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CITY OF SHELBY  
Claim Details  
For the Accounting Period: 7/19

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Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
190000		01806 ALARM SERVICE INC	35.00					
1	R 97690	07/22/19 8/19 Fire Alarm Monitoring	35.00*			1000 420401	300	101000
190001		00343 ENERGY LABORATORIES INC	575.00					
1	244836	07/03/19 Samples Return	20.00*		32172	5310 430600	300	101000
2	245792	07/09/19 Lagoon Effluent	135.00*		32184	5310 430600	300	101000
3	249935	07/24/19 Lagoon Effluent	135.00*		32207	5310 430600	300	101000
4	251031	07/29/19 Lagoon Effluent	85.00*		32207	5310 430600	300	101000
5	251441	07/31/19 Lagoon Effluent/Influent	200.00*		32209	5310 430600	300	101000
190002		00400 UTILITIES UNDERGROUND LOCATION	23.60					
1	201170	07/15/19 2017-2018 Locate Fees	23.60*		32181	5210 430500	300	101000
190003		01137 AQUA TECH LABORATORY	80.00					
1	31305	07/08/19 Monthly Coliform Water Testing	80.00*		32180	5210 430500	300	101000
190004		00276 TRI-CITY INTERLOCAL EQUIPMENT	30,000.00					
1	07/31/19	FY 19-20 Equipment Interlocal	15,000.00*			1000 510320	560	101000
2	07/31/19	FY 19-20 Equipment Interlocal	7,500.00*			5210 510320	560	101000
3	07/31/19	FY 19-20 Equipment Interlocal	7,500.00*			5310 510320	560	101000
190005		01093 BUILDING CODES BUREAU/BOILER	89.96					
1	07/08/19	18-19 Building Code Assessment	89.96*			1000 420500	200	101000
190006		01226 FAGENSTROM CO	405.00					
1	139268	07/11/19 Pipe w/Bottom&Hole/Bell Grate	405.00*		32194	5210 430500	200	101000
190007	-98613E	01200 U S BANK TRUST-SPA LOCKBOX	10,855.00					
		Shelby ARRA-B						
1	SRF-10220	07/01/19 Wastewater Improvements-Pri	9,000.00*			5310 490208	610	102210
2	SRF-10220	07/01/19 Wastewater Improvements-Int	1,855.00*			5310 490208	620	102210
190008	-98612E	01200 U S BANK TRUST-SPA LOCKBOX	80,617.50					
1	WRF-05062	07/01/19 WRF Ser03 drinking wtr-Prin	21,000.00*			5210 490204	610	102210
2	WRF-05062	07/01/19 WRF Ser03 drinking wtr-Int	2,767.50*			5210 490204	620	102210
3	WRF-02040	07/01/19 WRF Ser02 drinking wtr-Prin	21,000.00*			5210 490203	610	102210
4	WRF-02040	07/01/19 WRF Ser02 drinking wtr-Int	1,510.00*			5210 490203	620	102210
5	WRF-02036	07/01/19 WRF Ser04 drinking wtr-Prin	34,000.00*			5210 490201	610	102210
6	WRF-02036	07/01/19 WRF Ser04 drinking wtr-Int	340.00*			5210 490201	620	102210

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190009	-98611E 01200 U S BANK TRUST-SPA LOCKBOX	5,365.00							
1	WRF-09136 07/01/19 DNRC2 08 Water Main Imp-Pri	4,000.00*			5210 490207	610	102210		
2	WRF-09136 07/01/19 DNRC2 08 Water Main Imp-Int	1,365.00*			5210 490207	620	102210		
190010	-98610E 01200 U S BANK TRUST-SPA LOCKBOX	22,480.00							
	Shelby ARRA-A								
	Loan C								
1	SRF-11266 07/01/19 Wastewater Improvements-Pri	16,000.00*			5310 490208	610	102210		
2	SRF-11266 07/01/19 Wastewater Improvements-Int	6,480.00*			5310 490208	620	102210		
190011	-98609E 01200 U S BANK TRUST-SPA LOCKBOX	8,746.25							
	Shelby ARRA-B								
1	WRF-11226 07/01/19 Water Sys Improvement-Prin	8,000.00*			5210 490209	610	102210		
2	WRF-11226 07/01/19 Water Sys Improvements-Int	746.25*			5210 490209	620	102210		
190012	00539 YEAGLEY, JAMES H	600.00							
1	07/31/19 7/19 Planning Services	600.00*			1000 411030	350	101000		
190013	-98603E 01486 USDA RURAL DEVELOPMENT	1,603.00							
1	07/05/19 Fire Hall Improvement Loan	1,371.47*			1000 490527	610	101000		
2	07/05/19 Fire Hall Improvement Loan-Int	231.53*			1000 490527	620	101000		
190014	-98608E 01200 U S BANK TRUST-SPA LOCKBOX	17,170.00							
1	SRF-02085 07/01/19 SRF Ser01 wastewater-Prin	17,000.00*			5310 490203	610	102210		
2	SRF-02085 07/01/19 SRF Ser01 wastewater-Int	170.00*			5310 490203	620	102210		
190015	01285 HUNT, WILLIAM E JR	5,833.33							
1	07/30/19 7/19 Legal Services	1,458.34*			1000 411100	350	101000		
2	07/30/19 7/19 Legal Services	1,458.33*			5210 430513	350	101000		
3	07/30/19 7/19 Legal Services	1,458.33*			5310 430613	350	101000		
4	07/30/19 7/19 Legal Services	1,458.33*			5410 430813	350	101000		
190016	26007S 00111 FIRST STATE BANK	22,181.63							
1	9 07/15/19 2015 Freightliner Garbage Tk-P	21,327.30*			5410 490531	610	102210		
2	9 07/15/19 2015 Freightliner Garbage Tk-I	854.33*			5410 490531	620	102210		
190017	-98604E 00111 FIRST STATE BANK	134.20							
1	07/02/19 Monthly Bank Service Charge	33.55*			1000 410550	300	101000		
2	07/02/19 Monthly Bank Service Charge	33.55*			5210 430570	300	101000		
3	07/02/19 Monthly Bank Service Charge	33.55*			5310 430670	300	101000		
4	07/02/19 Monthly Bank Service Charge	33.55*			5410 430870	300	101000		

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Line #	Check Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object Proj	Account		
190018	26008S 01125 MT DEQ/PERMITTING & COMPLIANCE	1,110.00							
1	1 07/01/19 Solid Waste Management Lic #83	1,110.00*			5410 430840	300	101000		
190019	25930S 02325 CHS	32,073.56							
1	8 07/01/19 TEDITFD-Principal	23,266.82*			2310 490533	610	101000		
2	8 07/01/19 TEDITFD-Interest	8,806.74*			2310 490533	620	101000		
190020	01663 SHELBY GLASS & DOOR INC	615.00							
1	23707 07/01/19 Replace Entry Door Glass	615.00*		32171	1000 460442	369	101000		
190021	00043 SHELBY GAS ASSOCIATION	1,549.40							
1	07/25/19 7/19 Gas Bill	9.00*			1000 411200	343	101000		
2	07/25/19 7/19 Gas Bill	32.90*			1000 420400	343	101000		
3	07/25/19 7/19 Gas Bill	32.90*			1000 420401	343	101000		
4	07/25/19 7/19 Gas Bill	1,250.60*			1000 460445	343	101000		
5	07/25/19 7/19 Gas Bill	30.60*			1000 460442	343	101000		
6	07/25/19 7/19 Gas Bill	9.80*			5410 430840	343	101000		
7	07/25/19 7/19 Gas Bill	20.10*			1000 430200	343	101000		
8	07/25/19 7/19 Gas Bill	20.10*			5210 430500	343	101000		
9	07/25/19 7/19 Gas Bill	20.10*			5310 430600	343	101000		
10	07/25/19 7/19 Gas Bill	20.10*			5410 430830	343	101000		
11	07/25/19 7/19 Gas Bill	2.25*			1000 411202	343	101000		
12	07/25/19 7/19 Gas Bill	2.25*			5210 430520	343	101000		
13	07/25/19 7/19 Gas Bill	2.25*			5310 430620	343	101000		
14	07/25/19 7/19 Gas Bill	2.25*			5410 430820	343	101000		
15	07/25/19 7/19 Gas Bill	9.80*			5210 430500	343	101000		
16	07/25/19 7/19 Gas Bill	18.00*			1000 460465	343	101000		
17	07/25/19 7/19 Gas Bill	66.40*			2936 460463	343	101000		
190022	00026 MARIAS RIVER ELECTRIC COOP INC	12,252.10							
1	07/25/19 7/19 Electric Bill	96.65*			1000 411200	342	101000		
2	07/25/19 7/19 Electric Bill	104.24*			1000 420400	342	101000		
3	07/25/19 7/19 Electric Bill	104.23*			1000 420401	342	101000		
4	07/25/19 7/19 Electric Bill	54.08*			1000 411202	342	101000		
5	07/25/19 7/19 Electric Bill	54.08*			5210 430520	342	101000		
6	07/25/19 7/19 Electric Bill	54.08*			5310 430620	342	101000		
7	07/25/19 7/19 Electric Bill	54.09*			5410 430820	342	101000		
8	07/25/19 7/19 Electric Bill	110.97*			1000 430200	342	101000		
9	07/25/19 7/19 Electric Bill	110.97*			5210 430500	342	101000		
10	07/25/19 7/19 Electric Bill	110.97*			5310 430600	342	101000		
11	07/25/19 7/19 Electric Bill	110.97*			5410 430830	342	101000		
12	07/25/19 7/19 Electric Bill	44.28*			1000 440600	342	101000		
13	07/25/19 7/19 Electric Bill	44.28*			1000 460430	342	101000		
14	07/25/19 7/19 Electric Bill	86.52*			1000 460465	342	101000		

