

City of White Sulphur Springs

The regular meeting of the City Council was held on March 6, 2023 at 7:00 P.M. Mayor Rick Nelson called the meeting to order with the following members present:

Ron Coleman
Lee Blanchard
Pattie Berg
Rick Ellison

A. Call Regular Meeting to Order

B. Roll Call

C. Pledge of Allegiance to Flag

D. Public Comment: Public comment will be accepted on public matters not listed on this agenda and are within the jurisdiction of the City Council and having a significant interest to the public. During a regular session, there will be time after each agenda item for comment about that item.

1. Step up to the podium and state your name and address for the record.
2. Please limit your comments to THREE (3) minutes.

E. Read & Approve - Accept or Reject Minutes

1. February 7th Meeting – Regular Session

Possible Motion: Move to Accept Minutes as presented or as amended

The Mayor asked if there was a motion to approve or reject the Regular Session minutes from February 7th as presented. Pattie Berg motioned to approve the February 7th Meeting Regular Session minutes as presented. Ron Coleman seconded the motion. All said Aye. Motion carried and passed.

2. February 21st Meeting – Regular Session

Possible Motion: Move to Accept Minutes as presented or as amended

The Mayor asked if there was a motion to approve or reject the Regular Session minutes from February 21st as presented. Lee Blanchard motioned to approve the February 21st Meeting Regular Session minutes as presented. Ron Coleman seconded the motion. All said Aye. Motion carried and passed.

F. Receive/Accept Reports

1. Sheriff's Report – Sheriff Jon Lopp

The Mayor and Council reviewed the Meagher County Sheriff's Office Complaint Report month of February.

2. City Court Report – City Judge Lori Sorenson

The February for the citation activity and case statistics reports was handed out for the Council. City Judge, Lori Sorenson, said that March is starting to be a busy month already. The Mayor said that bids for the City Judge Office/Courtroom exit door and outside ramp/handrail will go out this month.

3. Fire Department Report - City Fire Chief Sam Peeler

4. City Engineer's Report - Great West Engineering

5. Public Work's Report - City Public Works Supervisor Rocky Vinton

The Mayor said that next meeting there will be a Public Work's Report by Jake Gregory as Rocky Vinton and Matt Swett will be at the Montana Rural Water training March 21-24 in Great Falls working on their CECs and Water Exam.

6. Animal Control Report – Marc Pryor

Marc Pryor said that he is moving forward on the Spay & Neuter clinic that will be on June 17th. So far he has secured the motel rooms for the Veterinarians and their Teams. He will be looking through the stored supplies from last year and see what is needed for this year's clinic. Marc Pryor has secured donations from Mountainview Coop for drinks and ice. Volunteers so far on the team to help out are Heather, Shannon, and Shelly. Marc Pryor said that

feral cats have been an issue. Some residents in the past have taken a feral cat to Crazy Mountain Vet and they have vouchers that discount the costs to have the animal spayed or neutered with vaccinations for about \$50. Marc Pryor said that he had a meeting with Race for this Place in hopes that they might be able to donate some funds towards the animal shelter facility. Marc Pryor said that there have been 3 impounds and 1 fine this month. There have been several calls for loose dogs and it will only continue as weather warms up. Marc Pryor said that the Sheriff Department has been doing an outstanding job with letting the Animal Control know about situations and everything worked so smoothly to get the animals handled and back to the owners.

7. Parks Committee Report – Jennifer Frazer

Pattie Berg said that there will be a meeting on March 7th to discuss the Parks with the Mayor, Marc Pryor and the Parks Advisory Committee.

8. Meagher County/City Housing Project Report – Jackson Rose

Terry Taylor said that the first full Committee meeting for the housing project on February 23rd with groups and community participation. There was a discussion on the number of short-term rentals, Airbnb's and VRBO's, verses Long-Term rentals in Town that it is a real concern, as short-term rentals have taken a lot of the housing for working community to live. There was a discussion on the number of vacant houses/lots and how to make use of the empty properties that are just sitting there, putting in more trailer courts, make more work camps available, and the group is actively making a list of all the properties that are vacant in Town to come up with a solution. There was a discussion about Subdivisions with different housing options with the different levels of income. There was a discussion on the City's current infrastructure and the ability to support more housing. The lack of housing is rampant everywhere. The next meeting will be on March 29th at 4:00 pm in the Ambulance Building and future meetings will be targeted for the end of months. Terry Taylor said that Jackson Rose wanted her to remind the Mayor to sign the Scope of Work – Meagher County Housing Project Proposal, he said that he would do that in the morning.

