

JOURNAL OF COMMISSION WORK SESSION

April 1, 2025

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Reeves presiding

CALL TO ORDER: 5:30 PM

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

STAFF PRESENT: City Manager Greg Doyon; City Attorney David Dennis; Finance Director Melissa Kinzler; Public Works Director Chris Gaub, Sanitation Division Manager Ross Bartell, Water Plant Manager Cody McRady, and Utility Systems Manager Jake McKenna; Fire Chief Jeremy Jones; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

Municipal Court Judge Steve Bolstad, City resident, commented the Commission received an email regarding the jail and he has some concerns with warmer weather approaching and downtown gearing up for more activities. He asked Cascade County Sheriff Jesse Slaughter for a written policy over a month ago and has not received it. Judge Bolstad explained that he heard second hand that Cascade County Sheriff Jesse Slaughter will not be taking DUI's upon arrest or any nonviolent misdemeanors. This is at a time when the legislature is trying to increase penalties on DUI's and there will be more activities in the community. This means that the Great Falls Police Department (GFPD) will not be able to remove people for trespassing, disorderly conduct and many other charges that disrupt public order. There will not be any recourse because these are people who cannot pay fines and do not show up for court. The only way Municipal Court sees them is if they are at the jail. Recently, someone with a Blood Alcohol Concentration (BAC) greater than a .4 was arrested on DUI and turned away because there is no medical at the jail. According to Montana Code Annotated 7-32-22, the Cascade County jail has the responsibility to take care of these things and they are not.

City residents comprise of roughly 85% taxpayers in Cascade County, we currently house less than 20 people or 5% at any given day at the Detention Center and 63% of the inmate population of 400 are Federal and Pre-Trial Felonies. He provided a Cascade County Sheriff's Office Daily Count handout.

1. 2025 SANITATION RATE ANALYSIS

Public Works Director Chris Gaub reported that a few things that will be proposed tonight included a two-year rate schedule, phasing out the Senior rate with a Low to Moderate Income (LMI) rate for those who qualify, front-end loading trucks and the City will be protesting the large landfill rate increase of 17%.

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Public Works Sanitation Division Manager Ross Bartell reviewed and discussed the following PowerPoint slides:

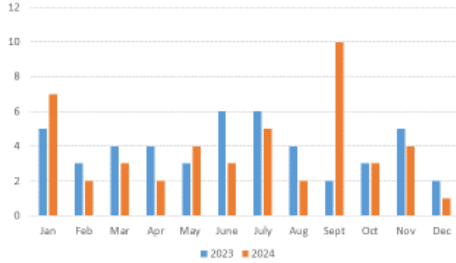
<div data-bbox="422 380 696 441" data-label="Section-Header"><h2>City of Great Falls Sanitation Division</h2></div> <div data-bbox="456 449 662 577" data-label="Image"></div> <div data-bbox="420 590 696 621" data-label="Section-Header"><h3>2025 RATE ANALYSIS</h3></div> <div data-bbox="480 653 654 711" data-label="Text"><p>Work Session April 1, 2025</p></div> <div data-bbox="526 722 594 787" data-label="Image"></div> <div data-bbox="599 730 808 770" data-label="Text"><p>PRESENTED BY: ROSS BARTELL, SANITATION DIVISION MANAGER</p></div>	<div data-bbox="1107 344 1328 371" data-label="Section-Header"><h2>CITY CUSTOMERS</h2></div> <div data-bbox="928 378 1109 401" data-label="Text"><p>RESIDENTIAL - 16,904</p></div> <div data-bbox="928 401 1109 424" data-label="Text"><p>COMMERCIAL - 1,364</p></div> <div data-bbox="964 422 1078 443" data-label="Text"><p>Total - 18,268</p></div> <div data-bbox="928 371 1521 764" data-label="Figure"></div> <div data-bbox="1039 766 1411 791" data-label="Text"><p>Outstanding service at a reasonable price</p></div> <div data-bbox="1513 770 1526 789" data-label="Text"><p>2</p></div>										
<div data-bbox="222 827 883 856" data-label="Section-Header"><h2>CUSTOMERS COMPLIMENTS ABOUT OUR SERVICE</h2></div> <div data-bbox="233 903 883 982" data-label="Text"><p>Mountain View Customer – the driver in his area is wonderful! He stops and takes a few seconds when doing his route to give my dog a treat. It's very uncommon anymore for people to take the time to care about anything other than themselves & feels like that driver is a huge asset to the City.</p></div> <div data-bbox="233 997 880 1054" data-label="Text"><p>Lower River Rd Customer – she really appreciates the communication stickers about having an oversized container. She wanted to say thank you for the communication.</p></div> <div data-bbox="233 1071 885 1131" data-label="Text"><p>Fox Farm Rd Customer – called to say thank you to the driver who helped her dad take his 96 to the road to get emptied. Her dad could not get his 96 to the road due to all the ice in his driveway.</p></div> <div data-bbox="233 1146 862 1207" data-label="Text"><p>Northside Customers – called in a big mess in the alley. He said the guys did a fantastic job of getting it all cleaned up and & he is so grateful. He said the alley has NEVER looked so good!!</p></div> <div data-bbox="363 1276 730 1306" data-label="Text"><p>Just a sample.....we have many more</p></div> <div data-bbox="867 1295 883 1314" data-label="Text"><p>3</p></div>	<div data-bbox="1097 863 1333 892" data-label="Section-Header"><h2>ROLL-OFF SERVICE</h2></div> <div data-bbox="937 932 1109 1247" data-label="Figure"><table border="1"><thead><tr><th>Year</th><th>Count</th></tr></thead><tbody><tr><td>2021</td><td>1,518</td></tr><tr><td>2022</td><td>1,698</td></tr><tr><td>2023</td><td>1,649</td></tr><tr><td>2024</td><td>1,860</td></tr></tbody></table></div> <div data-bbox="950 1257 1174 1283" data-label="Text"><p>13% Increase since 2023</p></div> <div data-bbox="1107 961 1521 1207" data-label="Image"></div> <div data-bbox="1513 1289 1526 1308" data-label="Text"><p>4</p></div>	Year	Count	2021	1,518	2022	1,698	2023	1,649	2024	1,860
Year	Count										
2021	1,518										
2022	1,698										
2023	1,649										
2024	1,860										

