

RESOLUTION NO. 1976

A RESOLUTION OF INTENT TO SELL CERTAIN CITY OF SHELBY  
PROPERTY TO GREG AND PEGGY TAYLOR

WHEREAS, Ben Taylor, Inc., is currently leasing certain real property owned by the City of Shelby, Montana (collectively hereinafter referred to as "the parties") and located within Toole County, Montana, to wit:

Shelby Industrial Park, Tracts 11A-1 and 12A-1 of the Shelby Industrial Park according to the official map or plat thereof on file and of record in the office of the Clerk and Recorder of Toole County, Montana, SUBJECT, HOWEVER to all prior reservations, exceptions, easements, conveyances, and rights-of-way appearing either visually or of record

WHEREAS the current lease term expired April 30, 2018.

WHEREAS, the City Council of Shelby offered to renew the lease under new terms or convey all of its interest in the above-described real property by Warranty Deed to Ben Taylor, Inc. for a total price of \$83,790.00 cash;

WHEREAS, Greg and Peggy Taylor, owners of Ben Taylor, Inc. agreed to purchase the above-described real property for \$83,790 cash;

WHEREAS, the City of Shelby has prepared a Buy-Sell Agreement in order to specify the terms of the conveyance to the above-described property;

WHEREAS, pursuant to Section 7-8-4201(2), Mont. Code Ann (2017), the City Council may sell, dispose of, donate, or lease the above-described property by resolution passed by two-thirds vote of all members of the Council;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, MONTANA; that:

1. it authorizes the duly elected Mayor of the City of Shelby to enter into the Buy-Sell Agreement with Greg and Peggy Taylor; and,
2. it authorizes the duly appointed Finance Officer of the City of Shelby to convey the City's interest in the above-described real property to Greg and Peggy Taylor.

PASSED UNANIMOUSLY, WITH ALL MEMBERS PRESENT AND VOTING, BY THE CITY COUNCIL OF THE CITY OF SHELBY, AND APPROVED BY THE MAYOR THIS 7<sup>th</sup> DAY OF MAY, 2018.

\_\_\_\_\_  
GARY McDERMOTT, MAYOR

ATTEST:

\_\_\_\_\_  
JADE GOROSKI, FINANCE OFFICER

# BUY - SELL AGREEMENT

## 1. RECITALS

- 1.1. CITY OF SHELBY, of 112 1<sup>st</sup> St. South, Shelby, Montana 59474, (hereinafter called "Seller") agrees to sell, and GREG TAYLOR and PEGGY TAYLOR, (husband and wife), of P. O. Box 453, Shelby, Montana 59474 (hereinafter called "Buyers") agrees to buy the following described real property (hereinafter referred to as "Property") located in Toole County, Montana, to wit:

Shelby Industrial Park, Tracts 11A-1 and 12A-1 of the Shelby Industrial Park according to the official map or plat thereof on file and of record in the office of the Clerk and Recorder of Toole County, Montana, SUBJECT, HOWEVER to all prior reservations, exceptions, easements, conveyances, and rights-of-way appearing either visually or of record.

1.2. **Included in the sale are:**

- 1.2.1. All interest of Seller in vacated streets and alleys adjacent thereto, all easements and other appurtenances thereto, and all improvements thereon.
- 1.2.2. **REAL PROPERTY:** All existing permanently installed buildings, fixtures, and fittings that are attached to the Property are included in the purchase price.

## 2. PURCHASE PRICE AND TERMS

- 2.1 Total purchase price is Eighty Three Thousand Seven Hundred Ninety U.S. Dollars and No/100 (\$83,790.00 USD). Tract 11A-1 purchase price is Fourteen Thousand Nine Hundred Ten U.S. Dollars and No/100 (\$14,910.00 USD) and Tract 12A-1 purchase price is Sixty Eight Thousand Eight Hundred Eighty U.S. Dollars and No/100 (\$68,880.00 USD).
- 2.2 payable as follows: \$83,790.00 USD by cash at the time of closing.
- 2.3 **CLOSING COSTS:** Buyers shall pay for recording fees, and title insurance. Seller shall pay for attorney fees.
- 2.4 **PROPERTY TAXES AND ASSESSMENTS:** No property taxes are due and owing. Buyers shall pay all future taxes and assessments.
- 2.5 **CLOSING DATE:** The date of closing shall be on or before May 25, 2018. Seller need not be present at the closing, if it has executed this Agreement and Warranty Deed.
- 2.6 **POSSESSION:**
- 2.6.1 Seller shall deliver to Buyers possession of the property when the closing agent is in receipt of all required, signed documents and all funds necessary for the purchase.
- 2.6.2 Buyers may occupy and begin improvements on the property upon execution of this Agreement.

### 3. PROPERTY DISCLAIMER

- 3.1 The subject real property and any buildings, structures and improvements thereon is/are being sold on an "AS IS" and "WHERE IS" basis and condition as of the date hereof. Except as specifically set forth in this Agreement, no representations or warranties of any kind, either express or implied (including without limitation no warranty as to fitness or merchantability) have been made or are made, and no responsibility has been or is assumed by Seller as to the condition or repair of the subject real property, or the value, expense or operation or income potential thereof. Buyer has examined the subject real property and all buildings, structures and improvements thereon, if familiar with the physical condition thereof, and is accepting said real property in "AS IS" and "WHERE IS" condition.
- 3.2 **NOXIOUS WEEDS DISCLOSURE:** Buyers of property in the State of Montana should be aware that some properties contain noxious weeds. The laws of the State of Montana require owners of property within this state to control, and to the extent possible, eradicate noxious weeds. For information concerning noxious weeds and your obligations as an owner of property, contact either your local County extension agent or Weed Control Board.
- 3.3 **CITY OF SHELBY WEED ORDINANCE:** The City of Shelby requires owners of property located within the limits of Shelby to control weeds. The City's notice that a property is out of compliance with excessive weeds is by posting a sign on the property and does not require notice by mail or telephone. The property owner has five days from posting to mow. After five days, the City may enter the property to mow. In extreme circumstances, the City may not notice whatsoever and enter immediately the property to mow. The City will bill for mowing and bills are generally very expensive. If the owner fails to pay the mowing bill, the City will place a lien on the property.
- 3.4 **MEGAN'S LAW DISCLOSURE:** Pursuant to the provisions of Title 46, Chapter 23, Part 5 of the Montana Code Annotated, certain individuals are required to register their address with the local law enforcement agencies as part of Montana's Sexual and Violent Offender Registration Act. In some communities, law enforcement offices will make the information concerning registered offenders available to the public. If you desire further information please contact the local County Sheriff's office, the Montana Department of Justice, in Helena, Montana, and/or the probation officers assigned to the area.

### 4. CONTINGENCIES: NONE.

### 5. ADDITIONAL PROVISIONS

- 5.1. **CONVEYANCE:** The Seller shall convey the Property by Warranty Deed to Buyers. Seller does warrant that the title to this property is free from liens (including past due utilities), judgments, delinquent property taxes, and encumbrances.
- 5.2. **WATER and SEWER:** The Property is served by City water and sewer. Seller does not warrant the condition of the water and sewer lines.
- 5.3. **WATER RIGHT OWNERSHIP UPDATE DISCLOSURE:** By Montana law, failure of the parties at closing or transfer of real property to pay the required fee to the Montana Department of Natural Resources and Conservation for updating water right ownership may result in the transferee of the property being subject to a penalty. Additionally, in the case of water rights being exempted, severed, or divided, the

failure of the parties to comply with section 85-2-424, MCA, could result in a penalty against the transferee and rejection of the deed for recording.

