CENTRAL MONTANA REGIONAL WATER AUTHORITY
Harlowton, MT 59036
December 18, 2024
MEETING MINUTES

WELCOME AND INTRODUCTIONS

- **CMRWA:** Sam Klepzig, Zach Tomlinson
- **Great West Engineering:** Bob Church, Amy Deitchler, Cheri Anderson, Susan Hayes
- **Shawmut-Deadman's Basin Water District:** Scott Keller
- **Funding Agencies:** Greg Kruzich, Rick Duncan, Shelby Welch, Brenda Hoffman
- **MMCWD:** Tom Hersch, Warren Hanson, David Shreeve
- **MV Colony:** Joe Kleinsasser, Ernie Wipf, Jim Wipf
- **Sunset Colony:** Eli Wipf, George Kleinsasser
- **Harlowton Board Members:** Paul Otten, Jim Kalitowski, Jeff Sell
- **Ryegate Board Member:** Allen Davis
- **Roundup Board Members:** David Picchioni, Lon Sibley, Dave Liggett
- **Stahly:** Matt Smith
- **Innova:** Melissa Carlson

APPROVAL OF MINUTES FROM NOVEMBER 20, 2024

- N/A

TREASURER'S REPORT AND CURRENT BILLS

- Motion to pay the bills when funds are available passed unanimously
- Operations and Maintenance expenses and balances report approved

COP Construction	Pay App #14	PH IIB – Construction (BOR)	$162,136.02	Stock
COP Construction	Pay App #14	PH IIB – Construction (SRF)	$457,605.98	1st Sec
MT Dept of Rev	1% Tax 14	PH IIB – Construction (SRF)	$6,260.02	1st Sec
Great West Eng	Inv 34552	PH IIB – Design (BOR)	$60,214.28	Stock
Great West Eng	Inv 34556	PH IIB – Const. Mgmt (BOR)	$81,478.41	Stock
COP Construction	Pay App #12	PH IIC – Construction (SRF)	$447,517.05	1st Sec
MT Dept of Rev	1% Tax 12	PH IIC – Construction (SRF)	$4,520.37	1st Sec
Great West Eng	Inv 34557	PH III – Aquatic Inv. (BOR)	$4,583.72	Stock
Great West Eng	Inv 34553	PH III – Design (BOR)	$28,295.47	Stock
C&C Excavation	Pay App #2	PH IV – Construction (DNRC)	$1,809,038.88	1st Sec
MT Dept of Rev	1% Tax 2	PH IV – Construction (DNRC)	$18,273.12	1st Sec
Great West Eng	Inv 34550	PH IV – Aquatic Inv. (BOR)	$6,465.08	Stock
Great West Eng	Inv 34549	PH IV – Design(BOR)	$4,090.26	Stock
Great West Eng	Inv 34553	PH IV – Connecting Infra. (BOR)	$21,118.90	Stock
DES	Vault Addr.	Phase IV (BOR)	$90.00	Stock
Bighorn Public Affairs	Inv 1556	Gen Admin	$2,500.00	1st Sec
Bighorn Public Affairs	Inv 1562	Gen Admin	$2,500.00	1st Sec
Mid Rivers		Gen Admin	$57.36	1st Sec
Innova Acct.		Gen Admin	$69.00	1st Sec
Virginia & Sherri Olson	Easement	Phase IIB (BOR)	$7,110.00	Stock

Fergus Electric	Power	Phase IV (BOR)	$112,357.00	Stock
		Total Bills	**$3,236,280.92**	

O & M REPORT – Sam Klepzig report

- Bacteria samples are coming out good.
- Completed services on combo valves on phase 1

AUDIT

- **Review draft report – Melissa Carlson report**
  - Received amended audit on Monday. Two of the finding items have been removed.
  - Response has been drafted including corrective action. Audit with corrective actions will be sent out to Board for review and approval by electronic response.

