

BIG SKY WATER & SEWER DISTRICT NO. 363

**Regular Meeting Minutes – April 16, 2019**

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, April 16, 2019, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Secretary Dick Fast, Treasurer Peter Manka, and Directors Mike DuCuennois, Brian Wheeler, and William Shropshire. Vice-President Tom Reeves participated via GoToMeeting. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Vince Palafox, Jake Porter.

Others present: Steve Johnson, Buz Davis, and Daniel Bierschwale, Big Sky Resort Area District; Jon Olsen, Lone Mountain Land Company; Scott Olson, Big Sky resident; Valerie Bednarski, Gallatin River Task Force; Stacey Hellekson, Woodard & Curran; Scott Buecker, AE2S; Ryan Hamilton and Rick Simkins, Town Center; and Jana Bounds, Lone Peak Lookout. Via GoToMeeting: Ryan Graf, AE2S, participated in the discussion on rates from 8:00-8:20 am.

**PUBLIC FORUM**

President Cronin called the meeting to order at 7:59 am with no public comment. Conflict of interest declarations: Mike DuCuennois is a representative for Yellowstone Club. Brian Wheeler is an employee of Big Sky Resort/Boyne. Packy Cronin has a lawsuit with Eric Ossario and Lauren Bough. Frank Kern has opted out on purchasing Cronin's Blue Grouse lots.

**CONSENT AGENDA**

No comments were received on the minutes, or water operations. With approving the consent agenda, the preliminary budget will not be approved. To satisfy the point of delivery for treated wastewater quality, Burroughs reported that a pellet chlorination system will be used on water pumped to Spanish Peaks (SP) and Yellowstone Club (YC). For the Big Sky golf course, Burroughs plans on chlorinating that water as it leaves the filter building. Director DuCuennois reported that YC is pulling samples now and will also pull samples once the chlorination is on line. Jon Olson reported that both SP ponds are full. Director Wheeler noted a 20% decrease in flows from last year and questioned the discrepancy in water production and decreased flows. Burroughs will be calibrating the treatment plant meters to verify accuracy of flows. *The board asked for a monthly report of storage capacity available in all the ponds (YC, SP, and District). Well use, flows and disposal need to be tracked.*

***Director Shroshire moved to approve the consent agenda with the minutes of March 19, 2019. Secretary Fast seconded the motion. Motion unanimously passed.***

**SEWER & WATER RATES**

To assist the District in reviewing its sewer and water rates, Ryan Graf, AE2S, provided an update on the work he is doing on the rate model that uses cost of service analysis (COSA). The long term capital improvement plans will be incorporated into the rate model. *Graf will provide a preliminary summary with rate classifications for the May board meeting.* Under the commercial class, the board would like food service as its own class. As historically done with rate increases, a rate hearing for amending the rate ordinance would be required. A rate resolution would not require three readings. A rate can be adopted for the budget and then later amended if needed. The Tischler Bise rate study was briefly reviewed. Graf explained the District's ability to set rates using a forward looking analysis. President Cronin wants the District to proceed cautiously and to give rate payers time for review and comment. Smith reported that the District is currently operating at a loss in both the water and sewer services. Staffing added to the water department costs and another sewer operator needs to be added.

### **USGS STREAM GAGING STATION CONTRACT & MOU**

The Gallatin River Task Force (GRTF) requested that the District, which is a taxing authority, contract with USGS for stream gaging to meet GRTF's cost share funding. The gage will be on the main stem of the Gallatin River. Scott Buecker would prefer the gage be upstream of the Westfork as it would be beneficial if the District pursues a discharge permit. A memorandum of understanding between the District and GRTF was presented that stipulates all financial and operations are GRTF's responsibility. The only future obligation to the District is if the GRTF no longer funds the gaging station and the District wants the monitoring to continue.

***Director Shropshire moved to approve the amended MOU with GRTF as prepared by legal counsel. Secretary Fast seconded the motion. Motion unanimously passed.***

### **ORDINANCE 19-1001 (First Reading)**

The District has 30.2 SFEs remaining for sewer permits. The Ordinance is written to release 100 new SFEs. Edwards recommended increasing the release to 200 SFEs to get it through the year. The District does not have an engineer's letter on current capacity.