- 5.4. **SPECIAL IMPROVEMENT DISTRICTS:** All Special Improvement Districts (including rural SIDs), including those that have been noticed to Seller by City/County but not yet spread or currently assessed shall be assumed by Buyers.
- 5.5. **ASSOCIATION SPECIAL ASSESSMENTS:** Any special or non-recurring assessments of any non-governmental association, including those that have been approved but not yet billed or assessed, will be paid off by Seller at closing; assumed by Buyers at closing; OR
- 5.6 **MISCELLANEOUS**
- 5.6.1 **BUYERS AND SELLER'S CERTIFICATION:** By entering into this Agreement, each person or persons executing this Agreement, as Buyers or Seller, represents that he/she is eighteen (18) years of age or older, of sound mind, and legally competent to own or transfer real property in the State of Montana; and, if acting on behalf of a corporation, partnership, or other non-human entity, that he/she is duly authorized to enter into this Agreement on behalf of such entity.
- 5.6.2 **FOREIGN PERSON OR ENTITY:** Section 1445 of the Internal Revenue Code provides that a Buyers of a U.S. real property interest may be required to withhold tax if the Seller is a foreign person. Seller acknowledge and agree that unless the purchase price of the Property does not exceed \$300,000 and Buyer is purchasing the Property for use by Buyers as a personal residence, Seller shall deliver to Buyers a certificate of non-foreign status and any other certificate, affidavit, or statement as may be necessary to meet the requirements of Section 1445 of the Internal Revenue Code, in a form reasonably acceptable to Buyer and/or Buyer's attorney. In the event Seller do not deliver said documents to Buyers at or before closing, Seller acknowledge and agree that Buyers or the closing agent may withhold ten percent (10%) of the Purchase Price and submit this amount to the Internal Revenue Service, pursuant to Section 1445 of the Internal Revenue Code.
- 5.6.3 **CONSENT TO DISCLOSE INFORMATION:** Buyers and Seller hereby consent to the procurement and disclosure by Buyers, Seller, and Salespersons and their attorneys, agent, and other parties, if applicable, having interests essential to this Agreement, of any and all information reasonably necessary to consummate the transaction anticipated by this Agreement, specifically including access to escrows for review of contracts, deeds, trust indentures, or similar documents concerning this property or underlying obligations pertaining thereto.
- 5.6.4 **RISK OF LOSS:** All loss or damage to any of the above-described Property or personal property to any cause is assumed by Seller through the time of closing unless otherwise specified.
- 5.6.5 **TIME IS OF THE ESSENCE:** Time is of the essence as to the terms and provisions of this Agreement.
- 5.6.6 **BINDING EFFECT AND NON-ASSIGNABILITY:** The Agreement is binding upon the heirs, successors and assigns of each of the parties hereto; however, Buyer's rights under this Agreement are not assignable without the Seller's express written consent.

- 5.6.7 **ATTORNEY FEE:** In any action brought by the Buyer or the Seller to enforce any of the terms of this Agreement, the prevailing party in such action shall be entitled to such reasonable attorney fees as the court or arbitrator shall determine just.
- 5.6.8 **FACSIMILE:** The parties agree that a facsimile copy of this Agreement to Sell and Purchase contains the parties' signatures may be used as the original.
- 5.6.9 **ENTIRE AGREEMENT:** This Agreement, together with any attached exhibits and any addenda or amendments signed by the parties, shall constitute the entire agreement between Seller and Buyers, and supersedes any other written or oral agreements between Seller and Buyers. This Agreement can be modified only in writing, signed by the Seller and Buyers.
- 5.6.10 **COUNTERPARTS:** A copy of this Agreement may be executed by each individual/entity separately, and when each has executed a copy thereof, such copies, taken together, shall be deemed to be a full and complete Agreement between the parties.
- 5.6.11 **BUYER'S ACKNOWLEDGMENT:** Buyers acknowledges that prior verbal representations by the Seller or Seller's representatives do not modify or affect this Agreement. Buyers acknowledges that by signing this Agreement he has examined the subject real and personal Property; has entered into this Agreement in full reliance upon his/her independent investigation and judgments; and has read and understood this entire Agreement.
- 5.6.12 **ELECTRONIC MEANS:** The parties hereto, all agree that the transaction contemplated by this document may be conducted by electronic means in accordance with the Montana Uniform Electronic Transaction Act.

**6. ATTORNEY RESPONSIBILITY:** Both parties understand and accept that Hunt Law Firm, PLLC is the closing agent responsible for:

6.1 preparation of the following documents

- this Buy-Sell Agreement
- Warranty Deed, if a warranty deed is specified in the terms
- Quit Claim Deed
- Contract for Deed, if this is such a sale
- Notice of Purchaser's Interest, if this sale is by contract for deed
- Escrow Agreement, if this sale is by contract for deed and the parties wish to use an escrow agent
- Prepare the Realty Transfer Certificate
- Other: Prepare W-7 for Buyer

6.2 Additionally, Hunt Law Firm, PLLC will take the following actions:

- Order the preliminary title commitment, if requested by the parties

- Order the title insurance, if this sale is by warranty deed
- Disburse the monies
- Record the Warranty Deed, if applicable
- Record the Quit Claim Deed, if applicable
- Record the Notice of Purchaser's Interest, if applicable
- Record the Realty Transfer Certificate
- Other:

6.3 The Parties understand and agree that Hunt Law Firm, PLLC, does not warrant that the condition of the title is free from liens, other encumbrances, easements, unpaid taxes, not subject to Special Improvement Districts, and not restricted by zoning regulations and/or other laws and statutes. Further, the parties understand and agree that Hunt Law Firm, PLLC does not guarantee or make representations as to the condition of the real property, buildings, fixtures, and appurtenances including the as to their structural soundness, safety, access to waters or minerals, and the presence of hazardous materials. Hunt Law Firm, PLLC relies solely on the information the parties provide.

**I HEREBY ACKNOWLEDGE** receipt of a copy of this Agreement bearing my signature.

Dated this \_\_\_\_ day of April, 2018.

BUYERS:

\_\_\_\_\_  
GREG TAYLOR, BUYER

\_\_\_\_\_  
PEGGY TAYLOR, BUYER

**SELLER'S COMMITMENT:** I agree to sell and convey to Buyer the above-described Property on the terms and conditions herein above stated. We acknowledge receipt of a copy of this Agreement bearing our signatures and that of the Buyers named above.

Dated this \_\_\_\_ day of April, 2018.

\_\_\_\_\_  
GARY McDERMOTT, MAYOR  
CITY OF SHELBY, SELLER

**ACTION TAKEN, IF OTHER THAN ACCEPTANCE:**

\_\_\_\_\_  
Seller initials

\_\_\_\_\_  
Buyers initials

ORDINANCE NO. 834

AN ORDINANCE AMENDING TITLE 1, SECTION 12, PART  
10 (WATER RATES AND CHARGES) OF THE SHELBY  
MUNICIPAL CODE

RECITALS

WHEREAS, the City of Shelby, Montana (the "City") owns a water system (the "System") that requires repairs and improvements; and

WHEREAS, it is necessary to increase the rates and charges for the services provided by the System in order to collect sufficient revenues to pay costs associated with the maintenance of the System; and

WHEREAS, the City provided notice to the System's users and opportunity for users to be heard as required by Montana law prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing or increasing rates, fees, or charges for water services or facilities.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SHELBY, MONTANA that Title 1, Section 12, Part 10 of the Shelby Municipal Code (1-12-10 S.M.C.) be amended as follows:

The Monthly Rate Charge for an Equivalent Dwelling Unit is:

Base Charge

<u>Meter Size</u>	<u>Rate</u>
3/4" to 5/8"	\$60/month (includes up to 3000 gallons)
1" to 1-1/4"	\$70/month (includes up to 3500 gallons)
1-1/2"	\$100/month (includes up to 5,000 gallons)
2"	\$200/month (includes up to 10,000 gallons)
3"	\$400/month (includes up to 20,000 gallons)
4"	\$1,000/month (includes up to 50,000 gallons)
6"	\$1,000/month (includes up to 50,000 gallons)

\$3.23 per each additional 1000 gallons above base charge

Irrigation rates \$.73 per 1000 gallons

- Minimum monthly charge for up to 2,550,000 gallons used by a 500 bed correctional facility \$6,802.32.
- Minimum monthly charge for up to 5,100,000 gallons used by a 1,000 bed correctional facility \$9,667.16
- Minimum monthly charge for up to 7,650,000 gallons used by a 1,500 bed correctional facility \$13,800.08.

All customers receiving water from the water main located south of Shelby and owned by North Central Montana Regional Water Authority will pay an additional \$300 annually for increased operation, maintenance, and pumping costs.

