

All Deb, search your mailbox

Home Deb

Compose

Search results Archive Move

Add Gmail, Outlook, AOL and more

Inbox (3640)

Drafts (4)

Sent

Archive

Spam (72)

Trash

Smart Views

Folders

city of shelby

cole

Notes

Synced Messages

Unsubscribe

Recent

Fwd: Resignation

People

Larry Bonderud <larry@shelbymt.com> Oct 18 at 9:19 AM

To pega@3rivers.net, Bill Moritz, Eugene Haroldson, lyle.kimmet@shelby.k12.mt.us, Deb Clark

Will list the resignation acceptance and election of a new council president as an agenda item at the next council meeting.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: <don.leelaw@gmail.com>
Date: October 18, 2016 at 9:15:12 AM MDT
To: <mayorlar@gmail.com>
Subject: Re: Resignation

Sent from my iPad

On Oct 18, 2016, at 8:37 AM, don.leelaw@gmail.com wrote:

Mayor Bonderud,

Please accept my resignation as Council President. As evidenced by last nights vote on the storm drain project, the City Council apparently intends to take the City of Shelby in a new direction, what that is could be anybody's guess. After the negative vote in 1982 for a similar project, the City Council was rudderless for about 5 or 6 years. I certainly hope the same thing doesn't happen again but I don't hold out much hope. I guess only time will tell.

Regarding the Humic Project, which at least one Council member doesn't believe it to be of any significance and is openly hostile to it, can you have Lorette reach out to Council members and explain the project and where the Grant Applications stand? Bottom line is I am shocked at the apparent indifference to the Humic project and I hope this is not an indication of the direction of the Council in the future. It is sad to say but it doesn't appear that many on the Council grasp the necessity and benefit of economic development.

With the above in mind, I just want to state that you have been and remain an unbelievable steward of the City of Shelby, with only the long term best interests of the City in mind.

Don

Sent from my iPad

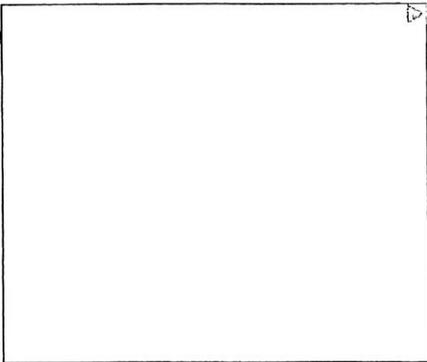
IMPORTANT SAFETY INFORMATION
• Plevnar 13® should not be given to anyone with a history of severe allergic reaction to any component of Plevnar 13® or any diphtheria toxoid-containing vaccine

Q All Deb, search your mailbox

Home Deb

Compose

Search results Archive Move



Add Gmail, Outlook, AOL and more

Inbox (3640)

Drafts (4)

Sent

Archive

Spam (72)

Trash

Smart Views

Folders

city of shelby

cole

Notes

Synced Messages

Unsubscribe

Recent

Sponsored



360 Money Market™  
Open a Money Market Account today. One of The nation's Highest savings rates

FW: Consequences of Council vote

People

Larry Bonderud <larry@shelbymt.com> Oct 18 at 11:23 AM

To Clark, Deb, Lyle Kimmet, don.leelaw@gmail.com, Eugene Haroldson,

Bil Moritz, Chip Miller

CC Hunt Law

Council:

I consider the City Council vote last night as the very worse decision a Shelby City Council has made in the history of our community.

Here is why:

Attached is the true and full consequences of the Council vote concerning Storm Drainage Last Night. I would ask that you all be prepared to address and recommend how we pay the Engineering Costs as we will shortly receive a demand letter for full payment, and possibly interest, on both of the council authorized projects. (Storm Drainage and 4th Cell). Per my conversations with DEQ this am we will also receive formal notice to discontinue the practice of "sand bagging" our lagoons. This is a serious violation of our permit for the operation of our lagoons and we will be subject to fines if the practice is continued. Therefore it is my and public works recommendation that NO new sewer hookups of any nature be allowed within the City of Shelby sewer service area. We will immediately go into violation of our DEQ wastewater permit without the sandbagging. If the council wishes to approve any additional sewer hook ups, it will be at their individual risk if we violate our discharge permit. I would veto any council approval of any sewer hook up to protect my and Loren's individual liability concerning violation of our wastewater permit. Council has the ability to override the veto. DEQ will also soon visit our treatment facility.

Attached you will find a listing of the grant funds we have lost because of last night's council action. I have begun notifying the various agencies today.

I will also notify the three entities interested in purchasing property in the multi-modal facility that this is no longer a possibility.

This is essence puts an end to ALL building of any nature in our community that would add ANY additional flows to our treatment facility. As noted many, many times at City Council meetings we are currently over 100,000 gallons per day above the designed capacity of our lagoons.

A community that cannot build or promote economic development does not need governmental affairs representation, a building inspector ( check with State of Montana and they will provide any necessary building inspection services at no charge to the City of Shelby) or a planner as no subdivisions can be approved. The elimination of these positions will also be a recommendation at the next council meeting. The two contracts for governmental affairs and planning have notice provisions and the building inspector position would be a reduction in force.

Mayor Lar

Larry J. Bonderud, Mayor  
City of Shelby  
[larry@shelbymt.com](mailto:larry@shelbymt.com)  
phone 406-434-5222  
cell 406-450-5196

cc KSEN

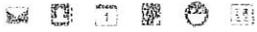


Storm Water Negative Fund Balance		63971
Engineering fees to date		581785
Bond Council 1		20000
Bond Council 2		15000
4th Cell Engineering Fee		270178
<b>Total</b>		<b>950934</b>
<b>Grants Lost</b>		
TSEP Grant	Storm Water	635,000
MDT Grant	Storm Water	334,000
FRA Grant	Quiet Zone/Safety Improvements	1,000,000
4th Cell Loan Forgiveness		400,000
<b>Total</b>		<b>2,369,000</b>
<b>Grand Total</b>		<b>3,319,934</b>

*paid by city of Shelby*  
 - Rate study  
 - publication  
 - etc.

Q All Deb, search your mailbox

Home Deb



Compose

Search results Archive Move

Add Gmail, Outlook, AOL and more

Inbox (3640)

Drafts (4)

Sent

Archive

Spam (72)

Trash

Smart Views

Folders

city of shelby

cole

Notes

Synced Messages

Unsubscribe

Recent

Sponsored



Buzztache Susan Lost 179 Pounds And Looks Stunning

FW: Shelby Wastewater Lagoons

People

Larry Bonderud <larry@shelbymt.com>

Oct 18 at 11:26 AM

To Clark, Deb, Lyle Kimmet, don.leelaw@gmail.com, Eugene Haroldson,

Bil Moritz, Chip Miller

CC Hunt Law

Here ya go.

Mayor Lar

Larry J. Bonderud, Mayor

City of Shelby

[larry@shelbymt.com](mailto:larry@shelbymt.com)

phone 406-434-5222

cell 406-450-5196



From: Campbell, Terry [mailto:tcampbell@mt.gov]

Sent: Tuesday, October 18, 2016 10:39 AM

To: Larry Bonderud <larry@shelbymt.com>

Cc: Habeck, Bob <BHabeck@mt.gov>; LaVigne, Paul <plavigne@mt.gov>;

Arrigo, John <jarrigo@mt.gov>; McCarthy, Mindy <MMcCarthy3@mt.gov>

Subject: Shelby Wastewater Lagoons

Mayor Bonderud:

Thanks for taking the time to talk with me this morning about the use of sandbags to add capacity to the storage lagoon over winter. Bob Habeck brought the issue to my attention due to my involvement in reviewing the 2015 WWTF Improvements project and involvement with your stormwater project.

In short, if the sandbagging were being done to preserve a saturated lagoon dike at risk of washout or failure, we would not be opposed to that kind of action. However, it sounds like what is being considered is to plug the emergency overflow pipe and use the lagoon freeboard and sandbags to add additional storage capacity to the lagoon to prevent having to discharge during cold months. This approach would not be acceptable to DEQ. It would be considered a violation of the approved design and could place the lagoon and community at risk of a significant discharge violation or more importantly, failure of the dike and a significant financial burden to the users if it were to fail.

Thanks for checking in with us to ensure proper operational practice is followed. Please don't hesitate to contact me further if our advice or technical assistance could help.

Sincerely,

Terry Campbell, PE  
DEQ Engineering Bureau  
(406) 444-7343



All ▾ Deb, search your mailbox

Home Deb

Compose

Search results Archive Move

Re: Questions, questions, questions

People

Don R. Lee <don.leelaw@gmail.com> Oct 18 at 1:10 PM
To: Larry Bonderud
CC: Jennifer VanHeel, Bil Moritz, Chip Miller, Clark, Deb, Eugene Haroldson, and 4 more...

I agree with the Mayor, pose your questions to the Luddites. Better yet, you might want to talk to Dwain Iverson who generally knows everything. Plus, he seems to have a fair amount of sway over several Council members.

With the above in mind, the decision of the City Council last night was the most shortsighted, boneheaded approach to community development imaginable. They should be ashamed.

Sent from my iPhone

> On Oct 18, 2016, at 11:50 AM, Larry Bonderud <larry@shelbymt.com> wrote:

> Jenn:

> I would suggest you ask the City Council these questions as it will be up to them to answer. I have cc'd them with your email so you have their email addresses.

