



MEETING MINUTES

3pm; 1/26/2022; BSCWSD Conference Room

The public may attend in person or via Zoom

Join Zoom Meeting:

<https://zoom.us/j/94932204512?pwd=TUkzMmtURE5KTINjMFFLZ0U4d2JvQT09>

*Red text marks clarifications that were not discussed during the meeting.

I. Regular Board Meeting Public Forum and First Board Meeting Logistics

A. Call to Order – 3:04

- Board members in Attendance: Scott Altman, Jon Olsen, Renae Schumacher (remote)
- Quorum? Yes
- An attendance sheet is attached.

B. Revise and Approve December Meeting Minutes – *Action*

Jon moved to approve without revision, scott seconded. Approved unanimously

C. Public comment on relevant non-agenda items – *Discuss*

None

II. New Business

A. Board updates and correspondence – *Discuss*

None. Everything will be addressed in other agenda items.

B. WGM Group Updates – *Discuss*

There is a lot of ARPA coordinating to be done. Water rights will have to be a component of the Water PER. It will be a major sticking point. WGM Group thinks that is reasonable to be in the scope.

WGM Group presented the project schedule again, with minor updates (see attached).

Remember, there is a scope with the Gallatin River Task Force for septic system inventory and refined nutrient loads.

A priority should be advancing the discharge permit data collection and conversations with DEQ. A new scope to cover this will be presented later.

C. ARPA start up conditions (plan and approval to sign) – Discuss, maybe Action

The ARPA Start up conditions were discussed (see attached DNRC Grant Start Up Guide). For the \$2M competitive ARPA grant, initial conditions need to be met by February 8th 2022, and the District should aim at getting into contract for the grant by April 8th. WGM is assisting the board in meeting these requirements. The scope and budgets need to be updated. The board decided they want to have one board member responsible for each the "grant manager" – Jon Olsen, "financial manager" – Renae Schumacher, and "funding authority" – Scott Altman. A lot of the work will be contracted out, but the board members will be responsible for making sure the assigned tasks are done and approved by the board. The assignment of legal counsel and engineer will be left vague for now until there is a more formal hiring process.

The Gallatin County grant of \$750k will need to have start up conditions met by May 4th and sign the contract around July 4th. The county will play a larger role in meeting start up conditions and signing contracts for this grant. A memorandum of Understanding will be needed. A template is provided.

Jon motioned to authorize scott to finalize start up conditions and review and sign any required forms. Renae seconded. The motion passed unanimously.

Scott is authorized to review, approve and sign the required documentation once WGM Group presents a final version of the start up condition materials.

D. Assign Board member to establish Unique Entity Identifier (UEI) – Action

Scott will get the UEI set up, required for receiving ARPA funds.

E. Groundwater Discharge Feasibility Report (Big Sky County WSD Scope, expanded scope) – Discuss

WGM Group explained the contents of the groundwater disposal tasks, issues and solutions table. (See the board packet attached.)

A source specific mixing zone may or may not be needed.

Findings of a water PER may help inform this effort.

So far disposal focus has been on the properties currently in the District. Other properties that are likely to join the District should be evaluated soon.

There has been no hard reluctance to join the District. Many are interested in learning more about connection. Few are ready now to join. An impact fee and rate study will be an important step to take soon to help answer questions.

A mix of drainfields (utilizing some existing systems) and shallow injection wells will likely form the final disposal method. Deep injection wells will likely be more complicated regulatorily than they are worth.

Some examples of disposal potential plans were reviewed (see attached board packet).

Some drinking water wells may pose barriers to permitting wastewater disposal. They may or may not be an issue. Evaluating central water systems will be an important step for permitting and protecting health.

Exempt wells cannot be abandoned and give water right credits.

If a central water system was installed, private wells could likely continue to be used for irrigation.

It is the plan to move all wastewater disposal to the west side of the highway. Most of the oldest systems are on the east side – likely the biggest “bang for buck” nutrient removal.

A scope for advancing related tasks will be presented.

A community member asked if the Kalistead property could be used as a disposal area? Ron Edwards says this is likely not viable. The property owners don't want development there. Disposal there would likely impact the West Fork of the Gallatin.

Additional data collection will be needed to better understand groundwater flow.

F. Centralized Water Preliminary Engineering Report ARPA Request using CTAP funds - Action

The District has 20 hours of CTAP assistance for additional ARPA applications.

Gallatin County's 2nd round of Minimum Allocation Applications is due January 31st.

WGM Group presented the draft application asking for funds to prepare a Water PER.

It is proposed to ask for \$27,500 in ARPA funds, with a \$27,500 match from the tax district. The board has not yet requested the \$27,500 from the tax board but would expect for that to be granted.

Jon moves to authorize Scott to sign the application authorization form. Renae seconded. Motion passes unanimously.

Scott Altman signed the Certification Form.

G. WGM Group collection prioritization (Gallatin River Task Force scope) – Discuss

A contract the WGM Group has with the Task Force to help with a septic inventory and canyon collection prioritization. This is beneficial to the GCCWSD as well. It is a more detailed inventory of wastewater systems in the area (drainfields, septic tanks, expected loads, ect.). This is building on the preliminary effort done during the feasibility study. This could be an important decision-making tool for the GCCWSD.

This will directly feed into planning the sewer's collection system and connecting potential users. This will help refine the cost estimates for expanding connection to the proposed sewer.

Everything on the bench on Ramshorn has individual septics. The rest of Ramshorn drains to a single area. Peter Bedell (with Ramshorn) reported that those on Ramshorn's individual drainfields are interested in tying into the central sewer.

\$/lb nitrogen removal can be calculated for each service area or property, which should be one, but not the only consideration.

A community member asked about the impact of the trailer park's existing loads. That is in Service Area 4, which will be a priority area for connection as it is one of the highest existing nutrient loading areas.

Planned timing of discharge and better treated effluent will help increase the chance of a successful discharge permit application for the sewer.

Additional effluent storage (beyond what BSCWSD already has) will likely not be needed.

Board members want snowmaking with effluent to still be on the table for future disposal flexibility.

H. Annexation and Outreach Committee updates – Discuss

This was approved at the last meeting, with Kristin Gardner of the Task Force spearheading and Scott Altman as the board representative. A potential member list has been built since the last meeting trying to pull from a variety of the service areas (see board packet attached). A School District representative is desired. Dustin ___ was proposed as a good option and will be reached out to.

Several potential committee members are on the call and willing to help.

It was discussed how large to have the committee be. There was consensus that a broader base for the committee is better to get more input and perspectives.

Closer to the river, there is more reliably alluvial geology. As you move away, geology gets more variable.

There will be a prioritization effort on what sections should be connected first (assuming everyone wanted to connect).

Scott Altman will spearhead getting an email group and setting a date for a first committee meeting.

Quantification of potential load removed should be presented to help keep support of environmental advocates.

Septic inventory should coordinate with the annexation and outreach committee to get local knowledge included.

I. BRSRAD – BSCWSD Interlocal Agreement review (included in Board Packet) - Discuss

The representative of the Tax board reported that the agreement has proposed updates in progress. This would create a new memorandum of understanding between BRSRAD and BSCWSD.

Canyon District representation at the BSRAD meeting on February 9th 9am-11am is requested to make sure things are on track and help with coordination. It will also help with the District's outreach and public education efforts. See the email from Daniel Bierschwale to Jenny Muscat in Board Packet. Scott and potentially WGM Group will attend.

J. Formation of a BSCWSD-BSRAD-GCCWSD "joint project subcommittee" – Discuss

Jon was assigned to be the Board representative on the proposed subcommittee. The subcommittee is outlined in the interlocal agreement (see board packet). A BSRAD representative indicated that the frequency of meeting can be determined by members.

BSRAD has little guidance at this point for how the committee needs to operate.

Ron Edwards from BSCWSD and Steve from BRSAD should be other representatives.

Coordination between all entities needs to start soon.

Some points for coordination include but are not limited to:

- Which District owns what infrastructure
- Cost of BSCWSD treating Canyon waste
- Cost of GCCWSD disposing of BSCWSD waste

K. Budget formalization – Discuss, maybe action

A 2022 budget is needed for the District's insurance application. It is also a useful tool for financial planning.

The board reviewed and approved the draft budget for insurance purposes as long as "4 years" in the draft is changed to "3 years".

It is unclear whether or not the ARPA money will come in one large payment to the District or if receipts will be reimbursed.

A more detailed and bigger picture budget will be needed for general planning purposes and for reporting to BSRAD. WGM Group will draft something before the BSRAD-BSCWSD-GCCWSD coordination committee meeting (February 8th, 8am at the BSCWSD office).

L. District Legal Counsel contract – Discuss, maybe action

The District should get a formal contract with legal counsel soon. There is a legal counsel role outlined in the ARPA start up conditions. General counsel and water rights help will also likely be helpful.

Matt Williams (water rights) helped with initial District formation. The Board is happy with their work.

Board and community members also recommended:

Matt Dodd (general), Margo Augburn (general), Mike Cussik (water rights), Tom Teats (water rights), and Susan Swimmly (with Gallatin Gateway WSD)

Scott Altman will start vetting options and checking their availability and interest and will report back at the next meeting.

The "legal counsel" role in the ARPA grant start up Grant Administration Plan will be left vague for now.

M. WGM Grant Administration and Engineering Contract– Discuss, maybe action

WGM Group presented a grant administration and engineering scope to the board (see board packet attached)

This covers the immediate needed tasks.

Jon moved to approve the scope and enter into the proposed contract with WGM Group. Scott seconded. The motion was approved unanimously.

N. Gallatin River "outstanding water resource" designation – Discuss

See board packet for Outstanding Water Resource (OWR) ballot initiative (statewide ballot initiative). Comments on this issue to the attorney general need to be submitted by

1/27/22. GCCWSD, BSCWSD, Lone Mountain Ranch, and the chamber of commerce all are writing letters in opposition to this method of protecting the Gallatin and Madison River. LMR supports Wild and Scenic but not Outstanding Water Resource designation through this method. The Gallatin River Task Force has not taken a position yet but is evaluating options. As requested, a response letter was drafted. Jon has provided additions.

The GCCWSD's letter content was workshopped, with some community input. The final draft is attached.

The BSRAD is considering submitting a letter as well.

Jon moved to have Scott sign and submit tonight the letter as amended to the attorney general. Renae seconded. The motion was passed unanimously.

A copy was also sent to the BSCWSD.

III. Old Business

A. Insurance and bank account setup updates – Discuss, maybe action

The bank account is established. The insurance form is nearly complete. Scott is authorized to finalize and submit the application, with the updated budget attached.

Scott would like to coordinate more with Jesse Truland, who has agreed to act as the District's accountant.

B. Conflict of Interest Policy and Board Member Disclosures – Discuss

This item was tabled for the next meeting.

C. District Bylaws Revision – Add authorization for president to make small purchases – Action

Jon motioned to approve the bylaws, as amended. Scott seconded. The motion passed unanimously.

D. MT Rural Water Membership – Action

Scott, using the small purchase authority approved paying for an annual membership to MT Rural Water.

Scott will be the Board's main contact point with Rural Water.

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

None

V. Next Meeting Planning

A. Date & Draft Agenda – Discuss

8am March 30th, 2022 will be the next regular meeting.

- PER approval and community outreach
- Conflict of Interest Policy

VI. **Adjourn – 5:00**

Jon moved to adjourn the meeting, scott seconded, unanimously passed.

Public comment will be encouraged before all non-emergency non-ministerial Actions.

GCWSD MEETING ATTENDANCE SHEET

3 PM; 1/26/2022; BSCWSD Board Room & Zoom



#	Name	Affiliation	Contact	Remote Attendance?
1	Michelle Pond	WGM Group	mpond@wgmgroupp.com	-
2	Steve Johnson	BSPAD	stave@resortbase.org	-
3	Maise Mangold	WGM	Mumangold@wgmgroupp.com	-
4	Jan Olsen	Board Member		-
5	Scott Altmun	Board Member	scott@bigski.com	-
6	Peter Bedell	Ramshorn / BSWSD	PBedell@hotmail.com / Peter@wsd363.com	
7	Renae Schumacher	Board Member		✓
8	Jon Gass	WGM Group		✓
9	Daniel Bier Schwale		← BRAD	✓
10	Stuart Goldberg		← Service Area 4 Landowner	✓
11	Jim Muscut			✓
12	Kristin Gardner	Gallatin River Task Force		✓
13	Scott Hammond			✓
14	Ren Edwards	BSCWSD		-
15				
16				
17				



PUBLIC MEETING AGENDA

Wednesday, January 26th, 2022, 3 pm

Big Sky County Water Sewer District Board Room | 561 Little Coyote Rd, Big Sky

The public may attend in person or via Zoom

Join Zoom Meeting:

<https://zoom.us/j/94932204512?pwd=TUkzMmtURE5KTINjMFFLZ0U4d2JvQT09>

(see next page for call in details)

I. Regular Board Meeting Public Forum

- A. Call to Order
- B. Revise and Approve December Meeting Minutes - *Action*
- C. Public comment on relevant non-agenda items – *Discuss*

II. New Business

- A. Board updates and correspondence – *Discuss*
- B. WGM Group Updates – *Discuss*
- C. ARPA start up conditions (plan and approval to sign) – *Discuss, maybe Action*
- D. Assign Board member to establish Unique Entity Identifier (UEI) – *Action*
- E. Groundwater Discharge Feasibility Report (Big Sky County WSD Scope, expanded scope) – *Discuss*
- F. Centralized Water Preliminary Engineering Report ARPA Request using CTAP funds - *Action*
- G. WGM Group collection prioritization (Gallatin River Task Force scope) – *Discuss*
- H. Annexation and Outreach Committee updates – *Discuss*
- I. BRSRAD – BSCWSD Interlocal Agreement review (included in Board Packet) - *Discuss*
- J. Formation of a BSCWSD-BSRAD-GCCWSD “joint project subcommittee” – *Discuss*
- K. Budget formalization – *Discuss, maybe action*
- L. District Legal Counsel contract – *Discuss, maybe action*
- M. WGM Grant Administration and Engineering Contract– *Discuss, maybe action*
- N. Gallatin River “outstanding water resource” designation - *Discuss*

III. Old Business

- A. Insurance and bank account setup updates – *Discuss, maybe action*
- B. Conflict of Interest Policy and Board Member Disclosures – *Discuss*
- C. District Bylaws Revision – Add authorization for president to make small purchases – *Action*
- D. MT Rural Water Membership - *Action*

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

V. Next Meeting Planning

- A. Date & Draft Agenda – *Discuss*

VI. Adjourn

Public comment will be encouraged before all non-emergency non-ministerial Actions.

ZOOM Meeting Invitation

Topic: GCCWSD Board Meeting

Time: Jan 26, 2022 3:00 PM Mountain Time (US and Canada)

Join Zoom Meeting

Join Zoom Meeting

<https://zoom.us/j/94932204512?pwd=TUkzMmtURE5KTINjMFFLZ0U4d2JvQT09>

Meeting ID: 949 3220 4512

Passcode: 810874

One tap mobile

+13462487799,,94932204512#,,,,*810874# US (Houston)

+16699006833,,94932204512#,,,,*810874# US (San Jose)

Dial by your location

+1 346 248 7799 US (Houston)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 312 626 6799 US (Chicago)

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

Meeting ID: 949 3220 4512

Passcode: 810874

**ITEM C: ARPA START-UP CONDITIONS
(WGM IS PREPARING A START-UP PLAN TO BE SIGNED)**

Mace Mangold

From: Green, Jeff <Jeff.Green@gallatin.mt.gov>
Sent: Thursday, January 13, 2022 10:48 AM
To: scott@bigsky.com; Mace Mangold
Cc: ARPA
Subject: RE: Gallatin county minimum allocation grant application
Attachments: 00 Start-Up Conditions_Cover Sheet.pdf; ARPA Award Letter MAG - Gallatin Co-Gallatin Canyon County Sewer Project.pdf

[EXTERNAL EMAIL] Only open attachments or click on links from senders you trust.

Greetings,

We are happy to let you know that the State of Montana has awarded Gallatin County \$500,000 for the Gallatin Canyon Sewer- Phase 1 project. This, combined with the county's commitment of \$250,000 in matching funds will bring your total award to \$750,000.

I've attached the most recent communication regarding this project from the state, as well as their Start-Up Instructions.

This link (<https://arpa-mtdnrc.hub.arcgis.com/pages/grant-management> [arpa-mtdnrc.hub.arcgis.com]) will take you to DNRC's ARPA website where you can review the steps described in the Start-Up Instructions in greater detail, and start working on the information that will be needed prior to a contract being signed. Much of the information was provided by you in your original application, so this process will consist of confirming and verifying that information, and in some cases documenting it.

As you complete the steps indicated on the start-up list, please provide the requested information and documentation to me. I will be compiling it all for submission to the state prior to a contract being established. We only have a few months to complete everything, so it is important that we keep moving.

In order to facilitate this process I would like to identify a primary person from your project that I can communicate with and who will be responsible for sending information to the county related to the start-up requirements and contracting. We can then set up a phone call to talk about how to best move forward. Please let me know who that will be as soon as possible.

Thanks in advance for your assistance, and congratulations on the award!

Jeff Green / Grants Coordinator

jeff.green@gallatin.mt.gov

406-582-3097

GALLATIN COUNTY

From: Green, Jeff
Sent: Wednesday, October 13, 2021 3:20 PM
To: scott@bigsky.com; mmangold@wgmgroup.com
Cc: ARPA <ARPA@gallatin.mt.gov>
Subject: Gallatin county minimum allocation grant application

Dear Board President Scott Altman,

Please see the attached letter regarding your grant application.

The Gallatin County Commissioners held a meeting on October 8, 2021, to review the first round of minimum grant applications received. Your request for the Gallatin Canyon Sewer Project - Phase 1 project was \$750,000 and the Commission has decided to award \$750,000.

All the preliminary approvals from Gallatin County Commission to award minimum allocation dollars are contingent upon the State's final approval. Therefore, we will forward Gallatin Canyon County Water and Sewer District's initially approved recommendation of \$750,000 to the State in the next couple of weeks and anticipate correspondence in December 2021.

Upon final approval of the State of our recommendation of your project, the Grants department will be contacting you to initiate further planning and contracting for this grant.

Thank you for your application, and congratulations on the award.

Jeff Green / Grants Coordinator
jeff.green@gallatin.mt.gov

406-582-3097

GALLATIN COUNTY



ARPA Water & Sewer Infrastructure Grant Program
DNRC Grant Start-Up Instructions

Upon receiving its ARPA award letter, DNRC's subrecipient must complete a series of activities before DNRC can prepare and issue the ARPA Contract Agreement. This DNRC Grant Start-Up Guide will step the subrecipient through the documentation it must submit for DNRC to begin preparing its ARPA Contract Agreement. **Please note DNRC's subrecipient organization is the entity on the ARPA award letter (the entity to which the letter is addressed).**

Timeline

DNRC's subrecipient must submit its ARPA grant start-up materials to DNRC within four months of the date of its grant award letter. The subrecipient's ARPA Contract Agreement must be fully executed within six months of the date on the grant award letter. Failure to meet these deadlines may result in modification or potential revocation of the subrecipient's grant award.

Documentation to Submit to DNRC (Needed ASAP to Prepare Contract Agreement)

DNRC's subrecipient organization must complete and submit the following documentation to DNRC within four months of the date on its award letter. The documentation will be used to prepare the subrecipient's ARPA Contract Agreement.

- 1) Confirmation of Health Regulations Related to COVID-19**
Complete the attached form to update DNRC on the status of the local government's health regulations related to COVID-19. Pursuant to Section 28 of HB 632, if a local government subrecipient or any of its authorized agents have health regulations related to COVID-19 that are stricter than those imposed by the state in effect at the time a grant is awarded, the grant award amount will be reduced by twenty percent.
- 2) Uniform Budget**
Complete the attached Uniform Budget and Tracking form to provide DNRC with the most updated project budget. Fill out the first budget tab; other tabs will be used during the grant period. Ensure all figures are as accurate as possible and that funding sources are committed. This budget will be incorporated into the ARPA Contract Agreement.
- 3) Scope of Work**
Provide a detailed Scope of Work for the ARPA project which explains and justifies budget line items. This document should include activities like project engineering, project design, and construction oversight, etc. Ensure it is as accurate as possible; this will be incorporated into the ARPA Contract Agreement. An example Scope of Work is provided to demonstrate the appropriate level of detail the subrecipient should include.

- ❑ **4) Project Implementation Schedule**
Complete the attached Project Implementation Schedule to provide DNRC with the most updated project timeline. Ensure it is as accurate as possible; this will be incorporated into the ARPA Contract Agreement. In projects with multiple funding sources, please prioritize the use of ARPA funds.

- ❑ **5) Firm Commitment of Funding Sources**
Provide documentation of the commitment of all non-ARPA funding sources listed in the project budget. The attached guidance describes which documentation the subrecipient must provide to demonstrate committed funds. DNRC will not issue the subrecipient's ARPA Contract Agreement until the subrecipient has provided an adequate commitment of funding for its non-ARPA project funding sources.

- ❑ **6) Grant Management Plan**
Provide a detailed ARPA Grant Management Plan for the ARPA project. Follow the instructions and, if desired, use the template provided. Most importantly, identify who from the subrecipient organization will be the Grant Manager, responsible for coordinating communication with project partners and overseeing the completion of all required grant management tasks in Submittable.

Other Items to Review or Complete Before Signing the ARPA Contract Agreement

Other items are included in this packet for your information. Depending on your specific grant and project, some combination of the following documentation will be required with the subrecipient's DNRC Contract Agreement. The ARPA Grant Specialist will inform the subrecipient about what it must submit.

- 7) ARPA Grant Submittal Checklist**
This checklist will be used during and after the contracting process. It is provided so the subrecipient is aware of the documentation it should be collecting as the project progresses.

- 8) ARPA Contract Agreement Template**
DNRC will use the template to prepare the subrecipient's ARPA Contract Agreement. It is included here for your reference.

- 9) MEPA Checklist or Other Documentation of Environmental Review Process**
Unless MEPA or NEPA has already been completed on the activities included in the ARPA Project Scope, the subrecipient will need to complete and submit the attached MEPA Checklist before signing its ARPA Contract Agreement. If MEPA or NEPA has been completed on the activities included in the ARPA Project Scope, please attach the MEPA or NEPA document or provide a link to it.

10) Memorandum of Understanding for Pass-Through Subrecipients (if Necessary)

If DNRC’s Subrecipient is passing its ARPA funds through to a Third-Party Subrecipient, it must use the attached Memorandum of Understanding. Follow the instructions provided on the attached form.

11) Subrecipient Survey Questions

The questions in this document will make up the DNRC Subrecipient Survey (Risk Assessment, Single-Audit Requirement, and Executive Compensation). The subrecipient will take a Subrecipient Survey before signing its ARPA Contract Agreement. Depending on the subrecipient’s answers, the ARPA Grant Specialist may schedule a follow-up call to discuss the responses. There are no wrong answers; the subrecipient’s responses allow DNRC to determine what level of technical support the subrecipient may need throughout the grant period.

12) Unique Entity Identifier (UEI)

All subrecipients (direct and third-party) must have a Unique Entity Identifier (UEI) at the time of contracting. This process can take months. Subrecipients must maintain an active UEI with current information throughout the project period. Get started with registration:

<https://sam.gov/content/entity-registration>

Your ARPA Grant Specialist

DNRC has three ARPA Grant Specialists. Depending on the county where the ARPA project takes place, the subrecipient has been assigned either Michelle McNamee, Erin Wall, or Shawna Swanz. See the table below for ARPA assignments by county.

Michelle McNamee mmcnamee@mt.gov (406) 444-0520	Beaverhead Cascade Deer Lodge Glacier	Granite Jefferson Lewis & Clark Madison	Missoula Pondera Powell Ravalli	Silver Bow Teton Toole
Shawna Swanz Shawna.swanz@mt.gov (406) 444-5467	Big Horn Broadwater Carbon Carter Custer Dawson	Fallon Gallatin Golden Valley Meagher Musselshell Park	Powder River Prairie Richland Rosebud Stillwater	Sweet Grass Treasure Wheatland Wibaux Yellowstone
Erin Wall Erin.wall@mt.gov (406) 444-3022	Blaine Chouteau Daniels Fergus Flathead	Garfield Hill Judith Basin Lake Liberty	Lincoln McCone Mineral Petroleum Phillips	Roosevelt Sanders Sheridan Valley

RRGL- and RDG-Coordinated Projects

If an ARPA Water & Sewer Infrastructure project includes Renewable Resource Grant & Loan (RRGL) or Reclamation and Development Grant (RDG) funds, the RRGL or RDG Grant Manager may be the lead DNRC contact assigned to the ARPA project. In such cases, the ARPA Grant Specialist will work in support of the RRGL or RDG Grant Manager; either person can assist the subrecipient with its needs. Contact Lindsay Volpe or Heidi Anderson Folnagy for more information about RRGL or RDG Program projects.

RRGL Program:

Lindsay Volpe (lmvolpe@mt.gov or 444-9766)

RDG Program:

Heidi Anderson Folnagy (handersonfolnagy@mt.gov or 444-6691)

Other ARPA Contacts at DNRC

Autumn Coleman and Anna Miller are also available to help with the ARPA project if the ARPA Grant Specialist is unavailable.

Autumn Coleman: autumn.coleman@mt.gov or (406) 444-6687

Anna Miller: annam@mt.gov or (406) 444-6689

OFFICE OF THE GOVERNOR
STATE OF MONTANA

GREG GIANFORTE
GOVERNOR



KRISTEN JURAS
LT. GOVERNOR

January 4, 2022

Scott MacFarlane, County Commission Chair
Gallatin County
311 West Main Rm 304
Bozeman MT 59715

RE: Notice of ARPA Water & Sewer Grant Award

Dear Scott MacFarlane:

On behalf of the State of Montana, it is my pleasure to notify you that Gallatin County has been conditionally approved for an ARPA Water & Sewer Minimum Allocation Grant award in the amount of \$500,000 for the **Gallatin Canyon County Sewer Project - Phase 1 Project**.

Montana is leading the nation in making critical water and sewer infrastructure investments, with more water and sewer infrastructure needs of our local communities, allowing them to prepare for long-term growth and take action to address immediate community needs. I appreciate the planning and dedication that your community has taken to advance this critical project, so that all Montana communities and families may thrive.

Please note that pursuant to section 28 of HB 632, if a local government awardee or any of its authorized agents have health regulations related to COVID-19 that are more strict than those imposed by the state in effect at the time a grant is awarded, the grant will be reduced by 20 percent. In your application, you were required to certify whether relevant regulations were in effect. Please update the Department of Natural Resources and Conservation (DNRC), in writing, if that has changed between the date you submitted your application and the date of this award letter.

Staff at the Montana Department of Natural Resources and Conservation (DNRC) will contact Gallatin County directly with more information in the upcoming weeks. In the meantime, if you have any questions, please contact Shawna Swanz, the ARPA Grant Manager at the DNRC, at (406) 444-5467 or shawna.swanz@mt.gov.

Sincerely,

A handwritten signature in blue ink that reads "Greg Gianforte".

GREG GIANFORTE
Governor

**ITEM E: GROUNDWATER DISCHARGE REFRESHER
AND NEXT STEPS
(WGM TO PRESENT OVERVIEW)**



WGMGROUP™



**Canyon Discharge Feasibility
Preliminary Environmental Assessment & Non-Degradation Report
Client: Big Sky County Water and Sewer District No. 363
6.21.2021**

REPORT DATE:

6.22.2021

AUTHOR(S):

Chris Allen, PhD, PE

Mace Mangold, PE

WGM Group, Inc.



ACRONYMS

BGS – BELOW GROUND SURFACE
BSCWSD – BIG SKY COUNTY WATER AND SEWER DISTRICT
CECS – CONTAMINANTS OF EMERGING CONCERNS
CFS – CUBIC FEET PER SECOND
CFU – COLONY FORMING UNITS
DEQ – MONTANA DEPARTMENT OF ENVIRONMENTAL QUALITY
GCSWD – GALLATIN CANYON SEWER AND WATER DISTRICT
GPM – GALLONS PER MINUTE
GWIC – GROUNDWATER INFORMATION CENTER
MBR – MEMBRANE BIOREACTOR
MBMG – MONTANA BUREAU OF MINES AND GEOLOGY
MGD – MILLION GALLONS PER DAY
MPDES – MONTANA POLLUTANT ELIMINATION SYSTEM
NRCS – NATURAL RESOURCES CONSERVATION SERVICE
RIBS – RAPID INFILTRATION BEDS
TDS – TOTAL DISSOLVED SOLIDS
TMDL – TOTAL MAXIMUM DAILY LOAD
TN – NITRATE+NITRITE AND TOTAL NITROGEN
TP – TOTAL PHOSPHOROUS
USGS – UNITED STATES GEOLOGIC SERVICES
WMA – WILDLIFE MANAGEMENT AREA
WRRF – WATER RESOURCE RECOVERY FACILITY
WWTP – WASTEWATER TREATMENT PLANT



EXECUTIVE SUMMARY

WGM Group, Inc. (WGM) was contracted by Big Sky County Water and Sewer District (BSCWSD) to evaluate potential disposal locations within the boundaries of the newly formed Gallatin Canyon Sewer and Water District (GCSWD), with the general objective to advance the “Scenario 2” concept (i.e. BSCWSD treatment, GCSWD disposal) identified in the Canyon Area Feasibility Study (WGM, 2020). This report is intended as an initial planning document to facilitate coordination with Montana Department of Environmental Quality (DEQ) with respect to obtaining a groundwater discharge permit in the “Canyon Area” located in Big Sky, Montana.

The objective to secure a new discharge permit is intended as an environmentally responsible and mutually beneficial solution for the GCSWD and BSCWSD. The Canyon Area lies adjacent to the main stem Gallatin River. Sewer service in the Canyon Area currently consists of numerous septic systems and larger “public” wastewater systems servicing individual development areas (e.g. Buck’s T-4, Ramshorn subdivision, Ophir School, etc.). These systems generate low quality effluent compared to most centralized treatment options and the discharge results in elevated nutrient loading to the Gallatin River along with posing a human health risk to private wells throughout the developed canyon corridor. The BSCWSD is commencing construction of a new Water Resource Recovery Facility (WRRF) to increase annual average treatment capacity and substantially improve effluent quality utilizing enhanced nutrient removal and membrane bioreactor (MBR) technology. The upgrade will enable BSCWSD to treat Canyon Area wastewater and produce high quality effluent that meets Class A-1 requirements with less than 5 mg/L of total nitrogen (TN), and with as little as 0.05 mg/L total phosphorous (TP). The combined solution of collecting Canyon Area wastewater, providing enhanced treatment via the new BSCWSD WRRF, and returning treated effluent to the Gallatin River aquifer is intended to achieve the following objectives:

- Nutrient reduction to the currently impaired West Fork of the Gallatin River
- Net-nutrient reduction to the Gallatin River
- Provide BSCWSD with disposal sureties (increased capacity, redundancy, operational flexibility)
- Provide aquifer recharge and potential water right mitigation

In addition to the above objectives, establishment of the GCSWD and implementation of central wastewater management infrastructure is expected to offer opportunities for more effective use of developable land (i.e. limit ongoing “development sprawl”) and greater ease for effective regulatory oversight (i.e. single point of enforcement vs. numerous septic systems). Central infrastructure is



fundamental to facilitating increased density that would aid in alleviating challenges the Big Sky area is facing such as affordable and/or or work force housing, traffic congestion, and long-term protection of natural resources. Without central infrastructure, the development model of individual wells and septic systems will continue, heightening environmental and human health risks, while further straining DEQ and county health department regulatory staff resources.

