

## **Work Meeting - May 23, 2018 6:00 p.m.**

Present: Mayor Robert Stump, Councilmen: Mike Walter, Dan Durham, Rahn Abbott, Public Works Director Curtis Green and Clerk Ginger Galiger.

Guest: None

Mayor Stump called the meeting to order at 6:00p.m. and thanked everyone for coming.

### **Review of the PER from the 2016 Water Project**

Mayor Stump prepared an overview of the (PER) Preliminary Engineering Report that was approved by Council during the June 2016 meeting. The cost of the project was approved for \$1,388,000. A review of the elements of the original PER were reviewed and later prioritized as the needs of the town have changed. The need for a new well and transmission line is our number one priority today.

Mayor Stump also explained the various agencies that we have applied for grants through. We were awarded a TSEP grant in the amount of \$625,000. We were approved for an SRF loan in the amount of \$625,00 along with a \$500,000 grant (principal forgiveness). In May 2017 we were given the go ahead to start spending the TSEP money, so we began moving forward with Great West Engineering to complete the procurement package. Completed January 2018.

After the 2017 special legislative session in November, the TSEP funds were pulled back from us so at this point we still owe Great West approximately \$57,000. We would like to request a bond anticipation note to pay Great West for their services completed as of January 2018. We are also applying for emergency funding through USDA RD. We could possibly receive \$1,000,000. The available moneys are unclear. We need to move quickly as other emergencies across the contry will be put before ours.

After a review of the original PER and a discussion of the emergent needs today a prioritized list was discussed.

1. New well
2. Replace Water Street main, service lines to meter pits, and hydrants
3. Replace Bieler Lane main, service lines to meter pits, and hydrants, and loop to Tolson Ln main
4. Any other hydrants around town that need to be replaced – fire suppression
5. Ladder cage at the storage tank – safety improvement

It would be a real cost savings if the equipment from the transmission line could also be used to do Water St and Main St. at that time.

### **Progress on the new well**

Mayor Stump did a run through of the past well issues that we have been dealing with throughout the last year. Wells #1 and #2 have been cleaned and new pumps put in and almost immediately, the pumps start to draw air. We have had to stop using them. That left us with well #3 and #5.

Today Curtis Green met with Chet Graham to pull the pump from well #3 to check the static level which was at 82 feet. Even with all the rain the water level has not changed. They took the smaller pump out of well #1 and put it into well #3, it sucked the well dry within 20 minutes, it's just not recharging. This leaves the town with only well #5. Currently the pump on well #5 is running for over 12 hours per day and sprinkling will put more pressure on the pump.

Mayor Stump stated that by law we are required to have a certain level of water supply and we do not have that right now.

Scott Payne with Northern Rockies Engineering did an assessment of the area to find a good water source. This assessment brought us to the location on Carey Lane where the test well was drilled. The estimate for the well and pipeline is in the \$1.4 M to \$1.6 M range. We still need a

formal cost estimate from Great West for the pipeline before we can submit the application to USDA RD for the emergency funding.

Mike Walter discussed other options that could save us the cost of the transmission line. Can we abandon wells 1,2 and 3 and replace it with a deep well down at the ball field? Mayor Stump had a discussion with Chet Graham and said this could be risky. We would have to be far away from well #5 and we would have to request a deviation from DEQ. We would have to hire a mud driller; do we want to get a cost estimate?

Could we use the Indian Creek Springs? Going that route, we would be looking at 2 to 3 times what the current project will be. It would cost at least \$1,000,000 for the treatment plan and a qualified technician to run it. Discussion.

**Water rate review**

Mayor Stump reviewed the spreadsheets showing where the water rates were for the last 4 years and where they should have been. The O&M has double over these 4 years. The base rate pays the bills and the water sales are for reserves. We no longer have reserves to handle emergent issues or replace equipment. Based on the financials we reviewed prior to the last council meeting we are already behind and the year is not over. To borrow any additional funding to repair or update any part of our water system, we have to be able to demonstrate that we can repay the debt.

There was a presentation done by Montana Rural Water that demonstrated the increase to be around \$15.00, this is still to be determined. Discussion on using a tiered rate structure for water sales. Dan Durham thought it would be a good idea to move forward during next the next council meeting to do a resolution of intent to increase water funds. Rahn Abbott stated, he would rather start out too high for the town to get caught up.

The meeting was adjourned at 8:21 pm.

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Approved: Robert Stump, Mayor

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Attest: Ginger Galiger, Clerk