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93 NEW COMMERCIAL ACCOUNTS IN 2023-2024

- Starbucks – 2 locations
- Circle "K" Gas Stations – 4 locations
- Walmart Stores (2) and Gas Station
- Chipotle
- FedEx Freight
- CVS
- Famous Footwear



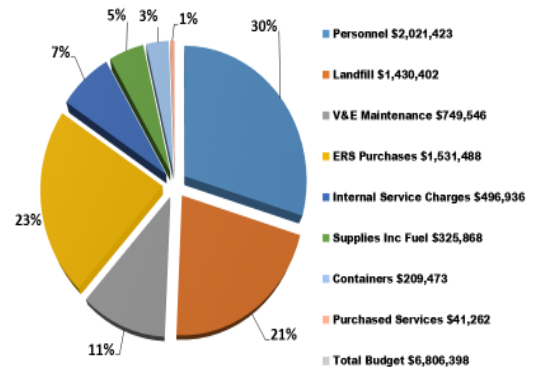
PROS & CONS OF MULTI-YEAR RATE INCREASE

- **Pros**
 - Customers can financially forecast/budget for 2 years
 - Longer-range decisions and strategic planning
 - I.e. Fleet purchases; portfolio changes (front loaders)
 - Reduced Commission and City Staff administration
- **Cons**
 - Difficult to respond to unforeseen significant emergency financial requirements
 - Work around: request Commission adjust rates
 - More time for possibility of unknowns to develop
 - May require a higher rate to hedge against unforeseen circumstances

SIGNIFICANT POINTS:

- **Largest cost driver: Republic's 16.75% Landfill Tipping Fee increase**
 - 14.30% due to 'late notice' Methane Infrastructure Project; 2.45% CPI
 - Equates to net increase of **\$99K/YR** Commercial & **\$183K** Residential
 - 10-yr compounding increase & permanently inflates the baseline
- **Requested rate increase = \$489K**
 - 8% Residential \$255K; Breaking even
 - 10% Commercial \$234K; Operational cost breaking even but not capital outlay
- **Opportunity Costs due to Unexpected Landfill Costs**
 - Delay transition to Front Loaders
 - Market moving in this direction (Infrastructure)
 - Reduces our potential to grow customer base
 - More efficient (additional driver for Roll Offs not required)
 - Delay hiring of additional Roll Off Driver
 - No Roll Off Driver required if transition to front loaders (efficiency)

SANITATION OPERATING COSTS PROJECTED FY25 (w/ increased landfill cost)



SANITATION LANDFILL

CALENDAR YEAR	REPUBLIC LANDFILL RATE	CPI RATE INCREASE PER YEAR	TONNAGE	TOTAL FEES PAID TO REPUBLIC
2017	\$25.61	3.00%	35,138	\$885,484
2018	\$26.64	4.00%	33,704	\$787,782
2019	\$27.35	2.65%	33,422	\$1,001,077
2020	\$27.98	2.30%	36,873	\$1,018,742
2021	\$28.37	1.40%	36,121	\$1,015,358
2022	\$30.31	6.85%	35,185	\$1,025,642
2023	\$32.43	7.00%	38,462	\$1,185,760
2024	\$33.44	3.12%	37,847	\$1,316,035
2025	\$39.05	16.75% = 2.45% CPI + 14.30% Capital	TBD	\$1,430,402 *Projected*

Average Landfill Rate Increase Per Year 2017-2024: 3.79%

5 YEAR CASH FLOW WITH CAPITAL OUTLAY

	FY24 Actual	FY25 Projected Revenue Increase 5%	FY26 Projected Revenue Increase 8% Res 10% Comm	FY27 Projected Revenue Increase 8% Res 10% Comm	FY28 Projected Revenue Increase 5% Res 10% Comm	FY29 Projected Revenue Increase 5% Res 10% Comm	FY30 Projected Revenue Increase 5% Res 10% Comm
Beginning Cash Balance	\$1,142,820	\$2,005,464	\$941,486	\$594,633	\$493,270	\$533,580	\$941,369
Revenues	\$5,669,160	\$5,742,420	\$6,248,662	\$6,800,088	\$7,281,809	\$7,801,787	\$8,363,354
Expenses	\$5,146,516	\$6,806,398*	\$6,595,515	\$6,901,451	\$7,221,500	\$7,413,998	\$7,910,204
Over/Under	\$522,644	\$(1,063,978)	\$(346,853)	\$(101,363)	\$(60,309)	\$387,789	\$453,150
Ending Unrestricted Cash Balance	\$2,005,464	\$941,486	\$594,633	\$493,270	\$533,580	\$941,369	\$1,394,519

