



**Item:** Agreement for Installation, Operation and Maintenance of Underground 3-Phase Primary Electrical Facilities to serve the North Great Falls Lift Station and Force Main - O. F. 1476.5

**From:** Engineering Division

**Initiated By:** Public Works Department

**Presented By:** Jim Rearden, Public Works Director

**Action Requested:** Approve Agreement

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**Suggested Motion:**

1. Commissioner moves:

"I move the City Commission (approve/not approve) an Agreement with NorthWestern Energy to Install, Operate and Maintain Underground 3-Phase Primary Electrical Facilities in the amount of \$110,017.02 and authorize the City Manager to execute the Agreement."

2. Mayor calls for a second to the motion, Commission discussion, public comment, and calls for the vote.

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**Staff Recommendation:** Approve Agreement

**Background:**

Significant Impacts

The project consists of extending the City's public sewer system to serve a residential growth area of the City generally located north of 36<sup>th</sup> Avenue NE and extending westward to 6<sup>th</sup> Street NW. This area includes the recently annexed Thaniel and West Ridge Additions. Work scope in this project includes a new waste water lift station and associated force and gravity sewer mains. This Agreement will provide electric power to the lift station.

Citizen Participation

In recent years, City staff has had numerous discussions with area developers regarding installation of a wastewater lift station to serve several hundred acres of land that had been proposed for development but was located down slope of the City's existing gravity system. An agreement was reached for the City to design and construct improvements to serve the area, with each developer reimbursing the City for their share of the cost of

improvements. The Thaniel and West Ridge Additions Improvement Agreements each include provisions for reimbursing the City for each subdivision's share of the project costs. Each of those subdivisions has granted easements for the utility main extensions and land for the lift station site.

#### Workload Impacts

Northwestern Energy has completed the preliminary design for the electrical facilities and will complete the acquisition of right-of-way, final design, and construction. City engineering staff will coordinate the electrical service hookup from Northwestern's primary to the Wastewater Lift Station meter and controls.

#### Purpose

A prior project constructed public wastewater facilities to serve a majority of the West Ridge and Thaniel Addition master plan areas and other surrounding areas with development potential. The lift station pumping capacity will serve 450 single family homes with the station capable of being expanded in the future to ultimately serve an estimated 1,135 homes which will occupy approximately 480 acres. This project will provide electrical service to the lift station.

A 3 phase 200-ampere electrical service is required to power the 15-horse power pump motors.

#### Project Work Scope

The lift station project work scope generally consisted of installing the lift station and associated force and gravity sewer mains.

The electrical facilities portion (this contract) consists of removing approximately one-half mile of existing overhead primary line and replacing it with underground 3-phase lines. Work includes new transformers and reconnecting to existing single phase services and primary.

#### Evaluation and Selection Process

An alternative is to have Northwestern replace the overhead single-phase facilities with overhead three-phase facilities at a cost of \$58,464.00. Because the current and anticipated land use area for the area is residential without alleys, staff recommends underground facilities.

#### Conclusion

City staff recommends approving the Agreement with NorthWestern Energy in the amount of \$110,017.02.

#### **Fiscal Impact:**

The Improvement Agreements for Thaniel Addition Major Subdivision Phase 1 and West Ridge Addition Phases VII through XI include provisions for reimbursement to the City for the cost of the lift station including the cost of this contract. The estimated reimbursement is estimated to be \$1,009 per lot. Actual reimbursement will be reconciled based on the actual cost of the project.

**Alternatives:**

The City Commission could disapprove the Agreement. However, the City has made commitments under the Subdivision Improvement Agreements that could put the City at risk of violation of those agreements if the project were to be delayed or canceled. Also, a delay in the project would impact the occupancy of homes now under construction.

**Attachments/Exhibits:**

1. Agreement

**CUSTOMER AGREEMENT**

This Customer Agreement (the "Agreement") is made and entered into effective as of 06/23/2016 by and between NorthWestern Energy (the "Company") and CITY OF GREAT FALLS (the "Customer"). Sometimes in this Agreement, Company and Customer are collectively referred to as "Parties" or individually as a "Party." Capitalized terms have the meaning set forth in NorthWestern Energy's Electric Tariff and the NorthWestern Energy Natural Gas Tariff (collectively the "Tariffs" and individually the "Gas Tariff" or "Electric Tariff"), which sets forth service, installation and contribution rules and regulations established by the Montana Public Service Commission (the "MPSC"). The Tariffs are available for review at <http://www.northwesternenergy.com/residential-services/how-to-read-your-bill/tariffs-and-rates/montana-tariffs-and-rates>.

