

CITY OF POLSON

CITY COMMISSION PUBLIC HEARING

Commission Chambers

March 23, 2015

6:30 p.m.

ATTENDANCE: Mayor Heather Knutson, Commissioners Erickson, Morrison, Siler, Turner and City Manager Shrives, City Clerk Cora Pritt

ABSENT: Commissioner Southerland

OTHERS PRESENT (who voluntarily signed in): Lori Benner, Shari Johnson

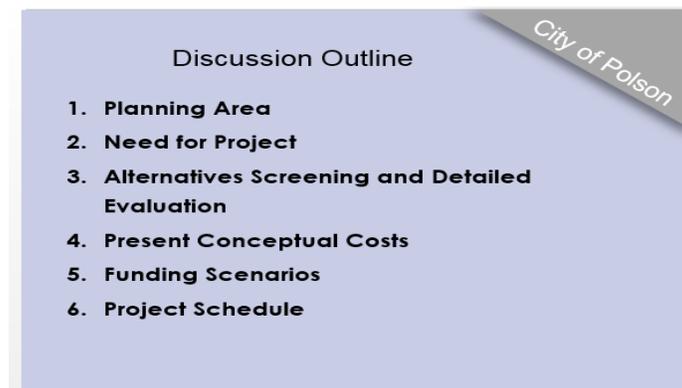
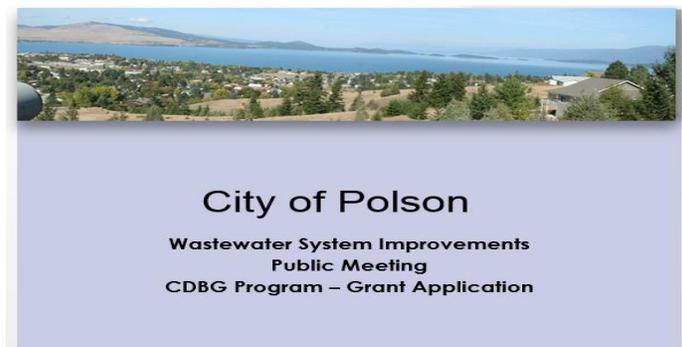
CALL TO ORDER: (00:07) Mayor Knutson called the meeting to order. The Pledge of Allegiance was recited. Roll call was taken.

APPROVAL OF PROPOSED AGENDA (00:51)- Commissioner Turner motion to approve the proposed agenda. Commissioner Erickson second. City Commission discussion: none
Public comment: none **VOTE: Unanimous Motion carried**

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC NOT ON THE AGENDA (1:18)-There was no public comment.

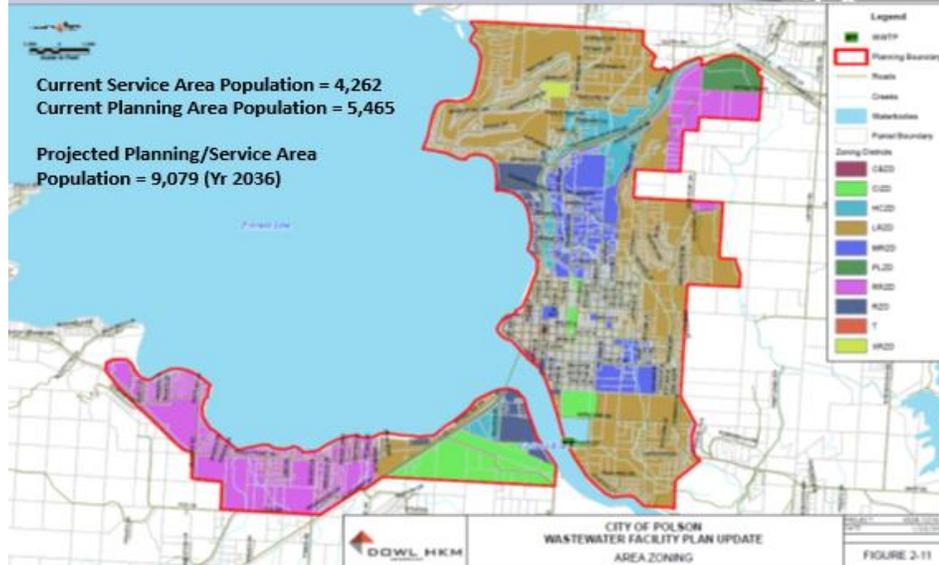
PUBLIC HEARING OPENED (01:41):

Shari Johnson and Lori Benner gave the following power point presentation:



Wastewater System Planning Area

City of Polson



Need for the Project



- Dikes Eroding Between and Around Lagoons
- Seasonal Challenges (TSS/BOD Violations)
- Compliance Directive to Disinfect Effluent
- Effluent Water Quality (Little nutrient removal)
- Limited Operational Flexibility
- From EPA Complaint Document: "It (City) has exceeded its permitted limit for BOD5 discharges by as much as 188%".

