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MONTANA FWP

THE **OUTSIDE** IS IN US ALL.

P.O. Box 200701
Helena, MT 59620-0701
406-444-3750
FAX: 406-444-4952
Ref: 106-18
September 11, 2018

Lorette Carter
City of Shelby
112 1st Street South
Shelby, MT 59474

RE: LWCF Grant Application Status
Shelby Swimming Pool Gutter Replacement Project
Pending LWCF # 30-00755

Ms. Carter,

Our most recent correspondence to you on your federal Land and Water Conservation Fund (LWCF) grant application was in late May 2018. I apologize in advance for the length of time of this process. The utilization of these federal funds on Montana outdoor recreational projects does take a lot of time, which does not seem to be decreasing for us as each federal funding allocation occurs.

Your project in the amount of \$55,000 is approved via our internal process and has tentatively been assigned Montana LWCF # 30-00755. We are continuing to work on the submittal of the Montana applications for this grant cycle on the federal side to the National Park Service, for their review and final approval. The new federal procedures are such that there are limited time periods when these can be submitted electronically, combined with the processing phase on the federal side.

Given the information we have available today, we expect the federal approval process to be complete in February 2019. Following the formal approval notification, you will receive a contract document from us for your signature. It is appropriate for you to utilize this commitment letter as documentation to now contact perspective funding partners or pursue additional grant opportunities for your project. We are collectively in the final stages of the federal approval process, but there are no indications things won't proceed as anticipated. Please note however that expenditures on your project in the form of match or anticipated reimbursable costs cannot occur until after the contract is signed, notarized, and returned. Once the contract is in place, you will have a three-year window to complete your project.

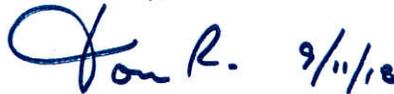
As Montana's designated grant administrator for the federal LWCF outdoor recreation program, it is my responsibility to ensure sponsors understand the obligations and requirements associated with receipt of these federal funds. The boundary area for your project (identified as the 6f

boundary in LWCF program nomenclature), defines where eligible costs for your project can occur. As important, this boundary area defines a property your organization as sponsor agrees to dedicate in perpetuity to public outdoor recreational use as a condition of receipt of the federal funds. This is an important condition of the federal LWCF Program that has existed since its inception in 1965.

Seth and I travelled to Shelby on July 20th to see your project first-hand. We were able to see the pool and the deteriorated perimeter gutters. More importantly, we were able to talk with your staff who maintain the pool facility. The pool improvements will add life to the facility and insure the recreational opportunities associated with it benefit your community for a long time. Once again, I apologize for the process timeline conveyed earlier.

If there are any questions, please feel free to contact Seth McArthur at 444-3753. Thanks for your efforts in supporting outdoor recreation in Montana.

Sincerely,

A handwritten signature in blue ink that reads "Tom R." followed by the date "9/11/18".

Tom Reilly
Assistant Administrator
Montana State Parks



Lorette Carter
Community Development
112 1st Street South
Shelby, MT 59474
(406) 434-5222
(406) 450-4067
Fax: (406) 424-8413
www.shelbymt.com

September 18, 2018

To: Don McNett, Maintenance Supt.

From: Lorette Carter, Community Development Director

Re: Galena Street painting

Don,

Thanks to you and MDT for your great partnership in making sure our shared streets have great crosswalk identification, striping and bike path identification.

The City of Shelby would like to request assistance to stripe the shared-use bike path along Galena Street. When you are ready to paint, please let myself or Loren know and we will make sure the path is swept.

Thank you again,

Lorette

Cc: Gary McDermott, Mayor
Shelby City Council

North Central Montana Regional Water Authority
FULL AUTHORITY ANNUAL MEETING
Marias River Electric (910 Roosevelt Hwy - Shelby, MT)
Conference Call Number: 1-712-775-7035 Participation Code 288230#
September 25, 2018 – 7:00 p.m.

