

## **Missoula City Council Public Works Committee Minutes**

**November 10, 2021, 9:00 am  
ZOOM Webinar**

**Members present:** Stacie Anderson, Mirtha Becerra (chair), John P. Contos, Heather Harp, Jordan Hess, Julie Merritt, Amber Sherrill, Sandra Vasecka, Heidi West

**Members absent:** Gwen Jones, Jesse Ramos, Bryan von Lossberg

### **1. ADMINISTRATIVE BUSINESS**

#### **1.1 Roll Call**

#### **1.2 Approval of the Minutes**

##### **1.2.1 PW Committee Minutes from 11/3/2021**

### **2. PUBLIC COMMENT**

### **3. COMMITTEE BUSINESS**

#### **3.1 A Resolution of the Missoula City Council increasing the municipal stormwater, wastewater, and water rates for use of the Missoula City Utility Systems and amending the Utility Rate Schedule to be effective January 1, 2022.**

Mayor Engen introduced this item and explaining that this is a comprehensive overview of why the City is making additional investments in the utilities. He said the City will continue to keep the rates at a remarkably reasonable level given the level of service and investment still necessary. He also reminded the City Council that they are the Board of Directors for these utilities, and they are tied to the residents they serve.

Jeremy Keene, Director of Public Works, said the City has two primary challenges right now, the system is aging, and the costs are increasing. Historically the system has not been kept up with replacement needs, and the infrastructure is well past its life. Mr. Keene said that it's never easy to ask for an increase but feels it needs to be done to continue serving the community well.

Logan McInnis, Deputy Director of Public Works for Utilities presenting,

The utility fees provide Missoula residents with an abundant supply of high-quality drinking water and wastewater and stormwater services that protect the rivers and streams that make our community special. Missoula's combined utility rates are nearly the lowest in Montana. The current water rates are lower than they were in 2011, the wastewater rates have not increased since 2015, and the stormwater rates were established in 2020.

The utility rates need to be increased due to inflationary cost increases for energy, supplies, equipment, and labor costs. In addition, the City needs to invest in sustainable

infrastructure to reduce water leakage, improve wastewater treatment processes, continue diverting nutrients from the Clark Fork River, and remove pollutants from urban runoff. The increase in rates will also help the City prioritize the reduction of Greenhouse Gas (GHG) emissions from water and wastewater, which generates 58% of the City's emissions.

The Missoula Water Utility provides excellent customer services and produces some of the highest quality drinking water in Montana. The Department of Environmental Quality views it as one of the best operating systems in Montana, and the facilities meet the needs for fire protection 24 hours a day and 365 days a year. Missoula water customers pay \$.004 per gallon of water.

The increase in water rates will be used to replace water mains, invest in new storage tanks, supply wells and technology. They will also help complete the implementation of the Advanced Metering Infrastructure (AMI) System, which will provide customers real-time information about water usage and reduce the vehicle miles needed to gather meter reads.

The Wastewater Utility provides customers with a high value for about \$16 per month. The system protects the Clark Fork River by removing pollutants and converting organic material in sewage to methane and compost. The Poplar Plantation diverts more than 1,000 pounds of phosphorus and 10,000 pounds of nitrogen from the river. As a result, Missoula's wastewater rates are nearly 50% lower than the next lowest City in Montana.

The increase in wastewater rates will be used to replace three lift stations and develop plans for two more lift station rehab projects in 2022. They will also improve UV disinfection systems, upgrade the Garden City Compost facility, decrease greenhouse gas emissions and complete a solar farm.

The Stormwater Utility strives to protect Missoula's water quality and comply with state and federal quality regulations. The City has been working to identify and map all stormwater infrastructure, and they also inspect construction sites to reduce erosion leaving those sites. The stormwater utility has also completed projects to improve the quality of stormwater discharged to the Clark Fork and Bitterroot Rivers and the Missoula aquifer. They have been working to maintain and re-certify four accredited levees and educate contractors and the community on the importance of eliminating pollution. The stormwater utility is a new rate that averages about \$4.21 a month.

