



AGENDA
HUNTLEY PROJECT IRRIGATION DISTRICT
ANNUAL BOARD MEETING
Homesteader Hall
March 8, 2023
7:00 p.m.

- I. Call to Order

- II. Introduction of Board and Employees

- III. Election of Commissioners
Division 2 – Ballantine
Division 4 – Hi-Line

- IV. Minutes

- V. Treasurer’s Report

- VI. Manager’s Report

- VII. Scott Aspenlieder/Performance Engineering

- VIII. Adjournment



HUNTLEY PROJECT IRRIGATION DISTRICT
ANNUAL BOARD MEETING
MARCH 8, 2023
7:00 p.m.

The Huntley Project Irrigation District Annual Meeting was held at the Homesteader Hall on March 8, 2023, at 7:00 p.m.

Present at the meeting were: Vice President Justin Hein. Commissioners, Denis Adams, Mark Fox, and John Mahan. Manager, Willy Lookhart, Secretary/Treasurer Sandra Rush, Engineer, Scott Aspenlieder and Employees, Lead – Mark Strobbe, Sky Caufield, Archie Randall, Greg Grice, Kim Duneman & Joe Jones

Justin called the meeting to order at 7:00 p.m., introduced the Board of Commissioners and Staff and thanked everyone for coming.

Election

Justin announced the Election for Ballantine Division 2 and Hi-Line Division 4. The current Commissioners are John Mahan – Division 2 and Justin Hein – Division 5. John and Justin both submitted petitions for their divisions.

As there were no other candidates, Denis called an election acclamation. Denis moved to accept the candidates. Mark Strobbe 2nd the motion. The motion was unanimously passed.

Minutes

Justin asked if everyone had copies of the 2022 Annual Meeting Minutes and if everyone had the chance to review them. No questions or concerns were brought forward. Denis Adams moved to accept the minutes as they were read. John Mahan 2nd the motion. The motion was passed unanimously.



Treasurers Report

Sandra presented the 2022 finance report. She went through cash balances and the interest earned in each account for the year and their ending balances. Sandra stated that monies are budgeted each year out of the assessment dollars to be transferred into several different funds/accounts.

In 2022 we budgeted \$110k to be transferred into the O&M Infrastructure fund. This account is set up to cover project cost of work done on the districts infrastructure, such as the Riverbank Stabilization Project that is scheduled to begin this spring. 75k was budgeted to be transferred into the O&M Construction fund. These funds are used to cover extreme operational costs such as, culverts, headgates and work done on the screens when needed, etc. 14.5k was transferred into the O&E Fund. This fund is set up to cover any operational emergencies that could occur. Totally, there was \$199,500.00 transferred into these accounts out of the assessment dollars in 2022.

Sandra directed everyone to their copies of the 2022 Budget Variance Report to go over the Income & Expenses for the year.

Our Income landed at 38% over the budgeted amount of income to be received in 2022. Sandra went through the expense accounts, giving details on accounts that went over budget. She said the Admin & General account went over budget 14%. This is mainly due to more subscriptions being purchased for various apps being used in the office and out in the field. Sandra explained that this account has many sub accounts included that we are also seeing more expense in. Sandra said they have added an 10k increase to the budgeted amount in this account for 2023. Payroll wages & benefits was increased for 2023 by 15k, however, Sandra said they are in the middle of union negotiations and this amount will be higher than budgeted as the employees are also feeling the effects of cost increase on everything. We will have to revisit our 2023 budget numbers once we see where we land with payroll cost. Operating supplies went over budget. As the cost of chemicals and operation supplies continue to rise, we have increased this account by 7k. Materials was increased by 10k, also due to inflation and the rising cost of materials. Fuel/Oil also went over budget in 2022 due to the rising cost of fuel. We budgeted this account very high for 2023 not knowing how high fuel cost would get. The amount budgeted for the year will be decreased as we have entered our fuel contract with Town & Country and have locked in our rates and are now gaining a clearer view of the true fuel cost will be for the year. The excess monies that will not be used in fuel will be moved to the payroll wage account to assist with pay wage increases and to the Lease Purchase acct to assist with the purchase of newer fleet trucks. Vehicles R&M & Equipment R&M went over as cost for on maintenance items have increased and with the equipment continuing to age, the cost to keep them in working condition is high.