**RECITALS**

WHEREAS, Customer applied for natural gas or electrical service from the Company; and  
WHEREAS, in accordance with the Tariffs, Customer must execute this Agreement and contribute to the cost of installing the facilities required to provide service to Customer's premises because the distance of the new service line is greater than the permitted free extension allowance;

NOW, THEREFORE, in consideration of the covenants and conditions contained in this Agreement, the Parties agree as follows:

**AGREEMENT**

**1. SERVICE AND CONTRIBUTION REQUIREMENTS.**

The Company agrees to install, operate and maintain facilities generally described as OH Primary Removal, Transformer Removal, Primary UG Single Phase, Primary UG 3 Phase, Primary OH 3 Phase, Transformer SinglePhase UG, Transformer Multi Phase UG, Elect Svc-UG from Xfmr Res, Elect Svc-UG from Xfmr Com and is specifically described in Quote 25051899, which is incorporated herein by this reference (the "Quote"), to serve Customer at 36 43RD AVE NE, GREAT FALLS, MT 59404 in accordance with the requirements of the Tariffs. Customer agrees to comply with the terms and conditions of this Agreement and remit to Company the total contribution of \$ 110,017.02 , which may include a federal tax surcharge and administrative/engineering fees and is more fully described as follows:

1.1 Advance. In consideration of the Company's agreement to install facilities, Customer agrees to pay an Advance in the sum of \$ 103,187.00 for construction of the facilities identified in the Quote.

**ELECTRICAL**

- Single Family Residential  
(Electrical Tariff 6-2)
- General Service or Non-Single Residential  
(Electrical Tariff Rule 6-2)
- Loads of Uncertain Duration  
(Electrical Tariff Rule 5-7)
- New Subdivision or Housing Project  
(Electrical Tariff Rule 6-7)

**NATURAL GAS**

- Residential/Other Core Customers  
(Gas Tariff Rule 6-2)
- New Subdivision or Housing Project  
(Gas Tariff Rule 6-6)
- Loads of Uncertain Duration  
(Gas Tariff Rule 5-7)

For clarification, an "Advance" is a refundable contribution to the installation costs of the Company's facilities, and is made by the applicant prior to the initial installation. A portion of that advance, up to but not exceeding the full amount, may be refunded when additional residences or properties requiring service may connect to the facilities installed under this Agreement within the applicable 5 year (all natural gas customers, General Service electric, non-Single Family Residential electric, all new residential subdivision and townhouse connects) or 10 year (for Single Family Residential electric) periods after Company's completion of the line extension for the Customer. Future applicants attaching to existing facilities that carry Advance line extension designation within the time periods referenced above share in cost of the installation of the original line extension. Any future attachments will result in a refund to

Customer in an amount determined by the Company in accordance with the Tariff. No refund will be made after the applicable 5 or 10 year period.

**AND/OR**

1.2 Contribution in Aid of Construction. In consideration of the Company's agreement to install service facilities, Customer agrees to pay a CIAC in the sum of \$ 6,830.02 for construction of the facilities identified in the Quote.

For clarification, a "CIAC" is a non-refundable payment made by a customer to pay for costs in excess of the free allowance set forth in the Tariffs.

**2. CONDITIONS TO INSTALLATION.**

2.1 Payment. Customer shall make payment of the Advance or the CIAC prior to Company scheduling a construction start date. Company must receive payment and satisfactory evidence of required permits and right-of-way authority prior to ordering materials, scheduling crews or starting construction.

2.2 Right-of-Way. Customer shall provide the right-of-way required for the installation of the Company's service facilities. Customer shall grant or obtain for the Company an easement along the route of the line extension in a form satisfactory to the Company.

2.3 Permits. Customer shall provide all required permits from appropriate governmental agencies for the construction work and installation of the Company's facilities and Customer's equipment. Copies of all permits must be provided to the Company.

2.4 Additional Costs. If the Customer requests facilities be installed in frozen, rocky or hard ground, the Customer may be responsible for additional charges for installation. The Company will notify the Customer of these charges prior to installation when feasible, and otherwise when encountered during the installation work. If the Company requires additional charges prior to installation, and the basis for such extra cost is not encountered during the performance of the work, Company shall refund such charges to Customer.

2.5 Storm Water. Customer is solely responsible for compliance with all Montana Department of Environmental Quality storm water regulations. All soil disturbing activities deemed necessary by the Company for the installation, operation and maintenance of the facilities must be incorporated by Customer in the Storm Water Pollution Prevention Plan. Customer shall operate and maintain all storm water best management practices at all times.

2.6 Underground Facilities. Prior to construction, all customer-owned, rented or leased underground facilities (including but not limited to sprinkler systems, septic systems propane tanks and associated lines, and communication and electric lines) must be properly identified and physically marked by Customer. The Company is not responsible for damages resulting from mismarked or unidentified customer facilities. Contact the Company's Construction Department with questions related to appropriately marking Customer-owned facilities.

