

**\*\* Page 1\*\* A SUMMARY OF PROCEEDINGS OF THE CITY COUNCIL MEETING  
CITY OF THREE FORKS, MONTANA, NOVEMBER 25<sup>TH</sup>, 2025**

**NOVEMBER 25<sup>TH</sup>, 2025,** The Three Forks City Council met at the Three Forks City Hall at 206 S. Main Street and via Zoom. (Zoom is a virtual meeting tool which the City began using due to COVID-19 and social distancing guidelines and continues to use to encourage participation from the safety of one's home.) The meeting was chaired by Mayor Randy Johnston, who called the meeting to order at 6:00 P.M.

**ROLL CALL:** City Council members Ed Tharp, Gene Townsend, Roxi McDermott, and (Warren) Garret Buchanan were present. Reagan Hooton was excused. City Treasurer Kelly Smith and City Clerk Crystal Turner were present at City Hall. City Attorney Susan Swimley and City Engineer Susan Hayes attended via Zoom.

The record reflected a quorum with the attendance of four (4) Council members and the meeting was held.

The **Pledge of Allegiance** to the American Flag was led by Mayor Johnston. Mayor Johnston reminded the audience that this meeting was audio and video recorded and may be streamed via Zoom and on our Facebook page.

**GUESTS:** Alex Blackburn, Robert Buchholz, Carly Harp, Dale Garliepp, III were present at City Hall. Mickie Imberi and Kelly Bugland attended via Zoom.

**PUBLIC COMMENTS/CONCERNS (For items not on the agenda)**

There were no public comments or concerns for items not on the agenda.

**CONSENT AGENDA**

- a. Three Forks Rodeo Arena Board Claim in Pile of Bills to be Paid 11/13/25, entered into Accounting but not "Posted" in Accounting so not check was created after last meeting - \$1,200 to Solutions Engineered
- b. City Claims in Pile of Bills to be Paid 11/13/25, entered into Accounting but not "Posted" in Accounting so no checks were created after last meeting (also we ran out of checks while printing so four printed on blank paper and had to re-run the Claims Approval List) - All 8 Checks Total \$7,057.48 (one paid electronic to WEX for \$1,676.16)
- c. Three Forks Rodeo Arena Board Claims to be Paid
- d. City Claims to be Paid
- e. Council Work Session Minutes of 11/4/2025, and Council Meeting Minutes of 11/13/2025
- f. Zoning & Planning Board Minutes of 10/16/2025 & 10/22/2025
- g. Audit Engagement Letter for Rudd & Company to Conduct a Single-Audit of FY2025-2026 for Federal Funds Exceeding \$750,000

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h. Amendment of Recorded Contract with Rudd & Company (to be filed with the State of Montana) to Conduct the Single-Audit for FY2025-2026

Crystal Turner corrected that items "g" and "h" should both reflect fiscal years 2024-2025, not 2025-2026 as the agenda states. She added, "They aren't auditing our future."

Councilman Townsend moved to approve the Consent Agenda [as amended].

Councilman Tharp seconded the motion. There were no public questions.

**Motion Passed Unanimously.**

**PUBLIC HEARINGS**

**Public Hearing and Decision on a Resolution Amending the Existing Unwritten Policy of Accepting Deposits on Water/Sewer Accounts for those in Tenant Names Based on Council Direction**

Mayor Johnston read Resolution #463-2025 into the record in its entirety.

Gene Townsend noted that the Mayor read #5 into the record incorrectly saying change would occur 11/1 and it is 1/1, which would change this significantly. The Mayor apologized.

Garret Buchanan asked about two current existing policies to be confirmed, which were that as tenants move out apply deposits, and then also as tenants move out the account is returned to the landowner's name? Kelly Smith confirmed that is what staff currently does, yes. Mr. Buchanan then asked, "And then 4A, that all utility bills shall be placed in the landowner's name effective 1/1/2026, should we add the word "new" in "a" and then clarify *those remaining* in "b"?" He asked who currently gets copies of late or disconnect letters. Staff answered that the City currently sends a copy of the late/disconnect letters to the landowner, or property manager the landowner has on file. Mr. Buchanan questioned who would get them in the future. Staff answered it that it proposed no additional copies would be mailed out, but Kelly Smith and a couple of the Council members had previously recommended that process continue.

