

# CITY OF POLSON

## CITY COMMISSION MEETING

Commission Chambers

August 17, 2015

7:00 p.m.

**ATTENDANCE:** Mayor Heather Knutson, Commissioners Campbell, Donovan, Siler, and Turner.  
City Manager Mark Shrives, City Clerk Cora Pritt

**ABSENT:** Commissioners Erickson and Southerland

**OTHERS PRESENT** (who voluntarily signed in): Lake County Commissioner Ann Brower, Dave DeGrandpre, Elsa Duford, Lita Fonda, Sam Jacobson, Mike Lies, Bonnie Manicke, Polson Police Chief Wade Nash, Roger Noble, Kitty Pedersen, Trudy Pedersen, and Polson Water/Sewer Superintendent Tony Porrazzo.

**CALL TO ORDER: (00:03)** Mayor Knutson called the meeting to order. The Pledge of Allegiance was recited. Roll call was taken.

**APPROVAL OF PROPOSED AGENDA (00:52) - Commissioner Turner motion to approve the proposed agenda. Commissioner Donovan second.** City Commission discussion: none Public comment: none **VOTE: Unanimous Motion carried**

**PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC **NOT** ON THE AGENDA ( 1:22)-none**

**CONSENT AGENDA (1:50) - (a).** Additional June 2015 Claims (b). August 1-13, 2015 Claims, (c) City Commission Meeting Minutes August 3, 2015, (d). Annual Contract Renewals; City Attorney and Assistant City Attorney (e). Jensen Skyview Phase II Subdivision Time Extension. **Commissioner Campbell motion to approve the Consent Agenda. Commissioner Siler second.** City Commission discussion: none Public Comment: **Elsa Duford** commented that the Condition of Approval that was missing from the report submitted by Johna Morrison for Ridgewater Dr was not included in the minutes. It is Condition #48, "The 15<sup>th</sup> Ave East connection is not to be used. Added by the City Commission on May 2," It goes on to state that Phase VI does not touch the 15<sup>th</sup> Ave E. connection. Commission Siler commented that there is a permanent barrier put there and that there is no intention of coming onto 15<sup>th</sup>. **VOTE: Unanimous Motion carried**

**CITY MANAGER COMMENTS (4:34)** – City Manager Shrives commented on the following: City Manager Shrives read a letter from the State of Montana Attorney General thanking Patrol Officer Juan Maso for his participation in the recent Junior Youth Leadership Police Academy held at the Police Academy in Helena, MT. There were Super Wal-Mart Final Subdivision binders distributed to the Commission. This is for a future meeting, but wanted to give the Commission ample time to review the documents. Reminder about the Economic Development Council Public Hearing on Wednesday, August 19, 2015 at 6:30 p.m. in the Polson Middle School lunchroom. City Manager Shrives asked City Finance Officer Cindy Dooley to speak regarding the Certified Values. The Certified Values were received from the State of Montana Department of Revenue. This figure is used in preparing the City budget. The City has 30 days after the date of the Certified Values to adopt a budget. The budget must be adopted by the first Thursday after the first Tuesday. So, the budget this year will need to be adopted by September 3, 2015. This year the City received \$17,000.00 in newly taxable. The City has challenged this figure. If the City is re-certified, then the City will have 30 days from the date of re-certification to adopt a final budget.

**OATH OF OFFICE POLSON POLICE OFFICER GEORGE W. SIMPSON (16:55)**-Mayor Knutson administered the Oath of Office for the City of Polson Police Officer Simpson.

**SPECIAL USE PERMIT #15-04 St. LUKE MEDICAL CLINIC (20:53)** - Contract Planner Erica Wirtala presented this agenda item. This is a Convenient Care Medical Physical Therapy Outpatient facility. Located on Lot 4C Ridgewater Phase I. The hours of operation will be 7:00 a.m.-6:00 p.m. Monday thru Saturday. There will be 4 employees per shift. Staff recommends approval with 18 Conditions. The City County Planning Board recommended approval unanimously. **Commissioner Turner motion to approve the Special Use Permit request for a Convenient Care/Physical Therapy facility on behalf of St. Luke's healthcare along with the Conditions of Approval as described in the attached staff report. Commissioner Campbell second.** City Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried.**

**SPECIAL USE PERMIT #15-06 FRE POLSON, LLC-DIALYSIS CLINIC (26:44)** - Contract Planner Erica Wirtala presented this agenda item. This will be a Dialysis medical facility. Located on Lot 17C, Ridgewater, Phase VI. There will be retention ponds constructed on the property. The days of operation will be Monday, Wednesday, and Friday to begin with. Tuesday and Thursday will be set aside to do paperwork. Eventually the facility will go to dialysis five days a week. Staff and the City County Planning Board recommends approval with 18 Conditions of Approval plus an additional Condition #19 that was added by the City County Planning Board. That condition reads: "All medical waste, including water waste, must be disposed of in the proper manner as called out by Federal Requirements." **Commissioner Donovan motion to approve the Special Use Permit request for a Dialysis clinic on behalf of FRE Polson, LLC along with the Conditions of Approval as described in the attached staff report and to include additional Condition #19 All medical waste, including water waste, must be disposed of in the proper manner as called out by State and Federal Requirements. Commissioner Turner second.** City Commission discussion: none Public Comment: **Dennis Duty** asked if the waste water was to include medical waste water. Contract Planner Wirtala answered that yes it would include medical waste water. **Mayor Knutson amended the motion to read Medical waste water. VOTE: Unanimous Motion carried**

