

Larry Bonderud

From: Larry Bonderud
Sent: Tuesday, October 18, 2016 11:24 AM
To: Clark, Deb; Lyle Kimmet; don.leelaw@gmail.com; Eugene Haroldson; Bil Moritz; 'Chip Miller'
Cc: Hunt Law
Subject: FW: Shelby Wastewater Lagoons

Here ya go.

Mayor Lar

Larry J. Bonderud, Mayor
City of Shelby
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

Lori Stratton

From: Larry Bonderud
Sent: Friday, November 04, 2016 12:20 PM
To: Jade Goroski; Tammy Pederson; Lori Stratton
Subject: Fwd: Change Application No. 41P 30072725 & 41P 30072726 public notices
Attachments: PN 30072725-41P Shelby1.pdf; ATT00001.htm; PN 30072726-41P Shelby2.pdf; ATT00002.htm

Next council packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: "Abigail J. St. Lawrence" <astlawrence@helenalaw.com>
Date: November 3, 2016 at 1:19:12 PM MDT
To: Larry Bonderud <larry@shelbymt.com>, "david@hydrosi.com" <david@hydrosi.com>, Luke Osborne <LukeO@hydrosi.com>, "jason.crawford@kljeng.com" (jason.crawford@kljeng.com)" <jason.crawford@kljeng.com>
Subject: Change Application No. 41P 30072725 & 41P 30072726 public notices

Gents-

Attached are the final public notices on the City of Shelby change applications. Jamie Price at DNRC will be sending these to the newspaper and adjacent water users. As I mentioned in my email earlier this week, the deadline for objections is Dec. 23rd. If we don't receive any objections, the change authorizations will be issued. Please let me know if you have any questions. Thanks.

-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.

PUBLIC NOTICE

Notice to Water Users
(Pursuant to Section 85-2-307, MCA)

The following application has been submitted to change a water right in the State of Montana.

THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION PROPOSES TO GRANT AN APPLICATION TO CHANGE A WATER RIGHT. DESCRIBED BELOW ARE THE PERTINENT FACTS WHICH SUMMARIZE THE APPLICATION. THE PRELIMINARY DETERMINATION (PD) DOCUMENTING THE FINDINGS OF FACT AND CONCLUSIONS OF LAW AND ANY CONDITIONS ATTACHED TO THE WATER RIGHT ARE AVAILABLE ON THE INTERNET AT <http://www.dnrc.mt.gov/wrd/>.

OBJECTION DEADLINE: DECEMBER 23, 2016. THE DEPARTMENT CAN ONLY ACCEPT OBJECTIONS FILED ON AN OBJECTION TO APPLICATION, FORM 611. MAIL THE COMPLETED FORM AND THE \$25.00 FILING FEE TO THE DNRC, PO BOX 201601, HELENA, MT 59620-1601 BY THE DEADLINE SPECIFIED. THE FORM IS AVAILABLE ON THE DEPARTMENT'S WEBSITE.

DIRECT ANY QUESTIONS PERTAINING TO THE APPLICATION, TO OBTAIN THE PD OR OBJECTION FORM TO THE WATER RESOURCES OFFICE AT 210 SIXTH AVE, PO BOX 1828, HAVRE, MT 59501-1828 FAX: 406-265-2225 PHONE: 406-265-5516.

Application Number : 41P 30072725

Applicant : SHELBY, CITY OF
112 1ST ST S
SHELBY, MT 59474

WATER RIGHT NUMBER(S) BEING CHANGED

Water Right Type	Water Right Number	Priority Date
PROVISIONAL PERMIT	41P 4489-00	DECEMBER 26, 1974
PROVISIONAL PERMIT	41P 4490-00	DECEMBER 26, 1974
PROVISIONAL PERMIT	41P 58129-00	JUNE 10, 1985
STATEMENT OF CLAIM	41P 192878-00	OCTOBER 1, 1946
STATEMENT OF CLAIM	41P 192880-00	OCTOBER 12, 1946
STATEMENT OF CLAIM	41P 192881-00	DECEMBER 26, 1963
STATEMENT OF CLAIM	41P 192882-00	DECEMBER 26, 1963

PAST USE OF WATER

ALL OF THE APPLICANT'S WATER SUPPLY IS OBTAINED FROM A WELL FIELD LOCATED APPROXIMATELY 6 MILES SOUTH OF THE CITY OF SHELBY AND ONE MILE EAST OF INTERSTATE 15 ALONG THE NORTH SIDE OF THE MARIAS RIVER. THE ENTIRE WELL FIELD CONSISTS OF 13 WELLS DRILLED TO A TOTAL DEPTH RANGING FROM 31 TO 50 FEET BELOW GROUND SURFACE (BGS). WATER PUMPED FROM THE INDIVIDUAL WELLS IS COMINGLED AND PUMPED IN A TRANSMISSION LINE TO THE SOUTH SIDE OF SHELBY WHERE IT ENTERS THE CITY'S DISTRIBUTION SYSTEM. WATER IS DISTRIBUTED THROUGHOUT THE CITY TO MEET MUNICIPAL DEMANDS.

PROPOSED CHANGE

FLOW RATE: 2,496.00 GPM

VOLUME: 937.42 AC-FT

THE WATER RIGHTS PROPOSED TO BE CHANGED INCLUDE FOUR SOCS (192878, 192880, 192881 & 192882) AND THREE PERMITS (4489, 4490 & 58129). ALL OF THE AFOREMENTIONED WATER RIGHTS ARE FOR YEAR-ROUND MUNICIPAL USE. THE AMOUNT OF WATER BEING CHANGED IN THIS APPLICATION IS A FLOW RATE OF UP TO 2,496.00 GPM AND A VOLUME NOT TO EXCEED 937.42 AF. THIS APPLICATION PROPOSES TO PERMANENTLY CHANGE THE POINTS OF DIVERSION AND TEMPORARILY CHANGE THE PLACE OF USE FOR UP TO 10 YEARS. THIS APPLICATION ALSO PROPOSES TO TEMPORARILY CHANGE THE PLACE OF USE SO THAT WATER HISTORICALLY USED WITHIN THE CITY OF SHELBY COULD SERVE THE CITY OF SHELBY, THE CROSSROADS CORRECTIONAL FACILITY (PRISON), A HUMIC FERTILIZER FACILITY (HUMIC), AND WOULD BE USED BY THE COMMUNITIES OF DEVON, DUNKIRK, ETHRIDGE, AND BIG ROSE COLONY AS THEIR PRIMARY WATER SOURCE. THE REQUESTED CHANGE IN PLACE OF USE WOULD ALSO INCLUDE THE CITY OF CUT BANK WHICH ALSO PROVIDES WATER TO THE CUT BANK NORTH GLACIER COUNTY WATER AND SEWER DISTRICT AND WOULD BE SUPPLEMENTAL TO THEIR EXISTING WATER RIGHTS.

ADDITIONAL INFORMATION

WATER MUST NOT BE DIVERTED TO ANY INDIVIDUAL PLACE OF USE PROPOSED TO BE CHANGED UNTIL A REQUIRED MEASURING DEVICE IS IN PLACE AND OPERATING AT THE SPECIFIED METER LOCATION CORRESPONDING TO THE PARTICULAR PLACE OF USE. THE APPROPRIATOR SHALL RECORD MONTHLY VOLUME OF ALL WATER INDIVIDUALLY METERED AT EACH METER LOCATION. THE VOLUME OF WATER AT EACH METER LOCATION SHALL NOT EXCEED THE FOLLOWING AMOUNTS EXPRESSED IN ACRE FEET:

	SHELBY METER	CUT BANK METER	OTHER METERS
JAN. 1-APR. 30	312.50	124.48	64.80
MAY 1-OCT. 31	656.20	261.42	136.00
NOV. 1-DEC. 31	156.20	62.24	32.40
TOTAL	1124.90	448.10	233.20

THE APPROPRIATOR SHALL MAINTAIN THE MEASURING DEVICES IN PROPERLY FUNCTIONING CONDITION SO THAT THE VOLUMES ARE ACCURATELY MEASURED. RECORDS SHALL BE SUBMITTED MONTHLY AND A SUMMARY PROVIDED BY JANUARY 31 OF EACH YEAR TO THE DEPARTMENT'S WATER RESOURCES HAVRE REGIONAL OFFICE.

