PUBLIC MEETING AGENDA

Wednesday June 25th, 2025, 10 AM

This meeting will be held via zoom only

https://us06web.zoom.us/j/87374896195?pwd=byahnMMRvCR2ccEbhqZj0KIuwAbjHJ.1

(Meeting ID: 873 7489 6195, Passcode: 143130)

The board packet containing supporting information to agenda items is shared on the GCCWSD website linked below.

Regular Board Meeting Public Forum

A. Call to Order/start recording
B. Revise May 21st Meeting Minutes- *Action*
C. Public comment on relevant non-agenda items – *Discuss*
D. Disclosure of Conflict of Interest on any agenda items - *Discuss*

I. **New Business**

A. Board member updates, correspondence, and small expenditures – *Discuss*
B. Committee Updates – *Discuss*
C. Annexation Petitions Review and Potential Annexation Ordinance and/or rejection resolution – *Action*
D. Canyon Sewer Project Updates – *Discuss*
E. Annual Fiscal Review - *Discuss*
F. FY 26 budget – *Discuss, maybe Action*
G. BSRAD and ARPA Draw Requests and Invoice Payments – *Action*

II. Old Business

A. Canyon Water PER Updates and public meeting planning – *Discuss*
B. CMGC Contractor RFQ – *Action*
C. Selection Committee Appointment - *Action*
D. Independent Cost Estimator (ICE) RFP – *Action*
E. FY 26 Board Insurance - *Action*
F. FY 25 Audit approval – *Action*
G. FY 26 Auditor Services– *Action*
H. Website updates - *Discuss*

III. Any Other Business Which May Properly Come Before the Board – *Discuss*

IV. Next Meeting Planning

A. Date & Draft Agenda – *Discuss*

V. Adjourn

www.gallatincanyonwsd.com

Public comment is encouraged before all non-emergency non-ministerial actions.

Mace Mangold

From: Cindy Kuns
Sent: Wednesday, June 11, 2025 5:38 PM
To: Mace Mangold
Subject: GCCWSD Funding By the Numbers

Mace,

Here are some calcs I put together based on our conversation last week. I was trying to figure out how to best use the remaining FY25 BSRAD ops budget to stretch from July – November (assuming BSRAD funding is available December 1st).

- Average 200323.7 costs for FY25 = $9,315/mo
  - District admin = $72,544 = $6,595/mo
  - Outreach & planning = $29,922 = $2,720/mo – this can be paid out of grants
- Non-project costs (non-WGM):
  - Big Sky Chamber: ~$350 – due 7/1 – Should try to pay this early, by FY25 end
  - Knaub & Co: ~290/mo (based on FY25 average)
  - Tara DePuy: ~570/mo (based on FY25 average) – this number excludes portions of her invoices covered by project funding
  - ~$900/mo (assuming Chamber dues paid by June 30th)

- Total monthly non-project costs
  - $6,600 – WGM district admin
  - $900 – accounting & legal
  - TOTAL: $7,500/mo

- Assumptions for final FY25 remaining non-project invoices (for June 2025)
  - TOTAL: ~$7,850
    - WGM district admin: $6,600
    - Knaub & Co: $300
    - Tara DePuy: $600
    - Big Sky Chamber Dues: $350

- $26,523.76 remaining BSRAD ops budget thru May
- - $7,850.00 June 2025 expenses
- $18,673 remaining ops budget after June invoices – This remainder could be pre-billed (retainer) to cover WGM services – not quite 3 months of district admin

- **SUMMARY**: Remaining FY 25 Ops Budget (~$18,000) + Cash on Hand (~$44,000) = $62,000
  - Assume 5 months before BSRAD ops money is available (Dec. 1st funding)
    - WGM district admin: $6,600/mo x 5 mos = $33,000
      - Use remaining FY25 BSRAD Ops budget to pre-pay ~$18,000
    - Knaub & Co: $290/mo x 5 mos = $1,450
    - Tara DePuy: $600/mo x 5 mos = $3,000
    - REMAINING CASH ON HAND: ~$24,550 at end of November

Cindy Kuns
Project Coordinator

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1111 East Broadway
Missoula, Montana 59802
www.wgmgroup.com



Mace Mangold

From: Cindy Kuns
Sent: Friday, June 13, 2025 11:36 AM
To: 'Joe Cobb (Mitchell Development and Investments, LLC (Bozeman, MT))'
Cc: Mace Mangold; Shane Strong; Abby Indreland Hunt
Subject: Canyon Sewer - Grant Matching Funds
Attachments: Matching Fund Calcs 06-13-2025.xlsx

Hi Joe,

I wanted to share the latest spreadsheet for grant matching funds on the Canyon Sewer project before the Board meeting next week. You may remember seeing this at our meeting last month. I was able to confirm with our ARPA grant manager that we can count Gallatin County Local Fiscal Recovery (LFR) funding as part of the required 1:1 match for ARPA funds. The previous information I was given said we could NOT count that. That revised information allows us to claim another $207,520 from LFR funds as match to ARPA. The most important takeaway here is that we avoid the need to spend that $207,520 from BSRAD to help meet the $2M ARPA match requirement. As a reminder, all ARPA funds must be spent and matched by the end of 2025.

Another change that affects overall project funding and specifically helps with match is the newly contracted RRG grant of $125,000, which we briefly touched on in our meeting. That RRG money also functions as match to ARPA.

On the spreadsheet, you'll see in cell C20 that as of the invoice allocations I have recommended for the Board meeting next week, we can still spend $446,218.51 in ARPA money before we have to spend more money from any other source. Cell C26 is the one to keep an eye on. We'll need to spend another $156,173.74 in non-ARPA funds to claim the full $2M from ARPA by the end of the year.

Please let me know if you have any questions as the puzzle slowly fits together. Hope you have a nice weekend.

Cindy Kuns
Project Coordinator

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Through 6/18/25 Board Meeting Allocations

	State ARPA	County MAG	County LFR/Local	BSRAD/Local	RRG
Funding Amount	$ 2,000,000.00	$ 542,480.00	$ 207,520.00	$ 2,625,000.00	$ 125,000.00
Spent to Date	$ 1,397,607.75	$ 542,480.00	$ 194,559.47	$ 981,786.79	$ 125,000.00
Remaining Budget	$ 602,392.25	$ -	$ 12,960.53	$ 1,643,213.21	$ -

Match Source(s)	County MAG BSRAD/Local	State ARPA RRG	NA	NA	State ARPA County MAG
Based on Current Expenditures					
Required Match	$ 1,397,607.75	$ 271,240.00	$ -	$ -	$ 62,500.00
Remaining Match Required	$ -	$ -	$ -	$ -	$ -
Excess Match (to spend before needing more match)	$ 446,218.51		$ -	$ -	$ -
Assuming All Funds Are Used By End of 2025					
Required Match	$ 2,000,000.00	$ 271,240.00	$ -	$ -	$ 62,500.00
Remaining Match Required	$ 156,173.74	$ -	$ -	$ -	$ -

NOTES:

- 6/13/25: Per Lexi at ARPA, County LFR funding can be counted as a local contribution and thus as match for ARPA dollars

Fiscal Year 2026 Budget (DRAFT)

July 2025 - June 2026

Prepared by: WGM Group

GALLATIN CANYON
COUNTY WATER & SEWER DISTRICT

Description: The Gallatin Canyon County Water and Sewer District (GCCWSD) is applying for **$200k** in annual operations funding for FY26 ,from the Big Sky Area Resort Tax District (BSRAD). An additional $700,000 (+/-) of grant funding is available for pre-construction design and permitting services associated with the Canyon Sewer Project. Currently $1.2M of grant funding is available for the construction phase for the Canyon Sewer Project. There is an additional $12M of BSRAD-BSCWSD managed funding associtated with the Canyon Sewer Project that is assumed to be unavailable for GCCWSD financial planning purposes. The budget below outlines expenses for fiscal year 2026.

#	Item	Available Funds	FY26 Budget	Description
	Operating Income			
1	NONE	$0		No customers, no services provided, no income
2	BSRAD Seed Funding for GCCWSD	$18,000	$18,000	FY25 Annual Operations (bridge to November)
2	BSRAD Seed Funding for GCCWSD	$200,000	$200,000	FY26 Annual Operations
3	**Total Operating Income**	**$218,000**		
	Other Income			
4	ARPA Competitive Grant	$502,854	$400,000	Sewer Engineering/Permitting (12/31/26 expiration)
5	Gallatin County Minimum Allocation Grant	$0	$0	Sewer Engineering/Permitting (12/31/24 expiration)
6	Gallatin County Local Fiscal Recovery Funds	$12,961	$12,961	Sewer Engineering/Permitting (12/31/24 expiration)
7	Gallatin County Minimum Allocation Grant	$200,000	$200,000	$200,000 - CMGC Scope (12/31/26 expiration)
8	Montana Coal Endowment Program	$0	$0	$750,000 - Construction Phase (12/31/24 expiration)
9	Renewable Resource Grant & Loan Program	$125,000	$125,000	Sewer Engineering/Permitting (12/31/26 expiration)
10	BSCWSD Interlocal Funds	$12,000,000	$250,000	
11	**Total Funding Based Income**	**$12,840,815**	**$987,961**	
	Operating Expenses			
12	District Administration		$80,000	
13	Legal		$10,000	Assumes $10,000 covered via grant funds
14	Accounting/Audits		$20,000	Assumes $20,000 covered via grant funds
15	Communications/Outreach		$20,000	Assumes $20,000 covered via grant funds
16	Grant Administration		$10,000	Assumes $30,000 covered via grant funds
17	Grant Writing		$10,000	
18	Funding Package Development		$20,000	
19	Misc. / Contingency		$20,000	
20	**Total Operating Expenses**	**$200,000**	**$190,000**	
	Capital Improvement Expenses (grant eligible)			
21	Legal & Professional Services	$10,000		
22	Audit Fees	$20,000		
23	Public Outreach (project specific)	$20,000		
24	Discharge Permitting	$200,000		
25	90% Engineering Design	$500,000		
26	Construction Contract Documents	$100,000		
27	Contingency	$137,961		
28	**Total Capital Improvement Expenses**	**$987,961**		
	Net Incomes			
29	**Net Operating Income**	**$18,000**		
30	**Cash Reserves**	$44,000	$20,000	bridge to November to align w/ new BSRAD cycle
31				

DRAFT

CONTRACT AND INVOICE SUMMARY

Work Order and/or Vendor	Description	Budget	6/18/25 Invoice Packet	Previous Fiscal Year Billing	FY25 Billing (to date)	Total	Budget Remaining	Notes
CANYON DISTRICT ADMINISTRATION								
200323.6 (WO#6A)	FY25 Grant Administration	$40,000.00	$3,216.70	$0.00	$30,032.50	$33,249.20	$6,750.80	
200323.7 (WO#7A)	FY25 District Admin & Outreach	$70,000.00	$10,245.40	$0.00	$92,220.55	$102,465.95	-$32,465.95	
Knaub & Company	Accounting	$5,000.00	$495.07	$0.00	$2,652.71	$3,147.78	$1,852.22	
Tara DePuy	Legal Counsel	$20,000.00	$450.00	$0.00	$7,350.00	$7,800.00	$12,200.00	
Dorsey & Whitney	Bond Counsel	$20,000.00	$0.00	$0.00	$15,689.00	$15,689.00	$4,311.00	
Holmes & Turner	Audit	$15,000.00	$6,250.00	$0.00	$6,250.00	$12,500.00	$2,500.00	
AE2S Nexus	Financial Planning & Support	$30,000.00	$2,852.00	$0.00	$3,893.62	$6,745.62	$23,254.38	
Miscellaneous	Dues, Insurance, Etc.	$10,000.00	$0.00	$0.00	$11,454.00	$11,454.00	-$1,454.00	
Contingency		$20,000.00	$0.00	$0.00	$0.00	$0.00	$20,000.00	
	Subtotal	**$230,000.00**	**$23,509.17**	**$0.00**	**$169,542.38**	**$193,051.55**	**$36,948.45**	
CANYON SEWER ENGINEERING								
220724.2 (WO#2)	30% Sewer Engineering	$357,880.00	$0.00	$333,039.95	$50,725.70	$383,765.65	-$25,885.65	Closed
220724.4 (WO#4)	BSRAD Feasibility (remaining items)	$149,000.00	$0.00	$134,966.21	$49,808.09	$184,774.30	-$35,774.30	Closed
220724.5 (WO#5)	Discharge Permitting (first half 2024)	$288,000.00	$0.00	$93,153.77	$203,647.04	$296,800.81	-$8,800.81	Closed
220724.6 (WO#6)	Sewer Funding Package	$60,000.00	$0.00	$0.00	$59,768.38	$59,768.38	$231.62	Closed
220724.7 (WO#7)	60% Engineering	$403,000.00	$48,957.33	$0.00	$269,908.30	$318,865.63	$84,134.37	
220724.8 (WO#8)	Contractor Procurement (CM/GC)	$70,000.00	$2,627.70	$0.00	$23,270.70	$25,898.40	$44,101.60	
220724.9 (WO#9)	TEDD/TIF Funding	$55,000.00	$3,760.00	$0.00	$35,913.40	$39,673.40	$15,326.60	
220724.10 (WO#10)	Discharge/Disposal	$170,000.00	$27,249.30	$0.00	$27,404.30	$54,653.60	$115,346.40	
(WO#10) - Subconsultants & Fees		$70,000.00	$26,600.00	$0.00	$0.00	$26,600.00	$43,400.00	
	Subtotal	**$1,622,880.00**	**$109,194.33**	**$561,159.93**	**$720,445.91**	**$1,390,800.17**	**$232,079.83**	
BSCWSD - HIGHWAY 64 INFRASTRUCTURE ENGINEERING								
AE2S	30% Engineering	$425,600.00	$0.00	$389,078.25	$36,521.75	$425,600.00	$0.00	Closed
AE2S	60% Engineering	$604,440.00	$47,527.89	$0.00	$305,365.97	$352,893.86	$251,546.14	
TD&H	Geotechnical Engineering	$100,000.00	$99,537.82	$0.00	$0.00	$99,537.82	$462.18	
	Subtotal	**$1,130,040.00**	**$147,065.71**	**$389,078.25**	**$341,887.72**	**$878,031.68**	**$252,008.32**	
CANYON WATER SYSTEM PER								
220806.1	Canyon Water System PER	$80,000.00	$8,522.33	$54,820.33	$13,955.40	$77,298.06	$2,701.94	
	Subtotal	**$80,000.00**	**$8,522.33**	**$54,820.33**	**$13,955.40**	**$77,298.06**	**$2,701.94**	
	Total	**$3,062,920.00**	**$288,291.54**	**$1,005,058.51**	**$1,245,831.41**	**$2,539,181.46**	**$523,738.54**	

GRANT TRACKING DASHBOARD - FY25

Current Invoice Total: $ 288,291.54

Date Revised: 6/12/2025

								ARPA - PHASE 1.1			RRG PHASE 1.1	BSRAD - PHASE 1.1		County ARPA - LFR	CASH ON HAND
								State ARPA Costs between 3/3/21 & 12/31/25 Agmt ends 12/31/25	County ARPA Costs between 3/3/21 & 12/31/25 (costs paid before 9/30/26 when agmt ends)			FY25 Budget (7/1/24-6/30/25)	Interlocal	CM/GC	
								1:1 match required = County MAG + Local	Match met by State ARPA	No match required	Spend by 12/31/2026			Spend by 12/31/2026	
								Competitive	Min Allocation	SLFRF					
							Budget Remaining:	$ 502,854.43	$ -	$ 12,960.53	$ -	$ 26,526.76	$ 12,000,000.00	$ 200,000.00	$ 44,191.49
Invoice Date	Vendor	Invoice Number	Amount	Project #	General Invoice Description	Notes	Draw Request Notes	$2M	$542,480	$207,520	$125,000	$200,000	$12M	$200,000	
6/9/2025	WGM	75488	$ 3,216.70	200323.6	grant admin					$ 3,216.70					
5/31/2025	Knaub & Co	053125-30	$ 495.07	NA	accounting							$ 495.07			
6/9/2025	WGM	75496	$ 8,522.33	220806.1	water PER							$ 8,522.33			
6/2/2025	Tara DePuy	6/2/2025	$ 450.00	NA	legal	Project = $50.00		$ 50.00				$ 400.00			
6/9/2025	WGM	75490	$ 10,245.40	200323.7	district admin	Project = $2,391.70		$ 2,391.70				$ 7,853.70			
5/9/2025	Holmes & Turner	67971	$ 6,250.00	NA	audit			$ 6,250.00							
6/9/2025	WGM	75512	$ 3,760.00	220724.9	TEDD/TIF			$ 3,760.00							
5/28/2025	AE2S	102867	$ 2,852.00	NA	financial			$ 2,852.00							
6/12/2025	TD&H/BSCWSD	43058	$ 99,537.82	NA	geotech/design			$ 99,537.82							
5/30/2025	Excel Pump & Well	1351D	$ 9,400.00	220724.10	well drilling			$ 9,400.00							
5/30/2025	Excel Pump & Well	1353P	$ 6,000.00	220724.10	well drilling			$ 6,000.00							
5/30/2025	Excel Pump & Well	1352D	$ 11,200.00	220724.10	well drilling			$ 11,200.00							
6/9/2025	WGM	75495	$ 48,957.33	220724.7	design			$ 1,362.22			$ 47,595.11				
6/9/2025	WGM	75508	$ 2,627.70	220724.8	CMGC						$ 2,627.70				
6/9/2025	WGM	75507	$ 27,249.30	220724.10	disposal						$ 27,249.30				
5/28/2025	AE2S/BSCWSD	103011	$ 47,527.89	NA	design						$ 47,527.89				
4/30/2025	Knaub & Co	043025-26	$ 126.23	NA	accounting		BSRAD					$ 126.23			
5/1/2025	Chamber of Commerce	5/1/2025	$ 450.00	NA	dues		BSRAD					$ 450.00			
5/9/2025	WGM	75248	$ 7,342.65	220806.1	water PER		BSRAD					$ 7,342.65			
5/9/2025	WGM	75244	$ 2,938.90	200323.6	grant admin		BSRAD					$ 2,938.90			
5/1/2025	Tara DePuy	5/1/2025	$ 850.00	NA	legal	Project = $300	State #15/BSRAD	$ 300.00				$ 550.00			
5/9/2025	WGM	75245	$ 8,847.30	200323.7	district admin	Project = $5,091.20	State #15/BSRAD	$ 5,091.20				$ 3,756.10			
4/22/2025	AE2S	102320	$ 3,893.62	NA	financial support		State #15	$ 3,893.62							
5/12/2025	Dorsey & Whitney	4075851	$ 495.00	NA	legal	100% project	State #15	$ 495.00							
4/22/2025	AE2S	102292	$ 76,479.80	NA	design		LFR #2			$ 76,479.80					
5/9/2025	WGM	75247	$ 34,532.65	220724.7	design		LFR #2			$ 34,532.65					
5/9/2025	WGM	75252	$ 2,498.10	220724.8	CM/GC		LFR #2			$ 2,498.10					
5/9/2025	WGM	75246	$ 4,174.40	220724.9	TEDD/TIF		LFR #2			$ 4,174.40					
5/9/2025	WGM	75251	$ 4,906.10	220724.10	disposal		LFR #2			$ 4,906.10					
3/15/2025	Intact Insurance	MML-36480-24	$ 9,744.00	NA	insurance		BSRAD					$ 9,744.00			
3/5/2025	LGS	101613	$ 800.00	NA	financial filing		BSRAD					$ 800.00			
3/6/2025	LGS	5235	$ 110.00	NA	audit fees		BSRAD					$ 110.00			
3/31/2025	Knaub & Co	033125-25	$ 258.72	NA	accounting		BSRAD					$ 258.72			
4/8/2025	WGM	74957	$ 2,002.70	220806.1	Water PER	Non-project	BSRAD					$ 2,002.70			
4/1/2025	Tara DePuy	4/1/2025	$ 500.00	NA	legal	Project = $300.00	BSRAD					$ 500.00			
4/8/2025	WGM	74928	$ 2,690.90	200323.6	grant admin		BSRAD					$ 2,690.90			
4/8/2025	WGM	74929	$ 6,000.10	200323.7	district admin	Project = $2,229.60	BSRAD					$ 6,000.10			
4/10/2025	Dorsey& Whitney	4067647	$ 544.50	NA	bond counsel		State #14	$ 544.50							
4/8/2025	WGM	74932	$ 7,592.50	220724.9	TEDD/TIF		State #14	$ 7,592.50							
4/8/2025	WGM	74955	$ 41,617.78	220724.7	60% design		MAG #8		$ 41,617.78						
4/8/2025	WGM	74962	$ 415.20	220724.8	CM/GC		MAG #8		$ 415.20						
4/8/2025	WGM	74963	$ 22,498.20	220724.10	disposal		MAG #8		$ 22,498.20						
3/25/2025	AE2S	101740	$ 85,635.80	P13218-2020-001	design		MAG #8		$ 85,635.80						
2/25/2025	AE2S	101144	$ 62,973.53	P13218-2020-001	design		LFR #1			$ 62,973.53					
1/21/2025	AE2S	100406	$ 28,091.21	P13218-2020-001	design		MAG #8/LFR#1		$ 22,313.02	$ 5,778.19					
2/11/2025	Dorsey & Whitney	4050702	$ 1,425.50	NA	legal		State #13	$ 1,425.50							
3/6/2025	WGM	74653	$ 45,675.78	220724.7	design		State #13	$ 45,675.78							
3/5/2025	WGM	74648	$ 8,672.80	220724.9	TEDD/TIF		State #13	$ 8,672.80							

GRANT TRACKING DASHBOARD - FY25

Current Invoice Total: $ 288,291.54

Date Revised: 6/12/2025

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								State ARPA Costs between 3/3/21 & 12/31/25 Agmt ends 12/31/25	County ARPA Costs between 3/3/21 & 12/31/25 (costs paid before 9/30/26 when agmt ends)			FY25 Budget (7/1/24-6/30/25)	Interlocal	CM/GC	
								1:1 match required = County MAG + Local	Match met by State ARPA	No match required	Spend by 12/31/2026			Spend by 12/31/2026	
								Competitive	Min Allocation	SLFRF					
							Budget Remaining:	$ 502,854.43	$ -	$ 12,960.53	$ -	$ 26,526.76	$ 12,000,000.00	$ 200,000.00	$ 44,191.49
Invoice Date	Vendor	Invoice Number	Amount	Project #	General Invoice Description	Notes	Draw Request Notes	$2M	$542,480	$207,520	$125,000	$200,000	$12M	$200,000	
3/5/2025	WGM	74649	$ 3,692.50	220724.8	CM/GC		State #13	$ 3,692.50							
6/14/2024	Dorsey & Whitney	3983536	$ (2,856.00)	NA	legal	credit for double pay	State #13	$ (2,856.00)							
6/30/2024	Dorsey & Whitney	3989782	$ (5,815.50)	NA	legal	credit for double pay	State #13	$ (5,815.50)							
3/5/2025	WGM	74651	$ 6,935.00	200323.7	district admin	Project = $851.20	State #13/BSRAD	$ 851.20				$ 6,083.80			
3/5/2025	WGM	74645	$ 1,528.40	200323.6	grant admin		BSRAD					$ 1,528.40			
3/5/2025	WGM	74650	$ 16,529.30	220724.5	disposal		BSRAD					$ 16,529.30			
3/3/2025	Tara DePuy	3/3/2025	$ 1,950.00	NA	legal	Project = $450.00	BSRAD					$ 1,950.00			
2/28/2025	Knaub & Co	22825-29	$ 209.44	NA	accounting		BSRAD					$ 209.44			
1/31/2025	Knaub & Co	13125-61	$ 358.16	NA	accounting		BSRAD					$ 358.16			
2/3/2025	Tara DePuy	2/3/2025	$ 600.00	NA	legal	Project = $250.00	BSRAD					$ 600.00			
2/5/2025	WGM	74425	$ 5,431.10	200323.6	grant admin		BSRAD					$ 5,431.10			
2/5/2025	WGM	74431	$ 11,542.60	200323.7	district admin	Project = $6,373.40	State #13/BSRAD	$ 6,373.40				$ 5,169.20			
2/5/2025	WGM	74426	$ 4,032.00	220724.9	WO#9		State #13	$ 4,032.00							
2/5/2025	WGM	74428	$ 49,129.58	220724.5	WO#5		State #13	$ 49,129.58							
2/5/2025	WGM	74427	$ 48,802.24	220724.7	WO#7		State #13	$ 48,802.24							
2/5/2025	WGM	74416	$ 16,664.90	220724.8	WO#8		State #13	$ 16,664.90							
1/8/2025	WGM	74219	$ 37,865.85	220724.7	WO#7		State #12	$ 37,865.85							
1/8/2025	WGM	74222	$ 11,441.70	220724.9	WO#9		State #12	$ 11,441.70							
12/17/2024	AE2S	99861	$ 18,717.64	P13218-2020-001	sewer design		State #12	$ 18,717.64							
1/8/2025	WGM	74214	$ 17,396.60	220724.5	WO#5		State #12/BSRAD	$ 5,940.47				$ 11,456.13			
1/8/2025	WGM	74221	$ 5,409.40	200323.7	district admin	Project = $477.10	State #12/BSRAD	$ 477.10				$ 4,932.30			
1/8/2025	WGM	74220	$ 4,469.80	200323.6	grant admin		BSRAD					$ 4,469.80			
12/11/2024	WGM	74067	$ 802.60	200323.6	grant admin		BSRAD					$ 802.60			
1/2/2025	Tara DePuy	1/2/2025	$ 400.00	NA	legal		BSRAD					$ 400.00			
12/31/2024	Knaub & Co	123124-39	$ 332.64	NA	accounting		BSRAD					$ 332.64			
12/2/2024	Knaub & Co	120224-35	$ 221.76	NA	accounting		BSRAD					$ 221.76			
12/1/2024	Tara Depuy	12/1/2024	$ 1,100.00	NA	legal	Project = $850.00	State #11/BSRAD	$ 850.00				$ 250.00			
12/11/2024	WGM	74068	$ 10,044.65	200323.7	district admin	Project = $1,859.25	State #11/BSRAD	$ 1,859.25				$ 8,185.40			
12/10/2024	WGM	74050	$ 38,255.40	220724.7	WO#7		State #11	$ 38,255.40							
11/19/2024	AE2S/BSCWSD	99153	$ 33,536.00	P13218-2020-001	design		State #11	$ 33,536.00							
12/10/2024	WGM	74051	$ 10,789.00	220724.5	WO#5		State #11	$ 10,789.00							
12/11/2024	Dorsey & Whitney	4034986	$ 643.50	NA	legal	all project	State #11	$ 643.50							
11/8/2024	Holmes & Turner	66201	$ 6,250.00	audit	audit		State #11/County MAG #7	$ 1,250.00	$ 5,000.00						
11/1/2024	Knaub & Co	110124-35	$ 344.96	NA	accounting		BSRAD					$ 344.96			
11/1/2024	Tara Depuy	11/1/2024	$ 650.00	NA	legal	Project = $350.00	State #10/BSRAD	$ 350.00				$ 300.00			
11/6/2024	WGM	73703	$ 3,435.30	200323.6	grant admin		State #10	$ 3,435.30							
11/6/2024	WGM	73704	$ 12,167.80	200323.7	district admin	Project - $4,622.80	State #10/BSRAD	$ 4,622.80				$ 7,545.00			
11/6/2024	WGM	73678	$ 28,080.62	220724.5	WO#5		State #10	$ 28,080.62							
11/6/2024	WGM	73680	$ 23,158.60	200724.7	WO#7		State #10	$ 23,158.60							
11/12/2024	Dorsey & Whitney	4025046	$ 594.00	NA	legal	all project	State #10	$ 594.00							
10/8/2024	WGM	73404	$ 3,360.90	200323.6	grant admin		BSRAD #15					$ 3,360.90			
10/1/2024	Knaub & Co	100124-27	$ 110.88	NA	accounting		BSRAD #15					$ 110.88			
10/1/2024	Tara Depuy	10/1/2024	$ 600.00	NA	legal svcs	Project = $300	BSRAD #15					$ 600.00			
10/8/2024	WGM	73405	$ 13,309.30	200323.7	District admin		State #9/BSRAD #15	$ 2,309.40				$ 10,999.90			
10/8/2024	WGM	12/22/2100	$ 33,407.80	220724.5	WO#5		State #9	$ 33,407.80							
10/2/2024	WGM	73377	$ 3,503.70	220724.4	WO#4		State #9	$ 3,503.70							
10/9/2024	Dorsey & Whitney	4016547	$ 544.50	NA	legal svcs	all project	State #9	$ 544.50							
9/11/2024	Dorsey & Whitney	4007271	$ 2,770.50	NA	legal svcs	all project	State #9	$ 2,770.50							
6/30/2024	Dorsey & Whitney	3989782	$ 5,815.50	NA	legal svcs	all project	State #9	$ 5,815.50							
6/17/2024	Dorsey & Whitney	3983536	$ 2,856.00	NA	legal svcs	all project	State #9	$ 2,856.00							

GRANT TRACKING DASHBOARD - FY25

Current Invoice Total: $ 288,291.54

Date Revised: 6/12/2025

								ARPA - PHASE 1.1			RRG PHASE 1.1	BSRAD - PHASE 1.1		County ARPA - LFR	CASH ON HAND
								State ARPA Costs between 3/3/21 & 12/31/25 Agmt ends 12/31/25	County ARPA Costs between 3/3/21 & 12/31/25 (costs paid before 9/30/26 when agmt ends)			FY25 Budget (7/1/24-6/30/25)	Interlocal	CM/GC	
								1:1 match required = County MAG + Local	Match met by State ARPA	No match required	Spend by 12/31/2026			Spend by 12/31/2026	
								Competitive	Min Allocation	SLFRF					
							Budget Remaining:	$ 502,854.43	$ -	$ 12,960.53	$ -	$ 26,526.76	$ 12,000,000.00	$ 200,000.00	$ 44,191.49
Invoice Date	**Vendor**	**Invoice Number**	**Amount**	**Project #**	**General Invoice Description**	**Notes**	**Draw Request Notes**	**$2M**	**$542,480**	**$207,520**	**$125,000**	**$200,000**	**$12M**	**$200,000**	
8/27/2024	AE2S/BSCWSD	97057	$ 24,572.35	P13218-2020-001	design		State #8	$ 24,572.35							
9/5/2024	WGM	73117	$ 13,948.18	220724.4	WO#4		State #8	$ 13,948.18							
9/5/2024	WGM	73114	$ 21,790.16	220724.5	WO#5		State #8	$ 21,790.16							
9/5/2024	WGM	73115	$ 896.43	220724.6	WO#6		State #8	$ 896.43							
9/5/2024	WGM	73113	$ 7,463.00	200323.7	District admin	$865.00 project	BSRAD #14					$ 7,463.00			
9/5/2024	WGM	73116	$ 2,364.50	220806.1	water PER	non-project	BSRAD #14					$ 2,364.50			
9/1/2024	Knaub & Co	090124-33	$ 221.76	NA	accounting		BSRAD #14					$ 221.76			
9/1/2024	Tara DePuy	9/1/2024	$ 400.00	NA	legal	$100 project	BSRAD #14					$ 400.00			
9/4/2024	WGM	73105	$ 2,440.40	200323.6	grant admin	all project	BSRAD #14					$ 2,440.40			
7/1/2024	Big Sky Chamber	1505	$ 350.00	NA	FY 25 membership		BSRAD #14					$ 350.00			
10/26/1955	AE2S/BSCWSD	96573	$ 11,881.39	P13218-2020-001	design		State #7B	$ 11,881.39							
8/14/2024	WGM	73067	$ 49,808.09	220724.4	WO#4		State #7B	$ 49,808.09							
8/12/2024	WGM	73017	$ 26,523.98	220724.5	WO#5		State #7B	$ 26,523.98							
8/15/2024	WGM	73084	$ 50,725.70	220724.2	WO#2	Add'l geotech	County MAG #6/State #7B	$ 725.70	$ 50,000.00						
8/12/2024	WGM	73005	$ 10,501.40	200323.7	District admin	Project = $2,928.80	BSRAD #13/State #7B	$ 2,928.80				$ 7,572.60			
8/12/2024	WGM	73012	$ 2,245.55	220806.1	Water PER		BSRAD #13					$ 2,245.55			
8/12/2024	WGM	73003	$ 2,934.20	200323.6	grant admin	Project = $2,779.10	BSRAD #13					$ 2,934.20			
8/1/2024	Knaub & Co	080124-35	$ 468.16	NA	accounting		BSRAD #13					$ 468.16			
8/1/2024	Tara Depuy	8/1/2024	$ 300.00	NA	legal		BSRAD #13					$ 300.00			
							FY 2024 CARRYOVER:	$ 733,626.90	$ 315,000.00						
							SPENT:	**$ 1,497,145.57**	**$ 542,480.00**	**$ 194,559.47**	**$ 125,000.00**	**$ 173,473.24**	**$ -**	**$ -**	

CANYON DISTRICT ADMINISTRATION

WGMGROUP
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INVOICE

Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

June 09, 2025
Project No: 200323.6
Invoice No: 75488
Current Invoice: $3,216.70

Project Manager: Mace Mangold
Project Name: Canyon District Grant Administration - Fiscal Year 2025

Email invoices to Scott Altman at gallatincanyonwsd@gmail.com and Jessica Martin-Trulen at jtrulen@knaubandcompany.cpa

Invoice Notes: Funding administration

Professional Services from May 01, 2025 to May 31, 2025

Phase 01 Sewer Grant Administration

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	.50	210.00	105.00	
Project Engineer 1	1.90	171.00	324.90	
Staff Engineer 2	.30	127.00	38.10	
Project Coordinator 2	19.30	139.00	2,682.70	
Project Coordinator 1	.50	132.00	66.00	
Totals	22.50		3,216.70	
Total Labor				**$3,216.70**
			Phase Total	**$3,216.70**
			Current Invoice Total	**$3,216.70**

Outstanding Invoices

Number	Date	Balance
75244	5/9/2025	2,938.90
Outstanding Total		**$2,938.90**

Current Plus Outstanding **$6,155.60**

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INVOICE

Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

June 09, 2025
Project No: 200323.7
Invoice No: 75490
Current Invoice: $10,245.40

Project Manager: Mace Mangold
Project Name: Canyon District Administration & Outreach - Fiscal Year 2025

Email invoices to Scott Altman at gallatincanyonwsd@gmail.com and Jessica Martin-Trulen at jtrulen@knaubandcompany.cpa

Invoice Notes: Board meeting facilitation (board packet, agenda, meeting attendance, minutes, pre- and post meeting coordination, etc.). Joint Committee meeting and coordination. BSRAD meeting. Website updates and outreach coordination.

Professional Services from May 01, 2025 to May 31, 2025

Phase 01 District Administration - FY25

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	22.00	210.00	4,620.00	
Staff Engineer 2	22.50	127.00	2,857.50	
Project Coordinator 1	1.10	132.00	145.20	
Totals	45.60		7,622.70	
Total Labor				**$7,622.70**

Reimbursable Expenses

Mangold, Mace

5/19/2025	Mangold, Mace	110 miles Joint Committee meeting	77.00	
5/21/2025	Mangold, Mace	110 miles Board meeting	77.00	
5/27/2025	Mangold, Mace	110 miles BSRAD meeting	77.00	
Total Reimbursables			**231.00**	**$231.00**

Phase Total **$7,853.70**

Phase 02 District Outreach & Communication - FY25

Professional Personnel

	Hours	Rate	Amount
Senior Project Engineer	3.50	210.00	735.00
Staff Engineer 2	1.30	127.00	165.10

Project Coordinator 1		11.30	132.00	1,491.60	
Totals		16.10		2,391.70	
Total Labor					**$2,391.70**
				Phase Total	**$2,391.70**
				Current Invoice Total	**$10,245.40**

Outstanding Invoices

Number	Date	Balance
75245	5/9/2025	8,847.30
Outstanding Total		**$8,847.30**

Current Plus Outstanding	**$19,092.70**

Knaub & Company, P.C.
Certified Public Accountants
PO Box 161030
Big Sky, MT 59716

Invoice

Date	Invoice #
5/31/2025	053125-30

Bill To
Gallatin Co.Canyon Water & Sewer District Scott Altman

Terms	Client Number
Due upon receipt	1376

Date	Description	Quantity	Rate	Amount
5/7/2025	Resort Tax Payment Request; Correspondence w/Auditor re: JEs; Enter Bills; Bank Rec	0.7	112.00	78.40
5/19/2025	Enter H&T Journal Entries for 6/20/24 Year End	0.4	112.00	44.80
5/20/2025	Correspondence w/Auditor	0.3	112.00	33.60
5/20/2025	Adjustments & Correspondence re: Audit	0.2	112.00	22.40
5/21/2025	A/R; Board Meeting Prep	0.2	112.00	22.40
5/21/2025	Board Meeting	1.6	112.00	179.20
5/22/2025	A/R; A/P	0.2	112.00	22.40
5/27/2025	Reports; Correspondence; Enter Bills; Resort Tax Payment Request	0.4	112.00	44.80
5/31/2025	Postage		2.07	2.07
5/31/2025	Copies, Envelopes, Etc.		45.00	45.00

Thank you!

Total	$495.07
Payments/Credits	$0.00
Balance Due	$495.07

Phone Number	E-mail
406-995-6040	jtrulen@knaubandcompany.cpa

Tara DePuy, Attorney at Law, PLLC
PO Box 222
Livingston, MT 59047

(406) 223-1803 attorney@riverworks.net (406) 222-7865 (fax)

STATEMENT **June 2, 2025**

Gallatin Canyon Water and Sewer District
PO Box 161030
Big Sky, MT 59716

May 4, 2024	Draft resolution to fill board vacancies ADMINISTRATIVE	.50	$100.00
May 20, 2025	Review DOC Contract PROJECT	.25	$ 50.00
May 21, 2025	Board Meeting - ADMINISTRATIVE	1.50	$300.00

TOTAL $ 450.00

Holmes & Turner

1283 North 14th Avenue, Suite 201
Bozeman, MT 59715
406-587-4265

Client #8806

GALLATIN CANYON WATER & SEWER DISTRICT
PO BOX 161030
BIG SKY, MT 59716

Invoice #67971

05/09/2025

Professional services rendered regarding FY24 Audit and Financials fee.

Current Amount Due	$	12,500.00
Less: Payments Made	-	6,250.00
Amount Due	$	6,250.00

All accounts are due on the 10th of the month following billing.
0.8333% interest per month due on past due accounts.

Holmes and Turner is now accepting credit cards
For information, please visit our website at **www.holmesandturner.com** and click on "**Make Payment**" in the upper right-hand corner. Please note, there is a **3%** processing fee for **ALL** card payments.

Scott Altman
Gallatin Canyon County Water & Sewer District
PO Box 161030
c/o Knaub & Company
Big Sky, MT 59716

May 28, 2025
Project No: P16565-2025-001
Invoice No: 102867

Project Manager Ryan Graf

Project P16565-2025-001 2025 Financial Support

Professional Services for the period: April 12, 2025 to May 16, 2025

Phase 120 Financial Services

Professional Services

		Hours	Rate	Amount	
Graf, Ryan		11.50	248.00	2,852.00	
	Totals	11.50		2,852.00	
	Professional Services Total				**2,852.00**
			Phase Total		**2,852.00**
			Project Invoice Total		**2,852.00**

Outstanding Invoices

Number	Date	Balance
102320	4/22/2025	3,893.62
Total		**3,893.62**

Please make checks payable to: Advanced Engineering and Environmental Services, LLC • 4050 Garden View Dr, Ste 200, Grand Forks, ND 58201

We accept most major credit cards for payment: a 3.5% convenience fee will be added to all credit card transactions.
To pay by credit card please call 701-746-8087.

CANYON SEWER ENGINEERING

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INVOICE

Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

June 09, 2025
Project No: 220724.7
Invoice No: 75495
Current Invoice: $48,957.33

Project Manager: Shane Strong
Project Name: Gallatin Canyon Sewer 60% Design - Work Order #7

Email invoices to Scott Altman at gallatincanyonwsd@gmail.com and Jessica Martin-Trulen at jtrulen@knaubandcompany.cpa

Invoice Notes: Project team and resource management; continued development of easement exhibits; coordination with MDT and USFS; continued 60% development of collection system design and lift station alternative re-purposing Buck's T4 new lift station; preparation of plans and specifications; continued 60% development of Canyon discharge design; continued coordination and management of HWY 64 design; and advancing additional services to model operating pressures of combined disposal system, analyzing boost pumping needs, and coordinating/designing sewer and water extensions to serve the approved Quarry PUD

Professional Services from May 01, 2025 to May 31, 2025

Professional Personnel

		Hours	Rate	Amount	
Senior Project Engineer		75.70	210.00	15,897.00	
Project Engineer 1		31.10	171.00	5,318.10	
Staff Engineer 2		21.20	127.00	2,692.40	
CADD Draftsperson		30.00	130.00	3,900.00	
Project Coordinator 1		.60	132.00	79.20	
	Totals	158.60		27,886.70	
	Total Labor				**$27,886.70**

Consultants

Advanced Engineering & Environmental Ser				
5/31/2025	Advanced Engineering & Environmental Services, LLC		19,018.75	
	Total Consultants	**1.1 times**	**19,018.75**	**$20,920.63**

Unit Billing

Technology Fee-AutoCAD	2.5 Hours @ 5.00	12.50	
Technology Fee-AutoCAD	27.5 Hours @ 5.00	137.50	
Total Units		**$150.00**	**$150.00**

Current Invoice Total **$48,957.33**

Remit payment to WGM Group, Inc ● 1111 East Broadway, Missoula, MT, 59802 ● 406-728-4611
First Interstate Bank ● Routing Number 092901683 ● Account Number 1400978134

To pay by credit card, please call 406-728-4611
A 3.5% convenience surcharge will be added to all credit card payments

Outstanding Invoices

Number	Date	Balance
74955	4/8/2025	41,617.78
75247	5/9/2025	34,532.65
Outstanding Total		**$76,150.43**

Current Plus Outstanding **$125,107.76**

	Current	Prior	Total
Invoiced to Date	**$48,957.33**	**$269,908.30**	**$318,865.63**

Mr. Mace Mangold
WGM Group, Inc.
1111 E Broadway
Missoula, MT 59802

May 28, 2025
Project No: P13277-2023-002
Invoice No: 103014

Project Manager Kelsey Wagner

Project P13277-2023-002 WGM Gallatin Canyon Sewer and Disposal

Professional Services for the period: April 12, 2025 to May 16, 2025

Phase 030 Preliminary Engineering

Professional Services

	Hours	Rate	Amount
Berndt, Bernard	21.00	192.00	4,032.00
Buecker, Scott	.50	274.00	137.00
Salber, Jason	55.75	237.00	13,212.75
Thompson, Ryan	7.00	146.00	1,022.00
Wagner, Kelsey	3.00	205.00	615.00
Totals	87.25		19,018.75
Professional Services Total			**19,018.75**

Contract Maximum	**Current Billing Against Maximum**	**Previous Billings Against Maximum**	**Total Billings To Date**
Total Billings	19,018.75	135,591.09	154,609.84
Maximum			256,358.00
Remaining			101,748.16

Phase Total **19,018.75**

Phase 120 Financial Services

Contract Maximum	**Current Billing Against Maximum**	**Previous Billings Against Maximum**	**Total Billings To Date**
Total Billings	0.00	15,640.00	15,640.00
Maximum			15,640.00

Phase Total

Phase 130 Communication Services

Please make checks payable to: Advanced Engineering and Environmental Services, LLC • 4050 Garden View Dr, Ste 200, Grand Forks, ND 58201

We accept most major credit cards for payment: a 3.5% convenience fee will be added to all credit card transactions.
To pay by credit card please call 701-746-8087.

Contract Maximum	Current Billing Against Maximum	Previous Billings Against Maximum	Total Billings To Date
Total Billings	0.00	5,922.00	5,922.00
Maximum			5,922.00

Phase Total

Project Invoice Total **19,018.75**

Outstanding Invoices

Number	Date	Balance
101742	3/25/2025	5,737.25
102294	4/22/2025	7,099.50
Total		**12,836.75**

Invoice includes project management, client and internal project meetings, 60% electrical and I&C design for reuse diversion vaults, and MDT/DEQ/USFS coordination items

Please make checks payable to: Advanced Engineering and Environmental Services, LLC • 4050 Garden View Dr, Ste 200, Grand Forks, ND 58201

We accept most major credit cards for payment: a 3.5% convenience fee will be added to all credit card transactions.
To pay by credit card please call 701-746-8087.

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INVOICE

Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

June 09, 2025
Project No: 220724.8
Invoice No: 75508
Current Invoice: $2,627.70

Project Manager: Abby Indreland Hunt
Project Name: Gallatin Canyon Sewer CM/GC Contracting - Work Order #8

Email invoices to Scott Altman at gallatincanyonwsd@gmail.com and Jessica Martin-Trulen at jtrulen@knaubandcompany.cpa

Invoice Notes: Drafts for ICE RFP, RFQ Selection Criteria, CMGC amendment to guidance document; internal review and coordination

Professional Services from May 01, 2025 to May 31, 2025

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	2.50	210.00	525.00	
Project Engineer 1	3.70	171.00	632.70	
Senior Construction Projects Manager	7.00	210.00	1,470.00	
Totals	13.20		2,627.70	
Total Labor				**$2,627.70**
			Current Invoice Total	**$2,627.70**

Outstanding Invoices

Number	Date	Balance		
74962	4/8/2025	415.20		
75252	5/9/2025	2,498.10		
Outstanding Total		**$2,913.30**		
			Current Plus Outstanding	**$5,541.00**

	Current	Prior	Total
Invoiced to Date	**$2,627.70**	**$23,270.70**	**$25,898.40**

Remit payment to WGM Group, Inc ● 1111 East Broadway, Missoula, MT, 59802 ● 406-728-4611
First Interstate Bank ● Routing Number 092901683 ● Account Number 1400978134

To pay by credit card, please call 406-728-4611
A 3.5% convenience surcharge will be added to all credit card payments

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INVOICE

Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

June 09, 2025
Project No: 220724.9
Invoice No: 75512
Current Invoice: $3,760.00

Project Manager: **Mace Mangold**
Project Name: **Canyon Sewer TEDD/TIF Funding Evaluation Work Order #9**

Email invoices to Scott Altman at gallatincanyonwsd@gmail.com and Jessica Martin-Trulen at jtrulen@knaubandcompany.cpa

Invoice Notes: Continued work on tax increment calculation spreadsheet development. Ongoing coordination with Gallatin County. Scenarios development to support County coordination. Tech memo to document calculation assumptions. Tax revenue coordination with AE2S for funding model. Create presentation materials to introduce tax increment financing to Gallatin County Commission.

Professional Services from May 01, 2025 to May 31, 2025

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	2.00	210.00	420.00	
Land Planner 2	20.00	167.00	3,340.00	
Totals	22.00		3,760.00	
Total Labor				**$3,760.00**
			Current Invoice Total	**$3,760.00**

Outstanding Invoices

Number	Date	Balance
75246	5/9/2025	4,174.40
Outstanding Total		**$4,174.40**

Current Plus Outstanding **$7,934.40**

	Current	Prior	Total
Invoiced to Date	**$3,760.00**	**$35,913.40**	**$39,673.40**

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INVOICE

Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

June 09, 2025
Project No: 220724.10
Invoice No: 75507
Current Invoice: $27,249.30

Project Manager: Abby Indreland Hunt
Project Name: Canyon Sewer - Disposal

Email invoices to Scott Altman at gallatincanyonwsd@gmail.com and Jessica Martin-Trulen at jtrulen@knaubandcompany.cpa

Invoice Notes: MBMG model data extraction, MODFLOW model - GIS flow path and K value calculations, updates to nondeg report / Maui Factor analysis with MBMG published data, fieldwork coordination - owner coordination & access, equipment setup, pump tests, drilling of new monitoring wells.

Professional Services from May 01, 2025 to May 31, 2025

Phase 01 Project Management, Regulatory-Stakeholder Coordination

Professional Personnel

	Hours	Rate	Amount
Project Engineer 1	5.20	171.00	889.20
Totals	5.20		889.20
Total Labor			**$889.20**
		Phase Total	**$889.20**

Phase 02 Regulatory Crosswalk & Discharge Permitting Coordination

Professional Personnel

	Hours	Rate	Amount
Project Engineer 1	20.90	171.00	3,573.90
Totals	20.90		3,573.90
Total Labor			**$3,573.90**
		Phase Total	**$3,573.90**

Phase 03 2025 Discharge Permitting Data Collection

Professional Personnel

	Hours	Rate	Amount
Project Engineer 1	60.50	171.00	10,345.50
Staff Engineer 2	3.40	127.00	431.80
Senior Hydrologist	2.80	240.00	672.00
Hydrologist 2	64.50	154.00	9,933.00

Project Coordinator 1			7.00	132.00	924.00	
	Totals		138.20		22,306.30	
	Total Labor					**$22,306.30**

Reimbursable Expenses

Raeside, Emma

5/9/2025	Raeside, Emma	89 miles for Pump Tests	62.30	
5/15/2025	Raeside, Emma	90 miles monitoring well sites	63.00	
5/21/2025	Raeside, Emma	90 miles site visit	63.00	
5/22/2025	Raeside, Emma	90 miles site visit	63.00	
5/23/2025	Raeside, Emma	90 mi monitoring well installation	63.00	
	Total Reimbursables		**314.30**	**$314.30**

Unit Billing

Technology Fee - Groundwater Vistas	4.0 Hours @ 5.00	20.00	
Mileage	208.0 Miles @ 0.70	145.60	
Total Units		**$165.60**	**$165.60**

Phase Total	**$22,786.20**
Current Invoice Total	**$27,249.30**

Outstanding Invoices

Number	Date	Balance
74963	4/8/2025	22,498.20
75251	5/9/2025	4,906.10
Outstanding Total		**$27,404.30**

Current Plus Outstanding	**$54,653.60**

	Current	Prior	Total
Invoiced to Date	**$27,249.30**	**$27,404.30**	**$54,653.60**

Remit payment to WGM Group, Inc ● 1111 East Broadway, Missoula, MT, 59802 ● 406-728-4611
First Interstate Bank ● Routing Number 092901683 ● Account Number 1400978134

To pay by credit card, please call 406-728-4611
A 3.5% convenience surcharge will be added to all credit card payments

Excel Pump and Well Inc.

356 Countryside Lane
Belgrade, MT 59714 US
(406) 570-0961
tyler@excelpumpandwell.com

INVOICE

BILL TO
Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

INVOICE	1351D
DATE	05/30/2025
TERMS	Net 10
DUE DATE	06/09/2025

	DESCRIPTION	QTY	RATE	AMOUNT
Drilling (minimum charge)	8" Well - 60' Minimum / 43' Drilled	1	6,000.00	6,000.00
Monitoring Well Conversion	4" PVC / Screen / Gravel Pack / Sand / Bentonite	1	2,500.00	2,500.00
Mobilization		1	500.00	500.00
Drive Shoe	8"	1	325.00	325.00
Well Cap	8" Locking	1	75.00	75.00

It shows the option to pay by card, however that incurs a large processing fee on our end. We would be grateful if you can utilize the direct bank to bank transfer method (ACH), unless you would prefer to mail a check.
The Payment Link is clickable on the PDF.

BALANCE DUE **$9,400.00**

Pay invoice

It shows the option to pay by card, however that incurs a large processing fee on our end. We would be grateful if you can utilize the direct bank to bank transfer method (ACH), unless you would prefer to mail a check.

Excel Pump and Well Inc.

356 Countryside Lane
Belgrade, MT 59714 US
(406) 570-0961
tyler@excelpumpandwell.com

INVOICE

BILL TO
Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

INVOICE	1352D
DATE	05/30/2025
TERMS	Net 10
DUE DATE	06/09/2025

	DESCRIPTION	QTY	RATE	AMOUNT
Drilling	8" Well	78	100.00	7,800.00
Monitoring Well Conversion	Backfill / 4" PVC / Screen / Gravel Pack / Sand / Bentonite	1	2,500.00	2,500.00
Mobilization		1	500.00	500.00
Drive Shoe	8"	1	325.00	325.00
Well Cap	8" Locking	1	75.00	75.00

It shows the option to pay by card, however that incurs a large processing fee on our end. We would be grateful if you can utilize the direct bank to bank transfer method (ACH), unless you would prefer to mail a check.
The Payment Link is clickable on the PDF.

BALANCE DUE **$11,200.00**

Pay invoice

It shows the option to pay by card, however that incurs a large processing fee on our end. We would be grateful if you can utilize the direct bank to bank transfer method (ACH), unless you would prefer to mail a check.

Excel Pump and Well Inc.

356 Countryside Lane
Belgrade, MT 59714 US
(406) 570-0961
tyler@excelpumpandwell.com

INVOICE

BILL TO
Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

INVOICE	1353P
DATE	05/30/2025
TERMS	Net 10
DUE DATE	06/09/2025

	DESCRIPTION	QTY	RATE	AMOUNT
Pump Test	24hr - 35GPM / Generator / Pump Supplies / Setup & Takedown	1	6,000.00	6,000.00

It shows the option to pay by card, however that incurs a large processing fee on our end. We would be grateful if you can utilize the direct bank to bank transfer method (ACH), unless you would prefer to mail a check.
The Payment Link is clickable on the PDF.

BALANCE DUE **$6,000.00**

Pay invoice

It shows the option to pay by card, however that incurs a large processing fee on our end. We would be grateful if you can utilize the direct bank to bank transfer method (ACH), unless you would prefer to mail a check.

BSCWSD - HIGHWAY 64 INFRASTRUCTURE

Johnny O'Connor
Big Sky County Water and Sewer District No. 363
PO Box 160670
Big Sky, MT 59716

May 28, 2025
Project No: P13218-2020-001
Invoice No: 103011

Project Manager Kelsey Wagner

Project P13218-2020-001 Canyon Area Lift Station, Forcemain and Reuse Pipeline Design

Professional Services for the period: April 12, 2025 to May 16, 2025

Phase 030 Preliminary Engineering

Professional Services

	Hours	Rate	Amount	
Buecker, Scott	8.00	274.00	2,192.00	
Dunn, Carl	4.50	192.00	864.00	
Ehlke, Kirk	3.50	205.00	717.50	
Hansen, Gregory	2.00	205.00	410.00	
Hanson, Daniel	15.50	237.00	3,673.50	
Hohn, Paul	55.50	192.00	10,656.00	
Johnson, Kevin	3.00	237.00	711.00	
Kemp, Twila	8.50	192.00	1,632.00	
Kraft, Rachel	.50	172.00	86.00	
LaFournaise, Tera	.50	85.00	42.50	
Thompson, Ryan	39.50	146.00	5,767.00	
Trott, Kaitlyn	3.50	146.00	511.00	
Tveit, Cole	10.00	136.00	1,360.00	
Wagner, Kelsey	23.75	205.00	4,868.75	
Wendt, Alan	1.50	237.00	355.50	
Totals	179.75		33,846.75	
Professional Services Total				**33,846.75**

Subcontractors

Mechanical Consultant					
4/30/2025	KFI Engineers, PC DBA KFI Engineers	HVAC		6,400.00	
Other Consultant					
5/14/2025	WGM Group, Inc.	Permit consultant		5,229.00	
	Subcontractors Totals		**1.15 times**	**11,629.00**	**13,373.35**

Please make checks payable to: Advanced Engineering and Environmental Services, LLC • 4050 Garden View Dr, Ste 200, Grand Forks, ND 58201

We accept most major credit cards for payment: a 3.5% convenience fee will be added to all credit card transactions.
To pay by credit card please call 701-746-8087.

Reimbursables

Meals		**Markup = 1.15 times**	126.89	
	Reimbursables Totals		**126.89**	**126.89**

Expenses

Laser Printouts/Photocopies				
4/30/2025		378.0 Pages @ 0.30	113.40	
Transportation				
4/17/2025	Thompson, Ryan	90.0 Miles @ 0.75	67.50	
	Expenses Totals		**180.90**	**180.90**

Contract Maximum	**Current Billing Against Maximum**	**Previous Billings Against Maximum**	**Total Billings To Date**	
Total Billings	47,527.89	730,965.97	778,493.86	
Maximum			1,030,040.00	
Remaining			251,546.14	
			Phase Total	**47,527.89**
			Project Invoice Total	**47,527.89**

Outstanding Invoices

Number	**Date**	**Balance**
100406	1/21/2025	28,091.21
101144	2/25/2025	62,973.53
101740	3/25/2025	85,635.80
102292	4/22/2025	76,479.80
Total		**253,180.34**

Invoice includes 60% plans and specifications for CMAR pricing including subconsultants and workshop - Talus (Architect), WGM Group, and KFI (Mechanical HVAC); project management, project meetings, DEQ deviation request, and USFS coordination.

KFI ENGINEERS
CORPORATE HEADQUARTERS
670 COUNTY ROAD B WEST
ST. PAUL, MN 55113

Kelsey Wagner
Advanced Engineering and Environmental Services, LLC (AE2S)
4050 Garden View Drive
Suite 200
Grand Forks, ND 58201

April 11, 2025
Project No: 24-1216.00
Invoice No: 71071

Big Sky MT Canyon Sewer and Pipeline Lift Station Preliminary Mechanical Design
Professional Services through March 31, 2025

Fee

Total Fee	8,000.00			
Percent Complete	100.00	Total Earned	8,000.00	
		Previous Fee Billing	1,600.00	
		Current Fee Billing	6,400.00	
		Total Fee		**6,400.00**
			Total this Invoice	**$6,400.00**

Billings to Date

	Current	Prior	Total
Fee	6,400.00	1,600.00	8,000.00
Totals	**6,400.00**	**1,600.00**	**8,000.00**

INVOICE TERMS NET 30 DAYS

WGMGROUP
Community Values. Inspired Futures.

INVOICE

Kelsey Wagner
Advanced Engineering & Environmental Services, LLC
405 3rd St NW, Ste 205
Great Falls, MT 59404

May 09, 2025
Project No: 230314.3
Invoice No: 75249
Current Invoice: $5,229.00

Project Manager: Shane Strong
Project Name: BSCWSD-Canyon Sewer 60% Engineering Work Order #3

Email invoice to ap@ae2s.com

Invoice Notes: Project and resource management; team design meetings with CYA to discuss project alignments and constructability; review HWY 64 plans with permitting and easement needs and review/advise moving alignment to back of R/W along western half; developing concept typical sections for MDT review showing construction zone, working room and travel way mods to accommodate north side construction; continued discussion with Kallestad for easements along common boundaries with Conoco; and coordinating/soliciting proposal for geotech slope stability analysis

Professional Services from April 01, 2025 to April 30, 2025

Professional Personnel

	Hours	Rate	Amount	
Senior Project Engineer	24.90	210.00	5,229.00	
Totals	24.90		5,229.00	
Total Labor				**$5,229.00**
			Current Invoice Total	**$5,229.00**

Outstanding Invoices

Number	Date	Balance
74054	12/10/2024	3,693.40
74216	1/8/2025	882.00
74429	2/5/2025	4,011.00
74712	3/11/2025	9,352.95
74959	4/8/2025	9,672.80
Outstanding Total		**$27,612.15**

Current Plus Outstanding **$32,841.15**

	Current	Prior	Total
Invoiced to Date	**$5,229.00**	**$27,612.15**	**$32,841.15**

Remit payment to WGM Group, Inc ● 1111 East Broadway, Missoula, MT, 59802 ● 406-728-4611
First Interstate Bank ● Routing Number 092901683 ● Account Number 1400978134

To pay by credit card, please call 406-728-4611
A 3.5% convenience surcharge will be added to all credit card payments

$110.34 x 1.15 Markup = $126.89

bywom
by word of mouth

bywom bistro
By Word of Mouth
77 Aspen Leaf Drive
Big Sky, Montana

Server: Lunch L
Check #5 Table 4
Ordered: 4/17/25 12:05 PM

2 Pepsi	$8.00
Ice Tea	$4.00
French Onion	$10.00
Portabella Burger	$19.00
3 Sand Spec	$48.00
Subtotal	$89.00
Resort Tax	$3.56
Total	$92.56

If you use a credit card, we will charge an additional 3% ($2.67) to help offset processing costs. This amount is not more than what we pay in fees. Sales tax also applies.

Thank You For Your Business
Follow Us On Facebook

bywom
by word of mouth

bywom bistro
By Word of Mouth
77 Aspen Leaf Drive
Big Sky, Montana

Server: Lunch L
Check #5 Table 4
Ordered: 4/17/25 12:05 PM

Credit Card	Contactless
Visa	xxxxxxxx9629
Time	12:56 PM
Transaction Type	Sale
Authorization	Approved
Approval Code	017988
Payment ID	JmCpykXsKxqW
Application ID	A0000000031010
Application Label	VISA CREDIT
Card Reader	BBPOS
Subtotal	$89.00
Credit Card Surcharge (3.00%)	$2.67
Resort Tax	$3.67
Amount	$95.34
+ Tip:	15.00
= Total:	110.34

X_____
VISA CARDHOLDER

Customer Copy

TD&H Engineering
1800 River Dr N
Great Falls, MT 59401
406-761-3010

Big Sky County Water & Sewer District
Johnny O'Connor
P.O. Box 160670
561 Little Coyote Road
Big Sky, MT 59716

Invoice number 43058
Date 06/12/2025

Project 25-022 Big Sky Sewer Highway 64 Geotechnical

Billing Period Ending: May 31, 2025

Description	Contract Amount	Percent Complete	Total Billed	Prior Billed	Current Billed
001 Geotechnical Investigation and Report	105,000.00	70.00	73,500.00	0.00	73,500.00
Total	105,000.00	70.00	73,500.00	0.00	73,500.00

002 Encroachment Permitting and Traffic Control

Professional Fees

	Hours	Rate	Billed Amount
Engineer V	2.75	198.00	544.50

Consultants

	Cost Amount	Multiplier	Billed Amount
Mountain West Holding Company, Inc.	17,625.00	1.10	19,387.50
Phase subtotal			19,932.00

003 Private Utility Locates & Coordination

Professional Fees

	Hours	Rate	Billed Amount
Engineer II	0.50	128.00	64.00
Engineer V	13.25	198.00	2,623.50

Reimbursables

	Units	Rate	Billed Amount
Travel - TD&H Heavy Vehicle Mileage	276.00	1.10	303.60
Craig R. Nadeau			
Meals - Per Diem	1.25	68.00	85.00
Supplies	1.00	173.10	173.10
Travel - Lodging	1.00	216.62	216.62

003 Private Utility Locates & Coordination

Consultants

	Cost Amount	Multiplier	Billed Amount
Rocky Mountain Contractors, Inc.	2,400.00	1.10	2,640.00
Phase subtotal			6,105.82

Invoice total **99,537.82**

Aging Summary

Invoice Number	Invoice Date	Outstanding	Current	Over 30	Over 60	Over 90	Over 120
43058	06/12/2025	99,537.82	99,537.82				
	Total	99,537.82	99,537.82	0.00	0.00	0.00	0.00

Corporate Office
1107 Howard St
Butte, MT 59701

Mountain West Holding Company, Inc.

(406) 782-1422
Fax (406) 782-2205

AN EQUAL OPPORTUNITY EMPLOYER

Invoice

BILL TO:
TD& H Engineering craig.nadeau@tdhengineering.com

DATE	INVOICE#
6/10/2025	100251
TERMS	DUE DATE
Net 15	6/25/2025

PURCHASE NUMBER

JOB NO:	PROJECT NAME
	Hwy 64 Big Sky

QUANTITY	UNITS	DESCRIPTION	RATE	AMOUNT
1	LS	Mobilization/ TC plan	1,500.00	1,500.00
3	Day	Traffic Control Supervisour	3,250.00	9,750.00
75	HR	Flagger	85.00	6,375.00
		3.5% will be added if paid by credit card		

Thank you for your business.

TOTAL $17,625.00

Plywood to Cover Hydrovac Holes until drilling.

Cost + 10% = $173.10



How doers get more done.

1500 MARKET PL DR GREAT FALLS, MT 59404
(406)727-1542 STORE MGR CRYSTAL BAGWELL

3103 00002 62766 05/14/25 11:40 AM
SALE CASHIER HEIDI

015812770638 TAPE <A> 7.97N
EMPIRE 600' PINK FLAGGING TAPE
015812770621 TAPE <A> 7.97N
EMPIRE 600' ORANGE FLAGGING TAPE
090489150068 1/2 4X4 BC <A>
15/32 4X4 BCX PLYWOOD
4@39.34 157.36N
810034070425 19IN TB <A> 14.98N
THE HOME DEPOT 19IN. TOOL BOX

SUBTOTAL	188.28
SALES TAX	0.00
TOTAL	$188.28

XXXXXXXXXXXX3786 VISA USD$ 188.28
AUTH CODE 01701D/7023648 TA
Contactless
AID A0000000031010 CHASE VISA

3103 05/14/25 11:40 AM

3103 02 62766 05/14/2025 3901

RETURN POLICY DEFINITIONS

	POLICY ID	DAYS	POLICY EXPIRES ON
A	1	90	08/12/2025

101 05-14-25

Craig Nadeau
1800 River Drive North
Great-Falls 59401
United States

Folio No.	:	**210044**	Room No.	:	**118**
A/R Number	:		Arrival	:	**05-12-25**
Group Code	:		Departure	:	**05-14-25**
Company	:		Conf. No.	:	**89349313**
Membership No.	:	**PC 277226362**	Rate Code	:	**IDME2**
Invoice No.	:		Page No.	:	**1 of 1**

Date	Description		Charges	Credits
05-12-25	Deposit Transfer at Check-In			187.70
05-12-25	Visa	XXXXXXXXXXXX3786		206.16
05-12-25	*Accommodation		171.94	
05-12-25	Sales & Usage Tax		6.88	
05-12-25	Lodging Tax		6.88	
05-12-25	TBID City Fee		2.00	
05-13-25	*Accommodation		189.04	
05-13-25	Sales & Usage Tax		7.56	
05-13-25	Lodging Tax		7.56	
05-13-25	TBID City Fee		2.00	
		Total	**393.86**	**393.86**
		Balance	**0.00**	

Thank you for staying with us! Qualifying points for this stay will automatically be credited to your account. Please tell us about your stay by writing a review here - www.ihg.com/reviews. We look forward to welcoming you back soon.