Public Comment: Kelly Bugland questioned if the water/sewer accounts go into the landowner's name only, and also asked how the sewer averages/charge be accounted for? Crystal Turner replied that it would go off the winter's water average and be changed every July. "If a family of 5 or 6 moved in and it was previously occupied by a one-person household, or how do you intend to update it as household sizes change?" Kelly asked. Crystal answered it will be based on the winter water usage just like owner accounts. "Every winter, we look at the water usage of December, January, February and March, which we now is going down a drain and being treated for wastewater. We take these months' usage, average it and that becomes the sewer rate every July. We look at this every winter and change everyone's account every July. So eventually the one-person household's sewer rate will be adjusted, it just follows in arrears,"

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Crystal explained. Kelly Bugland also asked for clarification of property owner vs. property manager. Crystal Turner said she sees them as the same. Susan Swimley does not interpret them the same. Both said that if the Council wants to define it, it should. Garret and Gene said that could be written or defined as "landowner and/or property manager".

Mickie Imberi asked that 4.a. [in the resolution] be reread aloud again, which the Mayor accommodated. Mickie said she is against #5 in the resolution, unless in the landowner/property owner's name completely. She used Ken Allen as an example, a long-standing tenant of hers, "If the bill is in his name and if he falls behind, I wouldn't know until there was a lien file on my property?" Kelly Smith said no, she would know when the bill was transferred back into her name if he did not pay for months and it had been shut off, like we currently handle it. Gene Townsend stated that as he understands it, if the number of people change in the middle of the year, we will leave it as is. Staff confirmed. There was a lot of discussion and explanation about sewer rates and averages. Mickie warned the City about loss of revenue. Kelly Smith said, "Right now, if a household had a leak or was a large user in a winter and their sewer rate was increasing, but a new tenant moved in with a smaller household size, the City would still lose revenue because we do not penalize the new people moving in, which means we already lose money."

Matt Bugland spoke in concern of "landlord/landowner/tenant" verbiage is getting intermingled. He worried that if a landowner had hired a property manager, but now the owner is the only one to receive the notifications or bills, the property manager is supposed to deal with the property.

Garret Buchanan asked Susan Swimley if using the term "landowner/property manager" would resolve Mr. Bugland's concern? She suggested, "landowner or written designee." The landowner can give notice to the City who their designee is, and then the City could send notice to the designee. Garret said he would live to remove #5 as he feels it is really important to all parties involved. He also recommended changing landowner to "landowner or written designee" and also change 4.a to add the word "new" so that it reads "All new utility bills shall..." Crystal Turner said that since we have an unwritten policy and we are trying to document a policy, just to remove the effective date and replace word "not" with "continue to".

Councilman Townsend moved to approve Resolution #463-2025, codifying a policy regarding water/sewer accounts in non-owner (tenant) names and setting a new policy effective 1/1/2026 regarding new accounts in non-owner (tenant) name as well as directing deposit on record for water/sewer accounts. I would like to add to this resolution before us, I would like to incorporate the changes to item #5 and still have effective 1/1/2026, and to add the changes of landowner "or written designee" and adding "new" to 4.a. Councilman Tharp seconded the motion.

**Motion Passed Unanimously.**

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**REPORT OF OFFICERS**

City Clerk Crystal Turner reported that she and Kelly Smith have finally gotten through almost all the file cabinets and reorganized them since City Hall's remodel. "We are also pretty much ready for our Auditors to arrive next week with all the documents they've requested be prepared ahead of time," she said. Crystal also reported she worked with the web and social media archiving vendor to clean up all the pages they were saving records of because they were backing up PDF files on our website, which was duplicative since we have them backed up on our server as well. "You would have seen the additional invoice in the bills to PageFreezer though, for the extra 50 webpages they are now archiving in tonight's claims."

City Treasurer Kelly Smith reported the City is required to have a single audit for FY2024-2025. "This is due to the water fund because spent almost \$1.3 million in federal money. Next year we'll have two [single audits] - one for the Water Fund and the other due to the floodplain project. You have to do this anytime you spend more than \$1,000,000 (used to be \$750,000) in federal funding, so we will have two single audits next year due to the Water project and the Jefferson River Flood Mitigation project. It's a good thing to have so much grant funding, but we also have to pay about \$7,000 for every single audit."