9. Library Report – Rachel Wahlstrom

G. Unfinished Business - Items for Discussion and/or Action

1. Montana Department of Transportation – Ted Jones – Request a permanent through traffic street closure of 5th Ave SW between the streets of SW Hancock St and SW Garfield St.

Discussion and/or Action

Continued discussion regarding need for street closure requested by Montana Department of Transportation (MDT) as to their property located between SW Hancock and SW Garfield which straddles 5th Ave SW and their plans for development of this property.

Accept Public Comment

Possible Motion: Move to grant street closure (2 gates) and bring matter back for formal Resolution; or Move to continue matter for further discussion.

The Mayor said that this will be tabled until the next meeting or in April. Susan Wordal said that she has spoken to Ted Jones about the easement street closure petition process. Before acting upon the petition a notice would need to be published stating when the petition would be acted on and what street is being asked to be closed and basically 50% of the owners that are affected by the street closure would need to agree that they are aware of the potential impacts on them and don't have a problem with it.

2. Employment Practices Coverage Renewal 2023 – Authorize Employment Policy Language Change

Discussion and/or Action

Authorize and Approve language change on p. 47 of Employment Policy to conform with Montana law, as requested by MMIA. Change language in **X. 4.b. Termination** from: *Brandishing a firearm or weapon on City property.* To: *Brandishing an unauthorized firearm or weapon on City property.*

Accept Public Comment

Possible Motion: Move to amend City Employment Policy language to specify “unauthorized” firearm or weapon on p. 47.

The Mayor asked if there was a motion to change the language recommendation from MMIA. Pattie Berg motioned to amend the City Employment Policy language to specify “unauthorized” firearm or weapon

on page 47 of the Employee Handbook of City of White Sulphur Springs. Lee Blanchard seconded the motion. All said Aye. Motion carried and passed.

3. PUBLIC HEARINGS ON ORDINANCE PROPOSALS

a. 2nd Reading: Ordinance 2023-1A: Street Numbering

Discussion and/or Action

Consider proposed Ordinance 2023-1A altering language in §1.5.4 of the WSS City Code to conform to the methodology being employed by the Meagher County Rural 9-1-1 Addressing project, which is upgrading to a GIS addressing protocol for locating structures.

Accept Public Comment

Possible Motion: Move to Adopt Proposed Ordinance 2023-1A as written. OR, Move to continue 2nd Reading to another date.

The Mayor, City Attorney, Council, and Great West Engineering GIS Specialist, Matt Blassic, discussed the 2nd Reading of Ordinance 2023-1A (Amended), an Ordinance Amending Title 1, Chapter 5, Section 4 of the White Sulphur Springs Code of Ordinance as to method of numbering buildings, and making amendments as to style and form for purposes of reference and codification. There were questions from the last meeting and Matt Blassic answered (in red) the questions, concerns and had handed out of copy from the email for the Council for review. Susan Wordal included the amended language (in green). The changes in language makes the building numbering to match the State's Enhanced 911 Program.

The Mayor asked if there was any public comment.

The Mayor asked if there was a motion to adopt the 2nd Reading of Ordinance 2023-1A as written. Rick Ellison motioned to adopt Ordinance 2023-1A as written. Pattie Berg seconded the motion. All said Aye. Motion carried and passed.

H. New Business- Items for Discussion and/or Action

1. Phase 4 Water Transmission Project: Water/Sewer Rates, Equivalent Dwelling Units and Maintenance Costs – Jessica Salo/Craig Erickson from Great West and Council

Discussion and/or Action

Begin discussion as to whether the City can sufficiently cover: 1) all regular system operation and maintenance expenses, 2) fund a reasonable system repair & replacement reserve account, and 3) cover 110% of all principal and interest payments due on outstanding bonds at our present rate structure; and whether our present categories adequately reflect equivalencies between dwellings and businesses and their corresponding impact on the system or require alteration.