THIS CHANGE APPLICATION IS ASSOCIATED WITH CHANGE APPLICATION 41P 30072726.

PUBLISHED IN: SHELBY PROMOTER ON NOVEMBER 9, 2016.

PUBLIC NOTICE

Notice to Water Users
(Pursuant to Section 85-2-307, MCA)

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Application Number : 41P 30072726

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112 1ST ST S
SHELBY, MT 59474

WATER RIGHT NUMBER(S) BEING CHANGED

<u>Water Right Type</u>	<u>Water Right Number</u>	<u>Priority Date</u>
STATEMENT OF CLAIM	41P 192877-00	JUNE 6, 1940
STATEMENT OF CLAIM	41P 192879-00	JULY 7, 1939

PAST USE OF WATER

ALL OF THE APPLICANT'S WATER SUPPLY IS OBTAINED FROM A WELL FIELD LOCATED APPROXIMATELY 6 MILES SOUTH OF THE CITY OF SHELBY AND ONE MILE EAST OF INTERSTATE 15 ALONG THE NORTH SIDE OF THE MARIAS RIVER. THE ENTIRE WELL FIELD CONSISTS OF 13 WELLS DRILLED TO A TOTAL DEPTH RANGING FROM 31 TO 50 FEET BELOW GROUND SURFACE (BGS). WATER PUMPED FROM THE INDIVIDUAL WELLS IS COMINGLED AND PUMPED IN A TRANSMISSION LINE TO THE SOUTH SIDE OF SHELBY WHERE IT ENTERS THE CITY'S DISTRIBUTION SYSTEM. WATER IS DISTRIBUTED THROUGHOUT THE CITY TO MEET MUNICIPAL DEMANDS.

PROPOSED CHANGE

FLOW RATE: 399.00 GPM

VOLUME: 187.48 AC-FT

THE WATER RIGHTS PROPOSED TO BE CHANGED INCLUDE TWO SOCS (41P 192877 AND 192879). THE AFOREMENTIONED WATER RIGHTS ARE FOR SEASONAL MUNICIPAL USE. THE AMOUNT OF WATER BEING CHANGED IN THIS APPLICATION IS A FLOW RATE OF UP TO 399.00 GPM AND A VOLUME NOT TO EXCEED 187.48 AF. THIS APPLICATION PROPOSES TO PERMANENTLY CHANGE THE POINTS OF DIVERSION AND TEMPORARILY CHANGE THE PLACE OF USE FOR UP TO 10 YEARS. THIS APPLICATION ALSO PROPOSES TO TEMPORARILY CHANGE THE PLACE OF USE SO THAT WATER HISTORICALLY USED WITHIN THE CITY OF SHELBY COULD SERVE THE CITY OF SHELBY, THE CROSSROADS CORRECTIONAL FACILITY (PRISON), A HUMIC FERTILIZER FACILITY (HUMIC), AND WOULD BE USED BY THE COMMUNITIES OF DEVON, DUNKIRK, ETHRIDGE, AND BIG ROSE COLONY AS THEIR PRIMARY WATER SOURCE. THE REQUESTED CHANGE IN PLACE OF USE WOULD ALSO INCLUDE THE CITY OF CUT BANK WHICH ALSO PROVIDES WATER TO THE CUT BANK NORTH GLACIER COUNTY WATER AND SEWER DISTRICT AND WOULD BE SUPPLEMENTAL TO THEIR EXISTING WATER RIGHTS.

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THIS CHANGE APPLICATION IS ASSOCIATED WITH CHANGE APPLICATION 41P 30072725.

PUBLISHED IN: SHELBY PROMOTER ON NOVEMBER 9, 2016.



Lorette Carter
Community Development
112 1st Street South
Shelby, MT 59474
(406) 424-8799
(406) 450-4067
Fax: (406) 424-8413
www.shelbymt.com

November 7, 2016

Jon Axline, Historian
Environmental Services
Montana Department of Transportation
2701 Prospect Avenue
Helena MT 59620-1001

Re: Historical markers ~ Champions Park

Dear Jon,

On behalf of the City of Shelby, I am writing this letter to request two historical markers for Champions Park along US Highway 2/Roosevelt Highway, Shelby.

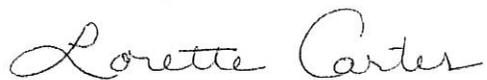
The mission and goal of the City of Shelby and Champions Park Committee is the preservation of Shelby's heritage and most historic event, the Dempsey-Gibbons World Heavyweight Championship Fight of 1923. What began as a real estate stunt and ended in a spectacular fiasco, became the legend of Shelby, Montana. Champions Park is very unique in the incredible source of history it provides in an outdoor setting. Central to the park are iron silhouettes of world champ, Jack Dempsey and unknown upstart, Tommy Gibbons as well as the referee of the world championship boxing event. The "ring" is a ground-level concrete pad built to the dimensions of the original ring. Enveloping the ring is interpretive signage depicting pictures and highlights recounting events that led up to that famous day and the incredible bout that continues to capture the attention of national newspapers, magazines, sports commentaries and published books. ***The Set Up ~ The Money ~ The Arena ~ The Fighters ~ The Main Event*** and ***The Con*** interpretive signs take readers back to 1923 when a tiny, frontier Montana town creatively hatched the "big fight" idea as a publicity stunt to bring renewed attention to Shelby and spur business. The colorful events leading to the fight and the infamous 15-round bout is captured in the pictures and narrative taking readers back to those incredible moments in history.

The City of Shelby would like to propose historical signage markers directing travelers to Champions Park. Included are photos of potential sites for the

markers, an aerial map of the park and additional history of the infamous Dempsey-Gibbons World Heavyweight Championship Fight of 1923.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Lorette Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

Lorette Carter
Community Development Director
City of Shelby

Cc: Larry J. Bonderud, Mayor
Shelby City Council

Downtown Conference

Butte, MT

Thank you again for the opportunity to attend these state-wide conferences that bring people with great energy and ideas together for the common good of our State. The Downtown Conference was held at the Finlen Hotel in uptown Butte. We were able to tour the beautiful new \$27 million NorthWestern Energy building recently completed. The financing of the facility was a tremendous partnership with Butte-Silverbow City/County government and the use of New Market Tax Credits. As part of the overall project, Butte is now building a parking garage in the NorthWestern Energy block that will benefit all of uptown Butte.

The first afternoon was a group discussion on the events, projects and programs going on in the attending communities. One of the reoccurring themes was the benefit of breweries in communities. These breweries are becoming community gathering spots that partner with local charities and groups for community events that bring tremendous economic impact. One example was the huge impact the Red Ants Festival has had in White Sulphur Springs and the new brewery that has partnered to create a summer weekend festival that brings 16,000 people to the community over one weekend.

Another reoccurring theme with downtown community development organizations is façade rehab programs that create a revolving loan fund to help business owners upgrade their store fronts through low-to-no interest financing from the fund. The Montana Main Street organization can help fund the initiation of a RLF fund, but the match is 1:1 meaning we would need to match the grant award amount with our own dollars.

