

AGENDA
CITY COUNCIL MEETING
CITY OF SHELBY
June 4, 2018
6:30 P.M.

ROLL CALL OF MEMBERS
PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

- Regular Council Meeting, 05/21/18 (pgs 5-7)

APPEARANCE REQUESTS

- Agenda Items – Curtis Shucks
- Non-Agenda Items

CLAIMS REPORT 5/31/18 (pgs 8-23)

BUILDING INSPECTOR

- Building Inspector Report, May 2018 (pg 24)

COMMITTEE REPORTS

- Minutes of Safety Committee Meeting, 5/16/18 (pg 25)
- Minutes of Park & Rec Meeting, 5/29/18 (pgs 26-27)

CITY ATTORNEY

- Resolution No. 1977 - 4th Cell Bond (pgs 28-89)

CITY FINANCE OFFICER

- Payroll Report, May 2018 (pg 90)
- Payroll Budget Prep FY 2018-19 (pg 91)
- City of Shelby Contract Work (pg 92)

CITY SUPERINTENDENT

- Superintendent's Report, 6/4/18 (pg 93)
- Hot Mix Bid

COMMUNITY DEVELOPMENT DIRECTOR

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OTHER MATTERS

- TSEP Extension (pg 94)
- Pool Climbing Wall (pg 95)
- Fire Truck Offer (pg 96)
- Border Protection Services Use of Old Middle School
- Facility Use Agreement (pgs 97-103)

ADJOURN

CITY COUNCIL PACKET LISTING

A. Agenda

B. Agenda Items

1. Minutes of Regular Council Meeting, 5/21/18
2. Claims Report, 5/31/18
3. Building Inspector Report, 5/31/18
4. Minutes of Safety Committee Meeting, 5/16/18
5. Minutes of Park & Rec Meeting, 5/29/18
6. Resolution No. 1977 - 4th Cell Bond
7. Payroll Report, May 2018
8. Payroll Budget Prep
9. City of Shelby Contract Work
10. Superintendent's Report, 6/4/18
11. Letter to Becky Anseth, MT Dept of Commerce re: Continuation Letter
12. Kersplash Pool Climbing Wall Information
13. 5/21/18 Letter from TJ Wanken re: Fire Truck Offer
14. Facility Use Agreement

C. Correspondence

1. 5/18/18 Letter from Senator Daines re: Amtrak
2. 5/19/18 Dog Bite Statement
3. 5/22/18 Letter to Steve & Tracy Williamson re: Shelby Swimming Pool Play Fund & list of letters sent

D. Reports

- 1.

E. Handouts

- 1.

Policy on Conduct and Manner of Addressing Council

The public is invited to speak on any item after recognition by the presiding officer.

1. Public comments will be accepted only on items within the jurisdiction of the City of Shelby.
2. Comments shall be limited to 5 minutes per meeting, unless such time is extended by a majority vote of the Council members.
3. While the Council is in session, those in attendance must preserve order and decorum. No member of the public shall delay or interrupt the Council proceedings; disturb any member who may be speaking; or refuse to obey the orders of the Council or its presiding officer.
4. Prepared statements are welcome and should be given to the Finance Officer prior to a Council meeting. Prepared statements that are also read, however, shall be deemed unduly repetitious. All prepared statements for public hearings shall become part of the hearing record.
5. All remarks shall be addressed to the Council as a body and not to any member of the Council or Staff.
6. Public members recognized by the presiding officer, shall:
 - a. Stand, if able
 - b. For the record, give his/her name and address
 - c. If applicable, give the person, firm or organization he/she represents
 - d. Limit comments to the matter of fact
 - e. Address the Council as a body and not to any individual member of the Council or City Staff
 - f. Ask no questions of individuals who are Council members, staff or other public members, except through the presiding officer
 - g. Limit comments to a maximum of 5 minutes, unless such time is extended by a majority vote of Council members.

The Council thanks public members for respectfully and courteously providing constructive and valuable information.

**MINUTES OF REGULAR COUNCIL MEETING OF THE SHELBY CITY COUNCIL
HELD IN COUNCIL CHAMBERS
May 21, 2018**

Mayor McDermott called the meeting to order at 6:30 p.m. Present were: Lyle Kimmet, Luke Casey, Bill Moritz, Aaron Heaton and Trent Tustian, Council Members; Bill Hunt, City Attorney; Jade Goroski, Finance Officer; Loren Skartved, City Superintendent; Lorette Carter, Community Development Director. Absent and Excused: Debra Clark.

Other citizens present: Ryan Larson, Jim Yeagley and Andy Evenson.

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

CASEY MADE A MOTION TO APPROVE THE 5/07/2018 MINUTES. SECONDED BY MORITZ. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.

APPEARANCE REQUESTS

- **Brittney Parker location for dance classes**
TUSTIAN MADE A MOTION TO APPROVE A MONTHLY RENT OF \$50 AT EITHER THE CIVIC CENTER OR OLD MIDDLE SCHOOL FOR JUNE, JULY AND AUGUST. SECONDED BY KIMMET. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.

COMMITTEE REPORTS

Law Enforcement Report - Ryan Larson
Safety Committee Meeting, 5/16/18

CITY ATTORNEY

CITY FINANCE OFFICER

- City Judge's Report, April 2018
- Bank Account Report, Budget Year to Date, Vendor Summary, Enterprise Funds, Statement of Expenditures, Revenues, Budget Variance, Cash Flow Report, Project Budgets, 4/30/2018
MORITZ MADE A MOTION TO APPROVE THE REPORTS. SECONDED BY TUSTIAN. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.
- City of Shelby Delinquent Taxes, 4/30/2018

CITY SUPERINTENDENT

- Loren provided a report included with the packet and noted the crew has started spraying for dandelions, the splash park is now open and the electrician finished up the UV at the swimming pool.

COMMUNITY DEVELOPMENT DIRECTOR

The following dates are anticipated for infrastructure projects:

1. Waste Water – 4th Cell ~ Start date is the first week of June;
 2. Storm Drain ~ Late June/early July; and
 3. Water line extension ~ Bid date is mid-June.
 4. Street paving ~ Late June/early July.
- I received a phone call from Montana Fish, Wildlife & Parks. They had over \$3 million in requests and a \$1.3 million budget. They did approve the build of the picnic area along the trail but not the request for maintenance equipment. A grant letter will be sent in the coming weeks.
 - The Champions Park Committee met. Next projects for Champions Park include the installation of 4 heritage signs; paving of the parking lot; installation of some lighting; and engraving of donor bricks, tiles and stones which were pre-sold.
 - The Shelby Recycling Association met May 16th. They are working with MT DEQ on an e-waste collection event in Conrad sometime this summer.
 - The City is starting a new fundraising campaign for play structures in the Shelby Swimming Pool. A climbing wall and Aqua Zip 'N are planned for the pool.
 - Shelby's billboards will be refreshed and updated in the coming month as part of the city's lease agreement. The Shelby TBID has generously agreed to pay for the redesign of the billboards.
 - This is the last week of Walk N Wheel Wednesday and Fit Friday for the year. Thanks to the DUI Task Force for purchasing end-of-the-years prizes for each elementary student.

OTHER MATTERS

- Health Rates
MORITZ MADE A MOTION TO APPROVE THE INCREASE. SECONDED BY KIMMET. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.
- HGS Agreement
MORITZ MADE A MOTION TO APPROVE AN AGREEMENT FOR A CASH PAYOUT OF \$57,500 PAID OVER 3 YEARS AND A CREDIT ON THE WATER ACCOUNT FOR \$32,500. SECONDED BY CASEY. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.
- Lifeguard Hires
MORITZ MADE A MOTION APPROVING HIRES. SECONDED BY CASEY. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.
- Change Order Approval
TUSTIAN MADE A MOTION TO INCREASE THE MAYORS AUTHORIZATION FOR CHANGE ORDERS UP TO \$20,000 SUBJECT TO COUNCIL APPROVAL AND AS LONG AS THE REQUESTED CHANGE ORDER DOES NOT EXCEED THE OVERALL CONTINGENCY BUDGET. SECONDED BY CASEY. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.

- KLJ Task Order No. 5
MORITZ MADE A MOTION TO APPROVE THE TASK ORDER. SECONDED BY TUSTIAN. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.
- AMTRAK'S LONG DISTANCE TRAINS
MORITZ MADE A MOTION APPROVING SHELBY'S LETTER OF SUPPORT. SECONDED BY KIMMET. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.
- CANAL

ADJOURN

AT 9:20 P.M. TUSTIAN MADE A MOTION TO ADJOURN THE MEETING. SECONDED BY KIMMET. VOTE: AYES - KIMMET, CASEY, MORITZ, HEATON, TUSTIAN. NOES - NONE. ABSENT - CLARK. ABSTAIN - NONE.

GARY MCDERMOTT, MAYOR

ATTEST:

JADE GOROSKI, FINANCE OFFICER

05/31/18
11:43:12

CITY OF SHELBY
Claim Details
For the Accounting Period: 5/18

Page: 1 of 16
Report ID: AP100

* ... Over spent expenditure

Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170814		01806 ALARM SERVICE INC	35.00					
1	R 91570	05/20/18 6/18 Fire Alarm Monitoring	35.00			1000 420401	300	101000
170815		00343 ENERGY LABORATORIES INC	596.00					
1	156665	05/22/18 Lagoon Effluent	127.00		31397	5310 430600	300	101000
2	153837	05/10/18 Lagoon Effluent	342.00		31397	5310 430600	300	101000
3	155425	05/17/18 Lagoon Effluent	127.00		31397	5310 430600	300	101000
170816		00558 SHELBY MERCHANT ASSOCIATION	600.00					
1	05/18/18	TBID-Script Money	600.00			7199 212500		101000
170817		01137 AQUA TECH LABORATORY	60.00					
1	29237	05/09/18 Monthly Coliform Water Testing	60.00		31458	5210 430500	300	101000
170818		00539 YEAGLEY, JAMES H	800.00					
1	05/30/18	5/18 Planning Services	800.00			1000 411030	350	101000
170819	-98785E	01486 USDA RURAL DEVELOPMENT	1,603.00					
1	05/07/18	Fire Hall Improvement Loan	1,371.47			1000 490527	610	101000
2	05/07/18	Fire Hall Improvement Loan-Int	231.53			1000 490527	620	101000
170820		00039 PETTY CASHIER	80.00					
1	2781	05/29/18 TC Treasurer Specialty Plates	80.00			7427 411850	800	101000
170821		01285 HUNT, WILLIAM E JR	3,498.00					
1	05/30/18	5/18 Legal Services	874.50			1000 411100	350	101000
2	05/30/18	5/18 Legal Services	874.50			5210 430513	350	101000
3	05/30/18	5/18 Legal Services	874.50			5310 430613	350	101000
4	05/30/18	5/18 Legal Services	874.50			5410 430813	350	101000
170822		00309 PREFERRED OFFICE EQUIPMENT	582.50					
1	25577	05/15/18 5/18 Maintenance & Copies	83.13			1000 410550	300	101000
2	25577	05/15/18 5/18 Maintenance & Copies	79.84			1000 411050	300	101000
3	25577	05/15/18 5/18 Maintenance & Copies	83.14			5210 430570	300	101000
4	25577	05/15/18 5/18 Maintenance & Copies	83.14			5310 430670	300	101000
5	25577	05/15/18 5/18 Maintenance & Copies	83.14			5410 430870	300	101000
6	25577	05/15/18 5/18 Maintenance & Copies	27.60			1000 410240	300	101000
7	25577	05/15/18 5/18 Maintenance & Copies	27.60			5210 430514	300	101000
8	25577	05/15/18 5/18 Maintenance & Copies	27.60			5310 430614	300	101000
9	25577	05/15/18 5/18 Maintenance & Copies	27.60			5410 430814	300	101000
10	25576	05/15/18 5/18 Maintenance & Copies-Shop	59.71*			1000 420500	300	101000

05/31/18
11:43:12

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Page: 2 of 16
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Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170823	-98786E	00111 FIRST STATE BANK	111.25					
1	05/02/18	Monthly Bank Service Charge	27.81			1000 410550	300	101000
2	05/02/18	Monthly Bank Service Charge	27.82			5210 430570	300	101000
3	05/02/18	Monthly Bank Service Charge	27.81			5310 430670	300	101000
4	05/02/18	Monthly Bank Service Charge	27.81			5410 430870	300	101000
170824		00043 SHELBY GAS ASSOCIATION	2,091.60					
1	05/25/18	5/18 Gas Bill	33.00			1000 411200	343	101000
2	05/25/18	5/18 Gas Bill	151.30*			1000 420400	343	101000
3	05/25/18	5/18 Gas Bill	151.30*			1000 420401	343	101000
4	05/25/18	5/18 Gas Bill	1,065.80			1000 460445	343	101000
5	05/25/18	5/18 Gas Bill	53.80*			1000 460442	343	101000
6	05/25/18	5/18 Gas Bill	29.80*			5410 430840	343	101000
7	05/25/18	5/18 Gas Bill	71.10			1000 430200	343	101000
8	05/25/18	5/18 Gas Bill	71.10			5210 430500	343	101000
9	05/25/18	5/18 Gas Bill	71.10			5310 430600	343	101000
10	05/25/18	5/18 Gas Bill	71.10*			5410 430830	343	101000
11	05/25/18	5/18 Gas Bill	19.05			1000 411202	343	101000
12	05/25/18	5/18 Gas Bill	19.05			5210 430520	343	101000
13	05/25/18	5/18 Gas Bill	19.05			5310 430620	343	101000
14	05/25/18	5/18 Gas Bill	19.05			5410 430820	343	101000
15	05/25/18	5/18 Gas Bill	56.20			5210 430500	343	101000
16	05/25/18	5/18 Gas Bill	9.00*			1000 460465	343	101000
17	05/25/18	5/18 Gas Bill	180.80*			2936 460463	343	101000
170825		00026 MARIAS RIVER ELECTRIC COOP INC	10,589.40					
1	05/25/18	5/18 Electric Bill	58.46			1000 411200	342	101000
2	05/25/18	5/18 Electric Bill	138.41			1000 420400	342	101000
3	05/25/18	5/18 Electric Bill	138.40*			1000 420401	342	101000
4	05/25/18	5/18 Electric Bill	48.83			1000 411202	342	101000
5	05/25/18	5/18 Electric Bill	48.83			5210 430520	342	101000
6	05/25/18	5/18 Electric Bill	48.83			5310 430620	342	101000
7	05/25/18	5/18 Electric Bill	48.81			5410 430820	342	101000
8	05/25/18	5/18 Electric Bill	122.93			1000 430200	342	101000
9	05/25/18	5/18 Electric Bill	122.93			5210 430500	342	101000
10	05/25/18	5/18 Electric Bill	122.93			5310 430600	342	101000
11	05/25/18	5/18 Electric Bill	122.93			5410 430830	342	101000
12	05/25/18	5/18 Electric Bill	33.82			1000 440600	342	101000
13	05/25/18	5/18 Electric Bill	33.82			1000 460430	342	101000
14	05/25/18	5/18 Electric Bill	63.60*			1000 460465	342	101000
15	05/25/18	5/18 Electric Bill	89.97			1000 460439	342	101000
16	05/25/18	5/18 Electric Bill	541.44			1000 460442	342	101000
17	05/25/18	5/18 Electric Bill	199.29			1000 460445	342	101000
18	05/25/18	5/18 Electric Bill	3,873.66			2400 430263	342	101000