> Mayor Lar

> Larry J. Bonderud, Mayor

> City of Shelby

> larry@shelbymt.com

> phone 406-434-5222

> cell 406-450-5196

> -----Original Message-----

> From: Jennifer VanHeel [mailto:promoadmgr@3rivers.net]

> Sent: Tuesday, October 18, 2016 11:14 AM

> To: Larry Bonderud <larry@shelbymt.com>

> Subject: Questions, questions, questions

> Good morning Mayor Lar-

> So with this change of events I have a few questions I want to ask before I get too far into my article explaining that the storm drain resolution was voted down and the impact that will have on the City. I am really quite concerned that even though everyone was throwing a fit before what this was going to cost us that by doing this we have really just cost ourselves a whole lot more than most realize....

> 1) By not going forward with anything right now and so therefore showing DEQ no "good faith" efforts, does this mean that the verbal, informal moratorium that was placed on the town will now more than likely become formal and we will start incurring daily fines for going over with our lagoons?

> Approximately how much could those fines be?

> 2) Going forward with the storm drain project was the match for the grant funding for Amtrak and they had already started the work- will the City have to come up with money to pay for what has been accomplished there since no longer matching the grant? And this project will not come to a halt, correct?

> 3) The \$680,000+ needs to be paid to KLJ, is it safe to say residents and businesses are going to see an even larger increase somewhere in order

Add Gmail, Outlook, AOL and more

Inbox (3640)

Drafts (4)

Sent

Archive

Spam (72)

Trash

Smart Views

Folders

Find a folder

city of shelby

cole

Notes

Synced Messages

Unsubscribe

Recent

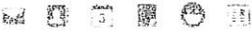
Sponsored



Actvly 20 Kate Spade-Inspired Bridal Shower Ideas

All Deb, search your mailbox

Home Deb



Compose

Search results Archive Move

Re: Shelby Wastewater Lagoons

People

Larry Bonderud <larry@shelbymt.com>

Oct 20 at 8:12 AM

To Loren Skartved

CC Mark Daniels, Jennifer VanHeel, Deb Clark,

lyle.kimmet@shelby.k12.mt.us, don. leelaw, and 4 more...

So, if I understand correctly, what you told the council prior to their vote last Monday, was that the lagoons are over capacity, as we have been telling them for months, and without the sandbagging, which we learned about at that meeting, the City of Shelby will begin to discharge untreated sewage in February or March because the capacity of the lagoons will have been reached. DEQ has informed us that this sand bagging can no longer occur and is a dangerous practice and a violation of our treatment facility operating permit. This is the point you were making prior to the council vote. We will be violating our operational permit

For our treatment facility then and be subject to increased and costly testing as well as discharging what could be called untreated sewage into a drainage that goes to the Marias River. I believe council person Miller reviewed the fine schedule, that DEQ can, and likely will impose, for this type of violation at this meeting prior to the vote.

Sent from my iPhone

Mayor Lar

On Oct 20, 2016, at 7:41 AM, Loren Skartved <loren@3rivers.net> wrote:

Ok. That will result in us discharging in February or March and we will not meet or requirements so we will have at least 3 violations per week and up to 10 on our quarterly sample. This will also cost us an extra 2000 in sampling charges as we will have to sample. Then I don't know what will happen when we start failing the test.

From: Larry Bonderud [mailto:larry@shelbymt.com]
Sent: Wednesday, October 19, 2016 1:10 PM
To: Skartved, Loren <loren@3rivers.net>
Subject: FW: Shelby Wastewater Lagoons

Loren:

Please be prepared at the next council meeting to explain to the council what the effect of this DEQ instruction will be.

Thank you.

Mayor Lar

Larry J. Bonderud, Mayor
City of Shelby
larry@shelbymt.com
phone 406-434-5222
cell 406-450-5196
<image002.jpg>

From: Larry Bonderud
Sent: Tuesday, October 18, 2016 11:24 AM
To: Clark, Deb <debclark2007@yahoo.com>; Lyle Kimmet <lyle.kimmet@shelby.k12.mt.us>; don.leelaw@gmail.com; Eugene Haroldson <eugeneh@mariasriverec.com>; Bil Moritz



Add Gmail, Outlook, AOL and more

Inbox (3698)

Drafts (4)

Sent

Archive

Spam (69)

Trash

Smart Views

Folders

city of shelby

cole

Notes

Synced Messages

Unsubscribe

Recent

Sponsored



360 Money Market
Open a Money Market Account today. One of The nation's Highest savings rates



All ▾ Deb, search your mailbox

Home Deb

Compose

Search results Archive Move ▾

Add Gmail, Outlook, AOL and more

- Inbox (3699)
- Drafts (4)
- Sent
- Archive
- Spam (69)
- Trash

> Smart Views

▾ Folders

- city of shelby
- cole
- Notes
- Synced Messages
- Unsubscribe

> Recent

Sponsored



**Actively**  
You're Welcome: 20 Winter Hacks to Keep You Cozy

## \* Engineering Costs

People

**Larry Bonderud** <larry@shelbymt.com> Oct 24 at 11:23 AM  
 To Deb Clark, lyle.kimmet@shelby.k12.mt.us, don. leelaw, Bill Moritz,  
 pega@3rivers.net

Received the attached.

2 Attachments View all Download all ▾

20161021 ...pdf ATT00001.txt

October 27, 2016

2969 Airport Road Suite 1B  
PO Box 1567  
Helena, MT 59624-1567  
406 449 7764  
kljeng.com



October 21, 2016

Mayor Bonderud and City Council  
City of Shelby  
112 1st Street South  
Shelby, MT 59474

Re: Shelby Storm Water Improvement and 4th Cell Lagoon Projects  
Past Due Engineering Fees

Dear Mayor and City Council:

KLJ has been informed that the City of Shelby will not proceed with the Shelby Storm Water Improvement Project and the Fourth Cell Lagoon Project. To date KLJ has accrued the following fees for requested services related to both projects dating back to 2013:

- Shelby Storm Water Improvement Project = \$790,555
  - Principal = \$609,060
  - Interest = \$181,495
- Fourth Cell Lagoon Project = \$349,340
  - Principal = \$270,582
  - Interest = \$78,758
- Total = \$1,139,895**

Please pay the outstanding balance of \$1,139,895 within 60 days of the date of this letter.

Please call me at (701) 271-4869 if you have any questions. Thank you for your consideration.

Sincerely,

KLJ

A handwritten signature in cursive script that reads "Barry Schuchard".

Barry Schuchard, CEO

NATIONAL PERSPECTIVE  
REGIONAL EXPERTISE  
TRUSTED ADVISOR

**BARNES & THORNBURG LLP**  
225 South Sixth Street, Suite 2800  
Minneapolis, MN 55402-4662 U.S.A.  
E.I.N. 35-0900596  
(612-333-2111)

**Benjamin W. Johnson**  
(612) 367-8794  
**Benjamin.Johnson@btlaw.com**

Larry Bonderud, Mayor  
City of Shelby  
112 1st Street South  
Shelby, Montana 59474

October 24, 2016

*Via E-mail*

**INVOICE**

**City of Shelby, Montana**

Legal services as bond counsel and outside counsel to the City of Shelby, Montana with respect to the proposed issuance of storm sewer bonds and preliminary work with respect to the establishment of a storm sewer utility, including miscellaneous fees/costs (such as the fees of Kline Alvarado Veio, P.C., messenger, overnight delivery fees, publication charges, postage expenses, copying and other expenses):

**\$33,000**

**Wire Instructions**

CREDIT TO:	Fifth Third Bank
	Indianapolis, IN
ACCOUNT NUMBER:	7653510706
SWIFT CODE:	FTBCUS3C
ABA#:	042000314

65130-1 (BWJ)  
4429080v.1

Q All Deb, search your mailbox

Home Deb



Compose

Add Gmail, Outlook, AOL and more

Inbox (3699)

Drafts (4)

Sent

Archive

Spam (69)

Trash

Smart Views

Folders

city of shelby

cole

Notes

Synced Messages

Unsubscribe

Recent

Search results Archive Move

FW: City of Shelby wastewater treatment fa... People

Larry Bonderud <larry@shelbymt.com> Nov 2 at 1:59 PM
To Arrigo, John
CC Hunt Law, Skartved, Loren, Clark, Deb, Lyle Kimmet, don.leelaw@gmail.com, and 6 more...

John:

I hope you are doing well. I wanted to update you on the wastewater treatment issue we believe we will quickly have in Shelby. Attached is a listing of the discharge standards that our public works department believes we will begin to fail sometime during the first quarter of 2017. Depending on surface moisture in Shelby we believe our lagoons will reach capacity sometime during the first quarter of 2017 and we will have to begin discharging from the lagoons. As we test the effluent we anticipate violating our permit standards with the highlighted areas on the attachment.

We would like to quickly begin discussions with the department to determine what the position the department will be concerning our permit violations.

Sincerely appreciate your assistance and guidance concerning this.

Thank you.

Mayor Lar

Larry J. Bonderud, Mayor
City of Shelby
larry@shelbymt.com
phone 406-434-5222
cell 406-450-5196

copier@s... .pdf

Offer Extended Switch to Sprint and save 50% on most Verizon, AT&T, or T-Mobile rates. Switch to Sprint Savings until 2018. Excl. & rest. apply.

