GALLATIN CANYON
COUNTY WATER & SEWER DISTRICT

PUBLIC MEETING AGENDA

Wednesday July 30th, 2025, 10 AM

This meeting will be held via zoom only
https://us06web.zoom.us/j/81047940962?pwd=5oliYEJbphBzhqqb9uK6s2GnkzGA38.1
(Meeting ID: 810 4794 0962, Passcode: 689406)

Regular Board Meeting Public Forum

A. Call to Order/start recording
B. Appointment of board officers (President, VP, Secretary/Treasurer) – *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. Additional insurance - *Discuss*

II. Old Business

A. Alternative Project Delivery Applicability, Written Findings - *Action*
B. Canyon Water PER Updates and public meeting planning – *Discuss*
C. CMGC Contractor SOQ – *Action*
D. Independent Cost Estimator (ICE) Proposal – *Action*

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

IV. Next Meeting Planning

A. Date & Draft Agenda – *Discuss*

V. Adjourn

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

MEMORANDUM

PURPOSE: The Gallatin Canyon County Water & Sewer District (GCCWSD) in partnership with the Big Sky County Water & Sewer District (BSCWSD), herein referred to as Districts, intend to pursue an alternative project delivery contract, in particular the Construction Manager / General Contractor (CM/GC) method, for the Canyon Sewer Project. This document is intended to remain on file for the Districts to serve as the detailed written finding for justification in using the alternative project delivery contract, in accordance with Montana Code Annotated (MCA) 18-2-502.

APPROVED BY GCCWSD & BSCWSD (DISTRICTS): ***PENDING***

Alternative Project Delivery Contract -- Authority -- Criteria

18-2-502. (Temporary) Alternative project delivery contract -- authority -- criteria. (1) Subject to the provisions of this part, a state agency or a governing body may use an alternative project delivery contract. A state agency or governing body that uses an alternative project delivery contract shall:

(a) demonstrate that the state agency or the governing body has or will have knowledgeable staff or consultants who have the capacity to manage an alternative project delivery contract;

The following Alternative Contracting technical experts include:

WGM Group, Inc. (WGM, District Consultant) –

- **John Pavsek, PE, WGM Alternative Contracting Manager, 44 years of experience. The following are recent projects John managed while serving in his prior position as the Montana Department of Transportation's (MDT) Alternative Contracting Manager:**
  - ***US 93 Post Creek Hill Reconstruction (CM/GC) - $76 million highway and bridge reconstruction (MDT)***
  - ***MT 83 Salmon Lake Reconstruction (CM/GC) - $44 million highway reconstruction (MDT)***
  - ***I-90/Johnson Ln. Diverging Diamond Interchange (CM/GC) - $40 million interchange reconstruction (MDT)***
  - ***MT 200 Clark Fork River Bridge (CM/GC) - $12 million bridge reconstruction (MDT)***
  - ***Glasgow Area Bridge Bundle (Design-Build) - $30 million secondary bridge replacements (MDT)***
  - ***MT 81 Department of Defense Bridge Bundle (Progressive Design Build) - $28 million bridge replacements (MDT/DOD)***

- **Cody Thorson, PE, WGM Senior Project Manager, 25 years of experience. The following are recent projects Cody has managed or been a part of at WGM:**

- ***MDT Kalispell/Whitefish ADA (Design-Build) - upgrades for 140+ pedestrian curb ramps to meet ADA requirements (WGM, Design Manager)***
- ***MDT Missoula ADA (Design-Build) - $3.5 million upgrades for 320+ pedestrian curb ramps to meet ADA requirements (WGM, Design Manager)***
- ***MDT Quartz Flats Rest Area (Design-Build) - upgrades for site layout and utility infrastructure (WGM, Design Manager)***
- ***MDT Hardin Rest Area (Design-Build) - upgrades for site layout and utility infrastructure (WGM, Design Manager)***
- ***MDT Bearmouth Rest Area (Design-Build) - upgrades for site layout and utility infrastructure (WGM, Utility Coordinator)***
- ***MDT Raynolds Pass Rest Area (Design-Build) - upgrades for site layout and utility infrastructure (WGM, Construction Manager)***

