CONSTRUCTION FIELD REPORT

Project Name: NCMRWA Segment W3 Shelby to Cut Bank

Report Date: 12/18/2016

Owner: NCMRWA

Project Location: Shelby to Cut Bank, MT

KLJ Project No: 4611005

Contractors: Downing Construction Inc. & Central Excavation Inc.

Reporter: Logan Tweet

Weather & Site Conditions

- Very cold weather conditions throughout the week. All project work was done inside the heated pumphouse and meter buildings.

Downing Construction Inc.

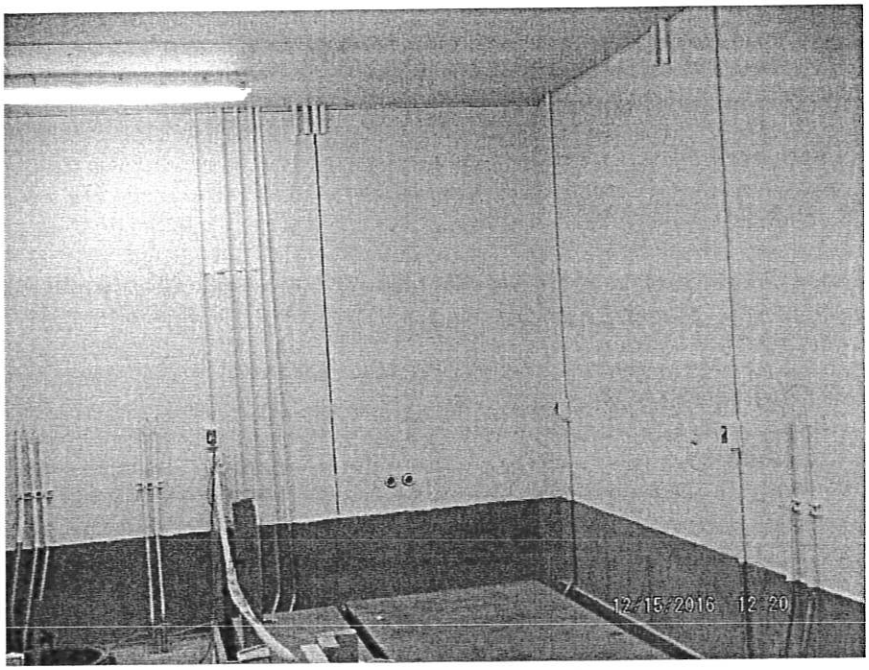
- Downing Construction has shut all construction operations down due to cold weather conditions. They plan to resume pressure testing the waterline after Central has completed the internal piping at the pumphouse and meter building. No work is anticipated till late January at the earliest.

Central Plumbing & Heating Inc.

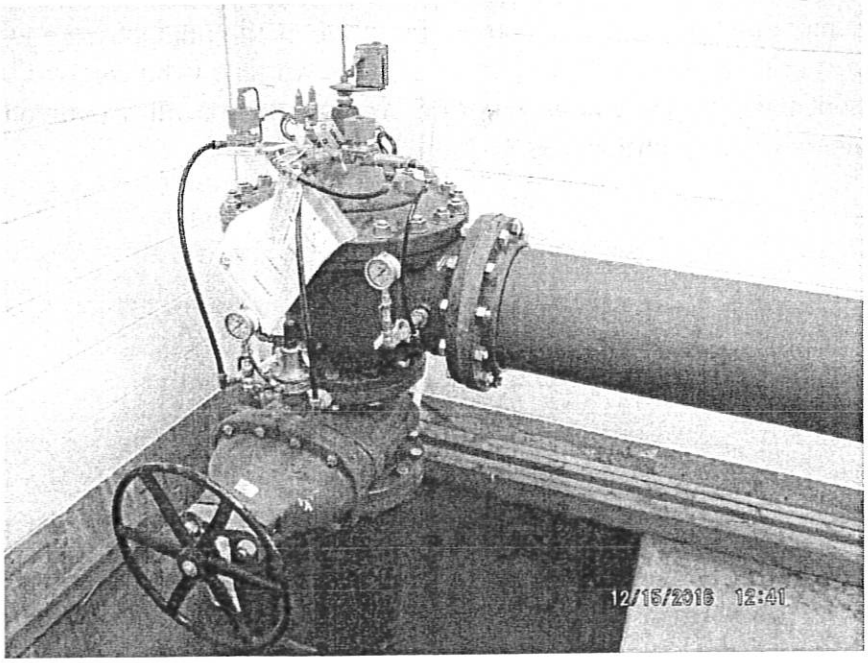
- The week of December 18th Central began installing mechanical piping inside both the pumphouse and meter building. The inside of the pumphouse and meter building were also primed and painted. Central plans to work half the week of December 18th and then shut down for the holidays/winter. Weekly reports will resume once work has commenced again which is anticipated to be mid-January.

Construction Pictures

Freshly Paint CMU Walls at Pumphouse



Mechanical Piping at Meter Building



Marias River Electric

"Your hi line electric cooperative."

Kris Ingenthron, *General Manager*

P.O. Box 729
910 W. Roosevelt Hwy.
Shelby, MT 59474
Phone: (406) 434-5575
Fax: (406) 434-2531

December 19, 2016

Mr. Larry Bonderud
Mayor, City of Shelby
112 1ST South.
Shelby, MT 59474

Dear Mr. Bonderud,

On behalf of the Marias River Electric Board of Directors, I would like to thank you for addressing the Trustees and providing us with an update on the storm water project.

I am also writing to inform you that we would welcome the opportunity to provide the energy needs of the proposed Data Center that is looking at possibly locating a facility in Marias River Electric Cooperative service area. As the sole provider of electricity in the city of Shelby as well as Toole County, we are confident we can serve the needs of those businesses looking to re-locate in the Shelby area.

We pride ourselves on providing our members with some of the lowest cost electric rates in the State of Montana as well as providing safe, clean, reliable, electricity 24 hours a day. We have a trained and knowledgeable staff who is dedicated to providing the best possible service for the members of Marias River Electric Cooperative.

In closing, we look forward to working with you as well as the City Council in developing a plan to meet the needs of any large commercial load looking to locate their facility in the city of Shelby or Toole County. We would appreciate any additional facility/siting information and contact information that you can share about this proposed Data Center.

Cooperatively yours,

Merle Raph
Board President
Marias River Electric Cooperative, Inc.
Cc: Shelby City Council

Lori Stratton

From:	Larry Bonderud
Sent:	Monday, December 19, 2016 3:37 PM
To:	Lori Stratton
Subject:	Fwd: MLCT November Financial Reports and Bank Reconciliation
Attachments:	MLCT November Financial Reports.pdf; ATT00001.htm; MLCT November Check Register.pdf; ATT00002.htm; MLCT November 2016 Bank Reconciliation.pdf; ATT00003.htm; mlct_check_register_approval_form.docx; ATT00004.htm

Next packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: "Nick Haswell" <nick.haswell@mtleague.net>
To: "Agnes Fowler (agnes@cityofconrad.com)" <agnes@cityofconrad.com>, "Bob kelly (bkelly@greatfallsmt.net)" <bkelly@greatfallsmt.net>, "Chris kukulski (ckukulski@bozeman.net)" <ckukulski@bozeman.net>, "Debbie Havens" <DHavens@helenamt.gov>, "James Schell" <jschelleh@gmail.com>, "Jim Smith (jsmith@helenamt.gov)" <jsmith@helenamt.gov>, "John Engen (jengen@ci.missoula.mt.us)" <jengen@ci.missoula.mt.us>, "John Morgan (jpmorgan@bsb.mt.gov)" <jpmorgan@bsb.mt.gov>, "John Williams (wolfmtn.jw@gmail.com)" <wolfmtn.jw@gmail.com>, "Kari Gabriel (kgabriel@kalispell.com)" <kgabriel@kalispell.com>, "Kelly Thiel" <ctypwood@nemont.net>, "kevin Dorwart (dorwartk@midrivers.com)" <dorwartk@midrivers.com>, "Matt Vincent (mvincent@bsb.mt.gov)" <mvincent@bsb.mt.gov>, "Nikki Brummond (nbrummond@ci.lewistown.mt.us)" <nbrummond@ci.lewistown.mt.us>, "Susan Nicosia (nicosias@cityofcolumbiafalls.com)" <nicosias@cityofcolumbiafalls.com>, "Tim Solomom (tsolomon@ci.havre.mt.us)" <tsolomon@ci.havre.mt.us>, "Tom Hanel" <tom@tomhanel.com>, "Larry Bonderud" <larry@shelbymt.com>, "Forsyth Pinkerton (forsythcityclerk@rangeweb.net)" <forsythcityclerk@rangeweb.net>
Cc: "Tim Burton" <tim.burton@mtleague.net>, "Kelly Lynch" <kelly.lynch@mtleague.net>
Subject: MLCT November Financial Reports and Bank Reconciliation

Good afternoon MLCT Board Members,

Attached are the November Financial Reports, Check Register and Bank Reconciliation for the Montana League of Cities and Towns. Agnes, I have attached a Word document for you to sign and send back to me approving the November Check Register. If there are any questions, please feel free to contact Tim or myself.

Thank you,

Nick Haswell
Accounting Technician
Montana League of Cities and Towns | Montana Municipal Interlocal Authority
Phone: 406.442.8768

Montana League of Cities and Towns
Trial Balance
As of November 30, 2016

	Nov 30, 16	
	Debit	Credit
100 · Cash in Checking	172,548.65	
102 · Petty Cash	0.00	
103 · Certificates of Deposit	316,023.20	
105 · Life Insurance Checking	0.00	
111 · Accounts Receivable	0.00	
115 · Prepaid Expenses	0.00	
1499 · Undeposited Funds	0.00	
180 · Furniture & Equipment	13,053.00	
190 · Accumulated Depreciation		13,053.00
201 · Accounts Payable		393.30
202 · Accrued Employee Benefits-Unres		5,287.14
203 · Accrued Employee Benefits-Rest	0.00	
204 · Deferred Revenue-Prepaid Dues	0.00	
205 · Deferred Revenue-Assoc Members	0.00	
206 · City Managers Assn Dues		400.57
209 · FICA & Medicare Payable		0.02
210 · FWT Payable	0.00	
211 · SWT Payable	0.00	
212 · SUTA Payable	0.00	
214 · Pension Payable	0.00	
215 · Life Insurance Payable		177.30
216 · Loan Repayment Payable	0.00	
2100 · Payroll Liabilities		21.40
222 · Deferred Rev-Prpd Registrations	0.00	
223 · Deferred Revenue-Prpd Vendors	0.00	
300 · Unrestricted Net Assets		302,614.71
3000 · Opening Bal Equity	0.00	
301 · Restricted Net Assets		14,492.98
3900 · Retained Earnings		45,169.93
411 · Annual Dues		161,609.53
413 · Associate Member Dues		6,875.00
422 · Conference Registrations		44,980.00
423 · Conference Vendors		13,555.00
424 · Conference Sponsorships		19,450.00
425 · Conference Miscellaneous		2,341.11
443 · Directory Sales		612.00
448 · Sponsorship Fees		68,290.43
451 · Interest Income		593.64
454 · Miscellaneous Income		274.74
500 · Board of Directors' Expense	374.49	
502 · Executive Director	54,080.50	
503 · Office Manager		710.15
536 · Associate Director	23,041.50	
505 · Legal Services	16,169.80	
507 · Utilities	1,800.00	
508 · Memberships and Dues	5,492.00	
509 · Workshops and Seminars	650.00	
510 · Newsletter/Website	415.00	
513 · Legislative Lobbying	1,955.74	
514 · Montana Annual Conference	56,088.93	
515 · National League Conference	976.63	
516 · Staff Travel	1,246.38	
517 · Repairs and Maintenance	198.01	
518 · Supplies	342.07	
519 · Miscellaneous Expense	36.00	
520 · Insurance and Bonds	1,289.00	
522 · Postage	320.20	
526 · Contract Services	15,161.80	
527 · Travel Allowance	2,625.00	
531 · Employer Payroll Taxes	6,995.48	
532 · Telephone	433.08	
534 · Equipment (Less Than $5,000)	184.99	
538 · Recruitment Services	440.25	
539 · Bank Fees	18.25	

