

MINUTES OF THE CITY COUNCIL OF LAUREL

March 17, 2009

A regular meeting of the City Council of the City of Laurel, Montana, was held in the Council Chambers and called to order by Mayor Ken Olson at 6:30 p.m. on March 17, 2009.

COUNCIL MEMBERS PRESENT: Emelie Eaton Doug Poehls
 Kate Hart Mark Mace
 Chuck Rodgers Chuck Dickerson
 Norm Stamper

COUNCIL MEMBERS ABSENT: Alex Wilkins

OTHER STAFF PRESENT: Mary Embleton Kurt Markegard
 Sam Painter Rick Musson
 Bill Sheridan James Caniglia

Mayor Olson led the Pledge of Allegiance to the American flag.

Mayor Olson asked the council to observe a moment of silence.

MINUTES:

Motion by Council Member Rodgers to approve the minutes of the regular meeting of March 3, 2009, as presented, seconded by Council Member Mace. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

CORRESPONDENCE:

State of Montana, Department of Labor & Industry: Letter of February 26, 2009 regarding public hearing on the proposed 2009 Montana building construction, heavy construction, highway construction, and non-construction services prevailing wage and benefit rates on March 20, 2009.

U.S. Census Bureau information.

St. John's Lutheran Ministries: Letter regarding SpringFest 2009 on April 22-24, 2009

PUBLIC HEARING:

- 2009 Wastewater Facilities Plan Update

Mayor Olson stated that the public hearing is for the 2009 Wastewater Facilities Plan Update. Mayor Olson asked staff to introduce the item to the council.

Bill Sheridan stated that the public hearing deals with the wastewater treatment facility. For several months, work has been done to provide the best plan to go forward with improvements at the wastewater facility. Bill stated that representatives from Morrison-Maierle attended tonight's public hearing, and Scott Murphy would give the presentation.

Mayor Olson asked if there were any questions for Bill. There were none.

Mayor Olson stated that a part of the presentation is a request from Morrison-Maierle for direction on how to proceed with the project. Mayor Olson stated that a resolution would be forced on tonight's council agenda under Unscheduled Matters to address the issue for the council's guidance.

Scott Murphy distributed copies of the PowerPoint presentation. He stated that this public hearing is associated with the City of Laurel's 2009 Wastewater System Preliminary Engineering Report Update. At this meeting, they are specifically seeking the potential for public input, which is a requirement of the Montana Department of Environmental Quality and other funding agencies. Even though opportunities for public comment have been offered in the past, this is a formal opportunity and written comments will also be accepted.

Scott stated that tonight's outline would be to review the recent wastewater planning and project history, discuss why the Preliminary Engineering Report (PER) is being updated at this time, review the growth projections and the current WWTP conditions, and review the 2009 PER Recommendations and Implementation Plan. Scott explained that a Preliminary Engineering Report (PER) and a Facility Plan are interchangeable terms. The PER completed in 2003 planned for a population of about 8,100 for the year 2022, which at that point in time was 20 years out. The PER outlined a phased set of improvements over an eight to ten year period that looked at flow reduction in the collection system and replacement of the system and the WWTP projects were aimed at upgrade and capacity improvements. In 2003 through 2005, the first of the recommended projects were implemented. The City of Laurel applied for and received an award of \$500,000 through the Community Development Block Grant Program and that project was implemented in 2004. The project was sewer improvements on Alder and near the Railroad and included replacing a collapsing drain pump station at the WWTP and a new effluent flow measuring device that was required by DEQ. Two years later, Laurel was awarded another \$500,000 grant from the Treasure State Endowment Program (TSEP), and a \$100,000 grant from the Department of Natural Resources (DNRC). The project, which was implemented in 2006-2007, included replacement and simplifying the trunk sewers that lead into the WWTP and was aimed at reducing infiltration and inflow to the WWTP.

In 2007, the City of Laurel was awarded another \$750,000 TSEP grant for the Phase II project. This included the WWTP and Lift Station capacity issues, permit compliance, and safety and aging facilities issues. About the same time the grant was awarded, DEQ was changing discharge standards. That required a reevaluation of the plans stated in the TSEP Grant to ensure that what the city built would serve well for another twenty years.

