

July 14, 2021

City of Missoula Public Works, Missoula Water

Attn: Jeremy Keene & Logan McInnis

Via email: keenej@ci.missoula.mt.us
lmcinnis@ci.missoula.mt.us

Re: City of Missoula – Public Works and Missoula Water – Scope of Services for Water Right Tasks (5/24/21 scope revised)

Dear Jeremy & Logan:

WGM Group, Inc. (WGM) is pleased to provide this scope of services proposal for water right related services. Where possible, schedules and timelines have been included. Phase numbering builds upon previously scoped work for Missoula Water.

SCOPE OF SERVICES

WGM Group will provide the following services:

Phase 01: Miller Creek Area Water Rights

There are conditions of approval on change authorization 76H 30063540 that require submittal of annual measurement records on Miller Creek to identify the amount of water diverted and the amount left instream for mitigation.

Scope:

Miller Creek Irrigation Season Measurements and Reporting - Beginning in April 2021, measurements will be conducted on Miller Creek according to the methodology used in 2020. WGM will subcontract with the Clark Fork Coalition to gather the measurement data.

- The staff gauge located at diversion #1 (referred to as the Lower Baker Ditch or Lost Mine Loop Rd) will be read and the measurement recorded at the beginning of the irrigation season and on a bi-weekly basis throughout the season. The existing rating curve will be used to determine the flow rate at the staff gauge.
- The flumes in any ditches that remain in use, e.g. #3, #4 and/or #6 will be read and recorded on the same days as the staff gauge reading of diversion #1.
- Using the methodology established in 2020, WGM will prepare and submit to DNRC a report of the total volume used for irrigation and the amount that remained in the creek for mitigation over the course of the season.

Deliverables and Schedule:

Miller Creek Measurements and Reporting

- Schedule for conducting measurements likely twice monthly in April-Oct.
- Report on measurements will be prepared and ready for submittal to DNRC in December 2021 or earlier.

Estimated Cost: Total \$4,100

Phase 08: Pre-Application Meetings with DNRC and Strategy for Protecting McKinley Lake Water Right

Scope: WGM and attorney, Ross Miller, will participate with the City in a meeting with the DNRC to explore options for protecting the McKinley Lake water right. Depending upon the outcome of this meeting, WGM Group and Miller will assist the City with developing a strategy moving forward.

Deliverable and Schedule: Prepare for and conduct meeting with DNRC including preparation of agenda items and note taking during the meeting. Prepare meeting minutes and share with stakeholders. Follow-up discussion to develop strategy. May – December 2021.

Estimated Cost: Total \$6,000

Flynn-Lowney Ditch Acquisition Due Diligence Assistance

Scope: WGM Group will continue to provide technical assistance and communications with stakeholders as requested throughout the due diligence phase of the Flynn-Lowney Ditch Acquisition.

Deliverable and Schedule: Weekly meetings with staff and stakeholders, research, and document preparation as requested until the end of the due diligence period.

Estimated Cost: Total \$6,500

Water right applications related to Flynn-Lowney Ditch Acquisition

The following scope and cost estimates are related to the anticipated water right applications that will be required if the City's acquisition of the Flynn-Lowney Ditch is successful. Overall, it is expected that there will be two Change Applications and four Permit Applications needed to accomplish the following goals of the acquisition, though this is subject to change depending upon the outcome of groundwater analysis to be conducted by another vendor:

- Transfer adequate water rights to the HVIC users who wish to continue irrigation practices.
- Transfer the remaining water rights to instream flows to protect the Clark Fork River fishery.

Change Application No. 1 – Add Points of Diversion (PODs), change the Place of Use (POU) for Irrigation, and add a purpose of Mitigation to existing Flynn-Lowney Ditch water rights:

- Add four PODs south of Mullan Road and change POU of existing water rights for the following owners referred to as the South Mullan Owners:
 - 1 for Fred Frey
 - 1 for Susie Miller/Parke Edwards
 - 2 for John Stahl
- Add the purpose of Mitigation for a volume equivalent to the depletions associated with the irrigation from the wells drilled north of Mullan Road for the following owners referred to as the North Mullan Owners:
 - 1 well for Flynn Family Partnership/Colleen McKinley by the airport
 - 2 wells for Maureen Edwards
 - 1 well for Tim Donovan
 - 1 well for Dwayne Garner

*Important Note: WGM anticipates that the Clark Fork Coalition will be conducting the historical use analysis for the Flynn-Lowney Ditch water rights. That analysis will be applicable to Change Application No. 1 so the following scope does NOT include costs associated with this task.