Montana League of Cities and Towns
Trial Balance
As of November 30, 2016

	Nov 30, 16	
	Debit	Credit
540 · Building Contract Payments	4,140.00	
6560 · Payroll Expenses	4,802.00	
600 · Reportable Health Coverage	0.00	
TOTAL	700,901.95	700,901.95

Montana League of Cities and Towns
Balance Sheet
As of November 30, 2016

	Nov 30, 16
ASSETS	
Current Assets	
Checking/Savings	
100 · Cash in Checking	172,548.65
103 · Certificates of Deposit	316,023.20
Total Checking/Savings	488,571.85
Total Current Assets	488,571.85
Fixed Assets	
180 · Furniture & Equipment	13,053.00
190 · Accumulated Depreciation	-13,053.00
Total Fixed Assets	0.00
TOTAL ASSETS	488,571.85
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
201 · Accounts Payable	393.30
Total Accounts Payable	393.30
Other Current Liabilities	
202 · Accrued Employee Benefits-Unres	5,287.14
206 · City Managers Assn Dues	400.57
208 · Payroll Taxes Payable	
209 · FICA & Medicare Payable	0.02
215 · Life Insurance Payable	177.30
Total 208 · Payroll Taxes Payable	177.32
2100 · Payroll Liabilities	21.40
Total Other Current Liabilities	5,886.43
Total Current Liabilities	6,279.73
Total Liabilities	6,279.73
Equity	
300 · Unrestricted Net Assets	302,614.71
301 · Restricted Net Assets	14,492.98
3900 · Retained Earnings	45,169.93
Net Income	120,014.50
Total Equity	482,292.12
TOTAL LIABILITIES & EQUITY	488,571.85

Montana League of Cities and Towns
Statement of Financial Income and Expense
July through November 2016

	General	TOTAL
Ordinary Income/Expense		
Income		
411 · Annual Dues	161,609.53	161,609.53
413 · Associate Member Dues	6,875.00	6,875.00
421 · Montana Conference		
422 · Conference Registrations	44,980.00	44,980.00
423 · Conference Vendors	13,555.00	13,555.00
424 · Conference Sponsorships	19,450.00	19,450.00
425 · Conference Miscellaneous	2,341.11	2,341.11
Total 421 · Montana Conference	80,326.11	80,326.11
441 · Directory		
443 · Directory Sales	612.00	612.00
Total 441 · Directory	612.00	612.00
448 · Sponsorship Fees	68,290.43	68,290.43
451 · Interest Income	593.64	593.64
454 · Miscellaneous Income	274.74	274.74
Total Income	318,581.45	318,581.45
Gross Profit	318,581.45	318,581.45
Expense		
500 · Board of Directors' Expense	374.49	374.49
501 · Payroll Expense		
502 · Executive Director	54,080.50	54,080.50
503 · Office Manager	-710.15	-710.15
536 · Associate Director	23,041.50	23,041.50
Total 501 · Payroll Expense	76,411.85	76,411.85
505 · Legal Services	16,169.80	16,169.80
507 · Utilities	1,800.00	1,800.00
508 · Memberships and Dues	5,492.00	5,492.00
509 · Workshops and Seminars	650.00	650.00
510 · Newsletter/Website	415.00	415.00
513 · Legislative Lobbying	1,955.74	1,955.74
514 · Montana Annual Conference	56,088.93	56,088.93
515 · National League Conference	976.63	976.63
516 · Staff Travel	1,246.38	1,246.38
517 · Repairs and Maintenance	198.01	198.01
518 · Supplies	342.07	342.07
519 · Miscellaneous Expense	36.00	36.00
520 · Insurance and Bonds	1,289.00	1,289.00
522 · Postage	320.20	320.20
526 · Contract Services	15,161.80	15,161.80
527 · Travel Allowance	2,625.00	2,625.00
531 · Employer Payroll Taxes	6,995.48	6,995.48
532 · Telephone	433.08	433.08
534 · Equipment (Less Than $5,000)	184.99	184.99
538 · Recruitment Services	440.25	440.25
539 · Bank Fees	18.25	18.25
540 · Building Contract Payments	4,140.00	4,140.00
6560 · Payroll Expenses	4,802.00	4,802.00
Total Expense	198,566.95	198,566.95
Net Ordinary Income	120,014.50	120,014.50

Montana League of Cities and Towns
Statement of Financial Income and Expense
July through November 2016

	General	TOTAL
Other Income/Expense		
Other Expense		
600 · Reportable Health Coverage	0.00	0.00
Total Other Expense	0.00	0.00
Net Other Income	0.00	0.00
Net Income	120,014.50	120,014.50

Montana League of Cities and Towns
Transaction Detail by Account
November 2016

Type	Date	Num	Name	Memo	Class	Split	Amount	Balance
501 · Payroll Expense								
502 · Executive Director								
Bill	11/01/2016	Inv #3...	MMIA EB INSURAN...	Nov Health In...	General	201 · Accounts ...	1,247.00	1,247.00
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	4,333.68	5,580.68
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	450.87	6,031.55
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	4,333.68	10,365.23
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	450.87	10,816.10
Total 502 · Executive Director							10,816.10	10,816.10
503 · Office Manager								
Bill	11/01/2016	Inv #3...	MMIA EB INSURAN...	Nov Health In...	General	201 · Accounts ...	704.15	704.15
Deposit	11/28/2016	3455	Jones, Deborah W-C	December He...	General	100 · Cash in C...	-705.15	-1.00
Total 503 · Office Manager							-1.00	-1.00
536 · Associate Director								
Bill	11/01/2016	Inv #3...	MMIA EB INSURAN...	Oct & Nov He...	General	201 · Accounts ...	2,494.00	2,494.00
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	3,875.00	6,369.00
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	405.00	6,774.00
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	3,875.00	10,649.00
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	405.00	11,054.00
Total 536 · Associate Director							11,054.00	11,054.00
Total 501 · Payroll Expense							21,869.10	21,869.10
505 · Legal Services								
Bill	11/15/2016	Inv #9...	Browning Kaleczyc B...	Upper Missou...	General	201 · Accounts ...	7,535.70	7,535.70
Bill	11/30/2016	Inv #3...	LexisNexis	November Le...	General	201 · Accounts ...	30.00	7,565.70
Total 505 · Legal Services							7,565.70	7,565.70
510 · Newsletter/Website								
Bill	11/01/2016	Inv #5...	Edge Marketing & D...	November Mo...	General	201 · Accounts ...	75.00	75.00
Total 510 · Newsletter/Website							75.00	75.00
513 · Legislative Lobbying								
Bill	11/18/2016		Commissioner of Pol...	Kelly Lynch Lo...	General	201 · Accounts ...	150.00	150.00
Total 513 · Legislative Lobbying							150.00	150.00
516 · Staff Travel								
Bill	11/14/2016		Burton, Timothy-V	MIC Meeting i...	General	201 · Accounts ...	24.11	24.11
Total 516 · Staff Travel							24.11	24.11
519 · Miscellaneous Expense								
General Journal	11/01/2016	422		e-Article Purc...	General	100 · Cash in C...	36.00	36.00
Total 519 · Miscellaneous Expense							36.00	36.00
520 · Insurance and Bonds								
Bill	11/01/2016	Acct#...	The Hartford	Business Insu...	General	201 · Accounts ...	962.00	962.00
Total 520 · Insurance and Bonds							962.00	962.00
522 · Postage								
Bill	11/23/2016	Inv #3...	Pitney Bowes Global ...	Postage Mete...	General	201 · Accounts ...	156.00	156.00
Total 522 · Postage							156.00	156.00
527 · Travel Allowance								
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	175.00	175.00
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	175.00	350.00
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	175.00	525.00
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	175.00	700.00
Total 527 · Travel Allowance							700.00	700.00
531 · Employer Payroll Taxes								
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	0.00	0.00
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	307.49	307.49
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	71.91	379.40
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	0.00	379.40
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	5.26	384.66
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	276.21	660.87
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	64.60	725.47
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	0.00	725.47
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	0.00	725.47
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	307.49	1,032.96

Montana League of Cities and Towns
Transaction Detail by Account
November 2016

Type	Date	Num	Name	Memo	Class	Split	Amount	Balance
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	71.91	1,104.87
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	0.00	1,104.87
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	5.27	1,110.14
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	276.21	1,386.35
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	64.60	1,450.95
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	0.00	1,450.95
Total 531 · Employer Payroll Taxes							1,450.95	1,450.95
600 · Reportable Health Coverage								
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	580.00	580.00
Paycheck	11/15/2016	19712	Burton, Timothy S		General	100 · Cash in C...	-580.00	0.00
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	623.50	623.50
Paycheck	11/15/2016	19713	Lynch, Kelly A.		General	100 · Cash in C...	-623.50	0.00
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	580.00	580.00
Paycheck	11/30/2016	19720	Burton, Timothy S		General	100 · Cash in C...	-580.00	0.00
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	623.50	623.50
Paycheck	11/30/2016	19721	Lynch, Kelly A.		General	100 · Cash in C...	-623.50	0.00
Total 600 · Reportable Health Coverage							0.00	0.00
TOTAL							32,988.86	32,988.86

9:54 AM
12/15/16
Accrual Basis

Montana League of Cities and Towns
Profit & Loss Budget vs. Actual
July through November 2016

