

Big Sky Water Conservation Program

Bureau of Reclamation WaterSMART Small-Scale Efficiency Projects
Opportunity #R24AS00059

**Project Manager | Category B
Applicant**

Jess Olson | Conservation Manager
Gallatin River Task Force
jessica@gallatinrivertaskforce.org |
406-993-2519
1700 Lone Mountain Trail | PO Box
160153
Big Sky, MT, 59716



Water Provider | Category A Applicant

Johnny O'Connor | General Manager
Big Sky Water Sewer District
johnny@wsd363.com | 406-995-2660



**BIG SKY COUNTY
WATER & SEWER**
DISTRICT NO. 363

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Executive Summary

The Gallatin River Task Force (Task Force), the category B applicant, located in Big Sky, Montana, will enhance our rebate program, the Big Sky Water Conservation Program (Project) to offer increased outdoor rebates and more resources to encourage sustainable, water-saving landscapes in Big Sky, an unincorporated community between Madison and Gallatin Counties, supported by the Big Sky Water Sewer District (District), the Category A applicant. The Task Force launched its first outdoor rebate program in 2018 which, in comparison to our indoor rebates, has not reached a high level of participation, with 10 current participants saving 500,000 gallons of water. Big Sky homeowners generally have a positive attitude towards water-wise landscaping, but barriers prevent them from doing so, such as a lack of resources, contradictory information, unavailable professional landscapers, restrictions from homeowners associations (HOA), the high cost, the work and planning is time consuming, and the negative connotation of xeriscaping. The Task Force's enhanced outdoor rebates will emphasize turf removal and simplify rebate offerings to make decisions for homeowners easier. Rebate amounts will be increased to make incentives more beneficial. Our enhanced program will offer more one-on-one assistance through a pre approval process, site visits and aid in landscape design. It will also target HOAs and property management, directly offering landscape design review assistance and tools for landscape transformation. The enhanced outdoor rebates will commence in January 2025 and continue for a period of two years, ending in December 2026.

Project Location

The Big Sky Water Conservation Program is located in Big Sky, an unincorporated community that sits between Gallatin and Madison counties in southwest Montana. It is approximately 40 miles south of Bozeman, MT and 50 miles north of Yellowstone National Park, located at latitude 45.2618°N and longitude 111.3080°W. Properties that will be eligible for rebates through the Project are those that are within the Big Sky Resort Area Tax Boundary (Figure A) and those in Gallatin Canyon (Figure B).

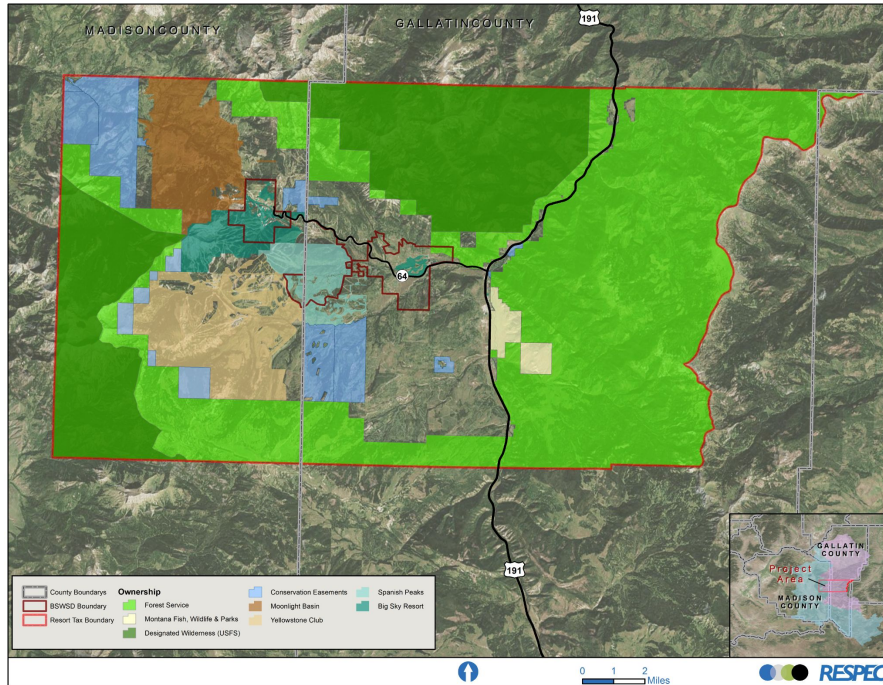


Figure A: Big Sky Resort Area Tax Boundary indicated by the red border (gallatinrivertaskforce.org)

