

**RESOLUTION 98-01  
WATER RESOLUTION**

**RESOLUTION OF BIG SKY COUNTY WATER AND SEWER DISTRICT No. 363  
REGARDING THE TRANSFER OF LONE MOUNTAIN SPRINGS AND THE OPERATION  
AND MAINTENANCE OF THE WATER SYSTEM**

WHEREAS, Big Sky County Water and Sewer District No. 363 ("District") settled a lawsuit (Cause No. DV-91-716) with Boyne USA, Inc. and the Big Sky Owner's Association and entered into a Settlement Agreement with the parties effective July 25, 1997; and

WHEREAS, the Settlement Agreement was accepted by the District Court of the Eighteenth Judicial District of Gallatin County and was adopted as part of its Order for dismissal of claims in CV-91-716 on November 18, 1997; and

WHEREAS, the Settlement Agreement included Exhibit G, an "Agreement for Transfer of Assets and Certain Liabilities, Obligations, and Functions of Lone Mountain Springs, Inc. to the District" which effectively transferred the assets, certain liabilities, obligations and functions of the water system of Lone Mountain Springs to the District; and

WHEREAS, section 7-13-2218 sets forth the district's powers related to water and sewer districts; and

WHEREAS, section 7-13-2218(1), MCA, specifically authorizes a water and sewer district among other things to construct, purchase, lease, or otherwise acquire and operate and maintain waterworks for municipal and industrial water supplies; and

WHEREAS, the District petitioned the Public Service Commission to approve the transfer of the assets and liabilities of the Lone Mountain Springs Water Company to the District on September 8, 1997; and

WHEREAS, the Public Service Commission approved the transfer of the Lone Mountain Springs Water Company to the District on November 24, 1997; and

WHEREAS, section 7-13-2218(9), MCA, specifically authorizes a water and sewer district to establish, by resolution, rules and regulations for the operation, maintenance, use and availability of any its systems or improvements,

**NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF THE DIRECTORS OF BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363 AS FOLLOWS:**

That the boundaries of the water service area are those in effect as of November 24, 1997 and include those areas previously served by Lone Mountain Springs as more fully described in Exhibit G referenced above, and that a description of the boundaries of the water service area are attached to this Resolution and by this reference made a part hereof; and

That the District will provide municipal and industrial water supplies to users within the boundaries of the water service area; and

That the District will operate and maintain the water system located within the boundaries of the water service area; and

That the District will take the steps necessary to adopt an Ordinance governing the use, operation and rates for the water system; and

That the District will prepare a water facilities plan to identify cost effective capital improvements for the water system and begin implementing a District-wide metering program as soon as economically feasible; and

That pursuant to Title 7, Chapter 13, Parts 22 and 23, MCA, and other applicable provisions of law, the District will adopt a new budget for operation and maintenance of the water system; and

That the District will combine the water and sewer billing database and issue a single bill to all water and sewer system users with water and sewer charges identified separately therein; and

That the District shall reasonably exercise all powers delegated to it by law in the operation and maintenance of the water system located within the District's boundaries.

PASSED AND ADOPTED by the Board of Directors of the Big Sky County Water & Sewer District No. 363, State of Montana on the 16th day of June, 1998, by the following vote:

<u>X</u>	<u>          </u>	<u>Wendell Ingraham</u>
YES	NO	WENDELL INGRAHAM, President
<u>x</u>	<u>          </u>	<u>William Neece</u>
YES	NO	WILLIAM NEECE, Vice President
<u>x</u>	<u>          </u>	<u>Dee Rothschild</u>
YES	NO	DEE ROTHSCHILLER, Secretary
<u>X</u>	<u>          </u>	<u>John W. Crowther</u>
YES	NO	JOHN CROWTHER, Director
<u>x</u>	<u>          </u>	<u>Skip Radick</u>
YES	NO	SKIP RADICK, Director
<u>X</u>	<u>          </u>	<u>Stewart Peacock</u>
YES	NO	STEWART PEACOCK, Director
<u>x</u>	<u>          </u>	<u>Paul Cronin</u>
YES	NO	PAUL CRONIN, Director


**ATTEST:**

Dee Rothschild      6/16/98  
Dee Rothschilder, Secretary      Date

[ S E A L ]

**CERTIFICATION**

The undersigned, Dee Rothschiller, hereby certify that I am the Secretary of the Big Sky County Water & Sewer District No. 363, that the foregoing Resolution 98-01 was adopted at a duly convened meeting of the Board of Directors of the Big Sky County Water & Sewer District No. 363 on June 16th, 1998.

  
Dee Rothschiller, Secretary