

**** Page 1** A SUMMARY OF PROCEEDINGS OF THE CITY COUNCIL MEETING
CITY OF THREE FORKS, MONTANA, MARCH 10TH, 2026**

MARCH 10TH, 2026, 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 Alex Blackburn, Reagan Hooton, Gene Townsend, Ed Tharp, (Warren) Garret Buchanan, and Robert Buchholz were present. City Attorney Susan Swimley, City Treasurer Kelly Smith, City Clerk Crystal Turner, and City Engineer Jeremiah Theys were all present at City Hall; no staff attended via Zoom.

The record reflected a quorum with the attendance of six (6) 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: George Chancellor, Bill Stanford, Lauren, Connie & Eric Runia, Gloria Howland, Kris Smith (Headwaters Economics), Syliva & Richard Clarke, Christopher Stanford, and Dane Hancock (Rudd & Company) were present at City Hall. Carol Stanford attended via Zoom.

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

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

CONSENT AGENDA

- a. Claims Paid due to Timeliness for MCEP Draw approved 2/24/26, and to Mail Utility Bills on 2/27/2026 in the Amount of \$118,842.19
- b. City Claims to be Paid
- c. Three Forks Rodeo Arena Claims to be Paid
- d. Acceptance of Great Western Recreation's Quote to the Three Forks Rodeo Arena Bleachers Option 4A (\$403,137.63) Which will Provide an Additional 716 Seats and 8 Handicap Spaces
- e. Draw #10 for the Jefferson River Flood Mitigation Project totaling \$37,056.62
- f. Draw Packet #40 for the Water Project (#9 MCEP for \$45,211) (24 MAG for \$26,975.25), (#31 LFR \$30,007.73) totaling \$102,193.98

Councilman Buchholz moved to approve the Consent Agenda. Councilman Tharp seconded the motion.

Motion Passed Unanimously.

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PUBLIC HEARINGS

Public Hearing Decision on the Zoning & Planning Board's Recommendation on a Request for a Conditional Use Permit Requested by Richard Clarke for a Firewood Processing Facility on Minor Subdivision 466 (Commonly Known as TBD MT Hwy 2 - intersection of Hwy 2 and W Grove Street)

Mayor Johnston turned it over to Zoning & Planning Board liaison Reagan Hooton. Reagan Hooton recapped the staff report with the background and staff recommendation, which was to deny the application. She said, "The Zoning & Planning Board held a hearing on February 19th and recommended denying this application due to the proximity of the surrounding neighborhood because of noise and dust that would adversely affect the adjoining properties."

Applicant Presentation: Richard Clarke said he has been doing this business for 18 years, he has 2-3 feet of sawdust on his current location, and even with the wind this year, it has minimally moved the piles. "I am installing a fence around the property to prevent that, but I put my whole life savings into this property and am using it for this business. I would have normal hours, something like 8-5 Monday through Friday, but am agreeable to other conditions," he said.

Ed Tharp asked if chainsaws would be used. Mr. Clarke said yes. He added that he currently has 6-7 people just stop by his current location, but he is not on the highway currently, so does anticipate higher traffic [at this location]. He added he would have six deliveries a year with large rounds and logs which they would split all year to sell for the winter. "I guess that may be an eyesore for people," he added. Ed asked how trucks would unload logs if he fenced all around. Mr. Clarke replied he would have two 24-foot gates. He added he could use the existing Dollar Store approach because it is located in the State's right-of-way. There was discussion about Montana Department of Transportation's (MDT) recommendation for W. Grove Street to align with S. Illinois Street. This would mean Mr. Clarke would have to give MDT a chunk of the property in order to align the two streets. Alex Blackburn stated the proposal asked for a six days week, "But you stated you are willing to amend that?" Mr. Clarke replied yes. "I could open later than 8:30AM so we don't wake up folks with chainsaws." Robert Buchholz asked about employees and deliveries. Mr. Clarke replied, "It's just me and my son, and I will retire after this year. Robert asked about customers picking up? Kelly Smith helped demonstrate on screen the semi routes, and showed where the customer pick up area is planned, which would be on the south end of the property and on W. Grove Street (closer to 2nd Avenue W but not at the intersection). Robert asked about the floodplain. Kelly replied that the property is currently in the floodplain. "One shed he has submitted an application for, but I haven't done anything with it until this [CUP] application's hearing is decided," Kelly said. Gene Townsend said he is concerned about sawdust blowing, "I worry more about sawdust catching on fire than it blowing around. In Montana this year, we've had firewood

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places already catch on fire (Manhattan and Kalispell). I've lived in Three Forks long enough, to see this year's wind. Just one block away a 100-foot pine tree blew over when we had 60mph winds. My other concern is noise. If I lived nearby, I would think chain sawing 8 hours a day for 5 days a week is not very appropriate. I understand your story, and I feel bad about that but I don't feel this is an appropriate place for this business."

