



January 11, 2023

Gordon Criswell

Talen Montana on behalf of Portland General Electric Company, Avista Corporation, PacifiCorp, Puget Sound Energy, and Northwestern Energy

PO Box 38

Colstrip, Montana

(Electronically delivered)

RE: Completeness Determination, Water Feasibility Study (§ 75-8-110, MCA, The Coal-Fired Generating Unit Remediation Act, Water Feasibility Study)

Gordon,

The Montana Department of Environmental Quality (DEQ) has reviewed the Water Feasibility Study (Study) submitted by Talen Montana on behalf of the six Colstrip Steam Electric Station power plant owners including Portland General Electric Company, Avista Corporation, PacifiCorp, Puget Sound Energy, and Northwestern Energy. DEQ has determined that the Study is complete as submitted on November 1, 2022, based on the factors outlined in § 75-8-110, MCA:

1. The Study was submitted on November 1, 2022, by Talen Montana on behalf of all of the owners of the Colstrip Steam Electric Station as required in § 75-8-110(1), MCA.
2. The study includes the following information required in § 75-8-110(2), MCA:
 - a. Study Chapter 8 includes discussion of the planning, and commitment to continue planning, with the local government or City of Colstrip (City), to ensure the City is able to access the City's water rights and related infrastructure in the event of closure of the operating Units 3&4 at the Colstrip Steam Electric Station;
 - b. Study Chapters 6 and 7 include discussion of feasible alternatives and their costs for infrastructure reconfiguring and operation and maintenance (O&M) costs for transfer of the current infrastructure access to the City to take over the current infrastructure and O&M for 30-years (based on 2022 dollars);
 - c. Study Chapter 7 (Subsection 7.4) includes recommendations developed by the Colstrip Steam Electric Station owners during the stakeholder consultation process on how the City could meet financial obligations necessary to ensure access to the City's water supply and rights.
3. The Study is also incorporated into the revised Colstrip Steam Electric Station Units 1&2 Remediation Act Plan approved by DEQ September 8, 2020.

DEQ recognizes that the Study's Chapter 8 Planning Section also includes continued commitment by the Colstrip Steam Electric Station owners to work in conjunction with the City toward agreements for infrastructure transition, infrastructure maintenance and reconfiguration, refined cost estimates based on City resources, and responsibility of costs; liability concerns for assuming responsibility for the infrastructure; and additional details on water rights access or updates.

Table 1 and the pdf of emails, attached, includes stakeholder comments DEQ received during review of the Study. DEQ will continue to participate in stakeholder discussions between the Colstrip Steam Electric Station power plant owners and the City.

If you have any questions, please contact me at sarah.seitz@mt.gov or 406-444-6797.

Sincerely,



Sarah Seitz
Environmental Project Officer – Colstrip SES Remediation
Tanks, Brownfields, & Federal Facilities Bureau

Attachments:

Table 1 Stakeholder Comments from December 20, 2022, Local Government Discussion with DEQ
Emailed Stakeholder Comments:

- 1a – Email Comments from Michelle Sullivan, Lawyer for City of Colstrip
- 1b – Email Comments from Doug Whitney, KLJ, Consultant for City of Colstrip
- 1c – Email Comments from Dan Negethon, Citizen/Stakeholder City of Colstrip
- 1d – Email Comments from Jim Atchison, Southeast Development Corporation (SEDC) Exec. Dir.
- 1e – Email Notes from Discussion Meeting from Jack Rosander, Stakeholder City of Colstrip

Cc (electronic):

Katie Morris, Terri Mavencamp – DEQ
Shannon Brown, Neil Dennehy, Eric Petritz, Jennifer Petritz – Talen Energy
Nancy Atwood – Puget Sound Energy
Craig Uddy – Portland General Electric
Mike Barnes – Northwestern Energy
Tom Dempsey, Jason Graham – Avista Corporation
Mike Johanson - PacifiCorp

**Table 1: Stakeholder Comments from December 20, 2022, Local Government Discussion with DEQ
Coal-Fired Generating Unit Remediation Act, Water Feasibility Study (§ 75-8-110 Montana Code Annotated)
Colstrip Water Feasibility Study for the
Colstrip Steam Electric Station, Colstrip, MT
Plan date: October 31, 2022**