Guest Signature: _____

I have received the goods and / or services in the amount shown heron. I agree that my liablity for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

2 Nights Lodging - 1 charged to lump sum geotechnical investigation phase
1 charged to T&M Utility Locate Phase

Total for T&M Phase = $393.86 / 2 = $196.93

Total + 10% = 1.1 * $196.93 = $216.62

Holiday Inn Express and Suites
309 West Madison Belgrade, MT 59714
Phone (406) 388-7100 Fax (406) 388-2290
st0303@townpump.com

Independently owned by major brand distributing imports inc. And owner operated by Town Pump Hotel Group.

Rocky Mountain Contractors
P.O. Box 8688
Kalispell, MT 59904-1688
406 752-4277

ROCKY MOUNTAIN CONTRACTORS, INC.

Invoice 80269

Bill to:	Job: V213865
TD & H ENGINEERING ATTN RYAN BUFFINGTON 1800 RIVER DR N GREAT FALLS, MT 59401	VAC BIG SKY WATER AND SWR HWY 64 8770 BIG SKY, MT

Invoice #: 80269 Date: 05/30/25	Customer P.O. #:
Payment Terms: DUE UPON RECEIPT	Salesperson:
Customer Code: TDHENG	

Remarks:

Quantity	Description	U/M	Unit Price	Extension
6.00	VAC TRUCK	HR	400.00	2,400.00
			Subtotal:	**2,400.00**
			Total:	**2,400.00**

CANYON WATER SYSTEM PER

WGMGROUP
Community Values. Inspired Futures.

INVOICE

Gallatin Canyon County Water & Sewer District
c/o Knaub & Company
PO Box 161030
Big Sky, MT 59716

June 09, 2025
Project No: 220806.1
Invoice No: 75496
Current Invoice: $8,522.33

Project Manager: Shane Strong
Project Name: Gallatin Canyon Water Preliminary Engineering Report

Email invoices to Scott Altman at gallatincanyonwsd@gmail.com and Jessica Martin-Trulen at jtrulen@knaubandcompany.cpa

Invoice Notes: Project management; continued PER development; system modeling for alternative analysis of two separate vs one central system; and lifecycle cost analysis for alternative selection

Professional Services from May 01, 2025 to May 31, 2025

Professional Personnel

		Hours	Rate	Amount	
Senior Project Engineer		13.00	210.00	2,730.00	
	Totals	13.00		2,730.00	
	Total Labor				**$2,730.00**

Consultants

Advanced Engineering & Environmental Ser					
5/31/2025	Advanced Engineering & Environmental Services, LLC			5,265.75	
	Total Consultants		**1.1 times**	**5,265.75**	**$5,792.33**
			Current Invoice Total		**$8,522.33**

Outstanding Invoices

Number	Date	Balance		
75248	5/9/2025	7,342.65		
Outstanding Total		**$7,342.65**		
			Current Plus Outstanding	**$15,864.98**

Remit payment to WGM Group, Inc ● 1111 East Broadway, Missoula, MT, 59802 ● 406-728-4611
First Interstate Bank ● Routing Number 092901683 ● Account Number 1400978134

To pay by credit card, please call 406-728-4611
A 3.5% convenience surcharge will be added to all credit card payments

Gallatin Canyon Sewer

REQUEST FOR QUALIFICATIONS

PROJECT NAME: New Public Sewer System to Serve GCCWSD & BSCWSD

NOTICE TO CONTRACTORS:
The Gallatin Canyon County Water & Sewer District (GCCWSD) in partnership with the Big Sky County Water & Sewer District (BSCWSD) (together herein referred to as Districts) are accepting Statements of Qualifications (SOQs) from entities (Contractors) interested in providing Construction Manager / General Contractor (CM/GC) services for the project identified below. Contractors are to submit SOQ by hand or electronically to WGM Group, Inc. (District Representative) per the below point of contact.

The primary point of contact throughout the CM/GC process will be:

WGM Group, Inc. c/o Shane Strong, PE
sstrong@wgmgroup.com
406-728-4611
109 E Main St, Suite B, Bozeman, MT 59715

The SOQs are due no later than **11:00 a.m.**, local time on **July 18, 2025**.

Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be solely the Contractor's responsibility to ensure electronic or hand delivery at the specified office by the specified time. Contractor may request the Districts delete late proposals. If no request is made, late proposals become the property of the Districts. All proposals submitted on time become the property of the Districts.

The costs for developing and delivering responses to this solicitation are entirely the responsibility of the Contractor. The Districts are not liable for any expense incurred by the Contractor in the preparation and presentation of this submittal.

The project is designated as an Adjusted Score CM/GC type qualifications based contract. The Districts will evaluate the relative ability of each Contractor to perform the required services based on SOQ information and past experience (See the SOQ Submittal Requirements section of this document for selection criteria). For this project, the Districts will short-list **three** (**3)** responsive Contractors. All Contractors will be contacted, and the results of the short-listing process will be forwarded to all proposers and shared on the GCCWSD website.

Short-listed Contractors will be provided a Request for Proposal (RFP) containing a detailed project description and a preliminary scope of work for Preconstruction Services and are requested to provide a Technical Proposal for the project. The Total Technical Proposal Score prepared by a Technical Review

Committee representing the Districts, will be used to determine the best value proposal. At the discretion of the Districts, an interview may be required with the interview score included as part of the overall Total Technical Proposal Score. Contractors will be solely responsible for all costs and expenses of any nature associated with responding to the RFQ and RFP, including attending required meeting(s) and providing supplemental information.

The successful Contractor will partner with the Districts, the engineering staff Consultants (WGM Group & AE2S), and an Independent Cost Estimator (ICE) to develop the subject project. Discussions may also include representatives from applicable funding and/or regulatory agencies.

PROJECT DESCRIPTION:

Schedule A:

The intent of this Schedule A is to construct a new sanitary sewer system to serve the new GCCWSD, generally extending along US 191 from the intersection of MT 64 south to Ophir School. This project includes preconstruction services and the option for construction services to construct this new sewer collection, conveyance, and disposal infrastructure in the Gallatin Canyon Area. The area of work is illustrated on **Attachment A** to include construction adjacent to MT 64 and US 191. This work may include but is not limited to sewer collection system, trunk sewer, reclaimed water distribution systems, infiltration gallery and spray irrigation type disposal systems, new sewer lift station(s) and existing lift station retrofit, grading, pavement repair, stream protection, and traffic management on local and state highways. Construction will occur along and within Montana Department of Transportation (MDT) ROW and to-be-acquired easements on private properties. Construction will be governed by Montana Public Works Standard Specifications (MPWSS), supplemented by BSCWSD Standard Specifications & Drawings, and by applicable MDT Specifications controlling portions of work within MDT's ROW. Additionally, the project is anticipated to require permitting through Montana Department of Environmental Quality (DEQ), MDT, US Forest Service (USFS), US Army Corps of Engineers (USACE), Montana Department of Natural Resources and Conservation (DNRC), among others.

Work along US 191 is more specifically described as follows:

- Design and construction of gravity trunk sewer, which may include +/- 17,000 LF of 8-15" PVC SDR 35 sanitary sewer main and manholes, along with +/- 2,200 LF of 8" PVC or HDPE force main with combination air/vacuum valves and vaults. Installation of mains is anticipated to require Jack and Bored steel casing and Horizontal Directional Drilling (HDD) trenchless methods for perpendicular crossings of the MDT ROW, trench dewatering systems in areas of high groundwater (approximately half of the trenched pipe), and dry utility relocation. Collection main installation will also require multiple connections to existing systems.
- Design and construction of new packaged low pressure sewer lift station including telemetry controls as well as design and construction to retrofit an existing sewer lift station to meet operating conditions of the proposed redirected force main piping.
- Design and construction of reuse effluent force main, which may include +/- 26,000 LF of 6"-10" HDPE pipe, buried isolation valves, combination air/vacuum valve vaults, pressure reduction valve stations and/or booster pump stations, and control valve vaults with flow metering, solenoid valves, and telemetry controls. Control logic for valve operation is anticipated to be dependent on totalized daily flows and maintaining pressure differentials.
- Design and construction of underground infiltration galleries for subsurface treated effluent disposal. Infiltration galleries are anticipated to generally follow conventional drainfield installation including buried perforated laterals with infiltration chambers to distribute and dispose of treated effluent. The scale of underground disposal infrastructure for Phase I of the

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project is anticipated to require +150,000 gpd of capacity. It is also anticipated to include retrofitting existing community drainfields to be reused for treated effluent disposal.

- Design and construction of surface irrigation facilities for reuse of treated effluent. This is anticipated to include new service connections to existing irrigation infrastructure, new buried irrigation infrastructure in planned landscaping areas, and new buried irrigation infrastructure for use similar to agricultural operations – riser lines, etc. - for more temporary and mobile irrigation by the Districts via handlines on the ground surface.

Schedule B:
The primary sewer treatment and disposal goal of Schedule B requires pumping raw wastewater, along MT Hwy 64, from the US Hwy 191 intersection up to existing BSCWSD WRRF influent infrastructure and returning the Class A-1 treated effluent to the Canyon Area for various underground and surface applied disposal applications. Work along MT Hwy 64 is more specifically described as follows:

- Design and construction of parallel sewer force main and reuse effluent main, which may include a combined +/- 18,000 LF of 8" and 10" DIPS HDPE pipe with combination air/vacuum valves and vaults. Installation of mains is anticipated to require Jack and Bored steel casing and/or Horizontal Directional Drilling (HDD) trenchless methods for multiple crossings of MT Hwy 64 and West Fork Gallatin River. Open trench dewatering systems in areas of high groundwater (eastern end near river). Highway crossings may require casing pipe.
- Pipeline construction is anticipated to vary between single, shared trench and separate trenches with horizontal alignment offsets from 3' to 10'+, and shared trench installation may require an 18" minimum vertical separation between the bottom of the reuse main and top of the force main. Frost depth is 6.5' below grade. MT DEQ (Department of Environmental Quality) may require the two pipes to maintain a vertical separation in the shared trench portion of the project. The reuse main will be above the raw sewage force main and to maintain frost protection the pipe may either require insulation board at depths shallower than 6.5' or very deep trenches (up to 10'+).
- Design and construction of two pump stations in series, 1) primary lift station (LS1) at the intersection of MT Hwy 64 and US Hwy 191 and 2) intermediate sewer lift station (LS2). Each lift station will have a bypass manhole, wet well, valve vault utility building, and flow meter vaults including telemetry controls. The two (2) reuse main vaults closest to the lift stations will be outfitted with pressure indicating transmitters and alarms. Lift stations are to be similar but are not identical due to the site-specific conditions that differ between the two locations.
- Design and construction of connections to the existing BSCWSD WRRF inlet siphon structure and effluent discharge structure, which may include modifications to these structures.
- Much of MT 64 construction will require control of construction operations within a tight footprint due to MDT's anticipated requirement to maintain two lanes of traffic at all times, which will require creative planning and management of trench excavation and fill materials.

If proposed parallel main construction along MT 64 cannot be permitted with MDT, the project's treatment will require pivoting to a new treatment plant in the Gallatin Canyon Area which will result in the cancelation of Schedule B and an additional scope to design and construct a new packaged MBR wastewater treatment plant.

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The following background information and preliminary scope of work items are anticipated for the proposed project and provided for information and not as required SOQ submittals.

PROJECT AREAS OF FOCUS:

- *Safety:* Promote and maintain safety of the travelling public and project personnel throughout construction.
- *Mobility:* Minimize impacts to the travelling public and other stakeholders throughout construction.
- *Constructability:* Determine and advise on overall ability to construct and maintain all project systems. Contractor's confidence in project constructability will be paramount to project permitting with DEQ and MDT.
- *Permitting:* Overall project requires permitting with MDT, DEQ, and USFS. Additionally, various other agencies will review and permit project work associated with crossing of West Fork Gallatin River and isolated work across small "pocket" wetland areas along the project corridor. Project viability primarily hinges on MDT and USFS permitting along the MT 64 corridor.
- *Quality:* Construct a functional, high quality, and durable solution for sewer collection, treatment, and disposal with minimal complexity of operations and ample ability to access and maintain.
- *Environmental Compliance:* Comply with all environmental commitments, regulations, and permitting requirements.
- *Project Cost Controls:* Establish an accurate and timely method of reporting project spending to ensure the client will not exceed the established budget.
- *Project Schedule:* Develop and implement innovative solutions to target a potential fall 2026 start of construction date for any early work packages or overall spring 2027 start date.
- *Communication and Coordination:* Develop a process for clearly communicating construction work to the key project stakeholders such as adjacent developers/contractors, utility companies, and the general public using the Districts' Public Involvement consultant.

PROJECT TEAM:

The Project Team, as referenced herein, is composed of GCCWSD, BSCWSD, the selected engineering consultants WGM Group and AE2S (Engineers), the ICE (not yet selected), the CM/GC (Contractor), and any additional project stakeholders as necessary. The Districts designate Shane Strong of WGM Group, as overall Project Leader with responsibility to manage the successful design and construction of the proposed project.

PRECONSTRUCTION SERVICES:

The Contractor, herein referred to as the Construction Manager (CM), will work as an integral part of the Project Team to develop, implement, and maintain a spirit of cooperation and open communication among parties. The intent is that project goals and objectives are clearly understood, potential problems are identified and resolved promptly, and upon completion, the project is deemed a success by all. The successful CM will provide preconstruction services by performing the following:

- Serve in a valuable support role to the Engineers and Districts during the design phase of the project. The Engineers are responsible for completion and stamping of all construction documents. The CM will participate in all pre-construction design discussions, estimating, risk identification, innovation discussions, and schedule development.
- Evaluate the design as it is originally intended and compare it to the scope of work with both the required budget and schedule to determine if the scope can be executed within those constraints.

A validated design is one that can be constructed within the budget and schedule constraints of the project.

- Perform design reviews to identify errors, omissions, and ambiguities with intent to improve the constructability and economy of the design submittal. As necessary, assist the Engineers with feasibility and options evaluations. Prepare cost/benefit input on potential options or alternatives. Provide input on potential alternatives for solutions to address the deficiencies and challenges with the existing project site.
- Analyze and evaluate the constructability of the preliminary design.
- Evaluate and identify existing utilities in conflict with proposed project design and assist in determining best means to resolve conflicts.
- Verify the quantities and schedule of values (Bid Items) generated by the Engineers for the estimate.
- Provide information, cost estimates, and alternative options to help facilitate decisions regarding existing conditions, construction impact, and staging.
- Prepare production-based estimates at Rough Order of Magnitude (ROM)/for current 60, and future 90 percent complete designs.
- Provide input to the Project Team regarding current construction industry practices, labor market, and material and equipment availability.
- Furnish the Engineers with alternative materials or equipment, along with current pricing data and availability, to assist in making informed design decisions early in the process. The intent of this information sharing is to reduce the need to change the design late in project development, resulting from budget or schedule considerations.
- Provide assistance in shaping the scope of work to ensure that the work conforms to the budget and schedule constraints.
- Perform feasibility investigations on potential options or construction approaches, as requested.
- Use subcontractors, as needed, to supplement preconstruction services to provide the necessary expertise.
- Play an integral part in identifying and providing risk mitigation strategies. Assist the Engineers, ICE and Districts with risk identification, pricing, mitigation strategies, and how risk will be assigned.
- Provide detailed construction schedules to execute construction, including potential early work packages.
- Review, validate, and/or propose alternative traffic staging and traffic control concepts for project.
- Review environmental commitments/permits associated with the project and determine and/or identify feasibility of commitments/permits.
- Collaborate with ICE to establish an agreed approach to pricing.
- Attend and participate in discussions with MDT, resource agencies, and Districts' Board meetings, as appropriate.
- Provide a construction bid for early work packages, and/or at project design completion. Assuming that an acceptable bid(s) is received, and the Districts accept the bid, enter into a construction contract to build the project.

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SOQ SUBMITTAL REQUIREMENTS:

The legal entity (Contractor) desiring consideration for this project will submit seven hard copies or an electronic copy of their Statement of Qualifications (SOQ) not to exceed **ten** 8 ½ x 11 pages in length. Each page that contains text, graphs, drawings, or other illustrations is considered in the page limit. The transmittal letter, letters of commitment, proof of insurance, resumes, SOQ fronts/backs, and blank section dividers are not included in the page limit. The prime contractor or other key personnel cannot team with other partners to submit more than one proposal per project. The Contractor and associated key personnel on a CM/GC team cannot change after award without the prior written approval of the Districts. Only one SOQ per Contractor is acceptable. Receipt of multiple SOQs from one Contractor will disqualify the Contractor.

The SOQ must, as a minimum, include information on each of the following criteria:

1) Provide a SOQ transmittal letter that identifies the legal entity (business structure) authorized to render the CM/GC services. **Not included in the page limit. Submittal of this criterion will be considered Pass/Fail of the SOQ.**

2) Identify participating companies and business phone numbers, emails, and addresses of the Contractor members. Provide an organization chart relating to the project and include the names, titles, classifications, and experience (one-page resumes) of key personnel, which includes the overall Project Manager, Construction Superintendent, Project Estimator, and Quality Manager. The key personnel on a CM/GC team cannot change after submittal of the SOQ without prior written approval of the Districts. Provide proof of insurance. **Page limit is two pages. (Resumes and proof of insurance are not included in the page limit). Response to this criterion accounts for 40% of the overall SOQ score.**

3) Provide a list of active and/or recently completed projects similar in nature to this project that have been completed in the past ten years. Include start and completion dates or anticipated completion dates, budget, owner, name and telephone number of owner's project representative, and names of Contractor's key project team members that performed construction management activities. Experience may be drawn from projects contracted with state DOTs, private industry, or local governments. Include with this list any experiences or challenging situations that arose during the projects, and resultant solutions that showcase a collaborative team effort to complete the project. If applicable, include and describe how the projects were delivered using alternative contracting methods. CM/GC experience is not required to make the Short List. **Page limit is three pages. Response to this criterion accounts for 20% of the overall RFQ score**

4) Include a narrative of the Contractor's understanding and approach to how the CM/GC process and the Contractor's organization will contribute to the success of the project and meet the Districts' project goals. In addition, provide a description of the Contractor's understanding of the risk sharing and the teaming relationship between the Construction Manager, the Engineers, the ICE, and the Districts. Outline potential innovations in design, materials, and construction means and methods anticipated for the project. Briefly describe any project issues identified and outline proposed resolutions by the Contractor. **Page limit is five pages. Response to this criterion accounts for 40% of the overall SOQ score**

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PROJECT BUDGET: $50 Million

PERCENTAGE OF WORK REQUIREMENTS:
The Proposer must perform the CM/GC services work valued at not less than 40% of the overall contract value with its own staff, excluding specialized services.

TECHNICAL QUESTIONS:
All questions are to be submitted in writing to the Project Leader, Shane Strong, at sstrong@wgmgroup.com. Questions will then be posted with answers or clarifications on the following link to the "Question and Answer Site":

Questions must be submitted at least 48 hours before the SOQ is due. The Project Leader will provide an answer posted on the same "Question and Answer Site." Every effort will be made to post the answer within 24 work hours after the question is submitted.

From the date this solicitation is issued until the selection is finalized, offerors are not allowed to communicate with any herein described Districts staff, Engineers, ICE, public relations staff, or officials regarding this solicitation, except through the "Question and Answer Site". If unauthorized contact is made and the Districts determine the context of the contact gives the offeror an unfair advantage, the offeror will be disqualified from the solicitation.

INSURANCE REQUIREMENTS:
Contractors must provide insurance certifications, either a certificate of insurance evidencing current policies, or written evidence from an insurance company or broker indicating that the Contractor is capable of obtaining the following types of insurance: Commercial General Liability, Professional liability, Auto Liability, and Workers' Compensation / Employer's Liability. General liability limits must be no less than $1,000,000 per occurrence and $2,000,000 in the aggregate. Auto liability limit must be no less than $500,000 per occurrence and $1,000,000 in the aggregate.

In addition, the selected Contractor will be required to indemnify the Districts, Districts' Engineers, and ICE with respect to claims arising out of the construction contract.

BONDING REQUIREMENTS:
Contractors must attach a notarized statement from an admitted surety insurer authorized to issue bonds in the State of Montana that states:

- Contractor's current bonding capacity is sufficient for the project and referenced payment and performance bonds; and
- Contractor's current available bonding capacity.

The selected Contractor will be required to submit payment and performance bonds upon execution of a construction contract (Guaranteed Maximum Price (GMP)), each in the amount of 100 percent of the contract price. Contractors will be required to demonstrate their capacity to obtain the required bonds.

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TENTATIVE SCHEDULE OF EVENTS:

RFQ Advertisement:	June 20, 2025
SOQ Response Due:	July 18, 2025
Short List Issued:	July 25, 2025
RFP Issue:	July 30, 2025
Technical Proposal Due:	August 29, 2025
Technical Proposal Scored (written):	September 5, 2025
Technical Interview (if necessary):	September 8-12, 2025
Final Selection:	September 17, 2025
Notice To Proceed:	September 19, 2025

FUNDING & SPECIAL PROVISIONS:

The construction project is anticipated to be funded by a combination of federal and state grant and loan programs as well as local tax authorities. The funding agencies are anticipated to require contract special provisions for Montana Public Facility projects including but not limited to minimum wage requirements (Davis-Bacon or MT Prevailing Wage, whichever is greater), MBE & WBE solicitation and percentage goals, debarment and non-collusion certification, and BABA requirements. The draft SRF special provisions are included for general reference in **Attachment B**. They may or may not be subject to change throughout the design process in coordination with funding agencies.

Construction special provisions will also be required to include MDT specifications to control materials and work within MDT ROW. These MDT specifications are anticipated to primarily supersede MPWSS specifications governing traffic control requirements, miscellaneous removal and replacement of signs, fences, culvert ends, and other structures in conflict with construction, surface restoration and seeding, grading to maintain/improve preconstruction drainage patterns, paving materials, testing, and construction records.

DISADVANTAGED BUSINESS ENTERPRISES (DBE) GOAL:

In accordance with 49 Code of Federal Regulations Part 26, the Districts do not have a proposed overall DBE goal. The Districts encourage the use of DBE-certified companies in accordance with the SRF Special Provisions. The Subcontractor Report must be completed and submitted with any Early Work Package GMP and/or overall Project GMP, per the requirements described in **Attachment B**.

The Districts will not discriminate on the basis of race, color, national origin or sex in the award, performance or administration of any contract or in the administration of its DBE program (49 CFR Part 26). The Districts attempt to provide reasonable accommodations for any known disability that may interfere with a person participating in any service, program or activity of the District. Alternate accessible formats of this document will be provided upon request. If reasonable accommodation is needed, call Shane Strong at 406-728-4611. Accommodation requests must be made at least 48 hours prior to any meeting or deadline.

GENERAL:
This project is under the jurisdiction of DEQ for engineering review and approval of overall project design. Much of the project will occupy MDT ROW as well as a portion of USFS property, which will require acceptance and occupancy permitting by both of these agencies, and construction will have to comply with their permitting requirements.

This project will follow the MDT CMGC Guidance Document, Version 3, December 2023 with Amendments adopted by the Districts. Refer to **Attachment C** for the guidance document and amendments.

The BSCWSD & GCCWSD are considered a joint entity for the purpose of this project and as established by the executed Interlocal Agreement, **Attachment D**.

CONTRACTOR REGISTRATION:
Montana law requires all contractors to register with the Montana Department of Labor. The Districts will not contract with any debarred companies. On Federal Aid projects, contractors must register prior to executing a contract and comply with all Federal Requirements. For information regarding this requirement, contact the Department of Labor at 1-406-444-7734 or TTY 1-406-444-5549.

ATTACHMENTS:
A. Preliminary Project Information
B. SRF Special Provisions
C. MDT CM/GC Guidance Document and Project Amendment to MDT CM/GC Guidance
D. BSCWSD & GCCWSD Interlocal Agreement

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Attachment A

GALLATIN CANYON SEWER PROJECT

CANYON STUDY AREA BOUNDARY

* BIG SKY WRRF

WEST FORK GALLATIN RIVER

HWY 64

SOUTH FORK WEST FORK GALLATIN RIVER

TO BOZEMAN

BIGHORN CENTER

CANYON STUDY AREA BOUNDARY

MAP LEGEND

- CURRENT GCCWSD
- POTENTIAL GROUNDWATER DISCHARGE
- PROPOSED SEWER SERVICE AREA
- PROPOSED LIFT STATIONS

QUARRY PUD & WORKFORCE HOUSING

GALLATIN RIVER

HWY 191

LAZY J UTILITY ASSOCIATION

BUCK'S T-4

RAMSHORN SUBDIVISION

CANYON STUDY AREA BOUNDARY

OPHIR SCHOOL

PROJECT BENEFITS

1. Protects Gallatin River
2. Protects drinking water
3. Facilitates higher density workforce housing while mitigating resource intensive urban sprawl

RECHARGE + REUSE →

"Purple Pipe" (*aka non-potable re-use*) network of **high quality effluent** from Big Sky's new Water Resource Recovery Facility (WRRF)

WASTEWATER COLLECTION SYSTEM →

Existing Canyon Study Area onsite wastewater systems contribute **approximately 4,100 lbs of nitrogen** to the Gallatin River annually.

Central collection **reduces human health risks** and nutrient loading to the Gallatin River by retiring old septic systems.

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0 500 1000 1500'

WGMGROUP

Attachment B

SECTION 00900

FUNDING AGENCY SPECIAL PROVISIONS FOR MONTANA PUBLIC FACILITY PROJECTS

This section supplements Division 0 of the Montana Public Works Standard Specifications, Sixth Edition, dated April 2010.

Included herein are supplemental general conditions that are required by Montana public facility funding programs or agencies listed in 1.1 below but are not included in the Montana Public Works Standard Specifications, Division 0.

ARTICLE 1. SPECIAL PROVISIONS

1.1 FUNDING AGENCIES

This project is being funded with funds from one or more of the following public facility funding programs or agencies:

~~Renewable Resource Grant and Loan Program (RRGL)~~
~~Treasure State Endowment Program (TSEP)~~
~~United States Department of Agriculture Rural Development (USDA/RD)~~
~~Community Development Block Grant Program (CDBG)~~
Drinking Water or Water Pollution Control State Revolving Fund Loan Program (SRF)
American Rescue Plan Act (ARPA)

1.1.1 Applicable Funding Agency Special Provisions

In addition to Section 1.2 below, the following sections also apply as indicated:

_____Section 1.3 (Additional USDA/RD Requirements)
_____Section 1.4 (Additional CDBG Requirements)
__x__Section 1.5 (Additional SRF Requirements)
__x__Section 1.6 (Additional ARPA Requirements)
_____Exhibit A (Project Sign Detail)
_____Exhibit B (HUD Form 4010)
_____Exhibit C (Federal Labor Standards Provisions)
_____Exhibit D (Reserved)
_____Exhibit E (American Iron and Steel Forms)

1.2 SPECIAL PROVISIONS FOR ALL FUNDING AGENCIES

The following requirements pertain to all the funding programs or agencies listed in 1.01 above. If project funding sources include any of the programs or agencies listed, the following general requirements must be met in addition to those required in the Montana Public Works Standard Specifications, Division 0:

1.2.1 Reports, Information, and Access to Records

The contractor, at such times and in such form as required by the owner (defined herein as the entity for which the project is being constructed) shall furnish reports pertaining to the work or services undertaken pursuant to this contract, the costs and obligations incurred or to be incurred in connection therewith, and any other matters covered by this contract.

The owner and any federal, state or local governmental agency having a valid interest in this project shall be permitted by the contractor to have full access to and the right to examine pertinent documents of the contractor involving transactions related to this contract during the period of the project and for three (3) years from the date of final payment or until all findings have been resolved to the satisfaction of the funding agencies.

1.2.2 Contractor Eligibility and Certification Regarding Debarment

The contractor certifies that the contractor's firm and the firm's principals are not debarred, suspended, or otherwise ineligible to receive any Montana public works contracts or subcontracts pursuant to 18-2-432 (2), MCA.
For federally funded projects, the contractor certifies that the contractor's firm and the firm's principals are not debarred, suspended, voluntarily excluded, or otherwise ineligible for participation in federally assisted contracts under Executive Order 12549, "Debarment and Suspension" (24 CFR 24.505).

1.2.3 Contractor Registration and Worker's Compensation Requirements

Title 39, Chapter 9, Parts 1 and 2 MCA stipulate contractor registration requirements for the State of Montana. Pursuant to 39-9-201 MCA, each construction contractor must be registered with the Montana Department of Labor and Industry. In accordance with 39-9-102 MCA, "construction contractor" means a person, firm, or corporation that, in the pursuit of an independent business, offers to undertake, undertakes, or submits a bid for construction.

No bid shall be considered that does not carry the bidder's Montana Contractor's Registration Number on the bid form.

Registration forms and additional information may be obtained by contacting the Montana Department of Labor and Industry, 1805 Prospect Ave., P.O. Box 8011, Helena, MT 59604-8011, or by calling 406-444-7734.

The contractor must provide certification that workers' compensation insurance will be maintained as required by the Montana Workers' Compensation Act (39-71-101 MCA).

1.2.4 Minimum Wage Requirements

Unless superseded by federal law, 18-2-401 MCA and 18-2-402 MCA require that each employer pay, as a minimum, the rate of wages, including fringe benefits and zone pay applicable for the work being performed, as provided in the current Montana Prevailing W age Requirements as determined by the Montana Department of Labor and Industry.

The current wage determination(s) must be included in the contract documents.

If the SRF Loan Program is funding the project in whole or in part, federal and state laws require that each employer pay, as a minimum, prevailing wages for each classification in accordance with the Federal Labor Standards Provisions (Davis-Bacon) **(Exhibit C)** or Montana Prevailing Wage Requirements, whichever is greater**.**

If the CDBG Program is funding the project in whole or in part, HUD Form 4010-Federal Labor Standards Provisions **(Exhibit B)** must be included in the contract documents.

1.2.5 Compliance With State and Federal Laws and Regulations

All applicable laws, ordinances, rules and regulations of authorities having jurisdiction over construction of the project shall apply to the contract throughout.

The contractor must comply with all applicable state and federal occupational disease and health and safety laws and regulations.

1.2.6 Project Sign

All projects will have a sign erected at a prominent location near the major portion of the work in plain view of the general public prior to submittal of the first pay estimate. The sign will generally conform to the following:

"The CONTRACTOR, or such contractor as the ENGINEER may designate, when construction begins, shall erect a sign constructed of 4'X8'X¾" exterior plywood (A-B) and shall be supported by and bolted to two (2)

4”X4” posts with the bottom of the sign at a point at least two (2) feet above the ground line. The project sign shall be maintained in a good condition until project completion.
The sign will be edged, painted and lettered as shown on **Exhibit A**. The letters shall be approximately three (3) inches in height.

The cost of the sign is incidental to the contract price. The sign shall remain the property of the owner.

A statement indicating all agencies participating in the financing of the project shall be included on the sign. The sign shall be subject to agency approval prior to being erected.

1.2.7 Gross Receipts Withholding Requirements

Pursuant to Section 15-50-206(2)(3), MCA, the owner is required to withhold one percent (1%) of all payments due the contractor and is required to transmit such moneys to the Montana Department of Revenue as part of the public contractor's license fee. In like fashion, the contractor is required to withhold one percent (1%) from payments to subcontractors.

1.2.8 Clean Air and Clean Water Acts, Executive Order 11738 and EPA Regulations:

If this Contract exceeds $100,000, Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)); Section 508 of the Clean Water Act (33 USC 1368); Executive Order 11738; and Environmental Protection Agency Regulations (40 CFR Part 15).

1.2.9 Montana Rules Regarding Equipment and the Introduction and Spread of Aquatic Invasive Species:

List all equipment that will be used for construction of the project and how the equipment will be used on land, bank and/or in water. Make sure your vehicles, watercraft, and all equipment are clean and free of weeds, weed seeds, and excess grease before using it on land or water. To prevent the spread of invasive species, to the extent practical, remove mud and vegetation from vehicles, heavy machinery, and all other equipment before moving between waters and work sites, especially when working in areas of known infestations. When working in water, drain water from machinery and let machinery dry before moving to another location. https://fwp.mt.gov/conservation/aquatic-invasive-species.

Requirements in Montana for equipment to be used in water. To prevent the spread of aquatic invasive species, remove (CLEAN) mud and aquatic plants from heavy machinery and other equipment before moving between waters and work sites. DRAIN water from machinery and let **DRY** completely before moving to another location.

a) Be sure the equipment is clean and free of weeds, weed seeds, and excess grease before using it in the water waterway.

b) Be sure you remove mud and aquatic plants from heavy machinery and other equipment before moving between waters and work sites, especially in waters known to be infested with aquatic invasive species.

c) Drain water from machinery and let dry before moving to another location.

d) Mandatory inspections are now required for all equipment that:
   - Has been previously used outside of Montana
   - Are destined for waters in Montana west of the Continental Divide that has been previously used east of the Continental Divide
   - Are destined for waters of the Flathead Basin that have been previously used outside of the Flathead Basin.

   Any equipment that falls into the scenarios laid out above **must** schedule an inspection by calling the state’s Aquatic Invasive Species line at 406-444-2440 at least one week in advance of planned use.

1.3 ADDITIONAL SPECIAL PROVISIONS FOR USDA/RD

1.3.1 The following documents shall be attached to and made a condition of the contract documents for any project funded, in whole or in part, by Rural Development:

If the bid amount exceeds $10,000, signed Compliance Statement (RD 400-6). Refer to specific equal opportunity requirements set forth in paragraph 18.10 of the General Conditions;

If the bid amount exceeds $25,000, signed Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions (AD-1048); and

If the bid amount exceeds $100,000, signed RD Instruction 1940-Q, Exhibit A-1, Certification for Contracts, Grants, and Loans. Refer to paragraph 18.11 of the General Conditions.

1.3.2 Free and Open Competition

All procurement transactions will be conducted in a manner that provides maximum free and open competition. Examples of what are considered to be restrictive of competition include but are not limited to: employment preferences to Montana Bidders or Montana Contractors and Montana residents.

1.3.3 Contractor's Retainage

No payments will be made that would deplete the retainage nor place in escrow any funds that are required for retainage or invest the retainage for the benefit of the contractor.

1.3.4 American Iron and Steel

a. "Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference applies an American Iron and Steel requirement to this project. All listed iron and steel products used in this project must be produced in the United States. The term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. The deminimis and minor components waiver apply to this contract."

b. RUS Bulletin 1780-26 " Guidance for the Use of Engineers Joint Contract Documents Committee (EJCDC) Bidding and Contract Documents on Water and Waste Disposal Projects with Rural Utilities Service Financial Assistance" is available on the RUS website at https://www.rd.usda.gov/publications/regulations-guidelines/bulletins/water-and-environmental. This Bulletin is to be used by RD staff in providing information and guidance to funding applicants/recipients (Owners) and professional consultants in the development of Bidding and Contract Documents that are legally sufficient, ensure appropriate services are provided at a reasonable fee, and expedite the achievement of the applicant's goals. This Bulletin supports compliance with 7 CFR 1780, 2 CFR 200 and the American Iron and Steel (AIS) requirements mandated by Section 746 of Title VII of the Consolidated Appropriations Act of 2017 and subsequent statutes mandating domestic preference.

c. CONTRACT PROVISIONS. To ensure compliance with the AIS requirements specific AIS contract language must be included in each contract including agreements for engineering services, construction contract documents and purchase agreements prepared by the owner. The following modifications are made to Bidding and Construction Contract Documents (**EJCDC C-Series, 2018**):
(1) Advertisement for Bids (C-111):
Add at the end of EJCDC C-111 prior to "This Advertisement is issued by:"

American Iron and Steel

Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and

subsequent statutes mandating domestic preference applies an American Iron and Steel requirement to this project. All iron and steel products used in this project must be produced in the United States. The term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and Construction Materials.

The following waivers apply to this Contract:

De Minimis,
Minor Components,
Pig iron and direct reduced iron, and
[add project specific waivers as applicable].

(2) Instructions to Bidders (C-200):

(a) Article 3.02 – Delete in its entirety and insert "Deleted".

(b) Article 8.01 – Add to the end of the paragraph "Bid security must be at least 5% of the Bidder's maximum Bid price."

(c) Article 9.02 – Delete in its entirety and insert "Deleted".

(d) Article 10.01 – Delete in its entirety and insert "Deleted".

(e) Article 10.02 – Insert after the sentence that starts "Each such request…: "Each such request shall include the Manufacturer's Certification for Compliance with AIS. Refer to the Manufacturer's Certification form provided in these construction Contract Documents."

(f) Article 10.02 – Add to the end of this paragraph: "Substitutes and "or-equal" materials and equipment may be proposed by Contractor in accordance with Paragraphs 7.05 and 7.06 of the General Conditions after the Effective Date of the Contract. Each such request shall include Manufacturer's Certification letter to document compliance with AIS requirements of Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference, if applicable. Refer to Manufacturer's Certification Letter provided in these Contract Documents."

(g) Article 11.01 – Delete in its entirety and insert "Deleted".

(h) Article 11.05 – Add the following:

11.05 The Contractor shall not award work to Subcontractor(s) in excess of the limits stated in SC 7.07A.

(i) Article 13.04 – Delete in its entirety and insert "Deleted".

(j) Article 13.07 – Delete in its entirety and insert "Deleted".

(k) Article 18.05.E – Delete in its entirety and insert "Deleted".

(l) Article 18.05.F – Delete in its entirety and insert "Deleted".

(m) Add the following, renumbering if Articles 21 and/or 22 are not used:

ARTICLE 23 – FEDERAL REQUIREMENTS

23.01 If the contract price is in excess of $100,000, provisions of the Contract Work Hours and Safety Standards Act at 29 CFR 5.5(b) apply.

23.02 Federal requirements at Article 19 of the Supplementary Conditions apply to this Contract.

~~23.03 American Iron and Steel requirements apply to this project.~~

~~**(3)** Bid Form (C-410)~~

~~(a) Article 2.01 Delete the " and" at the end of 2.01.F~~
~~Delete the existing text for 2.01.G and add the following text and the referenced attachments to the Bidding Documents:~~

~~G. If Bid amount exceeds $10,000, signed Compliance Statement (RD 400-6). Refer to specific equal opportunity requirements set forth in the Supplementary Conditions of the Construction Contract (EJCDC C-800);~~

~~H. If Bid amount exceeds $25,000, signed Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions (AD-1048);~~

~~I. If Bid amount exceeds $100,000, signed RD Instruction 1940-Q Exhibit A-1, Certification for Contracts, Grants, and Loans."~~

~~J. [List other documents and edit above as pertinent].~~

~~(b) Article 4 – Delete in its entirety and insert "Deleted".~~

~~(c) Article 5 – Delete in its entirety and insert "Deleted".~~

~~(d) Article 6.02 – Delete in its entirety and insert "Deleted".~~

~~(e) Article 6.03 – Delete in its entirety and insert "Deleted".~~

~~(f) Article 8.01.A.3 – Delete the period at the end of Article 8.018.A.3 and insert the following language: ", including all American Iron and Steel requirements."~~

~~**(4)** Agreement Between Owner and Contractor~~

~~(a) Article 4.05.C – Delete in its entirety and insert "Deleted".~~

~~(b) Article 6.02.A.1.a – Replace "[**number**]" with "95".~~

~~(c) Article 6.02.A.1.a(1) – Delete in its entirety and insert "Deleted".~~

~~(d) Article 6.02.A.1.b – Replace "[**number**]" with "95".~~

~~(e) Article 6.02.B – After "Substantial Completion" insert "of the entire construction to be provided under the construction Contract Documents".~~

~~**(5)** Supplementary General Conditions (C-800)~~

~~(a) ARTICLE 1 – Delete the sentence "No suggested Supplementary Conditions in this Article."~~

~~(b) SC-1.01.A.8 – Add the following at the end of the Paragraph:~~
~~The Change Order form to be used on this Project is EJCDC C-941 (2018). Agency approval is required before Change Orders are effective.~~

~~(c) SC-1.01.A.30 – Add the following at the end of the Paragraph:~~
~~For the purposes of Rural Development, this term is synonymous with the term "applicant" as defined in 7 CFR 1780.7 (a) (1), (2) and (3) and is an entity receiving financial assistance from the federal programs.~~

~~(d) SC-1.01.A.50 – Add the following at the end of the Paragraph:~~
~~The Work Change Directive form to be used on this Project is EJCDC C-940 (2018). Agency approval is~~

required before a Work Change Directive is issued.

(e) SC-1.01.A.51 - Add the following new paragraph immediately after Paragraph 1.01.A.50:
51. Agency - The Project is financed in whole or in part by USDA Rural Utilities Service pursuant to the Consolidated Farm and Rural Development Act (7 USC Section 1921 et seq.). The Rural Utilities Service programs are administered through the USDA Rural Development offices; therefore, the Agency for these documents is USDA Rural Development.

(f) SC-1.01.A.52 - Add the following new paragraph with the title "American Iron and Steel Definitions" immediately after Paragraph 1.01.A.51:

52.a *American Iron and Steel (AIS)* - Requirements mandated by Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference for "iron and steel products," meaning the following products, if made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and Construction Materials. AIS requirements apply in each of the several states, the District of Columbia, and each federally recognized Tribe, but not the U.S. Territories.

52.b *Coating* - A covering that is applied to the surface of an object. If a Coating is applied to the external surface of a domestic iron or Steel component, and the application takes place outside of the United States, said product would be considered a compliant product under the AIS requirements. Any Coating processes that are applied to the external surface of Iron and Steel components that would otherwise be AIS compliant would not disqualify the product from meeting the AIS requirements regardless of where the Coating processes occur, provided that final assembly of the product occurs in the United States. This exemption only applies to Coatings on the *external surface* of Iron and Steel components. It does not apply to Coatings or linings on internal surfaces of Iron and Steel products, such as the lining of lined pipes. All Manufacturing Processes for lined pipes, including the application of pipe lining, must occur in the United States for the product to be compliant with AIS requirements.

52.c *Construction Materials* - Those articles, materials, or supplies made primarily of iron and/or steel, that are permanently incorporated into the project, not including mechanical and/or electrical components, equipment and systems. Some of these products may overlap with what is also considered "structural steel". Note: Mechanical and electrical components, equipment and systems are not considered Construction Materials. See definitions of Mechanical Equipment and Electrical Equipment.

52.d *Contractor's Certification* - Documentation submitted by the Contractor upon Substantial Completion of the Contract that all Iron and Steel products installed were Produced in the United States.

52.e *De Minimis* - Various miscellaneous, incidental low-cost components that are essential for, but incidental to, the construction and are incorporated into the physical structure of the project. Examples of *De Minimis* components could include small washers, screws, fasteners (such as "off the shelf" nuts and bolts), miscellaneous wire, corner bead, ancillary tube, signage, trash bins, door hardware etc. Costs for such *De Minimis* components cumulatively may comprise no more than a total of five percent of the total cost of the materials used in and incorporated into a project; the cost of an individual item may not exceed one percent of the total cost of the materials used in and incorporated into a project.

52.f *Electrical Equipment* - Typically any machine powered by electricity and includes components that are part of the electrical distribution system. AIS does not apply to Electrical Equipment.

52.g *Engineer's Certification* - Documentation submitted by the Engineer that Drawings, Specifications, and Bidding Documents comply with AIS.

52.h *Iron and Steel products* - The following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and Construction Materials. Only items on the above list

made primarily of iron or steel, permanently incorporated into the project must be Produced in the United States. For example, trench boxes, scaffolding or equipment, which are removed from the project site upon completion of the project, are not required to be made of U.S. iron or steel.

52.i *Manufacturer* - A Supplier, fabricator, distributor, materialman, or vendor is an entity with which the Owner, Contractor or any subcontractor has contracted to furnish materials or equipment to be incorporated in the project by the Owner, Contractor or a subcontractor.

52.j *Manufacturer's Certification* - Documentation provided by the Manufacturer stating that the Iron and Steel products to be used in the project are produced in the United States in accordance with American Iron and Steel (AIS) Requirements. If items are purchased via a Supplier, distributor, vendor, etc. from the Manufacturer directly, then the Supplier, distributor, vendor, etc. will be responsible for obtaining and providing these certifications to the parties purchasing the products.

52.k *Manufacturing Processes* - Processes such as melting, refining, pouring, forming, rolling, drawing, finishing, and fabricating. Further, if a domestic Iron and Steel product is taken out of the United States for any part of the manufacturing process, it becomes foreign source material. However, raw materials such as iron ore, limestone and iron and steel scrap are not covered by the AIS requirement, and the material(s), if any, being applied as a Coating are similarly not covered. Non-iron or Steel components of an Iron and Steel product may come from non-US sources. For example, for products such as valves and hydrants, the individual non-Iron and Steel components do not have to be of domestic origin. Raw materials, such as iron ore, limestone, scrap iron, and scrap steel, can come from non-U.S. sources.

52.l *Mechanical Equipment* - Typically equipment which has motorized parts and/or is powered by a motor. AIS does not apply to Mechanical Equipment.

52.m *Minor Components* - Components *within* an iron and/or Steel product otherwise compliant with the American Iron and Steel requirements; this waiver is typically used by Manufacturers. It differs from the *De Minimis* definition in that *De Minimis* pertains to the entire project and the minor component definition pertains to a single product. This waiver allows use of non-domestically produced miscellaneous Minor Components comprising up to five percent of the total material cost of an otherwise domestically produced Iron and Steel product. However, unless a separate waiver for a product has been approved, all other Iron and Steel components in said product must still meet the AIS requirements. This waiver does not exempt the whole product from the AIS requirements only Minor Components within said product and the iron or Steel components of the product must be produced domestically. Valves and hydrants are also subject to the cost ceiling requirements described here. Examples of Minor Components could include items such as pins and springs in valves/hydrants, bands/straps in couplings, and other low-cost items such as small fasteners etc.

52.n *Municipal Castings* - Cast iron or Steel infrastructure products that are melted and cast. They typically provide access, protection, or housing for components incorporated into utility owned drinking water, storm water, wastewater, and solid waste infrastructure.

52.o *Primarily Iron or Steel* - A product is made of greater than 50 percent iron or Steel on a materials cost basis. An exception to this definition is reinforced precast concrete (see Definitions). All technical specifications and applicable industry standards (e.g. NIST, NSF, AWWA) must be met. If a product is determined to be less than 50 percent iron and/or steel, the AIS requirements do not apply. For example, the cost of a fire hydrant includes:

1. The cost of materials used for the iron portion of a fire hydrant (e.g. bonnet, body and shoe); and
2. The cost to pour and cast to create those components (e.g. labor and energy).

   Not included in the cost are:
3. The additional material costs for the non-iron or Steel internal workings of the hydrant (e.g. stem, coupling, valve, seals, etc.); and
4. The cost to assemble the internal workings into the hydrant body.

52.p *Produced in the United States* - The production in the United States of the iron or Steel products used in the project requires that all Manufacturing Processes must take place in the United States, with the exception of metallurgical processes involving refinement of steel additives.

52.q *Reinforced Precast Concrete* – Reinforced Precast Concrete structures must comply with AIS, regardless of whether it consists of at least 50 percent iron or steel. The reinforcing bar and wire must be Produced in the United States and meet the same standards as for any other iron or Steel product. Additionally, the casting of the concrete product must take place in the United States. The cement and other raw materials used in concrete production are not required to be of domestic origin. If the reinforced concrete is cast at the construction site, the reinforcing bar and wire are considered Construction Materials and must be Produced in the United States.

52.r *Steel* - An alloy that includes at least 50 percent iron, between 0.02 and 2 percent carbon, and may include other elements. Metallic elements such as chromium, nickel, molybdenum, manganese, and silicon may be added during the melting of Steel for the purpose of enhancing properties such as corrosion resistance, hardness, or strength. The definition of Steel covers carbon steel, alloy steel, stainless steel, tool steel, and other specialty steels.

52.s *Structural Steel* - Rolled flanged shapes, having at least one dimension of their cross-section three inches or greater, which are used in the construction of bridges, buildings, ships, railroad rolling stock, and for numerous other constructional purposes. Such shapes are designated as wide-flange shapes, standard I-beams, channels, angles, tees, and zees. Other shapes include but are not limited to, H-piles, sheet piling, tie plates, cross ties, and those for other special purposes.

(g) SC-2.02.A – Delete **[number]** and insert in its place "five."

(h) SC-4.01.A – Delete the last sentence of paragraph.

(i) SC-4.05.C.5 – Paragraph is mandatory for WWD projects.

(j) SC-4.05.C.5.a – Add the following at the end of this paragraph: Extreme or unusual weather that is typical for a given region, elevation, or season should not be considered abnormal weather conditions. Requests for time extensions due to abnormal weather conditions will be submitted to the Engineer within five days of the end of the abnormal weather condition event. It is the responsibility of the Contractor to provide the information listed in SC 4.05.C.5.b.

(k) SC-6.01 – Disregard EJCDC Guidance Notes – Performance and Payment Bonds, Note 1. Performance and Payment Bonds are required for WWD projects.

(l) SC-6.01 – EJCDC Guidance Notes – "Other Bonds," Warranty Bond, Note 1. RD does not require a Warranty Bond, and RD will not accept a Warranty Bond in place of a Performance and Payment Bond. The decision to include a Warranty Bond is made by the Owner and their counsel. Please refer to EJCDC.

(m) SC-7.04.D – Add the following new paragraph immediately after Paragraph 7.04.C:
D. All Iron and Steel products must meet American Iron and Steel requirements.

(n) SC-7.04.E – Add the following new paragraph immediately after Paragraph 7.04.D:
E. For projects utilizing a De Minimis waiver, Contractor shall maintain an itemized list of non-domestically produced iron or steel incidental components and ensure that the cost is less than 5% of total materials cost for project.

(o) SC-7.05.A – Amend the third sentence of paragraph by striking out the following words:
Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or-equal" item is permitted,

(p) SC-7.05.A.1.a.3 – Amend the last sentence of Paragraph a.3 by striking out "and;" and adding a period at the end of Paragraph a.3.

(q) SC-7.05.A.1.a.4 – Delete paragraph in its entirety and insert "Deleted."

(r) SC-7.05.B – Add the following at the end of paragraph:
Contractor shall include a Manufacturer's Certification letter for compliance with American Iron and Steel

requirements in support data, if applicable. Refer to Manufacturer's Certification Letter provided in these Contract Documents.

(s) SC-7.06.A.3.a.2 – Remove "and" from the end of paragraph.

(t) SC-7.06.A.3.a.3 – Add "; and" to the end of paragraph.

(u) SC-7.06.A.3.a.4 – Add the following new paragraph immediately after Paragraph 7.06.A.3.a.3:
4. Comply with American Iron and Steel by providing Manufacturer's Certification letter of American Iron and Steel compliance, if applicable. Refer to Manufacturer's Certification Letter provided in these Contract Documents.

(v) SC-7.07.A – Amend by adding the following to the end of the paragraph:
The total amount of work subcontracted by the Contractor shall not exceed fifty percent of the Contract price without prior approval from the Owner, Engineer and Agency.

(w) SC-7.07.B – Delete paragraph in its entirety and insert "Deleted".

(x) SC-7.07.E – Delete the second sentence of paragraph and insert the following in its place:
Owner may not require that Contractor use a specific replacement.

(y) SC-7.12.A Amend paragraph by adding the following after "written interpretations and clarifications,":
Manufacturers' Certifications,

(z) SC-7.16.A.1.c – Amend paragraph by deleting the last period and adding:
, including Manufacturer's Certification letter for any item in the submittal subject to American Iron and Steel requirements and include the Certificate in the submittal. Refer to Manufacturer's Certification Letter provided in these Contract Documents.

(aa) SC-7.16.C.9 – Add new paragraph immediately after Paragraph 7.16.C.8:
9. Engineer's review and approval of a Shop Drawing or Sample shall include review of Manufacturers' Certifications in order to document compliance with American Iron and Steel requirements, as applicable.

(bb) SC-7.17.F – Add new paragraph immediately after Paragraph 7.17.E:
F. Contractor shall certify upon Substantial Completion that all Work and Materials have complied with American Iron and Steel requirements as mandated by Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference. Contractor shall provide said Certification to Owner. Refer to General Contractor's Certification Letter provided in these Contract Documents.

(cc) ARTICLE 11 – Delete the sentence "No suggested Supplementary Conditions in this Article."

(dd) SC-11.02.C – Add new paragraph immediately after Paragraph 11.02.B:
C. The Engineer or Owner shall contact the Agency for concurrence on each Change Order prior to issuance. All Contract Change Orders must be concurred on (signed) by Agency before they are effective.

(ee) SC-11.03.A.2 - Add new Paragraph 11.03.A.2 immediately after Paragraph 11.03.A, which shall be renamed Paragraph 11.03.A.1:
2. The Engineer or Owner shall contact the Agency for concurrence on each Work Change Directive prior to issuance. Once authorized by Owner, a copy of each Work Change Directive shall be provided by Engineer to the Agency.

SC-11.05.B – Add the following at the end of this paragraph:
For Owner-authorized changes in the Work, the Contractor will provide the Manufacturer's Certification(s) for materials subject to American Iron and Steel requirements except when sole-source is specified, in which case the Engineer will provide the Manufacturer's Certification(s).

(ff) SC-11.09.B.2.c – Add new paragraph immediately after Paragraph 11.09.B.2.b:

c. Change orders involving materials subject to American Iron and Steel requirements shall include supporting data (name of Manufacturer, city and state where the product was manufactured, description of product, signature of authorized Manufacturer's representative) in the Manufacturer's Certification Letter, as applicable.

(gg) SC-13.02.C – Delete paragraph in its entirety and insert "Deleted".

(hh) SC-13.03.E – Delete paragraph in its entirety and replace with SC-13.03.E as shown in the EJCDC C-800 Supplementary Conditions.

(ii) ARTICLE 14 – Delete the sentence "No suggested Supplementary Conditions in this Article."

(jj) SC-14.03.G – Add new paragraph immediately after Paragraph 14.03.F:

G. Installation of materials that are non-compliant with American Iron and Steel requirements shall be considered defective work.

(kk) SC-15.01.B.4 – Add the following language at the end of paragraph:

No payments will be made that would deplete the retainage, place in escrow any funds that are required for retainage or invest the retainage for the benefit of the Contractor.

(mm) SC-15.01.B.5 – Add new paragraph immediately after Paragraph 15.01.B.4:

5. The Application for Payment form to be used on this Project is EJCDC® C-620. The Agency must approve all Applications for Payment before payment is made.

(nn) SC-15.01.B.6 – Add new paragraph immediately after Paragraph 15.01.B.5:

6. By submitting an Application for Payment based in whole or in part on furnishing equipment or materials, Contractor certifies that such equipment and materials are compliant with American Iron and Steel requirements. Manufacturer's Certification letter for materials satisfy this requirement. Refer to Manufacturer's Certification Letter provided in these Contract Documents.

(oo) SC-15.01.D.1 – Delete paragraph in its entirety and insert the following in its place:

The Application for Payment with Engineer's recommendations will be presented to the Owner and Agency for consideration. If both the Owner and Agency find the Application for Payment acceptable, the recommended amount less any reduction under the provisions of Paragraph 15.01.E will become due twenty (20) days after the Application for Payment is presented to the Owner, and the Owner will make payment to the Contractor.

(pp) SC-15.02.A – Amend paragraph by striking out the following text: "7 days after".

(qq) SC-15.03.A – Modify by adding the following after the last sentence:

Contractor shall also submit the General (Prime) Contractor's Certification of Compliance certifying that to the best of the Contractor's knowledge and belief all substitutes, equals, and all Iron and Steel products proposed in the Shop Drawings, Change Orders, and Partial Payment Estimates, and those installed for the Project, are either Produced in the United States or are the subject of an approved waiver under Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference.

(rr) SC-18.11 – Add new paragraph immediately after Paragraph 18.10:

18.11 *Tribal Sovereignty*

A. No provision of this Agreement will be construed by any of the signatories as abridging or debilitating any sovereign powers of the *[insert name of Tribe]* Tribe; affecting the trust-beneficiary relationship between the Secretary of the Interior, Tribe, and Indian landowner(s); or interfering with the government-to-government relationship between the United States and the Tribe.

(ss) SC-19 – Add the following new Article 19 immediately after Article 18:

Article 19 - FEDERAL REQUIREMENTS

19.01 *Agency Not a Party*

A. This Contract is expected to be funded in part with funds provided by Agency. Neither Agency, nor any of its departments, entities, or employees, is a party to this Contract.

19.02 *Contract Approval*

A. Owner and Contractor will furnish Owner's attorney such evidence as required so that Owner's attorney can complete and execute the "Certificate of Owner's Attorney" (Exhibit G of this Bulletin) before Owner submits the executed Contract Documents to Agency for approval.

B. Agency concurrence is required on both the Bid and the Contract before the Contract is effective.

19.03 *Conflict of Interest*

A. Contractor may not knowingly contract with a Supplier or Manufacturer if the individual or entity who prepared the Drawings and Specifications has a corporate or financial affiliation with the Supplier or Manufacturer. Owner's officers, employees, or agents shall not engage in the award or administration of this Contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (i) the employee, officer or agent; (ii) any member of their immediate family; (iii) their partner or (iv) an organization that employs, or is about to employ, any of the above, has a financial interest or other interest in or a tangible personal benefit from the Contractor. Owner's officers, employees, or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractor or subcontractors.

19.04 *Gratuities*

A. If Owner finds after a notice and hearing that Contractor, or any of Contractor's agents or representatives, offered or gave gratuities (in the form of entertainment, gifts, or otherwise) to any official, employee, or agent of Owner or Agency in an attempt to secure this Contract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Contract, Owner may, by written notice to Contractor, terminate this Contract. Owner may also pursue other rights and remedies that the law or this Contract provides. However, the existence of the facts on which Owner bases such findings shall be an issue and may be reviewed in proceedings under the dispute resolution provisions of this Contract.

B. In the event this Contract is terminated as provided in paragraph 19.04.A, Owner may pursue the same remedies against Contractor as it could pursue in the event of a breach of this Contract by Contractor. As a penalty, in addition to any other damages to which it may be entitled by law, Owner may pursue exemplary damages in an amount (as determined by Owner) which shall not be less than three nor more than ten times the costs Contractor incurs in providing any such gratuities to any such officer or employee.

19.05 *Small, Minority and Women's Businesses*

A. If Contractor intends to let any subcontracts for a portion of the work, Contractor will take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps will include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

19.06 *Anti-Kickback*

A. Contractor shall comply with the Copeland Anti-Kickback Act (40 USC 3145) as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Buildings or Public Works Financed in Whole or in Part by Loans or Grants of the United States"). The Act provides that Contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public facilities, to give up any part of the compensation to which they are otherwise entitled. Owner shall report all suspected or reported violations to Agency.

19.07 *Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended*

A. Contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

19.08 *Equal Employment Opportunity*

A. The Contract is considered a federally assisted construction contract. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

19.09 *Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)*

A. Contractors that apply or bid for an award exceeding $100,000 must file the required certification (RD Instruction 1940-Q Exhibit A-1). The Contractor certifies to the Owner and every subcontractor certifies to the Contractor that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining the Contract if it is covered by 31 U.S.C. 1352. The Contractor and every subcontractor must also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the Owner. Necessary certification and disclosure forms shall be provided by Owner.

19.10 Environmental Requirements

A. When constructing a Project involving trenching and/or other related earth excavations, Contractor shall comply with the following environmental conditions:

1. Wetlands – When disposing of excess, spoil, or other Construction Materials on public or private property, Contractor shall not fill in or otherwise convert wetlands.

2. Floodplains – When disposing of excess, spoil, or other Construction Materials on public or private property, Contractor shall not fill in or otherwise convert 100-year floodplain areas (Standard Flood Hazard Area) delineated on the latest Federal Emergency Management Agency Floodplain Maps, or other appropriate maps, e.g., alluvial soils on NRCS Soil Survey Maps.
3. Historic Preservation - Applicants shall ensure that Contractors maintain a copy of the following inadvertent discovery plan onsite for review:

   a. If during the course of any ground disturbance related to any Project, any post review discovery, including but not limited to, any artifacts, foundations, or other indications of past human occupation of the area are uncovered, shall be protected by complying with 36 CFR § 800.13(b)(3) and (c) and shall include the following:

      i. All Work, including vehicular traffic, shall immediately stop within a 50 ft. radius around the area of discovery. The Contractor shall ensure barriers are established to protect the area of discovery and notify the Engineer to contact the appropriate RD personnel. The Engineer shall engage a Secretary of the Interior (SOI) qualified professional archeologist to quickly assess the nature and scope of the discovery; implement interim measures to protect the discovery from looting and vandalism; and establish broader barriers if further historic and/or precontact properties, can reasonably be expected to occur.

      ii. The RD personnel shall notify the appropriate RD environmental staff member, the Federal Preservation Officer (FPO), and State Historic Preservation Office (SHPO) immediately. Indian tribe(s) or Native Hawaiian Organization (NHOs) that have an interest in the area of discovery shall be contacted immediately. The SHPO may require additional tribes or NHOs who may have an interest in the area of discovery also be contacted. The notification shall include an assessment of the discovery provided by the SOI qualified professional archeologist.

      iii. When the discovery contains burial sites or human remains, the Contractor shall immediately notify the appropriate RD personnel who will contact the RD environmental staff member, FPO, and the SHPO. The relevant law enforcement authorities shall be immediately contacted by onsite personnel to reduce delay times, in accordance with tribal, state, or local laws including 36 CFR Part 800.13; 43 CFR Part 10, Subpart B; and the Advisory Council on Historic Preservation's Policy Statement Regarding treatment of Burial Sites, Human Remains, or Funerary Objects (February 23, 2007).

      iv. When the discovery contains burial sites or human remains, all construction activities, including vehicular traffic shall stop within a 100 ft. radius of the discovery and barriers shall be established. The evaluation of human remains shall be conducted at the site of discovery by a SOI qualified professional. Remains that have been removed from their primary context and where that context may be in question may be retained in a secure location, pending further decisions on treatment and disposition. RD may expand this radius based on the SOI professional's assessment of the discovery and establish broader barriers if further subsurface burial sites, or human remains can reasonably be expected to occur. RD, in consultation with the SHPO and interested tribes or NHOs, shall develop a plan for the treatment of native human remains.

      v. Work may continue in other areas of the undertaking where no historic properties, burial sites, or human remains are present. If the inadvertent discovery appears to be a consequence of illegal activity such as looting, the onsite personnel shall contact the appropriate legal authorities immediately if the landowner has not already done so.

      vi. Work may not resume in the area of the discovery until a notice to proceed has been issued by RD. RD shall not issue the notice to proceed until it has determined that the appropriate local protocols and consulting parties have been consulted.

vii. Inadvertent discoveries on federal and tribal land shall follow the processes required by the federal or tribal entity.

4. Endangered Species – Contractor shall comply with the Endangered Species Act, which provides for the protection of endangered and/or threatened species and critical habitat. Should any evidence of the presence of endangered and/or threatened species or their critical habitat be brought to the attention of Contractor, Contractor will immediately report this evidence to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the U.S. Fish and Wildlife Service.

5. Mitigation Measures – The following environmental mitigation measures are required on this Project: *[Insert mitigation measures from the Letter of Conditions here].*

19.11 *Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708)*

A. Where applicable, for contracts awarded by the Owner in excess of $100,000 that involve the employment of mechanics or laborers, the Contractor will comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, the Contractor will compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic will be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

19.12 *Debarment and Suspension (Executive Orders 12549 and 12689)*

A. A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

19.13 *Procurement of recovered materials*

A. The Contractor will comply with 2 CFR Part 200.322, "Procurement of recovered materials."

19.14 *American Iron and Steel*

A. Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference applies an American Iron and Steel requirement to this project. All iron and steel products used in this project must be produced in the United States. The term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and Construction Materials.

B. The following waivers apply to this Contract:

1. *De Minimis*,
2. Minor Components,
3. Pig iron and direct reduced iron, and
4. [add project specific waivers as applicable].

1.4 ADDITIONAL SPECIAL PROVISIONS FOR CDBG

1.4.1 Equal Employment Opportunity Provisions

a. Equal Employment Opportunity (Executive Order 11246). During the performance of this contract, the Contractor agrees as follows:

(i) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection of training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(ii) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(iii) The contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Department's contracting officer advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(iv) The contractor will comply with all of the provision of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

(v) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(vi) In the event of the contractor's noncompliance with the non- discrimination clauses of this contract or with any of such rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rules, regulations, or order of the Secretary of Labor, or as otherwise provided by law.

(vii) The contractor will include the provisions of paragraphs 1 through 7 in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that each provision will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Department may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event the contractor becomes involved in or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department, the contractor may request the United States to enter into such litigation to protect the interest of the United States.

b. Title VII of the Civil Rights Act of 1964. Provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

c. Section 109 of the Housing and Community Development Act of 1974. "No person in the United States shall on the ground of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity."

d. Section 3 of the Housing and Community Development Act of 1968. The contractor will ensure that to the greatest extent feasible opportunities for training and employment arising in connection with this CDBG-assisted project will be extended to project area residents. Further, the contractor will, to the greatest extent feasible, utilize business concerns located in or substantially owned by residents of the project area, in the award of contracts and purchase of services and supplies.

e. Minority Business Enterprise. Under the provisions of Executive Order 11246 contractors on federally-funded projects are required to take affirmative steps to assure that minority businesses are used when possible as sources of supplies, equipment, construction and services. Additionally, the contractor must document all affirmative steps taken to solicit minority businesses and forward this documentation along with the names of the minority subcontractors and suppliers to the owner upon request.

f. Nondiscrimination Provision in all Public Contracts Pursuant to Section 49-3-207, MCA, the Contractor certifies that all hiring will be on the basis of merit and qualifications and there will be no discrimination on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental handicap, or national origin.