	Jul - Nov 16	Budget	$ Over Budget
Ordinary Income/Expense			
Income			
411 · Annual Dues	161,609.53	162,114.07	-504.54
413 · Associate Member Dues	6,875.00	8,500.00	-1,625.00
421 · Montana Conference			
422 · Conference Registrations	44,980.00	43,085.00	1,895.00
423 · Conference Vendors	13,555.00	16,000.00	-2,445.00
424 · Conference Sponsorships	19,450.00	25,000.00	-5,550.00
425 · Conference Miscellaneous	2,341.11	0.00	2,341.11
Total 421 · Montana Conference	80,326.11	84,085.00	-3,758.89
440 · Newsletter/Website Advertising	0.00	0.00	0.00
441 · Directory			
442 · Directory Advertisements	0.00	0.00	0.00
443 · Directory Sales	612.00	1,000.00	-388.00
Total 441 · Directory	612.00	1,000.00	-388.00
444 · Sales of Publications	0.00	0.00	0.00
446 · Special Services-Cities\Towns	0.00	0.00	0.00
447 · City Management Association	0.00	0.00	0.00
448 · Sponsorship Fees	68,290.43	158,320.00	-90,029.57
451 · Interest Income	593.64	1,700.00	-1,106.36
454 · Miscellaneous Income	274.74	0.00	274.74
457 · Miscellaneous Reimbursements	0.00	0.00	0.00
458 · Life Insurance Premiums	0.00	0.00	0.00
459 · Health Insurance Fees	0.00	0.00	0.00
470 · Transfers from Other Net Assets	0.00	0.00	0.00
471 · Workshop Revenue	0.00	0.00	0.00
Total Income	318,581.45	415,719.07	-97,137.62
Gross Profit	318,581.45	415,719.07	-97,137.62
Expense			
500 · Board of Directors' Expense	374.49	3,500.00	-3,125.51
501 · Payroll Expense			
502 · Executive Director	54,080.50	129,811.15	-75,730.65
503 · Office Manager	-710.15	0.00	-710.15
504 · Interim Director	0.00	0.00	0.00
530 · Energy Coordinator	0.00	0.00	0.00
536 · Associate Director	23,041.50	116,901.00	-93,859.50
Total 501 · Payroll Expense	76,411.85	246,712.15	-170,300.30
505 · Legal Services	16,169.80	500.00	15,669.80
506 · Rent	0.00	0.00	0.00
507 · Utilities	1,800.00	5,400.00	-3,600.00
508 · Memberships and Dues	5,492.00	11,492.00	-6,000.00
509 · Workshops and Seminars	650.00	250.00	400.00
510 · Newsletter/Website	415.00	900.00	-485.00
511 · Directory Expense	0.00	0.00	0.00
512 · Special Services to Cities	0.00	0.00	0.00
513 · Legislative Lobbying	1,955.74	2,000.00	-44.26
514 · Montana Annual Conference	56,088.93	50,000.00	6,088.93
515 · National League Conference	976.63	7,000.00	-6,023.37
516 · Staff Travel	1,246.38	5,000.00	-3,753.62
517 · Repairs and Maintenance	198.01	5,085.00	-4,886.99
518 · Supplies	342.07	1,200.00	-857.93
519 · Miscellaneous Expense	36.00	3,800.00	-3,764.00
520 · Insurance and Bonds	1,289.00	1,300.00	-11.00
521 · Printing	0.00	0.00	0.00
522 · Postage	320.20	900.00	-579.80
523 · Taxes	0.00	0.00	0.00
524 · Subscriptions	0.00	0.00	0.00
525 · Equipment Rent	0.00	0.00	0.00
526 · Contract Services	15,161.80	37,083.00	-21,921.20

Montana League of Cities and Towns
Profit & Loss Budget vs. Actual
July through November 2016

	Jul - Nov 16	Budget	$ Over Budget
527 · Travel Allowance	2,625.00	6,600.00	-3,975.00
528 · Depreciation	0.00	0.00	0.00
529 · Transfers-Restricted Net Assets	0.00	0.00	0.00
531 · Employer Payroll Taxes	6,995.48	18,243.92	-11,248.44
532 · Telephone	433.08	0.00	433.08
533 · Computer Software	0.00	800.00	-800.00
534 · Equipment (Less Than $5,000)	184.99	1,000.00	-815.01
535 · City Managers Association	0.00	300.00	-300.00
537 · Contingent Expense	0.00	20,000.00	-20,000.00
538 · Recruitment Services	440.25	0.00	440.25
540 · Building Contract Payments	4,140.00	12,420.00	-8,280.00
6560 · Payroll Expenses	4,802.00	0.00	4,802.00
Total Expense	198,566.95	441,486.07	-242,919.12
Net Ordinary Income	120,014.50	-25,767.00	145,781.50
Other Income/Expense	0.00		
Net Income	120,014.50	-25,767.00	145,781.50

Register: 100 · Cash in Checking
From 11/01/2016 through 11/30/2016
Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
11/1/2016			-split-	Deposit		X	$460.00	$199,769.40
11/1/2016	422		519 · Miscellaneous Expense	e-Article Purchase "What Every Local Government Manager Should Know" for Kelly	$36.00	X		$199,733.40
11/2/2016			-split-	Deposit		X	$235.00	$199,968.40
11/3/2016			-split-	Deposit		X	$180.00	$200,148.40
11/4/2016			422 · Conference Registrations	Deposit		X	$450.00	$200,598.40
11/4/2016	19704	MMIA EB INSURANCE	201 · Accounts Payable	Nov Helath Insurance Premiums/Kelly Oct Premium	$4,445.15	X		$196,153.25
11/4/2016	19705	MMIA EB INSURANCE	215 · Life Insurance Payable	Nov Voluntary Life Premium	$157.35	X		$195,995.90
11/4/2016	19706	Montana Taxpayers Association	201 · Accounts Payable	Montana Taxpayers Association Annual Meeting Registration	$100.00	X		$195,895.90
11/4/2016	19707	Pitney Bowes Global Financial Services	201 · Accounts Payable	Postage Meter Lease Charges 10/25/16-1/24/17	$8.20	X		$195,887.70
11/4/2016	19708	Burton, Timothy-V	201 · Accounts Payable	MIC Board Meeting in Bozeman Travel Expenses	$28.48	X		$195,859.22
11/4/2016	19709	Edge Marketing & Design, LLC	201 · Accounts Payable	November Monthly Website Maintenance	$75.00	X		$195,784.22
11/4/2016	19710	Browning Kaleczyc Berry & Hoven, P.C.	201 · Accounts Payable	Upper Missouri Waterkeeper v. U.S. EPA	$440.00	X		$195,344.22
11/4/2016	19711	Hilton Garden Inn - Missoula	201 · Accounts Payable	2016 MLCT Conference Room, Food, Equipment Expenses	$37,345.76	X		$157,998.46
11/7/2016			-split-	Deposit		X	$445.00	$158,443.46
11/9/2016			-split-	Deposit		X	$500.00	$158,943.46
11/10/2016			-split-	Deposit		X	$515.00	$159,458.46
11/14/2016			-split-	Deposit		X	$1,220.00	$160,678.46
11/15/2016	EFTPS	United States Treasury	-split-	11/1/16-11/15/16 FICA & Federal Withholding Taxes	$2,825.42	X		$157,853.04
11/15/2016	19712	Burton, Timothy S	-split-		$2,773.48	X		$155,079.56
11/15/2016	19713	Lynch, Kelly A.	-split-		$3,118.19	X		$151,961.37
11/16/2016			448 · Sponsorship Fees	Deposit		X	$41,210.43	$193,171.80
11/16/2016	19714	Gabriel, Kari	201 · Accounts Payable	MLCT Conference Hotel Room BOD Reimbursement	$207.30			$192,964.50
11/16/2016	19715	JCCS	201 · Accounts Payable	Client #300425, Invoice #761148	$4,500.00	X		$188,464.50
11/16/2016	19716	The Hartford	201 · Accounts Payable	Business Insurance Policy Renewal 12/1/16-12/1/17	$962.00	X		$187,502.50
11/16/2016	19717	Burton, Timothy-V	201 · Accounts Payable	MIC Meeting in Bozeman Travel Reimbursement	$24.11	X		$187,478.39
11/18/2016			-split-	Deposit		X	$525.75	$188,004.14
11/21/2016			-split-	Deposit		X	$705.00	$188,709.14
11/22/2016			-split-	Deposit		X	$1,774.74	$190,483.88
11/22/2016	19718	Browning Kaleczyc Berry & Hoven, P.C.	201 · Accounts Payable	Upper Missouri Waterkeeper v. U.S. EPA Intervention	$7,535.70	X		$182,948.18
11/22/2016	19719	Commissioner of Political Practices	201 · Accounts Payable	Kelly Lynch Lobbyist License Application Fee	$150.00			$182,798.18
11/23/2016			425 · Conference Miscellaneous	Deposit		X	$161.55	$182,959.73
11/28/2016			-split-	Deposit		X	$870.15	$183,829.88
11/30/2016			422 · Conference Registrations	Deposit		X	$100.00	$183,929.88
11/30/2016			451 · Interest Income	Interest		X	$7.60	$183,937.48
11/30/2016	EFTPS	United States Treasury	-split-	11/16/16-11/30/16 FICA & Federal Withholding Taxes	$2,825.42			$181,112.06
11/30/2016	19720	Burton, Timothy S	-split-		$2,773.48			$178,338.58
11/30/2016	19721	Lynch, Kelly A.	-split-		$3,118.19			$175,220.39
11/30/2016	19722	Department of Revenue	211 · SWT Payable	November 2016 State Withholding Taxes	$960.00			$174,260.39
11/30/2016	19723	ICMA Retirement Corporation	-split-	November 2016 Deferred Compensation Contributions	$1,711.74			$172,548.65

Montana League of Cities and Towns
Reconciliation Summary
100 · Cash in Checking, Period Ending 11/30/2016

	Nov 30, 16	
Beginning Balance		212,071.96
Cleared Transactions		
Checks and Payments - 27 items	-77,137.40	
Deposits and Credits - 16 items	49,360.22	
Total Cleared Transactions	-27,777.18	
Cleared Balance		184,294.78
Uncleared Transactions		
Checks and Payments - 7 items	-11,746.13	
Total Uncleared Transactions	-11,746.13	
Register Balance as of 11/30/2016		172,548.65
New Transactions		
Checks and Payments - 6 items	-3,789.68	
Deposits and Credits - 2 items	818.15	
Total New Transactions	-2,971.53	
Ending Balance		169,577.12

Montana League of Cities and Towns
Reconciliation Detail
100 · Cash in Checking, Period Ending 11/30/2016

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						212,071.96
Cleared Transactions						
Checks and Payments - 27 items						
Bill Pmt -Check	10/19/2016	19684	Lynch, Kelly	X	-385.01	-385.01
Bill Pmt -Check	10/19/2016	19683	Burton, Timothy-V	X	-93.57	-478.58
Bill Pmt -Check	10/20/2016	19692	Denton - V	X	-150.00	-628.58
Bill Pmt -Check	10/20/2016	19689	U.S. Bank - V	X	-150.00	-778.58
Bill Pmt -Check	10/26/2016	19693	Williams, John	X	-310.95	-1,089.53
Paycheck	10/31/2016	19700	Lynch, Kelly A.	X	-3,118.19	-4,207.72
Liability Check	10/31/2016	EFTPS	United States Treas...	X	-2,882.82	-7,090.54
Paycheck	10/31/2016	19699	Burton, Timothy S	X	-2,773.47	-9,864.01
Liability Check	10/31/2016	19703	ICMA Retirement Co...	X	-1,711.74	-11,575.75
Liability Check	10/31/2016	19702	Department of Reve...	X	-965.00	-12,540.75
Paycheck	10/31/2016	19701	Nielsen, David L.	X	-221.81	-12,762.56
General Journal	11/01/2016	422		X	-36.00	-12,798.56
Bill Pmt -Check	11/04/2016	19711	Hilton Garden Inn - ...	X	-37,345.76	-50,144.32
Bill Pmt -Check	11/04/2016	19704	MMIA EB INSURAN...	X	-4,445.15	-54,589.47
Bill Pmt -Check	11/04/2016	19710	Browning Kaleczyc ...	X	-440.00	-55,029.47
Liability Check	11/04/2016	19705	MMIA EB INSURAN...	X	-157.35	-55,186.82
Bill Pmt -Check	11/04/2016	19706	Montana Taxpayers ...	X	-100.00	-55,286.82
Bill Pmt -Check	11/04/2016	19709	Edge Marketing & D...	X	-75.00	-55,361.82
Bill Pmt -Check	11/04/2016	19708	Burton, Timothy-V	X	-28.48	-55,390.30
Bill Pmt -Check	11/04/2016	19707	Pitney Bowes Global...	X	-8.20	-55,398.50
Paycheck	11/15/2016	19713	Lynch, Kelly A.	X	-3,118.19	-58,516.69
Liability Check	11/15/2016	EFTPS	United States Treas...	X	-2,825.42	-61,342.11
Paycheck	11/15/2016	19712	Burton, Timothy S	X	-2,773.48	-64,115.59
Bill Pmt -Check	11/16/2016	19715	JCCS	X	-4,500.00	-68,615.59
Bill Pmt -Check	11/16/2016	19716	The Hartford	X	-962.00	-69,577.59
Bill Pmt -Check	11/16/2016	19717	Burton, Timothy-V	X	-24.11	-69,601.70
Bill Pmt -Check	11/22/2016	19718	Browning Kaleczyc ...	X	-7,535.70	-77,137.40
Total Checks and Payments					-77,137.40	-77,137.40
Deposits and Credits - 16 items						
Deposit	11/01/2016			X	460.00	460.00
Deposit	11/02/2016			X	235.00	695.00
Deposit	11/03/2016			X	180.00	875.00
Deposit	11/04/2016			X	450.00	1,325.00
Deposit	11/07/2016			X	445.00	1,770.00
Deposit	11/09/2016			X	500.00	2,270.00
Deposit	11/10/2016			X	515.00	2,785.00
Deposit	11/14/2016			X	1,220.00	4,005.00
Deposit	11/16/2016			X	41,210.43	45,215.43
Deposit	11/18/2016			X	525.75	45,741.18
Deposit	11/21/2016			X	705.00	46,446.18
Deposit	11/22/2016			X	1,774.74	48,220.92
Deposit	11/23/2016			X	161.55	48,382.47
Deposit	11/28/2016			X	870.15	49,252.62
Deposit	11/30/2016			X	7.60	49,260.22
Deposit	11/30/2016			X	100.00	49,360.22
Total Deposits and Credits					49,360.22	49,360.22
Total Cleared Transactions					-27,777.18	-27,777.18
Cleared Balance					-27,777.18	184,294.78