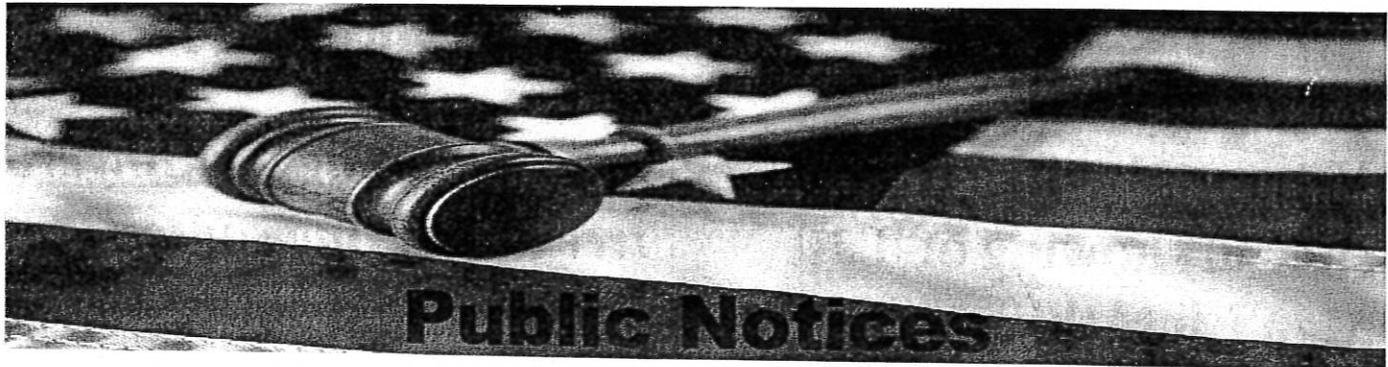
Here are other ideas and opportunities that I thought of throughout the conference:

1. Apply for grant funding to improve signage coming into Shelby to direct travelers to our Main Street business district.
2. Consider offering the Williamson Building empty store front as a pop-up store to home-based businesses during the holiday season or offer the space for home businesses on a temporary basis.
3. Redo the Roadrunner Recreation Trail map to be more user-friendly.
4. Create a poster that can be displayed at hotels as well as print publications which features our golf course, tennis courts, pool, splash park, trail, parks & Main Street which says..."Swing ~ Splash~ Relax & Play in Shelby!"
5. Make our Main Street/hotels more bike-friendly. Bicyclers spend a large amount of tourism dollars in communities they have researched prior to their trips. Things such as bike racks on Main Street as well as at hotels are an amenity they look for. They are interested in history and culture and look for communities that are welcoming. Twin Bridges is a great example of capturing biking dollars. They have created a bike camp in their community park where bicyclists can shower and camp. Thousands of bicyclists stop in Twin Bridges every summer.

6. In coordination with our Safe Routes to School bi-annual Bike Rodeo, coordinate a family bike ride on the Roadrunner Recreation Trail to encourage use of the trail.
7. Build on a community's signature event, such as the Marias Fair & Shelby Street Fair. This events(s) bring valuable outside tourism dollars into your community.
8. Ask BNSF if they have any artifacts, retired cars/locomotives that could be permanently displayed in Shelby.
9. Apply for Office of Tourism to build additional public restrooms in our Main Street business corridor – City Park.
10. Create a theme for Shelby which we can build on. My idea is “**Champion Shelby!**” Drawing on our historic past and the innovation to bring the world heavyweight championship fight to Shelby and the strength & courage it took our town fathers to reopen, rebuild & reinvest after the fiasco, I believe we should build on this as we continue to “**Champion Shelby.**” We would then list our vision (such as):
 - Welcome new residents.
 - Improve our housing stock.
 - Encourage shopping locally.
 - Welcome new business opportunities and grow our Main Street business corridor.
 - Promote our essential services – hospital, schools, Amtrak, bus service, etc.
 - Promote our recreation amenities – parks, trail, pool/splash park, tennis courts, golf course, etc.
 - Strengthen our volunteer core.

Lorette Carter

Shelby meter 19/16



Public Notices

Notice to Water Users

PUBLIC NOTICE

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(Pursuant to Section 85-2-307,
MCA)

The following application
has been submitted to change
a water right in the State of
Montana.

THE DEPARTMENT OF
NATURAL RESOURCES AND
CONSERVATION PROPOSES
TO GRANT AN APPLICATION
TO CHANGE A WATER
RIGHT. DESCRIBED BELOW
ARE THE PERTINENT
FACTS WHICH SUMMARIZE
THE APPLICATION.
THE PRELIMINARY
DETERMINATION (PD)
DOCUMENTING THE
FINDINGS OF FACT AND
CONCLUSIONS OF LAW
AND ANY CONDITIONS
ATTACHED TO THE WATER
RIGHT ARE AVAILABLE ON
THE INTERNET AT <http://www.dnrc.mt.gov/wrd/>.

OBJECTION DEADLINE:
DECEMBER 23, 2016. THE
DEPARTMENT CAN ONLY
ACCEPT OBJECTIONS
FILED ON AN OBJECTION
TO APPLICATION, FORM
611. MAIL THE COMPLETED
FORM AND THE \$25.00
FILING FEE TO THE DNRC,
PO BOX 201601, HELENA,
MT 59620-1601 BY THE
DEADLINE SPECIFIED. THE
FORM IS AVAILABLE ON THE
DEPARTMENT'S WEBSITE.

DIRECT ANY QUESTIONS
PERTAINING TO THE
APPLICATION, TO OBTAIN
THE PD OR OBJECTION
FORM TO THE WATER
RESOURCES OFFICE AT 210
SIXTH AVE, PO BOX 1828,
HAVRE, MT 59501-1828 FAX:
406-265-2225 PHONE: 406-
265-5516.

Application Number: 41P
30072725

Applicant: SHELBY, CITY
OF

112 1ST ST S
SHELBY, MT 59474
WATER RIGHT NUMBER(S)
BEING CHANGED

Water Right Type:
PROVISIONAL PERMIT

**Water Right Number/
Priority Date:**

41P 4489-00/DECEMBER
26, 1974

41P 4490-00/DECEMBER
26, 1974

41P 58129-00/JUNE 10,
1985

Water Right Type:
STATEMENT OF CLAIM

**Water Right Number/
Priority Date:**

41P 192878-00/OCTOBER
1, 1946

41P 192880-00/OCTOBER
12, 1946

41P 192881-00/DECEMBER
26, 1963

41P 192882-00/DECEMBER
26, 1963

PAST USE OF WATER: ALL
OF THE APPLICANT'S WATER
SUPPLY IS OBTAINED FROM
A WELL FIELD LOCATED
APPROXIMATELY 6 MILES
SOUTH OF THE CITY OF
SHELBY AND ONE MILE EAST
OF INTERSTATE 15 ALONG
THE NORTH SIDE OF THE
MARIAS RIVER. THE ENTIRE
WELL FIELD CONSISTS OF
13 WELLS DRILLED TO A
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FROM 31 TO 50 FEET BELOW
GROUND SURFACE (BGS).
WATER PUMPED FROM
THE INDIVIDUAL WELLS IS
COMINGLED AND PUMPED
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WATER IS DISTRIBUTED
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PROPOSED CHANGE:
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VOLUME: 937.42 AC-FT

THE WATER RIGHTS
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SOCS (192878, 192880,
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TO PERMANENTLY CHANGE
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WATER HISTORICALLY USED
WITHIN THE CITY OF SHELBY
COULD SERVE THE CITY OF
SHELBY, THE CROSSROADS
CORRECTIONAL FACILITY
(PRISON), A HUMIC
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ALSO PROVIDES WATER
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**ADDITIONAL
INFORMATION:** WATER
MUST NOT BE DIVERTED
TO ANY INDIVIDUAL PLACE
OF USE PROPOSED TO

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EACH METER LOCATION.
THE VOLUME OF WATER
SHALL NOT EXCEED THE
FOLLOWING AMOUNTS
EXPRESSED IN ACRE FEET:

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1-APR. 30: 312.50; MAY
1-OCT. 31: 656.20; NOV.
1-DEC. 31: 156.20; TOTAL
1124.90

CUT BANK METER: JAN.
1-APR. 30: 124.48; MAY
1-OCT. 31: 261.42; NOV.
1-DEC. 31: 62.24; TOTAL
448.10

OTHER METERS: JAN.
1-APR. 30 64.80; MAY 1-OCT.
31: 136.00; NOV. 1-DEC. 31:
32.40; TOTAL 233.20

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SHALL MAINTAIN THE
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TO THE DEPARTMENT'S
WATER RESOURCES HAVRE
REGIONAL OFFICE.

