

Memorandum

REPORT TO: City Commission

FROM: Griffin Nielsen, Water Resources Engineer
Shawn Kohtz, Utilities Director

SUBJECT: Authorize the City Manager to sign Amendment 1 to the Professional Services Agreement with Advanced Engineering and Environmental Services, LLC (AE2S) for the Integrated Water Resource Plan Update

MEETING DATE: August 4, 2026

AGENDA ITEM TYPE: Agreement - Vendor/Contract

RECOMMENDATION: Authorize the City Manager to sign Amendment 1 to the Professional Services Agreement with Advanced Engineering and Environmental Services, LLC (AE2S) for the Integrated Water Resource Plan Update

STRATEGIC PLAN: 1.2 Community Engagement: Broaden and deepen engagement of the community in city government, innovating methods for inviting input from the community and stakeholders.

BACKGROUND: In 2013, the Bozeman City Commission adopted the [Integrated Water Resource Plan](#) (IWRP), which recommends water use and supply policies and practices to meet future needs. Since then, the City has made significant strides in implementing recommendations outlined in the IWRP. Due to progress made and changes in the community, the IWRP is now being updated - guided by a robust public engagement process.

On January 28, 2025, the Bozeman City Commission approved a [Professional Services Agreement](#) with Advanced Engineering and Environmental Services, LLC (AE2), an engineering firm with extensive planning and designing water supply infrastructure, to support technical analyses necessary to the IWRP community outreach process as well as to prepare the updated IWRP for review and adoption.

On April 8, 2025, the Bozeman City Commission approved the [IWRP Engagement Plan](#), which, in addition to broad public engagement, includes the creation of a temporary Water Advisory Committee (WAC). The WAC will advise city staff and the City Commission by:

- Reviewing and discussing water supply options and strategies
- Providing input on policy and infrastructure recommendations
- Recommending updates to the IWRP that reflect both technical feasibility and community values.

The WAC, comprised of two subcommittees: the Technical Advisory Committee and Public Advisory Committee, has met regularly throughout the early stages of the process (June 2025 – May 2026) to develop the IWRP’s basis of planning assumptions and the framework by which water supply alternatives will be evaluated. On May 20, 2026, the WAC met and selected conceptual water supply alternatives for further technical analysis to determine the available supply, costs, project delivery timeline, and potential challenges for these alternatives.

The attached Amendment No. 1 to the PSA with AE2S reflects additional scope to provide the technical analysis of the conceptual alternatives selected by the WAC, participate and advise during the remaining course of the project, and prepare the updated IWRP for review and adoption.

UNRESOLVED ISSUES: None

ALTERNATIVES: As suggested by the Commission

FISCAL EFFECTS: Amendment No. 1 adds a cost of \$198,285, bringing the project total to \$474,111. Funding is provided from the Water Fund for CIP No. W151, which has a project budget of \$516,000 available in FY27; as such, adequate funding exists.

Attachments:

[Amendment_1_PSA_AE2S_IWRP.pdf](#)

Report compiled on: July 23, 2026