Montana League of Cities and Towns
Reconciliation Detail
100 · Cash in Checking, Period Ending 11/30/2016

Type	Date	Num	Name	Clr	Amount	Balance
Uncleared Transactions						
Checks and Payments - 7 items						
Bill Pmt -Check	11/16/2016	19714	Gabriel, Kari		-207.30	-207.30
Bill Pmt -Check	11/22/2016	19719	Commissioner of Po...		-150.00	-357.30
Paycheck	11/30/2016	19721	Lynch, Kelly A.		-3,118.19	-3,475.49
Liability Check	11/30/2016	EFTPS	United States Treas...		-2,825.42	-6,300.91
Paycheck	11/30/2016	19720	Burton, Timothy S		-2,773.48	-9,074.39
Liability Check	11/30/2016	19723	ICMA Retirement Co...		-1,711.74	-10,786.13
Liability Check	11/30/2016	19722	Department of Reve...		-960.00	-11,746.13
Total Checks and Payments					-11,746.13	-11,746.13
Total Uncleared Transactions					-11,746.13	-11,746.13
Register Balance as of 11/30/2016					-39,523.31	172,548.65
New Transactions						
Checks and Payments - 6 items						
Bill Pmt -Check	12/02/2016	19725	MMIA EB INSURAN...		-3,204.40	-3,204.40
Bill Pmt -Check	12/02/2016	19728	Vincent, Matt		-207.30	-3,411.70
Liability Check	12/02/2016	19726	MMIA EB INSURAN...		-163.60	-3,575.30
Bill Pmt -Check	12/02/2016	19727	MT Urban & Commu...		-161.55	-3,736.85
Paycheck	12/02/2016	19724	Nielsen, David L.		-45.17	-3,782.02
Liability Check	12/02/2016	EFTPS	United States Treas...		-7.66	-3,789.68
Total Checks and Payments					-3,789.68	-3,789.68
Deposits and Credits - 2 items						
Deposit	12/01/2016				68.15	68.15
Deposit	12/13/2016				750.00	818.15
Total Deposits and Credits					818.15	818.15
Total New Transactions					-2,971.53	-2,971.53
Ending Balance					**-42,494.84**	**169,577.12**

FIRST INTERSTATE BANK
PO BOX 5299
HELENA, MT 59604-5299
TELEPHONE:406-457-7151

030 00052 01
ACCOUNT: XXXXXX4093
DOCUMENTS: 39

PAGE: 1
11/30/2016

00861 2484105 1OZ ATM 367.254.1.23

MONTANA LEAGUE OF CITIES
AND TOWNS
700 W CUSTER AVE
HELENA MT 59602-0223

30
15
24

Customer service questions:Call 1-888-752-3332 or www.firstinterstate.com

BASIC BUSINESS INT ACCOUNT XXXXXX4093

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			10/31/16	212,071.96
DEPOSIT		460.00	11/01/16	212,531.96
026681 SAGE PUBLICATION 805-499-9774 CA XX1600 DEBIT CARD 10/31 23:42	36.00		11/01/16	212,495.96
IRS USATAXPYMT 270670644771329	2,882.82		11/01/16	209,613.14
CHECK(S)	6,520.24		11/01/16	203,092.90
DEPOSIT		235.00	11/02/16	203,327.90
CHECK(S)	1,275.95		11/02/16	202,051.95
DEPOSIT		180.00	11/03/16	202,231.95
DEPOSIT		450.00	11/04/16	202,681.95
CHECK(S)	1,711.74		11/04/16	200,970.21
DEPOSIT		445.00	11/07/16	201,415.21
CHECK(S)	4,602.50		11/07/16	196,812.71
CHECK(S)	440.00		11/08/16	196,372.71
DEPOSIT		500.00	11/09/16	196,872.71
CHECK(S)	37,345.76		11/09/16	159,526.95
DEPOSIT		515.00	11/10/16	160,041.95
CHECK(S)	75.00		11/10/16	159,966.95
DEPOSIT		1,220.00	11/14/16	161,186.95
CHECK(S)	258.20		11/14/16	160,928.75
DEPOSIT		41,210.43	11/16/16	202,139.18
IRS USATAXPYMT 270672172697107	2,825.42		11/16/16	199,313.76
CHECK(S)	2,995.29		11/16/16	196,318.47
CHECK(S)	4,552.59		11/17/16	191,765.88
DEPOSIT		525.75	11/21/16	192,291.63
DEPOSIT		705.00	11/21/16	192,996.63
DEPOSIT		1,774.74	11/22/16	194,771.37
CHECK(S)	3,118.19		11/22/16	191,653.18
DEPOSIT		161.55	11/23/16	191,814.73
CHECK(S)	962.00		11/23/16	190,852.73
CHECK(S)	7,535.70		11/25/16	183,317.03

* * * C O N T I N U E D * * *

NOTICE-SEE REVERSE SIDE FOR IMPORTANT INFORMATION
2484000 STAT
First Interstate Bank
www.firstinterstate.com
Member FDIC. Equal Housing Lender.

FIRST INTERSTATE BANK
PO BOX 5299
HELENA, MT 59604-5299

TELEPHONE:406-457-7151

030 00052 01
ACCOUNT: XXXXXX4093
DOCUMENTS: 39

11/30/2016

MONTANA LEAGUE OF CITIES
AND TOWNS

BASIC BUSINESS INT ACCOUNT XXXXXX4093

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
DEPOSIT		870.15	11/28/16	184,187.18
DEPOSIT		100.00	11/30/16	184,287.18
INTEREST		7.60	11/30/16	184,294.78
BALANCE THIS STATEMENT			11/30/16	184,294.78

TOTAL CREDITS	(16)	49,360.22
TOTAL DEBITS	(27)	77,137.40

YOUR CHECKS SEQUENCED

DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
11/01	19683	93.57	11/02	19702	965.00	11/08	19710	440.00
11/01	19684*	385.01	11/04	19703	1,711.74	11/09	19711	37,345.76
11/14	19689*	150.00	11/07	19704	4,445.15	11/16	19712	2,773.48
11/01	19692	150.00	11/07	19705	157.35	11/22	19713*	3,118.19
11/02	19693*	310.95	11/14	19706	100.00	11/17	19715	4,500.00
11/01	19699	2,773.47	11/14	19707	8.20	11/23	19716	962.00
11/01	19700	3,118.19	11/17	19708	28.48	11/17	19717	24.11
11/16	19701	221.81	11/10	19709	75.00	11/25	19718	7,535.70

(*) INDICATES A GAP IN CHECK NUMBER SEQUENCE

- - - - - - - - - - - I N T E R E S T - - - - - - - - - -

AVERAGE LEDGER BALANCE:	185,235.83	INTEREST EARNED:	7.60
AVERAGE AVAILABLE BALANCE:	184,883.37	DAYS IN PERIOD:	30
INTEREST PAID THIS PERIOD:	7.60	ANNUAL PERCENTAGE YIELD EARNED:	.05%
INTEREST PAID 2016:	34.98		

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION
FirstInterstateBank
www.firstinterstate.com
Member FDIC Equal Housing Lender

Montana League of Cities and Towns (MLCT)
700 W Custer Ave (59602)
PO Box 7388
Helena MT 59604-7388

Phone: (406) 442-8768
FAX: (406) 442-9231
Email: info@mtleague.net
www.mtleague.org

TO: Agnes Fowler, MLCT Secretary/Treasurer — Via Electronic Mail

FROM: Nick Haswell, Accounting Technician

DATE: 12/19/2016

RE: November 2016 Check Register Approval

As stated in the MLCT Board Check Signing Policy, effective December 11, 2015, the Secretary/Treasurer of the MLCT Board will sign off that outgoing checks for each month have been reviewed.

Attached to this corresponding email is the November 2016 Check Register for the Montana League of Cities and Towns. Please review the Check Register and verify that you approve it below.

Agreement:

By signing this document, I verify that I have reviewed the November 2016 Check Register for the Montana League of Cities and Towns and approve that each outgoing check for the month of November 2016 has been reviewed.

_____ _____

Agnes Fowler, MLCT Secretary/Treasurer — Date

Lori Stratton

From: Larry Bonderud
Sent: Tuesday, December 20, 2016 1:16 PM
To: Jade Goroski; Lori Stratton
Subject: Fwd: Marias River Basin 41P - Notices of Intent to Appear
Attachments: NOIA to 41P 48221-00.PDF; ATT00001.htm; NOIA to 41P 161600-00.PDF; ATT00002.htm; NOIA to 41P 161599-00.PDF; ATT00003.htm; NOIA to 41P 161782-00.PDF; ATT00004.htm; NOIA to 41P 155827-00.PDF; ATT00005.htm

Next packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: "Jennifer L. Maichel" <jmaichel@helenalaw.com>
Date: December 20, 2016 at 1:13:20 PM MST
To: "larry@shelbymt.com" <larry@shelbymt.com>, "davidd@hydrosi.com" <davidd@hydrosi.com>
Cc: "Abigail J. St. Lawrence" <astlawrence@helenalaw.com>
Subject: FW: Marias River Basin 41P - Notices of Intent to Appear

For your information and file, please see the email below and the attachments. If you require a hard copy, please let me know and I will put one in the mail to you. Thank you.

Jennifer L. Maichel, Certified Paralegal
BLOOMQUIST LAW FIRM, P.C.
www.helenalaw.com

From: Jennifer L. Maichel
Sent: Tuesday, December 20, 2016 1:12 PM
To: 'watercourt@mt.gov' <watercourt@mt.gov>
Cc: Abigail J. St. Lawrence <astlawrence@helenalaw.com>
Subject: Marias River Basin 41P - Notices of Intent to Appear

Attached please find five Notices of Intent to Appear filed on behalf of the City of Shelby on Statements of Claim Nos. 41P 48221-00, 41P 161600-00, 41P 161599-00, 41P 161782-00, and 41P 155827-00.

By delivery and return receipt notification, you are acknowledging receipt and filing of these documents.