Susan Swimley said she read the Zoning & Planning minutes and did not see a mitigation, but in addition to the fence, she asked if the Board had discussion about soundproofing on the interior of the fence at all? "Was there any contemplation on what else could be done to mitigate sound? Driving on the interstate in Belgrade, you have a gravel pit on one side and trains on the other. Sound goes up and that's why when you drive through a big city you see the tall walls on the highway to prevent noise from leaving that space and going into the neighboring properties," Susan explained. Robert Buchholz agreed that a wood fence would buffer sounds.

Public Comment: Lauren Runia 611 4th Ave W, said he owns property 90-100 yards from this property. Agrees with Mr. Townsend's comments. "Noise factor is our biggest concern. Chain sawing being constant is concerning. We have visited places that were nearby mills, and we couldn't get our work done (we do audio). It would drive me nuts if this was nearby."

Eric Runia 611 4th Ave W, said if passed, the Council could place conditions, but if Mr. Clarke retires in a year, will his son who is stated to be taking over, will he adhere to the conditions? "There are at least a dozen homes nearby. This will change the dynamic of the neighborhood. It's not just dust and wind or a couple of customers - we already have that. The noise aspect is a big deal."

Robert Buchholz asked what this piece of land is zoned. Kelly Smith replied it is zoned Neighborhood Highway Business, and then recited the permitted uses from the Zoning Regulation aloud.

Eric Runia said after Kelly stated those permitted uses, "There is not one business listed that would have the same noise component." Kelly rebutted bars make noise, and the farm sales and service may have impact wrenches.

The Mayor closed Public Comment.

Board discussion: Gene Townsend commented that sawdust may not burn, and may just smolder, but logs and cut-up firewood do burn. Garret Buchanan said he lives 2 blocks away from the proposed site. "I've been comparing pros and cons I noted down, and I have a lot more cons listed that do not have conditions I can think of to mitigate. "The fence being built has already blown over and has not been repaired. The noise is a factor that has not been addressed," Garret said. Alex Blackburn said the use for this business is still conditional upon MDT allowing access. "Seems almost

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premature, not knowing if the site is applicable for this type of use. Seems we need their input first," Alex said. Robert Buchholz stated a wholesaler is usually a large order from elsewhere and then repackaged and sold again. "I'm not sure this applies," he said. Garret said, "Taking one product and creating another does not meet that definition." The Board asked Mr. Clarke if MDT has given him any indication of when he could anticipate a decision. Kelly Smith answered that someone from MDT called City Hall about another topic, mentioned this application and said they would email us and we have not received anything.

Mr. Clarke asked Kelly to pull the map back up on screen. He demonstrated that trucks could come in via the Family Dollar driveway, and then onto his property and he hoped to have them exit on W. Grove Street. Alex Blackburn asked if there is anything he knows that would help quiet the machines? Mr. Clarke replied no, and added there is going to be noise. He proposed the hours of 10AM-4PM if that would help? "Just 6 hours a day, assuming everyone is at work 8 hours a day," he said.

Reagan Hooton said she really wants to support this business, but feels this is very sad. "I work from home, I can't stand the sound of leaf blowers. Chainsaws are louder, and that's my personal opinion. If I lived in the vicinity, I would not appreciate the noise."

Councilman Buchanan moved to approve the Conditional Use Permit application by Richard Clarke for a firewood processing facility on Minor Subdivision 466, commonly known as TBD MT Hwy 2. Motion died for lack of second.

Susan Swimley asked the Council members to state the problems and why they could not be mitigated, like Gene had done regarding fire. Alex Blackburn stated he understands the noise aspect. "Without finding an option to reduce/mitigate that noise, I can't approve that type of business in this location." Reagan Hooton said she stated hers a moment ago. Ed Tharp would not want to approve this based because the surrounding neighborhood would be on top of us like crazy. Garret Buchanan said the noise, "I don't think the description of firewood business meets the definition of wholesale distributor, nor suits the zoning criteria. It would adversely affect the nearby properties and occupants." Robert Buchholz stated noise as well, and added that one would have to run a hydraulic firewood processor, but he still does not think this application fits the zoning of wholesale distributor. "If you are taking raw material and changing it, which fits more like manufacturing," Robert said.