The report provides a compilation for available data and information to assess groundwater discharge feasibility and inform subsequent implementation steps that is anticipated to include a Preliminary Rapid Infiltration Bed Design Report and application for a Montana Pollution Discharge Elimination System (MPDES) discharge permit. Preliminary hydrogeologic characterization and non-degradation analyses are provided to assess permit feasibility and inform future data collection planning. Hydraulic analyses were conducted to estimate recharge gallery capacity and travel time to receiving waters and downgradient wells. **Table 1** provides a summary of findings, potential hurdles that remain to be addressed, and preliminary recommendations for additional analysis and/or data collection. **Notably, the primary design hurdle and permitting challenge is the short subsurface travel time between the proposed infiltration beds and downgradient wells which is less than the 200-day minimum threshold.**

The high-quality effluent from the treatment plant renders the system exempt from components of a groundwater discharge permit, however, the receiving aquifer is likely considered connected to surface water and as a result will require an MPDES discharge permit. Hydraulic analysis for the assumed groundwater recharge locations within the current GCSWD boundary results in disposal capacity on the 0.5 MGD scale, largely dependent on actual disposal acreages available and subsurface variables that might limit capacity based on mounding and/or daylighting implications. The Class A1 effluent quality significantly reduces (or eliminates) permitting challenges associated with groundwater non-degradation analysis given that the effluent exceeds criteria prior to entering the aquifer. Aquifer dilution, denitrification and phosphorous adsorption processes, coupled with instream dilution results in negligible change in Gallatin River water quality and compliance with surface water non-degradation criteria. No downgradient wells exist within the minimum 500-foot exclusion zone, however, the estimated travel time of water discharged into the infiltration beds to downgradient wells is below the minimum 200-day threshold. Further effluent water quality, risk assessment and hydraulic analysis will be required to address human health risk considerations. Potential risk assessments, **indirect potable reuse permitting** and/or alternative water service solutions are recommended to the discussed with DEQ.



Permitting / Analysis	Prelim analysis	Metrics / data used	Prelim result	Impact/Digestion	Additional analysis or data collection
Hydraulic Analysis					
Application rates	Review of available data to estimate soil based loading rates .	Test pit data, percolation test results, regional soil data	4.8 acres of infiltration bed required to discharge approximately 0.3 MGD	Test pits indicate variability with many areas being suitable and some areas less suitable	Site specific basin flooding tests to determine max infiltration rates
Groundwater surface impacts	Applied simplified Hantush mounding analysis. Site conditions violate model requirements, further assessment required.	Estimated depths of shallow alluvial aquifer from proximal boreholes, and applied regional hydraulic conductivity data for alluvial aquifers.	Anticipated 3'-7' of groundwater mounding beneath RIBs, potential for impacts sufficient to warrant more detailed modeling	Steep topography increases chances of discharge daylighting and may eliminate some locations. Transmissivity data will heavily impact mounding height and extent.	Data acquisition required to support MODFLOW model. Current understanding of shallow aquifer properties and extent need to be improved in conjunction with understanding of the existing groundwater surface to aid in model calibration.
Groundwater Non-degradation					
Nitrate Analysis	Class A1 water exempt from groundwater discharge non-deg; infiltration based model was run to estimate dilution.	Class A-1 exempt: ARM 17.30.1022 and GIS analysis.	Discharge of Class A-1 water with TN less than 5 mg/l does not violate non-degradation, dilution is estimated to be minimal	Despite limited dilution, values will remain low	Improve nitrogen fate and transport modeling using MODFLOW .
Phosphorus Analysis	Breakthrough Analysis Performed using DEQ4 methodology	Assuming 4.8 acres of discharge area within Altman property	>100-year breakthrough period estimated assuming 0.3 MGD with 0.1 mg/l P	Significant P removal potential estimated; at this volume max concentration for breakthrough ~2 mg/l	Improve phosphorus fate and transport modeling using MODFLOW .
Human Health (Travel time)	Darcy's law applied with estimated gradients and values for hydraulic conductivity	Estimated hydraulic gradients and regional ranges of hydraulic conductivities for alluvial aquifers	Downgradient wells likely less than 200 day travel time down gradient of discharge locations	Indirect potable reuse permit (and potential treatment upgrades) or alternative water sources will be required for down gradient wells	Preliminary Solutions: 1) Risk Assessment (MBR / aquifer pathogen reduction) 2) Central water system
Surface water Non-degradation					
Nitrate Analysis	Instantaneous in-stream dilution of nitrogen load at baseflow assuming zero subsurface removal	Estimated load at 0.3 MGD and 5 mg/l TN	Nitrogen increase in the Gallatin at baseflow ~ 0.03 mg/l	Order of magnitude lower impact in Gallatin compared to West Fork	Improve nitrogen fate and transport modeling using MODFLOW to estimate river load and mixing zone.
Phosphorus Analysis	Assumed complete subsurface removal based on favorable breakthrough analysis	N/A	Minimal phosphorus load to river	If Gallatin and downgradient waterbodies are phosphorus limited, subsurface discharge will provide additional protection	Improve phosphorus fate and transport modeling using MODFLOW to estimate river load and mixing zone.
GW Discharge Permit reviewed as SW Permit					
MPDES	Discharge is likely connected to Gallatin River given short transport times	Proximity and short subsurface travel times to the Gallatin river	Discharge Hydraulically connected to surface water	Additional environmental and public review	TBD - Environmental assessment level of detail to be coordinated with DEQ
		Green: Analysis result indicates low permitting hurdle or potential benefit			
		Yellow: Potential permitting hurdle or analysis results could vary significantly with field data altering feasibility, or			
		Orange: Analysis indicates potential significant hurdle			

TABLE 1. SUMMARY OF FINDINGS, POTENTIAL HURDLES THAT REMAIN TO BE ADDRESSED, AND PRELIMINARY RECOMMENDATIONS FOR ADDITIONAL ANALYSIS AND/OR DATA COLLECTION



CONCLUSIONS AND RECOMMENDATIONS

The site geology and current development appears amenable to groundwater discharge, however, further modeling is required to refine capacity estimates better define subsurface flow paths and regional impacts. Preliminary non-degradation and hydraulic analysis indicate that groundwater discharge at a 0.5 MGD scale may be feasible pending coordination with DEQ. Groundwater quality in the plume downgradient of the proposed discharge beds would remain acceptable from a nutrient perspective, and phosphorus breakthrough is substantially greater than the required 50-year threshold. There are private wells that will fall in the discharge plume with insufficient travel time, representing a permitting challenge. Potable water sources for the area impacted by the plume will need to be considered as a part of project feasibility, or permitting for indirect potable reuse may be pursued.

Enabling BSCWSD discharge in the Canyon Area provides multiple environmental benefits; 1) reduced nutrient loading into the impaired West Fork watershed, 2) centralized treatment for the Canyon Area to reduce the nutrient load to the Gallatin River, and 3) increased potential for water conservation and reuse. The high-quality effluent and additional water quality improvements (especially phosphorus removal) achieved with groundwater recharge provide favorable conditions for obtaining a discharge permit, however the MPDES process involves a public comment period which runs the risk of becoming contentious. While this may be viewed as a hurdle, the environmental advantages of improving water quality in the West Fork and net nutrient reduction in the Gallatin have the potential to gain public support. Initial estimates of potential load reduction indicate that West Fork water quality may be improved to non-impaired status, while growth could continue in the Canyon Area while maintaining a net-nutrient reduction for the foreseeable future. Furthermore, central collection and MBR quality treatment, coupled with avoidance of future proliferation of septic systems, will aid in mitigating both present day and future human health risk associated with contamination of private wells. It is recommended that the GCSWD explore potential water service opportunities to further mitigate human health concerns, especially as it relates to well users located between Highway 191 and the Gallatin River as this area lies downgradient of numerous existing systems and the proposed groundwater recharge facilities.

The preliminary findings support the feasibility of obtaining a MPDES discharge permit. Consultation with DEQ is recommended to confirm permit feasibility and develop a sampling and analysis plan to further characterize subsurface conditions and support MODFLOW model development. MODFLOW model development is recommended to perform refined analysis of various disposal scenarios (capacity, location, etc.) and permit criteria including fate and transport of nutrients, travel times and mounding considerations, among other uses.



CONTENTS

EXECUTIVE SUMMARY	i
CONCLUSIONS AND RECOMMENDATIONS	iv
INTRODUCTION	1
PURPOSE AND INTENT	1
REGULATORY CRITERIA	3
ENVIRONMENTAL SETTING.....	4
SITE CHARACTERIZATION	9
SITE DESCRIPTION	9
GEOLOGY ASSESSMENT.....	9
SOIL ASSESSMENT	14
HYDROLOGY ASSESSMENT.....	15
GROUNDWATER ASSESSMENT.....	17
PRELIMINARY HYDRAULIC AND NON-DEGREDEDATION ANALYSIS.....	20
HYDRAULIC CAPACITY ANALYSIS.....	20
GROUNDWATER NON-DEG	21
SURFACEWATER NON-DEG	23
HUMAN HEALTH CONSIDERATIONS	23
PERMITTING SUMMARY.....	25
SAMPLING AND ANALYSIS PLAN.....	27
BASIN FLOODING TESTS.....	29
DRILLING AND PUMP TESTS.....	29
GROUNDWATER DATA COLLECTION	29
CONCLUSIONS	31



FIGURE LIST

- 1 – CANYON AREA FS “SCENARIO 2” OVERVIEW AND GALLATIN CANYON WATER & SEWER DISTRICT BOUNDARY**
- 2 – ENVIRONMENTAL SETTING – CURRENT IN-STREAM NITROGEN**
- 3 – ENVIRONMENTAL SETTING – EXISTING SEPTIC LOADING**
- 4 – REGIONAL GEOLOGY**
- 5 – CROSS SECTION**
- 6 – AQUIFER DEPTH**
- 7 – WATERSHED MAP**
- 8 – PRELIM GROUNDWATER SURFACE AND NITRATE CONCENTRATIONS**
- 9 – MIXING ZONES AND PRIVATE WELLS**
- 10 – PERMITTING SUMMARY**
- 11 – MBMG SITES**

APPENDICES

- A – Genesis Engineering Quarry PUD Site Plan**
- B – Genesis Engineering Quarry PUD Soils Investigation**

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INTRODUCTION

PURPOSE AND INTENT

The information and analyses presented in this Canyon Discharge Feasibility Report are intended to serve as permit feasibility due-diligence and support subsequent coordination with the Montana Department of Environmental Quality (DEQ) to permit a groundwater recharge system and, as required, obtain a discharge permit for disposal of treated effluent within the Canyon area of Big Sky. The Canyon Area Feasibility Study (WGM, 2020) identified groundwater discharge as the recommended disposal option and a collaborative treatment-disposal solution (e.g. “Scenario 2”) as the most cost effective means to facilitate central collection and treatment in the Canyon Area. This solution relies on the Big Sky County Water and Sewer District (BSCWSD) to treat Canyon Area wastewater, and the newly formed Gallatin Canyon Sewer and Water District (GCSWD) to install, operate and maintain the sewer collection network and disposal infrastructure (See **Figure 1** for “Scenario 2” outline and GCSWD Boundary).

As illustrated in **Figure 1**, the Feasibility Study identified multiple preliminary disposal sites within the Canyon Area and provided preliminary disposal capacity estimates based on desk-top review of aquifer characteristics and cursory non-degradation analysis. This report provides additional analysis and updated capacity estimates for two potential discharge locations located within the GCSWD boundary; drainfields sited within planned development on the Big Sky Rock LLC parcel (i.e. proposed Quarry PUD and affordable housing project), and a rapid infiltration basin sited within the footprint of the existing lagoon treatment system on the Lone Mountain Land Company parcel (i.e. former Buck’s T-4).



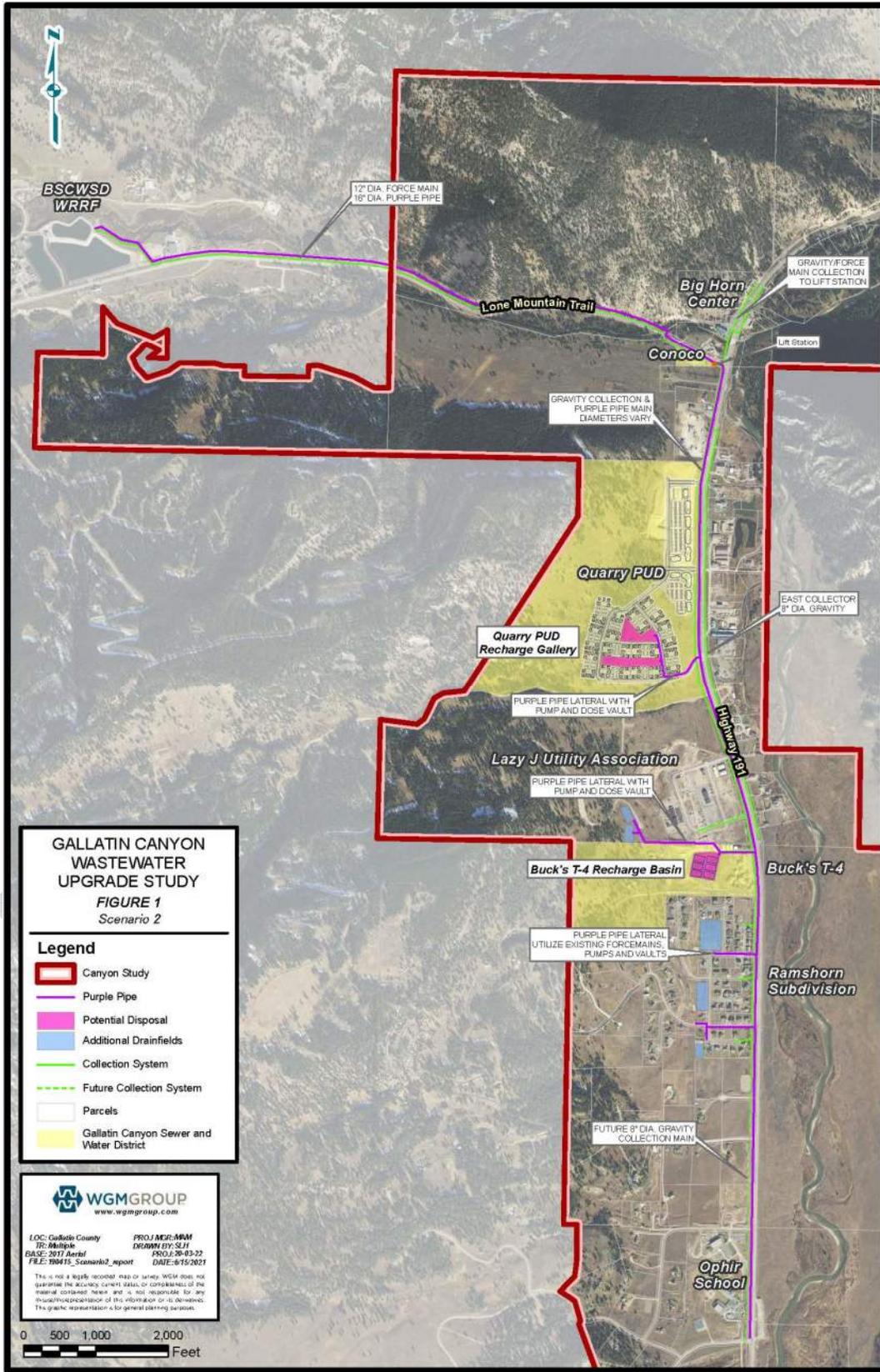


FIGURE 1. GALLATIN CANYON WASTEWATER UPGRADE STUDY, SCENARIO 2



REGULATORY CRITERIA

Multiple regulatory criteria are required to be addressed to secure a MPDES discharge permit through DEQ. The design of infiltration systems will need to be approved, with the first step being the submittal of a Preliminary Rapid Infiltration Bed Design Report. The preliminary design report represents a detailed analysis of the onsite soils, the receiving aquifer and the existing groundwater which is used to site and size the discharge systems. Primary concerns in the review of the preliminary design submission include the long-term hydraulic capacity of the infiltration system, as well as discharge impacts on groundwater elevations and water quality, especially as it relates to mitigating human health risks associated with pathogen transport to drinking water wells and potential contaminants of emerging concerns (CECs).

To perform a full preliminary site analysis, soil test pit data and permeability tests (basin flooding tests recommended) are needed to determine soil profile suitability and application rates. Significant test pit data exist in the Quarry PUD site, however, basin flooding tests will likely be requested to augment existing percolation rate data. Analysis of the receiving aquifer for the discharge is required to estimate impacts on the existing groundwater surface. At a minimum at least one pump test in the area proximal to each proposed application site will be required to determine aquifer transmissivity. Additionally, groundwater monitoring wells will be required to better understand the current groundwater surface and better characterize the thickness of the shallow alluvial aquifer. Subsurface investigations and groundwater monitoring efforts will culminate in a hydraulic analysis to determine appropriate loading rates for water conveyance without adverse groundwater implications. High-quality Class A1 water is permitted for unrestricted application and is exempt from non-degradation requirement, significantly reducing some permitting challenges, however, there are issues with groundwater travel time to down gradient wells. While no downgradient wells exist within the minimum 500-foot exclusion zone, the estimated travel time of water discharged into the infiltration beds to downgradient wells is below the DEQ mandated minimum 200-day threshold.

The 200-day groundwater travel time requirement is in place to protect human health by ensuring sufficient time for the attenuation of human pathogens, with 200 days generally shown to be sufficient to achieve 7 log virus removal (Azadpour-Keely, 2003). With the currently proposed discharge locations, private wells on the east side of Highway 191 from approximately Buck's T4 to the confluence with the West Fork of the Gallatin are anticipated to be less than 200 days down gradient. Additional data collection and hydrogeologic modeling is necessary to determine expected travel times and associated radius of sufficient risk mitigation.

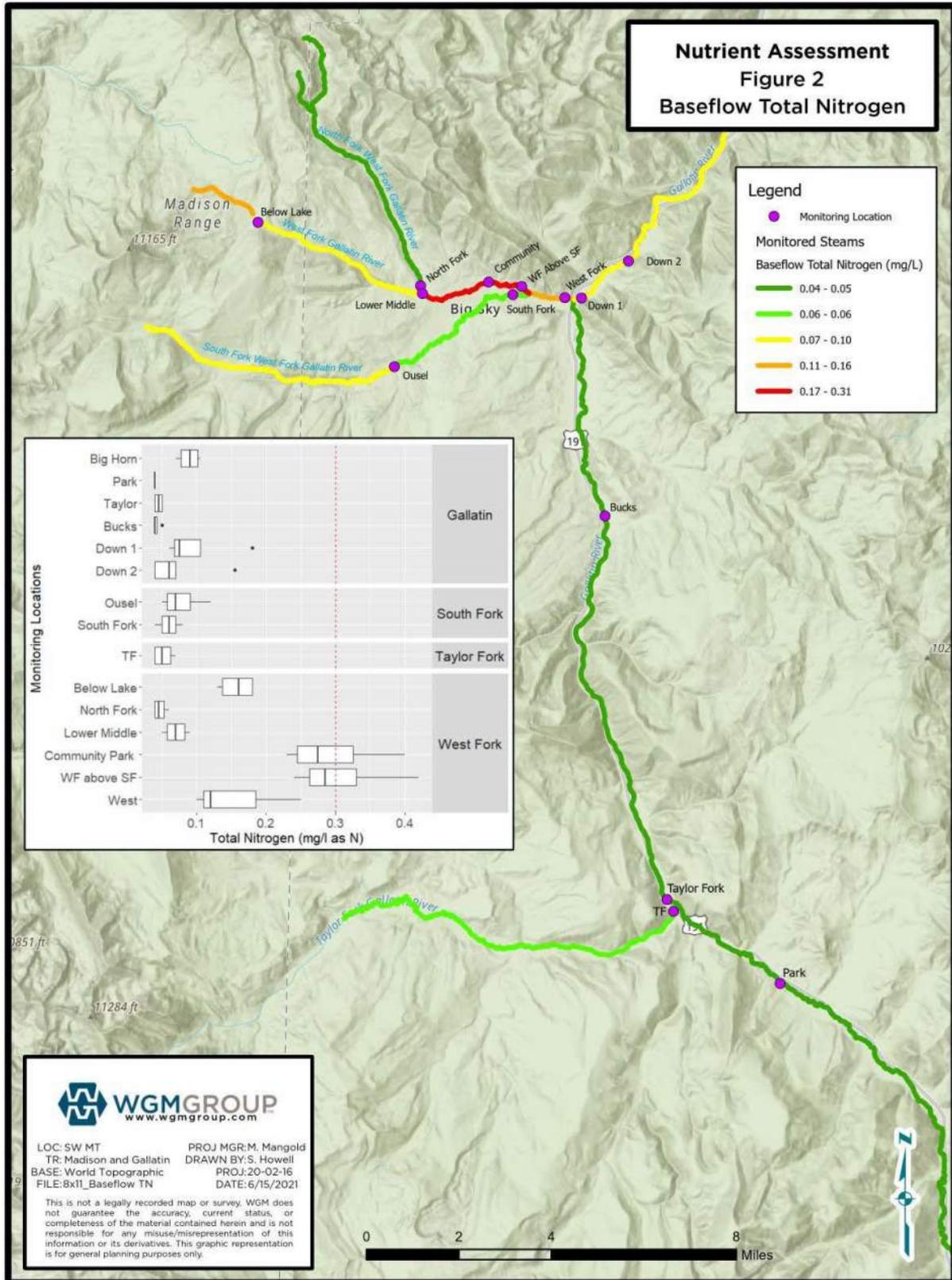


ENVIRONMENTAL SETTING

The BSCWSD is located in the West Fork watershed. The West Fork is currently deemed an “impaired waterbody” and has a total maximum daily load (TMDL) for Nitrate+Nitrite and Total Nitrogen (TN) that limits the feasibility and scale of discharge to the West Fork aquifer. The Gallatin River is not an impaired waterbody and does not have a nutrient TMDL, increasing the likelihood of groundwater discharge permit to the Gallatin aquifer. Additionally, flow rates in the Gallatin River are an order of magnitude greater than that of the West Fork, resulting in greater dilution capacity, and thus resiliency to potential nutrient load inputs.

Present day, instream water quality data generally shows that TN concentrations in the lower reaches of the West Fork are significantly higher than those observed in the Gallatin River, with some reaches of the West Fork exceeding Montana wadable stream nutrient criteria. Late summer baseflow conditions represent the period that streams and rivers are most susceptible to algal blooms due to elevated water temperature and reduced nutrient dilution capacity. **Figure 2** illustrates summer baseflow instream nitrogen concentrations within the West Fork and Gallatin Rivers based on available Gallatin River Task Force monitoring data. West Fork TN concentrations exceed the DEQ instream standard of 0.3 mg/l and the Gallatin River has an average concentration of less than 0.05 mg/L immediately upstream of the confluence with the West Fork and approximately 0.08 mg/L downstream (concentration increase is largely attributed to West Fork load input).





**FIGURE 2. CURRENT IN-STREAM TN CONCENTRATIONS
(DATA SOURCED FROM GALLATIN RIVER TASK FORCE)**



Preliminary nitrogen load quantification is included in the Canyon Area Feasibility Study (WGM, 2020a). and Gallatin River Task Force nutrient assessment for the West Fork (WGM, 2020b) which concluded that anthropogenic nitrogen loads are likely increasing nitrogen levels in the West Fork and Gallatin Rivers. Natural nitrogen sources (atmospheric deposition, rock weathering etc.) result in substantial load during spring runoff such that anthropogenic sources result in a relatively small portion of the total annual load to the Gallatin while anthropogenic nitrogen was determined to be approximately a third of the nitrogen loaded onto the West Fork. During August base flow when streams and rivers are most sensitive to nutrients, anthropogenic loading represents a notable increase in in-stream nitrogen concentrations as aquifer sources (e.g. septic drainfields) contribute nitrogen load to down gradient streams. In the developed reaches, total nitrogen levels in the West Fork increase by approximately 0.2 mg/l during baseflow and 0.03 mg/l in the Gallatin River compared to non-developed up-stream reaches.

The Canyon Area Feasibility Study identified a conceptual collaborative solution that relies on the proposed BSCWSD WRRF upgrade for treatment and end effluent disposal within the GCSWD boundary. The coupled benefit of central collection to reduce septic system related nutrient loading in the Canyon Area and discharging BSCWSD treated effluent in the Canyon Area, would result in notable nutrient load reduction to the impaired West Fork and net-load reduction to the mainstem Gallatin River. **Figure 3.** from The Canyon Feasibility Study (WGM, 2020) illustrates the results of a basic modeling effort that illustrates groundwater loading from onsite systems in the Canyon Area. Onsite wastewater discharge from current development is estimated to result in 4,500 pounds of nitrogen added to the shallow aquifer beneath the Canyon Area annually. **Table 2** provides a preliminary estimate of annual TN loading based on present day loads and future Canyon Area sewer collection extended to Ophir School. Concentration projections are provided to illustrate instream water quality benefits during late-summer baseflow conditions when streams and rivers are most prone to algal blooms associated with nutrient loading.

TABLE 2: ANTHROPOGENIC RELATED NITROGEN LOADING

WATERBODY	ANNUAL LOAD (LBS/YEAR)		BASEFLOW CONCENTRATINO (MG/L)	
	Present Day	Projected	Present Day	Projected
West Fork	5500	3500	.3	.2
Gallatin River	7500	5500	.1	.1



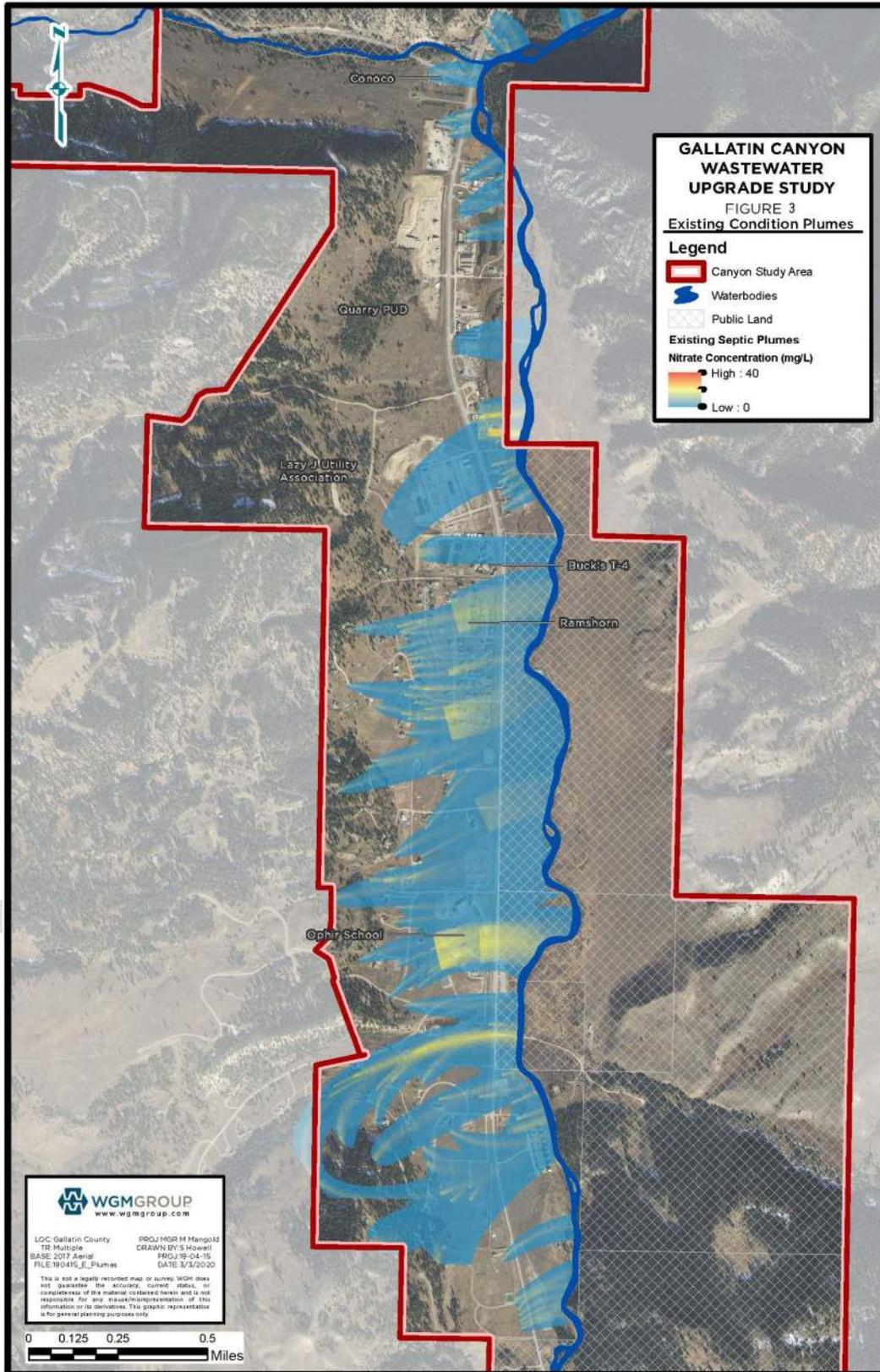


FIGURE 3. EXISTING CONDITIONS PLUMES



With relatively low base flow rates (i.e. 10 cubic feet per second) and currently impaired status, the West Fork, and in turn DEQ, is extremely sensitive to additional nutrient loading to this water body and underlying aquifer. Comparatively, the Gallatin River has an order of magnitude greater flow rate than the West Fork, resulting in greater dilution capacity and overall resiliency to anthropogenic impacts. Additionally, installation of a central sewer collection main as currently proposed in the Canyon Area Feasibility Study will result in reduced nutrient loading from existing septic systems and reduced proliferation of future septic systems, with the general objective to maintain a net-reduction in nutrient loads to the Gallatin River. In concept, West Fork water quality would improve to non-impaired status and Gallatin River water quality would be maintained for the foreseeable future.

