## MINUTES COUNCIL WORKSHOP SEPTEMBER 13, 2016 6:30 P.M. COUNCIL CHAMBERS

A Council Workshop was held in the Council Chambers and called to order by Mayor Mark Mace at 6:30 p.m. on September 13, 2016.

## **COUNCIL MEMBERS PRESENT:**

| Emelie Eaton    | _x_ Doug Poehls  |
|-----------------|------------------|
| Bruce McGee     | x Richard Herr   |
| Chuck Dickerson | _x_Scot Stokes   |
| x Tom Nelson    | x_Bill Mountsier |

## **OTHERS PRESENT:**

Heidi Jensen, CAO Noel Eaton, City Planner Chad Hanson, Great West Engineering

### **Public Input**

There was no public input.

### General items

• Appointment - Laurel Airport Authority

The appointment of Shane Linse to the Laurel Airport Authority will be on the September 20<sup>th</sup> council agenda.

#### **Executive Review**

- Resolution Approve properties for the Residential Sidewalk Replacement Program Heidi stated that the draft resolution does not include a list of specific addresses yet. Keith Kolstad, the Code Enforcement Officer is finalizing the list and making sure that the final dollar amount meets the \$25,000 criteria. The city wants to stay under \$25,000 in order to not pay Davis-Bacon wages, which are very expensive for the property owners. This is a five-year program with a 5 percent administrative fee, and six properties will be done next year. The final addresses and cost should be available by Thursday. Heidi is confident that everything Mr. Kolstad puts together will be well done and easy for the council to follow next week.
- Resolution Final Plat for Lot 1, Block 1 Entertainment Park Subdivision

  Noel Eaton, City Planner, stated that Entertainment Park, Lot 1, Block 1 Amended is applying for final plat. The owner went to the Planning Board in April and to the council in May. The council approved the Preliminary Plat via Resolution No. R16-35. This is a simple two lot subdivision that had to go through a major preliminary subdivision approval because it is part of Entertainment Park Subdivision. The applicant, Steven Diefenderfer, has applied for preliminary plat and now final plat. The general location is just southwest of the intersection of East Railroad and Juniper Avenue, right next to the nursery. Mr. Diefenderfer wants to split the six acre parcel down the middle with 3 acres

on one side and 3.2 acres on the other side. He has provided a 60-foot wide access easement through the middle. The owner has met the five conditions, including the weed management plan that has been approved by the Yellowstone County Weed Department. Noel has already stepped through the check print of the final plat for comments from city and county staff, and there have been no comments or feedback. The zoning is Highway Commercial and it already has city services. After council approval, Noel would send the Mylar through to be filed.

# • Resolution - Change Order No. 2 with Wilson Brothers Construction

Chad Hanson spoke regarding the ongoing process with the new intake and the simultaneous design of the new sedimentation basins at the Water Treatment Plant. During the design of the sedimentation basins, there have been two significant changes. One change was negotiated with the refinery. The refinery asked for more water than they originally predicted they needed when Great West did the PER. The engineers increased the size of the sed basins through the Water Agreement and the refinery contributed \$1.8 million toward the project. Also, the sed basins will be lowered five feet. Great West had planned to raise them to try to get some hydraulic grade, but that will not work as it does not allow the operators the needed flexibility. They will put in low head pumps to go into the filters to give them a wider range. Between lowering the sed basins and the new flow range coming through the intake and the transmission, they need to install a gravity bypass. The good news is that bypassing it could save up to \$32,000 per year in energy costs for running the pumps. Great West looked at options of bypassing it around the outside of the pump building and adding it into the current project as a change order to Wilson. They hoped that FEMA would step forward and pay for it. At this point, FEMA is not willing to contribute, but they did give a glimmer of hope that they still might contribute 75 percent at the end of the project. The same option could also be done as part of the sed basin project, which was the original plan. However, they thought it made more sense to move it into this project hoping FEMA would pay for 75 percent of it. They also looked at an option to do it inside the pump building. That would give more operational flexibility to the operators, but they would have to give up some dedicated spots for future pumps and they do not want to do that. They want to go with the outside option.

Heidi mentioned that the hole has already been dug.

Chad stated that the outside option would be added to the Wilson Brothers contract. Since they already have the deep excavation on the back of the building done and they are onsite, it is going to be more cost effective than digging it back up for the sed basin project at the water treatment plant. It is a very big change order, but the 30 to 40-inch diameter fittings are very expensive, so it is a realistic cost of \$205,000. Chad stated that it would be the most cost effective to do it now as part of this project versus the Water Treatment Plant upgrades that would be this time next year.

Heidi explained that the council did not get Change Order No. 2 in the sequential order of change orders because she and Kurt wanted more information about this \$205,000 change order. They asked Great West to provide an explanation of the energy cost savings, which would pay back quickly at a savings of \$32,000 per year. She stated that three alternatives were presented by Great West, and it makes sense to go forward with this alternative with Wilson Brothers at this time.

Tom questioned whether or not running the pumps for a certain time is good or bad for them.

Chad explained that it is good for the pumps as it will reduce the wear and tear on them. It would cost \$35,000 to replace each pump, so it would extend the life of the pumps. The pumps will be needed to

use the 2003 intake, so the operators will run the pumps just to make sure they are working for a few weeks out of the year. Chad stated that the operators do an excellent job on their pump maintenance and it is one of the best plants he has seen, so he thinks they will keep them operational.

