

REGULAR COUNCIL MEETING ----- AUGUST 4, 2025

The Regular Council Meeting was called to order at 5:00 p.m. by Mayor Karst. The following Council members were present: Heitman, Koski, Nistler, and Austin. Council members Carr and Ozark were absent. DPW Skubinna and Chief Weber were in attendance. Candy Lagerquist, Carlo Olivares, Adriana Peissel, Greg Lukasik and Tyler Burns from Great West Engineering were also in attendance. City Clerk Amundson and City Attorney Pekovitch attended via Google Meets. There was no media representation.

Mayor Karst led the Pledge of Allegiance.

Public Comment on any Agenda Item: NONE

Mayor Karst stated since we don't have a quorum at this time, we will go back to the consent agenda following the public hearing on the City of Glasgow's water preliminary engineering report.

Mayor Karst closed the regular meeting at 5:00 p.m. to hold the public hearing. DPW Skubinna introduced Greg and Tyler from Great West Engineering. He also told the council how many water main breaks the city has had so far this year. Greg first explained the first two pictures on the slides, that shows a couple of the cast iron pipes that the city has and that they are about at the end of their useful lives. He then talked about what a preliminary engineering report (PER) is. It's a comprehensive review of the city's water system, it identifies issues with the water system, and also gives options to solve problems. The city's water system contains the following components and if upgrades are needed: the water supply system has ongoing upgrades, the water treatment plant has been updated, the distribution system needs upgrading, the city has plenty of water storage that is in good condition, and the water metering system needs to be updated also. The PER also identified the distribution system concerns including 36% water loss from leaks and water metering, 89% of the system is aging water mains and fire hydrants, some of the mains are undersized resulting in low fire flows, and there are still lead and copper service lines. Council member Koski wanted to know how much the 36% water loss is costing the city. Tyler will look through the full PER and report on how much it's costing the city in revenues. After the issues have been identified, the next process is how to mitigate them. The estimated cost to do a complete supply main rehabilitation would be about \$17.8 million, to rehabilitate all the cast iron water mains and lead service lines would be about \$66.5 million, and to install a new water metering system would be \$2.5 million, for an overall project cost of \$86.8 million. The next couple of slides included maps of where the cast iron pipes are located, which ones are PVC, asbestos cement, and a few that aren't specified. DPW Skubinna mentioned when the lead service lines are replaced it would be a good time to include the replacement of the cast iron water mains. Greg then gave a listing of funding options to pay for the renovations to the city's water system. There is the Montana Coal Endowment Program (MCEP), Montana DNRC-RRGL, Community Development Block Grants (CDBG), State Revolving Fund Loan/Loan Forgiveness (SRF), Lead Service Line Replacement Programs for state funding and USDA Rural Development as a federal grant program. To be able to receive some of the funding options that were listed, the city would have to meeting the grant eligibility requirements. The target rate of \$89.82 for water rates and \$57.74 for sewer rates, which are based off of a median household income of \$76,985 for Glasgow. The city's current average water rates are \$41.76 for water, which includes usage and \$56.54 for sewer. With the city's current rates, they would not be eligible for the following funding; MCEP, CDBG, or SRF with loan forgiveness. The city could be eligible for Montana DNRC, SRF funds without loan forgiveness, lead service line replacement program, and loans only for USDA Rural Development. Council member Koski wanted to know who decides what the median household income is for Glasgow. Greg said it comes from census data. The potential funding strategy for phase one that was presented would be to apply for a SRF loan in the amount of \$2,420,000.00, lead service line funding for \$46,000.00, lead service line forgiveness of \$69,000.00, and a DNRC grant in the amount of \$125,000.00, for a total cost of \$2,660,000.00. Greg then talked about a potential SRF funding project schedule with applying for funding this fall and starting construction in the spring of 2026. Council member Nistler wanted to know how the lead service lines would be replaced. DPW Skubinna said they would be replaced up to two feet from the house, then it would be up to the homeowner to replace their line from that point into their house. DPW Skubinna circled back to Council member Koski's question on lost revenue for leaks and meters not reading correctly and he figured approximately 1.4 million. Since there were no further questions or comments, Mayor Karst closed the public hearing and reopened the regular council meeting at 5:30 p.m.

Mayor Karst stated now that a quorum is present, they will move back to the consent agenda.

Council member Nistler made a motion approving the consent agenda including the payment of claims for August 4, 2025 in the amount of \$182,911.87, Valley Court claims in the amount of \$1,255.58, and the minutes of the July 21, 2025 Regular Council Meeting. The motion was seconded by Council member Austin and carried unanimously.

Council member Nistler made a motion to accept the City of Glasgow's water preliminary engineering report. The motion was seconded by Council member Heitman, and carried unanimously.

