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

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

IN ATTENDANCE: Jim Kalitowski Chairman; Dave Liggett Sec./Treasurer; David Picchioni V. Chairman: Lon Sibley Roundup; Sam Krepzig O&M Mgr.; Jeff Sell Harlowton; Cody McDonald Judith Basin County Commissioner; Roger Riley Judith Basin County Road Forman; Monty Sealey Project & Mgmt Services; Susan Hayes Great West Engineering; Warren Hansen Middle Musselshell Water District; Tim Harsch Middle Musselshell Water District; Ruth Cole ?: Laura Larocco Ryegate; Allen Davis Ryegate: Dan Semmens Dorsey & Whitney; Bob Church Great West Engineering; Joseph Kleinsasser Sunset Colony; Goerge Kleinsasser Sunset Colony; On-Line-Anna Miller DNRC; Greg Kruzich BOR; Amy Dietchler Great West Engineering; Rick Duncan DNRC; Matt Smith Stahly Engineering (Ryegate); Shelby Welch RD; Nina Denny DNRC.

TREASURER'S REPORT AND CURRENT BILLS: Dave Liggett gave the Treasurer's Report. The reported beginning balance on the 1st Security Bank account was $161 414 with deposits totaling $16 000.00 and invoices totaling $14 937.00. The ending bank balance was $162 477.00.

The reported bank balance at Stockman Bank was ($1 638 800.00) with deposits totaling $1 839 000.00. Invoices totaled $3 473 244 leaving an ending bank balance o (3 273 044.00).

The bills submitted or payment included: Flying S Title Inv. 570 574 579 586 or $1 794.00; Great West Engineering Inv. 31875 or $6 743.75; Great West Engineering Inv. 31876 or $32 865.08; Great West Engineering inv 31877 or $185.00; Great West Engineering Inv. 31878 or $126 702.67; Great West Engineering Inv. 31879 or $7 342.20; Great West Engineering Inv 31880 or $12 760.35; Mid Rivers Communications Acct. 8740500 or $20.95; Big Horn Public Affairs Inv. 1510 or $2 500.00; Project & Mgmt Services Inv. RW024003 or $1 875.00; Project & Mgmt Services Inv RW 024003 or $7 713.97; Cody McDonald Well 4 & 5 Initial Lease or $10 500.00; Cody McDonald Well 2 & 3 Annual Lease or $10 500.00; Hydro Resources Pay App #3 or $1 018 749.60; MT Dept o Revenue 1% Tax #3 or $10 290.40; C&C Excavation Pay App #11 or $587 545.71; MT Dept o Revenue 1% Tax #11 or $6 233.71; COP Construction Pay App #5 or $1 005 843.61; MT Dept o Revenue 1% Tax #5 or $10 160.04; COP Construction Pay App #8 or $543 797.59; MT Dept o Revenue 1% Tax #8 or $5 492.90; Innova LLC Inv 1028 or $42.00 or a total o $3 409 661.52.

Dave Liggett moved to accept the Treasurer's Report and pay the bills as presented; seconded by Jeff Sell; motion carried.

CHANGE ORDER #1-BROADVIEW: Change Order #1 for Ph II to Broadview was presented for payment. It included changes at the new tank Broadview is having constructed. The Change Order is for changes to accommodate our water at the new tank when we get there. The amount of the Change Order is $18,735.13. Lon Sibley moved to accept and pay the Change Order; seconded by Dave Liggett; motion approved.

CODY McDONALD: Cody was interested in the CMRWA Board's awareness of impacts to Judith Basin County Roads and restoring them to their original condition after Wells 4 & 5 are complete because of all their heavy traffic. Jeff Sell, Bob Church and Sam Klepzig will work as the Board's Committee to keep tabs on road conditions and agree to condition adjustments. Cody also brought up the need for weed control along the disturbed areas. Sam will talk with Roger at the Weed Department about what needs to be done. It was also mentioned the need for flagging along the disturbed roadway up to Well #4. All agreed it should be taken care of.

O & M REPORT: Sam Klepzig gave the O&M Report. He stated the Back-T tests were good. He also reported we had gotten the meter to Harlowton so we are not now overcharging Harlowton for water. Sam mentioned the injection system has the Hawkins version of change from galvanized. Will follow through with recommended changes if any. Sam noted the Consumer Confidence Report should be done by end of April. He also mentioned the need for stickers for tools, markers, etc. to identify our items. Cody asked about the valve markers. He said livestock could be hard on such installations. Sam noted they were included in the existing fence-lines.

Bob Church stated we should be thinking about extra help with the Roundup end of the project.

STATUS-PHASE I: Phase I has up to 7 meter pits to be installed for completion. It is thought that might be done by the end of the month.

STATUS-PHASE II: Phase IIA is near Swimming Woman Creek near Rotheimay. C&C is coordinating with the storage tank crew who are scheduled to be here by May 20 to begin tank construction.

Phase IIB is done with exception of the boring(s). Most valves and meter pits have been installed. COP has not installed the fiber yet and still needs power to the PRV. Susan asked if the fee to Nelson and Hochmuth have been settled yet. Monty will look-into those items. The rights-of-way have been agreed to; will check into payment status.

Phase IIC beginning near Timber Buttes going to Roundup now has Main-line pipe installed along significant portions of the route. High 87 North has been bored for the crossing from Pine Ridge Golf Course. COP Construction has the contract for Phae IIC. They are not installing all the services yet. They have a couple culverts they need to get around. They still

need to install PRV's so water testing can progress. The Migratory Bird Survey has been completed again with no new issues.