**POLSON DEVELOPMENT CODE UPDATE (36:48)** -City Manager Mark Shrives introduced Dave DeGrandpre, Land Solutions, LLC, who presented the Development Code update. Dave DeGrandpre will be discussing the options that are available to the City. Polson Development Code is the set of rules and zoning regulations for the City of Polson and the outlying area that is adjacent to the City limits but in the County. This document was adopted in 1993. The document has been successfully used up until now. There seems to be some hesitancy from the County on the proposed changes. There is a new County Planning Director and newly elected County Commissioners. The County staff want to make certain that they are doing it right and being very thorough and appropriately. The City has a couple of options right now. The City can move this forward on a unilateral bases meaning form a City Planning Board and remove all the references to the County from the Polson Development Code (PDC). The City map would only include the City limits and the Polson Development Code would only reference the City. It would become a municipal code as opposed to a City/County code. In order to do this, there would need to be some revisions completed. This current revision was started in 2010. The committee has worked long hours and there were County and City representatives on the committee. The other option would be to work with the County to make it move along. There does need to be an end point to this project. In terms of pros and cons; ideally there would be a City /County code. This is to protect the City's interest. It allows for one set of uniform rules as the City grows. It also allows the development community to know what the rules are. Also, there is the City/County Planning Board for communication, discussions about growth and development. Dave recommended that the City ask the County for clarification as to what the issues are that they are working through and seek a commitment to try and resolve those issues in a timely

manner. If that can't be done, for whatever reason, then the suggestion is to just move ahead. Ideally it would be good to give it one more try and seek a commitment to making it happen relatively quickly. Commissioner Turner asked how long until the Code is completed. Dave DeGrandpre answered that if we went forward only as a City then the document could be completed and adopted by the end of the year. A letter would need to be written to the County letting them know that the City is abandoning the City/County Planning Board. The County then decides if they want to keep the City/County Planning Board. The text, charts, and maps would then need to be amended, a new City Planning Board would then be appointed and then it would be completed by the end of the year. If you maintain the City/County arrangement that would mean working with the County. That option would be more expensive. It would be cheaper and quicker to go unilateral. In the long run it would be better to have a City/County arrangement. Commissioner Turner asked if there were any issues regarding the properties being so inner mingled. Would this work for or against the City if we went our own way. Dave DeGrandpre responded it would just be the way it is. It wouldn't matter that much. Commissioner Campbell commented on the services all the people will need that live in the County area adjacent to the City. An example, sewer service is dealt with one way in the County and another in the City. Commissioner Campbell commented that in the fringe areas that type of planning needs to happen together. Wells and drain fields would be popping up on properties that are large enough. Commissioner Campbell stated that we need the co-operation if at all possible. Mayor Knutson asked what the process would be should the City separate, those areas would then be under County, and then those areas would want to annex into the City. The cost would be on the owners to come into line with the regulations of the City at that time. Mayor Knutson asked Dave DeGrandpre if that was a correct assumption if that is what happens. Dave DeGrandpre confirmed that yes that is what would happen. The City would end up working with individual lot owners to try and get things accomplished. There would need to be Improvement Districts formed for streets, sidewalks, water, and sewer. It is more problematic. It is better to plan development up front, get the City specs, right-of-ways, ahead of time. From a Planning and Management perspective that is the better way to do it. Commissioner Turner asked what it would take financially to finish this thing off. Dave DeGrandpre answered with Plan A, only a City Code, it will take up to 50 hours, approximately \$4,000.00 and the adoption process. The adoption process would be a least one hearing before the Planning Board. They would make a recommendation to the Commission. There would need to be a couple of hearings before the adoption, so it will be less than \$10,000.00. Plan B is unknown. Since the City doesn't know what the conditions are that the County has then the time and cost is unknown. It should still be under \$10,000.00. City Manager Shrives commented that there is approximately \$3,000.00 left in the budget for the overall project. In going over the budget, there is an additional \$2,000.00 that can be added. At this point in time, the City has paid the entire bill for this project. Depending on where we go, the City cannot afford to continue to fund this. Whatever the decision that is reached, the funding needs to be a part of this project. If we go with just City then we will fund it. We cannot continue to fund the whole thing, City/County. Mayor Knutson commented that Commissioner Brower was invited to address the Commission and share information. County Commissioner Ann Brower, "While I understand the frustration, I am not in any way going to minimize or belittle the frustration with the time that this process is taking. I would hope to ask for your consideration and understanding while it has taken six years for the City and the workshops to get to the point it's at now. The fact that we're taking some time to have our MACO attorneys look at it. To have our attorneys go through it. To have ourselves and our Planning staff go through it step by step after the point where any changes that were going to be made by the City and the working committee have been made I would hope that you would try to understand the position we're in. We can't adopt something without going through it. Particularly something at this level. It is very important and we agree that is extremely important. While we realize that there's a big push on the time frame, we are making it a priority. We have been meeting weekly with the Planning staff. No, we're not meeting daily with the Planning staff regarding this issue. We are meeting daily regarding other issues but we do have to continue the County business. We can't have those who are coming in for permits that they have to wait because this is the first thing on the list. So this is one of the top priorities. We have this and the density