- 1) Approval of Agenda
- 2) Approval of June 26, 2018 Full Authority Meeting Minutes
August 28, 2018 Executive Committee Meeting Minutes
- 3) Public Comment
- 4) Financials & Accounting: Approval of financials and payment of invoices
- 5) Lobbyist Effort Updates and Current Legislation
- 6) Engineering Team Updates
 - a. Shelby/Cut Bank
 - b. Shelby/Conrad
 - c. Shelby/Sweet Grass
 - d. Strategic Planning – Next Segments
 - e. Newsletter
- 7) Acquisition/Transfer of Shelby’s 16-inch Line – Valuation
- 8) Core System Updates
- 9) OM&R Committee Update
- 10) Nominations and Votes for 2017/2018 Executive Committee
 - a. President (Currently Larry Bonderud)
 - b. Vice President (Currently Shaud Schwarzbach)
 - c. Treasurer (Currently Cheryl Curry)
- 11) Other
 - a. Member Entity Reports
 - b. BOR, DNRC DEQ and EPA Reports
 - c. Proposed Next Meeting:
 - Executive Committee Meeting**
Tuesday October 23, 2018 at 10:00 a.m. - AE2S Office – Great Falls
 - Full Authority Meeting**
Tuesday December 18, 2018 at 1:00 p.m. - AE2S Office – Great Falls
 - OMR Committee Meeting**
Tuesday November 27, 2018 at 9:00 a.m. – AE2S Office – Great Falls
 - Coordinating Committee Meeting**
Tuesday November 27, 2018 at 10:00 a.m. – AE2S Office – Great Falls
- 12) Adjournment

**NORTH CENTRAL MONTANA REGIONAL WATER AUTHORITY
FULL AUTHORITY MEETING**

Tuesday, June 26, 2018

Havre, MT

Present:

Larry Bonderud	City of Shelby – Authority Board Chair
Shaud Schwarzbach	Town of Big Sandy – Authority Vice Chair
Cheryl Curry	City of Conrad – Authority Treasurer
Jeff Jensen	City of Havre – Authority Secretary
Mike Wallewein	Oilmont County Water District
Carl Flesch	Tiber County Water District
Gary McDermott	City of Shelby
Jody Hellegaard	Authority – General Manager
Jennifer Patrick	Authority
Tim Uribe	Kadmas, Lee and Jackson (KL&J)
James Slayton	KL&J
Nate Weisenburger	Advanced Engineering and Environmental Services, Inc. (AE2S)

On the Phone:

Greg Kruzich	Bureau of Reclamation (BOR)
Bob Ganter	Yellowstone Strategies
Michael LaValley	Senator Tester’s Office
Drew Lesofski	Yellowstone Strategies
Jade Goroski	City of Shelby
Peggy Lowery	Brady CWSD
Rick Duncan	Department of Natural Resource and Conservation (DNRC)
Robert Smith	City of Cut Bank
Lorette Carter	City of Shelby
Wendy Judisch	City of Conrad
Marc Golz	Department of Environmental Quality

Larry Bonderud called the meeting to order and roll call was conducted with a sign-in sheet.

Minutes: Shaud Schwarzbach made a motion to approve the March 27, 2018 Full Authority Board meeting minutes. Jeff Jensen seconded the motion, and the motion carried unanimously. Shaud Schwarzbach made a motion to approve the April 24, 2018 Executive Committee meeting minutes. Jeff Jensen seconded the motion, and the motion carried unanimously. Shaud Schwarzbach made a motion to approve the May 22, 2018 Executive Committee meeting minutes. Jeff Jensen seconded the motion, and the motion carried unanimously.

Public Comment: There was no public comment.

Financials: The monthly financial report was distributed to the Authority in the meeting packets. Jeff Jensen made a motion to approve the monthly financial report and claims presented for payment. Carl Flesch seconded the motion, and the motion carried unanimously.

Lobbyist Efforts and Current Legislation:

Bob Ganter updated the group that they have been working with Jody and Greg Kruzich on documents to take back to Washington, DC to discuss the project. Drew Lesofski reported that the Energy and He has scheduled a meeting for July 10th tentatively to talk to the committee about the bill and what it means for North Central.

Engineering Team Updates:

Shelby to Conrad: James Slayton showed pictures of the warranty work that needs to happen, but the contractor was waiting for it to dry up. Larry asked if the seeding and weeds was completed. James said the seeding has been completed but the contractor would be back to take care of the weeds.

Shelby North: BNSF, State Land easement, USFWS and MDT easements have been approved. DEQ also has given a conditional approval. James said they met with DEQ two weeks ago to discuss the Shelby well field improvement. A pre-bid meeting is scheduled for July 27 and bid opening July 17th.

Shelby to Oilmont/Nine Mile: An alternative route to Oilmont was presented. Mike Wallewein who is the original property owner is also the property owner in the proposed route. Mike asked to visit with the engineers on the final alignment. James said the surveyors would be onsite in the next couple weeks and they will work with Mike on the realignment of the route to make it easier.

The Authority approached Chester about being an interim water provider. Nate reported they had a meeting in Chester with a few elected officials and had some conversations about peaks and water available, which was 200,000 gpd. Nate said they left the meeting with James Dahlen, the new mayor of Chester, thinking a special meeting with the city council should take place about the interim connection. Jody and the engineering team will schedule that meeting and visit about options.