Thank you,
Jennifer L. Maichel, Certified Paralegal

BLOOMQUIST LAW FIRM, P.C.
3355 Colton Drive, Suite A
Helena, MT 59602
(406) 502-1244
www.helenalaw.com

This message may contain confidential privileged material, including attorney-client communications and attorney work product. This electronic transmission does not constitute a waiver of privilege. Please contact sender immediately if you have received this message in error. Thank you.

MONTANA WATER COURT, UPPER MISSOURI DIVISION
MARIAS RIVER BASIN (41P)

* *

NOTICE OF INTENT TO APPEAR

1. Claim No. 41P 48221-00

2. Source: Reservoir Coulee

3. County: Toole

4. Name, Address, and Phone Number of Party Appearing:
City of Shelby
112 1st Street South
Shelby, MT 59474
406-450-3331
larry@shelbymt.com

5. Name, Address, and Phone Number of Party's Attorney:
Abigail J. St. Lawrence
BLOOMQUIST LAW FIRM, P.C.
3355 Colton Drive, Suite A
Helena, MT 59602
406-502-1244
blf@helenalaw.com

6. State the changes that you think should be made to this claim and why.

City of Shelby ("City") has claims that may be affected by the adjudication of this claim. The City appears to address all issue remarks, any issue addressed by objections, if any, or any other matter or element that may be modified or affected during adjudication of this claim.

DATED this 20th day of December, 2016.

BLOOMQUIST LAW FIRM, P.C.
/s/ Abigail J. St. Lawrence
Abigail J. St. Lawrence
Attorney for City of Shelby

CERTIFICATE OF MAILING

I, Jennifer L. Maichel, do solemnly swear that on the 20th day of December, 2016, I placed a copy of this Notice of Intent to Appear in the U. S. Mail, postage prepaid. The copy of this Notice of Intent to Appear was mailed to the owner(s) of the water right:

Henry E. Zell
P.O. Box 783
Shelby, MT 59474-0783

/s/ Jennifer L. Maichel
Jennifer L. Maichel
Certified Paralegal

MONTANA WATER COURT, UPPER MISSOURI DIVISION
MARIAS RIVER BASIN (41P)

* *

NOTICE OF INTENT TO APPEAR

1. Claim No. 41P 155827-00

2. Source: Unnamed Tributary of Reservoir Coulee

3. County: Toole

4. Name, Address, and Phone Number of Party Appearing:
City of Shelby
112 1st Street South
Shelby, MT 59474
406-450-3331
larry@shelbymt.com

5. Name, Address, and Phone Number of Party's Attorney:
Abigail J. St. Lawrence
BLOOMQUIST LAW FIRM, P.C.
3355 Colton Drive, Suite A
Helena, MT 59602
406-502-1244
blf@helenalaw.com

6. State the changes that you think should be made to this claim and why.

City of Shelby ("City") has claims that may be affected by the adjudication of this claim. The City appears to address all issue remarks, any issue addressed by objections, if any, or any other matter or element that may be modified or affected during adjudication of this claim.

DATED this 20th day of December, 2016.

BLOOMQUIST LAW FIRM, P.C.
/s/ Abigail J. St. Lawrence
Abigail J. St. Lawrence
Attorney for City of Shelby

CERTIFICATE OF MAILING

I, Jennifer L. Maichel, do solemnly swear that on the 20th day of December, 2016, I placed a copy of this Notice of Intent to Appear in the U. S. Mail, postage prepaid. The copy of this Notice of Intent to Appear was mailed to the owner(s) of the water right:

Richard D. and David T. Clark
P.O. Box 504
Shelby, MT 59474-0504

/s/ Jennifer L. Maichel
Jennifer L. Maichel
Certified Paralegal

MONTANA WATER COURT, UPPER MISSOURI DIVISION
MARIAS RIVER BASIN (41P)

* *

NOTICE OF INTENT TO APPEAR

1. Claim No. 41P 161600-00

2. Source: Unnamed Tributary of Reservoir Coulee

3. County: Toole

4. Name, Address, and Phone Number of Party Appearing:
City of Shelby
112 1st Street South
Shelby, MT 59474
406-450-3331
larry@shelbymt.com

5. Name, Address, and Phone Number of Party's Attorney:
Abigail J. St. Lawrence
BLOOMQUIST LAW FIRM, P.C.
3355 Colton Drive, Suite A
Helena, MT 59602
406-502-1244
blf@helenalaw.com

6. State the changes that you think should be made to this claim and why.

City of Shelby ("City") has claims that may be affected by the adjudication of this claim. The City appears to address all issue remarks, any issue addressed by objections, if any, or any other matter or element that may be modified or affected during adjudication of this claim.

DATED this 20th day of December, 2016.

BLOOMQUIST LAW FIRM, P.C.
/s/ Abigail J. St. Lawrence
Abigail J. St. Lawrence
Attorney for City of Shelby

CERTIFICATE OF MAILING

I, Jennifer L. Maichel, do solemnly swear that on the 20th day of December, 2016, I placed a copy of this Notice of Intent to Appear in the U. S. Mail, postage prepaid. The copy of this Notice of Intent to Appear was mailed to the owner(s) of the water right:

Dorothy I. and Henry T. Seifert
735 5th Street South
Shelby, MT 59474

/s/ Jennifer L. Maichel
Jennifer L. Maichel
Certified Paralegal

MONTANA WATER COURT, UPPER MISSOURI DIVISION
MARIAS RIVER BASIN (41P)

* *

NOTICE OF INTENT TO APPEAR

1. Claim No. 41P 161599-00

2. Source: Reservoir Coulee

3. County: Toole

4. Name, Address, and Phone Number of Party Appearing:
City of Shelby
112 1st Street South
Shelby, MT 59474
406-450-3331
larry@shelbymt.com

5. Name, Address, and Phone Number of Party's Attorney:
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735 5th Street South
Shelby, MT 59474

/s/ Jennifer L. Maichel
Jennifer L. Maichel
Certified Paralegal

MONTANA WATER COURT, UPPER MISSOURI DIVISION
MARIAS RIVER BASIN (41P)

* *

NOTICE OF INTENT TO APPEAR

1. Claim No. 41P 161782-00

2. Source: Unnamed Tributary of Reservoir Coulee

3. County: Toole

4. Name, Address, and Phone Number of Party Appearing:
City of Shelby
112 1st Street South
Shelby, MT 59474
406-450-3331
larry@shelbymt.com

5. Name, Address, and Phone Number of Party's Attorney:
Abigail J. St. Lawrence
BLOOMQUIST LAW FIRM, P.C.
3355 Colton Drive, Suite A
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Linnet R. and Darrell L. Doane
P.O. Box 184
Shelby, MT 59474-0184

/s/ Jennifer L. Maichel
Jennifer L. Maichel
Certified Paralegal

Lori Stratton

From: Lori Stratton
Sent: Thursday, December 22, 2016 8:03 AM
To: Lori Stratton
Subject: FW: Infrastructure Coalition Research Papers
Attachments: Overview of Critical Needs.pdf; ATT00001.htm; Montana Highway Funding.pdf; ATT00002.htm; Existing Resort Tax.pdf; ATT00003.htm

From: "Melissa Lewis" <melissa@mlewisassoc.com>
To: "Larry Bonderud" <larry@shelbymt.com>
Subject: Infrastructure Coalition Research Papers

Hi Mayor,

Please see the latest from the MT Infrastructure Coalition.

Begin forwarded message:

> **From:** "Darryl James" <darryl@jamesconsult.com>
> **To:** "Darryl James" <darryl@jamesconsult.com>
> **Subject: Coalition Research Papers**
>
> Infrastructure Coalition Members –
>
> Please find attached three reports that have been prepared by our consultants, Terry Johnson and Lois Steinbeck, which have helped inform the Coalition's positions and current bill drafts with regard to defining infrastructure needs, and structuring both the fuel tax and local option infrastructure tax proposals.
>
> Feel free to distribute these as you see fit. We will also post these latest versions on our website.
>
> Please contact me with any questions or comments.
>
> Thank you,
> Darryl
>
> Darryl L. James Consulting, LLC
>
> PO Box 1203
> Helena, MT 59624
> (406) 441-9100 office
> (406) 459-6574 mobile

MT INFRASTRUCTURE COALITION

Overview of Critical Local Government Infrastructure Needs

Prepared by
Terry Johnson
and Lois
Steinbeck,
Private
Consultants

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Introduction

The Montana Infrastructure Coalition (Coalition) reviewed the quality of three critical local government infrastructure needs: drinking water systems, wastewater treatment, and transportation. The Coalition also examined the types of funding available to construct and maintain local infrastructure, and other types of funding mechanisms to support local infrastructure. Overall, Montana engineers have given local water and transportation infrastructure systems mediocre to nearly failing grades. Funding for local infrastructure has fallen almost entirely on local residents with state and federal grants and funding covering only a small or static portion of infrastructure needs.

Critical Infrastructure Needs

The Montana Infrastructure Coalition (Coalition) identified three critical local government infrastructure needs: drinking water systems, wastewater treatment, and transportation, including local, state, and interstate highways and bridges. While these three elements are only a few of the local infrastructure programs fundamental to support economically vibrant and healthy Montana communities, the Coalition chose to highlight these critical needs because they have not routinely received individual, focused consideration.

Condition of Critical Local Infrastructure

The American Society of Civil Engineers (ASCE) convened 30 of its Montana members with specific, in depth industry experience and knowledge to evaluate Montana infrastructure, and published its conclusions in 2014. The evaluation criteria used included: capacity, condition, funding, future need, innovation, public safety, resilience, and operation and maintenance. The information sources used to evaluate infrastructure included: state of Montana agency reports and budgets; federal reports with state specific information; economic impact reports; surveys of infrastructure owners and operators; and interviews with agency staff.

ASCE assessed eight types of local infrastructure, as well as state maintained transportation infrastructure, in Montana and rated each using a letter grading system. The grades for each of the three critical types of infrastructure discussed in this report are:

- Wastewater: D+
- Drinking water: C-
- Transportation: C

Overview of Wastewater and Drinking Water Infrastructure

There are about 180 public wastewater treatment systems and about 700 public and private water systems in Montana.[1] Some of these systems depend on original piping that is 75 years to more than 100 years old.[2] The ASCE review found that some wastewater systems "have vitrified clay tile pipe that has cracked or failed" and most drinking water systems "experience major leaks on an annual basis."[3] ASCE determined that about 20.0% of public wastewater treatment facilities have "significant effluent violations and another 20.0% are under formal enforcement actions to correct system deficiencies to achieve compliance."[4] ASCE concluded that many of these older systems are near the end of their useful life and estimated that it would cost between $12.0 billion to $15.0 billion to completely replace local wastewater and drinking water systems.[5]

Capacity and Condition of Wastewater Treatment Systems

Half of the communities responding to an ASCE survey indicated that their wastewater systems had no additional capacity or were under capacity, and about 40.0% of respondents indicated that wastewater collection systems were in fair to poor condition.[6] ASCE found that larger communities have a plan and budget to replace a certain amount of wastewater pipeline each year. However, the vast majority of Montana communities - 80.0% - replace little or no wastewater piping on a regular, annual basis.[7] More than a third of communities responding to an ASCE survey rated their wastewater treatment system condition as fair to failed, with 8.0% reporting a failed condition that was not in compliance with state discharge standards.[8]

Capacity and Condition of Drinking Water Systems

About one third of the communities responding to an ASCE survey indicated that their water systems had no additional capacity or were under capacity and about 9.0% of respondents rated their system condition as fair to poor.[9] Many treatment systems have been upgraded to comply with federal water quality standards resulting in improved conditions for many community systems. However, 90% of survey respondents reported replacing very little piping within their distribution systems. As noted earlier, some communities have piping 75 years to more than 100 years old. Although the older piping is still functioning, it may be undersized or corroded and may be "more susceptible to bacteriologic contamination".[10]

Overview of Funding for Water and Wastewater Infrastructure

Montana counties and communities rely on a combination of local, state, and federal sources to fund wastewater treatment and water system infrastructure projects. ASCE estimated the total annual investment for repair, replacement, and upgrades to community wastewater and water infrastructure was $165.0 million in 2014, with $115.0 million provided by state and federal programs.[11] Several of these funding sources are loan programs, requiring repayment by local residents. The sources of state and federal funding supporting these infrastructure projects identified by ASCE are:

> "Treasure State Endowment Program (TSEP), Renewable Resource Grant and Loan (RRGL), Community Development Block Grant (CDBG), State and Tribal Assistance Grant (STAG), USDA Rural Development (RD), and State Revolving Fund (SRF) Programs. Often the grant and loan packages include the community share provided through reserves, special assessment, and other sources of funding. The loans are typically either RD or SRF loans and paid back through user rates." [12]

Immediate Needs for Water and Wastewater System Upgrades

The immediate infrastructure funding needs were estimated by the Montana Department of Environmental Quality to be $587.0 million in 2008 for wastewater treatment and $885.0 million for drinking water in 2011 or a total of $1.5 billion.[13] The estimate is based on known problems, including those related to enforcement actions or emergency situations that require action in the short term. These estimates do not consider the costs associated with complying with regulatory changes, system repairs, or capacity changes due to population growth.