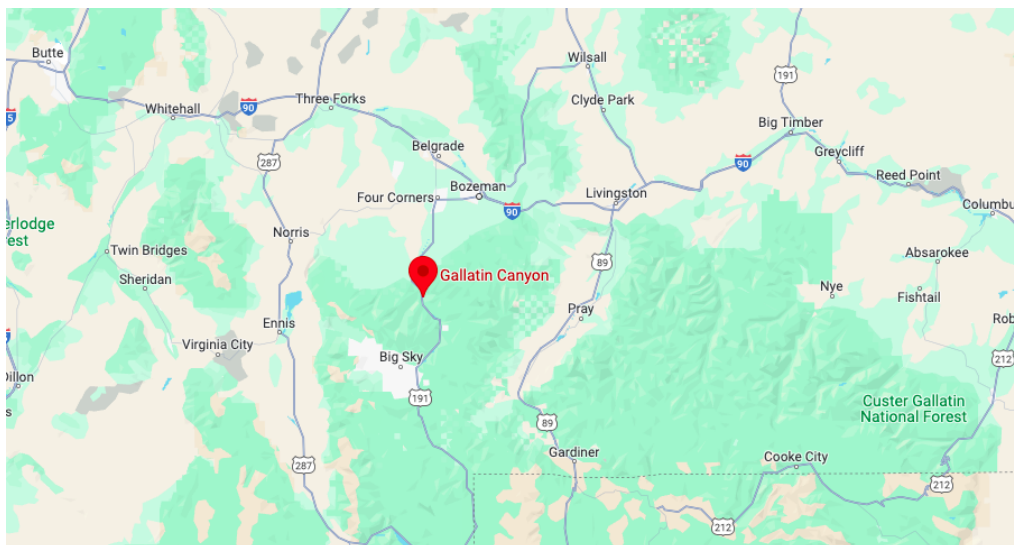


Figure B: Gallatin Canyon, near to Bozeman and Big Sky (Google Maps)

Technical Project Description

Big Sky, Montana is situated on the Gallatin River, home to one of the country's largest ski resorts, and a gateway to Yellowstone National Park. With access to world-renowned outdoor recreation, Big Sky has experienced steady population growth and has become a popular tourist destination. With concern for the increasing number of residents and visitors resulting in a depleting aquifer and less reliable groundwater

recharge, the Task Force, a nonprofit organization whose mission is to partner with our greater community to lead conservation and inspire stewardship of the Gallatin River Watershed, launched the rebate program in 2016, aided by the communities largest water provider - the Big Sky Water & Sewer District. Initially, the program offered cash-back for WaterSense labeled indoor fixtures and expanded to outdoor fixtures in 2018. In 2022, the Task Force developed the Big Sky Water Conservation and Drought Management Plan to guide program growth and development over the next 5 years.

Water conservation programs are routinely administered by a municipality or the water provider of the area. However, being unincorporated, Big Sky does not have a central water provider. More than 20 water providers and approximately 300 private wells (Figure 1) host approximately 3,000 full-time residents. With multiple providers, the Task Force has taken on the responsibility of implementing and facilitating the water conservation program and partnering with the water providers to offer the community a cohesive and consistent program. By operating the program through a centralized organization, all community members and groups have access to the same resources and information. Additionally, a centralized program allows for tracking of overall community water use, as each individual provider only has the ability to track their own customers, and establishing community-wide water reduction goals.

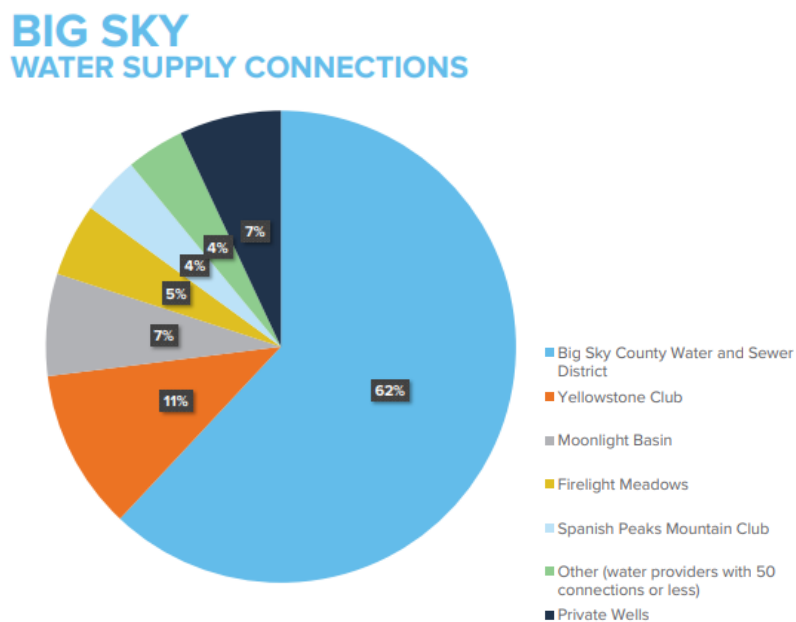


Figure 1: Water providers in Big Sky, including private wells (Gallatin River Task Force)

In our traditional rebate program, outdoor rebates offered include cash-back for turf conversion, water-wise plants, irrigation audits, rain sensors, smart controllers, drip irrigation, and water-saving nozzles. Of the 151 rebate participants since 2016, only 10

have applied for outdoor rebates, with the majority of participants applying for indoor rebates. Only 500,000 gallons of water (approximately 4%) of the 12 million gallons of water saved since the start of the program have been through outdoor rebates.