Tim reported the Engineering Team has been having coordination meetings with the Tribe to work on three key projects. They have looked at previous estimates of the Recycling Pond, Core Pipeline and the Water Treatment Plant Design and have been putting hard numbers to these projects with the collaboration of the Tribe. Tim said both groups were going back to their original numbers and looking at how to get lower or compare. James also recommended to CCCC to have the bid line items detailed so it would allow for more discussion on the costs and quantities.

Core Pipeline Estimates: Looked at construction costs and their numbers were not drastically different. BOR did ask for numbers on non-construction, admin, TERO, etc. to be broke down. Dave Carlson told Tim the estimate has not been approved on the non-construction costs from the Tribe yet.

Tim said they have been working with Dave Carlson on retooling the smaller WTP footprint and looking at precast concrete. Tim thought some of these would be ready to present in the July 24 meeting.

Project Node Map: In order to stay under the 11 mgd and 22 mgd WTP, a project node map was created. Jody said she plans to reach out to Dave Carlson and follow up on the numbers presented by the Core for required water to the Tribe. Jody thought once this issue was ironed out we would meet with Havre City Council.

2019 Utility Budget:

The 2019 Utility Budget was presented in the packets. Cut Bank was lined out at 50,000 gpd in these revenue estimates. Tiber also has a 5% rate increase starting 9/1/2018 on O&M and the water purchase rate. A rate increase from Shelby to Cut Bank ends up to be an increase of approximately \$2/per thousand gallons. Jeff Jensen made a motion to approve the rate increases as proposed in the handout. Shaud Schwarzbach seconded the motion. Motion carried unanimously.

2019 Administration Budget Review:

Jeff Jensen made a motion to approve the 2019 Administrative Budget, General Service Engineering Task Order FY2019 Contract as presented and a \$9,000 as needed O&M Task Order FY2019 as presented in the packet. Shaud Schwarzbach seconded the motion. Motion carried unanimously.

OM&R, DNRC, DEQ, EPA & BOR Reports:

OM&R – Nothing further to report.

DNRC – Rick Duncan said the final payment for FY2018 agreement funds and the amendment extending the FY2019 extension with additional \$200,000 in grant funds has been sent to the Director for approval. Segment W5 amendment to our existing agreement may need to take place. Larry noted if Shelby is having a mid-July meeting more answers might be available after that time. Jody said she will need some clarification from Rick on the match and rebuying the pipe back. Larry also noted to check on current easements with the BNSF on that segment.

BOR – Greg Kruzich reported that he has received the ranking criteria and no major changes in the future on the importance of the project. He said there also has been talks with the Core side about Title 4 versus Title 1 and bidding the project and how they will be spending the 24% of costs from the Authority. Larry asked why we are not being involved in the negotiations because we do not agree and want to be involved in our 24% negotiations. Larry asked Jody to make this request again in writing.

Shaud mentioned that Mr. Whitford commented this was not a jobs project it was a water project and we need to remember that.

Larry asked Greg why we are paying TERO for off reservation projects. Greg said TERO is how they want to apply it and their resolution does say off reservation items can be charged TERO.

Larry requested a motion if the BOR/Tribal Agreement does not reflect the competitive bidding of the balance of the CORE project that the Authority request that our 24% of the Authority share of the Core system be allocated to the Authority for planning, design and construction by the Tribe to be managed through the Authority. Carl Flesch made the motion and Gary McDermott seconded the motion. Motion carried unanimously.

DEQ - Marc Golz said he received extra sheets for W5 and wanted clarification if they were an addendum. Nate said they were pieces missing from his copy and he did have the right plans and the same that Greg received.

Adjournment: Shaud made a motion to adjourn the meeting. Jeff seconded the motion and the motion carried unanimously.

**NORTH CENTRAL MONTANA REGIONAL WATER AUTHORITY
EXECUTIVE COMMITTEE MEETING MINUTES**

Tuesday, August 28, 2018
AE2S Office Conference Room
Great Falls, Montana

Present:

Larry Bonderud	Havre North – Authority Board Chair
Cheryl Curry	City of Conrad – Authority Treasurer
Jeff Jensen	City of Havre – Authority Secretary
Jim Suta	City of Cut Bank – Authority At-Large
Jody Hellegaard	Authority – General Manager
James Slayton	Kadrmass, Lee and Jackson (KL&J)
Tim Uribe	KL&J
Luke LaLiberty	KL&J
Jennifer Patrick	Authority
Nate Weisenburger	Advanced Engineering and Environmental Services, Inc. (AE2S)
Jade Goroski	City of Shelby
Gary McDermott	City of Shelby
Bill Hunt	City of Shelby
Lorette Carter	City of Shelby
Loren Skartved	City of Shelby
Mike Wallewein	Oilmont/Nine Mile Water District
Lisa Kearns	Nine Mile Water District
Anna Miller	DNRC
Marc Golz	Department of Environmental Quality (DEQ)
Greg Kruzich	Bureau of Reclamation (BOR)
Gerald Benock	BOR
Rick Duncan	DNRC

Via Phone:

(None)

Larry Bonderud called the meeting to order, and roll call was conducted with a sign-in sheet.