map as far as the big projects that we're working on. So understand that it's not something that we've pushed aside. It's not something that we're avoiding. We are continuously working on it and weekly at that. As far as one of the questions that was posed by Dave, was whether or not the County truly wants to pursue this. We already decided that last Fall. We went through the public hearings that was already decided. So you know the answer to that question already. Was there anything further as far as that line goes?" Commissioner Turner, "Honestly, what do you think? How long do you think it's going to take you guys? I'm asking because I've been thru this kind of from the beginning. So now that I'm up here, and not involved directly with it, it does seem to be getting long. I completely agree, I want this done correct and done right." County Commissioner Brower, "The stage that we're at right now, one more meeting to go over one more chapter and I think we are in the Design Standards. We have gotten comments from MACO. We've have gotten comments from our Civil Attorneys, whom is missing out on this last piece since we lost him, but we're in the middle of hiring a new one which we won't ask the new one to go through the whole thing. At any rate, so to compile all those comments, everyone's comments are separate, each Commissioner has made comments separate on their own, the Planning staff has made comments, while we've all discussed them, they need to be compiled. So to compile those comments will take some time. There are issues that for us are, if we can't change it to that, we aren't doing it because quite frankly it's not legal. Our legal staff has told us you cannot do this. So, there's certain things that we would have to see changed. The City would have to agree to change in order for us to adopt it. There's other things that are negotiable items. Things that as the County Commissioners, we don't like to see our County residences subjected to period. As City, which is a different story than County, as City I can see why those design standards would be applicable. So coming to terms on some of those things, time frames would be just that. Meeting over these issues, discussing which way to go, are they deal breakers or not, and in who's mind. That's always a big key thing. So that time frame would depend upon all of that. So getting the comments together isn't going to happen overnight. We do have to have her working on other things also, but as soon as she can get those comments compiled we'll send them to you guys, who can disperse them to Dave or whomever you would like. Then you can go over them. We can decide what ones need to be met. What ones you can agree without even dealing with anything such as, you know, zoning issues, going to the Board of Adjustments, instead of the City/County Planning Board. Those types of things are one of the things that is non-negotiable. They have to go to the Board of Adjustments and not to the City/County Planning Board. So that's one of the things. That would be a simple yes or no. We can prioritize those things as far as what are non-negotiables in our mind and what aren't. Does that help at all?" Commissioner Campbell, "Yes. That tells me where you are at on this. It's more than before." Mayor Knutson, "On those some of those non-negotiables, are there ways within the Code to identify those separately so that we could still share the Code but have specifically identified County specific regulations versus City? Does that get too complex?" Dave DeGrandpre, "It's certainly possible to do something like that. I would have to see the list. I really don't know specifically what we're talking about in terms of specifics. But yes, certainly. There are ways to differentiate City permitting processes from County if it comes to that. Ideally you have one set of rules but I guess we'll just have to see. To answer your question, the answer is yes. That's the way the Code is actually right now. The County has made some amendments over the years that the City hasn't and vice versa. So that there is some differentiation actually today with the current Polson Development Code." County Commissioner Brower, "And today, the County has not adopted the Design Standards. That's another big difference." Mayor Knutson, "I'm sorry, I'm misunderstanding. You haven't adopted the 1993 Design Standards?" County Commissioner Brower, "The City's Design Standards." City Manager Shrives, "Are we talking about the Montana Public Work Standards?" County Commissioner Brower, "I'm talking about the Design Standards. That's a whole separate booklet that is referred to in the document, the new document often but we have not adopted the City's Design Standards." City Manager Shrives, "That's the Montana Public Work Standards. That's what we've adopted." County Commissioner Brower, "Okay. So we have not and that's a big brand new piece. So as far as some of the things in the past as an example that Dave was referring to that's one of the things that we have not done. That would be a new thing." City Manager Shrives, "So I know you probably can't answer this question but I'll see if you've