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15	07/25/19	7/19 Electric Bill	145.61*			1000 460439	342	101000
16	07/25/19	7/19 Electric Bill	495.90*			1000 460442	342	101000
17	07/25/19	7/19 Electric Bill	882.98*			1000 460445	342	101000
18	07/25/19	7/19 Electric Bill	3,873.66*			2400 430263	342	101000
19	07/25/19	7/19 Electric Bill	4,960.61*			5210 430500	342	101000
20	07/25/19	7/19 Electric Bill	350.74*			5310 430600	342	101000
21	07/25/19	7/19 Electric Bill	371.18*			2936 460463	342	101000
22	07/25/19	7/19 Electric Bill	31.01*			5410 430840	342	101000
190023		01851 CT CLEANING	1,200.00					
1	07/31/19	7/19 Janitorial Service	60.00*			1000 411202	390	101000
2	07/31/19	7/19 Janitorial Service	60.00*			5210 430520	390	101000
3	07/31/19	7/19 Janitorial Service	60.00*			5310 430620	390	101000
4	07/31/19	7/19 Janitorial Service	60.00*			5410 430820	390	101000
5	07/31/19	7/19 HCH Park Bathroom	40.00*			1000 460430	390	101000
6	07/31/19	7/19 CC Janitorial Service	800.00*			1000 460442	300	101000
7	07/31/19	7/19 Williamson Bldg Service	120.00*			2936 460463	300	101000
190024	26044S	00144 POSTMASTER	302.15					
1	07/25/19	7/19 UB Postage	100.72*			5210 430570	310	101000
2	07/25/19	7/19 UB Postage	100.72*			5310 430670	310	101000
3	07/25/19	7/19 UB Postage	100.71*			5410 430870	310	101000
190025		00030 MT MUNICIPAL INTERLOCAL	26,506.00					
1	07/01/19	FY 19/20 Liability Assessment	6,626.50*			2190 510330	510	101000
2	07/01/19	FY 19/20 Liability Assessment	6,626.50*			5210 510330	510	101000
3	07/01/19	FY 19/20 Liability Assessment	6,626.50*			5310 510330	510	101000
4	07/01/19	FY 19/20 Liability Assessment	6,626.50*			5410 510330	510	101000
190026	-98614E	01486 USDA RURAL DEVELOPMENT	93,629.00					
1	07/01/19	Multimodal USDA RD Series 2015	25,956.84*			5210 490211	610	102210
2	07/01/19	Multimodal USDA RD Series 2015	67,672.16*			5210 490211	620	102210
190027	-98615E	01486 USDA RURAL DEVELOPMENT	40,212.00					
1	07/01/19	Multimodal USDA RD Series 2015	11,342.80*			5310 490211	610	102210
2	07/01/19	Multimodal USDA RD Series 2015	28,869.20*			5310 490211	620	102210
190028		00030 MT MUNICIPAL INTERLOCAL	35,072.08					
1	07/01/19	FY 19/20 Property Assessment	8,768.02*			2190 510330	510	101000
2	07/01/19	FY 19/20 Property Assessment	8,768.02*			5210 510330	510	101000
3	07/01/19	FY 19/20 Property Assessment	8,768.02*			5310 510330	510	101000
4	07/01/19	FY 19/20 Property Assessment	8,768.02*			5410 510330	510	101000



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190029	-98607E 01200 U S BANK TRUST-SPA LOCKBOX	59,524.98							
1	SRF-17407 07/01/19 Storm Drainage System-Prin	45,000.00*			5720 490213	610	102210		
2	SRF-17407 07/01/19 Storm Drainage System-Int	14,524.98*			5720 490213	620	102210		
190030	02368 OPTUM	21.25							
1	9510019173 07/15/19 HSA Service Fee	5.31*			1000 410550	300	101000		
2	9510019173 07/15/19 HSA Service Fee	5.31*			5210 430570	300	101000		
3	9510019173 07/15/19 HSA Service Fee	5.31*			5310 430670	300	101000		
4	9510019173 07/15/19 HSA Service Fee	5.32*			5410 430870	300	101000		
190031	02389 WELLS FARGO VENDOR FIN SERV	127.70							
	Serial #6507270X								
1	69852241 07/21/19 7/19 Sharp MX-350 Copier-Sho	63.85*		32203	1000 430200	200	101000		
2	69852241 07/21/19 7/19 Sharp MX-350 Copier-Sho	63.85*		32203	1000 420500	200	101000		
190032	00039 PETTY CASHIER	124.60							
1	2858 07/23/19 TC Treasurer 02 Chevy Plate	20.60*			1000 460430	300	101000		
2	2859 07/24/19 TC C&R 7/19 Legal Filings	6.00*			1000 410550	300	101000		
3	2859 07/24/19 TC C&R 7/19 Legal Filings	6.00*			5210 430570	300	101000		
4	2859 07/24/19 TC C&R 7/19 Legal Filings	6.00*			5310 430670	300	101000		
5	2859 07/24/19 TC C&R 7/19 Legal Filings	6.00*			5410 430870	300	101000		
6	2860 07/23/19 TC Treasurer Specialty Plates	80.00*			7427 411850	800	101000		
190033	00309 PREFERRED OFFICE EQUIPMENT	532.00							
1	29915 07/15/19 7/19 Maintenance & Copies	106.31*			1000 411050	300	101000		
2	29915 07/15/19 7/19 Maintenance & Copies	86.94*			1000 410550	300	101000		
3	29915 07/15/19 7/19 Maintenance & Copies	86.94*			5210 430570	300	101000		
4	29915 07/15/19 7/19 Maintenance & Copies	86.94*			5310 430670	300	101000		
5	29915 07/15/19 7/19 Maintenance & Copies	86.94*			5410 430870	300	101000		
6	29941 07/16/19 7/19 Maintenance & Copies-Shop	38.96*		32197	1000 430200	300	101000		
7	29941 07/16/19 7/19 Maintenance & Copies-Shop	38.97*		32197	1000 420500	300	101000		
190034	01388 3 RIVERS COMMUNICATIONS INC	958.48							
1	07/01/19 7/19 Phone Bill	12.39*			1000 420500	344	101000		
2	07/01/19 7/19 Phone Bill	33.41*			1000 410550	344	101000		
3	07/01/19 7/19 Phone Bill	33.42*			5210 430570	344	101000		
4	07/01/19 7/19 Phone Bill	33.42*			5310 430670	344	101000		
5	07/01/19 7/19 Phone Bill	33.42*			5410 430870	344	101000		
6	07/01/19 7/19 Phone Bill	25.71*			1000 430200	344	101000		
7	07/01/19 7/19 Phone Bill	25.71*			5210 430500	344	101000		
8	07/01/19 7/19 Phone Bill	25.71*			5310 430600	344	101000		
9	07/01/19 7/19 Phone Bill	25.71*			5410 430830	344	101000		
10	07/01/19 7/19 Phone Bill	96.76*			1000 460465	300	101000		
11	07/01/19 7/19 Phone Bill	163.96*			1000 460442	344	101000		

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12	07/01/19	7/19 Phone Bill	64.60*			1000 420400	344		101000	
13	07/01/19	7/19 Phone Bill	64.60*			1000 420401	344		101000	
14	07/01/19	7/19 Phone Bill	4.74*			1000 410200	344		101000	
15	07/01/19	7/19 Phone Bill	4.74*			5210 430512	344		101000	
16	07/01/19	7/19 Phone Bill	4.74*			5310 430612	344		101000	
17	07/01/19	7/19 Phone Bill	4.74*			5410 430812	344		101000	
18	07/01/19	7/19 Phone Bill	45.93*			1000 460445	344		101000	
19	07/01/19	7/19 Phone Bill	136.70*			5310 430600	344		101000	
20	07/01/19	7/19 Phone Bill	33.48*			5210 430500	344		101000	
21	07/01/19	7/19 Phone Bill	51.11*			5210 430500	344		101000	
22	07/01/19	7/19 Phone Bill	33.48*			5210 430500	344		101000	
190035		00048 TOOLE COUNTY CLERK & RECORDER	51,569.94							
1	06/30/19	City Judge & Sec-Wages	1,694.74*			1000 410360	100		101000	
2	06/30/19	City Judge&Sec-Social Security	104.18*			1000 410360	141		101000	
3	06/30/19	City Judge & Sec-Medicare	24.37*			1000 410360	142		101000	
4	06/30/19	City Judge & Sec-PERS	145.24*			1000 410360	143		101000	
5	06/30/19	City Judge&Sec-UnemploymentIns	2.97*			1000 410360	145		101000	
6	06/30/19	City Judge & Sec-Worker's Comp	13.51*			1000 410360	146		101000	
7	06/30/19	City Judge-Health Insurance	357.75*			1000 410360	147		101000	
8	06/30/19	City Judge-Supplies	11.30*			1000 410360	200		101000	
9	06/30/19	City Judge-Phone	19.63*			1000 410360	344		101000	
10	06/30/19	City Judge-Travel & Education	96.25*			1000 410360	370		101000	
11	06/30/19	Law Enforcement	34,370.00*			1000 420000	300		101000	
12	06/30/19	Law Enforcement	4,910.00*			5210 420100	300		101000	
13	06/30/19	Law Enforcement	4,910.00*			5310 420100	300		101000	
14	06/30/19	Law Enforcement	4,910.00*			5410 420100	300		101000	
190036	25931S	02390 HUMIC	19,166.67							
1	1 07/01/19	HGS Agreement Payment #1	19,166.67*			5210 430501	950	2284	101000	
190037	-98606E	01200 U S BANK TRUST-SPA LOCKBOX	11,087.50							
4th Cell-Loan 1										
1	SRF-18423	07/01/19 SRF-18423 Wastewater-Prin	6,583.00*			5310 490212	610		102210	
2	SRF-18423	07/01/19 SRF-18423 Wastewater-Int	4,504.50*			5310 490212	620		102210	
190038	-98605E	01200 U S BANK TRUST-SPA LOCKBOX	38,114.06							
4th Cell-Loan 2										
1	SRF-19439	07/01/19 SRF-19439 Wastewater-Prin	21,000.00*			5310 490212	610		102210	
2	SRF-19439	07/01/19 SRF-19439 Wastewater-Int	17,114.06*			5310 490212	620		102210	

