CENTRAL MONTANA REGIONAL WATER AUTHORITY
Harlowton, MT 59036
November 09, 2023
MINUTES

WELCOME AND INTRODUCTIONS: Chairman Kalitowski opened the meeting and asked all in attendance to introduce themselves.

IN ATTENDANCE: Jim Kalitowski, Chairman; Sam Klepzig, O&M Manager; Lon Sibley, City of Roundup; Laura Larocco, Ryegate; Allen Davis, Ryegate; Bob Church, Great West Engineering; Susan Hayes, Great West Engineering; Amy Deithcler, Great West Engineering; Scott Keller, Shawmut/Deadmans; Marie Nopper, Shawmut/Deadmans; Davin Roloff, NRCS; Nikki Rife, NRCS; Paul Otten, Harlowton; Jeff Sell, Harlowton; Monty Sealey, Project & Mgmt Services; Dave Picchioni, Roundup (By Proxy); Connie Roussan, Melstone (By Proxy); On-line or telephone-Greg Kruzich, BOR; Matt Smith, Stahly Engineering; Shelby Welch, RD: Anna Miller, DNRC; Rick Duncan, DNRC: Dan Semmens, Dorsey & Whitney.

APPROVAL OF MINUTES FROM October 11, 2023: Lon Sibley moved; seconded by Jeff Sell to approve the Minutes from October 11, 2023 as sent out; motion carried.

TREASURER'S REPORT AND CURRENT BILLS: In the absence of Dave Liggett, Monty Sealey reported bank balances from the bank statements. The bills to be paid included those sent out with the AGENDA: Judith basin County Inv. R20231017-1 for $23,617.50; Mid River Telephone Acct. 8740500 for $41.70; Flying S Title #296,521,541 for $1,260.00; COP Construction Pay app #3 IIB for $1,222,801.42; MT Dept of Rev 1% Tax #3 for $12,351.53; C&C Excavation Pay App #16 PH I for $64,258.34; MT Dept of Rev 1% Tax #16 for $649.07; C&C Excavation Pay App #6 PHIIA for $418,488.90; MT Dept of Rev 1% #6 PH IIA for $4,227.16; Great West Engineering Inv. 30492 for $11,857.34; Great West Engineering Inv. 30497 for $108,674.10; Big Horn Public Affairs Inv. 1479 for $2,500.00; Great West Engineering Inv. #30496 for $36,466.50; Project & Mgmt Services Inv. RW023010 for $9,003.42; Northwestern Energy ROW for $11,549.00; Great West Engineering Inv. 30489 for $1095.00; Central MT Water Inv. 3432 for $1,123.99. In addition Wire Transfers in the amounts of $3,910,000 and $80,723.71 through Stockman bank for SRF Loan Closeout; for a total of $5,920,688.68.

It was moved by Jeff Sell, seconded by Lon Sibley to accept the report and pay this bills as reimbursement funds are received; motion carried.

BOND COUNSEL UPDATE: Dan Semmens from Dorsey and Whitney noted that we needed to approve Resolution #2303R to assist closure of the SRF loan to RD. Jeff Sell moved the Resolution; seconded by Paul Otten; motion carried. Dan Explained the effect of the closing documents just certifies the transaction so they can give an unqualified opinion and also so the exemption from Gross Income will result in tax free bonds. The needed transfer of funds between accounts was also discussed.

O & M : Sam Klepzig stated the Back T sampling is complete. He noted well #3 was on stand-by to save energy costs Sam also described the Chlorine residual were originally at 2.8 mg/l. At the end of October. They had dropped to 1.1 mg/l. As of yesterday they were at .6 mg/l. Our goal is to bring it down slowly to .2 mg/l.

Sam had picked up our enclosed trailer for the RV. He intends to park it at the Injection building site. It needs to added to our insurance.

WELLS 4 & 5: Bob Church explained that only one bid was received for Wells 4 & 5. The bidder was Hydro Resources; they drilled well #3. The combined bid price was 6.7 million dollars, up from the estimate of 4.5 million dollars. Bob also explained that the cuttings, drill mud can be buried at the site (this was done for Well #3). Otherwise, disposal is over $300,000. Bob is also looking at the possibility of saving up to $90,000 by disposing of the frac water in the Harlowton lagoon system. That would have to be approved by the City of Harlowton and DEQ. That is being looked into. Bob recommended awarding the bid to Hydro subject to resolving the above issues. Jeff moved to award; the bid for Well 4 & 5; seconded by Paul Otten; motion carried.

Jeff Sell also moved to bury the cuttings, etc., subject to land-owner approval; seconded by Paul Otten; motion carried. It is believed Well 4 will be done by May 1 and Well 5 by July 1. We will issue the Notice to Proceed. C & C Excavation will be building the access road s for Hydro.

PHASE I-STATUS: We have received the As Builts for Phase I from COP Construction. C & C Construction is nearly complete with their share of the project. They still have five meter pits to put in.

PHASE II-A,B,C, STATUS: Approximately 8 miles have been installed in IIA. This includes the known services and borings under the RR Tracks. In IIB about 12 miles have been installed. COP needs to come back to put in service hook-ups and to do the borings.

For IIC the Award Documents are ready for COP Construction; we received their insurance papers. Pipe will start showing up next week. The Notice to Proceed for IIC is to be signed.

A check is owed to BNSF for their boring permits in the amount of $6,581.23. Lon moved to pay the fee; seconded by Jeff Sell; motion carried.

PH IV to MELSTONE-STATUS: It was reported that we are wrapping up the cultural and environmental work for PH IV. We should receive those reports next week. Bob noted we are in the process of acquiring easements; he has been receiving calls back. We are also sending letters for properties not adjacent to the pipeline. It is hoped that design on PH IV will begin early next Spring.

Cultural and Environmental work is beginning for PH III & IIIA.

NRCS-Guests: The District Conservationist for Roundup and Harlowton explained their Long-Range Plan considers water in our area a Resource Concern. They are targeting implementation of their plan. That would include assistance to producers for hook-ups. They planned an outreach effort for such assistance. It was noted the funding would be competitive. There were no objections to the effort.

RURAL DEVELOPMENT-RD: Shelby Welch checked to see if all appropriate documents were ready for the Loan Close-out on November 30.

BUREAU OF RECLAMATION-BoR: Greg Kruzich stated that the new BIL funding amount was $3,000,000. It is possible to take the overrun costs for Well #4 from that funding; also to backfill PH IIIA costs. He also mentioned that Monty should get in contact with Brenda Huffman about how to report expenditures.

MT DNRC: Rick reported that the $3,800,000 grant is available for reimbursements. He is arranging the interest assistance for the SRF Loan closing from those funds. He should have that one time only grant agreement ready for next week. Rick stated that the $72,000 Administrative request was processed last Friday. It was also noted that the $162,000 funding for 077A has been utilized and is completed.

There being no other business for the CMRWA Board, Chairman Kalitowski adjourned the meeting.

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Monty L. Sealey, Project Administrator Date