Comment #	Water Feasibility Study Area	Comment
Water Feasibility Study Comments – Mayor Williams, City of Colstrip		
1	Financial Cost and Infrastructure Upgrade Concerns	Mayor Williams commented that he feels the Study includes valuable engineering information yet may not address if there are any legal obligations for an industry to maintain the water for a community that has been supported and arose due to that specific industry. Mayor Williams expressed that he would like to see commitment similar to the infrastructure turnover from the US Army Corps of Engineers to the local government at Fort Peck. Mayor Williams would like to see that the water access infrastructure is upgraded, including the pipeline, at the cost and oversight of the Power Plant Owners prior to turning over to the local government, which he believes is similar to what occurred at Fort Peck.
2	Commitment from Power Plant Owners	Mayor Williams commented that although the Study was submitted by all of the Power Plant Owners, there wasn't as much involvement in the discussion and stakeholder meetings by the representatives from many of the Power Plant Owners, other than Talen Montana. Mayor Williams cautioned that the lack of participation might be construed as less commitment for planning and financial discussions with the local government by <i>all</i> of the Power Plant owners. Mayor Williams would like to see the Power Plant Owners reach out to the local government or participate more verbally or through commitment statements in upcoming planning opportunities and welcomes outreach or discussion with all of the Power Plant Owners.
3	Collaboration	Mayor Williams commented that future collaboration is important to the City, and it has been difficult in the past to complete negotiations with respect to the current Raw Water Agreement between Talen Montana and the City of Colstrip. Mayor Williams appreciated the communication during the Water Feasibility Study stakeholder meetings and looks forward to continued communication and easier negotiations.
Water Feasibility Study Comments – Jim Atchison, Southeastern MT Development Corporation (SEMDC)		
4	Continued Planning Necessary	"Colstrip is Changing- Not Closing and thus I and the economic development group (SEMDC) support the continued Planning Process to find solutions for the future Water Supply and Access for the Colstrip Community. SEMDC is certainly concerned about the

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Comment #	Water Feasibility Study Area	Comment
		future Recruitment/ Retention of the small business community as well. While SEMDC is aware that these Current Challenges related to future Affordable and Reliable Water Access, there are a few Options or Opportunities that could be solutions, such as Water Rights, Liability Options, Castle Rock Lake Status and let's not forget about the capped Geothermal Water Well in Colstrip. Let's keep the Planning Process between the City, the Community, the Power Plant Ownership, the MT DEQ and other stakeholders - moving forward." (Jim Atchison, SEMDC). Original comment is attached.
Water Feasibility Study Comments – Commissioner Ed Joiner, Rosebud County Commission		
5	Concerns for Rancher/Ag Water Users	"Rosebud County supports the City of Colstrip as they move forward with the Water Review and the Future Process. Also, the county is concerned about the Ag Community/ ranchers that currently receive water from the pipeline between the river and Colstrip." Original comment is attached.
Water Feasibility Study Comments – Senator Gary Parry		
6	Commitment by Owners to Provide Water to the City and Community	Senator Parry commented that he has talked with the President of Talen and believes there is a commitment to providing water for this community during operations and beyond. He would like to see that commitment from all the owners of the Power Plant.
7	Future of Colstrip	Senator Parry commented that there is a rich and long future for Colstrip and the community as an energy hub as long as there is access to water, water rights, and the water infrastructure. Senator Parry commented that he would like to see all of the water rights transferred to the City to help transition Colstrip and the community into another phase in the event of the Colstrip SES closure, and would like to see more information and commitment in the Study on how to specifically transfer those water rights.
8	Pipeline Condition	Senator Parry also commented on the age and known leak in the pipeline transmission and is concerned that the condition of the pipeline is not sufficiently investigated and should be prior to transfer of infrastructure to another entity.
9	Implied Commitment by the City and City Staff Needs	Senator Parry commented that the Study implies that the City is committed to take over the infrastructure, all of it including the Surge Pond/Castle Rock Lake, when a formal commitment or discussion has not been completed. Senator Parry also noted that the Study may underestimate and does not specify the extra full-time-equivalent (FTE)