**REPORTS FROM COUNCIL COMMITTEES (if any)**

Gene Townsend reported that the Budget Committee met last week to discuss easement starting points for the FEMA floodplain project. "We went over the amount of money we have available to purchase the easements for this project. We are talking fencing too, gates, there may be other benefits to negotiate. We hope to meet with the two property owners next week. In all the time working with the City, I can't remember ever purchasing anything more than a small city lot - not acreage," Gene said.

Garret Buchanan reported that on 10/20/2025 the Water/Sewer Committee met with Susan Hayes. She let us know there was going to be about \$220,000 remaining in MCEP grant funds, which we are trying to find eligible things to spend it on, or we lose it. "She had a few suggestions, but it was tight for approval on any changes. MCEP was sending back a lot of "no's". She is going to inquire on purchasing generators at the wellhouses," he reported.

**UNFINISHED BUSINESS**

**Flood Mitigation Project Update**

Nothing new other than the easement discussion meetings are scheduled.

**Water Project**

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**Decision on Bid Award Recommendation for the Electrical portion of the  
Municipal Water Wells - Water Supply Project**

Susan Hayes recommended awarding the base bid and Alternatives 1 and 2 to Third Element. "I know the City wants to add a generator at the shop in the future too, but focusing on the grant funding, the added Alternative 3 is higher than what I would expected, and compared to Added Alternative 1, I feel the cost is quite high for something the City would purchase on its own and is only asking the electrician to hook it up. So, I am not recommending that now," she explained. "The Third Element bid is \$216,034, hoping not to have to spend contingency that is budgeted, but it's there so you know the full project cost is used."

Councilman Buchanan moved to accept the bid for Third Element, that is the base bid and added Alternatives 1 and 2. Councilwoman McDermott. There was no public comment.

**Motion Passed Unanimously.**

Mayor Johnston asked when the electricians would be able to start? Susan replied she will let them know they have been awarded the bid, and then she would like to do pre-construction meeting the second week of December. "They only have 120 days to complete all the work, so the intent is to have everything done by end of March," Susan said. The Mayor asked if the pumps installed yet? Susan replied yes for Well #12, but only the pitless adapters have been installed at the Tank Well and Well #13.

Gene Townsend asked, "We did another pump test on the Tank Well, so did any gallons per minute change?" Susan responded that the drillers recommended installing a pump capable of 80gpm. "It is likely that well will operate at a higher flow for short periods of time, but 80gpm is sustainable," she said. Gene asked how many gallons we got with all three new wells. Susan replied a total of 350gpm, which is estimated to provide for the 4,000-4,500 population projected in the Growth Policy.

**NEW BUSINESS**

**Appointment to Vacant City Council Seat, Expiring 12/31/2027**

Mayor Johnston read the staff report into the record. He then provided each applicant some time if they would like to speak.

Alex Blackburn introduced himself. He lives at 303 6<sup>th</sup> Avenue E. He stated he has served the City on several boards over the last six years. "I am very interested in our growth. I am concerned with bringing jobs into our community to keep people here - it's one thing to grow and be a bedroom community but it's another to raise families. I think bringing someone in with a contractual state of mind would be helpful to write resolutions or ordinances and policies, just some is simple language to those could be helpful to the Board," he said.

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Gene Townsend asked Alex if he had a family. Alex replied he has a daughter in Bozeman who is a chef and manages a restaurant, his son and his middle daughter live here in town (both formerly worked at the hardware store). His son-in-law is a new highway patrol for our region, and his daughter now works at Headwaters Seat Covers. Gene asked when Alex moved here, "What brought you to Three Forks?" Alex replied, "I grew up in a small town. I like the community, I like walking anywhere in this town and be able to chat with people. I like the fact that no matter what is going on, when you are driving down the road, they take the time to wave at you." Garret Buchanan asked what Alex thinks is the most important thing of a City Council. Alex replied quickly with, "Integrity. The ability to be able to listen without emotion, and clearly hear and be able to accept someone else's opinions and ideas without consolidating it with one's own agenda." The Council thanked Alex.

Carly Harp then introduced herself, as well as her husband Dale. She has lived here in Three Forks for about a year. "I have experience in accounting, and also runs her own business now. I also come from a small town, it was in Kansas with a population of around 200." Carley said she also has a small cleaning business, but has worked on multi-million dollar development projects including the Copper in Bozeman. She closed with, "I would love to have the opportunity to serve my community."