THIS CHANGE
APPLICATION IS
ASSOCIATED WITH CHANGE
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PUBLISH: Nov. 9, 2016
MNXALP

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41P 192877-00/JUNE 6, 1940

41P 192879-00/JULY 7, 1939

PAST USE OF WATER: ALL OF THE APPLICANT'S WATER SUPPLY IS OBTAINED FROM A WELL FIELD LOCATED APPROXIMATELY 6 MILES SOUTH OF THE CITY OF SHELBY AND ONE MILE EAST OF INTERSTATE 15 ALONG THE NORTH SIDE OF THE MARIAS RIVER. THE ENTIRE WELL FIELD CONSISTS OF 13 WELLS DRILLED TO A TOTAL DEPTH RANGING FROM 31 TO 50 FEET BELOW GROUND SURFACE (BGS). WATER PUMPED FROM THE INDIVIDUAL WELLS IS COMINGLED AND PUMPED IN A TRANSMISSION LINE TO THE SOUTH SIDE OF SHELBY WHERE IT ENTERS THE CITY'S DISTRIBUTION SYSTEM. WATER IS DISTRIBUTED THROUGHOUT THE CITY TO MEET MUNICIPAL DEMANDS.

PROPOSED CHANGE:
FLOW RATE: 399.00 GPM
VOLUME: 187.48 AC-FT

THE WATER RIGHTS PROPOSED TO BE CHANGED INCLUDE TWO SOCS (41P 192877 AND 192879). THE AFOREMENTIONED WATER RIGHTS ARE FOR

SEASONAL MUNICIPAL USE. THE AMOUNT OF WATER BEING CHANGED IN THIS APPLICATION IS A FLOW RATE OF UP TO 399.00 GPM AND A VOLUME NOT TO EXCEED 187.48 AF. THIS APPLICATION PROPOSES TO PERMANENTLY CHANGE THE POINTS OF DIVERSION AND TEMPORARILY CHANGE THE PLACE OF USE FOR UP TO 10 YEARS. THIS APPLICATION ALSO PROPOSES TO TEMPORARILY CHANGE THE PLACE OF USE SO THAT WATER HISTORICALLY USED WITHIN THE CITY OF SHELBY COULD SERVE THE CITY OF SHELBY, THE CROSSROADS CORRECTIONAL FACILITY (PRISON), A HUMIC FERTILIZER FACILITY (HUMIC), AND WOULD BE USED BY THE COMMUNITIES OF DEVON, DUNKIRK, ETHRIDGE, AND BIG ROSE COLONY AS THEIR PRIMARY WATER SOURCE. THE REQUESTED CHANGE IN PLACE OF USE WOULD ALSO INCLUDE THE CITY OF CUT BANK WHICH ALSO PROVIDES WATER TO THE CUT BANK NORTH GLACIER COUNTY WATER AND SEWER DISTRICT AND WOULD BE SUPPLEMENTAL TO THEIR EXISTING WATER RIGHTS.

ADDITIONAL INFORMATION: WATER MUST NOT BE DIVERTED TO ANY INDIVIDUAL PLACE OF USE PROPOSED TO BE CHANGED UNTIL A REQUIRED MEASURING DEVICE IS IN PLACE AND OPERATING AT THE SPECIFIED

METER LOCATION CORRESPONDING TO THE PARTICULAR PLACE OF USE. THE APPROPRIATOR SHALL RECORD MONTHLY VOLUME OF ALL WATER INDIVIDUALLY METERED AT EACH METER LOCATION. THE VOLUME OF WATER AT EACH METER LOCATION SHALL NOT EXCEED THE FOLLOWING AMOUNTS EXPRESSED IN ACRE FEET:

SHELBY METER: JAN. 1-APR. 30: 312.50; MAY 1-OCT. 31: 656.20; NOV. 1-DEC. 31: 156.20; **TOTAL** 1124.90

CUT BANK METER: JAN. 1-APR. 30: 124.48; MAY 1-OCT. 31: 261.42; NOV. 1-DEC. 31: 62.24; **TOTAL** 448.10

OTHER METERS: JAN. 1-APR. 30 64.80; MAY 1-OCT. 31: 136.00; NOV. 1-DEC. 31: 32.40; **TOTAL** 233.20

THE APPROPRIATOR SHALL MAINTAIN THE MEASURING DEVICES IN PROPERLY FUNCTIONING CONDITION SO THAT THE VOLUMES ARE ACCURATELY MEASURED. RECORDS SHALL BE SUBMITTED MONTHLY AND A SUMMARY PROVIDED BY JANUARY 31 OF EACH YEAR TO THE DEPARTMENT'S WATER RESOURCES HAVRE REGIONAL OFFICE.

THIS CHANGE APPLICATION IS ASSOCIATED WITH CHANGE APPLICATION 41P 30072725.

Publish: Nov. 9, 2016
MNXLP

BREAKING

Election 2016: What next after Trump's win?

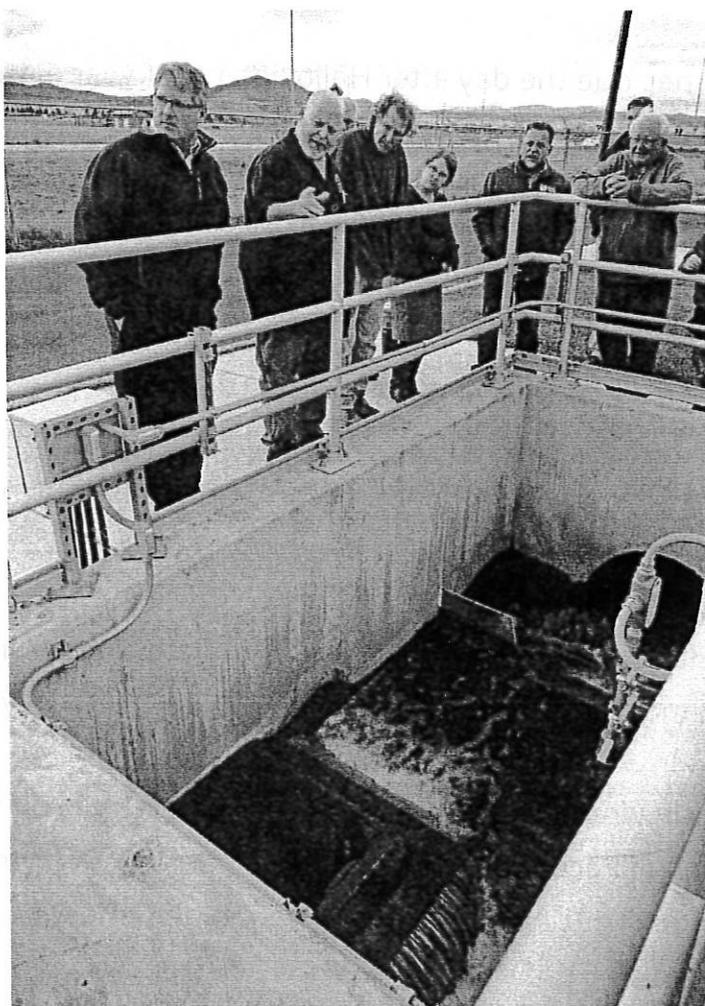
http://helenair.com/news/politics/city-county/wastewater-disposal-standards-could-drain-ratepayers-wallets/article_725f4d7e-e590-56c9-9ec7-fabba6a6e78a.html

FEATURED

THE HIGH COST OF LIMITING NITROGEN, PHOSPHORUS

Wastewater disposal standards could drain ratepayers' wallets

AL KNAUBER Independent Record Nov 7, 2016



Al Knauber, Independent Record

Members of the Lewis and Clark County Water Quality Protection District met with city of Helena officials to hear how federal regulation could affect operation of the city's wastewater treatment plant and cost millions of dollars for im

Clean drinking water and sanitary disposal of wastewater have saved more lives than doctors since time began, said Randall Camp, the city's public works director.