had a discussion, is the County prepared to try to help fund this project?" County Commissioner Brower, "We have not had that discussion." City Manager Shrides, "I think that would be an important discussion because that's really where we're at. We can't continue to, the City cannot continue to fund this project. So that would be, I think, a very important piece for the City to understand is how we are going to fund it if we continue doing City/County partnership." County Commissioner Brower, "That answer your question? We haven't had the discussion. I'm not committing to a thing." Mayor Knutson, "Any other question at this point? I would like to open it up to our citizens who are here this evening to see if anyone has any comments to share as well. I think it would be helpful to us to hear more. Thank you we may come back to some more questions as we go here but I would like to invite any of the citizens that are here to please come up and share. Again if you could state for our recording purposes and understanding, state your name, address, or ward that would be great. Thank you." **Sam Jacobson**, "I am a member of the present Board. I serve on the Planning Board. What's really important to understand from our perspective of serving on the Board at the moment, we had not voted to recommend anything and we don't believe that we have a legal final draft. So everything that we're looking at is dependent upon we're about to complete the Growth Policy, and then we're going to address that. We're going to start to bring it together. There are things in the verbiage in the present thing we know don't work because we haven't completed it so we can make a recommendation and vote on it in a public hearing." Mayor Knutson, "It has not run thru legal yet. Is that what you are saying?" Sam Jacobson, "It has not. Okay. We have not held, the last time we met on this, and it will show up in the minutes from that meeting one year ago, okay, that we did not take a vote because the public hearing had been closed. Okay. We were asked to clarify some of the changes that we definitely were looking at, so the document that you're looking at looks pretty good except we have never gone thru and clarified things. So cross referencing is bad. It's never gone thru legal. We have not voted for a recommendation up or down on that. We have deleted things that were suggested due to public comment, specifically we were talking about extending the code jurisdiction zone north of the bridge. The public spoke vehemently against it and we said fine we're dropping it. We're not going to fight with that. They can do a public utility district or they can come back to us at another time and say we want to join in the code jurisdiction but that's up to the property owners out there. We're not going to buy into problems that the citizens don't want. That was a decision we made at that final meeting we discussed it. Otherwise, everything that we're looking at it is a very rough draft. It is not a final draft and of course there's going to be legal problems in that because it's not been looked at by legal from the City. You are looking at some of that. Okay. That's going to be really useful because we need to look at that stuff too. Any questions for the Planning Board before I go sit down?" Commissioner Turner, "What do you thing the time line is to finish it up?" Sam Jacobson, "I agree with Dave. If we went ahead and did it as a municipal code we'd be finished by the end of the year. I can't speak for the County because I'm not a County representative. They're not telling me and I understand. I understand why they're not giving us a time frame. I agree that we could move forward and that we could have this complete. The Growth Policy will be complete very shortly. Okay. Something we needed to get done anyways. It really should be done before we complete and we have a State mandate to review this thing. We're way overdue. We're way overdue. We need to complete it. I think that part of the urgency on the part of the City is we want to go ahead and follow the State guidelines and get it done. From a Planning perspective, if we go ahead by ourselves it's going to bite us, it's going to bite us in the end. The best planning is when all parties are involved. The best planning is beyond election cycles and beyond current development cycle. The best planning is fifty years out. Okay. We can't even talk about that right now because we haven't got a code completed. So, you know, we, every board member I've talked to wants to get into long term planning. We can't get there without the code. If we drop parts of it and we come back to amend it, we can do that administratively. We can have hearings on that to adopt things and change things within the City boundaries. Of course we can change zoning as we see fit, okay, and then we negotiate with the County in our code jurisdiction zone. That's the way it's supposed to work. The County has different regulations. They do something we don't. We have pretty clear cut water rights. Theirs are a little muddier. We're all a little bit muddy right now where we live but ours are a little bit clearer than the County's is. We definitely have an advantage

with a municipal water system. Planning is working together.” Mayor Knutson, “Thank you. Do I have any other public comment?” **Lee Manicke**, “In January first City Council meeting in January 1909 I was appointed to this committee. The re-write committee. I think that I want this done more than you do collectively. That said, I don’t think going unilaterally is the correct way to do it. I can see that in that case the City can get in a conundrum or trapped into wanting, someone wanting to be annexed into town with a non-conforming use, you don’t a choice other than to probably do it and accept that non-conforming use. It may create some real serious problems. So I think either way the City is going to have some costs to it. Whether they do it unilaterally or continue on the way that it is. It sounds to me like it may even be more if you do it unilaterally. I do agree with Mr. Shrives that the County ought to bear some of the expenses on it because they have caused some of the delays on this and they ought to own up to that. They haven’t contributed to the cost yet and they are involved in their zoning as well as the City’s zoning. So, I think it should continue working with the County trying to resolve the differences and have a joint City/County Planning Board. It’s worked for, supposed to be ten years to review but it’s going on to fourteen or so now. So I think you should continue that way. Thank you.” Mayor Knutson, “Thank You. Do I have any additional comments?” **Dennis Duty**, “I’m sitting right next to Ann so I’ve got to be careful what I say here. I, like Lee, would like to get this done more than anybody in this room I’m sure. Not only because we’ve been working on the code, but we’re using it every day. Today was a perfect example of two Special Use Permit applications that are following completely the Development Code to the T. It’s a lot of time and energy for all parties to present for these hearings. The sooner the better as far as I’m concerned. But on the other side of the coin I’d really like to see us included in the County. Or the County included in this Code primarily because things like Hawk Drive, which is our main access into Mission Bay, was a County road at the time it was annexed. So the County road continues to stand up as the precedence here and so we have a chip sealed road. In the future where new developments will try to be annexed in, they will have substandard streets, substandard septic and water utilities that won’t really fall into place for the City. I think it’s worthwhile to hear what the concerns are, the legal counsel, again I am very concerned about the time frame. One other comment I wanted to say there was a hearing on this, whether the City/County Planning Board should continue. I think the hearing was a little bit loaded with people who were in favor of the City/County Planning Board. That were in favor of this because we were on the Development Code but it was very well heard and approved by the County Commissioners to proceed with the City/County Planning Board. So I think they’ve shown some desire to make this happen. I also believe that the more inner-action that we can have between the two jurisdictions for, even if it’s just for trying to figure out how to make things work a little better with snow plowing, or you name it, it can be better if we all communicate and work together. I think this is the time to resolve that. I do think if we go different directions it’s just hard to bring us back together again. We’ve all seen it in the past where it gets separated and then it’s hard to bring it back. But lastly, I don’t think we can wait. Once we get to the questions at hand that these guys bring forward, we can’t debate this for another two or three years on how to handle this. I think we just got to make some decisions and move forward. I hope the County will also be ready to participate in some of the costs because we have, being on that Board we have many folks here, we have spent a lot of time with the County trying to blend this thing and took their Planning staff and included them in every meeting and felt like we discussed this thing, vented this thing very well with what they thought was legal way. So, I hope that we can get this done, get this done timely. I think even the goal of the first part of the year 2016 ought to be a very reasonable goal if we can kick this thing into gear and once this stuff comes out of the County, to get right on it and keep, figure out how we can move forward. Thank you.” Mayor Knutson, “Thank you. Another comment here?” **Lita Fonda**, “I live in Ward 1. A couple of things regarding items that are different between the County and the City. Some examples, to provide some examples, one would be livestock. It’s handled differently in the County from the City. Also, manufactured housing, there’s difference there, and there’s a handful of other ones. I’m wanting to say recreational vehicles. I’m looking at Dave because that was back when Monte was just leaving I think. David DeGrandpre, “That’s true.” Lita Fonda, “There’s a little handful of them where one entity has passed the item and the other has not. It’s not ideal, but it is present in the current code. So I did want to mention some examples you had