Accept Public Comment

Schedule further discussion or work sessions or direct Gt West and/or Attorney to present appropriate documents for further action.

Jessica Salo said that the Water System PER Update includes an evaluation of the city's existing conditions, identifies problems or deficiencies, develops potential alternatives to address the issues, estimates costs, and ultimately provides a preferred project and associated funding scenario.

Major issues PER to address:

Remaining portion of leaking transmission main re-alignment

New catwalk and valve at the Willow Creek reservoir

Fuels mitigation, sedimentation in reservoir, what to do if forest burns?

Understand landowner issues with construction at Willow Creek

Other old cast iron mains in the City

Address treatment plant deficiencies

Fire Hydrant replacement program

Upsizing/looping lines

The Mayor, City Attorney, and Council discussed the Phase 4 Water Transmission project and different funding scenarios.

Jessica Salo went through the funding scenarios for Transmission project Only – (EDUs) Equivalent Dwelling Unit based handout of:

Funding Scenarios for Transmission Project Only – EDUs based on Existing Rate Structure

Funding Scenarios for Transmission Project Only – EDUs based on Meter Size (Rural Water Method)

Funding Scenarios for Transmission and Intake Pond Improvements – EDUs based on Existing Rate Structure

Funding Scenarios for Transmission and Intake Pond Improvements – EDUs based on Meter Size (Rural Water Method)

EDU Calculation Based on Meter Size (Rural Water Method)

EDU Calculation Based on Meter Size (Rural Water Method)

ter Size	No. of Meters	Area (in²)	Equivalent EDUs	EDUs
3/4"	594	0.44	1.00	594
1"	9	0.79	1.78	16
1 1/2"	3	1.77	4.00	12
2"	13	3.14	7.11	92
3"	1	7.07	16.00	16
4"	1	12.57	28.44	28
total	621			759

**FUNDING OPTIONS FOR WHITE SULPHUR SPRINGS - Based on
758 EDUs**

WATER SYSTEM IMPROVEMENTS

ITEM	SCENARIO #1	SCENARIO #2	SCENARIO #3	SCENARIO #4
	ARPA MAG, DNRC, MCEP, RD Grant (45%), RD Loan (40-yrs, 2%)	ARPA MAG, DNRC, MCEP, RD Grant (25%), RD Loan (40-yrs, 2%)	ARPA MAG, SRF Loan (20-yrs, 2.5%) w/ SRF Forgiveness	ARPA MAG, DNRC, MCEP, SRF Loan (30- yrs, 2.5%) w/ SRF Forgiveness
Alternative D2: Replace 12-inch Transmission Main	\$1,182,000	\$1,182,000	\$1,182,000	\$1,182,000
Alternative S3: Pond Improvements	\$447,000	\$447,000	\$447,000	\$447,000
Rounded Total	\$1,629,000	\$1,629,000	\$1,629,000	\$1,629,000
ARPA MAG (City & County Combined)	\$306,708	\$306,708	\$306,708	\$306,708
CDBG Grant				
DNRC Grant	\$125,000	\$125,000		\$125,000
MCEP Grant	\$500,000	\$500,000		\$500,000
RD Grant or SRF Loan Forgiveness	\$313,781	\$174,323	\$750,000	\$522,969
RD or SRF Loan	\$383,511	\$522,969	\$572,292	\$174,323
Total Project Funds	\$1,629,000	\$1,629,000	\$1,629,000	\$1,629,000
SRF Bond Reserve (1/2 year payment)			\$18,342	\$4,166
RD - Interim Interest (loans > \$500,000, check rate w/ RD Staff)				
Total Loan Amount	\$383,511	\$522,969	\$590,634	\$178,489
Annual Loan Payment	\$14,040	\$19,150	\$37,860	\$8,540
Total Loan Payments Over Life of Loan	\$561,600	\$766,000	\$757,200	\$256,200
Total Interest Paid Over Life of Loan	\$178,089	\$243,031	\$166,566	\$77,711
Annual Loan Coverage	\$1,404	\$1,915	\$3,786	\$854
TOTAL ANNUAL CAPITAL DEBT SERVICE COST	\$15,444	\$21,065	\$41,646	\$9,394
<i>User Capital Cost/Month</i>	<i>\$1.70</i>	<i>\$2.32</i>	<i>\$4.58</i>	<i>\$1.03</i>
Current Annual O&M	\$250,000	\$250,000	\$250,000	\$250,000
Current Annual Debt Service	\$132,058	\$132,058	\$132,058	\$132,058
Additional O&M Due To Project	\$18,000	\$18,000	\$18,000	\$18,000
TOTAL ANNUAL O&M COSTS	\$400,058	\$400,058	\$400,058	\$400,058
<i>User O&M Cost/Month</i>	<i>\$43.98</i>	<i>\$43.98</i>	<i>\$43.98</i>	<i>\$43.98</i>
USER COST/MONTH	\$45.68	\$46.30	\$48.56	\$45.01
Existing Average User Cost/Month/EDU	\$48.86	\$48.86	\$48.86	\$48.86
COST/MONTH INCREASE/EDU	-\$3.18	-\$2.56	-\$0.30	-\$3.85
Existing Other System Cost/Month	\$42.00	\$42.00	\$42.00	\$42.00
Total Proposed Water & Sewer Cost/Month	\$87.68	\$88.30	\$90.56	\$87.01
Combined Systems Target Rate	\$79.46	\$79.46	\$79.46	\$79.46
PERCENT OF COMBINED TARGET RATE	110.3%	111.1%	114.0%	109.5%