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■ SITE CHARACTERIZATION

SITE DESCRIPTION

Preliminary wastewater disposal in the Canyon area is proposed via rapid infiltration beds (RIBs) located within the currently undeveloped Quarry PUD parcel and within the footprint of the existing wastewater lagoon on the Bucks T-4 parcel (see **Figure 1**) in the Canyon Area of Big Sky, Montana. On the Quarry PUD parcel, the RIBs are incorporated into land area already set aside for drainfields for proposed onsite systems in the event that central collection and treatment is not implemented. The current site plan for the Quarry PUD by Genesis Engineering may be found in **Appendix A**, illustrating available subsurface infiltration bed area. By maximizing the existing and replacement drainfield area, as well as some open space up to 7 acres of subsurface infiltration beds could be situated onsite. The lagoon footprint on the Buck's T-4 parcel is approximately 2.5-acres which could be repurposed to an infiltration system.

GEOLOGY ASSESSMENT

In general, the geology and bedrock layers in the Big Sky area include alluvium of modern channels and floodplains (Qual), colluvium (Qc), the Madison Group (Mm), Quadrant Sandstone (PMqa), the Morrison Formation (JTmd), the Kootenai Formation (Kk), Thermopolis Shale (Kmdt), Muddy Sandstone (Kmdt – same as Thermopolis), Mowry Shale (Km), Frontier Formation (Kf), and Cody Formation (Kco) (Baldwin 1996). Baldwin (1997) determined that potential aquifers exist in all of the bedrock units due to extensive fracturing, with yields ranging on average from 1 to 30 gallons per minute (gpm). More specifically, the Madison formation and thus, the Madison aquifer, produces extremely high yields to not only groundwater wells in the area, but to springs as well. Made up of karstified limestone, the formation contains interconnected solution channels and large voids. Geologic faults and structures in the formation provide high water yield potential through secondary flow pathways (Baldwin 1997). An overview of regional geology may be found in **Figure 4**.



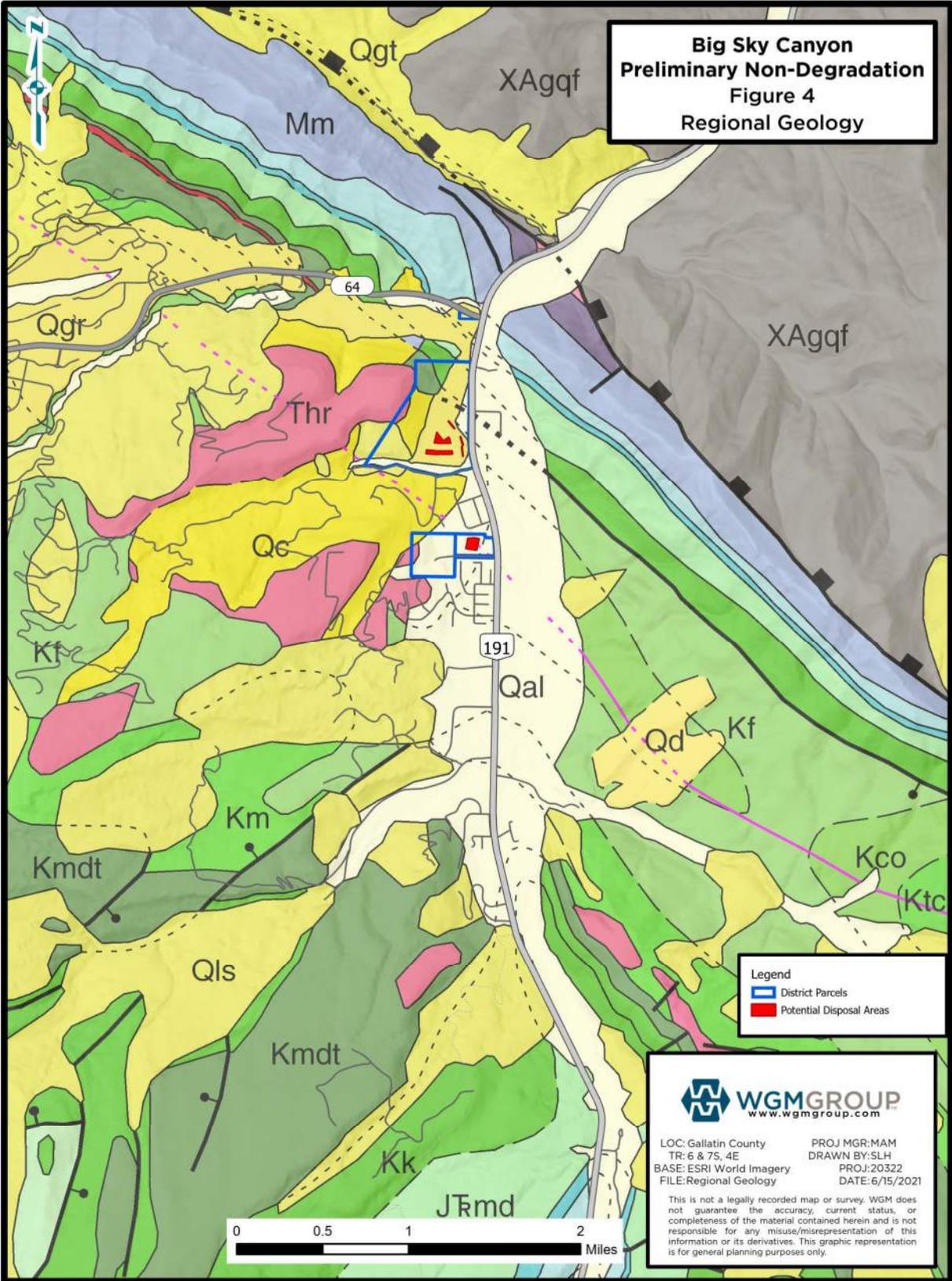


FIGURE 4. REGIONAL GEOLOGY LAYER



The area of focus in this study offers complex geology for consideration in the groundwater model and hydraulic connectivity. Particularly near the Altman property and north at the confluence of the West Fork and the Gallatin River, the main shallow aquifer is provided mostly by Quaternary gravel terrace deposits and alluvium, which overlie Cretaceous bedrock including older sandstone, shale, and limestone from the Jurassic to Mississippian formations (HKM, 1992 from Canyon Study PER). **Figure 5** from the HKM Canyon Study PER below shows the geologic cross-sections approximately two miles south the subject area, within the same drainage basin.

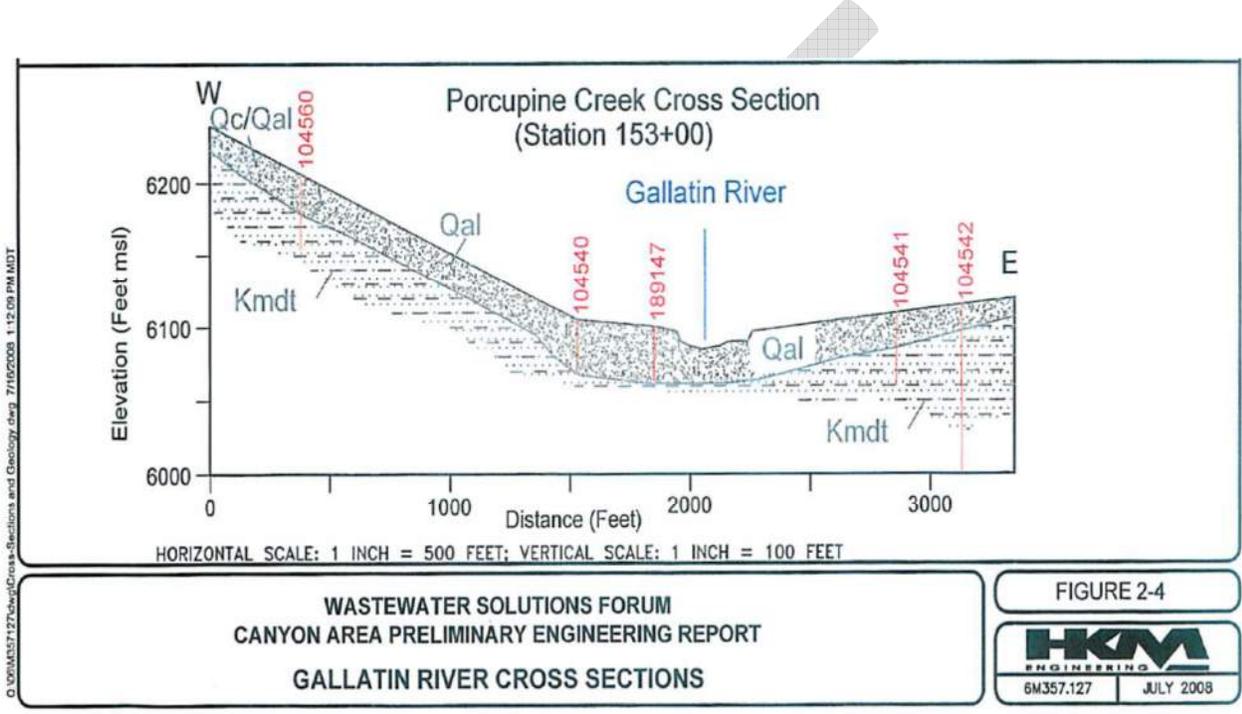


FIGURE 5. GEOLOGIC CROSS-SECTIONS OF THE GALLATIN RIVER AT PORCUPINE CREEK SOURCE: HKM ENGINEERING

Furthermore, the Altman property geology overlies a northwest trending, southwest dipping normal fault (Kellogg and Williams, 2006) with both the Kmdt and Cody Formation underlying portions of the alluvial aquifer. The complete Cretaceous section is not present here and does not include all of the same formations found across the regional Big Sky area. **Groundwater issuing from the Madison aquifer recharges the Gallatin River in this area through fractured Muddy Sandstone and Thermopolis shale (Kmdt), in the case of Figure 5 above (Schaffer 2005).** However, the Madison aquifer is shown to recharge the Gallatin River through whatever formation is immediately underlaid the Quaternary deposits in that specific area. In the area including the Altman property, the thickness of the Quaternary deposits (Qal/Qc) range from 12 to 35 feet and up to 7 feet of topsoil and fine-grained soil overlying coarse-grained



alluvium or terrace gravel, as portrayed by well log information along the Gallatin and upstream of the confluence with the West Fork and illustrated in **Figure 6**.

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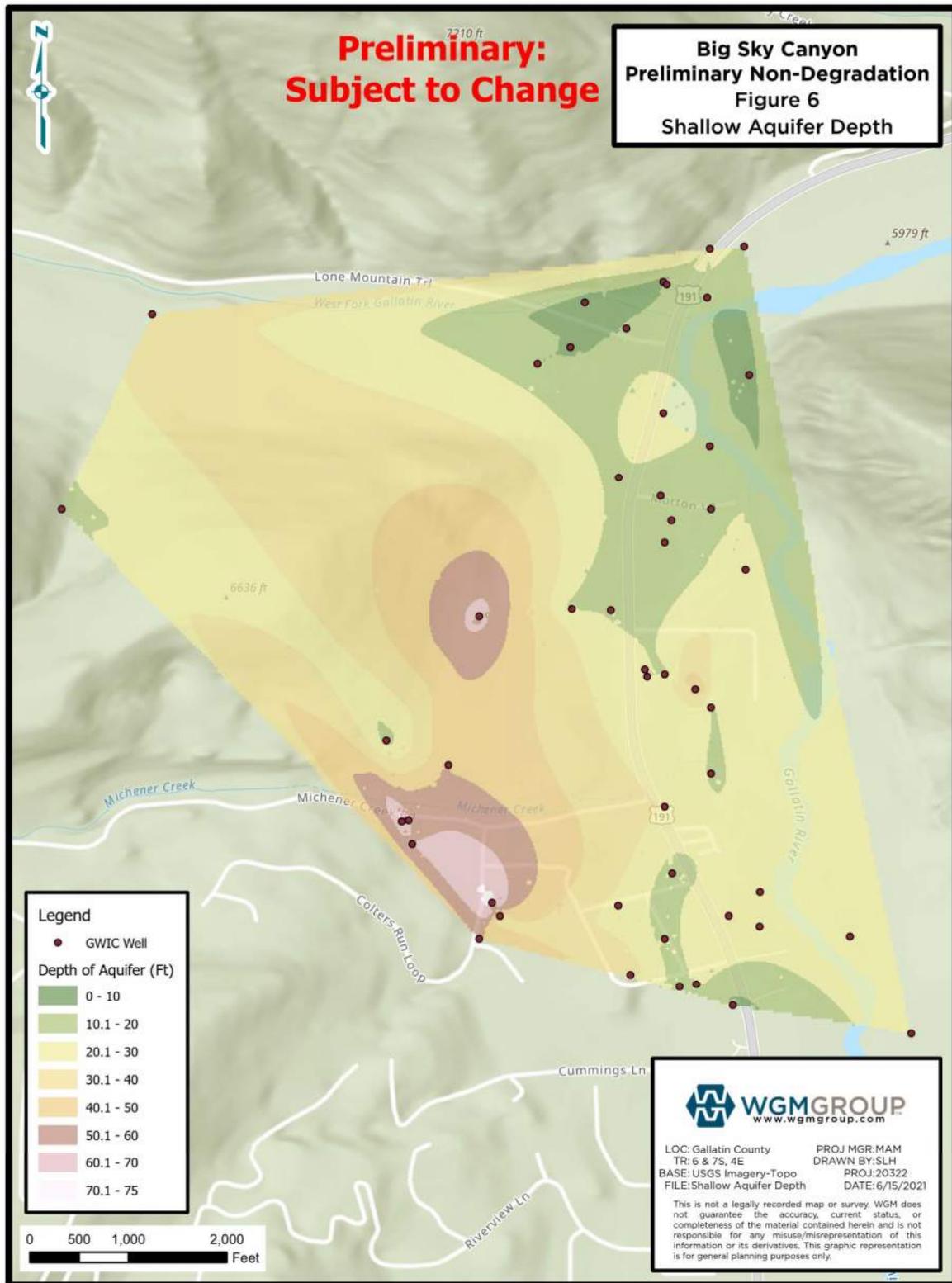


FIGURE 6. SHALLOW AQUIFER DEPTH



Downstream of the confluence the river channel may be incised into the bedrock preventing surface water connectivity with groundwater (HKM, 1992). This disconnection of groundwater to surface water is believed to occur proximal to the West Fork Confluence in the area downstream of the subject area and Altman property, thus water that remains in the shallow aquifer will likely surface into the stream prior to the West Fork confluence.

SOIL ASSESSMENT

Extensive soil data exists as part of the Quarry Subdivision Development DEQ submittal (EQ#19-1768) and limited data is available for the region around Bucks T4. The soil data for the Quarry PUD was collected by three different engineering firms and covered the majority of the property, site wide. Rawhide Engineering, Inc. performed 11 soil test pits along the southern and western boundaries of the property. The material in these test pits varied significantly across the site, but for the most part, clay material with some gravels and sand were found in the upper matrix of the soil profiles, which then transitioned to a gravel and cobbles with sand material at a 10-foot depth. Groundwater was encountered at relatively shallow depths in a few of the test pits, up to 6.3 feet below ground surface, while groundwater was not found in other test pits down to 10 feet below ground surface. Additionally, Genesis Engineering, Inc. and Bridger Engineering, Inc. both performed 26 and 37 more test pits, respectively, throughout the center of the Altman property. These test pits also varied significantly but generally reported the upper 4-foot matrix as clayey/silty loam that transitioned to more coarse material to the bottom depth of the test pits. These test pit locations appeared to be significantly dryer than the Rawhide test pits and did not encounter groundwater in any of the test pits, which ranged in depths from 11 to 14 feet deep. The above-referenced soil test pits logs, photos, and site maps from the Quarry DEQ submittal are included in **Appendix B** of this report for reference and provide significant coverage of soil data for the entire property.

In the Quarry submittal, percolation tests were performed on the south-central portion of the Altman property by both Bridger and Genesis, for use in septic system design. Percolation rates varied significantly but Genesis's drainfield design utilized a 0.3 gpd/sf application rate, which was considered conservative but best engineering practice specific to drainfield design. In a separate study, engineers with Morrison-Maierle also concluded that application rates that range between 0.3 and 0.4 gpd per ft² could be applied for the design of standard drainfields on the Altman property. These application rates correlate to percolation rates that range between 1.18 to 3.75 in/hr. Soil data from NRCS and SoilWeb indicate that rapid infiltration applications are very limited in the regional soils, despite the soils overlaying an alluvial aquifer. According to an assessment of the soil layers, the most consistent limiting soil layer



in the region has a hydraulic conductivity of 1.2 in/hr, however, a soil layer with a hydraulic conductivity less than 0.6 in/hr is present in the region. Soils with a hydraulic conductivity less than 0.6 in/hr are not suitable for a rapid infiltration system. This limiting layer is present in some areas of the Altman property and throughout the Canyon Area, however, the clay layer varies geographically and with depth. It is believed that there will be areas on the property that are likely amenable to rapid infiltration beds.

HYDROLOGY ASSESSMENT

Both Balwin (1996-1997) and Western Groundwater Service (2007) studies reviewed public water wells for hydraulic data in unconsolidated formations. While most of this data is more applicable directly west of the study area, the data still provides approximate regional estimates for the unconsolidated formations in the project area. Conductivity values ranged from 120 to 1,050 ft/d, with an average of 388 ft/d from eight total wells. Groundwater recharge estimates were also provided and the closest estimate to the study area indicates recharge rates at the West Fork above the West Gallatin River as 4.8 inches, which is associated with a 50,533-acre watershed.

Average annual precipitation in the Big Sky area is 20.19 inches/year (U.S. Climate Data, 2021). Of this annual precipitation, it is assumed that 4.8 inches are directly infiltrated and the rest may be evaporated or become surface runoff (Western Groundwater Services, 2010). The basis of the hydrologic assessment for this report will involve a water mass balance, to determine how much dilution is expected to be achieved in consideration of the groundwater/infiltration inflow with the discharged wastewater into the Gallatin River. The dilution factors will indicate if enough inflow occurs with the base flow of the river, assuming instantaneous mixing, to prevent significant increases or exceedances of nutrient concentrations in the river.

The stream dilution will be further analyzed in the following preliminary non-degradation analysis section and will specifically consider the 7Q10 stream flow data from Gallatin Gateway gauging station 06043500. This gaging station is downstream from the point of interest and area of expected inflow from the Altman property. Therefore, the contributing watershed to the gaging station is larger than the study area of this analysis as illustrated in **Figure 7**. The actual contributing portion of watershed and inflow will be estimated by multiplying the gauge flow by an approximate percentage (54%) of the total watershed that is believed to be contributing at the point of inflow to the river from the subject area. This calculation adjusts the 7Q10 baseflow on a linear scale to allow more accuracy in the non-degradation dilution analysis.



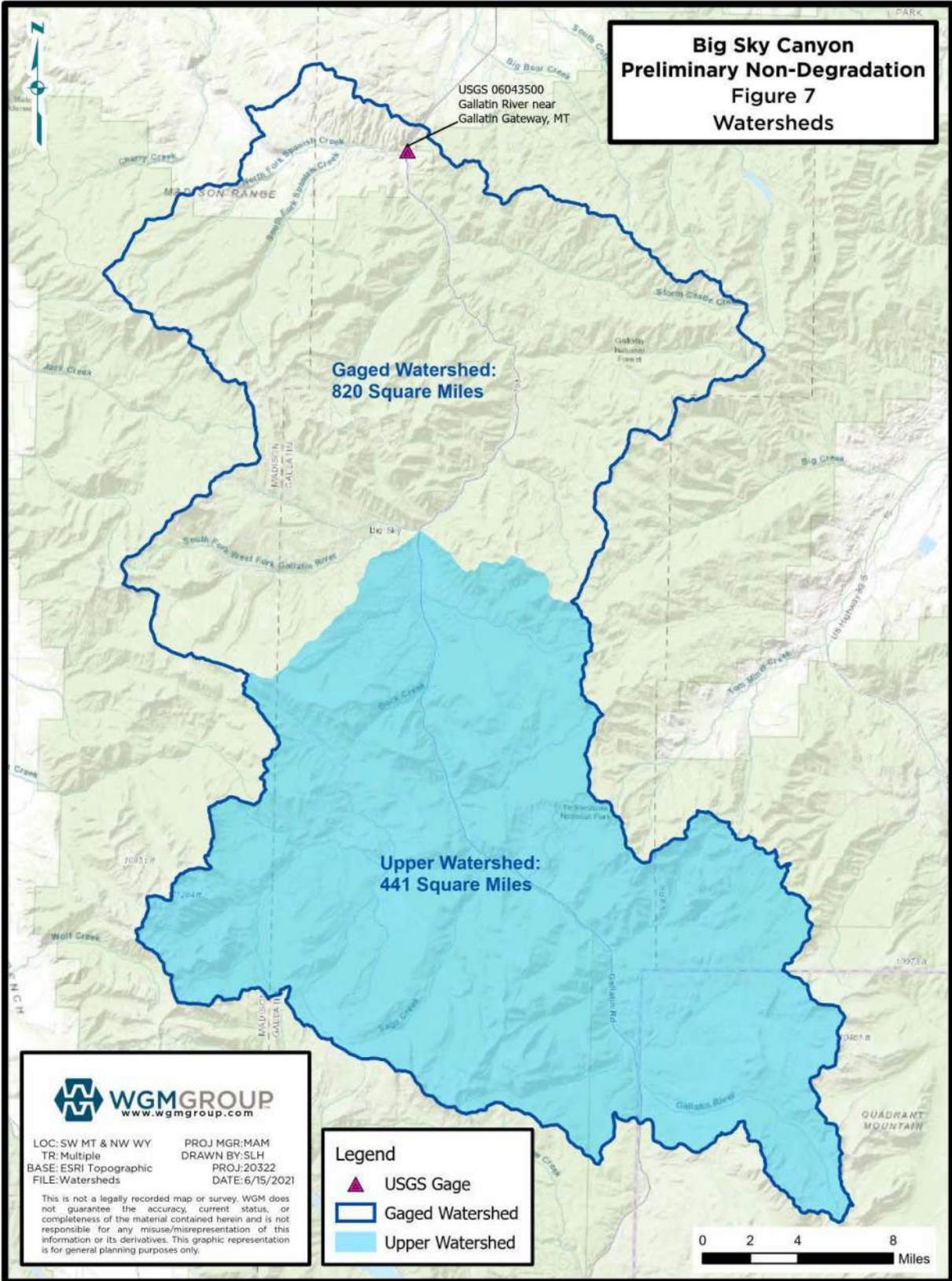


FIGURE 7. WATERSHED MAP



GROUNDWATER ASSESSMENT

The shallow aquifer in the area is the focus of this study and is considered unconsolidated. Groundwater yields of as much as 200 gpm are seen in the municipal wells of the Big Sky Water and Sewer District but yields of 40 gpm are common in unconsolidated aquifers in the area (Baldwin, 1996). Materials introduced into groundwater in these aquifers can travel quickly to the closest surface water through areas of recharge. Wastewater and associated nutrients are a particular concern of quick recharge areas and is the main reason for this assessment of the Canyon Area.

Available data from the MBMG GWIC database, in conjunction with data from site investigations on the Altman property, were used to compile a preliminary potentiometric groundwater surface map, **Figure 8**. Based on review of groundwater monitoring levels, the potentiometric surface across the Altman property ranges significantly from west to east or northeasterly, in the general direction of groundwater flow towards and with the Gallatin River. Hydraulic gradient along the West Fork is moderately uniform at 0.014 ft/ft (Western Groundwater Service, 2007). The hydraulic gradient from the proposed infiltration beds appears to initially slope West toward the Gallatin River and intersect the regional groundwater gradient moving along the Gallatin. Improvement to the groundwater data will be required to adequately model the existing groundwater potentiometric surface to determine flow paths and dilution potential.

The nearest gauging station at the Gallatin River Wildlife Management Area (WMA) indicates surface water levels of the Gallatin River at that point are approximately **6,003** feet in elevation (msl). Groundwater data from MBMG for wells in the area near the Gallatin River at the WMA gauging station and due west across the Altman property exhibit steadily increasing potentiometric surface contours. Additionally, the groundwater data immediately adjacent to the WMA gauging station indicates the potentiometric surface is between 6,010 to 6,005 feet in elevation. Compared to the Gallatin River WMA gauging station surface water level, it is indicative that this section of the Gallatin River is a gaining reach that receives significant inflow from groundwater, specifically from the area west of the river that includes the subject property.

Water levels have shown to vary seasonally across the study area. At the confluence of the Gallatin River and Michener Creek, water levels were recorded in different seasons during the 2006-2007 monitoring year at 6 to 7.5 feet below ground surface (BGS), which aligns with the upper level of the Quaternary layer as previously described. It can be inferred that the target shallow aquifer in the study area is within the Quaternary layer is approximately 5 to 35 feet BGS.



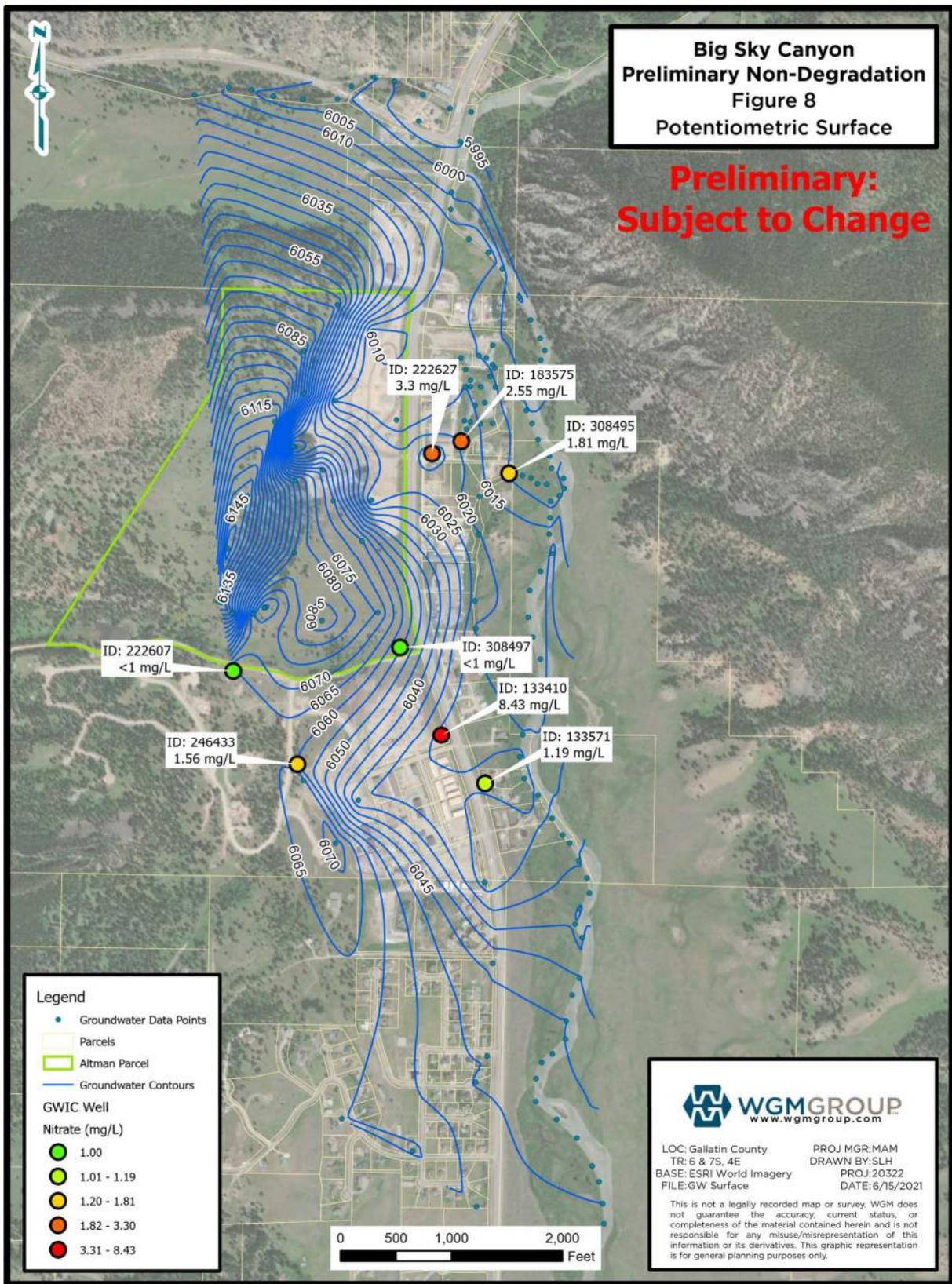


FIGURE 8. PRELIMINARY GROUNDWATER SURFACE



Groundwater from the Madison aquifer formation is generally contained within the karst formation beneath the shallow aquifer. However in Schaffer's study (2005), at least three springs near Highway 191 and Big Sky spur road junction were documented as recharge areas to the Gallatin River from the Madison aquifer, which occurs through heavily fractured shale. Additionally, there may be many other undocumented areas of Madison aquifer recharge to the Gallatin or shallow aquifer connectivity to the Gallatin that offer complexities for the groundwater model assessment.

Review of available water quality data from MBMG for wells in Township 07S, Range 04E, Section 05, that specifically includes the Altman property, shows that the highest total nitrate background concentration for that area was 28 mg/L. However, this particular well is only 14-feet deep and has had several other water quality tests with total nitrates over 5.0 mg/L. The average nitrate concentration of this well from all samples taken in 2020 was 8.43 mg/L. It is assumed that this well is under the direct influence of a nearby onsite wastewater system and is considered an outlier for the purposes of this analysis. The next highest nitrate concentration of any other sampling sites in the area besides the outlier is 4.93 mg/L. The average nitrate concentration of seven other locations in the area with total nitrate levels from 2020, not including the outlier, is 1.74 mg/L. **Figure 8** shows the seven GWIC locations in the area including the outlier, along with the average nitrate concentrations from each site in 2020. Background nitrate concentrations above the Altman property are anticipated to be lower than the average 1.74 mg/l N due to an absence of nitrogen sources in the catchment above the proposed rapid infiltration beds.