The Task Force contracted marketing strategists, Latta Consultants to collect the reasons why the community is less receptive to utilizing the outdoor rebates compared to indoor rebates. Through interviews, surveys, and research of other mountain communities, we discovered that many homeowners are interested in transforming their landscapes but there are barriers in place that prevent them from doing so, including:

- HOAs control the landscaping process, prohibiting landscape alterations.
- Professional landscapers are at capacity and unavailable to new clients.
- Turf conversions are costly and time consuming.
- Rebates offered through the Task Force do not offer enough incentive and the application process is cumbersome.

In light of this feedback, the Task Force is enhancing our outdoor rebate program to eliminate these barriers to sustainable landscaping. Our Project increases the accessibility of outdoor rebates to HOAs, property managers, and homeowners through:

- Reducing the overall number of rebates offered, while increasing the rebate amount to make decisions easier, maximize water savings, and provide a greater incentive, including:
 - Removing rain sensors and only including the more effective, EPA WaterSense certified weather-based smart controller.
 - Removing drought-tolerant plants and offering more funding for turf conversion that requires drought-tolerant plants for approval.
 - Removing MSMT nozzles and only offering drip irrigation and sprinkler spray bodies, which are more effective in terms of water savings.
- Offering rebates directly to HOAs and property managers, who may be paying for the conversion.
- Requiring pre approval site visits that offer personalized assistance for landscape design, reducing the amount of paperwork required to submit a rebate application.
- Providing guidance to HOAs for changing bylaws and design regulations to support water-wise landscaping.
- Strategizing with HOAs and property managers to determine additional resources the Task Force can provide to better assist their water-wise landscaping needs.

These enhancements will allow the Project to continue to offer our popular indoor rebates while increasing outdoor rebate participation with an emphasis on turf conversion. In order to qualify for the turf conversion rebate, the area must be converted

to vegetation from the Task Force's approved plant list which includes drought-tolerant and/or Montana native grasses, shrubs, flowers, and trees.

The Task Force's educational outreach will drive the success of these upgrades, bringing awareness to the importance of water conservation and the role that landscaping plays. The enhanced program will be marketed through our work with water providers, HOAs, and property managers. Our marketing plan also includes outreach to community members through our own channels. Outreach methods to reach all community members and entities include:

- Creating bill inserts for water providers.
- Providing informational packets to HOAs and property managers.
- Making information readily available on water provider websites.
- Marketing through Task Force channels, including social media, newsletters, blog posts.
- Hosting tabling opportunities at the Farmer's Market and other community events.
- Purchasing ads in local newspapers.

These upgrades aim to make water-wise landscaping more accessible to homeowners and raise the incentives to increase financial motivation. Along with these enhancements, the Project will continue to offer indoor rebates and use the Water Conservation and Drought Management Plan as a guide for best practices and prioritizing next steps in the program.

Evaluation Criteria

Evaluation Criterion A. Project Benefits

Benefits to the Category A Applicant's Water Delivery System

In 2022, Applicant A, the District, released an update to their Source Capacity Plan. This report provides new and updated information on the source capacity of their public water system, water use projections based on Big Sky's growth rate, and suggestions on how to best manage their water supply. Key findings from this report include:

- Observations that several of the groundwater connections are at risk of being insufficient as early as 2030.
- Projections that the growth rate for their customer base is estimated at 3.9%.
- A limited number of opportunities for new groundwater connections and while some new connections are possible, conservation is the most financially viable and direct way to stretch the water supply.

Data from the District shows that water use consistently increases in quarter 3 (July, August, September) due to increased landscape irrigation (Figure 2). Much of this water use is on turf-grass landscapes. Currently, the District utilizes irrigation restrictions to help conserve water however, these restrictions are not enforced due to limited staff capacity. The District's Source Capacity Plan determined that reducing irrigation to 500 sq ft per landscape has the potential to decrease the District's irrigation use by 94%. The improvements and increased participation in the outdoor rebates will result in more efficient management of the water supply by decreasing summer water use and prolonging the availability of water in the District's wells.