He doesn't pretend to offer statistics to back up this claim. History would seem to bear testimony to the consequences for public health from tainted water and disease from raw sewage.

Camp mentions the importance of these two municipal services -- he ranks solid waste disposal third in this hierarchy -- as he and city officials ponder what tighter federal restrictions Helena may face when its next wastewater disposal permit is renewed.

Renewal comes due the day after Halloween next year. Ratcheting down allowable limits for total nitrogen -- this is a combined number based on a couple of sources -- and phosphorus are anticipated.

So too do city officials expect to be required to reduce the levels of copper and zinc in treated wastewater.

Nitrogen and phosphorus in wastewater are by products of human waste. Dishwashing soap and shampoos are also said to be a significant contributor to phosphorus.

Copper in Helena's wastewater comes from both the water itself and from household plumbing. Zinc comes solely from the water itself, they say.

Depending on where treated effluent is released, according to an online paper by Peggy Minnis of Pace University, the focus has shifted from removing the organic component to reducing nutrients -- nitrogen and phosphorus.

"This is especially true in sensitive watersheds, where a freshwater lake or saltwater area is impacted by the nutrients," she wrote.

Helena's treated wastewater is discharged into Prickly Pear Creek, a part of the Missouri River watershed. To continue to use the creek or possibly even the Missouri River itself, two key considerations will need to be addressed: cost and regulation.

A \$100 million bill for wastewater plant improvements to further treat wastewater and move toward meeting more stringent standards is a low number, Camp said of what the city and ratepayers could face.

Add in all of the extra equipment to remove enough total nitrogen and phosphorus, as well as address limits for copper and zinc in wastewater and the overall cost rises to \$150 million or more, said Mark Fitzwater, the city's wastewater plant superintendent.

The monthly bill for residential and commercial property owners, Camp said, "goes through the roof."

Helena's department managers are already planning for the future and have looked at what's needed for municipal water service, wastewater disposal, storm water management and street work. The five-year plan they've laid out exceeds \$125 million. The city commission has yet to agree and will face rate increases in each of those five years if they endorse what's proposed.

Contained in the five-year wastewater plan is \$20 million for construction of a new method for disposing of treated wastewater. Now that money may be reallocated because of a court ruling.

The city had intended testing to see if treated wastewater could be disposed of underground instead of continuing to use Prickly Pear Creek. Underground disposal would have allowed sidestepping more stringent regulations for continued use of the creek that are anticipated when renewing the wastewater disposal permit in less than a year.

The court case that ended hopes for subsurface treated wastewater disposal concluded that the state Department of Environmental Quality must consider cumulative impacts in underground wastewater disposal.

Surface water standards must be met where groundwater and surface water meet, according to a presentation by a city consultant with Morrison-Maierle.

Just as cost proves to be a hurdle for the city, so does the available technology.

Current technology won't meet the ultimate standards for the amounts of total nitrogen and phosphorus that are allowed to be in wastewater, say Camp and Fitzwater, so whatever the city spends for upgrades it can't buy what it needs.

"The regulations have outstripped the science and that's the problem," Camp said.

Variances could be sought but the state's granting them isn't assured, say Camp and Fitzwater, nor is that they won't be revoked before the city's five-year wastewater disposal permit is up for renewal.

Upgrading the city's wastewater facility is viewed as a given although between now and when the current permit expires in less than a year, wastewater treatment staff and the city's consultant will be looking at options for wastewater disposal.

Discharging treated wastewater into the soil is still being evaluated in hopes that the soil will filter some of the metals out of the wastewater, Fitzwater said.

However, the city will still be required to meet the more stringent standards so this is an option with limited possibilities.

Another option for discussion is to build a pipeline to carry treated wastewater some 15 miles to the Missouri River, which would offer more water than does Prickly Pear Creek, which at times runs dry, to dilute the treated wastewater.

Having a larger “mixing zone” for the treated wastewater would result in less stringent standards being applied for total nitrogen, phosphorus and metals in treated effluent than would the continued use of Prickly Pear Creek for disposal, Fitzwater said.

Camp likes this option despite the estimated \$30 million to \$40 million cost because “the beauty is we know what we’re getting into,” he said.

The city could also benefit from use of the river should new requirements for cleansing treated wastewater be imposed, Fitzwater noted.

Wastewater plant staff will also be looking at operational changes in the coming year that may reduce phosphorus levels in wastewater. These changes could also help reduce the levels of copper and zinc in wastewater too.

“We’re going to struggle for years to come to meet the nutrient limits,” Fitzwater said of the standards for removing total nitrogen and phosphorus from wastewater.

Even still, work goes on to prepare for what appears to be coming in revised regulation.

“That’s why we’re trying to get ahead of the game,” Fitzwater said.

“It’s quite the quagmire that we’re in,” Camp said.

Al Knauber can be reached at al.knauber@helenair.com

Al Knauber

I am a staff writer at the Independent Record covering primarily city and county governments.

— These states have the worst sex education programs

— What are the best truck brands of 2016?

16 photos of the pools, churches and laundromats where America votes

Today's Birthdays, Nov. 9: Lou Ferrigno

Today In History, Nov. 9: Berlin Wall

Today's top pics: Candidates close campaigns and more

Your daily 6: The Pitts reach a deal: Prince Harry lashes out

Guy Fieri, vegetable fan? Sure, the Food Network star says

Pain and falling temperatures

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TODAY'S TOP VIDEO

Video: Anti-Donald Trump protesters chant 'not my president'

Video: Anti-Donald Trump protesters chant 'not my president'

Video: Canada's immigration site crashes

Video: Canada's immigration site crashes

Video: Republicans keep control of US Senate

Video: Republicans keep control of US Senate

Video: Market winners and losers after US election

Video: Market winners and losers after US election

Lori Stratton

From: Larry Bonderud
Sent: Wednesday, November 09, 2016 9:02 AM
To: Jade Goroski; Tammy Pederson; Sarah Clary; Lori Stratton
Subject: Fwd: MT Election MEMO

Sent from my iPhone

Mayor Lar

From: Melissa Lewis <melissa@mlewisassoc.com>
Date: November 9, 2016 at 7:46:34 AM MST
To: Larry Bonderud <larry@shelbymt.com>
Subject: MT Election MEMO

MEMO

To: Larry Bonderud

From: Melissa Lewis

Date: November 9, 2016

Re: 2016 Montana Election Results

In the 2016 Montana general election, republicans dominated. While the results for democrats nationally were nothing short of a disaster, Montana bucked the trend by scoring two important victories by narrowly re-electing Governor Steve Bullock (D-MT) and electing democrat Dirk Sandefur to the MT Supreme Court.

US House Race

Incumbent **Ryan Zinke** handily won re-election over challenger School Superintendent Denise Juneau (D-MT) 58% - 38%.

MT Governor's Race

Incumbent **Governor Steve Bullock** (D-MT) is currently up 49-47 with an 11,500 vote lead. While the results have not been announced, Bullock wins since there are only 6,134 uncounted votes coming from the traditionally moderate to democratic counties of Bozeman, Great Falls, Helena and Missoula.

Attorney General

Incumbent **Tim Fox** (R-MT) easily beat former state legislator Larry Jent (D-MT) 69% - 30%.

Secretary of State

Former State Senator **Corey Stapleton** (R-MT) handily beat term-limited State Auditor Monica Lindeen (D-MT) 57% - 39%.

State Auditor

State Senator **Matt Rosendale** (R-Glendive) beat back former State Senator Jesse Laslovich (D-Anaconda) 55% - 44%.

School Superintendent

Senator **Elsie Arntzen** (R-Billings) held off elementary school teacher Melissa Romano (D-Helena) 53% - 46%.

