

CITY OF GREAT FALLS, MONTANA

AGENDA # 21

AGENDA REPORT

DATE June 5, 2007

**ITEM** Ratify Potable Water Service and Wastewater Treatment Capacity Agreements with Southern Montana Electric Generation and Transmission Cooperative, Inc. (SMEGTC) for service to the Highwood Generating Station

**INITIATED BY** Southern Montana Electric Generation and Transmission Cooperative, Inc.

**ACTION REQUESTED** Ratify Potable Water Service and Wastewater Treatment Capacity Agreements

**PREPARED BY** Martha Cappis, Operations Supervisor, Fiscal Services

**APPROVED & PRESENTED BY** Coleen Balzarini, Fiscal Services Director

**RECOMMENDATION:** It is recommended the City Commission approve the Potable Water Service and Wastewater Treatment Capacity Agreements with SMEGTC.

**MOTION:** "I move the City Commission approve the Potable Water Service and Wastewater Treatment Capacity Agreements with SMEGTC. "

**SYNOPSIS:** The City has been involved in on-going discussion with SMEGTC to provide potable water and wastewater treatment service to the proposed Highwood Generating Station. The Potable Water Service Agreement prescribes the terms for which potable water service will be provided to the Facility prior to and after annexation to the City. The Reservation of Wastewater Treatment Capacity Agreement reserves current capacity available at the wastewater treatment plant owned by the City for SMEGTC's use.

**BACKGROUND:** While the proposed Highwood Generating Facility is not currently within the corporate limits of the City of Great Falls, SMEGTC requests potable water and sanitary wastewater service be available during construction and for facility operation. The City agrees to provide these services under terms including, but not limited to the following:

1. SMEGTC agrees not to protest annexation by the City for the provision of the services to be provided, and agrees not to protest such future annexation.
2. SMEGTC agrees to be annexed to the City at a time in which the City deems is appropriate, under additional terms which will be subject of a separate agreement to be entered into between the parties in the future.
3. SMEGTC agrees to discharge only wastewater as described in Exhibit 1 of the Wastewater Treatment Capacity Agreement and to comply with all applicable Federal, State, and local regulations regarding discharge into the City's system.
4. SMEGTC is responsible for the construction of all infrastructure necessary to provide services to the facility.
5. SMEGTC, in return for services provided, will be charged at the current service rates for such services, as established by the City pursuant to Great Falls City Code, Title 13, Water and Sewer and Storm Discharge, including all fees.
6. Provides for termination of agreements upon written notice to the City that the facility will not be built.