CONSTRUCTION FIELD REPORT

Project Name: NCMRWA Segment W3 Shelby to Cut Bank

Report Date: 6/4/2017

Owner: NCMRWA

Project Location: Shelby to Cut Bank, MT

KLJ Project No: 4611005

Contractors: Downing Construction Inc. & Central Excavation Inc.

Reporter: Logan Tweet

Weather & Site Conditions

- Hot throughout the week with daily highs in the 80s. The jobsite was hit with a thunderstorm late Thursday afternoon.

Downing Construction Inc.

- The week of May 28th Downing Construction flushed each of the air relief valve assemblies to ensure there was no blockage in the systems. Next week Downing plans to begin the process of re-chlorinating the line to disinfect it. Water samples will be taken and tested to confirm the disinfection process is working. Bollard post installation will also begin at each air relief valve manhole and flush hydrant locations. General site cleanup will also occur which will include: fencing, debris removal, touchup dirt work, weed control and other miscellaneous items.

Central Excavation Inc.

- Central Excavation did not work this week. Central will resume chemical feed system startup as soon as potable water is available. They have a fencing subcontractor scheduled to install the fencing in mid-June.

Construction Pictures

Blowing Off Air Relief Valve

CONSTRUCTION FIELD REPORT

Project Name: NCMRWA Segment W4-B1 Shelby to Conrad

Report Date: 6/4/2017

Owner: NCMRWA

Project Location: Shelby to Conrad, MT

KLJ Project No: 4615048

Contractors: Downing Construction Inc.

Reporter: Logan Tweet

Weather & Site Conditions

- Hot throughout the week with daily highs in the 80s. The jobsite was hit with a thunderstorm late Thursday afternoon.

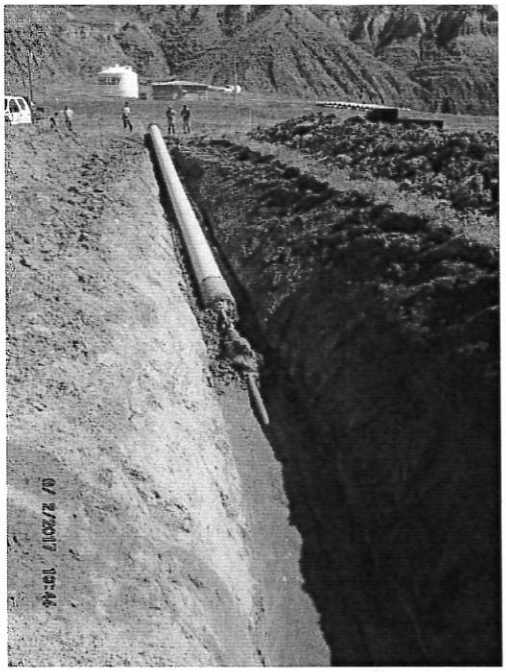
Construction Activities

- Downing Construction installed pipe from sta 245+00 to sta 263+00 the week of May 28th. At sta 263+00 high ground water was encountered and it was decided to skip this section of pipe and install it later in the summer when the water table has dropped. Downing's crew will perform no work on this project the week of June 4th. There entire crew will be working on Segment W3 Cut Bank to Shelby in an effort to reach their final completion date. Construction on Segment W4-B1 Shelby to Conrad will resume Monday June 12th.
- CIT installed bores under the wetland from sta 361+55 to sta 365+55 and Williamson Park Road the week of May 28th. The bore under the Marias River is scheduled to begin Tuesday June 6th and is anticipated to take between four and seven days to complete depending on subsurface soil conditions.
- Easy lawn was onsite May 30th and 31st and hydro seeded the steep slope excavation areas between sta 14+10 and 25+75. This was done as part of Downing's Storm Water Pollution Prevention Plan to prevent erosion.