05/31/18
11:43:12

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Page: 3 of 16
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19	05/25/18	5/18 Electric Bill		3,834.51			5210 430500	342	101000
20	05/25/18	5/18 Electric Bill		369.22			5310 430600	342	101000
21	05/25/18	5/18 Electric Bill		334.77			2936 460463	342	101000
22	05/25/18	5/18 Electric Bill		193.01			5410 430840	342	101000
170826		01851 CT CLEANING		1,200.00					
1	05/31/18	5/18 Janitorial Service		70.00			1000 411202	390	101000
2	05/31/18	5/18 Janitorial Service		70.00			5210 430520	390	101000
3	05/31/18	5/18 Janitorial Service		70.00			5310 430620	390	101000
4	05/31/18	5/18 Janitorial Service		70.00			5410 430820	390	101000
5	05/31/18	5/18 CC Janitorial Service		800.00			1000 460442	300	101000
6	05/31/18	5/18 Williamson Bldg Service		120.00			2936 460463	300	101000
170827		01388 3 RIVERS COMMUNICATIONS INC		985.25					
1	05/01/18	5/18 phone bill		12.39			1000 420500	344	101000
2	05/01/18	5/18 phone bill		36.70			1000 410550	344	101000
3	05/01/18	5/18 phone bill		36.71			5210 430570	344	101000
4	05/01/18	5/18 phone bill		36.70			5310 430670	344	101000
5	05/01/18	5/18 phone bill		36.70			5410 430870	344	101000
6	05/01/18	5/18 phone bill		24.03			1000 430200	344	101000
7	05/01/18	5/18 phone bill		24.03			5210 430500	344	101000
8	05/01/18	5/18 phone bill		24.03			5310 430600	344	101000
9	05/01/18	5/18 phone bill		24.04			5410 430830	344	101000
10	05/01/18	5/18 phone bill		96.76*			1000 460465	300	101000
11	05/01/18	5/18 phone bill		15.05			1000 411050	344	101000
12	05/01/18	5/18 phone bill		164.16			1000 460442	344	101000
13	05/01/18	5/18 phone bill		64.60			1000 420400	344	101000
14	05/01/18	5/18 phone bill		64.60			1000 420401	344	101000
15	05/01/18	5/18 phone bill		4.74			1000 410200	344	101000
16	05/01/18	5/18 phone bill		4.74			5210 430512	344	101000
17	05/01/18	5/18 phone bill		4.75			5310 430612	344	101000
18	05/01/18	5/18 phone bill		4.74			5410 430812	344	101000
19	05/01/18	5/18 phone bill		45.93			1000 460445	344	101000
20	05/01/18	5/18 phone bill		136.70			5310 430600	344	101000
21	05/01/18	5/18 phone bill		33.48			5210 430500	344	101000
22	05/01/18	5/18 phone bill		56.19			5210 430500	344	101000
23	05/01/18	5/18 phone bill		33.48			5210 430500	344	101000
170828		02368 OPTUM		12.75					
1	959976526	05/15/18 HSA Service Fee		3.18			1000 410550	300	101000
2	959976526	05/15/18 HSA Service Fee		3.19			5210 430570	300	101000
3	959976526	05/15/18 HSA Service Fee		3.19			5310 430670	300	101000
4	959976526	05/15/18 HSA Service Fee		3.19			5410 430870	300	101000

05/31/18
11:43:12

CITY OF SHELBY
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Claim Line #	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170829	25014S	00144	POSTMASTER	303.68					
1	05/23/18	5/18	UB Postage	101.22			5210 430570	310	101000
2	05/23/18	5/18	UB Postage	101.23			5310 430670	310	101000
3	05/23/18	5/18	UB Postage	101.23			5410 430870	310	101000
170830		02389	WELLS FARGO VENDOR FIN SERV	127.70					
			Serial #6507270X						
1	68394868	05/20/18	5/18 Sharp MX-350 Copier-Sho	31.92		31456	1000 430200	200	101000
2	68394868	05/20/18	5/18 Sharp MX-350 Copier-Sho	31.92		31456	5210 430500	200	101000
3	68394868	05/20/18	5/18 Sharp MX-350 Copier-Sho	31.93		31456	5310 430600	200	101000
4	68394868	05/20/18	5/18 Sharp MX-350 Copier-Sho	31.93*		31456	5410 430830	200	101000
170831		00048	TOOLE COUNTY CLERK & RECORDER	52,514.70					
1	04/30/18		Animal Control-cell phone	23.04			1000 440600	344	101000
2	04/30/18		City Judge & Sec-Wages	2,261.31			1000 410360	100	101000
3	04/30/18		City Judge&Sec-Social Security	139.09			1000 410360	141	101000
4	04/30/18		City Judge & Sec-Medicare	32.53			1000 410360	142	101000
5	04/30/18		City Judge & Sec-PERS	191.54*			1000 410360	143	101000
6	04/30/18		City Judge&Sec-UnemploymentIns	4.40			1000 410360	145	101000
7	04/30/18		City Judge & Sec-Worker's Comp	15.97			1000 410360	146	101000
8	04/30/18		City Judge-Health Insurance	363.50			1000 410360	147	101000
9	04/30/18		City Judge-Supplies	47.77			1000 410360	200	101000
10	04/30/18		City Judge-Phone	20.51			1000 410360	344	101000
11	04/30/18		City Judge-Travel & Education	75.00			1000 410360	370	101000
12	04/30/18		Community Development-cell	52.26			1000 411050	344	101000
13	04/30/18		Building-cell phone	23.18			1000 420500	344	101000
14	04/30/18		Law Enforcement	34,370.00			1000 420000	300	101000
15	04/30/18		Law Enforcement	4,910.00			5210 420100	300	101000
16	04/30/18		Law Enforcement	4,910.00			5310 420100	300	101000
17	04/30/18		Law Enforcement	4,910.00			5410 420100	300	101000
18	04/30/18		Supt/Foreman/Shop On-call cell	32.70			1000 430200	344	101000
19	04/30/18		Supt/Foreman/Shop On-call cell	32.70			5210 430500	344	101000
20	04/30/18		Supt/Foreman/Shop On-call cell	32.70			5310 430600	344	101000
21	04/30/18		Supt/Foreman/Shop On-call cell	32.70			5410 430830	344	101000
22	04/30/18		Water Department-cell phone	33.80			5210 430500	344	101000
170832		01180	CULLIGAN	20.00					
1	98151	04/05/18	CFD-Solar Salt Delivery	20.00*		31408	1000 420400	300	101000

* ... Over spent expenditure

Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170833		01946 ALL SEASON HEATING & AIR	61.20					
1	31080	04/26/18 CFD-(2)Filters	61.20*		31409	1000 420400	200	101000
170834		01988 FIELDSTONE OFFICE SUPPLY	30.00					
1	120252	05/09/18 Ink Cartridge	30.00		30847	1000 460442	200	101000
170835		00512 MT DEPARTMENT OF ADMINISTRATION	170.00					
1	6987	05/07/18 Late AFR Filing Fee	42.50			1000 410550	300	101000
2	6987	05/07/18 Late AFR Filing Fee	42.50			5210 430570	300	101000
3	6987	05/07/18 Late AFR Filing Fee	42.50			5310 430670	300	101000
4	6987	05/07/18 Late AFR Filing Fee	42.50			5410 430870	300	101000
170836		01620 KADRMAS, LEE & JACKSON INC.	1,775.11					
1	10099938	05/10/18 Storm Water-Construction Adm	527.41			5720 430246	950 2283	101000
2	10099938	05/10/18 Storm Water-RPR	1,247.70			5720 430246	950 2283	101000
170837		01620 KADRMAS, LEE & JACKSON INC.	6,345.97					
1	10099826	05/09/18 Rail Safety-Project Initiati	54.66			1000 470120	790	101000
2	10099826	05/09/18 Rail Safety-Prelim/FinalDesi	6,291.31			1000 470120	790	101000
170838		01620 KADRMAS, LEE & JACKSON INC.	1,845.94					
1	10099939	05/10/18 WW Treatment Design	1,845.94			5310 430601	950 2282	101000
170839		02390 HUMIC	13,200.00					
		Big Sky Economic Development Trust Fund						
1	05/09/18	BSTF Job Creation Grant	13,200.00			2320 470300	790	101000
170840		02403 MARIAS VALLEY ARCHERY CLUB	3,000.00					
1	05/08/18	TBID-Winter Shoot	3,000.00			7199 212500		101000
170841		00134 MARIAS VALLEY GOLF & COUNTRY	7,000.00					
1	05/08/18	TBID-Summer Tourney Events	7,000.00			7199 212500		101000
170842		01805 SYSTEMS	2,175.00					
1	30407	05/08/18 4/18-6/18 Quarterly Fee	366.36		30948	1000 410550	300	101000
2	30407	05/08/18 4/18-6/18 Quarterly Fee	366.36		30948	5210 430570	300	101000
3	30407	05/08/18 4/18-6/18 Quarterly Fee	366.39		30948	5310 430670	300	101000
4	30407	05/08/18 4/18-6/18 Quarterly Fee	366.39		30948	5410 430870	300	101000
5	30407	05/08/18 4/18-6/18 Quarterly Fee	202.50		30948	1000 460442	300	101000
6	30407	05/08/18 4/18-6/18 Quarterly Fee	202.50		30948	1000 411050	300	101000
7	30407	05/08/18 4/18-6/18 Quarterly Fee	76.11		30948	1000 430200	300	101000
8	30407	05/08/18 4/18-6/18 Quarterly Fee	76.11		30948	5210 430500	300	101000
9	30407	05/08/18 4/18-6/18 Quarterly Fee	76.14		30948	5310 430600	300	101000
10	30407	05/08/18 4/18-6/18 Quarterly Fee	76.14		30948	5410 430840	300	101000

05/31/18
11:43:12

CITY OF SHELBY
Claim Details
For the Accounting Period: 5/18

Page: 6 of 16
Report ID: AP100

* ... Over spent expenditure

Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170843		01650 PETTY CASHIER	81.88					
1	05/10/18	TBID-Pizza Hut	81.88			7199 212500		101000
170844		999998 JADE M GOROSKI	374.45					
		MMCT & FOA Institute - Billings, MT - 5/8-5/10/18						
1	05/14/18	Mileage/Meals-Goroski	93.61			1000 410550	370	101000
2	05/14/18	Mileage/Meals-Goroski	93.61			5210 430570	370	101000
3	05/14/18	Mileage/Meals-Goroski	93.62			5310 430670	370	101000
4	05/14/18	Mileage/Meals-Goroski	93.61			5410 430870	370	101000
170845	-98784E	02432 HILTON GARDEN INN BILLINGS	302.92					
		MMCT & FOA Institute - Billings, MT - 5/8-5/10/18						
1	345563 05/10/18	MMCT & FOA Lodging-Goroski	75.73			1000 410550	370	101000
2	345563 05/10/18	MMCT & FOA Lodging-Goroski	75.73			5210 430570	370	101000
3	345563 05/10/18	MMCT & FOA Lodging-Goroski	75.73			5310 430670	370	101000
4	345563 05/10/18	MMCT & FOA Lodging-Goroski	75.73			5410 430870	370	101000
170846		01984 BIG SKY CREATIVE WORKS	80.00					
1	2018-0516 05/16/18	TBID-Banner	80.00			7199 212500		101000
170847		01270 STIRLING WEB DESIGN	411.25					
1	263 05/17/18 11/17-5/17/18	Website Update	102.81			1000 410550	300	101000
2	263 05/17/18 11/17-5/17/18	Website Update	102.82			5210 430570	300	101000
3	263 05/17/18 11/17-5/17/18	Website Update	102.81			5310 430670	300	101000
4	263 05/17/18 11/17-5/17/18	Website Update	102.81			5410 430870	300	101000
170848		01783 CARPET GUYS LLC	909.18					
1	1096 05/05/18	City Hall Carpet Cleaning	118.93		30949	1000 410550	300	101000
2	1096 05/05/18	City Hall Carpet Cleaning	118.93		30949	5210 430570	300	101000
3	1096 05/05/18	City Hall Carpet Cleaning	118.94		30949	5310 430670	300	101000
4	1096 05/05/18	City Hall Carpet Cleaning	118.94		30949	5410 430870	300	101000
5	1096 05/05/18	City Hall Carpet Cleaning	101.94		30949	1000 410100	300	101000
6	1096 05/05/18	City Hall Carpet Cleaning	101.95		30949	5210 430511	300	101000
7	1096 05/05/18	City Hall Carpet Cleaning	101.95		30949	5310 430611	300	101000
8	1096 05/05/18	City Hall Carpet Cleaning	101.95		30949	5410 430811	300	101000
9	1096 05/05/18	City Hall Carpet Cleaning	6.41		30949	1000 410200	300	101000
10	1096 05/05/18	City Hall Carpet Cleaning	6.42		30949	5210 430512	300	101000
11	1096 05/05/18	City Hall Carpet Cleaning	6.41		30949	5310 430612	300	101000
12	1096 05/05/18	City Hall Carpet Cleaning	6.41		30949	5410 430812	300	101000