Additionally, phosphorus concentrations (specifically orthophosphate as phosphorous, $\text{OPO}_4\text{-P}$) for the same wells sampled for total nitrates peaked at 0.10 mg/L **with little concern**. Other characteristics of groundwater are affected by rock type and aquifer geochemistry. Particularly in unconsolidated aquifers, calcium, magnesium, or sodium may dominate the cations (positively charged ions), and bicarbonate, sulfate, or a mixture of these two ions may dominate the anions (negatively charged ions). The concentration of total dissolved solids (TDS) is usually in the range of 300 to 500 mg/l, but has seen exceedances in the area up to 710 mg/L. The average TDS range seen in the area is considered suitable for a variety of uses including domestic (Van Voast, 1972).



PRELIMINARY HYDRAULIC AND NON-DEGRADATION ANALYSIS

The preliminary analysis presented has been completed with available data to assess the impacts of discharge of high-quality treated effluent from the BSCWSD on the Altman property. The analysis includes preliminary groundwater quality, phosphorus breakthrough, in-stream nitrogen increases in the Gallatin River impacts, and discussions surrounding changes in groundwater elevations. An areal dilution/mass balance model was used to conservatively estimate groundwater concentrations of nitrogen while DEQ standard methods were applied for estimating phosphorus breakthrough (i.e. DEQ Circular 4 Appendix N). Mass loading to the river was calculated to determine the impact on nitrogen concentrations in the Gallatin River above the confluence with the West Fork during baseflow (7Q10) assuming instantaneous dilution and no subsurface removal. Results of the mass balance calculations, assuming the disposal of 0.3 MGD of high-quality wastewater, indicate a high likelihood of minimal dilution of the wastewater plume in groundwater and an increase in in-stream TN of approximately 0.02 mg/l during baseflow conditions. The phosphorous breakthrough estimation showed significantly greater than 50 years to breakthrough.

HYDRAULIC CAPACITY ANALYSIS

The hydraulic analysis for the infiltration beds can be broken down into two categories, ability of the soil profile to pass water to the receiving aquifer, and the ability of the aquifer to dissipate the received water. Available site data on the Altman property resulted in a soil hydraulic conductivity value of 1.2 inches per hour being applied, of which 8.5% may be used for loading resulting in the application of approximately 1.5 gallons of discharge per ft² per day. At this rate approximately 4.6 acres are required to discharge 0.3 MGD. Approximately 7 acres may be available on the Altman property for discharge, with an additional 2.5 acres in the current lagoons within Bucks T4. While sufficient area exists, variability within the data and not all sites on the Altman property may be amenable to infiltration beds due to clay layers present in some test pits and the ability of the receiving aquifer to dissipate the discharge.

Increases in groundwater elevations due to wastewater disposal at a 0.3 MGD scale are to be anticipated, and meaningful applications of simple mounding estimation techniques are limited. A mounding analysis was completed based on the Hantush (1967) method to provide a preliminary estimate of the impact of groundwater mounding despite site conditions violating the underlying model assumptions. Site constraints violate the Hantush method assumptions because the underlying groundwater slope and



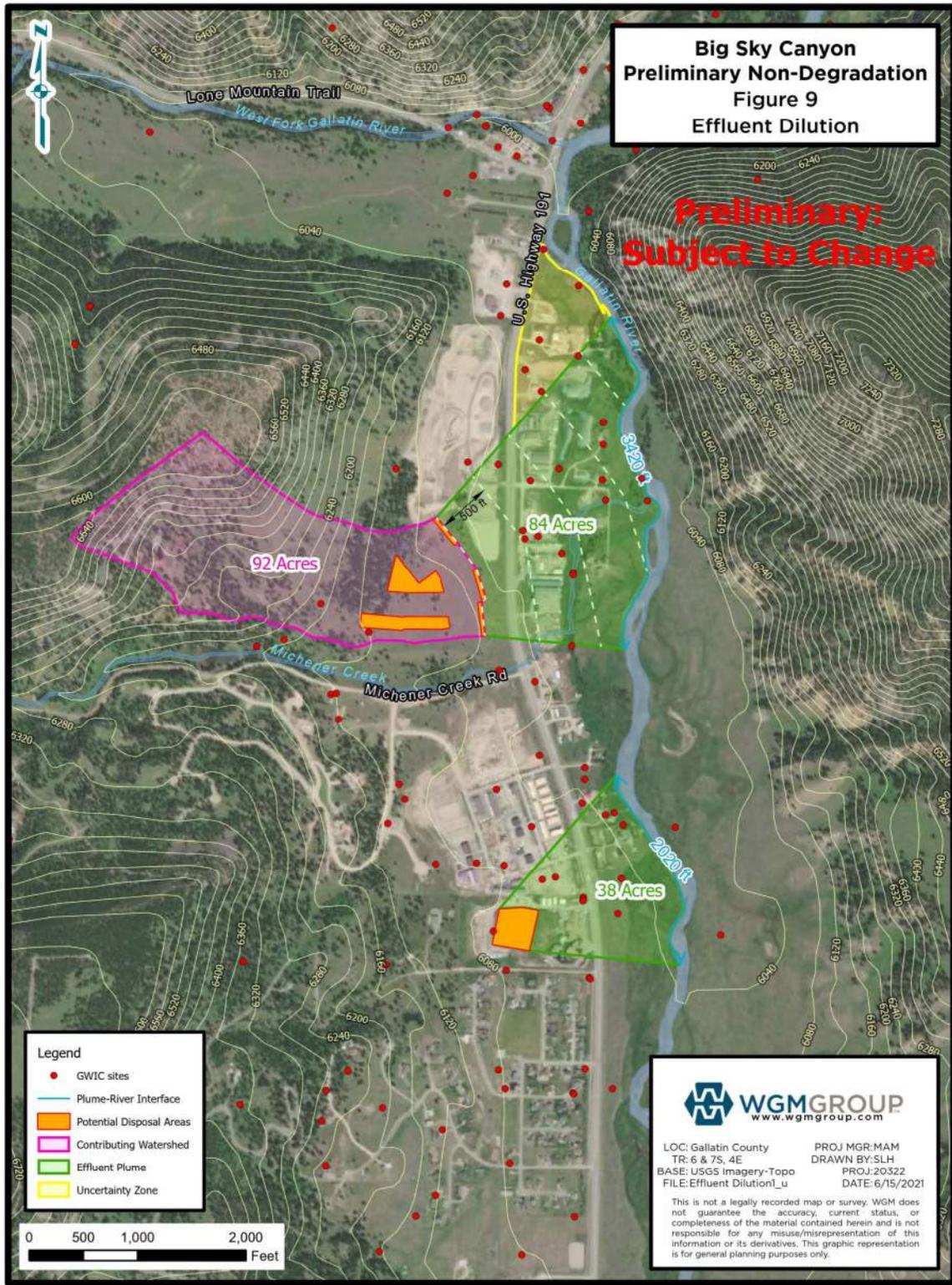
slope of the confining layer beneath the shallow aquifer are significant. As a result, flow will not evenly radiate out from the application bed, and the model will be inaccurate. Components of the analysis can still be useful to provide rough approximations of groundwater rise beneath the infiltration beds. The simplified analysis indicated an increase in groundwater height of approximately 3-7 feet beneath the infiltration beds, dissipating to 1-3 feet by 1,000 feet downgradient. The topography of the region coupled with the steep initial hydraulic gradients in the proximity of the proposed infiltration beds increase the importance of a more detailed model to ensure better address the potential for adverse effects from groundwater rise as discharge may be limited by the aquifers ability to dissipate the applied discharge.

GROUNDWATER NON-DEG

The standard calculations within DEQ Circular 4 (Appendix E) for estimating dilution within receiving groundwater assume a relatively small volume of discharge water added to constant groundwater flow beneath the discharge location. In this instance, the water volume applied to the application zone will be significant compared to the natural flow of groundwater beneath the application zone. As a result, dilution may be more conservatively estimated using a mass balance approach in which the annual volume of water applied to the infiltration beds is diluted by infiltrating precipitation in the watershed immediately above the application area and above the extent of the estimated plume. Contributing areas were calculated using ArcGIS. The area contributing to groundwater flow above the application area was determined to be 92 acres, as illustrated in **Figure 9**, and a total of 59-84 acres were estimated above the discharge plume. Assuming 4.8 inches of infiltrated precipitation over the contributing area and a total of 0.3 MGD of wastewater disposal on the Altman property, the anticipated nitrate in the groundwater will be diluted 17% from the proposed effluent concentration of 5.0 mg/l as N to 4.1 mg/l as N prior to discharge into the Gallatin River. Groundwater quality in the discharge plume would increase by up to 5 mg/l N which could interact with existing down gradient on-site wastewater treatment systems.

The phosphorus concentration in the discharged effluent is anticipated to be 0.1 mg/l according to AE2S design criteria for the upgrade to the BSWWTP. Using standard calculations (DEQ Circular 4 Appendix N), the breakthrough period assuming 4.8 acres of disposal area with a total width of 1,200 feet perpendicular to groundwater gradient was determined to be approximately 1,100 years. At the proposed disposal volume of 0.3 MGD, a 50-year phosphorus breakthrough would be anticipated with an effluent concentration of approximately 2.2 mg/l P.





INSERT FIGURE 9: MIXING ZONES AND PRIVATE WELLS.



SURFACEWATER NON-DEG

To assess the impact of the groundwater discharge on the Gallatin River, dilution into the river during baseflow conditions was assessed. The groundwater plume is currently anticipated to intersect the Gallatin River upstream of the confluence with the West Fork, in what is estimated to be a gaining river reach. The discharged wastewater is estimated to enter the Gallatin River as groundwater along approximately 2,000-3,000 linear feet of river as illustrated in **Figure 9**. The river reach receiving the groundwater plume has a gradient of approximately 7 feet of vertical drop per 1,000 feet of horizontal run, and has a moderately sinuous flow path and a cobble substrate. The length over which the groundwater enters the river and the mixing resulting from river characteristics both support the preliminary assumptions of instantaneous dilution at the end of the infiltration zone. To provide a conservative impact estimate, the TN discharged into the infiltration system was diluted into the estimated 7Q10 flow for that reach. The 7Q10 flow was estimated by multiplying the 7Q10 flow at the USGS Gaging station 06043500 (203 cfs) by the percentage of the watershed contributing area to the reach above the confluence with the West Fork (54%) for an estimated 7Q10 of 116 cfs. The flow calculation assumes flow scales linearly with contributing area while the dilution calculation assumes steady state conditions in which groundwater inflow to the river is constant throughout the year and no nitrogen removal in the subsurface occurs. Under these assumptions the nitrogen discharged into the Gallatin River would be diluted to 0.02 mg/l as N during low-flow conditions. Baseline TN measurements in this section of the river are approximately 0.04-0.05 mg/l as N. The summation of the current levels with the anticipated increase would result in TN levels approximately 0.07 mg/l, significantly below the 0.3mg/l as N impaired stream threshold.

HUMAN HEALTH CONSIDERATIONS

Travel time in the shallow aquifer between the proposed discharge locations and downgradient wells has been estimated to be less than the 200-day minimum required within DEQ Circular 2 for the siting of rapid infiltration beds. This triggers a more detailed hydrological analysis and presents a potential permitting challenge. The 200-day groundwater travel time requirement is in place to protect human health by ensuring sufficient time for the attenuation of human pathogens, with 200 days generally shown to be sufficient to achieve 7 log virus removal (Azadpour-Keely, 2003). With the currently proposed discharge locations, all water sources on the east side of Highway 191 north of Bucks T4 to the confluence with the West Fork of the Gallatin may be impacted as illustrated in **Figure 9**. Further analyses and modeling will better estimate plume extent and travel time. While all wells exceed the 500-foot downgradient criteria,



the most proximal wells have groundwater travel time estimates that could be as low as 30 days. For any wells to remain in use as a potable water supply, water discharged into the proposed rapid infiltration beds would need to obtain treatment sufficient to qualify for indirect potable reuse. Alternatively, engineered potable water solutions could be provided to the homes and businesses in the affected area to eliminate the treatment required for indirect potable reuse.

Raw wastewater contains significant loads of potential human pathogens including both microorganisms and viruses. The treatment trains within wastewater treatment facilities are designed to reduce pathogen load. Measuring the total number of coliform bacteria in water is used as an indicator of potential pathogen presence, counted as colony forming units (CFU) per 100 milliliters of sample. Class A-1 treated water must ensure that less than 2.2 CFU / 100 ml are present in the treated effluent. Obtaining this level of treatment may require disinfection as a component of the treatment train. This level of treatment can be assumed to represent approximately 7 log removal of total coliforms assuming standard concentrations of influent total coliforms (Scott, 2004). The high level of treatment enables little restriction on the permitted disposal methods. Class A-1 water may be used for direct aquifer recharge, discharged into unrestricted recreational impoundments, used to augment streamflow and for indirect potable reuse.

Indirect potable reuse of wastewater represents the planned use of treated wastewater to augment water supplies. Indirect potable reuse has been adopted in portions of the nation with California and Texas providing regulatory benchmarks. Class A-1 water is permissible for indirect potable reuse under current DEQ regulations, however, each application is considered on a case-by-case basis and discharged effluent quality would likely need to be improved to meet the benchmarks set by California and/or Texas to increase pathogen and virus removal prior to application to the disposal beds given the short groundwater travel times. A summary of various indirect potable reuse requirements by Rodriguez et al. suggest a minimum of 9.5 log removal of viruses and 8 log removal for *Cryptosporidium* and *Giardia*. To achieve this level of treatment membrane treatment options are often combined with disinfection and subsurface attenuation in groundwater (Rodriguez et al. 2009). Obtaining the water quality required for indirect potable reuse is feasible but would require the Phase 2 WWTP upgrades and potentially enhanced pathogen removal.

Non-intentional indirect potable reuse of wastewater is common and is likely already significant in the Canyon Area. Background nitrate levels in the groundwater have been shown to be relatively low (less than 1.3 mg/l as N), however, multiple wells in the area have returned high nitrate levels most easily explained by proximity to onsite wastewater treatment system adsorption systems. While nitrate can



attenuate more slowly in the subsurface, the proximity of the wells to onsite systems that are not required to provide disinfection and potentially short travel times highlight existing risk.

Based on the short travel time from the proposed rapid infiltration beds to the downgradient wells some design solution will be required to protect human health. While technically feasible, the permitting process and WWTP upgrades required to enable potable reuse could be daunting compared to potential alternatives. To ensure public health the clustered residences and business on the east side of Highway 191 north of Buck's T4 could abandon their current wells for domestic water use and be provided with centralized potable water from a groundwater source outside the extent of the disposal plume. Alternatively, a more detailed groundwater model may show that the deep aquifer would not be impacted by contaminants in the shallow aquifer, requiring water wells be made deeper and not screened in the shallow aquifer.

PERMITTING SUMMARY

This document presents the pre-proposal for siting of the proposed rapid infiltration beds to be used for the disposal of wastewater from the BSWQD in the Canyon Area of Big Sky. The pre-proposal document will enable DEQ engagement to discuss permitting feasibility and generate appropriate sampling and analysis plans. If DEQ assess the project as feasible a preliminary engineering report for the proposed rapid infiltration beds will be required. A detailed groundwater investigation and model will begin so that the results can inform the design report and discharge applications. Subsurface investigations and groundwater monitoring may require a calendar year. The model will be used to better assess the fate and transport of wastewater from the proposed infiltration beds. The detailed model will be used in conjunction with site data to prepare an engineering report that will describe site applicability, outline orientation and loading for the proposed infiltration beds. Preliminary discussions, and subsequently the groundwater model will be used to determine if an MPDES permit is required and if so the engineering report will be used to apply for a discharge permit. The approximate flow path has been outlined in **Figure 10**.



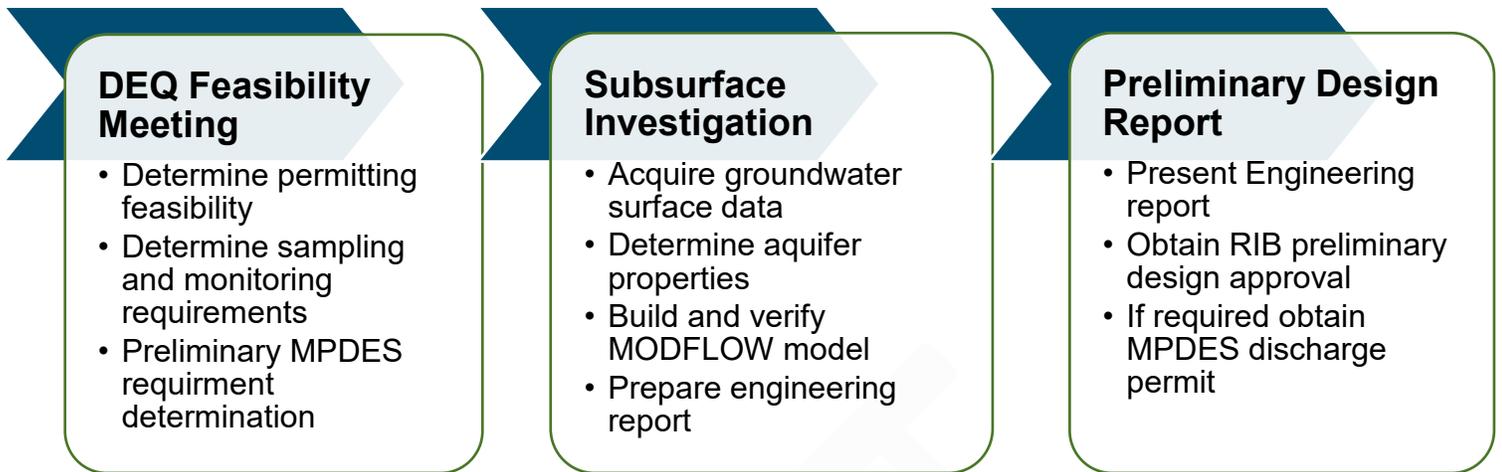


FIGURE 10. PERMITTING PROCESS FLOW.

Approval of the proposed rapid infiltration beds requires a hydraulic analysis to show conveyance without adverse groundwater implications, proving non-degradation, and obtaining a discharge permit. Significant onsite soil test pit data are available; however, the results are highly variable. To determine potential application rates a basin flooding test will be required in the proposed areas. This value has potential to swing loading rates significantly. Additionally, the range in estimated aquifer transmissivity values and steep topography increase the likelihood that there may be water conveyance constraints. The high-quality Class A1 water significantly reduces permitting challenges associated with non-degradation analysis and nutrient based groundwater non-degradation hurdles the discharge is exempt from some groundwater discharge requirements. The estimated travel time of water discharged into the infiltration beds is estimated to be below the minimum 200-day threshold. This triggers additional hydrologic review and will likely require domestic water solutions for the impacted properties east of Highway 191. Based on proximity and low travel times the shallow alluvial aquifer receiving the discharge may be considered connected to surface water within the Gallatin River. If so an MPDES permit will be required. While this may be viewed as a hurdle, net environmental impact of this project is likely to be superior to alternatives as Canyon Area groundwater discharge enables reductions in load from the Canyon Area, eliminates some load going into the impaired West Fork and maintains excellent phosphorus removal. The environmental advantages have the potential to gain public support.



SAMPLING AND ANALYSIS PLAN

Enhanced subsurface profiles (depths to exceed 40 feet) and groundwater surface data are required to better test the feasibility of wastewater discharge and estimate impacts on the groundwater surface and water quality. Current efforts in the canyon area by MBMG are underway to build a regional flow model. Their data, in conjunction with proposed additional data collection will be used to better model the region. The regional data provided by MBMG is a critical component to the proposed groundwater model, significantly reducing sampling costs. The proposed method relies on the relatively prompt sharing of MBMG data. **Figure 11** illustrates the locations currently being monitored by MBMG with most data going accessible via the GWIC interface. Additional collaborations with MBMG would enhance the timeliness of data sharing and could improve both investigation efforts.

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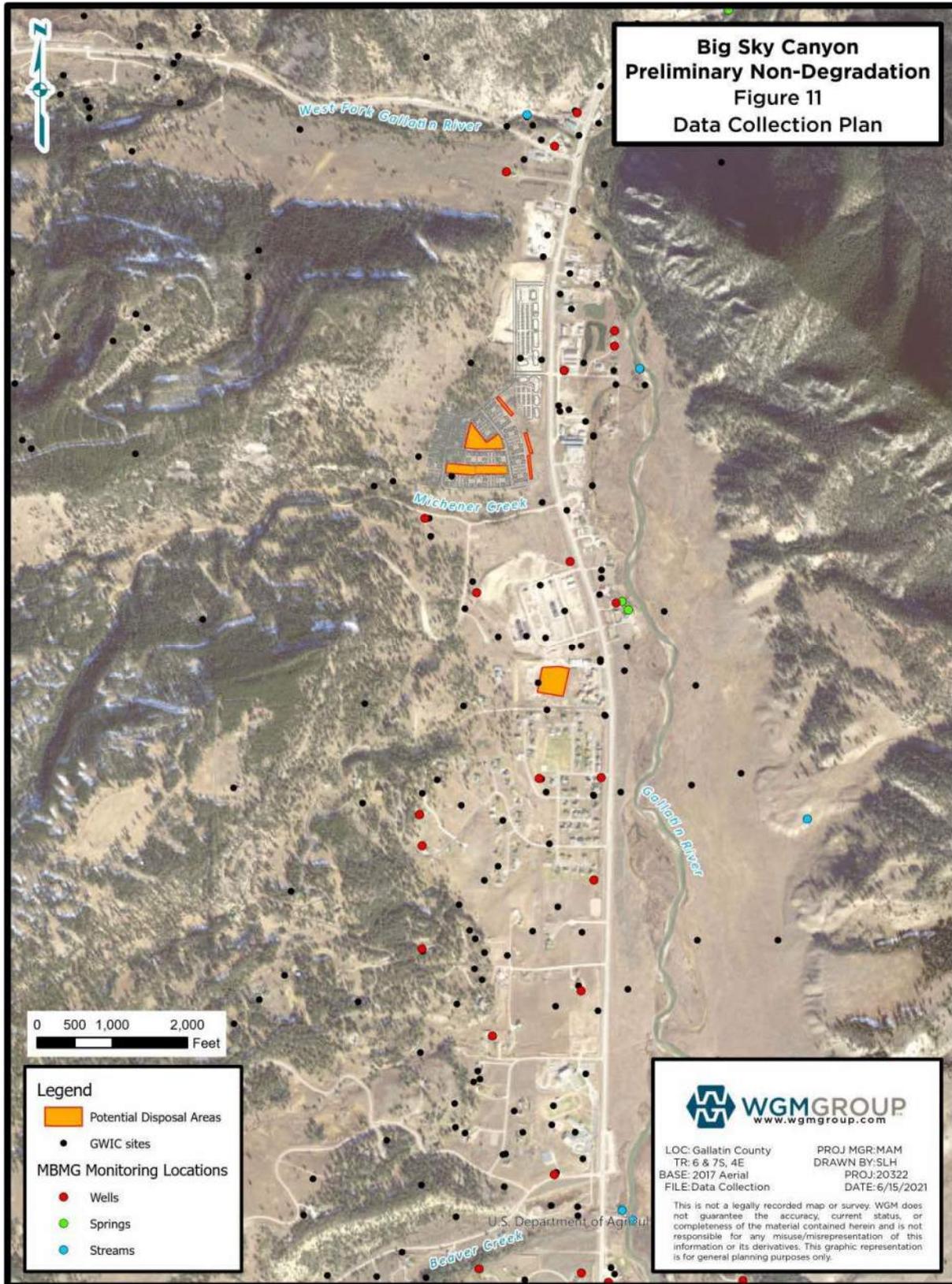


FIGURE 11. MBMG TEST SITES



BASIN FLOODING TESTS

Basin flooding tests will be required to determine site specific loading rates. Given the variability onsite, multiple tests will likely need to be performed, with at least one per proposed discharge area. Given the high density of test pit data on the Altman property, the number may be reduced for proximal discharge sites with similar test pit profiles. These tests are required for permitting of the RIBs and can ensure hydraulic capacity. These values can be used as inputs to a groundwater model to assess the impacts of groundwater discharge at the proposed max loading rates.

DRILLING AND PUMP TESTS

Objective of drilling activities is to better characterize the subsurface in the region that will be impacted by disposal of water through the proposed RIBs and to confirm aquifer hydraulic properties. Available site data indicate a shallow alluvial aquifer that ranges in depth from 20-50 feet west of Highway 191 and reducing in depth to 30 feet or less east of Highway 191, however, the alluvial aquifer appears to reduce in thickness North toward the confluence with the West Fork and better characterization of the region could significantly impact the results of the model.

Supplemental subsurface characterization will be conducted to reduce data gaps in vicinity of the recharge site and the down-gradient mixing zone. Characterization will be conducted using a drill rig to collect cuttings and/or core samples to an average estimated depth of 40 feet. The extent and frequency of drilling is unknown at this time (pending DEQ coordination). Drilling locations that are sited where groundwater level data is needed will be completed with a piezometer.

A pump test will be performed to provide representative aquifer parameters immediately down-gradient of each proposed recharge site with a minimum of one within the Altman property and another for any recharge sites within Bucks T-4. WGM will oversee the pump test and collect aquifer response data to support hydraulic analyses. It is assumed that an eight-hour step rate drawdown test is conducted first to determine a sustainable flow rate for the subsequent 24-hour constant rate pump test. WGM will log data on DEQ's Aquifer Test Data Form 633 and provide results to DEQ.

GROUNDWATER DATA COLLECTION

Water level data is proposed to be collected to develop localized potentiometric gradients and seasonal variability in the vicinity of the recharge site and downgradient receiving waters. This data will be used to



support the calibration of the groundwater model used for fate-transport analyses. Piezometers within the shallow aquifer will be installed in locations where additional water level data is needed, with a focus on locations within and down gradient of the Altman property. Water quality data will also be collected to determine background nutrient concentrations as needed to support non-degradation analyses. The proposed scope of work assumes the following:

- Continuous water level data collected at 6 wells for a duration of 12-months.
- Quarterly manual water level measurements collected at 10 wells for a duration of 12-months.

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CONCLUSIONS

Implementing groundwater discharge in the Canyon Area would help facilitate nutrient load reduction in the West Fork watershed (nutrient impaired stream), while enabling centralized treatment for the Canyon Area that currently relies on septic systems for wastewater management that result in increased water quality and human health risks. Preliminary non-degradation and hydraulic analysis indicate that groundwater discharge at a 0.5 MGD scale may be feasible pending coordination with DEQ. The underlying geology at the preliminary disposal sites appears amenable to groundwater discharge at the proposed scale, however, further characterization and modeling is required to better define the subsurface flow and regional impacts. The proposed Class A-1 effluent assures that groundwater quality downgradient of the discharge beds would remain acceptable from a nutrient perspective. Notably, there are private wells that will fall in the discharge plume with insufficient travel time for water reuse. Water sources for the area impacted by the plume will need to be considered as a part of project feasibility, or permitting for indirect potable reuse may be pursued.

Based on report findings, we recommend further characterization of the subsurface and modeling of the system using the program MODFLOW to address regulatory criteria regarding the design and safe implementation of the proposed RIB system. Data collected as part of the MBMG regional groundwater modeling effort would be used to support the proposed site specific MODFLOW model(s). Supplemental data will need to be collected to inform both the RIB design process and modeling effort. The preliminary sampling and analysis plan presented in this report should be coordinated with DEQ prior to implementing. Landowner coordination is also recommended prior to performing data collection to verify that the proposed sites are agreeable and fit within the intended immediately adjacent land use(s).

The short travel time to down gradient wells is expected to require detailed hydrogeologic and/or human health risk analyses to support permitting review by DEQ. The proposed groundwater model would be used to evaluate and/or address human health risks, however, further modeling is not anticipated to extend minimum travel times beyond 200 days. Given the proximity to the Gallatin River and short groundwater travel time, it is likely that the discharge will be considered hydraulically connected to the Gallatin River water requiring a MPDES permit. While the high-quality effluent and additional phosphorus removal achieved in the subsurface work in favor of obtaining a discharge permit, the MPDES process involves a public comment period which runs the risk of becoming contentious. While this may be viewed as a hurdle, the environmental advantages of improving water quality in the West Fork and net nutrient reduction in the Gallatin have the potential to gain public support.



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**ADDITIONAL MAPS FOR DISCUSSION
(WGM PROGRESSING UNCONTRACTED)**



BSCWSD
WRRF

12" DIA. FORCE MAIN
16" DIA. PURPLE PIPE

Lone Mountain Trail

Big Horn
Center

GRAVITY/FORCE
MAIN COLLECTION
TO LIFT STATION

Conoco

Lift Station

GRAVITY COLLECTION &
PURPLE PIPE MAIN
DIAMETERS VARY

4.8+/- acres required
for 0.3 MGD
(0.2 MGD error bar)

Quarry PUD

EAST COLLECTOR
8" DIA. GRAVITY

Quarry PUD
Recharge Gallery
170,000 GPD

PURPLE PIPE LATERAL WITH
PUMP AND DOSE VAULT

Lazy J Utility Association

PURPLE PIPE LATERAL WITH
PUMP AND DOSE VAULT

Lazy J Drainfields
50,000 GPD

Highway 161

Buck's T-4 Recharge Basin
200,000 GPD

Buck's T-4

3.0 +/- acres for
0.3MGD (+/- .1MGD)

PURPLE PIPE LATERAL
UTILIZE EXISTING FORCEMAINS,
PUMPS AND VAULTS

Ramshorn Drainfields
115,000 GPD

Ramshorn
Subdivision

FUTURE 8" DIA. GRAVITY
COLLECTION MAIN

Ophir
School

Disposal Supplements

- Irrigation Reuse
- Snowmaking

Treatment Supplements

- Enhanced Decentralized Treatment
- Treatment Wetland Polishing

**GALLATIN CANYON
WASTEWATER
UPGRADE STUDY**

FIGURE 1
Scenario 2

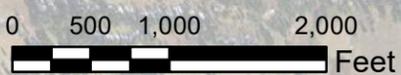
Legend

- Canyon Study Area
- Purple Pipe
- Auxiliary Recharge Basin
- Existing Drainfields
- Auxiliary Recharge Gallery
- Collection System
- Future Collection System
- Parcels
- Gallatin Canyon Sewer and Water District



LOC: Gallatin County PROJ MGR:MAM
 TR: Multiple DRAWN BY:SLH
 BASE: 2017 Aerial PROJ:20-03-22
 FILE:190415_Scenario2 DATE:5/14/2021

This is not a legally recorded map or survey. WGM does not guarantee the accuracy, current status, or completeness of the material contained herein and is not responsible for any misuse/misrepresentation of this information or its derivatives. This graphic representation is for general planning purposes only.



