

Lori Stratton

From: Larry Bonderud
Sent: Thursday, July 13, 2017 1:07 PM
To: Lori Stratton
Subject: Fwd: growing cities
Attachments: image001.png

NEXT packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: Jason Crawford <Jason.Crawford@kljeng.com>
Date: July 13, 2017 at 12:53:04 PM MDT
To: Larry Bonderud <larry@shelbymt.com>
Subject: FW: growing cities

FYI

From: Abigail J. St. Lawrence [<mailto:astlawrence@helenalaw.com>]
Sent: Friday, June 23, 2017 9:41 AM
To: Luke Osborne <LukeO@hydrosi.com>
Cc: Jason Crawford <Jason.Crawford@kljeng.com>
Subject: RE: growing cities

Gents-

I've had a chance to review the Court's decision, and confirmed my initial thoughts that this could actually be pretty good for City of Shelby. While the Court did not clearly define what it means by the growing cities doctrine, it did say it is now expressly adopted in Montana. In combination with some of the proclamations the Court made about the applicability of 85-2-227, abandonment of municipal rights is nearly impossible—good news for Shelby.

-Abby

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

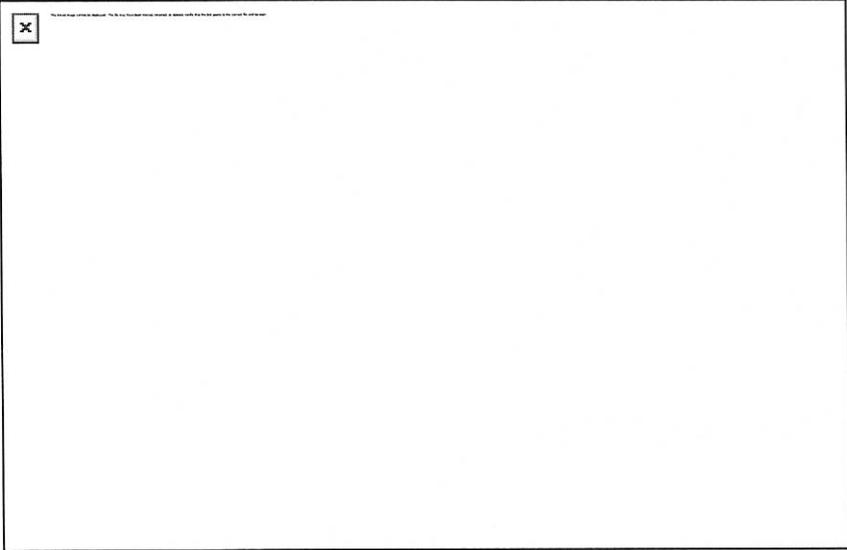
This message may contain confidential privileged material, including attorney-client communications and attorney work product. This electronic transmission does not constitute a waiver of privilege. Please contact sender immediately if you have received this message in error. Thank you.

From: Luke Osborne [<mailto:LukeO@hydrosi.com>]
Sent: Tuesday, June 20, 2017 8:21 AM

To: Abigail J. St. Lawrence
Cc: Jason Crawford (Jason.Crawford@kljeng.com)
Subject: growing cities

Hi Abby, I'm curious if you have thoughts on the outcome of the City of Helena Tenmile water right case and if it has bearing on what City of Shelby would like to do?
Thanks,
Luke

Luke J. Osborne, P.E. | Water Resources Engineer



Lori Stratton

From: Larry Bonderud
Sent: Thursday, July 13, 2017 1:08 PM
To: Lori Stratton
Subject: Fwd: RELEASE: Tester, Daines Reintroduce Bipartisan Bill to Invest in Montana's Rural Water Infrastructure
Attachments: image001.jpg

NEXT packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: "Kuntz, Dave (Tester)" <Dave_Kuntz@tester.senate.gov>
Date: July 13, 2017 at 12:22:23 PM MDT
To: "Kuntz, Dave (Tester)" <Dave_Kuntz@tester.senate.gov>
Cc: "Waldman, Katie (Daines)" <Katie_Waldman@daines.senate.gov>
Subject: **RELEASE: Tester, Daines Reintroduce Bipartisan Bill to Invest in Montana's Rural Water Infrastructure**