1.4.2 Uniform Federal Accessibility Standards (UFAS)

All design specifications for the construction of any building shall provide access to the physically handicapped in accordance with the Uniform Federal Accessibility Standards and HUD regulations 24 CFR Part 8, "Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of HUD".

1.4.3 Certification of Compliance with Federal Clean Air and Water Acts (Applicable to Federally Assisted Construction Contracts and Related Sub-Contracts Exceeding $100,000.)

During the performance of this contract, the contractor and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR 15, as amended.

1.4.4 Preconstruction Conference

After the contract(s) have been awarded, but before the start of construction, a conference will be held for the purpose of discussion requirements on such matters as project supervision, coordination with city or county officials, on-site inspections, progress schedules and reports, payrolls, payments to contractors, contract change orders, insurance, safety and other items pertinent to the project. The contractor shall arrange to have all supervisory personnel connected with the project on hand to meet with representatives of the engineer and owner to discuss any problems anticipated.

1.4.5 Contract Pricing

The cost plus a percentage of cost method of contracting shall not be used.

1.5 ADDITIONAL SPECIAL PROVISIONS FOR SRF

1.5.1 Equal Employment Opportunity and Affirmative Action Requirements on Federally Assisted Construction Contracts

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY (EXECUTIVE ORDER 11246)

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Specifications" set forth herein.

2. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Goals for minority participation in each trade	2.7%
Goals for female participation in each trade	6.9%

These goals are applicable to all the contractor's construction work (whether or not it is Federal or Federally assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its federally involved and nonfederally involved construction.
The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the contractor's goals shall be a violation of the contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address and telephone number for the subcontractor; employer identification number of the subcontractor, estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed (see form on page 11).

4. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is the Missoula Economic Area.

This notice shall be included in, and shall be a part of, all solicitations for offers and bids on all federal and federally assisted construction contracts or subcontracts.

EQUAL OPPORTUNITY CLAUSE

The Equal Opportunity Clause published at 41 CFR Part 60-1.4(b) is required to be included in, and is part of, all nonexempt federally assisted construction contracts and subcontracts. The Equal Opportunity Clause shall be considered to be a part of every contract and subcontract required by the regulations in this part to include such a clause, whether or not it is physically incorporated in such contracts.

In addition to the clause described above, all federal contracting officers, all applicants, and all non-construction contractors, as applicable, shall include the specifications set forth in this section in all federal and federally assisted construction contracts in excess of $10,000 to be performed in geographical areas designated by the Director pursuant to §60-4.6 of this part and in construction subcontracts in excess of $10,000 necessary in whole or in part to the performance of non-construction Federal contracts and subcontracts covered under the Executive Order.

STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS (EXECUTIVE ORDER 11246)

1. As used in these specifications:
a. "Covered Area" means the geographical area described in the solicitation from which this contract resulted;
b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;
c. "Employer identification number" means the Federal Social Security number used on the employer's quarterly Federal Tax Return, U.S. Treasury Department Form 941.
d. "Minority" includes:
(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
(ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands);
(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area, (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The contractor shall implement the specific affirmative action standards provided in paragraphs (7)(a) through (p) of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the contractor should reasonably by able to achieve in each construction trade in which it has employees in the covered area. Covered Construction contractors performing construction work in geographical areas where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the federal register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The contractor is expected to make substantially uniform progress toward its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

6. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the contractor during the training period, and the contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department ofLabor.

7. The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the areas which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under (7)(b) above.

f. Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations such as the above, describing the

openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a contractor's workforce.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7)(a) through (p). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under (7)(a) through (p) of these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor's and failure of such a group to fulfill an obligation shall not be a defense for the contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally, the contractor may be in violation of the Executive order if a specific minority group of women is under-utilized).

10. The contractor shall not use the goals and timetables of affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The contractor shall not enter into any subcontract with any person or firm debarred from government contracts pursuant to Executive Order 11246.

12. The contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph (7) of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR60-4.8.

14. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program)

CONTRACTOR'S NAME, ADDRESS & TELEPHONE NUMBER

_____

_____

_____

Return to:
USDOL/ESA/OFCCP
Denver District Office
1999 Broadway-Suite1177
P.O. BOX 46550
Denver, CO 80201-6550

CONTRACTOR' EMPLOYER ID NUMBER:_____

CONTRACT INFORMATION

PROJECT AND LOCATION:				
Dollar Amount of Contract	Estimated Start Date	Estimated Completion Date	Contract No.	Geographical Area

NOTIFICATION OF SUBCONTRACTS AWARDED (>$10,000)

Subcontractors Name, Address, & Phone Number	Employer ID Number of Subcontractor	Estimated $ Amount of Subcontract	Estimated Start Date	Estimated Completion Date

1.5.2 Guidance for Participation By Disadvantaged Business (DBE) Enterprises In United States Environmental Protection Agency Programs of 40 CFR 33.

The contractor shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. The contractor shall carry out applicable requirements of 40 CFR Part 33 in the award and administration of contracts awarded under EPA financial assistance agreements. Failure by the contractor to carry out these requirements is a material breach of this contract which may result in the termination of this contract or other legally available remedies.

A. REQUIREMENTS

1. The recipient and prime contractor will exercise good faith efforts to attract and utilize small, minority, and women's business (DBEs) enterprises primarily through outreach, recruitment, and race/gender neutral activities. At a minimum, the recipient and project bidders will follow the six affirmative steps below:

a. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities including placing DBEs on solicitation lists and soliciting them whenever they are potential sources;

b. Make information on forthcoming opportunities available to DBEs and arrange time frames and establish delivery schedules, when the requirements of the work permit, which will encourage participation by DBEs;

c. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs; including dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by DBEs;

d. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually;

e. Using the services of the Small Business Administration and the Office of Minority Business Enterprise of the U.S. Department of Commerce, as appropriate; and

f. Require a. through e. to be taken if subcontracts are awarded.

B. FAIR SHARE OBJECTIVE

1. The fair share objective for this project is 2 %MBE's and 3 % WBE's.

C. DEFINITIONS

1. Minority Business Enterprise (MBE) is a business concern which is:

a. Certified as socially and economically disadvantaged by the Small Business Administration;

(1) Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities.

(2) Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system is impaired due to diminished capital and credit opportunities, as compared to others in the same business area who are not socially disadvantaged. In determining the degree of diminished credit and capital opportunities, the Small Business Administration shall consider, but not be limited to, the assets and net worth of such socially disadvantaged individuals. Individuals who certify that they are members of named groups (Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, Asian-Indian Americans), are to be considered socially and economically disadvantaged. Economically and socially disadvantaged individuals are deemed to include women.

b. Certified as a minority business enterprise by a State or Federal agency; or

c. An independent business concern which is at least 51 percent owned and controlled by minority group member(s).

(1) A minority group member is an individual who is a citizen of the United States and one of the following:

(a) Black American:

(b) Hispanic American (with origins from Puerto Rico, Mexico, Cuba, South or Central America)

(c) Native American (American Indian, Eskimo, Aleut, native Hawaiian); or

(d) Asian-Pacific American (with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan or the Indian subcontinent).

(2) In order to satisfy the third criteria of the MBE definition, the minority ownership's interest must be real, substantial and continuing. Such interest is characterized by:

(a) Risk of loss/share of profit commensurate with the proportional ownership; and

(b) Receipt of the customary incidents of ownership, such as compensation (i.e. salary and other personnel compensation).

(3) A minority owner must have and exercise control of the business decisions. Characteristics of control include, but are not limited to:

(a) Authority to sign bids and contracts;

(b) Decisions in price negotiations;

(c) Incurring liabilities for the firm;

(d) Final staffing decisions;

(e) Policy-making; and

(f) General company management decisions.

(4) Only those firms performing a useful business function according to custom and practice in the industry are qualified as MBEs. Acting merely as a passive conduit of funds to some other firm where such activity is unnecessary to accomplish the project does not constitute a "useful business function according to custom and practice in the industry." The purpose of this approach is to discourage the use of MBE "fronts" and limit the creation of an artificial supplier and broker marketplace.

2. Women's Business Enterprise (WBE) is a business which is certified as such by a State or Federal agency, or which meets the following definition:

"A women's business enterprise is an independent business concern which is at least 51 percent owned by a woman or women, who also control and operate it. Determination of whether a business is at least 51 percent owned by a woman or otherwise qualified WBE which is 51 percent owned by a married woman in a community property State will not be disqualified because her husband has a 50 percent interest in her share. Similarly, a business which is 51 percent owned by a married man and 49 percent owned by an unmarried woman will not become a qualified WBE by virtue of his wife's 50 percent interest in his share of the business."

As in the case of a MBE, only United States citizens will be deemed to be WBEs. Similar to the MBE criteria, WBE should meet the criteria cited in subparagraphs C.1.c.(2), (3), and (4).

3. Fair Share or Fair Share Objective A fair share or a fair share objective is an amount of funds reasonably commensurate with the total project funding and the availability of qualified MBEs and W BEs, taking into account experience on EPA-funded projects and other comparable projects in the area. A fair share objective does not constitute an absolute requirement, but a commitment on the part of the bidder to exercise good faith *efforts* as defined in this section to use MBEs and WBEs to achieve the fair share objective.

4. Small Business (SBE). Any business entity, including its affiliates, that is independently owned and operated, and not dominant in its field of operations in which it is bidding on Government contracts, and qualified as a small business under the criteria and size standards set forth in 13 CFR Part 121.

5. Small Business in a Rural Area. A small business in a rural area (SBRA) is a business entity meeting the definition of a small business, and is located and conducts its principal operations in a geographical area (county) listed in the Small Business Administration's Listing of Non-Metropolitan Counties by State.

6. Recipient. A party receiving SRF financial assistance.

7. Project. The work financed through an SRF loan.

8. Bidder. A party seeking to obtain a contract with a recipient through a competitive, advertised, sealed bid process.

9. Offeror. A party seeking to obtain a contract with a recipient through a negotiative procurement process.

10. Prime Contractor. A party that has obtained a contract with a recipient through a competitive, advertised, sealed bid process.

11. Good Faith Efforts. Good faith efforts by a recipient, prime contractor, and/or bidder/offeror means efforts to attract and utilize SBEs, MBEs, and W BEs (DBEs) primarily through outreach, recruitment, and race/gender neutral activities. The following are examples of activities to assist recipients, prime contractors and/or bidders/offerors to comply with good faith efforts.

a. Include qualified SBEs, MBEs, and WBEs on solicitation lists.

(1) Maintain and update a listing of qualified SBEs, MBEs, and WBEs and SBRAs that can be solicited for supplies, construction and/or services.

(2) Provide listings to all interested parties who requested copies of the bidding or proposing documents.

(3) Contact appropriate sources within your geographic area and State to identify qualified MBEs and WBEs for placement on your minority and women's business listings.

(4) Utilize other MBE/WBE listings such as those of the State's Minority Business Office, the Small Business Administration, Minority Business Development Agency, US EPA- Office of Small and Disadvantaged Business Utilization (OSDBU) and the Department of Transportation.

(5) Have the State environmental agency personnel review this solicitation list.

b. Ensure that SBEs, MBEs, and WBEs are solicited.

(1) Conduct meetings, conferences, and follow-ups with SBEs, MBEs, W BEs, and SBRAs, small, minority and/or women's business associations, minority media, etc., to inform these groups of opportunities to provide supplies, services, and construction.

(2) MBE utilization is facilitated if the recipient or prime contractor advertises through the minority media. Such advertisements may include, but are not limited to, contracting and subcontracting opportunities, hiring and employment, or any other matter related to the project.

(3) Conduct pre bid, pre-solicitation, and post-award conferences to ensure that consultants, suppliers, and builders solicit SBEs, MBEs, WBEs, and SBRAs.

(4) Provide bidders and offerors with listings of qualified SBEs, MBEs, WBEs, and SBRAs and establish that a fair share of contracts/procurements should be awarded to these groups.

(5) Advertise in general circulation, trade publications, State agency publications of identified source, minority or women's business focused media, etc., concerning contracting opportunities on your projects. Maintain a list of minority or women's business-focused publications that may be utilized to solicit MBEs or WBEs.

(6) Provide interested SBEs, MBEs, WBEs, or SBRAs with adequate information about plans, specifications, timing and other requirements of the proposed projects.

(7) Provide SBE, SBRA, MBE or WBE trade organizations with succinct summaries of solicitations.

(8) Notify SBEs, MBEs, WBEs, or SBRAs of future procurement opportunities so that they may establish bidding solicitations and procurement plans.

c. Make information on forthcoming opportunities available to DBEs and arrange time frames and establish delivery schedules, where requirements of the work permit, which will encourage participation by SBEs, MBEs, WBEs and SBRAs.

(1) Consider lead times and scheduling requirements often needed by SBE, MBE, WBE or SBRA participation.

(2) Develop realistic delivery schedules which may provide for greater SBE, MBE, WBE or SBRA participation.

(3) Whenever possible, post solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date

d. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs; including dividing total requirements when economically feasible, into small tasks or quantities to permit maximum participation of SBEs, MBEs, WBEs and SBRAs.

(1) Perform an analysis to identify portions of work that can be divided and performed by qualified SBEs, MBEs, WBEs and SBRAs.

(2) Scrutinize the elements of the total project to develop economically feasible units of work that are within the bonding range of SBEs, MBEs, WBEs and SBRAs.

(3) Analyze bid packages for compliance with the good faith efforts to afford SBEs, MBEs, WBEs and SBRAs maximum participation.

(4) Encourage contracting with a consortium of SBEs, MBEs, WBEs, and SBRAs when a contract is too large for one of these firms to handle individually

e. Use the services and assistance of the Small Business Administration and the Minority Business Development Agency of the US Department of Commerce, as appropriate.

(1) Use the services of outreach programs sponsored by the Minority Business Development Agency and/or the Small Business Administration to recruit bona fide firms for placement on SBEs', MBEs', W BEs', or SBRAs' bidders lists to assist these firms in the development of bid packaging.

(2) Seek out Minority Business Development Centers (MBDCs) to assist recipients and prime contractors in identifying MBEs for potential work opportunities on this project.

f. If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs a. through e. of this section.

D. ADDITIONAL CONTRACT PROVISIONS

1. The prime contractor must pay its subcontractors for satisfactory performance no more than 30 days from the prime contractor’s receipt of payment from the owner.

2. The prime contractor must notify the owner in writing prior to any termination of a DBE subcontractor for convenience.

3. If a DBE subcontractor fails to complete work under the subcontract for any reason, the prime contractor must employ the six good faith efforts if soliciting a replacement subcontractor, even if the fair share objectives have already been achieved.

E. REPORTING

1. Bidders/offerors shall demonstrate compliance with “good faith” efforts in order to be deemed responsible. Efforts could include maintaining phone/mail logs (see attached MBE/WBE Subcontractor Solicitation Sheet), submitting proof of DBE solicitation advertisements, completion of the on-line DBE quote request form located at https://app.mdt.mt.gov/dbeqt/, etc.. The owner may specify other methods of demonstrating compliance.

2. Documentation of a “good faith” effort should be submitted with the bid, or within seven (7) calendar days of the bid opening.

MBE/WBE SUBCONTRACTOR SOLICITATION INFORMATION						
Name, Address & Phone No. of Subcontractor Contacted	Date Request for Quote Sent	Description of Work Offered	Date of Phone Follow-up & Person Contacted	Amount of Quote or Reason for Not Quoting*	Quote Accepted? If not, list reason for rejection	Indicate MBE, WBE, or other Subcontractor

* - Use additional sheets if necessary.

The undersigned hereby certifies that the above information is true and correct:

Contractor:_____

By:_____ _____
Signature Title
Date:_____

1.5.3 Certification Regarding Debarment, Suspension and Other Responsibility Matters

A. INSTRUCTIONS

Under Executive Order 12549, an individual or organization debarred or excluded from participation in Federal assistance or benefit programs may not receive any assistance award under a Federal program, or a subagreement thereunder for $25,000 or more. The status of prospective individuals or organizations can be checked at:

https://www.sam.gov

A prospective prime contractor must submit a completed certification (see form on the following page) or explanation to the project owner for the project. Each prospective subcontractor must submit a completed certification or explanation to the prime contractor for the project.

B. HOW TO OBTAIN FORMS

Additional forms may be obtained from the State or may be reproduced.

SRF Project Number

United States Environmental Protection Agency
Washington, DC 20460

Certification Regarding Debarment, Suspension, and Other Responsibility Matters

The prospective participant certifies to the best of its knowledge and belief that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(b) Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to $10,000 or imprisonment for up to 5 years, or both.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative Date

_____I am unable to certify to the above statements. My explanation is attached.

1.5.4 Prohibition against ListedViolated Facilities

A. REQUIREMENTS

(1) To comply with all the requirements of section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, et seq., as amended by Pub. L. 92-604) and section 308 of the Clean Water Act (33 U.S.C. 1251, as amended), respectively, which relate to inspection, monitoring, entry, reports, and information, as well as other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of this contract.

(2) That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency list of violating facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from the listing.

(3) To use his best efforts to comply with clean air and clean water standards at the facilities in which the contract is being performed.

(4) To insert the substance of the provisions of this clause, including this paragraph (4), in any nonexempt subcontract.

B. DEFINITIONS

(1) Air Act means the Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(2) Water Act means the Clean Water Act, as amended (33 U.S.C. 1251 et seq.).

(3) Clean Air Standards means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted under the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110 (d) of the Air Act (42 U.S.C. 1857c-5(d)), an approved implementation procedure or plan under section 111 (c) or section 111(d), or an approved implementation procedure under section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).

(4) Clean Water Standards means any enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated under the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by section 402 of the Water Act (33 U.S.C. 1342), or by a local government to ensure compliance with pretreatment regulations as required by section 307 of Water Act (33 U.S.C. 1317).

(5) Compliance means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency in accordance with the requirements of the Air Act or Water Act and regulations.

(6) Facility means any building, plant, installation, structure, mine, vessel, or other floating craft, location, or site of operations, owned, leased, or supervised by a contractor or subcontractor, to be used in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location or site shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are located in one geographical area.

1.5.5 Discovery of Archaeological and other Historical Items

In the event of an archaeological find during any phase of construction, the following procedure will be followed:

(1) Construction shall be halted, with as little disruption to the archaeological site as possible.

(2) The Contractor shall notify the Owner who shall contact the State Historical Preservation Officer.

(3) The State Historical Preservation Officer may decide to have an archaeologist inspect the site and make recommendations about the steps needed to protect the site, before construction is resumed.

(4) The entire event should be handled as expediently as possible in order to hold the loss in construction time to a minimum while still protecting archaeological finds.

A similar procedure should be followed with regard to more recent historical resources. Should any artifacts, housing sites, etc., be uncovered, the same procedure should be followed as for an archaeological find.

In the event archaeological/historical data are evaluated to meet National Register criteria, the Advisory Council on Historic Preservation may be notified and asked to comment.

1.5.6 Williams-Steiger Occupational Safetyand Health Act of 1970

A. AUTHORITY

(1) The contractor is subject to the provisions of the Williams-Steiger Occupational Safety and Health Act of 1970.

(2) These construction documents and the joint and several phases of construction hereby contemplated are to be governed, at all times, by applicable provisions of the Federal law(s) , including but not limited to the latest amendment of thefollowing:

a. Williams-Steiger Occupational Safety and Health Act of 1970, Public Law 94-596;

b. Part 1910 - Occupational Safety and Health Standards, Chapter XVII of Title 29, Code of Federal Regulations;

c. Part 1926 - Safety and Health Regulations for Construction, Chapter XVII of Title 29, Code of Federal Regulations.

B. SAFETY AND HEALTH PROGRAMREQUIREMENTS

(1) This project, its prime contractor and its subcontractors, shall at all times be governed by Chapter XVII of Title 29, Code of Federal Regulations, Part 1926 - Safety and Health Regulations for Construction (29 CFR 22801), as amended to date.

(2) To implement the program and to provide safe and healthful working conditions for all persons, general project safety meetings will be conducted at the site at least once each month during the course of construction, by the construction superintendent or his/her designated safety officer. Notice of such meeting shall be issued not less than three (3) days prior, stating the exact time, location, and agenda to be included. Attendance by the owner, architect, general foreman, shop steward(s), and trades, or their designated representatives, witnessed in writing as such, shall bemandatory.

(3) To further implement the program, each trade shall conduct a short gang meeting, not less than once a week, to review project safety requirements mandatory for all persons during the coming week. The gang foreman shall report the agenda and specific items covered to the project superintendent, who shall incorporate these items in his/her daily log or report.

(4) The prime contractor and all subcontractors shall immediately report all accidents, injuries, or health hazards to the owner and architect, or their designated representatives, in writing. This shall not obviate any mandatory reporting under the provisions of the Occupational Safety and Health Act of 1970.

(5) This program shall become a part of the contract documents and the contract between the owner and prime contractor, prime contractor and all subcontractors, as though fully written therein

1.5.7 Wage Determination

The Contractor and all subcontractors shall pay for all labor employed at no less than the minimum standard prevailing rate of wages for each classification, which shall be the higher of either the Montana Prevailing Wage Rates or the Federal Davis-Bacon Prevailing Wage Rates.

Please refer to EXHIBIT C for Federal Labor Standards Provisions for Federally Assisted Construction Contracts.

If you have a question about complying with the prevailing wage regulations (occupations, payroll forms, payment of fringe benefits, travel or per diem, etc.), you should contact the Labor Standards Bureau Wage and Hour Unit of the Montana Department of Labor and Industry or visit their website: http://dli.mt.gov/

1.5.8 Access

1. The recipient must insure that representatives of the Environmental Protection Agency and the State will have access to project records and the project work whenever it is in preparation or progress and must provide proper facilities for such access and inspection. The recipient must allow the Regional Administrator, the Comptroller General of the United States, the State agency, or any authorized representative, to have access to any books, documents, plans, reports, papers, including records of contractors which are pertinent to the project for the purpose of making audit, examination, excerpts, copies, and transcriptions thereof. The recipient must insure that a party to a subagreement will afford access to such project work, sites, documents, and records.

1.5.9 Construction Site Erosion and Sediment Control Measures

Every effort shall be made by the contractors and subcontractors to prevent and correct problems associated with erosion and runoff processes which could occur during and after project construction. The efforts should be consistent with applicable local ordinances, the EPA Nonpoint Source Pollution Control Guidance and Department of Environmental Quality Stormwater Management Plan.

Wherever appropriate, the contractor's efforts shall reflect the following engineering principles:

1. When appropriate, land grading and excavating should be kept at a minimum to reduce the possibility of creating runoff and erosion problems which require extensive control measures.

2. Whenever possible, topsoil should be removed and stockpiled before grading begins.

3. Land exposure should be minimized in terms of area and time.

4. Exposed areas subject to erosion should be covered as quickly as possible by means of mulching or vegetation.

5. Natural vegetation should be retained whenever feasible.

6. Appropriate structural or agronomic practices to control runoff and sedimentation should be provided during and after construction.

7. Early completion of stabilized drainage systems (temporary and permanent systems) will substantially reduce erosion potential.

8. Roadways and parking lots should be paved or otherwise stabilized as soon as feasible.

9. Clearing and grading should not be started until a firm construction schedule is known and can be effectively coordinated with the grading and clearing activity.

1.5.10 American Iron and Steel (AIS) Requirements

On January 17, 2014, H.R. 3547, “Consolidated Appropriations Act, 2014,” (Public Law 113-76, Section 436) was enacted. This law provides appropriations for both the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund for federal fiscal year 2014, while adding an American iron and steel requirement to these already existing programs.

The Act includes a provision for "Use of American Iron and Steel," in Section 436(a)(1). None of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water treatment revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products permanently incorporated in the project are produced in the United States.

The term “iron and steel products” means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, rebar, and construction materials. The iron and steel products used in the project must comply with the American Iron and Steel requirements of Section 436 of the Consolidated Appropriations Act of 2014 (P.L. 113-76) and as further interpreted by applicable EPA guidance (see http://water.epa.gov/grants_funding/aisrequirement.cfm).

AIS CERTIFICATION FORMS – The Contractor must ensure that all qualifying iron and steel components used in the project have met the AIS requirements. To verify AIS compliance, the Contractor must obtain a “Manufacturer Certification” form (or equivalent statement) from the product manufacturer. Upon completion of the project, the Contractor shall provide the Owner with the “Contractor Certification” form and copies of all “Manufacturer Certification” forms and/or statements. The referenced certification forms are located in Exhibit E of Section 00900.

AIS WAIVERS - A waiver from the American Iron and Steel requirements may be issued by the Administrator of the Environmental Protection Agency if it is found that: 1) applying the American Iron and Steel provisions would be inconsistent with the public interest; 2) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or 3) inclusion of iron and steel products produced in the United States will increase the cost of the overall project by more than 25 percent. Waiver requests must be submitted to the state for review and submittal to the EPA.

NATIONAL AIS WAIVERS - The EPA has issued the following national waivers; 1) De Minimis (April 15, 2014); 2) Product Waiver for Pig Iron and Direct Reduced Iron (February 18, 2015); 3) Minor Components in Iron and Steel Products (October 27, 2015).

1.5.11 Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment

This term and condition implements 2 CFR 200.216 and is effective for obligations and expenditures of EPA financial assistance funding on or after 8/13/2020.

As required by 2 CFR 200.216, EPA recipients and subrecipients, including borrowers under EPA funded revolving loan fund programs, are prohibited from obligating or expending loan or grant funds to procure or obtain; or enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

As described in Public Law 115-232, section 889, covered telecommunications equipment or services means any of the following:

a. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation

(or any subsidiary or affiliate of such entities).

b. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

c. Telecommunications or video surveillance services provided by such entities or using such equipment.

d. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Certain prohibited equipment, systems, or services, including equipment, systems, or services produced or provided by entities identified in section 889, are recorded in the System for Award Management exclusion list.

1.6 ADDITIONAL SPECIAL PROVISIONS FOR ARPA

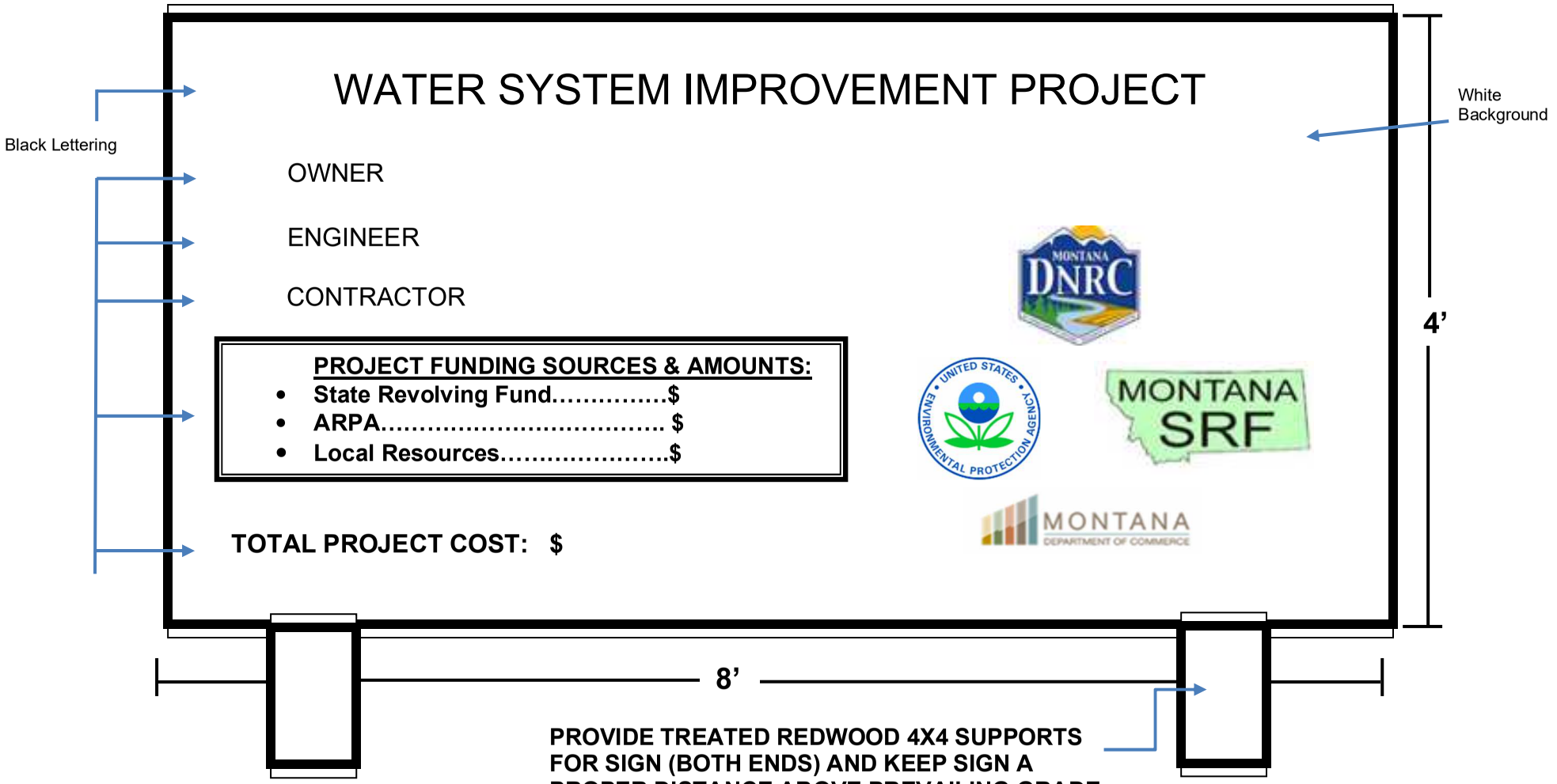
If the project is funded solely by ARPA, the American Iron and Steel requirements in 1.3.4 and 1.5.10 of this agreement do not apply. The Federal Labor Standards Provisions (Davis-Bacon) do not apply to projects funded solely by ARPA.

1.7 EXHIBITS

EXHIBIT A (Required for All Projects)

Project Sign Detail

TEMPORARY CONSTRUCTION SIGN





EXTERIOR TYPE PLYWOOD SUITABLE FOR SIGNS

PROJECT SIGN

~~EXHIBIT B (Required for CDBG Projects)~~

~~HUD Form 4010-Federal Labor Standards Provisions~~

EXHIBIT C (Required for SRF Projects)

Federal Labor Standards Provisions
For
Federally Assisted Construction Contracts
United States Department of Labor
CFR Code of Federal Regulations Pertaining to ESA
(Federal Davis-Bacon Wages)

Federal Labor Standards Provisions
For
Federally Assisted Construction Contracts
United States Department of Labor
CFR Code of Federal Regulations Pertaining to ESA
(Federal Davis-Bacon Wages)

Title 29, Chapter I, Part 5, Subpart A (29 CFR 5.5)

Section Name: Contract provisions and related matters.

(a) The Recipient shall assure that the subrecipient(s) shall insert in full in any contract in excess of $2,000 which is entered into for the actual construction, alteration or repair, including painting and decorating, of a treatment work under the CWSRF or a construction project under the DWSRF financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the applicable FY appropriation requirements, the following clauses:

(1) Minimum wages. (i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in Sec. 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii)(A) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:
(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
(2) The classification is utilized in the area by the construction industry; and
(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the

contracting officer to the Administrator of the W age and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii) (B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding. The loan or grant recipient shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, the (Agency or SRF program) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records. (i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the

registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the SRF program if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the SRF program. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the SRF program if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to the SRF program, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a ``Statement of Compliance,'' signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under Sec. 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under Sec. 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the ``Statement of Compliance'' required by paragraph (a)(3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the loan or grant recipient or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually

registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

(5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the SRF program may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

(7) Contract termination: Debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

(8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.

(9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(10) Certification of eligibility. (i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

(b) Contract Work Hours and Safety Standards Act. The Agency Head shall cause or require the contracting officer to insert the following clauses set forth in paragraphs (b)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Sec. 5.5(a) or 4.6 of part 4 of this title. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) Withholding for unpaid wages and liquidated damages. The loan or grant recipient shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

(c) In addition to the clauses contained in paragraph (b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in Sec. 5.1, the Agency Head shall cause or require the contracting officer to insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Agency Head shall cause or require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the loan or grant recipient and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

https://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&sid=99c9a20e960f56be66f17ae91b52c888&rgn=div5&view=text&node=29:1.1.1.1.6&idno=29

EXHIBIT D (Required for SRF Projects)

Reserved

EXHIBIT E

American Iron and Steel (AIS) Forms

MT DEQ
~~and~~
~~Rural Development~~

CONTRACTOR CERTIFICATION

Consolidated Appropriations Act, 2014

USE OF AMERICAN IRON AND STEEL

On January 17, 2014, H.R. 3547, “Consolidated Appropriations Act, 2014,” (Public Law 113-76, Section 436) was enacted. This law provides appropriations for both the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund for federal fiscal year 2014, while adding an American iron and steel requirement to these already existing programs.

The Act includes a provision for "Use of American Iron and Steel," in Sec. 436(a)(1). None of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water treatment revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products permanently incorporated in the project are produced in the United States.

As the general contractor for the project(s) using revolving loan funds, the undersigned attests that they have performed the necessary oversight to ensure this provision was met on the project(s) being funded.

I, the undersigned authorized representative of_____, do hereby certify that all materials and supplies used on the project(s) have complied with the above provision of the Consolidated Appropriations Act.

Project Name_____,

DEQ Loan Project Number_____,

Authorized Signature_____, Date_____,

Title_____,

Print Name _____

MANUFACTURER CERTIFICATION

Consolidated Appropriations Act, 2014

USE OF AMERICAN IRON AND STEEL

On January 17, 2014, H.R. 3547, “Consolidated Appropriations Act, 2014,” (Public Law 113-76, Section 436) was enacted. This law provides appropriations for both the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund for federal fiscal year 2014, while adding an American iron and steel requirement to these already existing programs.

The Act includes a provision to for "Use of American Iron and Steel," in Section 436(a)(1). None of the funds made available by a State water pollution control revolving fund as authorized by title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et seq.) or made available by a drinking water treatment revolving loan fund as authorized by section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12) shall be used for a project for the construction, alteration, maintenance, or repair of a public water system or treatment works unless all of the iron and steel products permanently incorporated in the project are produced in the United States.

This certification applies to the following specific iron and steel products to be incorporated into this project:

Manufacturer Name:_____

Material/Product Description:_____

Location of factory where these products will be manufactured: _____

As a manufacturer for the project(s) using revolving loan funds, the undersigned attests that they have performed the necessary oversight to ensure this provision was met on the project(s) being funded.

I, the undersigned authorized representative of_____, do hereby certify that all qualifying iron and steel products purchased for or used on the project(s) have complied with the above provision of the Consolidated Appropriations Act.

Project Name_____,

DEQ Loan Project Number_____,

Authorized Signature_____, Date_____,

Title_____,

Print Name_____.

~~CERTIFICATE OF OWNER'S ATTORNEY AND AGENCY CONCURRENCE~~

~~*Notes to User: This exhibit consists of two certificates, on a single page, to be attached to the Contract and signed upon execution. The first is a certificate to be signed by the Owner's attorney and the second is the concurrence to be signed by the State Engineer. This page is to be inserted after the Agreement between Owner and Contractor for Construction Contract (Stipulated Price) (EJCDC C-520, 2018) in the Construction Contract Documents.*~~

~~CERTFICATE OF OWNER'S ATTORNEY~~

~~PROJECT NAME:~~

~~CONTRACTOR NAME AND CONTRACT NUMBER:~~

~~I, the undersigned, _____, the duly authorized and acting legal representative of _____, do hereby certify as follows: I have examined the attached Contract(s) and performance and payment bond(s) and the manner of execution thereof, and I am of the opinion that each of the aforesaid agreements is adequate and has been duly executed by the proper parties thereto acting through their duly authorized representatives; that said representatives have full power and authority to execute said agreements on behalf of the respective parties named thereon; and that the foregoing agreements constitute valid and legally binding obligations upon the parties executing the same in accordance with the terms, conditions, and provisions thereof.~~

~~Name Date~~

~~AGENCY CONCURRENCE~~

~~As lender or insurer of funds to defray the costs of this Contract, and without liability for any payments thereunder, the Agency hereby concurs in the form, content, and execution of this Agreement.~~

~~Agency Representative Date~~

~~Name~~

INFORMATIONAL CHECKLIST FOR PROJECT-SPECIFIC WAIVER REQUESTS

Notes to User: This exhibit is a checklist that is to be completed by the Owner and/or Engineer to help ensure that all appropriate and necessary information is submitted with the request to USDA. All information presented in waiver requests are subject to evaluation. Waiver requests deliberately containing false information will be rejected.

INFORMATIONAL CHECKLIST FOR PROJECT SPECIFIC WAIVER REQUEST

Information	☐
General	
• Waiver request includes the following information:	
o Description of the foreign and domestic Construction Materials	☐
o Unit of measure	☐
o Quantity	☐
o Price	☐
o Date that product is needed (e.g. time of delivery or availability)	☐
o Location of the construction project	☐
o Name and address of the proposed Supplier	☐
o A detailed justification for the use of foreign Construction Materials	☐
• Waiver request was submitted according to the instructions in the memorandum	☐
• Assistance recipient made a good faith effort to solicit bids for domestic Iron and Steel products, as demonstrated by language in requests for proposals, contracts, and communications with the prime	☐
Public Interest Waiver Request	
• Applicants and their Engineers will submit a written justification demonstrating definitive impacts on the community if a specified product is not utilized.	☐
Cost Waiver Requests	
• Waiver request includes the following information:	
o Comparison of overall cost of project with domestic Iron and Steel products to overall cost of project with foreign Iron and Steel products	☐
o Relevant excerpts from the bid documents used by the Contractors to complete the comparison	☐
o Supporting documentation indicating that the Contractor made a reasonable survey of the market, such as a description of the process for identifying Suppliers and a list of contacted Suppliers	☐
Availability Waiver Requests	
• Waiver request includes the following supporting documentation necessary to demonstrate the availability, quantity, and /or quality of the materials for which the waiver is requested:	
o Supplier information or pricing information from a reasonable number of domestic Suppliers indicating availability/delivery date for Construction Materials	☐
o Documentation of the assistance recipient's efforts to find available domestic sources, such as a description of the process for identifying Suppliers and a list of contacted Suppliers.	☐
o Date that product is needed (e.g. time of delivery or availability) to provide justification	☐
o Relevant excerpts from project Drawings, Specifications, and permits indicating the required quantity and quality of Construction Materials	☐
• Waiver request includes a statement from the prime Contractor and/or Supplier confirming the non-availability of the domestic Construction Materials for which the waiver is sought	☐
• Has the State received other waiver requests for the materials described in this waiver request for comparable projects?	☐

AMERICAN IRON AND STEEL *DE MINIMIS* LIST FORMAT

Notes to User: This exhibit is an example format for Contractors to use in maintaining a list of items to document the use of the De Minimis waiver of the American Iron and Steel requirements. This list or similar is required to be filled out throughout the construction Contract as needed. The State Engineer may periodically ask to review this information. At the Contract completion, this list, along with all Manufacturers' certifications, are to be given to the Engineer for delivery to the Owner.

DE MINIMIS COSTING WORKSHEET

Project Name: _____

Contract Name/# (if more than one) _____

Contractor (Company Name): Representative: _____

Date: _____

Total Cost of All Materials (or Estimated Value at 50% of the Installed Bid Price): $_____

Allowable Total *De Minimis* Costs (5% of all materials) $_____

Total Cost of all *De Minimis* Items $_____

Remaining Amount Allowed for Future *De Minimis* Items $_____

Note: No single De Minimis item can be more than 1% of the total material cost.

No.	Detailed Description and Manufacturer or Local Source of *De Minimis* Material	Quantity	Cost Per Item	Total Item Cost
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

~~GENERAL (PRIME) CONTRACTOR'S CERTIFICATION OF COMPLIANCE~~

~~*Notes to User: This exhibit is the sample General (Prime) Contractor's Certification of Compliance with the American Iron and Steel requirements to be provided by all General (Prime) Contractors to Engineer for delivery to the Owner at Substantial Completion.*~~

~~GENERAL (PRIME) CONTRACTOR'S CERTIFICATION OF COMPLIANCE WITH PROVISIONS OF THE AMERICAN IRON AND STEEL REQUIREMENTS OF SECTION 746 OF TITLE VII OF THE CONSOLIDATED APPROPRIATIONS ACT OF 2017 (DIVISION A – AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2017) AND SUBSEQUENT STATUTES MANDATING DOMESTIC PREFERENCE~~

~~DATE:~~

~~RE: PROJECT NAME _____~~

~~APPLICANT _____~~

~~CONTRACT NUMBER _____~~

~~I hereby certify that to the best of my knowledge and belief all Iron and Steel products installed for this project by my company and by any and all subcontractors and Manufacturers my company has contracted with for this project comply with Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference or are the subject of a waiver approved by the Secretary of Agriculture or designee.~~

_____

~~Name of Construction Company (PRINT)~~

_____

~~By Authorized Representative (SIGNATURE)~~

_____

~~Title~~

MANUFACTURER'S CERTIFICATION OF COMPLIANCE

Notes to User: This exhibit is the sample Manufacturer's Certification of Compliance with the American Iron and Steel requirements to be provided by all Manufacturers of American Iron and Steel covered items, to be submitted by Contractor to the Engineer with the corresponding Shop Drawing submittal for delivery to the Owner at Substantial Completion.

EXAMPLE OF A MANUFACTURER'S CERTIFICATION OF COMPLIANCE WITH PROVISIONS OF THE AMERICAN IRON AND STEEL (AIS) REQUIREMENTS OF SECTION 746 OF TITLE VII OF THE CONSOLIDATED APPROPRIATIONS ACT OF 2017 (DIVISION A – AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2017) AND SUBSEQUENT STATUTES MANDATING DOMESTIC PREFERENCE

Date:

Company Name:

Company Address:

Subject: American Iron and Steel (AIS) Certification for Project (X), Owner's Name, and Contract Number

I, (company representative), certify that the (melting, bending, galvanizing, cutting, etc.) processes for (manufacturing or fabricating) the following products and/or material shipped or provided for the subject project is in full compliance with the AIS requirement as mandated by Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference.

Item, Products and/or Materials, and location of delivery (City, State):

1.

2.

Such processes for AIS took place at the following location:

_____

(City, State)

_____

Authorized Company Representative Signature

Notes: Authorized signature will be Manufacturer's representative, not the material distributor or Supplier. If any of the above compliance statements change while providing materials to this project, please immediately notify the person(s) who is requesting to use your product(s).

ENGINEER'S CONSTRUCTION CERTIFICATIONS

Notes to User: This exhibit consists of four statements that will be certified by the Engineer, to be executed and then submitted to the Agency concurrently with the construction Contract Document package. This certification is to be submitted to the Agency prior to Authorization to bid but is not to be included in the bid package.

PROJECT NAME AND CONTRACT NUMBER: _____

ENGINEER'S NAME: _____

ENGINEER'S CERTIFICATION

The final Drawings and Specifications, construction Contract Documents, Bidding Documents (or requests for proposals or other construction procurement documents), and any other final design phase deliverables, comply with all applicable federal requirements, to the best of my knowledge and professional judgment. This includes the following:

☐ initial — The Engineers Joint Contract Documents Committee (EJCDC) documents have been used, and all acceptable revisions identified in this Bulletin have been made in accordance with the terms of the license agreement, which states in part that the Engineer "will plainly show all changes to the standard EJCDC text, using 'Track Changes' (redline/strikeout), highlighting, or other means of clearly indicating additions and deletions." Such other means may include attachments indicating changes (e.g. Supplementary Conditions modifying the General Conditions).

☐ initial — Any building(s) designed for this Project will comply with the requirements of the Architectural Barriers Act (ABA), the Americans with Disabilities Act (ADA) of 1990, and the Rehabilitation Act.

☐ initial — All Iron and Steel products referenced in the Drawings, Specifications, and Bidding Documents for this Project comply with Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference or are the subject of a waiver approved by the Secretary of Agriculture or designee.

☐ initial — All Iron and Steel products that will be referenced in the Addenda, executed Contracts, and Change Orders will comply with Section 746 of Title VII of the Consolidated Appropriations Act of 2017 (Division A – Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2017) and subsequent statutes mandating domestic preference, or will be the subject of a waiver approved by the Secretary of Agriculture or designee.

Note: This certification is not intended to be a warranty in any way, but rather the designer's professional opinion that to the best of their knowledge the documents comply.

_____

Engineer signature Date

_____

Printed name and title

Attachment C

CM/GC Guidance Document – Amendments for GCCWSD & BSCWSD Sewer Project

Original document - MDT CMGC Guidance Document date August 20, 2018

Amendment Updates: 5/6/2020 Version 2
12/8/2023 Version 3

Appointed Project Leader – Shane Strong (WGM Group)

Date: June 18, 2025

Purpose of Document: The Districts will be utilizing a Construction Manager / General Contractor (CM/GC) project delivery method for the delivery of the GCCWSD & BSCWSD Sewer Project. Delivery of the project will largely follow the CM/GC process that Montana Department of Transportation (MDT) has adopted through the use of their CM/GC Guidance Document. This document works in conjunction with the MDT CM/GC Guidance document with the amendments or changes as specified below:

Entire Document:

- For the purposes of the GCCWSD & BSCWSD Sewer Project, the Owners ultimately responsible for the contract and delivery of the project include both the Gallatin Canyon County Water & Sewer District in partnership with the Big Sky County Water & Sewer District. In this document any direct references to MDT, The State, the Department, and specific department officers should be replaced with GCCWSD & BSCWSD or others as specifically delegated.
- Throughout the entire MDT Guidance Document, substitute "District" for "MDT" as it relates to the project governing entity.

Page 3 (Selection Process) – First and third paragraphs, omit all reference to a price component. The Contractor will be selected based entirely on qualifications. A price component will not be used as a metric for Contractor selection.

Page 4 – The second bulleted item under General Mandatory Elements should be modified to say "self perform no less than 30 percent of the overall contract value."

Page 4 – The second bulleted item under subcontracting plan. In accordance with subsection 108.01. The Districts will refer to this section of MDT's standard specifications but may modify this reference in a future document.

Page 9 – The third line from the bottom of the page should be modified to state a scheduling software compatible with MS Project 2019 (.mpp file type output).

Page 10 – Delete the first paragraph in Section 1.6 Selection Committee and replace with the following paragraph:

"The Selection Committee is responsible for providing guidance and oversight for the overall CM/GC process. The committee will be comprised of representatives from the two Districts. Each member of the Selection Committee may appoint a senior management level alternate, as appropriate".

Page 12 – Delete the paragraph in Section 2.2 CM/GC Advertisement in its entirety and replace with the following: "The Districts will publicly advertise the RFQ on the GCCWSD webpage."

Page 14 – The fourth full paragraph beginning with "The RFP will identify…." should be modified to direct all inquiries to be submitted through the Districts process as specified in either the RFQ or RFP documents.

Page 15 – Modify the first sentence of Section 2.8 to state that a preproposal meeting <u>may</u> be held.

Page 24 – The second paragraph under Section 3.8 Subcontracting in the third sentence should be modified to state "Subcontractors will need to be approved in accordance with Subsection 108.01 of MDT's standard specifications."

Page 25 – The first sentence under Section 3.11 Risk Analysis should be revised to state that "The Districts intend to implement a risk analysis and mitigation program on the GCCWSD & BSCWSD Sewer Project."

Page 34 – The last sentence of Section 3.25 Preparation of Guaranteed Maximum Price (GMP) Proposals should be revised to state "…., the SOI will be paid based on the approved cost and resource loaded CPM schedule, in accordance with the established project specification which will generally conform to Montana Public Works Standard Specifications."

Page 40 – The first sentence of Section 4.5 Measurement and Payment should be revised to state "The method of measurement and the basis of payment, for all bid items installed, will be in accordance with the Montana Public Works Standard Specifications."

Page 40 – The first sentence of Section 4.6 Change Orders and Time Extensions should be revised to state “The Districts will process change orders in accordance with the process outlined in the Montana Public Works Standards Specifications.”

Page 43 – Construction Phase Multiplier. Amend the text to include: “The construction phase multiplier will be submitted and approved by the districts. The CM will provide justification for the multiplier and be subject to an audit to verify the rate represents the true value of the CM’s overhead and profit as described herein. Failure to successfully negotiate the construction phase multiplier will be grounds for termination of the contract. The districts reserve the right to readvertise the CM/GC project and prohibit said CM from proposing on the project.

Attachment D

MONTANA
Department of Transportation

CM/GC GUIDANCE DOCUMENT

Montana Department of Transportation

Abstract

The purpose of the CM/GC Guidance Document is to outline MDT's general process for procuring and administering transportation projects through utilization of the Construction Manager / General Contractor project delivery method.

December 8, 2023, Version 3

Alternative Contracting Section
Engineering Construction Contracting Bureau

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ACRONYMS & ABBREVIATIONS

AA	Affirmative Action
ACEC	American Council of Engineering Companies
BVS	Best Value Selection
CM/GC	Construction Manager / General Contractor
CM	Construction Manager
CMP	Construction Management Plan
CPM	Critical Path Method
DB	Design-Build
DBB	Design-Bid-Build
DBE	Disadvantaged Business Enterprise
EE	Engineer's Estimate
EEO	Equal Employment Opportunity
EOE	Equipment Operating Expense
FHWA	Federal Highway Administration
G&A	General and Administrative Costs
ICE	Independent Cost Estimator
MCA	Montana Contractor's Association
MDT	Montana Department of Transportation
NTP	Notice to Proceed
QA	Quality Assurance
QC	Quality Control
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Qualifications
RMP	Risk Management Plan
SOQ	Statement of Qualifications
TP	Technical Proposal
TRC	Technical Review Committee
VA	Value Analysis
VE	Value Engineering

1. PURPOSE

The purpose of the Construction Manager/General Contractor (CM/GC) Procurement Guidance Document is to outline the Montana Department of Transportation's (MDT) general process for procuring and administering transportation projects through utilization of the CM/GC project delivery method. Even though CM/GC is used by many agencies, this document communicates the key aspects of MDT's version of CM/GC to the construction industry, the design community, and other stakeholders. The Guidance Document also provides a general CM/GC process outline for internal MDT staff.

Many of the procedures and concepts that MDT has chosen as part of this CM/GC process, have been developed utilizing MDT's Design-Build processes, as well as CM/GC concepts and options from the National Cooperative Highway Research Program (NCHRP) Synthesis #402 for Highway Programs, as well as through discussions with other state transportation agencies. Reference: *http://onlinepubs.trb.org/onlinepubs/nchrp/nchrp_syn_402.pdf.*

This CM/GC Guidance Document is intended for informational purposes only; it should not be considered a contractual document. MDT may elect to revise any processes or procedures described herein, with or without notice. This Guidance Document will be a living document and will continue to evolve as MDT's CM/GC program development progresses, and as MDT is able to identify agency-specific best practices. A list of definitions for selected terms used throughout this document is provided in Section 5.

The authority for MDT to use CM/GC as an alternative contract delivery method in Montana is pursuant to Montana Code Annotated 60-2-120 and Administrative Rules of Montana 18.4.201. Additionally, 23 CFR Part 635, applies to all Federal-aid projects within the right-of-way of a public highway, those projects required by law to be treated as if located on a Federal-aid highway, and other projects which are linked to such projects (*i.e.,* the project would not exist without another Federal-aid highway project) that are to be delivered using the CM/GC method. To the extent this Guidance Document conflicts with the formal procurement documents (RFQ and RFP described below), any state or federal laws, rules, and/or regulations, those documents and/or laws, rules, and/or regulations supersede the conflicting provisions within this Guidance Document.

CM/GC BACKGROUND AND SELECTION PROCESS - EXECUTIVE SUMMARY

BACKGROUND: The CM/GC project delivery method is an integrated team approach to the planning, design, and construction of a project. The delivery method incorporates procedures to better control the schedule, budget, and risk. The CM/GC method has been developed as a result of public owner demands to enhance innovation, lower overall project costs at completion, and better plan for and manage risks. The CM/GC method offers many potential benefits including: improved risk management, increased utilization of innovative design and construction techniques, advanced construction conflict identification and management, and enhanced overall quality.

CM/GC is fundamentally different from the traditional Design-Bid-Build and alternative Design-Build processes. In CM/GC project delivery, the successful Contractor will work closely with the MDT design team during the design (preconstruction) phase, but the Design Engineer (Consultant or MDT staff) will remain as the Engineer of Record. In addition, MDT will separately designate a Project Leader and an Independent Cost Estimator (ICE) to assist in this project delivery process.

MDT expects that the CM/GC contract will be made up of two parts: A Preconstruction Services Agreement that covers the scope of work to be provided in the Preconstruction Phase, and compensation for that work; and a Construction Contract that covers the construction work to be performed, with compensation for that work in accordance with the Bid Price or Early Work Package Bid Price. MDT will select a CM/GC Contractor (hereinafter referred to as "Contractor") to provide both Preconstruction Phase and Construction Phase expertise. The selected Contractor must have the qualifications and skills required of a general contractor, to eventually construct the CM/GC project.

During the design phase, the Contractor will provide services, such as contract document reviews for constructability, pricing, scheduling, staging methods, material and subcontractor procurement strategies, risk identification/management, and other areas related to the construction of the project. MDT and the Contractor will monitor and negotiate the cost to complete construction throughout the design phase (using an estimate reconciliation process where the Contractor's estimate is compared to estimates provided by the ICE and Design Engineer), and will ultimately come to a final agreement price, which is referred to as a Bid Price.

The Contractor will not proceed into construction unless MDT agrees that the Guaranteed Maximum Price provided, as part of an agreement to complete the project, or a portion of the project, has been independently evaluated as fair, reasonable, and defendable. If MDT and the Contractor's Bid Price negotiations are not successful, MDT reserves its right to cancel the agreement with the Contractor, and the parties will follow the MDT standards for discontinuance of work, including the transfer of in-process fabricated materials. If MDT elects this measure, MDT will re-procure the work, and the Contractor will not be eligible to bid on that work through the revised project delivery process. If negotiations are successful and the construction Notice to Proceed (NTP) is issued, the Contractor will perform the traditional role of a general contractor.

SELECTION PROCESS: MDT will use a two-step process to select the Contractor, which is essentially a modified Qualifications-Based Selection with an added price component, also known as a Best Value Selection (BVS). A Technical Review Committee will be assembled and will follow established procedures in the evaluations and scoring. An independent Selection Committee will also be assembled to provide guidance for the Technical Review Committee and approve all scoring and selection efforts.

First, MDT will issue a Request for Qualifications (RFQ) to which the Proposers will respond by submitting their Statement of Qualifications (SOQ). The MDT Technical Review Committee, based on the review and scoring of the SOQs, will determine a short-list of CM/GC Contractors to advance in the selection process. Typically, between three and five Proposers will be short-listed to advance in the selection process; however, MDT reserves the right to short-list as many, or as few Proposers as deemed advantageous to the project or program. Details of the submittal requirements and the evaluation criteria will be included in the RFQ and RFP.

Second, MDT will issue a Request for Proposal (RFP), to which the short-listed Proposers will respond by submitting a Technical Proposal (TP) and a Price Proposal. The Technical Review Committee will review the Technical Proposals and will host an interview as an additional scoring component of the proposal process. Based on the evaluations of the Technical Proposals and the interview, coupled with a scoring of the Price Proposal, the Technical Review Committee will recommend to the Selection Committee the highest rated Proposer, based on the Best Value Score. Subsequently, the Selection Committee will approve the proposal scores, and negotiations for the Preconstruction Services Contract will commence.

The Transportation Commission will approve and award the construction contract after successful Bid Price negotiations.

1.1 MAJOR ELEMENTS OF CM/GC PROGRAM

This section highlights the major elements of MDT's CM/GC program. Further details of these elements are provided later in this document and/or will be included in the RFQ and RFP documents. For the purpose of this Guidance Document, when referring to the CM/GC entity that MDT is seeking to engage through this procurement process, the term "Proposer" is used; when referring to the CM/GC entity that MDT has selected, the term "Contractor" is used.

GENERAL MANDATORY ELEMENTS

- **MDT RIGHTS.** Throughout this process, both during and after procurement, MDT maintains its right to terminate the CM/GC process in part, or in its entirety. MDT also maintains its right to use other methods to deliver the subject project, in part or in whole.

- **SELF-PERFORMANCE.** The Contractor must perform the CM/GC services work valued at not less than 40 percent of the overall contract value with its own staff, excluding specialized services. The 40 percent threshold for self-performed work will also apply to Early Work Packages and will be considered when developing severable construction packages for early award.

- **PROGRAM ADVISORY SERVICES.** MDT has solicited review services and input from FHWA and private consultants during the development of MDT's CM/GC Program Guidance Document.

- **INDEPENDENT COST ESTIMATOR.** MDT intends to separately hire an Independent Cost Estimating firm (ICE) that will participate in scope and cost discussions through the Preconstruction Phase. The ICE will independently develop a production-based cost estimate. The ICE's estimate may be held in the "blind" or may be open book. The Project Leader, with input from other MDT staff, will determine if the ICE is in the blind or providing open book estimating. MDT has determined that the minimum threshold for agreement with the Contractor is that the negotiated Bid Price must be:
    - Less than 105 percent of the ICE estimate,
    - If the Bid Price is between 105 and 110 percent of the ICE estimate, award is discretionary,
    - If the Bid Price exceeds 110 percent of the ICE estimate, MDT will discontinue price negotiations and terminate the preconstruction contract.

SELECTION OF CM/GC CONTRACTOR

- **SELECTION PROCESS.** The Contractor will be selected using a Best Value Selection process, in which an MDT Technical Review Committee will evaluate the Proposers' Statement of Qualifications, written Technical Proposal, Interview, and Price Proposal.

- **SUBCONTRACTING PLAN.** As part of the selection and evaluation process, the Contractor may be required to identify in their proposal, subcontractors that qualify as key personnel (Key Subcontractors), as identified in the RFQ and RFP. Subcontractors are selected at the discretion of the CM/GC entity. The Contractor should make a good faith effort to select subcontractors that provide reasonable pricing and quality work. Every subcontractor will need to be approved by MDT, following typical procedures in accordance with MDT's Standard Specifications.

Subcontractor quotations will be used in milestone cost estimates throughout project development. Key Subcontractors working on CM/GC projects must also agree to use production-based pricing, similar to the estimating requirements imposed on the Contractor.

- **PRECONSTRUCTION PHASE SERVICES – FEE ESTIMATE.** The CM/GC's Technical and Bid Price Proposals may be required to incorporate a Preconstruction Staffing Plan, including an hourly rate for direct salary only and estimated hours for key personnel identified in the RFQ/RFP. Hourly rates and estimated hours will not be scored as a part of the selection process. The Technical Review Committee will use the fee estimate information provided by the Proposer to evaluate if the Proposer understands the goals of the project. The fee estimate of the Preconstruction Phase services will help to demonstrate the Proposer's capabilities to manage the Preconstruction Phase. The provided information is also intended to be used as the basis for MDT to start negotiations of the Preconstruction Services Contract (based on detailing the deliverables and the priorities of the Preconstruction Services, once the Contractor has received award). Additional detailed information on payment for Preconstruction Services will be provided in the RFQ/RFP. Should MDT elect to use a different compensation mechanism, that process will be described in detail in the RFQ/RFP.

IMPLEMENTATION OF CM/GC SERVICES

- **CONTRACT TYPES.** The Contractor will enter into a Preconstruction Services Contract, which will be a professional service-type contract. Upon negotiation of a Bid Price or Early Work Package Bid Price, MDT and the Contractor will enter into a Construction Contract, similar to a standard MDT construction contract, but with a negotiated Bid Price in lieu of a bid. The format of these contracts will be further defined in the RFP stage of this procurement process.

- **PRECONSTRUCTION PHASE SERVICES – SCOPE.** A general outline of the required Preconstruction Services activities will be provided in the RFP. Prior to entering into a Preconstruction Services Contract, MDT and the Contractor will collectively agree on the Preconstruction Phase scope of services with an estimate of the number of hours that will be needed by each member of the Contractor's team to fulfill the agreed to scope/deliverables for Preconstruction Services.

- **PRECONSTRUCTION PHASE SERVICES – PAYMENT.** The Preconstruction Services scope is a relatively small (by cost) overall percentage of the total CM/GC scope, and because the scope of the Preconstruction Services is expected to be flexible as MDT requires, the CM/GC contracting method treats the structure of the Preconstruction Services phase in a similar fashion as the typical MDT Consultant Services Contract. Compensation to the Contractor will be negotiated upon Contractor selection. Specific details on compensation for Preconstruction Services will be described in the RFQ and RFP.

- **FINAL BID PRICE PROPOSAL.** At the completion of design, the Contractor will submit a Bid Price for construction of the final scope, based on the Cost Model developed throughout the Preconstruction Phase. This Bid Price will be negotiated and agreed upon with MDT before the Construction Contract is executed. The approved Bid Price amount will be treated as a unit price contract.

MDT may include multiple Construction Phases or early work construction packages that will result in the Contractor providing Early Work Package Bid Prices for each work component in the overall project, the summation of which equal the Bid Price for the whole project.

The Bid Price will:

- Include a contingency that will be established based on, among other things, a well-defined risk analysis. MDT and other governmental agencies will be entitled to monitor and audit all project costs should there be a dispute, change, or claim that warrants such action. The Bid Price should be based on fully-developed design documents. A Bid Price that exceeds 110 percent of the ICE's estimate will not be acceptable. Physical construction will be initiated once the Bid Price Proposal is finalized and a contract NTP is given by MDT. Compensation for construction services within a Bid Price Proposal will be as follows:
    - For Lump-Sum Items in the Bid Price Proposal: Paid as a percent of the total lump-sum based on monthly progress.
    - For Allowance and Contingency items in the Bid Price: Paid based on the actual expenditures or the field quantity at the agreed upon unit price.
    - For Unit Price items in the Bid Price Proposal: Paid based on the field quantity at the agreed upon unit price.
    - Each Bid Price Proposal will include a Schedule of Items (SOI) that may include one or several units of payment. The SOI will be paid based on the approved cost, in accordance with MDT scheduling specifications.

- **EARLY WORK PACKAGE BID PRICE PROPOSAL.** In lieu of one overall Bid Price Proposal, MDT may elect to proceed by breaking the project into more than one package. Similar to the Final Bid Price Proposal, the Contractor and MDT will formalize the Early Work Package Bid Price Proposal contracts through a negotiation process and will establish a unit price contract. Early Work Package Bid Price Proposals will follow the same guidelines listed above for the Final Bid Price Proposal. Pursuant to 23 CFR Part 635.506 (d), MDT must program funding for the estimated construction cost of the construction services before authorization of an Early Work Package. Construction services means the physical construction work undertaken by a CM/GC contractor to construct a project or a portion of the project (including early work packages). Construction services include all costs to perform, supervise, and administer physical construction work.

  As a footnote to the above paragraph, the following are recommendations for MDT personnel entering an Early Work Package (EWP) into FMIS for authorization.
    - The Early Work Package Bid Price Proposal will be entered into FMIS.
    - In addition, a comment will be added in FMIS which includes the estimated cost for the remainder of the project. The estimated cost for the remainder of the project will be obtained from the latest project estimate (30%, 60%, 90%). This information provides an indication of the relative size of the EWP versus the overall project, and the size of the funding obligation required for the remainder of the work.

- **UNSUCCESSFUL BID PRICE / EARLY WORK PACKAGE BID PRICE NEGOTIATIONS.** It is expected that the Final Bid Price / Early Work Package Bid Price negotiations will be an iterative process; however, MDT will not allow it to be an unlimited process. In the event MDT and the Contractor fail to agree upon final Bid Price or Early Work Package Bid Price, then MDT may proceed with the procurement of that scope by other means. If that occurs, MDT may terminate all or part of the

CM/GC process for a given project and procure the remaining elements of the project by any other lawful procurement method. The Contractor will not be allowed to re-bid the work under the new procurement method.

1.2 GENERAL OVERVIEW OF CM/GC RESPONSIBILITY AND PROJECT DELIVERY

MDT's CM/GC evaluation process is designed to ensure that the Department selects the Contractor that is best-suited for the project; with the necessary skills, personnel, resources, systems, and experience to provide valuable input to the design and to manage the work in a manner that minimizes the disruption to the travelling public and results in a high-quality project. During the Preconstruction Phase, the Contractor will engage in detailed discussions with MDT, the Design Engineer, and ICE over key constructability issues, contract packaging, phasing of the work, and traffic control - thereby reducing the risk that those issues would impact the project during construction. The Contractor will be contractually responsible for price, schedule and quality during construction. In addition, Proposers will be encouraged to indicate their abilities to utilize accelerated and innovative construction techniques.

Other important responsibilities/requirements:

- The Contractor must perform the CM/GC services work valued at not less than 40 percent of the overall contract value with its own staff, excluding specialized services. The 40 percent threshold for self-performed work will also apply to Early Work Packages, and will be considered when developing severable construction packages for early award. During Preconstruction Services and development of a Bid Price or Early Work Package Bid Price, the CM/GC may be asked to identify work that could be classified as "specialty" for MDT's consideration. Specialty work will be defined on a project-specific basis.
- The successful Contractor and all subcontractors are required to follow MDT Specifications. The Contractor will not be performing engineering or environmental analysis, beyond what is normally performed by a general contractor, and MDT's Design Engineer will remain the Engineer-of-Record.
- The Contractor will be responsible for making a good faith effort to meet project-specific DBE goals that are listed in the RFQ/RFP.

