CENTRAL MT REGIONAL WATER AUTHORITY
Harlowton, MT 59036
January 10, 2024
MINUTES

WELCOME AND INTRODUCTIONS: The Meeting was called to order by Chairman Kalitowski. He asked all in attendance to introduce themselves.

IN ATTENDANCE: Jim Kalitowski, Chairman; David Liggett, Sec./Treasurer; Dave Picchioni, V. Chairman; Jeff Sell, Harlowton; Paul Otten, Harlowton; Lon Sibley, Roundup; Allen Davis, Ryegate; Sam Klepzig, O&M Mgr.; Susan Hayes, Great West Engineering; Scott Keller, Deadman's Basin Water District; Marie Nopper, Deadman's Basin Water District; Monty Sealey, Project & Management Services; Devin Beal, MAP; Bob Church, Great West Engineering; Matt Smith, Hyalite Engineering; By Zoom or telephone were Shelby Welch, RD; Greg Kruzich, BOR; Rick Duncan, DNRC.

APPROVAL OF MINUTES FROM DECEMBER 13, 2023: Allen Davis moved to approve the December 13, 2023, Minutes as sent; seconded by David Liggett; motion carried.

TREASURER'S REPORT AND CURRENT BILLS: Treasurer Liggett reported and beginning bank balance at 1st Security Bank of $179,124 with $4,000.00 in deposits. Current bills from 1st Security Bank were reported to be $20,999, leaving an ending balance of $162,925. The reported beginning bank balance at Stockman Bank was ($3,486,271) with deposits of $3,555,000. The bank balance was then $63,729 with $3,041,645 leaving an ending bank balance of ($2,977,916), pending reimbursements.

The current bills to be paid included: COP Construction Pay App #2C for $1,707,831.22; MT Dept of Revenue 1% Tax #2 for $17,250.82; COP Construction Pay App #5B for $476,091.14; MT Dept of Revenue 1% Tax 5 for $4,809.00; C&C Construction Pay Est #8A for $612,435.64; MT Dept of Revenue 1% Tax 8 for $6,186.22; COP Construction Pay App 13 PH I Final for $92,662.68; MT Dept of Revenue 1% Tax 13 for $935.99; Proj & Mgmt Serv. 23012 for $1,500.00; Proj & Mgmt Services for %7,903.88; Great West Eng. Inv # 31081 for $127,425.62; Great West Eng Inv. #31077 for $4,499.15; Great West Eng Inv # 30853 for $10,973.92; Great West Eng Inv. 31076 for $2,676.50; Great West Eng. Inv # 31079 for $528.48; Great West Eng Inv. $ 31080 for $17,011.75; War Canyon Ranch Easement for $2,740.00; Great West Eng Inv. 31079 for $4,640.44; Great West Eng Inv. # 31078 for $4,394.00; Flying S Title, Title Insur. for $420.00.

In addition, Monty Sealey explained the Check # 2199 through Stockman Bank to C&C Excavation for $245,047.48 and Check # 2200 through Stockman Bank to MT Dept of Revenue for $2,475.23, both needed to be voided and replaced. Check # 2199 for $180,789.15 to C&C Excavation and Check # 2200 for $1,826.15 to MT Dept of Revenue were the re-issue amounts. The changes were because the amount submitted by C&C Excavation and authorized for payment at the December 13 meeting were incorrect. The C&C Excavation payment was on Pay Estimate 17.

Sealey also presented, Mid Rivers Communications for $20.95 and Big Horn Public Affairs for $2,500.00 for payment in addition to those listed on the AGENDA.

Dave Liggett moved to approve the report and to pay the bills as presented upon receipt of reimbursements; seconded by Paul Otten; motion carried.

Monty Sealey also reported the beginning bank balance of the O&M Account was $19,727.88; all outstanding bills were paid leaving an ending balance of $33,655.17. Copies of the report are available to the Board upon request. The summary is attached to these Minutes.

Dave Picchioni moved to accept the O&M report; seconded by Dave Liggett; motion carried.

NORTHWESTERN ENERGY BILLS-CONSTRUCTION: Monty Sealey mentioned that he is trying to settle the Northwestern Energy bills with them. He noted they had requested that he divide the costs among the other contractors. Sealey noted also that the costs were mainly to do with pumping water to the storage tank 1st. He intends to tell Northwestern Energy that at this late date it will be up to them to request payment from the other Contractors.