These rates will be effective June 20, 2018.

RESOLUTION OF INTENTION TO RAISE SYSTEM RATES BY THE CITY COUNCIL OF THE CITY OF SHELBY ADOPTED ON MARCH 19, 2018; NOTICE OF PUBLIC HEARING PUBLISHED IN THE SHELBY PROMOTER ON MARCH 28, 2018, APRIL 4, 2018, AND APRIL 11, 2018; NOTICE MAILED TO EACH CUSTOMER OF THE SYSTEM; A PUBLIC HEARING HELD ON APRIL 16, 2018; AND FINALLY ADOPTED BY THE CITY COUNCIL ON THE 7<sup>TH</sup> DAY OF MAY, 2018.

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Gary McDermott, Mayor

Attest:

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Jade Goroski, Finance Officer

CITY OF SHELBY

**PAYROLL EXPENSE BY DEPARTMENT - 4/2018**

CITY HALL	23,875.64
ELECTED OFFICIALS (Mayor & Council)	7,081.42
PARK & RECREATION	10,585.79
PUBLIC WORKS	67,600.59
VOLUNTEERS (Animal Shelter & Firemen )	143.01
- Workers Comp expense only	
<b>TOTAL PAYROLL EXPENSE</b>	<b>\$ 109,286.45</b>

Payroll, Reports, Payroll Register, Preview, Pay Date: whole month, Select a Group: Yes, check Select by Dept box ,double click on individual department (City Hall, Elected, Park & Rec, Public Works and Volunteer), Sequence: Dept/Emp, Enter Total Payroll Expense (Gross Pay + Employer Contributions) above

# City of Shelby

May 7, 2018

## Superintendent's Report

### Sewer:

We started on the new building at the Shopko sewer lift.

We did one week of sewer jetting in Shelby, cleaning from Shopko to the fire hall. We didn't have any problems or find any problems.

### Parks:

We planted 3 trees at Lake Sheloole.

We have been turning on sprinkler systems in the parks the last two weeks. We had two problems at Lake Sheloole that we got fixed.

We also got new flags put up in the parks.

We have been working on Mary Allison Park as the Storm drain system will go thru there to save the sign and trees.

### Streets:

We did some durapatching the last week and as time allows we will get more durapatching done.

We have been thru the whole town once sweeping and started going over areas a second time.

### Pool:

We painted the floor and front door. The UV is in the new chlorinator should be in next week. The pool is full now.

# CITY OF SHELBY

112 First Street South  
Shelby, MT 59474  
Telephone: (406) 434-5222  
FAX: (406) 434-2039  
[www.shelbymt.com](http://www.shelbymt.com)



**Mayor:** Gary Mc Dermott  
**Council:** Debbie Clark, Luke Casey,  
Bill Moritz, Lyle Kimmet,  
Trent Tustian, Aaron Heaton  
**Animal Control:** Mark Warila  
**Attorney:** William E. Hunt, Jr.  
**Building Inspector:** Rob Tasker  
**City Planner:** Jim Yeagley  
**Community Development:** Lorette Carter  
**Finance Officer:** Jade Goroski  
**Judge:** Joe Rapkock  
**Recreation Director:** Cindy Florez  
**Superintendent:** Loren Skartved

## Shelby Booster station repair parts:

1- pkg box x-3/8-1-7/16-H6E37FF-----	\$4668
1- Sleeve-1-1/4”Dia shaft-S7AD377F----	\$687.33
1-Shaft Top 1.25xLPO-S7AD7555A-----	\$2120
1- seal 1254661-----	\$2148
Total-----	\$9623.33



15895 S Plumm Rd • Olathe, KS 66062-8502  
(913) 390-4500 • www.micro-comm-inc.com

Date: March 21, 2018

Project: Shelby, MT

SCADA System Upgrades (Adding 4-Sewage Pump Stations and WW Computer)

Estimator: Jay Fromholtz, Sales and Marketing Manager

Sales Representative:

Scott Summers; Industrial Systems, Inc. (406) 252-6671 office

**NOTES:**

1. The wastewater collection RTU data will be displayed and controlled by a second Dell Computer running SCADAviewCSX software. The SCADAviewCSX software will be configured for the wastewater information only. This computer will have it's own web page and dialer associated with it. The existing Water Distribution SCADA computer will be upgraded to SCADAviewCSX. One computer dedicated to the water system and one computer dedicated to the wastewater system, but include access to both the Water and Wastewater sites/data incase of an emergency or failure.
2. This proposal includes new Micro-Comm pressure transducers for the lift stations, that are included in the remote unit 5-year warranty.

**TERMS:**

1. Does not include taxes, insurance or bonding. Proposal will be good for 60 days. Two-week notice and full payment (less retainage) are required for equipment start-up.
2. Equipment supplied does not include anchor bolts, fasteners, supports, antenna towers, or masts unless specifically listed in this quotation.
3. This control system provides PILOT DUTY signals to control panels and devices by others. Primary devices, i.e. motor starters, circuit breakers, control valves, and flow meters are not included unless specifically listed in this quotation
4. **This proposal DOES NOT include installation of equipment by Micro-Comm, Inc.**
5. Submittal drawings/design will be provided within 45 days from receipt of an approved Purchase Order.
6. Equipment will ship 90 days from receipt of approved drawing submittals.

Accepted By: \_\_\_\_\_ P.O. Number: \_\_\_\_\_

Date: \_\_\_\_\_ Purchase Order Amount: \$ \_\_\_\_\_

## **Scope of Proposed Materials and Labor:**

### **(4) Remote Units**

#### **Located at the Dixie Inn, Pamida, East End and the Prison Lift Stations**

Micro-Comm will provide a Nema 3R, M1600 PLC-RTU enclosure to be installed on an existing equipment or new structure, provided by others. The M1600 PLC-RTU will provide primary control of the duplex pumps based on operator entered setpoints compared to a level sensor (transducer) monitoring the wetwell water depth. In the event of a M1600 PLC-RTU failure or level sensor (transducer) failure, the control will automatically shift to the existing (or new) motor control panel/float control system.

#### **Items to be controlled and monitored:**

##### (8) Control Outputs as follows:

- 1 Pump #1 Call Output
- 1 Pump #2 Call Output
- 1 PLC-RTU Failure Output (Float/Backup Enable)
- 5 Spares

##### (24) Discrete Inputs as follows:

- 1 Power Failure
- 1 Phase Failure (Relocate Existing Phase Monitor)
- 1 Pump #1 Running
- 1 Pump #2 Running
- 1 Entry Alarm
- 1 Dry Well Moisture Alarm (Station Flooding)
- 1 Building Temperature "Low" Alarm
- 1 High Float Alarm (Backup Pump Start)
- 1 Low Float Alarm (Backup Pump Stop)
- 15 Spares

##### (12) Analog Inputs as Follows

- 1 Wetwell Water Level (New Transducer installed with PVC conduit or on bubbler)
- 1 Reserved for Flow Rate & Total (Freq/Pulse Signal provided by owner)
- 10 Spares

#### **The following items will be shipped separately for field mounting:**

- 1 Yagi antenna with mounting U-bolts
- 1 lot of coaxial cable & Connectors as needed
- 1 Submersible Pressure Transducer w/prewired cable & Snubnose
- 2 Wetwell Level Float Switch
- 1 Station Flooding Float Switch (Located in the dry well)
- 1 Temperature Switch (Nema 1 Hi or Lo)
- 1 Door/Hatch Entry Switch (located on dry well hatch)

**(1) Wastewater SCADAviewCSX Software/Dell Desktop Computer System**

Micro-Comm new desktop computer system including battery B-U and installation, configuration, and testing of the latest version of SCADAview CSX Software, SCADAdial Software, and SCADAgraphics Software. The existing desktop computer will be upgraded to CSX.

