

BIG SKY WATER & SEWER DISTRICT NO. 363

Regular Meeting Minutes – February 19, 2019

WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, February 19, 2019, in the WSD Community Room. President Packy Cronin called the meeting to order with the following board members present: Secretary-Treasurer Dick Fast and Directors Mike DuCuennois, Brian Wheeler, William Shropshire, and Peter Manka (left at 10:45 am). Director Vice-President Tom Reeves participated via conference call. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, and Peter Bedell.

Others present: Jon Olsen, Lone Mountain Land Company; Steve Johnson and Buz Davis, Big Sky Resort Area District; Martin Johnson, HRDC; Laura Seyfang, Big Sky Community Housing Trust/HRDC; Stacey Hellerson, Woodard & Curran; Brent Campbell, WGM Group; Mary Ann Comstock, District property owner; R J Klotz, Big Sky Chamber; Guy Alsentzer, Missouri River Water Keepers; Bay Stephens, Explore/Outlook Big Sky; Jana Bounds, Lone Peak Lookout; and Kristin Gardner, Gallatin River Task Force. Participating via conference call: Steve Robbins, Woodard & Curran and Scott Buecker, AE2S.

PUBLIC FORUM

President Cronin called the meeting to order at 8:00 am. Public comment was taken on non-agenda items. Steve Johnson updated the board on the SB241, the 1% resort tax increase bill and requested a letter of support from the District. Responding to Buz Davis's inquiry, Edwards provided the history of the District's plant investment charge and why it was reduced after the Tischler Bise rate study.

Conflict of interest declarations: Brian Wheeler no longer has an interest in the Meadowview Condominium development and is an employee of Big Sky Resort/Boyne. Mike DuCuennois is a representative for Yellowstone Club.

CONSENT AGENDA

Minutes: As a follow up to the January 22, 2019, meeting, Burroughs has ordered a secondary meter to measure flow to the plant. The District will also be cross checking the flows with water use.

Director Wheeler moved to approve the consent agenda with the minutes of January 22, 2019 as written. Secretary Fast seconded the motion. Motion unanimously passed.

SPANISH PEAKS LODGE REQUEST FOR CONNECTION PERMIT EXTENSION

Lone Mountain Land Company requested an extension for sewer conveyance and connection for the Spanish Peaks Lodge to March 30, 2021. Jon Olsen verified that the Lodge will be completed fall of 2021. The sewer mains and service connections will be completed by September 2020. Permit fees for 277.85 SFEs were paid with the permit that expires on March 30, 2019. The board discussed the request.

Director Shropshire moved to approve the extension for sewer service connection for Spanish Peaks Lodge to March 30, 2021, as requested. Director Manka seconded the motion. Motion unanimously passed.

ELECTION OF OFFICERS

Secretary-Treasurer Dick Fast would like the position split. All officers agreed to continue serving in their current positions with Peter Manka volunteering to serve as Treasurer.

Director Shropshire moved to elect the current slate of officers and Peter Manka as Treasurer. Secretary Fast seconded the motion. Officers are: Packy Cronin, President; Tom Reeves, Vice President; Dick Fast, Secretary; and Peter Manka, Treasurer. Motion unanimously passed.

MEADOWVIEW CONDOS BUILD OUT

Sweetgrass Hills, Tract 2, Meadowview Condominiums has an allocation of 36.3 SFEs after many reallocations. The new developer, HRDC, is requesting 1.66 additional SFEs as it needs 37.96 SFEs for the 52 units for full build-out. Phase 1 is being permitted at 13.74 SFEs and Phase 2 needs 24.22 SFEs. Laura Seyfang confirmed that the plans will not change for Phase 2.

Director DuCuennois moved to approve the increase of 1.66 SFEs for Tract 2 as the original intent of the subdivision is unchanged. Secretary Fast seconded the motion. Discussion. HRDC is not requesting any financial relief from the connection fees. Motion unanimously passed. Director Wheeler abstained.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

Cascade Wells 5 & 6: The board discussed the two treatment options and estimated costs presented by Steve Robbins, Woodard & Curran. Carus Corporation will provide a cost estimate for a pilot test to use permanganate to treat the water in well 6 for arsenic. Edwards would like Blue Leaf to do the pilot testing if the District goes forward with exploring this treatment. Muscat noted that well exploration this summer may reduce, or eliminate, the need for well 6 or its treatment. *The treatment options will be on the March agenda as additional information will be provided by Woodard & Curren and Carus Corporation.* Director DuCuennois reported that YC does not have any current plans to develop a new water source on Andesite Mountain.

