

# JOURNAL OF COMMISSION WORK SESSION

## February 6, 2024

City Commission Work Session  
Civic Center, Gibson Room 212

Mayor Reeves presiding

**CALL TO ORDER:** 5:30 PM

**CITY COMMISSION MEMBERS PRESENT:** Cory Reeves, Joe McKenney, Rick Tryon and Shannon Wilson. Commissioner Susan Wolff was excused.

**STAFF PRESENT:** Deputy City Manager Chuck Anderson; City Attorney David Dennis and Deputy City Attorney Rachel Taylor; Public Works Director Chris Gaub, City Engineer Jesse Patton and Civil Engineer Project Manager James Hewitt; Finance Director Melissa Kinzler, Grant Administrator Tom Hazen and ARPA Project Manager Sylvia Tarman; Planning and Community Development Director Brock Cherry; Park and Recreation Director Steve Herrig; Information Technology Director Todd Feist; Municipal Court Judge Steve Bolstad and Court Supervisor Morgan Medvec; Human Resources Director Gaye McNerney; Library Director Susie McIntyre; Fire Chief Jeremy Jones; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

### PUBLIC COMMENT

**Ben Forsyth**, City resident, expressed concern that previous city commissions have ignored and broken laws in order to create a better marijuana situation in the City. Mr. Forsyth read and provided a prepared handout pertaining to marijuana being a dangerous drug and laws relating to marijuana.

### 1. ENERGY CONSULTING CONTRACT – POWERGAS CONSULTING

PowerGas Corporation (PGC) President Jim Morin reviewed and discussed the following PowerPoint:



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### CORE VALUE #2

#### Meeting Latest Standards in Sustainability Reporting

- Meets latest Standards in EPA/SASB Reporting Requirement
- 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 enterprise 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

### CORE VALUE #3

#### EIS combined with Advisory Services – An Integrated Offering

**MANAGEMENT EFFICIENCY**

- Client specific portal and platform build out unique to client.
- Hierarchy Control – Senior Management and Division Leadership control.
- Annual and if required Semi-Annual Energy Business Reviews.
- Serving Key Stakeholders: Facilities/Accounting/Management
- Building the groundwork for a Sustainable Energy Management Program.
- On-Going Data History Build creates a dynamic profile that becomes more powerful with time as to key trends, anomalies, and usage/price variations providing better data driven decision making. (includes 334 meters and 278 invoices per month – over 5 years 12 years historic 3 years forward represents updating and analyzing over 20,000 meter reads and 30,000 invoices)

**POTENTIAL FINANCIAL SAVINGS IMPACT**

- AP Prep – Includes bill audit, Build-out GL Template, GL Coding and bill ready for payment \* (Value: \$80/invoice x 278 invoices x 12 mos. = approx. \$100K annually)
- Electric Power and Natural Gas Contract Review and Procurement Management \* (\$55 impact could be several \$100,000/yr.)
- Demand Side Management: Potential opportunity to reduce demand charges 10-15% = (\$50-\$75,000 annually)
- Tariff and Rate Review – Conducted when new rates introduced. (20/90 rule). Often source of billing errors.
- Energy Intensity Analysis – Benchmarking Data congruent with facility SF will drive most efficient use of space as may be required.

**COST OF ENERGY INTELLIGENCE SUITE (EIS) AND INTEGRATED ADVISORY SERVICES – 3 YEAR CONTRACT**

- Buildout of COGF EIS Portal and Invoice templates, Historic data download and validation: \$38,500 One Time Onboarding Cost.
- Ongoing monthly account maintenance, A/P prep, technical review, business reviews, and advisory services: \$4250/Month (7/10th of 1% of energy spend reviewed and analyzed)
- Ongoing monthly technical and advisory energy management support.

PGC President Morin explained that the EIS Platform serves 350,000-meter locations throughout the United States and would provide data driven capabilities and knowledge to the City. The City needs to be diligent with regard to the energy contract coming up for renewal in November 2024 because of the increase in power prices.

