

BIG SKY WATER & SEWER DISTRICT NO. 363

**Regular Meeting Minutes – September 18, 2018**

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, September 18, 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 9:55 am) and Directors Mike DuCuennois (left at 10:30 am), Brian Wheeler, Peter Manka, and William Shropshire. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Peter Bedell, Vince Palafox.

Others present: Scott Buecker, AE2S; Ryan Graf, AE2S/Nexus; Guy Alsentzer, Upper Missouri Waterkeeper; Sarah Gianelli, Explore Big Sky; and Scott Bechtle, Bechtle Architects. Kristin Gardner, Gallatin River Task Force; and Steve Johnson, Big Sky Planning & Zoning, arrived at 8:30 am. Via conference call, Steve Robbins, Woodard & Curran, participated in the discussion on Cascade Wells #5 and #6.

**PUBLIC FORUM**

President Cronin called the meeting to order at 8:05 am without any public comment. Conflict of interest declarations: Packy Cronin has a lawsuit against Loren Bough and Eric Ossario. Brian Wheeler is a Boyne employee. Mike DuCuennois is a representative for Yellowstone Club. There were no issues on the agenda specific to these declarations.

**CONSENT AGENDA**

There were no comments on the consent agenda items.

*Director Reeves moved to approve the consent agenda with the minutes of August 21, 2018. Director Fast seconded the motion. Motion unanimously passed.*

**RATE CONSULTING SERVICES**

Edwards thinks the time has come to have a contracted rate study and asked if there was board support. A rate study will review cost of service and provide an analysis for setting the District's rates. Ryan Graf, AE2S/Nexus financial analyst, reviewed the sewer and water rate work their company offers including an annual utility rate survey that is available for review. AE2S could generally help the District understand rate methodology and develop a fair and equitable rate structure laying out the options to consider, e.g. residential and commercial rates, drought rate, etc. Other items discussed included detailed modeling for rate setting, building conservation into rates to incentivize and not penalize, storm water management, and monitoring grease traps maintenance. The District will begin reviewing its rates in January. Edwards would like rates adjusted by July 1 if warranted. For AE2S to provide the District a cost estimate they would need to know what detailing and support is wanted as they usually charge on an hourly contract. To fund a water and sewer rate study, the District could use reserves, or amend the budget. *The board would like Graf to work with Smith to review the District's in house rate study prior to a new rate study. Edwards will prepare a contract proposal with a not to exceed number. AE2S can accommodate the District's timeframe and Graf will prepare a task outline and associated costs.* The board feels that there is economic value in using AE2S since they are already working on the plant upgrades.

**ORDINANCE 2018-01: RELEASE 100 SFEs FOR PERMITTING (Second Reading)**

Ray Armstrong's, DOWL, letter of September 13, 2018, verified sewer capacity to release an additional 100 SFEs.

***Vice President Reeves moved to approve the second reading of Ordinance 2018-01: Release of 100 SFEs for Permitting. Director Shropshire seconded the motion. Motion unanimously passed.***

***Vice President Reeves moved to approve the third reading and adopt Ordinance 2018-01: Release of 100 SFEs for Permitting based on Ray Armstrong's letter of capacity. Director Manka seconded the motion. Motion unanimously passed.***

### **CAPITAL IMPROVEMENTS PLAN PROJECTS**

**Cascade Wells 5 & 6:** Via conference call, Steve Robbins, Woodard & Curran, reported on their first week of the pilot test for H2S treatment and design development. Initial testing will take about three weeks. Analysis will then be done with District staff. Based on the initial review and analysis, any testing adjustments needed will be made prior to another couple of weeks of testing. The projected finish date is mid to late October. Blue Leaf is trying to be as visually unobtrusive as possible and to be a good neighbor during their work. The project has been a good cooperative effort with Boyne, the District, and the consultants.

Mark Cunnane's, Western Groundwater Services, report on Mountain Wells #5 and #6 Video Log and Pump Testing Report and an updated spreadsheet for the Water System Source Capacity Plan Update were provided in the board packet and are available on the District's website. With the wells being able to pump 400 gpm for short periods of time, Edwards and Muscat would like to use 350 gpm for the production as they feel Cunnane's estimates are very conservative. Future discussion will be needed on the treatment plant. Looking for additional water in the mountain area alluvial water source was discussed. This water source would require treatment. The board *directed Edwards to contact Cunnane to expand his water source capacity on looking at the mountain village alluvial aquifer for additional water source.* Director Wheeler would like higher up areas explored for gravity feed to future expansion. Limiting landscaping needing irrigation was discussed. To meet the goal of additional water source in 2019, President Cronin *directed Edwards to have water source capacity on the monthly agenda.*

**Wastewater Treatment Plant Upgrade:** Scott Buecker's, AE2S, draft report and executive summary should be available September 26<sup>th</sup> for board review. It was noted that the draft is not a document approved by the board and that each page is to be stamp "draft." Guy Alsentzer wants a copy of the draft for review and comment and to also have another outside professional review the draft. *Board members are to individually review the draft document and comment back to Buecker by October 10<sup>th</sup>.* Buecker will have a couple of weeks to review comments and edit the draft. At its October 16<sup>th</sup> meeting, the board will set a special meeting date to review the edited draft. The tentatively scheduled October 4<sup>th</sup> special board meeting was cancelled. Buecker recapped his workshop on the DEQ permitting process, noting that DEQ said it is considering disinfection and filtration of storage pond water prior to its use. Snowmaking is the most nebulous disposal method as DEQ has never approved it and does not have snowmaking standards. Snowmaking takes a lot of infrastructure for the estimated 16 million gallons of disposal. Directors Wheeler and DuCuennois noted that this number is just the start of what snowmaking disposal could be. Director DuCuennois reported that YC will be submitting a snowmaking application for 15 mg this year. Steve Johnson noted that snowmaking did come out of the Solutions Forum and the community should partner in providing proactive support to YC's snowmaking application. Director DuCuennois/YC should not have to work towards DEQ approval on its own. Director Wheeler stated that site selection of the new YC pond should be beneficial for snowmaking. (Secretary Fast left at 9:55 am.)