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190039	26005S	02442 AMERICAN ROOFING LLC	9,900.00					
		Council Approved 7/1/19						
1	18274	07/02/19 50% Down Stucco Repair-Pool	3,972.50*			1000 460445	369	101000
2	18274	07/02/19 50% Down Recoat Foam-Fire Hall	5,927.50*			1000 420400	900	101000
190040	-98616E	00111 FIRST STATE BANK	15.00					
1	07/01/19	Wire Fee for Loan Payments	3.75*			1000 410550	300	101000
2	07/01/19	Wire Fee for Loan Payments	3.75*			5210 430570	300	101000
3	07/01/19	Wire Fee for Loan Payments	3.75*			5310 430670	300	101000
4	07/01/19	Wire Fee for Loan Payments	3.75*			5410 430870	300	101000
190041	26006S	02440 WELLS FARGO EQUIPMENT FINANCE	47,875.88					
		2018 Caterpillar 963K Wheel Loader						
		Serial #0LBL00701						
		Approved by Council 11/6/17						
1	2 07/09/19	2018 Caterpillar 963K Loader-P	34,931.63*			5410 490521	610	102210
2	2 07/09/19	2018 Caterpillar 963K Loader-I	12,944.25*			5410 490521	620	102210
190042		02317 ESRI	1,700.00					
1	93663843	07/03/19 ArcGIS Online Creator	250.00*			1000 430200	323	101000
2	93663843	07/03/19 ArcGIS Online Creator	250.00*			5210 430500	323	101000
3	93663843	07/03/19 ArcGIS Online Creator	250.00*			5310 430600	323	101000
4	93663843	07/03/19 ArcGIS Online Creator	250.00*			5410 430830	323	101000
5	93663843	07/03/19 ArcGIS Desktop Primary/Secon	175.00*			1000 430200	323	101000
6	93663843	07/03/19 ArcGIS Desktop Primary/Secon	175.00*			5210 430500	323	101000
7	93663843	07/03/19 ArcGIS Desktop Primary/Secon	175.00*			5310 430600	323	101000
8	93663843	07/03/19 ArcGIS Desktop Primary/Secon	175.00*			5410 430830	323	101000
190043		02412 CORE & MAIN	90.29					
1	K799549	07/02/19 Couplings	90.29*		32169	5210 430500	200	101000
190044		00083 MARIAS HEALTHCARE	300.00					
1	07/01/19	DOT Physical-Barnes	150.00*		32170	1000 430200	300	101000
2	07/17/19	DOT Physical-Roark	150.00*		32206	1000 430200	300	101000
190045		01988 FIELDSTONE OFFICE SUPPLY	164.45					
1	121998	07/02/19 Brother Ink Cartridges	42.50*		31578	1000 460442	200	101000
2	128047	07/12/19 HP 61 XL Black & Tri Color Ink	105.75*		32012	1000 440600	200	101000
3	128086	07/22/19 12 pack Legal Pads	4.05*		32013	1000 410550	200	101000
4	128086	07/22/19 12 pack Legal Pads	4.05*		32013	5210 430570	200	101000
5	128086	07/22/19 12 pack Legal Pads	4.05*		32013	5310 430670	200	101000
6	128086	07/22/19 12 pack Legal Pads	4.05*		32013	5410 430870	200	101000

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Line #	Check	Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object Proj	Account	
190046		02455 MAGDA NELSON	61.25						
1	50 07/08/19	Compile FY18 AFR Package	13.13*			1000 410550	300	101000	
2	50 07/08/19	Compile FY18 AFR Package	13.13*			5210 430570	300	101000	
3	50 07/08/19	Compile FY18 AFR Package	13.12*			5310 430670	300	101000	
4	50 07/08/19	Compile FY18 AFR Package	13.12*			5410 430870	300	101000	
5	50 07/08/19	Discuss FY19 Closing & AFR	2.18*			1000 410550	300	101000	
6	50 07/08/19	Discuss FY19 Closing & AFR	2.19*			5210 430570	300	101000	
7	50 07/08/19	Discuss FY19 Closing & AFR	2.19*			5310 430670	300	101000	
8	50 07/08/19	Discuss FY19 Closing & AFR	2.19*			5410 430870	300	101000	
190047		01805 SYSTEMS	1,439.50						
1	34407 07/01/19	MSO365 Fee 6/19-8/19	65.10*			1000 410550	300	101000	
2	34407 07/01/19	MSO365 Fee 6/19-8/19	65.10*			5210 430570	300	101000	
3	34407 07/01/19	MSO365 Fee 6/19-8/19	65.10*			5310 430670	300	101000	
4	34407 07/01/19	MSO365 Fee 6/19-8/19	65.10*			5410 430870	300	101000	
5	34407 07/01/17	MSO365 Fee 6/19-8/19	65.10*			1000 411050	300	101000	
6	34469 07/09/19	Door Setup on CC Computer	165.00*			1000 460442	300	101000	
7	34529 07/19/19	BarracudaBackupStorage/Support	189.80*			1000 410550	300	101000	
8	34529 07/19/19	BarracudaBackupStorage/Support	189.80*			5210 430570	300	101000	
9	34529 07/19/19	BarracudaBackupStorage/Support	189.80*			5310 430670	300	101000	
10	34529 07/19/19	BarracudaBackupStorage/Support	189.80*			5410 430870	300	101000	
11	34529 07/19/19	BarracudaBackupStorage/Support	189.80*			1000 411050	300	101000	
190048		01125 MT DEQ/PERMITTING & COMPLIANCE	3,350.00						
		3 Wells, UV Unit & Chlorine & Distribution							
1	5K2000009 07/08/19	Wellfield Plan Review Fee	3,350.00*			5210 430501	950 2285	101000	
190049		01270 STIRLING WEB DESIGN	420.00						
1	265 07/12/19 12/18-7/11/19	Website Update	105.00*			1000 410550	300	101000	
2	265 07/12/19 12/18-7/11/19	Website Update	105.00*			5210 430570	300	101000	
3	265 07/12/19 12/18-7/11/19	Website Update	105.00*			5310 430670	300	101000	
4	265 07/12/19 12/18-7/11/19	Website Update	105.00*			5410 430870	300	101000	
190050		999998 JADE M GOROSKI	328.62						
		TSEP Grant Administration Workshop - Helena, MT - 7/9/19							
		NCMRWA - Great Falls, MT - 7/23/19							
1	07/10/19	Mileage/Meals-Goroski	57.50*			1000 410550	370	101000	
2	07/10/19	Mileage/Meals-Goroski	57.50*			5210 430570	370	101000	
3	07/10/19	Mileage/Meals-Goroski	57.51*			5310 430670	370	101000	
4	07/10/19	Mileage/Meals-Goroski	57.51*			5410 430870	370	101000	
5	07/23/19	Mileage-Goroski	98.60*			5210 430570	370	101000	

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Line #	Check Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object Proj	Account		
190051	02045 NAPA AUTO PARTS	324.71							
1	117471 07/02/19 Headlight	8.99*		32178	1000 430200	200	101000		
2	117818 07/10/19 Strip Crimp Cut	19.99*		32201	5410 430830	200	101000		
3	117879 07/10/19 Lamp	22.23*		32201	5410 430830	200	101000		
4	117817 07/10/19 Battery	265.66*		32201	5410 430830	200	101000		
5	117819 07/10/19 Core Deposit	-54.00*		32201	5410 430830	200	101000		
6	118376 07/18/19 1/2" Dr Torque Wr	40.04*		32201	5210 430500	200	101000		
7	117527 07/03/19 Hose	21.80*		32201	1000 460430	200	101000		
190052	00041 SHELBY PROMOTER	120.00							
1	SL192801 07/10/19 Jeff Stores Fence Variance	48.00*			1000 420500	300	101000		
2	SL192802 07/10/19 Bids for 4,100 Tons of Aspha	48.00*			1000 430200	300	101000		
3	SL192901 07/17/19 Chip Seal/Road Reconstructio	24.00*			1000 430200	300	101000		
190053	26009S 02442 AMERICAN ROOFING LLC	9,900.00							
	Council Approved 7/1/19								
1	18274 07/02/19 Balance Stucco Repair-Pool	3,972.50*			1000 460445	369	101000		
2	18274 07/02/19 Balance Recoat Foam-Fire Hall	5,927.50*			1000 420400	900	101000		
190054	26042S 02481 A-B-CERT & RESCUE	600.00							
1	06-004 07/12/19 (3)Lifeguard Certifications	600.00*			1000 460445	300	101000		
190055	01946 ALL SEASON HEATING & AIR	66.46							
1	34809 07/03/19 CFD-20x25x5 Filters	66.46*		31877	1000 420400	200	101000		
190056	02335 CINTAS CORPORATION	158.10							
1	5014272427 07/11/19 Restock Medicine Cabinet-C	60.34*		31579	1000 460442	200	101000		
2	2014272435 07/11/19 Restock Medicine Cabinet-S	97.76*		32192	1000 430200	200	101000		
190057	01137 AQUA TECH LABORATORY	20.00							
1	31307 07/08/19 NCMRWA Monthly Water Test	20.00*		32180	5210 430500	300	101000		
190058	00034 NORMONT EQUIPMENT CO	559.26							
1	20449 07/10/19 48" Steel Probe	22.30*		32193	5210 430500	200	101000		
2	20653 07/31/19 Broom	536.96*		32211	1000 430200	200	101000		
190059	00047 BEN TAYLOR INC	160.00							
1	683980 07/05/19 Glystar Plus	160.00*		32191	1000 460445	200	101000		

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190060		02301 POWER PRO EQUIPMENT	150.90					
1	65909	07/11/19 Autocut/Ultra Oil	150.90*		32189	1000 460430	200	101000
190061		01388 3 RIVERS COMMUNICATIONS INC	631.33					
1	37164	07/10/19 Repair 100pr Copper-Front St	631.33*		32188	5210 430500	369	101000
190062		01780 MONTANA BROOM & BRUSH	168.10					
1	1366590	07/02/19 Urinal Blocks/Toilet Tissue	62.30*		32186	1000 460445	200	101000
2	1370855	07/24/19 Pine-Sol/Comet	105.80*		32196	1000 460445	200	101000
190063		01321 GLACIER MOTOR SALES & SERVICE	66.00					
1	111946	07/09/19 Spring Brake	66.00*		32185	5410 430840	200	101000
190064		02069 NATIONAL LAUNDRY CO	1.21					
1	99931	07/10/19 Red Shop Towels	22.84*		32183	1000 430200	200	101000
2	P84699-00	07/02/19 Credit	-21.63*			1000 430200	200	101000
190065		01593 I-STATE TRUCK CENTER	34.31					
1	C252123590	07/01/19 Cap-Surge Tank	34.31*		32187	5410 430830	200	101000
190066	-98602E	01188 GLACIER STATE ELECTRIC SUPPLY CO	91.10					
1	2810438044	07/11/19 (10)600V RK TD Fuse	91.10*		32190	5210 430500	200	101000
190067	26043S	02468 T-MOBILE	219.93					
1	06/10/19	Mobile Charge 6/10-7/9/19	26.12*			1000 420500	344	101000
2	06/10/19	Mobile Charge 6/10-7/9/19	47.62*			1000 411050	344	101000
3	06/10/19	Mobile Charge 6/10-7/9/19	47.62*			1000 440600	344	101000
4	06/10/19	Mobile Charge 6/10-7/9/19	19.59*			1000 430200	344	101000
5	06/10/19	Mobile Charge 6/10-7/9/19	19.59*			5210 430500	344	101000
6	06/10/19	Mobile Charge 6/10-7/9/19	19.59*			5310 430600	344	101000
7	06/10/19	Mobile Charge 6/10-7/9/19	19.59*			5410 430840	344	101000
8	06/10/19	Mobile Internet 6/10-7/9/19	5.05*			1000 410550	344	101000
9	06/10/19	Mobile Internet 6/10-7/9/19	5.05*			5210 430570	344	101000
10	06/10/19	Mobile Internet 6/10-7/9/19	5.05*			5310 430670	344	101000
11	06/10/19	Mobile Internet 6/10-7/9/19	5.06*			5410 430870	344	101000
190068		01620 KADRMAS, LEE & JACKSON INC.	7,021.26					
1	10120726	07/17/19 Storm Water-Survey	35.37*			5720 430246	950 2283	101000
2	10120726	07/17/19 Storm Water-Construction Adm	1,203.02*			5720 430246	950 2283	101000
3	10120726	07/17/19 Storm Water-RPR	5,782.87*			5720 430246	950 2283	101000

