POLSON CITY COMMISSION PUBLIC HEARING MINUTES
CITY HALL – CITY COMMISSION CHAMBERS
MONDAY, JUNE 18, 2012 – 6:00 PM

ATTENDANCE: City Commissioners: John Campbell, Stephen Turner, Mike Lies, Dan Morrison, and Mayor Pat DeVries presiding. City Manager Crossett, City Clerk Cindy Dooley,City Treasurer Bonnie Manicke and Water and Sewer Superintendent Tony Porrazzo present. Commissioners Todd Erickson and Fred Funke and City Attorney James Raymond absent. Others present (that signed in): Jan Rogers, Diane Speer, Andrew Speer, Agnes Rinehart, Ken Siler, Lee Manicke, Elsa Duford, Margie Hendricks, Merle Parise, Dorene Parise, Bob Fulton, Rory Horning, Cheryl Wolfe, Mike Kuhlmann, and Raymond Woodbury.

Mayor Pat DeVries called the public hearing to order. The pledge of allegiance was recited.

Mayor Devries stated that the purpose of the Public Hearing was a presentation of the updated Water Preliminary Engineer's Report (PER) and Draft Environmental Assessment and to hear comments regarding the three options before the City Commission: 1) An Environmental Impact Statement (EIS) is necessary; or 2) The Environmental Assessment did not adequately reflect the issues raised by the proposed action and must be revised; or 3) An EIS is not necessary, and make a final decision on the proposed action (submitting the application for Treasurer State Endowment Program (TSEP) funding). Mayor DeVries then yielded the floor to Engineer Paul Montgomery of Anderson-Montgomery Consulting Engineers, Inc. to make the presentation.

Paul Montgomery prefaced his presentation by saying that this presentation would be similar to the presentation made at the May (Clerk note: meeting was on April 16, 2012) meeting. The reason for the additional presentation is that the TSEP funding committee reviewed the application and declared that the notice for the meeting was not adequate and that a public hearing was required which requires notification in the local newspaper. The committee is giving the City a second chance to hold a public hearing tonight and update the TSEP application. He stated parts of the presentation would be duplicated information about the proposed water system improvements but he has new information on the location of the well site.

Mr. Montgomery handed out a copy of the slides for his PowerPoint presentation. Anderson-Montgomery was hired by the City to conduct an evaluation of the drinking water system and prepare a Preliminary Engineer's Report (PER) which was presented in April, 2012. This report was submitted along with the TSEP grant application to provide partial funding for the proposed water system improvements. The TSEP grants will be awarded following the 2013 legislative session. Mr. Montgomery gave an overview of the PER which covered the entire drinking water system which includes supply, storage and distribution. The PER also includes a proposal for funding the water system improvements and then additionally the environmental impacts are discussed as outlined in the Environmental Assessment report.

Mr. Montgomery showed the location of the existing wells and storage systems which include the Hillcrest Reservoir for wells 4 & 5 in the lower zone, West Shore Reservoir (wells 6 & 7) in the lower-middle zone, East Hillside Reservoir (wells 2 & 3), Clearview Reservoir, and Woodbine Reservoir in the middle zone and two Skyline Reservoirs in the upper zone. Well number 1 is currently not used because of water quality issues. Mr. Montgomery explained that the planning projection is based on a 20 year look forward. One important factor is the growth rate. Based on the City's 2006 Growth Policy, the 2011

Transportation Study, and the longer life of buried utility infrastructure, the 2012 PER arrived at an annual growth rate of 3%. This growth rate is then used to determine the Maximum Daily Demand (MDD) on the water system over the next twenty years. Mr. Montgomery presented a chart showing that the current population in 2012 is estimated at 4,761 which creates an MDD of 1,069 gallons per minute (GPM). The current pump capacity is 1,870 GPM and with the largest well out of service, the pump capacity is 1,370 GPM. In 2032, 20 years out, the population is estimated at 8,600 which produces an MDD of 1,905 GPM. This exceeds both the present pumping capacity and the capacity with the largest existing well out of service. The MDD is a state mandated calculation and the pumping capacity must meet or exceed the MDD. For the City of Polson, the solutions are 1) Obtain new sources of ground water which is the top priority; 2) Continue to address unaccounted for water (UAW) which involves replacing old mains for leakage problems and making sure all water is metered and 3) Stay involved in all water rights negotiations.

In 2010, a study was done by a groundwater hydrologist that identified a well site that would produce adequate quantities of good quality water with very little chemical treatment necessary. Mr. Montgomery pointed out the location on a map in the PowerPoint which is on the south shore of Highway 35, fairly close to the highway right-of-way on the south side of the road. The land is privately owned at this time. He said this is an ideal location for the well, as there is already a water main running down Highway 35. Adding the new well would satisfy the source problems created by the population growth and MDD.