FOR IMMEDIATE RELEASE
July 13, 2017

Dave Kuntz (Tester) | 202.224.8544
Katie Waldman (Daines) | 202.224.2651

Tester, Daines Reintroduce Bipartisan Bill to Invest in Montana's Rural Water Infrastructure

Senators' Legislation Will Help Construct and Maintain Critical Drinking Water Infrastructure in Rural Communities

(U.S. Senate) – U.S. Senators Jon Tester and Steve Daines today reintroduced their bipartisan bill to invest in critical Montana rural water infrastructure projects.

Tester and Daines' new legislation—the *Authorized Rural Water Projects Completion Act*—will invest \$80 million annually for the next 20 years to construct and upgrade drinking water

infrastructure in Montana and across the country. The funding will not come from taxpayers, but rather from the Bureau of Land Management's Reclamation Fund that uses receipts from onshore oil and gas development to fund infrastructure projects.

“Reliable access to clean water is critical to every Montana family,” Tester said. **“This bipartisan bill will invest in essential infrastructure, provide a boost to rural communities, and create good paying jobs.”**

“Water is a basic need for Montana families, farmers and ranchers,” Daines stated. **“We need to ensure that all Montanans have access to a reliable water supply, especially for our rural communities that are too often overlooked.”**

“On behalf of the North Central Montana Regional Water Authority, I want to thank Senator Tester and Senator Daines for their continued dedication to rural water projects in Montana,” **said Shelby Mayor Larry Bonderud.** “This funding will go a long way towards completing these rural water projects that have fallen behind schedule due to inconsistent federal funding.”

“Access to clean drinking water is a critical component to life, for both Tribal and Non-Tribal Communities,” **said Harlan Baker, Chairman of the Chippewa Cree Tribe.** “Due to the inadequate Federal funding, the Chippewa Cree Tribe and North Central Montana Regional Water Authority have been forced to deal with aging infrastructure emergencies. With the reintroduction of the Rural Water Completion Act, this is a significant step forward to the protection of public health and prosperity of rural America including Indian Country.”

“The Rocky Boy's/North Central Montana Regional Water System Project has been authorized for a long time, and we have struggled to received sufficient federal funding,” **said Dean Stockert, an engineer with AE2S in Great Falls.** “With the bipartisan bill, our project will be able to receive consistent funding to improve implementation and deliver clean drinking water.”

Montana has two rural water systems that would have immediate access to these funds: the Fort Peck-Dry Prairie Rural Water System in northeast Montana and Rocky Boy's-North Central Montana Rural Water System, which combined serve nearly 35,000 Montanans. Tester and Daines' bill will directly address the current water shortage on the Rocky Boy's Reservation by providing funding for a water storage tank.

Tester and Daines are also sponsoring legislation to authorize the Dry-Redwater Regional Water Project in eastern Montana and the Mussellshell-Judith Rural Water Project in central Montana. Once authorized, both of these rural water projects would be eligible to receive funds under the Senators' *Authorized Rural Water Projects Completion Act*.

Tester and Daines' bill additionally provides \$35 million annually for 20 years to construct tribal water projects, including those in Montana that have been or still need to be enacted by Congress.

Since 1980, 11 rural water projects have been designated across the western United States. Today, six of the 11 rural water infrastructure projects are still under construction due to inconsistent funding from Congress.

###

Lori Stratton

From: Larry Bonderud
Sent: Friday, July 14, 2017 3:12 PM
To: Lori Stratton
Subject: Fwd: Montana Water Court Case No. 41P-191
Attachments: City of Shelby Status Report.PDF; ATT00001.htm; PCCRC Status Report.pdf; ATT00002.htm

Next packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: "Jennifer L. Maichel" <jmaichel@helenalaw.com>
Date: July 14, 2017 at 11:27:15 AM MDT
To: "larry@shelbymt.com" <larry@shelbymt.com>
Cc: "Abigail J. St. Lawrence" <astlawrence@helenalaw.com>
Subject: **Montana Water Court Case No. 41P-191**

For your information and file, please find City of Shelby and Pondera County Canal and Reservoir Company's Status Reports. Once we receive the other parties' filings, I will forward them on to you. Have a great weekend.