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Claim	Vendor #/Name/	Document \$/	Disc \$						Cash
Line #	Check Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object	Proj	Account	
190069	01620 KADRMAS, LEE & JACKSON INC.	8,728.24							
1	10120725 07/17/19 Storm Water Phase II-Design	769.67*			5720 430246	950	2283	101000	
2	10120725 07/17/19 Storm Water Phase II-Bidding	657.46*			5720 430246	950	2283	101000	
3	10120725 07/17/19 Storm Water Phase II-Constru	4,127.49*			5720 430246	950	2283	101000	
4	10120725 07/17/19 Storm Water Phase II-RPR	3,173.62*			5720 430246	950	2283	101000	
190070	01620 KADRMAS, LEE & JACKSON INC.	1,157.41							
	NCMRWA Grant								
1	10120729 07/17/19 Wellfield Improvements	1,157.41*			5210 430501	950	2285	101000	
190071	01620 KADRMAS, LEE & JACKSON INC.	28,878.30							
	NCMRWA Grant								
1	10120730 07/17/19 Wellfield Improvements	28,878.30*			5210 430501	950	2285	101000	
190072	01620 KADRMAS, LEE & JACKSON INC.	6,822.50							
	NCMRWA Grant								
1	10120731 07/17/19 Wellfield Improvements	6,822.50*			5210 430501	950	2285	101000	
190073	01620 KADRMAS, LEE & JACKSON INC.	7,495.46							
1	10120727 07/17/19 WW Treatment Design	7,495.46*			5310 430601	950	2282	101000	
190074	01620 KADRMAS, LEE & JACKSON INC.	837.43							
1	10120732 07/17/19 Rail Safety-Prelim/FinalDesi	690.23*			1000 470120	790		101000	
2	10120732 07/17/19 Rail Safety-Construct/Commis	147.20*			1000 470120	790		101000	
190075	00312 HELENA SAND & GRAVEL INC	630,955.08							
	4th Cell								
1	5 07/20/19 Wastewater Treatment App #5	630,955.08*			5310 430601	950	2282	101000	
190076	00001 DEPARTMENT OF REVENUE	6,373.28							
	4th Cell								
1	5 07/20/19 App #5 Helena Sand & Gravel	6,373.28*			5310 430601	950	2282	101000	
190077	00076 MT LEAGUE OF CITIES & TOWNS	225.00							
	October 2-4, Billings								
1	07/25/19 MTLC Annual Conference-Goroski	37.50*			1000 410550	370		101000	
2	07/25/19 MTLC Annual Conference-Goroski	37.50*			5210 430570	370		101000	
3	07/25/19 MTLC Annual Conference-Goroski	37.50*			5310 430670	370		101000	
4	07/25/19 MTLC Annual Conference-Goroski	37.50*			5410 430870	370		101000	
5	07/25/19 MTLC Annual Conference-Carter	75.00*			1000 411050	370		101000	

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Claim	Vendor #/Name/	Document \$/	Disc \$						Cash
Line #	Check Invoice #/Inv Date/Description	Line \$		PO #	Fund Org Acct	Object Proj	Account		
190078	-98601E 02482 DISCOUNT SOFTWARE SALES	775.00							
1	11212 07/15/19 Adobe Acrobat 2017 Pro	155.00*		32014	1000 410550	200	101000		
2	11212 07/15/19 Adobe Acrobat 2017 Pro	155.00*		32014	5210 430570	200	101000		
3	11212 07/15/19 Adobe Acrobat 2017 Pro	155.00*		32014	5310 430670	200	101000		
4	11212 07/15/19 Adobe Acrobat 2017 Pro	155.00*		32014	5410 430870	200	101000		
5	11212 07/15/19 Adobe Acrobat 2017 Pro	155.00*		32014	1000 411050	200	101000		
190079	00595 SCOTT MOENCH CONSTRUCTION	2,450.00							
1	07/12/19 Curb & Alley Apron Repair	2,450.00*		32182	2500 430200	300	101000		
190080	01866 SHELBY PAINT AND HARDWARE	293.92							
1	65681 06/27/19 Potting Soil	38.94*		32198	1000 460430	200	101000		
2	66173 06/29/19 Steel Wire-Eagle Scout Project	5.99*		32198	1000 460430	200	101000		
3	65686 07/01/19 Thermostat/Screwdriver Set	77.98*		32198	2936 460463	200	101000		
4	66193 07/02/19 Paint/Steel Wire-Eagle Scout	54.37*		32198	1000 460430	200	101000		
5	66114 07/08/19 2 Cycle Oil	17.94*		32198	1000 460430	200	101000		
6	66055 07/10/19 Tool Box	5.49*		32198	5410 430830	200	101000		
7	66066 07/11/19 Bleach	57.80*		32198	5210 430500	200	101000		
8	66065 07/11/19 Outlet/Cord End	8.48*		32198	1000 430200	200	101000		
9	66072 07/11/19 Coupler	2.99*		32198	5210 430500	200	101000		
10	66252 07/16/19 Buckets/Lids	23.94*		32198	1000 460430	200	101000		
190081	01713 FRONTLINE AG SOLUTIONS LLC	621.09							
1	659702 07/16/19 Starter/Chute/Blade	621.09*		32195	1000 460430	200	101000		
190082	00534 IVERSON CONSTRUCTION & CONCRETE	9,376.00							
1	07/28/19 Curb/Gutter/Apron Repair	3,410.00*		32205	2500 430200	300	101000		
2	07/25/19 Curb/Gutter/Apron Repair	2,556.00*		32205	2500 430200	300	101000		
3	07/28/19 Curb/Gutter/Apron Repair	3,410.00*		32205	2500 430200	300	101000		
190083	00037 NORTHWEST PIPE FITTINGS INC	257.37							
1	1179170 07/25/19 1 1/2" Gal Register	257.37*		32204	5210 430500	200	101000		
190084	01862 KENCO SECURITY AND TECHNOLOGY	30.00							
1	1565112 08/01/19 Access Control 8/19-10/19	30.00*		32202	5410 430840	300	101000		
190085	26045S 01857 MT DEQ/WWOC	280.00							
	Water and Wastewater Operator Certification								
1	07/31/19 Water Operator App-Hoover	70.00*			5210 430500	300	101000		
2	07/31/19 Wastewater Operator App-Hoover	70.00*			5310 430600	300	101000		
3	07/31/19 Water Examination Fee	70.00*			5210 430500	370	101000		
4	07/31/19 Wastewater Examination Fee	70.00*			5310 430600	370	101000		



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Claim Line #	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
190086	26046S	01857 MT DEQ/WWOC	280.00					
		Water and Wastewater Operator Certification						
1	07/31/19	Water Operator App-Barnes	70.00*			5210 430500	300	101000
2	07/31/19	Wastewater Operator App-Barnes	70.00*			5310 430600	300	101000
3	07/31/19	Water Examination Fee	70.00*			5210 430500	370	101000
4	07/31/19	Wastewater Examination Fee	70.00*			5310 430600	370	101000
190087		01736 MUNICIPAL EMERGENCY SERVICES INC	147.00					
1	1288038	07/24/19 CFD-Storz Adapter	147.00*		31879	1000 420400	200	101000
190088		00977 FOUR CORNERS SUPPLY INC	46.13					
1	91229	07/23/19 RFD-VIC Gasket	46.13*		31878	1000 420401	200	101000
190089		02479 SANDRY CONSTRUCTION COMPANY INC	91,803.82					
1	2	07/29/19 Humic Water Extension App #2	91,803.82*			5210 430501	950 2284	101000
190090		00001 DEPARTMENT OF REVENUE	927.31					
1	2	07/29/19 App #2 Sandry Construction Co	927.31*			5210 430501	950 2284	101000
190091		02483 CENTRAL EXCAVATION	125,241.77					
1	1	07/23/19 Storm Water Phase II App #1	125,241.77*			5720 430246	950 2283	101000
190092		00001 DEPARTMENT OF REVENUE	1,265.07					
1	1	07/23/19 App #1 Central Excavation	1,265.07*			5720 430246	950 2283	101000
190093		00016 GENERAL DISTRIBUTING CO	90.00					
1	777550	07/22/19 Skull Screws Corded(Ear Plugs)	90.00*		32208	1000 430200	200	101000
190094		00027 MARKS TIRE & ALIGNMENT	1,086.00					
1	57537	07/02/19 Bobcat Trailer Tire	100.00*		32210	1000 430200	200	101000
2	57574	07/03/19 Flat Repair	10.00*		32210	1000 460430	300	101000
3	57608	07/10/19 Mower Trailer Tire	81.00*		32210	1000 460430	200	101000
4	57612	07/10/19 Flat Repair	100.00*		32210	5410 430830	300	101000
5	57643	07/12/19 Flat Repair	90.00*		32210	5410 430840	300	101000
6	57665	07/15/19 Service Call Garbage Truck	105.00*		32210	5410 430830	300	101000
7	57706	07/17/19 Tire Garbage Truck	545.00*		32210	5410 430830	200	101000
8	57802	07/24/19 Dismount/Mount Backhoe	55.00*		32210	5410 430840	300	101000
# of Claims 95			Total: 1644,923.78					
Total Electronic Claims			390,419.59	Total Non-Electronic Claims		1254504.19		

