

JOURNAL OF COMMISSION WORK SESSION
August 15, 2023

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Kelly presiding

CALL TO ORDER: 5:30 PM

CITY COMMISSION MEMBERS PRESENT: Bob Kelly, Susan Wolff, Joe McKenney, Eric Hinebauch and Rick Tryon.

STAFF PRESENT: City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Attorney David Dennis; Finance Director Melissa Kinzler and Grant Administrator Tom Hazen; Public Works Director Chris Gaub, City Engineer Jesse Patton and Senior Civil Engineer Mark Juras; Planning and Community Development Director Brock Cherry; Municipal Court Judge Steve Bolstad and Court Supervisor Morgan Medvec; Park and Recreation Director Steve Herrig; Library Director Susie McIntyre; Fire Chief Jeremy Jones; Police Captain Rob Moccasin; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

Richard Irving, City resident, opined that it would be good for the library, library patrons and taxpayers if the Commission appoints members to the Library Board who are from the outside and not whomever the Library Board recommends. Mr. Irving mentioned that bus passes would be provided to homeless individuals as long as they check in with social services periodically. He suggested that the City make it illegal for homeless individuals to utilize first responders as a taxi service.

Jeni Dodd, City resident, submitted written inquiries, via August 15, 2023 email, pertaining to the consulting firm PGC.

City Manager Greg Doyon introduced Brock Cherry, the new Planning and Community Development Director, and welcomed him and his family to the community.


1. ENERGY CONSULTING CONTRACT.

PowerGas Corporation (PGC) President Jim Morin explained that he has been in the energy business for the last 28 years and started PGC in 2016. PGC is based in Great Falls, has grown significantly and has customers throughout the United States.

Mr. Morin reviewed and discussed the following PowerPoint:

JOURNAL OF COMMISSION WORK SESSION

August 15, 2023



POWERGAS CORPORATION (PGC)
A PRESENTATION TO THE CITY OF GREAT FALLS COMMISSIONER'S WORK SESSION
AUGUST 15, 2023

KEY CONSIDERATIONS REGARDING PGC'S ENERGY INTELLIGENCE SUITE (EIS)
AUTOMATED ENERGY MANAGEMENT PLATFORM AND ADVISORY SERVICES

PowerGas Corporation 1


WHAT WE DO

PowerGas Consulting, a division of PowerGas Corporation (PGC), provides energy management advisory services and automated energy management software that delivers actionable data-driven results. This information will assist in directing decisions to create and sustain energy cost and usage mitigation, reduce associated labor cost, and provide long-term strategic energy value.

PowerGas Corporation 2

What We Provide - Energy Intelligence Suite (EIS)

SaaS Platform for centralized access to utility data across all commodities & location



- Bill Acquisition, Validation, & Variance Reporting
- Invoice/AP Processing & Bill Pay Services
- Disaggregated Usage & Cost Reporting Tools
- Facility Benchmarking & ENERGYSTAR Services
- Weather Normalization Logic
- Greenhouse Gas & Emissions Reporting
- Custom Grouping & Hierarchy Reporting Logic
- Interval Data Automation & Reporting Suite

PowerGas Corporation 3


What We Deliver - Areas of immediate impact, and long-term value

- Centralized access to all energy & utility information in standardized formats
- Reporting filters & groupings for meters, accounts, and facilities
- 30-point invoice audits and alerts based on variations in usage, demand, cost, etc.
- Customized services for RT metering & submetering, tariff research, invoice processing & payment, ENERGY STAR[®] (SEE NOTE), demand response, and more

Accurate data supports effective decision-making

- Simplify the collection of material for management presentation & reports

NOTE: ENERGY STAR CERTIFICATION IS NOT PART OF THIS CONTRACT OFFERING



PowerGas Corporation 4

EIS Users & Primary Stakeholders

- As the energy landscape evolves, a broad set of stakeholders benefit from a complete and standardized data-set
- Dedicated functionality and solutions for a broad base of stakeholders
- Reduce duplicative tasks, and promote alignment across multiple focuses and disciplines

Energy

Robust reporting structures that provide enhanced insights into energy & utility usage, cost disaggregation, facility & operating performance, internal & submetering data, benchmarking, business metric reporting, and more