05/31/18
11:43:12

CITY OF SHELBY
Claim Details
For the Accounting Period: 5/18

Page: 7 of 16
Report ID: AP100

* ... Over spent expenditure

Claim Line #	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170849	25015S	00144	POSTMASTER	338.69					
1	05/24/18	6/18 Newsletter - 1174		84.67			1000 410240	310	101000
2	05/24/18	6/18 Newsletter - 1174		84.67			5210 430514	310	101000
3	05/24/18	6/18 Newsletter - 1174		84.67			5310 430614	310	101000
4	05/24/18	6/18 Newsletter - 1174		84.68			5410 430814	310	101000
170850		00213	HIGHLINE COMMUNICATIONS	45.00					
1	78982	04/30/18 RFD-Service Handheld Radio		45.00		31410	1000 420401	300	101000
170851		00041	SHELBY PROMOTER	150.00					
1	SL80802	02/21/18 Invitation to Bid Wastewater		128.00			5310 430601	950 2282	101000
2	SL82102	05/23/18 Bid 3,000 Tons of Asphalt		22.00			1000 430200	300	101000
170852		01201	U S BANK	45,113.75					
1	1051399	05/10/18 2012 Sidewalk SID-Principal		40,000.00*			2550 490528	610	101000
2	1051399	05/10/18 2012 Sidewalk SID-Interest		5,113.75			2550 490528	620	101000
170853		01201	U S BANK	87,442.50					
			New Fire Hall Bonds						
1	1052099	05/10/18 G O Bonds. Ser06 - Prin		80,000.00			3035 490100	610	101000
2	1052099	05/10/18 G O Bonds. Ser06 - Int		7,442.50			3035 490100	620	101000
170854	-98783E	01998	DISCOUNT MUGS	236.00					
1	DM3253044	05/02/18 (275)Water Bottles-SRTS		236.00			1000 362002		101000
170855		01780	MONTANA BROOM & BRUSH	339.54					
1	1284744	05/09/18 Towel/Toilet Paper/Cleaner		339.54*		31463	1000 460445	200	101000
170856		01725	2M COMPANY INC	1,199.30					
1	1161869000	05/17/18 Nozzles/Joints/Fittings/Ro		1,141.70		31461	1000 460430	200	101000
2	1161869001	05/24/18 Joints		57.60		31461	1000 460430	200	101000
170857		00034	NORMONT EQUIPMENT CO	1,247.30					
1	17293	05/15/18 Gutter Brooms/Squeegee		1,247.30		31459	1000 430200	200	101000
170858		02012	SHOPKO	51.55					
1	5879	05/15/18 Liners/Bulbs/Detergent		51.55*		31457	1000 460439	200	101000
170859		00026	MARIAS RIVER ELECTRIC COOP INC	192.40					
1	1839	05/17/18 Repair Meter Box		192.40		31455	5410 430830	300	101000

05/31/18
11:43:12

CITY OF SHELBY
Claim Details
For the Accounting Period: 5/18

Page: 8 of 16
Report ID: AP100

* ... Over spent expenditure

Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170860		02362 BARBER ELECTRIC	520.00					
1	1148	05/28/18 Wire Circuit for UV System	520.00*		31465	1000 460445	369	101000
170861		00070 HO MOTOR SUPPLY	49.99					
1	510256488	05/10/18 12pc Hex Set	49.99		31466	5410 430840	200	101000
170862		01876 TITAN MACHINERY	377.44					
1	10852296	05/16/18 Dirt Shoe Assy/Tension Sprin	377.44		31453	1000 430200	200	101000
170863		1623 FICO	526.90					
1	15928	05/04/18 BCX Repair	526.90*		31452	1000 460465	369	101000
170864		01724 RAILROAD MANAGEMENT COMPANY III	214.01					
1	370146	04/30/18 8" Water Pipeline Cross Rent	214.01		31451	5210 430500	300	101000
170865		01903 1ST CHOICE PLUMBING LLC	115.00					
1	5706	05/08/18 Auger Toilet at Lake Sheloole	115.00		31400	1000 460439	369	101000
170866	25016S	02099 BIEGLER, JENNIFER	1,150.00					
1	05/30/18	(7)New Applicants Training	1,050.00*			1000 460445	300	101000
2	05/30/18	(2)Recertifications	100.00*			1000 460445	300	101000
170867		00037 NORTHWEST PIPE FITTINGS INC	3,738.60					
1	2963983-1	05/07/18 (5)Tee	61.60*		31396	1000 460445	200	101000
2	2963983	05/07/18 Valve/Tee/Elbow/Coupling/Pipe	870.15*		31396	1000 460445	200	101000
3	3973445	05/15/18 (2)2" E-Coder Meters	1,723.98		31396	5210 430500	200	101000
4	2975388	05/22/18 (2)Socket Ball Valves	460.04*		31396	1000 460445	200	101000
5	3960244	05/09/18 1.5" E-Coder Meter	622.83		31396	5210 430500	200	101000
170868	-98782E	01545 AMAZON.COM	81.03					
1	1134234925	05/18/18 Multi-Purpose Strap Wrench	81.03*		31395	1000 460445	200	101000
170869	-98781E	01545 AMAZON.COM	24.95					
1	1114662371	05/17/18 Swim Lessons DVD Set	24.95*		31395	1000 460445	200	101000
170870	-98780E	01545 AMAZON.COM	112.10					
1	1130526749	05/10/18 Tork 1101 Time Switch	112.10*		31395	1000 460445	200	101000

* ... Over spent expenditure

Claim Line #	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170871	-98779E	01545	AMAZON.COM	63.71					
1	1130729120	05/10/18	Direction Flow Tape/Dial T	63.71*		31395	1000 460445	200	101000
170872		02097	FASTENAL COMPANY	161.25					
1	191859	05/08/18	Gloves	22.00		31394	1000 430200	200	101000
2	191859	05/08/18	Gloves	22.00		31394	5210 430500	200	101000
3	191859	05/08/18	Gloves	22.00		31394	5310 430600	200	101000
4	191859	05/08/18	Gloves	22.00		31394	5410 430840	200	101000
5	191858	05/08/18	Terminals/Washers/Hex Nuts	18.32		31394	1000 430200	200	101000
6	191858	05/08/18	Terminals/Washers/Hex Nuts	18.31		31394	5210 430500	200	101000
7	191858	05/08/18	Terminals/Washers/Hex Nuts	18.31		31394	5310 430600	200	101000
8	191858	05/08/18	Terminals/Washers/Hex Nuts	18.31		31394	5410 430840	200	101000
170873		00088	CARQUEST AUTO PARTS	67.34					
1	2567279133	05/07/18	Antifreeze	56.97*		31393	1000 460445	200	101000
2	2567279179	08/08/18	Coupling/Coupler	6.18		31393	1000 430200	200	101000
3	2567279286	05/10/18	Hex Bit	4.19*		31393	5410 430830	200	101000
170874	-98778E	02433	ALL SKIDSTEERS INC	1,141.21					
1	73616	05/03/18	F Series Door Kit	285.30		31392	1000 430200	200	101000
2	73616	05/03/18	F Series Door Kit	285.30		31392	5210 430500	200	101000
3	73616	05/03/18	F Series Door Kit	285.30		31392	5310 430600	200	101000
4	73616	05/03/18	F Series Door Kit	285.31		31392	5410 430840	200	101000
170875		02334	BEN TAYLOR INC.	2,808.43					
1	642885	05/07/18	Kerosene	107.80		31386	1000 430200	230	101000
2	642885	05/07/18	Kerosene	107.80*		31386	5210 430500	230	101000
3	642885	05/07/18	Kerosene	107.80*		31386	5310 430600	230	101000
4	642885	05/07/18	Kerosene	107.80*		31386	5410 430840	230	101000
5	642892	05/08/18	Diesel	1,514.69*		31387	5410 430840	230	101000
6	642940	05/16/18	Powerdrive/Megaplex	862.54*		31388	5410 430840	230	101000
170876		02376	MOBILE TWI LLC	145.00					
1	050718C	05/07/18	DOT Urine Screen/DOT Breath	36.25		31389	1000 430200	300	101000
2	050718C	05/07/18	DOT Urine Screen/DOT Breath	36.25		31389	5210 430500	300	101000
3	050718C	05/07/18	DOT Urine Screen/DOT Breath	36.25		31389	5310 430600	300	101000
4	050718C	05/07/18	DOT Urine Screen/DOT Breath	36.25		31389	5410 430830	300	101000
170877		02045	NAPA AUTO PARTS	936.22					
1	91718	04/11/18	Air Freshener	6.58*		31390	5410 430830	200	101000
2	91406	04/06/18	Hammer/Ratchet Set	143.52		31390	5210 430500	200	101000
3	91296	04/04/18	Filters	21.60		31390	1000 430200	200	101000
4	91296	04/04/18	Filters	21.59		31390	5210 430500	200	101000
5	91296	04/04/18	Filters	21.59		31390	5310 430600	200	101000

05/31/18
11:43:12

CITY OF SHELBY
Claim Details
For the Accounting Period: 5/18

Page: 10 of 16
Report ID: AP100

* ... Over spent expenditure

Claim Line #	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
6	91296	04/04/18	Filters	21.59		31390	5410 430840	200	101000
7	91266	04/03/18	Battery	101.70		31390	1000 430200	200	101000
8	91274	04/04/18	Control Arm Bumper	40.92		31390	5210 430500	200	101000
9	91405	04/06/18	Ratchets	14.32		31390	1000 430200	200	101000
10	91405	04/06/18	Ratchets	14.34		31390	5210 430500	200	101000
11	91405	04/06/18	Ratchets	14.34		31390	5310 430600	200	101000
12	91405	04/06/18	Ratchets	14.34		31390	5410 430840	200	101000
13	92501	04/25/18	Filter	23.36		31390	5410 430840	200	101000
14	91590	04/10/18	Adapters	8.76		31390	5410 430840	200	101000
15	91381	04/05/18	Drivealign Auto	10.62		31390	1000 430200	200	101000
16	91381	04/05/18	Drivealign Auto	10.64		31390	5210 430500	200	101000
17	91381	04/05/18	Drivealign Auto	10.64		31390	5310 430600	200	101000
18	91381	04/05/18	Drivealign Auto	10.64		31390	5410 430840	200	101000
19	91380	04/05/18	U-Joint Kit	95.68		31391	5410 430840	200	101000
20	91428	04/06/18	16JIC	24.48		31391	5410 430840	200	101000
21	91525	04/09/18	CREDIT-Spicer	-10.01		31391	5410 430840	200	101000
22	91511	04/09/18	Spicer	20.02		31391	5410 430840	200	101000
23	92548	04/25/18	Shop Towels	1.99*		31391	5410 430830	200	101000
24	91978	04/16/18	Lamp	8.93*		31391	5410 430830	200	101000
25	92029	04/17/18	Lamp	3.08*		31391	5410 430830	200	101000
26	91823	04/13/18	Silicone Black	11.98		31391	1000 430200	200	101000
27	91823	04/13/18	Silicone Black	12.00		31391	5210 430500	200	101000
28	91823	04/13/18	Silicone Black	12.00		31391	5310 430600	200	101000
29	91823	04/13/18	Silicone Black	12.00		31391	5410 430840	200	101000
30	91509	04/09/18	Batteries	12.49		31391	5410 430840	200	101000
31	92090	04/18/18	Oil Filter	0.91		31391	1000 430200	200	101000
32	92090	04/18/18	Oil Filter	0.92		31391	5210 430500	200	101000
33	92090	04/18/18	Oil Filter	0.92		31391	5310 430600	200	101000
34	92090	04/18/18	Oil Filter	0.92		31391	5410 430840	200	101000
35	92957	05/02/18	Filters	94.54		31391	5410 430840	200	101000
36	93706	05/14/18	Coupling	3.70		31391	1000 430200	200	101000
37	92958	05/02/18	Valve Flipper	28.13		31391	5410 430840	200	101000
38	93352	05/08/18	Seals	4.08		31391	1000 430200	200	101000
39	91296	04/04/18	Filters	21.60		31391	1000 430200	200	101000
40	91296	04/04/18	Filters	21.59		31391	5210 430500	200	101000
41	91296	04/04/18	Filters	21.59		31391	5310 430600	200	101000
42	91296	04/04/18	Filters	21.59		31391	5410 430840	200	101000
170878		02412 CORE & MAIN		2,148.00					
1	I254661	02/14/18	Seal	2,148.00		31399	5210 430500	200	101000

* ... Over spent expenditure

Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170879		01866 SHELBY PAINT AND HARDWARE	292.89					
1	62852	04/24/18 Sump Pump	84.99		31460	5210 430500	200	101000
2	62749	04/24/18 Clips	15.96*		31460	1000 460439	200	101000
3	62853	04/25/18 Flood Bulb	24.99		31460	2936 460463	200	101000
4	11574	04/26/18 Epoxy	5.99		31460	5210 430500	200	101000
5	62835	05/30/18 Cleaner/Gloves/Mask	19.96*		31460	1000 460439	200	101000
6	62841	04/30/18 Rope/Hook	20.47		31460	5310 430600	200	101000
7	62844	05/01/18 Batteries	17.99		31460	5210 430500	200	101000
8	62918	05/04/18 Eureka Bags	2.48		31460	1000 430200	200	101000
9	62918	05/04/18 Eureka Bags	2.50		31460	5210 430500	200	101000
10	62918	05/04/18 Eureka Bags	2.50		31460	5310 430600	200	101000
11	62918	05/04/18 Eureka Bags	2.50		31460	5410 430840	200	101000
12	62911	05/03/18 Hole Cover	5.49		31460	5310 430600	200	101000
13	62917	05/05/18 Bleach	0.98		31460	1000 430200	200	101000
14	62917	05/05/18 Bleach	1.00		31460	5210 430500	200	101000
15	62917	05/05/18 Bleach	1.00		31460	5310 430600	200	101000
16	62917	05/05/18 Bleach	1.00		31460	5410 430840	200	101000
17	62897	05/10/18 Tote/Hex Keys	21.98*		31460	1000 460445	200	101000
18	62898	05/10/18 Bulbs	14.27		31460	2936 460463	200	101000
19	62938	05/07/18 Collar/Elbow	0.88		31460	1000 430200	200	101000
20	63210	05/13/18 Mosquito Spray	21.98*		31460	1000 460439	200	101000
21	63231	05/16/18 Sunscreen	11.99*		31460	1000 460439	200	101000
22	63242	05/16/18 Insect Killer	11.99*		31460	1000 460439	200	101000
170880		01125 MT DEQ/PERMITTING & COMPLIANCE	280.00					
		Skartved #5738 - Postma #8055 - Correa #8300 - Roark #5129						
1	5R1802111	05/07/18 Drinking WaterRenewal-Skart	30.00		31398	5210 430500	300	101000
2	5R1802111	05/07/18 Wastewater Renewal-Skartved	40.00		31398	5310 430600	300	101000
3	5R1802924	05/07/18 Drinking Water Renewal-Post	30.00		31398	5210 430500	300	101000
4	5R1802924	05/07/18 Wastewater Renewal-Postma	40.00		31398	5310 430600	300	101000
5	5R1803083	05/07/18 Drinking Water Renewal-Corr	30.00		31398	5210 430500	300	101000
6	5R1803083	05/07/18 Wastewater Renewal-Correa	40.00		31398	5310 430600	300	101000
7	5R1801815	05/07/18 Drinking WaterRenewal-Roark	30.00		31398	5210 430500	300	101000
8	5R1801815	05/07/18 Wastewater Renewal-Roark	40.00		31398	5310 430600	300	101000
170881		00703 RECREATION SUPPLY CO	21,546.01					
		Chlorinator & UV Approved at 4/2/18 Council Meeting						
1	337949	04/28/18 Chlor-King UV System/Control	10,000.00		31462	1000 460445	900	101000
2	337949	04/28/18 Chlor-King UV System/Control	11,186.10		31462	2600 460400	900	101000
3	338641	05/07/18 Lanyards/Whistles	33.27*		31462	1000 460445	200	101000
4	339767	05/18/18 GLB Clear Blue Quart	326.64*		31462	1000 460445	200	101000