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Fund/Account	Amount
1000 GENERAL	
101000 Cash-Operating	\$87,860.76
2190 COMPREHENSIVE LIABILITY	
101000 Cash-Operating	\$15,394.52
2310 TAX INCREMENT FINANCING DISTRICT (TIFD)	
101000 Cash-Operating	\$32,073.56
2400 STREET LIGHTING DISTRICT NO. 35	
101000 Cash-Operating	\$3,873.66
2500 STREET MAINTENANCE DISTRICT NO. 1	
101000 Cash-Operating	\$11,826.00
2936 WILLIAMSON BLDG RENOVATIONS	
101000 Cash-Operating	\$635.56
5210 WATER UTILITY	
101000 Cash-Operating	\$190,184.21
102210 Cash-Revenue Bond Sinking & Interest	\$188,357.75
5310 SEWER UTILITY	
101000 Cash-Operating	\$677,055.56
102210 Cash-Revenue Bond Sinking & Interest	\$139,918.56
5410 SOLID WASTE UTILITY	
101000 Cash-Operating	\$25,824.81
102210 Cash-Revenue Bond Sinking & Interest	\$70,057.51
5720 STORM DRAINAGE	
101000 Cash-Operating	\$142,256.34
102210 Cash-Revenue Bond Sinking & Interest	\$59,524.98
7427 SPECIALTY LICENSE PLATES (SHELBY)	
101000 Cash-Operating	\$80.00
Total:	\$1,644,923.78

**CITY OF SHELBY Building Inspector Revenue, FY 2018-19**

Permit	Date	Zone	Name	Addition	Bk	Lot	Address	Permit For	Evaluation	Permit Fee	
4365	7/5/2018	LD	Lori Stratton	Johnsons 2nd	8	7&8	304 10th Ave N	deck cover	5,000.00	112.00	
4366	7/19/2018	LD	Daniel & Tiffany Hintz	Aronow 2nd	1	17	930 Turner Ave	12'x20' garage	7,000.00	140.00	
4367	7/23/2018	RR	Gary & Vicky Sulenes	Shelby Unplatted			1323 13th St S	12'x24' shed	7,000.00	140.00	
4368	7/23/2018	LD	Mark Boothe	High Plains		17	1074 Sanders	zoning-fence	NA	24.00	
4369	7/26/2018	HB	Town Pump	Shelby Original	20	1-4	1350 Roosevelt	remodel	2,568,000.00	11,332.00	
4370	8/22/2018	Ind	Hinrichs Trading Co	Energy Park		8	2807 Burlington Ave	grain facility	297,000.00	2,097.00	
4371	8/27/2017	HB	Clean My Car	Johnsons 2nd		C-2	454 Harding Ave	car wash	50,000.00	644.00	
4372	9/10/2018	MDR	Donna Larson	Sullivans 1st	29	6&7	217 E Cascade Ave	demo outbuilding & shed	-	-	
4373	10/2/2018	Ind	Pacific Steel	Rail Park	Tr 3		2123 Burlington Ave	15'x30' office building	30,000.00	442.00	
4374	10/2/2018	LDR	Brian & Colleen Lee	Coyote Hills	1	7-9	880 Spirit Dr	24' x 44' attached garage	50,000.00	644.00	
4375	10/3/2018	CB	Great Northern Rentals	Shelby Original Twn	4	11&12	158 Main St	office remodel with 2 windows	35,000.00	492.00	
4376	10/10/2018	MDR	Mike Cullen	Shelby 1st Add	4	20-22	658 Granite Ave	12'x24' shed	-	36.00	
4377	10/24/2018	LDR	Ann Clark	Coyote Hills	1	4	930 Spirit Dr	zoning-fence	-	24.00	
4378	11/27/2018	HB	Joe Pehan	Sullivans 1st	26	1-3(pt)	115 E Dawson Ave	30'x60' garage	50,000.00	644.00	
4379	12/11/2018	LD	Bill Doty	Aronow 2nd	2	1&2	975 Turner Ave	zoning-fence	NA	24.00	
4380	3/14/2019	RR	City of Shelby	S19 T31N R2W			1 Golf Course Road	60'x120' club house	250,000.00	waived	
4381	3/28/2019	RR	Toole County	SW4NW4			Fairgrounds	22' x 54' lean-to	4,000.00	97.00	
4382	4/4/2019	LDR	Chance & Tressa Keller	Cozy Meadow		C	520 Cozy Meadow Ln	24' x 32' garage	33,000.00	472.00	
4383	4/8/2019	MDR	Michael Spencer	Shelby 1st	6	7	633 Hill Ave	demo house	na	na	
4384	4/18/2019	MDR	Alexis & Logan Erickson	Sullivans 1st	13	13&14	122 E Richland Ave	zoning-fence	na	24.00	
-	5/7/2019		Robert Luquette	Shelby Heights	57	1&2	806 5th St S	zoning-fence variance	na	50.00	
4385	5/8/2019	LDR	Don & Linda Lee	Coyote Hills	2	2	960 Eagle Dr	zoning-fence permit	NA	24.00	
4386	5/14/2019	LDR	Vanessa Doane	Johnsons 2nd	18	11-13	123 10th Ave S	zoning-fence permit	NA	24.00	
4387	5/28/2019	MDR	Rob Laine	Sullivans 1st	28	11&12	529 Park Ave	house remodel & addition	29,000.00	432.00	
4388	5/28/2019	MDR	Robert Luquette	Shelby Heights	57	1&2	806 5th St S	zoning-fence permit	-	24.00	
-	6/25/2019		Jeff & Tiffany Stores				545 5th Ave S	zoning-fence variance	na	50.00	
24 Permits issued										3,415,000.00	17,992.00
17,824.00 Building Permits				FY17-18		FY16-17		FY15-16		Job Evaluation	FY 2018-19 Fee Totals
168.00 Zoning Fees				\$ 9,456.00		\$ 3,449.00		\$ 8,012.00			
\$ 17,992.00				17 permits		16 permits		20 permits			

**SAFETY COMMITTEE MEETING &  
EMPLOYEE QUARTERLY MEETING**

July 17, 2019  
8:30 a.m.

Present: Mayor Gary McDermott and Councilmember Bill Moritz; City Hall—Lorette Carter, Sarah Clary, Jade Goroski, Tammy Pederson; Public Works—Jacob Anderson, Hunter Barnes, Luis Correa, Tabris Correa, Lance Hoover, Dalton Howell, Matthew James, Lance Hoover, Tobin Pickering, Brian Roark and Alex Stratton.

The minutes from the last meeting were reviewed.

Discussion was held on the following items:

- FY 2019-20 Budget - working on upcoming budget including wage increases. City Shop employees have the opportunity for raises by getting certifications such as a CDL and a water, sewer, wastewater operator's license. A new shredder for the prison is also budgeted.
- Chip Sealing – two city employees will go to Conrad Monday to learn how to run the equipment.
- Cell Phone Usage – reminded to either pull over or stop work when receiving or making a call to avoid accidents.
- North Water Tank Line – the line going north from Lewis & Clark RV Park to the north water tank needs replacing but discussion as to whether a 12" line or less was necessary to facilitate everyone on that line. We will get drawings/maps from either TD&H or MDOT to review this further.
- Landfill – the engineer was at the landfill doing sampling and everything looked good. New tires are coming for the scraper.
- Pool – more lifeguards are being certified Thursday. Work will continue on the pool gutters this fall once its closed.
- Street Sweeping - Main Street will be done this Thursday and Saturday for the parades.
- 20 Yard Containers – a suggestion was made that we try to find ways to get some revenue incoming to offset the cost of the containers.
- Parks – a suggestion was made to have the parks crew weed eat areas when they see weeds in the sidewalks and/or streets. City Superintendent stated that once they get caught up on city property and all the mow notices they will work on that.
- Street Sign – need to put up a permanent sign on the corner of 3<sup>rd</sup> St S and O'hare Blvd.

The next meeting will be held Wednesday, August 21, 2019 @ 8:30 a.m. at City Hall.

Meeting adjourned at 9:10 a.m.

Reported by Tammy Pederson

RESOLUTION NO. 1994

AUTHORIZATION TO SUBMIT AN APPLICATION TO THE MONTANA DEPARTMENT  
OF COMMERCE COMMUNITY DEVELOPMENT DIVISION DELIVERING LOCAL  
ASSISTANCE PROGRAM

WHEREAS, the City of Shelby is applying to the Montana Department of Commerce for financial assistance from the Community Development Division Delivery Local Assistance Program to re-coat the City Shop water tank;

WHEREAS, the City of Shelby agrees to comply with all State laws and regulations and the requirements described in the administrative guidelines and manual;

WHEREAS, the City of Shelby commits to provide the amount of matching funds as proposed in the MDOC application;

WHEREAS, the City of Shelby commits to provide any funding from other grant sources listed in the application budget if not awarded by those grant sources; and

THAT Jade Goroski, Finance Officer, is authorized to submit this application to the Montana Department of Commerce, on behalf of the City of Shelby, to act on its behalf and to provide such additional information as may be required.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SHELBY,  
MONTANA, AND APPROVED BY THE MAYOR THIS 5<sup>TH</sup> DAY OF AUGUST, 2019.

---

Gary McDermott, Mayor

ATTEST:

---

Jade Goroski, Finance Officer

RESOLUTION NO. 1999

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. 1999 entitled: "RESOLUTION RELATING TO \$1,700,000 SEWER SYSTEM REVENUE BONDS (DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM), CONSISTING OF \$954,000 SERIES 2019A BOND AND \$746,000 SERIES 2019B 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 August 5, 2019, 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 August, 2019.

\_\_\_\_\_  
City Finance Officer

SUPPLEMENTAL RESOLUTION

Relating to

\$1,700,000

SEWER SYSTEM REVENUE BONDS

(DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM),

CONSISTING OF \$954,000 SERIES 2019A BOND

AND \$746,000 SERIES 2019B BOND

CITY OF SHELBY, MONTANA

Adopted: August 5, 2019

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RESOLUTION NO. 1999

RESOLUTION RELATING TO \$1,700,000 SEWER SYSTEM  
REVENUE BONDS (DNRC WATER POLLUTION CONTROL  
STATE REVOLVING LOAN PROGRAM), CONSISTING OF  
\$954,000 SERIES 2019A BOND AND \$746,000 SERIES 2019B  
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 City of Shelby, Toole County, Montana (the "Borrower") has applied to the DNRC for the 2019 Loans (as hereinafter defined) from the Revolving Fund to enable the Borrower to finance, refinance or reimburse itself for the costs of the 2019 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 2019 Bonds (as hereinafter defined); and

WHEREAS, the Borrower is authorized under the Original Resolution (as hereinafter defined), applicable laws, ordinances and regulations to adopt this Supplemental Resolution and to issue the Series 2019 Bonds (as hereinafter defined) to evidence the 2019 Loans (as hereinafter defined) for the purposes set forth herein; and

WHEREAS, the DNRC will fund the 2019 Loans (as hereinafter defined) 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 and subsequent Supplemental Resolutions.