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		positions that the City may need to train operators or to monitor and run the water infrastructure. He believes clarity is necessary for the City to understand the work and costs associated with the water delivery system O&M.
10	Commitment to Continue Water Discussions	Senator Parry noted that he would like to see periodic and productive discussions on these issues to continue, and that he would like to have all Power Plant owners included in future discussions.
Water Feasibility Study Comments – Michelle Sullivan & Gary Ryder, City of Colstrip Legal – Summarized with Specific Comments Attached		
11	Water Rights	Ms. Sullivan and Mr. Ryder commented that the water rights review was completed by a water rights expert and has not included a full legal review by a water rights lawyer. They are also commented that the need to address a future change in water rights is noted; however, the Study does not have specifics or a recommended course of action or timeline as to the costs, process, or details on who would assume the water rights or how they would be transferred.
12	Ownership Liability of Infrastructure and Surge Pond (Castle Rock Lake)	Ms. Sullivan and Mr. Ryder commented that they are concerned about liability exposure if the water supply system, including the Surge Pond (Castle Rock Lake/Reservoir) and dam, are conveyed to the City of Colstrip. The City of Colstrip has looked into insurance and liability concerns with the Montana Municipal Interlocal Authority (MMIA) and is concerned with the ability to obtain the appropriate insurance along with the costs to both the City of Colstrip and potentially shared across all MMIA members in Montana.
Water Feasibility Study Comments – Doug Whitney of KLJ, City of Colstrip Consultant – Summarized with Specific Comments Attached		
13	Engineering, O&M, and Cost Concerns	Mr. Whitney noted that it is a good engineering report; however, strongly from the viewpoint of the Power Plant Owners' and with the underlying assumption that the City of Colstrip would obtain all water infrastructure assets without an agreement between the affected parties. Mr. Whitney provided 15 specific comments on the engineering, O&M, and cost concerns associated with the Study. These specific comments have been included as an attachment to this table. The concerns range from specific requests for details on the existing infrastructure to asking for more collaboration and agreements between the City of Colstrip and the Power Plant Owners.

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14	Pipeline Condition Assessment	Mr. Whitney commented that the risk assessment and risk analysis associated with the pipeline, does not include the leak that is near the Power Plant intake after the Surge Pond/Castle Rock Lake or other concerns with pipeline materials.
15	Surge Pond/Castle Rock Lake Management	Mr. Whitney and Mayor Williams both commented that the ownership and management of the Surge Pond (Castel Rock Lake/Reservoir) and the associated dam may be best managed and owned by the State of Montana in cooperation with the City of Colstrip. Both Mr. Whitney and Mayor Williams have noted that the lake has had management of the fish population by MT Fish Wildlife and Parks (FWP) and that the MT Department of Natural Resources and Conservation (DNRC) may be more appropriate of a manager of the reservoir and dam itself. Mr. Whitney and Mayor Williams noted that the Study does not address timeline or financial agreements associated with the Surge Pond/Castle Rock Lake ownership or management in the future.
Water Feasibility Study Comments – Dan Negethon, City of Colstrip Concerned Citizen – Summarized with Specific Comments Attached		
16	Completeness Concerns	Mr. Negethon has stated that the study provides a good analysis of O&M costs for the alternatives retained; however, he does not feel that the Study is complete and does not adequately address all of the issues that have arisen as the Study progressed. Specifically, without the financial planning and cost sharing agreement between the Power Plant Owners and the local government (or state government) complete, Mr. Negethon feels that the study is not complete.
17	Collaborative Concerns	Mr. Negethon noted that the Study was created from the Colstrip Steam Electric Station’s Owners’ point-of-view and that it is one-sided and did not have enough time or consideration for the local government’s point-of-view.
18	Pipeline Condition Concerns	Mr. Negethon commented that he feels t that new pipeline costs should be an upfront portion of the redesign costs. He is also commented about the longevity and continued condition of the existing pipeline infrastructure. Mr. Negethon would like to see a pipeline inspection completed in the near future to understand the condition and longevity of the pipeline systems. Mr. Negethon suggested a different risk assessment method to approach the pipeline condition. One that is more specific to the material, age, and the length of the pipeline since potential risk of corrosion or failure can be related to

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		area of exposure for a pipeline. Mr. Negethon also noted that waiting to assess and upgrade the pipeline in another 40+ years, with inflation estimates, would make that upgrade too expensive and unaffordable.

