

BIG SKY WATER & SEWER DISTRICT NO. 363

**Regular Meeting Minutes – October 16, 2018**

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, October 16, 2018, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Vice-President Tom Reeves, Secretary Dick Fast (left at 8:58 am) and Directors Mike DuCuennois (left at 9:30 am), Brian Wheeler (left at 10:50 am), and Peter Manka. Director William Shropshire was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, and Vince Palafox.

Others present: Steve Johnson, Gallatin Forest Partnership (GFP); Jon Olsen, Lone Mountain Land; Jolene Palmer, Lone Peak Lookout; Mike Richter, Montana Bureau of Mines and Geology; Bay Stephens, Explore Big Sky; Ciara Wolfe, Big Sky Community Organization; Scott Buecker, AE2S; Karin Filipovich, Consultant; Mary Ann Comstock, property owner; Guy Alsentzer, Upper Missouri Waterkeeper; and Mace Mangold, WGM Group. Steve Robbins, Woodard & Curran, participated via conference call on the Cascade Wells #5 and #6 discussion.

**PUBLIC FORUM**

President Cronin called the meeting to order at 8:00 am. President Cronin called for public comment on non-agenda items. Steve Johnson explained the Gallatin Forest Partnership and asked for individual and District endorsement. Conflict of interest declarations: Mike DuCuennois is a representative for Yellowstone Club. Packy Cronin has a lawsuit against Eric Ossario and Loren Bough. Cronin's wife, Melissa Cronin, is involved in the Gallatin Forest Partnership. There were no items on the agenda specific to these declarations. Brian Wheeler reported that he may have a potential conflict of interest on the BSCO proposal as Boyne has talked to BSCO on other site locations.

**CONSENT AGENDA**

Smith reported that third quarter water use was down slightly.

*Vice President Reeves moved to approve the consent agenda with the minutes of September 18, 2018. Director Fast seconded the motion. Motion unanimously passed.*

**AMEND AGENDA**

*Director Fast moved to amend the agenda to Item V. A. New Development, Ciara Wolfe's presentation on the development proposed by the Big Sky Community Organization (BSCO) in Town Center. Vice President Reeves seconded the motion. Motion unanimously passed.*

**DEVELOPMENTS AND SUBDIVISIONS**

Big Sky Community Center, Town Center Avenue Southwest: Ciara Wolfe presented BSCO's land swap proposal for 40 SFEs, stating she feels they are of equal value and mutually beneficial to both parties. Wolfe's proposal included a land exchange for a commitment of 40 additional SFEs for future park development that includes a multi-level community center and pool in the Town Center and additional SFEs for the Meadow Village park development. The first phase is to purchase a parcel in Town Center with community funds, not resort tax funds, and then build a multi-use center. As reported by Wolfe, Simkins allocated 7.0 SFEs to this parcel as Simkins offered the property at a reduced sale price. These 7.0 SFEs are exempt from sewer plant investment charges. Before BSCO purchases the land, they want a commitment from the District on the 40 SFEs before the end of November. The board discussed supporting the boundary line adjustment that would make more room for the District's future treatment plant expansion. To protect the District on its future disposal capacity, the board discussed committing SFEs for the

community center at this time, but not for the pool. Wolfe stated the WSD board needs to keep in mind the perception of the partnership to the community when the District will be looking for support of funding for the treatment plant upgrades. Wolfe said she would need to go back to her board for approval of the 20 SFEs in a MOU and consideration of holding 20 SFEs for a pool facility based on capacity. Steve Johnson asked the WSD board to consider a commitment for the SFEs so that Wolfe/BSCO can continue to pursue fundraising opportunities. The board discussed Altman's land swap for SFEs, where the District got one acre for approximately 18 SFEs. The board discussed fees on the additional SFEs requested. BSCO would pay water investment charges on the 7 SFEs from Simkins but pay both sewer and water investment fees on any additional SFEs. The board discussed using SFEs remaining from completed developments, i.e. Crail Creek, for community projects. The District will memorialize the request from BSCO in a MOU.

***Director DuCuennois moved to trade 40 SFES for the park land. BSCO is to draft a purchase of sale agreement that includes the terms, committing the 40 SFEs to BSCO. BSCO will have to come to the WSD board for prior approval to use the 20 SFEs for a pool. No connection permit will be issued until the boundary line adjustment for the park land is complete.***

***Director Manka seconded the motion. Wolfe will have Mindy Nowakowski prepare the draft agreement to present at the November WSD board meeting. Motion passed, with Director Wheeler abstaining.*** Wolfe said she will make sure the District is recognized for its partnership with BSCO. Vice President Reeves noted that there is not enough parking for the BSCO's development plan in Town Center. (Secretary Fast left the meeting at 8:58 am)

#### **WASTEWATER TREATMENT PLANT UPGRADE REPORT**

AE2S released the draft wastewater facility upgrade study on September 26 with the full report available on the District website. Comments from Scott Olson were forwarded to Scott Buecker. To move to the next phase, which includes design, surveying and geotechnical work, Edwards has requested a draft contract and scope from Buecker.

Guy Alsentzer reported that he will have a full executive summary from the Waterkeeper organization that he will send to Buecker in early November. Buecker reported that comments have been received from the Gallatin River Task Force and a District property owner. The board will consider all comments. Vice President Reeves would like the option of leaving the District's current treatment level and irrigation as is included in the draft presentation. Buecker recommended a direct contract with TD&H to approve their complete geotech survey proposal at \$48,000. Edwards will work with TD&H on a contract.

The District's special meeting date set for November 27, 8:00 am, is to present the draft. This is not a town hall meeting, but anyone can attend. The next regular board meeting will be on November 20. Peter Manka will call in for the November 27 meeting. President Cronin will not be available for the November 20 meeting.