Jennifer L. Maichel, Certified Paralegal
BLOOMQUIST LAW FIRM, P.C.
3355 Colton Drive, Suite A
Helena, MT 59602
Direct (406) 204-1041
Main (406) 502-1244
www.helenalaw.com

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Abigail J. St. Lawrence
BLOOMQUIST LAW FIRM, P.C.
3355 Colton Drive, Suite A
Helena, MT 59602
Telephone: (406) 502-1244
Email: blf@helenalaw.com
Attorney for City of Shelby

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

CLAIMANTS: K J K Farms Inc; K Wheat Inc; Kari
Kammerzell; Kurt J. Kammerzell

OBJECTORS: City of Shelby; United States of America
(Bureau of Reclamation)

NOTICE OF INTENT TO APPEAR: Pondera County
Canal & Reservoir Co.

CASE NO. 41P-191

41P 153320-00

STATUS REPORT

COMES NOW Objector City of Shelby (hereinafter referred to as “Shelby”), by and through its undersigned counsel of record, pursuant to and in accordance with this Court’s April 21, 2017 Court Minutes and Order Setting Initial Settlement Deadline, hereby submits the following status report. Shelby has been informed that the Bureau of Reclamation (hereinafter referred to as “BOR”) has reached tentative agreement with the claimants in the above-captioned matter and is requesting additional time from this Court to complete the necessary paperwork to finalize the settlement. Shelby’s objections were similar to BOR’s, and it is possible that resolution between the Claimants and BOR will also resolve Shelby’s objections. Consequently, Shelby does not oppose BOR’s request for additional time.

DATED this 14th day of July, 2017.

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

CERTIFICATE OF SERVICE

I certify I served on July 14, 2017, a true and correct copy of the foregoing *Status Report*,
filed with the above-identified Court, on the following:

_____	Hand delivery
_____	Overnight delivery service
<u>3-5</u>	U.S. mail, first-class
_____	Fax (to the number indicated below)
<u>1-3</u>	Email (to the address indicated below)

- | | |
|--|--|
| 1. James J. DuBois
United States Department of Justice
Environmental and Natural
Resources Division
james.dubois@usdoj.gov | 2. John E. Bloomquist
Rachel K. Meredith
Rick C. Tappan
Bloomquist Law Firm, P.C.
blf@helenalaw.com |
| 3. Bradley D. Dugdale
Bosch, Kuhr, Dugdale, Martin &
Kaze, PLLP
P. O. Box 7152
Havre, Montana 59501
bdugdale@bkdlaw.org | 4. Hugh Brown
Brown Law Office
P.O. Box 683
Chester, MT 59522 |
| 5. Robert and Machele Beede
250 4800 Road South
Ledger, MT 59456-9032 | |

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

John E. Bloomquist
Rachel K. Meredith
Rick C. Tappan
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3355 Colton Drive, Suite A
Helena, MT 59602
Telephone: (406) 502-1244
Email: blf@helenalaw.com
Attorneys for Pondera County Canal and Reservoir Company

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MARIAS RIVER BASIN (41P)**

CLAIMANTS: K J K Farms Inc; K Wheat Inc; Kari
Kammerzell; Kurt J. Kammerzell

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(Bureau of Reclamation)

NOTICE OF INTENT TO APPEAR: Pondera County
Canal & Reservoir Co.

CASE NO. 41P-191

41P 153320-00

STATUS REPORT

Pursuant to this Court's April 21, 2017 Court Minutes and Order Setting Initial Settlement Deadline, Notice of Intent to Appear ("NOIA") party Pondera County Canal and Reservoir Company ("PCCRC"), by and through its undersigned counsel of record, hereby submits the following status report.

As a NOIA party, PCCRC continues to monitor the progress of settlement in the above-captioned claims. It is PCCRC's understanding that Objector United States Bureau of Reclamation will be seeking an extension to continue working towards resolution in the above-captioned case. PCCRC does not oppose said extension.