asked and those were ones that came to mind. I also have been involved with this from a long time. Not from the beginning because there was a group before the next group that actually developed the draft that the next group looked at. So it has been going on for quite some time. It would be lovely if it would end. It would be really, really lovely, however I am concerned it's done right. I appreciate the fact that the County is trying to look at some legal issues and stuff. I know that you all would be concerned with those as well. So, please don't forget those. I was looking thru the most recent draft of the Code, the one that's on line, I was looking at a cross reference, and it didn't cross reference right. I finally went thru and I happened to find like a whole page of cross references that are small things like that that weren't and still needed tuning. So, a lot of work has been done but there is still a little ways to go. Hopefully a little ways. Just for awareness, some people pointed out this map as City/County Planning area. It actually extends to the north and it was interesting to me, I went to quite a few of the committee meetings before I realized the person running the meeting didn't know that and begun to bring a map of the full extent where that County area extends to the north. So things like that have happened too. Just, I'll give you that one for a flavor. But anyway, thank you for your patience. Hope we can hang on long enough and work with the County to get this done right."

City Manager Shrives commented on one correction, that the City Attorney had in fact reviewed the Development Code and has made recommendations and done an amendment regarding the Planning Board and the Special Use Permit process. Mayor Knutson asked if there was anything that the Commission needed to do this evening as far as an action. City Manager Shrives commented that he would follow up with the County regarding sharing the cost. Commissioner Campbell commented that as long as the County is moving forward with the project, we owe it to them. The County has put a lot of time into this too. We would be a much better organization. Dave's recommendation to move forward with the County we should do that. Maybe the two legal teams could talk too. City Manager Shrives commented that he would follow up with the County. Mayor Knutson asked that the County continue to move forward with the process that they are working towards. The City Manager will visit with the County further about what some potential options might be for financially working thru this as well. Then based on how those discussions go, and the direction, then get an update at the next meeting or the following meeting in September. The Mayor thanked all who spoke and shared their perspective and thanked County Commissioner Brower for her time in coming to speak with the Commission.

**UPDATE/DECISION REGARDING TEST WELL (01:16:29)** -This agenda item was presented by City Manager Shrives, Water/Sewer Superintendent Tony Porrazzo, and Engineer Roger Noble. City Manager Shrives commented that he brought back up in order to answer questions that the Commission may have. The budget for this project was reviewed. The source of funding for this project was an RRGL Grant, TSEP Grant and an SRF Loan a couple of years ago. The RRGL and the TSEP grant were mainly for the Downtown Water Looping Project. There was a little less than \$100,000.00 out of the TSEP Grant that was going to the Well. When the budget was originally put together what was missing was the actual drilling of the Well. Whether that be \$85,000.00 or if we move forward and spend \$118,000.00 to go deeper, that didn't reflect in the budget that was put together for the project. But, the original rate increase did include those funds and the funds are available. There is currently about, in the current Water Fund cash at the end of June, there was \$945,000.00. Reimbursements on the TSEP Grant and SRF coming back to the City in the amount of \$586,000.00. There will be a balance of \$1.2 million in the Water Fund. There is cash available to do the project. Currently the Well is at 295 feet. The City has spent about \$85,000.00. If the City drills down to try and hit another pocket of water, we would be spending an additional \$12,000.00. If it were to be successful then we would need to complete it so the total cost would be \$118,000.00. Roger Noble presented specific details about what was found and a recommendation from him. **Roger Noble**, "Applied Water Consultant, Kalispell, MT. As Commissioner Campbell knows, Polson is probably one of the hardest places to find water. A good ground water well. It's because there are a variety of geologic conditions; everything from lake bed sediments to buried river channels to bedrock geology on the west shore. Even though you find a good aquifer, the water quality