Public Hearing and Decision on Resolution closing Kansas Street on Specific Dates due to Scheduled Events at the Three Forks Rodeo Arena

Mayor Johnston read the resolution into the record, which would be Resolution #466-2026 if approved.

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Garret Buchanan questioned how long each event is. Crytal Turner answered it depends on the size of the event. "The parking lot is on one side of Kansas and the entrance to the arena is on the other side of Kansas Street. What we do for larger events, is the Arena Manager pulls the road closed sign out for this block of Kansas only. When the event is over, the road closed barricade sign then gets moved back to the arena fenceline," Crystal explained.

Public Comment: Lauren Runia 611 4th Ave W said they love seeing the kids at the rodeo grounds. "I know it's a trustworthy town and kids walk around without parents, so I like the idea for safety of closing the road."

Gene Townsend asked if any comments had been received based on the notice? Crystal Turner said no.

Councilwoman Hooton moved to approve Resolution #466-2026, a resolution closing Kansas Street on specific dates due to scheduled events at the Three Forks Rodeo Arena. Councilman Buchholz seconded the motion.

Motion Passed Unanimously.

AGENDA ADJUSTMENT:

NEW BUSINESS: B - Appeal of Impact Fee Calculation Provided for New Residential Home at 7 N 2nd Avenue E by William & Carol Stanford

Bill Stanford introduced himself and said he was from Oklahoma. "My son and daughter-in-law moved here and so we started visiting and realized we want to live in this town. It has a real nice, relaxed atmosphere about it. Reminds me of where we grew up. We looked for homes around here and realized the availability for homes in town is really scarce." He continued by stating he comes from a construction background, so knew building their own home would be the best option. However, they only came across one lot for sale in over a year. This lot is in the floodplain.

"I read the impact fee definition and this piece of property had an existing trailer home on it. The impact fees are for a vacant lot; that lot already has city services to it and I will be responsible for relocating them a little bit, and then attach to the 1700-SF home," Mr. Stanford said. He said he is not asking for a waiver, he wants to carry his weight and knows the Fire Department is real important.

Kelly Smith explained to the Council that the ordinance reads that all new [construction] or enlargement of a principal building, are subject to impact fees. "I give a letter based on the ordinance, and they have the right to appeal to you," Kelly said.

Gene Townsend said this piece of property has had a trailer house on it for as long as he can remember. "It had water and sewer service that whole time, so it has paid the upgrades to those systems. I feel we could reduce

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those, but I feel you would have to pay for the fire and the roads, the other impact fees we set," Gene said.

Ed Tharp welcomed Bill to the neighborhood (he lives across the street) and said he would support a reduction to the water and sewer impact fees.

Reagan Hooton said, "If we grant a reduction of the impact fees, we should probably rewrite this section of the ordinance, or this is a moot point." Susan Swimley agreed. She said she read the appeal letter, but did not see a dollar amount the applicant was requesting, nor why. "I get the Council is in favor, but I'd sure like you to have a factor to any reduction," she said.

Councilman Buchanan moved to grant the reduction in impact fees based on the fact that this has been an occupied property, paying their water and sewer for decades, and this individual is placing a house where a house previously existed. I would approve a reduction of the single-family water and single-family wastewater impact fees. Councilman Townsend seconded the motion.

Public Comment - George Chancellor pointed out to the Council that you are opening a "can of worms".

Garret Buchanan asked Susan if he should include a motion to rework that language in 3-6-3.A. Alex Blackburn commented on the difference between the potential for new houses on never-built lots versus new development on an existing lot that had previous infrastructure. "We should be clear in rewording of the ordinance on how we separate new construction on a completely vacant, undeveloped lot and a vacant, previously developed lot," Alex said. Robert Buchholz agreed that a new structure would have to pay impact fees because they did not have connections previously. Reagan Hooton clarified this structure is going where a house was, and there is not a larger size to connect? Kelly Smith replied yes.

Motion Passed 5:1, Robert Buchholz opposed.

REPORT OF OFFICERS

City Clerk City Turner said she did not have anything prepared to report tonight.

City Treasurer Kelly Smith reported MMIA has provided the medical insurance plans for FY2026-2027 are estimated at a 4-6% increase.

REPORTS FROM COUNCIL COMMITTEES (if any)

Reagan Hooton requested to schedule a Parks Committee meeting with the Mayor, and include city employees to discuss watering any new trees planted. Mayor Johnston said he could relay it to the Public Works

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Department. Gene Townsend preferred staff to attend. Reagan said she would also like their opinion on time [available] needed to water.