**(1) Miscellaneous Items to Include:**

Qty Description

- 1 Engineering and Design
- 6 Engineering Submittals
- 6 Operation and Maintenance Manuals
- 1 FCC License Fees and Paperwork
- 1 Freight to Job Site (FOB Factory, Freight allowed)
- 1 Factory Startup and Adjustment Service
- 1 Customer Training per Specifications
- 1 Five Year Parts and Labor Warranty (New RTUs Only)

**Total Project Price: \$73,614.00**

**OPTIONAL ITEMS (Price to be added to Total Project Price above):**

**(1) ESTIMATED INSTALLATION:**

Optional Installation by Micro-Comm based on others (owner or general contractor) providing all 120VAC power, power drops, meters, disconnects, pressure taps, pressure pits, road bores, pavement cuts, pavement patches, concrete cuts or bores and access to all sites.

Note 1: This installation estimate has been prepared based on an unseen basis, if conditions exist that are unknown that would effect this estimate Micro-Comm reserves the right to adjust this estimate accordingly.

Note 2: This installation estimate is not based on Prevailing Wage or Union Costs.

**Estimated Installation Price: \$12,000.00**  
**(4 sites @ \$ 3,000.00/site)**  
**(\* - Price estimated on an unseen basis, subject to change)**

Mayor  
CDP  
4-20-18

April 25, 2018

Gary McDermott, Mayor  
City of Shelby  
112 1<sup>st</sup> Street South  
Shelby, MT 59474

RE: Montana Department of Commerce (Commerce) – 2019 Biennium Montana Main Street (MMS) Grant Award

Dear Mayor McDermott:

Greetings! Recently the City of Shelby received notice of a planning grant award for the Montana Main Street Program (MMS) authorizing grant funds for the preparation of Historic Preservation Plan. Community Development Division MMS staff are excited to begin working with the City to complete this project. Please note that Commerce funds listed in the grant application or in the budget, that are not already awarded is not approval, award, support or pre-review of any current or future Commerce funding requests or applications.

The contract has been routed for signature and once it is executed, we will need the following documentation:

- Certificate of liability insurance coverage and proof of Worker's Compensation coverage
- Procurement of professional services
- Designation of Deposit and Signature Certification forms

MMS staff are available to assist you in completing the startup requirements and to assist with understanding and meeting program needs throughout your planning project. We look forward to working with you to complete a successful project! Please feel free to contact us at 841-2770 with any questions.

Sincerely,



Jennifer H. Olson  
Administrator

ecc: Lorette Carter, Community Development Director



# DOWNTOWN SHELBY HISTORIC DISTRICT

**Montana Department of Commerce CDBG  
Planning Grant Application**

City of Shelby, Montana  
112 1st St. So. Shelby, MT 59474

**CDBG PLANNING GRANT APPLICATION FORM**

MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
MONTANA DEPARTMENT OF COMMERCE – COMMUNITY DEVELOPMENT DIVISION

**ACCEPTANCE OF CDBG PROGRAM REQUIREMENTS**

The Applicant hereby certifies that:

It will comply with all applicable parts of Title I of the Federal Housing and Community Development Act of 1974, as amended, which have not been cited herein, as well as with other applicable federal laws and regulations.

It will comply with all requirements established by the Montana Department of Commerce and applicable State laws, regulations, and administrative procedures.

It accepts the terms, conditions, selection criteria, and procedures established by the Montana Community Development Block Grant (CDBG) Program and expressly waives any statutory or common law right it may have to challenge the legitimacy and propriety of these terms, conditions, criteria, and procedures in the event that it is not selected for an award of CDBG funds.

**APPLICANT- CERTIFICATION**

To the best of my knowledge and belief, the information provided in this application and in the attached documents is true and correct.

**Signature** \_\_\_\_\_  
**Chief Elected Official or Authorized Representative**

**Name** Gary McDermott **Title** Mayor of Shelby, MT

**Date** April 24, 2018

<b>Eligible Applicant's Information [See Guidelines, page 3]</b>	
1. Name of Local Government and Chief Elected Official	City of Shelby, Montana Gary McDermott, Mayor
Phone #/email address	(406) 434-5222; gary@shelbymt.com
Mailing Address	City of Shelby 112 1 <sup>st</sup> St. So. Shelby, MT 59474
Federal Tax ID #	81-6001308
DUNS Number	098708688
2. Name of Sub-recipient or Assisted Business (if applicable) and primary contact	N/A
Phone #/email address	

Mailing Address	
DUNS #	
North American Industrial Classification System (NAICS) Code	
<b>Primary Contact Person/Grant Administrator (if not already listed above)</b>	
Name	Lorette Carter
Affiliation	City of Shelby
Job Title	Community Development Director
Phone #/email address	(406) 434-5222
Mailing Address	City of Shelby 112 1 <sup>st</sup> St. So. Shelby, MT 59474

<b>CDBG Planning Grant Funds Requested: \$ <u>20,000.00</u></b>		
<input checked="" type="checkbox"/> Community Benefit – 1:3 match required <input type="checkbox"/> Site-Specific/Private Entity Benefit – 1:1 match required (Note: Required matching funds and amounts must be included in this preliminary budget)		
<b>BUDGET</b>		<b>STATUS OF COMMITMENT</b>
OTHER FUNDING SOURCES:	AMOUNT	<i>(Pending or Firm)</i>
CDBG Requested Funds	\$20,000	Pending
Local match (required; see above)	\$3,100	Firm
• Montana Main Street Program	\$3,500	Firm
<b>TOTAL ESTIMATED PROJECT COST</b>	<b>\$26,600</b>	

**PROVIDE A BRIEF DESCRIPTION OF THE PROPOSED PLANNING ACTIVITY AND COMMUNITY/ENTITY BENEFIT:** (Describe what the final work product will be and provide a description of the items that make up the work scope. A more thorough description may be necessary if the planning activity is for a product other than a CCIP, growth policy or PAR/PER. Include a discussion regarding the schedule including when key project milestones will be started and completed, see Exhibit 1.) Please limit the response to this description of the proposed planning activity to a maximum of two pages,

*The project entails the creation of a historic preservation plan for the downtown corridor of Shelby to include the inventory of an estimated 40 properties, creation of a draft National Register District Nomination and final National Register District Nomination for the properties identified as the Downtown Shelby Historic District.*

*The project is intended to benefit the entire community of Shelby in creating a preservation plan that analyzes existing conditions; establishes goals and objectives of preservation for the community; considers the historic district; and offers the potential for rehabilitation projects.*

**REQUIRED DOCUMENTATION TO BE SUBMITTED WITH APPLICATION (AS APPLICABLE):**

- I. WAIVER OF MATCH REQUESTED? If waiver of match is requested, provide supporting documentation and narrative justification as part of the budget narrative. [See Guidelines, page 5.]
- II. LETTER(S) OF COMMITMENT [For funds or resources to be provided by a non-profit agency, water and sewer district, or similar organization; see Guidelines, page 5.]
- III. PROJECT IMPLEMENTATION SCHEDULE [Provide a project implementation schedule using Exhibit 1 attached. Include a brief narrative to explain your proposed project schedule.]
- IV. PROPOSED PROJECT BUDGET AND BUDGET JUSTIFICATION NARRATIVE [Use Exhibit 2 attached to list your project budget and to provide a detailed narrative that explains and justifies each line item of your proposed budget.]
- V. DETERMINATION OF ENVIRONMENTAL EXEMPTION [Provide a resolution or letter, signed by the chief elected official, documenting determination of environmental exemption, using Exhibit 3-A and 3-B]

**EXHIBIT I  
CDBG COMMUNITY PLANNING GRANTS  
PROJECT IMPLEMENTATION SCHEDULE**

<u>TASK</u>	<u>MONTH</u>
<b>PROJECT START UP</b>	
Preparation of MDOC Contract	At time of grant award ~ 2018
<b><u>PROCUREMENT OF PROFESSIONAL ASSISTANCE</u></b>	
<i>Including professional engineers, architects, and planning consultants, etc.</i>	
Submit Request for Proposals (RFP) to DOC for review  <i>(Architectural and engineering services must be procured in compliance with Section 18-8-201, MCA)</i>	July 2018
Publish RFP or RFQ/Conduct limited solicitation	August 2018
Select professional	August 2018
Execute agreement with professional	August 2018
<b><u>PROJECT IMPLEMENTATION</u></b>	
Prepare draft plan/report	January 2019
Submit interim Request for Funds, and 50% draft of final product (digital copy)	March 2019
Public review and comment	June 2019
Finalize plan/report	July 2019
<b><u>PROJECT CLOSEOUT</u></b>	
Submit final product, both in digital and printed formats Submit final Request for Funds and Project Completion Report	July 2019

**EXHIBIT 2  
CDBG COMMUNITY PLANNING GRANTS  
PRELIMINARY PROJECT BUDGET & NARRATIVE**

<b>APPLICANT NAME</b>				
City of Shelby, Montana				
	<b>SOURCE: CDBG</b>	<b>SOURCE: Match ~ Main Street Program</b>	<b>SOURCE: City of Shelby</b>	<b>TOTAL</b>
Status of non-CDBG funds (Pending or Firm)				
<b>Professional Planning Activities</b>	20,000	3,500	3,100	26,600
<b>Professional Architectural/Engineering Services</b>				
<b>Other (Describe)</b>				
<b>TOTAL PLANNING PROJECT</b>	<b>\$20,000</b>	<b>\$3,500</b>	<b>\$3,100</b>	<b>\$26,600</b>

**Note** – Because the amount of funding is limited, applicants will be expected to absorb most costs associated with the administration of the CDBG Planning Grant.