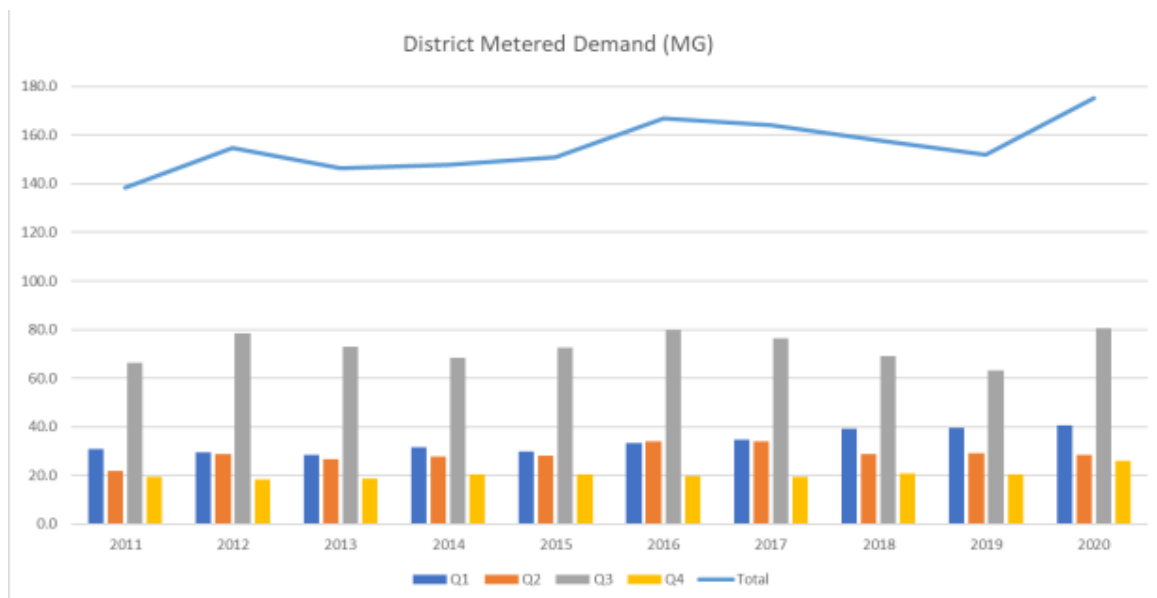


Figure 2: Quarterly water usage from the Big Sky Water Sewer District customers shows significant increase in water usage during summer months, attributed to landscape irrigation (Big Sky Water Sewer District)

The data in Figure 2 is specific to the District's supply, however, as the largest provider covering 60% of the population, it serves as a fair representation of the community. Though the primary partner in this project, the District is not the only water provider who will benefit. All Big Sky businesses and residents are eligible to apply for a rebate through the Project, which includes private wells and HOA operated water supply systems. The Big Sky community has over 20 water providers and an estimated 300 private wells. Each water provider has their own water rights however, the water supply for the community as a whole originates from the same groundwater aquifers which also feed the Gallatin River.

Broader Benefits Expected to Occur as a Result of Outdoor Rebates

Benefits to Ecological Health & Recreation

The Gallatin River is a staple of the Big Sky community and popular tourist attraction, known for its scenic beauty, rafting and fishing access, and healthy trout populations. Due to the impacts of climate change and increased traffic by residents and tourists, the river and its tributaries are facing extreme pressures, including rising air and water temperatures and lower streamflows that are contributing to the nuisance algal blooms occurring over the last several years. Algal blooms are harmful to fish and other aquatic animals and plant life. Water conservation aids in protecting groundwater aquifers to keep streamflows high and water temperatures lower. Water-wise landscapes focus on native vegetation that requires less, if any, fertilizers which will reduce harmful nutrients from running off into our waterways. By keeping more water in our river systems and reducing pollutants, this project will help improve water quality, keep fish populations healthy, and sustain our recreation based tourism economy

Benefits to Drought Management

Big Sky is located in an area that is drought-prone. Southwest Montana has experienced severe drought in its recorded history (1930-1941, 1999-2006) and as of January 2024, Big Sky is currently experiencing Moderate Drought conditions. The United States Geological Survey, Montana State University, University of Wyoming, the Greater Yellowstone Coalition, and Mountain Works Inc. released the Greater Yellowstone Climate Assessment, which covers the Greater Yellowstone Area including Big Sky. The assessment outlines climate change predictions including: a 43% loss in snowpack, an 8% increase in precipitation in the form of rain, 39% less runoff, and a 5 degree Fahrenheit increase in temperature. Climate change is anticipated to shift the hydrograph to peak earlier in the water year and potentially have adverse effects on groundwater supplies by reducing snowmelt recharge. This project will help address drought conditions at the sub basin level by educating the community on current drought conditions, promoting voluntary drought response actions, and encouraging water saving actions in the form of behavior changes and water efficient products and landscaping . Strengthening Big Sky's water supply through conservation is crucial in minimizing the impacts of drought on the Big Sky community.

Benefits to Collaboration and Information Sharing

The Project will increase information sharing among water providers and other community partners. There are over 20 water providers in Big Sky, which is largely the result of fragmented political, management, and ownership boundaries. The Project serves as a central program to bring water providers to the same table to discuss conservation and drought management planning, identify key conservation measures

and projects to support the broader community, and integrate water conservation into the overall community sustainability vision. A key initiative of the program is the Big Sky Landscaping Partnership, a new partnership between four groups in Big Sky that have interest in promoting sustainable landscapes. The partners include the Task Force, focused on water availability and waterwise landscapes; Grow Wild, a nonprofit focused on eliminating invasive species and improving biodiversity; the Big Sky Fire Department, focused on fire-safe landscapes; and the Big Sky Sustainability Network Organization focused on overall community sustainability. The partnership developed when the four organizations discovered their overlapping programs and messaging in regards to sustainable and climate appropriate landscaping. The partnership aims to coordinate and simplify landscape guidelines and resources for the community on a central website. The partners continue to operate their individual programs, however the website serves as the central hub for community landscape information and resources.