The Mayor, City Attorney, and Council discussed the four scenarios and agreed that if the City wanted to get started with the project before July 2025 the SRF Loan Program was the way to go, because the City really can't afford to wait on starting the project due to all of the leaks (122,000 treated water gallons per day) with the last replacement of water transmission main last section, that scenario #3 would be the best project and include it into the PER.

There was a discussion about water rate increases per month. It was suggested to bring in a rate expert that could help the City work through a better balance between Residential water users and larger Commercial water users. The Mayor said that right now all of the water/sewer customers are charged the same based on their water gallons used since 2016. The rates should accurately reflect the usage. A residential customer is normally has a 3/4 inch meter where as a customer that has a 1-4 inch meter is usually using more water with more demand to the system and the cost of the meter and O&M is more, but right now every customer is paying the same. The Operating and Maintenance (O&M) costs keep going up and the City is still running without a rate increase. If the City went with the EDUs' system then there would not be a need for a rate increase then. Craig Erickson said that Cid Sivils, an Accountant from DNRC (SRF Loans), said that since the City has been setting aside funds from the last rate increase from the last loans, she does not feel like a rate increase is needed. After that conversation Craig Erickson talked to the Mayor about the funds that have been set aside and it was said that if the City were to allocate those funds to this project that it would deplete

those funds then the City would not have anything left in the reserve fund. Craig Erickson said that Nathan Biyea and Cid Sivils also looked at the current SRF loan and agreed if the City went to an EDU system like Rural Water does, the City would generate more funds and reserves. Possibly ask Nathan Biyea or Bob Murdo from Bond Counsel (an Attorney from Jackson, Murdo & Grant P.C.) to sit down with the Clerk-Treasurer, Mayor and any of the Council and go through the financials and come up with a methodology for the City of White Sulphur Springs' EDUs Rate Structure. Craig Erickson said that Nathan Biyea has helped several Towns in revamping their EDU structure to meet the needs of their Town, working on the Town of Glendive now. The approximate cost to the City would be about \$30,000 and could use the (Montana House Bill 355 funds) and include it into the project.

The Notice of the Public Hearing for the Water System PER Update will be published two times, March 9 & 16:

NOTICE OF PUBLIC HEARING

The City of White Sulphur Springs will hold a public hearing on Tuesday, March 21, 2023. The public hearing will begin at 5:30 p.m. at the City Hall at 105 West Hampton in White Sulphur Springs. The City has scheduled a hearing to obtain public comments regarding the proposed improvements to the City of White Sulphur Springs' water system. With assistance from Great West Engineering, the City is preparing a water preliminary engineering report (PER) update. It may apply for funding from the Montana Department of Commerce, Montana Department of Natural Resources and Conservation, USDA Rural Development, or the Department of Environmental Quality's Drinking Water State Revolving Fund Program.