NOTICE TO PROCEED- WELLS 4/5: A Notice to Proceed is to be signed and sent to Hydro Resources for Wells 4 &5. Lon Sibley made the motion to move forward with the Notice, seconded by Dave Liggett; motion carried.

WATER USE REGULATIONS: A relatively long discussion was had about potential changes to the Water Use Regulations; primarily about how to handle multiple private water users on a common service line. Further discussion may have to occur. A copy of the regulations with potential changes will be provided to the Board for further consideration. The issue concerns who owns and pays for components of a private user service line with multiple users attached. The regulations will be included in next month's Agenda.

Allen Davis asked how the system will attach to Ryegate along with how the Engineer fits into the process and what responsibilities the Town of Ryegate will be taking on. It was noted that the pipeline from CMRWA will hook directly into the Ryegate water storage facility for their distribution of municipal water as they do now. The facility improvements to accommodate the hook-up will be provided by CMRWA.

PHASE I-STATUS: It was explained that Phase I is nearly complete. A Notice of Substantial Completion has been signed by the engineers. We are currently waiting on arrival of seven meter pits, yet to be installed. The meter pits are still on back-order. $20,000 has been withheld from the final payment. It is believed that the amount owed for Phase I to C&C Excavation, including the amount for the meter pits is approximately $33,000.

PHASE II-STATUS-A, B, C: Susan Hayes explained that Phase II A under contract with C&C Excavation is close to half done. They have gotten past the groundwater problem. Phase IIB has

all the mainline pipe in the ground. They are working on meter pits. The Boring Contractor should begin 1st week of March.

For Phase IIC, all the pipe has been delivered and spread along the route.. They hope to start digging next Monday. We still need to do the re-survey of the eagle nest sites in order to proceed through that area. Site work has begun at the tank sites.

PHASE IV-STATUS: Bob Church reported that we were working on acquiring easements. We are talking to all potential easement providers. We have between one half and two thirds of them completed. We are also working on one State easement. We have one potential easement in question as we approach Alec Roy Road on the route to Melstone. We hope to have water to Melstone by the end of 2025.

PHASE III & IIIA-STATUS: We have begun work on the environmental review for these potential routes; should have Cultural Survey work completed this Spring; IIIA at a later date. We hope to have this built by 2026.

Ryegate is considered Phase IIIB. We do not have federal funds lined up for this yet, but are working in that direction.

RURAL DEVELOPMENT-RD: No discussion was held from or about RD.

BUREAU OF RECLAMATION-BOR: Greg Kruzich reported he will check amounts; that there are 2 more years left for BIL funding. We have received questions from Hobson about if and how.

MT DNRC: Rick Duncan noted that of the $10,000,000 for this biennium, $3,800,000 is under contract with CMRWA. He also stated that Dry Red Water's share was $5,000,000. Of course, all the money is not yet available because the revenues are spread out over a longer period-of-time. He also noted that there may 5-6 million during the next biennium and we would also need to put in an application..

The one-time-only $70,000 under Administration has a completed grant agreement. The last $20,000 of that grant will not be available until August. The agreement is going up the leadership for signatures.

O & M: Sam Klepzig reported that Well #2 went down. It turned out to be a relatively easy fix that was under warranty. Pump #2 is now back in service. He noted he has been sending water to PH II A testing for Bac T's. Everything so far looks good. Monty Sealey stated that the cost of power was the main increased cost to O & M for the Well #2 fix because we had to pay the demand meter charge for both pumps in the same month.

OTHER BUSINESS: Paul Otten had a few questions he had received from area users. How does the Madison recharge? Bob Church explained the relatively small drawdown when we pump it and the very fast recovery when the pumping is shut off. He also described the wide range that

the aquifer covers. The good water appears to be only near the mountainous recharge areas. Monty Sealey explained that Gillette, Wyoming, has tapped into the Madison Aquifer at the base of the Black Hills and is pumping the good water clear over to Gillette.

Paul also inquired about when we could expect water rate increases. It was noted that at this time the rates as set look good likely through Phase II.

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Monty L. Sealey Date