Wastewater Treatment Plant Upgrade: Participating via GoTo meeting, Scott Buecker, AE2S, gave a brief update. Buecker also recorded the last 25 minutes of his presentation material from the November 27th meeting and offered to present it to a live audience. Edwards reported that the District applied to be on the SRF loan wastewater project priority list. AE2S is on track with design work and the preliminary engineering draft will be ready in the next couple of weeks. Once a vendor for the MBR equipment is selected, the 50% drawings can be completed. Director Manka has not received any responses from the conservation groups he contacted for input on Phase I. Guy Alzenter reported that since the confusion they had on Phases I and II has been cleared up, the environmental groups now do not have any problems with Phase I. Alzenter said that they would like other water quality technologies explored for dual water use where treated wastewater can be used as an additional long-term potable water supply. The Board discussed the need for a fate and transport study. *The board asked Buecker to prepare a proposal for the March board meeting for review and approval for an April 29th resort tax submittal for infrastructure support.* Edwards will work with Buecker and Mark Cunnane on contracts and RFPs for competitive bids if required. In response to Mary Ann Comstock's inquiry on potable water use for irrigation, residential winter average water use is approximately 3,000 gallons per month and about 10,000 gallons per month in the summer. Comstock would like to see expansion of purple pipe for reuse. It was noted that the board does have the ability to completely restrict summer irrigation.

Staff will be at the Rural Water Conference this week.

DEVELOPMENTS AND SUBDIVISIONS

Big Sky Community Organization: The common boundary realignment was completed by Meridian Land Surveying with a draft copy of the certificate of survey in the board packet. *Buecker will review the draft copy.* For long term planning, the land acquisition is helpful. It was noted that COSA (certificate of subdivision approval) was requested by Gallatin County.

Alpenglow Condos Tract: There is a new owner for build out of the Alpenglow project.

Westfork Meadows: The laundry building is on the market and will probably sell for multi-family development. Edwards reviewed his SFE analysis he did in 2014 for the lot, and the 1982 Westfork Meadows agreement that stipulated capacity in the amount of 48,000 gallons per day for 800 people. The lot has an old well which can be grandfathered but metering would be required for any rebuilds or any new development. *As requested by the board, Edwards will get legal counsel's opinion on replacement development in Westfork Meadows. The board would like to see the current flow numbers from Westfork Meadows.*

DISTRICT AGREEMENTS- YELLOWSTONE CLUB AGREEMENT

Mountain Water: The 2010 agreement with Boyne for their snowmaking needs to be renegotiated because Cascade wells 5 and 6 are not capable of producing what was originally estimated, and plans to split the mountain water supply. Discussed moving Boyne's water use to well 3 near Lake Condos. Edwards reviewed his estimated calculations of what is being pumped into Lake Lavinsky and its impact on the lake when Boyne uses the wells. *With the complexity of the issue, the board appointed a subcommittee of Director DuCuennois and Jim Muscat to meet with Boyne representative Taylor Middleton on the agreement, water rights, and water use and to come up with solutions.*

Spanish Peaks Development: The February 12, 2019, subcommittee meeting minutes were reviewed. Based on annual use in the Summit Hotel going back to 2010, meter data shows approximately 65 gallons per day (gpd) per SFE. Since January 15, 2019, average use is well over 100 gpd per SFE. Jon Olsen reported that that SP is 40-45 gpd today. Director Wheeler reviewed the correlation with occupancy and gpd. The subcommittee and Alex Iskadarian, YC/SP representative, discussed remedies and checks and balances if allowed gpd were exceeded. The board discussed capping SFEs per lot to prevent SP from running out of SFEs, remedies needed to deter SP from exceeding 42,500,000 gpy, monetary damages not being an effective remedy, and service commitment with capacity letters. Not including the hotel, approximately 20-25% of SP is built with 135 permits issued. SP has hired Eric Blanksma, Morrison-Maierele, to do an in-depth look at SP's flow data to develop a monitoring plan. The board wants improved and consistent monitoring with periodic review of the SP data along with data from other areas like Town Center and Westfork Meadows that also have a service agreement tied to gallons. *(Director Manka left the meeting at 10:45.)* The subcommittee will meet before the March board meeting. *At its March meeting, the board will discuss remedies that could include additional disposal and storage requirements if SP exceeds 42,500,000 gpy.*

NEW DEVELOPMENTS & SUBDIVISIONS

Montana Club: Haystack Development is preparing a subdivision application for Phase II which consists of 27 lots and tracts, 1 utility lot, and 1 operations and maintenance tract.

2019 LEGISLATIVE SESSION

HB447 Create Grievance Committee: Edwards reported on House Bill 447 that would create a grievance committee for water and sewer districts. Susan Swimley also weighted in that this bill is a bad idea.

SB241 1% Resort Tax Increase for Infrastructure: Through a poll by President Cronin, the majority of the board agreed and directed Edwards to write a letter of support on behalf of the District as requested by Steve Johnson and supported by Buz Davis and Edwards.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

Wireless Internet Tower: ATNI, a wireless internet company investigating the installation of an 80-foot tower for wireless communication in Big Sky, contacted the District about leasing a 50' x 50' area on the Cascade 1.5 million gallon tank site. As proposed, staff were not receptive of the terms and covenants probably would not allow the tower. No board action was required.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, March 19, 2019, at 8:00 am.

ADJOURNMENT

Director Wheeler moved to adjourn the meeting at 11:30 am. Secretary Fast seconded the motion. Motion unanimously passed.

 4/16/19
Dick Fast, Secretary

2-19-19. min (Board Approved 3/19/19)