Evaluation Criterion B. Planning Efforts Supporting the Project

Big Sky Water Conservation and Drought Management Plan

The Big Sky Water Conservation and Drought Management Plan was developed by the Task Force (Category B Applicant) and released in September 2022. The Big Sky Resort Tax District was used to establish the planning boundary. The plan presents strategies to conserve Big Sky's water supply and establishes a foundation for collaborative water conservation planning in an area with multiple public water providers and private well users. The District (Category A Applicant), along with 7 other water providers, participated in the planning process by attending several planning meetings to provide input, filling out a water system survey, and providing water supply and demand data. The plan recommends prioritizing efforts to reduce summertime/irrigation demand by expanding rebate eligibility and incentives for outdoor water conservation. Efforts to reduce summer water demand will have the greatest impact due to a 160% increase in demand in July through September due to outdoor water use. The proposed outdoor rebate improvements will address the community's need to sustainably manage a limited supply of water that could be surpassed as the demand for water increases with community growth and climate variability. Some of the key factors guiding the need for the plan and recommended actions include:

- Big Sky's 10 year population growth is currently estimated at 32%.
- No further water rights can be allocated in the Gallatin or Madison watersheds.
- Groundwater withdrawals can have a significant impact on the availability of freshwater supplies and streamflows based on a groundwater study conducted by the Montana Bureau of Mines and Geology.
- A water supply deficit is estimated to occur as early as 2030 based on projections from the Source Capacity 2022 Update.

- Big Sky's water supply relies heavily on snowpack for its water needs. Montana's snowpack has declined since the 1930's and is estimated to continue to decline.

Source Capacity Plan 2022 Update

The Source Capacity Plan 2022 Update was developed by the District (Category A Applicant) and released in September 2022. The Big Sky Water and Sewer District was used to establish the planning boundary. The plan aims to identify necessary improvements that enable the District to maintain a reliable, high-quality, potable water supply within the service area. The plan identified that source capacity in the Meadow Village area of the District will become insufficient as we near 2030 and the Mountain Village area will become insufficient around 2038. Several source capacity development opportunities were evaluated including: water conservation, groundwater development, development of surface water, and direct potable reuse. The preferred alternatives for improvements to the public water system include: 1) conservation by restriction of irrigation 2) test well drilling 3) direct potable reuse engineering study 4) water level sensor installations 5) water right filings for changes to place of use 6) mountain village hydraulic improvements engineering study. Conservation was selected as the number one preferred alternative because it is the most cost effective means for the district to reduce source capacity needs and has both environmental and fiscal benefits.

Climate Action Plan

Big Sky's Climate Action Plan (CAP) was finalized in 2022 by a local nonprofit, the Sky Sustainability Network Organization (SNO). The organization collected a series of studies to create the CAP to guide the community in making more sustainable decisions regarding our climate. This plan has four main target improvement areas: energy & buildings, transportation, consumption & waste, and the natural environment. The natural environment target area includes water supply and availability and specifies partnership with and promotion of the Task Force's Water Conservation Program as a leading strategy to help educate and inspire a water-saving ethic in our community.

Implementation and Results

Phase 1: Program Preparation	May 2024 - January 2025
Tasks/Milestones: <ul style="list-style-type: none"> • Manage cooperative agreement with BOR WaterSMART <ul style="list-style-type: none"> ◦ Submit final budget and cost share information ◦ Finalize cooperative agreement • Outdoor Rebates <ul style="list-style-type: none"> ◦ Inform stakeholders and partners of BOR funding and the launch of the new outdoor rebate structure 	

<ul style="list-style-type: none"> ○ Create new rebate application forms ○ Create sign-up for site visits ● Marketing/Communications <ul style="list-style-type: none"> ○ Work with Task Force communications team to finalize our specific launch plan ○ Construct a plan for website updates to market new outdoor rebate information ○ Create updated brochures and other print material ● Other Water Conservation Program Activities <ul style="list-style-type: none"> ○ Water Conservation rebate program administrative tasks, including managing applications ○ Providing program information and assisting participants ○ Continuing to process our current rebates 	
Phase 2: Program Launch	February - April 2025
<p>Tasks/Milestones:</p> <ul style="list-style-type: none"> ● Outdoor Rebates <ul style="list-style-type: none"> ○ Begin processing enhanced rebate applications ○ Schedule site visits and one-on-one aid for interested applicants ○ Reach out to HOAs to discuss their design regulations and inform of new outdoor rebate opportunities ● Marketing/Communications <ul style="list-style-type: none"> ○ Launch Big Sky Water Conservation program rebate amounts, requirements, and site-visit process on the Task Force website ○ Begin marketing campaign <ul style="list-style-type: none"> ■ Announce in the Task Force and partners' newsletters ■ Publish press release and news articles in local news outlets ■ Include new rebate information in bill insert for District customers ■ Place print and digital advertisements in local news outlets ● Other Water Conservation Program Activities <ul style="list-style-type: none"> ○ Project administrative tasks, including providing information and personalized assistance to interested participants ○ Deliver program information to HOAs and property managers ○ Processing indoor rebates and beginning to process our enhanced outdoor rebate applications ○ Host a Fix A Leak Week outreach event in March and plan a outreach Drought event for summer 	