Commissioner Tryon inquired about what the City is currently doing to meet the standards in EPA/SASB reporting requirements and if it currently has Staff that does analytics for energy management.

PGC President Morin responded that there is not a reporting requirement at this time; however, it is only a matter of time before there is a mandate from the State of Montana.

Finance Director Melissa Kinzler added that the Accounts Payable Department spends a lot of time and effort processing approximately 278 Northwestern Energy invoices a month; however, Staff does not have the technical ability to analyze the bills.

Referring to the “Core Value #3 EIS combined with Advisory Services – An Integrated Offering” slide, Deputy City Manager Chuck Anderson pointed out that the AP Prep is the Accounts Payable Department. A part of the EIS Platform would be to analyze the meters at the Wastewater Treatment Plant and Water Treatment Plant, because they are large energy consumers.

Mayor Reeves received clarification that no other cities in Montana are currently utilizing the EIS Platform; however, Great Falls Public Schools has utilized the platform for the past four years.

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Finance Director Kinzler explained that she contacted Brian Patrick, Director of Business Operations at Great Falls Public Schools and he indicated that the EIS Platform has been invaluable.

Commissioner McKenney received clarification that benchmarking is important because it determines the energy use from prior years to the present. Commissioner McKenney inquired if the EIS Platform would have to go through the Request for Proposals (RFP) process.

Deputy City Manager Anderson responded that the RFP process would not be necessary because the City has had a relationship with PowerGas Corporation for several years, uses its advisory services and specific software.

Finance Director Kinzler added that the City currently has a Professional Services Agreement with PowerGas Corporation for consulting services.

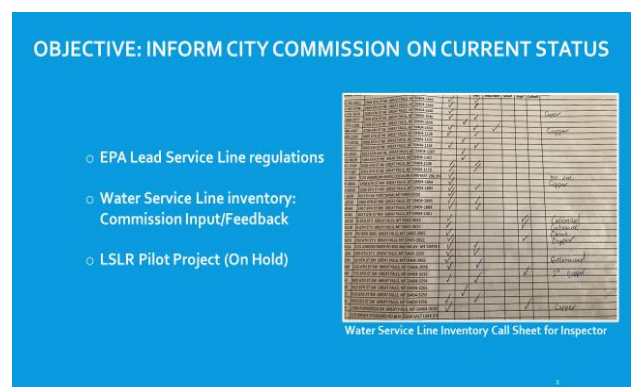
Commissioner Wilson inquired if a hypothetical determination could be made with regard to what the cost savings would be prior to installing solar panels.

PGC President Morin responded that the cost savings would be determined by the manufacturer; however, PowerGas would validate the cost savings by examining its database of other facilities that switched to solar panels.

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

Public Works Director Chris Gaub explained that the Environmental Protection Agency (EPA) is attempting to eliminate lead service lines and mandated the City to do an inventory of all water service lines to determine where lead lines are located. Currently, lead service line replacement has not been mandated by the EPA. The City does not own the water service lines and would be the homeowner's responsibility. The intent of the LSLR Pilot Project was to explore options to assist homeowners with replacing lead lines; however, the project is on hold because the State Revolving Fund (SRF) loan was not applicable.

Public Works Civil Engineer Project Manager James Hewitt reviewed and discussed the following PowerPoint:



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### LEAD AND COPPER RULE IMPROVEMENTS (NOT FINAL)

- EPA will finalize rules 2024? (In Public Comment):
  - 100% lead pipe replacement within 10 years
  - Improve tap sampling
  - Lower lead action level
  - Provide point of use Pitcher Filter
    - City provides 6 months filters when changing meters, partial line replacement, full lead service line replacement



