CENTRAL MT REGIONAL WATER AUTHORITY
Harlowton, MT 59036
January 14, 2026
MEETING MINUTES

WELCOME AND INTRODUCTIONS (Sign In Sheet Attached)

- CMRWA: Monty Sealey, Sam Klepzig,
- Great West Engineering: Susan Hayes, Cheri Anderson, Bob Church
- Shawmut-Deadman's Basin Water District: Scott Keller
- Funding Agencies: Anna Miller, Shelby Welch, Shawna Swanz
- MMCWD: Warren Hansen
- Harlowton Board Members: Paul Otten, Jim Kalitowski, Jack Runner (mayor)
- Ryegate Board Member: Allen Davis
- Roundup Board Members: Lon Sibley, Dave Ligget
- Broadview Board Members: Steve Sorensen
- Stahly: Matt Smith

APPROVAL OF MINUTES FROM December 10, 2025.

- **Motion** to approve the December minutes by Allen, motion seconded by Paul, motion carried

TREASURER'S REPORT AND CURRENT BILLS

- First Security balance -$1,167,187 and deposits of $1,269,232
- We have invoices for that account in the amount of $1,447,277 if they leave us an ending balance of -$1,345,232.
- The Stockman account – beginning balance was a -$752,459, then a deposit of $900,000, leaving a balance of $147,541. For that account, we have invoices totaling $1,050,610, which will leave us an ending balance of -$903,000.
- **Motion** to approve the bills to pay by Dave L., motion seconded by Allen, motion carried.

Invoices					
Vendor	Invoice	Category	Amount	Bank	Funding Source
Great West Engineering	38221	Phase II - Engineering (Const. Mgmt)	$848.00	Stock	BOR - PH IIB
Great West Engineering	38223	Phase III - Engineering (Aquatic/Cultural)	$544.00	1st Sec	RW-22-077A
Great West Engineering	38222	Phase IV - Engineering (Const. & RPR)	$88,882.09	Stock	BOR - PH IV
Great West Engineering	38224	Phase III - Engineering (Const. Mgmt)	$8,732.84	Stock & 1st Sec	BOR - PH III ($2,465.97) & RW-22-077A (6,266.87)
Great West Engineering	38225	Phase IIIA - Engineering (Design)	$24,818.65	Stock	BOR - PH IIIA
C&C Excavation	Pay App 15	Phase IV - Construction (Pipeline)	$1,089,889.64	Stock & 1st Sec	BOR - PH IV ($925,570.01) & RW-24-068 ($164,319.63)
MT Gross Receipts	1% Tax 15	Phase IV - Construction (Pipeline)	$11,008.99	1st Sec	RW-24-086
COP Construction	Pay App 5	Phase IV & Well 5 - Construction	$993,732.89	1st Sec	WRF-24563 ($900,000) & WRF-26602 ($93,732.89)
MT Gross Receipts	1% Tax 5	Phase IV & Well 5 - Construction	$10,037.71	1st Sec	WRF-26602
Innova	1460	Accounting	$866.75	1st Sec	General Admin
Central Drilling	Pay App 1	Well 3 Emergency Replacement - Construction	$249,261.71	1st Sec	WRF-26601
MT Gross Receipts	1% Tax 1	Phase IV - Well 3 Emergency Replacement - Construction	$2,517.80	1st Sec	WRF-26601
Steward Electric	R-1519	PH 3A Easement	$2,400.00	Stock	BOR - PH III
Project & Mgmt Services	RW025012-A	Project Administration	$1,495.79	1st Sec	General Admin
Project & Mgmt Services	RW02512	Project Administration/Coordination	$5,625.00	Stock	BOR - PH III & IV
Townsend Electric	0021984-IN	Well 3 Emergency Replacement - Construction	$4,692.25	1st Sec	WRF-26601
Mid Rivers Communication	8740500	Water Monitoring	$32.35	1st Sec	General Admin
Local Government Services	322301	Audit	$2,500.00	1st Sec	General Admin
		Total Invoices	$2,497,886.46		