Tuesday, 3/17 time 1PM, Crystal Turner to reach out to Public Works and email the Committee with a finalized time and get it advertised.

UNFINISHED BUSINESS

FY2024-2025 Audit Presentation

Dane Hancock of Rudd & Company introduced himself and said he is reporting on the audit that occurs each fiscal year, and then an additional single-audit that was conducted due to the City expending more than \$750,000 in federal funds (grants) this past fiscal year. "The audit report increased from 115 pages in past, to 138 now," Dane said. Kelly Smith shared the audit governance letter, and then also the audit itself, on screen. Dane jumped to page 110 which states what was spent on federal funds. "Page 117 says this is a qualified audit but we do have three findings: 1st is in regard to the pension liability (this is a repeat finding for Fire Relief Association) which you'd rather continue to fund that pension rather than pay an actuary to tell you what that pension is). 2nd [finding] is the remodel expenditures were classified as repair and maintenance. General Auditing & Accounting Principles (GAAP) says that significant improvements should be capitalized. The dollar amount of expenditures did go into the consideration of that finding, they are not small amounts as were in the past. (Kelly Smith argued with Dan Sullivan while the auditors were onsite that SLIPA grants were only for repair and maintenance). Dane said there has been minimal capitalization each year, so this was just different. 3rd [finding] is regarding the debt sewer fund calculation. You need to charge the appropriate rates to cover overall operating costs. 110% should be charged to cover, and as we did the calculation, it was a hair short. We spoke with staff, and the City did raise rates since then, so it is caught up now. It doesn't drop you into default, but this is looking 'are you doing anything about it and planning for the shortfall?'

There were no Board questions.

Councilman Buchholz moved to accept the audit. Councilman Buchanan seconded the motion. Mayor Johnston thanked Kelly Smith and Crystal Turner for all their hard work.

Motion Passed Unanimously.

Approval to Allow Three Forks Rodeo Arena Board to Pay Off the Bleacher Intercap Loan Balance of \$133,229.63

Crystal Turner explained to the Council that, as the Board had presented to them last meeting, they would like to pay off their outstanding balance while the new loan is being applied for. [Update 3/16/2026 - the pay off amount stated to the City was \$149,584.62. Crystal had looked at the wrong line on the loan schedule at time of agenda posting.] This will be finalized via a separate budget amendment resolution as well before the

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Council in the future, but the Three Forks Rodeo Arena wanted to ensure the Council was on board with them paying off this loan.

Councilman Buchholz moved to allow the Three Forks Rodeo Arena pay off loan balance.

Councilman Buchanan seconded the motion. There was no public comment.
Motion passed 5:0, Gene Townsend abstained.

Jefferson River Flood Mitigation Project Update

Jeremiah Theys, Engineer on this project with Great West Engineering, said he knows the Council gets an update each meeting, but he wanted to provide a more in-depth project update. "We have been working on this project since 2020 and we are finally getting close to the finish line. 90% draft plans and manual specifications for this project are complete. This channel starts on Leo's property, intercepts that floodwater, and then goes back to the [Jefferson] river. I am not going to show the potential maps yet because it is dependent on the CLOMR, but it is very favorable for the community. This project reduces risks, removes floodway associated with the community, there still will be one [a floodway zone], but it is outside of city limits. I am submitting a design report package and report from MDT, and securing our encroachment agreement with MDT to cross their facilities. City staff has been working with landowners to secure easements, along with the City-hired easement attorney. They are currently stuck on some language the attorney needs to clarify with FEMA, but due to DHS [department of homeland security] funding hold right now, they are not responding. We just want everything ready to go so we can get the advertisement in the newspaper as soon as FEMA reopens and reviews, and then approves, this application. There is roughly 45,000 yards of material that needs moved to do the channel, culvert boxes to be built, nothing is overly complex, but there is a lot to do. We have been monitoring the elevation in the pond. The Utes Ladies Tress plant species out there, MDT is not going to move forward if we mess with that water surface. We made provisions in the design to hold that water in that pond. We even were able to expand that habitat a little bit. Pavement will remain the same, approaches the same," Jeremiah reported.