Scott stated that the need to update the Preliminary Engineering Report focused on two primary issues of toxicity and nutrients in the river. DEQ water quality standards are still being updated. The updated standards are being applied in a way more consistent with some new procedures since about 2007. In effect, it means that the city has to deal with the chlorine and ammonia, which are both toxic to fish, in the effluent that goes into the river. The TSEP project did not adequately deal with those two issues. In addition, there are ongoing regulations with the nutrient effects of nitrogen and phosphorus. These issues are addressed in the updated PER. With the revision of the PER, the growth projections and current WWTP conditions were also reviewed. The Preliminary Engineering Report now updates population projections to 2030. High and low projections were made, but based on the city's historical growth and how it relates to growth in Yellowstone County, the number proposed and selected is about 8,440 people in 2030. The current facility is designed to handle a population of about 7,000. Scott stated that, even though this is the population as projected, all of the projects are envisioned so the city could readily handle increased growth.

Scott stated that the findings of the sewer collection system conditions and needs are that the two pump stations need rehabilitation. The pump stations are the Elm Street and the Village Subdivision Lift Stations. The lift stations were components of the TSEP project, and they still need rehabilitation. The scope has changed a little bit because the mechanical pumps were replaced in the Elm Street, but the facility still needs rehabilitation. The city has a series of "one-month lines" that require regular attention to keep from being blocked up. The whole system is aging and the sewer lines need to be replaced.

Scott spoke regarding the conditions and needs at the WWTP. The previous sewer projects significantly reduced the peak flows. The headworks conditions are still unsafe and the equipment needs replacing. There is still a lack of capacity for anticipating 20-year growth and the city is unable to comply with water quality standards for ammonia and chlorine with the present facility. Nutrient standards and Total Maximum Daily Load (TMDL) solutions will be needed within the next ten years.

Scott reviewed the 2009 PER recommendations. He reviewed a slide showing evidence of past project success through significant peak flow reduction. In 2005, the peaks were at 3 million gallons per day. In 2007, the peaks were in the range of 1.5 million gallons per day. Scott stated that these are very dramatic results. The city can see a very clear result from the money spent, and that has an effect at the treatment plant in terms of lowering the costs of upgrading the facility.

Scott reviewed the major findings of the upgrade and rehabilitation needs. The Elm and Village Lift Stations still need major rehabilitation. The PER recommends the development of a long-term replacement and rehabilitation program for the collection system. At the treatment plant, the

headworks equipment needs to be upgraded, the plant water systems need to be upgraded, the plant hydraulic bottlenecks need to be remedied, and the secondary treatment system needs an upgrade and expansion. The TSEP Grant was awarded for these projects and must be completed in order to receive the TSEP money. Based on discussions with DEQ, in the next two to four years, the city will be required to upgrade the disinfection system. Scott stated that converting from chlorine as a disinfecting agent to ultraviolet light is the most cost-effective way to go. Some additional issues identified in the 2003 Facility Plan have become more critical issues based on input from staff. One issue is to rehabilitate the Influent Lift Station at the treatment plant. Some digester piping needs to be replaced and portions of the outfall are starting to show signs of leakage and need to be replaced.

Scott spoke regarding the recommended projects. The Phase I projects have been completed. The Phase 2A projects are the components that were in the TSEP application, including expanding the secondary treatment with an activated sludge. Projected costs in early 2010 would be approximately \$6.1 million. The disinfection project will need to be done in the next two to four years, and the city is waiting for DEQ's draft permit. Costs are estimated at about \$500,000 for that project. The cost for the influent Lift Station rehabilitation, sludge digestion and transfer system, and the effluent outfall replacement are combined to about \$600,000.

Scott presented an example of a funding description. After subtracting the grant funds from the total projected costs for the Phase 2A project, the remaining amount needs to be paid with cash or financed. If the whole amount were financed, the annualized cost based on a loan at 20 years at 4 percent interest is \$490,000 per year. That includes 125 percent coverage, with a 25 percent forced savings account over that period of time. That is the SRF Program's requirement for this type of funding. The cost to the average connection in Laurel would be about \$13.00. The city will continue to receive additional information on a separate, but related, rate study that will help the council set rates down the road. It is not an increase, but it just relates the cost of the project to the average user.