PLANNING A TRIP?

JOHN HANCOCK INSURANCE AGENCY, INC.



Underwritten by American MODERN

BUY NOW >>





Trust our People. Trust our Data.

Billings, MT 800.735.4489 • Casper, WY 888.235.0515  
College Station, TX 888.690.2218 • Gillette, WY 866.686.7175 • Helena, MT 877.472.0711

## ANALYTICAL SUMMARY REPORT

October 13, 2016

Shelby City of  
112 1st St S  
Shelby, MT 59474

Work Order: B16100123

Project Name: MT0031488

Energy Laboratories Inc Billings MT received the following 2 samples for Shelby City of on 10/4/2016 for analysis.

Lab ID	Client Sample ID	Collect Date	Receive Date	Matrix	Test
B16100123-001	Lagoon Effl	10/03/16 15:00	10/04/16	Waste Water	Bacteria, Ecoli-water Biochemical Oxygen Demand, 5 Day Oxygen, Dissolved Oil & Grease, Gravimetric Nitrogen, Ammonia Nitrogen, Nitrate + Nitrite Nitrogen, Total Kjeldahl Nitrogen, Total (TKN+NO3+NO2) Digestion, Total P TKN preparation Preparation for TSS Phosphorus, Total Solids, Total Suspended
B16100123-002	Lagoon Infl	10/03/16 15:00	10/04/16	Waste Water	Biochemical Oxygen Demand, 5 Day Preparation for TSS Solids, Total Suspended

The analyses presented in this report were performed by Energy Laboratories, Inc., 1120 S 27th St., Billings, MT 59101, unless otherwise noted. Any exceptions or problems with the analyses are noted in the Laboratory Analytical Report, the QA/QC Summary Report, or the Case Narrative.

The results as reported relate only to the item(s) submitted for testing.

If you have any questions regarding these test results, please call.

Report Approved By:

  
Technical Data Reviewer

Digitally signed by  
Jillian B. Miller  
Date: 2016.10.13 12:03:34 -06:00



Trust our People. Trust our Data.

Billings, MT 800.735.4489 • Casper, WY 888.235.0515  
College Station, TX 888.690.2218 • Gillette, WY 866.686.7175 • Helena, MT 877.472.0711

### LABORATORY ANALYTICAL REPORT

Prepared by Billings, MT Branch

Client: Shelby City of  
Project: MT0031488  
Lab ID: B16100123-001  
Client Sample ID: Lagoon Effl

Report Date: 10/13/16  
Collection Date: 10/03/16 15:00  
Date Received: 10/04/16  
Matrix: Waste Water

Analyses	Result	Units	Qualifiers	RL	MCL/ QCL	Method	Analysis Date / By
<b>MICROBIOLOGICAL</b>							
Bacteria, E coli	8.0	CFU/100ml		1.0		E1603	10/04/16 10:08 / fap
<b>PHYSICAL PROPERTIES</b>							
Solids, Total Suspended TSS @ 105 C	10	mg/L		10		A2540 D	10/04/16 11:07 / jef
<b>INORGANICS</b>							
Oxygen, Dissolved	8.2	mg/L	H	0.1		A4500-O G	10/04/16 11:07 / fap
<b>AGGREGATE ORGANICS</b>							
Oxygen Demand, Biochemical (BOD)	10	mg/L		4		A5210 B	10/05/16 09:04 / fap
<b>NUTRIENTS</b>							
Nitrogen, Ammonia as N	0.34	mg/L		0.05		E350.1	10/06/16 15:30 / ajm
Nitrogen, Nitrate+Nitrite as N	0.83	mg/L		0.01		E353.2	10/06/16 15:08 / ajm
Nitrogen, Kjeldahl, Total as N	3.3	mg/L		0.5		E351.2	10/05/16 17:03 / bas
Nitrogen, Total	4.1	mg/L		0.5		Calculation	10/10/16 08:45 / jbm
Phosphorus, Total as P	2.18	mg/L	D	0.02		E365.1	10/05/16 16:29 / ks
<b>ORGANIC CHARACTERISTICS</b>							
Oil & Grease (HEM)	ND	mg/L		1		E1664A	10/10/16 09:23 / eli-g

Report Definitions: RL - Analyte reporting limit.  
QCL - Quality control limit.  
D - RL increased due to sample matrix.

MCL - Maximum contaminant level.  
ND - Not detected at the reporting limit.  
H - Analysis performed past recommended holding time.

Monitoring Requirements <sup>(1)</sup>				
Parameter	Units	Sample Location	Sample Frequency <sup>(2)</sup>	Sample Type
Flow	mgd	④ Influent	<sup>(3,4)</sup>	Continuous
	mgd	Effluent	3/Week	Instantaneous
Flow duration	days	Effluent	NA	Calculated
Biochemical Oxygen Demand (BOD <sub>5</sub> )	mg/L	Influent	Monthly <sup>(4)</sup>	Composite
	mg/L	① Effluent	Weekly	Grab
	⑤ % removal <sup>(5)</sup>	NA	Monthly	Calculated
	lb/day	⑥ Effluent	Monthly	Calculated
Total Suspended Solids (TSS)	mg/L	Influent	Monthly <sup>(4)</sup>	Composite
	mg/L	② Effluent	Weekly	Grab
	⑦ % removal <sup>(5)</sup>	NA	Monthly	Calculated
	lb/day	⑧ Effluent	Monthly	Calculated
pH	s.u.	④ Effluent	Weekly	Instantaneous
Temperature	°C	Effluent	Weekly	Instantaneous
<i>E. coli</i> bacteria	cfu/100mL	③ Effluent	Weekly	Grab
Oil and Grease <sup>(6)</sup>	mg/L	⑩ Effluent	Quarterly	Grab
Total Ammonia, as N	mg/L	⑪ Effluent	Quarterly	Grab
Nitrate + Nitrite, as N	mg/L	⑪ Effluent	Monthly <sup>(7)</sup>	Grab
Total Kjeldahl Nitrogen, as N	mg/L	⑪ Effluent	Monthly <sup>(7)</sup>	Grab
Total Nitrogen <sup>(8)</sup>	mg/L	⑪ Effluent	Monthly <sup>(7)</sup>	Calculated
	lb/day	⑮ Effluent	Monthly <sup>(7)</sup>	Calculated
Total Phosphorus	mg/L	⑪ Effluent	Monthly <sup>(7)</sup>	Grab
	lb/day	⑮ Effluent	Monthly <sup>(7)</sup>	Calculated
Dissolved Oxygen	mg/L	⑮ Effluent	Quarterly	Grab

Footnotes: NA – Not Applicable

- See Definition section at end of permit for explanation of terms.
- Sample frequency only during periods with discharge; influent monitoring parameters required all periods.
- Permittee shall report on a monthly basis the highest average weekly flow and the average monthly flow from the influent electronic flow meter.
- Sampling parameter required at specified frequency even if no effluent discharge occurs in the monitoring period.
- See narrative discussion in Part I, Section B of permit for additional details.
- Use EPA Method 1664, Revision A: N-Hexane Extractable Material (HEM), or equivalent.
- Monthly monitoring for nutrients required only June 1 – September 30, annually.
- Calculated as the sum of Nitrate + Nitrite (as N) and Total Kjeldahl Nitrogen (as N) concentrations.

# DEPARTMENT OF ADMINISTRATION

STEVE BULLOCK, GOVERNOR  
MIKE COONEY, LIEUTENANT GOVERNOR

SHEILA HOGAN  
DIRECTOR



## STATE FINANCIAL SERVICES DIVISION

State Accounting Bureau  
Mitchell Bldg., Rm. 255  
P.O. Box 200102  
Helena, MT 59620  
(406) 444-3092

Financial Services  
Technology Bureau  
Mitchell Bldg., Rm. 295  
P.O. Box 200102  
Helena, MT 59620  
(406) 444-3092

State Social Security  
Administrator  
Mitchell Bldg., Rm. 270  
P.O. Box 200102  
Helena, MT 59620  
(406) 444-2596

Local Government  
Services Bureau  
Mitchell Bldg., Rm. 270  
P.O. Box 200547  
Helena, MT 59620  
(406) 444-9101

State Procurement Bureau  
Mitchell Bldg. Rm. 165  
P.O. Box 200135  
Helena, MT 59620  
(406) 444-2575

October 27, 2016

**RECEIVED**  
OCT 31 2016  
CITY OF SHELBY

City of Shelby  
c/o Finance Officer  
112 1<sup>st</sup> St. S.  
Shelby, MT 59474

Re: FY2015 Financial Review Engagement

In accordance with Section 2-7-503, MCA, the Local Government Services Bureau has completed a financial review engagement of the Shelby Fire Department Relief Association as of and for the year ended June 30, 2015.

Enclosed is a copy of our Agreed-Upon-Procedures report.