Accounting

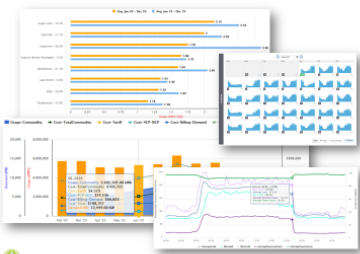
Centralized and up-to-date repository for all invoice data and exportable templates across all utilities, suppliers & regions of commodity. Advanced services include AP Processing and Bill Pay solutions

Sustainability

Whether it's simply benchmarking and ENERGY STAR scoring, or more advanced analysis around emissions and greenhouse gas reporting for ESG initiatives, EIS has solutions for sustainability stakeholders

PowerGas Corporation 5

For Energy & Utility Stakeholders



- Leverage accurate and up-to-date usage & cost data to make decisions, and validate results of projects or initiatives (past or present)
- Create customized groupings of datasets and to better leverage desired performance metrics
- Grant tiered levels of access to team members and stakeholders
- Save reporting formats for easy access and exports in the future

PowerGas Corporation 6

For Accounting Professionals

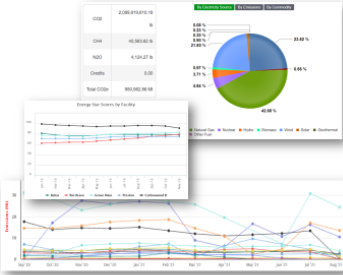
- View and download invoice data and PDF images as new data is made available from your utilities and suppliers; all in one place
- Track expected invoice dates and status
- Customized solutions for AP Processing – delivery of customized file that is matched to your accounting system
- Optional bill payment solutions



PowerGas Corporation 7

For Sustainability Stakeholders

- EIS automatically integrates with EPA to allocate facilities to regional emission datasets by service address
- Measure CO2e and other scope 2 emissions easily – by facility, region, business unit, or corporate wide
- Work with EIS team to create customized emissions profiles that represent renewable purchasing strategies, and automate the entry and collection of other external data sources like ENERGY STAR



PowerGas Corporation 8

JOURNAL OF COMMISSION WORK SESSION

August 15, 2023

EIS Use-Cases: Problems We See & Solve

Stakeholder	Prior to EIS	After EIS
Energy Manager	Accounting doesn't track usage/demand metrics; multiple different systems to access energy information; difficult to standardize invoice information to create actionable insights	All metrics centralized and standardized; single platform for all key usage & cost information from all utilities/suppliers; easy to aggregate, benchmark, and easily leverage current vs. historical data
Accounting	Multiple logins & tasks before even scheduling payment of bill; previous invoices from suppliers/utilities not easily available (and if they are, it's a considerable effort)	Invoices centrally available within 2-4 business days of issuance (depending on method); invoices already sorted by vendor, account, budget, etc.; invoices are delivered coded to general ledger codes and easily integrated into ERP/AP system
Operations/Facility Managers	Invoices & usage data specific to your site(s) are not easily available; being tasked to improve metrics that aren't transparent	Stakeholders have tiered levels of access to all data that is applicable to their role
Enterprise	Corporate budgets are often using delayed data, and lack insight into how growth impacts utility costs (new sites, new divisions, KPIs, etc.)	Standardized data is current, accurate, and available; all reports are fully exportable; API available for communication to internal centralized system(s)



Thank you for your time!

JAMES E. MORIN
PRESIDENT
POWERGAS CORPORATION - GREAT FALLS MONTANA 59404

jmorin@powergascorporation.com
406.761.5100 (o) 406.781.6529 (m)