PARCEL 2
S05, T07S, R04E, COS 2450
BIG SKY, MT
175.11 ACRES

DRAINFIELD LATERALS

SEPTIC NET SYSTEM#	#OF UNITS	LOTS	# OF LATS	LAT LENGTHS	TOTAL LF
1	24	1&8	24	115'	2760'
2	24	2&3	24	115'	2760'
3	22	4&5	48	55'	2640'
4	20	6&7	42	55'	2310'

- NOTE:
1) EACH UNIT IS 2.5 PEOPLE WITH A FLOW OF 80 GALLONS PER DAY
2) SepticNET TREATMENT SYSTEM
NUTRIENT REDUCING WASTEWATER TREATMENT SYSTEM DESIGNATION APPROVED BY MDEQ ON 2/16/11, REVISED 7/27/15
3) MIXING ZONE NOT REQUIRED WHEN USING THE SEPTIC NET SYSTEM. SHOWN FOR ILLUSTRATIVE PURPOSES ONLY.

1 ACRE = 10,000 - 100,000 GPD DISPOSAL
*LENSE UNKNOWN AND SEEP RISK

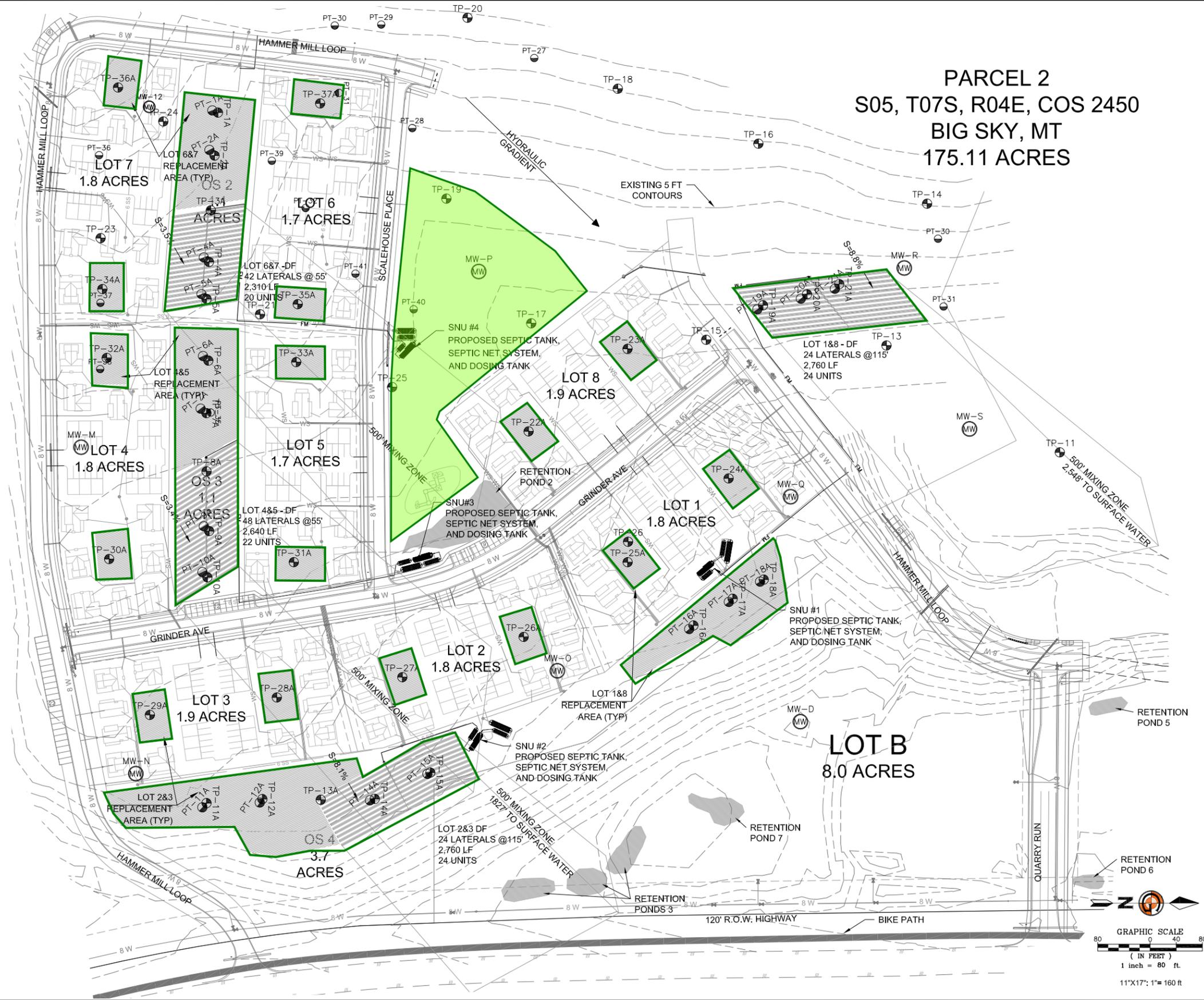
PHASE 1 = 5 ACRES (APPROX.)
*DRAINFIELD AND REPLACEMENT AREA

PHASE 2 = 2 ACRES (APPROX.)
*GENERAL OPEN SPACE

7 ACRES X 50,000 GPD = 350,000 GPD

MBR Upgrade vs. SepticNET
>2X greater nitrogen removal
>10X greater phosphorous removal
>1000X greater pathogen removal

-  REPLACEMENT AREA
-  PERCOLATION TEST
-  TEST PIT
-  MONITORING WELL
-  WASTEWATER
-  FORCED MAIN
-  WATER
-  SepticNET SYSTEM



NO.	DESCRIPTION	DATE	BY

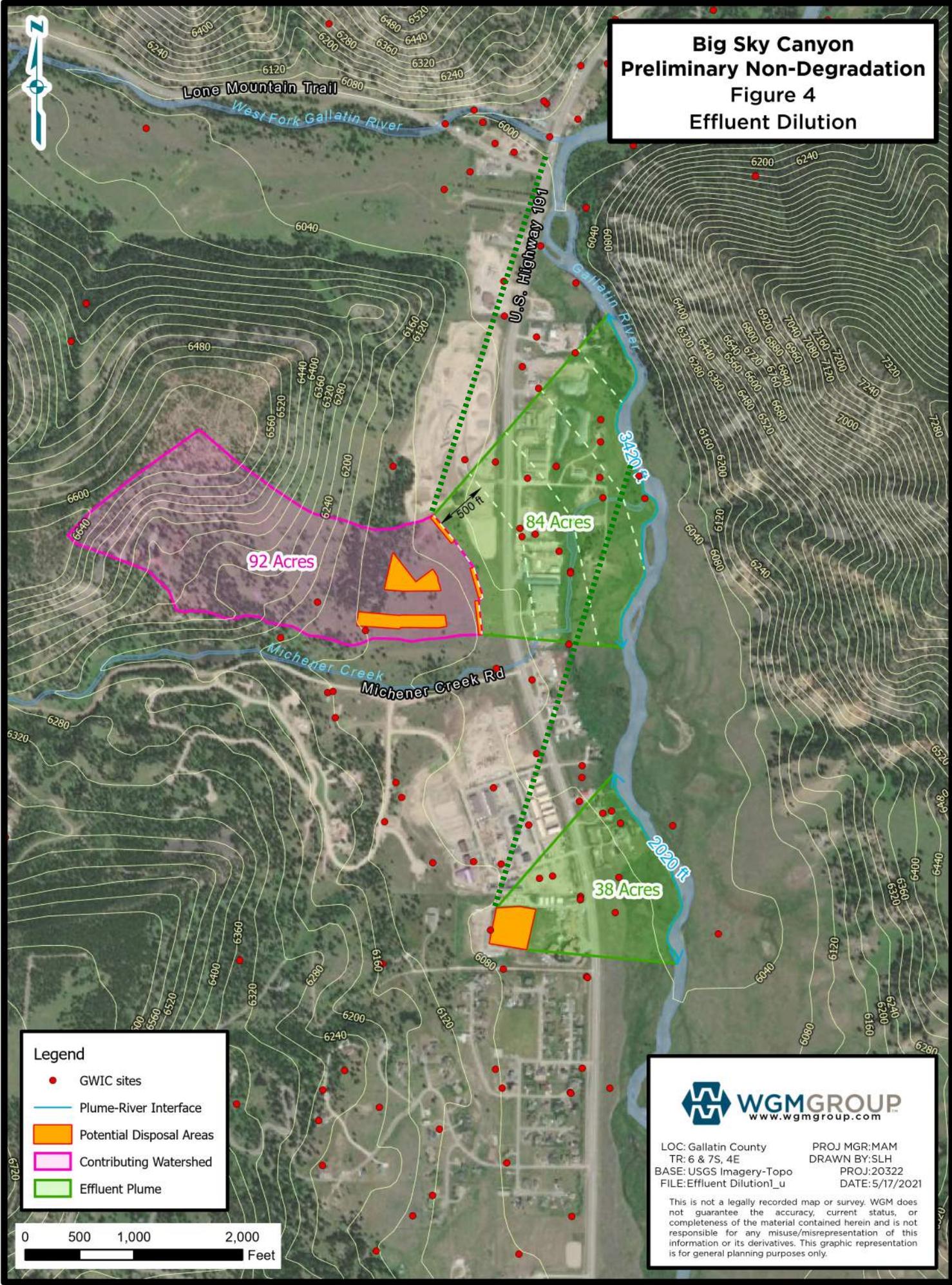
GENESIS ENGINEERING, INC
Engineering Consulting Design Planning
204 N. 11th Ave. Bozeman, MT 59715
Phone: (406) 581-3319

CHRISTOPHER M. WASIA
REGISTERED PROFESSIONAL ENGINEER
10959 PE

DRAWN BY: CRV
CHKD. BY: CMW
APPR. BY: CMW
DATE: 02/11/21
Q.A. REVIEW BY: []
DATE: []

BIG SKY	RESIDENTIAL SUBDIVISION AT THE QUARRY S5 T07 S, R04 E C.O.S. 2450	PROJECT NUMBER 1132.002
LOT LAYOUT	MT	SHEET NUMBER
		DRAWING NUMBER 56 SP-1

Big Sky Canyon Preliminary Non-Degradation Figure 4 Effluent Dilution



Legend

- GWIC sites
- Plume-River Interface
- Potential Disposal Areas
- Contributing Watershed
- Effluent Plume





WGM GROUP
www.wgmgroup.com

LOC: Gallatin County PROJ MGR: MAM
 TR: 6 & 7S, 4E DRAWN BY: SLH
 BASE: USGS Imagery-Topo PROJ: 20322
 FILE: Effluent Dilution_Lu DATE: 5/17/2021

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Permitting / Analysis	Prelim analysis	Prelim result	Hurdles	Additional analysis or data collection
Hydraulic Analysis				
Application rates	Onsite permeability tests, test pit data and regional soils data used to estimate rates assuming class A-1 water.	4.8 acres of infiltration bed required to discharge approximately 0.3 MGD (Buck's expected to require less area)	Test pits indicate variability with many areas being suitable and some areas less suitable	Site specific basin flooding tests to determine max infiltration rates
Groundwater surface impacts	Applied simplified Hantush mounding analysis. Further assessment required.	Anticipated 3'-7' of groundwater mounding beneath RIBs, potential for impacts sufficient to warrant more detailed modeling	Steep topography increases chances of discharge daylighting and may eliminate some locations. Transmissivity data will heavily impact mounding height and extent.	Data acquisition required to support MODFLOW model. Current understanding of shallow aquifer properties and extent need to be improved in conjunction with understanding of the existing groundwater surface to aid in model calibration.
Groundwater Non-degradation				
Nitrate Analysis	An infiltration based dilution model was run to estimate nitrogen dilution. Dilution is likely minimal.	Discharge of Class A-1 water with TN less than 5 mg/l does not violate non-degradation	Despite limited dilution, values will remain low	Improve nitrogen fate and transport modeling using MODFLOW .
Phosphorus Analysis	Breakthrough Analysis Performed using DEQ4 methodology	>100-year breakthrough period estimated assuming 0.3 MGD with 0.1 mg/l P	Significant P removal potential estimated; at this volume max concentration for breakthrough ~2 mg/l	Improve phosphorus fate and transport modeling using MODFLOW .
Human Health (Travel time)	Darcy's law applied with estimated gradients and values for hydraulic conductivity	Downgradient wells likely less than 200 day travel time down gradient of discharge locations	Class A-1 water may reduce required travel time, or alternative water sources will be required for down gradient wells	Preliminary Solutions: 1) Risk Assessment (MBR / aquifer pathogen reduction) 2) Central water system
Surface water Non-degradation				
Nitrate Analysis	Assumed zero subsurface removal and instantaneous dilution	Nitrogen increase in the Gallatin at baseflow ~ 0.03 mg/l	Order of magnitude lower impact in Gallatin compared to West Fork	Improve nitrogen fate and transport modeling using MODFLOW to estimate river load and mixing zone.
Phosphorus Analysis	Assumed complete subsurface removal	Minimal phosphorus load to river	If Gallatin and downgradient waterbodies are phosphorus limited, subsurface discharge will provide additional protection	Improve phosphorus fate and transport modeling using MODFLOW to estimate river load and mixing zone.
GW Discharge Permit reviewed as 'quasis' SW Permit				
MPDES	Discharge is likely connected to Gallatin River given short transport times	Discharge Hydraulically connected to surface water	Additional environmental and public review	TBD - Environmental assessment level of detail to be coordinated with DEQ

Site-specific data collection

MBMG Data collection in progress

Potential for "subjective" review

Potential for environmental debate

Consider proactive engagement of stakeholders

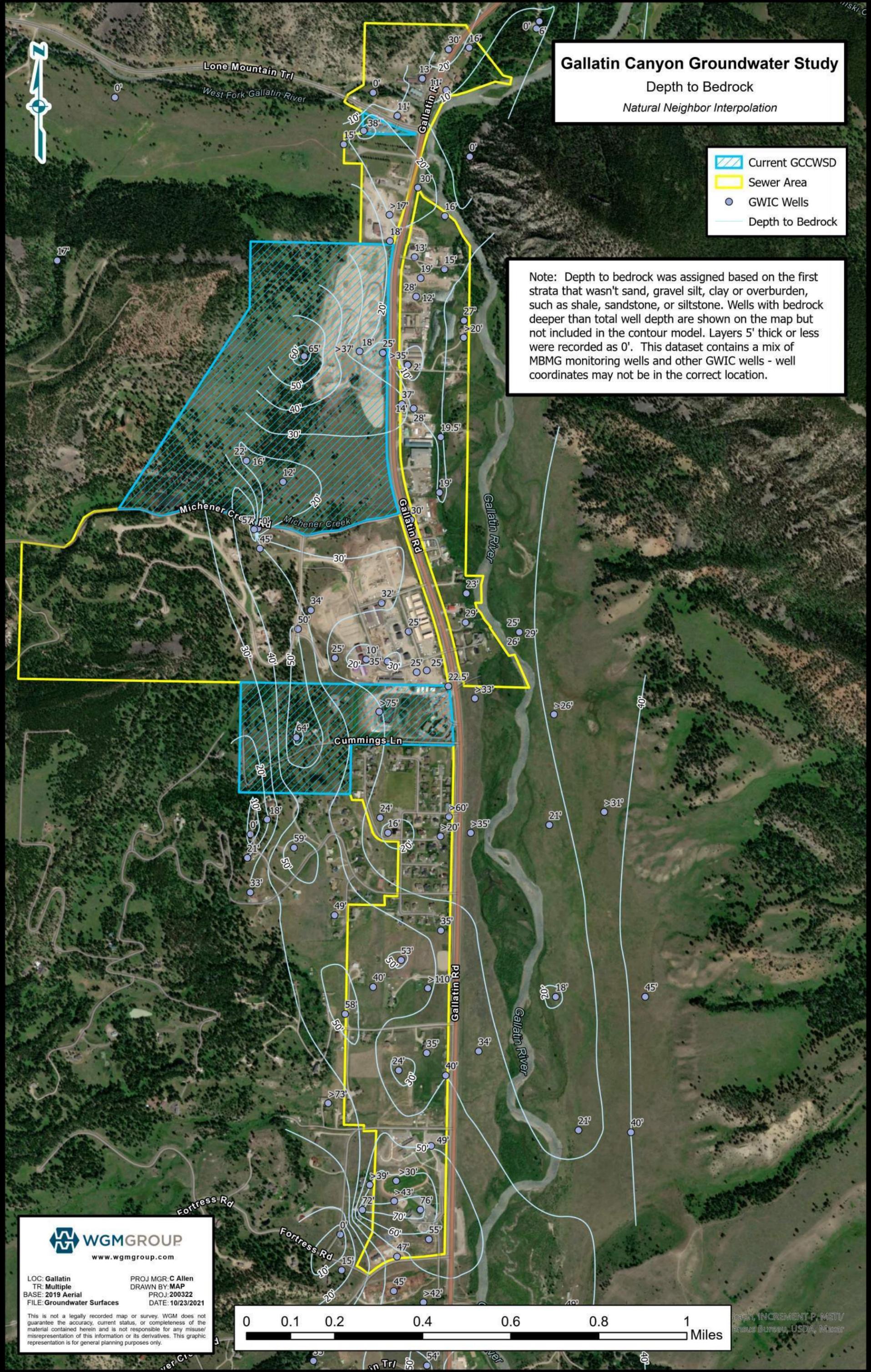
Gallatin Canyon Groundwater Study

Depth to Bedrock

Natural Neighbor Interpolation

-  Current GCCWSD
-  Sewer Area
-  GWIC Wells
-  Depth to Bedrock

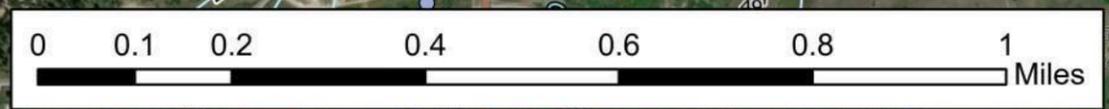
Note: Depth to bedrock was assigned based on the first strata that wasn't sand, gravel silt, clay or overburden, such as shale, sandstone, or siltstone. Wells with bedrock deeper than total well depth are shown on the map but not included in the contour model. Layers 5' thick or less were recorded as 0'. This dataset contains a mix of MBMG monitoring wells and other GWIC wells - well coordinates may not be in the correct location.



LOC: Gallatin
 TR: Multiple
 BASE: 2019 Aerial
 FILE: Groundwater Surfaces

PROJ MGR: C Allen
 DRAWN BY: MAP
 PROJ: 200322
 DATE: 10/23/2021

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INTEGRATED P. MET/
 BUREAU, USDA, MEXIC

Gallatin Canyon Groundwater Study

Ground and Groundwater Surface Elevations

Natural Neighbor Interpolation

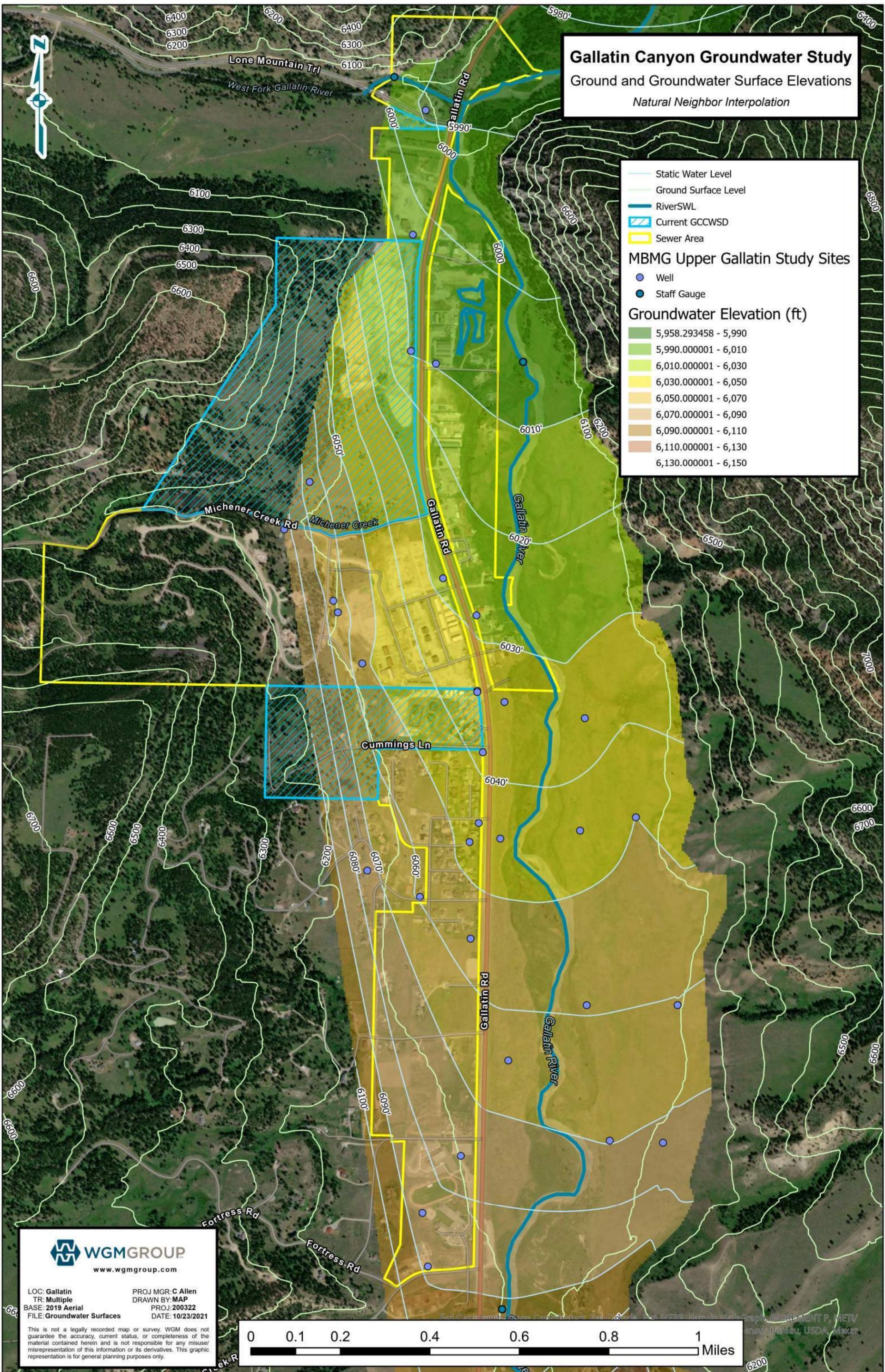
— Static Water Level
 — Ground Surface Level
 — RiverSWL
 Current GCCWSD
 Sewer Area

MBMG Upper Gallatin Study Sites

- Well
- Staff Gauge

Groundwater Elevation (ft)

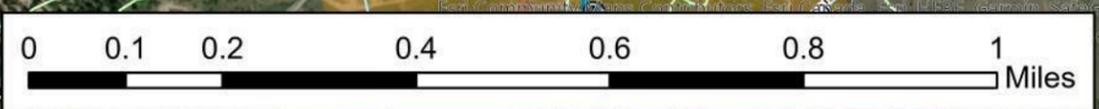
- 5,958.293458 - 5,990
- 5,990.000001 - 6,010
- 6,010.000001 - 6,030
- 6,030.000001 - 6,050
- 6,050.000001 - 6,070
- 6,070.000001 - 6,090
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- 6,110.000001 - 6,130
- 6,130.000001 - 6,150



LOC: Gallatin
 TR: Multiple
 BASE: 2019 Aerial
 FILE: Groundwater Surfaces

PROJ MGR: C Allen
 DRAWN BY: MAP
 PROJ: 200322
 DATE: 10/23/2021

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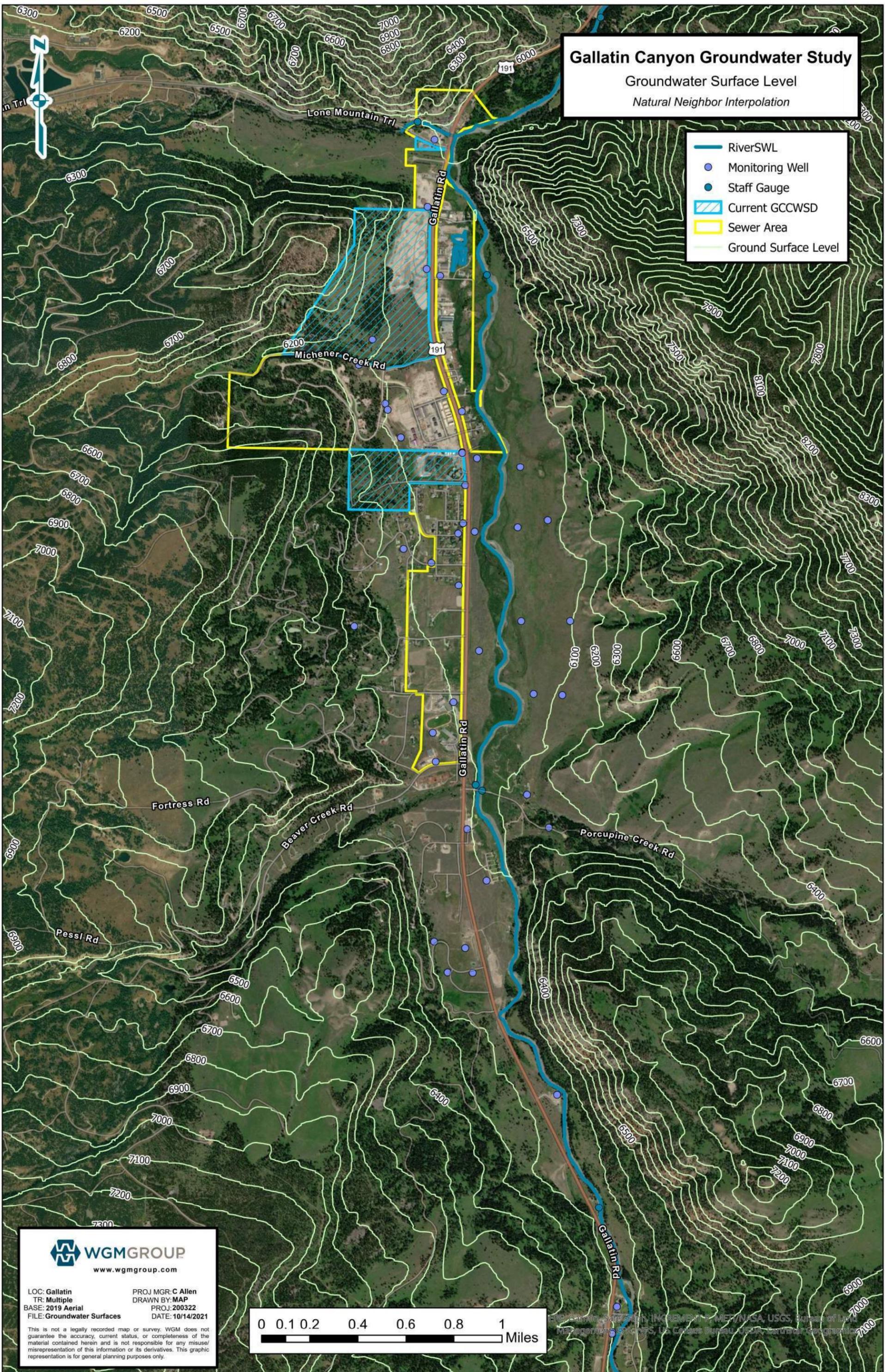
Esri, CommunityGems Contributor, Esri Canada, Esri Japan, Esri Germany, SafeGraph, INCREMENT P, METIV, Census Bureau, USDA, Mapbox

Gallatin Canyon Groundwater Study

Groundwater Surface Level

Natural Neighbor Interpolation

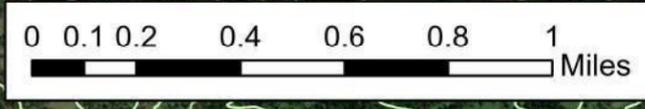
-  RiverSWL
-  Monitoring Well
-  Staff Gauge
-  Current GCCWSD
-  Sewer Area
-  Ground Surface Level



 **WGMGROUP**
www.wmggroup.com

LOC: Gallatin
TR: Multiple
BASE: 2019 Aerial
FILE: Groundwater Surfaces

PROJ MGR: C Allen
DRAWN BY: MAP
PROJ: 200322
DATE: 10/14/2021



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ESRI, Garmin, SatGrid, INCREMENT P, META/NASA, USGS, Bureau of Land Management, USGS, US Census Bureau, USDA, Earthstar Geographics