We had some expense in 2022 showing in the System/Project Expenses. These expenses are not budgeted. The expenses incurred in these accounts are reimbursed to the main cash account when needed through the Infrastructure Fund and the Construction Fund. This is the account we use to track cost of projects done throughout our District and the expense on the screens, headgates, etc. This year



we completed the B08 Siphon Rebuild and began the Highline Pump Lift Station project. After the awarded funding gained towards the B08 Siphon, we did not need to transfer any funds to cover the cost of the B08 Siphon rebuild, however, we will be using approx. 75% of the infrastructure funds this year to complete the Riverbank Stabilization Project.

Sandra said that the District received a PL 111-11D Loan from the BOR for the Highline Lift Pump Station project. This loan was acquired at a 1.36% interest rate, on a 40-year term. We will be making our 1st annual payment in May of 2023 towards this loan in the amount of 78k.

The Pryor Creek Siphon investment monies did not do as well this year compared to last year. We showed a loss of -\$83,847.25 in 2022. The balance on 12/31/2022 was \$456,581.15.

Sandra said the Irrigation District continues to work to achieve the most with the tax dollars received each year. Our system is aging, and we face challenges with it daily, but we will continue to do what we can to look for the most economical and cost-efficient ways to keep our operations cost down as much as possible. A lot of work was done in 2022 to improve the system and we will continue with these improvements as we move forward in 2023 starting with the Riverbank Stabilization Project.

Managers' Report

Willy said maintenance season began in 2023 with 180 items on their maintenance list, with a few of these items being carried over from 2022. When this list was put together in 2021, 331 items have been completed as of March 1st this year. The crew has made significant progress in repair work to the system throughout the District. Drains and sink holes are being repaired as they are presented. This is an ongoing issue as the drains will continue to collapse and fail as the tile is aging.

The Riverbank Stabilization project is set to begin this spring, a lot of significant ground was lost above the Huntley Diversion Dam in 2020. The record 500 year flood that occurred last year impacted this loss of ground tremendously. Willy said the search for funding for this project began approx. 4 years ago. Since then, Hpid has been awarded grant funding for this stabilization project. Funding opportunities usually take a couple of years to get awarded and funds to be made available. This is why we try to stay ahead and get project funding applications started years in advance. Willy said Scott will go into more detail regarding this.

The Highline Pump Lift Station Project is almost complete. The question was asked if the pumps were also replaced during this project. Willy explained that this project was to rebuild the housing unit around the pumps. The pumps were not running appropriately because they were not trued up. However, extensive machine work was done to the pumps during this project and the cost of that was included in the loan funds for this project. The pumps impellers, shafts and flanges were all replaced and the parts are also interchangeable which is good. The expense on the pump work done will provide more longevity of the pumps. It also will help us deliver the water the highline more effectively and efficiently.



Newer equipment will be needed, as the current equipment is aging. We are daily having to pull a piece of equipment into the shop for maintenance. The expense to keep these machines in working condition is reflecting in our budget as well. Willy said the crew does all the mechanic work they can do with the tools that are available to them in the shop and commended them for the work they do, but much of the work required on the equipment requires special tools and extreme mechanic work. We will continue to do what we can to keep expense down on these repairs and do what we can in our own shop. Our fleet rucks are also showing their wear & tear and age. We have replaced a couple of the fleet trucks in the past 2 years, but we need to replace at least 2 more this year. We are currently working through that process but reiterated that we are not looking to throw money around and want to find the best possible prices we can find, so we are taking our time with our search for trucks.

Willy thanked everyone for coming and asked if anyone had any questions for him. A community member asked Willy to elaborate a bit on the Riverbank Stabilization Project, Willy asked Scott to go ahead and respond and give more detail about this project and thanked everyone for coming.

