



City of Sidney, MT  
Water and Sewer Committee Meeting 9-24-25  
September 24, 2025 12:00 PM  
115 2nd Street SE | Sidney, MT 59270

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The City Council meetings are open to the public attending in person, with masks encouraged when social distancing cannot be accomplished. If the public does not wish to participate in person, they are also invited to participate via a Zoom meeting. You can participate via phone:

Meeting ID: 713 080 5898      Passcode: 4332809      Call: 1-346-248-7799

1. New Business

a. SRF Funding for North Park Water Tower Project Park

Mr. Mayer presented the Water and Sewer Committee with a preliminary plan and drawing for Phase 3 of the North Park Water Tower Replacement Project, which would be the grounds improvements. He stated Interstate Engineering and city staff met with the administrators of the SRF program and reviewed everything in the grounds improvements and what they will allow to be on the SRF Loan, since they are in the business of funding utilities projects. He stated they will be willing to fund via the loan a 1 to 1 match of what was removed, for example if 500 feet of concrete is removed, they will fund the replacement of 500 feet. He stated the high end of improvement costs would be funding an additional \$1,177,968 on the SRF loan, bringing the total to \$8,825,000, which is substantially lower than the \$13,000,000 the city was approved of without having to do a rate increase. Mr. Mayer stated by adding this to the original contract even though it will not be drawn down until 2028 will not affect payments in the mean time, as the City only pays interest on the amount they have drawn down. He stated the one item not on the SRF loan is the building replacement, but they will pay for the tear down and to get the utilities to the building. Clerk/Treasurer Chamberlin stated part of the building would qualify to be funded, but because the entire building would then have to follow all SRF regulations, the cost would increase to likely not offset the portion they are funding, making it more feasible for the water department cash to pay directly the 33% of building replacement.

Clerk/Treasurer Chamberlin stated the plan details are not what is being asked to be approved today, rather just if the City Council agrees that the water department should pay to replace what they damage or have to take out for the tower replacement and pay for it via the SRF loan. She stated the SRF loan payment budgeted for is for a \$10,000,000 loan that is drawn down completely. Clerk/Treasurer did review the parks budget for paying for the remaining of the current plan for phase 3, stating that Interstate was tasked with giving us a plan that is the dream so that we would have something to submit to SRF for the 1 to 1 match. Alderman DiFonzo stated he has issues with allocating that much money out of the parks budget to just one park when

there is need in several parks, but does agree with the water department being responsible for replacing what they remove or tear down, especially the building.

Motion was made to recommend approving increasing the North Park Water Tower Replacement Project SRF Loan to fund the 1 to 1 match of the ground improvements that are damaged or removed during the project.

Motion made by Christensen, Seconded by DiFonzo.

Voting Yea: Buxbaum, Christensen, DiFonzo

#### **b. 200,000 Gallon Tank Relining**

Mr. Bach came before the Water and Sewer Department to give an update on the 200,000 gallon water tank lining project. He stated the project initiated in September 2023 when the contractor was hired to line the water tank to fix leaks, after the tank was filled in November the leaks were still present so they came back in September 2024 to do repairs on the leaks, it was at this time the City Council approved a change order to allow them to do a 3 layered system, the change order equaling the amount of \_\_\_\_ the city had withheld in payment for the leaks still being present. After the new system was installed, there was still leaks present, so they came back again in September 2025. He stated they have removed the liner and foam from 1/3 of the tank and relined. When they refilled the tank last week, there was leaks evident within 24 hours, so they came back and are currently attempting to fix those leaks. He stated they are not confident that at the end there will not be leaks again. He stated they believe the leaks are present higher up than they are working, the water then is going behind the liner and presenting themselves at the bottom of the tank on the outside.

Mr. Bach stated there are several paths moving forward:

1. There are no leaks, the project is complete and closed out.
2. Leaks show in the future when the contractor is no longer on site to repair immediately, we could continue to have them come back next year under warranty, or look at taking legal action.
3. Leaks show immediately, we could let them repair right away but we run into cold weather issues that we had the first year. We could have them come back during appropriate weather next year under warranty, decide to live with the leaks for the remaining life of the tank, or again pursue legal action.

Mr. Bach stated with the 10-year warranty the city could request the contractor to come back every year until there are no leaks, but there is costs associated with doing that not only for filling and emptying the tank, but engineering costs and especially employee time.

Mr. Bach stated with letting the tank go with the leaks for the remaining life of the tank, there is minimal cost as the leaks do not amount to much water at all. He stated the tank is currently undersized should the Anderson Subdivision all connect to city water, and for the summer water usage. Mr. Mayer stated one item on the Water PER that they will be commencing in 2026 will be reviewing the tank size. Clerk/Treasurer Chamberlin asked if the leaks behind the lining could affect the integrity of the tank or its lifespan and Mr. Bach stated ultimately a corrosion expert

would need to say but the purpose of the lining was to extend the life of the tank another 10-20 years. Clerk/Treasurer Chamberlin stated the city does have a USDA Loan for the tank with a balance around \$590,000. Mr. Bach stated that was a 40 year loan that has 19 years remaining. Clerk/Treasurer Chamberlin stated paying off the loan is feasible with the \$7,000,000 in cash in the water department. Mr. Mayer stated a new tank would cost around \$1,500,000 and the City could get an additional SRF loan without having to increase rates with their current bonding capacity.

Mr. Bach stated taking legal action would include going after the contractors bond and is not something they would recommend doing. He stated this likely would lead to litigation that would be costly and take a unknown amount of time and in the end the most the City would gain would be the original contract amount of around \$250,000, with no guarantees the city would get event that.

Mr. Bach stated at this time, they are just wanting to keep the Water and Sewer Committee in the loop. He stated there will likely be a pay application from the contractor at the second meeting in October, at which point it will be requested so send the pay application to the Water and Sewer Committee to review and have final approval at the first meeting of November. He stated this timeline gives a month for the tank to be filled to see if there will be leaks.