may not be desirable. There's areas of high iron. Areas of high manganese and so it's always been a challenge to find a real viable ground water well for the City. We've done a lot of pre-testing on the east shore to narrow that down and we've got, selected an area. We're drilling now over on the Paul Gochis property. As Mark mentioned, we've drilled down to 295 feet. We've encountered two different zones. The first one was from 130 to 147 and then we found a second one at 203 to 208 feet. The first zone, it looks like, when we are drilling we blow the Well with air and stop and test it and see if it will clear and clean and what it will look like. That one looks like it will yield between 120 and 150 gallons a minute. The second zones a little better. It gives in the order of 180 to 200 gallons a minute. When we were at the 207 foot level, we stopped and collected a water sample. Sent that in for laboratory analysis. The things we're always concerned about are iron and manganese and just overall water quality. Those results came back all the concentrations were about a 10<sup>th</sup> of what the drinking water standard is. So their well, it's real good. For instance the concentration of manganese was .005. The limit is .05. Iron was .03. The limit is .3. So a 10<sup>th</sup> of what the standard is. Dissolved solids were 117. That's kind of an indicator of how mineralized the water is. Kalispell's water is 350. So it is not very mineralized water which is real desirable. We found a very good spot to drill and complete a Well. We can stop here. If we complete it we figure we will get maybe 300 to 350 gallons per minute. The cost to do that is about \$74,000.00 right now. We'd complete it at about 210 feet but then everybody always says why don't you go deeper? See what's down there. Now's your chance. There is a lot of truth to that. This is an area where it's always been difficult to find water. This is the deepest Well in that area because most of the Wells are strictly drilled for portable use. They go down until they hit 10 to 20 gallon per minute, stop and that's good. So the other thing, if we found better water or more water it's in an area where this is a tough zone to hydrologically balance within the pressure zones in Polson. Improve flow would allow the City to manage, balance that system pressure zone. Then finally, if we do stop here there's nothing to be lost. Or if we continue deeper there's nothing to be lost. We can always go back to these two zones, complete the Well and finish it off as planned. It's just that we're at sort of a decision point and we're kind of leaving it up to your discretion to decide if there's that much value in to going deeper. So as Mark mentioned, if we take the Well down, in a worse-case scenario we go down 500 feet, we find another zone from 490 to 500 feet. We want to include that in and develop that up then the cost would be in the order of \$118,000.00 for the total Well cost. So that would just include all three zones. So, but we don't know what we're going to find. You know that's Well drilling. There's no science there."

Commissioner Campbell, "Roger what volume did you take your sample? Your chemical sample. What volume were you pumping?" Roger Noble, "It was 120 gallons per minute when we were blowing, air testing it at that rate." Commissioner Campbell, "Remember down at Walmart. We pumped more, the concentrations went higher. We pumped more, they went higher. Any feeling about this one?" Roger Nobel, "I don't, this is a different situation." Commissioner Campbell, "Down the road they found high iron." Roger Nobel, "In this case, both of these zones are real clean gravels. They are nice rounded argillite class. There's not the iron staining on them that there is in other areas." Commissioner Campbell, "You didn't find the sand either?" Roger Nobel, "Didn't find the sand. No, that was the critical thing. So usually the sand is an indicator that there's a lot of organics there and that's where the manganese is associated." Commissioner Campbell, "On this property, say you didn't want to take a chance of going into an unknown level. There's obvious reasons no one has ever done this before. You know what that is?" Roger Nobel, "Well I think nobody's ever had the need to do it before, you know." Commissioner Campbell, "Them irrigators out there, they all get what they need at this 200 ..." Tony Porrazzo, "John, theirs all canal." Roger Nobel, "Yeah. Everybody out there is getting out of the canal. There is one irrigator out there John and that's that orchard I think it's the Jones orchard. That's right there and that's, we sampled that Well and that Well had real good water quality. That's what tipped us off." Commissioner Campbell, "Is there enough property there to top another Well that wouldn't interfere with this one? Run two at your 208 feet or whatever you are at now. Rather than take a chance of going to a level you haven't." Roger Nobel, "It's a possibility. I mean you never know until you test the first one." Commissioner Campbell, "Are you noticing any draw on local Wells? If you pull up 120 gallons a minute are you noticing any draw down on the neighbors?" Roger Nobel, "We haven't been

monitoring anything like that.” Commissioner Campbell, “Any protest of this Well from the neighbors?” Roger Nobel, “Not that I’m aware of. It sounds like most of the neighbors are aware of it. Mr. Gochis was highly favorable to allow the City to work with the City. So I don’t, I guess the DNRC has had some calls on water right concerns. But, this is going to be a redundant Well I’d like to point out too. So in that factor it’s not going to have the water right issue. So really it comes back to do you guys want to take the gamble and see if there’s anything else down there or stop here.” Commissioner Campbell, “That’s exactly what it is.” Mayor Knutson, “Let me understand. If we do go further, it would be an additional \$12,000.00 and at that time, I think I heard you say, if the water was not good at that level, we could still back back up.” Roger Nobel, “That is correct. That is right.” Commissioner Turner, “So when you’re talking your levels, you found two different levels. Bottom one at 208 feet. Are we currently at 295 feet down?” Roger Nobel, “Right. We drilled down deeper. Just, I think we had originally budgeted about 250-260. We said, “Well let’s just see if there’s, you know, we just went thru one, let’s just see if there’s anything just a little bit deeper.” I’ve got copies of the Well logs if you’d like to look at those.” Commissioner Turner, “Is that any indication that roughly when you went down 90 feet, didn’t find much more, so if we spend the money, really no guarantee that we’re going to find anything.” Roger Nobel, “No. That’s Well drilling. I mean if this area had more base line information and other deep Wells in this area that we could correlate things to then I’d make those correlations but it’s an exploration Well in one sense.” Commissioner Turner, “What were you guys hoping for as far as flow when you drilled this Well?” Roger Nobel, “I think we were shooting for about 300. Isn’t that right Tony?” Tony Porrazzo, “Well, I was looking more for 450.” Commissioner Campbell, “What permit are you working under? I know you said this is a redundant.” Roger Nobel, “A redundant. Yeah.” Commissioner Campbell, “Does it come off of the permit from Well #1?” Roger Nobel, “Not at this time because the way, you know, there’s a moratorium on right now because...” Commissioner Campbell, “What does is allow you to pump to do a redundant Well. What volume, how many gallons per minute?” Tony Porrazzo, “450.” Roger Nobel, “Yeah. It would be redundant.” Commissioner Campbell, “What do you believe now? 350?” Roger Nobel, “300 to 350 potentially.” Commissioner Campbell, “Okay. I’ve never been a gambler. Go ahead Tony. I want to hear what you have to say.” Tony Porrazzo, “On the drilling a second well, I guess, you know, if we had to go that route, but I mean, you know, we didn’t make the 100 foot circumference. We had to get an easement from the next door neighbor to even do that. So drilling another Well we would have to go back and do all of that because we couldn’t, you know, once you move the Well, you have to move that 100 foot. So, I mean ..” Commissioner Campbell, “But you’re in known sources of water. I guess that was my point. We know at this level you have a source, at this level you have a source, at this level down here you don’t have a clue. You might hit glacier silt.” Tony Porrazzo, “But the other side is if you do go deeper and hit another source down there, we’re less apt to bother the other surrounding Wells too ‘cause they’re not that deep.” Commissioner Campbell, “You’d be like a rock star geologist if you found that.” Roger Nobel, “Oh man, yeah. It has happened before when I was working down in Idaho. Down in Chubbuck. We went thru three zones and into a big zone down below. You know, 500, 600 feet. So it’s not, it’s not uncommon but you just don’t know. There’s no data to support it either way.” Commissioner Campbell, “Is it similar type of formation, glacier formation too?” Roger Nobel, “It was sand material. Fine sand, minor gravel 254 to 258. Course sand with gravel from 258 to 280 and then we started to get into a clay with gravel at 280 to 295. To follow along with what Tony was saying, we could go drill a second Well on that property. Probably at least want to move back 100 feet from this one. That would mean you would buy another half- acre from Gochis to get your Wellhead Protection Zone requirements. Whatever fee was decided on before, there’s a least another 50%. So there are some inherent costs going that way too.” Commissioner Campbell, “I don’t remember, many of our questions last time had to do with cost as much as they had to do with quality and the whole gambling part of it I guess. Just a throw of the dice. I don’t know. How does everybody else feel about gambling? That’s what it boils down to.” Commissioner Siler, “If we go down to 500 and you get that water do you abandon the water that’s at 300 then?” Roger Nobel, “No we would complete all three zones. Maybe we don’t need to go to 500. Maybe we find something at 350 to 400. Find another good zone. That’s where we’d stop. If we get another 100 to 150 gallons per minute