Council member Heitman made a motion approving T&R Trucking's payment for fiscal year 2025-2026 in the total annual amount of \$386,360.38. The motion was seconded by Council member Koski, and carried unanimously.

Council member Nistler made a motion approving the Extension #30 Letter Agreement between Montana Aviation Research Company (Marco) and the City of Glasgow. The motion was seconded by Council member Austin, and carried unanimously.

Council member Austin made a motion to approve paying the Two Rivers Economic Growth Membership Dues for Fiscal Year 2025-2026 in the amount of \$1,300.00. The motion was seconded by Council member Nistler, and carried unanimously.

Mayor Karst introduced and offered for adoption **Resolution No. 3207** – Authorization to submit MCEP infrastructure planning grant application. DPW Skubinna explained that this funding would be used for a preliminary engineering report for the city's stormwater system. This can also relate to the levee for the interior drainage system that is included in the SWIF plan. Council member Austin moved for the adoption of **Resolution No. 3207**. The motion was seconded by Council member Nistler; whereby **Resolution No. 3207** was unanimously adopted.

City Attorney Pekovitch said that her and County Attorney Jenson met to discuss the 1985 airport agreement and they both agreed that in the resolution it stated that it transferred all water delivery and storage infrastructure within the boundaries of the airport property to Valley County, so the city doesn't own the infrastructure and shouldn't be doing the repairs and maintenance on it. City Attorney Pekovitch also said that since the city and county both own the property that the airport is on, we are not out of compliance with the Marco agreement. They agreed that water lines can't be run off of the airport property to surrounding properties; that would put us out of compliance with the Marco agreement. City Attorney Pekovitch will meet with County Attorney Jenson and update the joint resolution so it's clearer than the current one that is in place.

Unfinished Business – Levee Safety Committee Report – DPW Skubinna reported on the meeting that was held a couple of weeks ago. FEMA is moving forward with modeling, the hydraulics, and hydrology. They are funded to move that portion of the project forward, but the federal funding is not in place yet to move forward with the last part of the project.

Committee Reports: There were no reports Personnel, Water, Grant, or Cemetery. An ordinance committee meeting will be set after City Clerk Amundson receives the revised ordinances from City Attorney Pekovitch.

Department Head Reports:

DPW Skubinna gave an update on the Hall Terrace/Hurley Drive project, he finished up the contracts for paving and patching projects this year, and he did the final inspection on the Division Street sewer project today. He told the council next week he has a company coming to give a demonstration on a sewer camera system, so he is going to have them camera the Division Street line. He also received a quote on the Daupler notification system that he mentioned at the last council meeting in the amount of \$4,900.00 a year. He talked about the meeting he had with Cyvl AI that rented the city the street assessment equipment. He also received a quote for the street maintenance plan that an engineer had given a presentation to the council for in the amount of \$30,000.00 for the first draft.

City Attorney Pekovitch said she's been working on updating the nuisance letter, last week she did a lot of historical research on the water agreement with Marco and the 1985 airport agreement, she's having City Attorney O'Brien work on updating a couple of ordinances, and is working through some issues with the MMIA attorney.

City Clerk Amundson told the council that she received the taxable valuation form from the county today and would like to start budget meetings next Monday and Tuesday the 11<sup>th</sup> and 12<sup>th</sup>. Most of the council members stated they will not be available for those days. Council member Nistler asked if the meetings could be pushed out another week. City Clerk Amundson said they could be pushed out, but would still need to have the advertisements in the paper for the budgets on the 20<sup>th</sup> and 27<sup>th</sup> since the mill levy amounts are due to the county on the 3<sup>rd</sup> of September. After further discussion it was decided to hold the preliminary budget meetings on the 18<sup>th</sup> and 19<sup>th</sup> of August. The shorter budget meeting will be held after the council meeting on the 18<sup>th</sup>. She also informed the council that she included the Police Chief's job description in the packets for informational purposes and the council to start reviewing to see if any changes need to be made and if so, she can set up a council work session or a personnel committee meeting to go over the suggested changes.

Mayor Karst said there is an opening on the Police Commission if anyone knows someone who may be interested to let him know and we can get that person appointed. There will be a walk-through tomorrow at the pool and the recreation department is working on getting a few people trained to try to get the pool opened next week for open swim, but he will know more after tomorrow's meeting.

Public Comment: Adriana mentioned they were with MCC and they have to do some volunteering and attend some public meetings. Candy Lagerquist said the walking path between Valley Drive and the school needs to be cleaned up for the kids before school starts. Mayor Karst told her that it would be taken care of and the street department will be painting the cross-walk lines.

Council member Austin made a motion to adjourn the meeting. The motion was seconded by Council member Nistler the meeting adjourned at 6:07 p.m.

ATTEST:

*Stacey A. Amundson*

Stacey Amundson  
City Clerk-Treasurer

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Rod Karst  
Mayor