

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – July 16, 2019
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, July 16, 2019, 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, Treasurer Peter Manka, and Directors Mike DuCuennois, and Brian Wheeler. Director William Shropshire was not present. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Grant Burroughs, Peter Bedell, Vince Palafox, and Jake Porter.

Others present: Scott Buecker, AE2S; Steve Johnson, Big Sky Resort Area District; Hugh Long, Deb Rozesek and Beth Mannebach, Lone Moose Meadows Unit Owners Association; Mark Cunnane, Western Groundwater Services; Bay Stephens, Explore Big Sky; Jana Bounds, Lone Peak Lookout; Eddie Starz, Big Sky Resort; Valerie Bednarski, Gallatin River Task Force; Rick Simkins, Town Center; Guy Alsentzer, Upper Missouri Waterkeeper; and Candace Strauss, Big Sky Chamber/Visit Big Sky. Ryan Graf and Miranda Kleven, AE2S, participated via conference call for the discussion on the sewer and water system rate study.

PUBLIC FORUM

President Cronin called the meeting to order at 8:00 am. There was no public comment. No conflicts of interests were declared by board members. Director Mike DuCuennois has resolved his ownership interest and is eligible to serve on the board. Brian Wheeler is an employee of Big Sky Resort/Boyne.

CONSENT AGENDA

Minutes: Syntax corrections were made by Secretary Fast. Financials: No comments.

Sewer Operations: Burroughs reported was distributed. The chlorination system was installed at pump station 1 for water that will be sent to Spanish Peaks, or Yellowstone Club. Chlorination injection for other irrigation areas will also be completed this summer. Burroughs is pulling samples for E. coli bacteria. Pond volumes are about where we were at this time last year.

Water Operations: Due to perpetual spring flooding of the Lone Moose pump house Jim Muscat and Vince Palafox have been working on bringing it up to grade; where it should have been when originally built. The two wells at Lone Moose are very low producing with the existing development being supplied with additional water from the mountain wells.

Director Reeves moved to approve the consent agenda with the corrected minutes of June 18, 2019, and directed the general manager to have his manager's report distributed in the paper board packet the Friday prior to the meeting. Director Fast seconded the motion. Motion unanimously passed.

MOUNTAIN VILLAGE WELL EXPLORATION

Mark Cunnane reviewed his preliminary report that identified three potential test well sites for evaluating additional water supply on the mountain. This report follows up the source capacity plan. The test site near the Cascade tank was identified due to its proximity to existing infrastructure with potential long-term savings on reduced pumping costs and water supply. Director Wheeler stated that moving forward to use Boyne property now would be more proactive. Using the privately owned residential lot would be more involved. Cunnane reported that with board approval he could get the bids out and have a driller on site within a month. Board members supported finding out what water production is on the most northern site by the tank. The board would like any easements worked out with Boyne. Wheeler stated that option agreements with Boyne will take about 4 months. It was suggested to move forward with

drilling the test well at the tank and work on the easements for the other two sites. Edwards recommended board authorization to drill the test site at the tank.

Director DuCuennois moved to approve the drilling site by the tank and move forward to get permission from Boyne to drill further north. Motion died due to a lack of a second.

Muscat would like to get the test well done on the privately owned lot. Director Wheeler reported that drilling on the residential property would be more cumbersome and require Big Sky Architectural review and approval. Wheeler confirmed access for a test well on Boyne's property, but not allowing an easement without going through Boyne's review and approval process that routinely takes four months. Cunnane also looked at other sites in the mountain village area for additional water sources.

Vice President Reeves moved to authorize the general manager to begin the test drilling at the Cascade tank site as discussed by Mark Cunnane and to negotiate a short term access on the Boyne property. Director DuCuennois seconded the motion. Discussion involved other potential test sites. Motion passed. Director Wheeler abstained.

Treasurer Manka moved to proceed with exploratory drilling at two sites in the Mountain Village area that is to be funded as secondary priority to the three test wells already discussed and approved to be drilled in the earlier motion by Vice President Reeves. Director DuCuennois seconded motion. Discussion. Muscat explained how the mountain water system works. Our priority is additional water supply for the upper Cascade area. Director Wheeler wants to explore data relating to the Lone Moose exploratory test wells for potential additional water supply. Motion passed. Director Wheeler abstained.

For a future meeting, the board wants to review the Elk Park/Lone Moose area exploratory test wells logs and a report on what was done.

AMEND AGENDA

Director Reeves moved to amend the agenda to move Scott Buecker's presentation up next. Motion seconded and unanimously passed.

CAPITAL IMPROVEMENTS PLAN PROJECTS: WWTP UPGRADE

Scott Buecker provided an update on the wastewater treatment plant upgrade project. The state has already issued a loan forgiveness on SRF funding. *Edwards will get clarification on how the funding can be used and capture this SRF funding.* Director DuCuennois thought the District put the responsibility on Firelight to complete the fate and transport study. Edwards explained the allocation of resort tax funding could be used for this study. The site visit done with board and staff resulted in a reconfiguration of the site. Director Manka has discussed landscape screening of the facility with Big Sky Community Corporation. The board agreed that it makes sense to involve a landscape architect in the design process. Buecker recommended awarding the MBR contract to Evoqua.

