



PUBLIC WORKS BOARD MEETING
Thursday, March 30, 2017
5:30 p.m.



TOM LLEWELLYN, CHAIRMAN

PUBLIC WORKS BOARD
MINUTES
March 30, 2017

The meeting convened at 5:30 pm.

Members present: Bill Enright, Travis Jones, Tom Llewellyn, and Rod Wilson

Staff present: Kelly Frank, David Mumford, Louis Engels, and Jennifer Duray

Members Absent: Dave Wanzenried

Guests: Craig Capera, Amanda McInnis and Jake Ostrander

OLD BUSINESS

APPROVAL OF MEETING MINUTES

Mr. Wilson motioned to approve the minutes of the February 16, 2017 meeting and Mr. Enright seconded and the minutes were approved.

NEW BUSINESS

1. Rate Study and FY2018 Budget Presentation – Jennifer Duray

Ms Duray discussed the FY18 budget starting with revenues of \$117 million, which is down from FY17 because of the bond proceeds for the Wastewater Treatment Plant. Expenses for FY18 will be about \$146 million with a shortfall of \$29 million, which will come from cash reserves. Public Works has 13 different budgets that also includes over 200 Street Light Districts. All SBRs (supplemental budget requests) totaling a little over \$1 million for FY18 were approved.

The biggest increase in the overall FY18 budget comes from \$500k in liability insurance. There is also an increase in franchise fees for solid waste, water, and wastewater.

Public Works will be requesting increases in the following assessments and in Solid Waste:

Arterial – 3.5% or \$1.63

Storm – 3.6% or \$1.50

Street Maintenance Districts – 5% or \$5.46

SW Residential – 3% or \$0.31

SW Commercial – 3% or \$1.87

Rate Study

Water

One of the objectives of the rate study for water and wastewater fees was to revisit multi-family use. Also to review user class characteristics, O&M allocations, capital cost allocations, and water use trends. Probabilistic weather forecasting was also used as a factor in the rate study. Projected water sales for FY18 are \$22 million. Tier rates increases for FY18 will be 3.5% and 2% in FY19. Outside users will have the same increase. Fixed meter size rates will increase from 2% to 8% in FY18. In FY19, there will be a 5% increase for 2" to 10" meter size. Fire protection will also increase 4.5% for FY18, but there will no increase in FY19.

Rate Study

Wastewater

The rate study for wastewater applied a consideration of appropriateness of outside user charges. The City only has 40 outside users and the rate study determined that the existing methodology charges appropriately for wastewater services. Wastewater rates inside and outside the City will increase 2% to 3% in FY18 and 3% in FY19. Volumetric rates (\$/ccf) will increase for all user classes inside and outside the City.

The City of Billings only has two wholesale users – Lockwood and Phillips 66. FY18 will see a decrease in revenue because the upgrades for the Wastewater Treatment Plant will not be online until 2020.

Rate Study

SDF

The SDF rate is based on value of capacity of existing infrastructure and planned capital investments benefitting growth. SDF analysis is required every two years to be compliant with State Law.

There will be a recommended increase in water and wastewater SDF's for FY18-19. Lockwood would also have a very small increase in their wastewater SDF. Mr. Llewellyn asked the board to approve or disapprove the recommended increase in SDF's. All members were in favor with Mr. Enright motioning for approval and Mr. Wilson seconding the motion.

2. Integrated Water Plan Presentation – HDR

Opportunities include wastewater reclamation/reuse for irrigation, industrial reuse, groundwater discharge/storage, and possible satellite treatment. Also, stormwater reclamation/reuse could include LID techniques and detention/retention/reuse and the use of ditches. The goals of the Integrated Water Plan are to improve conservation, redundancy/resiliency, irrigation, and to help with wastewater nutrient requirements. HDR sent the board criteria to be ranked by importance by each member. Rankings from PWB are listed below:

Permittability 21
Beneficial water use 19
Quality of life 18
Sustainability 18
Cost 14

Ms. McInnis gave an update of the Yellowstone River water quality issue. HDR met with MDEQ and they are reviewing the water quality modeling. New criteria for nitrogen will be .5mg/l TN and phosphorus will be .05mg/l TP, which is currently unattainable. There are limited data sets and HDR has prepared a sampling and analysis plan for MDEQ to review. HDR will be doing a site specific analysis and the cost is approximately \$25k approximately per year.

Water conservation is a priority because the limited treatment plant capacity and summertime peak use drives treatment plant capacity. Elements of water conservation include becoming more efficient with water consumption, public education and awareness, implement demand tracking and alerts, landscape professionals education and certification, and possible monetary incentives for water conservation.

HDR is also exploring West end alternatives such as a water storage reservoir, water and wastewater treatment plant for groundwater recharge and reuse. The Knife River site is being considered for wastewater discharge. Louis Engels proposed the idea to line the gravel pit to hold water. Also water discharge from the Canyon Creek ditch could be moved to Knife River to create a reservoir with 10mgd. A west end wastewater plant would take all wastewater from 48th Street west and west with new development.

Billings Heights also needs some alternatives. The wastewater pipe needs to be upsized and it may be possible to pump it to the Sindelar pit. However there are several challenges because of drinking water wells in the surrounding subdivisions. This pond could also be lined for a treatment system at and the water could recharge the ground water.

Next steps for the IWP include meeting with irrigation districts. Also meeting with MDEQ, to discuss non-deg and classification of ditches and ponds, Yellowstone river water quality criteria, sampling and analysis plan for Yellowstone River, variance process and how HAC will be applied to Billings, groundwater recharge rules, and perform preliminary analysis of the Yellowstone model.

Some additional steps include complete initial groundwater modeling of the West End, evaluate phasing and capacity of WWTP, evaluate feasibility of groundwater discharge in the Heights, and implement sampling plan for the Yellowstone in August.

Meeting adjourned at 7:25pm.