

AGENDA REPORT

DATE JANUARY 4, 2005

ITEM RESOLUTION NO. 9445, RELATING TO \$5,005,000 SANITARY SEWERAGE SYSTEM REVENUE BONDS, SERIES 2005; AUTHORIZING THE ISSUANCE AND PROVIDING FOR THE PUBLIC SALE THEREOF

INITIATED BY FISCAL SERVICES

ACTION REQUESTED ADOPT RESOLUTION 9445

PREPARED BY MARTHA CAPPIS, OPERATIONS SUPERVISOR

REVIEW & PRESENTED BY COLEEN BALZARINI, FISCAL SERVICES DIRECTOR

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**RECOMMENDATION:** Staff recommends adoption of Resolution 9445.

**MOTION:**

"I move the City Commission adopt Resolution 9445, Relating to \$5,005,000 Sanitary Sewerage System Revenue Bonds, Series 2005; Authorizing the Issuance and Providing the Public Sale Thereof."

**SYNOPSIS:**

Adoption of Resolution 9445 authorizes the issuance of bonds in an amount not to exceed \$5,075,000. The funds will finance Phase Two of the sanitary sewer line extension to serve the Agri-Business Park in the amount of \$1,400,000, a lift station, also to serve the Agri-Business Park in the amount of \$740,000, and a Co-generation Project at the Wastewater Treatment Plant in the amount of \$2,450,000. Issuance fees, costs and reserves will also be paid out of this financing.

**BACKGROUND:**

On November 16, 2004, the City Commission adopted Resolution 9429, authorizing reimbursement for the three projects financed by these proceeds. A cash flow analysis of the sanitary system utility indicates sufficient cash is available in the fund pending completion of the financing package.

Phase Two of the Agri-Park sewer line financing will allow for the extension of the sewer line under North River Road and parallel to 15<sup>th</sup> Street NE. At the top of the hill, approximately at the Electric City Speedway, the line will cross under 15<sup>th</sup> Street and continue east to the Agri-Business Park.

The Agri-Park Lift Station is designed to pump 1,500 gpm now, and with the future growth potential to pump 2,395 gpm.

The Co-Generation Project at the Wastewater Treatment Plant will capture excess methane gas which is currently burned off and convert it into electricity and heat to be used at the plant.

International Malting Company has petitioned the City for annexation into its limits in order to acquire municipal water and sewer services necessary to its industrial facility. This sewer line and lift station will serve development within the Agri-Business Park and enhance the ability to attract new businesses to Great Falls. Phase One extends the sewer lines parallel to North River Road from the Wastewater Treatment Plant, under the Eagle Falls Memorial Bridge, behind the bulkhead of the Historic 10<sup>th</sup> Street Bridge. This phase is being done along with the River's Edge Trail project to minimize construction costs and disruption to the community and is being financed with existing sanitary sewer funds. IMC has guaranteed a minimum volume of 1,000,000 gallons per day to the City of Great Falls. The revenue generated from this load will provide the necessary revenues to satisfy the related debt.

In March 2004, Veolia Water North America prepared a report to assist the City of Great Falls in evaluating productive utilization of the digester gas generated at the wastewater treatment plant in order to achieve less dependence on outside utility suppliers. This report concluded that installing a cogeneration system which will capture the excess methane gas to produce heat and electric generation is feasible. It has been determined this project will pay for itself in the amount of cost savings in operational utilities to the WWTP.

cc. Dave Dobbs  
Mark Frahm