Carl Anderson stated that the city is in the fourth year of a five-year rate increase. That rate increase was designed around doing the first two projects that Scott mentioned and also contemplated this project. The city has another rate increase scheduled for July 1st of this year. The rate increases already in place and the finalization of the rate study will tell that the city has come a long ways towards paying for this particular project.

Scott stated that the Phase 2 schedule is in the PER Update. This applies to Phase 2A, B and C. The PER was submitted to the City and DEQ in February 2009. There is ongoing work associated with the SRF loan application and finalizing the TSEP startup conditions. Morrison-Maierle anticipates receiving DEQ's comments on the document in early April. They would then finalize the PER and bring it to the council for final approval. Morrison-Maierle would be prepared to initiate the design of the Phase 2 improvements in April. Doing the project as Phase 2A, they could submit plans and specifications to DEQ in October, advertise in December, and award a construction contract in February. It is estimated that the construction would be completed in September 2011. A project of this nature takes about sixteen months to complete.

Scott spoke regarding the next steps and actions required by the city. Public comments are being solicited now. The council will be asked to formally adopt the PER after Morrison-Maierle finalizes it with MDEQ comments. The SRF and TSEP process will continue to move forward, culminating in June. The conditions of the stimulus package money need to be considered if offered. At some point prior to initiating design, the council needs to make decisions about the Phase 2B and 2C projects.

Scott offered to answer questions and take public comments.

Council Member Dickerson asked about the possibility or percentage of increase on the \$6.1 million project by the time it is awarded.

Scott explained that the engineers' estimate is for the cost of the project when it is bid in December 2009.

Mayor Olson asked if there were any other questions or comments. There were none.

Mayor Olson thanked Scott for the presentation.

Mayor Olson opened the public hearing and read the rules governing the public hearing.

Mayor Olson asked four times if there were any proponents. There were none.

Mayor Olson asked four times if there were any opponents. There were none.

Mayor Olson closed the public hearing.

CONSENT ITEMS:

- **Clerk/Treasurer Financial Statements for the month of February, 2009.**
- **Approval of Payroll Register for PPE 03/08/2009 totaling \$139,172.22.**
- **Receiving the Committee Reports into the Record.**

--Budget/Finance Committee minutes of March 3, 2009 were presented.

--Park Board minutes of March 5, 2009 were presented.

--Council Workshop minutes of March 10, 2009 were presented.

--Laurel Airport Authority minutes of January 27, 2009 were presented.

--Laurel Urban Renewal Agency minutes of February 23, 2009 were presented.

--Laurel Urban Renewal Agency minutes of March 2, 2009 were presented.

--Tree Board minutes of March 5, 2009 were presented.

The mayor asked if there was any separation of consent items. There was none.

Motion by Council Member Hart to approve the consent items as presented, seconded by Council Member Eaton. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

CEREMONIAL CALENDAR: None.

REPORTS OF BOARDS AND COMMISSIONS: None.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT): None.

SCHEDULED MATTERS:

- **Confirmation of Appointments.**

Laurel Volunteer Fire Department:

Mayor Olson appointed Travis Nagel, Sean McCleary, and Sean Parkinson to the Laurel Volunteer Fire Department.

Motion by Council Member Eaton to approve the Mayor's appointments of Travis Nagel, Sean McCleary, and Sean Parkinson to the Laurel Volunteer Fire Department, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

Laurel Police Department:

Mayor Olson appointed Fredric Gregory as a police officer for the City of Laurel.

Motion by Council Member Poehls to approve the Mayor's appointment Fredric Gregory as a police officer for the City of Laurel, seconded by Council Member Mace. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

Chief Musson and Fredric Gregory read the Code of Ethics together.

Mayor Olson performed the swearing-in ceremony for Fredric Gregory.