Advanced Engineering and Environmental Services, LLC (AE2S, District Consultant) –

- **David Tuan, AE2S Project Manager, 15 years of experience. The following are recent projects David managed or served as owner's representative while in his prior position as City Administrator for the City of Williston, ND:**
  - ***Williston Basin International Airport Terminal 2016 (CM/GC) - $60 million terminal facility construction (City of Williston, ND)***
  - ***Williston Basin International Airport Operations Center 2016 (CM/GC) - $15 million operations facility construction (City of Williston, ND)***
  - ***Public Works Operations Facility 2019 (CM/GC) - $25 million operations facility construction (City of Williston, ND)***
  - ***Upper Missouri River Regional Dispatch Center 2019 (CM/GC) - $13 million public safety answering point facility (City of Williston & Williams County, ND)***
  - ***City Hall Remodel 2020 (CM/GC) – $2.5 million public building remodel (City of Williston, ND)***
  - **Water Resource Recovery Facility 2014 (Design-Bid) - $100 million waste water treatment facility construction (City of Williston, ND)**

(b) clearly describe the manner in which:

(i) the alternative project delivery contract award process will be conducted; and

CM Request for Qualifications (RFQ) Advertisement --> Technical Review Committee (TRC) scoring and short-list of responders based on SOQs.

CM Request for Proposal (RFP) provided to short-listers --> TRC scoring and recommendation to the Districts for selection of a CM. Districts vote on the final selection.

CM enters into contract with the Districts, pending price negotiation for preconstruction services.

Independent Cost Estimator (ICE) RFP Advertisement (concurrent with RFQ Advertisement for CM) --> TRC scoring and recommendation to the Districts for selection of an ICE. Districts vote on the final selection.

ICE enters into contract with the Districts, pending price negotiation for ICE services.

(ii) subcontractors and suppliers will be selected.

After the CM provides a Guaranteed Maximum Price (GMP) for the project, if within 5% of the ICE GMP, the Districts will vote on whether to proceed. If proceeding, the Districts would enter into a separate agreement with the GC (previously the CM). The GC would then competitively bid the project and select subcontractors/suppliers accordingly, with awards going to qualified low-bidding subcontractors. The GC will be required to request subcontractor bids from at least three companies.

(2) Prior to awarding an alternative project delivery contract, the state agency or the governing body shall determine that the proposal meets at least two of the sets of criteria described in subsections (2)(a) through (2)(c) and the provisions of subsection (3). To make the determination, the state agency or the governing body shall make a detailed written finding that:

(a) the project has significant schedule ramifications and using the alternative project delivery contract is necessary to meet critical deadlines by shortening the duration of construction. Factors that the state agency or the governing body may consider in making its findings include, but are not limited to:

Schedule ramifications include funding deadlines, public health benefits, and community need for improved infrastructure. Likewise, the construction season at this location is relatively short due to early onset of winter and the requirement to keep this tourist destination area open. Accelerated construction techniques and construction staging innovation strategies necessitate the use of alternative contracting.

(i) operational and financial data that show significant savings or increased opportunities for generating revenue as a result of early project completion;

Revenue generation for the GCCWSD would begin as soon as connection fees and monthly service fees could be collected (upon immediate acceptance of the backbone sewer main network installation). Otherwise, the GCCWSD currently has no means of generating revenue and has relied on grant funding for expenses to date.