Gallatin Canyon Groundwater Study

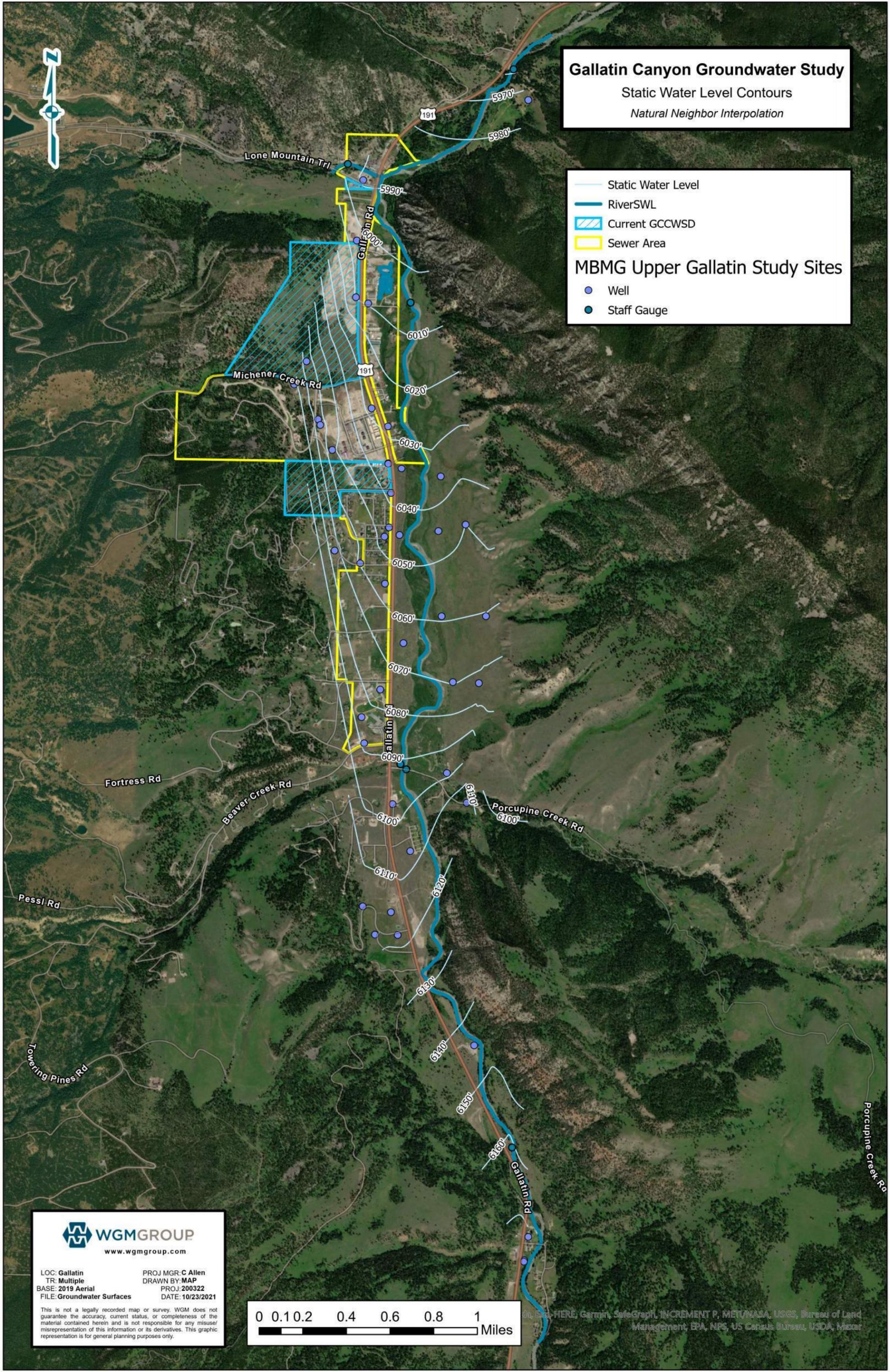
Static Water Level Contours

Natural Neighbor Interpolation

— Static Water Level
— RiverSWL
 Current GCCWSD
 Sewer Area

MBMG Upper Gallatin Study Sites

- Well
- Staff Gauge

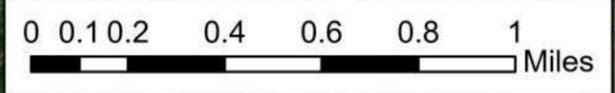



WGM GROUP
www.wmggroup.com

LOC: Gallatin
 TR: Multiple
 BASE: 2019 Aerial
 FILE: Groundwater Surfaces

PROJ MGR: C Allen
 DRAWN BY: MAP
 PROJ: 200322
 DATE: 10/23/2021

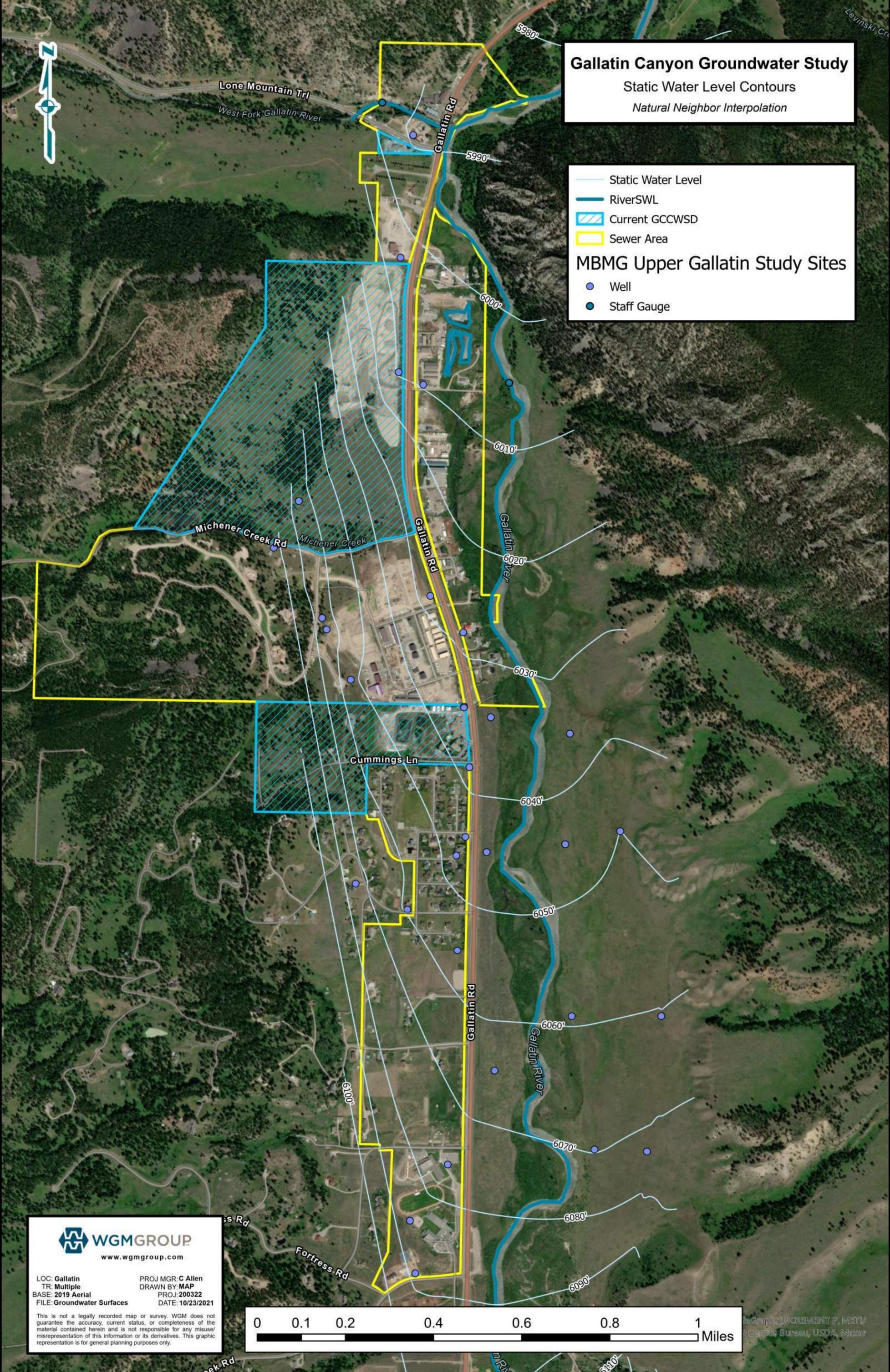
This is not a legally recorded map or survey. WGM does not guarantee the accuracy, current status, or completeness of the material contained herein and is not responsible for any misuse/misrepresentation of this information or its derivatives. This graphic representation is for general planning purposes only.



Data, Exp. HERE, Garmin, SafeGraph, INCREMENT P, MET/NASA, USGS, Bureau of Land Management, EPA, NPS, US Census Bureau, USDA, Maxar

Gallatin Canyon Groundwater Study
 Static Water Level Contours
 Natural Neighbor Interpolation

-  Static Water Level
 -  RiverSWL
 -  Current GCCWSD
 -  Sewer Area
- MBMG Upper Gallatin Study Sites**
-  Well
 -  Staff Gauge

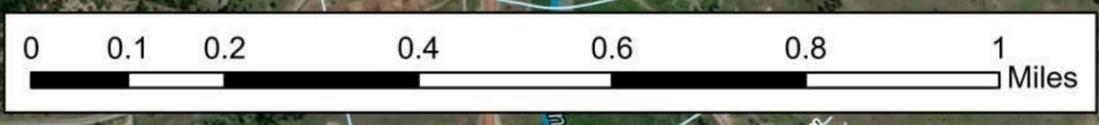


WGMGROUP
 www.wgmgroup.com

LOC: Gallatin
 TR: Multiple
 BASE: 2019 Aerial
 FILE: Groundwater Surfaces

PROJ MGR: C Allen
 DRAWN BY: MAP
 PROJ: 200322
 DATE: 10/23/2021

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Graphic: INCREMENT P, METV
 Census Bureau, USDA, Mixer

**ITEM F: WATER SYSTEM PER GRANT APPLICATION
(DRAFT COUNTY ARPA APPLICATION TO BE INSERTED)**



Gallatin County

MONTANA

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[ABOUT](#)

[DEPARTMENTS](#)

[BOARDS & COMMITTEES](#)

[RESIDENTS](#)

[VISITORS](#)



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American Rescue Plan Act 2021 - Gallatin County



Gallatin County is receiving \$22 million from the 2021 American Rescue Plan Act (ARPA). The Gallatin County Commission is in the process of deciding on what to do with these critical dollars.

These funds are meant to support services ranging from basic infrastructure, broadband, business, housing, and health and human services.

Find the full U.S. Department of Treasury guidance on ARPA funding [HERE](#).



Commissioners are committed to a decision-making process defined by careful thought, inclusive dialogue, strategic coordination with other local governments and community stakeholders, and eventually, decisive actions that make sustainable investments in our county and its citizens.

About \$774,000 of the funding has gone to [the Gallatin City-County Health Department](#) to help with the county's pandemic response. It has paid for things like an additional public health nurse, vaccination efforts, and wastewater sampling, among other things.

Then for the last few months, commissioners have been working with nonprofits, local governments, and businesses across Gallatin County to allocate other funds to help with four program areas they have prioritized: housing, mental health, economic recovery, and water and sewer projects.

So far, the commission has made allocations to two outside agencies:

- [Gallatin College Montana State University](#) - \$2 million for [Gallatin College](#) to develop or expand workforce programs in the construction trades, welding and fabrication, manufacturing and health care, as well as support childcare for students. See full agreement [here](#).
- [Greater Gallatin United Way](#) - \$309,000 to stabilize and staff GGUW's afterschool childcare program known as [kidsLINK](#). See full agreement [here](#).
- City of Three Forks, Town of Manhattan, Town of West Yellowstone, and Gallatin Canyon Water & Sewer District - \$809,000 for water and sewer projects in these districts. In addition, these four projects are receiving a combined \$2 million from the [state's Minimum Allocation Grant Program](#).

If you have comments on the process of administering these funds, the Gallatin County Commission would love to hear from you. Provide your

**ITEM G: COLLECTION PRIORITIZATION AND EXISTING
INFRASTRUCTURE ASSESSMENT**



GALLATIN CANYON WASTEWATER UPGRADE STUDY

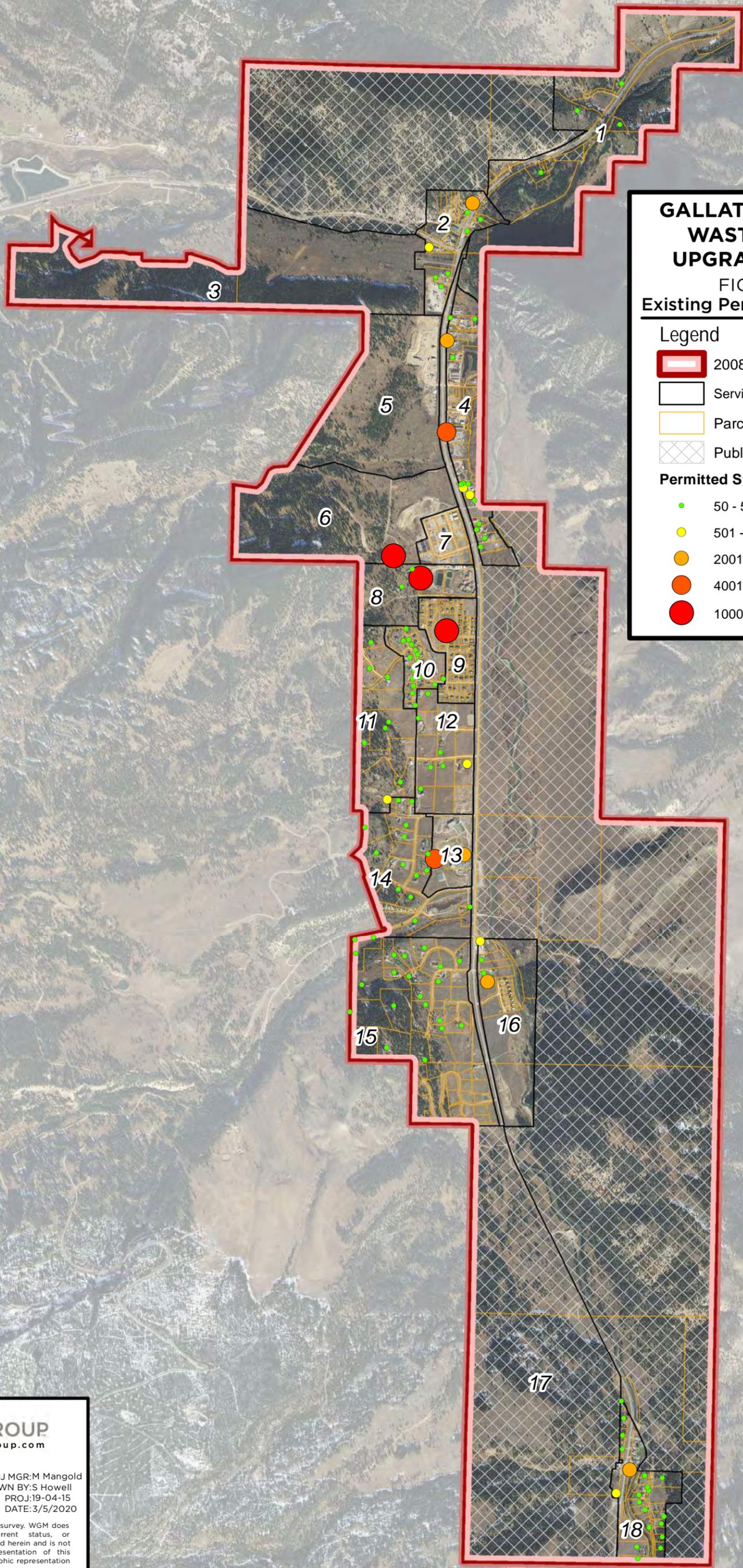
FIGURE ES4
Existing Permitted Systems

Legend

- 2008 Study Area
- ServiceAreas
- Parcels
- Public Land

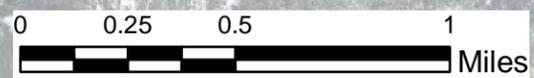
Permitted System GPD

- 50 - 500
- 501 - 2000
- 2001 - 4000
- 4001 - 10000
- 10001 - 20000



LOC: Gallatin County PROJ MGR: M Mangold
TR: Multiple DRAWN BY: S Howell
BASE: 2017 Aerial PROJ: 19-04-15
FILE: 190415_Existing DATE: 3/5/2020

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GALLATIN CANYON WASTEWATER UPGRADE STUDY

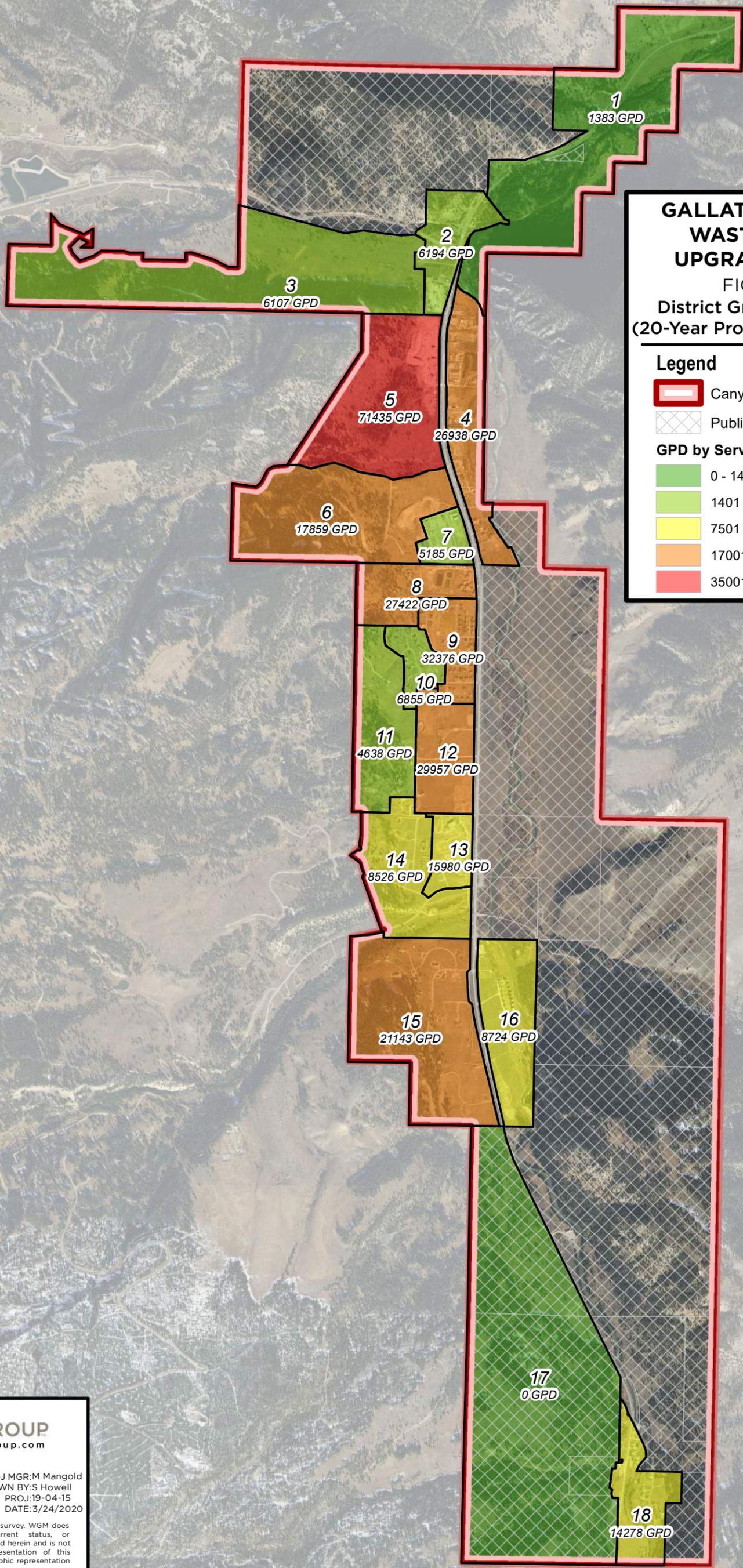
FIGURE ES5
District Growth Scenario
(20-Year Projected Flow Rate)

Legend

- Canyon Study Area
- Public Land

GPD by Service Area

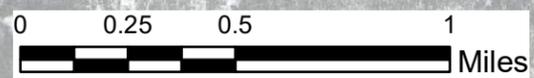
- 0 - 1400
- 1401 - 7500
- 7501 - 17000
- 17001 - 35000
- 35001 - 72000



WGM GROUP
www.wmggroup.com

LOC: Gallatin County PROJ MGR: M Mangold
TR: Multiple DRAWN BY: S Howell
BASE: 2017 Aerial PROJ: 19-04-15
FILE: 190415_Projected_v2 DATE: 3/24/2020

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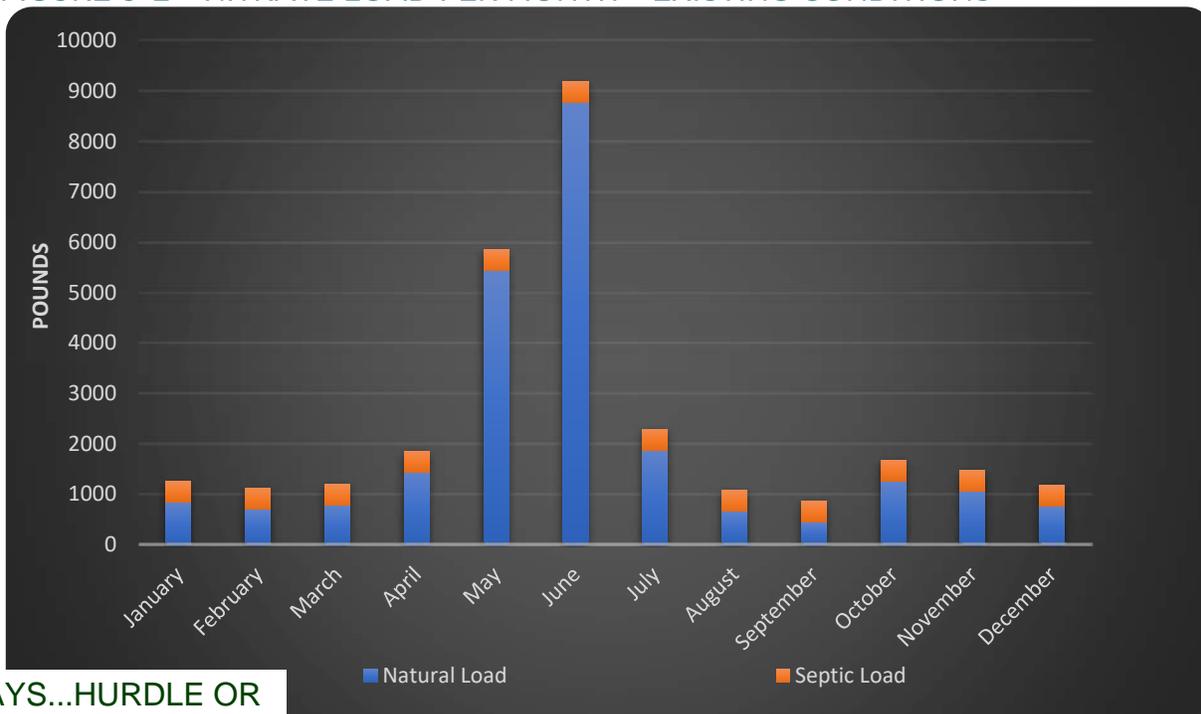
Introduction

This technical memorandum (TM) provides a feasibility level review of disposal alternatives and conceptual design and engineer’s opinion of probable cost for groundwater disposal (recommended alternative). Required near-term disposal volume is assumed to be in the 100,000 gallons per day (gpd) to 200,000 gpd range based on existing wastewater flows and in progress development projects (refer to TM2). Expanded disposal capacity on the 500,000 gpd scale may be needed depending on collaborative ‘disposal for treatment’ solutions with Big Sky County Water and Sewer District (BSCWSD) for Scenario 2. Disposal capacity estimates assume Class A-1 Reclaimed Water per DEQ-2 standards achieved using enhanced nutrient removal and membrane bioreactor (MBR) technology (refer to TM4).

Existing Conditions and Environmental Setting

The mass balance and spatial modeling evaluation documented in TM2 estimates 4,640 pounds per year of nitrogen associated with existing septic systems enters the aquifer. The aquifer is hydraulically connected to Gallatin River such that a large portion of this estimated load reaches the river and impacts water quality. River sensitivity is greatest in late summer when base flow is low and water temperatures are elevated, increasing the risk of algae blooms and reduced dissolved oxygen, creating less favorable conditions for fish and other aquatic species. A basic mass balance analysis coupled with available water quality data indicates that the existing septic related nitrate load is approximately equal to the ‘natural’ or ‘background’ load in the Gallatin River during base flow conditions, resulting in instream nitrate concentrations approximately doubling in the Canyon Area reach (see **Figure 5-2**). Conversely, during spring runoff when nitrate concentrations are elevated and flow rate is high, septic related nitrate load contributes less than 5 percent of the total load.

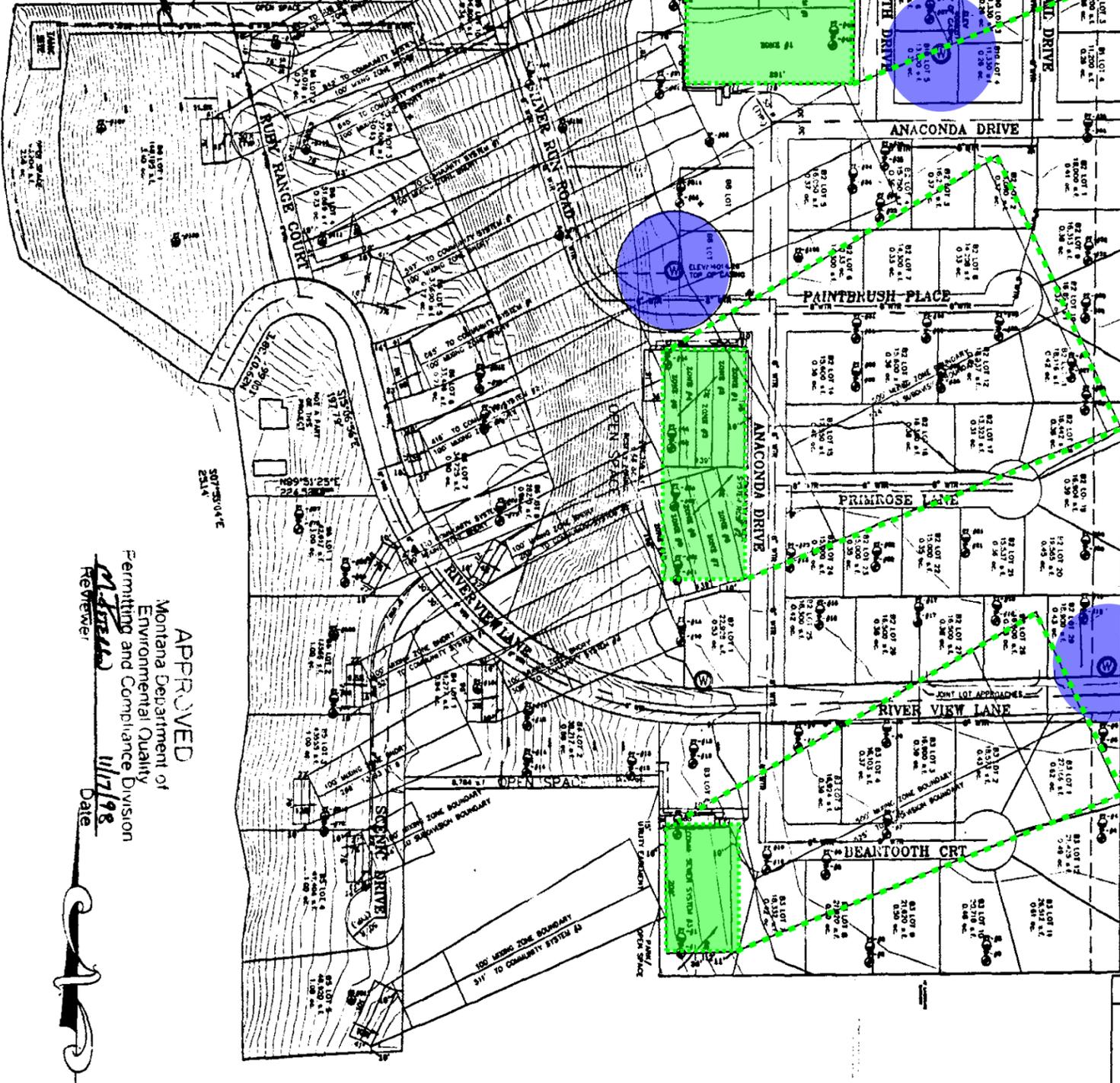
FIGURE 5-2 - NITRATE LOAD PER MONTH - EXISTING CONDITIONS



200 DAYS...HURDLE OR SOLUTION?

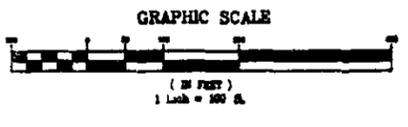
DIRECTION OF GROUNDWATER FLOW

INDEX PLATS 395304
 State of Montana
 County of Gallatin
 Filed JULY 13 1999
 at 4:19 P.M. and
 of
 MISCELLANEOUS Fee: 30.69
 by *Spelley W. Lucas*
 Fee: \$ 30.00 PD
 RT: TIM HOWARD
 HOMELANDS DEVELOPMENT
 1 RIVERVIEW LANE
 GALLATIN GATEWAY, MT
 59730



HIGHWAY 191
 File # 200-P413073

APPROVED
 Montana Department of
 Environmental Quality
 Permitting and Compliance Division
 11/17/98
 Date
 Reviewer



NO.	REVISIONS	DATE	BY

PROJECT NO. SHEET NUMBER DRAWING NUMBER	RAMSHORN SUBDIVISION WASTEWATER SYSTEMS GALLATIN COUNTY BIG SKY, MONTANA	DRAWN BY: MRS CWD BY: GAW APPL BY: GAW DATE: 10/06/98 BY: _____ DATE: _____ G.A. REVIEW	MORRISON MAIERLE, Inc. An Employee-Owned Company 801 Technology Blvd. • P.O. Box 1110 • Bozeman, MT 59717 Phone (406) 592-9922 Fax (406) 592-1171	ENGINEER ARCHITECT SURVEYOR PLUMBER SINCE 1946	COPYRIGHT 1998 MORRISON MAIERLE, INC. HEREBY RESERVES OUR COMMON LAW COPYRIGHT IN THIS DOCUMENT AND THE IDEAS AND DESIGN INCORPORATED HEREIN AS AN INSTRUMENT OF PROFESSIONAL SERVICE WHICH SHALL NOT BE USED IN WHOLE OR IN PART FOR ANY PROJECT OR OTHER USE WITHOUT OUR EXPRESS WRITTEN AUTHORIZATION.
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File # 200-P413072

**ITEM H: ANNEXATION AND OUTREACH COMMITTEE
DISCUSSION**

Annexation and Outreach Committee

Representative pool:

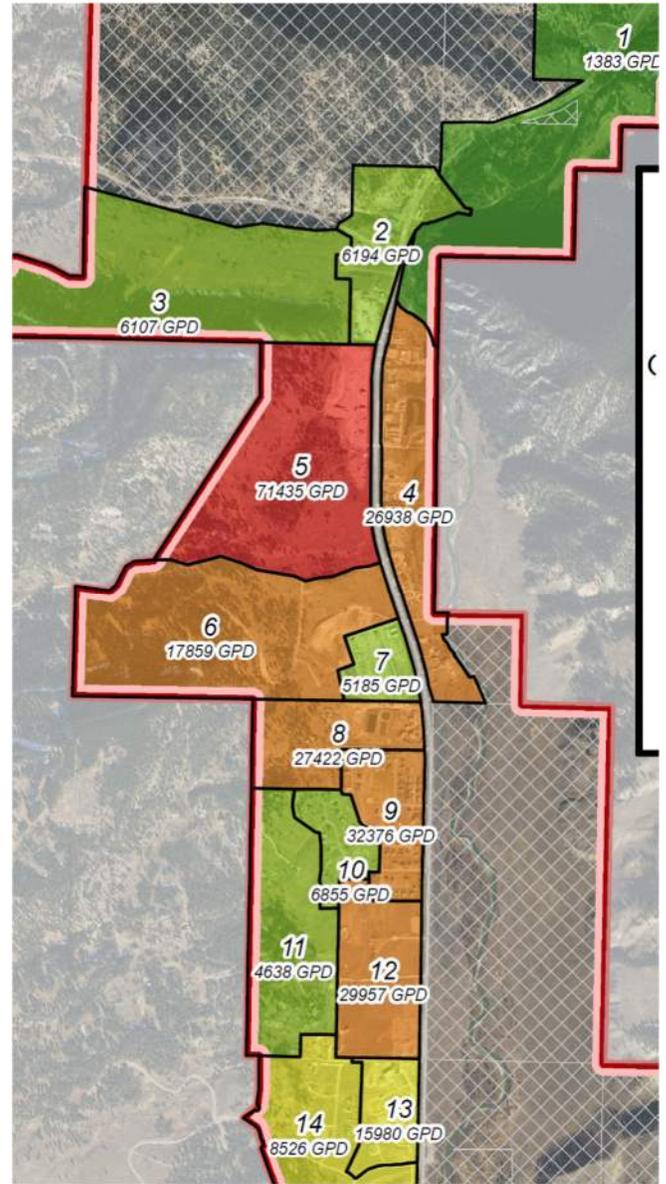
1. Scott A. (District Rep)
2. Kristin G. (River Rep)
3. Steve Johnson (BSRAD Rep)
4. Stuart Goldberg (Service Area 4 Rep)
5. Scott Hammond (Service Area 6/7 Rep)
6. Peter Bedell (Service Area 9 Rep)
7. School District (Service Area 13)
8. Mike Sholz (General Rep)
9. ____ Blausen (Service Area 2)

Outreach Materials:

- Website
- News Release memo
- Project Benefits Illustration

Preliminary Outreach and Communications Calendar:

- February - Outreach Committee
- February 9th - BSRAD
- March – Board meeting and adoption of PER (structure as an outreach effort)



SERVICE AREAS –PROJECTED FUTURE LOADS PER FEASIBILITY STUDY

**ITEM I & J: BSRAD INTERLOCAL AGREEMENT
(FULL AGREEMENT INCLUDED AS SEPERATE ATTACHMENT)**

Mace Mangold

From: Daniel Bierschwale <daniel@resorttax.org>
Sent: Thursday, January 20, 2022 10:55 AM
To: Daniel Bierschwale
Cc: Jenny Muscat
Subject: Interlocal Agreements BSRA

[EXTERNAL EMAIL] Only open attachments or click on links from senders you trust.

