



# BIG SKY OWNERS ASSOCIATION

April 27, 2023

Ron Edwards, General Manager  
Big Sky County Water and Sewer District  
561 Little Coyote Rd.  
Big Sky, MT 59716

Delivered via email.  
[ron@wsd363.com](mailto:ron@wsd363.com)

Dear Ron and BSCWSD Board:

On behalf of the BSOA Board, I thank you, Brian, Al, and Dick for attending the BSOA's most recent Board meeting and providing comments. They were well considered by our Board and confirmed our established wish to move forward with good-faith negotiations to pay for the Little Coyote Pond water rights. For this purpose, BSOA representatives are available to meet on May 15<sup>th</sup>. The previously discussed dates of May 1 or 2 simply do not work for us, and we hope this timing works for BSCWSD's availability.

There is an urgent need to secure a schedule with our contractor and BSOA must move forward with the Little Coyote Pond and West Fork Restoration project.

The DNRC water rights change authorizations allow 7.15 AF to be used for Little Coyote Pond fisheries and for no other purpose. The 2015 BSCWSD/BSOA Memorandum of Understanding (MOU) expressly provides in Section 8 that upon the successful completion of the water rights change application, the BSCWSD will convey to BSOA the volumetric portion of the water rights. The change application that included all BSCWSD's surface water rights was successfully completed in August 2017, for which the BSOA expended \$15,428, to BSCWSD's \$4,854.


In 2018, BSOA received an initial estimate that the fair market value for 7.15 AF was \$15,000. BSOA has just learned that Gallatin Valley irrigation rights recently transferred for \$500 per AF and due to its lack of consumptive use, fishery rights have less value. Given that pricing, the value of the 7.15 AF of fishery water rights being transferred will not exceed \$3,575 ( $\$500 \times 7.15$ ). Nevertheless, with the need to confirm a fall start with BSOA's contractor and in reliance on the MOU's direction, BSOA encloses a check for \$15,000 for the transfer of the fishery water rights for Little Coyote Pond. Please return the appropriate deed as soon as practicable.

If you believe this value inaccurate, refer to Section 9 of the MOU and our March 31, 2023 letter and advise on your preferred method to determine value. In the event BSCWSD elects to obtain its own appraisal of the water rights, BSOA reserves its right to engage Deborah Stephenson of DMS Natural Resources, LLC for a separate valuation.

Regarding BSWSD's proposed easement on Lot D and the purchase of the Northwest Energy site, BSOA generally supports your efforts to build a new, larger water tank and would like to work with you to further this endeavor. BSOA would be open to an MOU from the BSCWSD for this purpose and to further negotiate the terms for agreement.

Thank you. The BSOA looks forward to further partnerships with the BSCWSD for the betterment of our community.

Sincerely,



Suzan Scott, Executive Director  
Big Sky Owners Association

cc'd to: BSOA Board of Directors