Earlier start of construction and accelerated project completion will result in significant savings due to labor rate increases, inflation of material costs, extra mobilization & demobilization, and inefficiencies associated with multiple year construction. (i.e. $50 million project budget x 3% inflation over 1 year = $1.5 million in savings)

(ii) demonstrable public benefits that result from less time for construction; or

Net nutrient reduction in the Upper Gallatin Canyon alluvial aquifer as well as the main stem Gallatin River is anticipated to be achieved by taking existing, aged, and failing onsite wastewater treatment systems offline and replacing them with a connection to the collection network and treatment at the BSCWSD Water Resource Recovery Facility (WRRF). This would also be anticipated to limit anthropogenic algae blooms in the river.

Treatment of wastewater to Class A-1 effluent quality offers tremendous improvement over current conventional onsite wastewater treatment systems (OWTS) for nutrients as well as pathogens and other water quality parameters.

Class A-1 effluent quality is viable for reuse irrigation, which also promotes water conservation, cost savings, and aquifer recharge.

Public health benefits and improved water quality would begin to be realized as soon as the project is complete.

A reduced construction period also promotes public safety with limited road closures, traffic impacts, and improved safety throughout the project area.

(iii) less or a shorter duration of disruption to the public facility.

The project will act as a relief valve to the current BSCWSD WRRF storage facility by taking on additional BSCWSD treated flows for GCCWSD disposal. Increases in storage volume and further impacts to the WRRF public facility would be required if the project did not happen within the anticipated timeline.

Reduced construction period results in less traffic disruption impacts and associated reduction in traffic conflicts.

(b) by using an alternative project delivery contract, the design process will contribute to significant cost savings. Significant cost savings that may justify an alternative project delivery contract may derive from but are not limited to value engineering, building systems analysis, life cycle analysis, and construction planning.

Value engineering as a result of CM review and constructability analysis is expected to save approximately 10% of project cost, i.e., $5 million. Construction planning and estimating will confirm the expected project budget well ahead of construction, to allow for more informed funding requests from a variety of different grant and loan sources.

Alternative contracting, specifically CM/GC delivery, will virtually eliminate change orders as the contractor is heavily invested in the project design.

The GCCWSD has adopted alternative contracting guidelines that require the CM to self-perform at least 30% of the project work, as well as solicit subcontractor bids from a minimum number of outside companies. It is expected that the CM will be able to more effectively solicit bids than the Districts in an area of MT where access to qualified subcontractors is limited. In the Big Sky area specifically, open-bid prices tend to be as much as 30% higher than other regions in Montana. The CM/GC bid process is anticipated to help ease local inflation trends through a broader outreach of qualified bidders.

CM/GC includes a robust Risk Management process wherein the Districts, District Consultants, and CM identify, price, and mitigate project risks during the design process.

(c) the project presents significant technical complexities that necessitate the use of an alternative delivery project contract.

Technical complexities include but are not limited to: numerous stakeholders and agencies involved; geotechnical considerations – shoring, large boulders, high groundwater, slope stability; MDT ROW trenching – traffic control requirements and access; and varied scopes of work – excavation, heavy civil, electrical, controls, lift station, plumbing, mechanical, foundation / building.

Geotechnical slope stability issues along MT HWY 64 require innovative strategies from a constructability perspective to ensure the force main and reuse main can be built and are not compromised by unstable slope conditions.

Incorporating a CM on this project in the design phase will reduce the burden on the Districts and improve efficiency by adding a CM to the large stakeholder group early on.

(3) The state agency or the governing body shall make a detailed written finding that using an alternative project delivery contract will not:

(a) encourage favoritism or bias in awarding the contract; or

The TRC will be comprised of individuals from each of the Districts and District Consultants, all with different areas of expertise. Individual scores from TRC members will be thoroughly vetted and discussed if there is significant variation in one score versus the collective group scores. It is also anticipated that once an ICE is selected, they will be requested to provide input on the short-listed CM proposers before the final CM selection. The ICE would participate as a non-scoring, advisory member of the TRC.