O & M REPORT

- Monty Report on O&M Account
  - The Phase 2 bond payment for the $9.4 million will be closed soon.
  - The paperwork for this bond will be set in motion in the next few months and then we're going to have to make a decision on whether we're going tart making payments on July 1, 2026 or wait till January of 2027. We will need to make a decision weighing the difference in interest paid over the life of the loan versus setting aside additional reserves this year..
  - Until loan payments start the excess revenue will be put into reserves to create savings on that end. Bob has had Tanya put together a current list of our expenses and revenues for the last two years on this account so that we can compare that with what expenses we know are coming and then add in this bond payment. This bond payment is going to be like $187,000 every 6 months.
  - **Bob** - We've always known what the debt was going be because we knew what the loan was going to be. So it's more about dialing in what we're actually spending on operations yearly as you continue to add more people to the system. So that's where most of my effort is, looking at what we're actually spending to operate and maintain.
  - **Monty** – Needs a check for $2500 to Department of Admin to avoid a surcharge (listed in the bills)
- Sam – report on operations
  - Bac T's came back good
  - Yesterday I had the Badger meter tech out at Olive because we're having a problem with that meter where it works just great and then it decides to just go down to 0. Trouble shooting was successful.
  - Baker Hughes is there today
    - Well 3 has been running on ESP mode, no safety
    - Now running TWM mode which is pulse with modulators
    - The prime power phase charge timing, where we can't run the well during certain times or we get the $7000 charge (peak demand charge) is working out great. I'm actually going have Mike Neely put in some code to adjust it.
  - Last week we flushed well 4 and 5 from Judith tank. We used probably around 600,000 gallons flushing. I wanted to make sure we got everything out.
  - I've got parts coming for Sunset Colony. It's $45.00 for a spring, the pressure differential just isn't enough for that valve to close, so with the heavier spring it's just going be a mechanical assist, but that'll be uncovered since it's still under warranty.
  - Fencing around red hill and olive tank power drops is needed to keep the cows away
  - Dehumidifiers are being ordered. Jeff Sell will give them at cost, being paid out of project funds
    - Susan: they were included in the design and we will be doing a deduct from the existing contracts since CMRWA is purchasing them directly.
  - We were thinking on putting a manual transfer switch at East Red Hill and 2 other vaults, so we could plug a generator and then it'd run just how it's supposed to. Right now the cost proposal is about $7,000 a piece, but like I said, I don't want to do it yet. I don't think it's quite time.
    - Discussion on generator options and if it's the right option. Susan suggested checking with Mike Brandt as well.
  - Baker Hughes training March 12 at Harlowton Library.

- Well 3 Emergency Work Update
  - Pay app 1
  - Change order – video of the well, reconciliation
  - **Motion** to approve pay application and Change order Allen, motion seconded by Lon, motion carried.

PHASE II-TO ROUNDUP-STATUS

- Complete, have certification documents for Jim to sign
- Closing on the loan for all of Phase II on April 16
  - Resolution at March 11 meeting

PHASE IV TO MELSTONE-STATUS

- Schedule update
- Installing pipe 8 more miles to go
- Water is moving with them
- Should be to Melstone by the end of February if the weather holds
- Contract extension for RW-24-086
  - Need to extend it through July
  - **Motion** to extend contract to July by Allen, motion seconded by Dave L., motion carried.

