CENTRAL MT REGIONAL WATER AUTHORITY
July 10, 2024
Harlowton, MT 59072
MINUTES

WELCOME AND INTRODUCTIONS: Chairman Kalitowski welcomed all to meeting and asked everyone to introduce themselves.

IN ATTENDANCE: Jim Kalitowski, Chairman; Jeff Sell, Harlowton; Allen Davis, Ryegate, Laura Larocco, Ryegate; Sam Klepzig, O&M Manager; Monty Sealey, Project & Mgmt Services; Dave Liggett, Sec./Treasurer; Dave Picchioni (By Proxy) Lon Sibley, Roundup; Connie Roussan, Melstone (By Proxy); Dave Shreeve, Middle Musselshell; Jesse Novak, Great West Engineering; Amy Deitchler, Great West Engineering; On-Line-Sandie Koenig, MT DEQ; Shelby Welch, RD; Rick Duncan, MT DNRC; Nina Denny, MT DNRC; Dan Baum, Great West Engineering; Debbie Willumson ?;Greg Kruzich, BOR.

TREASURER'S REPORT AND CURRENT BILLS: Dave Liggett reported a beginning bank balance at 1st Security o($390,531) with deposits o$558,573 for a subtotal o$168,042. Invoices totaled $1,104,704 for an ending bank balance o($(936,662)

Liggett reported a beginning bank balance at Stockman Bank o($2,411,8710) with deposits o$3,112,092 for a subtotal o$700,221. Invoices presented for payment totaled ($2,979,164) with an ending balance o($2,278,943).

Dave Liggett also noted cancellation otwo checks on Stockman Bank : Ch 2350 for $5,485.73 and check 2346 for $543,087,17. Checks in those same amounts were issued from the 1st Security Bank account.

Bills presented for payment included: Great West Engineering Inv. 32773 for $148,494.54; Great West Engin. Inv. 32776 for $7,824.70; Great West Eng Inv 32772 for $2,138.09; Great West Eng Inv 32771 for $46,862.87; Great West Eng Inv 32775 for $6,755.73; Great West Eng Inv 32777 for $4,379.82; Big Horn Public Affairs for $2,500.00; Smart Sights for $1,400.00; Key Insurance Inv 2024-39 for $2,455.00; Key Insurance Inv 2024-25 for $1,641.25; Proj. & Mgmt Service Inv RW024006 for $2,143.59; Proj & Mgmt Services Inv RW 24006 for $6,825.00; Roundup Record Trib. For $198.00; Dorsey & Whitney Inv 2977607 for $20,000.00; Dorsey & Whitney Inv 3971013 for $20,000.00; C&C Excavation Pay App #14 for $110,838.90; MT Dept oRev 1% Tax for $1,119.58; Fergus Electric Vault Service for $$2,400.00; COP Construction Pay App #11 for $820,194.68; MT Dept oRev 1% Tax for $8,284.79; COP Construction Pay App #8 for $999,764.42; MT Dept oRev 1% Tax for $10,098.63; Hydro-Resources Pay App #6 for $1,836,890.55; MT Dept oRev 1% Tax for $18,554.45; State oMT Easement Inv SUE2400097 for $2,568.00 for a total o $4,084,332.59.

Dave Liggett moved to approve the Treasurer's Report and pay the bills as presented subject to receiving reimbursement funds, seconded by Jeff Sell, motion carried.

Monty Sealey read through the summary of accounts for the O&M; which showed our monthly payment to RD for Bond payment #6 in the amount of $10,597.00; also a $5,000.00 payment on the $100,000 note at 1st Security Bank. The reported ending bank balance was $8,628.74. Jeff Sell moved to approve the O&M Report, seconded by Lon Sibley; motion carried.

Monty Sealey also asked to have $10,000 from our sign up fees in 1st Security Bank be deposited into our O& M Account to help cash flow the next couple months. Lon Sibley moved to okay the deposit; seconded by Allen Davis, motion carried.

It was announced that Roundup had their Water User Agreement signed and would be going through establishing their new water rates in August.