Land Board

Montana's Land Board, which approves easements across state land among other duties, will be in republican control for the first time in five decades since four of the five top statewide seats will be held by republicans.

Public Service Commission

All five seats are held by republicans, and in the two competitive races, republicans held serve:
Incumbent Commissioner Bob Lake (R-Missoula County) defeated former Public Service Commissioner Gail Gutsche (D-Missoula) 56% - 43%. And incumbent Commissioner Roger Koopman (R-Bozeman) held off legislator Pat Noonan (D-Butte) 49% - 38%. Koopman was aided by a left-leaning "independent" in the race – Caron Cooper – who garnered 11% of the vote.

Montana Supreme Court

Democrat-aligned Dirk Sandefur scored a surprisingly easy victory over conservative Kristen Juras 55% - 44%.

Montana Legislature

The Montana Legislature will remain in Republican control. It appears as though the majority party will hold a 32-18 edge in the Senate and a 58-42 advantage in the House.

Prominent Legislative Races

State Senate

SD 16: Frank Smith (D) over Bruce Meyers (R) 57-42

SD 21: Jason Small (R) over Carolyn Pease-Lopez (D) 51-48

SD 25: Jen Gross (D) over Donna Huston (R) 51-48

State House

HD 3: Zac Perry (D) over Taylor Rose (R) 52-47

HD 5: Dave Fern (D) over Chet Billi (R) 56-43

HD 22: Lola Sheldon (R) over Al Federer (D) 51-48

HD 23: Brad Hamlett (D) over Mark Dunn (R) 55-44

HD 25: Garrett Lankford (D) over Jeremy Trebes (R) 52-47

HD 28: Jacob Bachmeier (D) over Stephanie Hess (R) 53-46

HD 38: Kenneth Holmlund (R) over Steve Muggli (D) 54-45

HD 48: Jessica Karjala (D) over Robert Saunders (R) 55-44

HD 51: Adam Rosendale (R) over Shoots Veis (D) 52-47

HD 52: Jimmy Patelis (R) over Chris Goodridge (D) 51-48

HD 65: Chris Pope (D) over Jon Knockey (R) 50-49

HD 83: Kim Abbott (D) over Bob Leach (R) 54-45

HD 84: Mary Ann Dunwell (D) over Steve Gibson (R) 49-46

HD 92: Mike Hopkins (R) over Adrienn Marxx (D) 52-47

HD 93: John Fleming (D) over Johanna Clark (R) 54-45

HD 96: Adam Hertz (R) over Andrew Person (D) 51-48

Shelby Area Races

HD 17 Newcomer **Ross Fitzgerald** over Barnett Sporkin-Morrison 74-25

HD 18 Incumbent **Rob Cook** was unopposed

HD 27 Newcomer **James O'Hara** over Ryan Rominger 72-27

HD 28 Newcomer **Jacob Bachmeier** over Stephanie Hess 53-46

SD 09 Llew Jones (R-Conrad) is a holdover Senator. He is only two years into his four year Senate term. He is not up for reelection until 2018.

SD 11 Ed Buttrey (R-Great Falls) is a holdover Senator. He is only two years into his four year Senate term. He is not up for reelection until 2018.

--

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PO Box 790
Shelby, Montana 59474
(406) 434-5244

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Lori Stratton

From: Larry Bonderud
Sent: Thursday, November 10, 2016 4:07 PM
To: Lori Stratton
Subject: Fwd: Please read: Montana Infrastructure Update

Next packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: Sarah Converse <sweetgrassdevelopment@gmail.com>
Date: November 10, 2016 at 3:12:38 PM MST
To: Brad Livingston <blivingston@greatfallschamber.org>, 'Cyndi Johnson' <cyndij@3rivers.net>, Deb Brandon <dbrandon@toolecountymt.gov>, 'Deb Brandon' <brandon@northerntel.net>, Gerald Wagner <gwagner@3rivers.net>, Jason Gibson <go88jlg@yahoo.com>, 'Jim Hodgskiss' <jimhodgskiss@3rivers.net>, Jim Larson <jl Larson@casca decountymt.gov>, "Larry Bonderud" <larry@shelbymt.com>, 'Lila Evans' <boyd.evans@gmail.com>, Llew Jones <ljones@mtbus.net>, 'Lorette Carter' <shbcdc@3rivers.net>, Mel Lehman <mellehman@centurytel.net>, Mel Lehman <mlehman@3riversdbs.net>, Mike Henning <mikehenning@3rivers.net>, 'Pondera County Commisisoner' <pococo@3rivers.net>, Pondera Regional Port Authority <pcpconrad@3rivers.net>, Tom McKay <tmckay@glaciercountymt.org>, Tony Sitzmann <oil_west@yahoo.com>
Subject: Please read: Montana Infrastructure Update

Please respond with your thoughts as soon as possible, thanks!

Sarah

Sarah Converse
Executive Director
Sweetgrass Development
521 1st Avenue NW
Great Falls, MT 59404
(406)727-5173 Office
(406)454-6903 Fax
(406)899-7959 Cell
www.sweetgrassdevelopment.org

Coalition Members, please distribute the following message to your membership/network and gather any necessary input to engage in a discussion on November 14 as we begin fleshing out some of the details within this proposed framework.

Montana Infrastructure Coalition Platform Taking Shape

The Montana Infrastructure Coalition has spent over a year discussing the declining condition of our most critical infrastructure, and examining a variety of approaches that could help address the most pressing needs across our state.

After exhaustive deliberation amongst our membership of over 70 public and private entities involved in the design, construction, finance, operation and maintenance of infrastructure, the Coalition has identified the need for substantive changes in the way we fund infrastructure.

Current tools are not keeping pace with the physical and regulatory demands, and we haven't adjusted these tools and funding formulas in decades. It is time to address the immediate problem and invest for the future.

The Framework

When identifying "critical infrastructure," the Coalition decided that safe and efficient roads, bridges, water and wastewater systems were essential. Thus, for the 2017 Session, our efforts will be focused on those elements.

The Coalition recognizes that no single tool will address every critical need in every community. With a focus on long-term solutions and a goal of providing tangible and effective results, the Board has assembled a preliminary package of revenue tools for consideration by membership. These tools were identified through a member-driven screening process and are anticipated to provide much needed assistance to communities of every size and location across the state.

The Montana Infrastructure Coalition legislative package is still preliminary and the details are still under development, but key elements within the proposed package include the following:

Fuel Tax Increase:

The Montana Department of Transportation (MDT) operates with an annual budget of around \$700 million, with the vast majority of that money coming in the form of grants from the Federal Highway Administration. These federal grants require only a small state funding match. MDT projects a budget shortfall of over \$20 million for 2017 which either threatens exponentially more in federal matching monies, or results in a significant decline in investment in roadway improvements on the state's Secondary system. We cannot afford cuts in either program with 46 percent of our major roadways in poor to mediocre condition and 40 percent of our gravel roads in poor or failed condition.

Montana's primary source of state-generated revenue for roads and bridges is the fuel tax (which includes gas and diesel), and we have not raised the tax or adjusted the distribution formula in over two decades – even while the cost of operation and maintenance of our roadway system has grown by approximately 68 percent over the same period. Beyond this, total fuel tax revenues allocated to local roadways have been frozen for several decades at a mere \$16 million – shared statewide.

Counties have not seen an increase in allocation of fuel tax revenues from the state since 1983, and cities have not been adjusted since 1993, and the condition of our overall transportation network reflects that lack of attention.

With additional adjustments in the distribution formula, a fuel tax increase will adequately fund MDT to fully-leverage available federal funds, and provide a long-overdue funding increase for City and County roadway and bridge improvements.