Annual State and Federal Funding for Water Related Infrastructure Is Limited

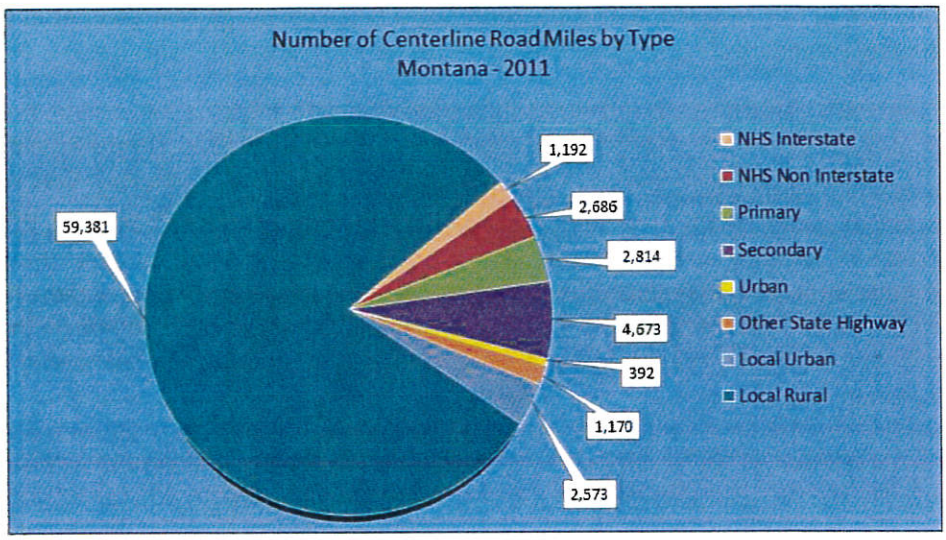
In the 2015 biennium (July 1, 2013 - June 30, 2015), public funding administered and dispersed by the TSEP program (discussed in greater detail later in the report), supported "an average of 16.7% of the total costs of wastewater system projects and 26.0% of water system projects" in the 2015 biennium.[14] Most

of the funding for these projects – 56.5% - came from local funds and 93.0% of that local funding was supplied through loans.[15]

Transportation Infrastructure

In 2011, Montana had about 75,000 miles of road, including national highway system (NHS) interstate and non-interstate roadways, state primary and secondary roads, and urban and rural roads maintained by cities and counties. Figure 1 shows the type of road and number of miles of each type of road.[16] Local rural roads constitute the majority of the inventory with just under 75.0% of total state roadways.

Figure 1



In 2015, the Montana Department of Transportation reported 12.3 billion vehicle miles traveled, with about three quarters of the miles traveled on on-system roads. ASCE estimated that in $21.6 billion in goods are transported from annually Montana locations and another $37.9 billion are transported to Montana sites, with 59.0% of goods shipped from Montana transported by truck.[17]

Capacity and Condition of Transportation System

Montanans enjoy some of the least congested roadways in the nation and ASCE concluded that roadway capacity was adequate well into the future. In 2012, about 90.0% of the Montana interstate system pavement condition was rated as good, followed by the national highway system pavement condition where just under 80.0% of the total roadways were rated as good. About 72.0% of primary and secondary roadway pavement was rated as good, while about 25.0% of primary roadway pavement and about 28.0% of secondary roadway pavement were rated in poor to fair condition.[18] However, although pavement conditions for major roadways are generally good, overall about 46.0% of Montana's state and local roads are in "poor to mediocre condition and about 40.0% of gravel roads are in poor or failed condition."[19]

In 2008, 85.0% of Montana counties evaluated local roads using the Pavement Surface Evaluation and Rating (PASER) system and determined that 25.0% of chip seal roads and, as noted previously, 40.0% of gravel roads were in poor or failed condition.[20] A follow up survey of 10.0% of Montana counties in 2013 showed little change.[21]

Montana has 2,282 highway bridges and 1,935 non-state highway bridges. ASCE reported that 92.0% of highway bridges are rated as good with 8.0% or 204 needing repair or replacement. About 82.0% of non-state bridges are rated in good condition with 18.0% or 341 needing repair or replacement.[22]

Estimated Transportation Infrastructure Cost

The Montana Department of Transportation estimated that new construction and maintaining existing Montana roads and bridges would cost about $14.8 billion through 2022. However, the department also estimated that available funding would cover only 25.0% of projected costs.[23] The department estimate doesn't include the cost to construct and repair local roads. ASCE noted that deferring maintenance, particularly on local roads, can lead to deterioration so severe that the road cannot be repaired, but must be reconstructed at greater cost.

Funding for Transportation Infrastructure

New construction as well as repair, maintenance, and upgrades for Montana transportation infrastructure is provided by the federal government through the Federal Highway Administration and with state and local funds as well. However, the amount of federal highway funding that can be used for local transportation infrastructure is limited. Most is dedicated to the national highway system.

In state fiscal year (SFY) 2014, Montana received $396.0 million in its federal highway funding grant.[24] Montana levies taxes on gasoline and special fuel and uses this state special revenue to match federal funding, maintain the secondary highway system, and perform routine maintenance, including snow removal during winter. Although some projects can be fully funded from federal highway grant funds, most require that the state provide matching funds. The federal match rate varies depending on the type of highway and project funded, but can be as high as 90.0%, with the majority of federal funds matched with 13.86% state funds. The source of state matching funds is the Montana highway state special revenue account, which is discussed in greater detail later in the report.

Montana local governments also receive a share of the highway state special revenue that can be used to fund local transportation infrastructure. However, this source of funding, which is also discussed in greater detail later in the report, has remained static over the years.

State Funding Sources for Critical Infrastructure

Treasure State Endowment Program – A More Detailed Review

During the 1975 legislative session, the legislature enacted the coal severance tax and defined the purpose and use of this newly created tax. Previous to this law, any coal produced in Montana was taxed based on a cents per ton basis and was not tied to the value of the commodity. The new coal tax policy was designed to automatically increase or decrease tax paid based on the tons produced and the price the producer received for the commodity. To put this change in an appropriate perspective, in 1970 coal tax receipts were about $50,000 whereas by 1977 these tax revenues increased to almost $37.0 million. This increase was the result of the newly implemented coal severance tax because it included the value of the coal in the computation of the tax owed.

Because of the additional revenue, the legislature developed new spending polices and also implemented a trust fund to insure that there would be monies available to benefit future generations. The legislature authorized a tax distribution mechanism that allocated some revenue to general use, dedicated some for specific purposes, and distributed 50.0% to a coal tax trust fund. Any use of the trust fund corpus requires a ¾ vote of each house of the legislature.

Over the years, the legislature created sub-trusts within the coal tax trust fund. Under current law, there are four sub-trusts and the principal amounts are invested by the Board of Investments. All sub-trust earnings are appropriated by the legislature and are dedicated for specific purposes.

One of these sub-trusts, TSEP, was created by legislative referendum approved by the voters in June 1992. With an initial seed loan of $10.0 million from the permanent trust, the TSEP sub-trust had grown to $288.0 million by the end of SFY 2016. The entire coal tax trust balance was $1,023.0 million at the end of SFY 2016 when all sub-trusts and income funds are summed together. The TSEP is administered by the Department of Commerce (DOC). Its fiduciary responsibility is to administer a grant and loan program for infrastructure projects throughout the state. Infrastructure projects include drinking water systems, wastewater treatment facilities, sanitary sewer or storm sewer systems, solid waste disposal and separation systems, and bridges. The maximum grant award is $750,000.

As defined by state statute (90-6-702, MCA), the purpose of TSEP is to assist local governments in funding infrastructure projects that will:

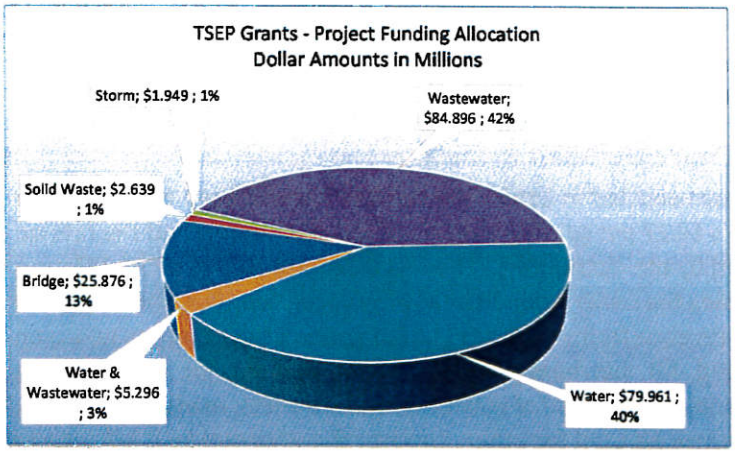
- Create jobs for Montana residents
- Promote economic growth in Montana by helping to finance the necessary infrastructure
- Encourage local public facility improvements
- Create a partnership between the state and local governments to make necessary public projects affordable
- Support long-term, stable economic growth in Montana
- Protect future generations from undue burdens caused by financing necessary public works
- Coordinate and improve infrastructure financing by federal, state, local government, and private sources
- Enhance the quality of life and protect the health, safety, and welfare of Montana citizens

Grant funding for the program is derived from the investment earnings produced from the TSEP sub-trust. Eligible applicants include cities, towns, counties, tribal governments, consolidated local governments, county or multi-county water, sewer or solid waste districts, and other authorities as defined in section 75-6-304, MCA. TSEP applications are submitted to the DOC on a biennial basis and they are evaluated according to seven statutory priorities, which focus on projects that:

- Solve urgent and serious public health or safety problems or that enable local governments to meet state or federal health or safety standards
- Reflect greater need for financial assistance than other projects
- Incorporate appropriate, cost-effective technical design and provide thorough, long-term solutions to community public facility needs
- Reflect substantial past efforts to ensure sound, effective, long-term planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources
- Enable local governments to obtain funds from sources other than TSEP
- Provide long-term, full-time job opportunities for Montanans, provide public facilities necessary for the expansion of a business that has a high potential for financial success, or maintain the tax base or encourage expansion of the tax base
- Are high local priorities and have strong community support

The DOC submits a recommended list of projects to the legislature for review, potential modification, and ultimate approval. Upon authorization by the legislature and the Governor, the DOC administers the approved grants.