Construction Pictures

Hydro Seeding Steep Slopes

Pulling Bore Pipe Under Williamson Park Road



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June 5, 2017

James J. DuBois
United States Department of Justice
Environmental and Natural Resources Division
South Terrace - Suite 370
999 18th Street
Denver, CO 80202
Via email only: james.dubois@usdoj.gov

Jess and Stefanie Leach
250 4800 Road South
Ledger, MT 59456
Via email only: scbeede@aol.com

Gary and Gay Buffington
5441 Broadhurst Road
Ledger, MT 59456

RE: Montana Water Court Case No. 41P-188

Dear Parties:

As per the Water Court's April 20, 2017 order, the parties to Montana Water Court Case No. 41P-188 have until June 16, 2017 to file settlement documents or status reports. As I stated in the April 19, 2017 status conference in Case No. 41P-188, the City of Shelby's ("Shelby") primary concern is resolution of the issue remarks on Statement of Claim No. 41P 156361-00, the sole statement of claim consolidated into Case No. 41P-188. If these remarks are resolved, Shelby's objections will likely be resolved as well. The Bureau of Reclamation ("BOR") indicated on that same call that BOR believes Statement of Claim No. 41P 156361-00 should be withdrawn.

I write now to inquire about the status of Statement of Claim No. 41P 156361-00. Will the claim be withdrawn as per BOR's request? If so, obviously, Shelby's objection would be moot. If the claim will not be withdrawn, I plan to submit a status report to the Water Court requesting that the matter be referred to the Montana Department of Natural Resources and Conservation for resolution of the issue remarks. Such resolution may require revisions to the places of use and points of diversion, and depending on what those changes are will affect if Shelby's objections are resolved.

Would you please contact me at your soonest convenience, either by phone or email, to let me know what the status of Statement of Claim No. 41P 156361-00 is? Thank you. I look forward to hearing from you.

Sincerely,

Abigail J. St. Lawrence

cc: Mayor Larry Bonderud, City of Shelby

CONSTRUCTION FIELD REPORT

Project Name: NCMRWA Segment W3 Shelby to Cut Bank

Report Date: 6/11/2017

Owner: NCMRWA

Project Location: Shelby to Cut Bank, MT

KLJ Project No: 4611005

Contractors: Downing Construction Inc. & Central Excavation Inc.

Reporter: Logan Tweet

Weather & Site Conditions

- Heavy rain Monday night into Tuesday morning caused for very muddy site conditions and limited work early in the week. Later in the week it dried out with daily highs reaching the 70s and 80s.

Downing Construction Inc.

- The week of June 4th Downing began disinfecting the new water line. This was done by injecting chlorine at the Shelby meter vault and utilizing the system to pump the chlorinated water to Cut Bank. The chlorine content in the water was checked throughout the process to ensure it met or exceeded the requirements of project specifications. Next week residual water samples will be taken to check for chlorine content followed by flushing and bacteria testing.
- Bollard post installation, finish grading around ARV manholes and flush hydrants, and fencing were also ongoing tasks throughout the week. These operations will continue the week of June 11th.

Central Excavation Inc.

- Central Excavation did not work this week. Central will resume chemical feed system startup as soon as potable water is available.
- A fencing subcontractor is scheduled to be onsite next week to begin installation of fence posts at the pump house, meter building, and standpipe.

Construction Pictures

Injecting Chlorine at Shelby Meter Vault

Painting Bollard Posts

CONSTRUCTION FIELD REPORT

Project Name: NCMRWA Segment W4-B1 Shelby to Conrad

Report Date: 6/11/2017

Owner: NCMRWA

Project Location: Shelby to Conrad, MT

KLJ Project No: 4615048

Contractors: Downing Construction Inc.

Reporter: Logan Tweet

Weather & Site Conditions

- Heavy rain Monday night into Tuesday morning caused for very muddy site conditions and limited work early in the week. Later in the week it dried out with daily highs reaching the 70s and 80s.

Construction Activities

- Downing's crew performed no work on this project the week of June 4th. There entire crew was working on Segment W3 Cut Bank to Shelby in an effort to reach their final completion date. Construction on Segment W4-B1 Shelby to Conrad will resume Monday June 19th.
- CTI began boring under the Marias River Tuesday the 6th. While drilling their pilot hole they encountered very hard materials and were forced to switch to a motorized drill bit head to penetrate this material. The pilot hole has now been completed. Monday the 12th they will begin reaming the hole out with a series of larger bits until the desired diameter of the hole is reached. Reaming will be followed by pulling the pipe through the bore hole.