05/31/18
11:43:12

CITY OF SHELBY
Claim Details
For the Accounting Period: 5/18

Page: 12 of 16
Report ID: AP100

* ... Over spent expenditure

Claim Line #	Check	Invoice #/Inv Date/Description	Vendor #/Name/ Line \$	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170882	-98777E	01545 AMAZON.COM		17.22					
1	1135319516	05/07/18 Directional Flow Arrow Tap		17.22*		31468	1000 460445	200	101000
170883		01289 T & T DIESEL & AUTO REPAIR		1,572.59					
1	15989	05/21/18 Garbage Truck Repairs		253.75		31467	5410 430830	300	101000
2	15968	05/10/18 New Garbage Truck Repairs		686.34		31467	5410 430830	300	101000
3	15982	05/18/18 Garbage Truck Repairs		632.50		31467	5410 430830	300	101000
170884		01663 SHELBY GLASS & DOOR INC		6,000.00					
		East Side Swimming Pool 3 Windows							
1	280	04/04/18 Final-Pool Window Replacement		3,000.00*			1000 460445	369	101000
2	280	04/04/18 Final-Pool Window Replacement		3,000.00*			2600 460400	369	101000
# of Claims			71	Total:	294,019.65				
Total Electronic Claims				3,693.39	Total Non-Electronic Claims		290326.26		

* ... Over spent expenditure

Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
*** Claim from another period (5/16) ****								
150956		01620 KADRMAS, LEE & JACKSON INC.	18,700.25					
1	10068069	04/20/16 Humic Water Main Extension	18,700.25			5210 430500	950 2284	101000
*** Claim from another period (5/16) ****								
150957		01620 KADRMAS, LEE & JACKSON INC.	6,058.57					
1	10068070	04/20/16 Humic Water Main Extension	6,058.57			5210 430500	950 2284	101000
*** Claim from another period (5/16) ****								
150958		01620 KADRMAS, LEE & JACKSON INC.	7,935.90					
1	10068071	04/20/16 Humic Water Main Extension	7,935.90			5210 430500	950 2284	101000
*** Claim from another period (5/16) ****								
150965		01620 KADRMAS, LEE & JACKSON INC.	540.33					
1	10069189	05/13/16 Humic Water Main Extension	540.33			5210 430500	950 2284	101000
*** Claim from another period (5/16) ****								
150966		01620 KADRMAS, LEE & JACKSON INC.	3,294.50					
1	10069190	05/13/16 Humic Water Main Extension	3,294.50			5210 430500	950 2284	101000
*** Claim from another period (5/16) ****								
150967		01620 KADRMAS, LEE & JACKSON INC.	1,555.29					
1	10069191	05/13/16 Humic Water Main Extension	1,555.29			5210 430500	950 2284	101000
*** Claim from another period (6/16) ****								
151055		01620 KADRMAS, LEE & JACKSON INC.	4,561.75					
1	10071000	06/27/16 Humic Water Main Extension	4,561.75			5210 430500	950 2284	101000
*** Claim from another period (1/17) ****								
160514		01620 KADRMAS, LEE & JACKSON INC.	1,987.13					
1	10079542	01/10/17 Humic Water Main Extension	1,987.13			5210 430501	950 2284	101000
*** Claim from another period (7/17) ****								
170043		01620 KADRMAS, LEE & JACKSON INC.	3,583.68					
1	10087058	07/10/17 Humic Water Main Extension	3,583.68			5210 430501	950 2284	101000
*** Claim from another period (7/17) ****								
170044		01620 KADRMAS, LEE & JACKSON INC.	322.31					
1	10087059	07/10/17 Humic Water Main Extension	322.31			5210 430501	950 2284	101000
*** Claim from another period (9/17) ****								
170200		01620 KADRMAS, LEE & JACKSON INC.	6,100.00					
1	10089697	09/07/17 Humic Water Main Extension	6,100.00			5210 430501	950 2284	101000
*** Claim from another period (10/17) ****								
170285		01620 KADRMAS, LEE & JACKSON INC.	2,372.72					
1	10090703	10/04/17 WW Treatment Design	2,372.72			5310 430601	950 2282	101000
*** Claim from another period (11/17) ****								
170372		01620 KADRMAS, LEE & JACKSON INC.	200.02					
1	10092604	11/08/17 WW Treatment Design	200.02			5310 430601	950 2282	101000

* ... Over spent expenditure

Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
*** Claim from another period (1/18) ****								
170557		01620 KADRMAS, LEE & JACKSON INC.	192.03					
1	10095261	01/15/18 WW Treatment Design	192.03			5310 430601	950 2282	101000
*** Claim from another period (2/18) ****								
170591		01620 KADRMAS, LEE & JACKSON INC.	5,072.97					
1	10096469	02/08/18 WW Treatment Design	5,072.97			5310 430601	950 2282	101000
*** Claim from another period (3/18) ****								
170674		01620 KADRMAS, LEE & JACKSON INC.	7,589.06					
1	10097450	03/06/18 WW Treatment Design	7,589.06			5310 430601	950 2282	101000
*** Claim from another period (3/18) ****								
170676		01620 KADRMAS, LEE & JACKSON INC.	21,061.71					
1	10097598	03/09/18 Rail Safety-Project Initiati	17,385.64			1000 470120	790	101000
2	10097598	03/09/18 Rail Safety-Prelim/FinalDesi	3,676.07			1000 470120	790	101000
*** Claim from another period (4/18) ****								
170779		01620 KADRMAS, LEE & JACKSON INC.	9,748.69					
1	10098779	04/11/18 Rail Safety-Prelim/FinalDesi	9,748.69			1000 470120	790	101000
*** Claim from another period (4/18) ****								
170786		01620 KADRMAS, LEE & JACKSON INC.	514.18					
1	10099076	04/19/18 WW Treatment Design	514.18			5310 430601	950 2282	101000
170837		01620 KADRMAS, LEE & JACKSON INC.	6,345.97					
1	10099826	05/09/18 Rail Safety-Project Initiati	54.66			1000 470120	790	101000
2	10099826	05/09/18 Rail Safety-Prelim/FinalDesi	6,291.31			1000 470120	790	101000
170838		01620 KADRMAS, LEE & JACKSON INC.	1,845.94					
1	10099939	05/10/18 WW Treatment Design	1,845.94			5310 430601	950 2282	101000
# of Claims			71	Total:		109,583.00		

05/31/18
11:43:35

CITY OF SHELBY
Claim from Another Period Cancelled in this Period
For the Accounting Period: 5/18

Page: 15 of 16
Report ID: AP100

* ... Over spent expenditure

Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
*** Cancelled in 5/18 **** *** Claim from another period (11/17) ****								
170353		01620 KADRMAS, LEE & JACKSON INC. 228 Main St	750.00					
5/17/18 - Cancelled Check & Claim....KLJ rented apartment again.								
1		11/01/17 Apartment Deposit Refund	750.00			2936 362002		101000
# of Claims			1	Total:				750.00

Fund/Account	Amount
1000 GENERAL	
101000 Cash-Operating	\$75,344.28
2320 ECONOMIC DEVELOPMENT	
101000 Cash-Operating	\$13,200.00
2400 STREET LIGHTING DISTRICT NO. 35	
101000 Cash-Operating	\$3,873.66
2550 2012 CURB GUTTER & SIDEWALK SID	
101000 Cash-Operating	\$45,113.75
2600 PARK MAINTENANCE DISTRICT #1	
101000 Cash-Operating	\$14,186.10
2936 WILLIAMSON BLDG RENOVATIONS	
101000 Cash-Operating	\$-75.17
3035 2006 FIRE HALL G.O.B.	
101000 Cash-Operating	\$87,442.50
5210 WATER UTILITY	
101000 Cash-Operating	\$17,342.71
5310 SEWER UTILITY	
101000 Cash-Operating	\$11,374.71
5410 SOLID WASTE UTILITY	
101000 Cash-Operating	\$12,850.12
5720 STORM DRAINAGE	
101000 Cash-Operating	\$1,775.11
7199 TOURISM BUSINESS IMPROVEMENT DIST (TBID)	
101000 Cash-Operating	\$10,761.88
7427 SPECIALTY LICENSE PLATES (SHELBY)	
101000 Cash-Operating	\$80.00
Total:	\$293,269.65

Building Inspector Report May 2018

5/31/2018

Permit	Date	Zone	Name	Addition	Block	Lot	Address	Permit For	Evaluation	FEE	
4357	5/21/2018	LDR	Dave & Donna Whitt	Jean Lyon		4	815 Marias Ave	patio cover	5,000.00	111.00	
4358	5/23/2018	LDR	Don Fisher	Neely	4	1&2	976 Hill Ave	foundation and structure repair	25,000.00	391.00	
									\$ 30,000.00	\$ 502.00	
2 Permits issued this Month									Job Evaluation Totals		TOTALS

FISCAL YTD TOTALS	
Number of Permits	10
Permit Fees	\$ 9,086.00
Total Job Values	\$ 1,315,563.00

SAFETY COMMITTEE MEETING

May 16, 2018

8:30 a.m.

Present: City Hall–Jade Goroski and Tammy Pederson; Council Member–Bill Moritz; Public Works–Loren Skartved.

The minutes from the last meeting were reviewed.

Public Works – Superintendent Skartved will contact Shopko about repairing the potholes and billing them. A manhole by the community garden needs to be checked. The holiday Main Street banners need to be taken down. A yield sign along Prairie Street needs replaced. Discussed a camp host at Lake Shel-oole Campground. The swimming pool windows are on order. Having trouble scheduling the CPR classes for the new lifeguards. The swimming pool might not open until June 7.

The next meeting will be held Wednesday, June 20, 2018 @ 8:30 a.m. at City Hall.

Meeting adjourned at 8:50 a.m.

Reported by:

Tammy Pederson

MINUTES OF THE PARK & RECREATION COMMITTEE

Held at Shelby City Hall

May 29, 2018

In attendance: Gary McDermott, Loren Skartved, Luke Casey, Trent Tustian, Lyle Kimmet, Jade Goroski and Lorette Carter

City Superintendent Report:

- **Pool:** Loren reported the pool is ready and will be opening for the summer on Monday, June 4th. Shelby Glass is finishing up the east windows. The chlorinator and UV system are working well. We have received word from the Montana Fish Wildlife & Parks Land Water Conservation Program they will be making a site visit to review the gutter issues in anticipation of funding for replacement.
- **Civic Center:** City staff have moved some of the spinning bikes to Cindy's former office for use during Civic Center hours. Lyle has provided a list of materials needed to refinish the floor this summer.
- **Parks:** One seasonal worker has been mowing parks and public areas. The other 3 seasonal workers will begin June 4th.
- **Middle School:** Loren has been in contact with Border Protection Services who would like to use the school for officer training the weeks of June 18th and June 25th. The Committee directed Loren to review the request with City Attorney, Bill Hunt and include on the June 4th Council agenda for approval.
Trinity Dance Company will be using the Middle School for dance camps this summer. The City Council approved a \$50.00/month rental fee and proof of insurance.
- **Champions Park:** The parking lot will be paved as part of the summer paving project. The trees along the south end of the parking lot will be moved to other areas within Shelby and the old Cottonwood will be cut down. Lorette will ask Judy Richman at the Heritage Center if they would like one of the Oak trees to replace the dead tree in the courtyard City Hall and the Heritage Center share.
- **Mow Notices:** Loren reported mow notices will start the week of June 4th. They will canvas the North Side next week; East side the following week; and South side the third week. Notices will be posted on Thursdays. Rob Tasker will then call the following Wednesday to remind of mow notice and city crew will mow Thursday if property owners do not take care of yards. Lori at City Hall will have a list of mowers for property owners to access. We will post this information to the City Facebook page.

Tree Board:

- Arbor Day grant reporting has been completed and submitted as a program requirement.
- The City will work in partnership with the Toole County Extension Office this fall to conduct a tree pruning workshop.
- The grant agreement for the ADA Accessible Play Structure for the Swimming Pool complex has been received. I am now looking for a source for the rubber mulch for the base of the structure.

New Business:

- **Billboards:** The committee reviewed the two designs from Quell Design. The Shelby TBID has graciously agreed to pay for the design costs. The billboards will be replaced as per the lease agreement with Bob Hermance. Lorette will take suggestions to Raquel for revision.
- **Facility Use Agreement:** The committee reviewed the current Facility Use Agreement and Civic Center Checklist. After some discussion, the group directed Jade to verify MMIA approval of the current agreement. The group then moved to recommend to the City Council approval of the following for the Civic Center:
 - *Non-profit groups ~ Fee Waiver; Janitorial Fee
 - *For-profit groups ~ \$325.00 gym rental; Janitorial Fee

The table and chair deposits will remain in place.

The Middle School usage fee/janitorial fee was not discussed. The City will send out a request for janitorial services for Civic Center event cleaning.