www.powergascorporation.com



POWERGAS CORPORATION (PGC) A PRESENTATION TO THE CITY OF GREAT FALLS COMMISSIONER'S WORK SESSION AUGUST 15, 2023

APPENDIX

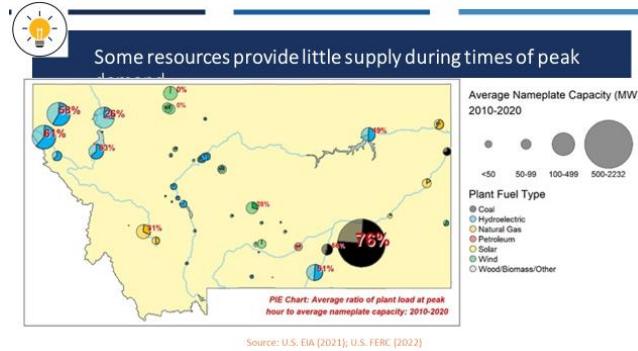
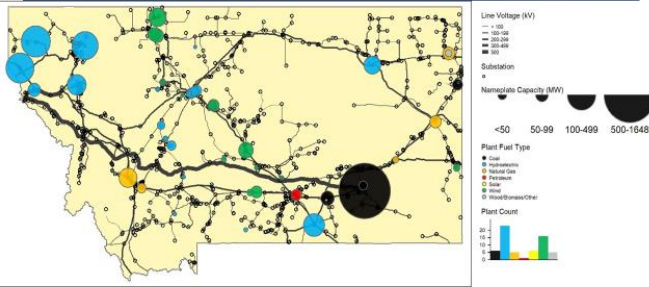


STRATEGIC CONSIDERATIONS

- I. CHANGING REGULATORY ENVIRONMENT – NORTHWESTERN RATE STRUCTURE
- II. TECHNOLOGY THAT MAY APPLY AND ASSIST IN COST MITIGATION
 - AUTOMATED DR RESPONSE – LIMITED TO INTERVAL METERS AND LARGE SF APPLICATIONS
- III. POWER PROCUREMENT – 2024
 - TERM
 - STRUCTURE
 - SOURCE
 - PRICING – Late July pricing: Est. Weighted Average \$105-115; Current Contract Price \$89.95
 - Q423 @ \$105
 - Q124 @ \$105
 - Q224 @ \$75
 - Q324 @ \$100
- IV. TRENDS – Bureau of Business and Economic Research – University of Montana (4 slides)



Montana's Electricity Supply: Generation and Transmission



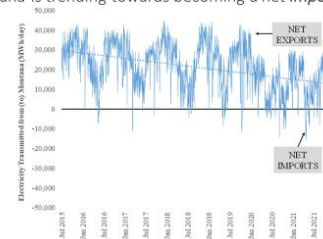
Over 7,000 MW of region's coal-fired generation could retire within next two decades



Planned Retirements of Coal-fired Power Plants

Source: U.S. EIA (2021)

Montana is trending towards becoming a net importer of electricity...



Electricity Sent from (to) Montana

Source: U.S. EIA (2021)



JOURNAL OF COMMISSION WORK SESSION
August 15, 2023

Commissioner Wolff inquired about energy conservation.

Mr. Morin responded that PGC's sustainability report provides data about where the wasteful use of energy is and what is causing it.

Commissioner McKenney inquired about other states being importers of electricity, examples of changing usage and behavior, as well as energy enhancement.

Mr. Morin responded that there needs to be an understanding of where costs are being generated. A large portion of a power bill is not just the energy piece, but also the transport piece. PGC worked with Cushing Terrell to come up with a Master Energy Management Program for a client in Texas and the City could do one as well. Other states are becoming importers of electricity because of the number of coal plants that have shut down. Northwestern Energy has joined the Energy Imbalance Market, which takes areas with surplus energy and transfers it to areas where there are shortages; however, the California Independent System Operator (ISO) manages the flow of electricity. Mr. Morin concluded that he does not see energy costs going down because, working towards a cleaner environment, means more coal plants that have been producing low cost energy for a long time would be shut down.

Commissioner Tryon inquired about importing invoice data into the EIS Automated Energy Management Platform. He added that the platform seems beneficial, but the actual cost would need to be determined.

Mr. Morin responded that the City provides a letter of authorization to Northwestern Energy, which allows PGC to pull invoices from the software. PGC's experience has typically been 3% to 7% annual savings for both hard and soft costs. The amount of labor is significant to analyze and prepare invoices for payment. PGC is licensed with a backroom provider and the EIS platform serves over 350,000 meters every day. The database provides valuable information and becomes more valuable because it provides long-term trends. Mr. Morin added that he would not recommend a long-term power contract because he has lost clients because power prices got too high and the industries could not continue to operate. He concluded that the software would not interfere with the City's system because it is internet based and the data would be imported into the City's system through an application-programing interface (API).

Manager Doyon added that the City has currently retained Mr. Morin's services to assist with the Electric Supply Contract. If the Commission were interested in pursuing a PGC EIS Automated Energy Management Platform and Advisory Services Contract, a cost would be determined. The City does not have the staff, software or expertise to do what PGC does.