If you have any questions, please contact me at 406-444-9105 or [cmclean2@mt.gov](mailto:cmclean2@mt.gov)

Sincerely,

Chet McLean, CPA, CIA  
Local Government Services Bureau

RECEIVED

DEPARTMENT OF ADMINISTRATION

OCT 31 2016

STEVE BULLOCK, GOVERNOR  
MIKE COONEY, LIEUTENANT GOVERNOR

SUSAN COONEY, DIRECTOR  
CITY OF SHELBY



STATE FINANCIAL SERVICES DIVISION

State Accounting Bureau Mitchell Bldg., Rm. 255 P.O. Box 200102 Helena, MT 59620 (406) 444-3092	Financial Services Technology Bureau Mitchell Bldg., Rm. 295 P.O. Box 200102 Helena, MT 59620 (406) 444-3092	State Social Security Administrator Mitchell Bldg., Rm. 270 P.O. Box 200102 Helena, MT 59620 (406) 444-2596	Local Government Services Bureau Mitchell Bldg., Rm. 270 P.O. Box 200547 Helena, MT 59620 (406) 444-9101	State Procurement Bureau Mitchell Bldg. Rm. 165 P.O. Box 200135 Helena, MT 59620 (406) 444-2575
---	---	--	---	---

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

The Board of Trustees  
Shelby Fire Department Relief Association  
P.O. Box 310  
Shelby, MT 59474

We have performed the procedures enumerated below, which were agreed to by the Shelby Fire Department Relief Association, Montana (the FDRA) and the State of Montana, solely to perform a financial review of the FDRA as of and for the year ended June 30, 2015, as required by Section 2-7-503, MCA. The FDRA's management is responsible for the financial statements, compliance with the specified requirements and internal control over compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the State of Montana, as required by Section 2-7-503, MCA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We obtained the FDRA's annual financial report required to be prepared by State law (MCA19-18-205), and we determined whether:
  - The financial report internally balances,
  - Beginning equity reported on the financial report agrees to the ending equity reported on the prior-year financial report, and
  - Revenues and expenditures are reported in the separate categories provided on the annual financial report form.

Findings resulting from these procedures are disclosed in finding 2015-001 in Schedule B.

- b. We determined whether the FDRA's total reported cash and investments reconciled with deposits and investments held in financial institutions and/or with the city/town treasurer; and we verified that deposits and investments held by the FDRA were allowable per 19-18-402 & 403.

**Findings resulting from this procedure are disclosed in finding 2015-002 in Schedule B.**

- c. We verified that all amounts paid from FDRA accounts were for allowable purposes, as defined in MCA 19-18-203, MCA 19-18-202 (Treasurer's bond), & MCA 2-7-503(6) (audit or financial review fee):
- We obtained a copy of the "plan document" or other documentation that supports the benefits provided by the FDRA, and determined that the types of benefits provided are allowable per MCA 19-18-601.
  - If the FDRA has expended funds for a Treasurer's bond, we verified that the amount of coverage complied with State law, and (if the city/town Treasurer is the de facto Treasurer for the FDRA) we verified that the cost of the bond was reasonably allocated between the city/town and the FDRA.

**We found no exceptions as a result of this procedure.**

- d. For each member that received a service pension payment during FY2015, we obtained documentation to support:
- that each such member was confirmed as a member of the city/town fire department. (as provided in MCA 7-33-4106 & 4122),
  - that each such member had served the requisite years of active duty (as defined in MCA 19-18-602),
  - that full and partial pension payments agreed to the amounts approved by the Board and did not exceed the statutory amounts (as provided in MCA 19-18-602 & 603).

**We found no exceptions as a result of this procedure.**

- e. We obtained the remittance date and amount of the annual payment from the State Auditor's Office, and verified that the remittance was credited to the accounts of the FDRA in the appropriate fiscal year. (19-18-512 & 514; 19-18-106)

**We found no exceptions as a result of these procedures.**

Accompanying are the following schedules:

**Schedule A** presents the FDRA's annual financial report for the fiscal year ended June 30, 2015.

**Schedule B** presents findings and recommendations resulting from performing the above agreed-upon procedures.

We were not engaged to, and did not conduct an examination or audit, the objective of which would be the expression of an opinion on the specified accounts and transactions, or on compliance or effectiveness of internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Shelby Fire Department Relief Association, Montana, and the State of Montana, and is not intended to be and should not be used by anyone other than these specified parties.



Kim Smith, CPA  
Local Government Services Bureau  
Montana Department of Administration

Helena, Montana  
October 13, 2016

SCHEDULE A

STATE OF MONTANA  
DEPARTMENT OF ADMINISTRATION  
LOCAL GOVERNMENT ANNUAL FINANCIAL REPORT  
Shelby Fire Department Relief Association  
Fiscal Year Ended June 30, 2015

ACCOUNT NUMBER			
		<b><u>Cash Receipts (or Revenues)</u></b>	
(1)	310000	Taxes (Local Tax Levy)	\$ 4,163.00
(2)		<b><u>Intergovernmental Revenue</u></b>	
	335050	Payment from State Auditor's Office	
	330000	Other : City of Shelby	\$ 14,103.00
(3)		<b><u>Miscellaneous Revenues</u></b>	
(a)	366000	Employees' Contributions	
(b)	365000	Donations, Gifts and Bequests	
(c)	362000	Other - Savings Interest	
(4)	371000	Investment and Royalty Earnings	\$ 906.00
		<b>Total Cash Receipts (or Revenues) for Fiscal Year</b>	
(5)		<i>(Total of Lines 1 through 4)</i>	<b>\$ 19,172.00</b>
(6)	<u>Current</u>	<b><u>Cash Disbursements (or Expenditures)</u></b>	
(a)	510600	140 Service Pensions	\$ 10,888.00
(b)	510600	140 Disability Pension	
(c)		130 Injury Allowance	
(d)		130 Sickness Allowance	
(e)		100 Funeral Expenses	
(f)	510600	140 Pension to Surviving Spouses & Children	
(g)	510300	130 Return of Employee Contributions	
(h)	410530	350 Audit Fee	
(i)		510 Bond & Insurance Premiums	\$ 3,208.00
(j)	510300	800 Other - Safety deposit box rental	\$ 7.00
(7)		<b>Total Cash Disbursements (or Expenditures) for Fiscal Year</b>	
		<i>(Total of Lines 6.a. through 6.j.)</i>	<b>\$ 14,103.00</b>
(8)		Excess of Cash Receipts (or Revenues) Over (Under) Cash Disbursements(or Expenditures) (Line 5 - Line 7)	<b>\$ 5,069.00</b>
(9)		<b>Cash Balance (or Fund Balance) at July 1, 2014*</b>	<b>\$ 129,738.00</b>
		<i>(*as listed on prior year's Annual Financial Report)</i>	
(10)		<b>Restatements/Prior Period Adjustments (Explain below)</b>	
		<i>(if negative number - enter as a minus)</i>	
(11)		<b>Cash Balance (or Fund Balance) at June 30, 2015</b>	
		<i>(Line 8 + Line 9 + Line 10)</i>	<b>\$ 134,807.00</b>

Restatements/Prior Period Adjustments - Explanation - \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# DEPARTMENT OF ADMINISTRATION

STEVE BULLOCK, GOVERNOR  
MIKE COONEY, LIEUTENANT GOVERNOR

SHEILA HOGAN  
DIRECTOR



## STATE FINANCIAL SERVICES DIVISION

State Accounting Bureau Mitchell Bldg., Rm. 255 P.O. Box 200102 Helena, MT 59620 (406) 444-3092	Financial Services Technology Bureau Mitchell Bldg., Rm. 295 P.O. Box 200102 Helena, MT 59620 (406) 444-3092	State Social Security Administrator Mitchell Bldg., Rm. 270 P.O. Box 200102 Helena, MT 59620 (406) 444-2596	Local Government Services Bureau Mitchell Bldg., Rm. 270 P.O. Box 200547 Helena, MT 59620 (406) 444-9101	State Procurement Bureau Mitchell Bldg., Rm. 165 P.O. Box 200135 Helena, MT 59620 (406) 444-2575
---	---	--	---	--

October 27, 2016

**RECEIVED**  
OCT 31 2016  
CITY OF SHELBY

City of Shelby  
c/o Finance Officer  
112 1<sup>st</sup> St. S.  
Shelby, MT 59474

Re: FY2015 Financial Review Engagement

In accordance with Section 2-7-503, MCA, the Local Government Services Bureau has completed a financial review engagement of the Shelby Fire Department Relief Association as of and for the year ended June 30, 2015.

Enclosed is a copy of our Agreed-Upon-Procedures report.