- **City Campgrounds:** Lorette will check to make sure the Lake Sheloole Campground and Williamson Park camp site is included on the City website.

DRAFT 05/25/2018

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Shelby, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. _____ entitled: "RESOLUTION RELATING TO \$1,950,000 SEWER SYSTEM REVENUE BONDS (DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM), CONSISTING OF \$100,000 SUBORDINATE LIEN TAXABLE SERIES 2018A BOND AND \$1,850,000 SERIES 2018B BOND; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on June 4, 2018, and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: _____
_____; voted against the same: _____
_____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this _____ day of June, 2018.

City Finance Officer

SUPPLEMENTAL RESOLUTION

Relating to

\$1,950,000,000

SEWER SYSTEM REVENUE BONDS

(DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM)

CONSISTING OF \$100,000 SUBORDINATE LIEN TAXABLE SERIES 2018A BOND

AND \$1,850,000 SERIES 2018B BOND

CITY OF SHELBY, MONTANA

Adopted: June 4, 2018

TABLE OF CONTENTS

(For convenience only, not a part of this Supplemental Resolution)

	<u>Page</u>
RECITALS	1
ARTICLE I DEFINITIONS, RULES OF CONSTRUCTION AND APPENDICES	2
Section 1.1 Definitions	2
Section 1.2 Other Rules of Construction	9
Section 1.3 Appendices	9
ARTICLE II AUTHORIZATION, FINDINGS, REPRESENTATIONS AND COVENANTS	9
Section 2.1 Authorization and Findings	9
Section 2.2 Representations	11
Section 2.3 Covenants	13
Section 2.4 Covenants Relating to the Tax-Exempt Status of the State Bonds	15
Section 2.5 Maintenance of System; Liens	17
Section 2.6 Maintenance of Existence; Merger, Consolidation, Etc.; Disposition of Assets	17
ARTICLE III USE OF PROCEEDS; THE 2018 PROJECT	18
Section 3.1 Use of Proceeds	18
Section 3.2 The 2018 Project	18
Section 3.3 2018 Project Representations and Covenants	19
Section 3.4 Completion or Cancellation or Reduction of Costs of the 2018 Project	20
ARTICLE IV THE LOAN	20
Section 4.1 The Loan; Disbursement of Loan	20
Section 4.2 Commencement of Loan Term	23
Section 4.3 Termination of Loan Term	23
Section 4.4 Loan Closing Submissions	23
ARTICLE V REPAYMENT OF 2018 LOANS	23
Section 5.1 Repayment of 2018 Loans	23
Section 5.2 Additional Payments	26
Section 5.3 Prepayments	26
Section 5.4 Obligations of Borrower Unconditional	26
Section 5.5 Limited Liability	27
ARTICLE VI INDEMNIFICATION OF DNRC AND DEQ	27

ARTICLE VII ASSIGNMENT	27
Section 7.1 Assignment by Borrower	27
Section 7.2 Assignment by DNRC	28
Section 7.3 State Refunding Bonds.....	28
ARTICLE VIII THE SERIES 2018 BONDS	28
Section 8.1 Net Revenues Available.....	28
Section 8.2 Issuance and Sale of the Series 2018 Bonds	28
Section 8.3 Terms.....	29
Section 8.4 Negotiability, Transfer and Registration.....	29
Section 8.5 Execution and Delivery.....	29
Section 8.6 Form	30
ARTICLE IX SECURITY FOR THE SERIES 2018 BONDS	30
ARTICLE X TAX MATTERS	31
Section 10.1 Use of 2018 Project and System	31
Section 10.2 General Covenant.....	31
Section 10.3 Arbitrage Certification	31
Section 10.4 Arbitrage Rebate Exemption.....	31
Section 10.5 Information Reporting.....	32
Section 10.6 “Qualified Tax-Exempt Obligations	32
ARTICLE XI AMENDMENT AND IMPLEMENTATION	32
Section 11.1 Authorization.....	32
Section 11.2 Consent.....	32
Section 11.3 Amendments	32
Section 11.4 Effect of Amendments	33
ARTICLE XII CONTINUING DISCLOSURE	33
ARTICLE XIII MISCELLANEOUS	34
Section 13.1 Notices.....	34
Section 13.2 Binding Effect	35
Section 13.3 Severability	35
Section 13.4 Amendments	35
Section 13.5 Applicable Law	35
Section 13.6 Captions; References to Sections	35
Section 13.7 No Liability of Individual Officers, Directors or Trustees	35
Section 13.8 Payments Due on Holidays	35
Section 13.9 Right of Others To Perform Borrower’s Covenants	35
Section 13.10 Authentication of Transcript	36

Section 13.11 Repeals and Effective Date36

Signatures.....36

APPENDIX A – Description of the 2018 Project..... A-1

APPENDIX B-1 – Form of Series 2018A Bond B-1-1

APPENDIX B-2 – Form of Series 2018B Bond..... B-2-1

APPENDIX C – Additional Representations and Covenants.....C-1

APPENDIX D – Compliance Certificate and Request..... D-1

RESOLUTION NO. _____

RESOLUTION RELATING TO \$1,950,000 SEWER SYSTEM
REVENUE BONDS (DNRC WATER POLLUTION CONTROL
STATE REVOLVING LOAN PROGRAM), CONSISTING OF
\$100,000 SUBORDINATE LIEN TAXABLE SERIES 2018A
BOND AND \$1,850,000 SERIES 2018B BOND; AUTHORIZING
THE ISSUANCE AND FIXING THE TERMS AND
CONDITIONS THEREOF

WHEREAS, pursuant to the Water Pollution Control State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended (the "State Act"), the State of Montana (the "State") has established a revolving loan program (the "Program") to be administered by the Department of Natural Resources and Conservation of the State of Montana, an agency of the State (the "DNRC"), and by the Department of Environmental Quality of the State of Montana, an agency of the State (the "DEQ"), and has provided that a water pollution control state revolving fund (the "Revolving Fund") be created within the state treasury and all federal, state and other funds for use in the Program be deposited into the Revolving Fund, including, but not limited to, all federal grants for capitalization of a state water pollution control revolving fund under the Federal Water Pollution Control Act (the "Clean Water Act"), all repayments of assistance awarded from the Revolving Fund, interest on investments made on money in the Revolving Fund and payments of principal of and interest on loans made from the Revolving Fund; and

WHEREAS, the State Act provides that funds from the Program shall be disbursed and administered for the purposes set forth in the Clean Water Act and according to rules adopted by the DEQ and the DNRC; and

WHEREAS, the current EPA Capitalization Grant (as hereinafter defined) requires that loans under the Program funded in whole or in part by such grant in the aggregate and not on a loan-by-loan basis be structured in such a way that a percentage of the total proceeds of such grant be subject to loan forgiveness; and

WHEREAS, the City of Shelby, Toole County, Montana (the "Borrower") has applied to the DNRC for the 2018 Loans (as hereinafter defined) from the Revolving Fund to enable the Borrower to finance, refinance or reimburse itself for the costs of the 2018 Project (as hereinafter defined) which will carry out the purposes of the Clean Water Act, to fund a deposit to the Bond Repayment Reserve Account (as hereinafter defined) and to pay costs of issuance of the Series 2018 Bonds (as hereinafter defined); and

WHEREAS, the DNRC offered to make loans in the total principal amount of \$1,950,000 available to the Borrower, with one loan in the amount of \$100,000 contemplated to be forgiven in the event the Borrower satisfies certain conditions; and

WHEREAS, the Borrower contemplates issuing bonds in two series, one a Series 2018A Bond in the maximum principal amount of \$100,000 (the "Series 2018A Bond"), and the other a

Series 2018B Bond in the maximum principal amount of \$1,850,000 (the “Series 2018B Bond”); and

WHEREAS, provided that the Borrower complies with certain conditions for principal forgiveness, the Borrower’s obligation to repay the Series 2018A Bond will be forgiven; and

WHEREAS, the Borrower is authorized under applicable laws, ordinances and regulations to adopt this Supplemental Resolution and to issue the Series 2018 Bonds (as hereinafter defined) to evidence the 2018 Loans (as hereinafter defined) for the purposes set forth herein; and

WHEREAS, the DNRC will fund: (i) the 2018A Loan (as hereinafter defined) entirely from proceeds of the EPA Capitalization Grant, and (ii) the 2018B Loan (as hereinafter defined) in part, directly or indirectly, from proceeds of the EPA Capitalization Grant and in part, directly or indirectly, with proceeds of the State’s General Obligation Bonds (Water Pollution Control State Revolving Fund Program) (the “State Bonds”).

NOW, THEREFORE, BE IT RESOLVED BY THE BORROWER, AS FOLLOWS:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION AND APPENDICES

Section 1.1 Definitions. In this Resolution, unless a different meaning clearly appears from the context, terms used with initial capital letters but undefined in this Supplemental Resolution shall have the meanings given them in the Original Resolution (as amended by Article XI below), the Indenture, in Article XI below, or as follows:

“Accountant” or “Accountants” means an independent certified public accountant or a firm of independent certified public accountants satisfactory to the DNRC.

“Act” means Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as heretofore and hereafter amended or supplemented.

“Additional Bonds” means any Bonds issued pursuant to Article VI of the Original Resolution as then in effect, excluding Section 6.05 thereof, as such Article VI is amended by the 1994 Supplemental Resolution.

“Administrative Expense Surcharge” means, (i) in respect of the 2018B Loan, in any event, and (ii) in respect of the 2018A Loan, upon the delivery of a Noncompliance Statement as provided by this Supplemental Resolution, a surcharge equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2018 Loans from the date of each advance thereof, payable by the Borrower on a Payment Date.

“Authorized DNRC Officer” means the Director of the DNRC or his or her designee.

“Bond Counsel” means any Counsel nationally recognized as experienced in matters relating to the issuance by states or political subdivisions of tax-exempt obligations selected by the Borrower and acceptable to the DNRC.

“Bond Repayment Account” means the account created in the Sewer System Fund pursuant to Section 4.04 of the Original Resolution as then in effect, as amended by the 1994 Supplemental Resolution. For purposes of construing the Resolution, the “General Subaccount in the Bond Repayment Account” shall mean the “Bond Repayment Account,” in that the 1984 Subaccount therein is of no further force or effect.

“Bond Repayment Reserve Account” means the account created in the Sewer System Fund pursuant to Section 4.05 of the Original Resolution as then in effect, as amended by the 1994 Supplemental Resolution. For purposes of this Resolution, the “General Subaccount in the Bond Repayment Reserve Account” shall mean the “Bond Repayment Reserve Account,” in that the 1984 Subaccount therein is of no further force or effect.

“Bonds” means the Series 2001 Bond, the Series 2009B Bond, the Series 2009C Bond, the Series 2015 Bond, the Series 2017B Bond, the Series 2018B Bond, and any Additional Bonds; “Bonds” does not include the Series 2017A Bond or the Series 2018A Bond.

“Borrower” means the City.

“Business Day” means any day which is not a Saturday or Sunday, a legal holiday in the State or a day on which banks in the State are authorized or required by law to close.

“City” means the City of Shelby, Montana and its permitted successors or assigns hereunder.

“Clean Water Act” means the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251-1387, as amended, and all regulations, rules and interpretations issued by the EPA thereunder.

“Closing” means the date of delivery of the Series 2018 Bonds to the DNRC.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral Documents” means any security agreement, guaranty or other document or agreement delivered to the DNRC securing the obligations of the Borrower under this Supplemental Resolution and the Series 2018 Bonds. If no Collateral Documents secure such obligations, any reference to Collateral Documents in this Supplemental Resolution shall be without effect.

“Committed Amount” means the sum of the 2018A Committed Amount and the 2018B Committed amount, or aggregate amount of the 2018 Loans committed to be lent by the DNRC to the Borrower pursuant to Section 4.1, as such amount may be reduced pursuant to Sections 3.2 and 3.4.

“Compliance Certificate and Request” means the certificate and request substantially in the form of the attached Appendix D delivered by the DNRC to the Borrower following the final

advance of principal of the 2018A Loan, to be completed, executed and delivered by the Borrower to the DNRC pursuant to Section 5.1.2

“Construction Account” means the account created in the Sewer System Fund pursuant to Section 4.02 of the Original Resolution as then in effect, as amended by the 1994 Supplemental Resolution.

“Consultant” means a nationally recognized consultant or firm of consultants, or an independent engineer or firm of independent engineers, or an Accountant, which in any case is qualified and has skill and experience in the preparation of financial feasibility studies or projections for facilities similar to the System or the 2018 Project, selected by the Borrower and satisfactory to the DNRC.

“Council” means the City Council of the City of Shelby, Montana.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and satisfactory to the DNRC.

“Debt” means, without duplication, in respect of the System, (1) indebtedness of the Borrower for borrowed money or for the deferred purchase price of property or services; (2) the obligation of the Borrower as lessee under leases which should be recorded as capital leases under generally accepted accounting principles; and (3) obligations of the Borrower under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (1) or (2) above.

“DEQ” means the Department of Environmental Quality of the State of Montana, an agency of the State, or any successor to its powers, duties and obligations under the State Act or the EPA Agreements.

“Determination Statement” means a Forgiveness Statement or a Noncompliance Statement.

“DNRC” means the Department of Natural Resources and Conservation of the State of Montana, an agency of the State, and any successor to its powers, duties and obligations under the State Act.

“EPA” means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Clean Water Act.

“EPA Agreements” means all capitalization grant agreements and other written agreements between the DEQ, the DNRC and the EPA concerning the Program.

“EPA Capitalization Grant” means a grant of funds to the State by the EPA under Section 1452 of the Clean Water Act.

“Estimated Completion Date” means on or before June 30, 2020, the date by which it is estimated by the Borrower that the 2018 Project will be substantially completed.

“Forgiveness Statement” means a written statement delivered to the Borrower by the DNRC in response to a Compliance Certificate and Request that the Borrower’s obligation to repay the principal of the Series 2018A Bond is forgiven.

“Fund” means the Sewer System Fund established pursuant to Section 4.01 of the Original Resolution.

“General Reserve Requirement” means, as of the date of calculation, an amount equal to one-half the sum of the highest amount of cumulative principal of and interest payable on all outstanding Bonds that are not RD Bonds in any one future fiscal year (giving effect to mandatory sinking fund redemption, if any).

“General Reserve Subaccount” means the subaccount so named in the Bond Repayment Reserve Account created under Section 4.05 of the Resolution.