Gene Townsend asked the same questions. "You said you moved here because it's a small town, but family I know you're husband is sitting right here?" Carly replied they do not have kids yet, they are just recently married. Her sister lives with them right now and attends Montana State University. "Dale kind of went through the same thing with his sister, we are very family oriented," she replied. Gene continued, "You kind of told us why you moved here, living in the Gallatin Valley it's tough to live here. I certainly understand why people move out here, perhaps to find a better value in Three Forks. Do you see yourself staying in Three Forks?" he said. Carly replied, "Very much so, yes. Our neighbor's house went on the market last month, as we were very motivated to buy it, but we didn't get it. But yes, we are going to stay here."

Garret Buchanan also asked same thing of this candidate. Carly Harp answered, "Follow through is very important. Keeping with our same ideas of the community, not changing your input at the last minute. I'm here for the community and the people and I want to represent that."

Mayor Johnston thanked Carly and then said he would entertain a motion.

Councilman Buchanan moved to nominate Alex Blackburn for the City Council. Councilman Townsend seconded the motion. He stated, " These are both good candidates. I'm not saying it's over yet, but it's nice we have two people interested who are well qualified. I know Alex has spent some time of various boards and worked with us, I believe he also ran a few years

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ago and so has expressed continued interest." Alex confirmed this. Gene added, "That shows me you have had continued interest."

There was no public comment.

**Motion Passed Unanimously.**

Gene Townsend told Carly, "Don't get discouraged. We talked about Alex's time running for this position. It wasn't maybe just a year ago that we did this same thing. That was someone who also did not appointed their first time of expressing interest, and now she actually sits on our Council but is out of town right now. Don't lose faith or hope. In two years we will have elections again. I prefer it in elections, not four or five Council people voting for the whole town." Kelly Smith said, "We could use folks on boards too, and currently there is a vacancy on the Board of Adjustments."

**Headwaters Trail System Approval to Apply for Grants for Fiscal Year 2025-2026**

Headwaters Trail Director Gene Townsend said he would like permission to apply for the following grants:

- Recreation Trails Program
- Montana Stewardship Program
- Gallatin County Open Space Program
- AARP Community Challenge (if it comes available)

Gene said he wants to apply for \$100,000 from Recreation Trails; \$100,000 from the Montana Stewardship Program; and if Gallatin County Open Space remains the same, he will apply for \$100,000 from there as well. "AARP mostly runs with \$15,000 grants. These programs also require various local matches. Recreation Trails requires a 25% match which has always been met by the Talc Company. Montana Stewardship Program requires a 10% match, and Gallatin County Open Space does not require a match," Gene reported.

Councilman Tharp motioned to approve that Gene Townsend be able to apply for these grants. Councilwoman McDermott seconded the motion.

There was no public comment.

**Motion Passed Unanimously.**

**PUBLIC COMMENTS/CONCERNS (For items not on the agenda)**

There were no public comments for items not on the agenda.

**MAYOR AND COUNCIL ANNOUNCEMENTS**

Mayor Johnston did not have anything to report.

Gene Townsend reported the roof of the gazebo at Steveson Park has been replaced, and work is complete. "Independent Construction completed the work, we went with a tin roof this time since cedar shakes were so much

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more expensive. He already built the gazebo/sunshade at the pond for us as well this year.

"At the last meeting, I announced I was on a committee to study the ambulance issues in Gallatin County. I was tasked to set up a meeting with the Ambulance Board in Three Forks just to sit down with both groups to see what we can do to improve call response. Like most communities, we rely on volunteers, and we suffer when we don't have enough. Barb Mutter, who is 74, just got recertified to be an ambulance helper because of that," Gene said. Gene also reported that he and his wife were invited to lunch by the CEO of Bozeman Deaconess just to get a feel on the pulse of Three Forks. Gene also wished everyone a Happy Thanksgiving.

The next meeting will be on December 9, 2025, and will have the following items:

- Resolution on closing City department on 12/26/2025 and 1/2/2025
- Zoning & Planning recommendation for a CUP application by Whitney Taylor to Operate a Dog Training Facility within the Residential Zoning District, Located at Lot 1, Block 10A of the Headwaters Addition, Commonly Known as 115 S. Kansas Street
- Oaths of all newly elected Council members and Mayor

**ADJOURNMENT**

Motion to adjourn the meeting was made by Councilman Tharp, seconded by Councilwoman McDermott. The meeting was adjourned without a vote taken by the Mayor's gavel at 7:24P.M.

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Randy Johnston, Mayor

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Crystal Turner, City Clerk