Treasurer Manka moved to approved Evoqua for the MBR procurement as recommended by Scott Buecker. Vice President Reeves seconded the motion. Discussion. Motion unanimously passed.

Vice President Reeves moved to approve the site plan as presented by Scott Buecker. Director DuCuennois seconded the motion. Discussion. Manka qualified his vote as he wants the

District to ensure the aesthetic impacts to the community park are considered as part of the design process. Motion unanimously passed.

Buecker requested a \$62,500 amendment to the AE2S contract for increased costs for project management such as a presentation to the resort tax board, force main extension work, and cost comparison of pumping water. Additionally, Ryan Graf confirmed that \$33,168 is for the plant investment charge rate study. The board asked that AE2S account for these costs separately from the contract costs.

Treasurer Manka moved to approve the potable reuse study as proposed. Director DuCuennois seconded the motion. Motion unanimously passed.

With Firelight Meadows, the board would like further discussion with the utility company. Westfork Utilities is in a rate hearing process for fund fixing the problems they are having. Buecker recommended a study prior to the District considering use of the Firelight Meadows drain field for disposal. It was asked if the District has approval from the utility company to do the fate and transport study. The District could also study the margins of the drain field with test wells. *The board directed Edwards is to have the utility company attend a board meeting to present their goals.*

Director Reeves moved that the general manager to begin discussions with the private Westfork Utility Company and Firelight HOA and to report to the board at the next meeting. The fate and transport study is contingent on information from the utility company and owners association. This is to be on the agenda for the next meeting. Motion died due to a lack of second.

Director Reeves moved to break the fate and transport study into two phases and to begin with phase one with having Mark Cunnane proceed with two monitoring test wells on the margins of the Firelight Meadows drain fields. Director DuCuennois seconded the motion. Motion unanimously passed. Edwards is to still bring Westfork Utilities into the discussion.

The board will continue to work towards multi-faceted disposal.

SEWER & WATER SYSTEM RATES

With the goal to target reduction in single family 3rd quarter usage and irrigation usage, and to correct the cost of service disparity, Ryan Graf and Miranda Kleven presented the draft sewer and water rate analysis. Reviewing the cost of services analysis included looking at tier structures and rates, user classes, and conservation incentives. Director Reeves questioned the use of single family median and factoring in unoccupied homes. He does not want full time residents to be penalized because they use water every quarter. The current first tier of 0-60,000 gallons does not capture the higher use. Three alternatives were presented for water system tiered rate design and cost per 1,000 gallons. Alternative 4 was preferred by AE2S and the board as it does the best job of correcting cost of service disparity that exists with the District's current rate structure. Bill comparisons were provided for the three alternatives. A mock billing to the District customers would show how a change in the rate structure would affect them. Changing the rates would require a rate hearing. The board agreed to Alternative 4 with the recommendation of tweaking the tiers as noted by Director Fast. *The proposed rates will be presented at the August meeting along with a list of the top 20 water users and their use at the next meeting.* Graf also presented the affects to the sewer rate system from a change on the water rate change. The board recommended flow based and to look at high strength user class.

The next step is to present the rate change at the August meeting. *Graf will provide more detail on the rate of the wholesale water.*

OLD DEVELOPMENTS AND SUBDIVISIONS

Edwards reviewed the sewer capacity letters written for Spanish Peaks Resort Phase 3C for Section 33 and Section 4 and for the Town Center sewer and water main extensions in Section 1.

DISTRICT AGREEMENTS

Yellowstone Club: The YC's Design Report prepared by Morrison Maierle for the expansion of the North Storage Pond (Pond #2) was provided in the board packet. Director DuCuennois explained YC's need to expand its current pond volume by 20 million gallons so as to cut down on the excavation that would be needed for a new pond. The board thought the idea was good. Director DuCuennois reported that YC will be going forward with the Montana department of Environmental Quality approval for pond expansion. They are holding off on the snow making pond until data on water quality on Phase 1 WWTP upgrades is available.

NEW DEVELOPMENTS AND SUBDIVISIONS

TD&H Engineering submitted an application to Montana Department of Environmental Quality for development of Town Center, Block 6, Lot 1 for residential development.

SEWER & WATER PERMITS & CORRESPONDENCE

A new permit for 32.13 SFEs was submitted on Friday afternoon for TC Building 3, LLC, for a three story mixed-use building in Town Center, Block 4, Lot 1. Staff have not reviewed the application to verify the SFEs requested. *The board directed Edwards to have Ray Armstrong review our overall SFE capacity.*

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

The Big Sky Owner's Association meeting is August 30 at 3:00 pm.

NEXT MEETING

The next Board meeting is tentatively scheduled for Tuesday, August 20, 2019, at 8:00 am. Secretary Fast and Director Manka will not be available.

ADJOURNMENT

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

 8/20/19
Dick Fast, Secretary