The project will also include a non-scoring TRC facilitator who will manage the proposal review and scoring process. His/her responsibility will be to ensure transparency and fairness in the individual scoring of the SOQs and proposals. The Project Leader will also be involved in the TRC discussions as a non-scoring member and help facilitate the receipt of documents/questions as the main point of contact for the process. The Districts will follow the MDT TRC review guidelines.

(b) substantially diminish competition for the contract.

The CM selection process is publicly advertised and open to all qualified entities. If the CM final GMP exceeds 5% of the project price estimate provided by the ICE, the Districts can open the project to public bidding in accordance with public procurement laws.

(4) In addition to meeting the criteria set forth in subsections (1) through (3), a state agency or governing body that utilizes a comprehensive agreement must, for each project:

(a) demonstrate a public purpose; and

See above-mentioned public benefits.

(b) demonstrate that the innovative financing delivery favors the innovative financing contract method over other available procurement and alternative project delivery methods. (Terminates July 1, 2033--sec. 6, Ch. 418, L. 2023.)

GCCWSD's legal counsel concluded this is not applicable to the project because all project financing is public, per the definition in Section 18-2-501, MCA:

(10) "Innovative financing delivery" means a project delivery method whereby a state agency or a governing body procures an eligible project that includes private financing and any combination of design, build, operate, or maintain with a private party. In doing so, the state agency or governing body may pay for the development of the eligible project with public funds appropriated to that eligible project, including fees to compensate the private party for the operation and maintenance of the project for the defined term.

RESOLUTION 2025 – ____

A Resolution of the Gallatin Canyon County Water and Sewer District (GCCWSD) to Award an Alternative Project Delivery Contract – Construction Management Contract

WHEREAS, the Board of Directors of the GCCWSD adopted the Alternative Project Delivery Contract process pursuant to Section 18-4-124, MCA, by Resolution 2024-___, on _____, 2024;

WHEREAS, GCCWSD is pursuing a Construction Management Contract for the Gallatin Canyon Sewer Project; pursuant to Section 18-2-501(9)(b), MCA, a board of directors of a county water or sewer district established pursuant to Title 7, chapter 13, parts 22 and 23, is a governing body for the purposes of Title 18, chapter 2, part 5;

WHEREAS, prior to awarding an alternative project delivery contract, pursuant to Section 18-2-502, MCA, the Board of Directors must make specific findings as follows:

(a) the project has significant schedule ramifications and using the alternative project delivery contract is necessary to meet critical deadlines by shortening the duration of construction. Factors considered in making this finding include, but are not limited to:
(i) operational and financial data that show significant savings or increased opportunities for generating revenue as a result of early project completion; and
(ii) demonstrable public benefits that result from less time for construction.

(b) by using an alternative project delivery contract, the construction management contract will contribute to significant cost savings in the design process. Significant cost savings include but are not limited to value engineering, building systems analysis, life cycle analysis, and construction planning.

(c) the project presents significant technical complexities that necessitate the use of an alternative delivery project contract;

WHEREAS, the Board of Directors of GCCWSD must also find, pursuant to Section 18-2-502, MCA, that using an alternative project delivery contract will not encourage favoritism or bias in awarding the contract or substantially diminish competition for the contract;

Therefore, BE IT RESOLVED,

1. The GCCWSD project has schedule ramifications including funding deadlines, public health benefits, and community need for improved infrastructure. Likewise, the construction season at this location is relatively short due to early onset of winter and the requirement to keep this tourist destination area open. Accelerated construction techniques and construction staging innovation strategies necessitate the use of alternative contracting.

2. Revenue generation for the GCCWSD would begin as soon as connection fees and monthly service fees could be collected (upon immediate acceptance of the backbone main network installation). Otherwise, the GCCWSD currently has no means of generating revenue and has relied on grant funding for expenses to date.

Due to the scale of the project, if earlier start of construction, and project completion is achieved sooner, significant savings will occur just due to labor rate increases, inflation of materials, extra mobilization and demobilization, and inefficiencies associated with multiple year construction. (i.e. $50M project budget x 3% inflation over 1 year = $1.5M in savings).

