



**Item:** Fire Protection and Emergency Services Fee Schedule between Southern Montana Electric G&T and City of Great Falls Fire Rescue, OF 1472.2

**From:** Coleen Balzarini, Fiscal Services Director; and Randy McCamley, Fire Chief

**Initiated By:** Southern Montana Electric Generation and Transmission Cooperative, Inc.

**Presented By:** Fire Department Staff

**Action Requested:** Approve the Fire Protection and Emergency Services Fee Schedule

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (approve/deny) the Fire Protection and Emergency Services Fee Schedule for Highwood Generating Station.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

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**Staff Recommendation:** Staff recommends the City Commission adopt the proposed fee schedule which will provide necessary fire services to Highwood Generating Station at a fee appropriate to cover all costs related to providing the service.

**Background:** The City of Great Falls and Southern Montana Electric G&T have been engaged in discussions regarding various city services which are available and necessary to the operation of the Highwood Generating Station (HGS). On June 17, 2008, the City Commission approved a Fire Services Agreement and directed Staff to bring back a fee schedule related to the services for Commission review and action. Any budget or operational increases incurred by GFFR will be offset by the fee for services paid by HGS to the City.

Fee Schedule development by GFFR considered costs related to Fire Suppression, EMS & Rescue, Fire Prevention Activities, and Special Operations/Rescue. There may be years in which some services are not utilized at all, and others utilized in excess of what is anticipated. The Fee will be paid annually, reviewed and adjusted as necessary to compensate the City for the cost of the services provided.

Other agreements that have already been approved include Raw Water, Potable Water, and Wastewater Return Agreements. A condition of the Fire Protection and Emergency Services Agreement, as well as the existing Potable Water and Wastewater Return Agreements, requires

that SME agree not to protest annexation and to comply with additional terms related to future annexation in a separate agreement. The additional terms must meet the requirements of Ordinance 2972, adopted by the City Commission on September 18, 2007.

Former and current discussions include consideration of the impact on City services that will occur during the 4 year construction cycle when up to 550 construction workers will be onsite and during the operations phase which will require approximately 65 full time employees to run the plant. As an example, a primary need identified has been Fire/Rescue services. Reasons why the City Commission approved this agreement include, but are not limited to, the following:

1. The plant will be located within Cascade County, approximately 8 miles to the east of the eastern city limits;
2. Approximately 70% of the construction laborers will be residents of the City;
3. The plant requires fire/rescue services that the Great Falls Fire Department can provide;
4. An agreement with the City for fire/rescue services is a condition of the HGS site rezoning.

The Fire Protection and Emergency Services Agreement is an agreement between the City and SME related to City services to be provided to the Highwood Generating Station facility. Staff met with SME's legal counsel and SME General Manager on Thursday, May 29<sup>th</sup> to discuss and define the intent and contents of this agreement. A preliminary draft of the agreement was distributed to the City Commissioners on June 5, 2008. The draft was presented to the ECP Board for informational purposes on June 9, 2008.

The services described within the agreement are based on the January 2008 letter submitted, by the Fire Department, during the County Zone Change hearing. As noted above, one of the conditions for the approval of the zone change requires SME to enter into an agreement for fire protection and emergency services with the City of Great Falls.

**Concurrences:** The proposed fee schedule was prepared by GFFR and reviewed and approved by SME's General Manager, and City Fiscal Services Director. Chief McCamley contacted the Sand Coulee Rural Fire Chief to discuss the provision of fire services to HGS. No issues were raised during that discussion regarding the intent of the agreement. HGS will reside within the Sand Coulee Rural Fire District and will pay all appropriate taxes and fees to that District.

The Great Falls Fire/Rescue Department is the best available provider of the intended services. GFFR has the resources, training, and ability to respond to incidents at the facility. Cascade County Commissioners recognized this by making such an agreement a condition of re-zoning the HGS site.

**Fiscal Impact:** On October 3, 2006, the Commission authorized a contract with Tischler Bise, Inc. to perform a Fiscal Impact Study. The study evaluated the cost of services attributable to the HGS facility. The results of that study are found within the report dated February 21, 2007.

Based on the Tischler Bise report, it is estimated the annual cost to provide basic city services during the construction and operation phases of HGS will be \$100,000. The approved Fire Services agreement includes services which are in addition to the basic services noted in the report. The intent of all parties is that the fee for the services will cover the costs of providing

those services. Direct costs to be considered include such things as materials, equipment, direct staffing, staff overtime, and staff call back expenses. Consideration must also be given to the intrinsic value of indirect and intangible costs such as having the resources available when needed. The agreement references a cost range between \$150,000 and \$300,000 per year. The Fire Department calculated the fee based upon factors such as anticipated number of responses, type of responses, and anticipated training of HGS staff by GFFR deemed necessary in terms of events such as confined space incidents.

**Alternatives:**

The City Commission may request changes to the proposed fee schedule.

The City Commission may deny the fee schedule as presented and request Staff to do further work in regards to the fee schedule development.

**Attachments/Exhibits:**

Fire Protection and Emergency Services Fee Schedule

Fire Protection and Emergency Services Fee Schedule  
Highwood Generation Station

Upon commencement of construction of Highwood Generation Station, Southern Montana Electric Generation and Transmission Cooperative Inc, agrees to pay the City of Great Falls an annual fee of \$283,000 for fire protection and emergency services.

Each fee includes all costs for apparatus, equipment, personnel (including overtime), fuel, maintenance, etc., unless stated otherwise.

The fees will be reviewed annually and adjusted as necessary to address increased costs of providing the services.

<b>Fire Suppression:</b>	\$ 125,000
<b>Emergency Medical first response Advance Life:</b>	\$ 80,000
<b>Hazardous Materials Mitigation:</b> Hazardous events that are extraordinary in nature will be billed on a per event basis.	\$ 30,000
<b>Special Operations</b> (Confined Space Rescue, Technical Rescue, Cold Water Rescue and High Angle Rope Rescue):	\$ 30,000
<b>Fire Prevention Activities:</b> (Perform site safety inspections, assist with development of Site Safety Preplans for both construction and operations phases.)	\$ 3,000
<b>HGS Fire Brigade- Safety Team Training:</b> GFFR will provide basic defensive firefighting skill and basic first aid for up to 20 employee's Inclusive of Fire Training Center rental.	\$ 10,000
<b>Administrative Cost:</b>	\$ 5,000

**Total Annual Fee                    \$ 283,000**

As Approved by City Commission on \_\_\_\_\_, 2008