The draft newsletter prepared by Maria Effertz Hanson was provided in the board packet. Vice President Reeves would like to be included in the weekly meetings with Effertz Hanson.

Buecker stated that the engineering phase is straight forward. He asked the board if the District wants to tackle disposal options. The board will delay making any decisions on disposal options as it has been the best irrigation season on record.

### **CAPITAL IMPROVEMENTS PLAN PROJECTS**

Cascade Wells #5 & #6: Director Manka reported on his meeting with Mark Cunnane in exploring additional water sources on the mountain. Cunnane will put together a rough plan for drilling future wells in the mountain, including the alluvial area. Due to accessibility, Director Wheeler encouraged exploring open space parcels for future well sites. Cunnane will work with Wheeler on the elevation of Boyne's future mountain development. Steve Robbins provided a summary of the phase 1 pilot testing that has been done. They focused on Well #6 as it is a higher producing well. The second phase pilot testing will start next week and focus on well #5. Muscat stated that any new water in the alluvial source will require treatment. Muscat does not want to take any momentum from wells #5 & #6 at this time. (Director DuCuennois left at 9:30 am)

Woodard & Curran will need to further study treatment options for arsenic concentrations in addition to disinfection alternatives, i.e. post-filtration hypochlorite, or UV. Director Manka would like no treatment options taken off the table when testing well #5. Robbins recommended a single treatment option that will handle water from both wells #5 and #6. To be able to make an educated decision, Director Manka would like all three oxidants run on well #5. *Robbins will prepare a set of proposed analysis. Cunnane's study presented in September will be given to Robbins so that they can include that information in their phase 2 testing on well #5.* The board agreed to continue the pilot testing. Director Manka will work with Robbins on his input for phase 2 pilot testing. Based on Robbins final report, the District will need to make decisions on treatment and/or drilling new wells.

### **DISTRICT AGREEMENTS**

Susan Swimley provided legal opinions on the Yellowstone Club Agreement 1) Spanish Peak's Capacity Obligation of 1,000 SFEs and 2) Phase 2 notice of completion. President Cronin wants the District to put in writing its position that SP has 1,000 SFEs. SP's next subdivision submittal will be a denial as the District has already approved capacity of 1,000 SFEs for SP. Director Wheeler would like to know both sides of the debate by receiving SP's legal opinion. Olson plans on submitting two applications in the next two weeks. Olson stated that SP thinks it is a flow-based agreement, not SFEs. SP has measurements coming from the flow meters and in their opinion, they still have capacity. Olson feels there needs to be a resolution and modify the agreement. District staff will be inspecting the Inspiration Point sewer main lines. SP has repaired all leaks in its pond. The District will begin pumping to SP today. *Olson will provide Edwards with SP's total storage available going into the winter.*

The board discussed writing a formal letter to SP on the 1,000 SFEs limit. The board directed Edwards to have legal counsel available for the next meeting to review Olson/SP's submittals.

### **RESORT TAX**

On behalf of the District, Edwards signed the collaborative letter sent to the Resort Tax to support initiating an RFP to hire a consultant to develop a community strategic plan. The RFP has been let and the proposal will be considered at the November resort tax meeting. The District is open to hearing what the community wants and what the community will support for the District. The District's charge is to represent the District's members but will participate in the community strategic plan.

### **DISTRICT ELECTIONS**

With Director Shropshire changing his residency to Helena, he will be eligible for reappointment by Gallatin County. The appointments will be four-year terms.

***Director Reeves moved to authorize Edwards to request the Gallatin and Madison Counties to be reappoint Bill Shropshire and Brian Wheeler to the board, respectively. Director Manka seconded the motion. Motion unanimously passed.***

(Director Wheeler left meeting at 10:50 am)

#### **WASTEWATER IRRIGATION SYSTEMS AND STORAGE**

President Cronin thanked all involved in making the irrigation season successful. The golf course will be blown out this week. Combined, the District's pond volume was drawn down to 19.31 million gallons, leaving 60.69 million gallons capacity for winter storage. *Edwards and Burroughs will work on the volume available going into winter including SP and YC.*

#### **SEWER & WATER PERMITS & CORRESPONDENCE**

The SFEs calculated for new buildings are higher than the original estimate for calculating build out. *Vice President Reeves would like the estimated flow rates for the new SP hotel. Edwards is to get the flows from the Montage Hotel in Park City, UT, a comparable size facility.*

#### **GENERAL CORRESPONDENCE**

There was no general correspondence requiring board action. Eric Austin provided Edwards a copy of Northwestern Energy's substation site correspondence.

Director Wheeler noted the article on the high nitrogen levels measured in the West Fork of the Gallatin River written by the Gallatin River Task Force in the October 12-25, 2018, edition of Explore Big Sky newspaper, was conjecture, not facts. *Director Wheeler wants a reply done on this with monitoring data facts. Burroughs will email the monitoring data to the board. The board wants at least twice monthly monitoring. Director Wheeler wants monitoring prioritized with data monitoring on the monthly board agenda.* Burroughs noted that he has been having an independent lab test the samples. Director Manka volunteered to work on sampling with Burroughs and work towards getting a real time data reader.

#### **NEXT MEETING**

The next Board meeting is tentatively scheduled for Tuesday, November 20, 2018, at 8:00 am. President Cronin will not be available. Vice President Reeves will run the meeting. Director Manka will call in. The special board meeting for presenting the draft WWTP upgrade will be held on November 27, 2018, 8:00 am.

#### **ADJOURNMENT**

***Director Cronin moved to adjourn the meeting at 11:02 am. Director Manka seconded the motion. Motion unanimously passed.***

  
Dick Fast, Secretary