At the public hearing, White Sulphur Springs and Great West Engineering representatives will explain the project's purpose, the project area, the scope of work, the budget, possible funding sources, and any costs that may result for local citizens because of the project. Great West Engineering will also present its assessment of the project's environmental impact. A copy of the PER is available at City Hall. During the public hearing, residents may ask questions and express their opinions regarding the project and its potential impact on the City of White Sulphur Springs residents.

Residents can submit comments and questions about the project at any time at wss@itstriangle.com or P.O. Box 442, White Sulphur Springs, MT 59645. You may also contact Great West Engineering's Project Manager, Jessica Salo, PE, at (406) 422-1288 or jsalo@greatwesteng.com.

The Council agreed to review Great West Engineering's Scenario #1- #4 information and discuss it at the next meeting in two weeks.

2. 2 Basset Brewery - Barry Hedrich

Discussion and/or Action

A. Variance Renewal

Consider renewal of variance request for awning/pedlet patio space.

Accept Public Comment

Possible Motion: Motion to renew variance on awning/pedlet for Two Basset Brewery.

Barry Hedrich approached the Council requesting for the awning/pedlet patio space in the below letter:

Dear City Council:

A continued thanks to the Council for allowing us to enclose our patio space for the winter. The extra space is being used frequently and were it not for that space, we would have had to turn people away. Even though capacity restrictions were lifted, we felt that we should remain at 75% capacity and it is our intention to continue operating with a lesser capacity to maintain a safer environment.

We are hereby requesting renewal of our variance to continue use of the sidewalk to the west of the building for outdoor seating from May 2023 through October 2023, with the inclusion of the pedlet for pedestrian access. In 2022, the patio was especially useful as the Farmers Market was held on 2nd Street beside the brewery. We are on track to have the temporary "winter" walls removed the first week in May.

We continue to work on the renovation process of the former Edwards Grocery building which will eventually house the brewery. The plans for the new facility include a patio space within the footprint of the existing building, thus eliminating the need for any variance. If all goes well, this should be the last year that we will be requesting both the winter walls and summer patio variances!

We hope that the City will continue to look favorably on our requests until we can relocate the brewery, which is planned for Winter 2023 or Spring 2024.

Thank you for your consideration.

The Mayor asked if there was a motion to renew the variance on the awing/pedlet for 2 Bassett Brewery. Lee Blanchard motioned to renew the variance on the awning/pedlet for 2 Bassett Brewery. Ron Coleman seconded the motion. Rick Ellison, Lee Blanchard, and Ron Coleman said Aye. Pattie Berg said Nay. Motion carried and passed.

B. Olympics Street Closure/Alcohol Waiver - July 1st
& C. Cornhole Tournaments Street Closure/Alcohol Waiver - September 3rd

Consider request to close 2nd Street from Main Street to Houston for the 2 Basset Brewery Olympics.
Accept Public Comment

Possible Motion: Move to Approve Open Container Waiver and Street Closure.

Barry Hedrich approached the Council requesting for the Open Container and Street Closure in the below letter:

To Whom It May Concern:

We are requesting the ability to close 2nd Avenue South from Main Street to the intersection of Houston Street. The area to be closed is approximately one city block. Sidewalk and crosswalk access along Main Street will not be impaired by the closure. The purpose for the closure will be to facilitate two events:

1. The 7th annual Brewery Olympics and Cornhole Tournament. The closure will occur from the morning of Saturday, July 1st, 2023 until 8 pm to facilitate setup for and completion of the day's activities.
2. Labor Day Weekend Cornhole Tournament. The closure will occur from the morning of Sunday, September 3rd, 2023 until 8 pm to facilitate setup for and completion of the tournament. The rodeo generally does not start until 5 pm on Sunday, so this will provide a downtown activity for locals and guests to enjoy.

Attached you will find a map of the area and the safety plan. Respectfully,

Barry Hedrich - 2 Basset Brewery

The Mayor asked if there was a motion to Approve the Open Container Waiver and Street Closure. Pattie Berg motioned to Approve the Open Container Waiver and Street Closure on July 1st and September 3rd for 2 Bassett Brewery. Lee Blanchard seconded the motion. All said Aye. Motion carried and passed.