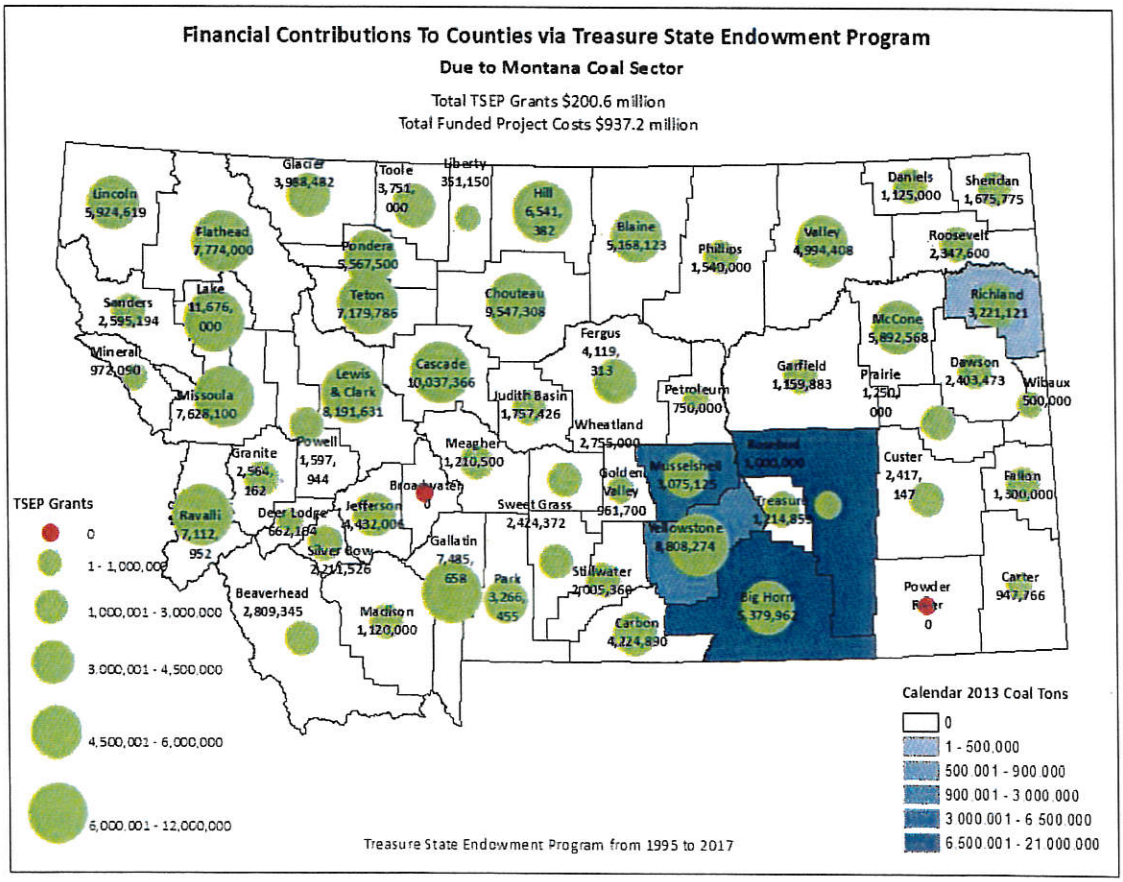
Figure 2



Since creation of the TSEP, there have been $200.6 million in state funded grants allocated to communities throughout Montana. Figure 2 shows the infrastructure projects that were funded by type. TSEP grants were matched with other local and/or federal sources to fund over $937.0 million in total infrastructure projects.

Figure 3 shows the total amount (TSEP, state, federal, and local funds) for projects in counties throughout Montana since inception of TSEP. The size of the circle measures the total project funding to counties, which includes a portion of TSEP grant funds. Only two counties (Broadwater and Powder River) have never received grants. The blue shaded counties represent those counties where coal development has taken place.

Figure 3



It should be noted that any further deposits to the TSEP from the coal severance tax were terminated as of June 30, 2016. Interest earnings from the TSEP sub-trust will continue to be available for appropriation by the legislature but the funds available will remain relatively constant unless the return on investments changes.

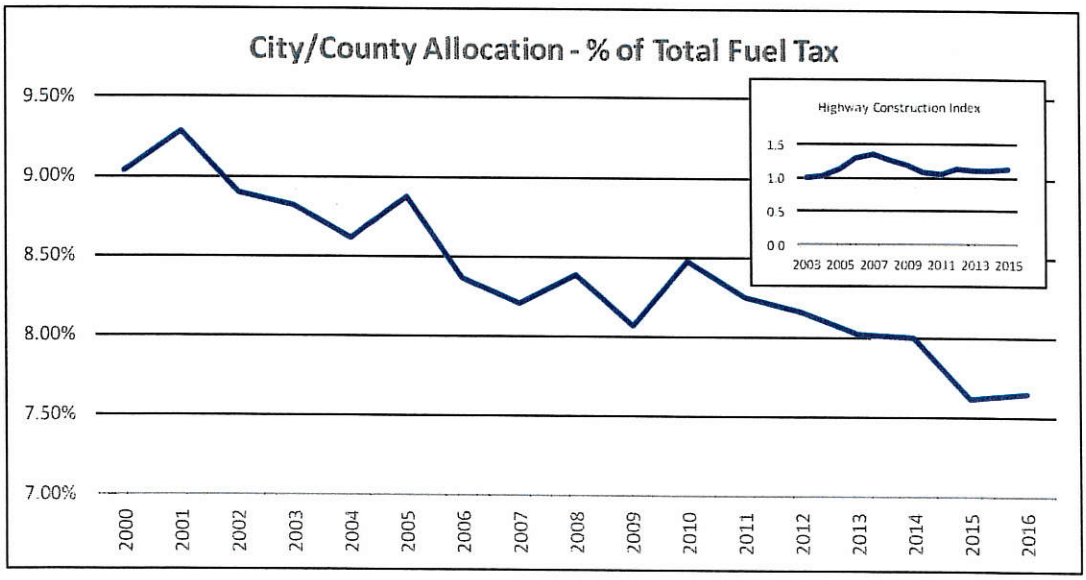
Gasoline and Special Fuel Tax – A More Detailed Review

The gasoline and special fuel (diesel) tax was enacted in 1955. The tax rate has not been changed since 1995. The current state gasoline tax rate is $0.27 per gallon (remitted by the distributor) and the rate on special fuel is $0.2775 per gallon (remitted by the distributor). There is an additional tax of $0.0075 per gallon on both fuel for the purpose of funding the underground storage tank program. Pursuant to Article 8, Section 6 of the Montana Constitution, revenue from fuel taxes (except general sales and use taxes) on gasoline and special fuel must be used for payment of obligations incurred for construction, reconstruction, repair, operation, safety, and maintenance of public highways, streets, roads, and bridges. As allowed by the Constitution, fuel taxes may be used for other purposes if authorized by a 3/5 vote of the legislature.

Figure 4

Gasoline and Special Fuel Tax Allocation by State Fiscal Year
Includes Total State Motor Fuel Tax Collections

State Fiscal Year	Annual Special Fuel (Diesel)	Annual Gasoline	Annual Total Fuel Tax	Annual County Allocation	Annual City Allocation	Annual Allocation Total	Annual Allocation % of Total	Highway Cost Index
2000	$54,259,213	$130,324,205	$184,583,418	$6,306,000	$10,360,000	$16,666,000	9.03%	
2001	51,861,214	127,815,582	179,676,797	6,306,000	10,360,000	16,666,000	9.28%	
2002	56,094,941	131,406,928	187,501,869	6,306,000	10,360,000	16,666,000	8.89%	
2003	57,901,809	131,203,155	189,104,964	6,306,000	10,360,000	16,666,000	8.81%	1.00000
2004	60,750,470	132,915,256	193,665,726	6,306,000	10,360,000	16,666,000	8.61%	1.02596
2005	62,722,690	125,095,867	187,818,557	6,306,000	10,360,000	16,666,000	8.87%	1.11894
2006	67,780,271	131,464,649	199,244,921	6,306,000	10,360,000	16,666,000	8.36%	1.27269
2007	68,184,559	134,995,579	203,180,137	6,306,000	10,360,000	16,666,000	8.20%	1.34251
2008	71,487,860	127,393,038	198,880,898	6,306,000	10,360,000	16,666,000	8.38%	1.24997
2009	69,158,874	137,488,783	206,647,657	6,306,000	10,360,000	16,666,000	8.06%	1.18183
2010	64,312,756	132,351,323	196,664,079	6,306,000	10,360,000	16,666,000	8.47%	1.06829
2011	69,180,814	132,774,246	201,955,060	6,306,000	10,360,000	16,666,000	8.25%	1.05237
2012	71,349,769	132,911,499	204,261,268	6,306,000	10,360,000	16,666,000	8.16%	1.11471
2013	73,092,761	134,646,848	207,739,610	6,306,000	10,360,000	16,666,000	8.02%	1.10015
2014	72,609,241	135,816,374	208,425,615	6,306,000	10,360,000	16,666,000	8.00%	1.09472
2015	76,867,018	142,158,554	219,025,572	6,306,000	10,360,000	16,666,000	7.61%	1.13336
2016	73,405,900	144,550,998	217,956,897	6,306,000	10,360,000	16,666,000	7.65%	



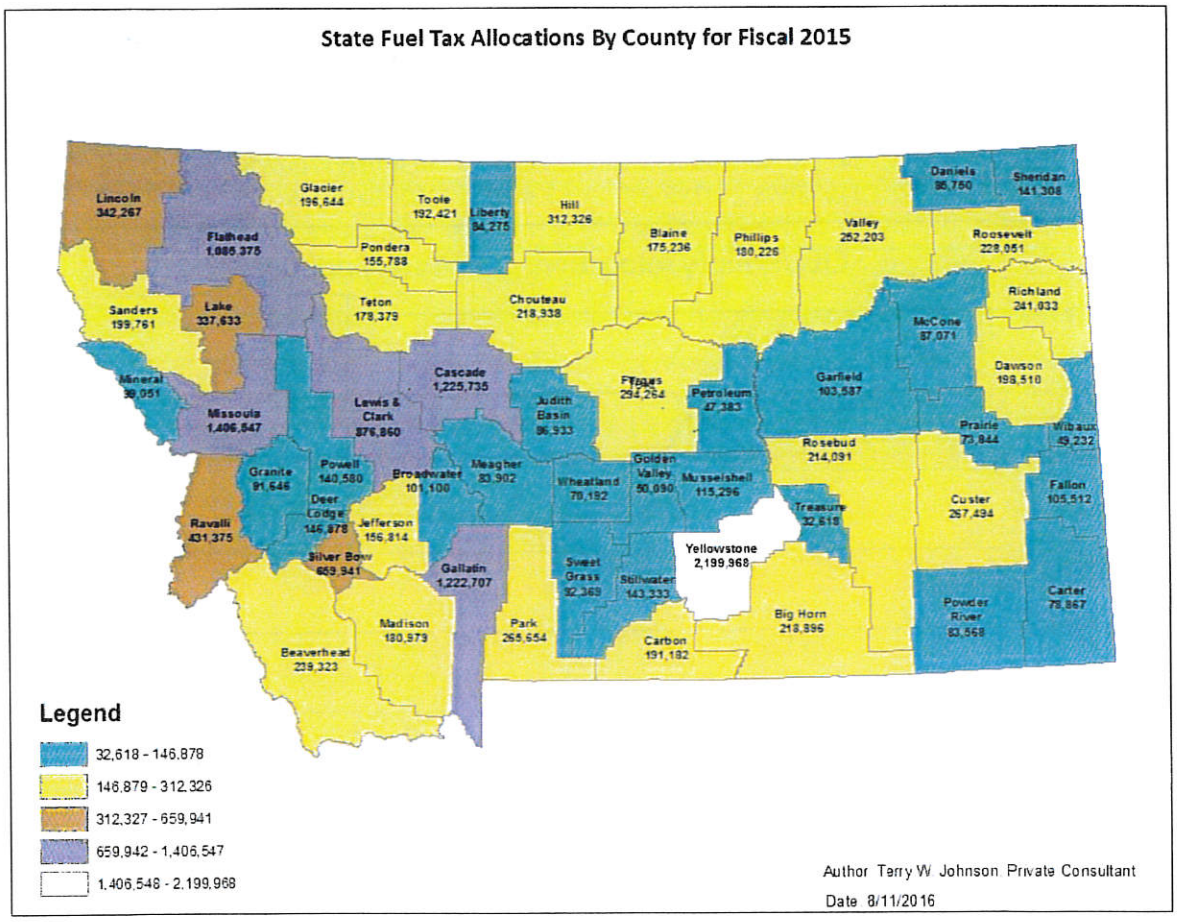
Source : Statewide Accounting, Budgeting, and Human Resources System