“Administrative Expense Surcharge” means a surcharge on the 2019 Loans equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2019 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 2009B Bond, the Series 2009C Bond, the Series 2015 Bond, the Series 2017B Bond, the Series 2018B Bond, the Series 2019 Bonds, 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 2019 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 2019 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 2019A Committed Amount and the 2019B Committed Amount, or aggregate amount of the 2019 Loans committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Supplemental Resolution, as such amount may be reduced pursuant to Sections 3.2 and 3.4 of this Supplemental Resolution.

“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 2019 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.

“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 December 31, 2019, the date by which it is estimated by the Borrower that the 2019 Project will be substantially completed.

“Fourth Cell Project” means the project consisting of adding a new secondary cell for enhanced sanitary sewage treatment at the City’s sewage treatment lagoon facility.

“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 a surcharge on the 2019 Loans equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2019 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.

“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, 1968, and 1977, 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, October 10, 2017, and June 4, 2018, respectively.

“Payment Date” means each January 1 and July 1 during the term of the Series 2019 Bonds on which a payment of interest or principal and interest is due, as determined under the under this Supplemental 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 2019 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 2019 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 2019 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 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 2018A Bond” means the Subordinate Lien Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Taxable Series 2018A, issued by the Borrower to the DNRC pursuant to the Resolution as then in effect.

“Series 2018B Bond” means the Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2018B, issued by the Borrower to the DNRC pursuant to the Resolution as then in effect.

“Series 2019 Bonds” means, collectively, the Series 2019A Bond and the Series 2019B Bond.

“Series 2019A Bond” means the \$954,000 Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2019A, issued to the DNRC to evidence the 2019A Loan.

“Series 2019B Bond” means the \$746,000 Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2019, issued to the DNRC to evidence the 2019B 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 of the Borrower adopted on August 5, 2019.

“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 2019 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.



“2019 Loans” or “Loans” means, collectively, the 2019A Loan and the 2019B 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 2019 Project, to fund a deposit to the Bond Repayment Reserve Account and to pay costs of issuance of the Series 2019 Bonds.

“2019 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 2019 Loans, described as the 2019 Project in Appendix A hereto. The 2019 Project is also known as Phase III of the Fourth Cell Project.

“2019A Committed Amount” means the amount of the 2019A 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.

“2019A Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2019A Committed Amount to provide funds to pay a portion of the costs of the 2019 Project payable under the Program, to fund a deposit to the Bond Repayment Reserve Account and to pay costs of issuance of the Series 2019 Bonds.

“2019B Committed Amount” means the amount of the 2019B 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.

“2019B Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2019B Committed Amount to provide funds to pay a portion of the costs of the 2019 Project payable under the Program and to fund a deposit to the Bond Repayment Reserve Account.

“Undisbursed Committed Amount” means any undisbursed Committed Amount which is not required to pay costs of the 2019 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 2019 Project;

Appendix B-1: the form of the Series 2019A Bond;

Appendix B-2: the form of the Series 2019B Bond; and

Appendix C: additional agreements and representations of the Borrower.

## 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 2019 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 2019 Project.

(d) Outstanding Bonds. Pursuant to the Act and the Original Resolution, the Borrower has issued, and has outstanding, its Series 2009B Bond, Series 2009C Bond, Series 2015 Bond, the Series 2017B Bond, and the Series 2018B Bond. The Series 2009B Bond, Series 2009C Bond, Series 2015 Bond, the Series 2017B Bond, and the Series 2018B 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, 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 \$1,700,000 in aggregate principal amount of Additional Bonds pursuant to Section 6.03 of the Original Resolution, as amended, payable from and secured by the Net Revenues on a parity with the outstanding Series 2009B Bond, Series 2009C Bond, Series 2015 Bond, Series 2017B Bond, and Series 2018B Bond.

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 2019 Bonds and to carry out and consummate all transactions contemplated by the Supplemental Resolution, the Series 2019 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 2019 Bonds and the Collateral Documents and the incurrence of the Debt evidenced by the Series 2019 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 2019 Bonds and the Collateral Documents, or the financial condition of the Borrower, or the transactions contemplated by the Resolution, the Series 2019 Bonds and the Collateral Documents or the validity and enforceability of the Resolution, the Series 2019 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 2019 Project, the Series 2019 Bonds or any Collateral Documents.

(c) Borrowing Legal and Authorized. The adoption of this Supplemental Resolution, the execution and delivery of the Series 2019 Bonds and the Collateral Documents and the consummation of the transactions provided for in this Supplemental Resolution, the Series 2019 Bonds and the Collateral Documents and compliance by the Borrower with the provisions of the Resolution, the Series 2019 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 2019 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 2019 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 2019 Bonds and the Collateral Documents (including any necessary sewer rate increase) or for the 2019 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 2019 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 2019 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 2019 Project. The 2019 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 2019 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 2019 Bonds and the Collateral Documents and to pledge any revenues or other property pledged to the payment of the Series 2019 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 2019 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 2019 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 2019 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 2019 Bonds;

(2) The Borrower shall forthwith, after the execution and delivery of the Series 2019 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 2019 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 2019 Project shown separately; and

(2) when adopted, the final budget for the System, with items for the 2019 Project shown separately.

(g) 2019 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 2019 Loans and the 2019 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 2019 Bonds or any other funds of the Borrower in respect of the 2019 Project or the Series 2019 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 2019 Loans or the portion of the 2019 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 2019 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 2019 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 2019 Project being financed shall be acquired by and shall, during the term of the 2019 Loans, be owned by the Borrower and not by any other Person. Notwithstanding the previous two sentences, the Borrower may transfer the 2019 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 2019 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 2019 Loans, 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 2019 Loans it will not contract with or permit any Private Person to manage the 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 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 2019 Bonds 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 2019 PROJECT

Section 3.1 Use of Proceeds. The Borrower shall apply the proceeds of the 2019 Loans from the DNRC solely as follows:

(a) The Borrower shall apply the proceeds of the 2019 Loans solely to the financing, refinancing or reimbursement of the costs of the 2019 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 2019 Bonds. The 2019 Loans will be disbursed in accordance with Article IV hereof and Article VII of the Indenture. If the 2019 Project has not been completed prior to Closing, the Borrower shall, as quickly as reasonably possible, complete the 2019 Project and expend proceeds of the 2019 Loans to pay the costs of completing the 2019 Project.

(b) No portion of the proceeds of the 2019 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 2019 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 2019 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 2019 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 2019 Project. Set forth in Appendix A to this Supplemental Resolution is a description of the 2019 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 2019 Loans (the 2019 Project may consist of more than one facility or activity), and an estimated budget relating to the 2019 Project. The 2019 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 2019 Project or an increase or decrease in the amount of proceeds of the 2019 Loans which will be required to complete the 2019 Project and whether the change will materially accelerate or delay the construction schedule for the 2019 Project;

(b) A written consent to such change in the 2019 Project by an Authorized DNRC Officer;

(c) An Opinion or Opinions of Bond Counsel stating that the 2019 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 2019 Bonds were 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 2019 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 2019 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 2019 Loans to pay costs of the 2019 Project or as to the availability of additional funds under the Program to increase the principal amount of the 2019 Loans.

**Section 3.3    2019 Project Representations and Covenants.** The Borrower hereby represents to and covenants with the DNRC that:

(a) all construction of the 2019 Project has complied and will comply with all federal and state standards, including, without limitation, EPA regulations;

(b) all future construction of the 2019 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 2019 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 2019 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 2019 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 2019 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 2019 Project promptly after the Closing Date and will cause the 2019 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 2019 Project will be substantially completed by the Estimated Completion Date.

#### Section 3.4 Completion or Cancellation or Reduction of Costs of the 2019 Project.

(a) Upon completion of the 2019 Project, the Borrower shall deliver to the DNRC a certificate stating that the 2019 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 2019 Project, a separate completion certificate shall be delivered for each.

(b) If all or any portion of the 2019 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 LOANS

##### Section 4.1 The Loans; Disbursement of Loans.

(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) \$954,000 (the "2019A Committed Amount"), and (ii) \$746,000 (the "2019B Committed Amount") for the purposes of financing, refinancing or reimbursing the Borrower for costs of the 2019 Project, funding a deposit to the Bond

Repayment Reserve Account and paying costs of issuance of the Series 2019 Bonds; provided the DNRC shall not be required to disburse any proceeds of the 2019 Loans after the Estimated Completion Date. The Committed Amount may be reduced as provided in Sections 3.2 and 3.4.

(b) The DNRC intends to disburse the 2019 Loans through the Trustee. In consideration of the issuance of the Series 2019 Bonds by the Borrower, the DNRC shall make, or cause the Trustee to make, a disbursement of all or a portion of the 2019 Loans upon receipt of the following documents:

(1) an Opinion of Bond Counsel as to the validity and enforceability of the Series 2019 Bonds and the security therefor and stating in effect that interest on the Series 2019 Bonds are 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 2019A Bond and the Series 2019B 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 2019 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 2019 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 2019 Loans to pay costs of the 2019 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) The 2019 Loans shall be disbursed, subject to the other terms and conditions of this Resolution, until the entire amount of the 2019 Loans is advanced, or such loan amount as is needed to complete the 2019 Project is advanced.

(e) The Borrower shall submit the request for each advance on the 2019A Loan and the 2019B Loan 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 each advance of the 2019A Loan and the Series 2019B Loan.

(f) The Borrower shall not be entitled to, and the DNRC shall have no obligation to make, any advance of amounts under the 2019A Loan and the 2019B 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 2019 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 2019 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 2019A Loan disbursement and 2019B Loan disbursement, the Trustee shall note such disbursement on Schedule A to the Series 2019A Bond and the Series 2019B Bond, respectively.

(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 each advance under the 2019 Loans and any subsequent disbursement dates, any proceeds of the under the 2019 Loans 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 2019 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 2019 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 2019 Loans proceeds.