- **Address findings**
  - Melissa is working with auditor to submit final report with recommended corrective actions

LEGISLATIVE SERVICES UPDATE

- Bob Church report
  - January 16 meeting at the Capital on Regional Water Projects
  - Monty got the contract signed with Chuck.
  - Bob met with Chuck Denowh (CMRWA lobbyist) yesterday.
  - Rick sent Bob the draft contract for $2.2 million for Phase 3 but we need $2.8 million. Will be applying for the remaining $600K in the next biennium.
  - DNRC Funding for $2.3 Million is needed for Phase 3A. That will be applied for in the next biennium.
  - Hobson engineers are going to apply for MCEP money and RD money in the next cycle in 2026. That would mean they will get the money in 2027 and build the project in 2028.
  - Customers for both the CMRWA and Hobson can't be billed if they aren't getting the water.
  - Would be best to build CMRWA's Phase 5 to Hobson simultaneously while Hobson is building their project in 2028
  - Bob recommends we wait 2 years to get apply for the State's funding for Phase 5.
  - Governor's budget has 10 million for rural water projects. Bob feels that getting $2.9M for Phases 3 and 3A should not be a problem after discussing with Chuck.
  - The legislature will need to figure out how the $10M is funded for Regional Water in the next biennium. The regional water sub-trust earnings pay for regional water grants.
  - The subtrust earnings are only about 5 million each year, so legislature's going to have to figure out where that other $5 million is coming from.

- **Bighorn Public Affairs**
  - Federal lobbyist – No comments
  - Board requested that GWE ask for the update and email it to them/get an update for next meeting

PHASE II-TO ROUNDUP-STATUS

- **Liquidated Damages Discussion – Amy Deitchler report**
  - 2A Substantially complete, and operating fine. Small issue at the vault fiber box, which will be addressed. JKL will need to seal all fiber manholes.
  - 2B released all retainage
  - 2C COP is working to be completed. All pipe is in and connected. Both vaults have arrived and installed. Line testing has started. Have not chlorinated yet.
    - Fiber optic is being blown in
    - Pipestone will be onsite Dec 30 to start up control valves

- Water should be turned on Jan 15.
- Additional time expires on Dec 24
- Damages to CMRWA include salary and expenses of the second operator that you don't have revenue to support right now. There is also the lost revenue you would have been getting if Roundup would have been connected.
- Damages up to $1,500/day
- One option is to not assess any damages.
- The other options is: We have no problem showing over $1,500 of any damages between the lost revenue and the additional expenses. You could charge the full $1,500 or some other amount less than that.
- Board needs to decide what damages they want to pursue. Board members feel that something should be done. COP has been a great contractor but some financial penalty needs to happen.
- Board is thinking $1,000/day in damages. If they don't meet the next deadline then will charge $1,500/day after that deadline.
- **Motion** approved to do change order in the amount of $1,000/day damages on COP from Dec 25-Jan 10, after Jan 10 it will be $1,500/day in damages.
- There is a change order to install fences around the Olive tank site. Red Hill PRV Golf course PRV and then the two additional valves that we put in at the Roundup Tank $36,935.96
    - Motion passed to approve the Change Order

PH III TO BROADVIEW-STATUS – Bob Church report

- Working on design
- Geotech done next month
- All easements except two are done
- Design will be done in April and DEQ approval in May
- Cultural report next month
- Sage grouse permit is being worked on
- MDT permit working on
- State easement has been applied for
- Mountain View Colony has contacted Bob about getting water from phase III. The colony is about 9 miles east of Broadview. We are allowed under federal authorization to provide water to anyone inside the planning area but the colony is not in the planning area. Greg K said yes you can provide water to them but no federal participation can happen in infrastructure cost. The colony will need to pay for this and not use federal money. Can not upsize the pump to accommodate them either.
    - Does the board want to use some of the extra water to pick up another customer. Bob doesn't want an answer today as it's unsure if it is technically possible.
    - They asked for 50 gallons a minute but that probably won't happen
    - Need to confirm if the water rights will even allow it
    - Bob will look into the water rights and get back to Board

PHASE III A-TO SHAWMUT/DEADMAN'S BASIN-STATUS Bob Church

- Federal money in hand but no state money
- Will start initial land acquisition, environmental, cultural and design work in 2025

PHASE III B-TO RYEGATE-STATUS Matt Smith

- Small EC grant obtained to start doing engineering
- Exploring route alternatives and rock excavation impacts to design
- Need Geotech, should be done by Christmas
- Will start easements
- Have money for design
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PHASE IV TO MELSTONE-STATUS Amy Deitchler

- **Construction**
- We're getting pipe in the ground. I think they're going to be to Sunset Colony hopefully by the end of the week from the Griffin PRV. It's going well.
- We have a pay application.
- Then they're going to come back to Griffith and start down towards Roundup.
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- **Amendment to Water User's Agreement with Melstone - Bob**
  - Working on amendment to contract. Original service count information was inaccurate, which impacts Town's base rate.