Local Option Tourism Tax:

The Montana Office of Tourism and Business Development estimates that over 11 million non-resident visitors spend nearly \$4 billion during their travels across our state each year. This is a significant part of our statewide economy, but the economic benefits are not widely spread, and in fact the impacts on locally-funded infrastructure may at times outweigh the local gains in economic activity. With the exception of a gas tax and a “bed tax,” only a small number of qualified communities are entitled to tap this revenue stream directly through a resort tax. With an emphasis on local control, each community should be empowered to decide whether a local tourism tax is appropriate in their area. This would simply allow local jurisdictions the option to tax luxury items and capture revenue from tourism, reduce financial burdens on local taxpayers, and provide much-needed local monies for lagging infrastructure investment.

Enhancing Infrastructure Assistance through the Coal Tax Trust Fund:

The Treasure State Endowment Program (TSEP) was established in 1992, and is designed to help address the “affordability” of local infrastructure projects by providing grants that can help leverage other state and federal monies, loans, bonds and/or other local financing. Up until this summer, TSEP received a regular flow of money through the Coal Tax Trust Fund, but that disbursement sunset in June. TSEP has been a fundamental tool for local governments as they cobble together enough funding to pursue badly needed water, sewer and bridge projects in their local communities, and that regular flow of monies must be reinstated. Beyond this, a higher level of funding should be pursued for local infrastructure, either through this proven program and modifications to the Trust disbursement formulas, or through leveraging the Trust to supply grants directly to critical infrastructure projects vetted through TSEP or other approved planning processes.

Additional Tools:

The Coalition is developing enabling legislation to provide local governments with the ability to leverage private investment through **Public Private Partnerships (P3s)**. These arrangements allow infrastructure owner/operators to contract with private partners for the construction, operation and/or maintenance of revenue-generating facilities.

The Coalition will also support a reasonable and balanced **Bonding Bill** to advance deserving projects that are not immediately benefited by the above proposals, but which are identified by Montana taxpayers as a priority for investment. While we will not independently develop a project-specific Bonding Bill, the Coalition will engage in the dialogue regarding the types of projects and the mix of cash and bonds that our membership feels is most appropriate.

Just the Beginning

The Coalition will be working through the finer details of the above proposals in the coming months, and invites questions, comments and suggestions on our proposed legislative package. We will work with other entities who may have different priorities, so long as their goals are consistent with ours – long-term, sustainable funding for critical infrastructure necessary to provide a foundation for healthy communities and a robust economy.

We look forward to spurring this overdue discussion and working together to find effective long-range solutions.

About the Montana Infrastructure Coalition

The Montana Infrastructure Coalition is an association of over 70 public and private organizations involved in the design, construction, operation and maintenance of our most critical infrastructure in Montana. The purpose of this Coalition is to help change public policy and improve the manner in which State and local governments build and maintain these essential community assets.

About this email

The Infrastructure Coalition will be sending information periodically to stakeholders and decision-makers about the current state of our infrastructure, and the importance of making improvements to provide safe and healthy communities for all Montanans.

If you do not wish to receive these email updates, please simply respond to our Executive Director, Darryl James, and ask to be removed from the list.

**Darryl James, Executive Director
Montana Infrastructure Coalition**

Darryl L. James Consulting, LLC

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Helena, MT 59624
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(406) 459-6574 mobile



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Meeting Minutes

Voting Member Meeting

November 14, 2016

10:00 a.m. – 2:00 p.m.

Bozeman Area Chamber (Bozeman)

Voting Members Present:

Webb Brown (Montana Chamber), Tim Burton (MLCT), Jason Rittal (MEDA/Fallon County), Jon Metropoulos (MAOGCC), Cary Hegreberg (MCA), Jay Skoog (ACEC-MT), Chris Kukulski (City of Bozeman), Shane Gorder (Richland County), Adam Gartner (Dawson County), Ron Alles (City of Helena), Tina Volek (City of Billings), Heidi Jensen (City of Laurel), Danette Gleason (Butte-Silver Bow), Shari Eslinger (AIA/ASCE),
Darryl James (Executive Director-non-voting).

Formal Actions:

Elimination of Tools:

Based on input received at the All Member Meeting held on October 21, 2016, the Board recommended elimination of the following tools from consideration for the 2017 legislative session:

- Vehicle Miles Traveled (VMT) Tax
- Income Tax
- Toll Roads
- Statewide Sales Tax
- Bed Tax

Following brief discussion of each tool, the recommendation to eliminate from consideration was passed without opposition by the Voting Members on the first four tools in the list above.

The Bed Tax was reserved for future discussion as a viable tool if other, preferred options failed to gain traction in the Legislature.

Any of these tools may be revived upon a vote of the membership at any time.

Establishment of the Legislative Package:

Based on input received at the All Member Meeting held on October 21, 2016, the Board recommended detailed consideration of a fuel tax increase, a local option tourism tax, capping the Coal Trust and establishing new bonding capacity, drafting enabling legislation for public-private partnerships (P3s), making adjustments to TSEP, and lending support to third-party bonding bills. Following is a brief recap of those deliberations.

Fuel Tax

The Coalition has repeatedly established that fully leveraging all available federal highway dollars is a top priority, thus one of the first goals for a fuel tax increase is to ensure that the Montana Department of Transportation (MDT) has adequate funding to meet their state match requirement. Coalition research indicates that MDT currently needs approximately \$20 million in additional funds. With the understanding that \$0.01 in fuel tax (both gasoline and diesel) will raise approximately \$8 million, the minimum that would be raised and allocated to MDT would be \$0.04 per gallon to allow for inevitable growth in agency expenditures.

Members discussed the fact that the city/county share of fuel tax receipts has been frozen at just over \$16 million. Counties have not seen an increase in allocation of fuel tax revenues from the state since 1983, and cities have not been adjusted since 1993. Given the current condition of local roadways, Members discussed allocating the balance of a \$0.10 fuel tax increase to cities and counties through the existing funding formula.

Without opposition, Voting Members passed a motion to pursue a \$0.10 per gallon fuel tax increase, with the following details to be determined:

- Allocation between MDT and City/County governments: Depending upon further research and internal discussions, the split will be either 50-50, or 40-60 in favor of city/county allocation. The additional revenue forecast will be added on top of the existing revenue to establish new percentage allocations of overall fuel tax receipts, which would then be established in statute.
- At a finer level of detail, Members discussed the distribution formula between cities and counties. The research team will develop scenarios that would distribute monies based on an allocation of higher amounts to locations that collect greater tax dollars (i.e.: those that experience higher levels of traffic on their jurisdictional roadways), and an allocation of higher amounts to rural areas that experience less traffic, but that do not have the population/revenue base to support the local/regional infrastructure necessary to participate in the statewide economy (the formula may mirror the federal highways approach to providing more funds per capita to rural areas than densely populated urban areas based on ability to build and maintain essential roadway networks).
- Of the amount allocated to city/county governments, the contractors have requested that at least 70 percent of the new total (the majority of the new revenue) be subject to competitive bid. This request was made to ensure that local governments did not initiate or increase an ability to compete with private contractors for infrastructure work.
- During numerous discussions within and outside of the Coalition membership, taxpayers have requested consideration of an adjustment of the vehicle registration fees for electric and hybrid vehicles that would compensate for their limited contribution to fuel tax revenues. The Coalition will research other revenue models and develop a methodology for assessing a “user fee” for electric and hybrid vehicles in Montana.

Local Option Tourism Tax

Without opposition, the Voting Membership approved modifications to the existing Resort Tax that would allow additional cities, towns and counties to apply the tax with voter approval in the affected area. The Coalition will develop modifications for further review, but will ensure that the following conditions are met:

- Local voter approval required
- Mandatory sunset with ability to request voter re-approval
- Limited range of items eligible for taxation (luxury items)
- Mandatory allocation of five (5) percent minimum of revenues allocated to property tax relief within the affected area

- Local government commitment to invest in infrastructure

Enhancing Infrastructure Assistance through the Coal Tax Trust Fund:

This concept was developed organically through the course of several conversations beginning with the October 21 workshop and extending through subsequent Board discussions. The notion is that capping the Trust does no harm to any existing programs or the general fund, but leveraging the Trust to back additional state bonding capacity could provide an immediate source of funds as opposed to setting up a new trust and waiting several years to accrue enough of a base and interest earnings to fund even modest core infrastructure projects. With new/expanded bonding capacity, the state could supply grants directly to critical infrastructure projects vetted through TSEP or other approved planning processes under which the local jurisdictions have established need for investment, ability to finance locally, and the need for assistance.