PHASE IV-STATUS: All easements have been agreed to with the exception of two. They are being worked on. All questions have been answered and submitted for the State Permit we have applied for. It is hoped we can submit the PH IV design to DEQ for review next week. We anticipate that review can be concluded within the next 2-3 weeks. Ph IV is approximately 52 miles long although smaller pipe size than PH II.

It is hoped PH IV will be out for bids soon so bids can be opened in June. It was noted that the restrictions on work within proximity to sage hen leks include work times of the day and in some cases monthly restrictions from March through July. A question about the fees for the Sage Hen Program was answered by Susan Hayes from Great West Engineering. She explained the draft habitat areas fee was $58000. The primary driver to these restrictions is to keep the Sage Hens from being named a threatened or endangered species.

WATER WELL # 4-STATUS: It was noted that we receive two progress reports per day from the well site. We think we are now 150-200' above the Madison formation. The drill hole will be cased to the Madison; then open hole drilled into the Madison.

It was explained that Bob Church and Monty Sealey attended a public meeting in Melstone to provide information about the water project and opportunities for area producers. It was noted that not one negative comment was received at or after the meeting. There appeared to be a significant interest in availability of water from Melstone and the surrounding producers in PH IV. CMRWA Water User Rules Sign-Up Sheets and sample Corporate Resolutions were handed out to interest parties.

PHASE & PHASE IIIA: Environmental and Cultural Survey work is being conducted in PH III. Great West is meeting live with land-owners along the route and also MDT all the way to Broadview. Great West intends to do another mail piece to land-owners along the PH III route. A mail piece will also be sent to Town residents to try to get a measure of individual interest in water services that may be possible as we go through Lavina. The Town of Lavina as decided they will not hook up to the CMRWA system partly because they do not have a water distribution system or fire flows. They do not think they can afford both.

Financially we have all funds acquired with the exception of State funds for PH III. PH III design and land acquisition activities are in progress. It is hoped PH III can be bid in the Spring of 2025.

For PH IIIA to Shawmut/Deadman's Basin some federal funds need to be applied for. Some environmental work is complete but not cultural resources work. We probably won't apply for PH IIIA funds until we get all PH IV funds; likely one year after PH III.

It was noted that PH IIIB to Ryegate is working with the State to look at Emerging Contaminants funding. Things look positive so far.

BOND COUNSEL-DAM SEMMENS: Dan Semmens explained the need to adopt three loan resolutions. Resolution 2403R. 2403R was a Supplemental Resolution Amending the Original Resolution that withdraws any Administrative funds provided by Grant Agreement between MT DNRC and CMRWA from the revenues necessary pay the principal and interest on the Definitive Bond to fund the Reserve Account to the Reserve Requirement and to provide an allowance for replacement and depreciation and to fund the short-lived Asset Reserve Replacement Subaccount. Should such funding not be sufficient to pay the above costs the Authority may have to increase water use rates.

It was also explained that Resolution 2404R relating to the $6,710,000 Water System Revenue Bond Phase II and a $6,710,000 Water System Revenue Bond Anticipation Note (Phase II C) to be issued in anticipation thereof; also authorizing the issuance and fixing the terms and conditions thereof and the Security therefor and amending the original resolution. The tentative closing date for this loan is April 25, 2024.

It was further explained that Resolution # 2405R to amend the original resolution was a Resolution Relating to at least $500,000 Water System Revenue Bond (Phase II) and a $500,000 Water System Revenue Bond Anticipation Note (Phase II B) to be issued in anticipation thereof; authorizing the issuance and fixing the Terms and Conditions thereof and the Security Therefor. The tentative closing date for this loan is May 22, 2024.

Jeff Sell moved to approve Resolution 2403R; seconded by Dave Liggett; motion carried.

Jeff Sell moved; seconded by Dave Liggett to approve Resolution # 2404R; motion carried.

Jeff Sell moved; seconded by Lon Sibley to approve Resolution 2405R; motion carried.

Jeff Sell moved to draw at least the minimum required 1st draw for $50,001.00; seconded by David Picchioni; motion carried.

Dave Liggett moved; seconded by Jeff Sell to approve the PH IIC loan advance on April 25; motion carried.

PHASE V-HOBSON-STATUS: Bob Church noted he had prepared a potential route map to Hobson should that continue forward. We need to send them a letter telling them that we need to know what the future plans are and perhaps put some kind of deadline on their decision whether to move forward. Their engineer verbally indicated they are planning to be a part of this system.

RD-SHELBY WELCH: Shelby asked to receive a copy of the 2022 Audit. Monty Sealey will send her one. She also asked for a Quarterly Report for the Roundup side of the regional

water project. Bob Church state we have funding predictions for additional funds. He also said we have revenue forecasts for PH II.

BOR-GREG KRUZICH: Greg said they are still waiting on FY24 BIL funding announcements. He hopes they will be available by late April

MT DNRC-RICK DUNCAN: Rick wanted clarification about PH IV SRF Loan. Bob Church said we have it set up. There is also $5.448 million from ARPA and regular DNRC funds arranged and under contract.

Rick also introduced the new DNRC hire Nina Denny. She has just started working and is on remotely.

The meeting was adjourned.

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Monty L. Sealey Project Administrator Date