DATED this 14th day of July, 2017.

BLOOMQUIST LAW FIRM, P.C.
/s/ Rachel K. Meredith
John E. Bloomquist
Rachel K. Meredith/Rick C. Tappan
*Attorneys for Pondera County Canal and
Reservoir Company*

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- | | |
|--|---|
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Bosch, Kuhr, Dugdale, Martin &
Kaze, PLLP
P. O. Box 7152
Havre, Montana 59501
bdugdale@bkdlaw.org | 4. Hugh Brown
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P.O. Box 683
Chester, MT 59522 |
| 5. Robert and Machele Beede
250 4800 Road South
Ledger, MT 59456-9032 | |

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

Lori Stratton

From: Larry Bonderud
Sent: Friday, July 14, 2017 3:12 PM
To: Lori Stratton
Subject: Fwd: Local Government Interim Committee Notes
Attachments: Local Government Interim Committee Notes.docx; ATT00001.htm; TIF Memo.pdf; ATT00002.htm; 473_Gas Tax Memo.docx; ATT00003.htm

Packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: Melissa Lewis <melissa@mlewisassoc.com>
Date: July 14, 2017 at 12:01:35 PM MDT
To: Larry Bonderud <larry@shelbymt.com>
Subject: Local Government Interim Committee Notes

Hi Mayor,

Attached are notes from the Local Government Interim Committee meeting. It appears as though there could be mounting legislative interest in potentially reducing or modifying the entitlement share that cities, towns and counties receive. As such, both the Montana Association of Counties (MACo) and the Montana League of Cities and Towns have proposed that the committee look at Local Government Financing 101 so the legislature understands the local government budgeting process.

Additionally the Local Government Interim Committee will follow the Revenue and Transportation Interim Committee's study of HJR 18 regarding Tax Increment Financing. That is likely to be a hot topic this interim. 3 of the 8 members of the Local Government Interim Committee are also members of the House Tax Committee-Mary Ann Dunwell (D-Helena), Dave Fern (D-Polson) and Adam Hertz (R-Missoula).

Local Government Interim Committee (LGIC)

Friday, July 14, 2017

Room 102, State Capitol

Election of Chair and Vice Chair

Senator Roger Webb (R-Billings) was elected as Chair and Representative Mary Ann Dunwell (D-Helena) was elected as Vice-chair.

Attendees

City Officials in attendance:

Jim Smith, City of Helena

Ron Alles, Helena City Manager

John Engen, City of Missoula

Doug Russell, the City Manager of Kalispell

Bob Kelly, Mayor of Great Fall

Dave Palmer, Chief Executive of Butte Silver-Bow

Ted Barkley, City of Belgrade.

Also present: Tim Burton with the Montana League of Cities and Towns, Eric Bryson and Harold Blattie with the Montana Association of Counties, Bridger Mahlum, representing the Montana Chamber of Commerce, Ed Bartlett representing the City of Billings and Melissa Lewis representing the City of Shelby.

Overview

This interim committee is brand new. It was created by SB 151 from the 2017 legislative session. The budget is only \$15,000, half the budget of other interim committees. Because funds are limited, the number of LGIC meetings will be limited.

Bills that the cities and counties are developing for the 2019 session may be discussed by the interim committee and could potentially be drafted as committee bills.

Two Interim Studies assigned to LGIC by Legislative Council

1. HJR 25-Review statutes governing municipal fire departments
2. SJR 21-Requests an examination of the state's emergency medical service and volunteer fire protection system services

Additionally, LGIC will follow the Revenue and Transportation Interim Committee's study of HJR18 regarding Tax Increment Financing.

Representative Margie MacDonald and Senator Roger Webb recommended that the fuel tax bill be monitored and reviewed. Local option tax is another topic of potential interest to LGIC. Additionally, entitlement share money may be studied. However, Chairman Fred Thomas expressed his opposition to the interim committee studying local option tax. He indicated the legislature can take a look at that and possibly RTIC, but not LGIC.

Future Meetings

The March LGIC meeting will coincide with the RTIC meeting and TIF will be discussed.