Mr. Montgomery then discussed the distribution system problems and solutions. Modeling was done on the water distribution system, looking at periods of normal and high demand (such as fire flows) and seeing how the system as it is now would perform under the stressful conditions. The modeling predicts the behavior of wells, booster stations, storage tanks, water mains and pressure reducing valves (PRVs). As a result of the modeling, areas of low pressure were identified that need to be fixed. For example, if the pipe is too small then not enough water can get through during high demand periods, which creates low pressure that can cause groundwater contamination. He said the study identified three areas of concern: the downtown area which is the top priority, the area near the hospital and high school where an East-West Transfer Main is being installed to connect the Skyline and Woodbine tanks, and an area of 6 to 8 blocks on the west side of town that has hydraulic restrictions. The East-West Transfer Main is nearly complete and the hydraulic restriction area is being worked on as budget allows. Mr. Montgomery pointed out the various areas on a map in his PowerPoint. He said the focus of the grant funding will be the downtown area project, where approximately 2 miles of pipe will be replaced. Commissioner Campbell questioned the location of the hydraulic restrictions area. He said the area should be north of 7th Avenue, as the area designated on the map is an area where mains were replaced in the 1980s with 6" mains through a Community Development Block Grant. Mr. Montgomery acknowledged that he circled the wrong area. Commissioner Campbell said work is currently in progress in the area north of 7th Avenue where mains are being replaced. Mr. Montgomery asked if there is work being done south of 7th Avenue, based on paperwork that Water and Sewer Superintendent Porrazzo sent him, he thought so. Commissioner Campbell replied that he was not aware of any work being done in that area currently, but that the area north of 7th Avenue has the same problems that were being experienced in the area south of 7th Avenue back in the 80s.

Mr. Montgomery said the two top priorities – construction of a new well and the downtown main upsizing will be the projects requested for TSEP funding. The well project has very specific criteria specified by the State of Montana which requires drilling a test well, testing water quality, testing production capacity and testing of impacts on surrounding wells. The total cost of the well including

these upfront costs is approximately $232,000. The cost includes the final production well, well casing and a pump. The Downtown Water Main Improvements project will cost approximately $1.2 million. Mr. Montgomery presented a slide with a breakdown of costs for both projects including $1 million for construction, $180,000 for contingency, $200,000 for engineering and $100,620 for legal and administration costs for a grand total of $1,480,620.

Mr. Montgomery outlined the financial assistance for these projects which includes a grant from the Treasure State Endowment Program (TSEP). The City initially applied for this grant in 2010 for a similar project but was turned down. The application was submitted again earlier this year and the award could be up to $625,000. A DNRC Renewable Resources grant was applied for in 2010 and awarded. This will be $100,000 and will be released when the project is started. The remaining funds will come from the Montana State Revolving Loan fund (SRF) which has current interest rates of between 2.75% to 3.75%. For ratepayers this translates into a cost per user of $6.41 per month if no grant funding is awarded. If the TSEP grant is awarded the cost per ratepayer would be $3.58. Mr. Montgomery outlined the project schedule: the TSEP grant application was submitted in May 2012, if awarded, the TSEP grant would be available in the summer of 2013; the design phase would commence at that time and bids and construction would happen in 2014.

The PER includes an Environmental Assessment report that is available for public review and copies were available at the public hearing. Mr. Montgomery explained that this is a checklist of environmental impact concerns that looks at short-term and long-term impacts, soil concerns, infrastructure concerns and impacts to public services as well as other concerns. The environmental impacts for the Downtown Water Main Improvements project are short-term impacts that include construction related noise, dust and heavy equipment. There would be traffic disruption, temporary service disruptions and some public safety concerns that would be addressed with fencing and barricaded areas. The project would replace water mains, add new fire hydrants and resurface streets that are damaged during the project. A citizen asked how long the project would last. Mr. Montgomery estimated about 2 months and that the project would commence by block with temporary lines available to minimize service disruptions. The well construction has mainly long-term environmental impacts with some minor construction related short-term impacts. The well would be in an area where the aquifer is not being drawn out so there may be impacts to other wells in the area. Mr. Montgomery looked at information on the Montana State groundwater information system website which shows three domestic wells and one large irrigation well within a ½ mile vicinity of the proposed well site. The production from those wells is between 25 to 300 gallons per minute. The irrigation well is about 2,200 linear feet to the southwest of the proposed site.