2. LEAD SERVICE LINE REPLACEMENT (LSLR) PILOT PROJECT.

Public Works Senior Civil Engineer Mark Juras reviewed and discussed the following PowerPoint:

JOURNAL OF COMMISSION WORK SESSION

August 15, 2023

CITY OF GREAT FALLS LEAD SERVICE LINE REPLACEMENT (LSLR) PILOT PROJECT

August 15, 2023

Mark Juras, PE
Engineering Division - Public Works Department

Goals

- ID objective/scope of pilot project
- Recommend method of participant selection
- Recommend funding sources
- Discuss recommendations and project timeline

OCCGF 13.6.010 "All the expense of laying and maintaining the service pipes from the mains to the consumer's premises must be borne by the consumer."

Why is Public Works considering a LSLR Pilot Project?

LSLR likely mandated by EPA in 2025

- 2024 Lead and Copper Rule Improvements (LCRI)
- Likely more stringent than LCRR

Make use of available funding

- Infrastructure bill - \$28m / year to MT for 5 years
- SRF loan w/60% forgiveness (up to \$2m per project)

Why is Public Works considering a LSLR Pilot Project?

Prudent planning for the future

- Develop templates, agreements, etc.
- Refine process for future projects
- Remove Tier 1 sampling locations

Approximate Totals as of May 2023		
• Non-Lead	14,846	(67.8%)
• Lead	142	(0.6%)
• Galvanized	502	(2.3%)
• *Unknown	6,423	(29.3%)
• Total	21,913	

*Unknown lines are considered as lead until proven otherwise

LSLR Pilot Project

Scope

- Full replacement of 20 known LSLs

\$300,000 budget estimate

- Design - \$70,000
 - Coordination - \$20,000
 - Design & Bidding - \$50,000
- Construction - \$200,000
- Admin & Inspection - \$30,000

Schedule

- Design late 2023
- Bid early 2024
- Build summer 2024

LSLR Pilot Project

Recommended Participant Selection

- 30 tap sampling volunteers
- Highest 20 lead concentrations
- CDBG eligible, grant 40% match
- Non-CDBG, owner 40% match
- If less than 20 volunteers, mail letters, first come first serve basis

Pilot Project Cost Estimate Breakdown

	Cost Estimates			Total Per Home
	SRF Loan Forgiveness (60%)	Water Enterprise Fund	CDBG Grant or Homeowner	
Design	\$2,100	\$1,400	-	\$3,500
Construction	\$6,000	-	\$4,000	\$10,000
Admin & Inspection	\$900	\$600	-	\$1,500
Totals				
Per Home	\$9,000	\$2,000	\$4,000	\$15,000
Total Project (20 Homes)	\$180,000	\$40,000	\$80,000	\$300,000

LSLR Pilot Project

Recommended Participant Payment Logistics

- Signed owner/City Agreement
- Bid information delivered to owner
- Final owner cost share (40%) based on actual quantities and payment terms:
 - Interest free loan assessed on monthly water bill or paid in full at completion
 - Agreement terms filed as lien on property (unless paid in full)

JOURNAL OF COMMISSION WORK SESSION
August 15, 2023

Mayor Kelly received clarification that Missoula has a similar policy as Great Falls and Bozeman owns the whole service lines and has already made efforts to replace lead lines. He further received clarification that since 1970, the code requires new buildings to have copper service lines. Mayor Kelly commented that the policy could be changed so that the City shares the cost; however, all other options need to be explored first.

Manager Doyon summarized that there is an opportunity to access funding that could benefit the community and City staff is attempting to incorporate it into this program.

Commissioner Wolff received clarification that the LCRI also monitors and sets exceedance levels for copper in drinking water. She further received clarification that copper has less negative health effects and City staff is satisfied with the results for copper.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that topics for the September 5, 2023 work session include a storm drain design manual, Central Montana Works – Worlds of Work, and Title 8 EMS ordinance review updates.

Commissioner Hinebauch reported that he submitted a letter of support on behalf of the Commission for a grant that the University of Providence is applying for in conjunction with the Little Shell Tribe.

ADJOURN

There being no further discussion, Mayor Kelly adjourned the informal work session of August 15, 2023 at 6:46 p.m.