

BIG SKY WATER & SEWER DISTRICT NO. 363
Regular Meeting Minutes – October 15, 2019
WSD Community Room

The Big Sky County Water & Sewer District No. 363 held a regular meeting on Tuesday, October 15, 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, and Directors Mike DuCuennois, and Brian Wheeler. Director William Shropshire participated via conference. Director Peter Manka participated via conference call. WSD staff present: Ron Edwards, Marlene Kennedy, Terry Smith, Jim Muscat, Peter Bedell, Vince Palafox, and Jake Porter.

Others present: Steve Johnson, Big Sky Planning & Zoning/Big Sky Resort Area District; Jon Olsen, Lone Mountain Land; Jana Bounds, Lone Peak Lookout; Doug Hare, Explore Big Sky; Scott Buecker, Donovan Voeller, and Brian Viall, AE2S; Rick Simkins, Town Center; Laura Seyfang, Human Resource Development Council/BSCHT; Kristen Gardener and Stefanee Lucksley, Gallatin River Task Force; Suzan Scott, Big Sky Owners Association and John Mizelle, Alpha Telecom Consulting Services.

PUBLIC FORUM

President Cronin called the meeting to order at 8:00 am asking for public comment on non-agenda items. Steve Johnson asked that resort tax be moved up on the agenda if it requires his input. Conflict of interest declarations: There were no conflicts of interest stated.

CONSENT AGENDA

There was a typographical correction to the September 17, 2019, minutes. There were no comments on the financials, sewer operations and water operations.

Secretary Fast moved to approve the consent agenda with the corrected minutes of September 17, 2019. Director Reeves seconded the motion. Motion unanimously passed.

DISTRICT ORDINANCE 19-1002: RELEASE 200 SFES (First Reading)

Ray Armstrong's capacity review letter was presented. According to Armstrong, the current plant has capacity for 7,000 SFEs without upgrades, which leaves 800 SFEs for permitting. The board discussed the analysis of full capacity. The board will authorize 400 SFEs now and have Armstrong review capacity again before releasing additional SFEs. Armstrong is retiring at the end of October but will be available to the District for this type of analysis review. If Armstrong is not available in the future, the District will shift the SFE capacity analysis to AE2S.

Vice President Reeves moved to approve the first, second and third reading and adopt Ordinance 19-1002: Release of 400 SFES. Director DuCuennois seconded the motion. Edwards will add the exact number of SFES used into the ordinance. Discussion. Director DuCuennois wants the District to think about expediting the plant improvements. Motion unanimously passed.

SEWER & WATER PERMITS & CORRESPONDENCE

The permit application for 50.82 SFEs for DL2's condominium project requires board approval.

Vice President Reeves moved to approve the 50.82 SFES for DL2, LL (Romney) sewer permit application for 13 duplexes in Town Center, Block 6, Lot 1. Director Wheeler seconded the motion. Staff will review the main extensions. Motion unanimously approved.

AMEND AGENDA

Vice President Reeves moved to amend the agenda to discuss resort tax to provide for Steve Johnson's participation in the discussion. Secretary Fast seconded the motion. Motion unanimously approved.

RESORT TAX

Scott Buecker and Terry Smith represented the District at the October 9th resort tax meeting. Kevin Germain and Steve Johnson were appointed to a subcommittee with the goal to map a legal path to have wastewater improvements/projects funded with resort tax. District subcommittee representatives are Directors Reeves and DuCuennois along with Ron Edwards and Terry Smith. The forum with the subcommittee is to help facilitate discussion and make it all work. The draft Big Sky Vision and Strategy Project, which is available today, did not show wastewater high up on the project list. Steve Johnson stated that there is still time to comment on the visioning project as the final report will not be completed until the end of the year. Johnson was asked if the results of the visioning project will dictate the resort tax board's funding decision making. Johnson stated that the resort tax board will value the community's input. There is an opportunity for the resort tax board and WSD to discuss the 1% infrastructure resort tax that will require a community vote. The termination clause in the 1% tax was discussed. Johnson thinks that with the resort tax's responsibilities across the community, affordable housing needs to be addressed which will include housing in the canyon which should have a central wastewater treatment system. Director Wheeler stated that with the biggest obstacle for affordable housing being water and sewer availability, the District needs to prioritize growth. Scott Buecker reviewed the preliminary schedule with the upgraded plant being online by September 2022. Buecker wants the District to move forward with the 1% infrastructure tax as it is project specific and to also pursue the 3% resort tax funding for other District needs. The resort tax thinks a mail ballot election can be done at any time for the 1% infrastructure resort tax. To meet the District's August 2020 deadline for final bond note, the board discussed the necessity of having funding (i.e. resort tax, GEO bond, revenue bond) in place before proceeding. The District needs to communicate to resort tax and dovetail the District's needs with resort tax funding as it needs decisions by December. Edwards recommended using Dan Semmens, Dorsey Whitney, as bond counsel. The appropriations schedule was discussed. Johnson reported that the resort tax will not consider a long-term commitment like what was previously done with the District. President Cronin feels that the District should make an application for resort tax funding in June for projects it needs.