Agenda: Under Other, Shelby 13th Street Acquisition and Water Line Tap Request Shelby North were added.

Minutes: Cheryl Curry made a motion to approve the July 24, 2018 Full Authority Board meeting minutes. Jim Suta seconded the motion, and the motion carried unanimously.

Financials:

The monthly financial report was distributed to the Authority in the meeting packets. Cheryl made a motion to approve the monthly financial report and claims presented for payment. Jim seconded the motion, and the motion carried unanimously.

Engineering Team Updates:

Shelby South: A landowner had concerns about rutting and those will get fixed by Downing Construction. The wet area that they have been tracking is still wet and hasn't settled but they will continue to monitor and make an assessment.

A leak was detected in the vault in Conrad. KLJ thought the cause was expansive clay that caused the vault to move. The fix, approximately \$1,000, is to install a rubber flange piece that will allow deflection up to 15 degrees.

A leak was detected at the bore in the Tiber-Riverview segment. Going forward after this line a fitting has been installed and is required at the bore on every line. Larry asked why this was and if the bore could rise up. James said he's sure it could, but it should be full of water. Nate thought if the pipe is buried it shouldn't move. Jeff said there is a lot of tension in that pipe and with the temperature swings it has some deflections. James said in general they put an 11 ¼ degree fitting and the pipe has a little more deflection capability. Nate explained that ideally the bore pipe and the PVC pipe are level. Unfortunately, the way the project usually happens is the boring contractor comes in and runs the pipe and the pipeline contract hooks on and continues grade. Jody reported the utility fund took a big hit as these are not warranty work.

Shelby North: James reported there were a couple outstanding easements, but we have verbal confirmation that they will be signed. Steve Wade is working on the site title.

Stewart/Nutter have requested two taps as a requirement of the two easements with a tap, meter and back-flow preventer be installed. Jim Suta made a motion to approve the taps and Oilmont will be the member entity that has those taps and install those taps at the appropriate time. Cheryl seconded the motion, and the motion carried unanimously.

Cartensen Construction contracting was awarded the pipeline construction contract for \$5.9 million. GoPro Construction was awarded the facilities for \$3.9 million after due diligence was completed. GoPro Construction was doing business in Wyoming as Excel Construction. One recommendation with GoPro Construction was a representative needs to be onsite to avoid change orders and a weekly project meeting needs to be scheduled. Larry offered the courthouse weekly to discuss things and keep the change orders down.

Shelby Valuation: Larry directed the engineer team to get with Jade and look at the valuations. Greg Kruzich asked that someone certify that is the same route they would go today. Larry asked the engineering team to also work with Shelby and go over current valuation, easements and environmental. Larry asked them to check that the cost of the FONSI was also added into the valuation.

Core Team Update: The Pond project has started, and they are tracking costs. In the morning meeting this was discussed in great detail.

Also discussed this morning was the Water Treatment Plant and the 11 mgd plant that is being constructed. The Tribe has also voted that they will bid the project. Larry said he still want the Engineering Team to be comparing the project and pricing. Greg said his understanding from

conversations with the Tribe and CCCC is the majority of the project was going to be bid. Jim Suta made a motion to write another letter to request a copy of the new agreement with Bureau and CCCC that explains the bidding process that CCCC will undertake to put in our records. Cheryl Curry seconded the motion, motion carried unanimously. Gerry Benock commented that the Tribe still wants to continue doing pipe.

Chester: On August 8th Jody, Jade, Bill, Nate, James and Mayor McDermott went to the Chester City Council to discuss the interim solution. Nate said that at the time him and Tim went they were talking specifically about selling water on an interim basis with an available amount of 150,000 to 200,000. At this recent meeting though, the group heard completely different comments. The past clerk, who is now on the City Council, doesn't believe they are even members of the Authority. Gary said one of the issues he saw is there is a real disconnect with all of the communities and new members joining and not understanding the previous processes. Jim Suta commented that these entities need to come to the meetings and educate themselves going forward. Bill, attorney for Chester, Sunburst and Shelby, said really the question needs to be answered are they in or are they out. Bill has told Chester and Sunburst it is a conflict for him to represent them since he represents Shelby. Jody would research and send letters to both Chester and Sunburst with their signed documents and timelines. Jody also thought an education process may need to take place at the next Authority meeting. Gary said he has agreed to sit down with Mr. Dahlin and go through the project and some assurances.