**Budget Justification Narrative Response:**

The intended project is the creation of a preservation plan to include the analysis of existing conditions; set goals and objectives for historic preservation; outline design standards and incentive strategies; and include potential rehabilitation opportunities.

The second phase of work is research and submission of properties to the National Register identified as the Shelby Downtown Historic District.

The estimated costs are as follows:

Historic & Architectural Survey ~ 220 hours @ \$50.00/hour	\$11,000
Historical Research ~ 120 hours @ \$50.00/hour	\$ 6,000
National Register ~ 60 hours @ \$50.00/hour	\$ 3,000
Travel/Mileage/Lodging	\$ 4,900
Supplies	\$ 100
Visual Materials/Report & Inventory Forms	\$ 800
Final Deliverables	\$ 800
<b>Total Project Cost:</b>	<b>\$26,600</b>

## **VII. DETAILED PROJECT PROPOSAL**

### **A. Describe how the proposed planning project will:**

#### **1. Support of existing Montana communities.**

Shelby was born with the coming of the Great Northern Railway in 1891. Some 126 years later, Shelby still relies on the railroad as well as agriculture and oil/gas activity as an economic base. The community has made tremendous strides in diversifying the economy in an effort to impact business development, create job opportunities and stabilize the economy. Core to this ~ the realization of the tremendous impact of "downtown".

Investment in downtown is critical to preserving the history and heritage of our community. It serves to protect property values; stimulate the overall economy; sustain and grow job opportunities; and create an enriched environment for tourism. The City of Shelby has invested in our Main Street, relying on our unique assets – distinctive architecture, charming shops, pedestrian-friendly atmosphere, local ownership and personal service. A strong partnership with the Shelby Area Chamber of Commerce and Shelby Merchant Association, the City of Shelby conducted a business district assessment and next steps strategy in an effort to focus our energies, exchange ideas and determine a collective vision for Shelby Main Street several years ago. With assistance from the Montana Main Street Program, the city followed up with a 101 training and preservation workshop. Most recently, the Shelby Tourism Business Improvement District partnered with the Shelby Area Chamber of Commerce in website improvements, Shelby brochures, numerous marketing efforts and an annual tourism training workshop.

These efforts resulted in several downtown projects included storm drain improvements, handicapped accessible sidewalks, antique lighting, tree planting and flower baskets lining Main Street, new street banners, several store front improvements and numerous Main Street promotion events that welcome people to downtown and all it has to offer.

The focus of our efforts now is the creation of a historic preservation plan for our downtown corridor and with that, historic research and submission to the National Register of our Main Street corridor historic buildings. Numerous structures have been identified with incredible and colorful pasts. The Rainbow Hotel, Larson block, historic jail, county courthouse and library, historic hospital and several other properties all shaped the community of Shelby. These will be core to consideration as a historic district within our community.

#### **2. Support investment in vital public infrastructure.**

A historic preservation plan is vital to Shelby's public infrastructure. The plan will identify properties of historical interest, relating those properties to preservation, economic development and potential for next steps which may include housing, commercial/retail and public spaces. The Downtown Shelby Historic Plan will outline the advantages utilizing historic preservation to help sustain economic vitality while

preserving the special connection of people and place. The plan will provide a course of action to establish a vibrant and economically sustainable Shelby community.

**3. Enhances Montana's economic competitiveness.**

A historic preservation plan identifies the potential financial incentives and benefits to developers, organizations and private property owners to maintain and preserve their historic properties with the potential for downtown revitalization including mixed-use development, new business development, job retention and creation and ultimately, a positive economic impact for the community of Shelby.

**4. Promoting equitable, affordable housing.**

The proposed project has the capacity to identify and encourage mixed-use development. Second floor housing development may be a key component in historic preservation of multi-level properties. The preservation plan has the potential to create an avenue for consideration of affordable, efficient second story housing as part of mixed-use development.

**B. Address the following elements as they relate to the proposed planning project, providing references and supplemental documentation as necessary to adequately illustrate a response:**

**1. The need for financial assistance to complete the planning project:**

The City of Shelby does not have the financial capacity to undertake this entire project. City resources are limited with funds prioritized for essential infrastructure projects including storm water, waste water and sewer system improvements.

The hard match for this project will be derived from the general fund as part of economic development. The city is seeking funding from the Montana Main Street Program and CDBG- Planning to undertake this vital project for the benefit of the community of Shelby.

**2. The fiscal capacity of the applicant to meet the grant conditions required by the Department, including but not limited to its ability to manage the planning project and demonstrate the use of generally accepted accounting principles;**

***Program Management Plan***

**a. Administrative Structure:**

The City of Shelby is an incorporated City with a Mayor-Council form of government. The following positions will have lead responsibility for administering the City's awarded programs and projects:

Mayor Gary McDermott, as the City's chief elected official, will have responsibility for all official contacts and will serve as the Project Manager.

The Mayor and City Council will have ultimate authority and responsibility of the management of project activities and expenditures. The approval of all contracts involving the City and draw down requests will be in accordance with City Council policy and procedures. Bonderud will also provide project status reports at Council meetings and any other public meetings deemed necessary.

Jade Goroski, Chief Finance Officer will be responsible for management and record keeping of funds involved in the project. Financial record keeping will be done in conformance with the recommendations of the Project Administration Manual. The original financial documents; i.e. claims with supporting material, will be retained in the city offices.

Lorette Carter, Community Development Director will assist the Project Manager and Chief Finance Officer in the record keeping, draw submissions, quarterly reporting and final close out. She will also coordinate with other funding agencies for project related activities, financial reporting, submissions and project close-outs.

William Hunt, City Attorney will review and advise the Mayor and Council regarding proposed contractual agreements associated with projects and provide any other legal guidance as requested.

The Project Consultant/Professional will be responsible for project related activities including research, surveying, and creation of inventory, document submission and deliverables.

**b. Procurement Procedures:**

The City of Shelby will follow State and Federal professional service procurement requirements in procuring professional services. The City of Shelby follows the Montana Code Annotated 7-5-2301 in the procurement of contractors for the specified scope of work.

**c. Coordination Plan:**

Project Manager, Community Development Director and Project Professional will coordinate all project activities with other local, state and federal agencies needed to complete the project. All coordination with agencies will be conducted in accordance with State and Federal requirements.

**3. Past efforts to ensure sound, effective, long-term community wide planning;**

The City of Shelby has made substantial efforts to deal with community planning through a long-term commitment to capital improvement planning and budgeting. The city relies on the Growth Policy and Capital Improvements Plan as planning tools. Utilizing the Capital Improvements Plan, the city identifies community needs; incorporates budget information; establishes a priority list; and continually seeks funding packages to address these critical needs in a cost effective manner.

City leadership is continually addressing community needs while always considering cost to citizens. The city has made a concerted effort to address critical needs while creating minimal financial impact to citizens.