Throughout the Preconstruction Services phase, the Contractor will be providing services such as plan reviews for constructability, pricing, scheduling, staging, methods, material procurement strategies, risk identification/management, and other areas related to the construction of the project. These discussions will include MDT, the Project Leader, the Contractor, the Design Engineer, the ICE and other stakeholders.

As MDT's Design Engineer advances the design, the Contractor will be required to provide production-based detailed pricing updates and options evaluations as part of their Preconstruction Phase services. When the design progresses to 30, 60, and 90 percent completion, or at any other significant milestones as determined by MDT, then the Department and the Contractor will begin to develop and reconcile the estimates that will become the basis of a Bid Price or Early Work Package Bid Price for construction of that scope of work. MDT also considers it a best practice to compare rough order of magnitude (ROM) cost estimates at the onset of the design phase (ideally occurring at around 10 percent design). The goal of the ROM estimating effort is to establish or verify the project budget and help align estimates early on in project development. The goal at the end of the program will be to have one Bid Price based upon fully-developed documents (and inclusive of all Early Work Package Bid Prices that preceded). Assuming the parties agree on the Bid Price, MDT will enter into a Construction Contract with the Contractor, and the Contractor will then function as the general contractor and will be responsible for completing the work on the schedule agreed upon during the Bid Price discussions. Numerous Early Work Packages may be used for the various phases of the work, but it is MDT's intent to limit the number.

ROLE OF THE PROJECT LEADER

The Project Leader will be an appointed individual (MDT staff or consultant), independent from the Design Engineer and Contractor. The Project Leader will be responsible for contract administration of the CM and ICE consultants; and general management and oversight of the design and construction of the CM/GC project, with support from other MDT design project managers and construction project managers. The Project Leader will monitor the overall project scope, schedule, and budget in collaboration with other MDT staff. The Project Leader is expected to develop and maintain the following documents with input from the Contractor, Engineer, ICE, and the design team: program schedule, program budget, and risk management plan. The Project Leader will also be responsible for developing a reporting plan and provide regular reports to MDT. The Design Engineer, Contractor, and ICE will be responsible to work cooperatively and collaboratively with the Project Leader.

ROLE OF THE PROJECT MANAGER

The MDT Project Manager (EPM) will be an integral part of the project team throughout the Preconstruction Phase and will be responsible for coordinating and overseeing the inspection and construction of the CM/GC project. The Project Manager responsibilities may include, but are not limited to:

- Participating in the TRC, including review of the SOQ to develop the short-list of Firms.
- Participating with the TRC in the evaluation of Technical Proposals.
- Working with the Engineering Construction Contracting Bureau responding to Firm inquiries.
- Participating in project meetings and workshops.
- Acting as MDT's liaison with the Contractor during construction of the project in general and as MDT's person in responsible charge of the Construction Phase.
- Conducting site reviews to ensure that construction activities are in compliance with the Construction Contract.
- Reviewing and approving periodic progress payments during construction.
- Monitoring DBE participation.
- Monitoring EEO Contract compliance.
- Monitoring Labor Compliance.
- Ensuring that proper Construction Engineering and Inspection (CEI) services are performed during construction.
- Ensuring that the Contractor's Quality Management Plan is followed.
- Ensuring that all environmental commitments/requirements are honored.
- Ensuring that appropriate documentation takes place at each step in the construction process.
- Conducting performance evaluations.

ROLE OF THE DESIGN ENGINEER

The Design Engineer will be contracted directly or employed by MDT, separate from the Contractor, to develop design documents. Throughout this process, the Design Engineer will retain the responsibility of Engineer-of-Record. Once the Contractor is selected, as part of the Preconstruction Phase services, the Design Engineer, the Project Leader, ICE, and the Contractor are to work cooperatively with MDT and other stakeholders to optimize the completion of agreed upon scopes of work. The Design Engineer will also be required to produce estimates for comparison in cost reconciliation meetings throughout project development. Depending on the project, MDT will specify the format of the Design Engineer's estimate as either production-based, or based on historical bid data. The Engineer's Estimate will be shared with

the project team (not held in the "blind") and will be compared to both the ICE and Contractor's estimates. Once construction commences, the Design Engineer performs the same functions as the traditional Design-Bid-Build approach: following MDT standard Construction Engineering services, reviewing shop drawings provided by the Contractor, answering Requests for Information (RFI), reviewing submittals, etc.

ROLE OF INDEPENDENT COST ESTIMATOR (ICE)

The ICE, who will be procured and contracted separately by MDT, provides an independent cost estimate at 30, 60, and 90 percent design or any other significant milestones (ROM estimate prior to 30 percent), and at the time of bid for the final Bid Price or each Early Work Package Bid Price. The ICE estimate will be compared with the Contractor's cost proposal and Engineer's Estimate to determine if the agreed upon Bid Price or Early Work Package Bid Price amounts are fair and reasonable. The ICE Consultant will participate in the design review, quantity and cost estimate reconciliation meetings and risk workshops. The ICE Consultant will be responsible for developing cost estimates based on independent quantity take offs, means and methods, and production rates; with the intent of representing the open market as the Contractor's competition and establishing the fair market value for the project. The estimate provided by the ICE may be held in the blind or may be open book. The ICE will also review and provide comment on the Contractor's construction schedule.

1.3 CONFIDENTIALITY

The SOQ, Proposal, and interview are integral parts of the best value CM/GC selection process. To the extent permitted by law, SOQs and Proposals will be treated as confidential until the time when the successful Proposer is selected for Preconstruction Services, or cessation of the procurement process. Proposers must designate what portions of their submittals are protected trade secrets before submission to MDT. MDT cannot guarantee that the courts or any other governmental agency with jurisdiction over such matters will treat such documents and content as confidential. Further information on confidentiality will be provided in the RFQ and RFP.

1.4 TIME OF PERFORMANCE REQUIREMENTS

The RFP will state the estimated time required for Preconstruction Services and the overall project durations. The Preconstruction Services agreement will formalize the time required for those services. During the Preconstruction Phase, the schedule will be prepared and maintained by the Project Leader with assistance from MDT staff, the Design Engineer, and Construction Manager; and will include all detailed coordination efforts to optimize the completion of the design, including all designer activities, remaining permitting/environmental activities, Contractor activities, third-party/stakeholder activities, MDT activities, and all cost estimate milestones. The obligation of MDT to complete specific submittal reviews, in accordance with the minimum requirements of MDT standards, will also be included in the project schedule.

Each Bid Price or Early Work Package Bid Price will state a time period in which the construction scope is to be delivered. Once the construction contract commences, the Contractor will be responsible to develop and maintain a project-specific Critical Path Method (CPM) schedule for the construction of the project using scheduling software identified in MDT Specifications. The CPM schedule is to be provided to MDT, the Project Leader, the ICE, and the Design Engineer for review and discussion. These baseline and updated schedules should be in accordance with MDT specifications.

1.5 TECHNICAL REVIEW COMMITTEE

The Technical Review Committee (TRC) is responsible for reviewing and evaluating Statements of Qualifications (SOQs) submitted by Proposers in response to the RFQ, and the Technical and Price Proposals submitted in response to the RFP, in order to select the Contractor. The Committee will be composed of key MDT staff and will be chaired by a representative of MDT. The responsibility of the Committee is to fairly and thoroughly assess the proposals submitted by Proposers in response to the Department's RFQ and RFP. Ultimately, the Committee will be responsible to first develop a short-list of Proposers based on the SOQ, then to select the preferred Proposer based on the Technical Proposal and the Interview, as well as the Price Proposal.

In addition, at MDT's discretion, the Committee may be supported with Technical Advisors, who are non-voting members from MDT, FHWA, MDT Consultants, or key stakeholders (Tribal Officials, City Officials, DEQ, FWP, etc.). The role of the Technical Advisors is to provide "subject matter" advice to the Committee that is considered non-routine. Technical Advisors may be assigned to assist, inform, advise, and make recommendations to the Committee's voting members, who will make their own judgment for the scoring of the proposal material. This team will also be provided the opportunity to comment on design drawings and cost models throughout project development.

In order to promote selection process transparency to MCA membership, MDT may include an unbiased representative from MCA executive board or membership in the proposal and interview review process. The MCA representative will not be a scoring member on the TRC and must not influence proposal scoring discussions.

1.6 SELECTION COMMITTEE

The MDT Selection Committee is responsible for providing guidance and oversight for the overall CM/GC process. The committee may be comprised of: the Highways and Engineering Administrator, the Preconstruction Engineer, the Construction Engineer, the Program Administrator, and the District Administrator. Each member of the Selection Committee may appoint a senior management level alternate, as appropriate. An FHWA representative may also be included as a non-voting member of the Selection Committee.

The Selection Committee oversees and provides approval for the Contractor selection process. The Selection Committee will approve the short-list that is produced by the TRC. After the TRC evaluates the Technical Proposals and submits its findings to the Selection Committee, the Selection Committee will approve the Technical Proposal scores. After the Price Proposal opening, the Selection Committee will approve the Best Value scores and final selection for initiation of the Preconstruction Contract.

During the Preconstruction Phase of a CM/GC project, the Selection Committee provides oversight and decision-making authority for program-level impacts.

2. DETAILED DESCRIPTION OF EVALUATION AND SELECTION OF THE SUCCESSFUL CM/GC

As generally described in Section 1, the MDT CM/GC procurement/evaluation process is a two-part procedure. Part One, the response to the RFQ, is the Statement of Qualifications (SOQ). Part Two, the response to the RFP, is the submission of a Technical Proposal and Price Proposal, and if applicable, an interview. The duration from Advertisement to Selection of a Contractor is anticipated to take approximately four (4) months. The Contractor is selected based on demonstrated qualifications, competency, and competitive pricing. Each of these submissions and steps are part of MDT's "best- value" evaluation.

PROCUREMENT PROCESS

MDT = MT Department of Transportation

CM/GC = CM/GC Proposer

STEP ONE – RFQ (APPROX. 5 WEEKS)

MDT – Issue Request for Qualifications (RFQ)
CM/GC – Prepare and Submit Statement of Qualifications (SOQs)
MDT – SOQ Evaluation and Selection of Short-list

STEP TWO – RFP (APPROX. 11 WEEKS)

MDT – Issue Request for Proposals (RFP) to Short-listed Proposers
ALL – Preproposal Meeting
CM/GC – Submit Technical Proposal
MDT – Technical Proposal Initial Evaluations
MDT & CM/GC – Interviews and Final Evaluations
CM/GC – Submit Price Proposal
MDT – Opening of Price Proposal, Final Scoring, and Selection of the Apparent "Best Value" CM/GC Proposer
MDT – MDT Approval of CM/GC Contractor

2.1 SUMMARY - EVALUATION AND SELECTION OF THE CM/GC

A scoring matrix will be utilized by the Technical Review Committee to identify the major categories and the associated points for the scoring system. The scoring sheet will also have a location for a narrative comment summary of strengths and weaknesses as identified by the Technical Review Committee of each Proposer. The evaluation categories and scoring points (scoring matrix) will be included in the RFQ and RFP.

After selection of the short-listed Proposers based on their SOQ submittal, and receipt of Proposals based on the RFP, MDT will determine the best-value CM/GC Proposer, considering the Technical Proposal, Price Proposal, and Interview. It is important to note that the selection is not necessarily awarded to the Proposer with the lowest price component.

Regarding teaming with major subcontractors, all parties are required to comply with MDT Standard Specifications.

2.2 CM/GC ADVERTISEMENT

MDT will publicly advertise the RFQ on the State Contracting and Bidding webpage. CM/GC projects will also be announced in advance on the Alternative Contracting Upcoming Projects webpage.

2.3 REQUESTS FOR QUALIFICATIONS (RFQ)

MDT will issue the RFQ for soliciting qualification information from prospective CM/GC Proposers, and for the purpose of identifying a short-list of Proposers that will advance to the second step in the procurement process. The Proposer must submit all the information and documentation required by the RFQ in the format and order requested. The Proposers must give complete and accurate answers to all questions and provide all of the information requested. Selection of short-listed Proposers will be based on the submitted information and materials.

MDT is committed to a fair, thorough process. As such, unauthorized communications or contact between the Proposer, their employees, agents, or other related entities interested in submitting a Statement of Qualifications (SOQ) and MDT, MDT's Consultants, and any other person or entity participating on the Technical Review Committee or Selection Committee regarding this project, will be strictly prohibited.

The RFQ will identify the period of time the Proposers may submit questions and written requests for clarifications during the development of their proposals. All inquiries must be submitted through the Department's Question and Answer (Q&A) Forum (http://www.mdt.mt.gov/business/contracting/qacurrent.shtml). Answers to all substantive questions will be made available to all RFQ recipients via MDT's Q&A Forum; and when appropriate, revisions, substitutions, or clarifications will be posted to the Q&A Forum or issued as addenda to the RFQ.

The Proposer is responsible for assuring that the SOQ is delivered on time and to the correct location as identified by MDT. MDT will not accept late submittals and it is solely the Proposer's responsibility to ensure electronic delivery at the specified time.

MDT reserves the right to:

- At its sole discretion, reject non-responsive SOQs.
- At its sole discretion, waive discrepancies and informalities in the SOQs.
- At its sole discretion, terminate all or part of the CM/GC procurement process.

2.4 STATEMENT OF QUALIFICATION (SOQ) SUBMISSION REQUIREMENTS

All SOQs submitted must consist of the proper format and number of pages identified in the RFQ, including all required attachments, and be accompanied by a Transmittal Letter, one copy of which will be signed by an official authorized to legally bind the Proposer's project team. The Proposer must review the RFQ for specific submittal requirements. MDT will establish a page limit in the RFQ for the information submitted in the SOQ. The MDT Technical Review Committee reserves its right to rate any proposal as non-responsive that fails to include any information required in the RFQ. Proposers that submit non-responsive SOQs will not be eligible for the short-list and will not have the opportunity to continue on to the Technical Proposal phase.

The Proposer must demonstrate their ability to perform the scope of services required, to maintain the project budget and completion date, and to perform the work in a high-quality manner, consistent with MDT Specifications. The demonstration of prior successful completion of projects, in similar scope and magnitude, will be significant in MDT's evaluation.

The CM/GC RFQ will include the criteria for the selection process, Preconstruction Services scope of work, project constraints related to traffic, utilities, environmental concerns, permitting, right-of-way, and general construction requirements.

While the RFQ will include specific criteria for the selection, it is expected that MDT will be seeking SOQs from Proposers that highlight each team's experience working with Owners to resolve design conflicts during construction, as well as in general contracting and construction management. The Proposer does not need to demonstrate CM/GC experience. The SOQ should explain the Proposer's experience in similar types of construction, as expected on the subject project. The SOQ should also describe the Proposer's skills in construction management functions, such as scheduling and estimating.

The RFQ includes requirements to illustrate the team qualifications. Project management and critical staff experience and capabilities is an important factor in the selection of a CM/GC contractor. Credit is provided to Proposers who have not only those requirements stated above but also can demonstrate their understanding of local project conditions and MDT processes. To reduce effort by the Proposers, the Team Qualifications scores carry over into the RFP technical scores. The Proposers do not need to duplicate effort between the SOQ and Technical Proposal.

MDT also strongly believes that the successful execution of this project will require a high level of cooperation and collaboration and will be seeking that experience from the Proposers.

2.5 MANDATORY DISCLOSURE FORMS

The Proposers may be directed to provide Mandatory Disclosure forms as part of the SOQ. If these forms are required, the Proposer will be advised that the submission of the Mandatory Disclosure forms identified in the RFQ are not optional. Failure to provide this information will result in the SOQ being deemed non-responsive. A list of standard MDT forms will be included in the RFQ.

2.6 EVALUATION CRITERIA FOR STATEMENTS OF QUALIFICATIONS (SOQ)

The Statement of Qualifications will be evaluated against the criteria set forth in the RFQ document. The Technical Review Committee may, as part of this selection process, review the references and other pertinent information and specifically reserves the right to perform due diligence and investigate the prospective Proposer and/or its team.

MDT anticipates selecting between three (3) and five (5) Proposers for inclusion on the short-list, or all Proposers if less than three (3) are received. However, MDT reserves the right to short-list as many, or as few Proposers as deemed advantageous to the project or program. Each of the Proposers selected for the short-list will be sent a Request for Proposal and will be invited for an interview as a part of the Proposal review process. The MDT Technical Review and Selection Committees reserve its right to rate any proposal as non-responsive that fails to include any information required in the RFQ.

2.7 REQUEST FOR PROPOSALS (RFP)

The RFP is the second step of the evaluation process and is to be implemented for entities selected as short-listed Proposers. Two major submittals will be provided by the Proposers during this portion of the CM/GC evaluation – Technical Proposal and Price Proposal. In addition, this phase of the proposal will include an interview with the Proposers. The criteria for the submission and scoring of the Technical Proposal and Price Proposal, will be included in the RFP document. The Request for Proposal, Technical Proposal, and Price Proposal will be considered contract documents for the subject project.

The RFP will include, in addition to the evaluation criteria for the selection process, the following information: anticipated preconstruction scope of work; specific constraints related to working in and around the project site, environmental considerations, traffic, utilities, and right-of-way; pricing details; and construction requirements. The CM/GC RFP will be typically organized as follows:

- A description of the CM/GC delivery method and selection process, including the selection process calendar.
- RFP formatting instructions and documentation requirements with associated scoring criteria.
- The Draft Preconstruction Services Contract, including the agreement, terms and conditions, and scope of work.
- A draft of the Construction Contract agreement, terms and conditions.
- A general description of the Design Engineer's scope of work.
- A general description of the proposed Project Leader's responsibilities.
- Compensation procedures.
- Oral interview requirements.

The RFP will require two submittal packages, one for the Technical Proposal submission and one for the Price Proposal submission. The submittal method and date for the Technical and Price Proposals will be identified in the RFP.

The MDT Technical Review Committee will first determine whether the proposals are responsive to the requirements of the RFP. Technical Review Committee members will evaluate the appropriate components of the Proposals against the criteria contained in the RFP. As required by MDT, the Technical Review Committee may be assisted by technical advisors. The Technical Review Committee members will also evaluate the Proposers based on the interviews, in addition to the Technical Proposal and Price Proposal.

The RFP will identify the period of time the Proposers may submit questions and written requests for clarifications during the development of their proposals. All inquiries must be submitted through the Department's Question and Answer (Q&A) Forum (http://www.mdt.mt.gov/business/contracting/qacurrent.shtml). Answers to all substantive questions will be made available to all RFP recipients via MDT's Q&A Forum; and when appropriate, revisions, substitutions, or clarifications will be posted to the Q&A Forum or issued as addenda to the RFP.

MDT will schedule a confidential interview with each Proposer. This interview will provide an opportunity for the Proposers to fortify their Technical Proposal with presented information, as well as allow the Technical Review Committee to ask clarifying questions. Oral interviews are further discussed in Section 2.12 herein.

The commercial terms and conditions of the contracts between MDT and the Contractor are generally considered standard and are not negotiable. MDT intends to issue a "draft" of the Preconstruction Services Contract, and the Construction Contract, which will show the contract terms in their substantive form, for review and acceptance by the Contractor along with the RFP. Additionally, at MDT's sole discretion, some of the construction terms may be negotiated during the development of a Bid Price or Early Work Package Bid Prices based on the overall benefit to MDT and the Project.

2.8 PREPROPOSAL CONFERENCE FOR THE REQUEST FOR PROPOSAL

Prior to the RFP due date, a preproposal meeting will be held with the Short-Listed Proposers, to discuss the project in detail and to clarify any concerns that the Proposers may have. At the discretion of MDT, other project stakeholders may attend this meeting. The meeting is intended to provide a forum for the Proposers to ask questions and to discuss aspects of the RFP and related Technical and Price Proposals. The Department will obtain feedback and, at MDT's sole discretion, may amend the RFP requirements. Attendance at the Preproposal Meeting is a mandatory element of the selection process, and Proposers who fail to have a representative present will be considered non-responsive.

2.9 TECHNICAL PROPOSAL

The Technical Proposal is intended to demonstrate the Proposer's abilities to meet MDT's goals to successfully execute the project. The Technical Proposal will provide the MDT Technical Review Committee with an understanding of which Proposer is best prepared and equipped to complete the specific CM/GC project.

While the detailed selection and scoring criteria will be included in the RFP document, it is expected that the Proposer will provide information regarding their management approach to this project (including quality control and project controls); their subcontracting plan (including DBE and AA/EEO requirements); their approach to the Preconstruction Phase (including their plan to work cooperatively with MDT, the Design Engineer, and the ICE); their estimating methodology (ability to provide labor, material, equipment hours, and subcontractor cost estimates by bid item, and understanding of open-book estimating concept); and their approach to the Construction Phase (including innovative project solutions and methods for minimizing impacts).

MDT will be seeking a Contractor who will provide services in both the Preconstruction Phase and the Construction Phase. For anticipated Preconstruction Phase services, please refer to Section 3 of this document. For anticipated Construction Phase services, please refer to Section 4 of this document.

2.10 TECHNICAL PROPOSAL EVALUATION PROCESS AND CRITERIA

The Technical Review Committee will first determine whether the proposals are responsive to the requirements of the RFP. Proposals that fail to include any information required in the RFP will be considered non-responsive. Committee members will evaluate the appropriate components of the proposals against the criteria contained in the RFP. Following the review of any technical advisors and the qualitative ratings, the Technical Review Committee will determine if clarification of minor inconsistencies will be required. The Project Leader will notify in writing each Proposer for which clarifications of their proposal are required in accordance with the schedule contained in the RFP. The Technical Review Committee may request each Proposer to provide clarifying information only to assist the committee with fully understanding the proposal.

The Proposer's response to the Request for Proposal (both the Technical Proposal and the Price Proposal) will be evaluated against the criteria established in the RFP. The evaluation criteria and the selection method are designed to ensure fair competition among the prospective Proposers and to assist the Technical Review Committee in making its best value selection.

The Technical Review Committee will provide credit to Proposers who demonstrate their successful approach and execution on past similar projects and who performed innovative construction methods that saved time and money. These Proposers will also have provided in-depth, thoughtful approaches and solutions to the technical challenges associated with the project.

2.11 PRICE PROPOSAL EVALUATION PROCESS

MDT has chosen to use a "best value" selection process that includes scoring on both the Technical Proposal and the Price Proposal. However, it should be noted that MDT is interested in selecting a Contractor that provides a highly scored technical approach, as well as a competitive price for the selected price component. This is not a low bid process, and the highest combination of Technical and Price Proposal scores will be designated as the best value and winning proposal.

The Price Proposal is the final step to determine the "best value" score of each of the Proposers. The required Price Proposal will be provided after the TRC has completed technical proposal evaluations. The pricing component is designed to provide competitive pricing for selecting the CM/GC entity. The specific pricing requirement will be included in the RFP.

As part of the overall "best value" scoring criteria, the pricing component will be used as a percentage of the total score of the Proposal. The Technical Proposal and the Price Proposal, as well as the Interview, will be used, in varying weights, to provide the best value score. The specific weighting will be included in the RFP.

2.12 CM/GC INTERVIEWS

The MDT Technical Review Committee will conduct oral interviews with the top Proposers as part of the selection process. The confidential interviews will be held separately with each Proposer. At a minimum, the format will include a question-and-answer session. Besides the Technical Review Committee members, MDT may include other staff, technical advisors, and project stakeholders to observe the interview.

The interview will not be used to fill in missing or incomplete information that was required in the written proposal. The interview will not be used as an opportunity by the Proposers to revise or supplement their proposals. This step in the selection process will be defined in the RFP.

MDT considers the interview to be a key indicator of the ability of the Proposer's team. As such, the Technical Review Committee will include scoring points for the interview in their overall evaluation. That scoring criteria will be outlined in the RFP.

2.13 RECOMMENDATION OF CONTRACTOR

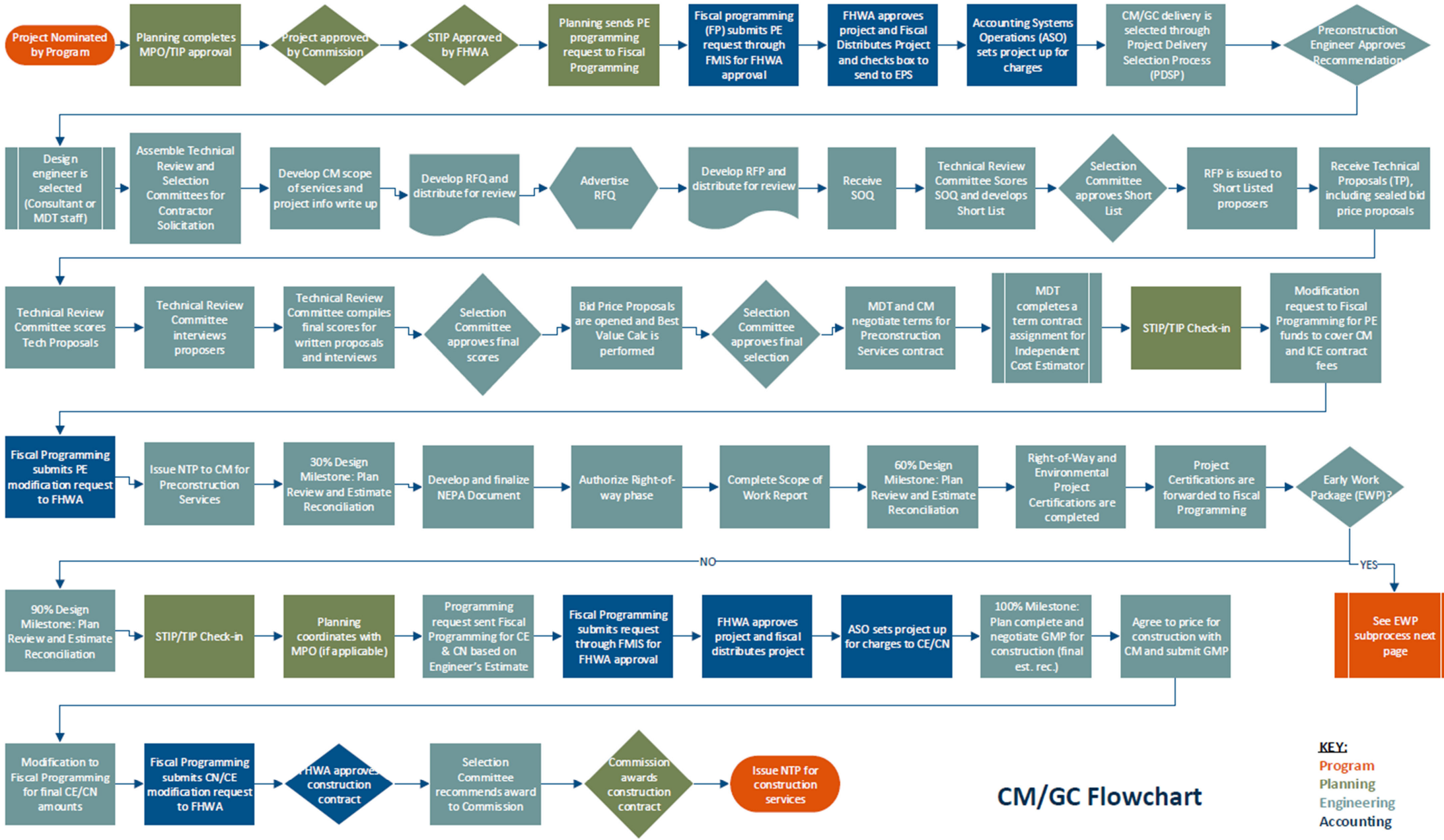
The overall technical score includes both the written Technical Proposal and the Oral Interview scores. MDT considers the oral interview a critical factor in the selection of the best suited Contractor. Per Administrative Rules of Montana, the department must weight the in-person interview of each shortlisted proposer as at least half of the technical score. The technical proposal will account for the balance of the technical score.

If a minimum of two proposals are accepted and scored, the MDT Technical Review Committee will recommend the approval of the Best Value Proposer. This recommendation will then be approved by the Selection Committee. Selection Committee approval is the start of Preconstruction Contract negotiations with the Best Value Proposer. After the successful Bid Price or Early Work Package Bid Price negotiation, the Construction Contract will be presented to the Transportation Commission for approval and award of the contract.

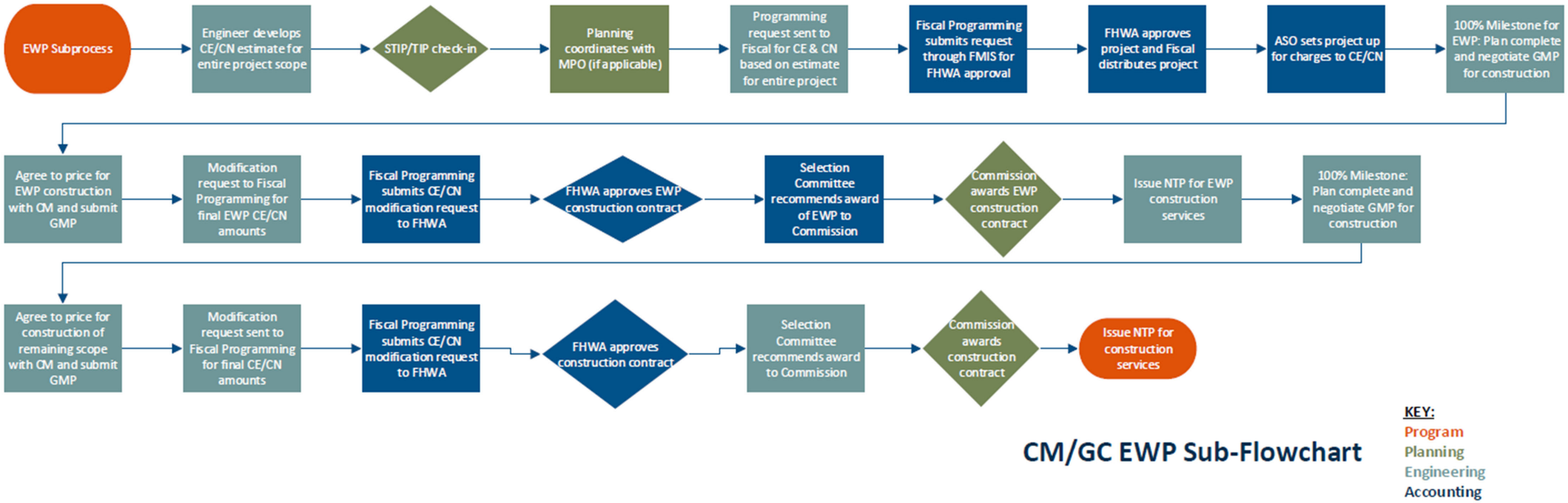
As noted previously in this document, MDT reserves the right to reject all proposals that are deemed non-responsive, as well as to waive minor proposal irregularities. As also noted previously, the "contract" for CM/GC services will be in two parts: The Preconstruction Services Agreement, and the Construction Contract(s).

2.14 SUMMARY OF MDT FUNDING AND APPROVAL PROCESS

The following figures depict MDT's funding and approval process for CM/GC projects.



CM/GC Flowchart



CM/GC EWP Sub-Flowchart

3. ANTICIPATED PRECONSTRUCTION SERVICES (DURING DESIGN)

3.1 OVERVIEW OF PRECONSTRUCTION SERVICES

The purpose of Section 3 is to highlight the types of services that MDT may be seeking from the Contractor during the Preconstruction Phase. It is included here to give the Contractors that are considering putting a team together, an idea of the types of services that might be required for a CM/GC project. The specific requirements and scope elements will be included in the RFQ and RFP.

CM/GC project delivery offers MDT significant benefits by having the Contractor on board during early phases of project development to provide constructability input. Early Contractor involvement may improve the project's cost and schedule, and provide the opportunity to mitigate the impact of identified risks. During this process, the Design Engineer can modify plans, specifications, and project requirements with Contractor recommendations that have been vetted by the owner through the CM/GC process. The design may be adjusted to incorporate means and methods specific to the selected Contractor to better-accommodate physical construction and improve efficiency, cost, and schedule.

The Contractor will be a part of the overall project team consisting of MDT staff, an Independent Cost Estimator, an MDT Project Leader, and the Engineer-of-Record. The Contractor will provide services such as plan reviews for constructability, pricing, scheduling, staging methods, material procurement strategies, risk identification/management, and other areas related to the project.

ANTICIPATED GENERAL PRECONSTRUCTION PHASE SERVICES

It is expected that the Contractor tasks during the Preconstruction Services phase may include, but are not limited to:

- Collaboration and coordination with MDT, the Project Leader, ICE, Design Engineer, and other stakeholders.
- Advising MDT on ways to gain efficiencies in project delivery, including recommendation of contract packaging options.
- Project planning and construction scheduling.
- Identifying potential risks to schedule, cost, and quality; and develop strategies for managing those risks. (See Section 3.11 for information on the Risk Management Process.)
- Providing guidance and suggestions to mitigate impact on users.
- Suggesting modifications to the design that may improve cost, schedule or quality.
- Constructability studies and identification of construction access and staging areas.
- Value Engineering (VE) support services.
- Alternative approach, design, or systems evaluation.
- Options analysis (cost and schedule assessments).
- Early investigative work to analyze the existing conditions to be by work-order request.
- Construction phasing, scheduling, and maintenance of traffic to minimize interruption to the transportation system users.
- Developing the limitations of operations.
- Developing detailed equipment and material delivery plans.
- Detailed cost estimates and knowledge of marketplace conditions.
- Providing cost estimates and participating in estimate reconciliations at various stages of project development. MDT may also require a rough order of magnitude estimate based on limited plan information at the onset of the design phase.
- Reconciliation of the Bid Price or Early Work Package Bid Price with MDT and the ICE.

- Finalization of the Bid Price or Early Work Package Bid Price, with all schedule and cost estimating basis.
- Attending and facilitating meetings as requested by MDT.
- Supporting the public involvement plan as directed by MDT.
- Participating in professionally facilitated partnering sessions throughout the life of the project. In some cases, MDT may require that the CM contract with the partnering subconsultant.
- Encouraging DBE and Equal Opportunity participation.
- Development of a quality control plan for independently reviewing all contract documents, and development of a quality assurance program to confirm that QC procedures are followed.

3.2 AWARD OF PRECONSTRUCTION SERVICES AND BID PRICE

The selected Contractor will enter into two distinct contracts with MDT – each to be initiated with an individual Notice to Proceed (NTP), following successful negotiations. The first NTP will be issued to engage the Contractor in performing Preconstruction Services. The form and draft terms of the Preconstruction Services Agreement will be included in the RFP. Proposers are required to name their proposed Key Subcontractors for the Preconstruction Services, if any, in their proposal. A second NTP (or series of NTPs) will be issued after the parties agree to a Bid Price for the selected scope of work. If Early Work Package Bid Prices are included in the project, each Early Work Package Bid Price will also have its own NTP.

As the Preconstruction Phase evolves, the successful Contractor will be required to provide detailed construction pricing updates and options evaluations, in addition to other required scope elements. During this process, MDT and the Contractor (together with the ICE, Design Engineer, and Project Leader) will meet in Estimate Calibration Meetings to advance the pricing. When the design of a scope of work is completed and a final estimate is submitted, MDT and the Contractor will develop and agree upon a Bid Price or Early Work Package Bid Price through the estimate reconciliation process, for construction of that scope.

Once design has reached completion, assuming the parties agree on the Bid Price for that scope, it is anticipated that some of the Contractor's personnel will shift to full-time construction services while others continue to work on Preconstruction Services (and some may split their time). At that point, the Preconstruction Phase services will be reviewed, and reallocation of the Contractor team will occur, in order to identify the personnel continuing Preconstruction Services and the personnel dedicated to the delivery of that component or scope of work. For the work included in the Bid Price that receives a construction NTP, the Contractor will then function like a general contractor and will be responsible for completing the work on schedule and according to the Guaranteed Maximum Price for that scope.

3.3 PRECONSTRUCTION FEE

MDT and the Contractor will negotiate a cost reimbursable contract for Preconstruction Services. The scope of work shall include all anticipated assignments for constructability reviews, value engineering, cost estimating and development of Bid Prices, risk management, options analysis, and all other Preconstruction Phase services. Adjustments to the Preconstruction Services scope and final fees will be negotiated upon Contractor selection. As a baseline for negotiations, Proposers may be asked to provide in their Technical Proposal, an hourly rate (for direct salary only) for key personnel identified in the RFP. Additional detailed information on payment for Preconstruction Services will be provided in the RFQ/RFP. Should MDT elect to use a different compensation mechanism, that process will be described in detail in the RFQ/RFP.

The Contractor's Preconstruction Services will be reimbursed for direct labor, based upon the actual hours worked and the employee's hourly rate (for direct salary only), with a Preconstruction Multiplier of 1.8 applied to the direct labor costs. This multiplier is to compensate the contractor for all overhead and profit type costs, exclusive of specifically identified direct costs that will be further defined in the RFP document. This multiplier will be applied to all the Contractor's management and staff labor. No home office overhead costs, or corporate principal salary costs, or profit will be allowed for the Preconstruction Phase. Those costs are considered to be included in the Preconstruction Multiplier, whether the multiplier is high enough to cover the costs or not. The only exception to this multiplier will be that certain direct costs – specifically for travel, lodging, and meal costs associated with CM/GC employees, approved in advance by MDT, will be reimbursed at actual costs as direct expenses. Such travel expenses will be limited, similar to the standard provisions on MDT professional services contracts.

MDT anticipates many of the Contractor staff providing Preconstruction Services will transition some, or all their time, to the management of the construction work. MDT will continue to compensate the Contractor for the individual's preconstruction service efforts. However, compensation for the individual's efforts on the construction contract(s) will be considered in the Bid Price. MDT and the Contractor will establish a strategy for allocating the labor charges to the appropriate contract when the individual's efforts are in transition.

MDT and the Contractor will agree to terms of the Preconstruction Services contract and fee. Any required increases to the Contractor preconstruction scope of work, costs, and time of performance (i.e., duration) will be contracted with supplemental agreements.

MDT CM/GC projects may have more than one Early Work Package. In this case, MDT and the Contractor will determine a payment structure that allows for some selected staff to continue with the Preconstruction Services after the first Bid Price is agreed upon. The basis of the initial Preconstruction Phase will serve as the basis for this continuation of Preconstruction Services.

The Contractor will not be entitled to recover any lost costs for the actual expenditures or any lost profits for the costs of the future Construction Phase services contract, should a Bid Price or Early Work Package Bid Prices not be successfully agreed upon with MDT for any reason.

The costs for developing and delivering responses to project solicitations (RFQ and RFP) are entirely the responsibility of the Proposer. The State is not liable for any expense incurred by the Proposer in the preparation and presentation of SOQ and Technical Proposal submittals.

3.4 PRELIMINARY EVALUATION (DESIGN PHASE COOPERATION, COORDINATION, AND COMMUNICATION)

Once a NTP has been issued for the Preconstruction Services contract, the Contractor will provide a preliminary evaluation of MDT's most current project requirements, including a review of all updated drawings, background data, commitments, criteria, priorities, time constraints, and physical and financial limitations. It is expected that this report will be updated on a regular basis as the design evolves.

The Contractor will be responsible for becoming thoroughly familiar with the work sites, and conditions surrounding the sites.

The Contractor will review other site data such as access, inspection reports, location of utility services, surveys, soils information, and other relevant information.

The Contractor will participate in a kick-off meeting(s) with the Project Team to develop a common understanding of the scope and goals of the project and to outline the estimating organization, method of measurement, basis of payment, working limitations, innovative practices, and possible means and methods, and a collective risk mitigation strategy.

A full preliminary evaluation report will be due from the Contractor to MDT soon after the NTP, to be updated regularly thereafter, for the entire Preconstruction Phase. This report is to contain a preliminary discussion on project risks and possible mitigation strategies, review of the program schedule developed by the Project Leader, constructability aspects including site access requirements, a narrative on the means and methods of the critical components of the project, options analysis, and a log of all suggested changes to the design documents, as well as the Contractor's cost estimates for construction, when available. MDT will, at its discretion, pursue implementation of the Contractor's recommendations.

3.5 CONTRACTOR'S PERFORMANCE AND LIMITATIONS

The Contractor, to further the interests of MDT, will perform the services required by and in accordance with the contract, to the satisfaction of MDT, exercising the skill and judgment required for the project. The Contractor will perform the required services consistent with sound and generally accepted construction management and construction contracting practices.

The Contractor's services are those necessary and appropriate to successfully complete the project in a timely and cost-effective manner and will include, but are not limited to, those described or specified herein. The Contractor will provide all requested services according to the capabilities reflected in its SOQ, inclusive of those described in the RFP, the construction documents, the contract, and all amendments to the contract. Unless otherwise provided in the contract, or as agreed in writing between MDT and the Contractor, the form and content of all systems, submittals, reports, and/or studies will be subject to MDT's prior approval, and the Contractor will submit such materials to MDT for acceptance prior to implementation. MDT's acceptance thereof will not limit MDT's right to thereafter require reasonable changes or additions.

The Contractor's Preconstruction Services are not intended to include the performance of design work. MDT's Design Engineer will remain responsible for the engineering of all aspects related to completion of the design documents and will remain the Engineer-of-Record throughout construction of the project. The Contractor's responsibilities for design during the Construction Phase will be those typical for MDT general contractor (D-B-B) services (such as shop drawings, formwork design, temporary works design, and other items of work that specifically include design or performance requirements).

MDT will perform audits in accordance with their standard procedure and Specifications for traditional Design-Bid-Build projects, including review of claims. All contract documents, created and maintained by the Contractor, are subject to audit by MDT or an appointed designee.

3.6 ADDITIONAL SUPPORT SERVICES

The Contractor will consult with, advise, assist, and provide recommendations to MDT, the Project Leader, the ICE, and the Design Engineer on all aspects of the planning, efficiency, innovation, sequencing, pricing, and schedule-related concepts of the scope of the work. The Contractor will also provide recommendations on construction feasibility; actions designed to minimize adverse effects of labor or material shortages; time requirements for procurement, installation and construction completion; and

factors related to construction cost, including estimates of alternative designs or materials, preliminary budgets and possible economies.

3.7 CONTRACTOR COLLABORATION

MDT, the Project Leader, the Contractor, the Design Engineer, and the ICE have the common goals of producing a quality project within the budget, maximizing the value of the work to MDT, achieving completion without undue inconvenience to the public, and producing the work at a reasonable cost to MDT. In promoting these goals, the Contractor will consult with and maintain a spirit of cooperation, collaboration, and open communication with MDT, the Project Leader, the ICE, and the Design Engineer in performing their Preconstruction Services. The Contractor will actively provide input for alternatives, improved methods, and other ways to maximize the quality of the project. The Contractor will maintain regular communication with the Project Leader, the Design Engineer, the ICE, and MDT.

The intent of this collaboration is to obtain information and common construction practices from the Contractor to look at possible solutions for challenges in the project. Such information could include: construction methods and production rates with associated costs, modern equipment availability and costs, and availability of materials and other resources. The idea behind this collaboration is to develop and implement an innovative and effective design while still maintaining constructability, to ensure the goals and objectives are understood and potential problems are resolved promptly. The CM/GC concept also allows input from the Contractor to use the latest advancements in technology in the construction industry.

The Contractor is expected to provide construction expertise and technical experience to assist in project design development, ensure the technical challenges are addressed, and provide input on items affecting construction costs, schedule, constructability, quality, safety, and market conditions.

3.8 SUBCONTRACTING – INCLUDING AA/EEO AND DBE

The Contractor will submit a subcontracting plan to be followed during the implementation of the CM/GC project. In addition, the Contractor will be required to submit, monitor, and update its AA/EEO plan, as well as its DBE program plan. These plans will be managed throughout both the Preconstruction and Construction Phases of the project. The Contractor will provide the appropriate MDT staff with copies of all DBE subcontractor contracts. The specific DBE criteria, including required percentage and penalties for non-conformance, will be included in the RFQ and RFP documents.

Subcontractors are selected at the discretion of the CM/GC entity. The Contractor must make a good faith effort to select subcontractors that provide reasonable pricing and quality work. Every subcontractor will need to be approved in accordance with Subsection 108.01 of the Standard Specifications. Subcontractor quotations will be used in milestone cost estimates throughout project development. Key Subcontractors identified in the Proposal as a part of the CM/GC team, must also agree to use production-based pricing, similar to the estimating requirements imposed on the Contractor. The Contractor will identify their selections during the design process, prior to the Bid Price finalization, as the team creates a solution that meets schedule, quality, and budget goals. The Contractor is to update the description of the roles/scopes of each subcontractor as changes occur. Changes to Key Subcontractors must receive prior approval by MDT. Specific requirements related to Key Subcontractor and Subcontractor involvement will be described in the RFP.

3.9 CHANGES TO THE CM/GC TEAM

The Contractor's work will be performed and directed by key project personnel identified in the Statement of Qualifications and Technical Proposal. Any changes in the indicated personnel will be subject to prior review and approval by MDT. The Contractor will have available professional and construction staff with the training and experience required to perform the work. Engineers and Surveyors in responsible charge of various elements of the project must be licensed and comply with all pertinent Montana Statutes and applicable rules of the Montana Board of Professional Engineers and Professional Land Surveyors.

3.10 VALUE ENGINEERING (VE) AND VALUE ANALYSIS (VA)

During the Preconstruction Phase, the Contractor will participate in and provide Value Analysis support. On a project-specific basis, MDT may choose to incorporate a formal Value Analysis workshop, in which case, MDT will lead and facilitate the VA study. The Contractor will participate in the study and provide recommendations and information to support the generation of a report by the VA Team that will be presented to MDT. Results of the study will be documented in a VA Report that will include an explanation provided for all recommendations from the VA team following MDT's standard VA process. Innovative cost saving concepts accepted during the Preconstruction Phase will be incorporated into the design and the respective Bid Price contract documents.

Regarding the Contractor's innovation during the Construction Phase, the Contractor may submit a Value Engineering Contractor Proposal (VECP). As noted in MDT Standard Specifications Subsection 104.08, the Contractor's innovative cost savings during the Construction Phase are shared with the Contractor as fifty percent of the net savings of each proposal. MDT will limit the sharing of the savings to VECPs that reasonably could not have been contemplated or anticipated during the Preconstruction Phase. A benefit of CM/GC contracting is Contractor collaboration during the Preconstruction Phase. Withholding innovative ideas until the Construction Phase is not viewed favorably and those savings will not be shared.

3.11 RISK ANALYSIS

MDT intends to implement a robust risk analysis and mitigation program on CM/GC projects. MDT considers a project risk to be an uncertain event or condition that, if it occurs, has a negative or positive effect on a project's objectives, cost, schedule, or quality. The Project Leader will have primary responsibility to develop the Risk Management Plan, and the Contractor will work proactively and cooperatively with the Project Leader and the Design Engineer to document and implement the plan.

Project risk management will be a collaborative process that will involve all project participants and will include the identification, analysis, planning for, mitigation of, allocation, and control of project risks. In addition, once identified the risk will be monitored and documented. The Contractor will be primarily responsible for identifying construction risks and will participate in the establishment of the project's Risk Management Plan, which is a tool used to document the risk management process.

The purpose of the Risk Management Plan is to define the risks, document the risks, identify cost and schedule impacts associated with the risks, and produce detailed mitigation plans for the risks. Each Risk Management Plan includes the agreement of how MDT and the Contractor define the risks, who is responsible for the risks, and how the risks are to be paid for during construction. An important consideration of the risk analysis by the Contractor is to establish a thorough dialogue and agreement on assigning and allocating risk through various payment terms. The ICE (verifying costs associated with risks), Design Engineer (refining the design to minimize or eliminate the risks), the Project Leader (overall manager of risk program), and MDT will all play important roles in this process.

The risk analysis process will also be used during the development of the Bid Price or Early Work Package Bid Price. The Contractor should not include risk in the general Bid Price that is not previously discussed or separately identified and included in the Risk Management Plan. In general, MDT expects risk to be accounted for in three ways:

1) Risk that is allocated to the Contractor is included within the Contractor's bid items;
2) Risk that is allocated to MDT is programmed to the project budget or identified in the Bid Price contingency as a provisional item;
3) Risk that is to be shared is also identified in the Bid Price contingency.

The Project Leader will be responsible for the development and maintenance of the Risk Management Plan during the Preconstruction Phase. Upon successful negotiation of a Bid Price and after the issuance of a construction NTP, the Contractor will take over responsibility for the tracking and monitoring of the Risk Management Plan items associated with that scope of work.

3.12 INDEPENDENT COST ESTIMATE

MDT will procure and contract with an Independent Cost Estimator (ICE) that has a demonstrated ability to develop production-based cost estimates. These estimates will show all quantities (including temporary materials), anticipated production rates, labor prices, material prices, and equipment prices, and should demonstrate the direct costs of the project. Production-based cost estimates are to be generated by the ICE, Contractor, and in certain cases, the Engineer at 30, 60, and 90 percent design and at completion of design for a scope of work, or other major milestones, as deemed necessary by MDT. MDT may also require the development of a rough order of magnitude (ROM) estimate prior to 30 percent plan development, aimed at refining the project budget and proactively defining procedures for the estimating process. Additionally, these estimates will include a cost for all indirect expenditures such as project management, supervision, field office support, mobilization costs, construction utility costs, insurances, profits, etc. The ICE will be required to develop their detailed cost estimates independent of MDT, the CM, and the Design Engineer; however, their estimate will be set up in a similar manner as the other production-based estimates. The estimate prepared by the ICE will be used to set up, compare, and evaluate the Bid Price or Early Work Package Bid Price amount.

The ICE estimate may be held "in the blind" during the Bid Price cost estimate reconciliation process. In other words, the ICE estimate may not be shared with the Contractor or Engineer but will be used to compare the various iterations of the cost estimate. In the case of the ICE being in the blind, ICE cost estimate will be disclosed after the successful negotiation of the Bid Price or Early Work Package Bid Price.

MDT may elect to have the ICE provide open book estimating if it is deemed to be a benefit to the project and MDT. The ICE would will not be in the blind when the ICE is providing open book estimating. MDT may also elect to blind most of the ICE's estimate but only reveal bid item costs that are significantly different between the ICE and Contractor.

3.13 ENGINEER'S ESTIMATE

The MDT Bid Price process involves three detailed construction cost estimates. MDT will obtain an Engineer's Estimate from the Design Engineer, which may be either a production-based or historical bid price-based, construction cost estimate prior to the estimate calibration meetings (see below), and prior to any Bid Price reconciliation. This cost estimate will be compared to the ICE and Contractor's estimate as part of the estimate calibration meetings. The ICE will also prepare an independent detailed, production-based construction cost estimate and will participate in the estimate calibration meetings. All estimates will be strictly confidential outside of the project team and will be reconciled together, at each

estimate milestone and prior to the final steps of the Bid Price or Early Work Package Bid Price acceptance. In some cases, MDT will be required to assist with the reconciliation process by providing a review of the major variance of each of these estimates.

3.14 ESTIMATE CALIBRATION MEETINGS

As part of Preconstruction Phase services, the Contractor, the Project Leader, the Design Engineer, MDT personnel, and the Independent Cost Estimator will hold regular meetings to determine the cost estimate organization and break-down. An early activity in the Bid Price estimate development for a scope of work is establishing quantities. Subcontractor and material price quotes can also be reconciled between the teams during this time frame. Estimate Calibration Meetings may also be referred to as an "Approach to Price" discussion and may be documented in an "Estimate Coordination Memo" generated by the Contractor.

Topics of discussions during a series of cost estimate calibration meetings include the cost estimate narrative, the limitations of operations, the quantities, the planned method of measurement and basis of payment, and a description of the planned means and methods. The actual comparison of the Engineer's, ICE's, and Contractor's Estimate occurs at each milestone submittal in the development of any Bid Price.

At each estimate phase, Key Subcontractors and material vendors will be required to supply production-based estimates for their respective work for the Contractor. Subcontractors and vendors are selected at the discretion of the Contractor; however, the Contractor must provide justification for their selections, which will be discussed with the ICE and Design Engineer at estimate calibration meetings.

3.15 COORDINATION WITH THE DESIGN ENGINEER AND THE PROJECT LEADER

MDT will appoint a Project Leader and a Design Engineer to provide management and engineering services for the entire project. All communications and submittals by the Contractor to MDT will be issued to, or made through the Project Leader, unless otherwise directed by MDT. MDT will establish procedures, consistent with the contract, to be followed by the Project Leader, the Designer, and the Contractor, and to call periodic conferences, to be attended by the Contractor, and the Contractor's Key Subcontractors, throughout the term of the contract.

3.16 CONTRACTOR REVIEWS

DESIGN DOCUMENTS: The Contractor will meet with the Project Team as required to review the design as it develops. The Contractor will thoroughly familiarize itself with the evolving documents through the various design phases. The Contractor will routinely conduct constructability and bid-ability reviews of the drawings and specifications, as necessary to satisfy the needs of the project. The reviews will attempt to identify all discrepancies and inconsistencies in the construction documents, especially those related to clarity, consistency, and coordination of subcontractor work and suppliers.

Upon request by MDT, the Contractor will assist in preparing comparative life-cycle studies of ownership, and operation and maintenance costs for each schematic design alternative considering costs relating to efficiency, usable life, maintenance, energy, and operation.

The Contractor will monitor and document changes in the design that would impact cost or schedule and bring those issues to the attention of the project team. The Contractor will also monitor the impacts of these changes on the project schedule and recommend adjustments in the design documents or construction bid packaging to ensure completion of the Project in the most expeditious manner possible. The Contractor will advise and assist the Project Leader, and represent MDT, if requested, in dealing

appropriately with all applicable laws and with local utilities, communications, and other related infrastructure issues, as necessary.

As part of this Design Review Team, the Contractor will provide constructability comments, feasibility and practicality of any proposed means and methods; selected materials, equipment, and labor; material availability; site improvements; earthwork, and foundation considerations; coordination of the drawings and specifications; verification of quantities, etc. The Contractor should also provide cost effective alternatives. In addition, the Contractor will maintain a high focus on risk issues.

CONSTRUCTABILITY REVIEWS: The Contractor will evaluate whether:

- There are any conflicts in the way any materials are designed to be installed (including equipment and site access limitations), and the drawings and specifications are free of conflicts, and are configured to enable efficient construction.
- The design has taken into consideration all efficiency issues concerning interfaces, sequencing and phasing, access and entrance to the site, work restriction, weather restrictions, environmental commitments, laydown and storage of materials, staging of site facilities, construction equipment mobilization, and all other construction efficiency issues.
- Design elements are standardized, and materials chosen are suitable and efficient for the intended use.
- Module/preassembly has been considered and optimized to best facilitate fabrication, transportation, and installation.
- There has been adequate sub-surface investigation to the extent possible to avoid differing site conditions once under construction.

BID-ABILITY REVIEWS: The Contractor will check cross-references on drawings and in the specifications, and, in general, evaluate whether:

- The drawings and specifications are sufficiently clear and detailed to minimize ambiguity and to reduce scope interpretation discrepancies.
- Named materials and equipment are commercially available and are performing well or otherwise, in similar installations.
- The design adequately represents existing conditions.
- Specifications include alternatives in the event a requirement cannot be met in the field.

The results of the bid-ability reviews and the constructability reviews will be provided to MDT by the Contractor in formal, written reports clearly identifying all discovered discrepancies and inconsistencies in the drawings and specifications with notations and recommendations made. The Contractor will regularly meet with the design team to discuss, update, and review these reports.

The CM/GC's reviews will be from the Contractor's perspective and are intended to reduce the number of changes during the Construction Phase. However, the responsibility for the Drawings and Specifications will remain with the Design Engineer, not the Contractor.

3.17 NOTIFICATION OF VARIANCE OR DEFICIENCY

The Contractor will assist the Design Engineer in ascertaining if the construction documents are in accordance with applicable laws, statutes, ordinances, building codes, rules and regulations. If the Contractor recognizes that portions of the construction documents are conflicting or are at variance with

those items, it will promptly notify the Design Engineer and MDT in writing, describing the apparent conflict, variance, or deficiency.

3.18 ALTERNATIVE EVALUATIONS / OPTIONS ANALYSIS – PRIOR TO BID PRICE

The work noted here is in addition to the formal Value Analysis workshops noted elsewhere. During the finalization of design (i.e., from 30 percent to 100 percent development), the Contractor will routinely identify and evaluate options, using value engineering principles and comprehensive analysis. The Contractor may be required to perform a cost benefit analysis of the viable alternatives/options and submit a report to MDT. If required, this activity will be described in the RFP. MDT, the Project Leader, Design Engineer, and the Contractor will collectively decide which alternatives/options will be incorporated into the Project. The Design Engineer will have full responsibility for the incorporation of the alternatives/options into the drawings and specifications. The Contractor will also include the cost of the chosen alternatives/options into the cost estimate, construction schedule, and any Bid Price proposals. This process is one of the most significant expectations of the Contractor. The Contractor will be responsible for developing and maintaining an innovation register, with input from the Project Leader and Design Engineer. MDT will use this document to monitor the effectiveness of the CM/GC delivery method.

Additional design costs related to the proposed changes will be considered in any cost benefit analysis submitted for acceptance.

3.19 PROJECT MEETINGS

The Contractor, the Project Leader, MDT, the Design Engineer, and other project team members will meet regularly as the progress of the project require, to review and agree upon detailed construction schedules, critical items, cost and budget related issues, the work performed to date, and to establish the controlling items of work for the upcoming month. The Contractor will attend Project Team meetings which may include, but are not limited to, weekly project management meetings, regular design meetings, project workshops, special project meetings, contract document rolling reviews and partnering sessions. Specific Preconstruction activities will be described in the RFP and further negotiated after selection of the Contractor. The Contractor will participate in each meeting, report on the state of the costs estimates, project construction schedule, constructability reviews, and provide pertinent input when required. The project design meetings will present general project progress, address design options that arise during the design process, and will help to incorporate input and direction from MDT. Project meetings will be conducted throughout the design portion of the project, to complement the project schedule and design review meetings.

The Contractor will also be required to participate in Estimate Reconciliation Meetings. Estimate Reconciliation Meetings will be held at each major design milestone (ROM, 30 percent, 60 percent, 90 percent, and final design). The Contractor will be required to provide a production-based cost estimate for comparison with the ICE and Design Engineer estimates at these workshops. Any major discrepancies between estimates will be discussed in detail, including discussion on the supporting production-based cost estimating documentation that is required to be provided with each estimate. The CM/GC process may require additional estimate coordination meetings, which will be described in the RFP.

In addition, the Contractor, when requested by MDT, will attend, make presentations and participate as may be appropriate, in public agency and community meetings relating to the project. The Contractor will assist the Design Engineer in the preparation of drawings, schedule diagrams, budget charts, and other materials describing the project, when needed for any such meetings. Specific public involvement requirements will be described in the RFP.

3.20 DESIGN REVIEWS

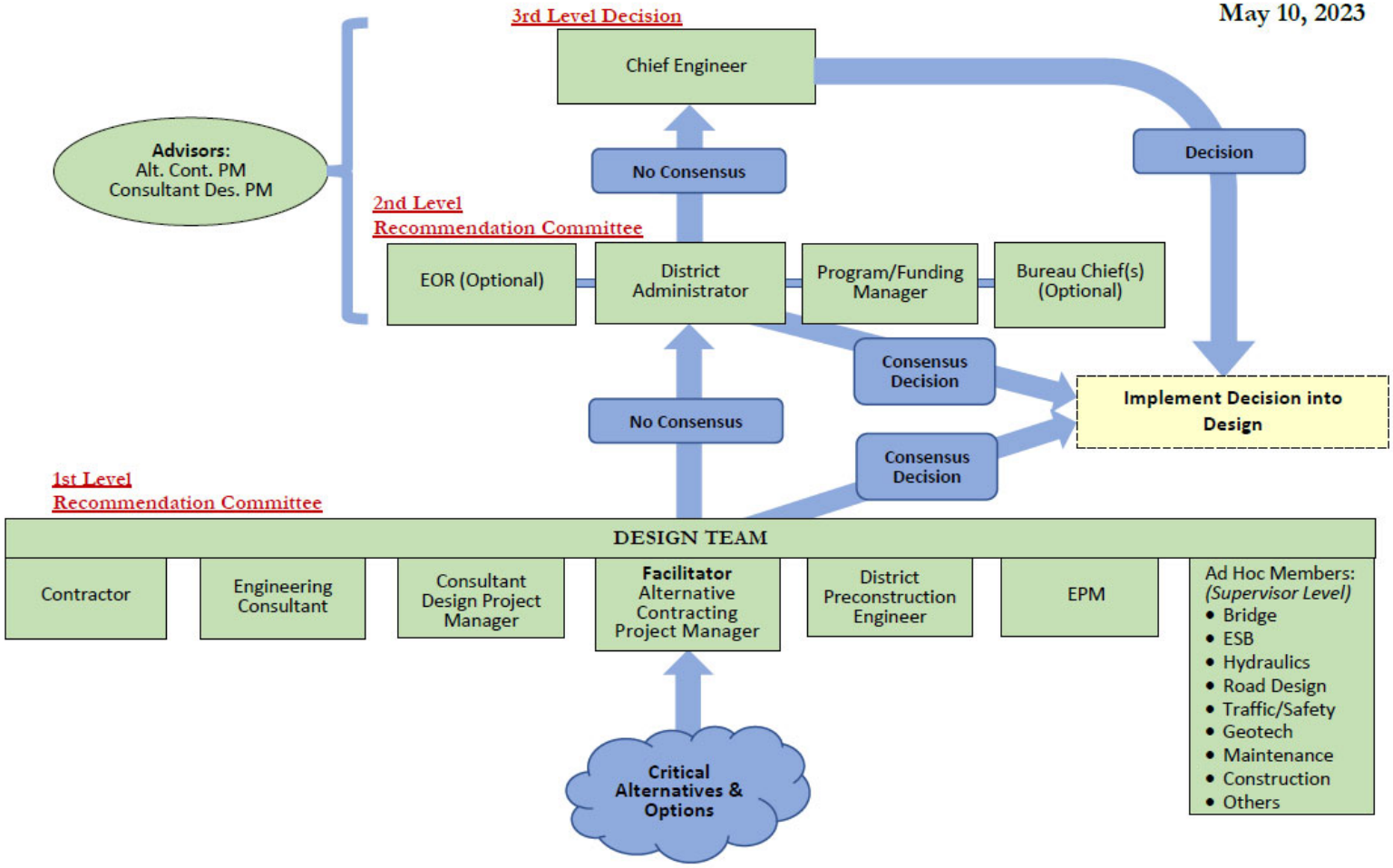
CM/GC projects will include both formal and informal design review processes. Informal evaluations will consist of Over-the-Shoulder Reviews, which are reviews of design packages that are intended to provide feedback on the design, prior to a milestone submittal. The Design Engineer is responsible for recording the review comments, but formal responses and disposition of comments will not be required. A formal design review process will be used on the milestone submittals, which will require responses and disposition of comments.

During the design process, the Contractor will assist the Project Leader and the Designer in Over-the-Shoulder reviews. The Contractor will suggest possible alternatives which could reduce costs and/or shorten the schedule. The Contractor will advise on constructability.

In the event that a project team cannot come to consensus on the preferred alternative/option, or a project development decision has a significant impact to the project, MDT's CM/GC Decision-Making Process Flowchart (shown in the following figure) may be implemented to determine the best value solution. The Flowchart shown is generic and each project team should adapt this process to fit their specific needs. As noted in the figure, design exceptions on CM/GC projects will follow MDT's standard approval process. For consultant designed projects, the Consultant Design Engineer is the design exception signatory. Also, note that FHWA provides advisory support to the Decision-Making process and is not a voting member.

ALTERNATIVE CONTRACTING - DECISION MAKING PROCESS FLOWCHART
APLLIES TO DESIGN-BUILD PHASE 1 ANALYSIS, PROGRESSIVE DESIGN-BUILD AND CONSTRUCTION MANAGER/GENERAL CONTRACTOR PROJECT DELIVERY

May 10, 2023



Engineering Construction Contracting Bureau
Alternative Contracting Section

3.21 LONG LEAD ITEMS / SYSTEM PROCUREMENTS

The Contractor will recommend to MDT a schedule for procurement of long-lead time items which will constitute part of the Work as required to meet the project schedule. These items will be procured by the Contractor upon execution of a Bid Price or Early Work Package Bid Price.

3.22 CONSTRUCTION MANAGEMENT PLAN

The Contractor will prepare and submit a Construction Management Plan (CMP) to MDT. In addition, the CMP will be required to be updated monthly, or at different intervals as specified by MDT, until MDT approval. The CMP may include elements such as:

1. The organizational chart of the Contractor's team.
2. A matrix summarizing each Project Team member's role and responsibilities.
3. Communications protocol.
4. Project milestone dates and the Project Schedule related to construction activities.
5. A plan for cost control and monitoring.
6. Change management protocol – during preconstruction and construction.
7. A listing of important investigations to be undertaken/supplemented.
8. Construction staging and access plans.
9. Alternate strategies for fast-tracking or phasing the construction.
10. A list of possible work segments to be constructed under multiple Bid Prices and justification for Early Work Package Bid Prices.
11. Anticipated sub-agreements to be awarded to subcontractors and suppliers for the project construction.
12. Permitting finalization and compliance strategy.
13. Safety and training programs.
14. Construction quality control and quality assurance.
15. Listing of deliverables that the Contractor and the Project Leader have included in the Preconstruction Phase services.
16. Risk assessment and monitoring plan for selected elements.
17. Innovation register.
18. Listing of all critical submittals and shop drawings.
19. Traffic management plans.
20. Schedule management plan.
21. Basis methodology for monthly cash flow projections.
22. Cost accounting and records retention procedures.
23. Public outreach initiatives, as described in RFP.
24. Start up and testing plans.
25. Other items that the Contractor recommends for the project.