The increased stormwater rates will be used to construct storm drainage projects, expand and clean infrastructure and expand the maintenance on the accredited levee systems.

Ms. Harp asked what is at stake if these rate increases are not approved. Mr. McInnis replied that new projects would be put on hold, and they would have to look at other

cutbacks that would need to be made. Mr. Mayor added that maintenance would also have to be deferred if the rate increases are not passed.

Melanie Hobard, project manager with FCS Consulting presenting,

The City of Missoula consulted with FCS Consulting Group for recommendations on utility rate increases. The water rates would increase in 2022 by 3% and 2023 by 5% and in 2024 5%. The Sewer rates would increase 9% in 2022, 9% in 2023, and 9% in 2024. The stormwater rates would increase by 6% in 2022, 9% in 2023, and 9% in 2024. The combined monthly residential utility bill would increase by around \$2.92 in 2022, \$4.11 in 2023, and \$4.40 in 2024.

Mr. Hess asked what the process and timeline of notifying the residents would be. Mr. McInnis replied the City was mailing out postcards to residents and conducting public hearings. The information is also posted on [www.engagemissoula.com](http://www.engagemissoula.com).

**Moved by:** Julie Merritt

**[First reading and preliminary adoption]** Set a public hearing on December 6, 2021 for a Resolution of the Missoula City Council increasing the municipal stormwater, wastewater, and water rates for use of the Missoula City Utility Systems and amending the Utility Rate Schedule to be effective January 1, 2022. **[Second and final reading]** Approve a Resolution of the Missoula City Council increasing the municipal stormwater, wastewater, and water rates for use of the Missoula City Utility Systems and amending the Utility Rate Schedule to be effective January 1, 2022.

AYES: (9): Stacie Anderson, Mirtha Becerra, John Contos, Heather Harp, Jordan Hess, Julie Merritt, Amber Sherrill, Sandra Vasecka, and Heidi West

ABSENT: (3): Gwen Jones, Jesse Ramos, and Bryan von Lossberg

**Vote results: Approved (9 to 0)**

**3.2 A Resolution of the Missoula City Council amending the current fees for new taps into existing Missoula Water system mains, establishing a Staff Assistance Fee, and amending the Utility Rate Schedule to be effective January 1, 2022.**

Logan McInnis Deputy Director of Public Works for Utilities presenting,

The water tap fees are adjusted every year because the cost of materials essentially drives them. The City is having a hard time obtaining materials, in particular, tapping saddles this year. The City has purchased the saddles in the past and charged a higher fee to the contractor. The City feels that it makes more sense to have the contractor do this now. Since the City is not purchasing the materials, they will reduce the tap fees to the contractor. The tap fees will now cover the City's equipment and labor. The City is also looking to establish a staff assistance fee for contractors in some situations regarding connecting to water mains. These fees are posted in the Utility Rate Schedule.

**Moved by:** Julie Merritt

**[First reading and preliminary adoption]** Set a public hearing on December 6, 2021 for a Resolution of the Missoula City Council amending the current fees for new taps into existing Missoula Water system mains, establishing a Staff Assistance Fee, and amending the Utility Rate Schedule to be effective January 1, 2022. **[Second and final reading]** Adopt a Resolution of the Missoula City Council amending the current fees for new taps into existing Missoula Water system mains, establishing a Staff Assistance Fee, and amending the Utility Rate Schedule to be effective January 1, 2022.

AYES: (9): Stacie Anderson, Mirtha Becerra, John Contos, Heather Harp, Jordan Hess, Julie Merritt, Amber Sherrill, Sandra Vasecka, and Heidi West

ABSENT: (3): Gwen Jones, Jesse Ramos, and Bryan von Lossberg

**Vote results: Approved (9 to 0)**

#### **4. ADJOURNMENT**