that would be great. Then you'd have a really sound supply." Commissioner Campbell, "How about if you split the costs with us?" Roger Nobel, "That's my benevolence side." Tony Porrazzo, "You chocked him, that's good." Commissioner Campbell, "Common sense." Roger Nobel, "No. I know its dollars for sure." Commissioner Campbell, "Yeah. I don't know Roger. I see where you're at. Man, its people's money." City Manager Shrives, "Well, here's where we are at. Last time we did manage to buy two more weeks and that's why we're talking about this again. The drilling company did another job and so they just left their equipment there at our site. But we are now at the point that they're back and their going to pull out so that's why I brought it back tonight so that we could decide one way or the other. They won't stay any longer. So that's why I'm pushing for a decision one way or the other tonight. But you are right. Cost wise we have the funds. We have the funds to do it." Mayor Knutson, "The way I'm looking at it, we're really looking at about \$12,000.00 on the gamble portion of it. Because that's not finishing it. A \$12,000.00 gamble." Commissioner Turner, "But there's not going to be any more expense if we go down that far, we hit nothing, to actually back everything back." Mayor Knutson, "No. Just the \$12,000.00." Commissioner Campbell, "That's where we are. We're all aware of what we're doing. We're just throwing the dice right here." Mayor Knutson, "Do we have any....I think we should ask if we have any comments." Commissioner Campbell, "That'd be great." Mayor Knutson, "Any comments any others would like to share with us as well." **Speaker did not identify himself**, "Can we ask Roger what his recommendation is?" Roger Nobel, "Dennis what's your recommendation? This is as cheap as it gets. We're drilling a 6 inch test well. That's as small a diameter as you can go. So, my recommendation is to try it and see what's there. Find out what's there. If it was an 8 inch Well we'd probably be at 50% more than what per footage cost because of the diameter. So the opportunity is there. It's your decision but I guess I think it's a Well to pursue. I don't know. It'll add knowledge for the future for at least. Then like you said maybe okay we know for \$12,000.00 maybe then we just move over and drill a second one on Gochis property and get that other. Then that question is resolved and in the future you won't have to." Commissioner Campbell, "That's the question (inaudible)." Mayor Knutson, "Alright. Let's see if there's anyone else who would like to share something on this with us tonight." **Kitty Peterson**, "I live about, less than half a mile south of Gochis where you drilled. Of course I'm already worried about my Well dropping. My Well is only 140 feet deep but it's up, I don't know how far. Due east of the original Walmart Well and they tested. We objected. My Well dropped three inches when they drilled the Walmart Well. Which of course they abandoned. So I am worried about this one. I don't understand what you mean by a redundant Well. Are you going to use it or not? Can you explain that? Somebody." Roger Nobel, "So the question is what's a redundant Well? A redundant Well is how the DNRC, which is the Department of Natural Resources Conservation, classifies a Well as far as using it. So this Well is going to kind of be a replacement Well to Well #1 which is on the golf course. It is in redundancy to that because of the negotiations with the Confederated Salish Kootenai Tribes there's a moratorium on this basin on a Reservation. You cannot get a new water right. We can't do it. We can change a water right now because of that moratorium. We can't even, the City of Polson has got a lot of good solid water rights but we can't even move those around right now because of that moratorium. So the way we do it is what is called a Redundant Well. We just did this with Ronan. We're doing it with Pablo right now. They will use one Well for one week and this Well for the next week. They alternate Wells is what they do. One Well is redundant to the original Well. In this case, this Well will be redundant to Well #1." Mayor Knutson, "How much was in that?" Commissioner Campbell, "450. That one was really high in manganese." Mayor Knutson, "Okay. Any other comments? Yes. Please." **Speaker did not identify himself**, "It's been a while since I drilled a Well and no you don't know what you're going to get but \$12,000.00 because they're already on site, to see if we can pick up another to the 450 that Tony would like to see so that it actually is like for like with the Well we're replacing I don't think it's quite a gamble. I think it's a prudent investment because we find that we got to go buy extra property and drill another one to that zone, it's going to be more money. Just from my own experience you're there, okay, I know a number of Wells around here that are right at 500 foot and they're only pumping 13 gallons per minute. It's a completely different drainage. They're having to go thru bedrock. He hasn't gotten there. It's pretty probable that they're going to pick some