Margie Hendricks said this is the first time she has seen the location of the well. She inquired at City Hall and has looked on the internet for the location of the well. All of the information posted on the internet showed that the well was located on the north side of Highway 35. Mr. Montgomery replied that the PER report was done based on a study by Roger Noble in 2010 that placed the location as being on the north side of the highway. Margie Hendricks said that at the prior meeting in April, Water and Sewer Superintendent Porrazzo had corrected Mr. Montgomery by saying that the well site is on the south side of Highway 35. She said the public hearing notice should have included a description of where the well site is so that citizens could have a chance to gather information about the site prior to the public hearing. Mr. Montgomery stated that the public hearing is for the purpose of informing the public about the well site location and listening to any objections about the well site. He asked Ms. Hendricks if she had any objections to the well site. Ms. Hendricks stated that she objected to not knowing the site location prior to the public hearing this evening. She said the Commission has already passed a resolution moving forward with the grant application. Mr. Montgomery pointed out that the Commission would be

considering a new resolution this evening. Mr. Montgomery stated she can submit that objection in writing to the Treasure State Endowment Program. She further stated that the public should be able to visit the site prior to a public hearing in order to make comments regarding any environmental concerns they may have. Elsa Duford asked if the property is farming property and whether the name of the party that owns the property can be released. Mr. Montgomery said he can't give the name of the property owner. Margie Hendricks commented that Commissioner Campbell had said that the City had bought the property. Commissioner Campbell replied that he had said just the opposite – that the property is still privately owned. Mr. Montgomery reminded the audience that this is a *potential* well site. Murat Kalinyaprak questioned whether the bulls-eye was on the north or south side of the highway. Mr. Montgomery replied that it is on the south side of the highway. Mr. Kalinyaprak asked if Mr. Montgomery was trying to deceive the public and the Commission about the well site. Mr. Montgomery stated again that he completed his PER based on the Roger Noble report that had the well site on the north side of the highway, but that the well site area would be a much larger area than that. At the meeting in April it was disclosed that the potential well site has changed and is on the south side of the highway. Mr. Montgomery said he took affront to the comment that he was trying to deceive the public. Mr. Montgomery stated that he had learned about the new location at the meeting in April and was now presenting this updated information. The new well site is roughly 200 yards away from the prior well site. There is a swath of aquifer that has good quality and good quantity that was identified by groundwater hydrologist Roger Noble that could place the well in a number of different places in the well site area. He said that the environmental impacts that are being discussed this evening would cover all of the aquifer area. Margie Hendricks said that a study Roger Noble did in 2004 said that the City should be cautious about drilling wells in that area and recommended Section 12 as an area to drill in. Ms. Hendricks said she took Mr. Noble's 2010 study to the DEQ and told them that he said exactly the opposite of what was said in the 2004 report. Murat Kalinyaprak said that Commissioner Campbell acknowledged the contradiction in 2010 when a resolution was presented in 2010 to buy the property. He claimed that the property was not purchased in part because of the contradiction in reports. Murat Kalinyaprak said that the attachment to the agenda item lists the well site as north of the highway and that Mr. Montgomery has referred to Roger Noble's report this evening, but the map shows the location on the south side of the highway so he hopes that Mr. Montgomery can understand his confusion. Mr. Kalinyaprak asked how an environmental assessment could be prepared if the well site location was not known by Mr. Montgomery until the meeting in April. Mr. Montgomery stated that the environmental checklist would be valid for any number of well site locations in that area and that he was basing his report on information contained in the report from groundwater hydrologist Roger Noble. Mr. Kalinyaprak claimed that the City Manager had promised to have Roger Noble come before the Commission to clarify his reports and answer questions but that never happened. Mr. Montgomery explained that as an engineer his role is to present problems and solutions to the city and prepare cost estimates for the proposed projects. He said that the environmental impacts are speculative at this point. Before a final well can be drilled, there will need to be a test well drilled, draw down tests will need to be done to assess the impacts on surrounding wells and more accurate environmental impacts will be developed. At this time, there are no potential issues with contamination at this site. The closest well is approximately ¼ mile away. Mayor DeVries commented that the discussion needed to move back to the presentation. She said that the proposed well site has been shown and discussed and until a test well is drilled we can't get into the specifics of what will happen, that is her understanding of the process.

Mr. Montgomery said the determination for this public hearing is whether this environmental assessment is sufficient for the proposed projects or whether the environmental assessment needs to be revised and another public hearing is held or whether a full-blown environmental impact statement (EIS) is necessary for the projects. Mr. Montgomery commented that if there had been contamination issues or surface