- **Ordinance No. O09-01: An ordinance of the City of Laurel, to repeal a portion of Table 17.20.020 of the Laurel Municipal Code entitled Breweries, Alcoholic Distillation and to replace it with a new section entitled Alcoholic Beverages, Manufacturing and Bottling. Second reading.**

Motion by Council Member Mace to adopt Ordinance No. O09-01, seconded by Council Member Poehls. There was no public comment or council discussion. A roll call vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Ordinance No. O09-02: An ordinance of the City of Laurel, to repeal a subsection of Section 17.40.090 of the Laurel Municipal Code entitled Off-street Parking Requirements – Procedure – Specifications. Second reading.**

Motion by Council Member Dickerson to adopt Ordinance No. O09-02, seconded by Council Member Stamper. There was no public comment or council discussion. A roll call vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Ordinance No. O09-03: Ordinance amending Section 2.68.100 of the Laurel Municipal Code, amending the Judge's salary. Second reading.**

Motion by Council Member Stamper to adopt Ordinance No. O09-03, seconded by Council Member Mace. There was no public comment or council discussion. A roll call vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Ordinance No. O09-04: Ordinance modifying previously adopted Ordinance No. O08-09 and Ordinance No. O07-11 to renumber and revise certain chapters for purposes of codification into the Laurel Municipal Code. First reading.**

Motion by Council Member Rodgers to adopt Ordinance No. O09-04, seconded by Council Member Hart. There was no public comment or council discussion. A roll call vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

The public hearing of Ordinance No. O09-04 will be on the April 7th council agenda.

- **Ordinance No. O09-05: Ordinance amending Chapter 2.08.020 of the Laurel Municipal Code clarifying that the Library Board is responsible for fixing salaries and compensation for employees of the City Library. First reading.**

Motion by Council Member Rodgers to adopt Ordinance No. O09-05, seconded by Council Member Eaton. There was no public comment or council discussion. A roll call vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

The public hearing of Ordinance No. O09-05 will be on the April 7th council agenda.

- **Resolution No. R09-25: A resolution approving a small construction contract between the City of Laurel and P & H Concrete, Inc., providing for curb and gutter repairs throughout the City of Laurel.**

Motion by Council Member Hart to approve Resolution No. R09-25, seconded by Council Member Eaton. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Resolution No. R09-26: A resolution accepting the bid and authorizing the Mayor to sign a contract with Castlerock Excavating, Inc., for fire hydrant replacement.**

Motion by Council Member Eaton to approve Resolution No. R09-26, seconded by Council Member Hart. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT): None.

COUNCIL DISCUSSION:

Council Member Poehls stated that the Emergency Services Committee would not meet on Monday, March 23rd.

Council Member Poehls spoke regarding information he received from Kurt Markegard today. Gary Colley and Chris Rosenberg recently received a letter from MRL stating that MRL is in the process of bidding out the demolition of Asphalt Supply. Council Member Poehls stated that this has taken a long time, and it is really good news.

Council Member Dickerson asked that two items be placed on the March 31st council workshop agenda. The first item is concerns with moisture and mud on the north side of the walking bridge that was built last year. The second item is the condition of the alley between First and Third Streets east of city hall.

Council Member Rodgers attended a Montana Department of Transportation meeting with Bill Sheridan and Kurt Markegard. He stated that the meeting was very educational and promising.

Mayor Olson asked Bill Sheridan to report on the MDT meeting.

Bill Sheridan, Kurt Markegard, Chuck Rodgers, Mary Embleton and Bill Kennedy attended the meeting with the Montana Department of Transportation. The city asked MDT if it could obtain any Federal Stimulus Funding to build the Eighth Avenue project, which is from Main to Ninth Street. MDT was straightforward and responded that the city could obtain about \$3.5 million. That is good news, but there are also some problems. A number of property owners need to either donate or allow purchase of property to ensure that the construction can be put in place and a total package can be provided to the citizens of Laurel. Bill stated that the city is hopeful and very interested in pursuing this project to the end of construction.

Mayor Olson thanked Council President Poehls for leading the meeting last week in his absence. He also applauded Bill Sheridan and the staff for their work.

UNSCHEDULED MATTERS:

Mayor Olson stated the need to force Resolution No. R09-27 on tonight's council agenda and asked Bill Sheridan to introduce the item to the council.