Construction Pictures

Boring Marias River

Boring Marias River

Tax Increment Financing in Montana - Glossary of Terms

Prepared by Community Development Services of Montana

June 14th, 2017

Tax increment financing (TIF) - TIF is a state authorized, locally driven funding *provision* that enables cities and counties to direct property tax dollars that accrue from net increases in taxable value, within a specifically designated urban renewal (URD) or targeted economic development district (TEDD), to community and economic development activities *within or connecting to* that district. In Montana, TIF is authorized in §7-15-4201 and 4301, et. Seq. Montana Code Annotated (MCA), the State's Urban Renewal Law.

Property – The term "property" refers to all real and personal property that is taxed, based on a percentage of its value (an *ad valorem* tax). It also includes property owned by a non-taxable entity such as a government agency, but leased to a taxable entity. For example, a for profit business that leases property from the state of Montana would pay a *"beneficial use"* tax, based on the value of the property that it occupies.

Taxable Value – The taxable value of a property is determined by multiplying its assessed market value by a certain percentage, depending on its class. *Class 4 property* is the largest class of property in the state of Montana, as measured in both market value and the number of parcels. Residential, commercial, and industrial land and improvements are included in Class 4 and make up much of the real property in most TIF districts. The tax rate for residential property was 1.35 percent in 2016. The tax rate for commercial and industrial property was 1.4 times the residential property tax rate, or 1.89 percent in 2016. (Montana Department of Revenue Biennial Report 2014-2016)

Centrally Assessed Property – Many districts also have a at least some *centrally assessed property.* Property classified as centrally assessed falls into several classifications. However, there are three classes of centrally assessed properties of concern to URDs and TEDDs. Class 9 includes pipelines and the non-electric generating property of electric utilities. *The market value of Class 9 property in local jurisdictions is determined by the portion of property that is in the local jurisdictions.* The tax rate is twelve percent. Class 12 includes all property owned by airlines and railroads. It is valued each year and the tax rate varies depending on the effective tax rate of all industrial property in the state. In 2016, the tax rate was 3.04 percent. Class 13 includes all property of telecommunication utilities and the electric generating property of electric utilities. The market value is determined on an annual basis by the Department of Revenue's centrally assessed appraisers. The tax rate is six percent. (Montana Department of Revenue Biennial Report 2014-2016)

Adoption of a TIF Provision/Effective Date – A TIF provision is adopted as part of either an urban renewal plan (for an urban renewal district), or a comprehensive development plan (for a targeted economic development district). Adoption of these plans with TIF provisions, by the local governing body, must be by ordinance. The effective date of the plan and the tax increment

provision is 30 days after adoption. The adoption of a TIF provision identifies a *"base year" and corresponding base taxable value* (see below), from which incremental increases in the taxable value are measured. Taxes which result from the base year taxable value continue to be distributed to all taxing jurisdictions that levy mills within the district.

Base Taxable Value – The base taxable value means the actual taxable value of all taxable property within an urban renewal or targeted economic development district as it appeared on the property tax record as of January 1st of the year in which a TIF provision becomes effective. For example, an urban renewal plan or comprehensive development plan containing a TIF provision, with an effective date on or before December 31st, 2017, would have a base taxable value calculated as of January 1st, 2017.

Incremental Taxable Value – The incremental taxable value is the amount, *if any*, by which the actual taxable value at any time exceeds the base taxable value of all taxable property within an urban renewal or targeted economic development district (the *net* increase in taxable value).

Tax Increment - "Tax increment" means the collections realized from applying the tax levies, expressed in mills, of all taxing bodies in which the urban renewal or targeted economic development district or a part of the district is located against the incremental taxable value. (The six-mill university levy and certain voted mill levies are exempt from this calculation.)

The following table shows how the tax increment is calculated.