Specific tasks associated with the Change Application will be as follows:

- **Change App Task 1. Prepare and submit variance requests to the DNRC to allow abbreviated pumping tests on the proposed new wells**
This will include consultation with the DNRC on testing procedures such as locations of observation wells relative to production wells and the required pumping duration. Since multiple wells are proposed in a relatively small area, WGM will work with the DNRC to identify the fewest number of production and observation wells that will be required in order to meet the Change Application criteria.
 - Deliverables: Variance Request Memo(s), documentation of DNRC approved testing procedures
 - Estimated Costs: **\$5,688**
- **Change App Task 2. Obtain new POD and irrigation system details from each user**
The Change Application will require details of all of the new PODs and the irrigation systems that will be operated from each of the wells. This will require meetings with each of the South Mullan Road irrigators to document their proposed irrigation systems.
 - Deliverables: Brief narrative descriptions of each irrigation system accompanied by a GIS map/CADD drawing
 - Estimated Costs: **\$1,928**
- **Change App Task 3. DNRC Pre-Application Meeting**
Once the proposed wells and irrigation systems are documented, WGM will be prepared to conduct a Pre-Application meeting with the DNRC. If possible, this meeting could include the 4 permit applications for the North Mullan Owners). Appropriate City staff members will be encouraged to participate in this meeting.
 - Deliverables: Pre-Application meeting checklist and maps as required by the DNRC
 - Estimated Costs: **\$1,858¹**
- **Change App Task 4. Application preparation and submittal**
Any items identified by the DNRC in the Pre-Application meeting will be incorporated into WGM's analysis and the Change Application will be prepared and submitted to City staff for review.
 - Deliverables: Draft application for City review and final application for DNRC submittal
 - Estimated Costs (including DNRC filing fee): **\$4,600**
- **Change App Task 5. Meetings and Project Management**
Costs associated with project management and meetings with City staff are anticipated to be **\$2,384**

Additional information and future work related to Change Application No. 1:

After the change is complete, the water right could be split such that:

- Each of the owners with the added PODs get their POD(s) and the portion of the POU associated with their irrigation.

¹ This cost assumes all 5 applications will be covered under one meeting with the DNRC.

- Each of the mitigation owners would get a water right in their individual names with the POD being the historical location of the Flynn-Lowney Ditch headgate and the POU associated with the reach of the river where the water will effectively mitigate future groundwater depletions.
- This is future work that can be scoped at the appropriate time and would alleviate the City from any potential burden of continuing to be listed as the owner of the portion of the water rights that will continue to be used for irrigation.

Permit Applications for the four North Mullan Owners

It is anticipated that each of the North Mullan owners will need to apply for a new water right permit for their use of groundwater for irrigation. While there will be a high degree of overlap with the content of the individual applications, there will be a need to conduct some level of groundwater testing at each site. The costs below include preparation of four separate permit applications.

- **Permit Apps Task 1. Prepare and submit variance requests to the DNRC to allow shorter duration pumping tests on the proposed new wells.**
Prepare and submit variance requests to the DNRC to allow abbreviated pumping tests on the proposed new wells. This will include consultation with the DNRC on testing procedures such as locations of observation wells relative to production wells and the required pumping duration. Since multiple wells are proposed in a relatively small area, WGM will work with the DNRC to identify the fewest number of production and observation wells that will be required in order to meet the Permit Application criteria.
 - Deliverables: Variance Request Memo(s), documentation of DNRC approved testing procedures
 - Estimated Costs: **\$5,688**
- **Permit Apps Task 2. Obtain new POD and irrigation system details from each user**
The Permit Applications will require details of all of the new PODs and the irrigation systems that will be operated from each of the wells. This will require meetings with each of the South Mullan Road irrigators to document their proposed irrigation systems.
 - Deliverables: Brief narrative descriptions of each irrigation system accompanied by a GIS map/CADD drawing
 - Estimated Costs: **\$1,928**
- *A Pre-Application meeting for the Permit Applications will be necessary, however, WGM anticipates the Permit Applications will be addressed at the same Pre-Application meeting as the Change Applications.*
 - *Deliverables: Pre-Application meeting checklist and maps as required by the DNRC*
 - *Estimated Costs: No additional costs unless the DNRC requires a separate Pre-Application meeting regarding the Permit Applications.*
- **Permit Apps Task 3. Application preparation and submittal**
Any items identified by the DNRC in the Pre-Application meeting will be incorporated into WGM's analysis and the 4 Permit Applications will be prepared and submitted to City staff for review.
 - Deliverables: Draft applications for City review and final applications for DNRC submittal
 - Estimated Costs (including DNRC filing fee): **\$6,218**
- **Permit Apps Task 4. Meetings and Project Management**
Costs associated with project management and meetings with City staff are anticipated to be **\$2,384**