If you have any questions, please contact me at 406-444-9105 or [cmclean2@mt.gov](mailto:cmclean2@mt.gov)

Sincerely,

Chet McLean, CPA, CIA  
Local Government Services Bureau

RECEIVED

DEPARTMENT OF ADMINISTRATION

OCT 31 2016

STEVE BULLOCK, GOVERNOR  
MIKE COONEY, LIEUTENANT GOVERNOR

CITY OF SHELBY  
SHELBY COUNTY  
DIRECTOR



STATE FINANCIAL SERVICES DIVISION

State Accounting Bureau  
Mitchell Bldg., Rm. 255  
P.O. Box 200102  
Helena, MT 59620  
(406) 444-3092

Financial Services  
Technology Bureau  
Mitchell Bldg., Rm. 295  
P.O. Box 200102  
Helena, MT 59620  
(406) 444-3092

State Social Security  
Administrator  
Mitchell Bldg., Rm. 270  
P.O. Box 200102  
Helena, MT 59620  
(406) 444-2596

Local Government  
Services Bureau  
Mitchell Bldg., Rm. 270  
P.O. Box 200547  
Helena, MT 59620  
(406) 444-9101

State Procurement Bureau  
Mitchell Bldg. Rm. 165  
P.O. Box 200135  
Helena, MT 59620  
(406) 444-2575

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

The Board of Trustees  
Shelby Fire Department Relief Association  
P.O. Box 310  
Shelby, MT 59474

We have performed the procedures enumerated below, which were agreed to by the Shelby Fire Department Relief Association, Montana (the FDRA) and the State of Montana, solely to perform a financial review of the FDRA as of and for the year ended June 30, 2015, as required by Section 2-7-503, MCA. The FDRA's management is responsible for the financial statements, compliance with the specified requirements and internal control over compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the State of Montana, as required by Section 2-7-503, MCA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We obtained the FDRA's annual financial report required to be prepared by State law (MCA19-18-205), and we determined whether:
  - The financial report internally balances,
  - Beginning equity reported on the financial report agrees to the ending equity reported on the prior-year financial report, and
  - Revenues and expenditures are reported in the separate categories provided on the annual financial report form.

Findings resulting from these procedures are disclosed in finding 2015-001 in Schedule B.

- b. We determined whether the FDRA's total reported cash and investments reconciled with deposits and investments held in financial institutions and/or with the city/town treasurer; and we verified that deposits and investments held by the FDRA were allowable per 19-18-402 & 403.

**Findings resulting from this procedure are disclosed in finding 2015-002 in Schedule B.**

- c. We verified that all amounts paid from FDRA accounts were for allowable purposes, as defined in MCA 19-18-203, MCA 19-18-202 (Treasurer's bond), & MCA 2-7-503(6) (audit or financial review fee):
- We obtained a copy of the "plan document" or other documentation that supports the benefits provided by the FDRA, and determined that the types of benefits provided are allowable per MCA 19-18-601.
  - If the FDRA has expended funds for a Treasurer's bond, we verified that the amount of coverage complied with State law, and (if the city/town Treasurer is the de facto Treasurer for the FDRA) we verified that the cost of the bond was reasonably allocated between the city/town and the FDRA.

**We found no exceptions as a result of this procedure.**

- d. For each member that received a service pension payment during FY2015, we obtained documentation to support:
- that each such member was confirmed as a member of the city/town fire department. (as provided in MCA 7-33-4106 & 4122),
  - that each such member had served the requisite years of active duty (as defined in MCA 19-18-602),
  - that full and partial pension payments agreed to the amounts approved by the Board and did not exceed the statutory amounts (as provided in MCA 19-18-602 & 603).

**We found no exceptions as a result of this procedure.**

- e. We obtained the remittance date and amount of the annual payment from the State Auditor's Office, and verified that the remittance was credited to the accounts of the FDRA in the appropriate fiscal year. (19-18-512 & 514; 19-18-106)

**We found no exceptions as a result of these procedures.**

Accompanying are the following schedules:

**Schedule A** presents the FDRA's annual financial report for the fiscal year ended June 30, 2015.

**Schedule B** presents findings and recommendations resulting from performing the above agreed-upon procedures.

We were not engaged to, and did not conduct an examination or audit, the objective of which would be the expression of an opinion on the specified accounts and transactions, or on compliance or effectiveness of internal control over compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Shelby Fire Department Relief Association, Montana, and the State of Montana, and is not intended to be and should not be used by anyone other than these specified parties.



Kim Smith, CPA  
Local Government Services Bureau  
Montana Department of Administration

Helena, Montana  
October 13, 2016

SCHEDULE A

STATE OF MONTANA  
 DEPARTMENT OF ADMINISTRATION  
 LOCAL GOVERNMENT ANNUAL FINANCIAL REPORT  
 Shelby Fire Department Relief Association  
 Fiscal Year Ended June 30, 2015

Schedule of Assets and Liabilities

ASSETS

(1)	101000	Cash and Investments Held in Custody of City/Town Treasurer	
(2)	101000	Cash and Investments Held by or in the Name of the Fire Department Relief Association <i>(Not held by City/Town Treasurer .)</i>	\$ 134,808.00
* (3)	110000	Taxes/Assessments Receivable	
* (4)	132000	Due from Other Governments	

LIABILITIES

(5)	201100	Warrants Payable <i>(If Fire Department Relief Association issues warrants drawn on the City/Town Treasurer)</i>	
* (6)	210000	Other Short-Term Payables	

SCHEDULE A

STATE OF MONTANA  
DEPARTMENT OF ADMINISTRATION  
LOCAL GOVERNMENT ANNUAL FINANCIAL REPORT  
Shelby Fire Department Relief Association  
Fiscal Year Ended June 30, 2015

ACCOUNT  
NUMBER

		<b><u>Cash Receipts (or Revenues)</u></b>	
(1)	310000	Taxes ( <i>Local Tax Levy</i> )	\$ 4,163.00
		<b><u>Intergovernmental Revenue</u></b>	
(2)	335050	Payment from State Auditor's Office	
	330000	Other : City of Shelby	\$ 14,103.00
		<hr/>	
		<b><u>Miscellaneous Revenues</u></b>	
(3)			
(a)	366000	Employees' Contributions	
(b)	365000	Donations, Gifts and Bequests	
(c)	362000	Other - Savings Interest	
(4)	371000	Investment and Royalty Earnings	\$ 906.00
		<i>Total Cash Receipts (or Revenues) for Fiscal Year</i>	
(5)		<i>(Total of Lines 1 through 4)</i>	<b>\$ 19,172.00</b>
		<hr/>	
(6)	<b><u>Current</u></b>	<b><u>Cash Disbursements (or Expenditures)</u></b>	
(a)	510600	140 Service Pensions	\$ 10,888.00
(b)	510600	140 Disability Pension	
(c)		130 Injury Allowance	
(d)		130 Sickness Allowance	
(e)		100 Funeral Expenses	
(f)	510600	140 Pension to Surviving Spouses & Children	
(g)	510300	130 Return of Employee Contributions	
(h)	410530	350 Audit Fee	
(i)		510 Bond & Insurance Premiums	\$ 3,208.00
(j)	510300	800 Other - Safety deposit box rental	\$ 7.00
		<i>Total Cash Disbursements (or Expenditures) for Fiscal Year</i>	
(7)		<i>(Total of Lines 6.a. through 6.j.)</i>	<b>\$ 14,103.00</b>
(8)		Excess of Cash Receipts (or Revenues) Over (Under) Cash Disbursements(or Expenditures) ( <i>Line 5 - Line 7</i> )	<b>\$ 5,069.00</b>
(9)		Cash Balance (or Fund Balance) at July 1, 2014* <i>(*as listed on prior year's Annual Financial Report)</i>	<b>\$ 129,738.00</b>
(10)		Restatements/Prior Period Adjustments ( <i>Explain below</i> ) <i>(if negative number - enter as a minus)</i>	
(11)		Cash Balance (or Fund Balance) at June 30, 2015 <i>(Line 8 + Line 9 + Line 10)</i>	<b>\$ 134,807.00</b>

Restatements/Prior Period Adjustments - Explanation - \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## SCHEDULE B

### Findings and Recommendations

FINDING 2015-001

#### State Auditor Payments

Criteria

Receipts from the State Auditor should be reported on a separate line on the annual financial report (AFR) form required by the Montana Department of Administration.

Condition

The Fire Department Relief Association (FDRA) reported the payment from the State Auditor on the taxes line of the 2015 AFR.

Effect

The FDRA did not report all receipts in the categories provided on the AFR form.

Cause

The management of the FDRA understood the receipt as being tax revenues and, therefore, classified the receipt as such.

Recommendation

The FDRA should classify the payment from the State Auditor on the line provided for receipts from the State Auditor.

Association Response

The state sends the payment to the City of Shelby. In return, they send it to us. We will put it on the right line on the report from here on out. I believe they changed forms this year so that might have been part of the problem. You had to fill it out on computer and download it; so there might have been some confusion about what to do.

FINDING 2015-002

Unreconciled Cash Balance

Criteria

Reported amounts of cash and cash equivalents should reconcile to bank and investment statements.

Condition

Ending cash amounts reported in the 2015 annual financial report (AFR) do not reconcile to bank and investment statements.

Effect

The Fire Department Relief Association (FDRA) presents an AFR that may or may not be correctly stated.

Cause

The FDRA did not maintain records that provided adequate evidence of the reconciliation process.

Recommendation

The FDRA should perform periodic bank reconciliations, which involve comparing cash amounts reported in the accounting records to amounts posted to or outstanding from bank statements. The FDRA should investigate, understand, and document all differences between the two amounts. It should maintain the bank reconciliations, along with all supporting documents, in a secure and accessible filing system for a reasonable period of time.

Association Response

We will try and make sure we go off of June 30 bank statements. Part of the problem, we use the checkbook balance at the end of June instead of the bank balance. Retirement checks are written at the end of June and may not be cashed by the end of the month.