Montana League of Cities and Towns & MACo Presentation

Tim Burton: We appreciate the legislative action that created the interim committee. We consider it to be a foundation between the state and cities, towns and counties. It has been 17 years since the Montana League of Cities and Towns has had substantive collaboration with the legislature. Having this interim committee provides the foundation to be able to share and receive information with the legislature. I would suggest that the committee take a close look at the importance of our entitlement

share program, infrastructure needs/infrastructure funding sources and municipal bond capacity. What we have in Montana is a revenue system that relies on local taxpayers. There are huge challenges and regulatory burdens facing local governments today. It would be a nice baseline to look at local government financing and funding threats and opportunities.

Harold Blattie, Executive Director of MACo. I believe if we make a good effort to educate legislators that you'll make good decisions. Please view us as your extended staff. We are a good resource to provide history and insight. I'd like to suggest that we host a local government funding 101 session and also explore the entitlement share program. I'd also like to have another opportunity to educate legislators about the history of entitlement share. Also, I'd like to recommend that we give you an update on the gas tax and efforts to implement the gas tax.

Attachments:

1. DRAFT gas tax implementation memo with redlines and comments
2. TIF memo from Legislative Services Division
3. LGIC meeting notes

Melissa

Melissa Lewis
800 E. 6th Avenue
Helena, MT 59601
Cell: 406-465-8045
Office: 406-422-0988
www.mlewisassoc.com

Local Government Interim Committee (LGIC)

Friday, July 14, 2017

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Attachments:

1. MACo gas tax implementation memo
2. TIF memo from legislative staff



Summary of RTIC Work Plan for HJ 18 TIF Study
Prepared by Megan Moore
For the Local Government Interim Committee

House Joint Resolution No. 18: Study Tax Increment Financing
Legislative Poll Ranking: #6

Background: The 2015-2016 RTIC ranked a study of tax increment financing (TIF) as its top study priority. The 2017 Legislature enacted four TIF-related bills, three of which RTIC requested after last interim's study, and considered a number of TIF bills that did not become law. After hearing these TIF bills, the House Taxation Committee discussed requesting a study for the 2017-2018 interim to continue to examine tax increment financing.

Specific topics listed in the study resolution are administrative costs and cost variance between communities, public-private investment ratios, whether to set a maximum allowable tax base and a maximum allowable incremental taxable value, the definition of "blight" and whether a third party should be involved in determining whether blight exists, expenditures on public projects, remittance after expiration of the TIF provision, impacts of districts that use TIF on other taxing jurisdictions, use of TIF for façade improvement and historical preservation, and taxation of centrally assessed property within a TIF district.

The Legislative Audit Division is conducting an audit of districts that use TIF and will present the audit to RTIC after review by the Legislative Audit Committee.

Work Plan: The committee dedicated 0.225 FTE to the study of tax increment financing. The committee will issue a final interim report that may include findings and recommendations. The committee may also request legislation for introduction to the next legislative session. Tasks to be completed throughout the interim include:

- Presentation of the Legislative Audit Division's audit of districts that use TIF and committee follow-up on areas of interest
- Analysis of surrounding states' experiences with TIF
- Summary of reports analyzing use of TIF in Montana
- Consideration of whether to establish maximum allowable incremental taxable value and/or maximum percentage of tax base of local government that may be placed into districts using TIF
- Consideration of taxation of centrally assessed property within a district that uses TIF
- Consideration of whether to require remittance of increment not necessary to make bond payments

Meeting Date	HJ 18 Study Tasks (Draft)
June 12, 2017	<ul style="list-style-type: none"> • Prioritize studies and study activities
September 14, 2017	<ul style="list-style-type: none"> • Introduction to TIF • Summary of MT TIF reports
December 4-5, 2017	<ul style="list-style-type: none"> • Data on incremental values and percentages of taxable value within districts that use TIF
February 21-22, 2018	<ul style="list-style-type: none"> • LAD presentation of audit, possibly jointly with LGIC • Identify any additional study topics
May 2-3, 2018	<ul style="list-style-type: none"> • Analysis of surrounding states' experiences with TIF • Analysis for consideration of whether to require remittance of increment not necessary to meet bond obligations • Overview of taxation of centrally assessed property within a district that uses TIF • Discussion of findings and recommendations • Request draft legislation
July 24-25, 2018	<ul style="list-style-type: none"> • Review draft final report • Review draft legislation
September 13, 2018	<ul style="list-style-type: none"> • Finalize report • Finalize legislation