As shown in Figure 4, total fuel taxes (gasoline and diesel) have increased from $184.6 million in SFY 2000 to $218.0 million in SFY 2016 for an increase of 1.0% per year. Conversely, the allocations to local governments have remained constant while highway construction costs increased by over 13.0% from 2003 (see small inset in Figure 4). During the period of high energy prices (2006-2008), highway construction costs increased by over 25.0% from the base period of 2003. Strictly from a percentage

perspective, the local government share of the total fuel taxes has declined from 9.0% in SFY 2000 to 7.7% by SFY 2016.

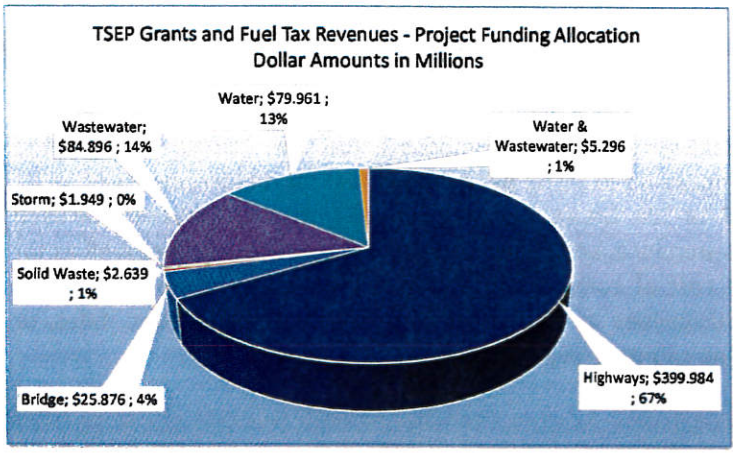
Figure 5 shows the annual total allocation of fuel taxes ($16.7 million) to counties (cities, towns, and counties summed together) for SFY 2015. Per section 15-70-101, MCA, the allocation procedure is based on rural road mileage (40.0%), rural population (40.0%), and land area (20.0%) for counties. City allocations are based on population (50.0%) and street and alley mileage (50.0%). As specified in the Montana Constitution and state statute (15-70-101, MCA), these monies are allocated "to the counties, incorporated cities and towns, and consolidated city-county governments in Montana for construction, reconstruction, maintenance, and repair of rural roads and city or town streets and alleys". Yellowstone, Gallatin, Missoula, Lewis and Clark, Cascade, and Flathead counties receive the largest allocations of the fuel tax. Per section 7-14-301, MCA, counties are authorized to levy up to a $0.02 per gallon local option motor fuel tax provided the initiative is authorized by majority vote of the county residents. Currently, no county levies this tax.

Figure 5



Major State Sources of Infrastructure Funding for Water and Transportation

Figure 6



When the TSEP funding and motor fuel allocation to cities, towns, and counties are added together from 1995 forward, the state has committed $600.6 million to local government infrastructure needs – primarily for water and road projects. To put this in an appropriate perspective, the total local government infrastructure needs for just water and waste water projects in Montana (as discussed previously) is about $15.0 billion. Information is currently not available for local government road and bridge needs. It would take almost 415 years (at the current TSEP grant and match rates) to fund this need. There are many other federal, state, and local funding programs but this example illustrates the significant gap between the water and waste water needs and the TSEP funding source. Figure 6 shows the use of these two funding sources for the various local government projects. Highway, water, and waste water projects have consumed 94.0% of the available funding since 1995.

Selected Local Infrastructure Funding Methods

The National League of Cities (NLC) surveyed 49 states to identify local strategies to fund infrastructure. Figure 7 shows the methods that the NLC identified as well as the number of states that authorize each option and the number of states in which at least one local government uses the option. The figure also identifies whether the option is authorized and used in Montana and whether voter approval is required for use.

Figure 7

Selected Local Funding Methods for Critical Infrastructure

Option	Number of States that: Authorize	Use	In Montana: Authorized	Used	Voter Approval Required
Local Option:					
Resort/Sales Tax	28	28	x	x	x
Fuel Tax	16	16	x		x
Motor Vehicle Registration	26	21	x	x	
Public Private Partnership	32	?			
State Infrastructure Banks	27	22			

Source: National League of Cities, Center for City Solutions and Applied Research, "Paying for Local Infrastructure in a New Era of Federalism A State by State Analysis", 2016.

General Sales Tax/ Community Specific Resort Tax

A slight majority of states allow local governments to impose a general sales or more limited resort tax. Although Montana statute does not allow local communities to impose a general sales tax, certain designated incorporated communities and unincorporated areas within defined population limits and economic conditions may levy a resort tax on statutorily defined goods and services under certain conditions (7-6-1501, MCA). Funds raised by these taxes can be used for a variety of purposes, including local infrastructure.

In Montana there are four communities with a resort tax (Whitefish, Red Lodge, Virginia City, and West Yellowstone) and there are six areas with a resort tax (St. Regis, Big Sky, Cooke City, Gardiner, Wolf Creek, and Craig). All resort taxes must be approved by local voters, with the first resort tax adopted in 1986 and the most recent adopted in 2014. All communities and areas impose a 3.0% tax, the maximum rate allowed under Montana statute.[25] Some communities limit the length of time the tax can be imposed and require a vote to extend the tax for another specified period of time.

Local Option Fuel Tax

Fewer than half the states authorize local governments to impose a fuel tax. However, as noted previously, Montana allows counties to impose up to $0.02 per gallon in fuel tax, in increments of $0.01 per gallon, if approved by county voters (7-14-301, MCA). Revenue derived from such taxes may be used only for construction, reconstruction, maintenance, and repair of public streets and roads as well as for reimbursement to retailers to cover the cost of compliance. Funds from the local fuel tax must be apportioned among the county and municipalities in the county based on population, road miles, or another agreed upon method. No Montana counties levy this tax.

Local Option Motor Vehicle Registration

A county may impose a local option motor vehicle tax or a local option flat fee on motor vehicles subject to registration fees. These taxes/fees are authorized in 26 states and used by local governments in 21 states. Montana authorizes such a tax with a maximum rate of 0.7% of the vehicle value or a flat fee equivalent to the registration fee. A vote is not required to impose the tax or fee. All but six Montana counties levy the optional motor vehicle tax/fee. In SFY 2013, collections totaled $38.8 million. These local revenues are distributed among a county and incorporated cities and towns within a county based on a population ratio. The local governing entity defines the distribution of the revenue by resolution.

Public Private Partnership

NLC found that 32 states authorize public private partnerships (PPPs), with 13 states allowing broad authority for PPPs to undertake all types of infrastructure projects. A PPP is a contract between a public entity, typically a state or local government, and a private sector entity to provide infrastructure for public uses.[26] PPP's are a relatively new model in the United States. NLC did not indicate the number of states in which such partnerships have been implemented. Montana does not provide broad statutory authority for PPPs.

PPPs can be structured in a variety of ways. For instance, a local government could identify the type of infrastructure improvement needed and contract with a private entity to manage any or all aspects of the project including finance, design, construction, and management. However, most typically, the public sector retains the functions of determining infrastructure improvements that are needed, negotiating project financing, and maintaining ownership and operation once a project has been completed.[27]

State Infrastructure Banks

Infrastructure banks (I banks) are authorized in 27 states and there are 22 active banks. Montana does not have an I bank.

Typically I banks are investment funds that furnish loans or grants to local governments for infrastructure projects. However, most I banks issue loans that usually have subsidized or low interest rates. I banks can be capitalized in a variety of ways, including bonding proceeds and cash deposits from government funds.

Some states specify the types of infrastructure that can be funded through I banks. Each state bank operates differently; however, many "base their selection of projects on regional and local economic impact analyses".[28] Most states, including Montana, have revolving loan funds for water and wastewater treatment infrastructure. Many I banks are focused on funding transportation projects.[29]

Summary

Critical local water and transportation infrastructure is in need of repair and maintenance, receiving mediocre and near failing grades in an ASCE review. The immediate funding need for water and waste water infrastructure repair is $1.5 billion, while the replacement cost is estimated to be between $12.0 billion to $15.0 billion.

The TSEP program is the primary source for state grants to support local water system repair and upgrades. TSEP grants are limited to $750,000 per project, which is combined with other state and federal grant and loan sources with much of the cost repaid by local citizens. Grants are funded from interest earnings on the TSEP trust, which is capped at about $288.0 million at the end of SFY 2016. If the trust received additional funds, each $1 million in new deposits would provide about $13,000 annually in additional grant funds if short-term interest rates remain at current rates. If $1.0 million was deposited to the trust each year for the next 10 years, about $1.6 million per year would be available for grants by the tenth year.

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Local roadways are in need of repair and improvement, with nearly half of local roadways in mediocre to poor condition. Allocations of state fuel taxes to local governments have remained stagnant despite increases in state fuel tax collections and the increasing cost to maintain and operate local transportation networks.

There are a variety of funding methods available to support improvements to local infrastructure. Some of these options are allowed by Montana statute and some have been implemented by local governments in Montana.

[1] Ibid, p. 10 and Id. p. 28.

[2] Ibid.

[3] Ibid.

[4] Ibid, p. 10.

[5] Ibid, p. 10 and Id. p. 28.

[6] Ibid, pp. 11 - 12.

[7] Ibid, p. 12.

[8] Ibid.

[9] Ibid, p. 30.

[10] Ibid.

[11] Ibid, p. 13.

[12] Ibid.

[13] Ibid, p. 32.

[14] Ibid.

[15] Duncan, Cathy. "Local Government Infrastructure Funding Current and Conceptual", March 14, 2014, p. 4.

[16] American Society of Civil Engineers, p. 42.

[17] Ibid.

[18] Ibid.

[19] Ibid, p. 39.

[20] Ibid, pp. 42-43.

[21] Ibid.

[22] Ibid, p. 46.

[23] Ibid, p. 41.

[24] Ibid, p. 44.

[25] Montana Department of Revenue, "Local Resort Tax", accessed August 1, 2016 from https://revenue.mt.gov/localresort-tax.

[26] National League of Cities, Center for City Solutions and Applied Research, "Paying for Local Infrastructure in a New Era of Federalism: A State-by-State Analysis," 2016, p. 12.

[27] Ibid.

[28] Ibid, p. 14.

[29] Ibid.