Buecker reported on Firelight's two alternatives for disposal: 1) take ownership and use the drain field as is with an estimated 8-10 mg additional disposal including irrigation of the green spaces, and 2) do a non-deg analysis and improvements to provide an estimated 30 mg annual disposal.

### **DISTRICT ELECTIONS**

The roster of the elections was reviewed. Director Shropshire would qualify for reappointment if he registers to vote in Helena. Shropshire will review his options and make a decision in November. Director Wheeler is qualified as a Madison county appointment.

### **WASTEWATER IRRIGATION SYSTEMS**

Meadow Village Golf Course Irrigation: Daily flows reduced a couple weeks ago. The big pond is at 3 feet. The SP's new pond is empty and being repaired. SP's upper pond will probably not be drawn down. The District is in good shape for winter storage. To address I&I, Peter Bedell plans on doing I&I TVing next spring when I & I is occurring. A leak was found on the force main pipe line and it has been fixed. *This section of replaced pipe will be saved for inspection.*

### **NEW DEVELOPMENTS & SUBDIVISIONS**

Cascade Tract 2B: Edwards provided the SFE transferring history of Tract 2B. It once had 120 SFEs and now has an allocation of 38.5 SFEs. The 38.5 SFEs fits the old engineering estimates according to acreage. Scott Bechtle, Bechtle Architects, submitted a letter on behalf of the owner requesting approximately 75 SFEs to build 58 units on the parcel. The proposal for requesting additional SFEs is based on their intent to reduce the effluent outflow from the development to 80 gpd per SFEs through the use of grey water recycling and on-site septic disposal to offset the sewer discharge and water demand for the requested additional SFE equivalent. It would be a model towards sustainable solutions for Big Sky. Board approval is needed to move forward with a DEQ submittal for on-site septic and drain field for 2,881 gpd black water treatment. The board discussed precedence setting if a drain field is approved. Director Shropshire stated that, if approved, this is a total repudiation of previous District decisions and precedence would be set on four different things. The board relaxed the use of Table 3.01 in setting maximum capacity for parcels and now considers county allowed zoning density and has also approved remodeling and change of use requests. Steve Johnson noted that zoning is not a great indicator of what should be allowed for development and covenants are not written with zoning in mind. Historical occupancy, how to monitor and limit the proposed flows, and allocating or reallocating SFEs were discussed. The proposed drain field sits on the alluvial aquifer which the District's wells and potential future wells draw from. Although a water reuse system is a great idea with DEQ recognizing its need, it appears that the developer's incentive for their reuse proposal is for doubling its development capacity. It does not save anything; it opens the door for more development. Bechtle did not know if the development would still build a water reuse system if the additional SFEs are denied. The board needs to develop a policy on reviewing requests for additional SFEs recognizing the reuse concept and allowing a credit for it. Recognizing that the board was not open to an on-site septic system, Bechtle asked if the board would approve additional SFEs. Bechtle needs to provide the benefits to the District, e.g. percentage of grey water the project will reuse, and then the board will consider only increasing the SFEs the percentage of the total volume of flushing the toilets. The District is limited by its capacity for treatment, storage and disposal and potable water.

A courtesy copy of Summit View development was sent to the District.

### **DISTRICT AGREEMENTS**

**Yellowstone Club:** *Edwards will send legal counsel the draft easement agreement prepared by Director DuCuennois and Gina Sherman to District legal counsel for review. (Director DuCuennois left at 10:30 am.)*

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

There was a lot of permit activity. The board doesn't need a copy of the routine permit correspondence. Only include correspondence on permits over 5 SFEs.

Spanish Peaks' Inspiration Point lots cannot be connected to the sewer system until the sewer line transfer is complete. Conditional approvals can be issued, but permits will not be approved until the transfer is complete.

### **GENERAL CORRESPONDENCE**

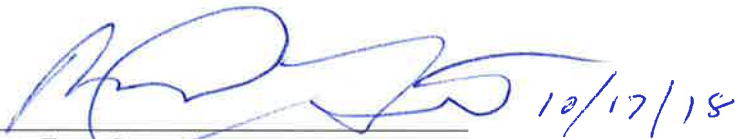
There was no general correspondence requiring board action.

### **NEXT MEETING**

The next Board meeting is tentatively scheduled for Tuesday, October 16, 2018, at 8:00 am. Director Shropshire will not be available. The board cancelled the special meeting originally scheduled for October 4. It will be rescheduled for a date in November at the board's October meeting.

### **ADJOURNMENT**

*Director Manka moved to adjourn the meeting at 11:45 am. President Cronin seconded the motion. Motion unanimously passed.*

  
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Dick Fast, Secretary

9-18-18. min (Board Approved 10/16/18)