Greetings Partners,

I hope 2022 is off to a great start for everyone!

During our upcoming February board meeting (Wednesday, February 9th) we have allocated time on the agenda for updates from the government entities that we have inter-local agreements with. This provides an annual opportunity to touch base with BSRAD regarding our 3-year agreements and verify everything is still on track operationally and financially.

Please let me know if you think you can join and if so, suggest some time to connect via phone to answer and questions and discuss prep. If you are unable to join the Feb meeting our next BSRAD meeting is on 3/9.

Thanks everyone,

Danny

Daniel Bierschwale
Executive Director
ResortTax.org

Formation of a BSCWSD-BSRAD-GCCWSD “joint project subcommittee”

Section 3. Undertakings of the Parties with respect to the Canyon Project.

Section 3.1. The WSD and the RAD agree to work collaboratively together and with the newly created water and sewer district in the Canyon Area (the “Canyon Area District”) to pursue the Canyon Project.

Section 3.2. During the planning and construction phases of the Canyon Project, the WSD and RAD will use all reasonable efforts to establish a joint project subcommittee with the Canyon Area District, which joint project subcommittee shall meet monthly, unless more frequent meetings are needed or are requested by any member of the joint project subcommittee or the parties agree that less frequent meetings are appropriate, to discuss the progress with determining feasibility of the project, design of the project, project construction, collections of the Infrastructure Resort Tax, revenue collections and projections of the Canyon Area District, obtaining project financing and repayment projections. If the Canyon Project should be completed, the joint project subcommittee shall meet monthly, unless the parties mutually agree that less frequent meetings are appropriate, to provide progress reports regarding operation of the Canyon Project, collections of the Infrastructure Resort Tax, revenue collections and projections of the Canyon Area District, and financing repayment.

Section 3.3. The obligations of the WSD with respect to the Canyon Project and of the RAD with respect to the Canyon Project Contribution are subject to satisfaction of numerous conditions, including, but not limited to, the following:

- (a) Water studies showing the Canyon Project is feasible.
- (b) Engineering reports; feasibility studies; environmental studies or reports; and other analyses that demonstrate the Canyon Project is feasible.
- (c) The WSD and the Canyon Area District must enter into one or more agreements satisfactory to the WSD pursuant to which the WSD would provide wastewater treatment service to the Canyon Area District and the Canyon Area District would accept treated water from the WSD.
- (d) The Board of Directors of the Canyon Area District must agree to proceed with the Canyon Project.
- (e) Adequate funding for the Canyon Project must be obtained.
- (f) Regulatory bodies, such as, but not limited to, the Montana Department of Environmental Quality and the Montana Department of Natural Resources and Conservation, shall have approved the Canyon Project.
- (g) Other documentation, licenses, permits, or approvals that demonstrate the Canyon Project is feasible.

Section 3.4. If the conditions described in Section 3.3 are not satisfied or it is determined such conditions cannot be satisfied or that the Canyon Project is otherwise not feasible and cannot proceed to design and/or construction, then any amounts then held by the RAD as the Canyon Project Contribution under Section 2.4 above shall be remitted by the RAD to the WSD as part of the WRRF Contribution and from such time forward all of the Infrastructure Resort Tax as received by the RAD will constitute the WRRF Contribution without the limits set forth in Exhibit A; provided that any such remittance or such contributions of the Infrastructure Resort Tax as the WRRF Contribution may not cause the total WRRF Contribution to exceed \$27,000,000. In addition, if the Canyon Project is not progressing toward

ITEM K: BUDGET FORMALIZATION

Fiscal Year 2022 Budget

July 2021 - June 2022

Prepared by: WGM Group

Approved by Distric Board:



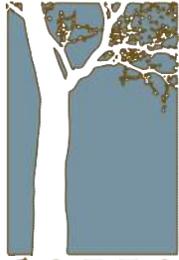
Description:

The Gallatin Canyon County Water and Sewer District (GCCWSD) has been granted \$222,000 of initial external funding from the Big Sky Area Resort Tax District to help GCCWSD get established. These funds will fund the District's operating expenses from July 2021 through June 2024. During this time, the District will have no customers or regular income. The budget below outlines expenses for Fiscal year 2022 which will be covered by a portion of that \$222,000.

Item Number	Annual Budget	Description
Operating Income		
1. NONE	\$0	No customers, no services provided, no income for first few years.
2. Total FY 2022 Operating Income	\$0	
Operating Expenses		
3. District Administration	\$15,000	County/stating, filings, Insurance, Website development, Board Meetings, Subscriptions, etc.
4. Outreach and Education	\$15,000	Project graphisc, flyers, event attendence, presenation preparation, ect.
5. Project Funding	\$10,000	Grant writing, Project Finance Structure Planning, etc.
6. Accounting and Legal Services	\$10,000	As Needed
7. Engineering and Infrastructure Planning Services	\$40,000	Discharge permitting and infrastructure planning
8. Total FY 2022 Operating Expenses	\$90,000	
Other Income		
9. BSRAD Seed Funding for GCCWSD	\$222,000	External funding to be used for first 4 years
Net Incomes		
10. Net Operating Income	(\$90,000)	
11. Net Income	\$132,000	

**ITEM M: WGM GRANT ADMINISTRATION AND ENGINEERING CONTRACT
(WGM TO INSERT)**

**ITEM N: GALLATIN RIVER
OUTSTANDING WATER RESOURCE DESIGNATION**



COTTONWOOD

ENVIRONMENTAL LAW CENTER

Statement of Purpose and Implication:

"Outstanding resource water" is a designation that affords a body of water the greatest protection feasible under state law, after thorough examination. The Department of Environmental Quality (DEQ) may not allow a new or increased point source discharge that would result in a permanent change in the water quality of an outstanding resource water. "Point source" is defined in 75-5-103, MCA. Passing this initiative would make outstanding resource waters on the Gallatin River from the boundary of Yellowstone National Park to the confluence of Spanish Creek, and on the Madison River from Hebgen Lake to Ennis Lake. Passage would also amend 75-5-316(2), MCA, to prohibit the DEQ from allowing a new or increased point source discharge that would result in any temporary or permanent change in water quality.

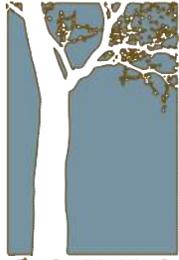
YES on [statutory initiative number]

NO on [statutory initiative number]

Proposed Initiative

Section 1. Section 75-5-316, MCA, is amended to read:

"75-5-316. Outstanding resource water classification -- rules -- criteria -- limitations -- procedure -- definition. (1) As provided under the provisions of 75-5-301 and this section, the department may adopt rules regarding the classification of waters as outstanding resource waters.



COTTONWOOD

ENVIRONMENTAL LAW CENTER

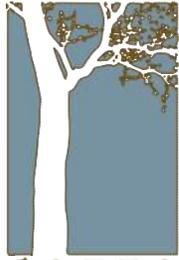
(2) The department may not:

(a) grant an authorization to degrade under 75-5-303 in outstanding resource waters; or

(b) allow a new or increased point source discharge that would result in any temporary or permanent change in the water quality of an outstanding resource water.

(3) (a) A person may petition the department for rulemaking to classify state waters as outstanding resource waters. The department shall initially review a petition against the criteria identified in subsection (3)(c) to determine whether the petition contains sufficient credible information for the department to accept the petition.

(b) The department may reject a petition without further review if it determines that the petition does not contain the sufficient credible information required by subsection (3)(a). If the department rejects a petition under this subsection (3)(b), it shall specify in writing the reasons for the rejection and the petition's deficiencies.



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(c) The department may not adopt a rule classifying state waters as outstanding resource waters until it accepts a petition and makes a written finding containing the provisions enumerated in subsection (3)(d) that, based on a preponderance of the evidence:

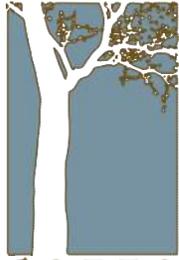
(i) the waters identified in the petition constitute an outstanding resource based on the criteria provided in subsection (4);

(ii) the increased protection under the classification is necessary to protect the outstanding resource identified under subsection (3)(a) because of a finding that the outstanding resource is at risk of having one or more of the criteria provided in subsection (4) compromised as a result of pollution; and

(iii) classification as an outstanding resource water is necessary because of a finding that there is no other effective process available that will achieve the necessary protection.

(d) The written finding provided for in subsection (3)(c) must:

(i) identify the criteria provided in subsection (4) that serve as justification for the determination that the water is an outstanding resource;



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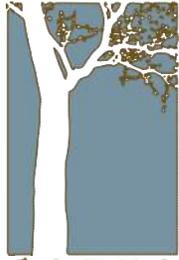
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(ii) specifically identify the criteria that are at risk and explain why those criteria are at risk; and

(iii) specifically explain why other available processes, including the requirements of 75-5-303, will not achieve the necessary protection.

(4) The department shall consider the following criteria in determining whether certain state waters are outstanding resource waters. However, the department may determine that compliance with one or more of these criteria is insufficient to warrant classification of the water as an outstanding resource water. The department shall consider:

- (a) whether the waters have been designated as wild and scenic;
- (b) the presence of endangered or threatened species in the waters;
- (c) the presence of an outstanding recreational fishery in the waters;
- (d) whether the waters provide the only source of suitable water for a municipality or industry;
- (e) whether the waters provide the only source of suitable water for domestic water supply; and



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(f) other factors that indicate outstanding environmental or economic values not specifically mentioned in this subsection (4).

(5) Before accepting a petition, the department shall:

(a) publish a notice and brief description of the petition in a daily newspaper of general circulation in the area affected and make copies of the proposal available to the public. The cost of publication must be paid by the petitioner.

(b) provide for a 30-day written public comment period regarding whether the petition contains sufficient credible information, as provided in subsection (3)(b), prior to the hearing required in subsection (5)(c);

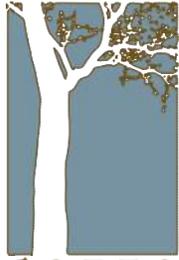
(c) hold a public hearing regarding the petition and its contents and allow further written and oral testimony at the hearing;

(d) issue a proposed decision, including:

(i) the written finding provided for in subsection (3)(c); and

(ii) the department's acceptance or rejection of the petition;

(e) provide for a 30-day public comment period regarding the department's proposed decision; and



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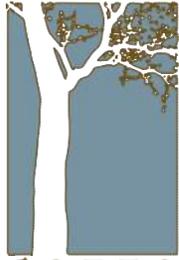
(f) issue a final decision on acceptance or rejection of the petition, which must include a response to comments received by the department, and make copies of this decision available to the public.

(6) (a) After acceptance of a petition, the department shall prepare an environmental impact statement, as provided under Title 75, chapter 1, part 2, and this section.

(b) (i) The petitioner is responsible for all of the costs associated with gathering and compiling data and information, and completing the environmental impact statement.

(ii) Before the department may initiate work on the environmental impact statement, the petitioner shall pay the estimated cost of completing the environmental impact statement, as determined by the department.

(iii) Upon completion of the environmental impact statement, the petitioner shall pay the department any costs that exceeded the estimated cost. If the cost of the environmental impact statement was less than the estimated cost paid by the petitioner, the department shall reimburse the difference to the petitioner.



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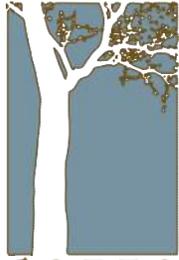
(iv) The department may not grant or deny a petition until full payment for the environmental impact statement is received.

(7) The department shall consult with other relevant state agencies and county governments when reviewing outstanding resource water classification petitions.

(8) (a) After completion of an environmental impact statement and consultation with state agencies and local governments, the department may deny an accepted outstanding resource water classification petition if it finds that:

(i) the requirements of subsection (3)(c) have not been met; or
(ii) based on information available to the department from the environmental impact statement or otherwise, approving the outstanding resource waters classification petition would cause significant adverse environmental, social, or economic impacts.

(b) If the department denies the petition, it shall identify its reasons for petition denial.



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(c) If the department grants the petition, the department shall initiate rulemaking to classify the waters as outstanding resource waters.

(9) A rule classifying state waters as outstanding resource waters under this section may be adopted but is not effective until approved by the legislature.

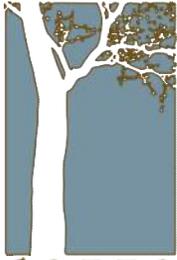
(10) The department may not postpone or deny an application for an authorization to degrade state waters under 75-5-303 based on pending:

(a) department action on an outstanding resource water classification petition regarding those waters; or

(b) legislative approval of department action designating those waters as outstanding resource waters.

(11) As used in this section, "petitioner" means an individual, corporation, partnership, firm, association, or other private or public entity that petitions the department to adopt rules to classify waters as outstanding resource waters.

(12) The following surface waters are classified as outstanding resource waters:



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(a) Gallatin River from the boundary of Yellowstone National Park to the confluence of Spanish Creek.

(b) Madison River from Hebgen Lake to Ennis Lake."

- END -

OLD BUSINESS ITEMS

FORM D-1 BUSINESS DISCLOSURE STATEMENT, PAGE 2

9. OTHER BUSINESS INTERESTS

List each business (corporation, partnership, or other business or professional entity or trust) in which you hold an interest that currently is valued at \$1,000 or more. (Attach a list if necessary)

- A "business interest" DOES include ownership of any security, equity, or evidence of indebtedness in any business corporation or other entity. If the security is a privately held corporation, list the name and address of the corporation. If the security is a corporation listed on a regulated stock exchange, list the name of the corporation; no address is required. If the security is held in a mutual fund, unit investment trust, or real estate investment trust, list the name of the fund or trust and NOT the individual name of the corporation; no address is required.
- A "business interest" DOES NOT include ownership of personal property not held for use or sale in a business or for investment (vehicles/household furnishings), cash surrender value of any insurance policy or annuity, bank deposits or certificates of deposit if not held for use in a business, and securities issued by any government or political subdivision.

Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

.....
Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

.....
Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

.....
Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

.....
Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

10. REAL PROPERTY

List all property (*other than one personal residence*) in which you hold an interest, if that interest currently has a fair market value of \$1,000 or more. An "interest" includes a fee, life estate, joint or common tenancy, leasehold beneficial interest (through a trust), option to purchase, or mineral or royalty interest. (Attach a list if necessary)

General Description of Property _____

Nature of Interest Held in the Property _____

.....
General Description of Property _____

Nature of Interest Held in the Property _____

.....
General Description of Property _____

Nature of Interest Held in the Property _____

.....
General Description of Property _____

Nature of Interest Held in the Property _____

10. REAL PROPERTY, Continued

General Description of Property _____

Nature of Interest Held in the Property _____

General Description of Property _____

Nature of Interest Held in the Property _____

General Description of Property _____

Nature of Interest Held in the Property _____

11. ASSOCIATION WITH OTHER ENTITIES

List each additional entity in which you are an OFFICER or DIRECTOR; include both for-profit and not-for-profit entities. (Attach a list if necessary)

Name of Organization _____ Office Held _____

Address _____
(City, State, Zip Code)

Name of Organization _____ Office Held _____

Address _____
(City, State, Zip Code)

Name of Organization _____ Office Held _____

Address _____
(City, State, Zip Code)

Name of Organization _____ Office Held _____

Address _____
(City, State, Zip Code)

Name of Organization _____ Office Held _____

Address _____
(City, State, Zip Code)

CERTIFICATION

I declare under penalty of perjury and under the laws of the state of Montana that the foregoing is true, complete and correct.

Signature _____

Date and place _____

FORM MAY BE REPRODUCED

Notice: you must follow up with a signed hard copy to CPP. Delivery receipt of this form will appear in your email. For further guidance, contact CPP at (406) 444-2942. (Internet Explorer is recommended)

COMMISSIONER OF POLITICAL PRACTICES
1209 Eighth Avenue
Post Office Box 202401
Helena, MT 59620-2401
TELEPHONE: 406-444-2942
FAX NUMBER: 406-444-1643
WEBSITE: www.politicalpractices.mt.gov



INSTRUCTIONS (Revised 1/16) FORM D-1 BUSINESS DISCLOSURE STATEMENT

WHO IS REQUIRED TO FILE A FORM D-1?

- statewide or state district elected officials
- candidates for statewide or state district offices;
- department directors; and
- individuals appointed to fill any of these offices.

WHAT INFORMATION IS TO BE REPORTED?

In accordance with Montana Code Annotated § 2-2-106, the Business Disclosure Statement must provide the following information:

- name, address, and type of business of the individual;
- type of business in which currently engaged or formerly engaged prior to election or appointment;
- each present or past employing entity from which benefits, including retirement benefits, are currently received by the individual;
- each business, firm, corporation, partnership, and other business or professional entity or trust in which the individual holds an interest;
- each additional entity in which the individual is an officer or director, including not for profit entities; and
- all real property, other than a personal residence, in which the individual holds an interest; real property may be described by general description.

Not reportable are interests of the following nature:

- *personal property not held for use or sale in a trade or business or for investment purposes, such as personal vehicles or household furnishings;*
- *cash surrender value of any insurance policy or annuity;*
- *bank deposits, including checking or savings accounts or certificates of deposit not held for use in a trade or business; and*
- *securities issued by any government or political subdivision.*

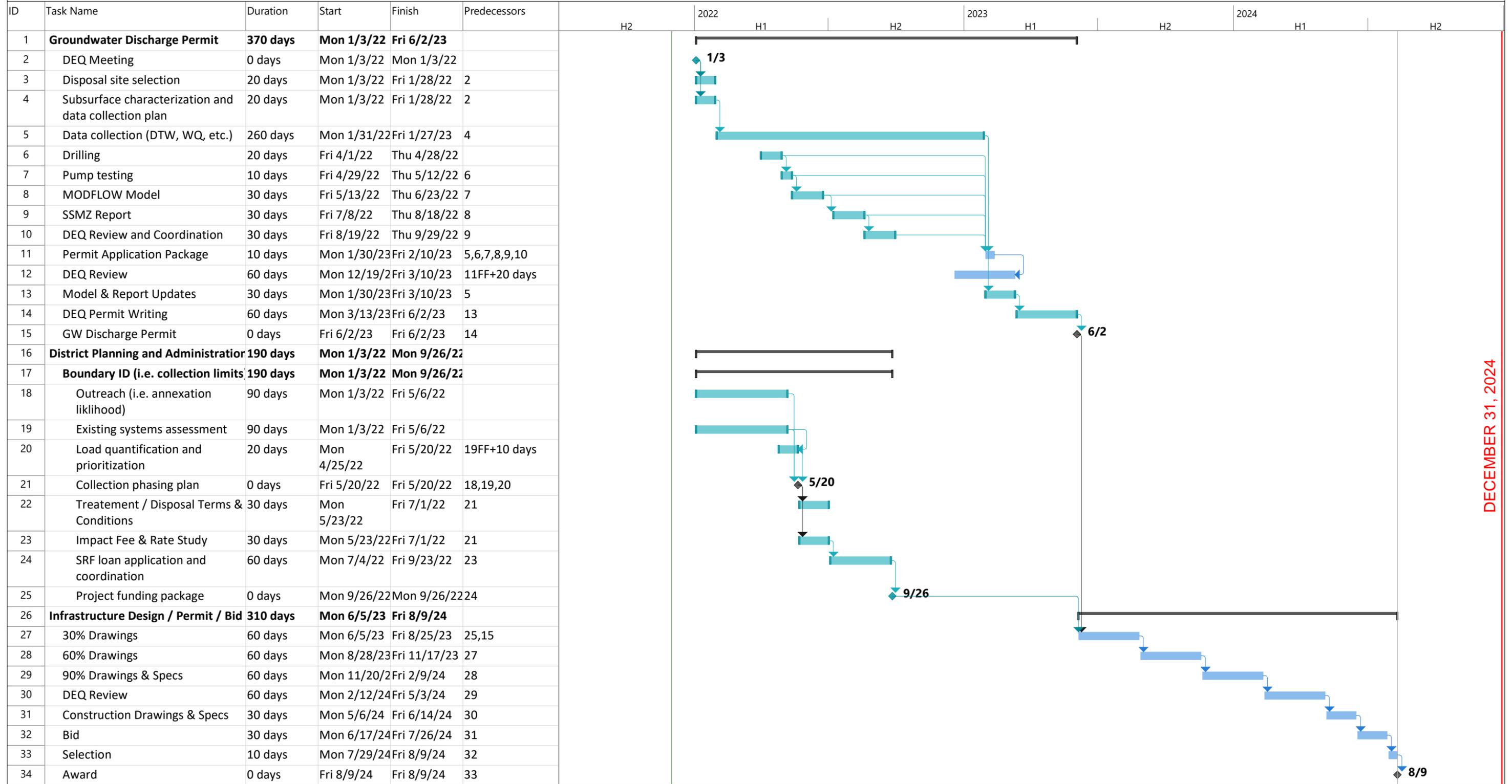
WHEN MUST A FORM D-1 BE FILED?

- Statewide or state district elected officials or department directors: prior to December 15 of each even-numbered year;
- **Candidates for statewide or state district offices: within five (5) days of the time the candidate files for office; and**
- Individual appointed to any of the above offices: at the earlier of the time of submission of the person's name for confirmation or the assumption of office.

WHERE MUST A FORM D-1 BE FILED?

Form D-1 is to be filed with the Commissioner of Political Practices at the above address.

Gallatin Canyon Water and Sewer District
Preliminary Overall Schedule



DECEMBER 31, 2024

Project: Canyon_Preliminary Ov
Date: Wed 12/1/21

Task		Project Summary		Manual Task		Start-only		Finish-only		External Tasks		External Milestone		Deadline		Progress		Manual Progress	
Split		Inactive Task		Duration-only		Manual Summary Rollup		Manual Summary											
Milestone		Inactive Milestone																	
Summary		Inactive Summary																	

CANYON PROJECT FUNDING SUMMARY

Funding Source	Million\$	Notes
BSRAD 1% for Infrastructure Fund	\$12.0 (allocated)	<p>Terms spelled out in Interlocal Agreement.</p> <p>Use funds by July 31, 2032</p> <p>Funding dependent on “if the Canyon Project is determined to be feasible” (see Section 3.3)</p> <p>Section 2.1: references renegotiation in the event ARPA funding is received.</p> <p>Section 2.6: BSCWSD \$27M supersedes funding for Canyon Project</p> <p>Section 3.2: joint Canyon Project subcommittee to be formed</p> <p>Section 3.3: (7) conditions to be satisfied for “project feasibility”</p>
ARPA Competitive Grant	\$2.0 (awarded)	Projects must be obligated by December 31, 2024 and completed by December 31, 2026.
Gallatin County Minimum Allocation Grant	\$ 0.75 (awarded)	TBD
Gallatin County Local Fiscal Recovery (LFR)	\$ 0.75 (pending)	TBD
BSRAD 3% Resort Tax	\$0.3 (+/-)	<p>July 2021 – July 2023</p> <p>3-years @ \$74,000/yr to Canyon District</p> <p>\$60,000 to Task Force</p>
Total =	\$15.8 Million	

Commented [MM1]: Structured such that BSCWSD will own and operate Highway 64 conveyance infrastructure, but reserves the right to transfer to the Canyon District.

Commented [MM2]: Canyon Project must progress towards construction in a “reasonably prompt manner”.

Section 3.3. The obligations of the WSD with respect to the Canyon Project and of the RAD with respect to the Canyon Project Contribution are subject to satisfaction of numerous conditions, including, but not limited to, the following:

- (a) Water studies showing the Canyon Project is feasible.
- (b) Engineering reports; feasibility studies; environmental studies or reports; and other analyses that demonstrate the Canyon Project is feasible.
- (c) The WSD and the Canyon Area District must enter into one or more agreements satisfactory to the WSD pursuant to which the WSD would provide wastewater treatment service to the Canyon Area District and the Canyon Area District would accept treated water from the WSD.
- (d) The Board of Directors of the Canyon Area District must agree to proceed with the Canyon Project.
- (e) Adequate funding for the Canyon Project must be obtained.
- (f) Regulatory bodies, such as, but not limited to, the Montana Department of Environmental Quality and the Montana Department of Natural Resources and Conservation, shall have approved the Canyon Project.
- (g) Other documentation, licenses, permits, or approvals that demonstrate the Canyon Project is feasible.

CANYON PROJECT SCOPES

Scope Item	Amount	Notes
Canyon Groundwater Discharge Feasibility Report	\$25,000 (90% complete)	BSCWSD Contract. WGM updating report based on MBMG data
Existing Systems Assessment and load based phasing plan	\$60,000 (10% complete)	Gallatin River Task Force contract. WGM/APE to assess existing systems and preliminary plans / prioritization for abandonment and/or use for future District disposal.
Canyon District Administration, Funding, Preliminary Phasing	\$25,000 (90% complete)	WGM began work in July. Administration tasks: Board meeting facilitation, general support (by-laws, county/state registrations, bank account, website development, logo, etc). Funding tasks: ARPA funding committee, DNRC ARPA app, Gallatin County ARPA app, letters of support, CommUNITY forum and outreach Preliminary phasing: Phasing concept developed to support Gallatin County ARPA app (remains to be formalized)
Groundwater Discharge Permitting (continuation of Feasibility Report effort)	TBD	BSCWSD vs. GCCWSD contracting? 2022-2023
Phase 1 Project Planning (advance project to address items per Section 3.3 of the Interlocal Agreement)	TBD	Public outreach, District/project boundary, cost share coordination (treatment value vs. disposal value), interlocal agreement amendment. Water system planning? 2022-2023
Impact Fee & Rate Study	TBD	2022-2023
Phase 1 Project Engineering, Permitting and Construction	TBD	Late 2023 / Early 2024

**BYLAWS OF
GALLATIN CANYON COUNTY WATER AND SEWER DISTRICT**

ARTICLE I.

STATEMENTS OF ORGANIZATION AND PURPOSE

(A) Organization. The name of this organization is the GALLATIN CANYON COUNTY WATER AND SEWER (the "District"). The District was formed by petition on December 29th, 2020 pursuant to Title 7, Chapter 13, Parts 22 and 23 of the Montana Code Annotated. 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 6th, 2021

(B) Purpose. 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 do the same information gathering 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 coerce 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.

ARTICLE II.

BOARD OF DIRECTORS

(A) District to be Governed by the Board of Directors. The Board of Directors is

the governing body of the District (§7-13-2231(2), M.C.A.).

(B) Composition of Board of Directors. The Board of Directors shall consist of three (3) members until there are more than 10 qualified electors in the District. Once there are more than 10 electors, the board shall consist of five (5) members (§7-13-2232), M.C.A.).

ARTICLE III.

QUALIFICATIONS OF DIRECTORS AND TERMS OF OFFICE

(A) Qualifications of Directors. Any director elected or appointed shall be an owner or lessee of real property within the District or a resident within the District (§7-13-2233, M.C.A.).

(B) Terms of Office for Directors.

1. All directors elected or appointed, shall hold office until the election and qualification or appointment and qualification of their successors.
2. Except as otherwise provided, the term of office of directors elected under the provisions of M.C.A. Title 7, Parts 22 and 23 shall be four (4) years from and after date of their election. Given that the creation of the District required the election of three (3) directors, one (1) of the directors shall serve for a term of two (2) years, and two (2) shall serve for a term of four (4) years. At their first meeting, the directors shall determine by lot which of them shall serve the two (2) year terms. Each term thereafter shall be for a period of four (4) years (§7-13-2234, M.C.A.).

(C) Effect of Failure to Qualify for Office. If a person elected to the Board of Directors fails to qualify, the office must be filled as if there were a vacancy in the office as

provided by Article IV, Paragraph 8, set forth below.

(D) Applicability of General Election Laws. Except as otherwise provided in Title 7, Chapter 13, Parts 22 and 23 of Montana Code Annotated, the provisions of Montana law relating to the qualifications of electors, the manner of voting, the duties of election officers, the canvassing of returns, and all other particulars with respect to the management of general elections, so far as they may be applicable, shall govern all District elections (§7- 13-2222, M.C.A.).

ARTICLE IV.

ELECTION AND APPOINTMENT OF DIRECTORS

(A) Election and Appointment Procedure. The mode of nomination and election of all elective officers of the District to be voted for during any District election and the mode of appointment of a director by a mayor or board of county commissioners shall be as provided in Title 7, Chapter 13, Part 22 of the Montana Code Annotated (§7-13-2235, M.C.A.).

(B) General District Election. The election of directors of the District shall be held every two (2) years with the election for local government officials provided for in §3-1-104(2), M.C.A. Since the District is located in an unincorporated area, the election of directors for the District may be conducted by mail ballot as provided in Title 13, Chapter 19 of the Montana code Annotated (§7-13-2236, M.C.A.).