*with 16.75% Landfill increase & Truck purchases from FY24 not delivered/paid for until FY25

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COMMERCIAL MONTHLY RATES (MOST COMMON) 10% INCREASE

	CURRENT	June 2025	June 2026
1.5 yard	\$ 49.00	\$ 54.00	\$ 59.00
3 yard	\$ 84.00	\$ 92.00	\$ 101.00
4 yard	\$ 112.00	\$ 123.00	\$ 135.00
6 yard	\$ 167.00	\$ 183.00	\$ 201.00
8 yard	\$ 221.00	\$ 243.00	\$ 267.00

DROP BOX (PER PICK-UP)

3 yard	\$ 67.00	\$ 74.00	\$ 81.00
20 yard	\$ 380.00	\$ 418.00	\$ 460.00
30 yard	\$ 427.00	\$ 470.00	\$ 517.00

FULL RATE SCHEDULE IN HANDOUTS

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RESIDENTIAL MONTHLY RATES 8% INCREASE

	CURRENT	June 2025	June 2026
Single Family Home	\$ 17.33	\$ 18.71	\$ 20.20
Duplex (SFH per unit)	\$ 34.66	\$ 37.43	\$ 40.40
Triplex (SFH per unit)	\$ 51.99	\$ 56.15	\$ 60.60
Senior Citizen (Grandfathered)*	\$ 12.13	\$ 14.20	N/A
*Not covering cost of service (\$15.89 w/out Capital - \$18.14 w/Capital)			
LMI - as of June 1, 2025**	N/A	\$ 16.84	\$ 18.18
** June 1, 2026: Seniors who <u>qualify</u> will be moved to LMI Rate (Senior Rate is discontinued)			
Multi-family (10 units or more)	N/A	\$ 16.84	\$ 18.18

FULL RATE SCHEDULE IN HANDOUTS

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RESIDENTIAL RATE INCREASES

Year	Residential Rate	Residential Increase
2017	\$12.09/mo.	\$0.58/mo.
2018	\$12.09/mo.	\$0
2019	\$12.70/mo.	\$0.61/mo.
2020	\$13.65/mo.	\$0.95/mo.
2021	\$13.65/mo.	\$0
2022	\$15.00/mo.	\$1.35/mo.
2023	\$16.50/mo.	\$1.50/mo.
2024	\$17.33/mo.	\$0.83/mo.
2025	\$18.71/mo.	\$1.38/mo. proposed
2026	\$20.20/mo.	\$1.49/mo. proposed

2017-2024 average annual increase: \$.73

VERY CONSISTENT REASONABLE RATE INCREASES

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PUBLIC	MONTHLY RESIDENTIAL RATE	COMPETITION	LANDFILL FEE PER TON	OWN LANDFILL
Bozeman	\$32.93	YES	\$27.00 Regular \$48.00 C&D	NO
Great Falls	\$17.33	YES	\$39.05 COGF \$43.00 MSW \$51.50 C&D	NO
Helena	\$18.00	NO	\$54.75 Transfer Stn \$39.00 MSW	NO
Billings	\$14.50	NO	\$27.80 City of Billings \$41.70 Other Towns/County \$55.60 Outside of Montana	YES
PRIVATE	MONTHLY RESIDENTIAL RATE	COMPETITION	LANDFILL FEE PER TON	OWN LANDFILL
Republic Services Outside GF 2025	\$27.33 / \$34.76 + fuel recovery fee	NO	\$43.00 MSW \$51.50 C&D	YES
Republic Services Great Falls 2025	\$17.82 + fuel recovery fee	YES	\$43.00 MSW \$51.50 C&D	YES
Republic Services Missoula (2025)	\$34.66 + fuel recovery fee	YES	\$62.96???	YES
Republic Services Bozeman (2019)	\$25.68?? + fuel recovery fee	YES	\$27.00??	NO

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NEXT STEPS

- ✓ April 1 - City Commission - Set Public Hearing
- May 6 - City Commission - Public Hearing
- June 1 - Proposed Rates Effective

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Any Questions?

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04/01/2025

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Commissioner Tryon received clarification that the Roll-Off Service is rental of a construction dumpster (open tops) or servicing compactors at grocery stores.

Public Works Sanitation Division Manager Bartell reported that the process for individuals wanting to see if they are eligible for the LMI rate is Low Income Home Energy Assistance Program (LIHEAP) through Opportunities Inc.

Mayor Reeves inquired about the residential monthly rate increase for Senior Citizens.

Public Works Director Gaub responded that the Senior Rate is not covering the cost of the expenditures and would be \$14.20 June 1, 2025 and seniors who qualify will be moved to the LMI Rate on June 1, 2026.

Commissioner Wilson commented that the City's Roll-Off Service is far superior and less expensive compared to Republic. Referring to the 2023 Solid Waste Study projections, she inquired if Staff believes the City will transition to Republic in the future.