Phase 3: Program Facilitation	May 2025 - September 2026
Tasks/Milestones: <ul style="list-style-type: none"> • Outdoor Rebates <ul style="list-style-type: none"> ○ Conduct site visits with homeowners ○ Set up meetings with property managers, HOAs, and water providers to continue education and engagement in program ○ Continue to process and administer rebates as applications are approved • Communications/Marketing <ul style="list-style-type: none"> ○ Continuous and consistent marketing of the program (social media, newspaper ads, newsletters) • Other Water Conservation Program Activities <ul style="list-style-type: none"> ○ Processing applications and rebates and offering one-on-one assistance to interested applicants ○ Strategizing with HOAs and property managers on improved sustainable landscaping ○ Host a Drought outreach event and host a booth at the weekly Farmers Market 	
Phase 4: Grant Management & Reporting	September 2026
Tasks/Milestones <ul style="list-style-type: none"> • Final reporting documents for submission to BOR WaterSMART <ul style="list-style-type: none"> ○ Final performance report ○ Final budget report • Program continuation <ul style="list-style-type: none"> ○ Assess program success and areas for improvement ○ Make any necessary changes for continues program success 	

Nexus to Reclamation

This project does not correlate to any current Bureau of Reclamation projects.

Presidential and Department of the Interior Priorities

Combatting the Climate Crisis: E.O. 14008: Tackling the Climate Crisis at Home and Abroad

The Project addresses Biden-Harris Executive Order 14008 by taking considerations from other planning efforts and data on the future impacts of climate change to make informed decisions that will lessen the impacts of climate change. Through information

from the Montana Bureau of Mines and Geology, the Greater Yellowstone Climate Assessment, Big Sky Water and Sewer Districts Source Capacity Plan, and Task Force research, we understand that water supply is one of the most threatened resources in the face of climate change. Less snow, lower streamflows, and hotter and drier summers have been and will continue to threaten Big Sky's water supply. Water conservation programs are the most effective and cost friendly method to address water supply issues.

E.1.5.2. Sub-criterion No. E2. Disadvantaged or Underserved Communities

The Project does not have any direct correlation to underserved communities.

E.1.5.3. Sub-criterion No. E3. Tribal Benefits

The Project does not have any direct correlation with tribal benefits.

Attachments

D.2.2.3 Budget Narrative

The attached budget narrative consists of the Task Force's total expenses to implement and operate the Project over two years, totalling \$224,758.

D.2.2.5 Required Permits or Approvals

No permits or approvals are needed for the Project. All work will be conducted on residential or business properties in which the property owner gives explicit permission.

D.2.2.4 Environmental and Cultural Resources Compliance

An environmental and cultural resources compliance agreement is not applicable to the Project. The Project does not involve any measurement, monitoring, or field work.

D.2.2.6 Overlap or Duplication of Effort Statement

This Project does not have any overlap with other applications regarding activities, costs, or personnel. The Project has not been submitted to any other funding source, federal or nonfederal.

D.2.2.7 Conflict of Interest Disclosure Statement

There is no conflict of interest at the time of submission.

D.2.2.8 Uniform Audit Reporting Statement

The Task Force was not required to submit a Single Audit report in the last fiscal year.

D.2.2.9 Certification Regarding Lobbying

The Task Force has received \$80,000 in Federal funds.

D.2.2.10. SF-LLL: Disclosure of Lobbying Activities (if Applicable)

A disclosure of lobbying activities is not applicable. The Task Force has not been involved with any lobbying activities to influence a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action.

D.2.2.11 Letters of Support

Letters of support from Big Sky Area Resort District (funder), Big Sky Landscaping (partner), and Spanish Peaks/Lone Mountain Land Company (water provider and stakeholder) are attached.

D.2.2.12 Letter of Partnership

The category A applicant, the District, included a partnership letter which is attached.

D.2.2.13 Official Resolution

If selected, the Task Force will provide verification of:

- The identity of the official with legal authority to enter into an agreement
- The board of directors, governing body, or appropriate official who has reviewed and supports the application submitted
- That your organization will work with Reclamation to meet established deadlines for entering into a grant or cooperative agreement

D.2.2.14 Letters of Funding Commitment

If selected, the Task Force will provide proof of third-party cost share including the amount, date funds are available, time constraints, and any other information the Bureau of Reclamation will need to verify funding.

D.3. Unique Entity Identifier and System for Award Management

The Task Force has a registered SAM account under the UEI FAXPQ16M5HE1



January 10, 2024

Dear WaterSMART Review Committee,

RE: Big Sky Water Conservation Program Landscape Transformation Rebate

I am writing on behalf of Spanish Peaks Mountain Club and the Lone Mountain Land Company to express our support for the Gallatin River Task Force and Big Sky County Water & Sewer District's application to the Bureau of Reclamation WaterSMART program. The proposal for a landscape transformation rebate addresses a cause that our organization fully supports.

Water is our greatest resource, and as our community continues to grow the need for water conservation grows with it. This proposed project has the potential to make a meaningful difference in the way our community understands water supply. With landscape irrigation being the number one water use in our community, this program will be the most effective way to preserve this precious resource, keeping our community safe and healthy, and keeping the Gallatin River flowing strong.

Spanish Peaks Mountain Club is fully committed to reducing water use on landscaping within our properties. Our golf course has been converted to a recycled water irrigation facility, and several of our larger recent development projects utilize purple pipe/recycled water as the sole source for landscaping irrigation. We recently modified our Architectural Design Guidelines, reducing the allowable amount of lawn turf on a private residence to 1500 sf. We continue to look for opportunities to convert irrigation systems to reclaimed water and encourage our owners to utilize drought tolerant plantings.