Section 4.3 Termination of Loan Term. The Borrower's obligations under the Resolution and the Collateral Documents in respect of the Series 2019 Bonds shall terminate upon payment in full of all amounts due under the Series 2019 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 2019 LOANS

Section 5.1 Repayment of 2019 Loans. The Borrower shall repay the amounts borrowed by it pursuant to Section 4.1 hereof, plus interest on the unpaid amounts borrowed at the rate of two percent (2.00%) per annum, in semiannual Loan Repayments. 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 2019 Bonds. For purposes of this Resolution and the Program, with respect to the 2019A Loan and the 2019B Loan, the term "interest on the 2019 Loans" or "interest on the 2019A Loan" or "interest on the 2019B Loan" when not used in conjunction with a reference to any surcharges, shall include the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge, if applicable. The Borrower shall pay all Loan Repayments and surcharges in lawful money of the United States of America to the DNRC. Interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge shall be calculated on the basis of a year of 360 days comprising 12 months of 30 days each. The Loan Repayments required by this Section 5.1, and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge, shall be due on each January 1 and July 1 (the "Payment Dates"), as follows:

(a) 2019A Loan. With respect to the 2019A Loan:

(1) Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the outstanding principal balance of the 2019A Loan shall be

shall be payable on each January 1 and July 1, beginning on January 1, 2020 and concluding on July 1, 2049; and

- (2) the principal of the 2019A Loan shall be repayable on each Payment Date, beginning on January 1, 2020, and concluding July 1, 2049, and the amount of each principal payment shall be calculated on the basis of a substantially level debt service at a rate of 2.50% per annum; provided that principal of the 2019A Loan is payable only in amounts that are multiples of \$1,000.

(b) 2019B Loan. With respect to the 2019B Loan:

- (1) Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the outstanding principal balance of the 2019B Loan shall be payable on each January 1 and July 1, beginning on January 1, 2020 and concluding on July 1, 2039; and
- (2) the principal of the 2019B Loan shall be repayable on each Payment Date, beginning on January 1, 2020, and concluding July 1, 2039, and the amount of each principal payment shall be calculated on the basis of a substantially level debt service at a rate of 2.50% per annum; provided that principal of the 2019B Loan is payable only in amounts that are multiples of \$1,000.

Upon each disbursement of the 2019 Loans to the Borrower pursuant to Section 4.1 hereof, the Trustee shall enter or cause to be entered the amount advanced on Schedule A to the Series 2019A Bond and the Series 2019B Bond, as applicable, under "Advances" and the total amount advanced under Section 4.1, including such disbursement, under "Total Amount Advanced." Loan Repayments and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge on the 2019 Loans, accrue on each such advance from the date of disbursement and shall be due and payable on the dates and in the amounts shown in Schedule B to the Series 2019A Bond and the Series 2019B Bond, as such Schedule B shall be modified from time to time as provided in this section. The portion of each such Loan Repayment consisting of principal, of interest, of Administrative Expense Surcharge and of Loan Loss Reserve Surcharge shall be set forth in Schedule B to the Series 2019A Bond and the Series 2019B Bond.

Past-due Loan Repayments and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid.

Any payment of principal and interest under this Section 5.1 shall be credited against the same payment obligation under each of the Series 2019A Bond and the Series 2019B Bond.

**Section 5.2 Additional Payments.** The Borrower shall also pay, within 30 days after receipt of a bill therefor, from any legally available funds therefor, including proceeds of the 2019 Loans, all reasonable expenses of the DNRC and the Trustee in connection with the 2019 Loans, the Collateral Documents and the Series 2019 Bonds, including, but not limited to: (a) the cost of reproducing this Supplemental Resolution, the Collateral Documents and the Series 2019 Bonds;



(b) the fees and disbursements of bond counsel and other Counsel utilized by the DNRC and the Trustee in connection with the Loan, the Resolution, the Collateral Documents and the Series 2019 Bonds and the enforcement thereof; and

(c) all taxes and other governmental charges in connection with the execution and delivery of the Collateral Documents or the Series 2019 Bonds, whether or not the Series 2019 Bonds are then outstanding, including all recording and filing fees relating to the Collateral Documents and the pledge of the State's right, title and interest in and to the Series 2019 Bonds, the Collateral Documents and the Resolution under the Resolution (and with the exceptions noted therein) and all expenses, including attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof or thereof.

Section 5.3 Prepayments. The Borrower may not prepay all or any part of the outstanding principal amount of the Series 2019 Bonds, unless (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2019 Bonds are prepaid in part pursuant to this Section 5.3, such prepayments shall be applied to principal payments in inverse order of maturity.Obligations of Borrower Unconditional. The obligations of the Borrower to make the payments required by the Resolution and the Series 2019 Bonds and to perform its other agreements contained in the Resolution, the Series 2019 Bonds and Collateral Documents shall be absolute and unconditional, except as otherwise provided herein or in such documents. The Borrower (a) shall not suspend or discontinue any payments provided for in the Resolution and the Series 2019 Bonds, (b) shall perform all its other agreements in the Resolution, the Series 2019 Bonds and the Collateral Documents and (c) shall not terminate the Resolution, the Series 2019 Bonds or the Collateral Documents for any cause, including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2019 Project or the System, commercial frustration of purpose, any dispute with the DNRC or the EPA, any change in the laws of the United States or of the State or any political subdivision thereof or any failure of the DNRC to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with the Resolution.Limited Liability. All payments of principal of and interest on the 2019 Loans and other payment obligations of the Borrower hereunder and under the Series 2019 Bonds shall be special, limited obligations of the Borrower payable solely out of the Net Revenues and shall not, except at the option of the Borrower and as permitted by law, be payable out of any other revenues of the Borrower. The obligations of the Borrower under this Resolution and the Series 2019 Bonds shall never constitute an indebtedness of the Borrower within the meaning of any State constitutional provision or statutory or charter limitation and shall never constitute or give rise to a pecuniary liability of the Borrower or a charge against its general credit or taxing power. The taxing powers of the Borrower may not be used to pay principal of or interest on the Series 2019 Bonds, no funds or property of the Borrower other than the Net Revenues may be required to be used to pay principal of or interest on the Series 2019 Bonds.

#### INDEMNIFICATION OF DNRC AND DEQ

The Borrower shall, to the extent permitted by law, indemnify and save harmless the DNRC and the DEQ and their officers, employees and agents (each an "Indemnified Party" or, collectively, the "Indemnified Parties") against and from any and all claims, damages, demands, expenses, liabilities and losses of every kind asserted by or on behalf of any Person arising out of the acts or omissions of the Borrower or its employees, officers, agents, contractors, subcontractors, or consultants in connection with or with regard or in any way relating to the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation or financing of the 2019 Project. The Borrower shall also, to the extent permitted by law, indemnify and save harmless the Indemnified Parties against and from all costs, reasonable attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. If any proceeding is brought against an Indemnified Party by reason of such claim or demand, the Borrower shall, upon notice from an Indemnified Party, defend such proceeding on behalf of the Indemnified Party.

## ARTICLE VII

### ASSIGNMENT

Section 7.1 Assignment by Borrower. The Borrower may not assign its rights and obligations under the Resolution or the Series 2019 Bonds.

Section 7.2 Assignment by DNRC. The DNRC will pledge its rights under and interest in the Resolution, the Series 2019 Bonds and the Collateral Documents (except to the extent otherwise provided in the Indenture) as security for the payment of the State Bonds and may further assign such interests to the extent permitted by the Indenture, without the consent of the Borrower.

Section 7.3 State Refunding Bonds. In the event the State Bonds and Additional State Bonds are refunded by bonds which are not Additional State Bonds, all references in the Resolution to State Bonds and Additional State Bonds shall be deemed to refer to the refunding bonds and any bonds of the State on a parity with such refunding bonds (together, the "Refunding Bonds") or, in the case of a crossover refunding, to the State Bonds and Additional State Bonds and the Refunding Bonds. In the event the State Bonds are refunded by an issue of Additional State Bonds, all references in the Resolution to the State Bonds shall be deemed to refer to such Additional State Bonds or, in the case of a crossover refunding, both the State Bonds and such Additional State Bonds.

## ARTICLE VIII

### THE SERIES 2019 BONDS

Section 8.1 Net Revenues Available. The Borrower is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Series 2009B Bond, the Series 2009C Bond, the Series 2015 Bond, the Series 2017B Bond, the Series 2018B Bond, and the Series 2019 Bonds the Net Revenues to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The Net Revenues to be produced by

such rates, charges and rentals during the term of the Series 2019 Bonds are expected to be more than sufficient to pay the principal and interest when due on the Series 2009B Bond, the Series 2009C Bond, the Series 2015 Bond, the Series 2017B Bond, the Series 2018B Bond, and the Series 2019 Bonds, and to create and maintain reasonable reserves therefor and to provide an adequate allowance for replacement and depreciation, as prescribed herein.

Section 8.2 Issuance and Sale of the Series 2019 Bonds. The Council has investigated the facts necessary and hereby finds, determines and declares it to be necessary and desirable for the Borrower to issue the Series 2019 Bonds to evidence the 2019 Loans. The Series 2019 Bonds are issued to the DNRC without public sale pursuant to Montana Code Annotated, Section 7-7-4433.

Section 8.3 Terms. The Series 2019A Bond and the Series 2019B Bond shall be in the maximum principal amount equal to the original 2019A Committed Amount and 2019B Committed Amount, respectively, shall each be issued as a single, fully registered bond numbered R-1, shall be dated as of the date of delivery to the DNRC, and shall bear interest at the rate charged by the DNRC on the 2019A Loan and the 2019B Loan, respectively. The principal of and interest on the Series 2019A Bond and the Series 2019B Bond and any Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable on the same dates and in the same amounts on which Loan Repayments are payable. Advances of principal of the Series 2019A Bond or the Series 2019B Bond shall be deemed made when advances of the 2019A Loan or the 2019B Loan, respectively, are made under Section 4.1, and such advances shall be payable in accordance with Schedule B to the Series 2019A Bond and the Series 2019B Bond, as the case may be, as it may be revised by the DNRC from time to time in accordance with Section 5.1.

The Borrower may prepay the Series 2019 Bonds, in whole or in part, only upon the terms and conditions under which it can prepay the 2019 Loans under Section 5.3.

Section 8.4 Negotiability, Transfer and Registration. The Series 2019 Bonds shall be fully registered as to both principal and interest, and shall be initially registered in the name of and payable to the DNRC, shall be dated the date of delivery. While so registered, principal of and interest on the Series 2019 Bonds shall be payable to the DNRC at the Office of the Department of Natural Resources and Conservation, 1539 Eleventh Avenue, Helena, Montana 59620-1601 or such other place as may be designated by the DNRC in writing and delivered to the Borrower. The Series 2019 Bonds shall be negotiable, subject to the provisions for registration and transfer contained in this Section. No transfer of the Series 2019 Bonds shall be valid unless and until (1) the holder, or his duly authorized attorney or legal representative, has executed the form of assignment appearing on the Series 2019 Bonds, and (2) the Finance Officer of the Borrower (or successors, the "Registrar"), as Bond Registrar, has duly noted the transfer on the Series 2019 Bonds and recorded the transfer on the registration books of the Registrar. The Registrar may, prior to noting and recording the transfer, require appropriate proof of the transferor's authority and the genuineness of the transferor's signature. The Borrower shall be entitled to deem and treat the Person in whose name the Series 2019 Bonds are registered as the absolute owner of the Series 2019 Bonds for all purposes, notwithstanding any notice to the contrary, and all payments to the registered holder shall be valid and effectual to

satisfy and discharge the Borrower's liability upon the Series 2019 Bonds to the extent of the sum or sums so paid.