“Government Obligations” means direct obligations of, or obligations the principal of and the interest on which are fully and unconditionally guaranteed as to payment by, the United States of America.

“Governmental Unit” means governmental unit as such term is used in Section 145(a) of the Code.

“Indenture” means the Indenture of Trust, dated as of June 1, 1991, between the Board of Examiners of the State and the Trustee, as such may be supplemented or amended from time to time in accordance with the provisions thereof, pursuant to which, among other things, the State Bonds are to be or have been issued.

“Loan Loss Reserve Surcharge” means, (i) in respect of the 2018B Loan, in any event, and (ii) in respect of the 2018A Loan, upon the delivery of a Noncompliance Statement as provided by this Supplemental Resolution, a surcharge equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2018 Loans from the date of each advance thereof, payable by the Borrower on a Payment Date.

“Loan Term” means that period of time commencing and ending as set in Sections 4.2 and 4.3.

“1994 Supplemental Resolution” means Resolution No. 1271 of the City adopted on August 8, 1994.

“Noncompliance Statement” means a written statement delivered to the Borrower by the DNRC that the Borrower’s obligation to repay the principal of the Series 2018A Bond is not forgiven.

“Operating and Maintenance Account” means the account created in the Sewer System Fund pursuant to Section 4.03 of the Original Resolution.

“Original Resolution” means Resolution No. 980 of the City adopted by the Council on November 2, 1984, as amended and supplemented by Resolution Nos. 1097, 1201, 1271, 1321,

1542, 1785, 1851, 1914, and 1968, adopted by the Council on October 10, 1990, November 16, 1992, August 8, 1994, February 5, 1996, November 5, 2001, November 16, 2009, October 15, 2012, June 22, 2015, and October 10, 2017, respectively.

“Payment Date” means, with respect to the Series 2018B Bond, each January 1 and July 1 during the term of the Series 2018B Bond on which a payment of interest or principal and interest is due, as determined under the under this Supplemental Resolution and, if a Noncompliance Statement is delivered with respect to the 2018A Loan, each January 1 and July 1 during the term of the Series 2018A Bond on which a payment of interest or principal and interest is due, as determined under this Resolution.

“Person” means any individual, corporation, partnership, limited liability company, limited liability partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Program” means the Water Pollution Control State Revolving Fund Program established by the State Act.

“Project” means an improvement, betterment, reconstruction or extension of the System, including the 2018 Project.

“Public Entity” means a municipality, city, town, county, irrigation district, drainage district, county water and sewer district, a soil conservation district, political or administrative subdivision of State government or other public body established by State law or an Indian tribe that has a federally recognized governing body carrying out substantial governmental duties and powers over any area.

“RD Bonds” means Bonds issued by the Borrower and held by the USDA. The Series 2015 Bond is an RD Bond.

“RD Bonds Reserve Requirement” means, as of the date of calculation, an amount equal to the sum of the highest amount of cumulative principal of and interest payable on all outstanding Bonds that are RD Bonds in any one future fiscal year (giving effect to mandatory sinking fund redemption, if any); provided that the RD Reserve Requirement is or may be funded monthly over a ten-year period from the date of issuance of an RD Bond until the amount accumulates to the RD Reserve Requirement, all as set forth in a Supplemental Resolution.

“RD Bonds Reserve Subaccount” means the subaccount so named in the Bond Repayment Reserve Account created under Section 4.05 of Resolution No. 1968.

“Registrar” means, with respect to the Series 2018 Bonds, the City Finance Officer or any successor appointed pursuant to this Resolution, and, with respect to any other series of Bonds, the Person or Persons designated by or pursuant to this Resolution or a Supplemental Resolution to receive and disburse the principal of, premium, if any, and interest on the Bonds on behalf of the Borrower and to hold and maintain the Bond Register.

“Regulations” means the Treasury Department, Income Tax Regulations, as amended or any successor regulation thereto, promulgated under the Code or otherwise applicable to the Series 2018 Bonds.

“Replacement and Depreciation Account” means the Account created in the Sewer System Fund pursuant to Section 4.06 of the Original Resolution.

“Reserve Requirement” means, as of the date of calculation, the sum of the General Reserve Requirement and the RD Bonds Reserve Requirement.

“Resolution” means the Original Resolution, as amended and supplemented by this Supplemental Resolution and other supplemental resolutions.

“Revolving Fund” shall have the meaning set forth in the recitals hereof.

“Series 2001 Bond” means the First Amended and Restated Sewer System Revenue Refunding Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2001, issued by the Borrower to the DNRC pursuant to the Resolution as then in effect.

“Series 2009B Bond” means the Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2009B, issued by the Borrower to the DNRC pursuant to the Resolution as then in effect.

“Series 2009C Bond” means the First Amended and Restated Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2009C, issued by the Borrower to the DNRC pursuant to the Resolution as then in effect.

“Series 2015 Bond” means the Sewer System Revenue Bond (USDA-RD Loan Program), Series 2015, issued by the Borrower to RD pursuant to the Resolution as then in effect.

“Series 2017A Bond” means the Subordinate Lien Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Taxable Series 2017A, issued by the Borrower to the DNRC pursuant to the Resolution as then in effect.

“Series 2017B Bond” means the Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2017B, issued by the Borrower to the DNRC pursuant to the Resolution as then in effect.

“Series 2018 Bonds” means, collectively, the Series 2018A Bond and the Series 2018B Bond.

“Series 2018A Bond” means the \$100,000 Subordinate Lien Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Taxable Series 2018A, issued to the DNRC to evidence the 2018A Loan.

“Series 2018B Bond” means the \$1,850,000 Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2018B, issued to the DNRC to evidence the 2018B Loan.

“Sewer System Fund” means the fund created by Section 4.01 of the Original Resolution.

“State” means the State of Montana.

“State Bonds” means the State’s General Obligation Bonds (Water Pollution Control State Revolving Fund Program), issued or to be issued pursuant to the Indenture.

“State Act” means Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended from time to time.

“Subordinate Obligation” means any Debt issued pursuant to Section 6.05 of the Original Resolution.

“Supplemental Resolution” means this Resolution No. ____ of the Borrower adopted on June 4, 2018.

“Surplus Net Revenues” shall mean that portion of the Net Revenues in excess of the current requirements of the Operating and Maintenance Account, the Bond Repayment Account and the Bond Repayment Reserve Account.

“System” means the existing sanitary sewer system of the Borrower and all extensions, improvements and betterments thereof hereafter constructed and acquired, including, without limitation, the 2018 Project. The Storm Drainage System of the City is not a part of the System and no revenues of the Storm Drainage System are pledged to the repayment of the Bonds.

“Trustee” means U.S. Bank National Association, in Seattle, Washington, or any successor trustee under the Indenture.

“2018 Loans” or “Loan” means, collectively, the 2018A Loan and the 2018B Loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the Committed Amount to provide funds to pay costs of the 2018 Project, to fund a deposit to the Bond Repayment Reserve Account and to pay costs of issuance of the Series 2018 Bonds.

“2018 Project” means the designing, engineering and construction of the facilities, improvements and activities the cost of which is being financed by or reimbursed to the Borrower in part with proceeds of the 2018 Loans, described in Appendix A hereto.

“2018A Committed Amount” means the amount of the 2018A Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1, as such amount may be reduced pursuant to Section 3.2 and Section 3.4.

“2018A Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2018A Committed Amount to provide funds to pay a portion of the costs of the 2018 Project payable under the Program.

“2018B Committed Amount” means the amount of the 2018B Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1, as such amount may be reduced pursuant to Section 3.2 and Section 3.4.

“2018B First Advance” means the first advance of funds of the 2018B Loan by the DNRC to the Borrower in an amount of at least \$50,001.

“2018B Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2018B Committed Amount to provide funds to pay a portion of the costs of the 2018 Project payable under the Program, to fund a deposit to the Bond Repayment Reserve Account and to pay costs of issuance of the Series 2018 Bonds.

“Undisbursed Committed Amount” means any undisbursed Committed Amount which is not required to pay costs of the 2018 Project as provided in Section 3.4.

Section 1.2 Other Rules of Construction. For all purposes of this Supplemental Resolution, except where the context clearly indicates otherwise:

(a) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted government accounting standards.

(b) Terms in the singular include the plural and vice versa.

(c) All references to time shall refer to Helena, Montana time, unless otherwise provided herein.

(d) All references to mail shall refer to first-class mail postage prepaid.

(e) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(f) “Or” is not exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

Section 1.3 Appendices. Attached to this Supplemental Resolution and hereby made a part hereof are the following Appendices:

Appendix A: a description of the 2018 Project;

Appendix B-1: the form of the Series 2018A Bond;

Appendix B-2: the form of the Series 2018B Bond;

Appendix C: additional agreements and representations of the Borrower; and

Appendix D: Compliance Certificate and Request.

ARTICLE II

AUTHORIZATION, FINDINGS, REPRESENTATIONS AND COVENANTS

Section 2.1 Authorization and Findings.

(a) Authorization. Under the provisions of the Act, the Borrower is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of the System or to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by the undertaking to the Borrower.

(b) The System. The Borrower, pursuant to the Act and other laws of the State has established and presently owns and operates the System.

(c) The 2018 Project. After investigation of the facts and as authorized by the Act, this Council has determined it to be necessary and desirable and in the best interests of the Borrower to acquire and construct or pay the costs of the 2018 Project.

(d) Outstanding Bonds. Pursuant to the Act and the Original Resolution, the Borrower has issued, and has outstanding, its Series 2001 Bond, Series 2009B Bond, Series 2009C Bond, Series 2015 Bond, and the Series 2017B Bond. The Series 2001 Bond, Series 2009B Bond, Series 2009C Bond, Series 2015 Bond, and the Series 2017B Bond are payable from Net Revenues of the System. No other bonds or indebtedness are outstanding that are payable from or secured by revenues of the System.

(e) Additional Bonds. The Borrower reserved the right under Article VI of the Original Resolution, as amended hereby, to issue Additional Bonds to finance the cost or estimated cost of providing any improvement, extension or rehabilitation of the System; provided that if the Additional Bonds are issued to complete a Project, Net Revenues of the System for the last complete fiscal year preceding the date of issuance of such additional Bonds equaled at least 110% of the maximum amount of principal and interest payable from the Bond Repayment Account in any subsequent fiscal year during the term of the outstanding Bonds, on all Bonds then outstanding and on the Additional Bonds proposed to be issued. For the purpose of the foregoing computation, the Net Revenues for the fiscal year preceding the issuance of the additional Bonds shall be those shown by the financial reports caused to be prepared by the Borrower pursuant to the Original Resolution, except that if the rates and charges for services provided by the System have been changed or change as a result of prior rate and charge proceedings since the beginning of such preceding fiscal year and such rates and charges are finally authorized, to go into effect within 60 days after the issuance of the Additional Bonds, then the rates and charges in effect at the time of issuance of the Additional Bonds or to come into effect within 60 days thereafter shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the Net Revenues, the actual operation and maintenance cost plus any additional annual costs of operation and maintenance the Consultant estimates will be incurred because of the improvement or extension of the System to be constructed from the proceeds of the Additional Bonds proposed to be issued. In no event shall any Additional Bonds be issued and made payable from the Bond Repayment Account if the Borrower is then in default in any payment of principal of or interest on any outstanding Bonds payable therefrom, or if there then exists any deficiency in the balances required by the Original Resolution to be

maintained in any of the accounts of the Fund, which will not be cured or restored upon the issuance of the Additional Bonds. Based on a certificate executed or to be executed by the Mayor and the City Finance Officer, or either of them, it is hereby determined that the Borrower is authorized to issue \$1,850,000 in aggregate principal amount of additional Bonds pursuant to Section 6.03 of the Original Resolution, as amended by Section 11.3 hereof, payable from and secured by the Net Revenues on a parity with the outstanding Series 2001 Bond, Series 2009B Bond, Series 2009C Bond, Series 2015 Bond, and the Series 2017B Bond.

For purposes of the foregoing certificate, principal of and interest on the 2018A Loan are disregarded. The Borrower acknowledges and agrees that if it fails to deliver timely an acceptable Compliance Certificate and Request as provided in Section 5.1 of this Supplemental Resolution as determined in the sole and complete discretion of the DNRC or if a Noncompliance Certificate is delivered, then principal and interest and surcharges will become due and owing on the Series 2018A Bond as provided in Section 5.1 of this Supplemental Resolution, and the Borrower shall thereupon, and in any event no later than three (3) months after delivery of a Noncompliance Statement, to the extent required by Section 7.06 of Resolution No. 980 as amended by Section 6.8 of the 1994 Supplemental Resolution, as further amended by Section 11.3 of Resolution No. 1968, adjust its schedule of fees, rates, and charges applicable to the System to cause Net Revenues and Surplus Net Revenues to be produced in an amount at least equal to that required by the Resolution.

Section 2.2 Representations. The Borrower represents as follows:

(a) Organization and Authority. The Borrower:

(1) is duly organized and validly existing as a municipal corporation and political subdivision of the State;

(2) has all requisite power and authority and all necessary licenses and permits required as of the date hereof to own and operate the System and to carry on its current activities with respect to the System, to adopt this Supplemental Resolution and to enter into the Collateral Documents and to issue the Series 2018 Bonds and to carry out and consummate all transactions contemplated by the Supplemental Resolution, the Series 2018 Bonds and the Collateral Documents;

(3) is a Governmental Unit and a Public Entity; and

(4) has taken all proper action to authorize the execution, delivery and performance of its obligations under this Supplemental Resolution, the Series 2018 Bonds and the Collateral Documents and the incurrence of the Debt evidenced by the Series 2018 Bonds in the maximum amount of the Committed Amount.

(b) Litigation. There is no litigation or proceeding pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before or by any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the existence, corporate or otherwise, of the Borrower, or the ability of the Borrower to make all payments and otherwise perform its obligations under the

Resolution, the Series 2018 Bonds and the Collateral Documents, or the financial condition of the Borrower, or the transactions contemplated by the Resolution, the Series 2018 Bonds and the Collateral Documents or the validity and enforceability of the Resolution, the Series 2018 Bonds and the Collateral Documents. No referendum petition has been filed with respect to any resolution or other action of the Borrower relating to the 2018 Project, the Series 2018 Bonds or any Collateral Documents.