3. Net nutrient reduction in the Upper Gallatin Canyon alluvial aquifer, as well as the main stem of the Gallatin River. is anticipated to be achieved by taking existing, aged, and failing onsite wastewater treatment systems offline and replacing them with a connection to the collection network and treatment at the Big Sky County Water and Sewer District (BSCWSD) Water Resource Recovery Facility (WRRF). This would also be anticipated to limit anthropogenic algae blooms in the river.

   Treatment of wastewater to Class A-1 effluent quality offers tremendous improvement over current conventional onsite wastewater treatment systems, for nutrients as well as pathogens and other water quality parameters. Class A-1 effluent quality is viable for reuse irrigation, which also promotes water conservation, cost savings, and aquifer recharge. Public health benefits and improved water quality would begin to be realized as soon as the project is complete. A reduced construction period also promotes public safety with limited road closures, traffic impacts, and improved safety throughout the project area.

4. The project will act as a relief valve to the current BSCWSD WRRF storage facility, by taking on additional BSCWSD treated flows for GCCWSD disposal. Increases in storage volume and further impacts to the WRRF public facility would be required if the project did not happen in the anticipated timeline. Reduced construction period results in less traffic disruption impacts and associated reduction in traffic conflicts.

5. Value engineering as a result of Construction Management review and constructability analysis is expected to save approximately 10% project cost, i.e., $5 million. Construction planning and estimating will confirm well ahead of construction the expected project budget, to allow for more informed funding requests from the variety of different grant and loan sources. Alternative contracting, specifically Construction Manager delivery, will virtually eliminate change orders as the contractor is heavily invested in the project design.

   The GCCWSD and BSCWSD (Districts) have adopted alternative contracting guidelines that require the Construction Manger to self-perform at least 30% of the project work, as well as solicit subcontractor bids from a minimum number of outside companies. It is expected that the Construction Manager will be able to more effectively solicit bids than the Districts, in an area of Montana where access to qualified subs is limited. In the Big Sky area specifically, open-bid prices tend to be as much as 30% higher than other regions. The Construction Manager bid process is anticipated to help ease local inflation trends through a broader outreach of qualified bidders.

   The Construction Manager process includes a robust Risk Management process wherein the Districts, Engineers, and Contractor identify, price, and mitigate project risks during the design process.

6. Technical complexities include but are not limited to: numerous stakeholders and agencies involved; geotechnical considerations – shoring, large boulders, high groundwater, slope stability; Montana Department of Transportation right-of-way trenching – traffic control requirements and access; and varied scopes of work – excavation, heavy civil, electrical, controls, lift station, plumbing, mechanical, foundation / building.

   Geotechnical slope stability issues along MT HWY 64 require innovative strategies from a constructability perspective to ensure the force main and reuse main can be built and are not compromised by unstable slope conditions. Incorporating a Construction Manager on this project in the design phase will reduce burden on the Districts and improve efficiency by adding them to the large stakeholder group early on.

7. The Technical Review Committee will be comprised of individuals from each of the Districts, Consultants, and Independent Cost Estimator entities, with different areas of expertise. Individual scores from Technical Review Committee members will be thoroughly vetted and discussed if there is significant variation in one score versus the collective group scores.

   The project will include a non-scoring Technical Review Committee facilitator who will manage the proposal review and scoring process. His/her responsibility will be to ensure transparency and fairness in the individual scoring of the statements of qualifications and proposals. The Districts will follow the Montana Department of Transportation Technical Review Committee review guidelines.

8. The Construction Manager selection process is publicly advertised and open to all qualified entities. If the Construction Manager final Guarantee Maximum Price exceeds 5% of the project price estimate, the Districts can open the project to public bidding in accordance with public procurement laws.

Done this _____ day of _____, 2025.

_____
Scott Altman, Board President

Attest:

_____

Jessica Martin-Trulen, Secretary