more water up and get to that 450 you're aiming at. I think it's a prudent investment. Is it a gamble? Yes it is a little bit. Most investments are a bit of a gamble. You don't always get a return on an investment. Unless you've got an FDIC savings account. You don't always get it on an investment. This is kind of like buying stock. It may go up, it may go down. It's about as cheap as you are going to get per foot. I'd recommend it." Mayor Knutson, "Thank you. Dennis." **Dennis Duty**, "I was going to say the same thing that it seems that's a pretty inexpensive once you are set up and going to go down and test it. I think one of the questions that was out there is are these Wells going to be checked for the neighbors. When you file with DNRC you are going to have to do through a full pump test for all of the neighbors. Make sure that you aren't affecting their Wells or if they are how much." Tony Porrazzo, "Yeah. That's just DNRC." Dennis Duty, "It's a DNRC requirement." Mayor Knutson, "So the process includes that?" Dennis Duty, "The process will have to go back and do that as well. Whether you're 500 feet or 300 feet. If it were \$50 or 60,000.00 I think it would be, you'd start re-evaluating but at \$12,000.00 that seems like a fairly, but I don't know. I thought it was \$118,000.00 to finish it. City Manager Shrives, "Total." Dennis Duty, "That's total when everything is done. Okay. That's not just the..." Mayor Knutson, "Total versus 85." City Manager Shrives, "But we're at 85 to finish where we're at." Commissioner Turner, "So it is more of a cost than is actually being thrown out there. It's \$12,000.00 to see if anything's there and we have to finish it." Dennis Duty, "Right. So that's a little more expensive then." Mayor Knutson, "The gamble is \$12,000.00." Dennis Duty, "If you find something or finish something. My input is and if you can get down below some of these other aquifers you might be able to find water that isn't going to affect somebody else's water levels. So that might be worth it by itself." Mayor Knutson, "Thank you. Any additional comment? Okay Commission back to us. Commissioner Turner, "What did you say to finish where we're at right now? \$75,000.00?" Mayor Knutson, "85." City Manager Shrives, "We're at \$85,000.00. The original bid was \$89,000.00 and we're at \$85,000.00." **Commissioner Siler, "I'll stick my neck out and say let's do it."** Mayor Knutson, "Do we need a motion?" City Manager Shrives, "It would probably be good." Mayor Knutson, "So I've got a motion then on the table from **Commissioner Siler to move forward with drilling down to 500 feet. If successful, complete the Well at that depth**" **Commissioner Turner, "I'll second it."** Commission discussion: none Public comment: none **VOTE: 4 ayes 1 nay. Motion carried**

**(01:46:15) Mayor Knutson**, "Next we are on to recess for an personnel Executive Session. This matter concerns the City Manager Contract. A committee was formed to review the contract and we are now prepared to discuss this with full Commission discussion with the City Manager. I have determined that the interest of the public and the knowledge of this contract clearly outweighs the interest of the employee's privacy. However, the City Manager has the right to request that the discussion of the contract be closed as a matter of personnel privacy and if he exercises that right, the discussion will be closed. However, I also want to note that prior to the signing of a contract a proposed contract will be presented as an agenda item at a City Commission meeting in order for the public to have an opportunity to comment. A contract agreement will be voted on by the full Commission in a public Commission meeting. If the discussion is closed, upon its completion the Commission will reconvene into open session only to determine the action versus full minutes and to adjourn. I expect that the discussion will take approximately 45 minutes to one hour. I would like to now turn to our City Manager and ask if he would wish for the session to be closed." City Manager Shrives, "I do." Mayor Knutson, "Okay. Thank you. With that then we will go ahead and recess."

**Recess (01:47:42) 8:47 p.m.**

**Reconvene (01:45:53) 10:34 p.m.**

**(01:47:59)** Mayor Knutson asked the Commission if there were any items that needed full minutes or will action minutes suffice. Commissioner Turner requested full minutes of the Test Well. Commissioner Siler requested full minutes of the Polson Development Code update.

**Adjourn. (01:48:41) Commissioner Campbell motion to adjourn. Commissioner Donovan second.**  
Commission discussion: none Public Comment: none **VOTE: Unanimous Motion carried.**

**ADJOURN: 10:36 p.m.**

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**Heather Knutson, Mayor**

**ATTEST:** \_\_\_\_\_

**Cora E. Pritt, City Clerk**