## Larry Bonderud

---

**From:** Larry Bonderud  
**Sent:** Thursday, November 03, 2016 11:19 AM  
**To:** '2bikers@3rivers.net'; 'Allan'; 'Byron Kluth'; 'Deb Brandon'; 'djicpa@3rivers.net'; 'f-outfit@northerntel.net'; 'giverson@montanaglutefree.com'; 'jblanius@3rivers.net'; 'Lorette Carter'; 'mcole@3rivers.net'; Neta User; 'simonspt@3rivers.net'; 'Travis clark'; Aikins, Justin; Aklestad, Brian; bigskyseeds@3rivers.net; Blair, Terry; Branch, Colby; Brandon, Deb (TC Comm); Brown, Rod; Champaneria, Angela; Clark, Deb; Combs, Autumn; Cotterell, Terrell; Crump, Elliot; Daniels, Mark; Dick Seubert; Don Fisher; Fauque, Monte; Fey, Cliff; Gary McDermott; Gentry, Robert; Gladeau, Donna; Gordier, Mike & Linda; Graham, Debbie; Gray, Bob; Hughes, Bobbi; Hunt Law, Irvin, Mike; Jacobsen, Eve; Jade Goroski; James, Rikki; jhagman@3rivers.net; Jim Ballantyne (jwb@altamontconsulting.com); Kirk Hansen (kirk.hansen@usbank.com); Kline, Jason; Leary, Dan; Lingle, Mike; Lockwood, Wendy; Lori Stratton; McAllister, Shannon; McFee, Jean; McKinley, Michelle; Mitchell, Kevin; Moore, Pat; Munson, Ron; Murphy, Sherrie; Nelson, Treva; Petersen, Dave; Potter, Nancy; Reedy, Cindy; Rippenburg, Mallory; Ruff, Teri; Seubert, Russ; Seymour, Dorothy; Smedsrud, Gordon; Steiner, Sandra; Steve & Tammy Jackson; Stevenson, Dave; Stewart, Joan; Taylor, Mark; Tokerud, Eric & Lauri; VanHeel, Jennifer; White, Thaddeus; whitteds@3rivers.net; Wilma Steiner; Wilson, Sonja; Woldtvedt, Leslie; Bil Moritz; 'Chip Miller'; 'Don Lee'; Eugene Haroldson; Jade Groski (jade@shelbymt.com); Lyle Kimmet; Sarah Clary; Tammy Pederson  
**Subject:** FW: City of Shelby wastewater treatment facility  
**Attachments:** copier@shelbymt.com\_20161102\_140105.pdf

FYI

Contact me with any questions.

Mayor Lar

Larry J. Bonderud, Mayor  
City of Shelby  
larry@shelbymt.com  
phone 406-434-5222  
cell 406-450-5196

John:

I hope you are doing well. I wanted to update you on the wastewater treatment issue we believe we will quickly have in Shelby. Attached is a listing of the discharge standards that our public works department believes we will begin to fail sometime during the first quarter of 2017. Depending on surface moisture in Shelby we believe our lagoons will reach capacity sometime during the first quarter of 2017 and we will have to begin discharging from the lagoons. As we test the effluent we anticipate violating our permit standards with the highlighted areas on the attachment.

We would like to quickly begin discussions with the department to determine what the position the department will be concerning our permit violations.

Sincerely appreciate your assistance and guidance concerning this.

Thank you.

Mayor Lar

Larry J. Bonderud, Mayor  
City of Shelby  
larry@shelbymt.com  
phone 406-434-5222  
cell 406-450-5196

**Larry Bonderud**

---

**From:** Larry Bonderud  
**Sent:** Thursday, October 20, 2016 9:21 AM  
**To:** Daniels, Mark  
**Cc:** Bil Moritz; 'Chip Miller'; Clark, Deb; 'Don Lee'; Eugene Haroldson; Jade Groski (jade@shelbymt.com); Lyle Kimmet; Sarah Clary; Tammy Pederson  
**Subject:** FW: Info Storm Drainage

Mark:

The numbers you quoted in your recent news story concerning storm drainage were incorrect. I would ask that you correct the story using the correct numbers for the individual businesses you quoted.

Thank you.

Thank you.

*Mayor Lar*

Larry J. Bonderud, Mayor  
City of Shelby  
[larry@shelbymt.com](mailto:larry@shelbymt.com)  
phone 406-434-5222  
cell 406-450-5196



**From:** Jade Goroski  
**Sent:** Thursday, October 20, 2016 8:15 AM  
**To:** Larry Bonderud <larry@shelbymt.com>  
**Subject:** Info

Larry,

You may want to forward this to Mark Daniels. He is reporting the Comfort Inn would have paid \$60,000 annually and the Marias River Electric at 18,000 or 19,000. He must have been reporting one of the very first fee schedules. After review of properties that we worked on throughout the process these were the final numbers. Even if the project is dead we should have correct reporting of the facts.

1001076.20	101,930.40	COMFORT INN	SHELBY TOWNHOUSE INNS (PARKING LOT #
1001076.30	27,573.48	COMFORT INN	SHELBY TOWNHOUSE INNS (PARKING LOT #
1001076.10	209,523.60	COMFORT INN 50/50 includes rv park	TOWNHOUSE INN (MOTEL) includes rv park

117	504140	78,408.00	MARIAS RIVER ELECTRIC 90/10	MARIAS RIVER ELECTRIC	910 W ROOSEVELT
			HWY (OFFICE)	3,920.40	
118	504140	117,612.00	MARIAS RIVER ELECTRIC 90/10	MARIAS RIVER ELECTRIC	1080 W ROOSEVELT
			HWY (SHOP)	5,880.60	

Jade Goroski  
Finance Officer  
City of Shelby  
112 1<sup>st</sup> Street South  
Shelby, MT 59474

## Larry Bonderud

---

**From:** Larry Bonderud  
**Sent:** Thursday, October 20, 2016 8:10 AM  
**To:** Loren Skartved  
**Cc:** Mark Daniels; Jennifer VanHeel; Deb Clark; lyle.kimmet@shelby.k12.mt.us; don.leelaw; Eugene Haroldson; Bill Moritz; pega@3rivers.net; Jade Goroski  
**Subject:** Re: Shelby Wastewater Lagoons

So, if I understand correctly, what you told the council prior to their vote last Monday, was that the lagoons are over capacity, as we have been telling them for months, and without the sandbagging, which we learned about at that meeting, the City of Shelby will begin to discharge untreated sewage in February or March because the capacity of the lagoons will have been reached. DEQ has informed us that this sand bagging can no longer occur and is a dangerous practice and a violation of our treatment facility operating permit. This is the point you were making prior to the council vote. We will be violating our operational permit

For our treatment facility then and be subject to increased and costly testing as well as discharging what could be called untreated sewage into a drainage that goes to the Marias River. I believe council person Miller reviewed the fine schedule, that DEQ can, and likely will impose, for this type of violation at this meeting prior to the vote.

Sent from my iPhone

Mayor Lar

On Oct 20, 2016, at 7:41 AM, Loren Skartved <[loren@3rivers.net](mailto:loren@3rivers.net)> wrote:

Ok. That will result in us discharging in February or March and we will not meet or requirements so we will have at least 3 violations per week and up to 10 on our quarterly sample. This will also cost us an extra 2000 in sampling charges as we will have to sample. Then I don't know what will happen when we start failing the test.

**From:** Larry Bonderud [<mailto:larry@shelbymt.com>]  
**Sent:** Wednesday, October 19, 2016 1:10 PM  
**To:** Skartved, Loren <[loren@3rivers.net](mailto:loren@3rivers.net)>  
**Subject:** FW: Shelby Wastewater Lagoons

Loren:

Please be prepared at the next council meeting to explain to the council what the effect of this DEQ instruction will be.

Thank you.

*Mayor Lar*

Larry J. Bonderud, Mayor  
City of Shelby  
[larry@shelbymt.com](mailto:larry@shelbymt.com)  
phone 406-434-5222  
cell 406-450-5196  
<image002.jpg>

**From:** Larry Bonderud  
**Sent:** Tuesday, October 18, 2016 11:24 AM  
**To:** Clark, Deb <[debclark2007@yahoo.com](mailto:debclark2007@yahoo.com)>; Lyle Kimmet <[lyle.kimmet@shelby.k12.mt.us](mailto:lyle.kimmet@shelby.k12.mt.us)>; [don.leelaw@gmail.com](mailto:don.leelaw@gmail.com); Eugene Haroldson <[eugeneh@mariasriverec.com](mailto:eugeneh@mariasriverec.com)>; Bil Moritz <[bjmoritz@3rivers.net](mailto:bjmoritz@3rivers.net)>; 'Chip Miller' <[pega@3rivers.net](mailto:pega@3rivers.net)>  
**Cc:** Hunt Law <[huntlaw@3rivers.net](mailto:huntlaw@3rivers.net)>  
**Subject:** FW: Shelby Wastewater Lagoons

Here ya go.

*Mayor Lar*

Larry J. Bonderud, Mayor  
City of Shelby  
[larry@shelbymt.com](mailto:larry@shelbymt.com)  
phone 406-434-5222  
cell 406-450-5196

<image003.jpg>

**From:** Campbell, Terry [mailto:tcampbell@mt.gov]  
**Sent:** Tuesday, October 18, 2016 10:39 AM  
**To:** Larry Bonderud <larry@shelbymt.com>  
**Cc:** Habeck, Bob <BHabeck@mt.gov>; LaVigne, Paul <plavigne@mt.gov>; Arrigo, John <jarrigo@mt.gov>;  
McCarthy, Mindy <MMcCarthy3@mt.gov>  
**Subject:** Shelby Wastewater Lagoons

Mayor Bonderud:

Thanks for taking the time to talk with me this morning about the use of sandbags to add capacity to the storage lagoon over winter. Bob Habeck brought the issue to my attention due to my involvement in reviewing the 2015 WWTF Improvements project and involvement with your stormwater project.