Seitz, Sarah

From: Michelle Sullivan <Michelle.Sullivan@sullivanmiller.com>
Sent: Tuesday, December 27, 2022 1:28 PM
To: Seitz, Sarah
Cc: Michelle Richards; Pat Zent; Morris, Katie; D Whitney; McKenzie Butcher; Whitaker, Nicholas; John Williams; Gary Ryder; Michelle Sullivan
Subject: [EXTERNAL] Water Feasibility Study - Legal/Liability Comments

Sarah –

Per your request below, below are Gary Ryder’s and my comments on the legal and liability issues with respect to the Colstrip Water Feasibility Study.

WATER RIGHTS

The Colstrip Water Feasibility Study offered a “Water Rights Evaluation” at Section 3.0 of the document. That Section refers to the Memorandum from DMS Natural Resources, LLC, which is attached as Appendix 1 to the Study.

The 29-page Memorandum provided nearly ten pages of general information on rules and regulations pertaining to water rights in Montana. Several more pages discuss the history of the water right that allows the power plants to take water from the Yellowstone. The report also provided recommendations for clarifying current water right ownership and use.

The Memorandum’s discussion of a future change in use or ownership of the water right is contained in the first full paragraph of Page 25 of the Memorandum. That paragraph states that the “timeline and costs of a change can vary greatly,” and that complex changes “can take multiple years to process through the DNRC and can cost hundreds of thousands of dollars in consulting and legal fees.” In short, there are no specifics for a recommended course of action regarding water rights, or a timeline or cost assessment for any such recommendation.

Furthermore, the Memorandum includes the following self-limiting language: “DMS is not an attorney. In this report, DMS provides summaries and strategic recommendations. However, nothing in this memo should be interpreted as legal advice, and recommendations may change based upon legal review and input.” A full legal review of the DMS Memorandum as well as the cost and process for transferring the water right consistent with the recommendations made by Dowl in the Water Feasibility Study (in particular at Section 8.1.2.) should be conducted.

OWNERSHIP LIABILITY ANALYSIS

As referenced in Section 8.1.9. of the Water Feasibility Study, the City of Colstrip is concerned about its liability exposure if ownership and/or operation of the expanded water supply system is transferred to the City. This includes operation of the Castle Rock Lake and the dam, the pipelines, the intake, etc. It would be helpful to have information from the Power Plant owners and operator about their current insurance coverage for claims involving the water system as well as past claim information. Additional information that will be needed is whether MMIA will agree to fully insure Colstrip against losses involving an expanded water system, whether additional coverage may be necessary, or whether Colstrip will be expected to self-insure against any such losses. Alan Hulse with MMIA previously provided comments in an email dated October 24, 2022, wherein he indicated that some of the potential liabilities associated with the water system might be covered under a separate commercial pollution policy. Procuring coverage under any such policy would involve a detailed underwriting process. It is also worth noting that MMIA provides insurance coverage for nearly every municipality in the State, so a large-scale liability could result in an indirect tax against almost all Montana residents.

The most cost-effective and least-risk alternative for the City would be an agreement that the owners indemnify and defend the City against any legacy risk that the City would inherit with the transfer of ownership of the water system assets.

Please let me know if you have any questions on the above remarks.