Public Works Director Gaub responded that depends on the City's protest of the rate increase for the landfill and opening a landfill takes up to 10 years.

Commissioner Tryon inquired about the following:

- success of similar communities that changed from a Senior Rate to the LMI Rate
- percentage of the 2,500 Seniors that would qualify for the LMI Rate
- nine new commercial accounts
- formal process for protesting the rate increase from Republic and process if Republic proceeds with the rate increase

Public Works Sanitation Division Manager Bartell responded that Bozeman does not have a Senior Rate and Billings has a cheaper rate; however, it is for a 64-gallon container and the City offers a 96-gallon container. Currently, there are 515 people on LMI, 89 are seniors, and the remaining would have to qualify for the LMI Rate. Seven new accounts were former Republic customers and two were new businesses.

City Attorney David Dennis responded that a detailed letter was sent to Republic advising them that the City disagreed with their interpretation of the agreement signed in 2016 and rate increase. It would be unusual if Republic did not respond; however, if they do not, then it may become a legal action to have a court interpret the contract. If Republic responds that they are going forward with the rate increase then City Attorney Dennis would provide the Commission with legal analysis and it would determine the next steps during a closed meeting.

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2. 2025 UTILITY RATE ANALYSIS

Public Works Director Chris Gaub, Water Plant Manager Cody McRady and Utility Systems Manager Jake McKenna reviewed and discussed the following PowerPoint slides:

<div data-bbox="394 443 639 569"></div> <div data-bbox="321 592 727 623"><h3>2025 Utility Rate Presentation</h3></div> <div data-bbox="414 638 626 676"><p>Presented at April 1, 2025 City Commission Work Session</p></div> <div data-bbox="480 695 558 768"></div> <div data-bbox="570 705 812 751"><p>PRESENTED BY: - CODY MCRADY, WATER PLANT MANAGER - JAKE MCKENNA, UTILITY SYSTEMS MANAGER</p></div>	<div data-bbox="959 424 1442 457"><h3>\$2B Capital Replacement Value</h3></div> <div data-bbox="886 478 1487 711"><div>REGULATION: EPA, DEQ<ul style="list-style-type: none">- Nutrient Removal- Manganese- Poly Vinyl Chlorides- Plastics (Micro and Nano)- Lead & Copper<ul style="list-style-type: none">- Lead Line Removal- Corrosion Control- PFOS/PFOA (Forever Chemicals)- Disinfection byproducts- Arsenic- Ammonia</div><div>OPPORTUNITIES:<ul style="list-style-type: none">- Malmstrom AFB Installation Resiliency Study</div><div>COST DRIVERS:<ul style="list-style-type: none">- ARPA Funds Discontinued- Electric Grid – WTP & WWTP largest COGF consumers of electricity- Wage Growth – Collective Bargaining not complete prior to rate setting- Zero rate increases 3 yrs (COVID) = \$8.5M deferred capital investment- Chemicals – budget set prior to chemical contracts awarded- Tariffs 10-25% – Equipment, parts, lab supplies, capitol?</div><div>DEVELOPMENT<ul style="list-style-type: none">- Stormwater solutions- Aging infrastructure vs new infrastructure requirements- Calumet Pretreatment (City or Calumet?)- BNSF 4th ST NE Crossing</div></div> <div data-bbox="906 745 1438 774"><h3>FINANCING IS ONLY GETTING MORE EXPENSIVE</h3></div>
<div data-bbox="302 814 743 842"><h3>BREAK EVEN ANALYSIS 2026</h3></div> <div data-bbox="233 854 711 926"><p>Estimated Water <u>Revenue</u> = \$19.7M (\$17.9M + 10% Increase) Water System <u>Expenses</u> = \$24.3M (2025 Costs + 5% Increase) - Water Treatment Plant cost (\$12.9M) + Distribution Cost (\$11.4M) = \$24.3M</p></div> <div data-bbox="233 947 583 970"><p>2026 Water Fund CIP Portfolio Cost = \$11.1M</p></div> <div data-bbox="233 991 678 1031"><p>2026 Revenue (\$19.7M) – Expenses (\$24.3M) = (\$4.6M) → +36% rate increase If cost increased 0%: \$19.7M- \$23.16M = (\$3.5M) → +30% rate increase</p></div> <div data-bbox="233 1050 784 1071"><p>When Revenue Doesn't Cover Cost → Use Debt to Cover Expenses (Capital projects)</p></div> <div data-bbox="277 1094 751 1121"><h3>UNDERCHARGING BY 36%: WHEN/HOW CATCH UP?</h3></div>	<div data-bbox="943 798 1450 827"><h3>BREAK EVEN ANALYSIS: CONT'D</h3></div> <div data-bbox="876 833 1523 1083"><p>MONTHLY AVERAGE AND MEDIAN RESIDENTIAL WATER BILLS</p><p>\$26.28: COGF 2024 RATE = REGIONAL AVERAGE IN 2012</p><p>\$26.78 * 1.36 = \$36.42</p></div> <div data-bbox="919 1113 1458 1136"><h3>GREAT FALLS HAS LOW RATES (= LOW REVENUE) COMPARED TO REGION & MT</h3></div>
<div data-bbox="306 1173 758 1203"><h3>\$1.7M ADDITIONAL REVENUE:</h3></div> <div data-bbox="245 1234 813 1457"><ul style="list-style-type: none">• Funds Services for Customers:<ul style="list-style-type: none">• Continued Operation of WTP & Distribution System• \$5.3M of required \$11.1M Sustaining Capital• \$5.8M additional Debt or \$5.8M Deferred Capital Spend• Employee salaries and benefits• Less sewer main lining• Less water main replacement; goal 25 blocks/yr (FY25 completed 9 blocks)• Less storm drain infrastructure added• Does not subsidize development<ul style="list-style-type: none">• Deferred costs:<ul style="list-style-type: none">• Capital investment</div> <div data-bbox="227 1470 829 1491"><h3>CAPITAL & OPERATING GOALS REQUIRES 36% RATE INCREASE vs 10% CURRENT REQUEST</h3></div>	<div data-bbox="987 1192 1414 1222"><h3>WATER TREATMENT PLANT</h3></div> <div data-bbox="893 1241 1523 1467"></div>