The Big Sky community is brought together by the natural resources surrounding our small mountain town. Many are inclined to do their part to keep our ecosystems healthy and thriving. In the case of native landscaping, the barriers are often not about a lack of motivation or willingness, but a lack of resources and assistance. This program will bridge the gap between homeowners wanting to do the right thing and being able to take action.

I strongly encourage you to support this project. Thank you for your consideration.

Sincerely,

Jon Olsen

VP Development

Spanish Peaks Mountain Club/Lone Mountain Land Company



Big Sky Resort Area District
11 Lone Peak Drive #204
PO Box 160661
Big Sky, MT 59716
www.Resorttax.org
info@resorttax.org
406.995.3234

January 9, 2024

Dear WaterSMART Review Committee,

RE: Big Sky Water Conservation Program Landscape Transformation Rebate

On behalf of the Big Sky Resort Area District (BSRAD), please accept this letter of support for the Gallatin River Task Force and Big Sky County Water & Sewer District's application to the Bureau of Reclamation WaterSMART program.

BSRAD is a local government agency that administers a 4% resort tax on luxury goods & services. The District is governed by a five-member locally elected Board of Directors. 100% of the resort tax collected is reinvested back into the Big Sky Community. Over our more than 30-year history, we have awarded over \$94,000,000 to community projects impacting Arts & Culture, Conservation, Economic Development, Education & Childcare, Health & Safety, Housing, Public Works, and Recreation. BSRAD has committed over \$200,000 in funding to the Gallatin River Task Force's water conservation rebate programs.

Water is our greatest resource, and as our community continues to grow the need for water conservation grows with it. This proposed project has the potential to make a meaningful difference in the way our community understands water supply. With landscape irrigation being the number one water use in our community, this program will be the most effective way to preserve this precious resource, keeping our community safe and healthy, and keeping the Gallatin River flowing strong.

The Big Sky community is brought together by the natural resources surrounding our small mountain town. Many are inclined to do their part to keep our ecosystems healthy and thriving. In the case of native landscaping, the barriers are often not about a lack of motivation or willingness, but a lack of resources and assistance. This program will bridge the gap between homeowners wanting to do the right thing and being able to act.

If you require more information about the Big Sky Resort Area District, please contact us at 406-995-3234 or jenny@resorttax.org.

Sincerely,

Jenny Muscat
Deputy Director
Big Sky Resort Area District



BIG SKY COUNTY WATER & SEWER DISTRICT

PO Box 160670

561 Little Coyote Road

Big Sky, MT 59716

T 406.995.2660 • F 406.995.3053

OFFICE@WSD363.COM • WWW.WSD363.COM

Re: Big Sky Water Conservation Program, Turf Replacement Rebate

I am writing on behalf of the Big Sky County Water & Sewer District (District) to express our partnership in the Gallatin River Task Force's (Task Force) application to the Bureau of Reclamation WaterSMART program. We are a water provider in Big Sky, Montana serving approximately 60% of the population of Big Sky. We have reviewed the application and approved its submission for the January 16, 2024, deadline.

The District and the Task Force have a long-standing partnership. The District has supported the Big Sky Water Conservation Program, operated by the Task Force, since its inception in 2016 and has supported the program as it grows and evolves. The District provides financial support to the Task Force, as well as technical support. The Task Force used our data when developing the Big Sky Water Conservation and Drought Management Plan to help inform the community of the need for water conservation and determine the most effective pathways for conservation.

This project also aligns with the District's priorities. In 2022, we released an update on our Source Capacity Plan (Plan). With District connections at an estimated growth rate of 3.9%, we expect to see deficits in our water supply as early as 2030. One of the top recommendations from the plan is to limit irrigation use, stating "No other source capacity alternative is as effective as conservation that reduces or eliminates landscape irrigation." It is estimated that reducing all landscapes to 500 square feet of irrigated land could reduce irrigation by 94% and total water demand by 22%. Working in partnership with the Task Force to bolster their Water Conservation Program's rebates and incentives will be the most effective way to achieve this goal.

We will gladly be the sponsoring water provider for this proposal. The District is one of over twenty water providers in Big Sky, not including private wells. With so many providers it makes the most sense for the Task Force to administer this program and manage this project to provide a consistent line of messaging to the community. This way, the program can not only support our customers, but water users throughout the community.

This proposed project has the potential to make a meaningful difference in the way our community understands water supply. Water conservation in Big Sky is integral to the health and livelihoods of our community members.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Johnny O'Connor".

Johnny O'Connor
General Manager

Dear WaterSMART Review Committee,

RE: Big Sky Water Conservation Program Landscape Transformation Rebate

I am writing on behalf of Big Sky Landscaping & Irrigation to express our support for the Gallatin River Task Force and Big Sky County Water & Sewer District's application to the Bureau of Reclamation WaterSMART program. The proposal for a landscape transformation rebate addresses a cause that our organization is deeply connected to, especially because we live in a dry climate. We encourage our clients to install rain sensors, we work with our local water and sewer to ensure our irrigation clients are abiding by local water restrictions, and we encourage the installation of native plants because they are drought tolerant and more likely to thrive than non-native species.