PH III TO BROADVIEW-STATUS

- Schedule Update
- C&C will not start installing pipe until they reach Melstone (Ph4)
- Pipe is being delivered to the site
- There is an eagle survey on the schedule, WSP will do the survey
- Pre-con will be scheduled soon and will be notified of the date

PH III A-TO SHAWMUT/DEADMAN'S BASIN-STATUS

- Environmental and Cultural Work
- Design Updates
- Working on preliminary design
- Fairly final on the route
- Will send environmental and cultural documents to BOR and DEQ soon
- Hydraulic model is almost done
- DEQ approval by summer and bid in the fall

WELLS 4 & 5 SYSTEM CONNECTION-STATUS

- Schedule update
- COP is close to done with their aspects of the work, waiting on electricians
- Waiting on flow meters that should be there next week
- Step up pads are in Billings now
- CO 3 update – no new costs, just correcting contract total
    - **Motion** to approve Change Order 3 by Dave L., motion seconded by Allen, motion carried.

PHASE III B-TO RYEGATE-STATUS

- Design update (Stahly)
- Adjust connection point
- Got legal description for the north end of the project
- Will be bidding late summer early fall
- **Monty** - When you set those easements up with the landowners, there needs to be agreement with the landowners to allow that to be transferred to us. There also needs to be some language in the easements so that when it's transferred to the Water Authority that the easements are owned by the Water Authority, so it changes who owns the easements. This board does not need to accept some easements that they don't have control over.
- **Bob** - I think the attorney just needs to come up with the language that the easement is transferable. And in this case, since we know it can be assigned and I don't know which legal team term applies, but the easement can be assigned or transferred and in this case we know who it's going to be transferred. Also need a water user agreement with Ryegate.

MIDDLE MUSSELSHELL DISTRICT

- Design update (Stahly)
- Still don't have the site title opinion
- Sent final water main routes
- Moving forward with design
- Have a highway crossing design and permit
- County commissioners are adamant the Middle Musselshell is responsible for getting water to the airport but there is not funding for that.
- Sandie said SRF/EC will pay up to Markings house but not beyond to the airport

PHASE V TO HOBSON-STATUS

- Bob and Monty have reached out to Hobson, no reply as of yet
- No update, Bob will reach out again

BOR

- None

DNRC

- None

RD

- None

LEGISLATIVE SERVICES UPDATE

- None on contract

UPCOMING MEETING DATES

- February 11, 2026 at 1:00pm

OTHER BUSINESS

- Resolution 2601 for putting employees in the PERS system (state retirement system)
    - **Motion** to approve Resolution 2601 by Lon motion seconded by DaveL, motion carried
- For every 500 hookups there should be a voting member. Harlowton should have 2 voting members. Harlowton will need to figure out how the voting should go. The Authority needs to know who are the 2 voters for Harlowton. Harlowton can declare the 2 voters when they come to the meeting.
    - You need a quorum of 5 people
- Jack Runner (Harlowton Mayor) – questions regarding the billing/number of EDUs for Harlowton: Sign a contract for 642 EDUs. We don't have 642 EDUs. That's supposed to be revisited annually and that has to be reported to the Regional Water Authority in terms of when you say annually, is that January 1? Or is that mid-year because of the calendar,
    - Susan: I don't recall what we put in the initial water users agreement for. I would have to look it up in the water users agreement as to when.
    - Discussion on evaluating the actual EDU count, Harlowton to provide their current meter data for calculation of EDUs as that has not been revisited since service began in 2023.

Central Montana Regional Water Authority
January 14, 2026
Harlowton, MT 59072

Name	Address	Representing	E-mail/Telephone
Jim Kalitowski		Harlo	
Dave Liggett		Roundup	
Steve Sorensen		Broadview	
SAM KLEPZIG		CMRWA	
Lon Sibley		Roundup	
ALLEN DAVIS		RYEGATE	
Paul Ottem		Harlowton	
Marty Sealey		Project Mgmt Serv.	

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Name	Address	Representing	E-mail/Telephone
Susan Hayes		GWE	
Shawna Swanz		DNRC	
Cheri Anderson		GWE	
Anna Miller		DNRC	
Scott Keller		Shawnut Deadmans	
Shelby Welch		RD	
Matt Smith		Stahly Eng	
Bob Church		GWE	
Warren Hansen		MMCWD	
Jack Runner		Harlowton Mayor	