O & M: Sam Klepzig reported the Bac T's were great; The Chlorine is down to .1 ppm. Samples are being provided to DEQ. Sam also reported that Well #3 hasn't been used but if Harlowton keeps increasing their amount of water use we may have to turn on Well #3. This time of year lawn watering increases demand significantly. We will shut Well #2 off if Well #3 is turned on. We do need to get water to Phase II for testing.

Our ads for the new Assistant job should be placed in Roundup, Harlowton, Lewistown, Rural Water and Indeed. Should have more info. at the August meeting. Sam is happy with his job thus far.

PHASE I TO HARLOWTON-STATUS: There is a need for a thermostat in a vault yet to be installed. There is still an outstanding claim for the Final which should be resolved shortly. There will be another walk-through next month.

PHASE II TO ROUNDUP-IIA, IIB, IIC-STATUS: The pipeline to Rothiemay in PH II A is complete. They are testing valves; fiber is in to the PRV; Work continues on the storage tank-will pour the floor tomorrow.

PH II B has been connected. There is need for water soon to flush the line and finish testing. COP is still putting in fiber and working on the PRV. The power agreement with Fergus for the PRV has been signed and sent back to them.

Most of the pipeline is in for PH II C; they still need to go to the Roundup tank; finish crossing the golf course; the fiber is going in; all vaults are yet to do; finishing up meter pits, etc. We are having to use water from the existing wells for pressure tests, flushing, etc., until the new wells are put into service.

Change Order #3, for COP Construction approved by the CMRWA Board. Dave Liggett moved to approve CO #3, seconded by Lon Sibley, motion carried.

PH IV TO MELSTONE-STATUS: MT DEQ is close to spec approval. The FONSI will be published with the 30 day comment period by the 19th. There is a Pre-construction conference planned for late July with a bid date in early August.

WELL #4 & WELL #5: It was explained that Well #4 had a great show of water quantity but the sulphates were quite high on preliminary field tests. Drilling on well #4 was discontinued approximately 600 feet short of where we originally intended because of water quantity show. The decision was made to move back to Well # 4 from Well $5; re-enter the bore and drill deeper to see if we can acquire lower TDS water. This move will include doing the acid frac job also. It is estimated that change will cost about $700,000. The decision to make that move had to be made, if we were going to continue without paying substantial down time waiting on a decision. It was recommended by our Hydrogeologist, Engineers; with agreement from the Project Administrator.

Lon Sibley made a motion to formally approve the move and continued drilling, seconded by Dave Liggett; motion carried.

It was reported that Well #5 had been drilled to 3,000. The well was acid fracted. So far Brewer has hauled four loads of wastewater away and has two to three more to do. Air lifting water will continue after that.

PHASE III TO LAVINA/BROADVIEW-STATUS: Cultural Resource and other environmental work is done for PH III except through Lavina. The actual route so far has 17 connections. We are working on pipeline easements. Federal funds are in place We are waiting on State Funds. Bids will likely take place next Spring.

PHASE III A-STATUS: We are beginning the environmental reviews and cultural resource review. It will likely be 2026 before final design and bidding.

PHASE III B TO RYEGATE-STATUS: DEQ requested an adjustment to our commitment letter for Ryegate-that our water will meet water quality standards. They are also requesting our estimate of boring needs and costs. Ryegate is working with MT DNRC to secure Emerging Contaminants funds.

MIDDLE MUSSELSHELL WATER DISTRICT: There is no change for Middle Musselshell; just working toward resolving the district issue and wanting good water. They are also talking to MT DNRC about availability of Emerging Contaminants funds.

USDA RURAL DEVELOPMENT-RD: No comments.

BUREAU OF RECLAMATION-BOR: Greg Kruzich reminded o□the need □or □und levels □or the week o□July 22-24 so OMB and BOR can get through the indexing.

MT DEQ: It was asked i□PH III & PH III A environmental letters had been sent to the appropriate agencies. It was also noted the need to provide manuals □or PH and PH III B (?).

MT DNRC: Rick Duncan noted they were about to close out the final 10% holdback □or Administrative □unds (082) and the final $2,500 □rom the one-time-only monies. Those amounts should be posted soon.

Lon Sibley moved to adjourn the meeting, seconded by Allen Davis; motion carried.

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Monty L. Sealey, Project & Mgmt Services Date