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ONGOING PROJECTS

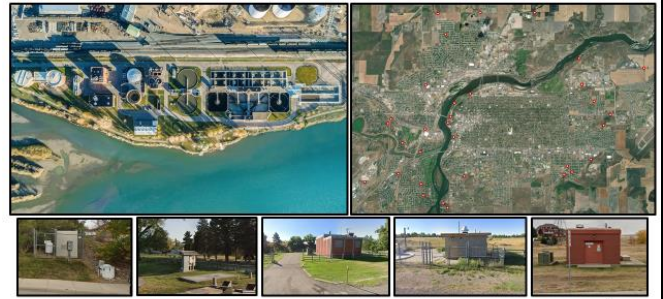
- Lead Service Line Replacement (Regulatory) (\$360K)
- Corrosion Control (Regulatory)(\$883K)
- Hill 57 Pump station upgrades (Operational) (\$1M)
- Head House Structural Repairs (Sustainment)(\$1.65M)
- Chlorine Onsite Generation (Safety)(\$3.4M)

FUTURE CAPITAL NEEDS

- Basin Repair and Imp. (Sustaining Maintenance 2025-2026 \$3M)
- Water Rights Strategic Plan (Strategic: Ongoing)
- Head House Repairs (Sustaining Maintenance 2026-2027 \$1.65M)
- Chlorine Onsite Generation (Safety 2025-2026 \$3.4M)
- High Service Operating Adjustability Improvements (2026 \$100K)
- Alum Tank Storage Consolidation (2027 \$800K)
- Emergency Power WTP Improvements (2025-2027 \$500K)
- Cost of Development: Growth Mgmt Policy strategic decisions



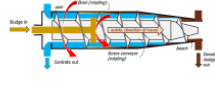
WASTE WATER TREATMENT PLANT



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ONGOING PROJECTS

- Lift Station #4 (\$1.6M FY25)
- WWTP W. Side Bar Screen Replace (\$2.15M FY2026)
- Third Centrifuge (\$350K FY2025-FY2026)
- Lift station #1 Upgrades (\$9.7M – FY2026)
- Lift Station #15 (\$812K FY2026)



FUTURE PRIORITY CAPITAL NEEDS

- ADDITIONAL CENTRIFUGE (\$350K FY2025-FY2026)
- Increased Reliability/Redundancy
- BAR SCREEN REPLACEMENT (\$2.15M FY2026)
- Sustaining Maintenance
- LIFT STATIONS #4, #15, #29, #30, #31 REHABILITATION
- Sustaining Maintenance
- REGULATORY COMPLIANCE PROJECTS
- Driven by EPA (Ex: Nutrient Removal)

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RESIDENTIAL CHARGES 3/4" METER, 600 CF WATER, 600 CF SEWER, LOT SIZE 7,500 SQ FT

Year	Water bill	Total % incr.	Sewer bill	Total % incr.	Storm drain bill	Total % incr.	Total \$	Total % incr.	Total avg bill
2013	\$14.23	5%	\$21.49	10%	\$4.27	0%	\$3.44	7.0%	\$39.99
2014	\$14.93	5%	\$21.49	0%	\$4.27	0%	\$1.42	1.8%	\$40.69
2015	\$15.97	7%	\$22.12	3%	\$4.70	10%	\$3.22	5.2%	\$42.79
2016	\$17.59	10%	\$22.78	3%	\$5.17	10%	\$4.40	6.4%	\$45.54
2017	\$19.35	10%	\$23.49	3%	\$5.69	10%	\$4.79	6.6%	\$48.53
2018	\$17.64	-9%	\$23.72	1%	\$6.26	10%	\$0.91	-1.9%	\$47.62
2019	\$18.35	4%	\$23.90	1%	\$6.60	5%	\$1.21	2.6%	\$48.85
2020	\$18.35	0%	\$23.90	0%	\$6.60	0%	\$0.00	0.0%	\$48.85
2021	\$18.35	0%	\$23.90	0%	\$6.60	0%	\$0.00	0.0%	\$48.85
2022	\$18.35	0%	\$23.90	0%	\$6.60	0%	\$0.00	0.0%	\$48.85
2023	\$20.18	10%	\$26.26	10%	\$7.26	10%	\$4.88	10.0%	\$53.73
2024	\$23.20	15%	\$28.91	10%	\$8.34	15%	\$6.72	12.5%	\$60.45
2025	\$25.52	10%	\$31.80	10%	\$9.17	10%	\$6.04	10%	\$66.49