(c) Borrowing Legal and Authorized. The adoption of this Supplemental Resolution, the execution and delivery of the Series 2018 Bonds and the Collateral Documents and the consummation of the transactions provided for in this Supplemental Resolution, the Series 2018 Bonds and the Collateral Documents and compliance by the Borrower with the provisions of the Resolution, the Series 2018 Bonds and the Collateral Documents:

(1) are within the powers of the Borrower and have been duly authorized by all necessary action on the part of the Borrower; and

(2) do not and will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any ordinance, resolution, indenture, loan agreement or other agreement or instrument (other than the Resolution and any Collateral Documents) to which the Borrower is a party or by which the Borrower or its property may be bound, nor will such action result in any violation of the provisions of any charter or similar document, if applicable, any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower, its properties or operations are subject.

(d) No Defaults. No event has occurred and no condition exists that, upon execution and delivery of the Series 2018 Bonds and the Collateral Documents, would constitute a default under the Resolution or the Collateral Documents. The Borrower is not in violation of any term of any agreement, bond resolution, trust indenture, charter or other instrument to which it is a party or by which it or its property may be bound which violation would materially and adversely affect the transactions contemplated hereby or the compliance by the Borrower with the terms hereof or of the Series 2018 Bonds and the Collateral Documents.

(e) Governmental Consent. The Borrower has obtained or made all permits, findings and approvals required to the date of adoption of this Supplemental Resolution by any governmental body or officer for the making and performance by the Borrower of its obligations under this Supplemental Resolution, the Series 2018 Bonds and the Collateral Documents (including any necessary sewer rate increase) or for the 2018 Project, the financing or refinancing thereof or the reimbursement of the Borrower for the costs thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority (other than those, if any, already obtained) is required on the part of the Borrower as a condition to adopting this Supplemental Resolution, issuing the Series 2018 Bonds or entering into the Collateral Documents and the performance of the Borrower's obligations hereunder and thereunder. If a utility board or commission manages or controls the System, such board or commission has agreed with the DNRC to abide by the terms of the Resolution and the Collateral Documents, including approving any necessary sewer rate increases.

(f) Binding Obligation. The Resolution, the Series 2018 Bonds and any Collateral Document to which the Borrower is a party are the valid and binding special, limited obligations and agreements of the Borrower, enforceable against the Borrower in accordance with their terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, moratorium, reorganization, insolvency or similar laws affecting creditors' rights and general principles of equity.

(g) The 2018 Project. The 2018 Project consists and will consist of the facilities, improvements and activities described in Appendix A, as such Appendix A may be amended from time to time in accordance with the provision of Article III of this Supplemental Resolution. The 2018 Project comprises facilities of a type that, as determined by the EPA, will facilitate compliance with the national primary water pollution control regulations applicable to the System or will otherwise significantly further the health protection objectives of the Clean Water Act.

(h) The System. The System is a "public sewage system" within the meaning of the Act and the Clean Water Act in that it is a public sewage system that provides collection, transportation, treatment, or disposal of sewage for 15 or more families or 25 or more persons daily for any 60 or more days in a calendar year.

(i) Full Disclosure. There is no fact that the Borrower has not specifically disclosed in writing to the DNRC that materially and adversely affects or (so far as the Borrower can now foresee), except for pending or proposed legislation or regulations that are a matter of general public information, that will materially and adversely affect the properties, operations and finances of the System, the Borrower's status as a Public Entity and Governmental Unit, its ability to own and operate the System in the manner it is currently operated or the Borrower's ability to perform its obligations under the Resolution, the Series 2018 Bonds and the Collateral Documents and to pledge any revenues or other property pledged to the payment of the Series 2018 Bonds.

(j) Compliance With Law. The Borrower:

(1) is in compliance with all laws, ordinances, governmental rules and regulations and court or other governmental orders, judgments and decrees to which it is subject and which are material to the properties, operations and finances of the System or its status as a Public Entity and Governmental Unit; and

(2) has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the System and the operation thereof and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for the System and the operation thereof, which failure to obtain might materially and adversely affect the ability of the Borrower to conduct the operation of the System as presently conducted or the condition (financial or otherwise) of the System or the Borrower's ability to perform its obligations under the Resolution, the Series 2018 Bonds and the Collateral Documents.

Section 2.3 Covenants.

(a) Insurance. The Borrower at all times shall keep and maintain with respect to the System property and casualty insurance and liability insurance with financially sound and reputable insurers, or self-insurance as authorized by State law, against such risks and in such amounts, and with such deductible provisions, as are customary in the State in the case of entities of the same size and type as the Borrower and similarly situated and shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for all such insurance. All such insurance policies shall name the DNRC as an additional insured to the extent permitted under the policy or program of insurance of the Borrower. Each policy must provide that it cannot be cancelled by the insurer without giving the Borrower and the DNRC 30 days' prior written notice. The Borrower shall give the DNRC prompt notice of each insurance policy it obtains or maintains to comply with this Section 2.3(a) and of each renewal, replacement, change in coverage or deductible under or amount of or cancellation of each such insurance policy and the amount and coverage and deductibles and carrier of each new or replacement policy. Such notice shall specifically note any adverse change as being an adverse change. The Borrower shall deliver to the DNRC at Closing a certificate providing the information required by this Section 2.3(a).

(b) Right of Inspection and Notice of Change of Location. The DNRC, the DEQ and the EPA and their designated agents shall have the right at all reasonable times during normal business hours and upon reasonable notice to enter into and upon the property of the Borrower for the purpose of inspecting the System or any or all books and records of the Borrower relating to the System.

(c) Further Assurance. The Borrower shall execute and deliver to the DNRC all such documents and instruments and do all such other acts and things as may be necessary or required by the DNRC to enable the DNRC to exercise and enforce its rights under the Resolution, the Series 2018 Bonds and the Collateral Documents and to realize thereon, and record and file and re-record and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the DNRC to validate, preserve and protect the position of the DNRC under the Resolution, the Series 2018 Bonds and the Collateral Documents.

(d) Maintenance of Security, if Any; Recordation of Interest.

(1) The Borrower shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of the Resolution and the Collateral Documents so long as any amount is owing under the Resolution or the Series 2018 Bonds;

(2) The Borrower shall forthwith, after the execution and delivery of the Series 2018 Bonds and thereafter from time to time, cause the Resolution and any Collateral Documents granting a security interest in revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by the Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute or cause to be

executed any further instruments that may be requested by the DNRC for such perfection and protection; and

(3) Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of the documents described in subparagraph (2), and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Series 2018 Bonds and the Collateral Documents and the documents described in subparagraph (2).

(e) Additional Agreements. The Borrower covenants to comply with all representations, covenants, conditions and agreements, if any, set forth in Appendix C hereto.

(f) Financial Information. This Section 2.3(f) supplements, and is not intended to limit, the requirements in Section 7.11 of the Original Resolution. The Borrower agrees that for each fiscal year it shall furnish to the DNRC and the DEQ, promptly when available, in addition to those matters specified in Section 7.11 of the Original Resolution:

(1) the preliminary budget for the System, with items for the 2018 Project shown separately; and

(2) when adopted, the final budget for the System, with items for the 2018 Project shown separately.

(g) 2018 Project Accounts. The Borrower shall maintain Project accounts in accordance with generally accepted government accounting standards.

(h) Records. After reasonable notice from the EPA or the DNRC, the Borrower shall make available to the EPA or the DNRC such records as the EPA or the DNRC reasonably requires to review and determine compliance with the Clean Water Act, as provided in Section 606(e)75-5-1113(1)(d) of the Clean Water Act.

(i) Compliance with Clean Water Act. The Borrower has complied and shall comply with all conditions and requirements of the Clean Water Act pertaining to the 2018 Loans and the 2018 Project and shall maintain sufficient financial, managerial and technical capability to continue to effect such compliance.

(j) Compliance with DEQ Requirements. The Borrower shall comply with plan, specification and other requirements for public sewer systems established by the DEQ, as required by Section 75-5-1113(1)(g) of the Act.

Section 2.4 Covenants Relating to the Tax-Exempt Status of the State Bonds.

(a) The Borrower covenants and agrees that it will not use or permit to be used any of the proceeds of the Series 2018 Bonds or any other funds of the Borrower in respect of the 2018 Project or the Series 2018 Bonds, directly or indirectly, in a manner that would cause, or take any

other action that would cause, any State Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or would otherwise cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(b) The Borrower agrees that it will not enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the State Bonds or any other obligations of the DNRC in an amount related to the amount of the 2018 Loans or the portion of the 2018 Loans derived directly or indirectly from proceeds of the State Bonds or that would otherwise cause any State Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(c) The Borrower shall not use or permit the use of the 2018 Project directly or indirectly in any trade or business carried on by any Person who is not a Governmental Unit. For the purpose of this subparagraph, use as a member of the general public (within the meaning of the Regulations) shall not be taken into account and any activity carried on by a Person other than a natural person shall be treated as a trade or business.

(d) Any portion of the 2018 Project being refinanced or the cost of which is being reimbursed was acquired by and is now and shall, during the term of the Loan, be owned by the Borrower and not by any other Person. Any portion of the 2018 Project being financed shall be acquired by and shall, during the term of the 2018 Loans, be owned by the Borrower and not by any other Person. Notwithstanding the previous two sentences, the Borrower may transfer the 2018 Project or a portion thereof to another Governmental Unit which is also a Public Entity if such transfer is otherwise permitted under the Resolution and if such organization agrees with the DNRC to comply with Section 2.3(h), Section 2.3(i) and Section 2.4 of this Supplemental Resolution and if the DNRC receives an Opinion of Bond Counsel that such transfer will not violate the State Act or the Clean Water Act or adversely affect the exclusion of interest on the State Bonds from gross income or purposes of federal income taxation. In addition, except as otherwise provided in the Resolution or in any Collateral Documents, the Borrower may sell or otherwise dispose of any portion of the 2018 Project which has become obsolete or outmoded or is being replaced or for other reasons is not needed by the Borrower or beneficial to the general public or necessary to carry out the purposes of the Clean Water Act.

(e) At the Closing of the 2018B Loan, the DNRC will, if necessary to obtain the Opinion of Bond Counsel described in Section 7.05(a) of the Indenture, deliver to the Borrower instructions concerning compliance by the Borrower with the arbitrage rebate requirements of Section 148 of the Code (the “Arbitrage Rebate Instructions”). The Borrower shall comply with the Arbitrage Rebate Instructions, if any, delivered to it by the DNRC at Closing, as such Instructions may be amended or replaced by the DNRC from time to time. The Arbitrage Rebate Instructions may be amended or replaced by new Arbitrage Rebate Instructions delivered by the DNRC and accompanied by an Opinion of Bond Counsel to the effect that the use of said amended or new Arbitrage Rebate Instructions will not adversely affect the excludability of interest on the State Bonds or any Additional State Bonds (except State Bonds the interest on which the State did not intend to be excluded from gross income for federal income tax purposes) from gross income of the recipients thereof for federal income tax purposes.

(f) The Borrower agrees that during the term of the 2018 Loans it will not contract with or permit any Private Person to manage the 2018 Project or any portion thereof except according to a written management contract and upon delivery to the DNRC of an opinion of Bond Counsel to the effect that the execution and delivery of such management contract will not violate the State Act or the Clean Water Act or adversely affect the exclusion of interest on State Bonds from gross income or purposes of federal income taxation.

(g) The Borrower may not lease the 2018 Project or any portion thereof to any Person other than a Nonexempt Person which agrees in writing with the Borrower and the State not to cause any default to occur under the Resolution; provided the Borrower may lease all or any portion of the 2018 Project to a Nonexempt Person pursuant to a lease which in the Opinion of Bond Counsel delivered to the DNRC will not cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(h) The Borrower shall not change the use or nature of the 2018 Project if (i) such change will violate the Clean Water Act, or (ii) so long as the State Bonds are outstanding unless, in the Opinion of Bond Counsel delivered to the DNRC, such change will not result in the inclusion in gross income of interest on the State Bonds for federal income tax purposes.

Section 2.5 Maintenance of System; Liens. The Borrower shall maintain the System, including the 2018 Project, in good condition and make all necessary renewals, replacements, additions, betterments and improvements thereto. The Borrower shall not grant or permit to exist any lien on the 2018 Project or any other property making up part of the System, other than liens securing Debt where a parity or senior lien secures the Series 2018 Bonds; provided that this Section 2.5 shall not be deemed to be violated if a mechanic's or contractor's lien is filed against any such property so long as the Borrower uses its best efforts to obtain the discharge of such lien and promptly reports to the DNRC the filing of such lien and the steps it plans to take and does take to discharge of such lien.

Section 2.6 Maintenance of Existence; Merger, Consolidation, Etc.; Disposition of Assets. The Borrower shall maintain its corporate existence, except that it may consolidate with or merge into another Governmental Unit or permit one or more Governmental Units to consolidate with or merge into it or may transfer all or substantially all of its assets to another Governmental Unit and then dissolve if the surviving, resulting or transferee entity (if other than the Borrower) (i) is a Public Entity and (ii) assumes in writing all of the obligations of the Borrower under the Resolution, the Series 2018 Bonds and the Collateral Documents, and (a) such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the Borrower under the Resolution, the Series 2018 Bonds and the Collateral Documents, (b) such action does not violate the State Act or the Clean Water Act and does not adversely affect the exclusion of interest on the Series 2018B Bond or the State Bonds from gross income for federal income tax purposes and (c) the Borrower delivers to the DNRC on the date of such action an Opinion of Bond Counsel that such action complies with this Section 2.6.

Other than pursuant to the preceding paragraph, the Borrower shall not transfer the System or any portion thereof to any other Person, except for property which is obsolete, outmoded, worn out, is being replaced or otherwise is not needed for the operation of the

System, unless the provisions of (a) and (b) of the preceding paragraph are satisfied and the Borrower delivers to the DNRC an Opinion of Bond Counsel to that effect and, in addition, the DNRC consents to such transfer.

ARTICLE III

USE OF PROCEEDS; THE 2018 PROJECT

Section 3.1 Use of Proceeds. The Borrower shall apply the proceeds of the 2018 Loans from the DNRC solely as follows:

(a) The Borrower shall apply the proceeds of the 2018 Loans solely to the financing, refinancing or reimbursement of the costs of the 2018 Project as set forth in Appendix A hereto and this Section 3.1, to fund a deposit to the Bond Repayment Reserve Account and to pay costs of issuance of the Series 2018 Bonds. The 2018 Loans will be disbursed in accordance with ARTICLE IV hereof and Article VII of the Indenture. If the 2018 Project has not been completed prior to Closing, the Borrower shall, as quickly as reasonably possible, complete the 2018 Project and expend proceeds of the 2018 Loans to pay the costs of completing the 2018 Project.