**4. The ability to obtain and commit the required matching funds;**

The City of Shelby has sought additional funding in an effort to obtain match funding for the proposed project. The City of Shelby has applied for and awarded funding from the Montana Main Street Program for \$3,500. The balance of match funding is committed by the City of Shelby as evidenced by the commitment letter from Mayor Gary McDermott.

**5. The demonstrated importance of, and the communities current support for the planning project.**

The community has shown support of the project as evidenced by their commitment to planning through the Shelby 360<sup>o</sup> Downtown Development Report and Next Steps Strategy in past years. The business community has also been supportive through participation in Montana Main Street training and workshops. The attached letters of support come from organization leaders. *Attachments: Shelby 360<sup>o</sup> Downtown Development Report; Next Steps Strategy; Letters of Support.*

**6. Relation of planning project to business expansion or retention, specifically the number of potential jobs created or retained as a result of the proposed planning effort.**

The planning project has the potential for business expansion/retention and the creation and/or retention of jobs. The proposed project will have long-term effects on the Shelby downtown corridor. A historic preservation plan has the potential to create opportunity for new business development; revitalization of downtown properties; mixed-use development; and with that, the potential for new jobs as well as retention of much needed jobs in our rural community. The financial incentives and benefits to developers, organizations and private property owners will be assets of the proposed project.

**C. Describe the intended outcome of the proposed planning project; how will the receipt of planning grant funds have a positive impact on the applicant community, and what steps will be taken following the conclusion of the planning activity.**

As mentioned earlier, investment in downtown is critical to preserving the history and heritage of our community. It serves to protect property values; stimulate the overall economy; sustain and grow job opportunities; and create an enriched environment for tourism. With a historic preservation plan and submission of properties as the Downtown Shelby Historic District, the City of Shelby will be positively impacted in the opportunities this will create.

The City of Shelby will utilize this plan in addressing revitalization; new business development and as a tourism resource.

**RECEIVED**

APR 20 2018

**CITY OF SHELBY**

DAN SEMMENS  
semmens.dan@dorsey.com

April 17, 2018

Mayor Gary McDermott  
Mr. Jade Goroski, Chief Finance Officer  
City of Shelby  
112 1st Street South  
Shelby, MT 59474

*Via First-Class Mail*

Re: Sewer System Revenue Bond  
(DNRC Water Pollution Control State Revolving Loan Program), Series 2018  
City of Shelby, Montana

Dear Mayor McDermott and Jade:

The City of Shelby, Montana (the "City") intends to borrow funds to pay a portion of the costs of building a new sewage treatment cell and related improvements (the "Project") that will form a part of its sewer system (the "System"). It is anticipated that the City would obtain financing for the Project from the State's Water Pollution Control State Revolving Fund Program (the "Program"). We have enjoyed working with the City in the past and will be pleased to serve as Bond counsel in connection with the issuance by the City of its approximately \$1,850,000 Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2018 (the "Bond") to pay costs of Phase II of the Project. The purpose of this letter is to outline the services we would provide in that capacity and provide a fee estimate in connection with Phase II of the Project. We will send out later another engagement letter in connection with Phase III of the Project.

As bond counsel our principal function is to render an opinion with respect to authorization and issuance of the Bond. The opinion is rendered in written form at the time the Bond is delivered to the DNRC. The opinion would be addressed to the DNRC (as purchaser) and the City, and both parties are entitled to rely on it. The opinion addresses three basic matters:

1. the validity of the Bond, based upon the proceedings taken in its authorization and issuance;
2. certain matters relating to the security for the payment of the Bond; and
3. the exemptions from current federal and state income taxation of the interest payable on the Bond.

In our capacity as bond counsel we would provide the following services to the City:

1. prepare the bond resolution and the Bond and review proceedings of the City relating to other outstanding bonds and notes secured by the net revenues of the System;
2. review sewer rate ordinances and resolutions to confirm that rates and charges are in effect at the time the Bond is issued to provide adequate revenues to pay the costs of operating and maintaining the System and to pay debt service on the Bond consistent with the Program requirements;
3. coordinate with the Chief Finance Officer, or other designated officer of the City, the adoption of resolutions and other actions necessary to be taken by the governing body of the City;
4. advise the City of the statutory requirements for the issuance of the Bond and the Program rules for the purchase of the Bond by the Program;
5. prepare closing papers for the City and supervise closing on the Bond; and
6. deliver the opinions discussed above to the City and the DNRC.

The fee for our services is a function of the size of the bond issue and the amount of time expended. There is a minimum amount of work that has to be done irrespective of the size of the bond issue. We estimate our fee would be approximately \$23,000. If, as we proceed, we discover factors that are currently unanticipated that would cause us to exceed this estimate, we would let you know. We would expect to be paid at the time of closing on the bond anticipation note, if any, and on the Bond. Our fees are eligible costs of the Project and can be included in the amount of the Bond. It is mutually understood that the services set forth in this letter are solely for the benefit of the City.

You should be aware that we have served as bond counsel to the State with respect to establishing the Program and the issuance of the State's general obligation bonds to fund the Program. As bond counsel for the City's Bond, we would not represent the State or the DNRC in the negotiation of the terms of the Bond, the bond resolution, or other aspects of the proposed financing. At this point, the terms of the financing have been established in the approved Program documents and regulations, and our principal task is to draft a bond resolution that conforms to these requirements and the terms of the commitment letter that will be prepared by the DNRC. (In advising the City of the statutory and other legal requirements for the issuance of the Bond, in accordance with provisions of the commitment letter, the trust indenture governing the Program, and statutory provisions, we can advise the City with respect to the legal implications of the covenants in the commitment letter, the trust indenture governing the Program, and statutory provisions that would be contained in the bond resolution.) Accordingly, we do not anticipate that our acting as bond counsel to the State with respect to the Program will represent any practical impediment to our acting as bond counsel to the City with respect to the Bond; and, in fact, we believe our familiarity with the Program could be an advantage to the City in completing its proceedings efficiently.

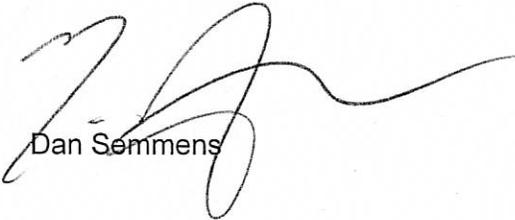
As bond counsel to the State and the Program, however, we are available to the State, and we would intend to respond to questions raised by the DNRC regarding requirements of the

Mayor Gary McDermott  
Mr. Jade Goroski, Chief Finance Officer  
April 17, 2018  
Page 3

Program, the operative documents relating to the State's bonds and the legal issues relating to the type of obligation being purchased by the Program to evidence the Program loan, in this case a revenue bond. In such a response, we would not attempt to advocate a position on behalf of either the State or the City, but to respond in our capacity as bond counsel with respect to the State's outstanding bonds. While we would attempt to render independent advice, the potential for a conflict of interest or the appearance of a conflict of interest is present. The State has consented to our acting as bond counsel for the City's Bond.

We hope that this proposal to serve as bond counsel on this financing meets with the approval of the City, and we trust that our serving as bond counsel to the City and as bond counsel to the State with respect to the Program is acceptable to the City. If so, will you please so acknowledge by signing the attached acknowledgement and returning a copy to us. If there are any questions, please give us a call so that we might answer those questions or provide any additional information about our firm or our qualifications to serve the City in this capacity.

Very truly yours,



Dan Semmens

DPS/vm

Mayor Gary McDermott  
Mr. Jade Goroski, Chief Finance Officer  
April 17, 2018  
Page 4

**ACKNOWLEDGMENT**

The undersigned acknowledges receipt of the attached and foregoing engagement letter dated April 17, 2018, and confirms on behalf of the City the consent of the City to the representation described therein.