**Process for Obtaining Local Funds under HB 473
(Bridge and Road Safety and Accountability Act)**

HB 473 (Rep. Frank Garner), passed by the 65th Legislature and signed by Governor Bullock on May 3, 2017, provides for a graduated 6-cent increase in the motor fuel tax by fiscal year 2023 (6 cents in gasoline/2 cents in diesel). Each fiscal year, 35% or \$9.8 million of the proceeds (whichever is greater) is allocated to the Montana Department of Transportation (MDT) and the remainder (approximately \$21 million by FY-2021) is allocated to local governments through a new a Bridge and Road Safety and Accountability Account (BaRSAA). This guidance document provides a roadmap of the process local governments will follow to obtain these new BaRSAA funds.

Commented [PN1]: We'd like to include this statement to show the benefit of additional revenue is from both gas and diesel taxes.

Allocation of Revenues Collected

The allocation of the motor fuel tax revenues refers to the MDT calculation of and notification to local governments of the amounts available for each entity on an annual basis. Under HB 473, MDT will begin to assess the new tax on July 1, 2017. Fuel that is distributed in a month is reported to MDT on the 25th of the following month, and the tax on that fuel is then collected 5 days later. Therefore, the first allocation of funds by MDT on March 1, 2018 will consist of the additional motor fuel tax revenues collected for July-October, 2017 ("FY2018 BaRSAA funds"). Every year thereafter, the allocation will consist of a full 12 months of collections, ~~allocated transferred~~ to the BaRSAA account on March 1 of every year.

Commented [PN2]: We'd like to change the term to transferred; the term allocated has a specific meaning as it relates to the local "allocation".

MDT will allocate the collected funds to cities, towns, counties, and consolidated city-county governments in the same proportion and using the same ratios used to distribute existing motor fuel tax revenues to local governments through the highway restricted account as set forth in Section 15-70-101(2)(b), (2)(c), and (3), MCA. The new funds will be ~~allocated held~~ into the a separate BaRSAA account until distributed.

Distribution of BaRSAA Allocation

The distribution of BaRSAA funds refers to the actual transfer ~~disbursement~~ of the allocated or reserved BaRSAA funds from MDT to local governments, upon request through formal resolution. Beginning March 1, 2018, local governments may *request distribution* of their allocation from MDT. Local governments must match all distributions from the BaRSAA account with a 5% funding match. MDT is currently planning to use the WebGrants online application system to accept requests for distribution of BaRSAA allocations by local governments. This system will allow for electronic entry of the information necessary for the distribution of funds to local governments.

Commented [PN3]: We've used the term "disbursement" in the draft rules.

A request for the distribution of funds will include:

Commented [SJ4]: Do we want to change this based on the response from the sponsor? I think the intent was that the locals could request distribution of current year allocated funds – and any reserved funds.

- (a) the amount of funding sought (up to but not exceeding the amount allocated for that year or the amount of the previous year reserved funds);
- (b) copy of an adopted resolution to request and accept the funding by the governing body, identifying the source of the matching funds for the allocation (a template resolution is attached); and
- (c) a description of the project or projects to be funded.

BaRSSA funds can be used:

Commented [ZL5]: Seems redundant to the first part of the sentence – but in (b) this language does have meaning and should remain

- (a) to pay for the construction, reconstruction, maintenance, and repair of rural roads, city or town streets and alleys, bridges, ~~or roads and streets that the city, town, county, or consolidated city-county government has the responsibility to maintain~~; or
- (b) as the match for federal funds used for the construction of roads and streets that are part of the national, primary, secondary, or urban highway systems, or roads and streets that the city, town, county, or consolidated city-county government has the responsibility to maintain.

BaRSAA funds cannot be used to purchase capital equipment.