The Contractor will update and add detail to its previous version of the CMP to keep it current throughout the Preconstruction Phase, so that the CMP is ready for implementation at the start of the Construction Phase. The update/revisions will consider:

1. Revisions in drawings and specifications.
2. The Contractor's examination of the results of any additional investigatory reports of subsurface conditions and drawings of existing physical conditions (including surface and subsurface facilities and documents depicting underground utilities placement and physical condition, whether obtained by MDT, the Design Engineer, or the Contractor).
3. Unresolved permitting issues, and significant issues, if any, pertaining to the acquisition of land and right-of-way.

4. The status of the procurement of long-lead time equipment and materials.
5. Funding issues identified by MDT.
6. Input from the public involvement process.

3.23 PROJECT SCHEDULE

During the Preconstruction Phase, the Contractor will review the program schedule developed by the Project Leader. The Contractor will provide feedback on contingency plan scenarios, and the Project Leader will use that expertise to help optimize the program schedule. As the design evolves, the Contractor will continuously monitor and update the anticipated construction schedule. The Contractor will also be responsible for maintaining the project schedule throughout the Construction Phase.

3.24 TEAM PARTNERING

Collaboration is a key component of the CM/GC process, and MDT intends to promote partnering throughout project development and delivery. At the start of the CM/GC contract, all members of the project team will attend an initial team coordination meeting involving the Project Leader, the Design Engineer and Key Subconsultants, the Contractor and Key Subcontractors, the ICE, MDT, and other agencies required by the project. The meeting is expected to take place shortly after the Contractor's Notice to Proceed for Preconstruction Services.

The partnering meeting will include:

- Development of common goals for the project.
- Procedures designed to maximize communication, cooperation and collaboration between the Project Leader, the Design Engineer, the Contractor, and MDT.
- Communication between the Design Engineer and the Contractor regarding constructability, value analysis, and other collaborative efforts.
- Schedules for submittals such as staging plans, specifications, cost estimates, and analysis of alternatives.
- A partnering Issue Escalation and Resolution ladder process.
- Public involvement.
- Such other matters as may be appropriate.
- Agreement on a plan to continue the partnering process throughout the project, including regularly scheduled follow-up meetings.

Partnering Meetings are planned for intervals of at least two (2) times per year. The direct expenses associated with partnering (i.e., facility and facilitator) will be borne by MDT.

3.25 PREPARATION OF BID PRICE PROPOSALS

As part of Preconstruction Phase services, when the construction documents for a scope of work are sufficiently complete to establish a price for the project (or portion of the project) and the estimate reconciliation process is complete, the Contractor will establish and submit a formal Bid Price or Early Work Package Bid Price.

It is repeated here that MDT maintains its right to break out any portion of the work and procure it using other methods, should it be in MDT's interest to do so.

As part of the process to achieve acceptance of a Bid Price, MDT anticipates that more than one submittal from the Contractor may be required to allow for development, exchanges, work-sessions, estimate

calibration meetings, and review time. The Contractor's submittals will be in a fully detailed, production-based format. All information regarding the Contractor's estimate shall be made available to MDT. As noted above, the Bid Price proposals will be the sum of the anticipated direct cost attributed to the work, plus field indirect costs, along with the Contractor's Construction Phase Multiplier. The direct costs should not include any contingencies, any spread of field indirect costs, or any profit and home office overhead.

Each Bid Price or Early Work Package Bid Price is expected to include certain allowances and a Bid Price Contingency for changes in the agreed upon scope. If the allowances or Bid Price Contingency are not fully utilized, the unspent amounts are not earned by the Contractor, and may be later used at MDT's discretion. The Contractor agrees to complete the scope of work for that Bid Price amount (i.e., the contract amount for the Construction Phase contract), provided that no extra work orders were previously approved by MDT.

If design changes are required during the review and reconciliation of Bid Price or Early Work Package Bid Price proposals, MDT will authorize and request the Design Engineer to revise the construction documents to the extent necessary to reflect the agreed-upon assumptions and clarifications contained in the final approved Bid Price or Early Work Package Bid Price proposal. The Contractor will promptly notify the Design Engineer and MDT if any such revised Bid Price or Early Work Package Bid Price construction documents are inconsistent with the agreed-upon assumptions and clarifications. Upon signing of the Bid Price or Early Work Package Bid Price contract, the Contractor will take full responsibility for the estimate basis and assumptions that were provided.

At the sole discretion of MDT, some construction contract terms may be negotiated for a specific Bid Price based on the overall benefit to MDT and the Project.

It is not intended that project risk (MDT and shared risk) will be included in the pricing for the Bid Price or Early Work Package Bid Price; rather MDT desires that any risk be discussed openly and included in the contingency negotiations (see Section 3.11 Risk Analysis).

Compensation for construction services within a Bid Price or Early Work Package Bid Price will be as follows:

- For Lump-Sum Items in the Bid Price: Paid as a percent of the total lump-sum based on monthly progress.
- For Allowance and Contingency items in the Bid Price: Paid based on the actual expenditures.
- For Unit Price items in the Bid Price: Paid based on the field quantity at the agreed upon unit price.

Each Bid Price or Early Work Package Bid Price will include a Schedule of Items (SOI) that may include one or several units of payment. The SOI will be paid based on the approved cost and resource loaded CPM schedule, in accordance with MDT Specification.

3.26 EARLY WORK PACKAGE BID PRICES

One of the main goals of the CM/GC delivery method is to arrive at cost certainty prior to starting construction of a scope of work. MDT may seek to start portions of early/critical work by executing a separate contract with the Contractor detailing the scopes of work selected to commence before execution of the final guaranteed price amendment. The separate contract, if elected to be utilized by MDT, will state the sum for that specific scope of work, which will include the cost of the work, the general conditions, and any fee that has been established as part of the bid or negotiation process.

MDT will consider Early Work Package Bid Price proposals that meet all the following criteria:

- The implementation of multiple Early Work Package Bid Prices must be clearly understood by MDT to be in the best interest of the project and MDT.
- The segment of work proposed for construction under a separate Early Work Package Bid Price will be performed in accordance with all applicable permits and statutes. Additionally, work constructed under an Early Work Package Bid Price must not affect/impact adjacent areas that do not have all required clearances.
- Use of Early Work Package Bid Price's on the project must be demonstrated to save time, reduce inconvenience to the travelling public, and/or reduce construction costs.
- The Early Work Package Bid Prices are within the project budget.
- Early Work Packages must be severable from the remainder of the project scope. Execution of an early work package does not guarantee award of the final Bid Price package to the CM/GC Contractor. Each construction package is subject to the estimate reconciliation and Bid Price negotiation process.

3.27 EXTRA WORK ORDERS / AMENDMENTS TO THE BID PRICE

One of the main benefits of the CM/GC concept is to improve the "completeness" and the accuracy of the final design, as well as to improve the Contractor's understanding of the work. The most significant benefit of this collaborative team effort is intended to be the reduction of change orders during construction. However, it is understood that like any construction project, a CM/GC project may require some change orders, albeit minimal, to complete the scope of work. Under the CM/GC process, the Construction Contract will include change order provisions. It is anticipated that the change order process will closely follow standard MDT procedures.

It will be at MDT's discretion whether a change order is funded through the Bid Price contingency, the MDT contingency, or some other means.

3.28 UNSUCCESFUL BID PRICE NEGOTIATION

At the completion of the cost estimate calibration meetings, the Contractor, Design Engineer, and ICE will provide their estimates to MDT for evaluation and comparison. The Contractor's price will be compared to the Independent Cost Estimator's (ICE) Estimate and the Engineer's Estimate. The Bid Price negotiation will be considered unsuccessful if the Contractor's estimate exceeds 110 percent of the ICE estimate. However, the Department may elect to implement a recovery method in attempt to come to agreement.

RECOVERY METHODS:

1. **Recovery Method 1 - Contractor pricing resubmission** - MDT may allow the Contractor to resubmit their pricing and Bid Price or Early Work Package Bid Price documentation, with the specific goal of reducing the proposal price to an acceptable threshold.

2. **Recovery Method 2 – Bid Price Reconciliation Workshop** – MDT may facilitate a reconciliation workshop to evaluate the major variances between the Bid Price or Early Work Package Bid Price estimates generated by the Contractor, ICE, and Engineer. All aspects of the Bid Price documentation and estimate, including basis, production rates, quantities, risk, crews, and methods, are to be open for discussion.

UNSUCCESSFUL NEGOTIATIONS AFTER RECOVERY:

If MDT and the Contractor fail to successfully negotiate a Bid Price or Early Work Package Bid Price, then:

1. The Contractor will lose the right to construct the work related to the failed Bid Price and will be ineligible to rebid the work through a different delivery method. The Contractor's Key Subcontractors will also lose the right to construct the work related to the failed Bid Price but will be eligible to participate in a re-procurement of the work, whether by design-bid-build or by some other project delivery method as determined by MDT.
2. MDT may re-procure the work related to the unsuccessful Bid Price or Early Work Package Bid Price by any other lawful procurement method.
3. MDT may terminate, in part or in full, the CM/GC process and procure the remaining elements of the project by any other lawful procurement method.

MDT will provide written documentation of the reasoning behind the termination of the Bid Price or Early Work Package Bid Price discussions and will take possession and ownership of all documents produced by the Contractor for that work. Any information provided during this phase may be used to develop the plans and specifications for the project advertisement. Additional information provided during the development phase may be provided to bidders if a price cannot be reached. In this event, the Contractor will not perform, nor be compensated for any Preconstruction Services beyond the date of the termination of the Bid Price or Early Work Package Bid Price discussions.

3.29 CONTINGENCY

Bid Price Contingency:

The Bid Price Contingency is an allowance that will be tailored to the scope of work for a Bid Price or Early Work Package Bid Price that is based on several factors. The allowance may be set up to cover the possibility of an issue occurring that was identified in the risk analysis. The contingency may also be used, at MDT's discretion, to cover change order items.

The Bid Price Contingency will be approved and used at the sole discretion of MDT. The amount of Bid Pirce Contingency will be approved by MDT prior to the execution of the Bid Price or Early Work Package Bid Price. The utilization of any portion of the Bid Price Contingency will be processed similar to the MDT procedures used for change orders and/or miscellaneous work, but must first be clearly justified by the Contractor in writing and must be authorized by MDT. If the Bid Price Contingency is not fully utilized, the unspent amounts are not earned by the Contractor, but remain with MDT. The Bid Price Contingency may appear in the construction contract as a specific pay item and will be treated like Miscellaneous Work (see Standard Specifications article 104.04 for more information).

The *Bid Price Contingency* is intended for the following:

a) Net quantity overruns for unit priced items, after adjustment for underruns.
b) Minor design changes.
c) Other identified risks.
d) Shared risk items.

MDT Contingency:

The MDT Contingency (a.k.a. Owner controlled) will be an amount determined by MDT and is included in the overall program budget. The purpose is to properly account for potential increased cost due to changes in the work, made at the discretion of MDT, or that were not anticipated by MDT, and are beyond the control of MDT and the Contractor at the start of the program. The MDT Contingency is an overall program budgeting reserve that MDT establishes and maintains exclusive from the Contractor. The MDT Contingency may be programmed to the project, but is not assigned to any pay items in the construction contract.

Contractor Contingency:

The Contractor Contingency is intended to cover the cost of risks that are allocated to the Contractor and will be accounted for in the Contractor's bid items. MDT recognizes that not all construction risks will be mitigated through the preconstruction risk management process, and therefore allows the Contractor to carry a justifiable cost for risks assigned to the Contractor at the time of Bid Price submittal. The Contractor's Contingency must be clearly defined and described in production-based estimates for each milestone. MDT, working in collaboration with the Independent Cost Estimator, will validate that the costs included in the contingency are reasonable and accurate. The Contractor Contingency will be priced separately as a part of the production-based estimating process during preconstruction. However, at the time of construction, this cost will be balanced across appropriate pay items and disbursed to the contractor as a part of the unit price cost of each work item.

3.30 NOTICE PROVISIONS

When the Contractor has reason to believe that impacts have, or will, cause a change to the Preconstruction Phase services agreement that is not accounted for in that scope, it will be the Contractor's responsibility to provide MDT with sufficient advance written notification as defined in the contract, to allow MDT to have reasonable opportunity to avoid such costs or amend the scope of services appropriately.

3.31 PRELIMINARY BID PRICE SCHEDULE

At the time of submission of the Bid Price or Early Work Package Bid Price proposal, the Contractor will submit a cost and resource loaded schedule, in accordance with MDT specifications, to meet MDT's goals for the substantial completion date of the scope of work under that Bid Price or Early Work Package Bid Price. The Contractor will plan, schedule and execute all aspects of the work and will be responsible for coordinating its activities with all parties who are directly impacted by the work. The Contractor will document and report all work in accordance with the requirements of the Contract Documents.

3.32 COST ESTIMATES AND ESTIMATE CALIBRATION MEETINGS

Early in the Preconstruction Services, the Project Leader will develop an overall program budget, including a program Work Breakdown Structure. The Contractor will review and use that information to develop an overall program Cost Model for MDT to review. The Contractor will review and use all available information regarding the design and scope of the project to develop the model. The cost model will be prepared in a format agreed upon by MDT, the Project Leader, and the Contractor. The purpose of the model is to aid the team in the later development and negotiation of the Bid Price. The Contractor will be required to generate early construction cost estimates as design progresses and will be required to routinely be an active participant in a series of estimate calibration meetings.

Once the format, Work Breakdown Structure, and overall Cost Model template are approved by MDT, the Cost Model will be populated by the Contractor, and kept current as the design progresses throughout the Preconstruction Phase, and as Bid Prices are developed. The Cost Model will eventually be used to model the complete project costs. The Contractor will communicate to the Project Team any assumptions made in preparing the Cost Model through submission of an estimate narrative.

Between milestone estimates, the Contractor will provide and update a construction cost report that identifies the upward or downward movements of costs due to value engineering or scope changes. It will be the responsibility of the Contractor to keep MDT, the Project Leader, the ICE, and the Design Engineer

informed as costs change relative to previous estimate versions and MDT's overall budget. As a part of this documentation process, the Contractor will also be responsible for maintaining an innovation register and noting how these project concepts affect overall costs.

As the design progresses, the Contractor will be required to provide a detailed production-based construction cost estimate and a written narrative basis for the scope associated with each Bid Price. The timeframe for the estimate will be established by MDT based on the size of the scope of the work. The Contractor cost estimates will be submitted to the Project Leader but will not be provided to the ICE and Engineer until MDT determines it is appropriate to do so. However, MDT, the Project Leader, and Contractor will work collectively to develop a cost estimate narrative, the limitations of operations, the quantities, the detailed description of the planned method of measurement and basis of payment, and the planned production rates. This information and other such as labor rates, equipment rates, material quotes, etc. will be provided to the Independent Cost Estimator and Engineer for discussion at what is expected to be a series of Estimate Calibration meetings.

The Contractor and the Project Leader will reconcile any disagreements based on the estimate as part of the reconciliation process. If no consensus is reached; MDT will make the final determination on what will be done as a course of action.

Each cost estimate submitted by the Contractor will be a production-based estimate and will be accompanied by backup documentation, which will include the following:

- Detailed prices and quantity take-offs, including all calculations to arrive at quantities.
- Material costs, equipment ownership and operating costs, labor costs, fully-loaded hourly labor rates (including employee benefits, payroll taxes and other payroll burdens).
- The detailed total cost for any portion of the work to be performed by subcontractors. The pricing for Key Subcontractor work should be production-based and include subcontractor labor, materials, equipment, and general conditions (including subcontractor bonds and insurance).
- Copies of quotations from subcontractors and suppliers.
- Crew composition (labor and equipment) and production rates for all operations.
- Transportation and other facilities and services necessary for the proper execution of the work, whether temporary or permanent, and whether incorporated, or to be incorporated into the work.
- All fixed equipment, site improvements, and utility and equipment installations.
- Construction Phase Multiplier.
- Project overhead, general condition costs, indirect costs.
- Bid Price Contingencies, as directed by MDT.
- Allocated general and administrative expenses not accounted for in the Construction Phase Multiplier, such as bonds, non-exempt taxes, and insurances.
- Memoranda, narratives, consultant's reports, and all other information included by the Contractor to arrive at the price shown in the Cost Model or Bid Price. Include a list of all assumptions and a description of the breakdown of all allowances.

3.33 CONFIDENTIALITY OF COST MODEL AND BID PRICE DOCUMENTATION

The Contractor may designate certain documents as trade secrets and such documents may be protected as confidential information to the extent that Montana laws allow. Typical construction cost estimates, including those that clearly identify anticipated production rates, are not deemed to be proprietary.

4. ANTICIPATED CONSTRUCTION ADMINISTRATION SERVICES

4.1 CONSTRUCTION PHASE

The purpose of Section 4 is to highlight the types of services that MDT may be seeking from the Contractor during the Construction Phase. In general, during the Construction Phase, the Contractor has the responsibility of a general contractor, including the project's construction. This section highlights some Construction Phase services that are incumbent upon the CM/GC Contractor; it is not intended to be an all-inclusive scope list of construction activities. It is included here to give the Contractors that are considering proposing, an idea of the types of services that might be required on a CM/GC project. The specific requirements and scope elements will be included in the RFQ and RFP.

During the Construction Phase of the project, the goal of MDT, the Project Leader, the Design Consultant, and the Contractor is to construct the project in accordance with the contract documents, to complete the project within the defined timeframe, to minimize impacts to stakeholders, and if possible, complete the project under budget. The Construction Phase will begin when all the following have occurred:

- The Contractor and MDT agree on a Bid Price for the entire project, or the Early Work Package Bid Price for a portion of the construction work.
- The Contractor and MDT execute a construction contract with all current Bid Price documentation – including estimates, drawing, specifications, requirements, attachments, and addenda.
- MDT issues a written NTP letter for the Construction Phase of the contract.

The Construction Phase may begin before all activities of the Preconstruction Services phase are complete. Whether or not the Construction Phase begins prior to design completion, the Contractor will remain obligated to complete the previously agreed to scope elements of the Preconstruction Services contract, unless otherwise approved by MDT.

Construction Phase service activities are not to be billed under Preconstruction Phase services. After successful negotiation of a Bid Price, the Preconstruction Services for that Early Work Package Bid Price is considered to have been completed. Compensation for the Contractor's management and administration of the Bid Price or Early Work Package Bid Price from this time forward will be included in the Bid Price. No further compensation will be allowed in the Preconstruction Services contract for the work associated with that Bid Price. The Contractor will continue to be compensated for preconstruction service on other Early Work Package Bid Price or Final Bid Price assignments, as applicable.

ANTICIPATED GENERAL CONSTRUCTION PHASE SERVICES: It is expected that the Contractor tasks during the Construction Phase will include the following (also refer to MDT's Standard and Supplemental Specifications for Road and Bridge Construction for additional requirements):

- Safety oversight for all Contractor entity and subcontractor staff, as well as for onsite MDT and other stakeholder staff.
- Overall construction phasing to limit impacts.
- Continuing to provide project controls services (project scheduling and estimating) as required during construction.
- Working diligently to mitigate any encountered issues not previously identified.
- Processing RFI's in conjunction with the MDT design team.
- Providing Quality Control according to the proposed plan.
- Providing all documentation to support MDT's processes.

Construction will be in accordance with all federal, state and local requirements.

4.2 SUBCONTRACTORS

The Contractor will be responsible to select and contract with subcontractors. The Contractor must implement the DBE and AA/EEO Workforce plan in accordance with the plans developed and must maintain the established goals through the life of the project. Project-specific goals are provided in the RFQ/RFP.

4.3 SELF-PERFORMANCE BY THE CONTRACTOR

The Contractor must perform the CM/GC services work valued at not less than 40 percent of the overall contract value with its own staff, excluding specialized services.

4.4 COMPENSATION

MDT intends to follow the standard MDT payment specifications and procedures, on which compensation for construction work is based.

4.5 MEASUREMENT AND PAYMENT

The method of measurement and the basis of payment, for all bid items installed, will be in accordance with Section 109 of the Standard Specifications. During development and finalization of the Bid Price or Early Work Package Bid Price, MDT and the Contractor will define the method of measure and basis of payment, in accordance with the Schedule of Items to be developed for the work.

4.6 CHANGE ORDERS AND TIME EXTENSIONS

MDT will process change orders in accordance with Subsection 104.02.3 of the Standard Specifications, with consideration being given to modify the payment process approvals to accommodate the CM/GC delivery method.

In considering any request for additional compensation and/or an extension of time because of a contract modification, MDT will consider the fact that the project has been developed using the CM/GC project delivery process. As part of this process, the Contractor has had the responsibility to review the contract documents throughout the Preconstruction Phase and to verify the accuracy and completeness of the plans, specifications, and quantities included in the Bid Price Record Documentation. If the causes for the requested modification to the contract could have reasonably been foreseen, given the Contractor's participation in the Preconstruction Phase, the Contractor will not be entitled to any compensation and/or extension of time. A determination will be made whether the change of scope will be funded from the Bid Price Contingency or paid as a change order funded from the MDT Contingency. The use of all contingency must be approved in writing by MDT.

4.7 CONTRACTOR AND SUBCONTRACTOR RECORDS

The Contractor, subcontractors, and all suppliers will keep and maintain all books, papers, records, files, accounts, reports, and a copy of the Bid Price Record Documents with backup data, including electronic data, and all other material relating to the contract and project for five (5) years following completion and acceptance of the work. All the above material will be made available to MDT and other authorized governmental agencies including, but not limited to, the Legislative Auditor for auditing, inspection, and copying, and will be produced upon any dispute or claim that appears to be irreconcilable. The Contractor will insert the above requirement in each subcontract, purchase order, and lease agreement, and will also include in all subcontracts a clause requiring subcontractors to include the above requirement in any lower-tier subcontract, purchase order, or lease agreement.

The Contractor is required to provide the basis of Bid Price or Early Work Package Bid Price as an escrow document, which may be used to settle disputes and claims. The escrow document requirements will be incorporated into the Bid Price or Early Work Package Bid Price contract.

4.8 CONTRACT TERMINATION OR SUSPENSION

The contracts developed for the execution of the work will include provisions for terminations or suspensions, which will include the following situations:

1. Prior to the execution of a Bid Price, MDT reserves the right to terminate the CM/GC Preconstruction Services Contract at any time without cause.
2. After execution of a Bid Price, MDT reserves the right to terminate or suspend Preconstruction or Construction work for cause or convenience.
3. If the contract is terminated after the award of the Construction Phase to the Contractor, the termination procedures in MDT's Specifications for construction will be followed.

4.9 DISPUTE RESOLUTION

MDT has established the issue escalation process for design and construction questions and conflict resolution for the Contractor and Engineer-of-Record to follow. All issues are to be directed to the Project Leader or Project Manager. If the issue cannot be resolved at this level, the Project Leader or Project Manager will forward the issue to the next level in the process.

As a part of the CM/GC process, frequent management-level discussions between project entities are encouraged. For issue resolution during the preconstruction phase of a project, MDT will rely on guidance from the following internal escalation procedure:

- Design Related Issues: Consultant Design Project Engineer → District Preconstruction Engineer → Preconstruction Engineer → Chief Engineer
- CM Contract Administration Issues: Project Leader → District Preconstruction Engineer and District Construction Engineer → Senior Leadership Committee (District Administrator, Construction Engineer, Chief Engineer, and Chief Operations Officer)

Specific details related to the formal escalation ladder are further described under section 3.20 in the MDT CM/GC Decision-Making Tree.

5. DEFINITIONS OF SELECT TERMS

The following definitions apply to this CM/GC Guidance Document.

Award: MDT's acceptance in writing of a Bid Price for construction services, subject to the execution and approval by MDT and the Transportation Commission of a Construction Contract thereof and the provision by the Proposer of performance and payment bonds acceptable to the Department to secure the performance thereof, and to such other conditions as may be specified by the Department and required by law.

Best Value (for CM/GC selection): The highest overall evaluation scoring/value to MDT, considering qualifications, experience, technical approach, and a price component.

Blind Estimating Process: Bidding process set up to verify a comparison between all estimates completed by the Engineer, the Independent Cost Estimator (ICE), and the Contractor. The ICE estimate may be kept hidden, or "blind," from the Contractor and Design Engineer. The Project Leader will be responsible for maintaining the confidentiality of the ICE estimate and will also be tasked with generating a comparison spreadsheet that qualitatively shows the differences between the estimates. As previously stated, MDT may elect to unblind the ICE and have the ICE provide open book estimating. MDT may also only unblind bid item costs where there are large discrepancies between the Contractor and ICE.

Construction Manager/General Contractor (CM/GC) Contractor: A contractor, or joint venture, under contract with MDT, to perform Preconstruction Phase and Construction Phase services. The term CM/GC is also used to describe the project delivery method. The CM/GC Contractor is part of the overall project team consisting of MDT staff, the Design Engineer, and an Independent Cost Estimator (ICE) firm. The Contractor will initially provide services such as plan reviews for constructability, pricing, scheduling, staging, methods, material procurement strategies, risk identification / management, and other areas related to the construction of the project. During the Construction Phase, the Contractor performs the same functions as MDT General Contractors under traditional project delivery methods and is responsible for construction of the project. The Contractor is not the Engineer-of-Record at any time during the life of the project (except for Contractor-designed temporary works); the Contractor and the Engineer-of-Record are selected separately by MDT. See Sections 3 and 4 for additional information on tasks and responsibilities of the Contractor.

Construction Manager/General Contractor (CM/GC) Procurement Process: A procurement process in which MDT selects a Contractor to provide Preconstruction and Construction Phase services.

Constructability Review: A process that integrates the Contractor's build/assembly skill sets into the design phase to determine the feasibility of the design to be constructed. By active/early involvement, the Contractor provides their expertise and experience, as the design is being finalized, to identify potential problems, provide details and clarity, optimize methods, and to evaluate phasing complexity. These evaluations are beneficial in reducing proposed construction costs, critical schedule delays, requests for information (RFIs), change orders, and construction claims.

Construction Contract: A written agreement between MDT and the Contractor setting forth the obligation of the parties, including the furnishing of labor, equipment, materials, and defining the basis of payment. The construction contract will be in accordance with the standard MDT construction contract, and will include the information provided as part of the Price Proposal, the Bid Price or Early Work Package Bid

Price, Bid Price record documentation, any addenda, contract agreement, contract bonds, certificates of insurance, standard specifications, special provisions, project plans, standard drawings, design performance criteria documents, reference documents, engineering directives, and any supplemental agreements that are required to complete the construction of the work in an acceptable manner, all of which constitute one instrument. The Construction Contract, along with the Preconstruction Services Contract, together make up the "Contract" for CM/GC services.

Construction Phase: The time period when the Contractor performs the Construction. The start of the Construction Phase is documented when the Preconstruction Phase is complete, after the Bid Price or Early Work Package Bid Price is authorized for the specific start of construction work (Notice to Proceed).

Construction Phase Multiplier: A Multiplier for the work expressed as a percentage of the total construction cost. The Construction Phase Multiplier will include the Contractor's profit and the home office overhead (G&A: General and Administrative Costs) allocated to the project. The Construction Phase Multiplier will be used in the Contractor's estimates and their Bid Price proposals. Home office overhead is defined as all auditable costs that are allocated to all the Contractor's ongoing projects, including insurance that is maintained by the Contractor as a general cost of doing business. The Construction Phase Multiplier should not include any field indirect costs or direct costs of the project, risks, or contingencies.

Contingencies:

Bid Price Contingency:

The Bid Price Contingency is an allowance that will be tailored to the scope of work for a Bid Price or Early Work Package Bid Price that is based on several factors. The allowance may be set up to cover the possibility of an issue occurring that was identified in the risk analysis. The contingency may also be used, at MDT's discretion, to cover change order items.

The Bid Price Contingency will be approved and used at the sole discretion of MDT. The amount of Bid Price Contingency will be approved by MDT prior to the execution of the Bid Price or Early Work Package Bid Price. The utilization of any portion of the Bid Price Contingency will be processed similar to the MDT procedures used for change orders and/or miscellaneous work, but must first be clearly justified by the Contractor in writing and must be authorized by MDT. If the Bid Price Contingency is not fully utilized, the unspent amounts are not earned by the Contractor, but remain with MDT. The Bid Price Contingency may appear in the construction contract as a specific pay item and will be treated like Miscellaneous Work (see Standard Specifications section 104.04 for more information).

The *Bid Price Contingency* is intended for the following:

a) Net quantity overruns for unit priced items, after adjustment for underruns.
b) Minor design changes.
c) Other identified risks.
d) Shared risk Items.

MDT Contingency:

The MDT Contingency (a.k.a. Owner controlled) will be an amount determined by MDT and is included in the overall program budget. The purpose is to properly account for potential increased cost due to changes in the work, made at the discretion of MDT, or that were not anticipated by MDT, and are beyond the control of MDT and the Contractor at the start of the program. The MDT Contingency is an overall program budgeting reserve that MDT establishes and maintains exclusive from the Contractor. The MDT

Contingency may be programmed to the project, but is not assigned to any pay items in the construction contract.

Contractor Contingency:
The Contractor Contingency is intended to cover the cost of risks that are allocated to the Contractor and will be accounted for in the Contractor's bid items. MDT recognizes that not all construction risks will be mitigated through the preconstruction risk management process, and therefore allows the Contractor to carry a justifiable cost for risks assigned to the Contractor at the time of Bid Price submittal. The Contractor's Contingency must be clearly defined and described in production-based estimates for each milestone. MDT, working in collaboration with the Independent Cost Estimator, will validate that the costs included in the contingency are reasonable and accurate. The Contractor Contingency will be priced separately as a part of the production-based estimating process during preconstruction. However, at the time of construction, this cost will be balanced across the appropriate pay items and disbursed to the contractor as a part of the unit price cost of each work item.

Contractor or CM: The contractor selected by MDT to provide CM/GC services.

Contractor Approach to Price Meetings: As part of Preconstruction Phase services, the Contractor, MDT, the Design Engineer, and the Independent Cost Estimator (ICE) will hold regular meetings to plan relevant aspects of the cost estimate organization and break-down for a specific scope of work. This will include a cost estimate narrative, a detailed assessment of the project's limitations of operations, reconciliation of the quantities, crew sizes, production rates, subcontractor costs, and material costs, the planned "method of measurement" and "basis of payment", and a description of the Contractor's planned "means and methods" for constructing the project scope, and other items that become necessary or as required by MDT. The intent of these meetings is to provide common ground for later negotiations between MDT and the Contractor.

Cost Model: A cost accounting tabulation for the construction of the project that is developed by the Contractor prior to development of the Bid Price or Early Work Package Bid Prices for the project and/or a scope within the project. The Cost Model will be based on the work breakdown structure established by the Project Leader. The Cost Model will be generated to properly plan how the production-based construction cost estimates will be developed to best facilitate estimate comparison.

Critical Path Method Schedule (CPM): The optimal time and cost saving technique for planning, organizing, and scheduling construction activities, materials, and work force operations. A comprehensive network approach to manage projects, which is to be communicated, updated, and monitored by all project team members. Additionally, this method can be valuable for evaluation of changes, implementation of efficient delay/recovery efforts, and is the most accepted method when assessing the causes of delays. MDT currently requires the use of Critical Path Method (CPM) scheduling software; project-specific requirements will be included in the RFQ, RFP, and MDT Specifications.

Design-Bid-Build (D-B-B): The typical project delivery method used by MDT. This is a low-bid selection method in which a design engineer (MDT or consultant) designs the project. MDT then solicits bids and awards a contract to the lowest responsive and responsible bidder to construct the project.

***Design Engineer*:** The Design Engineer (MDT or consultant) that develops the final plans, specifications and estimate of quantities for the project. The Design Engineer will also be responsible for developing the

Engineer's Estimate, which will be used as a reference in determining and verifying project costs. The Design Engineer is the Engineer-of-Record.

Design Review Team: Representatives from the Contractor, the Designer, the ICE, and MDT responsible for reviewing project submittals. The Design Review Team may be augmented with supplemental assistance for technical aspects that may be non-routine and necessary to evaluate the design packages.

Direct Costs: The total of all direct cost for field construction to complete the project, which includes loaded labor rates, permanent materials, construction materials, equipment, and subcontracted work. Direct costs do not include any contingencies, any allocation of field indirect costs, or the Contractor's Construction Phase Multiplier.

Early Work Package Bid Price: MDT may elect to have the Contractor provide several Early Work Package Bid Prices for phases or components of the overall project. At the completion of the project, the summation of the Early Work Package Bid Prices equals the final Bid Price. For the purpose of this document, the terms "Early Work Package Bid Price", "Final Bid Price", and "Bid Price" are used interchangeably. *See also "Bid Price."* It should be noted that execution of an Early Work Package Bid Price does not guarantee that the Contractor will have to opportunity to complete the entirety of construction. Early work packages will be developed so that they are severable.

Equipment Rate: Includes hourly rental rate, either equipment depreciation for contractor owned equipment or outside rental. Also includes Equipment Operating Expense (EOE) consisting of fuel cost, running repairs, repair labor, and consumable items such as tires, ground wear parts, and cables. Also included is the cost of labor and equipment required for running repairs such as fueling and daily and periodic maintenance. Equipment rates will be in accordance with Subsection 210.04 of the Standard Specifications.

Bid Price: The total itemized dollar amount agreed upon between the Contractor and MDT for constructing a specific portion of the project scope – excluding the fee for the Preconstruction Phase services. It includes, but is not limited to, all direct and indirect contractor costs associated with the construction, contracting, self-performance, and management of the project; including the preparation of the construction schedules, shop drawing preparation, construction labor, material costs, equipment costs, all traffic control, quality testing, survey, replacement of rejected work or materials (in some cases), all punch-list work, all overhead costs, general condition costs, and fees. The Contractor is required to provide estimate details to MDT as part of the Bid Price submittal process.

MDT may include multiple Construction Phases or early work construction packages that will result in the Contractor providing Early Work Package Bid Price's for each package in the overall project, the summation of which equal the Bid Price for the whole project.

The Bid Price cost excludes the fees that are paid for services under the Preconstruction Services phase, as they will be covered in a separate Preconstruction Services Agreement. Bid Prices are typically not subject to price escalation or de-escalation because of inflation (time value of money) costs unless specifically negotiated to include that. However, MDT acknowledges the price escalation risk will be included in the Bid Price if no clauses are included in the Construction Contract to allow for it. This issue will be considered on a case-by-case basis as part of contingency discussions within each Construction Contract. In such instances, an escalation study that is specific to the elements of work may be used as a basis of comparison and setting of the contingency costs for escalation and de-escalation.

The Bid Price will include the CM/GC Construction Phase Multiplier, which is a fixed-rate percentage for home office overhead and profit that will be applied to the total of all direct costs and indirect costs.

Once a Bid Price or Early Work Package Bid Price is finalized by MDT and the Contractor, MDT will issue a contract Notice to Proceed. Should MDT and the Contractor be unsuccessful in agreeing to a Bid Price, the Contractor will lose the rights to perform the work associated with that Bid Price, which will be re-procured using Design-Bid-Build or any other lawful procurement method selected by MDT. The Contractor will not be allowed to participate on the re-procured work.

Bid Price Record Documentation: Bid Price Record Documentation consists of the approved Bid Price, all versions of the Bid Price updates, and all documents used to generate the Bid price including all pricing provided in the Request For Proposal, design documents, directives that were incorporated by reference, narratives, basis statements, addenda, contracts, bonds, certificates of insurance, standard specifications, special provisions, project plans, standard drawings, design performance criteria documents, reference documents, engineering directives, and any supplemental agreements (executed after the approved Bid Price) that are required to complete the construction of the work in an acceptable manner, all of which constitute one instrument.

Independent Cost Estimator (ICE): An independent consultant hired to provide a series of detailed cost estimates throughout development of MDT's CM/GC projects. Estimates developed by the ICE will be used to establish, compare, and approve the Construction Manager / General Contractor's pricing for a given project. The ICE will develop cost estimates and cost models to compare with the CM's pricing information, ensuring the construction costs are reasonable and fair. The ICE's estimates are expected to demonstrate both the direct and indirect costs of a project, and should include: all quantities (including temporary materials), anticipated production rates, labor prices, material prices, equipment prices, project management costs, field office support fees, insurances, profits, etc. The ICE will be required to critically analyze and critique the CM's CPM schedules and subcontractor/vendor quotes. The ICE will work closely with, and become a part of, the overall project team.

Indirect Costs: The total of all cost for the contractor's onsite overhead to support the field construction. These include labor costs for project management, supervision, engineering, quality control, survey, safety, indirect equipment maintenance, temporary utilities for the contractor's use, project-specific insurance, testing other than third-party laboratory testing, and field office administration. The material and miscellaneous costs include set-up of project office, small tools, consumables, and supplies, mobilization of personnel and equipment, insurance, and project administration, along with any other labor and equipment costs necessary to maintain temporary facilities and utilities.

Labor Rate: The hourly prevailing wage rate at the time of the Bid Price or Early Work Package Bid Price negotiations. The Contractor will be required to provide a detailed breakdown of all cost components forming the total wage rate.

Markup (on subcontracted work): An allowable additional charge calculated as a percentage that covers a Contractor's general condition costs for managing subcontracted work.

Notice to Proceed: A written communication issued by MDT, to the Contractor, authorizing the Contractor to proceed with the work and establishing the date of the commencement of the work.

Planning Committee: Independent advisory committee of MDT staff and members external to MDT. This team consists of professional representatives nominated by their affiliated associations, including: Montana Contractor's Association (MCA), American Council of Engineering Companies of Montana (ACEC), and Federal Highway Administration (FHWA). This committee of industry contacts was consulted in the development of MDT's CM/GC Guidance Document.

Preconstruction Phase Multiplier: During the Preconstruction Phase, a multiplier of fifty percent will be added to the Contractor's direct labor costs, based on the actual hours worked and the employees' hourly rate (for direct salary only) to compensate the Contractor for all overhead and profit. No home office overhead costs, or corporate principal or partner salary costs, will be allowed for the Preconstruction Phase; such costs are considered to be included in the Preconstruction Multiplier, whether the multiplier is high enough to cover the costs or not.

Preconstruction Services: The activities conducted by the Contractor during the advancement of preliminary design and final design phases. These include, but are not limited to, services such as plan reviews for constructability, pricing, scheduling, staging, methods, material procurement strategies, risk identification/management, and other areas related to the construction of the project. The Contractor and MDT will document these in a Preconstruction Services Agreement which will include the terms, scope, schedule, and compensation provisions for the Preconstruction Services. MDT will issue a Notice to Proceed (NTP) to the Contractor for this work; no work will proceed without the NTP. The Preconstruction Services Agreement and the Construction Contract together make up the "Contract" for CM/GC services.

Preconstruction Services Fee: Payment for services provided during the Preconstruction Phase will be negotiated upon selection of the of the successful proposer. Specific details on compensation for Preconstruction Services will be described in the RFQ and RFP.

Production-Based Cost Estimate: Otherwise known as a "cost-based" estimate, the Contractor will be required to provide detailed construction cost estimates as the design progresses at each design milestone (ROM, 30, 60, and 90 percent); and final design. Contractor estimates should be fully-detailed and will be utilized in an open process. These estimates will only be submitted to authorized members of MDT and will be held strictly confidential.

Production-based cost estimates are to be provided with details that clearly display all anticipated direct, indirect and fee costs in bid item summary and detail format, as directed by the Project Leader and the contract documents. Estimates should be capable of showing unit prices and total cost for each bid item and activity. The bid item unit price and total cost will be a rollup of the individual activities identified to be required and estimated to complete the work identified by the bid item. Each activity will show the quantity and cost of the work the activity represents, and the productivity based on the assigned crew composition. Each activity will show type, quantity and unit price for labor, equipment and permanent and construction materials or subcontracted works. The estimating platform should be capable of summary and detail reports by bid item and activity, which represents costs by category (labor, equipment, permanent and construction materials, and subcontract cost) and man and equipment hours. The Contractor's Estimate and the ICE Estimate must all reflect this level of detail. Depending on the project, MDT will specify the format of the Design Engineer's Estimate as either production-based, or based on historical bid data.

Program Advisory Consultant: A separate entity hired by MDT to provide specialized consultant services, tasked with assisting MDT in the development of the Department's CM/GC Guidance Document.

Project Leader: MDT will designate a staff member or engineering consultant to act as the Project Leader on projects selected for CM/GC delivery. This individual is tasked with overall project management, coordination, oversight, and administration of the MDT Contract with the Construction Manager and ICE. The MDT Project Manager (EPM) will be tasked with administration of the MDT Contract with the General Contractor. The Project Leader is expected to be the lead in developing the overall program budget and schedule, with input from the Designer and the Contractor and other MDT staff. In addition, the Project Leader is expected to take the lead in developing the Risk Management Plan and managing the risk mitigation process during the Preconstruction Phase, with input from other team members.

Project Manager (EPM): MDT's designee responsible for the management and administration of the construction contract for a CM/GC project.

Proposal: In response to the MDT-issued RFP, the Proposer will submit a Proposal that is made up of two, separately packaged, sections. One section will be the "Technical Proposal", in which the Proposer addresses the requirements for their technical approach to the work. In addition, the technical portion of the evaluation will include the Proposer Interview. The second section will be the "Price Proposal", in which the Proposer submits their competitively priced information in accordance with the RFP. Both portions of the proposal will be used in the evaluation and selection process.

Proposer: A team made up of a construction contractor, alone or in Joint Venture, together with subcontractors identified as key personnel that submit a Statement of Qualifications to MDT in response to the RFQ. In addition, if included in the short-list, the Proposer may respond to the RFP with a submitted proposal. Proposers are not required to form a Joint Venture; however, entities desiring to qualify and propose as a joint venture must declare their intention in a letter of commitment, included in the SOQ. Short-listed Proposers must include an executed "Declaration of Joint Venture and Power of Attorney" affidavit with their Proposal.

Public Advertisement: MDT will publicly advertise the CM/GC services to promote a competitive process, following standard project advertisement procedures.

Request for Proposals (RFP): Following the identification of the short-listed CM/GC proposers, a Request for Proposal for the project will be issued. The response to the RFP will serve as the basis of MDT's "best-value" evaluation. The response to the RFP will include a Technical Proposal, Price Proposal, and will include an interview. The pricing component will carry-over into the Bid Price or Early Work Package Bid Pricing (for the applicable components of the project). The technical portion of this RFP is a detailed description of the Proposer's project management and approach. This includes many aspects that demonstrate the Proposer's competencies for the specific project. The Request for Proposal will be considered a contract document for the subject project. See Section 2.7 for more details.

Request for Qualifications (RFQ): The RFQ is the first formal step in the CM/GC procurement process and is a document that will be issued and responded to by Proposers. The RFQ will detail the submittal requirements by which the MDT Technical Review Committee will evaluate the qualifications of the Proposers, and that evaluation will result in a short-list for advancement in this procurement process. See Section 2.3 for more details.

Risk Management Plan (RMP): MDT's tool that aids the project team in accomplishing the four main elements of risk management: risk identification, risk analysis (qualitative and quantitative), risk response strategy, and risk monitoring and control.

Selection Committee: The committee responsible for reviewing final scoring results of the short-listed Proposers and approves the Proposer to be awarded the contract. After the TRC evaluates the Technical Proposals and submits its findings to the Selection Committee, the Selection Committee reviews the TRC findings and the Price Proposals to make a final selection based on established best value procedures. The Selection Committee is also responsible for recommending award of the construction contract to the Transportation Commission. The Selection Committee will also provide project oversight through the Preconstruction and Construction Phases.

As a minimum, the Selection Committee is comprised of the Construction Engineer (who serves as Chairperson), the appropriate District Administrator, the appropriate Program Manager, the Preconstruction Engineer and the Highways and Engineering Administrator. An FHWA representative may be a non-voting member of the Selection Committee. Each member of the Selection Committee may appoint a senior management level alternate, as appropriate.

Short-list: The list of Proposers that have been determined by the Technical Review and Selection Committees to advance to the RFP stage of the procurement process, based on the evaluation of the SOQs. MDT anticipates selecting between three (3) and five (5) Proposers for inclusion on the short-list, or all Proposers if less than three (3) are received; however, MDT reserves the right to short-list as many, or as few Proposers as deemed advantageous to the project or program.

Statement of Qualifications (SOQ): The document submitted by the Proposers in response to MDT's Request for Qualifications. Contractors desiring to submit proposals on CM/GC projects must submit a SOQ setting forth the qualifications of members of the Proposer's team, and providing any other information required by the announcement for the project (Request for Qualifications). The submitted SOQ will be evaluated by the Technical Review Committee in determining the short-list for advancement in the selection process.

Steering Committee: A high-level group of MDT staff assembled to advise the Alternative Contracting Section in the development of the Department's CM/GC program. This group provides guidance on program policy and procedures and is also tasked with general program oversight.

Subcontracts: As defined by MDT Standard Specifications Subsection 101.03.

Surety (Contract) Bond: The security furnished with each Bid Price or Early Work Package Bid Price to guarantee that the Contractor will enter into the contract amendment if its Bid Price or Early Work Package Bid Price is accepted. This will consist of both performance and payment bonds equal to the full value of the construction of that scope of work.

Surety (Proposal) Bond: Proposers must attach a notarized statement from an admitted surety insurer authorized to issue bonds in the State of Montana that states:

- Proposer's current bonding capacity is sufficient for the project and referenced payment and performance bonds; and
- Proposer's current available bonding capacity.

***Technical Review Committee (TRC)*:** A group of individuals assembled to evaluate and score the SOQ, establish the ranked short-list of Proposers, and evaluate and score Technical Proposals and Interviews of the short-listed Proposers. For the success of the project, it is essential that members of the TRC be involved in development of the RFQ and RFP. This group will include corresponding subject matter experts and will also be provided the opportunity to comment on design drawings and estimate comparisons throughout project development.

An FHWA representative will be included on this committee for FHWA Projects of Division Interest (PODI) (according to the current MDT/FHWA Partnership Agreement). The TRC may also be supported by non-voting advisors, such as other MDT staff and/or consultants. Non-voting members provide subject matter advice to the Technical Review Committee. All committee members and non-voting members will be required to maintain the confidentiality of proposals during the selection phase. MDT will provide scoring reference materials and training to all team members, prior to evaluation of the proposals. There will be a minimum of five members.

***Value Analysis (VA*):** See Section 3.10. Value Analysis is the systematic application of recognized techniques by a multi-disciplined team, which identifies the function of a product or service; establishes a worth for that function; generates alternatives using creative thinking, optimizes the design; and provides the needed functions reliably, at the best value. Value Analysis consists of those tasks performed by a Value Analysis Team in accordance with MDT's Value Analysis Program Manual. The Design Engineer and the CM/GC may be required to participate on a Value Analysis Team.

***Value Engineering Contractor Proposals (VECP*):** See section 3.10. A cost savings generated on the contract from cost reduction proposals offered by the Contractor and approved by the Department.

Unit Price: A summarized price for a component of the work. A unit price does not reveal the cost break-down of labor, materials, equipment, and/or any other indirect/mark-up costs that are anticipated to complete the work.

June 18, 2025

INDEPENDENT COST ESTIMATING SERVICES

REQUEST FOR PROPOSAL

Project Name: Canyon Sewer Project

The Gallatin Canyon County Water & Sewer District in partnership with the Big Sky County Water & Sewer District (Districts) are soliciting Independent Cost Estimating (ICE) services for the subject Construction Manager/General Contractor (CM/GC) project. The area of work is illustrated on the attached **Exhibit A** map to include construction adjacent to MT 64 and US 191. This work may include but not be limited to sewer collection system, trunk sewer, reclaimed water distribution and disposal systems, sewer lift station(s), grading, pavement repair, stream protection, and traffic management on local and state highways. The project budget is approximately $50 million.

The selected ICE firm will provide full-service cost estimating to validate the Contractor's approach to price, construction schedule, estimate reconciliation, and recommendations on approval of Construction/Early Work Packages (EWP) Contractor bids. The Districts have selected WGM Group and AE2S as the project Consultants. WGM Group is currently in the process of advertising for a Construction Manager (CM). The selected ICE firm will also be requested to serve on the Technical Review Committee, along with representatives of the Districts and the Consultants, to short-list proposers, score RFPs from proposing CMs, and offer recommendations to the Districts during the CM selection process. After CM selection, the Consultants will coordinate with the CM to evaluate and progress design as feasible through December 2025, to be followed by a Rough Order of Magnitude (ROM) comparison meeting where the CM/GC Team will review and compare ROM's provided by the CM and ICE. Design progression is anticipated after December 2025 as well, but an end of the year ROM is the goal to inform project status and funding availability.

Project Challenges

The following is a summary of the significant project challenges. The ICE proposers are encouraged to address how they will assist the Owner, CM and Engineers to deliver the project:

1. *Expedited Project Delivery*. Rapid regional land development, both recent and projected, require adequate sewer collection and treatment upgrades. The use of innovative contracting was selected to expedite delivery and economize the scope of work. Expectations are for the CM and Engineers to collaborate on streamlining the approach for design and construction services to deliver the final construction in less than a third of the time if using the Design-Bid-Build model.
2. *Limited Construction Corridor*. The project is proposed to construct a gravity pressure reuse effluent main and parallel pumped sewer force main along MT 64. The MDT maintained roadway is two lanes and built into a hillside. It is anticipated that there will be bedrock and/or cobbly gravel geotechnical conditions that will complicate construction. MDT prefers that two-way traffic be maintained along the busy highway and thus avoid lane closures. The Owner welcomes the CM's and ICE input on mitigation strategies to construct the pipelines in MDT R/W.
3. *Project Cost Controls.* Establish an accurate and timely method of reporting project spending to ensure the client will not exceed the established budget and available funds.

4. *Communication and Coordination.* Develop a process for clearly communicating construction work to the key project stakeholders such as adjacent developers/contractors, utility companies, and the general public using the Districts' Public Involvement consultant.
5. *Use of Innovative Contracting Methods.* CM/GC project delivery is relatively new to the Districts. Emphasis will be placed on educating and providing guidance on the alternative delivery process.

ICE Cost Estimating Guidelines

Similar to the process used by the Montana Department of Transportation, the following price thresholds for awarding the construction contract are:

- Project awarded if the Bid Price is less than 105-percent of the acceptable ICE estimate.
- If the Bid Price is between 105-percent and 110-percent of the ICE estimate, the award is discretionary.
- If the Bid Price exceeds 110-percent of the ICE estimate, the Districts will discontinue price negotiations and terminate the CM's preconstruction contract. The project may then be publicly advertised.

Note that the ICE negotiations will be completely open-book negotiations, i.e., the ICE estimate and backup will not be in the blind.

ICE RFP Requirements

Advertisement for proposals of the ICE is open to all qualified firms. Selection of the ICE is based entirely on qualifications and a price component will not be required. In the event that the Districts are unable to negotiate a contract and fee from the top ranked ICE firm, the Districts may discontinue negotiations and commence negotiations with the next qualified firm.

ICE firms must submit a written proposal that includes the following requirements, including proposal weighting:

- Part 1 - Project understanding and ICE approach. 30%
- Part 2 - The firm's related experience similar to this project. 30%
- Part 3 - Summary of the Team's structure and qualifications. 40%

The proposal will be formatted on 8 ½ x 11 pages with 11-point minimum font and a six-page maximum limit.

Project Schedule

By submitting a written proposal, you are committing to provide the time and resources necessary to perform the ICE services for this project. If you cannot commit to this schedule, please refrain from submitting a proposal for this project. The Construction Manager is anticipated to be under pre-construction phase contract by September 2025, with the first round of cost comparisons expected in December 2025. The tentative final completion of the design is in July 2026.

Submittal Logistics

Submit an electronic PDF copy of your proposal no later than 11:00 Am local time, July 18, 2025 to the following contact:

- Shane Strong at sstrong@wgmgroup.com

DRAFT

Regardless of cause, late proposals will not be accepted and will automatically be disqualified for further consideration. It is the vendor's responsibility to ensure delivery by the specific time and confirm receipt with the specified contact person.

The proposal scores will be reviewed and the results sent via email to all Proposers. The scoring committee will make a final recommendation to the Districts based on the highest scoring proposal, that will be voted on at their respective monthly Board meeting (or joint board meeting) using the virtual platform Zoom.

Contact Person

ALL contact including questions and comments related to this RFP and the vendor's Proposal must go through:

Shane Strong, PE
Project Leader
WGM Group, Inc.
(406) 404-5502
sstrong@wgmgroup.com

Feel free to contact Shane for additional information or any questions you have. Be advised that requests for information and questions and corresponding answers submitted prior to proposal submission will be shared with all vendors.

e-copies: (LIST ALL CCs)

DRAFT

Exhibit A

GALLATIN CANYON SEWER PROJECT

CANYON STUDY AREA BOUNDARY

* BIG SKY WRRF

WEST FORK GALLATIN RIVER

HWY 64

SOUTH FORK WEST FORK GALLATIN RIVER

TO BOZEMAN

BIGHORN CENTER

CANYON STUDY AREA BOUNDARY

MAP LEGEND

- CURRENT GCCWSD
- POTENTIAL GROUNDWATER DISCHARGE
- PROPOSED SEWER SERVICE AREA
- PROPOSED LIFT STATIONS

QUARRY PUD & WORKFORCE HOUSING

GALLATIN RIVER

HWY 191

LAZY J UTILITY ASSOCIATION

BUCK'S T-4

RAMSHORN SUBDIVISION

CANYON STUDY AREA BOUNDARY

OPHIR SCHOOL

PROJECT BENEFITS

1. Protects Gallatin River
2. Protects drinking water
3. Facilitates higher density workforce housing while mitigating resource intensive urban sprawl

RECHARGE + REUSE →

"Purple Pipe" (*aka non-potable re-use*) network of **high quality effluent** from Big Sky's new Water Resource Recovery Facility (WRRF)

WASTEWATER COLLECTION SYSTEM →

Existing Canyon Study Area onsite wastewater systems contribute **approximately 4,100 lbs of nitrogen** to the Gallatin River annually.

Central collection **reduces human health risks** and nutrient loading to the Gallatin River by retiring old septic systems.

N

0 500 1000 1500'

WGMGROUP

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2024

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT

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JUNE 30, 2024

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holmes & turner
certified public accountants

MEMBERS OF CPAMERICA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gallatin Canyon County Water and Sewer District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Gallatin Canyon County Water & Sewer District (the District), as of and for the year ended June 30, 2024 and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2024, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Holmes & Turner
Bozeman, Montana
April 15, 2025

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS		
Current assets		
Cash and cash equivalents	$	49,938
Due from other government, current		551,892
Total current assets		601,830
Noncurrent assets		
Due from other government, noncurrent		400,000
Construction in progress		1,396,625
Total noncurrent assets		1,796,625
Total assets		2,398,455
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$	330,802
DEFERRED INFLOWS OF RESOURCES		
Interlocal agreement		600,000
NET POSITION		
Net investment in capital assets		1,396,625
Unrestricted		71,028
Total net position	$	1,467,653

The accompanying notes are an integral part of these financial statements.

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

OPERATING EXPENSES		
General and administrative		
Insurance	$	9,744
Professional fees		198,505
Operating income (loss)	$	(208,249)
NONOPERATING REVENUES AND (EXPENSES)		
Resort tax appropriations		292,652
Capital grants		1,211,533
Increase (decrease) in net position		1,295,936
Net position, beginning		171,717
Net position, ending	$	1,467,653

The accompanying notes are an integral part of these financial statements.

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Payments for contract services	$ (151,225)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Nonoperating resort tax appropriation	219,961
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of capital assets	(1,201,255)
Proceeds from capital grants	1,030,840
Net cash flows from capital and related financing activities	(170,415)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash and cash equivalents, beginning of year	151,617
Cash and cash equivalents, end of year	$ 49,938

RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income (loss)	$ (208,249)
Increase (decrease) in current liabilities:	
Accounts payable and accrued liabilities	57,024
Net cash flows from operating activities	$ (151,225)

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gallatin Canyon County Water and Sewer District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District was formed by petition on December 29, 2020 pursuant to Title 7, Chapter 13, Parts 22 and 23 of the Montana Code Annotated ("MCA"). The Board of Gallatin County Commissioners approved the petition on the named date and adopted Resolution 2020-152 which is an order declaring the territory of the District to be organized. A Certificate of Incorporation for the District was thereafter issued by the Montana Secretary of State on April 6, 2021.

The purpose of the District is to collect information and data, and to analyze the same, in order to determine what wastewater treatment system is best adapted to provide wastewater collection and treatment to not only the present District, but other properties in the canyon area that may elect to join the District, and to gather information and analyses for water and water distribution systems. In the event that such wastewater and water systems can be identified, it is also the intent of the District to finance, construct, operate and maintain such systems. The District does not intend to compel landowners to join the District, or to otherwise compel any landowner within the District to remain within the boundaries of the District should that landowner determine that because of costs or the necessary delays in construction and financing, such systems will not benefit them.

b. Measurement Focus and Basis of Accounting

The term measurement focus is used to denote what is being measured and reported in the District's operating statements. The District is accounted for on the flow of "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported and equity is reported as net position.

The term basis of accounting is used to determine when a transaction or event is recognized on the District's financial statements. The District uses the full accrual basis of accounting, with revenues recorded when earned and expenses recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

Pursuant to GASB 62, Gallatin Canyon County Water and Sewer District follows all GASB pronouncements and may apply FASB pronouncements for accounting issues not addressed by GASB literature, unless it conflicts or contradicts GASB pronouncements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Revenues and Expenses

As of June 30, 2024, the District remains in the feasibility and planning stage and has not commenced operations or provided water and sewer services. During this stage, the District is conducting studies, securing necessary regulatory approvals, and assessing funding options to determine the viability of providing services in the future. As a result, the District has not generated operating revenues and continues to incur expenditures related to administrative functions, feasibility assessments, and preliminary planning activities.

The District's future operations are contingent upon the successful completion of feasibility studies, securing necessary funding, and obtaining required regulatory approvals. Until these conditions are met, no assurances can be given as to when or if water and sewer services will commence.

d. Use of Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources of net position are available, the District's policy is to apply the expense to the restricted resources first and then toward unrestricted resources.

e. Cash and Cash Equivalents

The District is authorized by statute to invest in time and savings deposits with a bank, savings and loan association, or credit union in the state. In addition, it may also invest in obligations of the United States Government, securities issued by agencies of the United States, repurchase agreements, and the State of Montana Short-Term Investment Pool (STIP).

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent.

f. Capital Assets

The District's capital assets are recorded at historical cost or, if acquired through donation, at their estimated fair market value when received. The District capitalizes individual asset purchases and improvements that exceed $2,500 and have a useful life of more than one year.

As of June 30, 2024, the District's capital assets consist solely of Construction in Progress (CIP) related to the development of water and sewer infrastructure. Costs associated with ongoing construction projects, including engineering, permitting, and construction expenditures, are accumulated as CIP until the asset is substantially complete and placed into service. At that time, the District will reclassify the completed assets into their respective capital asset categories and begin depreciation over their estimated useful lives.

Since all capital assets are currently classified as Construction in Progress, no depreciation has been recorded for the fiscal year ended June 30, 2024. Depreciation will commence once assets are placed into service, based on the District's established useful life schedules for water and sewer infrastructure and related equipment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Net Position

Proprietary fund net position is divided into three components:

i. Net investment in capital assets

Consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus capital asset related deferred outflows of resources less capital asset related deferred inflows of resources related to those assets.

ii. Restricted

Consist of assets that are restricted as a result of external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

iii. Unrestricted

All other net position is reported in this category.

h. Budget

The District is not legally required to adopt a budget; therefore management has decided not to present the budget in the financial statements.

i. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j. Tax Exempt Status

The District is a municipal corporation and, therefore, is not liable for federal and state income taxes pursuant to Internal Revenue Code 501(c)(1).

k. Deferred Inflows of Resources

The District's statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). This deferred inflow of resources is attributed to the multi-year interlocal agreement with Big Sky Resort Area District to support the District's operations.

2. CASH AND CASH EQUIVALENTS

As of June 30, 2024, the carrying amount of the District's deposits (cash accounts) at a local bank was $49,938. The bank balance as of June 30, 2024 was $170,167. The total bank balance was covered by federal depository insurance.

3. DUE FROM OTHER GOVERNMENTS

At June 30, 2024, the District reports amounts classified as Due from Other Governments, which represent receivables from federal, state, and local governments for grants, reimbursements, or interlocal agreements. The components of Due from Other Governments as of June 30, 2024 are as follows:

Government Entity	Description	Total
Big Sky Resort Area District	Interlocal agreement to support operations.	$ 742,415
Big Sky Resort Area District	Reimbursements for feasibility study costs.	36,130
Department of Natural Resources and Conservation (DNRC)	American Rescue Plan Act (ARPA) Water & Sewer Grant	165,694
Gallatin County	American Rescue Plan Act (ARPA) Water & Sewer Grant	15,000
	Total	959,239
	Less: current portion	(559,239)
	Total Due from Other Governments, noncurrent	$ 400,000

Amounts classified as Due from Other Governments are considered fully collectible and no allowance for doubtful accounts has been recorded.

4. CAPITAL ASSETS

Capital assets for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
Nondepreciable capital assets:				
Construction in progress	$ 195,369	$ 1,201,256	$ -	$ 1,396,625

5. COMMITMENTS AND CONTINGENCIES

a. Consultant Agreement

The District entered into a master services agreement for professional services with WGM Group, Inc. (the "Consultant") on March 31, 2023 to provide consulting and other services. Under this agreement, the Consultant shall provide a scope of services and budget for each new task as a separate Work Order. Each Work Order will define the term of the agreement.

b. Interlocal Agreement between Big Sky County Water & Sewer District and Big Sky Resort Area District for the WRRF Phase I Project, Canyon Project and Financing

On February 4, 2020, the Big Sky County Water & Sewer District and Big Sky Resort Area District entered into an interlocal agreement which included the Canyon Project and the payment or financing of the costs thereof. Under the agreement the Resort Area District agreed to cause a mail ballot election for the imposition of the Infrastructure Resort Tax (an additional 1% tax), with the proceeds to be used to pay a portion of the costs of the Big Sky County Water & Sewer WRRF Phase I Project and the Canyon Project. The election was held on May 5, 2020 and passed.

The Canyon Project consists of a lift station near the intersection of U.S. Route 191 and Highway 64; a wastewater forcemain up the Highway 64 corridor to the WRRF; a pipeline conveying treated water back to the Canyon Area; and related improvements which will provide wastewater treatment capacity to properties located within the Resort Area District in Gallatin Canyon.

The Resort Area District agrees to fund all costs of the Canyon Project from revenues collected from the Infrastructure Resort Tax (the "Canyon Project Contribution"); however, in no event shall the contribution exceed $12,000,000.

6. CONCENTRATIONS OF REVENUE SOURCES

The District received all of its funding from three governmental entities. Two of the entities are considered flow-through entities that granted a sub-award to the District under the same federal funding source. The third entity provided funding through an interlocal agreement to support operations. All of these revenues were reported as nonoperating revenues.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 15, 2025, the date on which these financial statements were available to be issued.

holmes & turner
certified public accountants

MEMBERS OF CPAMERICA, INC.

1283 NORTH 14TH AVENUE, SUITE 201
BOZEMAN, MONTANA 59715
P: (406) 587-4265
F: (406) 586-3111

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Gallatin Canyon County Water and Sewer District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gallatin Canyon County Water and Sewer District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Gallatin Canyon County Water and Sewer District's basic financial statements, and have issued our report thereon dated April 15, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gallatin Canyon County Water and Sewer District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gallatin Canyon County Water and Sewer District's internal control. Accordingly, we do not express an opinion on the effectiveness of Gallatin Canyon County Water and Sewer District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gallatin Canyon County Water and Sewer District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Holmes & Turner
Bozeman, Montana
April 15, 2025

Current Year Findings:

None.

Prior Year Findings:

Not applicable.

holmes & turner
certified public accountants

MEMBERS OF CPAMERICA, INC.