***Director DuCuenois moved to approve the first reading of Ordinance 19-1001 with the addition of another 100 SFEs for the second reading. Director Manka seconded the motion. Motion unanimously passed.***

### **CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE**

Cascade Wells 5 & 6: Steve Robbins, Woodard Curran, is working on the option of chlorination costs. In the spring Mark Cunnane will be doing well exploration for better water sources on the mountain.

Wastewater Treatment Plant Upgrade: Edwards and Burroughs reported on their tour of a couple of California plants that uses the MBR treatment system the District will be using. Scott Buecker, AE2S, discussed siting the new headworks and MBR facilities using the newly acquired land. This will facilitate keeping the plant on line during construction. The overall schedule is for breaking ground in spring in 2021. This year delay will allow for the District to apply for TCEP funding of \$750,000. Buecker presented two alternatives for Phase 2 future expansion. Buecker asked the board to consider building new process basins south of the new headworks facility and move the digesters. Conceptual level cost estimates of constructing new process basins in Phase 1 were reviewed. Acquiring the land to the west has created an opportunity for designing a more efficient treatment plant design for future growth. The board and community members in attendance supported Buecker's redesign concept as it consolidates operations and gives the District the most options for future growth. Edwards will continue to work with Buecker on the modified design. *Buecker will rework the cost estimates for both Phases 1 and 2 and present the final numbers at the May meeting along with the indirect use hydrogeology study will be presented at the May meeting.*

Edwards reviewed the history of the one-time, long-term resort tax funding the District received in 1996 for 16 years. Steve Johnson reported that resort tax legal counsel is looking into long-term project funding. Their intent is to present the voters a 1% resort tax increase for specific projects. Buecker will provide capital cost estimates for a resort tax funding request for treatment plant upgrades that will benefit rate payers. Buecker explained that MBR procurement is being done now for holding contract figures that are needed for the capital costs. Engineering design is more efficient and cost effective working with one manufacturer.

With the redesign of the treatment plant, Steve Johnson suggested the District consider helping the canyon solve its sewer treatment and disposal issues. Edwards is working on a letter to the county on how storm water is managed for the treatment plant.

#### **DEVELOPMENTS AND SUBDIVISIONS**

Montana Club Phase 2: District staff met with Gaston Engineering prior to the subdivision submittal being sent to DEQ for review and approval.

#### **DISTRICT AGREEMENTS**

Yellowstone Club (Spanish Peaks): Jon Olsen reported that the summary document from Alex Iskadian outlining what the committee talked about as requested at the March 19, 2019, board meeting should be available soon. The District is also waiting for the numbers from the Montage Deer Valley facility. *President Cronin asked Edwards to prepare a summary of the SFEs that have been moved out of Exhibit F.*

#### **2019 LEGISLATIVE SESSION**

Senate Bill 241, the 1% resort tax increase, passed the legislature and is waiting for signature by the governor to sign it into law.

#### **RESORT TAX**

Edwards is waiting on numbers from Mark Cunnane on the fate & transport study. The Q&A this year will have questions in advance to the applicant.

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

There are 30.2 SFEs available for permitting.

#### **NEW DEVELOPMENTS AND SUBDIVISIONS**

No new developments to report.

#### **GENERAL CORRESPONDENCE**

There was no general correspondence requiring board action. For community public meetings not involving District issues, there can be more than three board members in attendance as long as no District business is being discussed. .

#### **NEXT MEETING**

The next regular Board meeting is tentatively scheduled for Tuesday, May 21, 2019, at 8:00 am. Shropshire will participate via conference call. Edwards asked if the board wants to have a budget committee of Dick Fast and Tom Reeves for reviewing the draft FY 2019-2020 budget.

#### **ADJOURNMENT**

*Vice President Fast moved to adjourn the meeting at 10:08 am. Director Shropshire seconded the motion. Motion unanimously passed.*

  
Dick Fast, Secretary