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

CITY OF SHELBY, MONTANA

By: \_\_\_\_\_

Its: \_\_\_\_\_

# CITY OF SHELBY

112 First Street South  
Shelby, MT 59474  
Telephone: (406) 434-5222  
FAX: (406) 434-2039  
[www.shelbymt.com](http://www.shelbymt.com)



**Mayor:** Gary McDermott  
**Council:** Luke Casey, Deb Clark, Aaron Heaton,  
Lyle Kimmet, Bill Moritz, Trent Tustian  
**Animal Control:** Mark Warila  
**Attorney:** William E. Hunt, Jr.  
**Building Inspector:** Rob Tasker  
**Community Development:** Lorette Carter  
**Finance Officer:** Jade Goroski  
**Judge:** Joe Rapkoch  
**Recreation Director:** Cindy Florez  
**Superintendent:** Loren Skartved

May 7, 2018

Arnold Houdek  
PO Box 1013  
Belgrade, MT 59717-1013

RE: North Central Montana Regional Water Authority Easement

Dear Aronold:

We wish to thank you for providing the necessary easement for the new North Central Montana Regional Water Authority (NCMRWA) water line on your property.

This water line will be owned by NCMRWA and maintained by the City of Shelby.

This letter will serve at the City of Shelby's commitment to provide one residential water tap subject to City water rates, ordinances, and rules. It will be your responsibility to provide the meter, meter pit, service line and any other required piping or pumping necessary to deliver water to your desired place of use. Once the water connection has been made the City of Shelby will send a monthly utility bill based on usage at current City rates.

Sincerely,

Gary McDermott  
Mayor

Cc: City Council



# Meeting Agenda

## Objective: City of Shelby Wellfield Projects

**Date:** 3/27/2018

**Facilitator:** James Slayton - KLJ

**Time:** 10:30 AM

**Minutes:** James Slayton - KLJ

**Attendees:** List attendees

## Required Work to Connect Well No. 4

---

1. Reconnect the water main coming from the well to the water main leading to the Clearwell. Draft plans and specifications for MTDEQ approval. Approximate project cost **\$20,000**.
2. Install UVT in the existing Treatment building. Approximate project cost **\$10,000**
3. Install back-up chlorinator in the treatment building. Project cost for the City staff to install **\$14,698**. Approximate project cost for a Contractor to install **\$18,500**.
4. Total project costs **\$50,000**

## Optional Work to Connect Well No. 4

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1. Upgrade existing UV Trains from 4-bulbs to 6-bulbs. Approximate project cost **\$138,000**.
2. Connect Well No. 4 to the existing Telemetry system. Approximate project cost **\$10,000**.

## Future Water System Projects

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1. Wellfield Winterization Project - **\$449,800**
2. Re-route Water Main Around the South Water Tank - **\$113,700**
3. Upgrade controls at the Shelby Heights Booster Station to MircoCOMM - **\$25,900**
4. Upgrade the pumps in Shelby Heights Booster Station, including Backup Generator - **\$475,750**
5. Upgrade the pumps in Shelby Heights Booster Station without Backup Generator - **\$219,450**

SUGGESTED FORM OF  
TASK ORDER

This is Task Order  
No. 6, consisting of  
7 pages.

**Task Order**

---

In accordance with Paragraph 1.01 of the Agreement Between Owner and Engineer for Professional Services – Task Order Edition, dated September 14, 2015 ("Agreement"), Owner and Engineer agree as follows:

1. Specific Project Data

A. Title: Well #4 Connection and Water System Improvements

B. Description:

**Construction Contract 1: Water System Improvements**

The project will generally include well field winterization and metering, Shelby heights booster station and well-field clear well booster station improvements, UV treatment system improvements, and 16" transmission main rehabilitation.

**Construction Contract 2: Airport Hangar Water Main Extension**

The City will work with Toole County to install a new booster pump station and extend a 12" transmission main to serve a new airport hangar at the Toole County Airport.

C. Number of Construction Contracts: 2 (The construction of the airport water main will be completed by the City/County)

2. Services of Engineer

Engineer shall provide services set forth in Article I and Exhibit A of the Contract for Engineering Services dated September 14, 2015. All provisions of Exhibit A shall remain in full force and affect unless amended or supplemented as follows:

Study and Report Services – *Not Used*

Design Services

A. The Engineer shall:

1. Complete topographic survey as needed of the project areas. The topographic survey will identify the physical constraints that the design will be based around. This does not include a boundary survey; however, applicable property lines will be identified based on physical property pins and COS information.
2. Prepare construction plans and specifications for the following alternatives from the 2016 Shelby Water System Preliminary Engineering Report (PER) for the Water System Improvements:

a) **S2-Well Field Winterization and Metering** includes a geotechnical investigation, designing, preparing plans and specifications, and obtaining DEQ approval for the construction of following:

- slab and foundation necessary for the installation of the pre-built pump houses for wells 9-12,
- the process piping, individual meters, and electrical requirements inside each pre-built pump house,
- the new pipe connecting wells 4 and 9-12 to the 12" well field transmission main with appropriately sized pipe buried below frost depth,
- a meter vault at the well field booster station and individual flow meters at wells 1-5, 7 and 8 to monitor the water pumped from the well field.
- Reference the attached Figure 6.1.2.

KLJ will write a performance specification to integrate well controls for wells 4 and 9-12 to operate as the other wells in the well field.

b) **P2-Shelby Heights Booster Improvements and Generator** includes designing, preparing the plans and specifications, and obtaining DEQ approval for construction of the following:

- remove the existing undersized pumps,
- size and install the new pumps,
- size and install a new back-up generator for emergency power including an automatic transfer switch.
- concrete slab and site grading for the generator,

KLJ will write a performance specifications to upgrade the controls to match the controls of the rest of the water system.

c) **P3-Clear Well Booster Generator and Polyphosphate System** includes designing, preparing the plans and specifications, and obtaining DEQ approval for the construction of following:

- a new back-up generator for emergency power utilizing the existing automatic transfer switch,
- new polyphosphate system in the booster building and DEQ variance request,
- concrete slab and site grading for the generator.

- d) **T2-Upgrade the Existing Water Treatment System and Generator** includes designing, preparing the plans and specifications, and obtaining DEQ approval for the construction of the following:
- increase the UV System from 4 bulbs to 6 bulbs,
  - new backup chlorination system in the UV building,
  - a new back-up generator for emergency power including an automatic transfer switch,
  - concrete slab and site grading for the generator.
- e) **D2-Re-route the South Tank Water Main** includes a geotechnical investigation near the tank, designing, preparing the plans and specifications, and obtaining DEQ approval for the construction of re-routing the existing 16" AC main around the Shelby Heights Tank. Reference the attached Figure 6.5.2.
- f) **D3-Rehabilitate the 16" Water Main** includes designing, preparing the plans and specification, and obtaining DEQ approval for the construction of the following:
- clean the 16" main between the UV treatment system and the Shelby Heights tank,
  - replace 7 gate valves,
  - check the operations of 6 air release valves.
3. Prepare the following for the Airport Hangar Water Main Extension:
- a) Size the water mains to appropriately serve the intended use and potential future service areas. A certified water main checklist (and supporting documentation) will also be prepared and submitted to the Montana Department of Environmental Quality (MDEQ) to receive authorization for construction.
- b) Prepare construction plans and specifications. These construction documents will serve as the basis for construction and will provide the contractor with the necessary information to build the project. The drawings will consist of a Cover Sheet, General Notes & Scope of Work, Plan & Profiles sheets, and Details as needed. The specifications will be based on the Montana Public Works Standard Specifications with modifications and special provisions specific to the project work.
- c) A new booster pump station will be required for the new main serving the airport hangar. The Engineer will coordinate with the City's equipment supplier to verify that an appropriately sized packaged system will be provided. The minimum design point at the new hangar will be directed by Toole County.

Bidding or Negotiating Services

Construction and Commissioning Services

A. The Engineer shall:

1. Provide the following for the Water System Improvements:

- a) Provide general construction administration services that will consist of facilitating a preconstruction meeting; reviewing shop drawings and product submittals; preparing change orders; reviewing and recommending applications for payment; and preparing and submitting record drawings to MDEQ for final project acceptance.
- b) Complete construction staking, which shall consist of horizontal and vertical control as well as station centerline and offset locations.

2. Provide the following for the Airport Hangar Water Main Extension:

- a) Provide general construction administration services that will consist of responding to project related questions and preparing/submitting record drawings to MDEQ for final project acceptance.
- b) Complete construction staking for the proposed water mains, which shall consist of horizontal and vertical control as well as station centerline and offset locations.