3. Freedom Days LLC - Labor Day Rodeo Street Closure/Alcohol Waiver

Discussion and/or Action

Presentation as to Freedom Day's Rodeo event and the street closure/alcohol waiver request for September 3rd.

Accept Public Comment

Possible Motion: Move to approve Freedom Day's Rodeo's Open Container Waiver for September 3rd

The Mayor said that this will be tabled until the next meeting.

4. Parks Advisory Committee Vacancy

Discussion and/or Action

Consider vacancy in Parks Advisory Committee & recommendation to appoint Tressa Blair _ year term
Accept Public Comment

Possible Motion: Move to appoint Tressa Blair for a _ year term on the Parks Advisory Committee.

The Mayor said that Tressa Blair submitted her letter of interest for consideration on the City Parks Advisory Committee at the City Office, below:

Dear Mayor Rick Nelson,

I would like to be considered for a role on the City Parks Advisory Committee. I am eligible to be a member based on my residency within the city limits. I am interested in participating on the committee due to my interest in being an active member of this community. We are lucky to have the various parks and recreation areas that are currently established, along with the plans for new areas. I have a passion to serve this community and see that my grandchildren and all families continue to have such wonderful areas to play. I have also lived in the area of Spikes Happy Trails for nearly 20 years and I feel that I have some great insight to the habitat that we have watched all these years. We have watched the geese and cranes return to their nesting areas each year. Along with some many other birds and wildlife.

Thank you for your considering me for the volunteer opportunity to serve my community.

The Mayor would recommend the Council to appoint Tressa Blair to fill the vacancy of the term until the end of June 30, 2024. Pattie Berg motioned to approve the Mayor's recommendation to appoint Tressa Blair to fill the vacancy of the term. Ron Coleman seconded the motion. All said Aye. Motion carried and passed.

I. Comments/Discussion

1. Future Business

2. Mayor's Comments—Rick Nelson

The Mayor said that the Public Hearing will be on March 21st from 5:30-6:00 pm and then the Regular Meeting will be at 6:00 pm. There was a discussion about the 41 registered online (\$80-\$400 per night) short term rentals in Town and possibly setting a fee schedule, like the Business License, and building up a fund that could in the future purchase a vacant lot and put low income housing there.

3. Council Comments/Discussion

a. President of the Council—Ron Coleman

b. Council Member—Lee Blanchard

Lee Blanchard said that he will be at the Montana Rural Water training March 21-24 in Great Falls but will attend the City Council Public Hearing on March 21st at 5:30 pm – 6:00 pm and then the Regular City Council Meeting right after via Zoom.

c. Council Member—Pattie Berg

d. Council Member—Rick Ellison

Rick Ellison said that he will attend the City Council Public Hearing on March 21st at 5:30 pm – 6:00 pm and then the Regular City Council Meeting right after via Zoom.

J. Council Review of Financials

Pattie Berg motioned to extend the meeting for five minutes. Lee Blanchard seconded the motion. All said Aye. Motion carried and passed.

K. Claims Signing/Motion to Approve the Bills

Pay the Bills

Accounting Claim Check #'s 19034-19047 February 22-28, 2023 for \$14,914.64

Accounting Claim Check #'s 19048-19060 March 1-6, 2023 for \$11,039.04

Accounting Journal Vouchers

Payroll & Electronic Checks #'s 9356-9373 for \$21,167.97

Utility Billing System Adjustments Journal Vouchers \$-3.77 February 2023

Received a copy Budget Expenditure/Revenue January 2023

February 22, 2023 thru March 6, 2023 were presented for Council's approval. The Mayor and Council received the Pay the Bills and the monthly January 1, 2023 thru January 31, 2023 Budget Expenditures/Revenues. The Mayor asked if there is a motion to pay the bills. Pattie Berg motioned to pay the bills as presented. Lee Blanchard seconded the motion. All said Aye. Motion carried and passed.

L. Motion/Vote to Adjourn the Meeting

The Mayor asked the Council if there is a motion to adjourn the meeting. Lee Blanchard motioned to adjourn the meeting. Ron Coleman seconded the motion. All said Aye. Meeting adjourned at 9:10 pm.



Michelle Stidham—Clerk-Treasurer



Mayor – Rick Nelson