1283 NORTH 14TH AVENUE, SUITE 201
BOZEMAN, MONTANA 59715
P: (406) 587-4265
F: (406) 586-3111

April 15, 2025

To the Board of Directors
Gallatin Canyon County Water and Sewer District
Big Sky, Montana

We have audited the financial statements of Gallatin Canyon County Water and Sewer District (the District) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 23, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the district during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the District's financial statements were:

- Management's estimate of the collectability of accounts receivable is based on management's experience and analysis of these accounts. We evaluated the key factors and assumptions used to assess the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.
Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 15, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to each engagement. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Gallatin Canyon County Water and Sewer District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Holmes + Turner

Holmes & Turner
Bozeman, MT

Gallatin Canyon County Water and Sewer District

Year End: June 30, 2024
Report trial balance
Date: 7/1/2023 To 6/30/2024

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE.01	6/30/2024	Construction in Process	15000			1,187,035.48			
AJE.01	6/30/2024	Project Funding	60200				397,634.50		
AJE.01	6/30/2024	Accounting & Legal Services	60300				271,270.68		
AJE.01	6/30/2024	Engineering&Infrastr. Planning	60400				518,130.30		
		To capitalize construction in process from FY24.							
AJE.02	6/30/2024	Due from other governments, current	12100			200,000.00			
AJE.02	6/30/2024	Due from other governments, noncurrent	19100			400,000.00			
AJE.02	6/30/2024	Deferred inflows - interlocal agreement	29100				600,000.00		
		To record the FY25-FY27 interlocal agreement awarded in FY24.							
AJE.03	6/30/2024	Due from other governments, current	12100			171,198.57			
AJE.03	6/30/2024	BSRAD - Capital Contributions	80101				36,130.20		
AJE.03	6/30/2024	BSRAD - Interlocal agreement	80102				135,068.37		
		To accrue FY24 revenues from BSRAD.							
AJE.04	6/30/2024	BSRAD Funding	80000			413,941.03			
AJE.04	6/30/2024	BSRAD - Interlocal agreement	80102				157,583.62		
AJE.04	6/30/2024	BSRAD - Capital Contributions	80101				256,357.41		
		To reclass revenues for presentation purposes.							
AJE.05	6/30/2024	District Administration	60000			61,625.20			
AJE.05	6/30/2024	Accounting & Legal Services	60300				61,625.20		
		To reclass administration costs.							
AJE.06	6/30/2024	Grant Income	40000			57,536.25			
AJE.06	6/30/2024	Grant Income	40000			23,184.40			
AJE.06	6/30/2024	Grant Income	40000			17,787.74			
AJE.06	6/30/2024	Unrestricted Net Assets	30000				98,508.39		
		To adjust beginning net position for revenues earned in FY23.							
AJE.07	6/30/2024	Due from other governments, current	12100			57,894.03			
AJE.07	6/30/2024	Due from other governments, current	12100			37,488.74			
AJE.07	6/30/2024	Due from other governments, current	12100			70,310.67			
AJE.07	6/30/2024	Grant Income	40000				165,693.44		
		To accrue State ARPA billings at 6/30/2024.							
AJE.08	6/30/2024	Due from other governments, current	12100			15,000.00			
AJE.08	6/30/2024	Grant Income	40000				15,000.00		
		To accrue County ARPA billings at 6/30/2024.							
AJE.09	6/30/2024	Construction in Process	15000			14,220.51			
AJE.09	6/30/2024	District Administration	60000			10,228.89			
AJE.09	6/30/2024	In-kind donation	80199				24,449.40		
		To record "in-kind" revenues and expenses (CIP).							
AJE.10	6/30/2024	Construction in Process	15000			195,369.32			
AJE.10	6/30/2024	Unrestricted Net Assets	30000				195,369.32		
		To capitalize prior year CIP costs.							

Gallatin Canyon County Water and Sewer District
Year End: June 30, 2024
Report trial balance
Date: 7/1/2023 To 6/30/2024

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
						2,932,820.83	2,932,820.83		
		Net Income (Loss)	1,295,936.18						

April 15, 2025

Holmes & Turner, PC
1283 North 14th Avenue, Suite 201
Bozeman, Montana 59715

This representation letter is provided in connection with your audit of the financial statements of Gallatin Canyon County Water and Sewer District (the "District"), which comprise the respective financial position of the District as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 15, 2025, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 23, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.
8) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:
    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
    b) Additional information that you have requested from us for the purpose of the audit.
    c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
    d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.
15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
31) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
32) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
33) Provisions for uncollectible receivables have been properly identified and recorded.
34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
38) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

Signature: _____

Title: _____

June 10, 2025

To the Board of Directors
Gallatin Canyon County Water & Sewer District
Big Sky, Montana

We appreciate the opportunity to submit this proposal for professional auditing services for the Gallatin Cayon County Water & Sewer District. Our understanding is you are requesting audit services for your June 30, 2025, fiscal year. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America.

Our pricing includes year-round assistance to answer questions and provide guidance on accounting standards. Our staff possess various backgrounds and training to address questions unique to your organization. Our one-year price proposal is as follows:

	2025
Financial statement audit:	$19,800
Single audit (needed if spends over $750,000 of federal funds):	5,600
Total	$25,400

The audit engagement is expected to commence when your financial information is ready to be audited.

We welcome the opportunity to discuss this proposal and answer any further questions you may have. If our proposal is acceptable, we will provide you with a contract to formalize this engagement. Again, we appreciate the opportunity to submit this proposal.

Respectfully submitted,

JUNKERMIER, CLARK, CAMPANELLA, STEVENS, P.C.
Certified Public Accountants and Business Advisors

Tyler Bryant, CPA
Shareholder

Proposal Accepted By:_____ Date:_____

GALLATIN CANYON
COUNTY WATER & SEWER DISTRICT

PUBLIC MEETING AGENDA

Wednesday June 18th, 2025, 10 AM

This meeting will be held via zoom only

https://us06web.zoom.us/j/84164001402?pwd=btkrezyD4Gh5WkugeI5LbDcngEVU1t.1

(Meeting ID: 841 6400 1402, Passcode: 234978)

Regular Board Meeting Public Forum

A. Call to Order/start recording
B. Revise May 21st Meeting Minutes- *Action*
C. Public comment on relevant non-agenda items – *Discuss*
D. Disclosure of Conflict of Interest on any agenda items - *Discuss*

I. **New Business**

A. Board member updates, correspondence, and small expenditures – *Discuss*
B. Committee Updates – *Discuss*
C. Annexation Petitions Review and Potential Annexation Ordinance and/or rejection resolution – *Action*
D. Canyon Sewer Project Updates – *Discuss*
E. Annual Fiscal Review - *Discuss*
F. FY 26 budget – *Discuss, maybe Action*
G. BSRAD and ARPA Draw Requests and Invoice Payments – *Action*

II. Old Business

A. Canyon Water PER Updates and public meeting planning – *Discuss*
B. CMGC Contractor RFQ – *Action*
C. Selection Committee Appointment - *Action*
D. Independent Cost Estimator (ICE) RFP – *Action*
E. FY 26 Board Insurance - *Action*
F. FY 25 Audit approval – *Action*
G. FY 26 Auditor Services– *Action*
H. Website updates - *Discuss*

III. Any Other Business Which May Properly Come Before the Board – *Discuss*

IV. Next Meeting Planning

A. Date & Draft Agenda – *Discuss*

V. Adjourn

www.gallatincanyonwsd.com

Public comment is encouraged before all non-emergency non-ministerial actions.

GALLATIN CANYON
COUNTY WATER & SEWER DISTRICT

PUBLIC MEETING MINUTES
Wednesday May 21st, 2025, 9 AM

This meeting was held at 561 Little Coyote Rd, Big Sky, MT and via zoom

Regular Board Meeting Public Forum

A. Call to Order/start recording
The meeting was called to order at 9:03 and recording was started.
Altman, Olsen, Cobb, and Wilson were present, making quorum.

B. Revise April 16th Meeting Minutes- *Action*
There were no comments.

Olsen moved to approve the minutes as presented. Wilson seconded. There was no discussion. The motion passed unanimously.

C. Public comment on relevant non-agenda items – *Discuss*
None.

D. Disclosure of Conflict of Interest on any agenda items – *Discuss*
None.

I. New Business

A. Board member updates, correspondence, and small expenditures – *Discuss*
None.

B. Committee Updates – *Discuss*
See the attached notes.

Altman asked about next steps for moving TEDD/TIF plan along. WGM will coordinate further with the county commissioners within the month.

C. Annexation Petitions Review and Potential Annexation Ordinance and/or rejection resolution – *Action*
None have been received. Some coordination with the school is underway.

D. MBMG GWIP Aquifer Study Presentation – *Discuss*
Elizabeth Merideth and Kurt Zeiler from MBMG presented findings from their recent canyon aquifer study. See attached slides for details. Discussion followed the slides closely.

Both of the original study leads have moved on so Elizabeth and Kurt have finished the project. This project was nominated by the Gallatin River Task Force. The purpose was to assess the effects of development on the water quality in the shallow alluvial aquiver and develop a ModFlow model to help better understand the system. Field work was completed in summer 20219 -2021. Shallow and deep groundwater as well as surface water were

sampled for water level and water quality. The model included various models of development and current and planned wastewater discharge.

WGM Group will use the base model to help inform discharge design and permitting. Madison deep aquifer is more prolific than the other studies deep aquifers.

Wells on the east side of the river serve as an illustration of what undeveloped aquifer areas would look like.

No strong trends of groundwater elevation were observed in the alluvial aquifer, but a slight, likely climate driven, trend was observed in one of the deeper aquifers.

Most aquifers are more saline than recommended by the EPA for untreated drinking. However, this is a secondary standard and doesn't have to be treated. Some wells had levels of Manganese over the drinking water standard. There was also evidence of chloride and nitrate (septic effluent indicators) in the west side of the river, where there are septic systems. There was no statistical difference between east and west for orthophosphate.

A couple of the surface water sites on Michener Creek and the West Fork had elevated nitrogen concentrations, likely attributed to septic/wastewater influence.

Most septic effluent (and proposed GCCWSD sewer effluent) would intersect the Gallatin at the northern half of the canyon area.

If there was reduced recharge to the shallow aquifer, most impacts would be at the edge of the alluvial aquifers. Wells along the edge could be affected.

The GCCWSD thanks MBMG for this study and presentation.

E. Canyon Sewer Project Updates – *Discuss*

These were mostly covered in the committee updates. Based on MBMG's model, WGM will update some of the discharge permit related studies and submittals. WGM was more conservative with flow paths to river than shown here. WGM is drilling a monitoring well in the landslide area to gather additional data to refine assumptions.

Olsen asked how this MBMG study impacts Maui Factor analysis. Hydraulic conductivity is likely faster than originally assumed but the flow path to the river is longer. Dispersion is likely more than previously anticipated. Additional analysis is needed to determine how this affects Maui Factors.

F. Canyon Water PER Updates and public meeting planning – *Discuss*

A public meeting is needed to share results to the public and garner feedback. The Gallatin River Task Force and DEQ have an open house at the end of July – this could be used to present the PER. Otherwise the GCCWSD can host their own. The GCCSWD is looking to get as much attendance as possible.

WGM has the modeling from AE2S now so will finish the alternative analysis and complete the report. The board should have a draft to start reviewing around the next board meeting. After the public meeting in July, any board or public comments can be incorporated into the report and then finalized.

G. BSCWSD-GCCWSD MOU – *Action*

DEQ has requested a memorandum of understanding between BSCWSD and GCCWSD. Tara and Susan Swimley (BSCWSD legal) have reviewed the draft document (see attached).

Wilson moved to authorize Scott to sign and approve the MOU as presented. Olsen seconded. There was no discussion. The motion passed unanimously.

H. CMGC Contractor RFQ – *Action*

A draft RFQ was presented. This needs an additional resolution from both sewer districts, so this will be tabled until the next meeting.

I. Independent Cost Estimator (ICE) RFP – *Action*

This will be tabled until the next board meeting.

J. RRG budget reallocation contract – *Action*

The funds ($125,000 from DNRC) were moved from construction to planning and design to meet timing restrictions. This contract would finalize this change. See attached. This was filed through DocuSign.

Olsen moved to authorize Scott to sign and approve this agreement as presented. Cobbb seconded. There was no discussion. The motion passed unanimously.

K. MCEP conditional contract – *Action*

The deadline to use funds ($750,000 from Department of Commerce) was extended. See attached. This was filed through DocuSign.

It seems like the state is trying to be very flexible to help make sure funds are not forfeited.

Tara reviewed this document. Scott, Jessica, and Tara will need to sign it.

Altman moved moved to authorize himself, Tara, and Jessica to sign and approve this agreement as presented extending the funds timeline. Wilson seconded. There was no discussion. The motion passed unanimously.

L. BSRAD and ARPA Draw Requests and Invoice Payments – *Action*

See attached. The expenditures and funding plan were briefly reviewed. ARPA funds need to be used by the end of there. FY 25 operations budget from BSRAD need to be used by the end of June. The District is on track to use funds before deadlines. BSCWSD has started to draw on the $12M BSRAD funds.

Cobb moved to submit the invoice payments and reimbursement plans. Olsen seconded. There was no discussion. The motion passed unanimously.

M. Board Member Candidacy and HB716 Status– *Discuss*

HB716 passed and was approved by the governor, becoming valid immediately. This expands the definition of who is eligible to be a board member.

N. Appointment of 4 board members (three 4-year terms and one 1-year term) – *Action*

All board members', except Chad Wilson's, terms are expiring. Wilson can now appoint four board members. One term should be shorter to keep staggered terms. This will be assigned to Stuart Goldberg for now.

Tara drafted a resolution to appoint new board members to fill the vacancies. It will be the current board members. See attached. Wilson plans to sign this and return this to Tara who will file it with the proper authorities.

O. FY 25 Board Insurance – *Discuss*

Insurance needs to be renewed by July. WGM will work with the same broker as past years to get quotes and have those ready for board approval at the June meeting. There will likely only be one option – most insurance companies don't want to cover a new board without assets.

II. Old Business

A. Audit Review and discuss auditor procurement for this year– *Action*

The auditor was on the meeting earlier but couldn't stay this long. The findings were reviewed (see attached). All was in order.

Olson moved accept the audit findings and sign the provided form. Wilson seconded. There was no discussion. The motion passed unanimously.

WGM will try and line up another auditor for the current fiscal year and have options for board approval at the next meeting.

B. Website updates – *Discuss*

Scott will coordinate with WGM Group.

III. Any Other Business Which May Properly Come Before the Board – *Discuss*

None.

IV. Next Meeting Planning

A. Date & Draft Agenda – *Discuss*

The next meeting was scheduled for Wednesday, June 18th at 10AM via Zoom only.

V. Adjourn

Wilson moved to adjourn the meeting. Altman seconded. There was no discussion. The motion passed unanimously.

The meeting was adjourned at 10:34 am and recording was stopped.

Minutes Drafted by: Michelle Pond, WGM Group
Minutes Approved:
Signed: Scott Altman, Board President

Attested: Jessica Martin-Trulen, GCCWSD Secretary

GCCWSD MEETING ATTENDANCE SHEET

9 AM; May 21st 2025; 561 Little Coyote Rd, Big Sky, MT and Zoom

#	Name	Affiliation	Contact	Remote Attendance?
1	Michelle Pond	WGM Group	Mpond@wgmgroup.com	X
2	Mace Mangold	WGM Group	mmangold@wgmgroup.com	No
3	Scott Altman	GCCWSD Board	orock9530@me.com	No
4	Jon Olsen	GCCWSD Board	jolsen@lonemountainland.com	X
5	Joe Cobb	GCCWSD Board	josephcobb@gmail.com	X
6	Tara DePuy	GCCWSD Legal	attorney@riverworks.net	X
7	Chad Wilson	GCCWSD Board	Chad.wilson@bigskyresort.com	X
8	John Pazick			X
9	Shane Strong	WGM Group	sstrong@wgmgroup.com	X
10	Elizabeth Mereith	MBMG		X
11	Johnny O'Connor	BSCWSD		No
12	Matt Cope	GCCWSD Auditor		X
13	Jessica Trulen	GCCWSD Secretary		X
14	Abby Indreland	WGM Group		X
15	Kristin Gardner	GRTF		No
16	Kurt Zeiler	MBMG		X

GALLATIN CANYON
COUNTY WATER & SEWER DISTRICT

PUBLIC MEETING AGENDA

Wednesday May 21st, 2025, 9 AM

This meeting will be held at 561 Little Coyote Rd, Big Sky, MT and via zoom
https://us06web.zoom.us/j/82535987627?pwd=rw5XItLVWRu4NAyWAOPaJQOknnPqsz.1
(Meeting ID: 825 3598 7627, Passcode: 253132)

Regular Board Meeting Public Forum

A. Call to Order/start recording
B. Revise April 16th Meeting Minutes- *Action*
C. Public comment on relevant non-agenda items – *Discuss*
D. Disclosure of Conflict of Interest on any agenda items - *Discuss*

I. **New Business**

A. Board member updates, correspondence, and small expenditures – *Discuss*
B. Committee Updates – *Discuss*
C. Annexation Petitions Review and Potential Annexation Ordinance and/or rejection resolution – *Action*
D. MBMG GWIP Aquifer Study Presentation - *Discuss*
E. Canyon Sewer Project Updates – *Discuss*
F. Canyon Water PER Updates and public meeting planning - *Discuss*
G. BSCWSD-GCCWSD MOU - *Action*
H. CMGC Contractor RFQ - *Action*
I. Independent Cost Estimator (ICE) RFP – *Action*
J. RRG budget reallocation contract - *Action*
K. MCEP conditional contract - *Action*
L. BSRAD and ARPA Draw Requests and Invoice Payments – *Action*
M. Board Member Candidacy and HB716 Status– *Discuss*
N. Appointment of 4 board members (three 4-year terms and one 1-year term) – *Action*
O. FY 25 Board Insurance - *Discuss*

II. Old Business

A. Audit Review and discuss auditor procurement for this year– *Action*
B. Website updates - *Discuss*

III. Any Other Business Which May Properly Come Before the Board – *Discuss*

IV. Next Meeting Planning

A. Date & Draft Agenda – *Discuss*

V. Adjourn

www.gallatincanyonwsd.com

Public comment is encouraged before all non-emergency non-ministerial actions.

Committee Updates
May 21, 2025

GALLATIN CANYON
COUNTY WATER & SEWER DISTRICT

Joint Committee

- 05-19-25 Meeting summary
  - BSCWSD-GCCWSD Coordination
    - Draft-Final Memorandum of Understanding – Communicates both districts are committed to advancing the project. Intent is to re-assure DEQ and SRF that the project is advancing full steam.
  - Contractor Procurement
    - Draft RFQ for CMGC – Shared with the Committee in advance of the meeting. No comments. Next step is for Mangold, Olsen and O'Connor to finalize for posting in June.
    - Draft RFP for Independent Cost Estimator (ICE) - Shared with the Committee in advance of the meeting. No comments. Next step is for Mangold, Olsen and O'Connor to finalize for posting in June.
    - Outline of RFP for CMGC – Shared outline. The Committee identified various key items that will need to be addressed in the RFP and the procurement process in general. Next step is WGM and AE2S to coordinate a Draft RFP to share with the Committee at the June meeting.
  - Funding
    - Coldsmoke and Firelight ballot initiatives both passed. This effectively makes a Phase 2 plant upgrade very likely and speeds up the timeline for funding, design and construction.
    - Ryan Graf (AE2S) presented an overview of how he is organizing the infrastructure costs. Upper (Phase 2 expansion, siphon upgrade), Middle (lift stations and conveyance mains in Hwy 64), Lower (Hwy 191 conveyance mains and disposal infrastructure).
    - Discussed how the Canyon District is different than a typical development connection scenario in that it will own infrastructure and manage operating costs. This lends well to a wholesale agreement that uses the Plant Investment Charge (PIC) as the basis for setting the $/gallon rate.
    - Discussed the BSCWSD Reuse Management Plan potentially serving as a basis for calculating a $/gallon disposal value.
    - TEDD coordination with County bumped to after the May Joint Commission meeting rather than before. Mangold to coordinate with BSRAD how best to proceed with the Gallatin County Commissioners.
    - Next steps: Mangold, Graf and O'Connor to continue to advance the financial model and Interlocal Agreement structure. Targeting a meeting with BSRAD the week of 5/25 to discuss key dates and deliverables needed to be positioned for a 2026 ballot initiative.

Committee Updates
May 21, 2025

GALLATIN CANYON
COUNTY WATER & SEWER DISTRICT

Engineering & Permitting Committee

- Key coordination items:
    - DEQ Groundwater Discharge Permit (MGWPCS) Application submitted in March
        - DEQ has initiated their completeness review.
        - WGM preparing refined Fate & Transport analysis based on MBMG report.
        - Schedule meeting with DEQ.
    - Draft 60% Plan Set is complete.
        - Schedule meetings with key landowners to coordinate disposal easements / agreements (Quarry, Lazy J, Buck's T-4, Newberry, BSRAD)
            - Quarry coordination meeting on 5/15. Quarry construction is starting. Key take-away is the need to expedite coordinating the reuse main loop location that can be installed with limited impact to installed infrastructure. WGM is also coordinating a gravity collection approach in lieu of the STEP system based solution currently documented in the Quarry's COSA.
    - Maintain minimum bi-weekly dialogue with DEQ, MDT and USFS.
    - Supplemental drilling and pump testing is being conducted May-June to support final discharge infrastructure design.
    - Geotech effort is starting on Hwy 64.

Funding Committee

- TEDD Technical Memorandum complete. Schedule meeting with Gallatin County Commissioners.
- Met with Joe Cobb to discuss "matching funds" strategy to fully utilize State ARPA funds by end of 2025.
- Schedule meeting with BSRAD to present updated "financing stack"
- Continue to watch for grant opportunities. MCEP and RRGL grants at risk due to not being able to meet start-up conditions (firm funding commitments and financing package). WGM is coordinating options with DNRC to protect funding.

Annexation and Outreach Committee

- 01/02/25 BSRAD CIP Public Meeting. BSRAD communicated project support and public reception was positive. Considering incorporating workforce housing and prioritize connecting the school to build support for 1% vote in 2026.
- 01/02/25 Outreach planning meeting (Stuart Goldberg, Kristin Gardner)
    - TEDD advocacy is near-term priority.
    - Update website Q&A to address local misconceptions.
    - Piggyback off upcoming Gallatin River Task Force led "Water Plan" communications effort
- Develop clear presentation as to why the Canyon Project is good for the Gallatin River. Specific emphasis on how groundwater discharge provides substantial "tertiary" treatment for nitrogen and phosphorous.
- Website updates:
    - Updated maps and timelines.
    - Funding / TEDD overview page

        - What is a TEDD (emphasis that it doesn't increase taxes).
        - Links to WGM deliverables
        - Links to County Commissioner presentations
    - FAQ page
- Schedule meeting with Altman and/or Cobb to review above website content before posting.
- **Discuss potential need for a ballot initiative campaign similar to the Coldsmoke effort.**

RESOLUTION 2025-1

A Resolution of the Gallatin Canyon County Water and Sewer District (GCCWSD) Appointing Board Members to Vacant Offices

WHEREAS, pursuant to Section 7-13-2262, MCA, vacancies in the board of directors, whether the vacant office is elective or appointment, must be filled by majority vote of the remaining board of directors;

WHEREAS, there are currently four vacant offices for the GCCWSD board of directors and one remaining director who constitutes the majority vote to fil the vacancies;

WHEREAS, HB 716 became law on May 8, 2025 and states individuals qualified to be on the boards of directors for a county water and sewer district pursuant to Section 7-13-2233, MCA, include individuals who are owners of real property in the district titled in either an individual name or held in a corporation, partnership, limited liability company, or trust in which the individual is an officer, partner, member or trustee; and

WHEREAS, on June 4, 2024 the Montana Supreme Court affirmed in *Gardiner-Park County Water and Sewer District v. Knight*, 2024 MT 121, that board members for county water and sewer districts are not required to file an oath of office.

Therefore, BE IT RESOLVED,

The following individuals are hereby appointed to the GCCWSD to hold office as follows:

Scott Altman	Term expires: June of 2029
Jon Olson	Term expires: June of 2029
Joe Cobb	Term expires: June of 2029
Stuart Goldberg	Tern expires: June of 2027

BE IT FURTHER RESOLVED,

The GCCWSD shall notify the Gallatin County Election Department of the appointment of the above board members.

Done this 21st day of May, 2025.

Chad Wilson, Board Member

Attest:

Jessica Martin-Trulen, Secretary

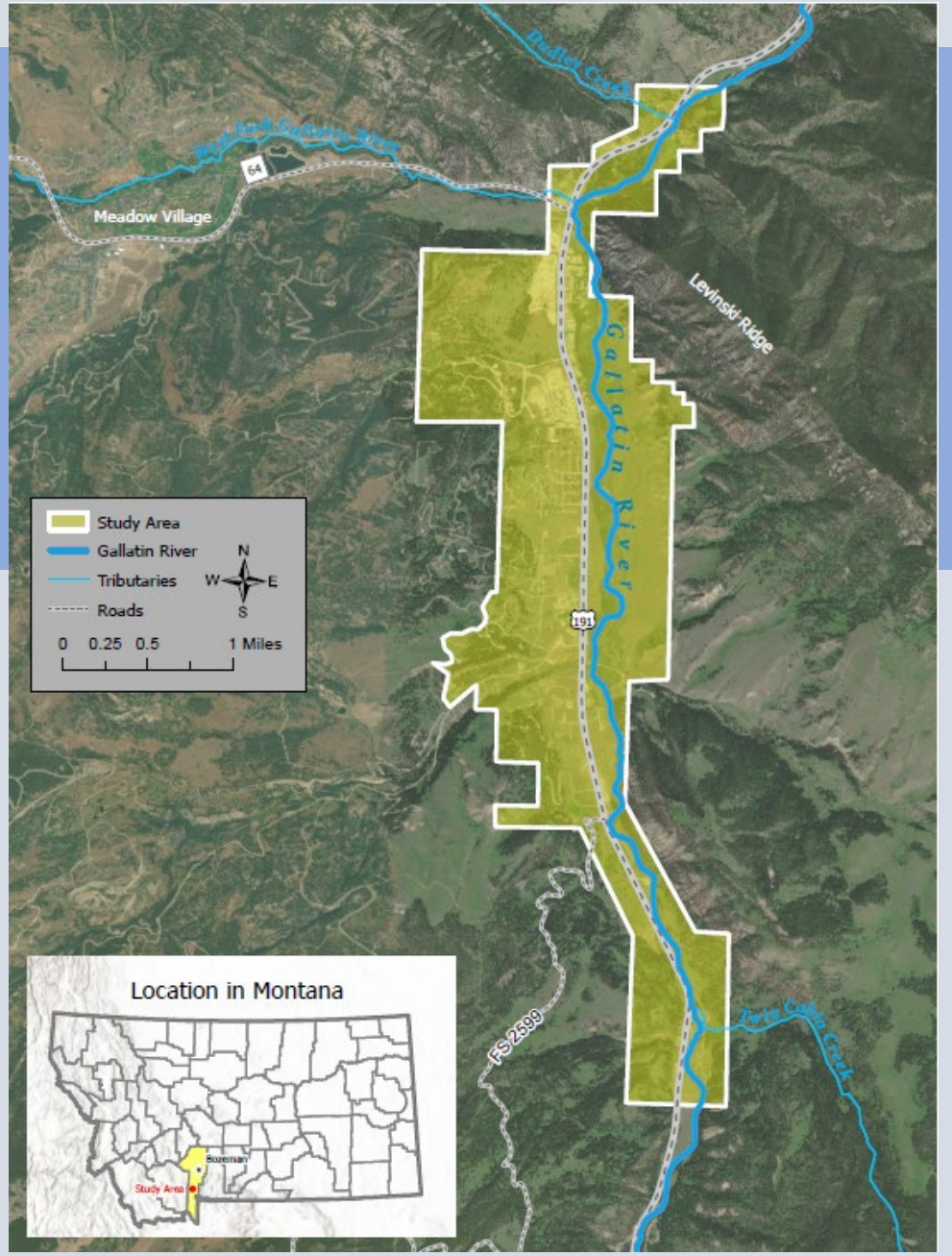
Groundwater Study of the Upper Gallatin River Corridor

Ground Water Investigation Study, Montana Bureau of Mines and Geology

Kurt Zeiler and Elizabeth Meredith

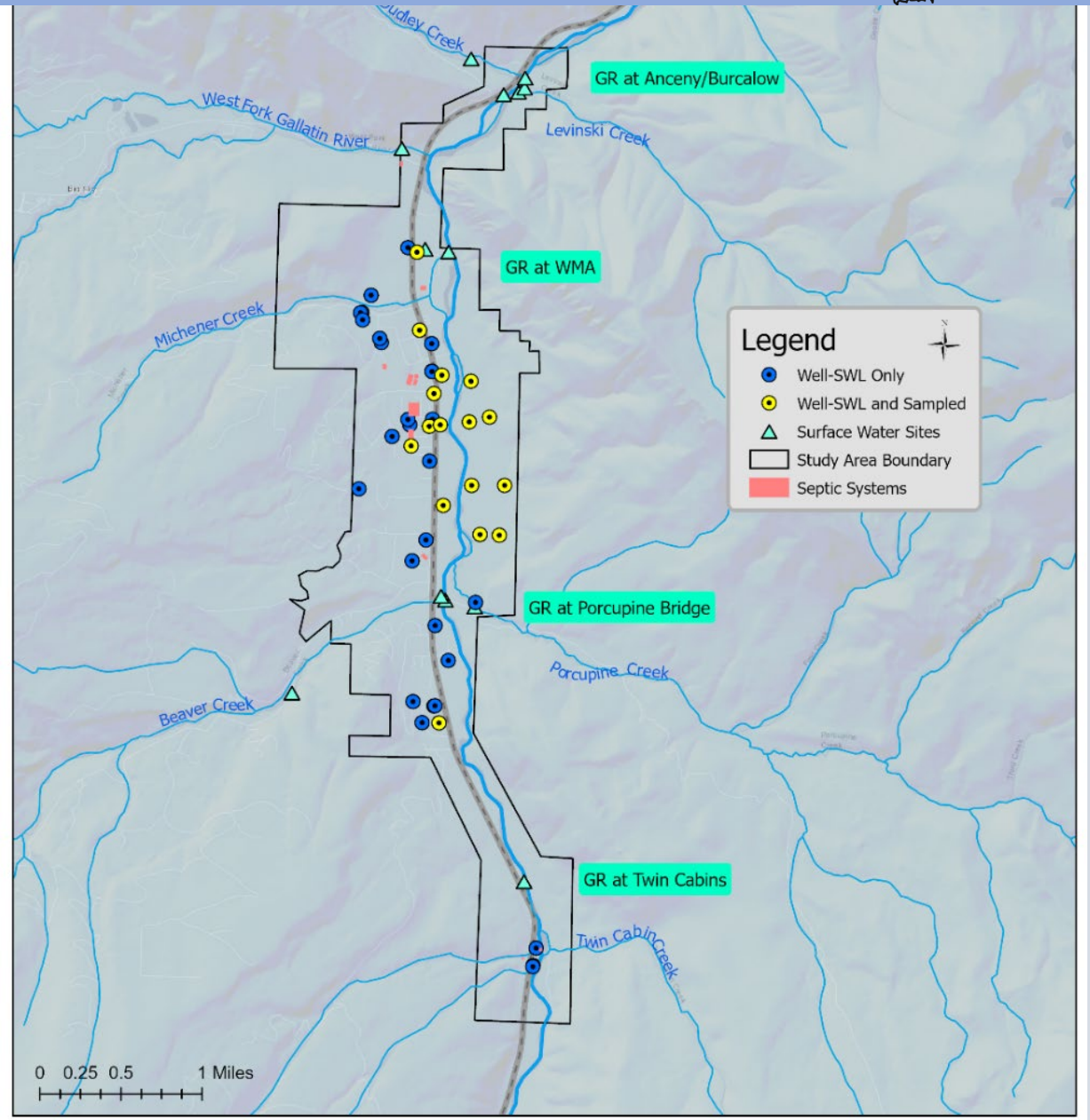
Nominated by the Gallatin River Task Force

- Purpose:
  - Assess the effects of development on the water quality in the shallow alluvial aquifer.
  - Develop a model to identify groundwater flow paths and groundwater/surface-water interaction.



Data Collection

- Field measurements and sampling were completed Summer 2019-Summer 2021
- Groundwater
  - 48 water level sites
    - 27 alluvial, 21 bedrock
  - 17 wells and 1 springs sampled approx. monthly
- Surface water
  - 13 stream gaging sites
  - Sampled during low flows



HYDROGEOLOGIC INVESTIGATION OF THE UPPER GALLATIN RIVER CORRIDOR, BIG SKY, MONTANA

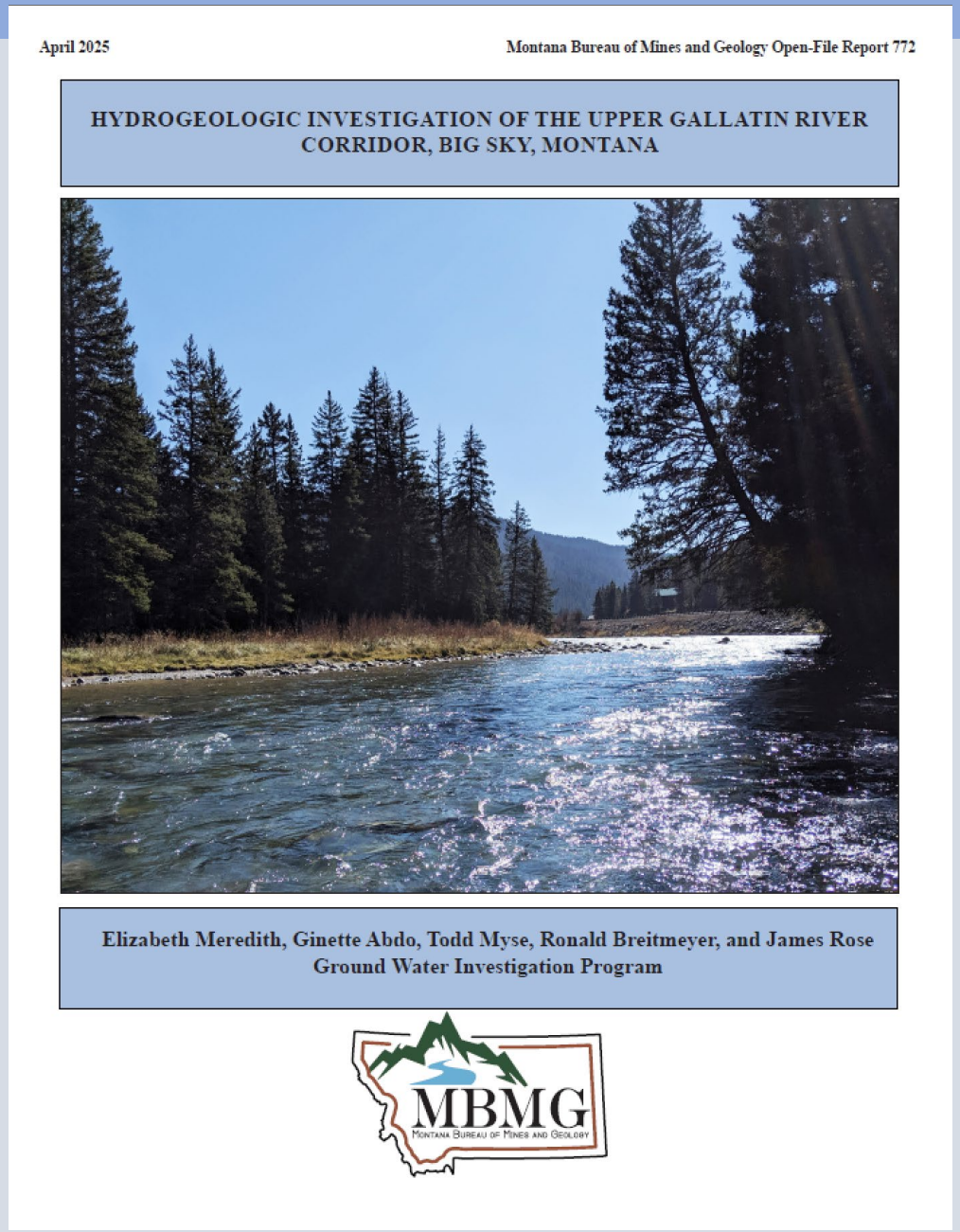


Elizabeth Meredith, Ginette Abdo, Todd Myse, Ronald Breitmeyer, and James Rose
Ground Water Investigation Program

GROUNDWATER MODEL OF THE UPPER GALLATIN AQUIFER AT BIG SKY, MONTANA



Kurt Zeiler, Mary Sutherland, and Ronald Breitmeyer
Ground Water Investigation Program

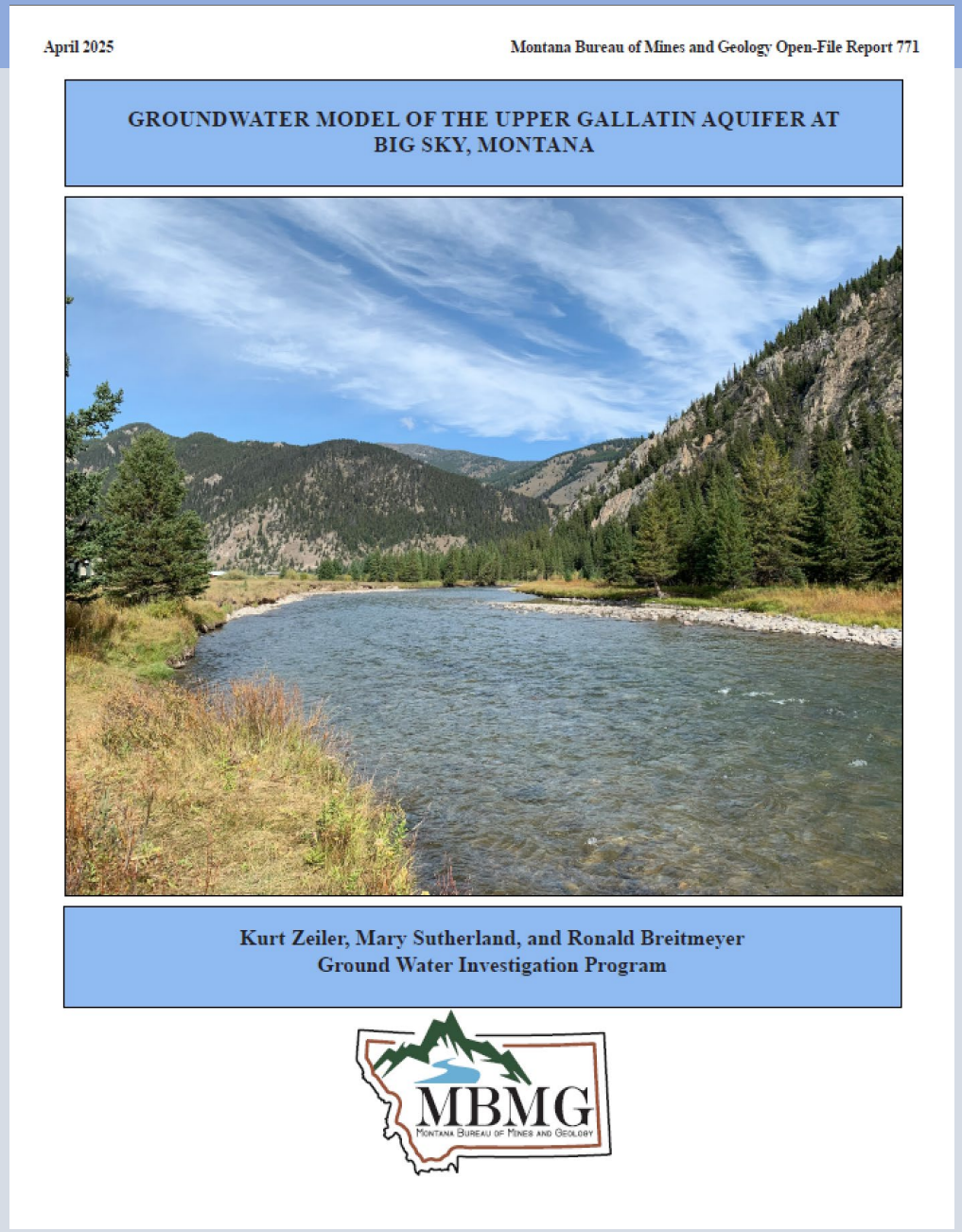


- MBMG OFR 772: *Hydrogeologic Investigation of the Upper Gallatin River Corridor*
  - Introduces the study and field methods
  - Presents the overall hydrogeology
  - Surface-water balance
  - Water chemistry
  - Nitrate trends in the valley

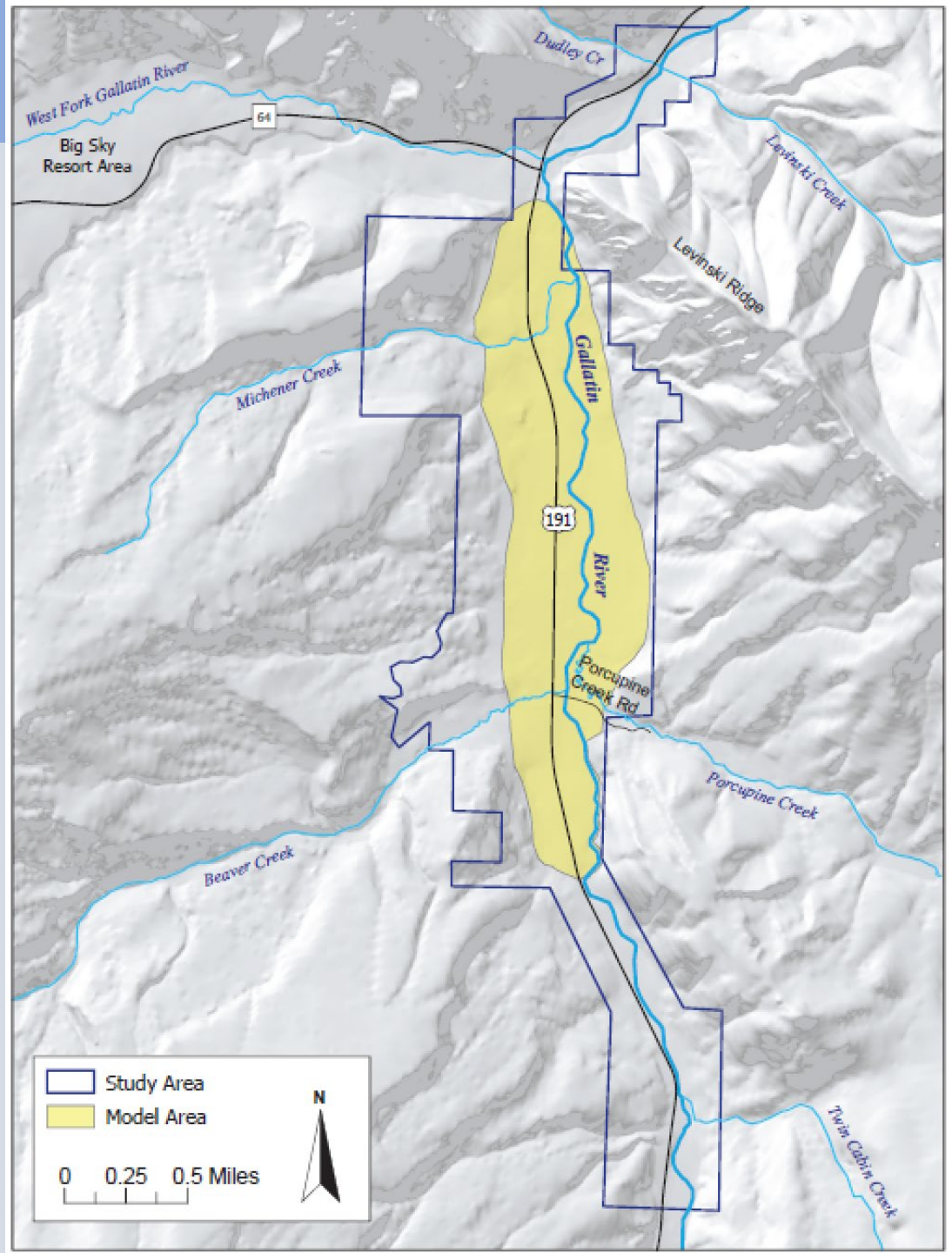
Available online from the MBMG Publications Website:
https://mbmg.mtech.edu

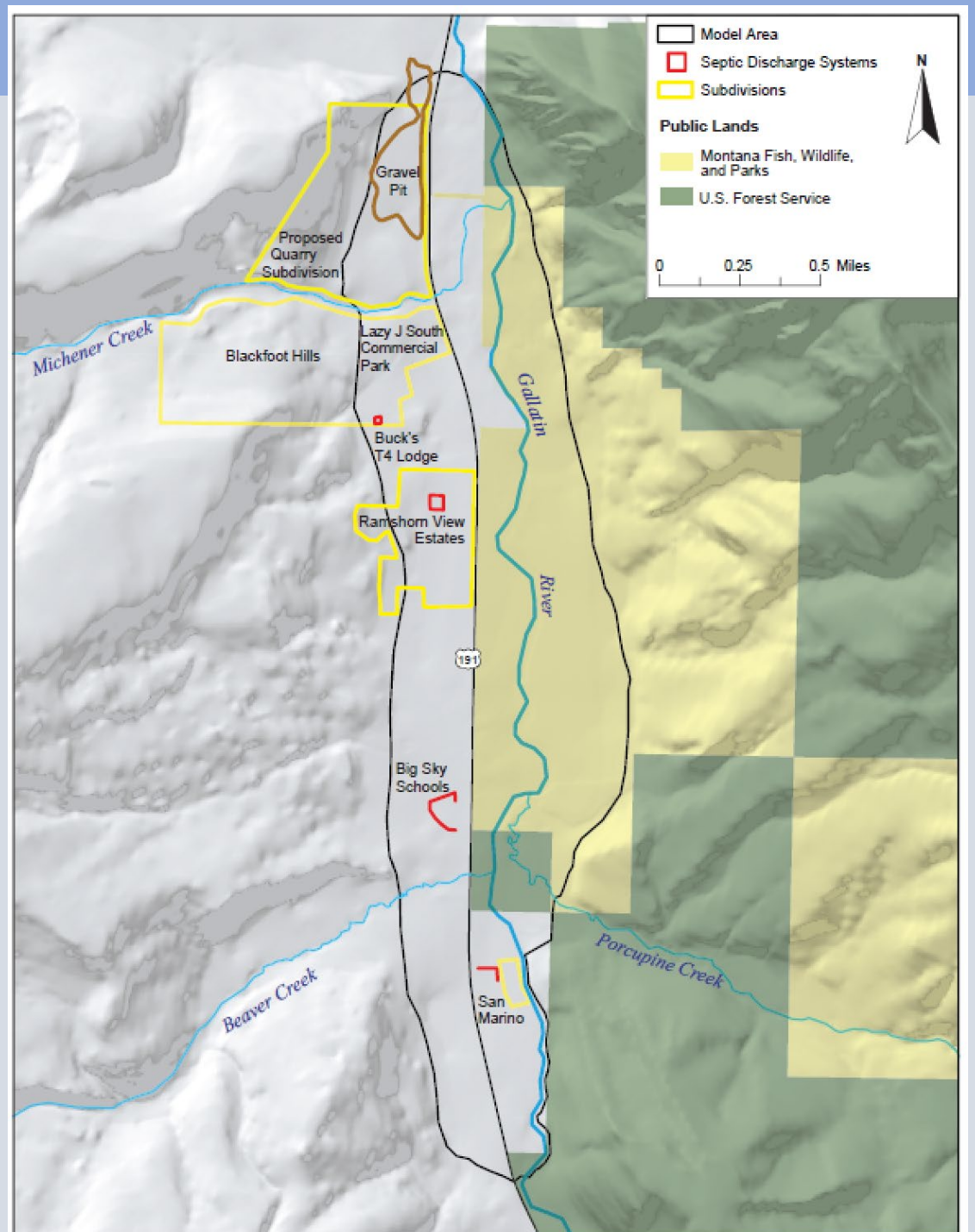
- MBMG OFR 771: *Groundwater Model of the Upper Gallatin Aquifer at Big Sky, Montana*
  - Presents the alluvial hydrogeologic framework
  - Detailed water budget analysis
  - Numerical model construction and calibration
  - Flow path analyses
  - Modeled scenarios of development and climate

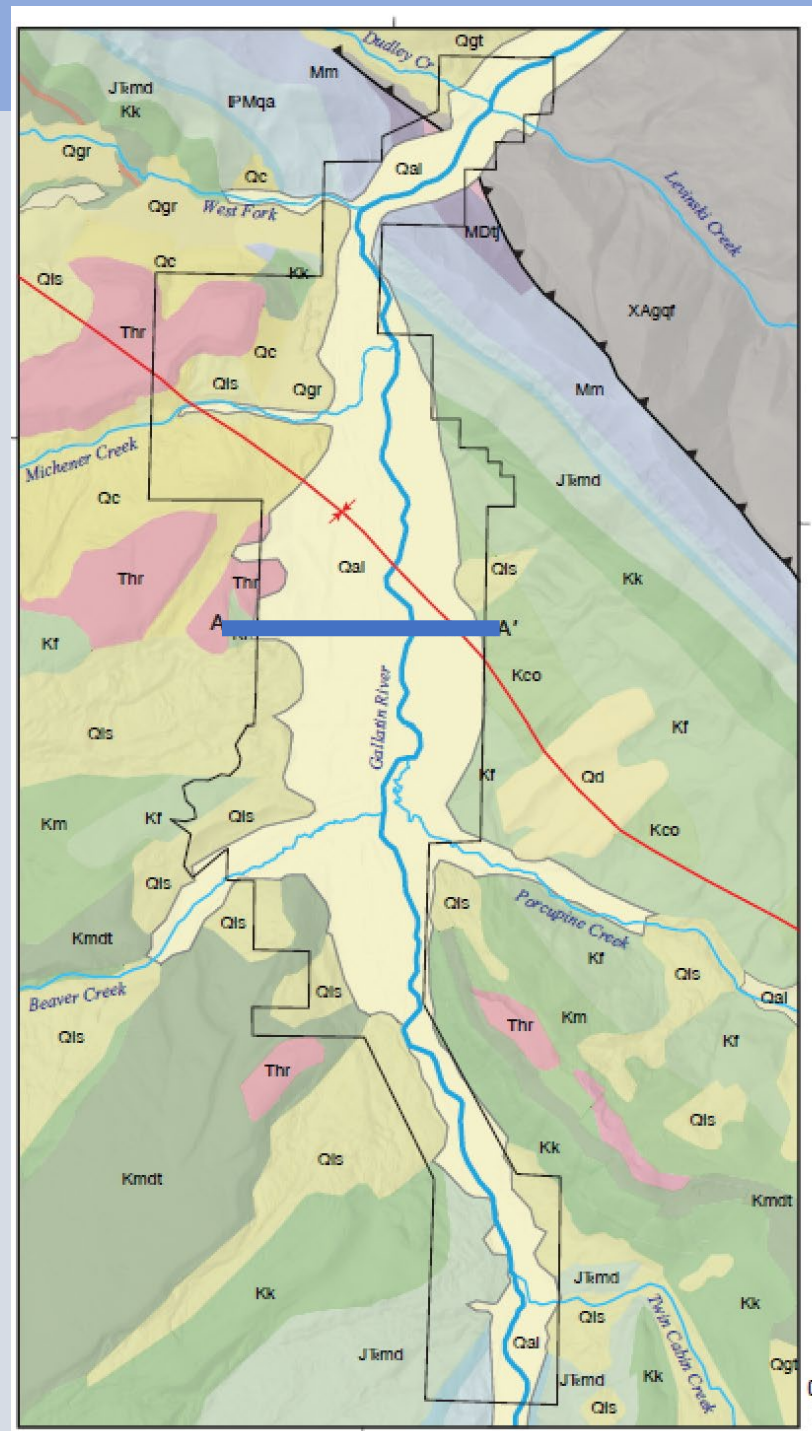
All files, including model files, are available online from the MBMG Publications Website: https://mbmg.mtech.edu

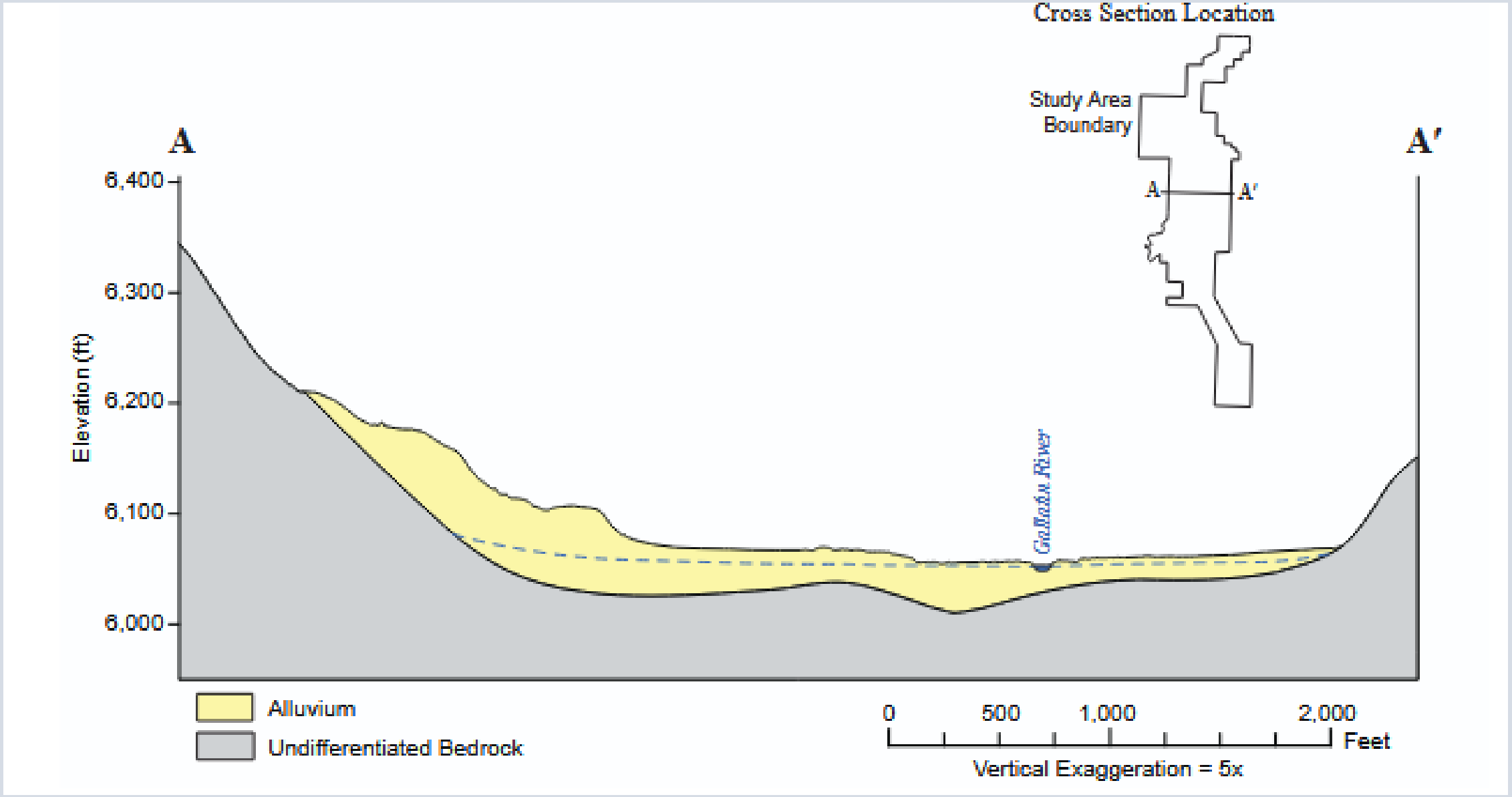


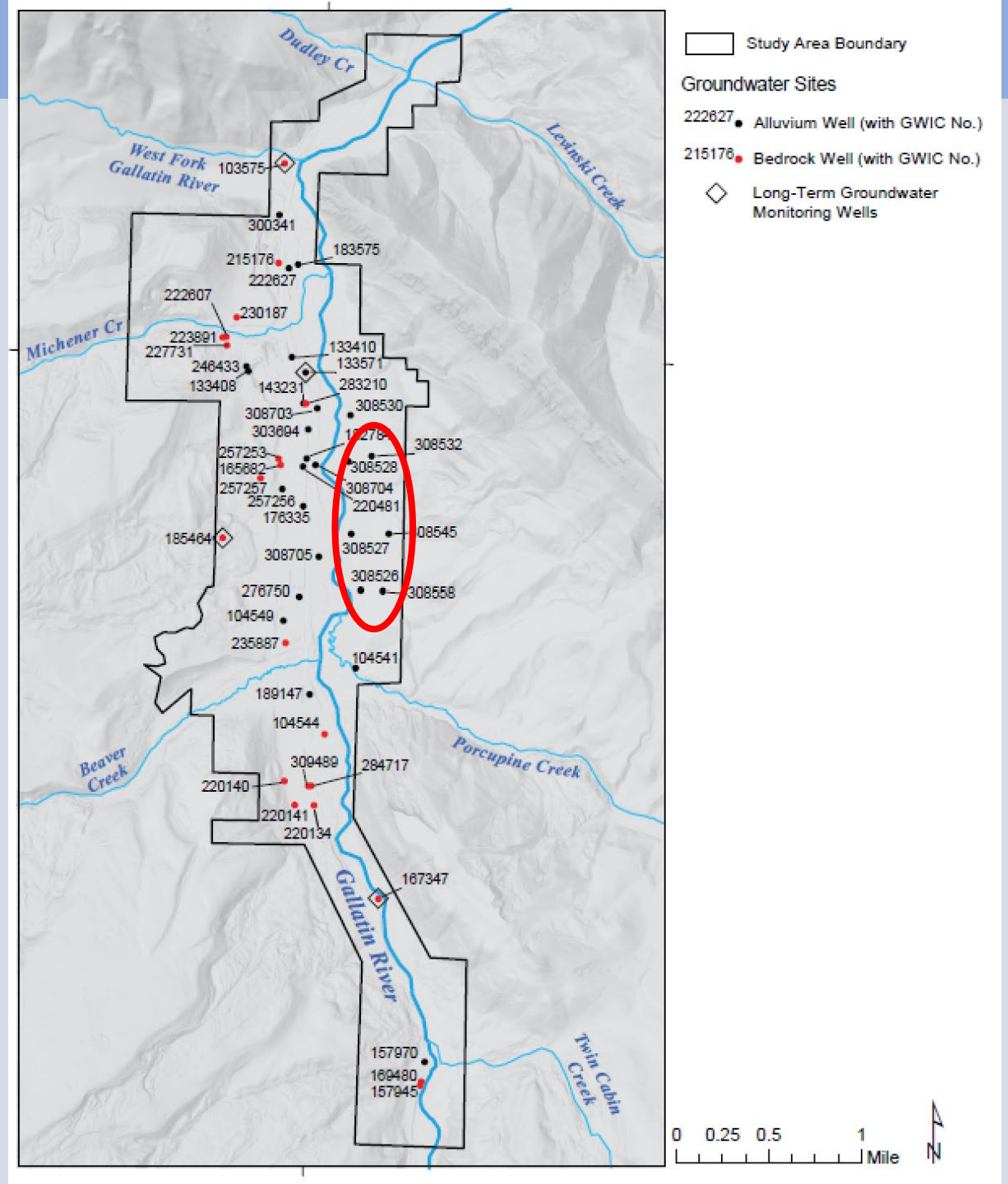
Study area vs. Model area




Model Area
Septic Discharge Systems
Subdivisions
Public Lands
Montana Fish, Wildlife, and Parks
U.S. Forest Service
N
0 0.25 0.5 Miles
Gravel Pit
Proposed Quarry Subdivision
Michener Creek
Blackfoot Hills
Lazy J South Commercial Park
Buck's T4 Lodge
Ramshorn View Estates
Gallatin River
191
Big Sky Schools
San Marino
Beaver Creek
Porcupine Creek


Dudley Cr
Qgt
Mm
JTkmd
Kk
PMqa
Qgr
Qc
Qal
West Fork
Lewski Creek
MDtj
Qls
Thr
XAgqf
Michener Creek
A
A'
Kf
Kco
Gallatin River
Km
Kmdt
Porcupine Creek
Beaver Creek
Twin Cabin Creek
Study Area Boundary
Spanish Peaks Fault
Big Sky Syncline (partially concealed)
Geology
Quaternary
Qal Alluvium
Qc Colluvium
Qd Diamicton
Qgr Gravel
Qls Landslide Deposit
Tertiary
Thr Huckleberry Ridge Tuff
Cretaceous–Cambrian
Kco Cody Formation
Kf Frontier Formation
Km Mowry Shale
Kmdt Muddy and Thermopolis Formations
Kk Kootenai Formation
JTkmd Ellis Group, Morrison and Dinwoody Formations
Psh Shedhorn Formation
PMqa Quadrant and Amsden Formations
Mm Madison Group
MDtj Three Forks and Jefferson Formations
Precambrian
XAgqf Gneiss, Quartz–Feldspar
0 0.25 0.5 1 Miles
N


Cross Section Location
Study Area Boundary
A
A′
A
A′
6,400
6,300
6,200
6,100
6,000
Elevation (ft)
Gallatin River
Alluvium
Undifferentiated Bedrock
0
500
1,000
2,000
Feet
Vertical Exaggeration = 5x



Study Area Boundary

Groundwater Sites

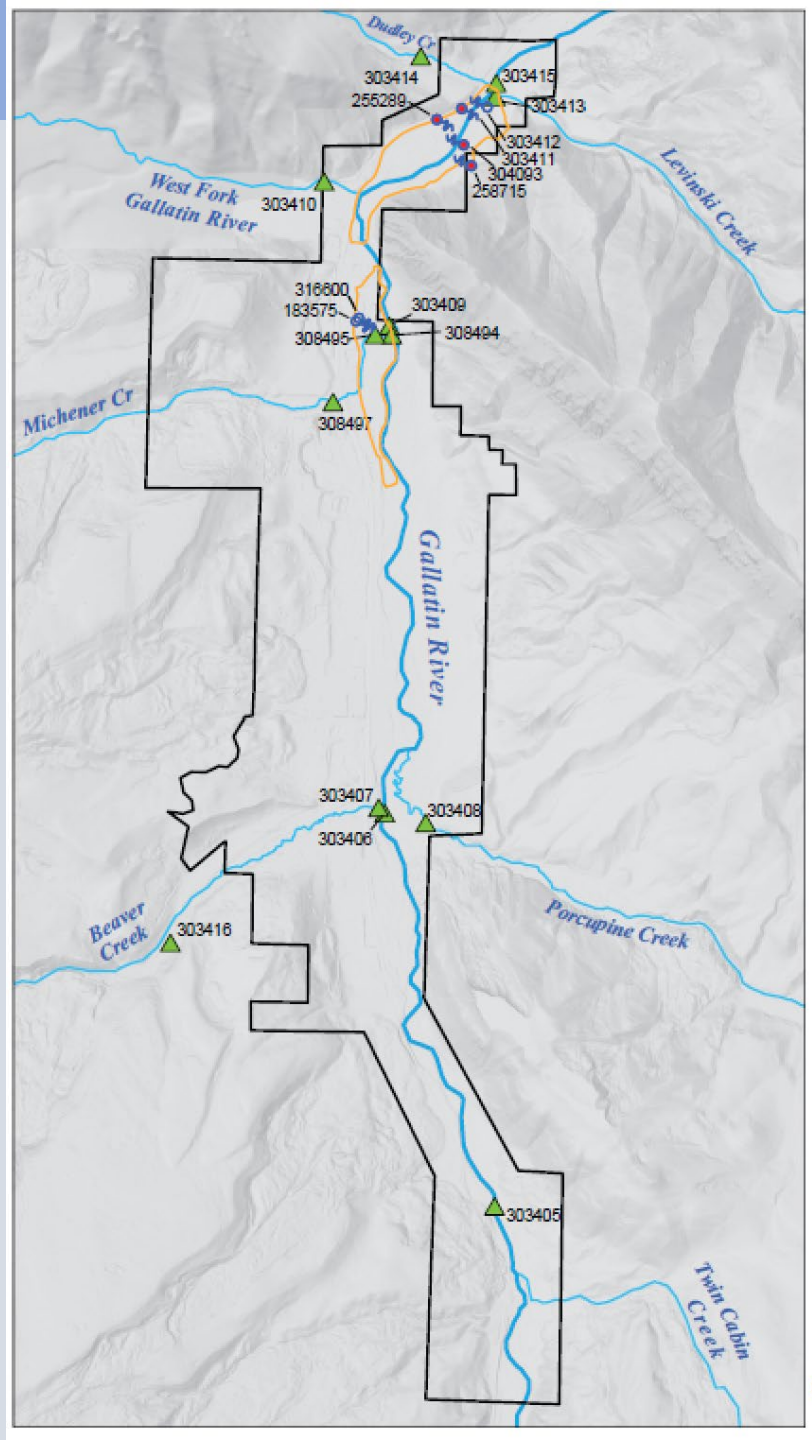
222627 Alluvium Well (with GWIC No.)