Bill Sheridan stated that the resolution is for council approval of improvements to the Wastewater Treatment Plant. The improvements include: the construction and placement of a water service from the potable water treatment facility to the wastewater treatment facility; rehabilitation and reconstruction of the two sewage lift and pump stations; major improvements to the headworks at the wastewater treatment plant; and the construction of an activated sludge treatment system. Bill stated that staff recommends not to go forward with the ultraviolet disinfection system for the wastewater treatment facility and various other smaller improvements at the wastewater treatment facility at this time. He asked that the council approve the items to go forward with design, bidding, and construction of the project.

Mayor Olson asked the council for a motion to place Resolution No. R09-27 on the agenda.

- **Resolution No. R09-27: A resolution of the Laurel City Council authorizing the division of Phase II of the Wastewater Treatment Plant Project into two separate parts in order to obtain available Federal Stimulus Funding.**

Motion by Council Member Poehls to place Resolution No. R09-27 on the council agenda, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

Mayor Olson stated that the resolution separates the project into two parts. Part 1 includes replacement of the Elm Street Lift Station, rehabilitation of the Village Subdivision Lift Station, grit

removal and headworks facility improvements, Primary Clarifiers Hydraulic improvements, and Plant Water System improvements. Part 2 would expand the existing RBC system with activated sludge.

There were no questions or comments on the proposed resolution.

Motion by Council Member Dickerson to approve Resolution No. R09-27, seconded by Council Member Stamper. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

Mayor Olson stated the need to discuss three additional projects that are eligible for stimulus funding. The three projects include Eighth Avenue, the Water Plant upgrades, and the Bus Transit upgrades.

Motion by Council Member Dickerson to place the Eighth Avenue project, the Water Plant upgrades, and the Bus Transit upgrades on the council agenda for discussion, seconded by Council Member Hart. There was no public comment or council discussion. A vote was taken on the motion. All seven council members voted aye. Motion carried 7-0.

Mayor Olson stated that support for the wastewater projects is a consideration for the stimulus package. City representatives going to Helena on Friday will speak regarding the three additional projects, which Mayor Olson hopes the council would endorse with a motion of support. Mayor Olson asked the council if there were any questions regarding the Eighth Avenue Project, the Water Treatment Project, and the Bus Transit Project.

Council Member Dickerson asked regarding prioritization of the three projects for the stimulus funding.

Mayor Olson stated that, although he did not speak for the council, he would personally encourage consideration for Eighth Avenue, as it is the longest standing project. He did not rank the other two projects, which are both important and have priority in their own respect.

Council Member Poehls and Council Member Dickerson agreed that the Eighth Avenue Project would be the highest priority of the three projects.

Mayor Olson stated that, in going before the committee regarding the stimulus funding, consideration for prioritizing should not diminish the opportunity for other projects to stand on their own merit. If the committee found reason to support other projects through different funding agencies, it would be the committee's decision. Bill Sheridan, Mary Embleton, and Pat Murtagh, of Great West Engineering, will speak at length regarding Laurel's reasons for placing the items on the stimulus list. Mayor Olson stated that it is imperative to have council action supporting the city's decision to go forward.

Motion by Council Member Eaton approving a statement from the council for the group going to Helena to present the Eighth Avenue Project, the Water Project, and the Bus Transit Project as topics for stimulus money, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All seven council members voted aye. Motion carried 7-0.

ADJOURNMENT:

Motion by Council Member Poehls to adjourn the council meeting, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

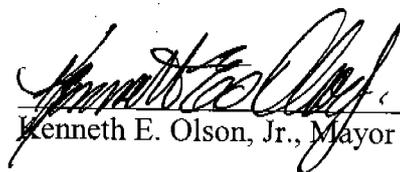
There being no further business to come before the council at this time, the meeting was adjourned at 7:35 p.m.

Cindy Allen
Cindy Allen, Secretary

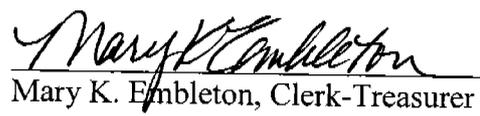


Council Minutes of March 17, 2009

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 7th day of April, 2009.


Kenneth E. Olson, Jr., Mayor

Attest:


Mary K. Embleton, Clerk-Treasurer