Thanks,
Michelle

Michelle M. Sullivan
Sullivan Miller Law PLLC
406-403-7066

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From: Seitz, Sarah <Sarah.Seitz@mt.gov>
Sent: Wednesday, December 21, 2022 12:58 PM
To: John Williams <mayor@cityofcolstrip.com>; Daniel Negethon <dcnegethon@gmail.com>
Cc: goodwind1.duane@gmail.com; Treasure County <gryder@rangeweb.net>; Gary Parry <parrygary7@gmail.com>; Jim Atchison <jatchison@semcd.org>; waynedudley217@gmail.com; Michelle Sullivan <Michelle.Sullivan@sullivanmiller.com>; Doug Martens <dmartens@rosebudcountymt.com>; Ed Joiner <ejoiner@rosebudcountymt.com>; Earline n Jack Rosander <earlinenjack@msn.com>; Michelle Richards <cityclerk@cityofcolstrip.com>; Pat Zent <pat.zent@cityofcolstrip.com>; Morris, Katie <Katie.Morris@mt.gov>; Krista Hazel <krista.hazel@cityofcolstrip.com>; D Whitney <dwhitneymic@outlook.com>; McKenzie Butcher <McKenzie.Butcher@kljeng.com>; Whitaker, Nicholas <Nicholas.Whitaker@mt.gov>
Subject: RE: [EXTERNAL] Re: Water Feasibility Study

John,

I agree that it was a good synopsis, and I took a lot of notes. In addition to those notes, We've been revisiting the stakeholder notes from our last Water Feasibility Meeting. Thanks for hosting that and being so open about the Water Feasibility Study and your continued concerns with water issues for the Colstrip and surrounding residents.

Michelle and Gary, please email your concerns on legal or liability issues to DEQ. You can send to me, Katie Morris, and Nicholas Whitaker (all included on this email).

Please feel free to reach out with any other issues or concerns.

Have a good Christmas.

Thanks,
Sarah

Sarah Seitz (she/her) | *Environmental Project Officer*
Contaminated Site Cleanup Bureau
Montana Department of Environmental Quality
Office: 406-444-6797 | sarah.seitz@mt.gov

[DEQ Colstrip Coal Ash Pond Cleanup](#)



Colstrip Water Feasibility Study
December 20, 2022 Review Comments
Doug Whitney

Page

- 17 2.3.2 If the power plant stops pumping, can the leak be isolated and fixed?
- 29 2.4 What is the frequency and cost of these dam inspection? These will be required ever five years once transferred to a public agency (page 54)
- 32 2.4.3 When will the inspection of the intake tower structure and outlet pipe access tunnel take place?
- 33 2.4.5 Did the report estimate and include any additional O&M cost of water treatment as a result of these possibility of algal blooms?
- 54 4.5.3 It would be good to determine how much money, including fish stocking costs, the MT-FWP has invested into Castle Rock Lake over the years.
- 76 6.3.3 No explanation was provided for the increase in life cycle costs.
- 81 7.4 What about the long-term obligations of non-water users, such as the power plant owners?
- 83 Table 7-1 They use Year 1 Remediation Demand of 291 MG a year. On page 38, year 8 through 27 have a demand of 352 MG a year. This would changes the percentage split between the City and the plant owners.
- 86 7.4.1.1 Have the plant owners discussed or considered a capital contribution to reduce this long-term debt retirement cost?
- 7.4.1.3 Have the plant owners discussed or considered a means to provide assistance in long-tern operating costs?
- 7.4.1.4 Transferring ownership to the State, MT-FWP, would eliminate the liability issues the City would otherwise face if they took ownership.

Doesn't Appendix 6 imply a long-term comment of the owners to this recreation facility?

If the ownership of Castle Rock Lake did not transfer, would the plant owners be required to reclaim the lake site to its original condition? What would be the cost of this reclamation, and could this value be used to help with the capital and operating costs? Without ownership transfer, could this reclamation requirement also apply to the raw water lines, river intake, and Nichols pump station?

87 8.1.1 All of the planning is based on transferring assets to the City. I do not believe that this is a foregone conclusion.

The first paragraph discusses the need to negotiate an industrial water rate for future remediation needs. This would also seem to apply to the water needed for the Units 1 and 2 remediation the City is currently discussing.

88 8.1.2 It seems like there are a lot of water rights that are not being discussed and what will happen to these when the plant shuts down. We do not want these rights to be sold to parties outside of Colstrip. We need a mechanism to keep these water rights local so they can be available for future economic development in Colstrip.

