

**FIRST AMENDMENT TO
INTERLOCAL AGREEMENT FOR
ALLOCATION AND USE OF RESORT TAX REVENUE
*GCWSD Fiscal Year 2026: Operations Project***

THIS FIRST AMENDMENT TO INTERLOCAL AGREEMENT for allocation and use of resort tax revenue (“First Amendment”) is entered into by and between the Big Sky Resort Area District (“District”) and Gallatin Canyon Water and Sewer District (“Contractor”) for its FY26-27 Operations Project.

RECITALS

1. The District and the Contractor entered into that certain Interlocal Agreement for Allocation and Use of Resort Tax Revenue for fiscal years 2026-2027 related to Contractor’s Operations Project and the expenditure of the Award as defined therein (“Agreement”).
2. The Agreement contained certain allocated funding amounts in each of the two fiscal years of the Term of the Agreement (with each year being a separate Award).
3. The Contractor has requested an increase in the Award for fiscal year 2026 from \$200,000 to \$400,000, with \$100,000 being released to Contractor prior to March 31, 2026 (the “First Amendment”).
4. On March 11, 2026, following discussion at the duly noticed and held public meeting of the Board, the District consented to the increase in the Award, subject to certain contingencies, as reflected in this First Amendment.

NOW THEREFORE, for good and valuable consideration, the form, receipt and sufficiency of which is hereby acknowledged by the Parties, the District and Contractor agree to amend certain provisions of the Agreement as specified below:

FIRST AMENDMENT

1. **RECITALS AND DEFINITIONS.** The Recitals to this First Amendment are incorporated herein by this reference as if fully set forth herein. Any capitalized term used in this First Amendment but not specifically defined herein shall have the definition set forth in the Agreement.
2. **AMENDED AWARD.** The Award granted by the District to the Contractor for fiscal year 2026 shall be increased from \$200,000 to \$400,000 (“FY26 Amended Award”), which shall be disbursed subject to the conditions and contingencies set forth in Section 3 below.
3. **CONDITIONS AND CONTINGENCIES.** The following conditions and contingencies shall apply to the disbursement of the FY26 Amended Award:

- a. \$100,000 of the FY26 Amended Award shall be immediately released to Contractor upon the District's receipt of a written request and supporting documents required by Section 5 of the Agreement, which Contractor shall submit to the District on or before March 20, 2026.
- b. The remaining amount of the FY26 Amended Award shall be disbursed upon appropriate payment requests made pursuant to the requirements set forth in the Agreement.
- c. Contractor shall comply with each of the following contingencies:
 - i. Contractor shall provide a short written monthly status report to BSRAD on or before April 31, May 31 and June 30 detailing:
 - 1. How the FY26 Amended Award has been spent;
 - 2. What progress has been made towards obtaining financial and regulatory feasibility;
 - 3. What progress has been made towards securing any Department of Transportation and Department of Environmental Quality approvals;
 - 4. What outreach efforts have been made with interested stakeholders, including to the general public, Gallatin County Commissioners, and various environmental interest groups;
 - 5. What progress has been made towards securing construction funding; and
 - 6. What progress has been made towards preparing the necessary environmental assessment.
 - ii. Contractor shall make a presentation at the District's July 2026 Board meeting to provide an update on the overall project and the use of the Award. At which time the District Board may set reporting obligations & deadlines for FY27.
 - iii. Contractor shall provide additional written status reports or make additional Board presentations in FY27 as requested by the District.

4. **FULL FORCE AND EFFECT.** All provisions, rights, and obligations under the Agreement not specifically amended by the First Amendment shall remain in full force and effect and shall be binding upon the parties.

BIG SKY RESORT AREA DISTRICT:

CONTRACTOR: GALLATIN CANYON WATER AND SEWER DISTRICT


Daniel Bierschwale (Mar 20, 2026 12:07:17 MDT)


Scott Altman (Mar 20, 2026 09:51:06 MDT)

Name: Daniel Bierschwale
 Title: Executive Director
 Date: 03/20/26

Name: Scott Altman
 Title: Manager
 Date: 03/20/26









GCWSD 1st Amendment to Ops Interlocal Agreement FY26-27

Final Audit Report

2026-03-20

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