The next phase that is being discussed is the Loma and Big Sandy segments.

Jody said there was a Havre Council Meeting on September 4th and they would attend and discuss the project.

Cheryl Curry made a motion to approve the Task Order Amendment #7 deduction. Jeff Jensen seconded the motion, and the motion carried unanimously

Other: The Shelby 13th street acquisition discussion took place during lunch. Mayor McDermott asked if there was an option to negotiate the value of the line during the lunch working meeting. Mayor McDermott felt there is a disconnect because they paid almost \$3.9 million and they are only receiving \$1.3 million back for the line. He also feels the engineers might be in conflict since KLJ represents both entities. Greg Kruzich questioned the group if he was paying engineering outside the scope. Jody stated that some of the costs are unallowable and the board is not arguing anything, but it needs to be brought into a Full Authority Board meeting to discuss. After the lunch discussion, Jody asked Mayor McDermott to give North Central a memo of exactly what the City of Shelby was requesting.

Larry recommended we give the engineers some time to get with Shelby and fine tune some of these costs. Jody asked Mayor McDermott to give North Central a memo of exactly what they are requesting so it can be discussed at the next Authority meeting.

Adjournment: Cheryl made a motion to adjourn the meeting. Jeff seconded the motion and the motion carried unanimously.

**NORTH CENTRAL MONTANA REGIONAL WATER AUTHORITY
WORKING LUNCH MEETING NOTES**

Tuesday, August 28, 2018
AE2S Office Conference Room
Great Falls, Montana

Present:

Larry Bonderud	Havre North – Authority Board Chair
Cheryl Curry	City of Conrad – Authority Treasurer
Jeff Jensen	City of Havre – Authority Secretary
Jim Suta	City of Cut Bank – Authority At-Large
Jody Hellegaard	Authority – General Manager
James Slayton	Kadrmass, Lee and Jackson (KL&J)
Tim Uribe	KL&J
Luke LaLiberty	KL&J
Jennifer Patrick	Authority
Nate Weisenburger	Advanced Engineering and Environmental Services, Inc. (AE2S)
Jade Goroski	City of Shelby
Gary McDermott	City of Shelby
Bill Hunt	City of Shelby
Lorette Carter	City of Shelby
Loren Skartved	City of Shelby
Anna Miller	DNRC
Marc Golz	Department of Environmental Quality (DEQ)
Greg Kruzich	Bureau of Reclamation (BOR)
Gerald Benock	BOR
Rick Duncan	DNRC

(Clarification – these are notes from the working lunch meeting, the meeting was never called to order or adjourned)

Lorette requires a commitment letter for TSEP and needs it by Friday committing to funding for the grant match for Shelby. Anna Miller said she would like to see a budget for that and commitment for the \$750,000. The match is a 1:1. After internal discussions, Rick said they have a pretty good idea of what they have for cash on hand and apply for the entire \$750,000. Lorette said she is waiting on a budget from KLJ. Luke said they are working with a general budget and distributed a probable construction for the \$1.5 million.

There will be some requests Luke said for modifications for TSEP as the project progresses. Anna said these requests don't need to be made just a letter request. Rick asked Jody about the application from the Authority. Jody said she has started a contract between Shelby and the Authority for the application to fit into the scenario. Rick asked if we had an application from the Authority to the State would this show a commitment letter. Rick said the State cannot move without a grant.

Jody asked if a letter could be written on the match for the 13th street. Gary said that would not be correct because he is not using the \$1.3 million as match and would be disingenuous. Jody said she needs more of a budget – Anna said it needs to be the budget that was sent in with the TSEP application.

Gary said in the December city council meeting Dr. Bonderud presented a budget for \$1.6 or \$1.7. Larry said the replacement of well 2, didn't have well 6 testing but beyond the rest of the items in the budget they were all in there. Anna said Jody, Jade and herself need to get together and create a letter from the State and Authority supporting each other on the match by Friday.