Scott Aspenlieder/Performance Engineering

Scott started off responding the question asked regarding the Riverbank Stabilization Project. Scott stated that we started taking note of the eroding occurring on the banks in 2018. In 2019 we began to submit permits, requested funding authorization, bond/loan authorization, and grants through the DNRC but the 2019 legislature did not pass the bonding/loan authorization for the District. At that point, the work that we were looking to do was all on the northside of the river because that is where it was starting to erode and onto the west end of Strecker's property. Back in 2018-2019 we were looking at about a mile of bank stabilization there alongside Strecker's on the northern bank and the cost at that time was roughly \$1.2M, and that amount was based on a few estimates that were given by several different contractors at that time, Donnes, Inc being one of them. With the loan authorization disappeared, the District moved forward and got involved with the Highline Pump Lift Station Project. The District no longer had million dollars in funding available for the stabilization project as well. During this time, Brad Strecker did approx. 60k and about 600ft worth of work on his own western end with Donnes, Inc. They placed a couple weirs and made some other bank stabilization efforts. This did help the river in check but now after the 500-year flood that occurred last year (2022) we saw that the river started to bounce back off the northside, back to the southside of the embankment and down by the diversion, ultimately washing the access road out entirely. It basically tore up about 1300ft of that southern bank. Some of the work that was lost in this was some riprap and old work that was permitted back in the 1970's. The river channel has now changed again. The main channel is starting to come back to the southern side of the riverbank, based off some the work Brad did, we were then concerned that the river would start to migrate around the side channel and the by-pass channel and could potentially by-pass the diversion structure all together, which would be a bad situation all the way around. We can see now that the river has chewed up some of the big gravel bar that was on the southern bank and back to the west and has deposited that gravel bank up in front of the side channel,



that is adjacent to the diversion structure. Now, you have the main channel going over the top of the diversion dam, which is where we want it, However, Scott reiterated, that it tore up that 1300ft or so of bank on the southern end. Now with all the rivers ate up, it is basically an unprotected sheer stretch of bank at this point. We have had to modify this plan once again after the flooding last year and the river changed. All in all, there is about 1200ft on the southern bank that needs to be restabilized and we are proposing roughly 3000ft on the northern bank on Strecker's side, to make sure we pin things in. We put that out to bid in February. The bids came in well over the \$1.2M originally estimated back in 2019. The lowest bid came in at \$2.1M. The cost of making the rock we need has gone up. We are looking at using 35k ton of material for this project. That is over a 1k loads on a side dump truck of rock being hauled in out of Laurel. There is obviously significant cost to haul all of that. The Board rejected these bids due to them being over their budget. At this point, we modified the plan again to get it closer to a \$1.6M range because that is the money available and that is what District can afford do with their restricted funds. The Board wants to get as much footage done as possible with the money the District has available. We are going to do everything we can to the southern bank to protect that access road and the diversion structure. We will be doing as much as we can, working from west to east. Once we hit that \$1.6M dollar mark, that is where it ends. Fortunately for us, the permitting that was done on the southern side back in the 1970's allowed us to be able to do what we need to do under a maintenance permit so we can get started on that side in mid-April. That is not the case however on the northern side. We must go through the section 10 permitting, which means, we will have to buy wetland mitigation credits form the Wetland Mitigation Bank and that alone will cost the District approx. \$85k dollars, because we are theoretically impacting wetlands. This project will have to be done in 2 separate phases. The northern side will not be permitted before high water due to the lengthy requirements of gaining permits. We will do the southern side this spring and the northern side this fall. We should have all the permitting in place through the Corp by that time. We are currently negotiating the easements and access with Brad Strecker. The project was rescoped and sent back out for re-bidding and those bids are due in this Friday. Hopefully the new bids that come in will be closer to our budget of \$1.6M, if not, we will negotiate down to that budget and do as much as we possibly can do with that amount. Out of the 1.6M needed for the project, \$850K of this cost has been awarded to the District through the ARPA funding, NRCS and the DNRC. That leaves the Districts responsible cost around \$750K which made a huge difference on what the District will be able to do to stabilize the river.

