



**PUBLIC WORKS BOARD MEETING**  
**Thursday, April 18, 2019**  
**5:30 p.m.**



***TOM LLEWELLYN, CHAIRMAN***

---

**PUBLIC WORKS BOARD**  
**MINUTES**  
April 18, 2019

The meeting convened at 5:20 pm.

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

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

Members Absent: None

Guests: Council Member Mike Yakawich

**OLD BUSINESS**

**APPROVAL OF MEETING MINUTES**

Mr. Wanzenried motioned to approve the minutes of the February 21, 2019 meeting and Mr. Enright seconded and the minutes were approved.

**NEW BUSINESS**

**1. Budget**

Public Works Department budget overview to give City council \$6 billion in assets.. Largest landfill in Montana – composting and green barrel took 19,000 tons out of the landfill. 75 water breaks and 15 sewer breaks small percentage compared to the number of pipe 500 crosswalks painted 1160 miles of streets and more with snow plowing residential areas. Storm drain still deficient but trying to catch up. Cptial for Engineering 65 million in projects.

Improvements and efficiently we have added Automative Vehicle Locator in City vehicles. Routeware is used for Solid Waste to improve service and routing efficiently. CNG is saving \$10,000 in fuel costs will be adding on to the station and all vehicles should be CNG in 5-6 years.

Pipebursting is a significant savings because there no construction or digging costs. In house engineering saving on costs for small projects. Engineering only had .25% in change orders.

Proactive with nutrient standards to be compliant DEQ doesn't have rules on discharging into irrigation ditches which is an option. Mr. Enight asked about the new DEQ nutrient standards for large and small cities. Mr. Mumford explained that DEQ is working on some answers.

One billion cubic feet of natural gas from the landfill hit this year – can heat 2,200 homes. Methane extraction project at WWTP.

FY19 Projects:

Transfer Station

76 million for WWTP

EBURD

3million on paver

FY20

Paver

Street Reconstruction Program some SIDs

Monad and 20<sup>th</sup> intersection reconstruction

West end Reservoir – construction FY22

West End Treatment plant – FY23

Nutrient to long term release fertilizer – first is US to produce this type of fertilizer

\$160 million infrastructure deficiency but looking into other ways to pay for this program 33 year overlaying 21 of chip seal – Mr. Llewellyn asked about outer belt loop funding starting this fall with continued funding for another 4 years.

4million for pipe for water and 4 million waste water

Interceptors replacement

\$110.7 revenue – charges for service and this year debt for proceeds

Money also from Special assessments also

139.4 millions – planned use of cash – still okay with funding

Transfer station will be done in a year – Wanzanried

Legal – electricity increased in 2018

Rate assessments per year increases 6.49 per household per year

Landfill 5% increase and 3% for collection – guess

Tarp fee of \$10 – uncovered load fee

Questions –Mr Enight commended Public Works for a great job. Mr. Wanzanried asked about consequences if City Council doesn't pass the rate increases. Mr. Mumford explained how capital projects get delayed.

## 2. Water and Wastewater, System Development Fee Rate Study

Ms. Duray went over the water usage and cost and how cheap it is .5 cents per gallon. Public Works has inflationary needs which is why we need a rate increase. Water rate increase aging system and west end reservoir project . 114,000 residents need water – last month NWE took the water plant off line 8 times. Average water use 6-14 ccfs per year 6winter 14 summer.

Wastewater rate change in methodology because of new process at WWTP – nitrogen has been added to the study. Recommending no increase first year – volumetric ww .13 effected by the shift is high strength commercial – restaurants and grocery stores.

Increase of .78 this year .65 second year of residential users

Exxon and P66 wholesale users – the Lockwood Sewer District will see a significant increase, Exxon went down for FY20 but will increase in FY21, P66 will also have a small increase

Water increase – no for residential  $\frac{3}{4}$

Volumetric charge – heights 2.09 to FY21 rate increase include maintenance of reservoirs Questions about how wholesalers take the rate increases but they are all notified ahead of time and they all have contracts that are followed.

Average residential cost up 2.80 per month

FY20 will use all cash for the west end reservoir

Combined increase \$3.58

System Development Fee

One time fee to developers for the growth of the system and strict impact fees. Infrastructure and increase in infrastructure assigned to user class and meter size.

System value and then take debt out – 128 million in CIP  
Growth divided by excess in the system with new WWTP  
Increase of \$740 for wastewater SDF

Lockwood is only charged for part of the system

Water total system 189.5 million

251 million in water projects and not all for growth

Back out cash equity

Excess capacity including west end reservoir

Small increase to water SDF of \$55 for  $\frac{3}{4}$  meter- 16.8% increase over the next two years

Motion to recommend by Mr. Wanzenried and seconded by Mr. Wilson.

Mr. Wanzenried asked about Franchise fees and the lawsuit – it has become a class action lawsuit. The city stopped charging last year. Offer of 3 million to west end reservoir from general fund was offered. Heights water district 3 million in discrepancy being discussed.

### **3. Other Business**

Meeting adjourned at 7:15