

**JOURNAL OF COMMISSION WORK SESSIONS**  
**April 18, 2006**

City Commission Work Session

Mayor Stebbins presiding

**CALL TO ORDER:** 5:30 P.M.

**ROLL CALL:** City Commissioners present: Dona Stebbins, Bill Beecher, Sandy Hinz, Diane Jovick-Kuntz and John Rosenbaum. Also present were the City Manager, Assistant City Manager, City Attorney, Directors of Community Development, Planning, Public Works, Fiscal Services, Interim Police Chief, Fire Chief, Interim Park and Recreation Director and the City Clerk.

**1. ENERGY UPDATE.**

Tim Gregori, Southern Montana Electric Generation and Transmission (SME), provided a progress report for the Highwood Generation Plant that included the following topics: securing the site and all necessary rights-of-way; permitting; waste water, raw water and solid waste disposal; the boiler and the addition of wind generation.

Permitting: SME received the draft air quality permit on March 30. The next step was to receive comments until May 1. He explained that the State did an excellent job in the permitting process and was requiring the boiler manufacturer to meet a 90 percent emission control standard. He added that now SME was focusing on the Environmental Impact Statement (EIS). The public hearing for the EIS was set for June 15, 2006.

Mercury: Mr. Gregori explained that raw coal contains 220 pounds of mercury. The Montana Bureau of Environmental Quality was requiring that less than .9 pounds/BTU is emitted from the plant. The remaining mercury, about 22 pounds, would fit inside a McDonald's soft drink cup.

Boiler: Mr. Gregori explained that three international companies responded to the call for bids which were opened on April 11, 2006. The price came within the estimated amount of about \$200,000,000. The bidding companies were concerned with the State's requirement for 90 percent emission control, but the engineers and the manufacturer were working out those issues.

Transmission issues: Mr. Gregori explained that at one point he was concerned about integrating the power with the NorthWestern transmission system. The initial study indicated that some transmission lines would need to be constructed. However, he recently learned that only minor adjustments need to be made which will save the project approximately \$55,000,000.

Wind Generation: Mr. Gregori concluded stating that SME applied for funding for four 1½ megawatt wind generators to be located at the plant.

**Jeff Chaffee** reiterated many of the comments shared by Mr. Gregori. He added however, that activated carbon was added to the boiler specifications.

**Dave Schmidt**, Water Rights Solutions, Inc., explained that the water rights application had been

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reviewed by the Department of Natural Resources. Public comments would be taken with the EIS. He clarified that the plant would use the City's reserve water right and demonstrated through pictures that the amount of water to be used by the plant basically equated to that of a small irrigation ditch. He concluded that after working for years in this field, he could not imagine a detrimental effect on the City's water supply, or water usage down river, caused by the plant.

**Paul Montgomery**, Industrial Permitting, explained the waste water systems. He said that three-fourths of the water used would be evaporated. The remaining 25 percent would be treated by the City's waste water treatment plant and would be subject to all established industrial regulations. He concluded stating that the City's Public Works Department determined that the waste water would meet all the requirements and SME would be receiving a letter from them shortly to that effect.

**Dan March**, reviewed the solid waste system for the plant. He said that the plant would include a mono-fill which is a landfill that holds only one type of waste. He added that while they weren't required to, SME volunteered to comply with the Montana Solid Waste Management Act which reviewed the Solid Waste Plan. The Plan included a ground water analysis and concluded that there would not be any ground water issues.

Commissioner Beecher asked where the power comes from that was used in the United States today. Mr. Gregori replied that 60 percent comes from fossil fuel; 25 percent from hydro-electric sources and 15 percent from geothermal, solar or wind. He added that in the Northwest, 25 percent is fossil fuel; 60 percent from hydro-electric and wind is 12 percent. He explained that wind generation cannot be the base load power source.

Commissioner Hinz asked if the ash was usable. Mr. Gregori showed a sample of an ash block that would be created. He explained that cities have used this material for road base material.

Don Ryan explained that an economic benefit of this plant would include a contribution of approximately \$2.5 million annually to the coal trust.

Red Urquart stated that Malmstrom Air Force Base has had a coal fired plant at the base for years and no one ever mentions it.

## **ADJOURN**

There being no further information for the Commission, Mayor Stebbins adjourned the work session of April 18, 2006, at 6:45 p.m.

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