Point of Use Pitcher Filter

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### WATER SERVICE LINE INVENTORY: CURRENT STATUS

- Cost to date: 4,822 Total Hours; \$426,000
  - Administrative, Engineers and Inspectors
  - \$12,000 to mail test forms
  - \$70,000 Professional Services Agreement with AE2S
- Inspectors called ~ 3,500 homeowners
  - Does not include returning messages
  - Does not include multiple call backs/interactions
- Provided on site identification as requested or needed
- Creating/updating inventory list
- What we've done: Homeowner letters, Lead Water Service Phone #, Lead Water Service Email, City Website (Radio Interview, Lead & Copper Rule Summary, Link to EPA)
- Challenges with Contacting Citizens
  - Increase of not returning calls and hang ups
  - Homeowners refuse to participate
  - Invalid phone numbers
- Call remaining homeowners (5,000)

Approximate Totals as of December 2023

• Non-Lead	15,092	(68.8%)
• Lead	150	(0.7%)
• *Galvanized	543	(2.5%)
• **Unknown	6,132	(28.0%)
<b>Total</b>	<b>21,917</b>	

\*Absorbs particles of lead and releases back into water. Great Falls galvanized lines will need to be replaced because not known if ever downstream from lead line.

\*\*Unknown lines are considered lead until proven otherwise

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### WATER SERVICE LINE INVENTORY: WAY FORWARD?

- Aim for 100% inventory by:
  - Calling remaining half of homeowners (~5,000)
  - Inspector home visits for non-responders
    - Two-person team for safety
    - Possible work outside normal work hours (overtime)
- Declare "complete" after calls attempted, inspector visits
  - City made "good faith" effort per EPA
  - Unknown lines considered "lead" by City (and EPA)



Inspector calling non-responders

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### WATER SERVICE LINE INVENTORY: WAY FORWARD?

#### Other options to consider

- Incentivize with \$25 credit to water bill for:
  - Homeowners that responded & future homeowners
    - Leaves no one out, encourages future participation
    - \$25 for 10,000 homeowners equals \$250,000 (costly)
  - Only future responding homeowners (\$125,000)
    - Leaves out those who did respond
- Hang door tags with request for inspection or pipe identification
- In person utility bill pick up, advised inspection is necessary
- Withholding utility bill
- Disincentive: Turn water off until response (Not Desired)



Inspector performing visual identification for Homeowner

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### LSLR PILOT PROJECT

- Original Intent: 60/40 cost share with homeowner
  - 60% SRF loan forgiveness for homeowner
  - 40% covered by homeowner (CDBG, loan, full payment)
- Funding strategy not viable
  - SRF loan not applicable: After 60% SRF forgiveness, remaining 40% not allowed to pass to homeowner. City retains liability and must pay back.
- Consultant will refund City for scope of work not performed



Parts of removed lead lines in Great Falls

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### WAY FORWARD

- Await formal EPA LCRI promulgation, which may (hopefully)
  - Outline City verses property owner responsibilities
    - Great Falls: Homeowners own and are responsible for water service lines from water main in the street to the meter (OCCGF 13.6.010)
  - Create or identify new/alternate funding sources
- Upon EPA formal requirements, develop City approach to LSL

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Public Works Civil Engineer Project Manager Hewitt explained that the water service line inventory must be completed by October 2024 regardless of the length of time it would take for the improvements.

Commissioner Wilson received clarification that water service lines for an apartment building would be the property owner's responsibility.

Commissioner Tryon received clarification that replacing lead lines would not take place until the EPA finalizes the rules. He inquired about the process with regard to non-responders.

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Public Works City Engineer Jesse Patton responded that after several good faith attempts, the EPA would recognize that the City did its due diligence; however, the City would have to re-engage every time the water bill changes names.

Commissioner McKenney suggested that the Public Works Department continue with the good faith effort because there is not much more the City can do until the EPA finalizes the rules.

**DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS**

Deputy City Manager Chuck Anderson reported that topics for the February 20, 2024 work session include a Park and Recreation fee update, House Bill 355 – award and funding recommendation and city wide storm water master plan update including fees.

**ADJOURN**

There being no further discussion, Mayor Reeves adjourned the informal work session of February 6, 2024 at 6:45 p.m.