



City of Sidney, MT
Water and Sewer Committee Meeting 12-29-22
December 29, 2022 5:30 PM
115 2nd Street SE | Sidney, MT 59270

The City Council meetings are open to the public attending in person, with masks encouraged when social distancing cannot be accomplished. If the public does not wish to participate in person, they are also invited to participate via a Zoom meeting. You can participate via phone:

Meeting ID: 830 8746 7848 Passcode: 432809 Call: 1-346-248-7799

Committee Present: Koffler, Godfrey and Christensen (for Rasmussen)

Others Present: Mayor Norby, Clerk/Treasurer Chamberlin, PWD Hintz, Water Commissioner Jason Elletson and Jordan Mayer of Interstate Engineering.

1. New Business

a. 2023 Water Rate Increase

Per the December 3rd, 2018 public hearing for the 5-year plan on water rate increases, the City of Sidney is scheduled to do a \$6.60 increase on the base rate, bringing it to \$36.42 a month. This rate increase does not increase the average charge of \$3.63/1,000 gallon over the 3,000-gallon minimum. Alderwoman Christensen stated we do not have a choice, the water tower project must move forward and so does this rate increase and Alderman Koffler agreed. Mr. Mayer stated that this being on the base will not affect usage such as watering lawns.

Motion was made to recommend approval of the rate increase.

Motion made by Christensen, Seconded by Koffler.

Voting Yea: Koffler, Godfrey, Christensen

b. Phase III Water Project Bids and Schedules Awards

Mr. Mayer stated they opened bids a couple weeks ago with a completion date in 2024. He stated the low bidder was COP Construction on seven schedules. He stated with the current SRF loan amount, there is not enough funding for all seven schedules, not even enough to do the first 3, which are the minimum that needs to be done. He stated those 2 blocks is \$1.4 million alone. The other schedules extended the project to include loops for multiple locations for commercial areas for fire protection and water supply issues. He stated to do all of the 1-6 schedules is an addition \$1 million to the loan. He stated after discussing this with SRF, the City can do an additional almost \$9 million loan without raising rates, so the City can do the 1-6

schedules via SRF without raising the rates. He stated the 7th schedule was for 4 residential lead line replacements that the State is putting together grants for that the City can pursue in the future and not pay cash or borrow. He stated by pulling it out of this contract, the City can get a grant and have a local contractor that could be more flexible to work with those residences and cheaper. Clerk/Treasurer Chamberlin stated that because the rate increase for this project has been in effect for a year, the City has the perception of higher cash flow, but the current rate increase still needs to go into effect for the water tower project.

Alderwoman Christensen asked what happens if they decide not to do all the schedules and if the prices will increase and Mr. Mayer stated that although they are planned, the current bid would not apply and costs generally do not go down in the future. Alderman Koffler agreed that it is not smart to put off parts of the project and have their costs increase. Water Commissioner Elletson stated they did add to the project when the ARPA grant of \$1,462,300 was received, but all of the project is necessary and will need to be done eventually. Mr. Mayer stated after drilling test holes at the schedule locations, there was ground contamination from old gas station tank leaking. He stated this has been squared away with the DEQ, but the contaminated soil will have to be hauled to the landfill. Alderwoman Godfrey asked if there Brownsfield Grants available for this and Mr. Mayer stated he does not believe we would qualify as we are not cleaning up the sites, just removing some of the contaminated ground.

Motion was made to recommend the City Council award schedules 1-6 to COP Construction, subject to funding agency approval, with an additional \$1,045,653 SRF Loan and total project budget of \$3,970,253.

Motion made by Godfrey, Seconded by Christensen.
Voting Yea: Koffler, Godfrey, Christensen

Meeting was adjourned at 5:49pm.