215176 Bedrock Well (with GWIC No.)

Long-Term Groundwater Monitoring Wells

0 0.25 0.5 1 Mile

N



Study Area Boundary

303415 Surface-Water Site (with GWIC No.)

Long-Term Spring Site

Spring Site

Spring Area

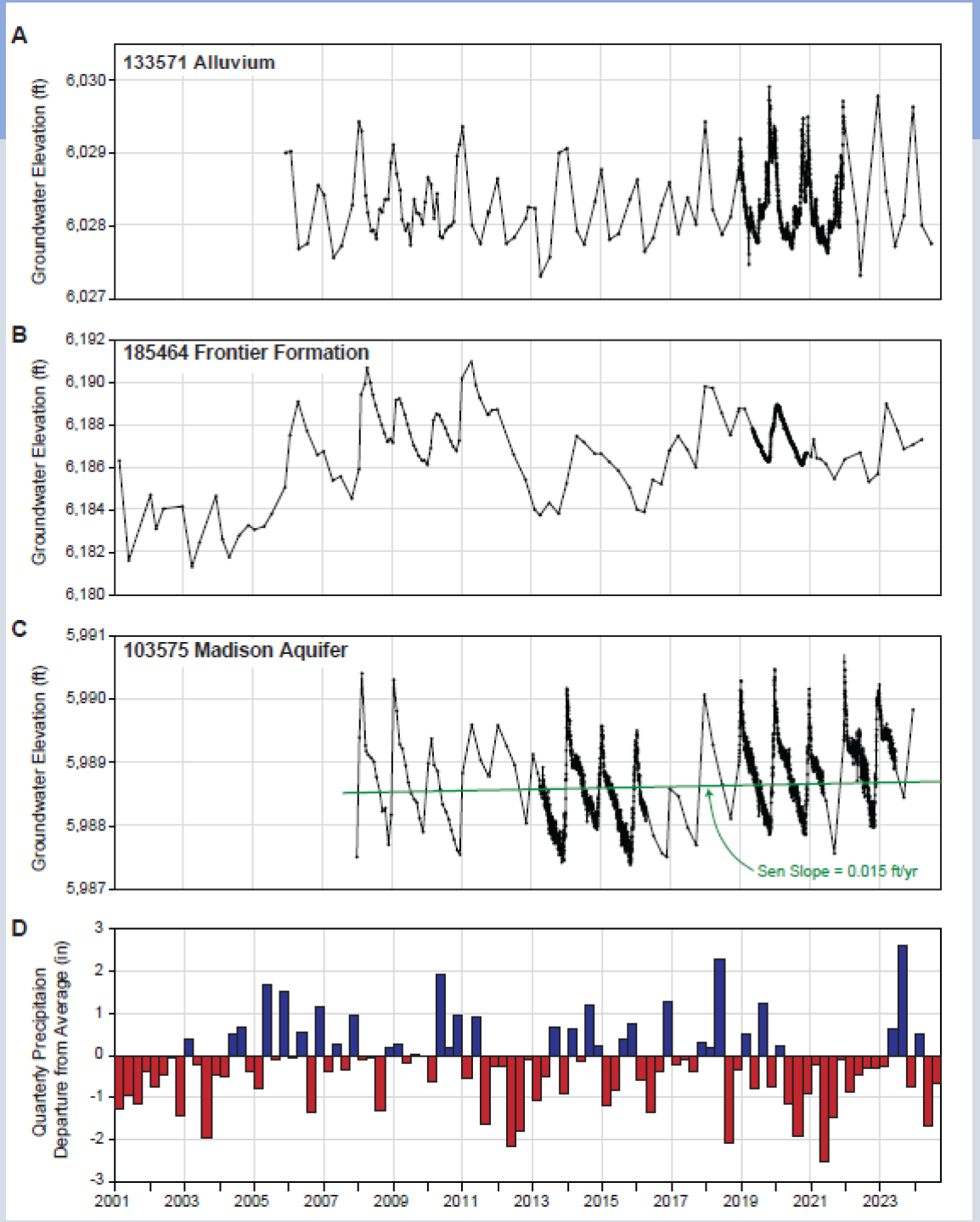
0 0.25 0.5 1 Miles

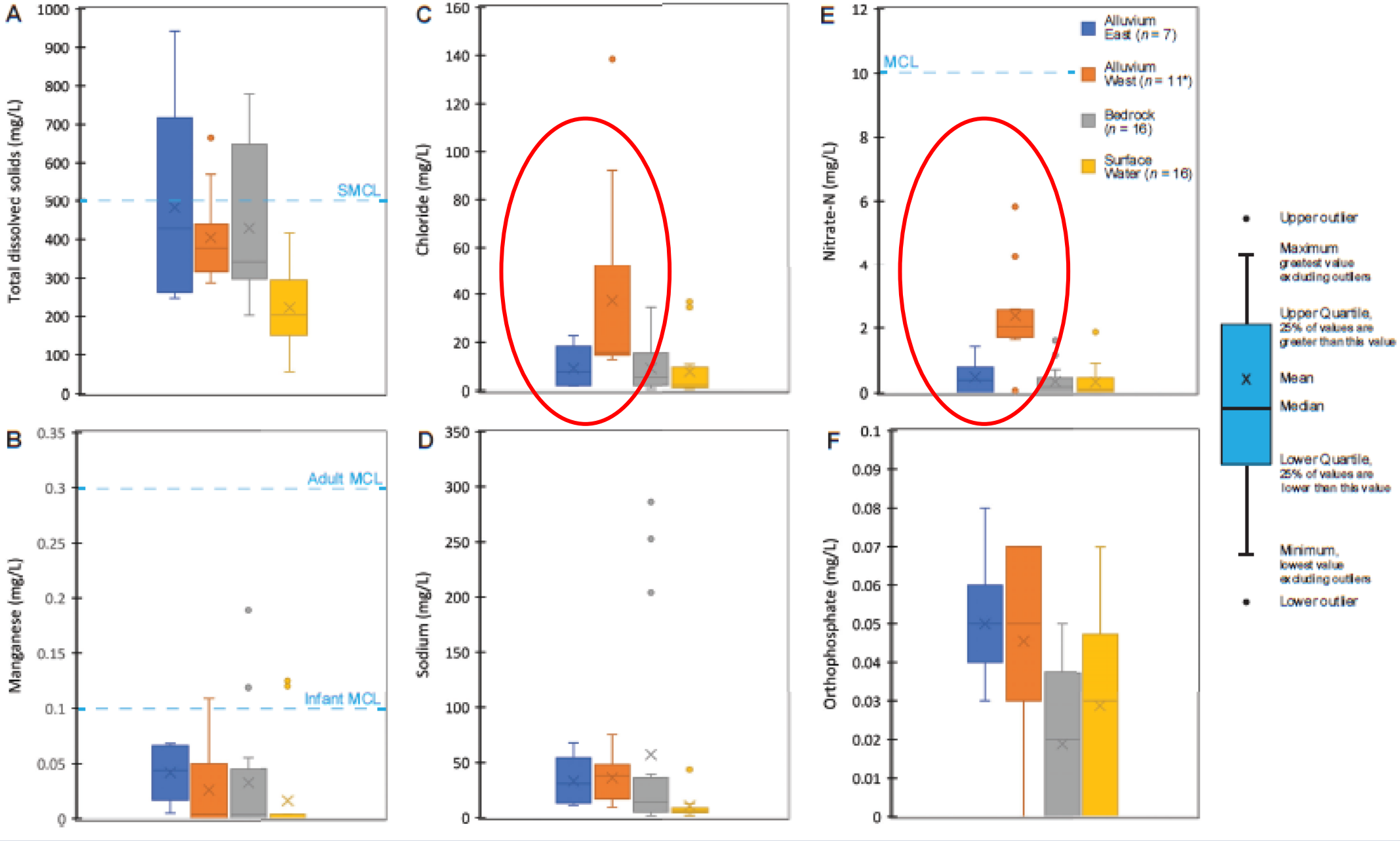
N

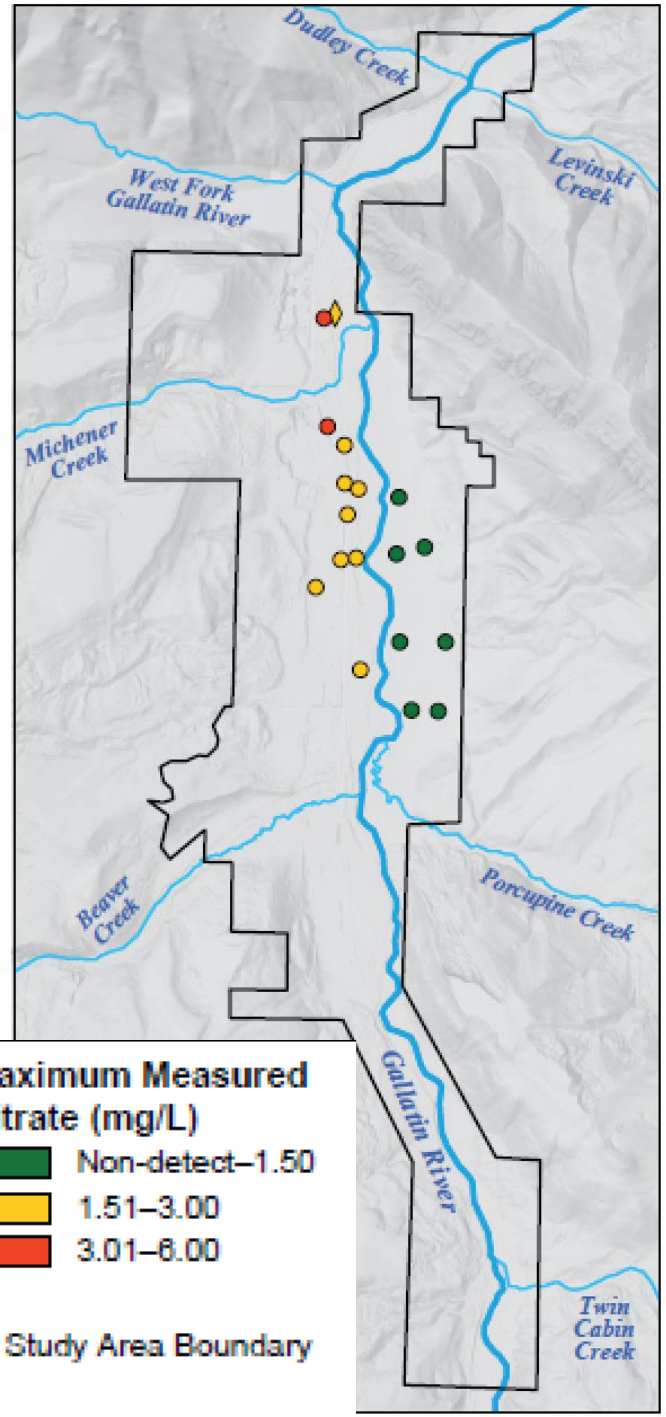
Annual recharge from snow melt

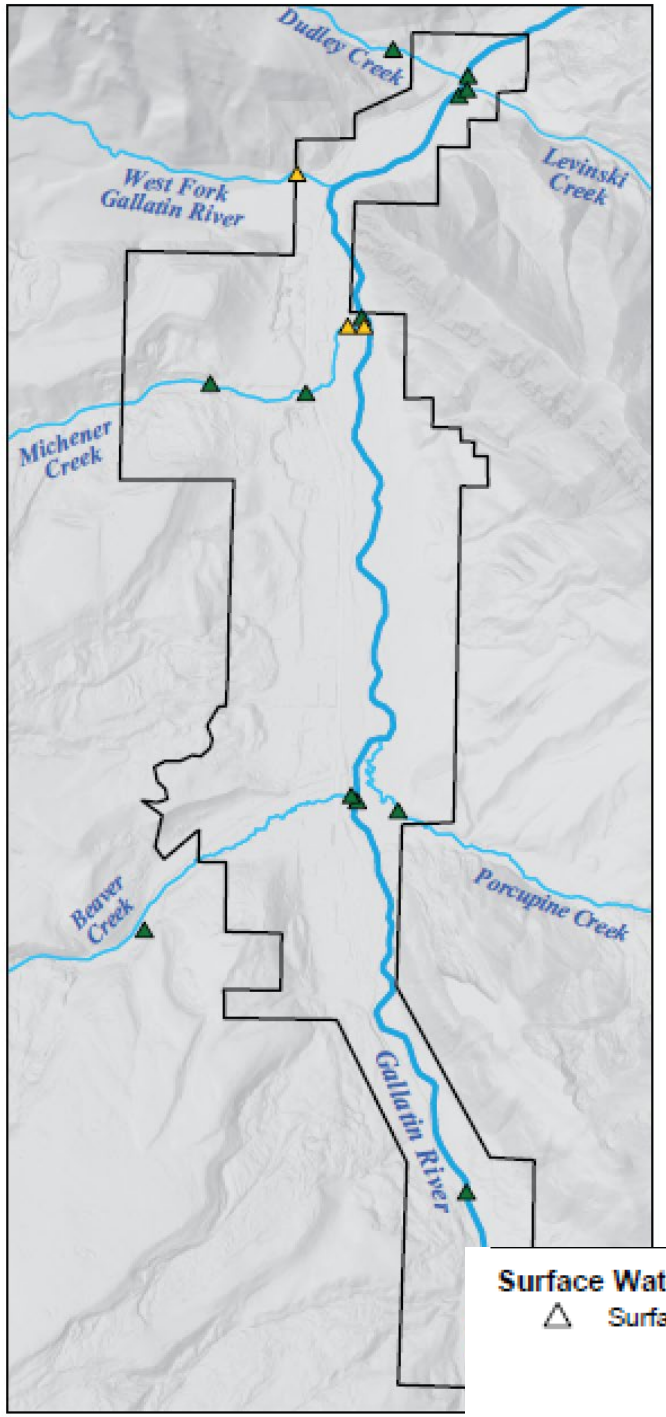
Long-term climate influences

Annual recharge from snow melt




A
Total dissolvec solids (mg/L)
SMCL
B
Manganese (mg/L)
Adult MCL
Infant MCL
C
Chloride (mg/L)
D
Sodium (mg/L)
E
Nitrate-N (mg/L)
MCL
Alluvium East (n = 7)
Alluvium West (n = 11*)
Bedrock (n = 16)
Surface Water (n = 16)
F
Orthophosphate (mg/L)
Upper outlier
Maximum greatest value excluding outliers
Upper Quartile, 25% of values are greater than this value
Mean
Median
Lower Quartile, 25% of values are lower than this value
Minimum, lowest value excluding outliers
Lower outlier





Groundwater Site Type

- Alluvial Groundwater
- Springs

Maximum Measured Nitrate (mg/L)

- Non-detect–1.50
- 1.51–3.00
- 3.01–6.00

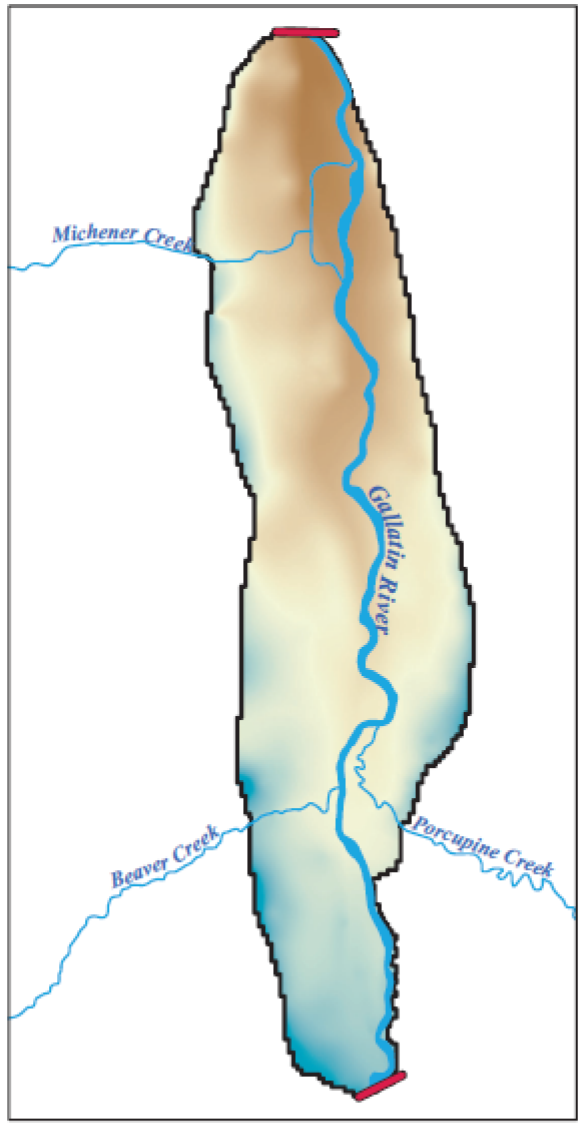
Study Area Boundary

Surface Water Site

- Surface Water

Maximum Measured Nitrate (mg/L)

- Non-detect–0.20
- 0.21–2.00



Interpolated Bedrock Surface Elevation (ft amsl)

6,175

5,950

Streams

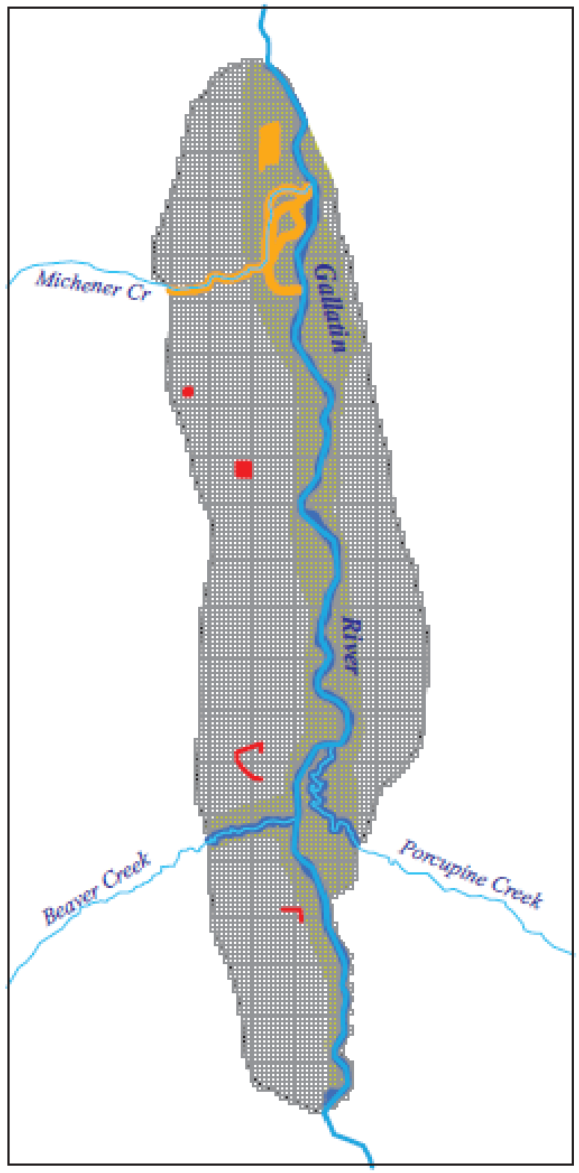
Groundwater Flow Model Domain

Cross-Section Line Locations

0 0.25 0.5 1

Miles

N



MODFLOW Model Boundary Condition Packages

Model Area (R; RCH package)

Riparian Zones (ET; ET package)

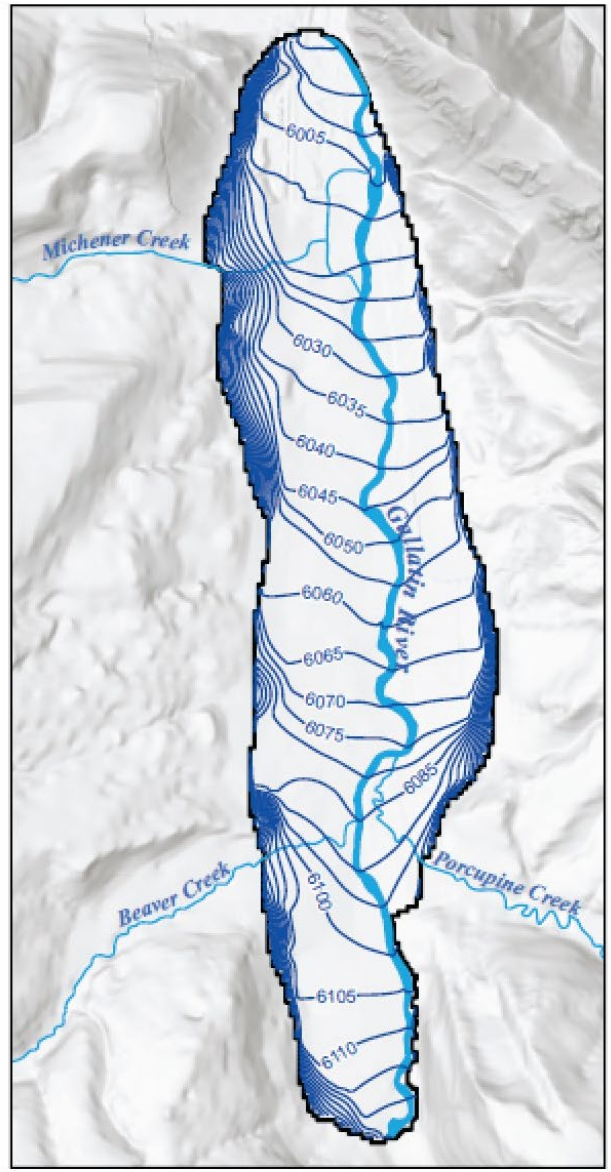
Rivers (SW_{in}/SW_{out}; RIV package)

Springs (SPR; DRN package)

Septic Discharge (Q_{se}; WEL package)

0 0.25 0.5 Miles

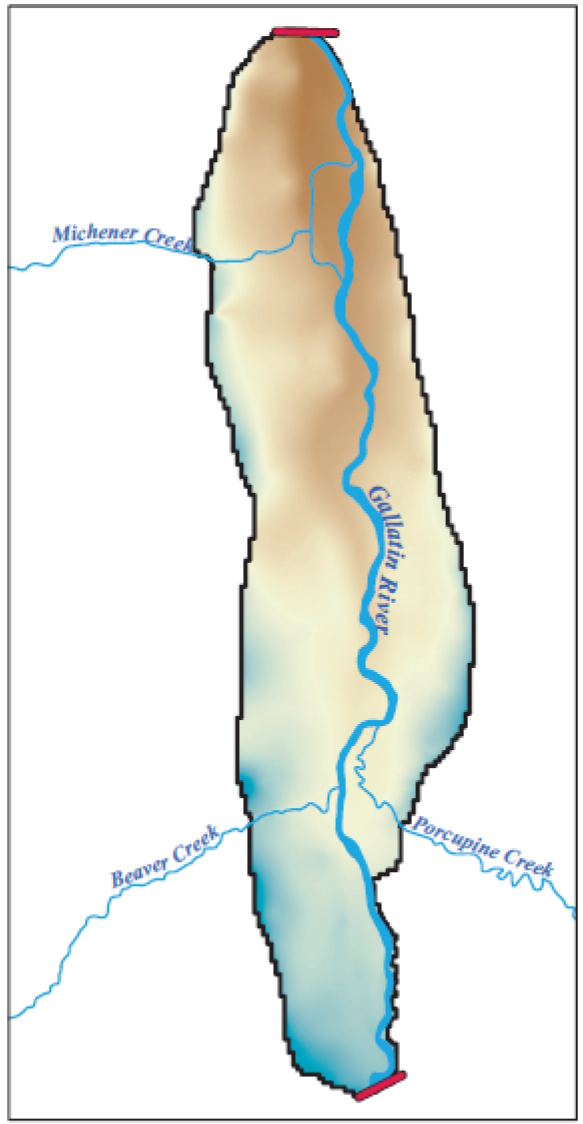
N



Simulated Groundwater-Level Contours (ft amsl)

Groundwater Flow Model Domain

Streams



Interpolated Bedrock Surface Elevation (ft amsl)

6,175

5,950

Streams

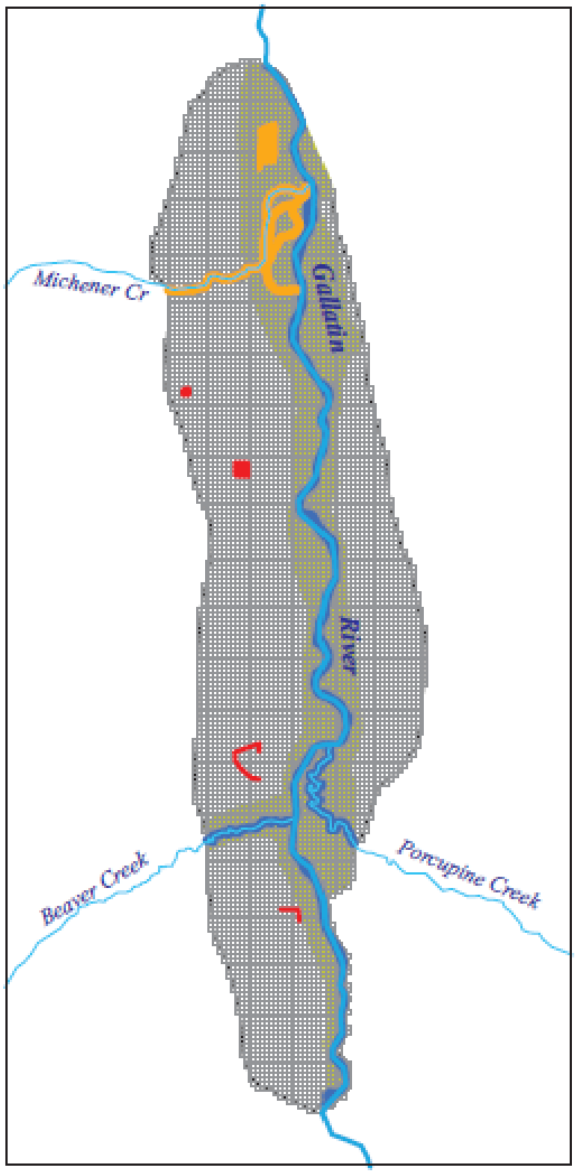
Groundwater Flow Model Domain

Cross-Section Line Locations

0 0.25 0.5 1

Miles

N



MODFLOW Model Boundary Condition Packages

Model Area (R; RCH package)

Riparian Zones (ET; ET package)

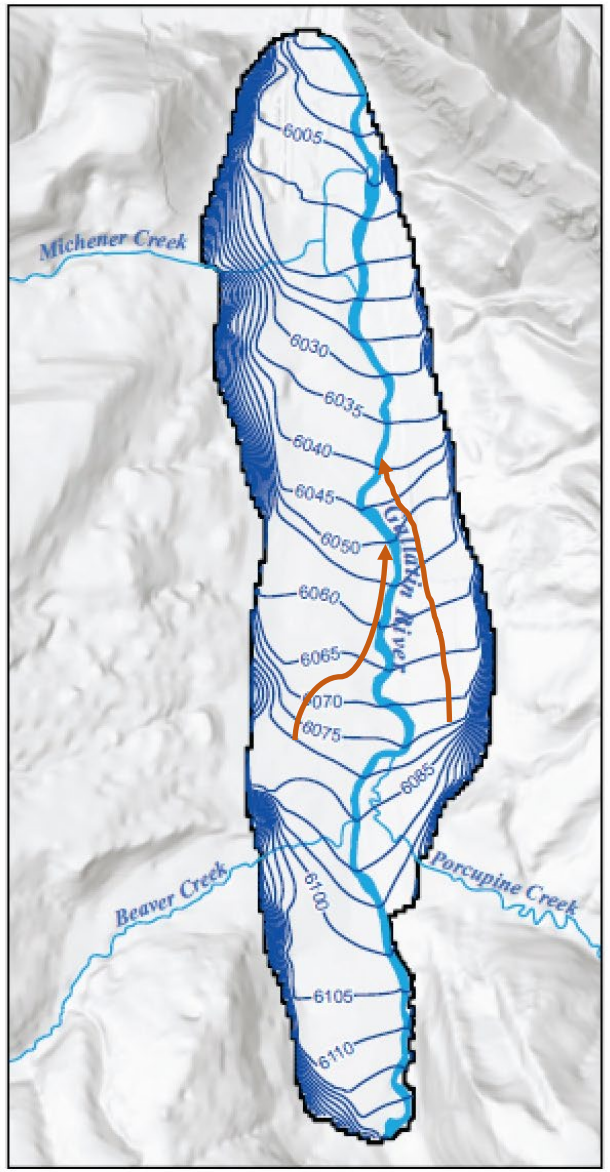
Rivers (SW_{in}/SW_{out}; RIV package)

Springs (SPR; DRN package)

Septic Discharge (Q_{se}; WEL package)

0 0.25 0.5 Miles

N

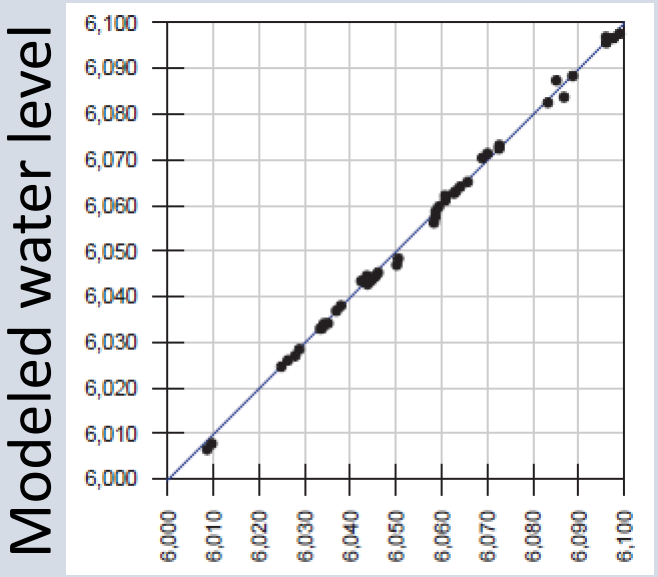


Simulated Groundwater-Level Contours (ft amsl)

Groundwater Flow Model Domain

Streams

Calibration

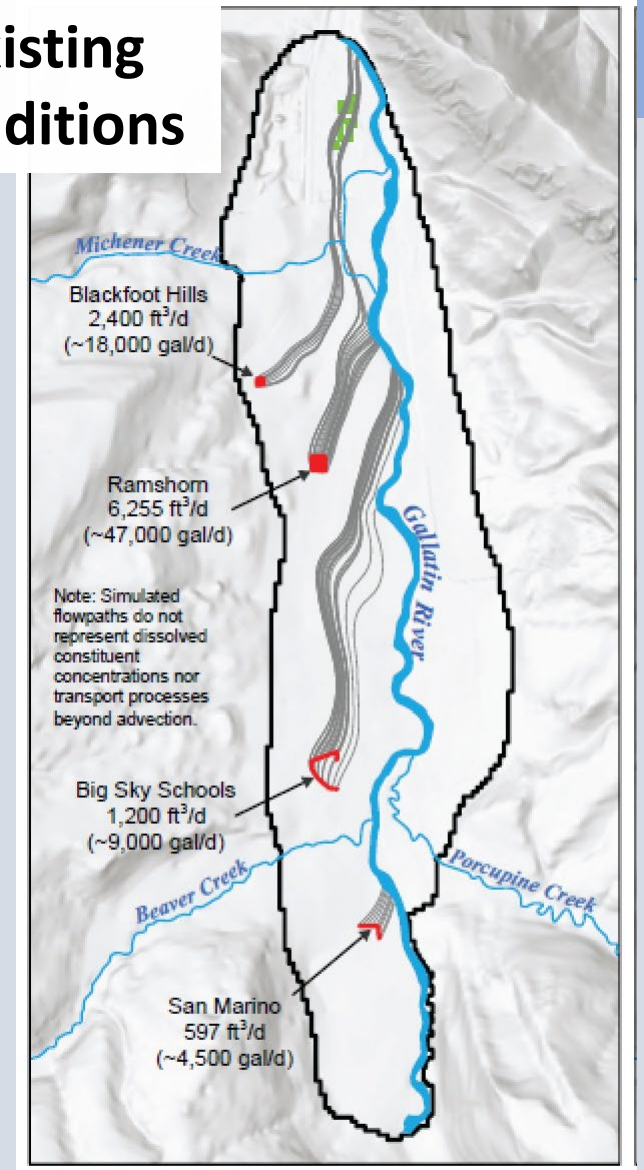


Simulated streamflow gain of 15.8 cfs vs. estimated 18.6 cfs (± 8.8 cfs)

Modeled Water Budget

Groundwater Inflow	Modeled flow (cfs)
Mountain block recharge	17.3
Valley recharge	0.0
Septic effluent	0.1
Inflow from upstream alluvium	0.1
Groundwater Outflow	**Modeled flow (cfs)**
To surface water	17.2
Pumping Wells	0.0
Evapotranspiration	0.1
Springs	0.0
Outflow to downstream alluvium	0.2

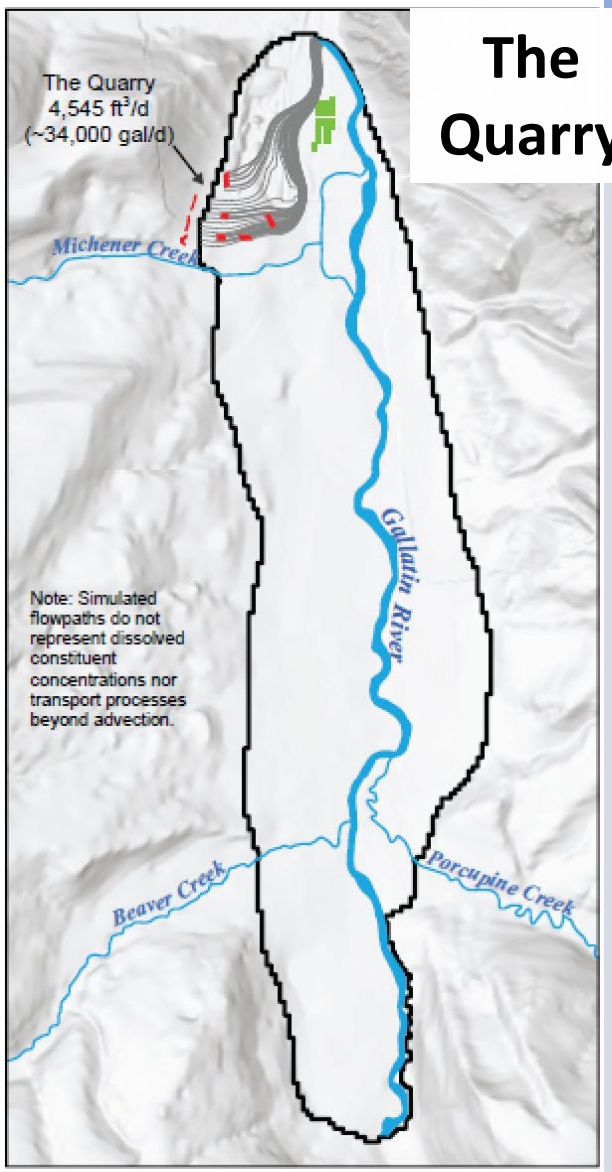
Existing Conditions



A. Low-flow conditions

Streams
Spring Ponds
Locations of Existing Community Septic Systems
Simulated Flowpaths
Groundwater Flow Model Domain

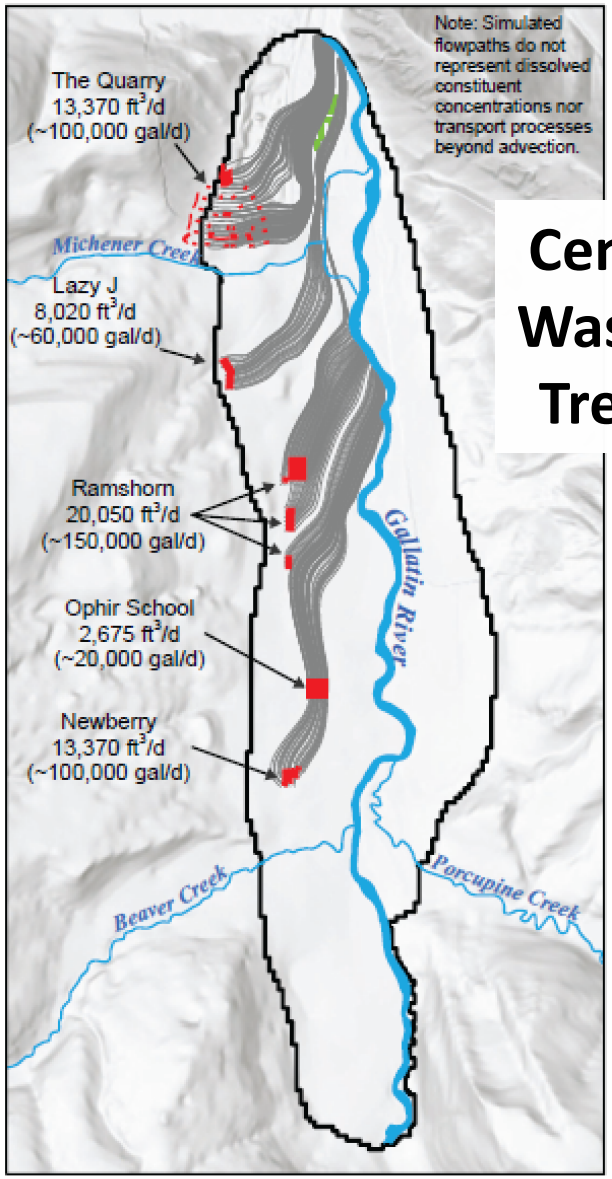
The Quarry



A. Low-flow conditions

Streams
Spring Ponds
Location of the Proposed Quarry Development Septic Effluent Discharge
Simulated Flowpaths
Groundwater Flow Model Domain

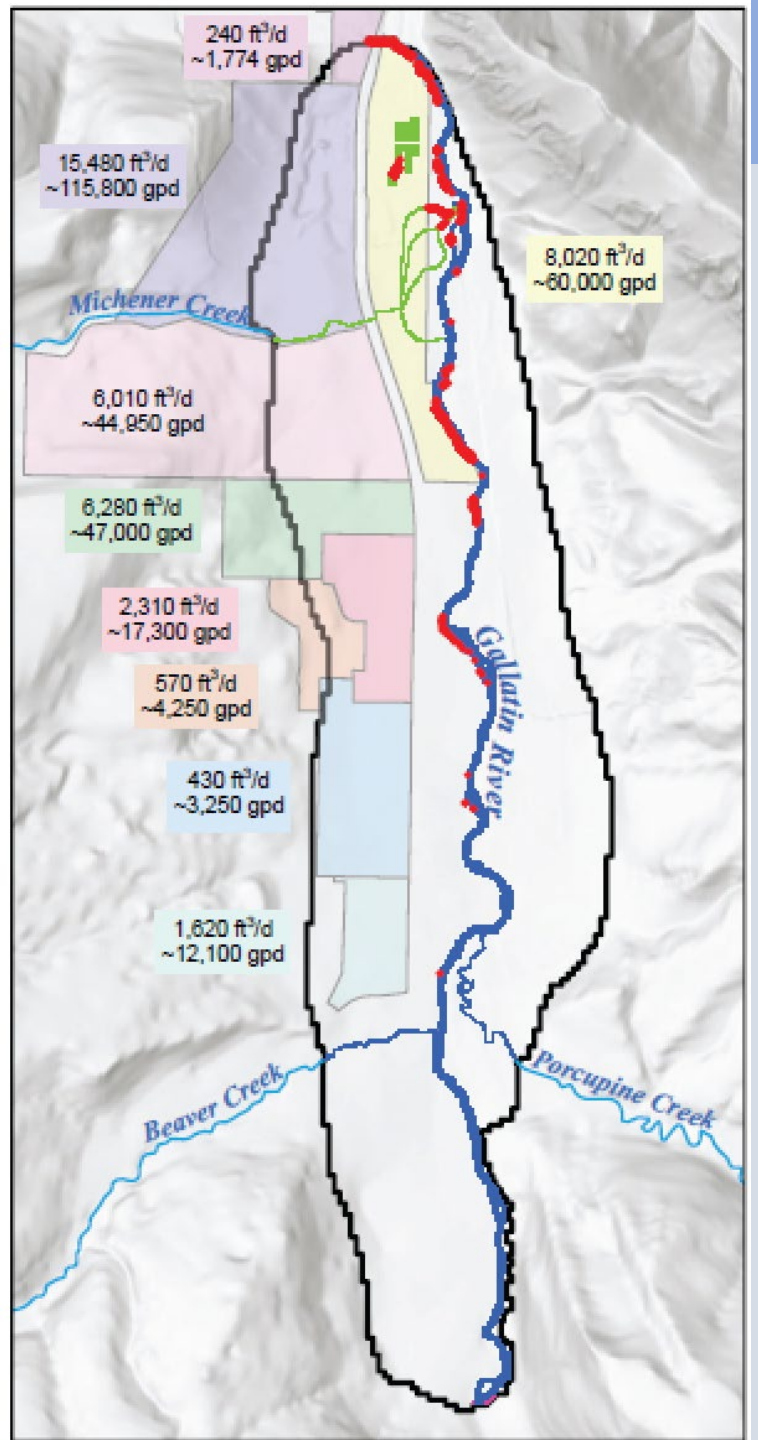
Centralized Wastewater Treatment



A. Low-flow conditions

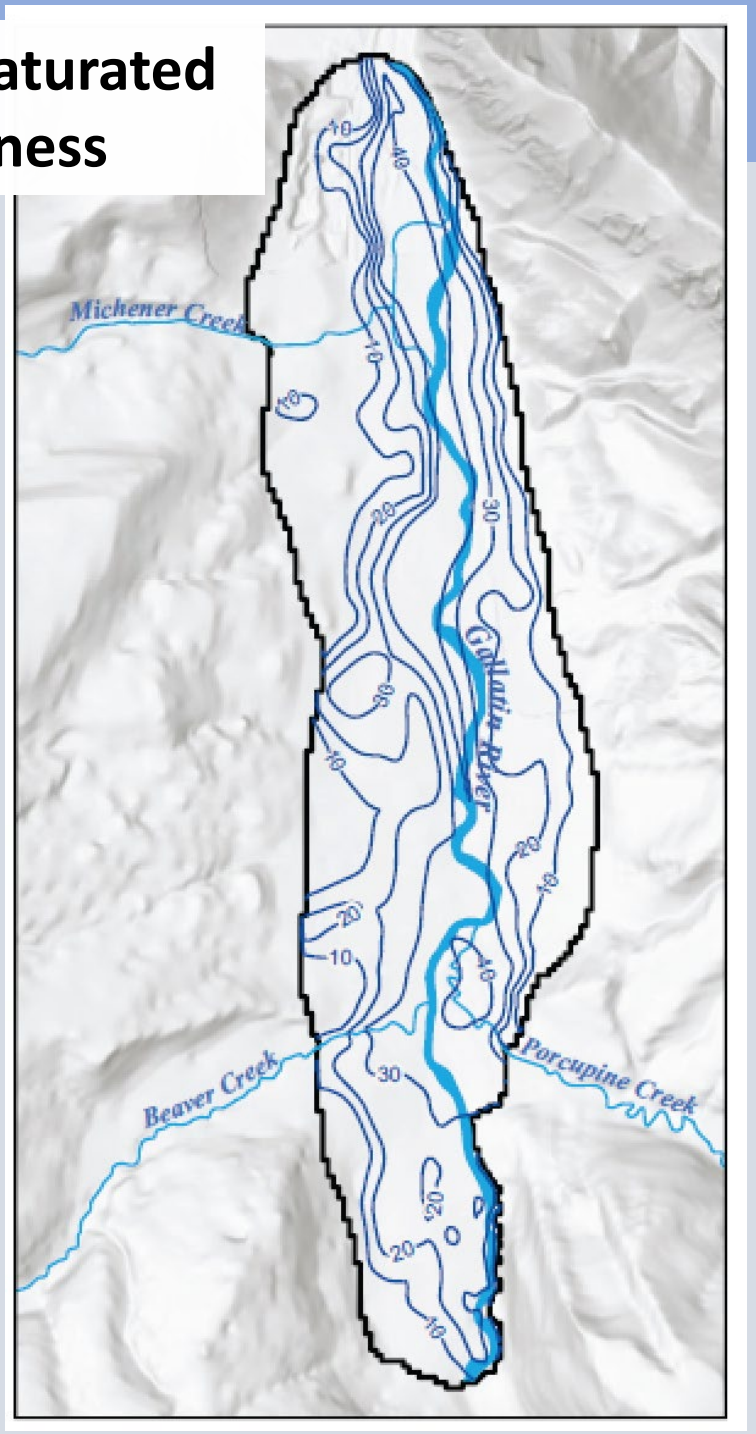
Streams
Spring Ponds
Potential Areas of Treated Water Discharge from a Centralized System
Simulated Flowpaths
Groundwater Flow Model Domain

Broad Development with On-Site Septic

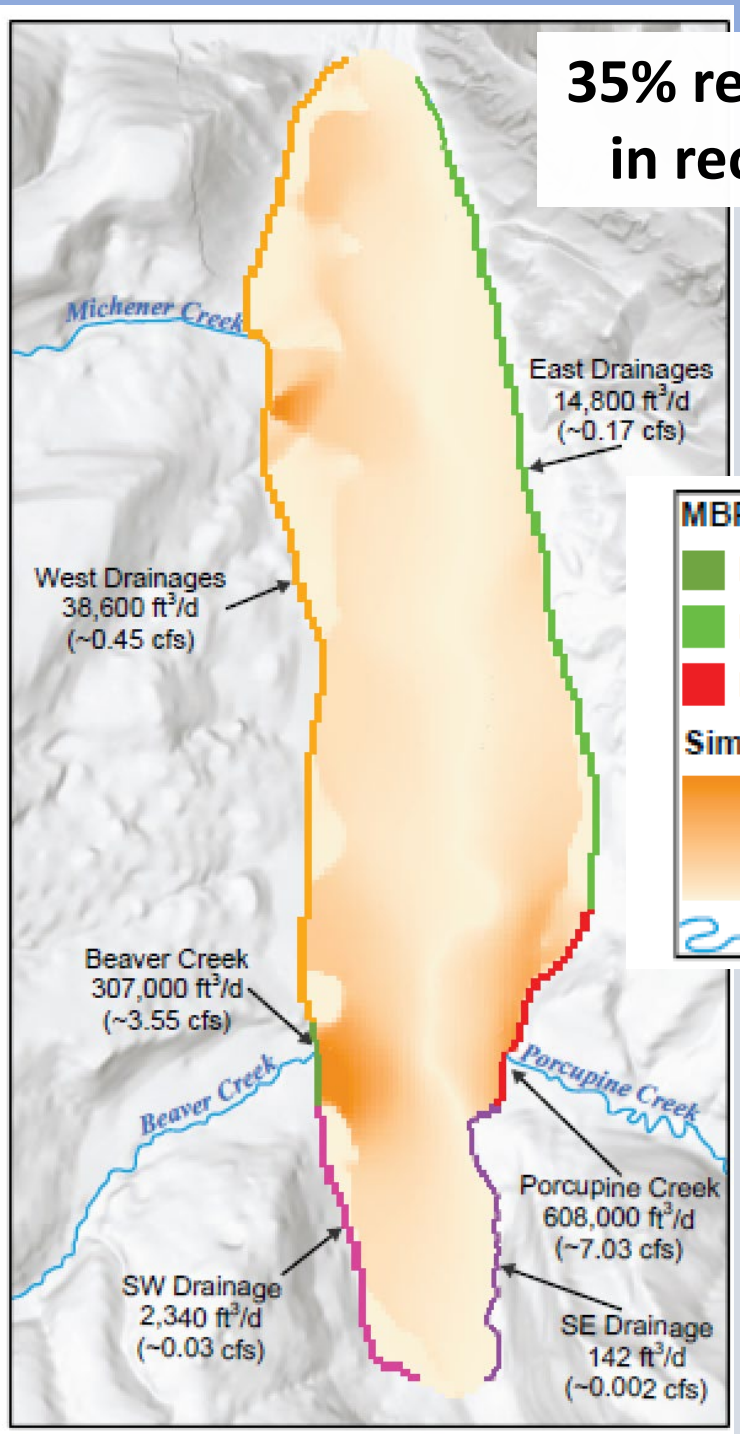


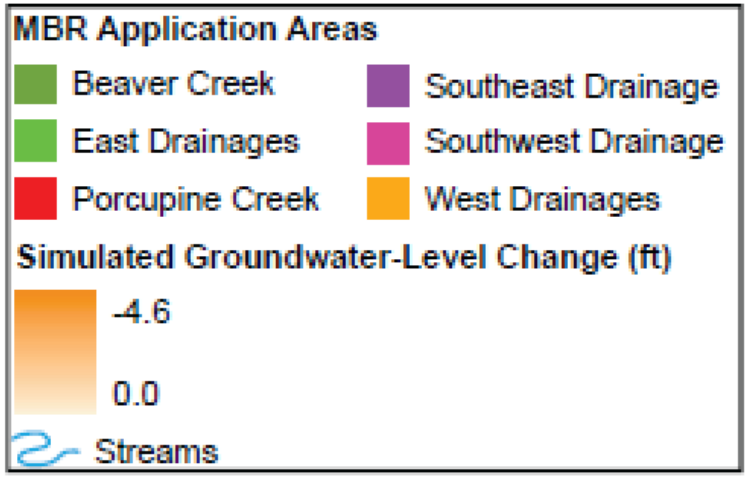
- Simulated Flow Path Discharge Locations
- Rivers and Streams (Sw_{in}/Sw_{out}; RIV Package)
- Michener Creek and Spring Ponds (SPR; DRN Package)
- Alluvial Flow (Gw_{in}/Gw_{out}; GHB Package)
- Potential Areas for Additional Septic System Installation
- Groundwater Flow Model Domain

Alluvial saturated thickness



35% reduction in recharge





Thank you!



MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) into on this___ day of _____, 2025, by and between the Big Sky County Water and Sewer District of Big Sky No 363, Montana ("Big Sky), and the Gallatin Canyon Water and Sewer District of Big Sky, Montana ("Canyon").

WHEREAS, Canyon is currently designing a centralized sewer system ("Canyon Project") to serve the Canyon area to improve water quality by removing existing septic systems and providing sewer service for new developments;

WHEREAS, Canyon has partnered with Big Sky and BSRAD to form an informal three-party collaborative project that is committed to the implementation of the sewer improvements in the Gallatin Canyon area of Big Sky;

WHEREAS, the three entities are fully committed to seek and secure the funding, design and construction of the Canyon Project; and

WHEREAS, an Interlocal Agreement between Big Sky and Canyon will formalize the funding, design and construction of the Canyon Project and will provide stability for funders, including grant and loan agencies.

NOW THEREFORE, it is understood and agreed that Big Sky and Canyon are fully committed to pursuing the funding, as well as design and construction of the Canyon Project.

BIG SKY COUNTY WATER AND SEWER

By_____
Its Board Chair

Attested by:

_____
District Secretary

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT

By _____
Its Board Chair

Attested by:

_____
District Secretary

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RENEWABLE RESOURCE PROJECT GRANT - GRANT AGREEMENT
CONSERVATION AND RESOURCE DEVELOPMENT DIVISION
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Recipient: Gallatin Canyon County Water and Sewer District

Project Title: Gallatin Canyon County Water Sewer District Sewer System Development, Phase 1.2

Grant Number: RRG-24-1889 Submission ID 25322282

Declarations

In Process

- Section 1. Purpose
- Section 2. Term
- Section 3. DNRC's Role
- Section 4. Project Scope
- Section 5. Project Budget
- Section 6. Availability of Funds
- Section 7. Disbursements
- Section 8. Reports
- Section 9. Records and Audits
- Section 10. Project Monitoring and Access for Inspection and Monitoring
- Section 11. Employment Status and Workers' Compensation
- Section 12. Equal Employment
- Section 13. Indemnity and Liability
- Section 14. Compliance with Applicable Laws
- Section 15. Copyright - Government Right to Use
- Section 16. Acknowledgement of Support
- Section 17. Failure to Comply
- Section 18. Assignment and Amendment
- Section 19. Montana Law and Venue
- Section 20. Waiver
- Section 21. Entire Agreement
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Reporting Requirements

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FOR DNRC USE ONLY

Maximum Amount under this Grant: **$125,000.00**

Source of Funds

Fund Name	Fund No.
Natural Resources Projects Fund	02577

Subclass	Org. No.	Amount
540I6	3424131	$125,000.00

Appropriation Authority: **68th Legislature/2023 HB6**

Approved

No. **RRG-24-1889**
Division **AM**
Legal
BB

GRANT AGREEMENT BETWEEN THE MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION AND Gallatin Canyon County Water and Sewer District

THIS GRANT, administered by the Montana Department of Natural Resources and Conservation (DNRC), is consistent with the policies, procedures and objectives of the Montana Renewable Resource Grant and Loan Program (Program) (85-1-6, MCA) for the enhancement of Montana's renewable resources. This grant is accepted by **Gallatin Canyon County Water and Sewer District,** hereinafter referred to as the Recipient and represented by Scott Altman, Board President (Authorized Recipient) and successors, PO Box 161030, Big Sky, MT, 59716, Orock9530@me.com, 407-468-3215**.** Both parties agree to the following terms and conditions:

SECTION 1. PURPOSE. The purpose of this Grant Agreement (Agreement) is to establish mutually agreeable terms and conditions, specifications, and requirements to grant funds to the Recipient for Gallatin Canyon County Water Sewer District Sewer System Development, Phase 1.2.

SECTION 2. TERM. The effective date of this Agreement is the date of last signing. The Recipient shall have until December 31, 2026 to complete the project and work described in SECTION 4. PROJECT SCOPE. DNRC may grant an extension for completion upon request and showing of good cause by the Recipient. A request for extension must be submitted at least 45 days prior to the termination date of this Agreement. This agreement remains in effect until all reporting requirements as described in SECTION 8. REPORTS have been received by DNRC.

SECTION 3. DNRC's ROLE. DNRC is administering funds awarded by the Legislature to ensure that the funds are used according to the intent of the Legislature and the purposes, objectives, and procedures of the Program. DNRC will monitor project expenditures to assure payment eligibility. DNRC assumes no responsibility for the Recipient's obligation to faithfully perform the tasks and activities necessary to implement and complete a project. The DNRC liaison for this Agreement is Melissa Downing at 406-444-0697, Melissa.Downing@mt.gov DNRC/CARDD, PO BOX 201601, Helena, MT 59620-1601. All requests for information and assistance, claims for grant funds, and reports shall be submitted to the DNRC liaison.

SECTION 4. PROJECT SCOPE. The scope of work for this project is described in Attachment A and incorporated herein by this reference**.** Supporting documents and attachments from the **Renewable Resource Grant and Loan** Program Application dated May, 2022 are also incorporated herein by this reference. In the event content in the application differs from or conflicts with terms presented elsewhere in this Agreement, this Agreement text takes precedence.

4.1 N/A

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4.2 N/A

SECTION 5. PROJECT BUDGET. A project budget showing anticipated expenditures is provided in Attachment B and incorporated herein by this reference. All transfers of funds between budget categories require written notification and approval from the DNRC liaison. A transfer of funds between budget categories exceeding 10% of the total grant will require an amendment of the agreement. Requests to modify the approved budget must be submitted in writing to the DNRC liaison for approval and must be made in advance of reimbursement requests.

SECTION 6. AVAILABILITY OF FUNDS. Funds will be released to the extent they are available. Costs incurred prior to the effective date of this Agreement are not eligible for reimbursement. Grant funds are not available for work performed after the termination date in SECTION 2. TERM.

6.1 N/A

6.2 The Recipient acknowledges and understands that grant funds become available through certain State of Montana revenue earnings. The DNRC must by law terminate this Agreement if funds are not appropriated or otherwise made available to support the DNRC's continuation of performance of this Agreement in a subsequent fiscal period (§18-4-313(4), MCA). If state or federal government funds are not appropriated or otherwise made available through the state budgeting process to support continued performance of this Agreement (whether at an initial payment level or any increases to that initial level) in subsequent fiscal periods, the DNRC shall terminate this Agreement as required by law. The DNRC shall provide the Recipient with the date the State's termination shall take effect. The DNRC shall not be liable to Recipient for any payment that would have been payable had the Agreement not been terminated under this provision. The DNRC shall be liable to the Recipient only for the payment, or prorated portion of that payment, owed to Recipient up to the date the DNRC's termination takes effect. This is the Recipient's sole remedy. The DNRC shall not be liable to the Recipient for any other payments or damages arising from termination under this section, including but not limited to general, special, or consequential damages such as lost profits or revenues.

SECTION 7. DISBURSEMENTS.
The Recipient must submit reimbursement claims for funds to DNRC. Funds can only be expended for work described in SECTION 4. SCOPE OF WORK. The Recipient shall submit a complete vendor invoice, signed by the Authorized Recipient, itemizing actual project expenses that can be documented with accounting records. To receive payment, the Recipient shall submit a project progress report described in SECTION 8. REPORTS, and supporting documentation: proof of payment, receipts, vendor invoices, inspection certificates, timesheets, in-kind labor, and other documentation of expenses incurred.

DNRC only reimburses direct costs associated with the project. Direct costs are those which can be identified specifically as costs of implementing the approved project such as staff time directly attributable to the project, contracted expenses, materials and supplies for the project. DNRC cannot reimburse indirect costs, those that are incurred by the recipient in support of general business operations, but which are not attributable to a specific funded project.

DNRC will verify the claims and check them against the reports required in SECTION 8. REPORTS and the budget provided in SECTION 5. PROJECT BUDGET. DNRC will disburse grant funds to the Recipient upon approval and to the extent available. Reimbursement of Recipient expenditures will only be made for expenses included in the budget provided in SECTION 5. PROJECT BUDGET, within the dates identified in SECTION 2. TERM, and that are clearly and accurately supported by the Recipient's reports to DNRC. Total payment for all purposes under this Agreement shall not exceed **$125,000.00**.

7.1 Reimbursement requests for work performed during the term of this Agreement must be submitted to the DNRC liaison within 90 calendar days after the expiration of this Agreement to receive payment.

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7.2 DNRC will withhold 10 percent of the total authorized grant amount until all the tasks outlined in SECTION 4. PROJECT SCOPE and the final report required by SECTION 8. REPORTS are completed and approved by DNRC.

SECTION 8. REPORTS. The Recipient is responsible for submitting progress reports, a final report, and a signed Certificate of Compliance to DNRC at project completion in accordance with all requirements stated in Attachment C. Pictures of the project site before, during, and after construction will be provided to the DNRC liaison with reports or upon request. Because images may be used for publicity as well as project documentation, the Recipient must acquire any release(s) necessary for the government's right to use as provided in SECTION 15. COPYRIGHT – GOVERNMENT RIGHT TO USE.

8.1 Quarterly progress reports for the periods ending each March, June, September, and December shall be submitted to the DNRC liaison during the term of this Agreement. The Recipient must submit a project progress report with each reimbursement request at a minimum on a quarterly basis. Reports must include the information included in Attachment C. Quarterly reports must be submitted to the DNRC liaison within 15 calendar days following the close of the quarterly period. No claims for disbursements will be honored if the quarterly report has not been approved or if there is a delinquent report.

8.2 The Recipient is required to submit a final report upon project completion. Reports must include the information included in Attachment C. Failure to provide the reports as required is cause for termination of this Agreement or withholding of future grant payments. Final disbursement of grant funds is contingent upon DNRC receipt and approval of a report that meets requirements described in Attachment C.

In Process

8.3 N/A

8.4 N/A

SECTION 9. RECORDS AND AUDITS. The Recipient will maintain appropriate and adequate records showing complete entries of all receipts, disbursements, and other transactions relating to the project for a period of eight years after project completion. The DNRC, the Legislative Audit Division, or the Legislative Fiscal Division may, at any reasonable time, audit all records, reports, and other documents that the Recipient maintains under or during this Agreement to ensure compliance with its terms and conditions**.**

The Recipient is financially responsible for any audit exception or other financial loss to the State of Montana which occurs due to the negligence, intentional acts, or failure by the Recipient and/or its agents, employees, subrecipient, or representative to comply with the terms of this Agreement.

SECTION 10. PROJECT MONITORING AND ACCESS FOR INSPECTION AND MONITORING. DNRC, or its agents, may monitor and inspect all phases and aspects of the Recipient's performance to determine compliance with this Agreement, including the adequacy of records and accounts. This grant is publicly funded and requires the Recipient to accommodate all requests for public access to the site and the project records with due consideration for safety, private property rights, and convenience for all parties.

SECTION 11. EMPLOYMENT STATUS AND WORKER'S COMPENSATION.
The project is for the benefit of the Recipient. DNRC is not an owner or general contractor for the project and DNRC does not control the work activities, worksite of the Recipient, or any contractors that might be engaged in the completion of the project.

The Recipient is independent from and is not an employee, officer, or agent of the State of Montana or DNRC. The Recipient, its employees, and contractors are not covered by the Workers' Compensation laws applicable to DNRC as an employer. The Recipient is responsible for providing employees Workers' Compensation Insurance and that its contractors are following the coverage provisions of the Workers' Compensation Act.

SECTION 12. EQUAL EMPLOYMENT. In accordance with §49-3-207, MCA, and Executive Order No. 04-2016, Recipient agrees that the hiring of persons to perform this Agreement will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical

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conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this Agreement.

SECTION 13. DEFENSE, INDEMNITY AND LIABILITY. Recipient shall protect, defend, indemnify, and save harmless the State of Montana, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, from and against all claims, liabilities, demands, causes of action, judgments, penalties, fines, and losses, including all costs of defense and reasonable attorney fees, arising in favor of or asserted by Recipient's employees and agents, its subrecipients, its subrecipient's employees and agents, or third parties on account of property damage, personal injury, bodily injury, death, violation of or non-compliance with any laws, regulations, or rules, or financial or other loss of any kind that in any way, directly or indirectly, arise or allegedly arise out of, in connection with, or on account of this Agreement, any act or omission of Recipient, or any act or omission of Recipient's officers, agents, employees, or subrecipients. The Recipient obligations under this Section 13 survive termination or expiration of this Agreement.

SECTION 14. COMPLIANCE WITH APPLICABLE LAWS. All work must be in accordance with all federal, state, and local law, statutes, rules and ordinances.

14.1 It shall be the Recipient's responsibility to obtain all permits, licenses, or authorizations required from government authorities prior to initiation of the project or required to be obtained by the time of completion of the project to be eligible for reimbursement funds under this Agreement. Permits or authorizations may include but are not limited to: Beneficial Water Use Permits (§ 85-2-302(1), MCA), Change in Appropriation Right Authorization (§ 85-2-402(1)(a), MCA) or other requirement under the Montana Water Use Act that may apply; Sage Grouse Habitat (Executive Order 21-2015), 310 permitting requirements, or other permits or authorizations that may be required by state, local, or federal agencies prior to beginning work on the project or prior to completion of the project.

14.2 Procurement of labor, services, supplies, materials, and equipment shall be conducted according to applicable federal, state, and local statutes. The award of an agreement, or by Recipient entering into this Agreement, shall not be taken to imply that any required permits or authorizations issued by DNRC or other state, federal, or local agency will be approved. The DNRC may review any procurement solicitations that Recipient issues. The DNRC's review and comments will not constitute an approval of the solicitation. Regardless of the DNRC's review, the Recipient remains bound by all applicable laws, regulations, and Contract terms. If during its review the DNRC's identifies any deficiencies, then the Department shall communicate those deficiencies to the Recipient within seven business days.

Recipient shall comply with applicable state prevailing wage laws (§§ 18-2-401 to -432, MCA).

14.3 It shall be the Recipient's responsibility to comply with MEPA (Title 75, Chapter 1 MCA; 36-2-503 ARM); and provide all required information requested by the DNRC related to any required MEPA decision.

SECTION 15. COPYRIGHT - GOVERNMENT RIGHT TO USE. Any graphic, photographic, or other material developed under this Agreement may be copyrighted with the proviso that the State of Montana will have a royalty-free, nonexclusive, and irrevocable right to produce, publish or otherwise use, and authorize others to use the work for state government purposes.

SECTION 16. ACKNOWLEDGEMENT OF SUPPORT. The Recipient is responsible for assuring that an acknowledgment of DNRC support (1) is made in any publication of any material based on or developed under this project, in the following terms: "This project is based upon work supported by the Department of Natural Resources and Conservation under Agreement No. (RRG-24-1889)" and (2) is verbally acknowledged during all news media interviews or public presentations about the project.

SECTION 17. FAILURE TO COMPLY, BREACH, DEFAULT, REMEDIES.

17.1 If the Recipient fails to comply with the terms and conditions of this Agreement or reasonable directives or orders from DNRC, DNRC may terminate this Agreement and refuse disbursement of any additional funds from this grant. Further, in the event of such termination, the Recipient shall immediately pay over to

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the DNRC all unexpected funds together with all interest earned on the monies provided or herein remaining unexpended at such time. Such termination will become a consideration in any future application for funds from the DNRC Conservation and Resource Development Division.

17.2 The occurrence of any of the following events is a Recipient breach under this Agreement:

i. failure of the Recipient or its contractors, subcontractors, or subrecipient entities to follow an Agreement term or condition; or

ii. the Recipient makes an intentionally untrue statement or materially misleading certification in this Agreement or the Application; or any Recipient breach/default specified in another section of this Agreement.

17.3 Upon the occurrence of a breach, the DNRC shall issue a written notice of breach, identifying the nature of the breach, and providing 30 calendar days (or a lesser or additional time as may be agreed to by the parties) in which the Recipient shall have an opportunity to cure the breach. The parties will attempt in good faith to resolve all disputes, disagreements or claims relating to this Agreement.

However, if the DNRC determines that a public safety issue or an immediate public crisis exists, the DNRC will not be required to provide advance written notice or a cure period and may immediately terminate this Agreement in whole or in part if the DNRC, in its sole discretion reasonably exercised, determines that it is reasonably necessary to preserve public safety or prevent an immediate public crisis. Time allowed for cure does not diminish or eliminate Recipient's liability for damages.

In Process

17.4 If Recipient fails to cure the breach within the period specified in the written notice, Subrecipient is in default of its obligations, and the DNRC may exercise any or all the following remedies:

i. pursue any remedy provided by law or this Agreement, including requesting repayment of funds; and

ii. terminate the Agreement or applicable portions that are the subject of the breach in the Agreement; and

iii. suspend Recipient's performance; and

iv. withhold applicable payment until the default is remedied.

17.5 If termination occurs under this Section, any costs incurred will be the Recipient's responsibility.

SECTION 18. ASSIGNMENT AND AMENDMENT. This Agreement is not assignable. Amendment may be accomplished only by express written agreement of the parties. Amendments will be attached as an integral component of this Agreement.

SECTION 19. MONTANA LAW AND VENUE. Any action or judicial proceeding for enforcement of the terms of this Agreement shall be instituted only in the courts of Montana and shall be governed by the laws of Montana. Venue shall be in the First Judicial District, Lewis and Clark County, Montana. Each party will bear their own costs and attorney's fees.

SECTION 20. WAIVER. A waiver of any particular provision of this Agreement by the DNRC shall not be construed as a waiver of any other provision, nor shall any such waiver otherwise preclude the DNRC from insisting on strict compliance with this Agreement in other circumstances.

SECTION 21. ENTIRE AGREEMENT. These documents are the entire agreement of the parties. They supersede all prior agreements, representations, and understandings.

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The Recipient, Gallatin Canyon County Water and Sewer District, hereby accepts this grant (RRG-24-1889) according to the above terms and conditions. I hereby certify that I represent a legal entity with authority to enter into this Agreement.