89 8.1.5 Taking ownership of Castle Rock Lake will transfer a tremendous amount of liability to the new owner. The City may not want this liability. The City should press the State to take ownership for the possibility of a state park. The MT-FWP has already invested money into this fishery. As a state park, then the state would share the pumping cost associated with evaporation and leakage.

8.1.7 When will the pipeline assessment be completed? This will be needed prior ownership transfer/cost sharing negotiations. Page 58, section 5.2.4, said that this assessment would be included. However, section 8.1.7 seems to non-committal or elusive to this commitment.

PO Box 928, 6640 Browning Drive
Colstrip, MT 59323
December 21, 2022

Mayor John Williams
PO Box 1902
Colstrip, MT 59323

Re: DOWL Colstrip Water Feasibility Study; Follow-Up on 12/20 Meeting

Dear Mayor Williams:

I feel that main theme of yesterday's Stakeholder Meeting could be summarized as "The Feasibility Study was incomplete and was created too one-sided, from the Owners' point of view."

In addition to my comments of 12/10 on the Risk Assessment narrative, I offer the following for our Stakeholders' and DEQ Reviewers' consideration:

The Study provides good analysis of Operations and Maintenance costs of three selected alternatives (descriptions omitted) PMP1, PMP3 and PMP4. However, these costs do not include an Ownership (Replacement) cost component, which is summarized in Table 6-3: "Estimated Pipeline Replacement Cost". The Table 6-3 total is \$83,490,000 (I assume is reported in today's dollars) for replacement of the two pipelines with a smaller 24" line. (Note: This eliminates system redundancy, an important point.) Including this replacement on a projected schedule would provide more realistic, overall system costs. This is difficult as we cannot project an accurate replacement schedule for costing. We could, however, apply our own logic, based on industry "Rule of Thumb" asset life estimates, to this effort to produce a "ballpark" cost.

Given:

The Units 1&2 26" pipeline is about 50 years old. The Units 3&4 34" pipeline is about 40 years old. (Complete descriptions of the designs and manufacturing standards are cited in the Study, Section 2.3.)

Assumptions:

From AWWA paper titled "The Epidemic of Corrosion, Part 1: Examining Pipe Life" by Gregory M. Baird, CFO of AWI Consulting and active member of AWWA, "The general rule of thumb for the life expectancy of water systems' pipes is about 70 years before corrosion creates the need for replacement..." This does not clearly define the type(s) of pipe material(s) and is a generalization. Yet it is worth noting as an estimating guidepost.

Considering the existing pipelines meet the ANSI and API design and standards for coal-tar enamel coated and lined, welded steel pipes and have cathodic protection, the useful life of the pipelines could possibly be extended to (maybe) 100 years. Several coal tar liner and/or exterior coating failure factors which could adversely affect this optimistic asset life estimate are:

- 1) Old age hardening and cracking.
- 2) Raw water particulates abrasion.
- 3) Temperature shift cracking. (Unlikely in this system...but possible.)
- 4) Cathodic protection failure.
- 5) Pipe bedding material abrasion.

Without a thorough pipeline inspection and without comparable pipeline life data to review, let's assume 100 years asset life.

Closing:

Another takeaway from our meeting was an optimistic projection that Units 3&4 could continue operations until year 2035...or beyond. If so, consider groundwater remediation activity lasting until year 2065. This shows that the Units 1&2 pipeline would be about 93 years old and Units 3&4 pipeline about 83 years old. At this point, both pipelines are near (or have surpassed) their useful life and their replacement would be necessary (if not performed earlier).

Using the \$83,490,000 present day cost of replacement, and applying just a 3% annual inflation for another 43 years, the total ends up at about \$288,934,000.

The Feasibility Study is incomplete when it does not address the critical details of financial planning for future raw water supply system operations and ownership. This appears to be a weakness in the Facility Siting and Environmental Impact realms.