Matching local government funds can be obtained from any source except the regular gas tax allocation in 15-70-101, MCA. Potential matching fund sources include other local funds, including general funds; special district assessments; or state or federal funds, grants, or loans.

Requests for distribution of FY2018 BaRSAA funds must be made between March 1 and November 1, 2018 (every March 1 to November 1 thereafter for the annual BaRSAA allocation).

Obligation or Saving of BaRSAA Funds

The obligation of funds by a local government occurs when the funds are committed to a project, either through a contract or inclusion as an authorized expenditure in the fiscal year budget. Once the local government obtains its distribution of FY-2018 BaRSAA funds, it may either obligate the funds or place the funds and the corresponding matching funds in a restricted asset account within the motor fuel tax apportionment to be carried forward until the funds are obligated.

Local governments must *obligate the FY2018 BaRSAA funds* by March 1, 2023 (every March 1 thereafter, 5 years after each annual allocation is made-). While the term obligate is not defined in law, local governments should ensure that all BaRSAA funds are either spent or appearing as revenue with an associated project expenditure in the annual budget. The intent of the law is that local governments will use BaRSAA funds in a timely manner to demonstrate improvements to road infrastructure occurring as a result of the passage of HB473.

Local governments must follow applicable competitive bidding requirements when entering into contracts that exceed the thresholds provided for in 7-5-2301, MCA and 7-5-4302, MCA (currently \$80,000).

Reservation of BaRSAA Allocation

Reserve means a local government's request, through formal resolution, that allocated BaRSAA funds will not be distributed by MDT for up to two years. If a city, town, county, or consolidated city-county government is unable to provide the 5% match required to request a distribution of its BaRSAA funds, it may instead *request to reserve* the funds. To request a reservation of funds, the local government must submit a copy of an adopted resolution to request to reserve the funds. MDT is also currently planning to use the WebGrants online application system to accept requests for reservation of BaRSAA funds.

Once a local government obtains the required 5% matching funds, it may request distribution of the funds – and any eligible reserved funds from prior years – beginning the following March 1, as set forth above. The local government must request the distribution of reserved funds by November 1 of the fiscal year 2 years after the request to reserve the funds, or its BaRSAA allocation is forfeited and added to the account for allocation among all the local governments during the next allocation.

Requests for reservation of FY2018 BaRSAA funds must be made between September 1, 2018 and November 1, 2018 (every September 1-November 1 of the next fiscal year after the fiscal year in which BaRSAA funds are allocated thereafter).