(b) No portion of the proceeds of the 2018 Loans shall be used to reimburse the Borrower for costs paid prior to the date of adoption of this Supplemental Resolution of a Project the construction or acquisition of which occurred or began earlier than March 7, 1985. In addition, if any proceeds of the Loan are to be used to reimburse the Borrower for 2018 Project costs paid prior to the date of adoption of this Supplemental Resolution, the Borrower shall have complied with Section 1.150-2 of the Regulations in respect of such costs.

(c) Any Debt to be refinanced with proceeds of the 2018 Loans was incurred after March 7, 1985, or with respect to a Project the construction or acquisition of which began after March 7, 1985. No proceeds of the 2018 Loans shall be used for the purpose of refinancing an obligation the interest on which is exempt from federal income tax or excludable from gross income for purposes of federal income taxation unless the DNRC has received an Opinion of Bond Counsel, satisfactory to it, to the effect that such refinancing will not adversely affect the exclusion of interest on the State Bonds from gross income for purposes of federal income taxation.

Section 3.2 The 2018 Project. Set forth in Appendix A to this Supplemental Resolution is a description of the 2018 Project, which describes the property which has been or is to be acquired, installed, constructed or improved and the other activities, if any to be funded from the 2018 Loans (the 2018 Project may consist of more than one facility or activity), and an estimated budget relating to the 2018 Project. The 2018 Project may be changed and the description thereof in Appendix A may be amended from time to time by the Borrower but only after delivery to the DNRC of the following:

(a) A certificate of the Borrower setting forth the amendment to Appendix A and stating the reason therefor, including statements as to whether the amendment would cause an increase or decrease in the cost of the 2018 Project or an increase or decrease in the amount of proceeds

of the 2018 Loans which will be required to complete the 2018 Project and whether the change will materially accelerate or delay the construction schedule for the 2018 Project;

(b) A written consent to such change in the 2018 Project by an Authorized DNRC Officer;

(c) An Opinion or Opinions of Bond Counsel stating that the 2018 Project, as constituted after such amendment, is, and was at the time the State Bonds were issued, eligible for financing under the State Act and is, and was at the time the Series 2018 Bonds was issued, eligible for financing under the Act, such amendment will not violate the State Act or the Act and such amendment will not adversely affect the exclusion of interest on the State Bonds or the Series 2018 Bonds from gross income for purposes of federal income taxation. Such an Opinion of Bond Counsel shall not be required for amendments which do not affect the type of facility to be constructed or activity to be financed; and

The Borrower acknowledges and agrees that an increase in the principal amount of the 2018 Loans may be made only upon an application to the DEQ, the DNRC and the Trustee, in such form as the DEQ shall specify, which is approved by the DEQ and the DNRC, in their sole and absolute discretion, and adoption by the governing body of the Borrower of a resolution amendatory of a Supplemental Resolution authorizing the additional loan and delivery of written certifications by officers of the Borrower to the DEQ, the DNRC and the Trustee to the effect that all representations and covenants contained in the resolution as it may be so amended or supplemented are true as of the date of closing of the additional loan and compliance with applicable tests for the incurrence of such Debt. No assurance can be given that any additional loan funds will be available under the Program at the time of any such application or thereafter. The Borrower acknowledges and agrees that neither the DEQ, the DNRC, the Trustee nor any of their agents, employees or representatives shall have any liability to the Borrower and have made no representations to the Borrower as to the sufficiency of the 2018 Loans to pay costs of the 2018 Project or as to the availability of additional funds under the Program to increase the principal amount of the 2018 Loans.

Section 3.3 2018 Project Representations and Covenants. The Borrower hereby represents to and covenants with the DNRC that:

(a) all construction of the 2018 Project has complied and will comply with all federal and state standards, including, without limitation, EPA regulations;

(b) all future construction of the 2018 Project will be done only pursuant to fixed price construction contracts. The Borrower shall obtain a performance and payment bond from the contractor for each construction contract in the amount of 100% of the construction price and ensure that such bond is maintained until construction is completed to the Borrower's, the DNRC's and the DEQ's satisfaction;

(c) all future construction of the 2018 Project will be done in accordance with plans and specifications on file with the DNRC and the DEQ, provided that changes may be made in such plans and specifications with the written consent of an Authorized DNRC Officer and the DEQ;

(d) all laborers and mechanics employed by contractors and subcontractors on the 2018 Project have been and will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code;

(e) the iron and steel products used in the 2018 Project comply with the “American Iron and Steel” requirements of Section 436 of the Consolidated Appropriations Act of 2016 (P.L. 113-76), as those requirements are further interpreted by applicable EPA guidance;

(f) the 2018 Project is a project of the type permitted to be financed under the Act, the State Act and the Program and Title VI of the Clean Water Act; and

(g) the Borrower will undertake the 2018 Project promptly after the Closing Date and will cause the 2018 Project to be completed as promptly as practicable with all reasonable dispatch, except only as completion may be delayed by a cause or event not reasonably within the control of the Borrower; it is estimated by the Borrower that the 2018 Project will be substantially completed by the Estimated Completion Date.

Section 3.4 Completion or Cancellation or Reduction of Costs of the 2018 Project.

(a) Upon completion of the 2018 Project, the Borrower shall deliver to the DNRC a certificate stating that the 2018 Project is complete and stating the amount, if any, of the Undisbursed Committed Amounts. If Appendix A describes two or more separate projects as making up the 2018 Project, a separate completion certificate shall be delivered for each.

(b) If all or any portion of the 2018 Project is cancelled or cut back or its costs are reduced or for any other reason the Borrower will not require the full Committed Amount, the Borrower shall promptly notify the DNRC in writing of such fact and the amount of the Undisbursed Committed Amount.

ARTICLE IV

THE LOAN

Section 4.1 The Loan; Disbursement of Loan.

(a) The DNRC has agreed to lend to the Borrower, from time to time as the requirements of this Section 4.1 are met, an amount up to (i) \$100,000 (the “2018A Committed Amount”), and (ii) \$1,850,000 (the “2018B Committed Amount”) for the purposes of financing, refinancing or reimbursing the Borrower for costs of the 2018 Project, funding a deposit to the Bond Repayment Reserve Account and paying costs of issuance of the Series 2018 Bonds; provided the DNRC shall not be required to disburse any proceeds of the 2018 Loans after the Estimated Completion Date. The Committed Amounts may be reduced as provided in Sections 3.2 and 3.4.

(b) The DNRC intends to disburse the 2018 Loans through the Trustee. In consideration of the issuance of the Series 2018 Bonds by the Borrower, the DNRC shall make, or cause the

Trustee to make, a disbursement of all or a portion of the 2018 Loans upon receipt of the following documents:

(1) an Opinion of Bond Counsel as to the Series 2018A Bond and an opinion of Bond Counsel as to the validity and enforceability of the Series 2018B Bond and the security therefor and stating in effect that interest on the Series 2018B Bond is not includable in gross income of the owner thereof for purposes of federal income taxation, in form and substance satisfactory to the DNRC;

(2) the Series 2018A Bond and the Series 2018B Bond, fully executed and authenticated;

(3) a certified copy of the Original Resolution and this Supplemental Resolution;

(4) any other security instruments or documents required by the DNRC or DEQ as a condition to their approval of the 2018 Loans;

(5) if all or part of a Loan is being made to refinance a Project or reimburse the Borrower for the costs of a Project paid prior to the Closing, evidence, satisfactory to the DNRC and the Bond Counsel referred to in subparagraph (1) above, (A) that the acquisition or construction of the Project was begun no earlier than March 7, 1985 or the debt was incurred no earlier than March 7, 1985, (B) of the Borrower's title to the Project, (C) of the costs of such Project and that such costs have been paid by the Borrower and (D) if such costs were paid before adoption of this Supplemental Resolution that the Borrower has complied with Section 1.150-2 of the Regulations;

(6) the items required by the Indenture for the portion of the 2018 Loans to be disbursed at Closing; and

(7) such other certificates, documents and other information as the DNRC, the DEQ or the Bond Counsel giving the opinion referred to in subparagraph (1) may require (including any necessary arbitrage rebate instructions).

(c) In order to obtain a disbursement of a portion of the 2018 Loans to pay costs of the 2018 Project, the Borrower shall submit to the DNRC and the Trustee a signed request for disbursement on the form prescribed by the DNRC, with all attachments required by such form. The Borrower may obtain disbursements only for costs which have been legally incurred and are due and payable. All Loan disbursements will be made to the Borrower only upon proof that cost was incurred.

(d) Provided that the EPA Capitalization Grant is available to the Program, from and after the 2018 First Advance, the 2018 Loans shall be disbursed, subject to the other terms and conditions of this Resolution, in the following order:

(1) First, the total amount of each advance will be split equally between the 2018A Loan and the 2018B Loan, until the entire amount of the

2018A Loan is advanced; provided that the initial advance of the 2018B Loan shall be in an amount of not less than the 2018B First Advance.

(2) Second, after the 2018A Loan is advanced in full, all advances will be from only the 2018B Loan.

(e) The Borrower shall submit the request for the 2018B First Advance in the form required by the DNRC so that it is received in sufficient time for the DNRC to process the information by the date desired by the Borrower for the making of the 2018B First Advance.

(f) The Borrower shall not be entitled to, and the DNRC shall have no obligation to make, the 2018B First Advance or any subsequent advance of amounts under the 2018B Loan until such time as the Borrower shall have set aside and funded the Bond Repayment Bond Repayment Reserve Account in an amount then required to satisfy the Reserve Requirement.

(g) For refinancings, a disbursement schedule complying with the requirements of the Clean Water Act shall be established by the DNRC and the Borrower at Closing.

(h) If all or a portion of the 2018 Loans is made to reimburse a Borrower for Project costs paid by it prior to Closing, the Borrower shall present at Closing the items required by Section 4.1(b) relating to such costs. The Trustee shall disburse such amounts to the Borrower pursuant to a disbursement schedule complying with the requirements of the Clean Water Act established by the DNRC and the Borrower at the Closing.

(i) Notwithstanding anything herein to the contrary, the Trustee shall not be obligated to disburse the 2018 Loans any faster or to any greater extent than it has available EPA Capitalization Grants, Bond proceeds and other amounts available therefor in the Revolving Fund. The DNRC shall not be required to do "overmatching" pursuant to Section 5.04(b) of the Indenture, but may do so in its discretion. The Borrower acknowledges that if Project costs are incurred faster than the Borrower projected at Closing, there may be delays in making Loan disbursements for such costs because of the schedule under which EPA makes EPA Capitalization Grant money available to the DNRC. The DNRC will use its reasonable best efforts to obtain an acceleration of such schedule if necessary.

(j) Upon making each 2018A Loan disbursement and 2018B Loan disbursement, the Trustee shall note such disbursement on Schedule A to the Series 2018A Bond and the Series 2018B Bond, respectively. At Closing, Schedule A to the Series 2018B Bond shall note the 2018B First Advance.

(k) The Borrower agrees that it will deposit in the General Reserve Subaccount in the Bond Repayment Reserve Account upon receipt thereof, on the date of the 2018B First Advance and any subsequent disbursement dates, any proceeds of the 2018B Loan borrowed for the purpose of increasing the balance in the General Reserve Subaccount in the Bond Repayment Reserve Account to the General Reserve Requirement. The Borrower further acknowledges and agrees that any portions of the 2018 Loans representing capitalized interest shall be advanced only on Payment Dates and shall be transferred by the Trustee on the Payment Date directly to the Bond Repayment Account. The amount of any such transfer shall be a credit against the

interest payments due on the Series 2018 Bonds and interest thereon shall accrue only from the date of transfer.

(l) Compliance by the Borrower with its representations, covenants and agreements contained in the Original Resolution, this Supplemental Resolution and the Collateral Documents shall be a further condition precedent to the disbursement of the Loan in whole or in part. The DNRC and the Trustee, in their sole and absolute discretion, may make one or more disbursements, in whole or in part, notwithstanding such noncompliance, and without liability to make any subsequent disbursement of the Loan.

Section 4.2 Commencement of Loan Term. The Borrower's obligations under this Supplemental Resolution and the Collateral Documents shall commence on the date hereof unless otherwise provided in this Supplemental Resolution. However, the obligation to make payments under ARTICLE V hereof shall commence only upon the first disbursement by the Trustee of the 2018B First Advance.

Section 4.3 Termination of Loan Term. The Borrower's obligations under the Resolution and the Collateral Documents in respect of the Series 2018 Bonds shall terminate upon payment in full of all amounts due under the Series 2018 Bonds and the Resolution in respect thereof; provided, however, that the covenants and obligations provided in ARTICLE VI and X of this Supplemental Resolution shall survive the termination of the Resolution.

Section 4.4 Loan Closing Submissions. On or prior to the Closing, the Borrower will have delivered to the DNRC and the Trustee the closing submissions required by Section 7.05 of the Indenture.

ARTICLE V

REPAYMENT OF 2018 LOANS

Section 5.1 Repayment of 2018 Loans. The Borrower shall repay the amounts borrowed by it pursuant to Section 4.1 hereof in accordance with this Section 5.1.

5.1.1. Interest and Surcharges. Until a Determination Statement is delivered by the DNRC to the Borrower and so long as the Borrower's obligation to repay the principal of the 2018A Loan is forgiven as provided in Section 5.1.2(b) below, amounts disbursed by the DNRC under Section 4.1 hereof that are evidenced by the Series 2018A Bond bear interest at the rate of zero percent (0.00%) per annum from the date of each advance; provided, however, if the DNRC delivers to the Borrower a Noncompliance Statement, then all principal of the Series 2018A Bond advanced by the DNRC shall be payable and amounts disbursed by the DNRC under Section 4.1 hereof that are evidenced by the Series 2018A Bond shall bear interest at the rate of two percent (2.00%) per annum and in addition the Borrower shall pay the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge from the date of each advance under the Series 2018A Bond. The 2018B Loan shall bear interest at the rate of two percent (2.00%) per annum and the Borrower shall pay the Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the outstanding principal amounts of the 2018B Loan. For purposes of this Resolution and the Program, with respect to the 2018A Loan and the