Acquisition of 13th Street

Jody sent out the agreement and plan to BOR as a submittal to modify our 2018 agreement to include this critical infrastructure. Greg said a technical evaluation will need to be done and Lindsey Nafts will need to go through her processes for the grant agreements. Gary said on behalf of the City of Shelby he wanted to address the evaluations and values. Gary would like to make a counter proposal. He gave some history on the project being engineered by KLJ and the project entailed the 13th street. Total project was \$5.6 million to the City of Shelby. \$3.9 million was allocated to the City of Shelby's water utility fund and \$1.6 was allocated to the City of Shelby's sewer fund. This project was done in coordination with a Tiger Grant and through the course the engineers certified the value. It went through the audit process and it was agreed up that the \$5.6 million was what it was worth. Gary said it is a very tough sell that the \$5.6 million project is only worth \$1.5 million. Jody said the engineers looked at it as a bid process and costs. Gary offered a suggestion that it was worth \$3 million and would recommend to the council it is worth the \$3 million. He would not like to see it all in cash. \$1.7 million credit against the \$3 million they owe. As part of this Shelby would recognize the \$1.3 million that they tentatively owe and start making payments to that.

Larry B said irregardless of the pipe in the ground and what the engineers say the \$3 million there is a considerable amount of water lines that went into the facilities which is no value to North Central that's were the valuation came from. Larry said as he thinks about it there was a tremendous amount of financing costs when the city did this such as bond and loan costs. Jody said bond council was not allowed. Greg said his hands will be tied because if they were going to build it and route to our other pipeline, they would pay those in the bid. Gary asked if they were so far off that their project was not \$4 million. Jody said there is a loop water line that they would not have bid. 7100 feet goes into the industrial park and 8100 from the point of connection to CHS. 16" water line and multi-module is 12". Jerry asked if the existing route would be the exact route that serves other uses, or would it not have been this route. Gary said the route would be extremely similar. Larry also said it would've been exactly what we would've done for the Tiber tie in. Larry also said there was consultation with KLJ and that it had a future value. Larry said what he thinks the valid date for indexing was when the city accepted and substantial completion date. Tim will look at this date. Greg said we can justify some indexing but must get it through cost price. Gary said the discretionary number is what this board can give towards the \$3 million. Larry asked in the 3 million what is all in there and can we get those numbers.

Total water costs for the multi-mobile facility. 7800 of the 8100 will be taken by the Authority. Larry said we need to look a right-of-way costs and the pricing bid tabs. James said they compared the project with things that were bidding today, and they were coming in very comparable with pipe. Gary wants to dispute that because not every project and piece of pipe is comparable.

Larry said we will look at this proposal and the price and credit. List that as an agenda item for the afternoon meeting. Gary told Jody she would be receiving an immediate cash flow.

Larry said what if the line between the treatment plant and Shelby never comes online or takes quite a bit of time. Gary said if it doesn't work then we need to look at alternatives. Another thing to think about is Nine Mile and Oilmont on the water sales going north gets applied credit as payment on Shelby's system loan.

Loan Forgiveness and prepayment and valuation of the water going north and how it would fit in on the next agenda. Jody recommended the board hear in September and then decide in December.

Rick asked what the intent of the money is to pay off existing water bonds or paying down USDA-RD. But they would work with bond council and Jade on the recommendation.

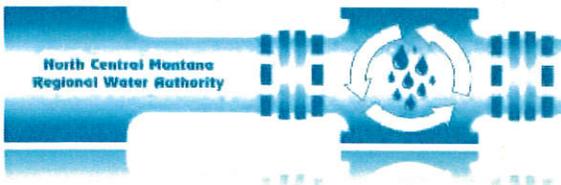
Rick also mention the 2019 indexing and there might be a 1-2% hit on this amount.

Rocky Boy's / North Central Montana Regional Water System

Non-Core System Progress Update

Full Authority Quarterly Meeting

September 25, 2018



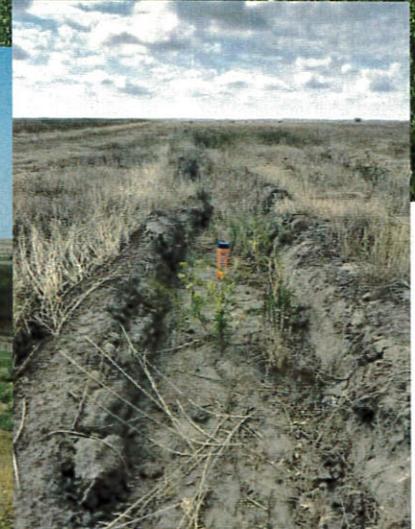
Segment Updates

- Segment W4-B1: Shelby to Conrad
 - Spring Warranty Work
- Segment W5-A1: Shelby to Sweet Grass
 - Site Title Opinion
 - Project Status
 - Valuation of Shelby 16-Inch Line & Easement