Average Rate Increase Per Year: 4.35%

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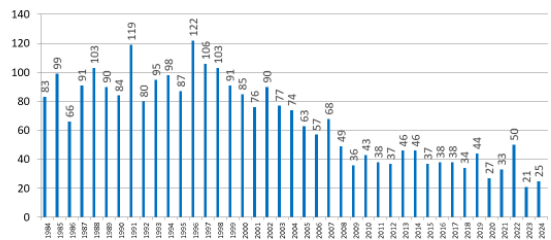
COMMERCIAL CHARGES 1.5" METER, 2,400 CF WATER, 2,400 CF SEWER, LOT SIZE 7,500 SQ FT

Year	Water bill	Total % inc.	Sewer bill	Total % inc.	Storm drain bill	Total % inc.	Total \$	Total % inc.	Total avg. bill
2013	\$38.09	5%	\$66.01	10%	\$6.14	0%	\$3.44	7.5%	\$110.24
2014	\$40.07	5%	\$66.01	0%	\$6.14	0%	\$1.42	1.8%	\$112.22
2015	\$42.90	7%	\$67.93	3%	\$6.75	10%	\$3.22	4.8%	\$117.58
2016	\$47.17	10%	\$70.09	3%	\$7.42	10%	\$4.40	6.0%	\$124.68
2017	\$51.74	10%	\$72.03	3%	\$8.18	10%	\$4.79	5.8%	\$131.95
2018	\$54.46	5%	\$74.12	3%	\$9.00	10%	\$0.91	4.3%	\$137.58
2019	\$57.47	6%	\$76.22	3%	\$9.45	5%	\$1.21	4.0%	\$143.14
2020	\$57.47	0%	\$76.22	0%	\$9.45	0%	\$0.00	0.0%	\$143.14
2021	\$57.47	0%	\$76.22	0%	\$9.45	0%	\$0.00	0.0%	\$143.14
2022	\$57.47	0%	\$76.22	0%	\$9.45	0%	\$0.00	0.0%	\$143.14
2023	\$63.21	10%	\$83.84	10%	\$10.40	10%	\$14.31	10.0%	\$157.45
2024	\$72.69	15%	\$92.22	10%	\$11.96	15%	\$19.42	12.5%	\$176.87
2025	\$79.95	10%	\$101.44	10%	\$13.16	10%	\$17.68	10%	\$194.55

Average Rate Increase Per Year: 5.03%

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WATER MAIN BREAKS (1984-2024)



INVESTMENT IS THE BEST PREVENTION

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WATER MAIN REPLACEMENTS

Year	Cost	Footage	Miles	Emergency Repair Costs
2013	\$1,680,436	12,831	2.40	\$322,641
2014	\$1,388,989	7,392	1.40	\$322,841
2015	\$1,672,072	4,182	.79	\$277,507
2016	\$1,688,250	9,680	1.82	\$285,791
2017	\$1,610,581	8,614	1.63	\$285,891
2018	\$2,061,000	8,843	1.67	\$77,435
2019*	\$6,170,000	10,800	2.05	\$290,718
2020	\$930,000	3,900	.74	\$174,507
2021	\$1,590,000	6,765	1.28	\$321,712
2022	\$1,637,000	4,995	.95	\$415,583
2023	\$3,725,271	6,791	1.28	\$178,500
2024*	\$2,202,906	3,899	.74	\$321,836*

*Year 2019 includes the added cost of installing a 24-inch water main crossing under the Missouri River
*Year 2024 indicates two very large main repairs that cost outside the normal range of repair costs.

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MATERIAL COSTS DUE TO INFLATION

Material	2023 cost (\$)	2024 cost (\$)	2024 costs (\$)
3/4" Corp Stop (water main to service line valve)	\$93.45	\$91.28 (2%) ↓	\$89.52 (2%) ↓
1" Corp Stop (water main to service line valve)	\$132.59	\$118.18 (11%) ↓	\$119.33 (1%) ↑
3/4" Water Meter	\$214.89	\$216.47 (1%) ↑	\$209.62 (3%) ↓
1" Water Meter	\$282.85	\$382.54 (29%) ↑	\$306.79 (19%) ↓
Radio Antenna for Water Meter	\$189.50	\$190.00 (.3%) ↑	\$203.96 (8.8%) ↑
7" Fire Hydrant Assembly	\$3568.27	\$3650.00 (2%) ↑	\$3787.50 (3.7%) ↑



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JOURNAL OF COMMISSION WORK SESSION

April 1, 2025

WATER MAIN TAPS



Sizes	2023 Parts, Equipment, and Labor	2024 Parts, Equipment and Labor	2025 Parts, Equipment and Labor (Proposed 5% increase)
3/4"	\$685	\$720	\$756
1"	\$775	\$815	\$856
1.5"	\$1260	\$1325	\$1391
2"	\$1740	\$1830	\$1922
4"	\$605	\$635	\$667
6"	\$631	\$665	\$698
8"	\$658	\$690	\$725
12"	\$708	\$745	\$782

* Prices are per tap up to 5 taps, up to 2" are City supplied parts.