Highline Lift Station project is wrapping up. We are working on some ending punch list items with the Contractor. Some concrete work, grading, painting etc. The total cost of this project will roughly be around \$2.2M

The Lower Canal Liner Project Phase 2 is also in the workings. We received a \$125K grant funding from the DNRC that will be used to line about $\frac{3}{4}$ of a mile. This project will move forward this fall, after water season.

Scott spoke briefly on other areas and projects that have been discussed amongst the Board. He said that as of right now the Board is having to prioritize the order of what needs to be addressed. Examples of this include the discharge lines & Kautz Drop. The discharge lines on the Lift Station is another 1.5M



project. Kautz Drop has been looked at for Hydro Power generation. That would generate revenue for the District, but this would cost 2-3M to install. Although we could more than likely gain at least half of the needed funding through grants, it still would be a huge cost on the District, but again, this would generate revenue back to the District.

Scott said, we apply for the 125K Water Smart Grants with each new legislature, and we will continue to apply for these and use the funds for some of the smaller projects that can be done with them, such as lining and piping projects. We try to stay ahead in looking at future projects so we can begin the applications for funding and permitting and have that in place when the time comes to do the work, as this is a timely process and takes up to 2 years to gain all that is necessary before work can begin.

Scott also spoke briefly about the Water Resource Association that the District is members of. He said they work very diligently with the legislatures to get irrigation project funding bills passed. He said the latest work that was done that benefited irrigation districts throughout the State was the \$10M of ARPA funds that was set aside specifically for Irrigation Infrastructure projects. He said initially that funding was set up in a way that we were having to compete with all the water and sewer projects, and they were taking precedence over all the irrigation projects. We fought to have that \$10M set aside specially for irrigation districts only and the bill was passed. This is what opened the funding opportunity towards the Riverbank Stabilization Project that HPID was awarded \$500k. If it was not for this bill fought for by the Water Resource Association, that funding would not have been awarded to us. Scott thanked the Board for renewing their membership with the association and assured everyone that they are in Helena almost weekly, speaking with legislators and working on getting more bills passed and more funding set up for irrigation districts, as they are a core part for Agriculture in the State of Mt.

Other Issues

Denis spoke for a moment regarding the possibility of removing ourselves from the Bureau of Reclamation and becoming privately owned and operated. He said that Congress passed a law a few years ago that allows the BOR Projects like ours to take complete ownership of our District. As of right now, we do not own any of it. The Canal, laterals, ditches, and easements are all owned by the BOR. He said he has been looking into this quite a bit and many of the other local districts have already done this and taken ownership of their irrigation district. We currently owe approx. 85k in construction charges to the BOR. The District can pay off the construction charge balance and separate ourselves from the BOR. The question was asked, why would do that? Denis said the BOR does not assist the District in any way. If nothing else, they cause more work for the District than it's worth with the required reporting to them. They do not assist with any funds to offset any cost the district has. Justin said another issue we are having is as of today, the Utility companies must go through the BOR to gain permits for lines they want to bury in and around our structures when in fact, they should be coming to the Irrigation District to gain those so we can make sure our policies and procedures are followed and we are aware of what is buried and where. Scott said the better question to ask is, why would you want to stay with the BOR.



They do not provide you with any monies, they do not provide you with any technical support, they are not managing the project. All they are doing is adding administrative oversight and cost to the things that we do. Scott said he sees absolutely no benefit in HPID staying with the BOR.

Justin asked if anyone had any more questions or comments for any of the members with HPID, with none being brought forward, Denis motioned to adjourn the meeting. Mark 2nd the motion. Motion carried. The meeting adjourned.

Respectfully submitted by: _____

Sandra Rush, Secretary/Treasurer

_____ Approved by - Cody Kuntz

_____ Title - Board President

_____ Date

Annual Meeting minutes took place on March 8, 2023 @ 7:00 P.M.