Resident Project Representative Services

C. The Engineer shall:

1. Provide the following for the Water System Improvements:

- a) Provide full-time RPR services for the duration of the project to certify the project was constructed in accordance with the approved plans and specifications and assist in the preparation of record drawings. It is estimated that RPR services will be provided for a duration of 16 weeks at 50 hours per week.

2. Provide the following for the Airport Hangar Water Main Extension:

- a) Provide part-time RPR services for the duration of the project to certify the project is constructed in accordance with the approved plans and specifications and assist in the preparation of record drawings. It is estimated that RPR services will generally be provided at 12 hours per week for the duration of the project.

Other Services- *Not Used*

3. Owner's Responsibilities

Owner shall have those responsibilities set forth in Article 2 and in Exhibit B, subject to the following: *N/A*.

4. Times for Rendering Services

The following schedule for the Water System Improvements is based on a Notice to Proceed issued by the Owner no later than December 18, 2017 and is subject to timely approval of the project documents by MDEQ.

<u>Phase</u>	<u>Completion Date</u>
Design Services	April 30, 2018
DEQ Approval	July 31, 2018
Bidding & Negotiating Services	February 28, 2019
Construction & RPR Services	September 30, 2019

The following schedule for the Airport Hangar Water Main Extension is based on a Notice to Proceed issued by the Owner no later than October 20, 2017.

<u>Phase</u>	<u>Completion Date</u>
Submit to DEQ for Review	December 31, 2017
DEQ Approval	January 31, 2017
Construction & RPR Services	July 31, 2018

5. Payments to Engineer

A. Owner shall pay Engineer for services rendered as follows:

**Water System Improvements**

<i>Category of Services</i>	<i>Compensation Method</i>	<i>Lump Sum, or Estimate of Compensation for Services</i>
Design Services	Standard Hourly Rates	\$172,700
Bidding & Negotiating Services	Standard Hourly Rates	\$15,500
Construction & Commissioning Services	Standard Hourly Rates	\$61,300
RPR Services	Standard Hourly Rates	\$101,500
	<b><i>Total:</i></b>	<b><i>\$351,000</i></b>

Airport Water Main Extension

<i>Category of Services</i>	<i>Compensation Method</i>	<i>Lump Sum, or Estimate of Compensation for Services</i>
Design Services	Lump Sum	\$25,600
Construction & Commissioning Services	Standard Hourly Rates	\$6,500
RPR Services	Standard Hourly Rates	\$7,500
	<b>Total:</b>	<b>\$39,600</b>

B. The terms of payment are set forth in Article 4 of the Agreement and in Exhibit C.

6. Consultants: None
7. Other Modifications to Agreement: None
8. Attachments: Figure 6.1.2 & Figure 6.5.2
9. Documents Incorporated By Reference: Standard Form of Agreement between Owner and Engineer for Professional Services – Task Order Edition, dated September 14, 2015. (“Agreement”)
10. Terms and Conditions: Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.

The Effective Date of this Task Order is July 1, 2017.

OWNER: City of Shelby, MT

ENGINEER: Kadrmas Lee &  
Jackson, Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Larry Bonderud

Name: \_\_\_\_\_

Title: Mayor

Title: \_\_\_\_\_

Engineer License or Firm's Certificate No. PEL-EF-LIC-37  
State of: MT

DESIGNATED REPRESENTATIVE FOR  
TASK ORDER:

DESIGNATED REPRESENTATIVE FOR  
TASK ORDER:

Name: Larry Bonderud

Name: Andy Evensen

Title: Mayor

Title: Project Manager

Address: 112 First Street South, Shelby, MT  
59474

Address: 1830 3<sup>rd</sup> Avenue East, Suite 202  
Kalispell, MT 59901

E-Mail Address: larry@shelbymt.com

E-Mail Address: andy.evensen@kljeng.com

Phone: (406) 434-5222

Phone: 406-755-2763

Fax: (406) 434-2039

Fax: 1-855-288-8055

PROPOSAL FOR PURCHASE OF LAND IN SHELBY, MONTANA

I would like to buy the property at 115 East Dawson Ave. in Shelby.

The legal description is:           SULLIVANS FIRST ADD (SHELBY)  
  S27, T32 N, R02 W, BLOCK 026, LOT 001, SE'LY 40' LTS 1-3

My understanding is that this is commercial property, and I will be able to build a garage on this property. I am looking at building a 24 x 40 or possible 30 x 40 foot garage. The property is 3400 sq. ft. I would be willing to pay \$2000.00 for this property. It has been sitting there for a number of years with mostly junk on it. This would be one way to clean up the area that has been a problem for the City over the past several years. If I can purchase the property I would appreciate the help of the City, to help with removal of the junk on that property. Thank you for your consideration.

Sincerely



Joseph Pehan

406-450-1154

**Total Market Land**

0.078

14,446.00

**Deed Information:**

Deed Date	Book	Page	Recorded Date	Document Number	Document Type
9/22/2005	98	612			
1/14/1998	88	695			
6/18/1997	95	499			

**Owners**

Party #1

**Default Information:** CITY OF SHELBY  
112 1ST ST S

**Ownership %:** 100

**Primary Owner:** "Yes"

**Interest Type:** Conversion

**Last Modified:** 12/21/2007 2:11:42 AM

Other Names

Other Addresses

**Name**

**Type**

**Appraisals**

**Appraisal History**

Tax Year	Land Value	Building Value	Total Value	Method
2017	14446	0	14446	COST
2016	7960	0	7960	COST

**Market Land**

Market Land Item #1

**Method:** Sqft

**Type:** 1 - Primary Site

**Width:** 40

**Depth:** 85

**Square Feet:** 3,400

**Acres:**

Valuation

**Class Code:** 2150

**Value:** 14446

**Dwellings**

**Existing Dwellings**

No dwellings exist for this parcel

**Other Buildings/Improvements**

Outbuilding/Yard Improvements

No other buildings or yard improvements exist for this parcel

**Commercial**

**Existing Commercial Buildings**

# Property Record Card

## Summary

### Primary Information

<b>Property Category:</b> RP	<b>Subcategory:</b> Real Property
<b>Geocode:</b> 21-4424-27-2-30-11-0000	<b>Assessment Code:</b> 0000504223
<b>Primary Owner:</b> CITY OF SHELBY 112 1ST ST S SHELBY, MT 59474-1954	<b>PropertyAddress:</b> 115 E DAWSON AVE SHELBY, MT 59474
	<b>COS Parcel:</b>

*NOTE: See the Owner tab for all owner information*

### Certificate of Survey:

**Subdivision:** SULLIVANS FIRST ADD (SHELBY)

### Legal Description:

SULLIVANS FIRST ADD (SHELBY), S27, T32 N, R02 W, BLOCK 026, Lot 001, SE'LY 40' LTS 1-3

**Last Modified:** 10/10/2017 6:40:31 PM

### General Property Information

<b>Neighborhood:</b> 221.003	<b>Property Type:</b> EP - Exempt Property
<b>Living Units:</b> 0	<b>Levy District:</b> 21-0910-14S
<b>Zoning:</b> 1	<b>Ownership %:</b> 100
<b>Linked Property:</b>	

No linked properties exist for this property

### Exemptions:

No exemptions exist for this property

### Condo Ownership:

**General:** 0                      **Limited:** 0

### Property Factors

<b>Topography:</b> 1	<b>Fronting:</b> 4 - Residential Street
<b>Utilities:</b> 1, 4, 9	<b>Parking Type:</b>
<b>Access:</b> 1	<b>Parking Quantity:</b>
<b>Location:</b> 5 - Neighborhood or Spot	<b>Parking Proximity:</b>

### Land Summary

<u>Land Type</u>	<u>Acres</u>	<u>Value</u>
Grazing	0.000	00.00
Fallow	0.000	00.00
Irrigated	0.000	00.00
Continuous Crop	0.000	00.00
Wild Hay	0.000	00.00
Farmsite	0.000	00.00
ROW	0.000	00.00
NonQual Land	0.000	00.00
<b>Total Ag Land</b>	0.000	00.00
<b>Total Forest Land</b>	0.000	00.00