Tax Increment Calculation	
Base Year Taxable Value	$10,000
Current Year Taxable Value	$12,000
Incremental Increase in Taxable Value	$2,000
Current Year Mill Levy	550 (total number of mills levied in the district less exempt mills)
Base Taxes due all taxing jurisdictions	$5,500
Tax Incremental due to URA/TEDD	$1,100

Urban Renewal District (URD) (§7-15-4209 MCA) – A URD is an area within a city, town or consolidated city-county that has as its purpose, to utilize private and public resources:

- to eliminate and prevent the development or spread of blighted areas
- to encourage needed urban rehabilitation
- to provide for the redevelopment of such areas

Prior to embarking on the creation of a URD, the local governing body must adopt a resolution of necessity that identifies *at least three conditions of blight as defined in §7-15-4206(2)* within the area to be designated. The plan for a URD may include a TIF provision as a funding mechanism for implementing projects and activities identified in the plan.

Urban Renewal Agency (URA) (§7-15-4231 MCA) – A local government may, by resolution, create an urban renewal agency to exercise the powers authorized in the urban renewal statutes. A URA is governed by a five-member board, appointed by the local governing body. The local government may also choose to retain these powers and assign a department to undertake urban renewal activities on behalf of the governing body. There is no corresponding authority identified in the statutes authorizing TEDDs. Many local governments have chosen to use advisory boards in conjunction with their urban renewal or targeted economic development programs.

Targeted Economic Development District (TEDD) (§7-15-4278 MCA) – A TEDD is an infrastructure-deficient area within a city, town, county or consolidated city-county that constitutes a serious impediment to the development of infrastructure-intensive, value-adding economic development in Montana and where "the state's tax increment financing laws should be used" to develop needed infrastructure for *value-adding industries*." A resolution of necessity that documents the infrastructure deficiencies with the area to be designated must be adopted by the local governing body prior to embarking on the creation of the TEDD. The plan for a TEDD may include a TIF provision as a funding mechanism for implementing projects and activities identified in the plan

Value-Adding industry (§7-15-4279 MCA) – is a business that produces secondary value-added products or commodities or a business or organization that is engaged in technology-based operations within Montana that, through the employment of knowledge or labor, adds value to a product, process, or export service resulting in the creation of new wealth. (Secondary value-added products or commodities" means products or commodities that are manufactured, processed, produced, or created by changing the form of raw materials or intermediate products into more valuable products or commodities that are capable of being sold or traded in interstate commerce.)

Industrial, Aerospace and Technology Districts – Prior to 2013, three other types of districts were authorized to use TIF as a funding mechanism for projects. These were eliminated and replaced by the 2013 Montana Legislature under the Targeted Economic Development Act. Existing industrial, aerospace and technology districts may continue to operate, but no new districts of this type may be created.

Projects, Programs and Activities – The Montana Urban Renewal Law identifies the types of projects and programs that may be undertaken in a URD or TEDD. In general, these include the following:

- Land Acquisition
- Rehabilitation and Renovation Activities
- Demolition and Removal of Structures
- Planning, Marketing and Analysis
- General Redevelopment Activities
- Constructing, improving and connecting to public infrastructure

§7-15-4288 MCA specifically lists the types of activities that can be paid by TIF. The list also includes the general redevelopment activities authorized under §7-15-4233 MCA. Urban renewal and targeted economic development projects proposed for funding by TIF (or other mechanism) *are required to be supported/justified in the urban renewal plan or comprehensive development plan adopted by the governing body.*

TIF Bonds – Tax increments may be used to pay interest and principle on bonds issued for projects within a URD or TEDD. Bonds may be issued for a period, not to exceed 25 years. TIF bonds are a form of revenue bond and are typically not issued as a general obligation of the local government.

TIF Sunset (§7-15-4292 MCA) – A tax increment provision terminates upon the later of:

- the 15th year following its adoption or
- the payment in full of all tax increment bonds payable from the tax increment derived from the district not to exceed a total of 40 years

Note: The TIF provision sunset date cannot be extended by bonds issued later than those issued during the first fifteen years. No TIF provision may be in place for a period longer than 40 years. To date, the longest period was 33 years. **Revolving loan funds** established with TIF funds may continue to operate after the TIF provision sunsets. (Loan funds must be appropriated during the life of the TIF provision in accordance to the plan for the district.) Districts and their corresponding plans are not required to sunset and may continue to be implemented, but a new base year must be established if a TIF provision is to be used again.