(C) Filing of Petition of Nominations.

1. A petition of nomination, signed by at least five (5) electors of the District for any one (1) candidate, may be filed with the election administrator not earlier than 135 days or later than 75 days before the election. The election administrator shall endorse thereon the date upon which the petition was presented to him or her.

2. If the petition conforms to the above requirements, the election administrator shall place the name of the petitioner on the ballot as a candidate for the Board of Directors for the District (§7-13-2241, M.C.A.).

(D) Withdrawal of Candidacy.

1. Any individual who has been nominated as a candidate may, not later than seventy-five (75) days before the day of election, cause his or her name to be withdrawn from nomination by filing with the election administrator, a request therefore in writing, and no name withdrawn may be printed upon the ballot.
2. If, upon such withdrawal, the number of candidates remaining does not exceed the number to be elected, then other nominations may be made by filing petitions therefore no later than seventy-five (75) days prior to the election (§7-13-2246, M.C.A.).

(E) Provision for Vote by Corporate Property Owner. Where a corporation owns real property within the boundaries of the District, the president, vice-president or secretary of such corporation shall be entitled to vote on behalf of the corporation (§7-13- 2254, M.C.A.).

(F) Provision for Vote by Non-Resident Property Owner. An elector owning real property within the District need not reside within the District in order to vote (§7-13-2255, M.C.A.).

(G) Recall of Directors. Each District director, as an incumbent of an elective office, whether elected by popular vote for a full term, elected by the Board of Directors to fill a vacancy, or appointed by a major or the board of county commissioners for a full term, is subject to recall by the electors of the District

in accordance with Title 2, Chapter 16, Part 6 of the Montana Code Annotated
(§7-13-2261, M.C.A.).

(H) Insufficient Candidates - Vacancies on Board of Directors - Appointment of
Entire Board.

1. If the number of candidates for the Board of Directors is equal to or less than the number of positions to be elected, the election administrator may cancel the election in accordance with §13-1-304, M.C.A. If an election is not held, the Board of Directors shall declare elected by acclamation the candidate who filed a nominating petition for the position. If no candidate filed a nominating petition for the position, the Board of Directors shall make an appointment to fill the position, and the director's term is the same as if the director were elected.
2. Except as provided in subsections (3) and (4) below, any vacancy in the Board of Directors, whether the vacant office is elective or appointive, must be filled by the remaining directors.
3. If there are no directors remaining on the Board of Directors and no nominees for any director position to be elected, the county commissioners may appoint the number of directors specified in Article II, Paragraph 1.
4. Following the appointment of the new Board of Directors in accordance with subsection (3) above, the appointed directors must be elected to future terms as provided in Title 7, Chapter 13, Part 22 of the Montana Code Annotated (§7-13-2262, M.C.A.).

ARTICLE V.

ORGANIZATION OF BOARD OF DIRECTORS AND CONDUCT OF BUSINESS

(A) Organization of Board of Directors. At the first meeting, the Board of Directors elect officers of the Board and shall thereupon provide for the time and place of holding its meetings and the manner in which its special meetings may be called. The Board shall also establish rules for its proceedings (§7-13-2271, M.C.A.).

(B) Election of Officers. The Board of Directors shall elect three (3) officers of the Board, a President, Vice-President and a Treasurer, each for a term of one (1) year at the regular July meeting unless said meeting is prior to a July public election of Directors. In such case the Board shall wait until the next regular meeting.

(C) Duties of Board President. In addition to performance in accordance with §§7-13-2272 and 7-13-2275, M.C.A., the President shall:

1. Perform all acts and duties usually performed by an executive and presiding officer.
2. Sign, along with one other board member, all contracts, payments, and such other papers of the District as may be authorized and directed by the Board of Directors on behalf of the District.
3. Convey all directions from the Board to the District Personnel.
4. Perform any other duties that may be imposed by the Board of Directors.

(D) Duties of Vice-President. In the President's absence, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of, and be subject to all the restrictions of the President; provided, however, that in case of death, resignation or disability of the President, the Board of Directors may declare the office vacant and elect a successor. The Vice-President shall also perform such

other duties as from time to time may be assigned to him or her by the President and the Board of Directors.

(E) Duties of the Treasurer. The Treasurer shall establish, keep and maintain adequate and correct accounts of the accounts, properties and business of the District, including accounts of its assets, liabilities, receipts and disbursements. The Treasurer shall prepare and report such periodic accountings as shall be required by the District.

(F) Conduct of Business.

1. All meetings of the Board of Directors, whether regular or special, must be open to the public. Notice of the meetings must be given and the meetings must be held in compliance with the requirements of Title 2, Chapter 3, Parts 1 and 2 of the Montana Code Annotated. A majority of the total membership of the Board constitutes a quorum for the transaction of business. The Board may act only by ordinance or resolution (§7-13-2274, M.C.A.).
2. The Board of Directors shall meet on a regular basis and may hold special meetings to conduct the affairs of the District. Meetings shall be held at such time and place as determined by the Board of Directors. All meetings and the conduct of business at those meetings shall be guided by the latest edition of Robert's Rules of Order. Official action at Board meetings can only occur with a quorum of directors present.
3. Board members may participate fully in meetings remotely through audio and/or video call methods. Directors participating via electronic means, including but not limited to phone and video-calls, are considered present, can help constitute a quorum, and have all the rights and ability to vote as if they were physically present.

4. The Board of Directors may, by resolution, authorize any two board members to enter into any contract, or execute and deliver any instrument, in the name of and on behalf of the District.
5. All warrants (or other orders) for the disbursement of funds issued in the name of the District **save those covered in F.6** shall be signed by the President and Bookkeeper/Secretary, or by any two directors of the District. Claims must be duly executed by the claimant, and approved by at least a majority of the Board of Directors.
6. **The District President is authorized to sign-off on small expenses of \$500 or less without additional board approval or the signature of the secretary or other board member. Any such expenditures must be properly accounted for and disclosed at the following regular board meeting.**
7. All funds of the District shall be deposited in a timely manner by the District President or Secretary to the credit of the District in bank accounts established and approved by the Board of Directors for such purpose(s).

(G) Compensation of Members of Board. Each of the members of the Board of Directors may receive a monthly salary that may not exceed the following amounts based upon the population of the District.

1. \$60.00 per month if the population of the District is less than 500 persons;
2. \$80.00 per month if the population of the District exceeds 500 persons but is no more than 5,000 persons;
3. \$100.00 per month if the District population exceeds 5,000 persons (§7-13-2273, M.C.A.)

(H) Procedure Relating to Ordinances and Resolutions - Rates, Fees and Charges Established.

1. The ayes and noes must be taken upon the passage of all ordinances or resolutions and entered upon the journal of the proceedings of the Board of Directors.
2. An ordinance or resolution may not be passed or become effective without the affirmative votes of at least a majority of the total members of the Board.
3. The enacting clause of all ordinances passed by the Board must be in these words: "Be it ordained by the Board of Directors of the Gallatin Canyon County Water and Sewer District as follows:".
4. All resolutions and ordinances must be signed by the Board President and attested by the Secretary.
5. Prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing, or increasing rates, fees or charges for services or facilities, the Board shall order a public hearing. Notice of the public hearing must be published as provided in §7-1-2121, M.C.A. The published notice must contain: (I) the date, time and place of the hearing; (ii) a brief statement of the proposed action; (iii) the address and telephone number of a person who may be contacted for further information regarding the hearing.
6. The notice must also be mailed to all persons who own property in the District and to all customers of the District at least seven (7) days and not more than thirty (30) days prior to the public hearing. The mailed notice must contain an estimate of the amount that the property owner

or customer will be charged under the proposed ordinance or resolution. Any interested person, corporation or company may be present, represented by counsel and testify at the hearing. The hearing may be continued by the Board as necessary. After the public hearing, the Board may, by resolution, impose, establish, change or increase rates, fees or charges (§7-13-2275, M.C.A.).

ARTICLE VI.

ADMINISTRATIVE PERSONNEL

(A) Appointment of Administrative Personnel. The Board of Directors may, at its first meeting, or as soon thereafter as practicable, appoint by a majority vote, a General Manager, a Secretary, and an Auditor/Bookkeeper. No current director shall be eligible to hold the office of General Manager, Secretary or Auditor/Bookkeeper. The General Manager, Secretary and Auditor/Bookkeeper shall receive such compensation as the Board shall determine, and each shall serve at the pleasure of the Board (§7-13-2277, M.C.A.).

(B) Duties of Administrative Personnel.

1. The General Manager, subject to the prior approval of the Board of Directors, shall have full charge and control of the maintenance, operation and construction of all works and systems of the District, with full power and authority to employ and discharge all employees and assistants, prescribe their duties and fix their compensation. The General Manager shall perform such other duties as may be imposed upon him by the Board. The General Manager shall report to the Board in accordance with such rules as it may adopt.
2. The Secretary will be the official record keeper for the Board. Minutes of all Board meetings, resolutions and ordinances passed by the Board will be attested by the Secretary. All legal documents and notices of public

hearings that require certification of Board action will be attested by the Secretary. The Secretary shall countersign all contracts on behalf of the District and will perform such other duties as may be imposed by the Board.

3. The Auditor/Bookkeeper shall be charged with the duty of installing and maintaining a system of auditing and accounting that shall completely and at all times show the financial condition of the District. They shall draw warrants to pay demands made against the District when such demands have been first approved by at least three (3) members of the Board and by the General Manager (§7-13-2278, M.C.A.).

ARTICLE VII.

FISCAL YEAR

The fiscal year of the District shall begin on the 1st day of July and end on the 30th day of June in each year.

ARTICLE VIII.

INDEMNIFICATION

(A) Director and Employee Indemnification. No director, officer or employee of the District shall be individually liable for any act or omission made in the course and scope of his official capacity on behalf of the District as long as the individual:

1. Conducted themselves in good faith;
2. Reasonably believed that their conduct in their official capacity was in the best interests of the District;
3. That in all other cases their conduct was at least not opposed to the best interests of the District;

4. That they had no reason to believe that their conduct was unlawful;
5. That they do not derive an improper personal benefit from their conduct;
6. That their acts or omissions do not constitute willful misconduct, recklessness or knowing violation of law.

(B) The indemnification provided by this Bylaws shall include indemnification for damages awarded against a director in their individual capacity as well as indemnification for attorney's fees and costs incurred by a director in their individual capacity.

ARTICLE VIII.
AMENDMENTS

(A) Any by-law of this District that is inconsistent with any law or administrative rules of the State of Montana shall be deemed amended to comply with said law or administrative rule. If any by-law, rule, regulation or ordinance of the District is declared invalid, that fact shall nevertheless not affect the validity or enforceability of any remaining by-laws, rules, regulations or ordinances duly adopted or enacted by the District or its governing body.

(B) The Board of Directors may amend or repeal these Bylaws by an affirmative vote of three-fifths (3/5) majority of the total Board membership at any regular or special meeting. The Board shall not have the power to change the purposes of the District, so, as to decrease its rights and powers under the Montana Code Annotated, or to waive any requirement of bond or other provision for the safety and security of the property and funds of the District or its users, or so amend the Bylaws as to affect a fundamental change of the policies of the District which would bring the District, in any manner, into conflict with the Montana Code Annotated.

KNOW ALL PERSONS BY THESE PRESENTS:

The undersigned President of the Board of Directors of the Gallatin Canyon County Water and Sewer District DOES HEREBY CERTIFY that the above and foregoing Bylaws were duly, adopted by the Board of Directors of the District on the *25th day of October, 2021*, and that the same now constitute the Bylaws of the Gallatin Canyon County Water and Sewer District.

President

Vice President

Treasurer

These Bylaws were amended by majority vote of the board:

1/5/2022



SPECIAL DISTRICT APPLICATION

for

**Montana Association of Counties
Property & Casualty Trust**
2715 Skyway Drive
Helena, MT 59602

**MACo Property & Casualty Trust
SPECIAL DISTRICT APPLICATION**

APPLICATION CHECKLIST

	All questions are answered- Please use "N/A" where Not Applicable.
	Application is signed (by Chairman or Clerk) and dated.
	Application is legible and capable of being photocopied.
	Full details regarding previous carrier information is completed (Ex. Premium, Deductible, Limits).
	Premium level needed to write account (reasonable): <input style="width: 150px; height: 20px;" type="text"/>

ATTACHED DOCUMENTS

	Claims history for the past five (5) years.
	Copy of the Entities' most recent budget. <input style="width: 50px; height: 30px;" type="checkbox"/> Adopted <input style="width: 50px; height: 30px;" type="checkbox"/> Tentative
	Statement of Values (SOV) for Property, Vehicles and Contractor's Equipment.

SUBMIT APPLICATION

When completed, please return this form with the required attachments to:

Montana Association of Counties
2715 Skyway Drive
Helena, MT 59602

For questions regarding coverage or this application, please contact:

Shannon Chamberlain, Trust Administrator
Phone (406) 449-4370
Fax (406) 442-5238
Email smsr@mtcounties.org

**MACo Property & Casualty Trust
SPECIAL DISTRICT APPLICATION**

SECTION I: ENTITY INFORMATION

A. Submitting Entity

Named Insured Gallatin Canyon County Water and Sewer District

Tax Identification Number (TIN) _____

Address _____

City _____ **State** MT **Zip Code** _____

County _____

Designated Risk Manager _____ **Phone #** _____

B. Submitting Agency

Named Agency _____

Address _____

City _____ **State** MT **Zip Code** _____

Producer's Name _____ **Phone #** _____

C. Effective Date: _____

SECTION II: SIGNATURES

The information contained herein this application is true and correct to the best of my knowledge.

Presiding Official

Date

Agent or Broker
(as named in Section I.B.)

Date

**SECTION III: PROPERTY / PHYSICAL DAMAGE
INLAND MARINE / CRIME / EQUIPMENT BREAKDOWN**

A. Coverage Form

- a. Blanket Replacement

B. Limits of Coverage

- a. Real & Personal Property
 - i. \$200,000,000/Occurrence for buildings and contents at Blanket Replacement
 - ii. \$15,000,000/Occurrence for machinery and equipment, contractor's equipment, vehicles and watercraft.
 - iii. \$50,000,000 for Earth Movements (per occurrence and in the aggregate)
 - iv. Floods (per occurrence and in the aggregate) at:
 - 1. \$2,500,000 for Zone A or Zones prefixed as A
 - 2. \$10,000,000 for Zone B, Zone X (shaded) or Zone X-500
 - 3. Zone V or Zones prefixed as V Not Covered
 - 4. \$50,000,000 for All Other Zones
- b. Equipment Breakdown
 - i. \$100,000,000/Occurrence at Blanket Replacement for all property in which a covered entity has an ownership interest
- c. Fidelity & Crime
 - i. \$500,000/Occurrence

C. Maintenance Deductible

- a. \$ _____

D. Rating Information

- a. Crime Coverage: Number of Employees: _____
- b. Equipment Breakdown Coverage needed: X No _____ Yes
- c. Is EDP Equipment covered under contents? X No _____ Yes
 - i. If "No," please attach the most recent schedule.

E. Please attach the Entities' most recent Statement of Values (SOV). NA

- a. Total value shown on the SOV: \$ _____

F. Please attach the Entities' claims history for the past five (5) years.

New Entity. There are no claims.

SECTION IV: GENERAL LIABILITY

A. Coverage Form

- a. Per Occurrence

B. Limits of Liability

- a. \$750,000/Claim; \$1,500,000/Occurrence
- b. \$1,000,000 Annual Aggregate with respect to products and completed operations per member
- c. \$5,000,000 Annual Aggregate with respect to all Section IV coverages per member per year for all claims made and occurrences.

C. Maintenance Deductible

- a. \$ _____

D. Rating Information

- a. Population: _____
- b. General Financial Information

i.	Fiscal Year	Total Revenue	Total Expenditures
	[]	\$ NA	\$ 90,000

E. Please attach a copy of the District's most recent budget.

SECTION V: ERRORS & OMISSIONS FOR PUBLIC OFFICIALS

A. Coverage Form

a. Claims Made

B. Limits of Liability

a. \$750,000/Claim; \$1,500,000/Occurrence

C. Maintenance Deductible

a. \$ _____

D. Rating Information

a. Questionnaire (If Yes, please give details on separate page.)

- i. Has any person, former employee or job applicant, made claim alleging unfair or improper treatment regarding hiring, remuneration, advancement or termination of employment? No Yes
- ii. Have you had any disputes involving integration, segregation, discrimination or violations of Civil Rights? No Yes
- iii. Do you follow a formal written grievance procedure for employee disputes and complaints? No Yes
- iv. Do you have knowledge or information of any incident or occurrence, which might give rise to any claim being made? No Yes

b. Prior Acts Coverage is subject to confirmation of continuous claims-made coverage, in force for the retroactive period at \$1,000,000 + limit, with all incidents likely to result in a claim having been reported to the prior carrier.

i. Retroactive Date: NA

SECTION VI: AUTOMOBILE LIABILITY

A. Coverage Form

a. Per Occurrence

B. Limits of Liability

a. \$750,000/Claim; \$1,500,000/Occurrence

C. Maintenance Deductible

a. \$ _____

D. Summary of Vehicles

a. Total Vehicle Count: _____

Vehicle Type (See Definitions in Section b. below)	# of Units	Vehicle Type	# of Units
Private Passenger (PP)	<input type="text"/>	Ambulance	<input type="text"/>
Light/ Medium Trucks (LMT)	<input type="text"/>	ATVs	<input type="text"/>
Heavy Trucks (HVY)	<input type="text"/>	Jet Skis	<input type="text"/>
X-Heavy Trucks (XHVY)	<input type="text"/>	Snowmobiles	<input type="text"/>
Other Buses	<input type="text"/>	Tugboats/ Ferries	<input type="text"/>
Police/ Sheriff	<input type="text"/>	Other	<input type="text"/>

b. Definitions

- i. All Private Passenger vehicles, excluding police and sheriff vehicles and 4-wheel drive vehicles, such as Jeeps, Broncos, Blazers, etc.
- ii. GVW <20,000, including vans, pick-ups, and the aforementioned 4-wheel drive vehicles.
- iii. GVW 20,001-45,000, including dump trucks.
- iv. GVW >45,000, including fire trucks, garbage trucks and tractor-trailers.
- v. Seating capacity >8, including shuttle busses.
- vi. All off-road vehicles, either 3 or 4 wheels.

E. Please attach a vehicle schedule to this application, complete with a description of the vehicle and Actual Cash Value (ACV).

RESOLUTION 2020-_____

RESOLUTION CREATING THE GALLATIN CANYON
COUNTY WATER AND SEWER DISTRICT

WHEREAS, this Resolution was introduced by Clerk & Recorder Eric Semerad, moved by Commissioner _____ and seconded by Commissioner _____ The Resolution was adopted _____

WHEREAS, pursuant to Title 7, Chapter 13, Parts 22 and 23, MCA, the Board of County Commissioners ("Commission") may establish a county sewer and water district and provide for its organization and management; and

WHEREAS, a petition to establish the Gallatin Canyon County Water and Sewer District ("District") was submitted by the petitioners to the Clerk & Recorder on October 29, 2020 and signed by the owners of all of the real property in the proposed District, pursuant to Section 7-13-2204(1), MCA; and

WHEREAS, Eric Semerad, Gallatin County Clerk and Recorder, certified the petition contained the signatures of 100% owners of all the real property in the District and presented the above petition to the Commission on December 29, 2020; and

WHEREAS, a notice of the hearing including the text of petition was published in the Bozeman Daily Chronicle on December 20, 2020 and December 27, 2020, pursuant to Section 7-13-2204(1), MCA; and

WHEREAS, the Commission held a hearing on December 29, 2020, wherein the Commission heard the petition and those appearing thereon, together with such written protests as had been filed with the County Clerk and Recorder prior to such hearing by or on behalf of owners of taxable property situated within the boundaries of the proposed District pursuant to Section 7-13-2206, MCA.; and

WHEREAS, no written protests were received from owners of taxable property situated within the proposed district and no protestors who are owners of taxable property situated within the proposed district spoke at the public hearing; and

WHEREAS, an election is not required because the petition for the creation of the District was signed by the owners of all of the taxable property situated in the boundaries of the proposed District per Section 7-13-2208(3), MCA.

NOW THEREFORE BE IT ORDERED AS FOLLOWS:

1. The Commission determines the petition complies with the requirements of Title 7, Chapter 13, Parts 22 and 23, MCA and this determination shall be entered upon the minutes of the Commission; and
2. The Commission hereby establishes the boundaries of the District as described below:

The following described property located in Gallatin County, Montana is enclosed within the boundaries of the Gallatin Canyon County Sewer and Water District is organized as the Gallatin Canyon County Water and Sewer District:

Tract 1, of the Final Plat of Minor Subdivision No. 373, in Gallatin County, Montana, according to the official plat thereof and of record in the office of the Clerk and Recorder, Gallatin County, Montana.

The NW1/4NE1/4NE1/4 of Section 8, Township 7 South, Range 4 East, P.M.M., Gallatin County, Montana, excepting therefrom the East 150 feet of the NW1/4NE1/4NE1/4, more particularly described as follows: Begin at the Northeast corner of said Section 8, thence South 89°37'37" West on and along the North line of said Section 8, a distance of 812.23 feet to the true point of beginning. Thence South 0°07' 58" East, a distance of 662.10 feet, thence South 89°39'04" West, a distance of 511.86 feet, thence North 0°09'56" West a distance of 661.88 feet to the North line of said Section 8. Thence North 89°37'37" East, on and along the said North line, a distance of 512.23 feet to the true point of beginning, according to Certificate of Survey No. 791.

Tract A-1 of Certificate of Survey No. 1361A, being Tract A of Certificate of Survey No. 1361 located in the NE 1/4 of Section 8, Township 7 South, Range 4 East, P.M.M., Gallatin County, Montana.

Tract A of Certificate of Survey No. 1447, a tract of land in the SE1/4 of Section 32, Township 6 South, Range 4 East, P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

Tract 2 of Certificate of Survey No. 2450, located in Section 5, Township 7 South, Range 4 East, P.M.M., Gallatin County, Montana, according to the official survey thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana.

3. The Commission declares the territory enclosed within above-described boundaries as the Gallatin Canyon County Water and Sewer District; and
4. The Commission requests the County Clerk and Recorder to forward a certified copy of the order to the Secretary of State's office, pursuant to Section 7-13-2208(3), MCA.

Dated this _____ of December 2020.

GALLATIN COUNTY COMMISSION

Donald Seifert, Chairman

ATTEST:

Eric Semerad, Clerk and Recorder

FORM D-1 BUSINESS DISCLOSURE STATEMENT, PAGE 2

9. OTHER BUSINESS INTERESTS

List each business (corporation, partnership, or other business or professional entity or trust) in which you hold an interest that currently is valued at \$1,000 or more. (Attach a list if necessary)

- A "business interest" DOES include ownership of any security, equity, or evidence of indebtedness in any business corporation or other entity. If the security is a privately held corporation, list the name and address of the corporation. If the security is a corporation listed on a regulated stock exchange, list the name of the corporation; no address is required. If the security is held in a mutual fund, unit investment trust, or real estate investment trust, list the name of the fund or trust and NOT the individual name of the corporation; no address is required.
- A "business interest" DOES NOT include ownership of personal property not held for use or sale in a business or for investment (vehicles/household furnishings), cash surrender value of any insurance policy or annuity, bank deposits or certificates of deposit if not held for use in a business, and securities issued by any government or political subdivision.

Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

.....
Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

.....
Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

.....
Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

.....
Name of Business _____

Address _____ Type of Business _____
(City, State, Zip Code)

10. REAL PROPERTY

List all property (*other than one personal residence*) in which you hold an interest, if that interest currently has a fair market value of \$1,000 or more. An "interest" includes a fee, life estate, joint or common tenancy, leasehold beneficial interest (through a trust), option to purchase, or mineral or royalty interest. (Attach a list if necessary)

General Description of Property _____

Nature of Interest Held in the Property _____

.....
General Description of Property _____

Nature of Interest Held in the Property _____

.....
General Description of Property _____

Nature of Interest Held in the Property _____

.....
General Description of Property _____

Nature of Interest Held in the Property _____

RESOLUTION 2020-_____

RESOLUTION CREATING THE GALLATIN CANYON
COUNTY WATER AND SEWER DISTRICT

WHEREAS, this Resolution was introduced by Clerk & Recorder Eric Semerad, moved by Commissioner _____ and seconded by Commissioner _____ The Resolution was adopted _____

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WHEREAS, Eric Semerad, Gallatin County Clerk and Recorder, certified the petition contained the signatures of 100% owners of all the real property in the District and presented the above petition to the Commission on December 29, 2020; and

WHEREAS, a notice of the hearing including the text of petition was published in the Bozeman Daily Chronicle on December 20, 2020 and December 27, 2020, pursuant to Section 7-13-2204(1), MCA; and

WHEREAS, the Commission held a hearing on December 29, 2020, wherein the Commission heard the petition and those appearing thereon, together with such written protests as had been filed with the County Clerk and Recorder prior to such hearing by or on behalf of owners of taxable property situated within the boundaries of the proposed District pursuant to Section 7-13-2206, MCA.; and

Fiscal Year 2022 Budget

July 2021 - June 2022

Prepared by: WGM Group

Approved by Distric Board:



Description:

The Gallatin Canyon County Water and Sewer District (GCCWSD) has been granted \$222,000 of initial external funding from the Big Sky Area Resort Tax District to help GCCWSD get established. These funds will fund the District's operating expenses from July 2021 through June 2024. During this time, the District will have no customers or regular income. The budget below outlines expenses for Fiscal year 2022 which will be covered by a portion of that \$222,000.

Item Number	Annual Budget	Description
Operating Income		
1. NONE	\$0	No customers, no services provided, no income for first few years.
2. Total FY 2022 Operating Income	\$0	
Operating Expenses		
3. District Administration	\$15,000	County/stating, filings, Insurance, Website development, Board Meetings, Subscriptions, etc.
4. Outreach and Education	\$15,000	Project graphics, flyers, event attendance, presentation preparation, ect.
5. Project Funding	\$10,000	Grant writing, Project Finance Structure Planning, etc.
6. Accounting and Legal Services	\$10,000	As Needed
7. Engineering and Infrastructure Planning Services	\$40,000	Preliminary Design
8. Total FY 2022 Operating Expenses	\$90,000	
Other Income		
9. BSRAD Seed Funding for GCCWSD	\$222,000	External funding to be used for first 3 years
Net Incomes		
10. Net Operating Income	(\$90,000)	
11. Net Income	\$132,000	



Updated at Meeting

TO: Montana Attorney Generals Office
ATTN: Brent Mead
VIA EMAIL: brent.mead2@mt.gov

FROM: Scott Altman, District President

DATE: January 26, 2022

RE: Cottonwood Law, Ballot Initiative to designate the Gallatin and Madison Rivers as "outstanding resource waters" and amendment of 75-5-316(2), MCA.

As a local steward of the upper Gallatin River, the Gallatin Canyon County Water and Sewer District (GCCWSD) appreciates the opportunity to provide comment on the proposed ballot initiative submitted by Cottonwood Law to the Montana Department of Justice for Outstanding Resource Water (ORW) Classification of the Gallatin River from the YNP boundary to Spanish Creek, along with the Madison River from Hebgen Lake to Ennis Lake. GCCWSD, in partnership with Big Sky County Water and Sewer District (BSCWSD) and Big Sky Resort Area District (BSRAD), is working toward a local voter approved centralized sewer system in the "Canyon Area" along the Gallatin River below Big Sky. The project addresses fundamental community needs and environmental sustainability, including infrastructure to support workforce housing, retiring septic systems that present notable human health risks and detrimental nutrient loading to the Gallatin River, addressing current BSCWSD disposal limitations, and improving long-term sustainability by promoting water conservation through treated effluent reuse and groundwater recharge. Project implementation will conserve Gallatin River water quality and quantity by reducing well sourced irrigation and by recharging the aquifer with high-quality treated effluent.

The Big Sky community is heavily invested in protecting local water resources as evidenced by the Big Sky Water and Sewer District's \$50 million water reclamation and reuse facility (WRRF) upgrade that is currently under construction in the West Fork Gallatin River watershed and the GCCWSD's ongoing efforts to proactively and progressively remove septic systems along the Gallatin River in Gallatin Canyon, with an estimated cost of \$30 million to \$50 million, which is a significant per capita investment to effectively manage wastewater generated by the Big Sky community. These investments are guided by a collaborative consensus-driven planning process conducted in 2016-2018 by a broad range of stakeholders, including developers, outfitters, environmental organizations, and state and federal agency representatives that resulted in the Big Sky Area Sustainable Watershed Stewardship Plan. This community-based planning effort examines the interrelationship between the ecological health of river systems, water supply and availability, and wastewater treatment and reuse to proactively address the current and future water needs of both the natural and human communities in the Big Sky Area.

GCCWSD strongly opposes Cottonwood Law's proposed ballot initiative and urges the State to reject their proposal. It is our opinion that the ballot initiative process being utilized by

Cottonwood Law, and the elimination of the required Environmental Impact Study (EIS) and active involvement of the Montana Department of Environmental Quality (DEQ), is not the appropriate mechanism to assign this significant designation. We respectfully ask that the State of Montana look closely at the merits of the ballot initiative process with respect to assigning ORW status and consider the negative implications of prohibiting temporary and permanent impacts to water quality in the Gallatin and Madison rivers, along with potential ramifications for other communities and river systems in Montana. GCCWSD believes that Cottonwood Law's proposed ballot initiative circumvents Montana state law in hopes of achieving an "outstanding resource water" (ORW) designation for the Gallatin and Madison Rivers through a lesser environmental review process and overall reduced public transparency. Furthermore, amending Montana law to prohibit even temporary water quality changes will substantially inhibit planned watershed restoration projects along the Gallatin River and its tributaries and undermines the current stream permitting structure that accommodates temporary impacts to water quality that can occur during construction of such projects which result in overall long-term water quality benefits. We also have serious concerns that if this ballot initiative were to pass, our project plans and significant investments we have already made through the collaborative process described of above may be prevented from moving forward if we were unable to obtain the required permits.

The GCCWSD Board respectfully requests that you find Ballot Measure #24 legally insufficient due to substantive legal issues described herein and because the ballot language as written is misleading because it fails to adequately describe the true impacts of the initiative to ongoing water quality improvement efforts and negative impacts to development and businesses in the affected communities. The GCCWSD Board also requests that you allow our community to continue to be an example of excellent environmental stewardship in Montana, which we believe is more beneficial to the Gallatin River compared to what this ballot initiative seeks to accomplish.



Scott Altman