Water is our greatest resource, and as our community continues to grow the need for water conservation grows with it. This proposed project has the potential to make a meaningful difference in the way our community understands water supply. With landscape irrigation being the number one water use in our community, this program will be the most effective way to preserve this precious resource, keeping our community safe and healthy, and keeping the Gallatin River flowing strong.

The Big Sky community is brought together by the natural resources surrounding our small mountain town. Many are inclined to do their part to keep our ecosystems healthy and thriving. In the case of native landscaping, the barriers are often not about a lack of motivation or willingness, but a lack of resources and assistance. This program will bridge the gap between homeowners wanting to do the right thing and being able to take action.

I strongly encourage you to support this project. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anna Crider', followed by a long horizontal flourish line.

Anna Crider
Big Sky Landscaping

D.2.2.3 Budget Narrative

Personnel

Project Manager, Jess Olson is the Conservation Manager and responsible for overall project management. Her salary is \$69,6600 in year one and estimated at \$71,749.80 in year two. Olson will dedicate 700 hours to the Big Sky Water Conservation program during each of the program's first two years. She will devote 20% of this time to marketing and communications, ensuring that the program is advertised to the public. The remaining 80% will be allocated to the administrative tasks associated with operating the Big Sky Water Conservation program such as running the rebate program, site visits with homeowners, fostering partnerships with HOAs, water providers, and other stakeholders, and program strategy.

The Chief Operating Officer is responsible for working with website and design contractors and managing the marketing program of the project. Her salary in year one is \$96,660.00 and estimated at \$99,559.80 in year two. She will spend an estimated 20% of her time on the project in both years (totaling \$39,243.96). She will dedicate 500 hours to the Big Sky Conservation program during each of the program's first two years. Emily manages the program's marketing and communications needs and will spend 50% of her time on this task, the remaining 50% will be dedicated to overall program strategy, partnership relations and impact measurements.

The hourly rate for both employees in year two includes a 3% increase in salary which is the average increase across all employees at the Gallatin River Task Force.

Total personnel costs for all employees: \$71,178.00

Fringe Benefits

Fringe benefits are based on the hourly rate that each staff member dedicates to the Big Sky Water Conservation program. These include benefits and the taxes paid for each position. Fringe rates have been calculated at \$12.02/hr in year 1 and \$12.37/hr in year 2 for the Conservation Manager and \$17.06/hr in year 1 and \$17.57/hr in year 2 for the Chief Operating Officer. The increase in year 2 accounts for benefit increases based on a 3% salary increase for both employees. Total hours worked for the project are estimated at 700 hours in year 1 and 832 hours in year 2 for the Conservation Manager and 416 hours in year 1 and 416 hours in year 2 for the Chief Operating Officer.

Total fringe benefits for all employees: \$25,731.50

Travel

There are no travel costs associated with this program.

Equipment

There are no equipment costs associated with this program.

Supplies

Supplies include the print materials that will be used for marketing and communications of the new programs. This includes brochures to distribute at educational events and for display at local nurseries and bill inserts for water providers. An estimated 2,000 print fliers and brochures will be produced at an estimated cost of \$0.27 per print, totalling **\$540**.

Contractual

Consultants will be hired to assist with marketing and communications activities to drive engagement in the rebate program. We utilize several marketing contractors whose fees are based on an hourly rate. Based on past contracts, the web developer typically spends 15 hours annually (30 hours total) on updates to the water conservation program website and the graphic designer typically spends 25 hours annually (50 hours total) creating flyers, print ads, digital ads, and other marketing collateral.

Web Developer	$\$120/\text{hr} \times 30 = \$3,600$
Graphic Designer	$\$75/\text{hr} \times 50 = \$3,750$
Total	\$7,350

Construction

There are no construction costs associated with this program.

Other Direct Costs

Other associated direct costs are the rebate awards given to individuals who qualify for cash-back through the Big Sky Water Conservation program. Indoor rebates include: WaterSense toilets and urinals (\$50-200 per fixture), showerheads (\$25 per fixture), bathroom faucets (\$20 per fixture), and EnergyStar rated clothes washers (\$75-150 per fixture). Outdoor rebates include WaterSense labeled sprinkler spray bodies (\$1 per fixture), WaterSense labeled weather-based smart controllers (\$150-250 per fixture), drip irrigation equipment (50% of purchase), and turf conversion (\$5 per square foot of area converted). \$40,000 of the budget will be used for all indoor rebates and all outdoor rebates except for turf conversion. \$80,000 of the budget will be used for turf conversion rebates at \$5/per square foot of area converted. Rebates are processed on a first come, first served basis and are subject to eligibility requirements and maximum rebate awards. Participants will be put on a waitlist once the allocated funding for the year has run out.

Year 1 Indoor Rebates Total = \$10,000

Year 1 Outdoor Rebates = \$5,000 (other outdoor rebates)+ 30,000 (turf conversion)= Total
\$35,000

Year 2 Indoor Rebates Total = \$10,000

Year 2 Outdoor Rebates = \$10,000 (other outdoor rebates) + \$55,000 (turf conversion) = Total
\$65,000

Total: \$120,000

Indirect Charges

There are no indirect costs associated with this program.