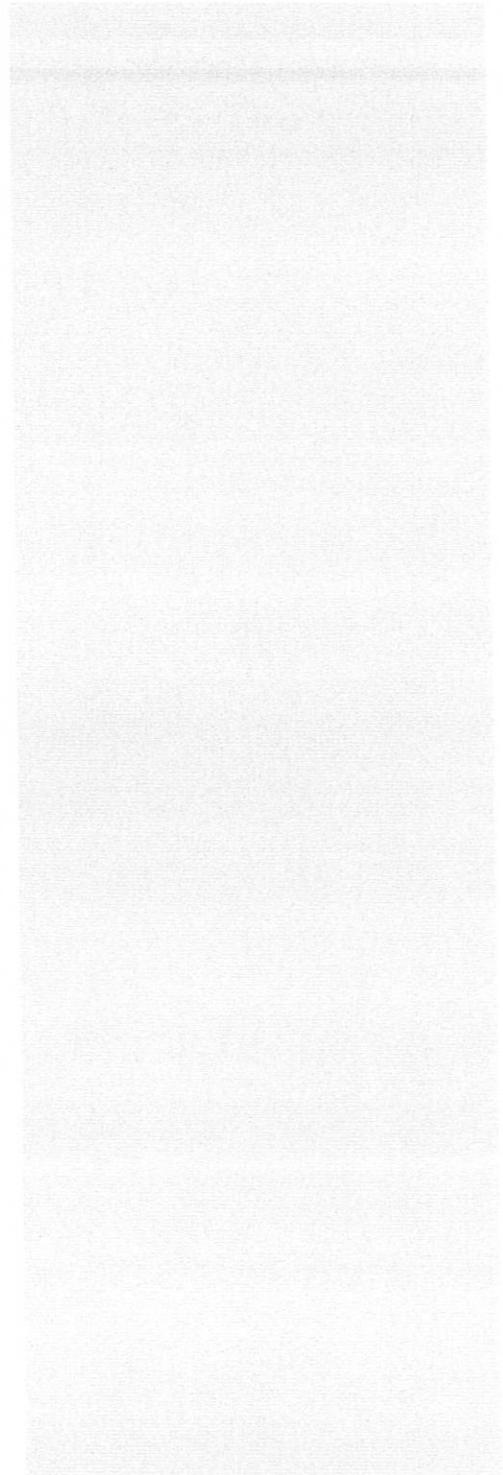
Annual Reports and Remaining Funds

Local governments must submit an *annual report* to MDT that provides an update on all approved projects, describes any changes to the list of projects funded with BaRSAA monies, and final project costs, if known. When a project funded by BaRSAA monies is completed, the local government will indicate on its final annual report that the project has been completed. Annual reports for the previous fiscal year will be due to the MDT by December 31 of each year, to align the BaRSAA reporting deadline with that required for local government annual financial reports to the Department of Administration in 2-7-503, MCA.

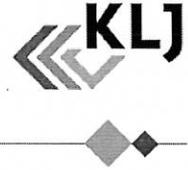
If any BaRSAA funds allocated-obligated to a project remain unspent upon project completion, the local government must notify MDT within 90 days of project completion that the local government intends to use the funds for additional projects within the 5-year time period for use of the funds, or intends to remit any unused funds to MDT. Funds remitted to MDT are added to the BaRSAA account for allocation among all the local governments during the next allocation.

MDT is required to establish a website where the projects funded with BaRSAA allocations will be identified for each local government. To facilitate this transparency of information, MDT is currently planning to use the WebGrants online application system to accept annual and unspent funding reports.

DRAFT



CONSTRUCTION FIELD REPORT



Project Name: NCMRWA Segment W4-B1 Shelby to Conrad

◇ **Report Date:** 7/15/2017

Owner: NCMRWA

Project Location: Shelby to Conrad, MT

KLJ Project No: 4615048

Contractors: Downing Construction Inc.

Reporter: Aaron Peters

Weather & Site Conditions

- Hot and slightly windy throughout the week with daily highs in the 80s and 90s.

Construction Activities

- The week of July 9th Downing Construction installed appurtenances with flush station at sta. 36+00.00. Flush stations were then installed at sta. 27+20.00 and sta. 36+00.00. Survey for the treatment building connection was completed, then Downing Construction began locating existing services and connection points off mainline. Backfilling of flush station was completed at sta. 36+00.00 and backfilling began at flush station located at sta. 27+20.00.
- CTI was unsuccessful in its attempt to pull the stuck fusible pvc pipe back out from under the river. CTI is preparing a plan to complete this bore.

Construction Pictures

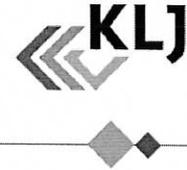
Installation of Flush Station



Locating Existing Services



CONSTRUCTION FIELD REPORT



Project Name: NCMRWA Segment W3 Shelby to Cut Bank

◇ **Report Date:** 7/16/2017

Owner: NCMRWA

Project Location: Shelby to Cut Bank, MT

KLJ Project No: 4611005

Contractors: Downing Construction Inc. & Central Excavation Inc.

Reporter: Logan Tweet

Weather & Site Conditions

- Hot throughout the week with daily highs in the 80s and 90s.

Downing Construction Inc.

- The week of July 10th Downing began pressure testing the 3" Ethridge line. They could not get the line to hold pressure and determined there must be a leak. To find the leak water was continually pumped into the line from a water truck. Wednesday the leak surfaced near sta 665+00. Utility locates have been called and the leak is scheduled to be repaired Monday the 17th. Once the line is repaired pressure testing will resume.

Central Excavation Inc.

- Central Excavation was onsite Monday the 10th and sprayed weeds that had grown in the areas they seeded. They will resume work full time at the jobsite later this month to complete punch list items.

Construction Pictures

Weed Control at Pumphouse

