continue to be our biggest water producers.

**VII. OLD BUSINESS** 

**A. Yellowstone Club Snowmaking Pilot Project**

At the last meeting I reported that the pilot snowmaking project started up on November 14th. YC crews finished making snow on December 5<sup>th</sup> after making approximately 975,000 gallons of wastewater effluent into snow. The snow pile was then pushed out over the 2 acre site to spread it evenly across the 2 acre site.



*Snowmaking gun on top of the pilot site looking toward Lone Peak.*



*Looking south at the snow pile.*



*Looking south as a snowcat pushes the snow pile over the site.*

All snowmaking operations have been completed and the snow gun has been moved offsite. We have taken 3 rounds of snowpack samples so far and will be taking a 4 next week. The Big Sky Weekly did a nice story on the project. I also put together 2 web albums that show more pictures of the projects. The article and albums can be found at the links below.

 [Big Sky Weekly Article- Effluent Snowmaking Pilot on Track](#)

 [YC Pilot Snowmaking Project: Album #2](#)

 [YC Pilot Snowmaking Project: Album #1](#)

## **B. Storage Pond Cover Project**

We had to shut the rock pond covering project down in November. We have a small section to finish in the aeration pond next fall.

## **C. Online Bill Payments**

We have scheduled a meeting with Chris Sund and Erik Levould for February 13<sup>th</sup> to begin working on the online bill pay which the Board approved moving ahead with at our last meeting. Our goal is to have everything up and running by the end of first quarter billing cycle which is April 1<sup>st</sup>.

## **VIII. [NEW BUSINESS](#)**

### **A. Sewer & Water Permits**

We did not issue any new permits. The District currently has 126.55 SFEs available for permitting as shown on the table below.

**SFEs AVAILABLE FOR PERMITTING**

SFEs AVAILABLE		SFE's PERMITTED	
Board Action	Available SFEs	Year	SFEs Used
Ordinance No. 96-1002	200	1996	58.07
Ordinance No. 98-1001	200	1997	130.68
Ordinance No. 98-1002	125	1998	296.35
Ordinance No. 99-1003	100	1999	80.28
Ordinance No. 00-1001	200	2000	90.64
Ordinance No. 01-1003	100	2001	156.71
Ordinance No. 02-1002	75	2002	122.96
Ordinance No. 03-1001	150	2003	91.89
Ordinance No. 04-1002	150	2004	304.11
Ordinance No. 04-1003	200	2005	299.6
Ordinance No. 05-1001	200	2006	341.94
Ordinance No. 06-1001	300	2007	97.22
Ordinance No. 06-1003	300	2008	39.36
		2009	23.83
		2010	12.86
		2011	26.95
		2012	0.00
<b>TOTAL</b>	<b>2,300</b>	<b>TOTAL</b>	<b>2,173.45</b>
<b>SFEs REMAINING FOR NEW PERMITS:</b>			<b>126.55</b>

**B. General Correspondence**

**IX. NEXT MEETING DATE**

**X. OTHER BUSINESS**

**XI. ADJOURNMENT**