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WATER CAPITAL NEEDS

ONGOING PROJECTS

- Water Main Replacement
- 25 Blocks (\$15M FY23-FY28)
- 9 Blocks completed last year
- Project 75-100 more phases depending on cost

FUTURE PRIORITY CAPITAL NEEDS

- Water master plan FY26
- North Side River Crossing for Water Main
 - In Design: \$300K; Build: \$3.3M; FY28
- Regulation Accommodation: TBD (LSLR, PVC, etc)
- Development?

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SANITARY SEWER COLLECTION REHAB AND REPLACEMENT

Year	Cost	Footage	Miles	Emergency Repair Cost
2013	\$380,000	13,400	2.54	\$47,815
2014	\$373,617	13,882	2.63	\$23,925
2015	\$448,384	11,574	2.19	\$156,076
2016	\$580,775	15,699	2.97	\$109,287
2017	\$528,000	12,789	2.42	\$17,000
2018	\$1,792,690	22,741	4.31	\$95,000
2019	\$360,728	12,604	2.38	\$19,687
2020	\$830,711	11,782	2.23	\$18,519
2021	\$764,666	12,962	2.45	\$64,776
2022	\$856,914	13,804	2.61	\$35,691
2023	\$825,938	20,015	3.79	\$76,519
2024	\$764,431	12,509	2.37	\$15,917

Relining is 20-50 times less expensive than replacing.

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SEWER CAPITAL NEEDS

ONGOING PROJECTS

- Sewer Lining Phase 23-28 (\$5.9M FY23-27)
- Estimated 75-100 more phases depending on costs

FUTURE PRIORITY CAPITAL NEEDS

- Lift Station #1 Upgrades (\$7.8M FY24-25)
- Missouri River Force Main Crossing (\$10M TBD)
- Manhole Rehab Phase 7-11 (\$500,000 FY23-27)
 - Estimated 90-125 more phases depending on costs
- Regulation Accommodation: Nutrient Removal
- Development?



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STORM DRAIN CAPITAL NEEDS

ONGOING PROJECTS

- South Great Falls storm drain improvements (\$600,000 FY25)
- Central/3rd St drainage construction phase I-IV(\$8.3M FY23-25)
- 5th St & 12th Ave S drainage improvements (\$1.8M FY26)

FUTURE PRIORITY CAPITAL NEEDS

- Who pays to increase storm water pipe capacity on existing system? Rate payer (directly or debt service) or developer (directly or SID or ?)
- SDDM, SDMP and Rate Study to be completed Fall of 2025

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PROPOSED RATE ADOPTION SCHEDULE

- April 1, 2025: City Commission sets Public Hearing Date
- April (4, 20, 27) 2025: Public Notices published three times
- April (2, 9, 16, 23) 2025: Individual Customer Notices mailed in Utility Bills
- May 6, 2025: Public Hearing at City Commission Meeting
- June 1, 2025: Proposed rates take effect after City Commission adoption

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THANK YOU



PRE-MEETING PACKET

JOURNAL OF COMMISSION WORK SESSION

April 1, 2025

AVERAGE MONTHLY UTILITY BILL CITY OF GREAT FALLS (PROPOSED INCREASES)

- **Residential:** average utility bill would **increase \$6.04 (10%)**
 - Average water bill increase \$2.32 (10%) from \$23.20 to \$25.52/month
 - Average sewer bill increase \$2.89 (10%) from \$28.91 to \$31.80/month
 - Average storm drain bill increase \$.83 (10%) from \$8.34 to \$9.17/mo
- **Commercial:** average monthly utility bill **increase \$17.67 (10%)**
 - Average water bill increase \$7.26 (10%), from \$72.69 to \$79.95/mo
 - Average sewer bill increase \$9.22 (10%) from \$92.22 to \$101.44/mo
 - Average storm drain bill increase \$1.19 (10%) from \$11.96 to \$13.15/mo

2025 CITY COMPARISON – RESIDENTIAL

Monthly water and sewer charges based on:
3/4" meter, 600 cf water, 600 cf sewer

City	2025 Water Rate	2025 Sewer Rate	Total
Missoula	\$42.09	\$21.32	\$63.41
Kalispell	\$35.84	\$58.96	\$94.80
Bozeman	\$44.36	\$46.59	\$90.95
Butte	\$82.17	\$29.35	\$111.52
Helena	\$29.60	\$30.94	\$60.54
Billings	\$30.60	\$33.65	\$64.25
Great Falls (Current)	\$23.20	\$28.91	\$52.11
Great Falls (Proposed)	\$25.52	\$31.80	\$57.32

2025 CITY COMPARISON - COMMERCIAL

Monthly water and sewer charges based on:
1" meter, 2,400 cf water, 2,400 cf sewer

City	2025 Water Rate	2025 Sewer Rate	Total
Missoula	\$119.95	\$59.61	\$179.56
Kalispell	\$95.03	\$179.47	\$274.50
Bozeman	\$107.21	\$139.99	\$247.20
Butte	\$153.06	\$75.49	\$228.55
Helena	\$113.56	\$122.20	\$235.76
Billings	\$81.21	\$113.22	\$194.43
Great Falls (Current)	\$72.69	\$92.22	\$164.91
Great Falls (Proposed)	\$79.95	\$101.44	\$181.39