Shelby to Conrad

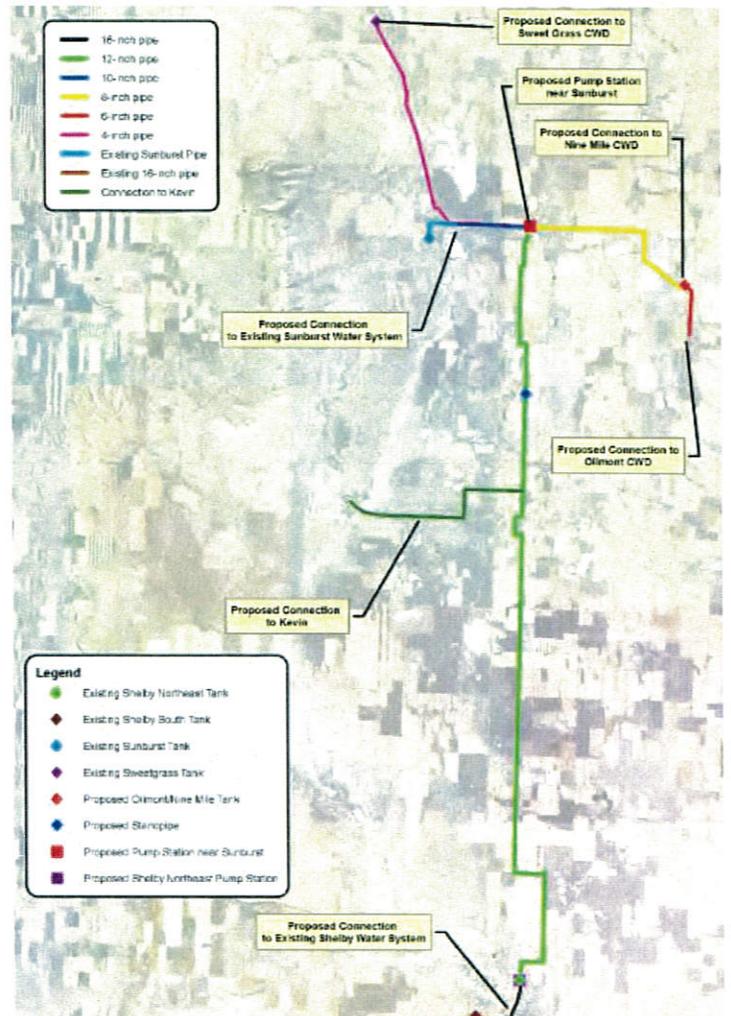
Shelby to Interstate-15

- Post Construction
 - Warranty Work On Going –
Weed Control



Shelby to Sweet Grass

- **Easements/Land**
 - Site Title - BKBH
- **Project Status**
 - Project Bid July 23rd
 - NOA Sent to Go Pro Construction for Facilities - \$3.9M
 - NOA Sent to Carstensen Contracting for Pipeline Services - \$5.9M
 - Schedule
 - Pre-Construction Meeting



Shelby Valuation

- Shelby 13th Street Water Line Transfer
 - 13th Street Summary Letter
 - SHPO Letter
 - Shelby FONSI
 - TIGER DEQ Approval Letter
 - Engineer's Cost Estimates
 - BNSF Crossing Permit



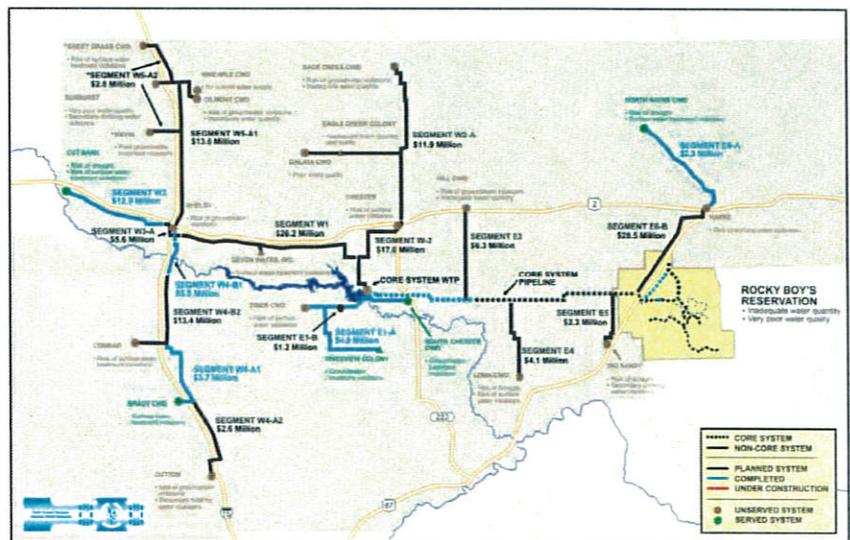
Core Team Coordination

- Recycle Pond
- Water Treatment Plant



Next Phase

- Loma CWD
- Big Sandy
- North Chester
 - Chester Council Meeting August 8th
- Havre Council Meeting Sept. 4



QUESTIONS?