Mayor Johnston asked if the highway will be dug up to install the culverts, or would they be poured underneath? Jeremiah replied they will be open cut, and the highway will be shut down and traffic detoured. Reagan Hooton asked if the dug out dirt will be taken somewhere else? Jeremiah replied that the landowners want the dirt. "We will salvage the topsoil, excavate out to design elevation. The landowners have stockpile locations already picked out. The material will be put on that site, and take topsoil and roll it back on the channel. Material to be hauled off-site will be in MDT's right-of-way. Within the pond, we will salvage sodmats and the wetland habitat, and then it replace along banks to minimize impact," Jeremiah answered. Reagan asked regarding the wetland banks, do they stay in Montana? Jeremiah answered, "Yes, upper Missouri watershed has private companies establish wetland and stream mitigation

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banks, and they sell them. We don't know the cost yet, probably about \$80,000/acre. In our original application, we had 5 acres [planned] because we had no idea. Now we know, and it's less than 1 acre. Estimate-wise, we are still at \$4,000,000 for project construction, with 15% contingency." Kelly Smith said the easement costs will be more than budgeted (\$450,000 was budgeted). Gene Townsend stated that last time we met with the Buttelman's, they questioned an irrigation ditch and ciphon. Jeremiah replied that they want maintenance of the ditch to fall back on the City. "They were concerned about construction in the irrigation season. We can't interrupt water service; we either do it outside of irrigation season or we'll have to pump and bypass to maintain that flow," he explained.

Kelly Smith introduced Kris Smith, of Headwaters Economics, who also has been instrumental in this project. Kris informed the Council that Three Forks was their first pilot community for our Flood Wise Program, "And it all started here! This is an extended partnership, a really cool partnership, and it's a showcase of what can be done when you work together," she said.

Water Project Update

Mayor Johnston said there is not much to report at the moment. The electricians are installing now, the HVAC is being installed. We are waiting on Northwestern Energy to add the gas line, but the project is still going strong.

NEW BUSINESS

Arbor Day Proclamation 2026

Mayor Johnston read the proclamation into the record.

Councilman Townsend moved to approve the Arbor Day Proclamation.

Councilman Tharp and Councilwoman Hooton seconded the motion in unison. Reagan Hooton said she would like to include more public and conduct a how-to on tree planting as well during the Arbor Day event.

Motion Passed Unanimously.

Update on Possible Wednesday Night Rodeos at Three Forks Rodeo Arena

Gene Townsend reported Frontier Rodeo, out of Cody, WY, came to the TFRA Board and proposed a weekly rodeo. "We thought about our infrastructure taking a beating, bulls in there, horses and animals breaking gates or fences. My concern is for the people in the area. How late will this run? They said probably no later than 9:30PM. We asked crowd size, they hope for 1,000 people, which I thought that was pretty optimistic for a Wednesday night in Three Forks. They asked to use our Arena Manager and tractor," Gene told the Council.

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Public Comment: George Chancellor said we do really well at Three Forks' rodeo and wondered if this causes burnout? Gene Townsend replied that Three Forks's rodeo has grown from 900 people on Friday night to 3,000. The rodeo in Bozeman (who originally proposed holding it here) sold out weekly. "There is a rodeo in Big Sky, Bozeman, Whitehall is getting active again. Rodeo in Three Forks is a whole weekend, with family and class reunions. My idea was, a good way to look at it is to give it a try for this year, and then reevaluate after the year to see how successful it was, or how many complaints we get, etc. Maybe they won't even come back if they don't have a good year," Gene said. Someone asked if the ambulance had been informed? George Chancellor replied yes, but they did not know any more than it was a possibility at the time.

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

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

MAYOR AND COUNCIL ANNOUNCEMENTS

Mayor Johnston read a letter from the Logan Water and Wastewater District, requesting a letter of support for their grant application to continue the improvements of this district. Gene Townsend said Logan needs a sewer system, and the City has written letters of support for other entities, like the Passenger Rail. "This benefits us as neighbors by their protecting the Gallatin River," Gene said. The Council approved the Mayor signing a letter of support.

Mayor Johnston then read the Public Works Department's recommendation and plan for the patching and pavement around town. Gene Townsend asked if the Streets and Alleys budget portion had enough. The Mayor replied that there may be enough to contract part of it as well, but that would be pushed into FY26-27.

Gene Townsend reported that there has been a crew of people in front of the museum replacing windows. "The Historical Society raised enough money to replace 4 of the 110-year-old windows in the museum," he said.

The next meeting will be on April 14, 2026, and will have the following items:

- Surplus property resolution
- Possibly the Wastewater PER presentation

ADJOURNMENT

Councilman Tharp motioned to adjourn the meeting. Seconded by Councilman Blackburn. The Mayor adjourned the meeting at 8:17P.M.

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Randy Johnston, Mayor

Crystal Turner, City Clerk