CAPITAL IMPROVEMENTS PLAN PROJECTS UPDATE

WWTP Upgrade: Scott Buecker's report was in the board packet. AE2S will have better 3-D modeling of the site layouts available. The board needs to consider fencing aesthetics. Buecker recommended that the funding subcommittee also be the wastewater subcommittee. To complete the MBR contract, Edwards will talk to Swimley this week on keeping the communication line open with the vendor's attorney. For monitoring funding, Edwards added a WWTP contract summary table to his report. Buecker asked the board for approval to move forward with the contract for the study on the use of Firelight Meadows's drain field for additional disposal through recharge. Firelight needs to give its approval to the District to study its drain field before the board can approve a contract. Ultimately the District needs to protect its water supply through this analysis. *Edwards will meet with Firelight this week to find out the potential of connecting Firelight to the District and to get approval to get a core sample of their drain field too determine if there is value to the District in moving forward in using Firelight's drain field. Edwards will meet with Firelight's attorney, Alana Griffith, on October 22.*

Mountain Well Exploration: Two exploratory wells were drilled where water was found. The site by the tank only produced 40 gpm. The Energy Lab results do not show arsenic. At this point, the preliminary results do not show much iron. Additional testing with draw down logging will be done within the next couple of week.

CRAIL RANCH GARDEN PROJECT

Edwards briefly reviewed the Crail Ranch native demonstration garden project. The District will keep data on its metered water use.

DEVELOPMENTS AND SUBDIVISIONS

Firelight Meadows: Already discussed early in the meeting.

Sweetgrass Hills, Tract A1: Scott Altman has completed the main extension for future development.

DISTRICT AGREEMENTS

YC/Spanish Peaks: YC is responding to DEQ comments regarding their storage pond expansion. They are in design.

FINANCE RATE HEARING SCHEDULE

The rate hearing is Tuesday, October 22, 2019, 8:30 am. A mailer notification was sent to District property owners. The board can pass the rate after the hearing, or wait until its next regular meeting.

NEW DEVELOPMENTS AND SUBDIVISIONS

A capacity letter was written for the community center in Town Center, Block 5, Lot G. The sewer line has to be rerouted out of Lot G.

CELL TOWER PROPOSAL

John Mizelle, Alpha Telecom Consulting Services, asked the District to lease ground at the Cascade water tank site for a cell tower. A copy of the written request and proposed contract with Tower Ventures LLC was provided in the board packet. The proposed rent is \$1,500 per month for a maximum of ten five-year terms to be renewed automatically. The tree like tower would have to be compounded (fenced) in a 25-foot square area if the equipment is above ground. It is possible that a generator will be connected. Suzan Scott reported that the property is under BSAA jurisdiction where the tower height, access, and aesthetics for neighboring property could be possible problems. With covenant height restrictions in Cascade Subdivision at 28 feet, the cell tower height needs to be considered. WSD would need to submit an application into BSAC. BSAC would notify neighboring property owners of the project. Benefits such as lease income for the District and greater cell service for the community were discussed. The tower would give Moonlight area about 75% cell coverage. The board does not want the District to spend a lot of time on this. John Mizelle, Alpha Telecom, would need to fill out the application and have the District sign it. *The board would like to see a more detailed site plan before making a decision.* Director Wheeler would like a team put together for finding a location on Andesite Mountain. Mizelle stated that the Cascade site is needed for community cell coverage. The District will need to do more due diligence. The board could be open to signing a lease if all other entities are in agreement and it does not impede the District in its operations. *Muscat and Mizelle will walk the site.*

NORTHWESTERN ENERGY LAND ACQUISITION

The District needs to look at purchasing the old substation site in Sweetgrass Hills for a future water tank site. Edwards and Muscat have talked with Northwestern Energy. NEW is receptive, but Edwards does not know what compensation would be needed. The District needs to review what is legally allowed on the site. Muscat reported that the existing tank is near its end of life cycle and it would be a big win for the community. He recommended proceeding with acquiring the parcel. The board agreed with staff doing its due diligence and to work with BSOA.

GENERAL CORRESPONDENCE

There was no general correspondence requiring board action.

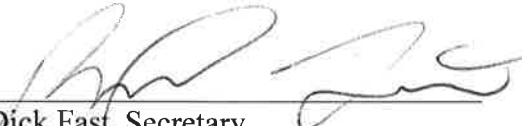
Secretary Fast noted the covenant amendment ballot for Sweetgrass Hills in the board packet and asked if there is a way to waive the District's right to vote. Susan Scott said each individual property in the subdivision has to be treated the same. If the District does not vote, it is counted as a no vote. The board said this type of communication has to be timely enough for it to be discussed during a board meeting.

NEXT MEETING

The next regular Board meeting is tentatively scheduled for Tuesday, November 19, 2018, at 8:00 am. The rate hearing is Tuesday, October 22, 2019, 8:30 am.

ADJOURNMENT

Secretary Fast moved to adjourn the meeting at 10:38 am. Director DuCuennois seconded the motion. Motion unanimously passed.


Dick Fast, Secretary

11/21/19

10-15-19. min (Board Approved 11/19/19)