

JOURNAL OF COMMISSION WORK SESSION
January 19, 2010

City Commission Work Session

Mayor Winters presiding

CALL TO ORDER: 5:45 p.m.

ROLL CALL: City Commissioners present: Michael J. Winters, Robert Jones, Bill Bronson, Mary Jolley and Fred Burow. Also present were the City Manager, Acting City Attorney, Directors of Fiscal Services, Park and Recreation, Planning and Community Development, Public Works, the Interim Library Director, Police Chief, Fire Chief and the City Clerk.

1. EPA UPDATE AND UTILITY RATE REVIEW

Acting Public Works Director Dave Dobbs provided a PowerPoint presentation of the 2010 utility rate analysis. Mr. Dobbs reported that the city provides water, sewer, storm drain and fire hydrant services to approximately 18,700 residential properties and 2,300 commercial properties. The city maintains 650+ miles of utility pipes. Mr. Dobbs discussed future capital needs for water main replacements, transmission mains and river crossings, storage tank repairs and additional storage tanks, water plant upgrades, upsizing sewer mains, sewer main lining and the WWTP lift station. Mr. Dobbs reviewed the five year capital improvement program, upcoming projects and projected total capital expense.

Mr. Dobbs reported that the consulting firm of PBS&J was hired to review water rights. The consultants identified the “close-in” water rights and owners. In the future some rights may need to be purchased and will be a major expense. Fiscal Services Director Coleen Balzarini added that city staff is looking at a balanced portfolio taking into consideration contracts with the Bureau of Reclamation, purchasing water rights, as well as water conservation.

Commissioner Burow asked for an explanation regarding giving up water rights a few years ago. Ms. Balzarini responded that the city contracted with Southern Montana to use some of the city’s water reservation. It isn’t a water right at this point. She explained that if it isn’t used, it will not become a proven water right. She emphasized that the city did not give anything away. The city established a fee and agreement to provide water to Southern Montana, similar to the Malting Plant and Montgomery Energy. The city did amend its paper water rights to match the physical water rights.

Mr. Dobbs discussed wastewater funds. He explained when big projects arise, other capital projects have to be delayed or rate increases are requested. Commissioner Jolley commented that it was discussed during prior budgets to increase the sewer fund more than 5%.

Mr. Dobbs reported that the city appealed the WWTP discharge permit due to DEQ misinterpreting the regulations and imposing unfair requirements.

Acting City Attorney Chad Parker updated the Commission regarding the EPA enforcement

action. Malt Europe and Montana Refinery discharge industrial waste that generates H²S gas. Both businesses have been involved with the city to work through the issues to ensure environmental compliance.

Mr. Doyon added that the main concern of the EPA is the concentration of the gas and life safety issues of workers that have to enter manholes. The Commission will be updated as this matter progresses.

Mr. Dobbs reported that staff is recommending 5% increases in water and sewer service rates effective March 1, 2010. He discussed the storm drain projects, and capital needs for upsizing, extensions, permit related expenses and the North Great Falls Master Plan. Staff is recommending no increase this year in storm drain utilities. With the 5% increase in water and sewer service rates, Great Falls would still be the seventh lowest in rates comparing other major cities in the state.

ADJOURN

There being no further discussion, Mayor Winters adjourned the work session of January 19, 2010 at 6:41 p.m.