In short, if the sandbagging were being done to preserve a saturated lagoon dike at risk of washout or failure, we would not be opposed to that kind of action. However, it sounds like what is being considered is to plug the emergency overflow pipe and use the lagoon freeboard and sandbags to add additional storage capacity to the lagoon to prevent having to discharge during cold months. This approach would not be acceptable to DEQ. It would be considered a violation of the approved design and could place the lagoon and community at risk of a significant discharge violation or more importantly, failure of the dike and a significant financial burden to the users if it were to fail.

Thanks for checking in with us to ensure proper operational practice is followed. Please don't hesitate to contact me further if our advice or technical assistance could help.

Sincerely,

Terry Campbell, PE  
DEQ Engineering Bureau  
(406) 444-7343

## Larry Bonderud

---

**From:** Loren Skartved <loren@3rivers.net>  
**Sent:** Thursday, October 20, 2016 7:44 AM  
**To:** Larry Bonderud  
**Subject:** RE: Shelby Wastewater Lagoons

Ok. That will result in us discharging in February or March and we will not meet or requirements so we will have at least 3 violations per week and up to 10 on our quarterly sample. This will also cost us an extra 2000 in sampling charges as we will have to sample. Then I don't know what will happen when we start failing the test.

**From:** Larry Bonderud [mailto:larry@shelbymt.com]  
**Sent:** Wednesday, October 19, 2016 1:10 PM  
**To:** Skartved, Loren <loren@3rivers.net>  
**Subject:** FW: Shelby Wastewater Lagoons

Loren:

Please be prepared at the next council meeting to explain to the council what the effect of this DEQ instruction will be.

Thank you.

*Mayor Lar*

Larry J. Bonderud, Mayor  
City of Shelby  
[larry@shelbymt.com](mailto:larry@shelbymt.com)  
phone 406-434-5222  
cell 406-450-5196



**From:** Larry Bonderud  
**Sent:** Tuesday, October 18, 2016 11:24 AM  
**To:** Clark, Deb <[debclark2007@yahoo.com](mailto:debclark2007@yahoo.com)>; Lyle Kimmet <[lyle.kimmet@shelby.k12.mt.us](mailto:lyle.kimmet@shelby.k12.mt.us)>; [don.leelaw@gmail.com](mailto:don.leelaw@gmail.com);  
Eugene Haroldson <[eugeneh@mariasriverec.com](mailto:eugeneh@mariasriverec.com)>; Bil Moritz <[bjmoritz@3rivers.net](mailto:bjmoritz@3rivers.net)>; 'Chip Miller' <[pega@3rivers.net](mailto:pega@3rivers.net)>  
**Cc:** Hunt Law <[huntlaw@3rivers.net](mailto:huntlaw@3rivers.net)>  
**Subject:** FW: Shelby Wastewater Lagoons

Here ya go.

*Mayor Lar*

Larry J. Bonderud, Mayor  
City of Shelby  
[larry@shelbymt.com](mailto:larry@shelbymt.com)  
phone 406-434-5222  
cell 406-450-5196



**From:** Campbell, Terry [mailto:[tcampbell@mt.gov](mailto:tcampbell@mt.gov)]  
**Sent:** Tuesday, October 18, 2016 10:39 AM  
**To:** Larry Bonderud <[larry@shelbymt.com](mailto:larry@shelbymt.com)>  
**Cc:** Habeck, Bob <[BHabeck@mt.gov](mailto:BHabeck@mt.gov)>; LaVigne, Paul <[plavigne@mt.gov](mailto:plavigne@mt.gov)>; Arrigo, John <[jarrigo@mt.gov](mailto:jarrigo@mt.gov)>; McCarthy, Mindy <[MMcCarthy3@mt.gov](mailto:MMcCarthy3@mt.gov)>  
**Subject:** Shelby Wastewater Lagoons

Mayor Bonderud:

Thanks for taking the time to talk with me this morning about the use of sandbags to add capacity to the storage lagoon over winter. Bob Habeck brought the issue to my attention due to my involvement in reviewing the 2015 WWTF Improvements project and involvement with your stormwater project.

In short, if the sandbagging were being done to preserve a saturated lagoon dike at risk of washout or failure, we would not be opposed to that kind of action. However, it sounds like what is being considered is to plug the emergency overflow pipe and use the lagoon freeboard and sandbags to add additional storage capacity to the lagoon to prevent having to discharge during cold months. This approach would not be acceptable to DEQ. It would be considered a violation of the approved design and could place the lagoon and community at risk of a significant discharge violation or more importantly, failure of the dike and a significant financial burden to the users if it were to fail.

Thanks for checking in with us to ensure proper operational practice is followed. Please don't hesitate to contact me further if our advice or technical assistance could help.

Sincerely,

Terry Campbell, PE  
DEQ Engineering Bureau  
(406) 444-7343

## Larry Bonderud

---

**From:** Larry Bonderud  
**Sent:** Tuesday, October 18, 2016 4:17 PM  
**To:** Stu Howell  
**Subject:** Fwd: Consequences of Council vote  
**Attachments:** copier@shelbymt.com\_20161018\_102942.pdf; ATT00001.htm

Share with Steve including attachments.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

**From:** Larry Bonderud <larry@shelbymt.com>  
**Date:** October 18, 2016 at 11:42:26 AM MDT  
**To:** "2bikers@3rivers.net" <2bikers@3rivers.net>, Allan <aunderdal@toolecountymt.gov>, Byron Kluth <byron@fsbshelby.com>, 'Deb Brandon' <brandon@northerntel.net>, "djicpa@3rivers.net" <djicpa@3rivers.net>, "f-outfit@northerntel.net" <f-outfit@northerntel.net>, "giverson@montanaglutenfree.com" <giverson@montanaglutenfree.com>, "jblanius@3rivers.net" <jblanius@3rivers.net>, Lorette Carter <shbcdc@3rivers.net>, "mcole@3rivers.net" <mcole@3rivers.net>, Neta User <neta@shelbymt.com>, "simonspt@3rivers.net" <simonspt@3rivers.net>, "Travis clark" <travis-clark@leavitt.com>  
**Subject:** FW: Consequences of Council vote

FYI

Mayor Lar

Larry J. Bonderud, Mayor  
City of Shelby  
[larry@shelbymt.com](mailto:larry@shelbymt.com)  
phone 406-434-5222  
cell 406-450-5196

-----Original Message-----

**From:** Larry Bonderud  
**Sent:** Tuesday, October 18, 2016 11:21 AM  
**To:** Clark, Deb <debclark2007@yahoo.com>; Lyle Kimmet <lyle.kimmet@shelby.k12.mt.us>; don.leelaw@gmail.com; Eugene Haroldson <eugeneh@mariasriverec.com>; Bil Moritz <bjmoritz@3rivers.net>; 'Chip Miller' <pega@3rivers.net>  
**Cc:** Hunt Law <huntlaw@3rivers.net>  
**Subject:** FW: Consequences of Council vote

Council:

I consider the City Council vote last night as the very worse decision a Shelby City Council has made in the history of our community.

Here is why:

Attached is the true and full consequences of the Council vote concerning Storm Drainage Last Night. I would ask that you all be prepared to address and recommend how we pay the Engineering Costs as we will shortly receive a demand letter for full payment, and possibly interest, on both of the council authorized projects. (Storm Drainage and 4th Cell). Per my conversations with DEQ this am we will also receive formal notice to discontinue the practice of "sand bagging" our lagoons. This is a serious violation of our permit for the operation of our lagoons and we will be subject to fines if the practice is continued. Therefore it is my and public works recommendation that NO new sewer hookups of any nature be allowed within the City of Shelby sewer service area. We will immediately go into violation of our DEQ wastewater permit without the sandbagging. If the council wishes to approve any additional

sewer hook ups, it will be at their individual risk if we violate our discharge permit. I would veto any council approval of any sewer hook up to protect my and Loren's individual liability concerning violation of our wastewater permit. Council has the ability to override the veto. DEQ will also soon visit our treatment facility.

Attached you will find a listing of the grant funds we have lost because of last night's council action. I have begun notifying the various agencies today.

I will also notify the three entities interested in purchasing property in the multi-modal facility that this is no longer a possibility.

This is essence puts an end to ALL building of any nature in our community that would add ANY additional flows to our treatment facility. As noted many, many times at City Council meetings we are currently over 100,000 gallons per day above the designed capacity of our lagoons.

A community that cannot build or promote economic development does not need governmental affairs representation, a building inspector ( check with State of Montana and they will provide any necessary building inspection services at no charge to the City of Shelby) or a planner as no subdivisions can be approved. The elimination of these positions will also be a recommendation at the next council meeting. The two contracts for governmental affairs and planning have notice provisions and the building inspector position would be a reduction in force.