- **Payment to Musselshell County DEQ for vault addresses - $90**
  - Had to get addresses for 3 vaults
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WELLS 4 & 5 SYSTEM CONNECTION-STATUS – Susan Hayes report

  - Fergus Electric Power extension agreements
  - The connecting infrastructure is out to bid.
  - We have DEQ approval.
  - DEQ has the site title opinion. The bid opening for that is January 14th, which is the day before the next board meeting.

- **Fergus Electric Payments Susan Hayes**
  - Fee for Well 4 - $47,912
  - Fee for Well 5 - $64,445
  - Need a new easement with Cody McDonald from U Bet Rd. out to well, #5 for the new underground three phase and what we have done in the past for landowners who are granting power line easements is it's $14,000 a mile and this is about .3 miles of new easement and that is being confirmed with Fergus to make sure I have that distance right, there is an existing easement to Well #4 where the single phase is being upgraded to three phase.

PHASE V TO HOBSON-STATUS Bob Church

- **Schedule Update**
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- **Water Model Update for updated cost estimate**
  - $7 million in funds is the last piece of federal funding for the project
  - Phase 5 had pipeline going to Moore but Moore is out now.
  - Need to do some modeling
  - MM has a proposal for doing the modeling for this
  - Asking board to use some of the left over budget from Phase IV for the modeling to be done
    - Board – Asked if you can move money like that. Bob understands that as long as it's accounted for and is used for the project it's ok.
    - Board is ok to move money to Phase V.
    - Modeling is $64,000
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MIDDLE MUSSELSHELL Matt Smith report

- We're not sure what that project is yet.
- We had to do a re-inventory of all the houses, existing homes out of there because agency conditions won't pay for future houses. That'll just provide water to existing users.

- Updating all maps
- Meeting with Sandy K to see what she wants to pay for the work.
- Would like a letter from CMRWA that they agree to provide water to the District
- **Motion** to sign letter passed

DNRC Rick Duncan

- Rick D – Got an email from MT Association of Conservation District. They are having a meet and great Jan 23 and is looking for sponsorship for the meeting. Location is the Union Club. January 16 at 8:30 am the long range planning committing is holding a meeting.
- Rick D – Got emails for the $2.2 million and it's been approved, looking for final approval now. Unsure on how long that will take.
- Bob – Meet and greet. This is a chance to meet with legislators and it has been sponsored in the past. Bob thinks this should be sponsored again this year.
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BOR Greg Kruzich

- Greg included 7 million in the FY25 billing funding request. It's at commissioners for signature
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UPCOMING MEETING DATES

- **January 15, 2025**
- **February 12, 2025**

OTHER BUSINESS

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CMRWA Monthly Mtg

NAME	ORGANIZATION
Susan Hayes	Great West
Tom Hensel	mmcwd
Warren Hanson	MMCWD
David Shreeve	mmcwd
Joe Kleinsasser	MV Colony
Eli Wipf	Sunset Colony
George Kleinsasser	Sunset Colony
Ernie Wipf	MVC
Paul Otte	Harlo
Tim Wipf	MVC
Allen Dorn	Ryegate
SAM KLEPZIG	CMRWA
David Picchiani	Roundup
Zach Tomlinson	CMRWA
Matt Smith	Stahly
Lon Sibley	Roundup
Dave Ligset	Roundup
Melissa Carlson	Innova, LLC Roundup
Jim Kalitowski	HARLO
Jeff Sell	Harlowton
Amy Deitchler	Great West
Bob Church	Great West
Online Rick Duncan	DNRC
Greg Kruzich	BOR

Scott Keller — Shawmut Deadmans
Brenda Huffman — BOR
Shelby Welch — RD