WATER PLANT OVERVIEW

- 15 Full Time Employees Supporting 24 x 7 Operation of:
- Water Plant: + 4B gal/yr treated and distributed from Missouri River
- 3 Elevated storage tanks (Ella, Skyline, Gore Hill) 2M gallons
- 4 Pumping stations 26 total pumps up to 150-1000 H.P.
- 2 Reservoirs (Hill 57, 33rd St.) 8.8M gallons
- 1 Water Treatment Laboratory
- Serving ~ 22,000 Customers

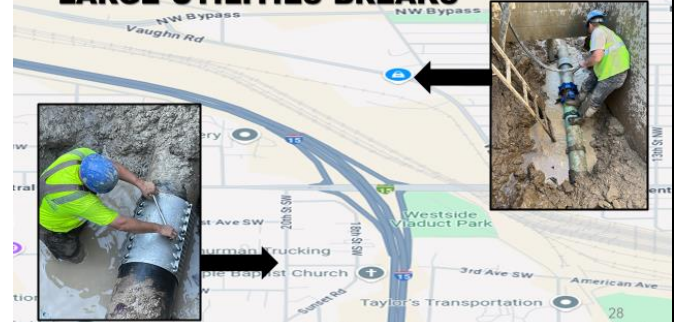


UTILITIES SERVICE CONNECTIONS

Utility Service	Residential	Commercial
Water	18,772	2,510
Sewer	18,642	2,443
Storm Drain	18,940	2,673

Water Mains – 331 Miles & 3,366 Fire Hydrants
Sanitary Sewer Mains – 271 Miles & 4,686 Manhole Covers
Storm Mains – 128 Miles & 2,125 Manhole Covers

LARGE UTILITIES BREAKS



EMERGENCY WATER MAIN REPAIRS



SEWER UTILITY REPAIR



JOURNAL OF COMMISSION WORK SESSION

April 1, 2025

<p>STORM DRAIN REPAIRS</p>  <p>Routine inspections identified a damaged 12" inlet run; Utilities team repaired the inlet.</p> <p>31</p>	<p>COMPLETED PROJECT: WTP SOLIDS BUILDING</p>  <p>32</p>
<p>COMPLETED PROJECT: 33RD STREET TANK</p>  <p>33</p>	<p>WWTP COMPLETED PROJECTS</p>  <p>HVAC & Lighting Repairs on Solids Building</p> <p>Solids Mitigation Building WTP</p> <p>34</p>

City Manager Greg Doyon explained there is going to be an expectation from developers that the City add a contribution towards large-scale development.

Commissioner Wolff commented that rate increases in others States are much higher and if the increase gets the City where it needs to go to build to the future, we should not be afraid of that.

With regard to the “Sewer Capital Needs” slide, Public Works Director Gaub reported that City staff is working to get a grant for the Missouri River Force Main Crossing.

With regard to the “Water Main Breaks (1984-2024)” slide, Commissioner Wolff commented that she appreciates that investment is the best prevention. She mentioned that the increase for water treatment chemicals and the number of retention ponds in the City for storm water was not noted in the packet and might be of interest for the community to know. She expressed appreciation to the Water Plant and Utility Systems staff for the work done on the 33rd Street water tank and the behind the scenes work that they do.

Commissioner Tryon received clarification that the Water Master Plan FY26 will be contracted out and is separate from the Storm Water Master Plan because each master plan has guidelines for each utility. With regard to the “Water Main Breaks (1984-2024)” slide, Commissioner Tryon further received clarification that the decline in water main breaks was due to better maintenance of those lines. He expressed appreciation to Public Works Director Gaub, Water Plant Manager McRady and Utility Systems Manager McKenna and staff for their knowledge, expertise, education and qualification for this important work. He added that even with the proposed rate increase, Great Falls is still very low compared to other cities.

JOURNAL OF COMMISSION WORK SESSION

April 1, 2025

With regard to the “Storm Drain Capital Needs” slide, Manager Doyon explained the City is maintaining a system that is very old that requires regular and capital maintenance, as well as regulation. Future commission considerations will be determining what it would take to fund new development and rate payer subsidized development by having the City adjust rates to the point the City can accommodate infrastructure extension to the level it should be done. There is a small budget for unanticipated development when the City is responsible to do some of the upsizing or there is an opportunity to accommodate new development. There is going to be requests that the City fund some of the improvements that may be occurring with regard to development.

Mayor Reeves inquired about the standard for other sister cities.

Manager Doyon responded that other communities might have more money through general property taxation or impact fees to help offset the costs of infrastructure. The City does not have that established and is not growing fast enough to do impact fees. There is always an expectation from developers to see what a city will do to entice them to do development in their community. The City will have to do something different in the future in order to meet some of the infrastructure needs and introduce the types of development that people want to see.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that a governing board for opioid settlement, street OCI assessment review and Title 15 Code changes related to burn permits will be topics for the April 15, 2025 work session. A quarterly budget review will be a topic for the May 6, 2025 work session. A lead and copper rule update and energy business review from PowerGas Corporation will be topics for the May 20, 2025 work session.

ADJOURN

There being no further discussion, Mayor Reeves adjourned the informal work session of April 1, 2025 at 6:36 p.m.