Mayor Lar

Larry J. Bonderud, Mayor  
City of Shelby  
[larry@shelbymt.com](mailto:larry@shelbymt.com)  
phone 406-434-5222  
cell 406-450-5196

cc KSEN  
Shelby Promoter

## Larry Bonderud

---

**From:** Larry Bonderud  
**Sent:** Tuesday, October 18, 2016 1:45 PM  
**To:** 'Jennifer VanHeel'  
**Cc:** Bil Moritz; 'Chip Miller'; Clark, Deb; 'Don Lee'; Eugene Haroldson; Jade Groski (jade@shelbymt.com); Lyle Kimmet; Sarah Clary; Tammy Pederson  
**Subject:** RE: Questions, questions, questions

Jen:

Did not mean to put you off or anything like that this am but it is truly the City Council that has to answer the very good questions you raised. I really do not want to respond as it would appear to be sour grapes etc. on my part. I would also ask you to forward the questions to Dwayne Iverson as I am told he and John Hasquet led the Main Street and Bar Crowd opposition to the project. I would be happy to respond to any suggestions or solution's any council person, Dwaine or John would suggest to you.

Thank you for the great job you do and I sincerely appreciate your coverage of the issue.

Mayor Lar

Larry J. Bonderud, Mayor  
City of Shelby  
larry@shelbymt.com  
phone 406-434-5222  
cell 406-450-5196

-----Original Message-----

**From:** Jennifer VanHeel [mailto:promoadmgr@3rivers.net]  
**Sent:** Tuesday, October 18, 2016 11:14 AM  
**To:** Larry Bonderud <larry@shelbymt.com>  
**Subject:** Questions, questions, questions

Good morning Mayor Lar-

So with this change of events I have a few questions I want to ask before I get too far into my article explaining that the storm drain resolution was voted down and the impact that will have on the City. I am really quite concerned that even though everyone was throwing a fit before what this was going to cost us that by doing this we have really just cost ourselves a whole lot more than most realize....

1) By not going forward with anything right now and so therefore showing DEQ no "good faith" efforts, does this mean that the verbal, informal moratorium that was placed on the town will now more than likely become formal and we will start incurring daily fines for going over with our lagoons?  
Approximately how much could those fines be?

2) Going forward with the storm drain project was the match for the grant funding for Amtrak and they had already started the work- will the City have to come up with money to pay for what has been accomplished there since no longer matching the grant? And this project will no come to a halt, correct?

3) The \$680,000+ needs to be paid to KLJ, is it safe to say residents and businesses are going to see an even larger increase somewhere in order to pay this than what was being projected for the storm drain project as this won't be spread out over much time at all?

4) What does this mean for anyone who may be looking to purchase, utilize or live in a building where the sewer is tapped, but currently not on- will they be able to have everything working (such as the Shelby Gas situation)?

5) Ultimately, what are the main consequences the city is now facing by choosing to do nothing right now?

Any other comments or information you would like me to include please feel free to let me know.

Thanks for your time.

Have a good day,

Jenn

## Larry Bonderud

---

**From:** Larry Bonderud  
**Sent:** Tuesday, October 18, 2016 11:50 AM  
**To:** 'Jennifer VanHeel'  
**Cc:** Bil Moritz; 'Chip Miller'; Clark, Deb; 'Don Lee'; Eugene Haroldson; Jade Groski (jade@shelbymt.com); Lyle Kimmet; Sarah Clary; Tammy Pederson  
**Subject:** RE: Questions, questions, questions

Jenn:

I would suggest you ask the City Council these questions as it will be up to them to answer. I have cc'd them with your email so you have their email addresses.

Mayor Lar

Larry J. Bonderud, Mayor  
City of Shelby  
larry@shelbymt.com  
phone 406-434-5222  
cell 406-450-5196

-----Original Message-----

**From:** Jennifer VanHeel [mailto:promoadmgr@3rivers.net]  
**Sent:** Tuesday, October 18, 2016 11:14 AM  
**To:** Larry Bonderud <larry@shelbymt.com>  
**Subject:** Questions, questions, questions

Good morning Mayor Lar-

So with this change of events I have a few questions I want to ask before I get too far into my article explaining that the storm drain resolution was voted down and the impact that will have on the City. I am really quite concerned that even though everyone was throwing a fit before what this was going to cost us that by doing this we have really just cost ourselves a whole lot more than most realize....

1) By not going forward with anything right now and so therefore showing DEQ no "good faith" efforts, does this mean that the verbal, informal moratorium that was placed on the town will now more than likely become formal and we will start incurring daily fines for going over with our lagoons?  
Approximately how much could those fines be?

2) Going forward with the storm drain project was the match for the grant funding for Amtrak and they had already started the work- will the City have to come up with money to pay for what has been accomplished there since no longer matching the grant? And this project will no come to a halt, correct?

3) The \$680,000+ needs to be paid to KLJ, is it safe to say residents and businesses are going to see an even larger increase somewhere in order to pay this than what was being projected for the storm drain project as this won't be spread out over much time at all?

4) What does this mean for anyone who may be looking to purchase, utilize or live in a building where the sewer is tapped, but currently not on- will they be able to have everything working (such as the Shelby Gas situation)?

5) Ultimately, what are the main consequences the city is now facing by choosing to do nothing right now?

Any other comments or information you would like me to include please feel free to let me know.

Thanks for your time.

Have a good day,

Jenn

## Larry Bonderud

---

**From:** Larry Bonderud  
**Sent:** Tuesday, October 18, 2016 11:42 AM  
**To:** '2bikers@3rivers.net'; 'Allan'; 'Byron Kluth'; 'Deb Brandon'; 'djicpa@3rivers.net'; 'f-outfit@northernmt.net'; 'giverson@montanaglutefree.com'; 'jblanius@3rivers.net'; 'Lorette Carter'; 'mcole@3rivers.net'; Neta User; 'simonspt@3rivers.net'; 'Travis clark'  
**Subject:** FW: Consequences of Council vote  
**Attachments:** copier@shelbymt.com\_20161018\_102942.pdf

FYI

Mayor Lar

Larry J. Bonderud, Mayor  
City of Shelby  
larry@shelbymt.com  
phone 406-434-5222  
cell 406-450-5196

-----Original Message-----

**From:** Larry Bonderud  
**Sent:** Tuesday, October 18, 2016 11:21 AM  
**To:** Clark, Deb <debclark2007@yahoo.com>; Lyle Kimmet <lyle.kimmet@shelby.k12.mt.us>; don.leelaw@gmail.com; Eugene Haroldson <eugeneh@mariasriverrec.com>; Bil Moritz <bjmoritz@3rivers.net>; 'Chip Miller' <pega@3rivers.net>  
**Cc:** Hunt Law <huntlaw@3rivers.net>  
**Subject:** FW: Consequences of Council vote

Council:

I consider the City Council vote last night as the very worse decision a Shelby City Council has made in the history of our community.

Here is why:

Attached is the true and full consequences of the Council vote concerning Storm Drainage Last Night. I would ask that you all be prepared to address and recommend how we pay the Engineering Costs as we will shortly receive a demand letter for full payment, and possibly interest, on both of the council authorized projects. (Storm Drainage and 4th Cell). Per my conversations with DEQ this am we will also receive formal notice to discontinue the practice of "sand bagging" our lagoons. This is a serious violation of our permit for the operation of our lagoons and we will be subject to fines if the practice is continued. Therefore it is my and public works recommendation that NO new sewer hookups of any nature be allowed within the City of Shelby sewer service area. We will immediately go into violation of our DEQ wastewater permit without the sandbagging. If the council wishes to approve any additional sewer hook ups, it will be at their individual risk if we violate our discharge permit. I would veto any council approval of any sewer hook up to protect my and Loren's individual liability concerning violation of our wastewater permit. Council has the ability to override the veto. DEQ will also soon visit our treatment facility.

Attached you will find a listing of the grant funds we have lost because of last night's council action. I have begun notifying the various agencies today.

I will also notify the three entities interested in purchasing property in the multi-modal facility that this is no longer a possibility.

This is essence puts an end to ALL building of any nature in our community that would add ANY additional flows to our treatment facility. As noted many, many times at City Council meetings we are currently over 100,000 gallons per day above the designed capacity of our lagoons.

A community that cannot build or promote economic development does not need governmental affairs representation, a building inspector ( check with State of Montana and they will provide any necessary building inspection services at no charge to the City of Shelby) or a planner as no subdivisions can be approved. The elimination of these positions will also be a recommendation at the next council meeting. The two contracts for governmental affairs and planning have notice provisions and the building inspector position would be a reduction in force.

Mayor Lar

Storm Water Negative Fund Balance		63971
Engineering fees to date		581785
Bond Council 1		20000
Bond Council 2		15000
4th Cell Engineering Fee		270178
Total		950934
<b>Grants Lost</b>		
TSEP Grant	Storm Water	635,000
MDT Grant	Storm Water	334,000
FRA Grant	Quiet Zone/Safety Improvements	1,000,000
4th Cell Loan Forgiveness		400,000
Total		2,369,000
Grand Total		3,319,934

*paid by city of shelly*

- Rate Study
- public hearing
- IEG review
- etc.

Larry J. Bonderud, Mayor  
City of Shelby  
larry@shelbymt.com  
phone 406-434-5222  
cell 406-450-5196

cc KSEN  
Shelby Promoter

SHelby

SHelby

SHelby