Regulatory Drivers

- **By June 2017 – Compliance Directive Must be Satisfied**
- **January 2018 – NPDES Permit Renews**
- **Water Quality Standards**
- **Total Maximum Daily Loads (TMDL's)**
- **Non-Degradation Limits**
- **Numeric Nutrient Criteria**

Treatment Alt. Screening & Selection

- **Screened Nine (9) Alternative Treatment Processes**
- **Completed Detailed Evaluation of Three (3); MBR, SBR w/ Filtration, SBR without Filtration**

Alternative Selection

- **April 2014 – MBR Selected**
 - » Higher Cost
 - » EPA Discussions; Need for Filtration
Questionable and Timing Less Imminent
- **November '14 – SBR (no filtration) Selected**

Potential Funding Scenarios

	Funding Scenarios		
	SRF Loan/Local	TSEP/RRGL/SRF /Local	TSEP/DNRC/CDBG/ SRF/ Local
Total Project Costs	\$ 14,796,040	\$ 14,796,040	\$ 14,796,040
Grant Share			
TSEP	\$ -	\$ 750,000	\$ 750,000
DNRC (RRGL)	\$ -	\$ 125,000	\$ 125,000
CDBG	\$ -	\$ -	\$ 450,000
Local Contribution	\$ 1,250,000	\$ 1,250,000	\$ 1,250,000
Total Cost to Be Financed (loan)	\$ 13,546,040	\$ 12,671,040	\$ 12,221,040

Projected Rate Increase (100% Loan or With Some Grant Funds)

City of Polson

Funding Scenario	Funding Options		
	SRF Loan/Local	TSEP/RRGL/SRF/Local	TSEP/DNRC/CDBG/SRF/Local
Current Average Sewer Rate =	\$ 28.75	\$ 28.75	\$ 28.75
Projected Average Rate Increase =	\$ 42.14	\$ 40.14	\$ 39.11
Projected Average Rate Total =	\$ 70.89	\$ 68.89	\$ 67.86

**“Current Average Sewer User Rate” Does Not Include January ‘15 Increase
but “Projected Average Rate Total” Does Include January ‘15 Increase**

Phased/Staged Rate Increase

City of Polson

- **Jan 2015 (\$14/month – minimum) (To \$42 +/-)**
 - » Fund Design, Equipment Procurement (no borrowing)
- **2016 (Additional \$20/month; To \$62)**
- **2017 (Additional \$10/month to \$70)**

Project Schedule

- Treatment Facility Site Visits – January 2014
- Equipment Procurement - March – June 2015
- CDBG Application Due – May 2015
- Final Design – June '15 – Feb 2016
- Regulatory Review – March – April 2016
- Bidding/Award – May- June 2016
- Construction July 2016 – Dec 2017



Possible Sources of Funding

Funding Source	Type	Amount	Status
MT Treasure State Endowment Program (TSEP)	Competitive Grant	\$750,000	Ranked 2 nd out of 40 applications
MT Renewable Resource Grant and Loan Program (RRGL)	Competitive Grant	\$125,000	Ranked 4 th out of 101 applications
MT Community Development Block Grant Program (CDBG)	Competitive Grant	\$450,000	Submitting on April 20, 2015
US Water Resources Development Act (WRDA)	Competitive Grant Annual Appropriations Bills Fund Projects	\$200,000 - \$500,000	Sent letters of interest to MT Congressional Delegates in February 2015
USDA Rural Development Loan and Grant Program	Competitive Loan / Grant	3.00% not to exceed 40 years	Evaluating submission of application
MT State Revolving Fund	Loan	2.50% not to exceed 20 years	Submitted draft application in March 2015

Montana Community Development Block Grant (CDBG)

- Due April 20, 2015; \$450,000; 25% or \$112,500 match
- Seven ranking criteria
 1. Community planning (Growth Policy, CIP, public meetings, and O & M budgets)
 2. Need for project (PER)
 3. Project concept and technical design (PER)
 4. Community efforts and citizen participation (public meetings and letters of support)
 5. Need for financial assistance (serious efforts to identify all sources of funding and projected user rates)
 6. Benefit to low and moderate income persons (2000 Census data)
 7. Implementation and management (written plan, thorough and justified budget, environmental checklist, procurement of professional services, clean audits, and financial accounting system)



Public Comment

Mayor Knutson then asked if there was any Public comment (18:36).

Hearing none, the Mayor closed the Public Hearing (19:00).

Mayor Knutson asks for a Motion to Adjourn. (19:39) Commissioner Campbell motion to adjourn. Commissioner Siler second. VOTE: Unanimous Motion carried.

ADJOURN: 6:49 p.m.

Heather Knutson, Mayor

ATTEST:

Cora E. Pritt, City Clerk