Tom asked whether the 2003 intake is staying or going away.

Chad explained that one of the conditions in the final Corps permit was that one of the intakes had to go. The 1955 intake, the big one that stood up by the bridge, is already gone. When the new intake project is done, the 2003 intake will have to be lowered. The round screens will be changed to half rounds and the intake will be lowered so it is not a boating hazard.

Heidi stated that the city applied for a TSEP Grant through the 2017 legislature.

Chad stated that the 2003 intake cannot be taken offline until the new intake is online.

Richard asked regarding use of the \$1.8 million from Cenex to pay for the change order.

Chad explained that the sedimentation project is a \$4 or \$5 million project. The \$1.8 million was calculated by figuring out the percentage of the flows of the different raw water the refinery has used. The refinery is paying 100 percent for the pump that pumps settled water to the refinery and they are paying for capacity in the sedimentation basins. It would be difficult for the clerk/treasurer to keep the bookkeeping clean and the \$1.8 million will be needed for the sed project.

Heidi stated that the contract with CHS was clear that the money needed to be specifically spent for their project.

There was a question regarding possible additional cost increases.

Chad stated that there have been several change orders so far, but two change orders were cost credits. The project has a fairly healthy contingency to cover change orders. He thinks the project is almost out of the areas where they could find surprises.

### • Council Issues:

o Update on Tom Nelson's visit to the Governor's Office

Tom sent an email today to Representatives Ricci and McCarthy asking for their help. Tom contacted the Governor's Office, specifically Adam Schaffer and Andy Hoff, twice and will contact them one more time. He informed them that another issue came to light, as FEMA and Montana FWP came to an agreement to replace the boat ramp on the south side of the Yellowstone River in Riverside Park. The council approved Resolution No. R13-97 on December 17, 2013 for the agreement between FEMA, Montana FWP and the City that FEMA and FWP would pay the \$139,711.73 cost, which was the FEMA total plus FWP's 25 percent cost share. Tom recently found out that FEMA Work Order 01507-0 had been closed out by Sheri Meadows, who works for the Montana DES. The Work Order was closed out in May but the city has not received the FEMA money nor the 25 percent of share match that FWP stated they would pay in their letter. Tom received a call from Adam Schaffer, the Governor's Policy Director, this afternoon. Adam had been out for a week or so and has not been in touch with Andy Huff, chief legal counsel, yet. They wanted to let Tom know that they received his messages and would be in touch with each other on the issue. Tom informed him that he would hope to get an answer by Monday at the latest. He also told Adam about the FEMA and FWP payment that

had not been paid to the city, but the work order had been closed out in May. Tom emailed the document and supporting letters to Adam after their conversation. In the email, Tom thanked him for their help in seeing the State fulfill its fiduciary obligations to the City of Laurel's FEMA approved project worksheets under FEMA 1996-DR-MT.

O Update on 2011 Yellowstone River flooding event

Heidi stated that the construction meeting was held this morning, and the project is about two weeks ahead of scheduled. The contractor ran into a very large piece of concrete today that was not anticipated, but Wilson Brothers handled it in stride. The contractor hopes to get the raw water line back online to the refinery by the end of the week. The construction bridge out into the river is nearly complete and they are filling sand bags to fill the coffer dam, so the construction of the intake in the river will begin soon. The footings for the control building were supposed to be poured today. Additional material was added to the weir and it is still holding water over the top of the intake. Heidi stated that she would make some arrangements to take the council down to see how the project is going.

Mayor Mace asked the council if they would like to do that, and council members stated that they would like to do so.

Heidi will make arrangements with Kurt to take the council on a tour. Council members should meet at city hall at 5:30 p.m. on September 27<sup>th</sup> to tour the project, prior to the council workshop at 6:30 p.m.

### Other items

Mayor Mace spoke regarding Dave Waggoner's comments about the refinery traffic on the south side at last week's council meeting. Mayor Mace went through there this morning and again after work in the afternoon. There was discussion regarding the traffic issues, the disrepair of Southwest 4<sup>th</sup> Street, the suggestion to contact Pat Kimmet or the safety officer to inform them of the issue with refinery workers, a 24-foot 5<sup>th</sup> wheel camper that is parked on Southwest 4<sup>th</sup> Street by Woodland Avenue, the enforcement by the police department, the cut section of asphalt on Southwest 4<sup>th</sup> Street, the fact that it is a public street that is open for public use, and the suggestion to contact Cenex to see if they would pay overtime costs for police enforcement.

Review of draft council agenda for September 20, 2016 There was no discussion.

Attendance at the September 20, 2016 council meeting All council members present will attend.

#### Announcements

There was no discussion.

# Recognition of Employees

• Mike Furman, Jr. 7

7 years of service on September 17<sup>th</sup>

Library

• Jeremiah Johnson

5 years of service on September 21st

Police Officer

Mayor Mace recognized the employees for their years of service.

Council Workshop Minutes of September 13, 2016

The council workshop adjourned at 7:00 p.m.

Respectfully submitted,

Cindy Allen
Cindy Allen

Council Secretary

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.