water impacts it would be likely that an EIS would be required. An EIS should not be prepared unless it is truly necessary. Murat Kalinyaprak asked if an EIS would be necessary later when the actual well site is determined. Mr. Montgomery said that when the actual environmental impacts to other wells can be assessed that may happen. The groundwater will be tested to see what kinds of chemicals may be in it and what kinds of treatment it may require. Andrew Speer said that choosing a location on private property proposes a problem regarding whether the owner would sell the property. Mr. Montgomery said that in order for permanent infrastructure to be put in by the City that the City needs to own the property, so the test wells could be drilled without owning the property, but before the final production well was started the City would need to purchase the property. Elsa Duford asked if the test well would require an easement. Mr. Montgomery said most likely a construction easement would need to be granted by the owner. Cheryl Wolfe asked Mr. Montgomery to describe the well location again. Mr. Montgomery pointed out the road locations on the map as being Haack Road and Turtle Lake Road and that the Sections are 6, 7 & 8. Ms. Wolfe asked if this description was in the report. Mr. Montgomery said that it was not, since he only became aware of the change in site in April. Ms. Wolfe asked if the public has been informed of the potential location. Mr. Montgomery said that as of this meeting the public has been informed. Cheryl Wolfe asked if the DEQ MEPA rules require the environmental assessment to be available for 30 days prior to any final action being taken on it. Mr. Montgomery said that the new location is in the same aquifer and the bulls-eye on the map does not show the exact location only a general location of the well site. Ms. Wolfe asked again if this notification fulfills the 30 day opportunity to respond. Mr. Montgomery said that would be a question for an attorney. Mr. Montgomery further explained that both sites would be valid for the report and exploration as they are in the same aquifer, and both have good quality water, from a surface prospective the new location may be better. Margie Hendricks said that now that the sections have been defined, Roger Noble did indicate that Section 7 would be a good location for a well. Murat Kalinyaprak said that from his observation the building on the map is the Christian Academy and the bulls-eye is located on Mike Maddy's subdivision. Water and Sewer Superintendent Porrazzo said that the Christian Academy is closer to Turtle Lake Road and that the bulls-eye is not on Mike Maddy's property. Murat Kalinyaprak asked who the property owner is. Water and Sewer Superintendent Porrazzo said that he would not give out that information until he has had a chance to talk with the owner. Cheryl Wolfe asked if the property owner would get thirty days to respond. Water and Sewer Superintendent Porrazzo reminded the public that this is only an application and not necessarily what is actually going to happen. Cheryl Wolfe asked if this will be approval of a decision about whether or not to do an EIS. Mr. Montgomery said that is exactly what the public hearing is for – to make a decision about whether an EIS is necessary. Ms. Wolfe again asked if this meets the thirty day standard of MEPA for a discussion period before a decision is made. Mr. Montgomery then reiterated that the well site is only a potential location. Mayor DeVries said it is her understanding that at this time we do not have to specifically state where the well will be drilled. Mr. Montgomery said it is impossible to state the exact location at this time. Ms. Wolfe understands that it is a general assumption about conditions within a ¼ mile or so but from what she had read there is supposed to be a thirty day comment period before action is taken. Mr. Montgomery said it is a question of degrees – if the site was located over an abandoned leaking underground storage site then that becomes a different question. This site is located over an aquifer that has been identified as having good quality and quantity of water. Cheryl Wolfe asked how he would know that it is not located over a leaking underground storage tank. Mr. Montgomery said there is no leaking underground storage tank, brownfield or superfund site at this location. Cheryl Wolfe asked if he is certifying that an EIS is not necessary for this site. Mr. Montgomery said that would be his recommendation to the Commission. Mayor DeVries said that at this time she would like Mr. Montgomery to finish his presentation since there are only five minutes left before the regular City Commission meeting is to start. Mayor DeVries expressed to Cheryl Wolfe that she understood what she was trying to say and that there would be time to comment during the regular

commission meeting on the resolution agenda item. Mayor DeVries asked if there were any other questions. A citizen then asked if Mr. Montgomery could summarize the location site. Mr. Montgomery said there is a swath of aquifer that trends in a southwest to northeast direction and that the two wells up by the East Hillside Reservoir are right in the middle of that aquifer. The illustration is in Roger Noble's report and he did not reproduce that for tonight's presentation. Margie Hendricks asked about the Section locations. Mr. Montgomery explained that Highway 35 divides the sections so you can only move several feet and be in a new section. The well site location is directly west and north of the original section. Elsa Duford said that the original location was on the north side of the highway and was determined to not be a good site and she asked why this was the case. Mr. Montgomery said that you must have a wellhead protection zone that covers a 100′ radius around the well and there may have been a conflict with the Montana Department of Transportation's Stormwater retention pond location.

PUBLIC COMMENT ON SIGNIFICANT MATTERS TO THE PUBLIC:

Mike Kuhlman asked if the City Attorney is available to answer the questions raised at the public hearing. Mayor DeVries said that he is here now for the Commission meeting and would be able to answer questions during the agenda item.

Mayor DeVries also asked those attending the public hearing if they would please sign the attendance sheet.

Murat Kalinyaprak commented that the City Attorney should have been present for the public hearing to advise the Commission on the legal questions that were raised.

The public hearing adjourned at 7:00 pm.

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Mayor Pat DeVries

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Attest: Cindy Dooley, City Clerk