Section 8.5 Execution and Delivery. The Series 2019 Bonds shall be executed on behalf of the Borrower by the manual signatures of the Mayor and the City Finance Officer. Any or all of such signatures may be affixed at or prior to the date of delivery of the Series 2019 Bonds. The Series 2019 Bonds shall be sealed with the corporate seal of the Borrower. In the event that any of the officers who shall have signed the Series 2019 Bonds shall cease to be officers of the Borrower before the Series 2019 Bonds are issued or delivered, their signatures shall remain binding upon the Borrower. Conversely, the Series 2019 Bonds may be signed by an authorized official who did not hold such office on the date of adoption of this Supplemental Resolution. The Series 2019 Bonds shall be delivered to the DNRC, or its attorney or legal representative.

Section 8.6 Form. The Series 2019A Bond shall be prepared in substantially the form attached as Appendix B-1 and the Series 2019B Bond shall be prepared in substantially the form attached as Appendix B-2.

## ARTICLE IX

### SECURITY FOR THE SERIES 2019 BONDS

The Series 2019 Bonds are issued as Additional Bonds under Article VI of the Original Resolution, as amended, and shall, with the Series 2009B Bond, the Series 2009C Bond, the Series 2015 Bond, the Series 2017B Bond, the Series 2018B Bond, and any other Additional Bonds issued under the provisions of Article VI of the Original Resolution be equally and ratably secured by the provisions of the Resolution and payable out of the Net Revenues appropriated to the Bond Repayment Account of the Sewer System Fund, without preference or priority, all as provided in the Resolution, and secured by the Bond Repayment Reserve Account, as further provided in Section 4.05 of the Original Resolution, as amended by Section 11.3 of Resolution No. 1968. Upon advancement of principal of the Series 2019 Bonds, the City Finance Officer shall transfer from proceeds of the Series 2019 Bonds such amount or amounts to the General Reserve Subaccount in the Bond Repayment Reserve Account to cause the balance therein to equal the General Reserve Requirement, treating such principal amount as outstanding. Upon each advance of the Series 2019 Bonds, the deposit to the General Reserve Subaccount in the Bond Repayment Reserve Account shall be sufficient to cause the balance in the Bond Repayment Reserve Account to equal the Reserve Requirement in respect of the Series 2009B Bond, the Series 2009C Bond, the Series 2017B Bond, the Series 2018B Bond, and the principal of the Series 2019 Bonds so advanced. The Borrower shall keep, perform and observe each and every one of its covenants and undertakings set forth in the Resolution for the benefit of the registered owners from time to time of the Series 2009B Bond, the Series 2009C Bond, the Series 2015 Bond, the Series 2017B Bond, the Series 2018B Bond, and the Series 2019 Bonds.

## ARTICLE X

### TAX MATTERS

Section 10.1 Use of 2019 Project and System. The 2019 Project and the System will be owned and operated by the Borrower and available for use by members of the general public on a substantially equal basis. The Borrower shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2019 Project or the System or security for the payment of the Series 2019 Bonds which might cause the Series 2019 Bonds to be considered "private activity bonds" or "private loan bonds" within the meaning of Section 141 of the Code.

Section 10.2 General Covenant. The Borrower covenants and agrees with the owners from time to time of the Series 2019 Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2019 Bonds to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2019 Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 10.3 Arbitrage Certification. The Mayor and the City Finance Officer, being the officers of the Borrower charged with the responsibility for issuing the Series 2019 Bonds pursuant to this Supplemental Resolution, are authorized and directed to execute and deliver to the DNRC a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2019 Bonds, it is reasonably expected that the proceeds of the Series 2019 Bonds will be used in a manner that would not cause the Series 2019 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

Section 10.4 Arbitrage Rebate Exemption.

(a) The Borrower hereby represents that the Series 2019 Bonds qualify for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f) of the Code. Specifically, the Borrower represents:

- (1) Substantially all (not less than 95%) of the proceeds of the Series 2019 Bonds (except for amounts to be applied to the payment of costs of issuance) will be used for local governmental activities of the Borrower.
- (2) The aggregate face amount of all "tax-exempt bonds" (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds) issued by or on behalf of the Borrower and all subordinate entities thereof during 2019 is reasonably expected not to exceed \$5,000,000. To date in 2019, the Borrower has issued no tax-exempt bonds, and in the calendar years 2014



through 2018, the Borrower issued no tax-exempt bonds, except its Series 2015 Bond, the Series 2017B Bond, the Series 2018B Bond, and its Storm Water Drainage System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2017.

(b) If notwithstanding the provisions of paragraph (a) of this Section 10.4, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Series 2019 Bonds, the Borrower hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

Section 10.5 Information Reporting. The Borrower shall file with the Secretary of the Treasury, not later than November 15, 2019, a statement concerning the Series 2019 Bonds containing the information required by Section 149(e) of the Code.

Section 10.6 "Qualified Tax-Exempt Obligations." Pursuant to Section 265(b)(3)(B)(ii) of the Code, the Borrower hereby designates the Series 2019 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The Borrower has not designated any obligations in 2019 other than the Series 2019 Bonds under Section 265(b)(3). The Borrower hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including "qualified 501(c)(3) bonds" but excluding other "private activity bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the Borrower and all "subordinate entities" of the Borrower in 2019 in an amount greater than \$10,000,000.

## ARTICLE XI

### CONTINUING DISCLOSURE

The Borrower understands and acknowledges that the DNRC is acquiring the Series 2019 Bonds under the Program pursuant to which the State issues from time to time State Bonds to provide funds therefor. The Borrower covenants and agrees that, upon written request of the DNRC from time to time, the Borrower will promptly provide to the DNRC all information that the DNRC reasonably determines to be necessary or appropriate to offer and sell State Bonds or to provide continuing disclosure in respect of State Bonds, whether under Rule 15c2-12 (17 C.F.R. § 240.15c2-12) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or otherwise. Such information shall include, among other things and if so requested, financial statements of the Borrower prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time (such financial statements to relate to a fiscal year or any period therein for which they are customarily prepared by the Borrower, and, if for a fiscal year and so requested by the DNRC, subject to an audit report and opinion of an accountant or government auditor, as permitted or required by the laws of the State). The

Borrower will also provide, with any information so furnished to the DNRC, a certificate of the Mayor and the City Finance Officer of the Borrower to the effect that, to the best of their knowledge, such information does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein to make the statements made, in light of the circumstances under which they are made, not misleading.

## ARTICLE XII

### MISCELLANEOUS

Section 12.1 Notices. All notices or other communications hereunder shall be sufficiently sent or given and shall be deemed sent or given when delivered or mailed by certified mail, postage prepaid, to the parties at the following addresses:

DNRC: Department of Natural Resources and Conservation  
1539 Eleventh Avenue  
P. O. Box 201601  
Helena, Montana 59620-1601  
Attn: Conservation and Resource  
Development Division

Trustee: U.S. Bank National Association  
c/o Corporate Trust Services  
1420 Fifth Avenue, 7<sup>th</sup> Floor  
Seattle, Washington 98101

Borrower: City of Shelby  
112 – 1st Street South  
P. O. Box 743  
Shelby, Montana 59474  
Attn: City Finance Officer

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices or other communications shall be sent.

Section 12.2 Binding Effect. This Supplemental Resolution shall inure to the benefit of and shall be binding upon the DNRC, the Borrower and their respective successors and assigns.

Section 12.3 Severability. If any provision of this Supplemental Resolution shall be determined to be unenforceable at any time, it shall not affect any other provision of the Resolution or the enforceability of that provision at any other time.

Section 12.4 Amendments. This Supplemental Resolution may not be effectively amended without the written consent of the DNRC.



Section 12.5 Applicable Law. This Supplemental Resolution shall be governed by and construed in accordance with the internal laws of the State.

Section 12.6 Captions; References to Sections. The captions in this Supplemental Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Supplemental Resolution. References to Articles and Sections are to the Articles and Sections of this Resolution, unless the context otherwise requires.

Section 12.7 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Supplemental Resolution shall be had against any director, officer or employee, as such, past, present or future, of the DNRC, the DEQ or the Trustee, either directly or through the DNRC, the DEQ or the Trustee, or against any officer, or member of the governing body or employee of the Borrower, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer or member of the governing body or employee of the DNRC, the Trustee or the Borrower is hereby expressly waived and released by the Borrower and by the DNRC as a condition of and in consideration for the adoption of this Supplemental Resolution and the making of the Loan.

Section 12.8 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Supplemental Resolution or the Series 2019 Bonds, shall not be Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Supplemental Resolution or the Series 2019 Bonds.

Section 12.9 Right of Others To Perform Borrower's Covenants. In the event the Borrower shall fail to make any payment or perform any act required to be performed hereunder, then and in each such case the DNRC or the provider of any Collateral Document may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default and any sums so advanced by the DNRC or the provider of any Collateral Document shall be paid immediately to the party making such advance and shall bear interest at the rate of ten percent (10.00%) per annum from the date of the advance until repaid. The DNRC and the provider of any Collateral Document shall have the right to enter the 2019 Project or the facility or facilities of which the 2019 Project is a part or any other facility which is a part of the System in order to effectuate the purposes of this Section.

Section 12.10 Authentication of Transcript. The officers of the Borrower are hereby authorized and directed to furnish to the DNRC and to Bond Counsel certified copies of all proceedings relating to the issuance of the Series 2019 Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the Borrower to issue the Series 2019 Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the Borrower as to the truth of the statements of fact purported to be shown thereby.

Section 12.11 Repeals and Effective Date.

(a) Repeal. All provisions of other resolutions and other actions and proceedings of the Borrower and this Council that are in any way inconsistent with the terms and provisions of this Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

(b) Effective Date. This Resolution shall take effect immediately.

Adopted by the City Council of the City of Shelby, Montana, on this 5th day of August,  
2019.

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_  
City Finance Officer

(SEAL)