Sincerely,

Dan Negethon

John Williams

From: jatchison@semdc.org
Sent: Wednesday, December 28, 2022 11:38 AM
To: John Williams
Cc: Ed Joiner
Subject: Water Meeting Comments - Economic Development

Mayor Williams:

Concerning additional Comments related to the City Water Study as per the meeting held on December 20th, please accept the following comments as Public Comment. While I did mention / provide Comments on December 20th, they may not have been recorded by the City or the MT DEQ, thus the following:

Jim Atchison – Southeastern MT Development (SEMDC):

“Colstrip is Changing – Not Closing and thus I and the economic development group (SEMDC) support the continued Planning Process to find solutions for the future Water Supply and Access for the Colstrip Community. SEMDC is certainly concerned about the future Recruitment / Retention of the small business community as well. While SEMDC is aware that these Current Challenges related to future Affordable and Reliable Water Access, there are a few Options or Opportunities that could be solutions, such as Water Rights, Liability Options, Castle Rock Lake Status and let’s not forget about the capped Geothermal Water Well in Colstrip. Let’s keep the Planning Process between the City, the Community, the Power Plant Ownership, the MT DEQ and other stakeholders - moving forward.”

Ed Joiner – Rosebud County Commissioner:

“Rosebud County supports the City of Colstrip as they move forward with the Water Review and the Future Process. Also, the county is concerned about the Ag Community / ranchers that currently receive water from the pipeline between the river and Colstrip.”

Thanks,
Jim Atchison
SEMDC

CITY OF COLSTRIP
Water Feasibility Meeting

12/20/22

Attendees: Mayor John Williams, Gary Parry, Dan Negethon, Doug Whitney, Jim Atchison, Pat Zent, Jack Rosander, Michelle Sullivan, Gary Ryder, Sarah Seitz (remote), Ed Joiner (remote)

Sarah Seitz

- Report – Montana Code 75810
- Study needs more planning on Water Rights & Infrastructure
- Need more work from city and power company “Requires more Openness”
- Lowest cost may not be best for the city Example: Drilling water wells
- Recap “Completeness of Review” 1st week in January – Will be posted on DEQ Website essentially as a letter

Dan Negethon

- Concerns with Risk Assessment on pipeline from the river. Dan spoke to all the items from his memo, especially portion on scoring values in Risk Assessment

Gary Parry

- Additional Legislation needed to protect the City of Colstrip

Doug Whitney

- Report is written from owner’s viewpoint – State of Montana has vested interest in the Lake – Water right transfers and all rights not covered

Jim Atchison

- Reinforces that economically #1 Community concern is water
- 8 – 9 water projects at \$10 million
- Needed for recruitment and attraction to the City of Colstrip
- Attraction of Castle Rock Lake by others visiting and using the Lake

Gary Parry

- Spoke with President of Talen Energy, Dale ----, Company plans to be here well into the 2030’s
- Pipeline could be 70-80 years old when they completely shut down
- City needs all 69 water rights
- Colstrip will be an Energy Hub as per Talen
- Need more detailed attention to number of additional city employees
- Planning needs to continue with “so many potential issues”

Michelle Sullivan

- Need more attorney involvement in Risk Assessment
- Water Rights issues
- Gary P. concurs

Mayor John

- Preface of Bill “Legal obligation”
- Castle Rock Lake – value of lake to state of Montana
- Historically MPC looked hard at Town of Fort Peck incorporation, etc. and what Corp of Engineers did to update infrastructure prior to turnover
- Discussion about Fort Smith on Yellowtail releases
- Water demands will exceed city water rights, power plant is ignoring increasing those water rights

Doug Whitney

- Need good faith negotiations with plant owners

Jim Atchison SEDMC

- Colstrip changing – Rosebud County support needed
- Ed Joiner wants ranchers and online users utilizing pipeline

Gary Ryder

- Written comments due 3rd of January
- “Liability concerns”

Mayor John

- Closed meeting, Thanking attendees
- January 16, 2023 Colstrip Open house in Helena at Great Northern Hotel
- Continue water meetings

Gary Parry

- Reiterates Talen President Dale, seems totally committed to Colstrip being an Energy Hub
- Remember Water Rights are “Use it or lose it”