I further certify that the project or activity complies with all applicable state, local, and federal laws and regulations.

I further certify that I am authorized to enter into and sign a binding Agreement with the Department of Natural Resources and Conservation.

A facsimile, photocopy or electronic copy of the signature below shall have the same force and effect as an original signature and an electronic signature shall be regarded as an original signature.

Recipient:

By: _____
Recipient Signature

Scott Altman, Board President
President
Recipient Print Name and Title

In Process

For: Gallatin Canyon County Water and Sewer District
Entity Name

_____
Entity Tax ID #

_____
Date

Department of Natural Resources and Conservation:

By: _____
DNRC Signature

_____
Print Name and Title

For: The Montana Department of Natural Resources and Conservation

_____
Date

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Attachment A - Scope of Work

Gallatin Canyon County Water Sewer District Sewer System Development, Phase 1.2

Background:

The Gallatin Canyon County Water and Sewer District (GCCWSD) was formed in December 2020, with the intention of pursuing a new solution to wastewater management in the Canyon Area along the Gallatin River and Highway 191 near Big Sky, MT.

When the project is complete, a central wastewater system will be conveyed to a new Canyon Area Lift Station being constructed by the Big Sky County Water and Sewer District (BSCWSD). The new lift station will pump wastewater to the existing Big Sky Water Resource Reclamation Facility (Big Sky WRRF). The Big Sky WRRF is undergoing an upgrade and expansion that will produce a high-quality effluent compliant with Class A-1 reuse effluent.

Scope of Work:

This project consists of design activities leading to the construction of a central wastewater system for GCCWSD. The overall goal of this effort is to protect ground and surface water in the Gallatin River aquifer by replacing old septic systems with centralized collection and treatment. DNRC grant funds will reimburse eligible expenses for Final Engineering Design.

In Process

Specific tasks include final design of:

- 5-miles of new gravity sewer collection mains;
- A Canyon Area Lift Station and Force Main to Big Sky Water Resource Recovery Facility (Membrane Bioreactor Treatment Plant); and
- Effluent disposal through reuse and aquifer recharge.

Facilities will be designed and constructed in accordance with sound engineering practices and will meet the requirements of Federal, State, and local agencies.

Schedule:

- Project planning and design phase expected to be completed May 2026.
- Project bidding phase expected to be completed August 2026. **(Not included in scope of this grant.)**
- Construction phase expected to be completed December 2026. **(Not included in scope of this grant.)**

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Attachment B – Budget

Gallatin Canyon County Water Sewer District Sewer System Development, Phase 1.2

Task	DNRC Funds	Match Funds	Total
Administration	$0.00	$250,000.00	$250,000.00
Professional/Technical	$0.00	$400,000.00	$400,000.00
Construction			
Preliminary Engineering	$0.00	$50,000.00	$50,000.00
Final Engineering Design	125,000.00	$2,515,000.00	$2,640,000.00
Permitting	$0.00	$600,000.00	$600,000.00
Treatment Capacity Purchase/Agreement	$0.00	$1,260,000.00	$1,260,000.00
Contingency	$0.00	$300,000.00	$300,000.00
Total	**$125,000.00**	**$5,375,000.00**	**$5,500,000.00**

Summary of Match Funding	
Funding Source	**Amount**
State ARPA - Competitive Grant	$2,000,000.00
Gallatin County Minimum Allocation Grant	$542,480.00
Gallatin County Local Fiscal Recovery Funds	$207,520.00
Local Contribution	$2,625,000.00
Total	**$5,375,000.00**

In Process

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Attachment C
Reporting and Reimbursement Requirements

Progress Reports
The Recipient will provide progress reports to DNRC during the term of this Agreement. Reports will provide status information for each project implementation task and identify the reporting period. Status information will include, at a minimum:

- Project activities during the reporting period;
- Costs incurred;
- Funds remaining;
- Anticipated activities during the next reporting period, and
- Expected changes in scope, schedule, or budget.

The Recipient shall report on total project costs including those funded by the Recipient and other matching funds. Significant problems encountered shall be noted and necessary scope and time-line modifications requested.

The Recipient must submit a project progress report with each reimbursement request at a minimum on a quarterly basis. DNRC will not honor claims for reimbursement if DNRC has not approved the progress report or if there is a delinquent report. Reimbursement requests must:

- Include a State of Montana vendor invoice signed by an authorized agent.
- Be billed by the tasks identified in the project scope of work and budget.
- Be supported by backup documentation of contractor invoices, receipts, cancelled checks, or other documentation of costs.

Recipient invoices need to relate clearly to the scope of work and budget in this Agreement.
Projects with multiple funding sources need to submit a uniform status of funds spreadsheet (provided by DNRC) or other means of tracking and documenting match and the project budget.

Final Report
The Recipient must submit one hard copy and one electronic copy (pdf) of the final report that meets the requirements of this Attachment C to DNRC upon project completion. Final disbursement of funds is contingent upon DNRC receipt and approval of a final report that meets these requirements. Final reports must be submitted to DNRC within 90 days of the Agreement termination date.

Final reports must include a signed Certificate of Compliance (included in this attachment) to DNRC upon project completion.

Projects that included construction must also submit a signed Engineer's Statement of Completion. DNRC may also request as-built drawings for construction projects, IF APPLICABLE TO PROJECT.

The Recipient is not required to use the suggested format in this Attachment but must include the information listed below. At a minimum, the final report must describe the purpose and location of the project, project tasks, changes to the scope, schedule or budget, how the project met stated goals and objectives, how the project benefited and/or developed renewable resources, and the current project status. Final reports will be made available to the public on the DNRC website.

Docusign Envelope ID: E6F19360-EC01-4F80-AA4D-15A050D1BE1F

Final Report Requirements

1. **Title Page:**
   A. Recipient's name, address, and telephone numbers.
   B. DNRC Grant Agreement Number
   C. Name, address, and telephone of other contacts if primary contacts are not available.
   D. Funding: total project cost and amount of agreement
   E. State where copies of the report may be obtained (Recipient contact person name, address, phone number. An email address or website is acceptable).
   F. A list of supporting documents (for example, construction completion reports or other project deliverables, if applicable).

2. **Introduction:** Describe the project history, location, and purpose. Provide a project location map.

3. **Discussion and Results:**
   A. Describe how project goals and tasks identified in the Agreement were completed:
      - Describe the planning process (for example: discuss project design, independent review, coordination with agencies, permits required and other activities).
      - Describe how each task listed in the scope of work was accomplished. Provide details on each task (for example: if trees were planted as an erosion control measure, state how many, the tree species, the age or size of the trees, and location of the plantings).
      - List the goals and/or objectives of the project as stated in the scope of work and briefly describe how they were met by the activities described in the tasks above. Discuss any differences between project goals and objectives and actual project results.
      - Provide an explanation for tasks that were not completed or any out-of-scope work.
      - Include a project map, data, and/or photos that document the project.

   B. Summarize any problems encountered and solutions adopted. What would you do differently?

4. **Resource and Public Benefits:**
Describe the project's overall benefits. What are the anticipated and realized benefits to resources and to the local and regional area of the completed project? Were these benefits realized? If not, explain why.

5. **Grant Agreement Administration & Project Costs:**
   A. Work schedule: Compare the time allotted for project completion with actual schedule. Identify delays and discuss the reasons for delays.
   B. Budget: Include a table that summarizes how the monies were spent by budget category or task as described in Attachment B and funding source (i.e. DNRC, Sponsor, other State or federal agencies). Explain cost overruns or savings. Discuss unbudgeted expenses that arose over the course of the project.
   C. Match Funds: Identify all funds from other sources or in-kind services that were used to fund the project. If not all matching funds were spent provide a justification.

6. **Project Completion and Certification**
   A. Recipient's Certificate of Compliance (must be signed for all projects).
   B. As Built Drawings, if requested by the DNRC (construction projects only).
   C. Engineer's Statement of Final Completion (if applicable).

7. **Final Report submitted electronically (PDF)**

Docusign Envelope ID: E6F19360-EC01-4F80-AA4D-15A050D1BE1F

FINAL REPORT

CERTIFICATE OF COMPLIANCE

Recipient: Gallatin Canyon County Water and Sewer District

Project Name: Gallatin Canyon County Water Sewer District Sewer System Development, Phase 1.2

Grant Number: RRG-24-1889

Grant Amount: **$125,000.00**

I, the undersigned, being duly qualified, respectfully, of the Gallatin Canyon County Water and Sewer District, in _____ County, State of Montana, do hereby certify that the above-named project is in full compliance with all of the covenants and conditions set forth in the Agreement identified above between the Gallatin Canyon County Water and Sewer District and the State of Montana, Department of Natural Resources and Conservation. I understand that any money remaining after the final payment will be returned to the appropriate accounts at DNRC.

In Process

_____ _____

Authorized Recipient Signature Date

This form is available on the DNRC website:
https://dnrc.mt.gov/_docs/conservation/CARDD-Training/Final-Report-Certificates.pdf.

Docusign Envelope ID: E6F19360-EC01-4F80-AA4D-15A050D1BE1F

STATEMENT OF COMPLETION

Recipient: Gallatin Canyon County Water and Sewer District

Project Name: Gallatin Canyon County Water Sewer District Sewer System Development, Phase 1.2

Grant Number: RRG-24-1889

Grant Amount: **$125,000.00**

I, _____, (Project Engineer) a Registered Professional Engineer in the State of Montana, license number _____, do hereby state that the above-named project was completed according to the approved plans and specifications. I further state that the record ("as-built") drawings for this project are a true and accurate representation of the completed construction.

In Process

Name	P.E. Number
Signature	Date
Name of Firm	
Address of Firm	
City, State Zip of Firm	

Please consult the DNRC Liaison to verify if this form is required for your project.

This form is available on the DNRC website:
https://dnrc.mt.gov/_docs/conservation/CARDD-Training/Final-Report-Certificates.pdf.

Certificate Of Completion

Envelope Id: E6F19360-EC01-4F80-AA4D-15A050D1BE1F
Status: Sent
Subject: Complete with Docusign: RRG-24-1889_Gallatin Canyon Co WSD
Source Envelope:
Document Pages: 13
Signatures: 0
Envelope Originator:
Certificate Pages: 5
Initials: 1
CARDD DocuSign
AutoNav: Enabled
1539 11th Avenue
EnvelopeId Stamping: Enabled
Helena, MT 59601
Time Zone: (UTC-07:00) Mountain Time (US & Canada)
DNRCCARDDDocuSign@mt.gov
IP Address: 161.7.26.67

Record Tracking

Status: Original
5/14/2025 10:46:54 AM
Holder: CARDD DocuSign
DNRCCARDDDocuSign@mt.gov
Location: DocuSign
Security Appliance Status: Connected
Pool: StateLocal
Storage Appliance Status: Connected
Pool: Montana Dept of Natural Resources & Conservation
Location: Docusign

Signer Events	Signature	Timestamp
Brian Bramlett BBramblett@mt.gov Security Level: Email, Account Authentication (None)	BB Signature Adoption: Pre-selected Style Using IP Address: 161.7.26.88	Sent: 5/14/2025 10:50:17 AM Viewed: 5/19/2025 11:12:27 AM Signed: 5/19/2025 11:12:47 AM
Electronic Record and Signature Disclosure: Accepted: 5/19/2025 11:12:27 AM ID: c1a789ec-fab0-4ac5-af9f-4b936e6480c8		
Scott Altman, Board President Orock9530@me.com President Scott Altman Security Level: Email, Account Authentication (None)		Sent: 5/19/2025 11:12:49 AM Viewed: 5/21/2025 10:13:37 AM
Electronic Record and Signature Disclosure: Accepted: 6/22/2022 11:20:25 AM ID: 084707bb-d638-4862-94c9-374cfec3f64f		
Anna Miller annam@mt.gov Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Accepted: 5/20/2025 5:15:17 PM ID: c310c87a-c494-4e4b-a959-21cf9e073040		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

In Process

Carbon Copy Events	Status	Timestamp
Abby Weimer abigail.weimer@mt.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Melissa Downing Melissa.Downing@mt.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
DNR HQT FSO AP DNRHQTFSOAP@MT.GOV Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Scott Altman, Board President Orock9530@me.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/22/2022 11:20:25 AM ID: 084707bb-d638-4862-94c9-374cfec3f64f		

In Process

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/14/2025 10:50:17 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Montana Dept of Natural Resources & Conservation (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Montana Dept of Natural Resources & Conservation:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: kgermaine@mt.gov

To advise Montana Dept of Natural Resources & Conservation of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at kgermaine@mt.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Montana Dept of Natural Resources & Conservation

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to kgermaine@mt.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Montana Dept of Natural Resources & Conservation

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to kgermaine@mt.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

In Process

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Montana Dept of Natural Resources & Conservation as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Montana Dept of Natural Resources & Conservation during the course of your relationship with Montana Dept of Natural Resources & Conservation.

Docusign Envelope ID: 42065271-3DB8-4A6E-B7C8-4559148A9754

MONTANA DEPARTMENT OF COMMERCE
MONTANA COAL ENDOWMENT PROGRAM
CONTRACT #MT-MCEP-CG-25-038

This Contract is entered into by the Gallatin Canyon County Water & Sewer District, Montana (the Grantee) and the Montana Department of Commerce, Helena, Montana (the Department).

The Grantee and the Department hereby agree to the following terms:

Section 1. PURPOSE

The purpose of this Contract is to provide funding to the Grantee for infrastructure project activities approved by the Department under the Montana Coal Endowment Program ("MCEP" or "Program") as authorized by House Bill 11, passed by the 68th Montana Legislature and as signed into law by Governor Gianforte on May 18, 2023 (Chapter 595, Laws 2023). The Montana Coal Endowment Program was formerly known as the Treasure State Endowment Program. Any references to the Treasure State Endowment Program or "TSEP" now refer to the Montana Coal Endowment Program as authorized by the 67th Montana Legislature in Senate Bill 258 (Chapter 330, Laws 2021).

Section 2. AUTHORITY

This Contract is issued under authority of Title 90, Chapter 6, Part 7 of the Montana Code Annotated ("MCA"), Title 8, Chapter 94, Subchapter 38 of the Administrative Rules of Montana ("ARM"), and Chapter 595, Laws 2023.

Section 3. APPLICATION INCORPORATED BY REFERENCE

The Grantee's application for Program assistance, including any written modifications or reports resulting from the review of the application by the Department (collectively "Project"), are incorporated into this Contract by this reference and the representations made therein are binding upon the Grantee. If a conflict exists between the terms and conditions of this Contract and those of the application, the Contract terms and conditions govern.

Section 4. BUDGET

The total amount to be awarded to the Grantee under this Contract will not exceed $750,000. The Department will not disburse funds to the Grantee for Project activities until the Grantee has met all PROJECT START-UP REQUIREMENTS set forth in Section 6 and agreed to all Program terms and conditions.

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Section 5. EFFECTIVE DATE AND TIME OF PERFORMANCE

(a) This Contract shall take effect upon execution by the parties and will terminate September 30, 2026.

(b) The Grantee agrees that if it does not meet all PROJECT START-UP REQUIREMENTS set forth in Section 6 by September 30, 2026, any obligation to the Grantee under this Contract will cease.

(c) As further set forth in Section 10 TERMINATION OF CONTRACT, if the Grantee fails to or is unable to comply with any of the terms and conditions of this Contract, any costs incurred will be the Grantee's sole responsibility.

(d) The Grantee understands and acknowledges that the Department will report to the Legislature and Legislative interim committees on the status of projects in accordance with Section 90-6-710, MCA.

Section 6. PROJECT START-UP REQUIREMENTS

The Department will not reimburse the Grantee for any activities provided for by this Contract until:

(a) The Grantee submits to the Department evidence of the firm commitment of the other funds required for the completion of the Project within the preliminary Project budget set forth in Exhibit A.

(b) The Grantee submits to the Department and the Department approves an acceptable Project Management Plan.

(c) The Grantee submits to the Department and the Department approves an acceptable Implementation Schedule.

(d) The Department confirms that the Grantee:

(i) has established a financial accounting system that conforms to generally accepted accounting principles (GAAP), and

(ii) is in compliance with the auditing and reporting requirements provided for in Section 2-7-503, MCA.

(e) The Grantee complies with any conditions described in the Grantee's application for Program assistance and any written conditions that were imposed on the application by the Department during the application ranking process.

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Section 7. LIAISONS

The liaisons for this Contract are:

For the Department:
Lindsey Siebrasse (or successor)
Infrastructure Coordinator, MDOC
301 S. Park Ave.
P.O. Box 200523
Helena, MT 59620-0523
406-841-2708
Lindsey.Siebrasse@mt.gov

For the Grantee:
Cindy Kuns (or successor)
WGM Group
1111 East Broadway
Missoula MT, 59802
406-728-4611
CKuns@wgmgroup.com

Section 8. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

(a) The Grantee may subcontract any portion of this Contract in order to meet all PROJECT START-UP REQUIREMENTS set forth in Section 6 by September 30, 2026. The Grantee shall not otherwise assign or transfer any portion of this Contract without the express written consent of the Department.

(b) Grantee is responsible to the Department for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by Contractor. No contractual relationships exist between any contractor, subcontractor, or subrecipient and the State of Montana or the Department under this Contract.

(c) The Grantee must immediately notify the Department of any litigation concerning any assignment, transfer, or subcontract of this Contract or any portion thereof.

Section 9. CONTRACT AMENDMENT

This Contract may not be amended without a written agreement signed by all parties to the Contract.
\\\
\\\

Docusign Envelope ID: 42065271-3DB8-4A6E-B7C8-4559148A9754

Section 10. TERMINATION OF CONTRACT

This Contract may be terminated in whole or in part as follows:

(a) Termination by Law. Pursuant to the terms of Chapter 595, Laws 2023, if Grantee does not meet all PROJECT START-UP REQUIREMENTS set forth in Section 6 by September 30, 2026, this Contract is terminated and any obligation to the Grantee under this Contract will cease.

(b) Termination by Grantee. Grantee, at its sole discretion, may terminate this Contract at any time for any reason.

(b) Termination Due to Loss or Reduction of Funding. The Department, at its sole discretion, may terminate or reduce the scope of this Contract if any funding sources are eliminated or reduced for any reason. The Department will notify the Grantee of the effective date of the termination or modification of this Contract and, if a reduction in funding is required, will provide the Grantee with a modified Project budget.

(c) Effect of Termination. In the event of termination of this Contract, any Project costs incurred will be the responsibility of the Grantee.

Section 11. NOTICE

All notices required under the provisions of the Contract must be in writing and delivered to the parties' liaisons identified herein either by first class mail or personal service.

Section 12. NO ARBITRATION

Unless otherwise agreed to in writing or provided for by law, arbitration is not available to the parties as a method of resolving disputes that would arise under the Contract.

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Section 13. JURISDICTION AND VENUE

This Contract is governed by the laws of Montana. The parties agree that any litigation concerning this Contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties hereto have caused this Contract to be executed.

Gallatin Canyon County Water & Sewer District

Scott Altman, Board President Date

ATTEST:

Jessica Martin-Trulen, Board Secretary

APPROVED AS TO FORM:

Tara DePuy, Attorney

MONTANA DEPARTMENT OF COMMERCE:

Mandy Rambo, Deputy Director Date

Docusign Envelope ID: 42065271-3DB8-4A6E-B7C8-4559148A9754

Exhibit A
Budget

ADMINISTRATION	MCEP	RRGL	Local Contribution (BRSAD)	SRF	ARPA - Gallatin County LFR	TOTAL
Personnel Cost						$0
Office Cost						$0
Grant & Loan Admin. Services				$50,000		$50,000
Legal Costs				$50,000		$50,000
Audit Fees						$0
Travel & Training						$0
Interim Interest						$0
Bond Counsel and Related Costs				$50,000		$50,000
Loan Reserves				$300,000		$300,000
Loan Fees				$100,000		$100,000
TOTAL ADMINISTRATION	$0	$0	$0	$550,000	$0	$550,000
CONSTRUCTION RELATED ACTIVITIES						
Land Acquisition						$0
Preliminary Engineering Design						$0
Final Engineering Design						$0
Construction Inspection Eng.						$0
Construction	$750,000	$125,000	$9,750,000	$4,875,000	$250,000	$15,750,000
Contingency				$3,000,000		$3,000,000
Treatment Capacity Purchase/Agreement				$3,200,000		$3,200,000
						$0
TOTAL ACTIVITY	$750,000	$125,000	$9,750,000	$11,075,000	$250,000	$21,950,000
TOTAL PROJECT BUDGET	**$750,000**	**$125,000**	**$9,750,000**	**$11,625,000**	**$250,000**	**$22,500,000**

Docusign Envelope ID: 42065271-3DB8-4A6E-B7C8-4559148A9754

Contract Information Sheet

Division staff are required to complete the items in blue print. *Last Revised September 2024*

Contract Number:	MT-MCEP-CG-25-038	Original Contract Amount:	750,000.00
Contractor's Name:	Gallatin Canyon County Water & Sewer	Amount of Prior Amendments:	NA
Contractor Liaison:	Cindy Kuns	Current Amendment Amount:	NA
Contractor's Liaison Email:	ckuns@wgmgroup.com	Total Contract Value:	750,000.00
Approved to Form Name:	Tara DePuy		
Approved to Form Email:	attorney@riverworks.net	Funding Source:	State
Contractor (signee) Name:	Scott Altman		
Contractor's Email:	orock9530@me.com	Program Number/Division:	60 - Community MT
Contractor's Address:	PO Box 161030	Org Number:	608025
Contractor's Address 2:	Big Sky, MT 59716	Vendor Number:	1490578
Attest Name:	Jessica Martin-Trulen	Project Name (optional):	MCEP-CG-25-038
Attest Email:	jtrulen@knaubandcompany.cpa		
		Start Date:	Upon Execution
Delegation:	Commerce	End Date:	9/30/2026
Procurement Method:	Exempt*	Absolute End Date:	NA
Contract Type:	Grant		
Contract Usage:	Fixed		

Purpose of this contract/amendment:	Delegation Agreement Section 4.5.o* Program Grants. Conditional Contract. Wastewater system Improvements that includes: construct a centralized sewer collection system for the existing Gallatin Canyon Sewer District and possibly the Ramshorn Subdivision, convey the wastewater to the Big Sky County Water and Sewer District for treatment, and return the wastewater to the existing drain fields for disposal.
Scope & duties of this contract:	Construct a centralized sewer collection system for the existing Gallatin Canyon Sewer District and possibly the Ramshorn Subdivision, convey the wastewater to the Big Sky County Water and Sewer District for treatment, and return the wastewater to the existing drain fields for disposal.

Liaison:	Lindsey Siebrasse	Program Manager:	Banseth@mt.gov
Liaison Email:	Lindsey.Siebrasse@mt.gov	Bureau Chief:	
Liaison Phone:	406-841-2708	Additional Email:	

Signatures:			Copies To:	
Division Administrator	Signed by: Galen Steffens 6BD699DDCF9F443...	5/13/2025	Liaison	☑
Fiscal Review	Signed by: Judy Clay 84C6673124BE432...	5/14/2025	Director (> $200K)	☐
Legal Counsel	Signed by: April Armstrong DF31DDFAEB94A4...	5/14/2025	Deputy Director (<$25K)	☐
Deputy Director	DocuSigned by: Mandy Rambo 2E8B0DA21CA4E2...	5/14/2025	Perceptive	☑
OBPP	Signed by: Amy Sassano 69EF9753C19A4B3...	5/14/2025		
Information Technology				
SITSD				

Certificate Of Completion

Envelope Id: 42065271-3DB8-4A6E-B7C8-4559148A9754
Status: Sent
Subject: Montana Department of Commerce Contract #MT-MCEP-CG-25-038 for Signature
Source Envelope:
Document Pages: 7
Signatures: 5
Certificate Pages: 6
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-07:00) Mountain Time (US & Canada)

Envelope Originator:
Contracts Admin
PO Box 200501
301 S. Park Ave
Helena, MT 596200501
doccontracts@mt.gov
IP Address: 161.7.26.239

Record Tracking

Status: Original
5/12/2025 10:57:03 AM
Holder: Contracts Admin
doccontracts@mt.gov
Location: DocuSign

Signer Events	Signature	Timestamp
Galen Steffens galen.steffens@mt.gov Division Administrator Security Level: Email, Account Authentication (None)	Signed by: Galen Steffens 6BD699DDCF9F443... Signature Adoption: Pre-selected Style Using IP Address: 161.7.26.227	Sent: 5/12/2025 11:01:26 AM Viewed: 5/13/2025 3:38:52 PM Signed: 5/13/2025 3:39:06 PM
Electronic Record and Signature Disclosure: Accepted: 5/13/2025 3:38:52 PM ID: 4c418f2b-4f69-47a3-8c38-96af95d71722		
Judy Clay judy.clay@mt.gov Security Level: Email, Account Authentication (None)	Signed by: Judy Clay 84C6673124BE432... Signature Adoption: Pre-selected Style Using IP Address: 161.7.26.244	Sent: 5/13/2025 3:39:08 PM Viewed: 5/14/2025 8:26:58 AM Signed: 5/14/2025 8:29:07 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
April Armstrong april.armstrong@mt.gov Security Level: Email, Account Authentication (None)	Signed by: April Armstrong 95F37DBFAE2B4A4... Signature Adoption: Pre-selected Style Using IP Address: 161.7.26.216	Sent: 5/14/2025 8:29:09 AM Viewed: 5/14/2025 10:28:51 AM Signed: 5/14/2025 10:29:09 AM
Electronic Record and Signature Disclosure: Accepted: 5/14/2025 10:28:51 AM ID: ff2040cf-6612-4dd1-b5ce-a805cbd12f45		
Mandy Rambo Mandy.rambo@mt.gov Deputy Director Security Level: Email, Account Authentication (None)	DocuSigned by: Mandy Rambo C1288DD421CA4E2... Signature Adoption: Pre-selected Style Using IP Address: 161.7.26.96	Sent: 5/14/2025 10:29:10 AM Viewed: 5/14/2025 10:30:53 AM Signed: 5/14/2025 10:31:03 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		

Signer Events	Signature	Timestamp
Amy Sassano asassano@mt.gov Deputy Budget Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/14/2025 1:14:43 PM ID: 2c775875-9899-46b1-9308-479611995f3a	Signed by:  69EF9753C19A4B3... Signature Adoption: Pre-selected Style Using IP Address: 161.7.26.132	Sent: 5/14/2025 10:31:05 AM Viewed: 5/14/2025 1:14:43 PM Signed: 5/14/2025 1:15:30 PM
Tara DePuy attorney@riverworks.net Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/14/2025 1:23:27 PM ID: 070792c1-0d1f-4dcb-8429-713f5473de0c		Sent: 5/14/2025 1:15:33 PM Viewed: 5/14/2025 1:23:27 PM
Scott Altman orock9530@me.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Jessica Martin-Trulen jtrulen@knaubandcompany.cpa Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Mandy Rambo Mandy.rambo@mt.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Becky Anseth banseth@mt.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/26/2025 9:33:27 AM ID: bf17a658-c8b4-412b-a2b1-86e031c979d4	COPIED	Sent: 5/12/2025 11:01:26 AM

Carbon Copy Events	Status	Timestamp
Lindsey Siebrasse Lindsey.siebrasse@mt.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 5/6/2025 9:14:45 AM ID: d3a65b41-7cb5-4570-84a8-0eb7d632c623	COPIED	Sent: 5/12/2025 11:01:26 AM
Cindy Kuns ckuns@wgmgroup.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/12/2025 11:01:26 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

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To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at doccontracts@mt.gov and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

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ii. send us an e-mail to doccontracts@mt.gov and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

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CONTRACT AND INVOICE SUMMARY

Work Order and/or Vendor	Description	Budget	5/21/25 Invoice Packet	Previous Fiscal Year Billing	FY25 Billing (to date)	Total	Budget Remaining	Notes
CANYON DISTRICT ADMINISTRATION								
200323.6 (WO#6A)	FY25 Grant Administration	$40,000.00	$2,938.90	$0.00	$27,093.60	$30,032.50	$9,967.50	
200323.7 (WO#7A)	FY25 District Admin & Outreach	$70,000.00	$8,847.30	$0.00	$83,373.25	$92,220.55	-$22,220.55	
Knaub & Company	Accounting	$5,000.00	$126.23	$0.00	$2,526.48	$2,652.71	$2,347.29	
Tara DePuy	Legal Counsel	$20,000.00	$850.00	$0.00	$6,500.00	$7,350.00	$12,650.00	
Dorsey & Whitney	Bond Counsel	$20,000.00	$495.00	$0.00	$15,194.00	$15,689.00	$4,311.00	
Holmes & Turner	Audit	$15,000.00	$0.00	$0.00	$6,250.00	$6,250.00	$8,750.00	
AE2S Nexus	Financial Planning & Support	$30,000.00	$3,893.62	$0.00	$0.00	$3,893.62	$26,106.38	
Miscellaneous	Dues, Insurance, Etc.	$10,000.00	$2,055.00	$0.00	$11,004.00	$13,059.00	-$3,059.00	
Contingency		$20,000.00	$0.00	$0.00	$0.00	$0.00	$20,000.00	
	Subtotal	**$230,000.00**	**$19,206.05**	**$0.00**	**$151,941.33**	**$171,147.38**	**$58,852.62**	
CANYON SEWER ENGINEERING								
220724.2 (WO#2)	30% Sewer Engineering	$357,880.00	$0.00	$333,039.95	$50,725.70	$383,765.65	-$25,885.65	Closed
220724.4 (WO#4)	BSRAD Feasibility (remaining items)	$149,000.00	$0.00	$134,966.21	$49,808.09	$184,774.30	-$35,774.30	Closed
220724.5 (WO#5)	Discharge Permitting (first half 2024)	$288,000.00	$0.00	$93,153.77	$203,647.04	$296,800.81	-$8,800.81	Closed
220724.6 (WO#6)	Sewer Funding Package	$60,000.00	$0.00	$0.00	$59,768.38	$59,768.38	$231.62	Closed
220724.7 (WO#7)	60% Engineering	$403,000.00	$34,532.65	$0.00	$235,375.65	$269,908.30	$133,091.70	
220724.8 (WO#8)	Contractor Procurement (CM/GC)	$70,000.00	$2,498.10	$0.00	$20,772.60	$23,270.70	$46,729.30	
220724.9 (WO#9)	TEDD/TIF Funding	$55,000.00	$4,174.40	$0.00	$31,739.00	$35,913.40	$19,086.60	
220724.1 (WO#10)	Discharge/Disposal	$170,000.00	$4,906.10	$0.00	$22,498.20	$27,404.30	$142,595.70	
	Subtotal	**$1,552,880.00**	**$46,111.25**	**$561,159.93**	**$674,334.66**	**$1,281,605.84**	**$271,274.16**	
BSCWSD - HIGHWAY 64 INFRASTRUCTURE ENGINEERING								
AE2S	30% Engineering	$425,600.00	$0.00	$389,078.25	$36,521.75	$425,600.00	$0.00	Closed
AE2S	60% Engineering	$604,440.00	$76,479.80	$0.00	$228,886.17	$305,365.97	$299,074.03	
	Subtotal	**$1,030,040.00**	**$76,479.80**	**$389,078.25**	**$265,407.92**	**$730,965.97**	**$299,074.03**	
CANYON WATER SYSTEM PER								
220806.1	Canyon Water System PER	$80,000.00	$7,342.65	$54,820.33	$6,612.75	$68,775.73	$11,224.27	
	Subtotal	**$80,000.00**	**$7,342.65**	**$54,820.33**	**$6,612.75**	**$68,775.73**	**$11,224.27**	
	Total	**$2,892,920.00**	**$149,139.75**	**$1,005,058.51**	**$1,098,296.66**	**$2,252,494.92**	**$640,425.08**	

GRANT TRACKING DASHBOARD - FY25

Current Invoice Total: $ 149,139.75

Date Revised: 5/14/2025

	ARPA - PHASE 1.1			BSRAD - PHASE 1.1		
	State ARPA Costs between 3/3/21 & 12/31/25 Agmt ends 12/31/25	County ARPA Costs between 3/3/21 & 12/31/25 (costs paid before 9/30/26 when agmt ends)		FY25 Budget (7/1/24-6/30/25)	Interlocal	CASH ON HAND
	1:1 match required = County MAG + Local	Match met by State ARPA	No match required			
	Competitive	Min Allocation	SLFRF			
Budget Remaining:	$ 645,658.17	$ -	$ 16,177.23	$ 42,192.86	$ 12,000,000.00	$ 39,028.77

Invoice Date	Vendor	Invoice Number	Amount	Project #	General Invoice Description	Notes	Draw Request Date and/or No.	$2M	$542,480	$207,520	$200,000	$12M	
4/30/2025	Knaub & Co	043025-26	$ 126.23	NA	accounting						$ 126.23		
5/1/2025	Chamber of Commerce	5/1/2025	$ 2,055.00	NA	dues						$ 2,055.00		
5/9/2025	WGM	75248	$ 7,342.65	220806.1	water PER						$ 7,342.65		
5/9/2025	WGM	75244	$ 2,938.90	200323.6	grant admin						$ 2,938.90		
5/1/2025	Tara DePuy	5/1/2025	$ 850.00	NA	legal	Project = $300		$ 300.00			$ 550.00		
5/9/2025	WGM	75245	$ 8,847.30	200323.7	district admin	Project = $5,091.20		$ 5,091.20			$ 3,756.10		
4/22/2025	AE2S	102320	$ 3,893.62	NA	financial support			$ 3,893.62					
5/12/2025	Dorsey & Whitney	4075851	$ 495.00	NA	legal	100% project		$ 495.00					
4/22/2025	AE2S	102292	$ 76,479.80	NA	design					$ 76,479.80			
5/9/2025	WGM	75247	$ 34,532.65	220724.7	design					$ 34,532.65			
5/9/2025	WGM	75252	$ 2,498.10	220724.8	CM/GC					$ 2,498.10			
5/9/2025	WGM	75246	$ 4,174.40	220724.9	TEDD/TIF					$ 4,174.40			
5/9/2025	WGM	75251	$ 4,906.10	220724.10	disposal					$ 4,906.10			
3/15/2025	Intact Insurance	MML-36480-24	$ 9,744.00	NA	insurance		BSRAD				$ 9,744.00		
3/5/2025	LGS	101613	$ 800.00	NA	financial filing		BSRAD				$ 800.00		
3/6/2025	LGS	5235	$ 110.00	NA	audit fees		BSRAD				$ 110.00		
3/31/2025	Knaub & Co	033125-25	$ 258.72	NA	accounting		BSRAD				$ 258.72		
4/8/2025	WGM	74957	$ 2,002.70	220806.1	Water PER	Non-project	BSRAD				$ 2,002.70		
4/1/2025	Tara DePuy	4/1/2025	$ 500.00	NA	legal	Project = $300.00	BSRAD				$ 500.00		
4/8/2025	WGM	74928	$ 2,690.90	200323.6	grant admin		BSRAD				$ 2,690.90		
4/8/2025	WGM	74929	$ 6,000.10	200323.7	district admin	Project = $2,229.60	BSRAD				$ 6,000.10		
4/10/2025	Dorsey& Whitney	4067647	$ 544.50	NA	bond counsel		State #14	$ 544.50					
4/8/2025	WGM	74932	$ 7,592.50	220724.9	TEDD/TIF		State #14	$ 7,592.50					
4/8/2025	WGM	74955	$ 41,617.78	220724.7	60% design		MAG #8		$ 41,617.78				
4/8/2025	WGM	74962	$ 415.20	220724.8	CM/GC		MAG #8		$ 415.20				
4/8/2025	WGM	74963	$ 22,498.20	220724.10	disposal		MAG #8		$ 22,498.20				
3/25/2025	AE2S	101740	$ 85,635.80	P13218-2020-001	design		MAG #8		$ 85,635.80				
2/25/2025	AE2S	101144	$ 62,973.53	P13218-2020-001	design		LFR #1			$ 62,973.53			
1/21/2025	AE2S	100406	$ 28,091.21	P13218-2020-001	design		MAG #8/LFR#1		$ 22,313.02	$ 5,778.19			
2/11/2025	Dorsey & Whitney	4050702	$ 1,425.50	NA	legal		State #13	$ 1,425.50					
3/6/2025	WGM	74653	$ 45,675.78	220724.7	design		State #13	$ 45,675.78					
3/5/2025	WGM	74648	$ 8,672.80	220724.9	TEDD/TIF		State #13	$ 8,672.80					
3/5/2025	WGM	74649	$ 3,692.50	220724.8	CM/GC		State #13	$ 3,692.50					
6/14/2024	Dorsey & Whitney	3983536	$ (2,856.00)	NA	legal	credit for double pay	State #13	$ (2,856.00)					
6/30/2024	Dorsey & Whitney	3989782	$ (5,815.50)	NA	legal	credit for double pay	State #13	$ (5,815.50)					
3/5/2025	WGM	74651	$ 6,935.00	200323.7	district admin	Project = $851.20	State #13/BSRAD	$ 851.20			$ 6,083.80		
3/5/2025	WGM	74645	$ 1,528.40	200323.6	grant admin		BSRAD				$ 1,528.40		
3/5/2025	WGM	74650	$ 16,529.30	220724.5	disposal		BSRAD				$ 16,529.30		
3/3/2025	Tara DePuy	3/3/2025	$ 1,950.00	NA	legal	Project = $450.00	BSRAD				$ 1,950.00		
2/28/2025	Knaub & Co	22825-29	$ 209.44	NA	accounting		BSRAD				$ 209.44		
1/31/2025	Knaub & Co	13125-61	$ 358.16	NA	accounting		BSRAD				$ 358.16		
2/3/2025	Tara DePuy	2/3/2025	$ 600.00	NA	legal	Project = $250.00	BSRAD				$ 600.00		
2/5/2025	WGM	74425	$ 5,431.10	200323.6	grant admin		BSRAD				$ 5,431.10		

GRANT TRACKING DASHBOARD - FY25

Current Invoice Total: $ 149,139.75

Date Revised: 5/14/2025

	ARPA - PHASE 1.1			BSRAD - PHASE 1.1		
	State ARPA Costs between 3/3/21 & 12/31/25 Agmt ends 12/31/25	County ARPA Costs between 3/3/21 & 12/31/25 (costs paid before 9/30/26 when agmt ends)		FY25 Budget (7/1/24-6/30/25)	Interlocal	CASH ON HAND
	1:1 match required = County MAG + Local	Match met by State ARPA	No match required			
	Competitive	Min Allocation	SLFRF			
Budget Remaining:	$ 645,658.17	$ -	$ 16,177.23	$ 42,192.86	$ 12,000,000.00	$ 39,028.77

Invoice Date	Vendor	Invoice Number	Amount	Project #	General Invoice Description	Notes	Draw Request Date and/or No.	$2M	$542,480	$207,520	$200,000	$12M	
2/5/2025	WGM	74431	$ 11,542.60	200323.7	district admin	Project = $6,373.40	State #13/BSRAD	$ 6,373.40			$ 5,169.20		
2/5/2025	WGM	74426	$ 4,032.00	220724.9	WO#9		State #13	$ 4,032.00					
2/5/2025	WGM	74428	$ 49,129.58	220724.5	WO#5		State #13	$ 49,129.58					
2/5/2025	WGM	74427	$ 48,802.24	220724.7	WO#7		State #13	$ 48,802.24					
2/5/2025	WGM	74416	$ 16,664.90	220724.8	WO#8		State #13	$ 16,664.90					
1/8/2025	WGM	74219	$ 37,865.85	220724.7	WO#7		State #12	$ 37,865.85					
1/8/2025	WGM	74222	$ 11,441.70	220724.9	WO#9		State #12	$ 11,441.70					
12/17/2024	AE2S	99861	$ 18,717.64	P13218-2020-001	sewer design		State #12	$ 18,717.64					
1/8/2025	WGM	74214	$ 17,396.60	220724.5	WO#5		State #12/BSRAD	$ 5,940.47			$ 11,456.13		
1/8/2025	WGM	74221	$ 5,409.40	200323.7	district admin	Project = $477.10	State #12/BSRAD	$ 477.10			$ 4,932.30		
1/8/2025	WGM	74220	$ 4,469.80	200323.6	grant admin		BSRAD				$ 4,469.80		
12/11/2024	WGM	74067	$ 802.60	200323.6	grant admin		BSRAD				$ 802.60		
1/2/2025	Tara DePuy	1/2/2025	$ 400.00	NA	legal		BSRAD				$ 400.00		
12/31/2024	Knaub & Co	123124-39	$ 332.64	NA	accounting		BSRAD				$ 332.64		
12/2/2024	Knaub & Co	120224-35	$ 221.76	NA	accounting		BSRAD				$ 221.76		
12/1/2024	Tara Depuy	12/1/2024	$ 1,100.00	NA	legal	Project = $850.00	State #11/BSRAD	$ 850.00			$ 250.00		
12/11/2024	WGM	74068	$ 10,044.65	200323.7	district admin	Project = $1,859.25	State #11/BSRAD	$ 1,859.25			$ 8,185.40		
12/10/2024	WGM	74050	$ 38,255.40	220724.7	WO#7		State #11	$ 38,255.40					
11/19/2024	AE2S/BSCWSD	99153	$ 33,536.00	P13218-2020-001	design		State #11	$ 33,536.00					
12/10/2024	WGM	74051	$ 10,789.00	220724.5	WO#5		State #11	$ 10,789.00					
12/11/2024	Dorsey & Whitney	4034986	$ 643.50	NA	legal	all project	State #11	$ 643.50					
11/8/2024	Holmes & Turner	66201	$ 6,250.00	audit	audit		State #11/County MAG #7	$ 1,250.00	$ 5,000.00				
11/1/2024	Knaub & Co	110124-35	$ 344.96	NA	accounting		BSRAD				$ 344.96		
11/1/2024	Tara Depuy	11/1/2024	$ 650.00	NA	legal	Project = $350.00	State #10/BSRAD	$ 350.00			$ 300.00		
11/6/2024	WGM	73703	$ 3,435.30	200323.6	grant admin		State #10	$ 3,435.30					
11/6/2024	WGM	73704	$ 12,167.80	200323.7	district admin	Project - $4,622.80	State #10/BSRAD	$ 4,622.80			$ 7,545.00		
11/6/2024	WGM	73678	$ 28,080.62	220724.5	WO#5		State #10	$ 28,080.62					
11/6/2024	WGM	73680	$ 23,158.60	200724.7	WO#7		State #10	$ 23,158.60					
11/12/2024	Dorsey & Whitney	4025046	$ 594.00	NA	legal	all project	State #10	$ 594.00					
10/8/2024	WGM	73404	$ 3,360.90	200323.6	grant admin		BSRAD #15				$ 3,360.90		
10/1/2024	Knaub & Co	100124-27	$ 110.88	NA	accounting		BSRAD #15				$ 110.88		
10/1/2024	Tara Depuy	10/1/2024	$ 600.00	NA	legal svcs	Project = $300	BSRAD #15				$ 600.00		
10/8/2024	WGM	73405	$ 13,309.30	200323.7	District admin		State #9/BSRAD #15	$ 2,309.40			$ 10,999.90		
10/8/2024	WGM	12/22/2100	$ 33,407.80	220724.5	WO#5		State #9	$ 33,407.80					
10/2/2024	WGM	73377	$ 3,503.70	220724.4	WO#4		State #9	$ 3,503.70					
10/9/2024	Dorsey & Whitney	4016547	$ 544.50	NA	legal svcs	all project	State #9	$ 544.50					
9/11/2024	Dorsey & Whitney	4007271	$ 2,770.50	NA	legal svcs	all project	State #9	$ 2,770.50					
6/30/2024	Dorsey & Whitney	3989782	$ 5,815.50	NA	legal svcs	all project	State #9	$ 5,815.50					
6/17/2024	Dorsey & Whitney	3983536	$ 2,856.00	NA	legal svcs	all project	State #9	$ 2,856.00					
8/27/2024	AE2S/BSCWSD	97057	$ 24,572.35	P13218-2020-001	design		State #8	$ 24,572.35					
9/5/2024	WGM	73117	$ 13,948.18	220724.4	WO#4		State #8	$ 13,948.18					
9/5/2024	WGM	73114	$ 21,790.16	220724.5	WO#5		State #8	$ 21,790.16					
9/5/2024	WGM	73115	$ 896.43	220724.6	WO#6		State #8	$ 896.43					
9/5/2024	WGM	73113	$ 7,463.00	200323.7	District admin	$865.00 project	BSRAD #14				$ 7,463.00		
9/5/2024	WGM	73116	$ 2,364.50	220806.1	water PER	non-project	BSRAD #14				$ 2,364.50		
9/1/2024	Knaub & Co	090124-33	$ 221.76	NA	accounting		BSRAD #14				$ 221.76		
9/1/2024	Tara DePuy	9/1/2024	$ 400.00	NA	legal	$100 project	BSRAD #14				$ 400.00		

GRANT TRACKING DASHBOARD - FY25

Current Invoice Total: $ 149,139.75

Date Revised: 5/14/2025

								ARPA - PHASE 1.1			BSRAD - PHASE 1.1		
								State ARPA Costs between 3/3/21 & 12/31/25 Agmt ends 12/31/25	County ARPA Costs between 3/3/21 & 12/31/25 (costs paid before 9/30/26 when agmt ends)		FY25 Budget (7/1/24-6/30/25)	Interlocal	CASH ON HAND
								1:1 match required = County MAG + Local	Match met by State ARPA	No match required			
								Competitive	Min Allocation	SLFRF			
							Budget Remaining:	$ 645,658.17	$ -	$ 16,177.23	$ 42,192.86	$ 12,000,000.00	$ 39,028.77
Invoice Date	**Vendor**	**Invoice Number**	**Amount**	**Project #**	**General Invoice Description**	**Notes**	**Draw Request Date and/or No.**	**$2M**	**$542,480**	**$207,520**	**$200,000**	**$12M**	
9/4/2024	WGM	73105	$ 2,440.40	200323.6	grant admin	all project	BSRAD #14				$ 2,440.40		
7/1/2024	Big Sky Chamber	1505	$ 350.00	NA	FY 25 membership		BSRAD #14				$ 350.00		
10/26/1955	AE2S/BSCWSD	96573	$ 11,881.39	P13218-2020-001	design		State #7B	$ 11,881.39					
8/14/2024	WGM	73067	$ 49,808.09	220724.4	WO#4		State #7B	$ 49,808.09					
8/12/2024	WGM	73017	$ 26,523.98	220724.5	WO#5		State #7B	$ 26,523.98					
8/15/2024	WGM	73084	$ 50,725.70	220724.2	WO#2	Add'l geotech	County MAG #6/State #7B	$ 725.70	$ 50,000.00				
8/12/2024	WGM	73005	$ 10,501.40	200323.7	District admin	Project = $2,928.80	BSRAD #13/State #7B	$ 2,928.80			$ 7,572.60		
8/12/2024	WGM	73012	$ 2,245.55	220806.1	Water PER		BSRAD #13				$ 2,245.55		
8/12/2024	WGM	73003	$ 2,934.20	200323.6	grant admin	Project = $2,779.10	BSRAD #13				$ 2,934.20		
8/1/2024	Knaub & Co	080124-35	$ 468.16	NA	accounting		BSRAD #13				$ 468.16		
8/1/2024	Tara Depuy	8/1/2024	$ 300.00	NA	legal		BSRAD #13				$ 300.00		
							FY 2024 CARRYOVER:	$ 733,626.90	$ 315,000.00				
							SPENT:	$ 1,354,341.83	$ 542,480.00	$ 191,342.77	$ 157,807.14	$ -	

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2024

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT

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holmes & turner
certified public accountants

MEMBERS OF CPAMERICA, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gallatin Canyon County Water and Sewer District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Gallatin Canyon County Water & Sewer District (the District), as of and for the year ended June 30, 2024 and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2024, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Holmes & Turner
Bozeman, Montana
April 15, 2025

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS		
Current assets		
Cash and cash equivalents	$	49,938
Due from other government, current		551,892
Total current assets		601,830
Noncurrent assets		
Due from other government, noncurrent		400,000
Construction in progress		1,396,625
Total noncurrent assets		1,796,625
Total assets		2,398,455
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	$	330,802
DEFERRED INFLOWS OF RESOURCES		
Interlocal agreement		600,000
NET POSITION		
Net investment in capital assets		1,396,625
Unrestricted		71,028
Total net position	$	1,467,653

The accompanying notes are an integral part of these financial statements.

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

OPERATING EXPENSES		
General and administrative		
Insurance	$	9,744
Professional fees		198,505
Operating income (loss)	$	(208,249)
NONOPERATING REVENUES AND (EXPENSES)		
Resort tax appropriations		292,652
Capital grants		1,211,533
Increase (decrease) in net position		1,295,936
Net position, beginning		171,717
Net position, ending	$	1,467,653

The accompanying notes are an integral part of these financial statements.

GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:	
Payments for contract services	$ (151,225)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Nonoperating resort tax appropriation	219,961
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchases of capital assets	(1,201,255)
Proceeds from capital grants	1,030,840
Net cash flows from capital and related financing activities	(170,415)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash and cash equivalents, beginning of year	151,617
Cash and cash equivalents, end of year	$ 49,938

RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income (loss)	$ (208,249)
Increase (decrease) in current liabilities:	
Accounts payable and accrued liabilities	57,024
Net cash flows from operating activities	$ (151,225)

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gallatin Canyon County Water and Sewer District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

a. Reporting Entity

The District was formed by petition on December 29, 2020 pursuant to Title 7, Chapter 13, Parts 22 and 23 of the Montana Code Annotated ("MCA"). The Board of Gallatin County Commissioners approved the petition on the named date and adopted Resolution 2020-152 which is an order declaring the territory of the District to be organized. A Certificate of Incorporation for the District was thereafter issued by the Montana Secretary of State on April 6, 2021.

The purpose of the District is to collect information and data, and to analyze the same, in order to determine what wastewater treatment system is best adapted to provide wastewater collection and treatment to not only the present District, but other properties in the canyon area that may elect to join the District, and to gather information and analyses for water and water distribution systems. In the event that such wastewater and water systems can be identified, it is also the intent of the District to finance, construct, operate and maintain such systems. The District does not intend to compel landowners to join the District, or to otherwise compel any landowner within the District to remain within the boundaries of the District should that landowner determine that because of costs or the necessary delays in construction and financing, such systems will not benefit them.

b. Measurement Focus and Basis of Accounting

The term measurement focus is used to denote what is being measured and reported in the District's operating statements. The District is accounted for on the flow of "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported and equity is reported as net position.

The term basis of accounting is used to determine when a transaction or event is recognized on the District's financial statements. The District uses the full accrual basis of accounting, with revenues recorded when earned and expenses recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

Pursuant to GASB 62, Gallatin Canyon County Water and Sewer District follows all GASB pronouncements and may apply FASB pronouncements for accounting issues not addressed by GASB literature, unless it conflicts or contradicts GASB pronouncements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Revenues and Expenses

As of June 30, 2024, the District remains in the feasibility and planning stage and has not commenced operations or provided water and sewer services. During this stage, the District is conducting studies, securing necessary regulatory approvals, and assessing funding options to determine the viability of providing services in the future. As a result, the District has not generated operating revenues and continues to incur expenditures related to administrative functions, feasibility assessments, and preliminary planning activities.

The District's future operations are contingent upon the successful completion of feasibility studies, securing necessary funding, and obtaining required regulatory approvals. Until these conditions are met, no assurances can be given as to when or if water and sewer services will commence.

d. Use of Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources of net position are available, the District's policy is to apply the expense to the restricted resources first and then toward unrestricted resources.

e. Cash and Cash Equivalents

The District is authorized by statute to invest in time and savings deposits with a bank, savings and loan association, or credit union in the state. In addition, it may also invest in obligations of the United States Government, securities issued by agencies of the United States, repurchase agreements, and the State of Montana Short-Term Investment Pool (STIP).

The District has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent.

f. Capital Assets

The District's capital assets are recorded at historical cost or, if acquired through donation, at their estimated fair market value when received. The District capitalizes individual asset purchases and improvements that exceed $2,500 and have a useful life of more than one year.

As of June 30, 2024, the District's capital assets consist solely of Construction in Progress (CIP) related to the development of water and sewer infrastructure. Costs associated with ongoing construction projects, including engineering, permitting, and construction expenditures, are accumulated as CIP until the asset is substantially complete and placed into service. At that time, the District will reclassify the completed assets into their respective capital asset categories and begin depreciation over their estimated useful lives.

Since all capital assets are currently classified as Construction in Progress, no depreciation has been recorded for the fiscal year ended June 30, 2024. Depreciation will commence once assets are placed into service, based on the District's established useful life schedules for water and sewer infrastructure and related equipment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. Net Position

Proprietary fund net position is divided into three components:

i. Net investment in capital assets

Consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus capital asset related deferred outflows of resources less capital asset related deferred inflows of resources related to those assets.

ii. Restricted

Consist of assets that are restricted as a result of external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

iii. Unrestricted

All other net position is reported in this category.

h. Budget

The District is not legally required to adopt a budget; therefore management has decided not to present the budget in the financial statements.

i. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j. Tax Exempt Status

The District is a municipal corporation and, therefore, is not liable for federal and state income taxes pursuant to Internal Revenue Code 501(c)(1).

k. Deferred Inflows of Resources

The District's statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). This deferred inflow of resources is attributed to the multi-year interlocal agreement with Big Sky Resort Area District to support the District's operations.

2. CASH AND CASH EQUIVALENTS

As of June 30, 2024, the carrying amount of the District's deposits (cash accounts) at a local bank was $49,938. The bank balance as of June 30, 2024 was $170,167. The total bank balance was covered by federal depository insurance.

3. DUE FROM OTHER GOVERNMENTS

At June 30, 2024, the District reports amounts classified as Due from Other Governments, which represent receivables from federal, state, and local governments for grants, reimbursements, or interlocal agreements. The components of Due from Other Governments as of June 30, 2024 are as follows:

Government Entity	Description	Total
Big Sky Resort Area District	Interlocal agreement to support operations.	$ 742,415
Big Sky Resort Area District	Reimbursements for feasibility study costs.	36,130
Department of Natural Resources and Conservation (DNRC)	American Rescue Plan Act (ARPA) Water & Sewer Grant	165,694
Gallatin County	American Rescue Plan Act (ARPA) Water & Sewer Grant	15,000
	Total	959,239
	Less: current portion	(559,239)
	Total Due from Other Governments, noncurrent	$ 400,000

Amounts classified as Due from Other Governments are considered fully collectible and no allowance for doubtful accounts has been recorded.

4. CAPITAL ASSETS

Capital assets for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
Nondepreciable capital assets:				
Construction in progress	$ 195,369	$ 1,201,256	$ -	$ 1,396,625

5. COMMITMENTS AND CONTINGENCIES

a. Consultant Agreement

The District entered into a master services agreement for professional services with WGM Group, Inc. (the "Consultant") on March 31, 2023 to provide consulting and other services. Under this agreement, the Consultant shall provide a scope of services and budget for each new task as a separate Work Order. Each Work Order will define the term of the agreement.

b. Interlocal Agreement between Big Sky County Water & Sewer District and Big Sky Resort Area District for the WRRF Phase I Project, Canyon Project and Financing

On February 4, 2020, the Big Sky County Water & Sewer District and Big Sky Resort Area District entered into an interlocal agreement which included the Canyon Project and the payment or financing of the costs thereof. Under the agreement the Resort Area District agreed to cause a mail ballot election for the imposition of the Infrastructure Resort Tax (an additional 1% tax), with the proceeds to be used to pay a portion of the costs of the Big Sky County Water & Sewer WRRF Phase I Project and the Canyon Project. The election was held on May 5, 2020 and passed.

The Canyon Project consists of a lift station near the intersection of U.S. Route 191 and Highway 64; a wastewater forcemain up the Highway 64 corridor to the WRRF; a pipeline conveying treated water back to the Canyon Area; and related improvements which will provide wastewater treatment capacity to properties located within the Resort Area District in Gallatin Canyon.

The Resort Area District agrees to fund all costs of the Canyon Project from revenues collected from the Infrastructure Resort Tax (the "Canyon Project Contribution"); however, in no event shall the contribution exceed $12,000,000.

6. CONCENTRATIONS OF REVENUE SOURCES

The District received all of its funding from three governmental entities. Two of the entities are considered flow-through entities that granted a sub-award to the District under the same federal funding source. The third entity provided funding through an interlocal agreement to support operations. All of these revenues were reported as nonoperating revenues.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 15, 2025, the date on which these financial statements were available to be issued.

holmes & turner
certified public accountants

MEMBERS OF CPAMERICA, INC.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Gallatin Canyon County Water and Sewer District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Gallatin Canyon County Water and Sewer District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Gallatin Canyon County Water and Sewer District's basic financial statements, and have issued our report thereon dated April 15, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gallatin Canyon County Water and Sewer District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gallatin Canyon County Water and Sewer District's internal control. Accordingly, we do not express an opinion on the effectiveness of Gallatin Canyon County Water and Sewer District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gallatin Canyon County Water and Sewer District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Holmes & Turner
Bozeman, Montana
April 15, 2025

Current Year Findings:

None.

Prior Year Findings:

Not applicable.

holmes & turner
certified public accountants

MEMBERS OF CPAMERICA, INC.

1283 NORTH 14TH AVENUE, SUITE 201
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April 15, 2025

To the Board of Directors
Gallatin Canyon County Water and Sewer District
Big Sky, Montana

We have audited the financial statements of Gallatin Canyon County Water and Sewer District (the District) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 23, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by the district during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the District's financial statements were:

- Management's estimate of the collectability of accounts receivable is based on management's experience and analysis of these accounts. We evaluated the key factors and assumptions used to assess the collectability of accounts receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.
Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached material misstatements detected as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 15, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to each engagement. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Gallatin Canyon County Water and Sewer District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Holmes + Turner

Holmes & Turner
Bozeman, MT

Gallatin Canyon County Water and Sewer District

Year End: June 30, 2024
Report trial balance
Date: 7/1/2023 To 6/30/2024

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE.01	6/30/2024	Construction in Process	15000			1,187,035.48			
AJE.01	6/30/2024	Project Funding	60200				397,634.50		
AJE.01	6/30/2024	Accounting & Legal Services	60300				271,270.68		
AJE.01	6/30/2024	Engineering&Infrastr. Planning	60400				518,130.30		
		To capitalize construction in process from FY24.							
AJE.02	6/30/2024	Due from other governments, current	12100			200,000.00			
AJE.02	6/30/2024	Due from other governments, noncurrent	19100			400,000.00			
AJE.02	6/30/2024	Deferred inflows - interlocal agreement	29100				600,000.00		
		To record the FY25-FY27 interlocal agreement awarded in FY24.							
AJE.03	6/30/2024	Due from other governments, current	12100			171,198.57			
AJE.03	6/30/2024	BSRAD - Capital Contributions	80101				36,130.20		
AJE.03	6/30/2024	BSRAD - Interlocal agreement	80102				135,068.37		
		To accrue FY24 revenues from BSRAD.							
AJE.04	6/30/2024	BSRAD Funding	80000			413,941.03			
AJE.04	6/30/2024	BSRAD - Interlocal agreement	80102				157,583.62		
AJE.04	6/30/2024	BSRAD - Capital Contributions	80101				256,357.41		
		To reclass revenues for presentation purposes.							
AJE.05	6/30/2024	District Administration	60000			61,625.20			
AJE.05	6/30/2024	Accounting & Legal Services	60300				61,625.20		
		To reclass administration costs.							
AJE.06	6/30/2024	Grant Income	40000			57,536.25			
AJE.06	6/30/2024	Grant Income	40000			23,184.40			
AJE.06	6/30/2024	Grant Income	40000			17,787.74			
AJE.06	6/30/2024	Unrestricted Net Assets	30000				98,508.39		
		To adjust beginning net position for revenues earned in FY23.							
AJE.07	6/30/2024	Due from other governments, current	12100			57,894.03			
AJE.07	6/30/2024	Due from other governments, current	12100			37,488.74			
AJE.07	6/30/2024	Due from other governments, current	12100			70,310.67			
AJE.07	6/30/2024	Grant Income	40000				165,693.44		
		To accrue State ARPA billings at 6/30/2024.							
AJE.08	6/30/2024	Due from other governments, current	12100			15,000.00			
AJE.08	6/30/2024	Grant Income	40000				15,000.00		
		To accrue County ARPA billings at 6/30/2024.							
AJE.09	6/30/2024	Construction in Process	15000			14,220.51			
AJE.09	6/30/2024	District Administration	60000			10,228.89			
AJE.09	6/30/2024	In-kind donation	80199				24,449.40		
		To record "in-kind" revenues and expenses (CIP).							
AJE.10	6/30/2024	Construction in Process	15000			195,369.32			
AJE.10	6/30/2024	Unrestricted Net Assets	30000				195,369.32		
		To capitalize prior year CIP costs.							

Gallatin Canyon County Water and Sewer District
Year End: June 30, 2024
Report trial balance
Date: 7/1/2023 To 6/30/2024

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
						2,932,820.83	2,932,820.83		
		Net Income (Loss)	1,295,936.18						

GALLATIN CANYON COUNTY WATER & SEWER DISTRICT

REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM (CSLFRF) REQUIREMENTS FOR AN ALTERNATIVE CSLFRF COMPLIANCE EXAMINATION ENGAGEMENT

FOR THE YEAR ENDED JUNE 30, 2024

holmes & turner
certified public accountants

MEMBERS OF CPAMERICA, INC.

1283 NORTH 14TH AVENUE, SUITE 201
BOZEMAN, MONTANA 59715
P: (406) 587-4265
F: (406) 586-3111

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Gallatin Canyon County Water & Sewer District
Big Sky, Montana

We have examined Gallatin Canyon County Water & Sewer District's (the District) compliance with "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2024 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2024. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the specified requirements above during the year ended June 30, 2024.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the District's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions.

We performed our examination to express an opinion on the District's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards.*

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the District complied, in all material respects with the specified requirements referenced above during the year ended June 30, 2024. Accordingly, this report is not suitable for any other purpose.

Holmes & Turner P.C.
Bozeman, Montana
May 20, 2025

May 20, 2025

Holmes & Turner, P.C.

In connection with your examination of Gallatin Canyon County Water & Sewer District's (the District) compliance with "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2024 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") for the year ended June 30, 2024, for the purpose of expressing an opinion about whether the District has complied with the specified requirements, in all material respects, we confirm, to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

1) We are responsible for complying with the specified requirements listed above.
2) We are responsible for establishing and maintaining effective internal control over compliance.
3) We have performed an evaluation of the District's compliance with the specified requirements.
4) All relevant matters are reflected in the evaluation of the District's compliance with the specified requirements.
5) We are responsible for selecting the specified requirements and for determining that the specified requirements are suitable, will be available to intended users, and are appropriate for the purpose of the engagement.
6) We have disclosed to you all deficiencies in internal control relevant to compliance with the specified requirements of which we are aware.
7) We are not aware of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the District's compliance with the specified requirements.
8) We are not aware of any known events subsequent to the period of the District's compliance with the specified requirements that would have a material effect on its compliance with the specified requirements or its assertion about such compliance.
9) We are not aware of any noncompliance with the specified requirements, including noncompliance occurring after June 30, 2024.
10) Under the terms of the agreement, we have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with the specified requirements.
11) We have disclosed to you all known matters that may contradict the District's compliance with the specified requirements during or subsequent to the period covered by your report, and we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with the specified requirements, including communications received between June 30, 2024 and May 20, 2025.
12) We have responded fully to all inquiries made to us by you during the engagement.

Signature: _____

Title: _____

April 15, 2025

Holmes & Turner, PC
1283 North 14th Avenue, Suite 201
Bozeman, Montana 59715

This representation letter is provided in connection with your audit of the financial statements of Gallatin Canyon County Water and Sewer District (the "District"), which comprise the respective financial position of the District as of June 30, 2024, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 15, 2025, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 23, 2024, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We are in agreement with those adjustments.
8) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:
    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
    b) Additional information that you have requested from us for the purpose of the audit.
    c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
    d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.
15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.
22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
28) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 .
31) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
32) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
33) Provisions for uncollectible receivables have been properly identified and recorded.
34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
38) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

Signature: _____

Title: _____

May 20, 2025

Holmes & Turner, P.C.

In connection with your examination of Gallatin Canyon County Water & Sewer District's (the District) compliance with "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2024 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") for the year ended June 30, 2024, for the purpose of expressing an opinion about whether the District has complied with the specified requirements, in all material respects, we confirm, to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

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4) All relevant matters are reflected in the evaluation of the District's compliance with the specified requirements.
5) We are responsible for selecting the specified requirements and for determining that the specified requirements are suitable, will be available to intended users, and are appropriate for the purpose of the engagement.
6) We have disclosed to you all deficiencies in internal control relevant to compliance with the specified requirements of which we are aware.
7) We are not aware of any actual, suspected, or alleged fraud or noncompliance with laws or regulations affecting the District's compliance with the specified requirements.
8) We are not aware of any known events subsequent to the period of the District's compliance with the specified requirements that would have a material effect on its compliance with the specified requirements or its assertion about such compliance.
9) We are not aware of any noncompliance with the specified requirements, including noncompliance occurring after June 30, 2024.
10) Under the terms of the agreement, we have provided you with all relevant information and access to information and personnel in connection with your examination of compliance with the specified requirements.
11) We have disclosed to you all known matters that may contradict the District's compliance with the specified requirements during or subsequent to the period covered by your report, and we have disclosed to you all communications from regulatory agencies, internal auditors, other independent accountants or consultants, and others regarding possible noncompliance with the specified requirements, including communications received between June 30, 2024 and May 20, 2025.
12) We have responded fully to all inquiries made to us by you during the engagement.

Signature: _____
Title: President

Signature: _____
Title: GCCWSD Secretary