TIF Remittances – A local governing body may enter agreements with the other taxing jurisdictions to return (or *remit*) a portion of the increment not needed for projects and/or bond payments. Remittances must be made to all affected taxing jurisdictions in proportion to the number of mills levied by each within the URD or TEDD. Remittances can be made with or without an agreement, however; but they must be distributed proportionately to all the taxing jurisdictions.

Urban Renewal Law - The Montana Urban Renewal Law (§7-15-4201 and 4301, et. Seq. MCA), was originally adopted by the Montana Legislature in 1947 to address "blighted areas" and noted that "the prevention and elimination of such areas is a matter of state policy and state concern..." The law was amended in 1974 to include TIF and in 2013 to include targeted economic development. The 2013 Targeted Economic Development District Act, finding that "the creation of infrastructure in support of value-adding economic development is a matter of state policy and state concern because the state and its local governments will continue to suffer economic dislocation due to the lack of value-adding industries..." The Act also provided for the use of TIF in TEDDs.

TEMPORARY
PARKING PERMIT

Trailer Type	**1998 Aljo 23' camper trailer**
Name	**Glenn Kurkowski**
Address	**111 E Richland Ave**
Phone #	**(406) 460-0290**
Date(s) Valid	**06/05/17—06/06/17**
Permit Number	**2017-011**

Larry J Bondenud MAYOR

CONDITIONS OF THIS PERMIT:

1. *Valid ONLY for date(s) indicated.*
2. *Must be displayed while parked at all times.*
3. *The acceptance of this permit relieves the City of Shelby of any responsibility for damages to or loss of vehicle, its contents or accessories from any cause whatsoever.*

CITY OF SHELBY

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

CITY OF
SHELBY
MONTANA

TEMPORARY
PARKING PERMIT

Trailer Type	**282 Keystone Hideout 5th Wheel**
Name	**Rob Tasker**
Address	**338 7th Ave S**
Phone #	**434-9175**
Date(s) Valid	**June 6—June 18, 2017**
Permit Number	**2017-012**

MAYOR Larry J Bondenud

CONDITIONS OF THIS PERMIT:

1. *Valid ONLY for date(s) indicated.*
2. *Must be displayed while parked at all times.*
3. *The acceptance of this permit relieves the City of Shelby of any responsibility for damages to or loss of vehicle, its contents or accessories from any cause whatsoever.*

CITY OF SHELBY

112 First Street South

Shelby, MT 59474

Telephone: (406) 434-5222

FAX: (406) 434-2039

www.shelbymt.com

CITY OF SHELBY MONTANA

CITY OF SHELBY
MONTHLY ANIMAL CONTROL REPORT

MAY 2017
(Month) (Year)

Animal Control Calls and/or Complaints

		Dog	Cat
City Hall or Public Works	8 -	6	2
Sheriff's Office	13 -	13	0
On Patrol	14 -	8	6

Fees Collected by Animal Control Officer

Destroyed- Animals brought in	0
License	10.00
Pound	250.00
Rabies Shot	20.00

Pound Activity

Animals in pound at end of last month		3	Cats
Impounded	+	5	
Destroyed - Animals from pound	-	0	
Destroyed - Animals brought in	+	0	Dog Cat
Released/Returned to owner	-	4	
Total in Pound Month End - - - - - - - - >		4	1 - 3

Dead Animals

Marias Vet Clinic	0
Other (list where picked up): Pidgeon on Roosevelt / Pidgeon on Main st	2

Vehicle Log

Gallons of Gas	17
Mileage - current month reading	89100
Mileage - previous month reading	88890
Total Mileage	210

Warnings and/or Citations

Verbal Warnings	10
Written Warnings	18
Citations Issued	

Licenses Issued

Month	15
Year to Date	347

Animal Control Officer

cc: City Superintendent
City Council (deliver to City Hall 1st of month)
Animal Control file

I:\My Documents\Animal Control\1ANI.06.doc