Shelby 16-inch Line Valuation submitted to Reclamation

16-Inch Water Pipeline	2013 Dollars	BOR Index Factors for 2013 to 2018		2018 Dollars	Depreciation Discount on Estimated 50 Year Life	Indexed Cost Basis Net of Deprecation
Construction Costs	\$1,132,904	170.3885	186.505	\$1,240,062	\$95,071	\$1,144,991
Non-Contract Costs						
Survey	\$11,329	170.3885	186.505	\$12,401	\$951	\$11,450
Design & Bidding	\$101,961	170.3885	186.505	\$111,605	\$8,556	\$103,049
Environmental	\$22,658	170.3885	186.505	\$24,801	\$1,901	\$22,900
Construction Engineering	\$90,632	170.3885	186.505	\$99,205	\$7,606	\$91,599
Total Non-Contract Costs	\$226,580	170.3885	186.505	\$248,012	\$19,014	\$228,998
Total	\$1,359,484	170.3885	186.505	\$1,488,074	\$114,085	\$1,373,989

Depreciation is based on 12/01/2014 substantial completion date. (46 months @ \$2480/month)

Engineer's Construction Estimate
Port of Northern Montana Multimodal Hub
Estimated Water Main Cost 16" C905 (South Tank to Hwy 2)
Shelby, MT

Item	Quantity	Unit	Unit Cost	Cost
BNSF RR Water Main Crossing	1	LS	\$ 125,000.00	\$ 125,000
3" Thickness of Asphalt Concrete Pavement Surface Course Grade 58-28	612.9	Ton	\$ 122.00	\$ 74,774
16" DR18 C905 PVC Pipe	7820	LF	\$ 59.50	\$ 465,290
16" x 11 1/4" MJ Bend	8	EA	\$ 1,540.00	\$ 12,320
16" X 22 1/2" MJ Bend	2	EA	\$ 1,540.00	\$ 3,080
16" x 90" MJ Bend	4	EA	\$ 1,820.00	\$ 7,280
16" MJ Tee	6	EA	\$ 2,580.00	\$ 15,480
16" MJ Cross	1	EA	\$ 3,610.00	\$ 3,610
16" MJ Butterfly Valve	12	EA	\$ 542.00	\$ 6,504
Polyurethane Insulation	75	SF	\$ 1.10	\$ 83
Intersection Assembly	10	EA	\$ 9,150.00	\$ 91,500
Fire Hydrant Assembly	4	EA	\$ 4,600.00	\$ 18,400
Temporary Water Supply	1	LS	\$ 3,940.00	\$ 3,940
Abandon Water Main	1	LS	\$ 2,560.00	\$ 2,560
Asphalt Pavement Removal	76	SY	\$ 1.80	\$ 137
16" MJ End Cap	1	EA	\$ 939.00	\$ 939
Abandon Fire Hydrant	1	EA	\$ -	\$ -
Geotextile	51	SY	\$ 0.75	\$ 38
1" Minus Crushed Base Course	32	CY	\$ 24.75	\$ 792
Hydraulic Seeding	6	AC	\$ 1,560.00	\$ 9,360
16" Water Meter Assembly	1	EA	\$ 11,800.00	\$ 11,800
16" Check Valve Assembly	1	EA	\$ 15,900.00	\$ 15,900
16" Water Main Connection	1	EA	\$ 12,400.00	\$ 12,400
16" Spool Piece	1	EA	\$ 2,130.00	\$ 2,130
16" x 45 MJ Bend	2	EA	\$ 1,570.00	\$ 3,140
Clearing and Grubbing	5	AC	\$ 8,500.00	\$ 42,500
Excavation Above Subgrade	50000	CY	\$ 3.00	\$ 150,000
Estimated Construction Cost				\$ 1,078,956
Mobilization	5	%		\$ 53,948
Total Construction Cost				\$ 1,132,904
Survey	1	%		\$ 11,329
Engineering (Design and Bidding)	9	%		\$ 101,961
Environmental	2	%		\$ 22,658
Engineering (Construction)	8	%		\$ 90,632
Estimated Total Project Cost				\$ 1,359,484