2.7 Customer's Equipment. Customer shall install Customer's facilities in accordance with the Company's "New Service Guide" and "Electric Service Requirements & Guidelines." The location of Customer's meter must be approved by the Company prior to the installation of equipment owned by the Customer. Customer shall provide service entrance and termination points as specified by the Company's installation standards in effect at the time construction begins.

2.8 Restoration and Grading. The Company will make a reasonable attempt to preserve private roadways and landscaping, but Customer is responsible for final compaction and restoration of private roadways and landscaping, including the removal of excess spoil piles. The Company will install facilities with the understanding that ground-level is the final grade, unless otherwise directed in writing by Customer. Should changes to grade be made in the future that result in Company's facilities being raised or lowered, the Customer is responsible for the costs associated with this change.

**3. GENERAL CONDITIONS.**

3.1 All terms, prices and conditions set forth herein are subject to modification resulting from changes in applicable rules, Tariffs, regulations, ordinances, the scope of project, and laws that may be amended or enacted after the date of this Agreement.

3.2 The payment amounts set forth in this Agreement are effective for 4 months from the date of this Agreement. If construction has not commenced within such period due to any action, omission or failure to act by Customer, the project will be reviewed for any changes in the cost. The Company will perform

one line extension engineering cost estimate per year at Customer's location free of charge. If subsequent redesign estimates are requested within the one year period from the original quote, a charge of \$61.00/hour (minimum charge = \$61.00) will be assessed and is payable prior to delivery of the estimate to Customer. If Customer proceeds with installation, fees paid for estimates will be credited toward the contribution payment.

3.3 If the facilities required to serve Customer must be relocated or modified at the request of Customer after installation, the Customer shall pay the costs of moving Company facilities.

3.4 The Company agrees to establish service within a reasonable period of time after the Customer's equipment passes inspection by the state and local authorities as required by law. The Company will proceed with the survey, design and construction of its facilities in a normal manner using its existing work force (Company employees or contractors) and material supply sources. Installation will be performed during normal working hours and the Company may reschedule the work to achieve efficient workload of Company forces. Availability of materials, weather conditions, frozen ground, access, or obtaining permits from governmental agencies or railroads may cause delays beyond the control of the Company or the Customer.

3.5 In the event of a conflict between the terms of this Agreement and the Tariffs, the terms of the Tariffs prevail.

#### 4. ADDITIONAL CONDITIONS.

Contract herewith provides customer with three phase underground primary line in conduit to feed the lift station, a padmount transformer set with an underground service in conduit from the transformer to the meter base. Additional work of removing the existing overhead line and also replacing an overhead tap with an underground line.

Additional costs will be incurred due to rocky, extremely tough or frost digging conditions, modifications by the customer or the customer requesting NorthWestern Energy to modify original design and/or unforeseen circumstances.

If trench(es) is excavated by customer, said trench(es) will be inspected by NorthWestern Energy for compliance with the guidelines for customer trenching found in the New Service Guide.

Any additional costs that have incurred will be paid prior to the installation of meter.

All property pins shall be in place and property lines marked properly with stakes or flags. Route(s) will be clear of any obstructions and/or hazards. Failure to abide by these or any other rules, which are in the NorthWestern Energy New Service guide, shall result in NorthWestern Energy rescheduling project at the time and expense of the customer(s).

Customer(s) will be responsible for the replacement of any and all concrete, asphalt and/or landscaping on or around the area excavated by NorthWestern Energy. Any gravel roadway crossings excavated by NorthWestern Energy will be restored at the responsibility of the customer.

In the event of uncontrollable circumstances, such as severe weather or uncontrollable damages, we will respond promptly to restore service, then resume our commitments without penalty.

The customer requests utilities to be installed with the guarantee that ground level is to final grade.

Should changes to grade around or near NorthWestern Energy facilities occur, after this contract has been signed, that result in NorthWestern Energy facilities needing to be either raised or lowered, the customer named on this Customer Service agreement is responsible for all costs associated with this change.

It is the responsibility of the customer to leave intact any and all marking devices placed by NorthWestern Energy. Failure to do so will result in NorthWestern Energy adding additional charges to the project at the expense of the customer and will not continue project until those charges have been paid to NorthWestern Energy.

The safety of the NorthWestern Energy crewmembers takes precedence over any and all hazards placed by customer.

Public safety always must take precedence over normal service.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in duplicate as of the day and year first above written.

NORTHWESTERN ENERGY

CUSTOMER

By: Joel R Demko

By: \_\_\_\_\_

Printed Name: JOEL R DEMKO

Printed Name: \_\_\_\_\_

Title: ESTIMATOR

Title: \_\_\_\_\_

Date: JUNE 24, 2016

Date: \_\_\_\_\_

Phone: 406 454 7113

Phone: \_\_\_\_\_