Change Application No. 2 – Temporary Change to Instream Flow completed by Clark Fork Coalition

- The remaining water left after portions of the Flynn-Lowney Ditch water rights have been transferred to the South Mullan and North Mullan Owners will be dedicated to the purpose of Instream Flow.
- A separate change application is required because State law only allows changes to the purpose of Instream Flow to be on a temporary basis and temporary and permanent changes must be requested on separate applications. The term of the authorization can be for up to 10 years and can be renewed an unlimited number of times. However, if a request to renew the terms of the initial authorization is not received in a timely manner, the water right will revert to its original purpose and use.

Task	Staff	Rate	Qty	Cost
Change App Task 1. Variance Requests and Physical Availability Pump Tests				
	Sr Water Resources Spec	\$149	12	\$1,788
	Hydrologist	\$103	20	\$2,060
	Water Resources Spec I	\$92	20	\$1,840
		Task Subtotal	52	\$5,688
Change App Task 2. New POD Location & System Details				
	Sr Water Resources Spec	\$149	8	\$1,192
	Water Resources Spec I	\$92	8	\$736
		Task Subtotal	16	\$1,928
Change App Task 3. DNRC Pre-App Meeting				
	Sr Water Resources Spec	\$149	10	\$1,490
	Water Resources Spec I	\$92	4	\$368
		Task Subtotal	14	\$1,858
Change App Task 4. Application Preparation				
	Sr Water Resources Spec	\$149	16	\$2,384
	Hydrologist	\$103	4	\$412
	Water Resources Spec I	\$92	12	\$1,104
	Application Filing Fee			\$700
		Task Subtotal	32	\$4,600
Change App Task 5. Meetings & Project Management				
	Sr Water Resources Spec	\$149	16	\$2,384
		Task Subtotal	16	\$2,384
Change App Task 6. Historical Use Analysis		CLARK FORK COALITION		
		Change Application No. 1 Total		\$16,458

Task	Staff	Rate	Qty	Cost
Permit Apps Task 1. Variance Requests and Physical Availability Pump Tests				
	Sr Water Resources Spec	\$149	12	\$1,788
	Hydrologist	\$103	20	\$2,060
	Water Resources Spec I	\$92	20	\$1,840
		Task Subtotal	52	\$5,688
Permit Apps Task 2. New POD Location & System Details				
	Sr Water Resources Spec	\$149	8	\$1,192
	Water Resources Spec I	\$92	8	\$736
		Task Subtotal	16	\$1,928
Permit Apps Task 3. Application Preparation				
	Sr Water Resources Spec	\$149	20	\$2,980
	Hydrologist	\$103	10	\$1,030
	Water Resources Spec I	\$92	24	\$2,208
	Application Filing Fee			\$2,400
		Task Subtotal	54	\$8,618
Permit Apps Task 4. Meetings & Project Management				
	Sr Water Resources Spec	\$149	16	\$2,384
		Task Subtotal	16	\$2,384
		Permit Applications Total		\$18,618

ADDITIONAL SERVICES

Services not specifically described in the tasks above are not included in this scope of work.

FEE ESTIMATE

Our fees will be billed on a time and materials basis with a total cost not to exceed the amounts listed below for each task without a supplemental agreement. Fees are valid through December 2021 and may need to be adjusted if the project extends beyond this date. A cost summary is provided below.

Cost Summary	
Miller Creek Area Water Rights	\$4,100
McKinley Lake Water Rights	\$6,000
Flynn-Lowney Due Diligence	\$6,500
Flynn Lowney Water Rights Change Application	\$16,458
Flynn-Lowney Water Right Permit Applications	\$18,618
TOTAL	\$51,676

Thank you for the opportunity to provide these services. If this scope of services proposal is agreeable to you, we will be happy to sign a City of Missoula contract based on this proposed scope. Please contact us at 406.728.4611 if you have any questions about this proposal.

Sincerely,
WGM Group, Inc.

A handwritten signature in blue ink that reads "Kyle Mace". The signature is fluid and cursive, with the first name "Kyle" and last name "Mace" clearly distinguishable.

Kyle Mace
Project Manager