The research team has been directed to flesh out operational mechanics of this approach.

Based on the concept presented, and the direction to the research team, the concept was adopted without opposition – pending details to be developed in the next two weeks.

Additional Tools:

The Coalition is developing enabling legislation to provide local governments with the ability to leverage private investment through **Public Private Partnerships** (P3s). These arrangements allow infrastructure owner/operators to contract with private partners for the construction, operation and/or maintenance of revenue-generating facilities.

The Coalition will also support a reasonable and balanced **Bonding Bill**. While the Coalition will not independently develop a project-specific Bonding Bill, Members will engage in the dialogue regarding the types of projects and the mix of cash and bonds that the Coalition feels is most appropriate and complementary to overall Coalition goals.

Authorize Community Transformation (ACT):

As a point of information, Coalition Membership discussed a developing local option sales tax option being promoted by key members of the Billings Chamber of Commerce.

The ACT group is proposing a local option sales tax that would provide the following;

- A max tax rate of 3%
- Maximum duration of 10 years
- Provision for property tax relief
- Requirement for project-specific list of investments
- Voter approval
- Segregation of funds from the General Fund

The proposal allows taxable items to include general merchandise, clothing, electrical and appliance, home furnishings, and miscellaneous retail which may not be included in the Coalition approach to expand the resort tax.

Voting membership expressed concerns that this approach would not fit within ongoing Coalition dialogue regarding equity between urban and rural populations, and expressed preference for the Coalition intent to target tourism dollars as opposed to applying a general local option sales tax.

The Coalition took no formal position on the ACT proposal, but strongly suggested that educational efforts point out the distinction between the proposed Tourism Tax and the ACT proposal.

Public Information Campaign:

Darryl James pointed out that the Coalition would need to mount a significant public information campaign to educate elected officials and their constituents about the importance of infrastructure investment in general, and more specifically about the various elements of our legislative package.

The Contractors have begun to raise funds for the campaign, but the Coalition will need additional monies from existing and new members to spread our message through social media, paid and earned media, and other outlets.

Meeting adjourned at approximately 2:00 p.m.

Lori Stratton

From: Larry Bonderud
Sent: Tuesday, November 15, 2016 1:45 PM
To: Lori Stratton
Subject: Fwd: Montana Infrastructure Coalition Meeting

Council packets.

Sent from my iPhone

Mayor Lar

Begin forwarded message:

From: Melissa Lewis <melissa@mlewisassoc.com>
Date: November 15, 2016 at 1:45:12 PM MST
To: Larry Bonderud <larry@shelbymt.com>
Subject: Montana Infrastructure Coalition Meeting

Mayor,

The Montana Infrastructure Coalition met in Bozeman yesterday. When identifying “critical infrastructure,” the Coalition decided that **safe and efficient roads, bridges, water and wastewater systems** are essential. 2017 Coalition efforts will be focused on those elements. As far as revenue tools, the Coalition has decided to support the following mechanisms for Montana infrastructure projects:

Fuel Tax Increase by .10 per gallon, of which .04 or .05 would go to “make MDT whole” and the remaining .05 or .06 would go back to counties for local roads/bridges.

The Montana Department of Transportation (MDT) operates with an annual budget of around \$700 million, with the vast majority of that money coming in the form of grants from the Federal Highway Administration. These federal grants require only a small state funding match. MDT projects a budget shortfall of over \$20 million for 2017 which either threatens exponentially more in federal matching monies, or results in a significant decline in investment in roadway improvements on the state’s Secondary system. We cannot afford cuts in either program with 46 percent of our major roadways in poor to mediocre condition and 40 percent of our gravel roads in poor or failed condition.

Montana’s primary source of state-generated revenue for roads and bridges is the fuel tax (which includes gas and diesel), and we have not raised the tax or adjusted the distribution formula in over two decades – even while the cost of operation and maintenance of our roadway system has grown by approximately 68 percent over the same period. Beyond this, total fuel tax revenues allocated to local roadways have been frozen for several decades at a mere \$16 million – shared statewide.

Counties have not seen an increase in allocation of fuel tax revenues from the state since 1983, and cities have not been adjusted since 1993, and the condition of our overall transportation network reflects that lack of attention.

With additional adjustments in the distribution formula, a fuel tax increase will adequately fund MDT to fully-leverage available federal funds, and provide a long-overdue funding increase for City and County roadway and bridge improvements.

Expanding the Local Option Tourism Tax to All MT Communities (not just those that generate a certain percentage of their revenues from tourism)

The Montana Office of Tourism and Business Development estimates that over 11 million non-resident visitors spend nearly \$4 billion during their travels across our state each year. This is a significant part of our statewide economy, but the economic benefits are not widely spread, and in fact the impacts on locally-funded infrastructure may at times outweigh the local gains in economic activity. With the exception of a gas tax and a “bed tax,” only a small number of qualified communities are entitled to tap this revenue stream directly through a resort tax. With an emphasis on local control, each community should be empowered to decide whether a local tourism tax is appropriate in their area. This would simply allow local jurisdictions the option to tax luxury items and capture revenue from tourism, reduce financial burdens on local taxpayers, and provide much-needed local monies for lagging infrastructure investment.

Enhancing Infrastructure Assistance through the Coal Tax Trust Fund and Reversing TSEP Sunset

The Treasure State Endowment Program (TSEP) was established in 1992, and is designed to help address the “affordability” of local infrastructure projects by providing grants that can help leverage other state and federal monies, loans, bonds and/or other local financing. Up until this summer, TSEP received a regular flow of money through the Coal Tax Trust Fund, but that disbursement sunset in June. TSEP has been a fundamental tool for local governments as they cobble together enough funding to pursue badly needed water, sewer and bridge projects in their local communities, and that regular flow of monies must be reinstated. Beyond this, a higher level of funding should be pursued for local infrastructure, either through this proven program and modifications to the Trust disbursement formulas, or through leveraging the Trust to supply grants directly to critical infrastructure projects vetted through TSEP or other approved planning processes.

Additional Tools:

The Coalition is also developing enabling legislation to provide local governments with the ability to leverage private investment through **Public Private Partnerships** (P3s). These arrangements allow infrastructure owner/operators to contract with private partners for the construction, operation and/or maintenance of revenue-generating facilities. However, certain private entities such as telecom providers, may be opposed to this concept.

The Coalition will also support a reasonable and balanced **Bonding Bill** to advance deserving projects that are not immediately benefited by the above proposals, but which are identified by Montana taxpayers as a priority for investment. While we will not independently develop a project-specific Bonding Bill, the Coalition will engage in the dialogue regarding the types of projects and the mix of cash and bonds that our membership feels is most appropriate.

The Coalition is also expected to support a **user fee for electric and hybrid vehicle drivers**.

Melissa

November 15, 2016

Contact: Executive Director, Darryl James
406.441.9100 | darryl@jamesconsult.com

FOR IMMEDIATE RELEASE: Montana Infrastructure Coalition Adopts Legislative Package

At their recent membership meeting, the Montana Infrastructure Coalition adopted a package of tools to address the declining condition of our most critical infrastructure, including consistent funding mechanisms for roads, bridges, water and sewer projects.

Infrastructure Coalition Executive Director, Darryl James, says “Montana hasn’t adjusted our revenue tools and infrastructure funding formulas in decades, and we are unable to keep pace with growing physical and regulatory demands. Our goal as a Coalition is to identify sustainable funding for the essential infrastructure required to build and maintain healthy communities and a robust economy.”

The Infrastructure Coalition package includes the following major components:

Fuel Tax Increase:

With a \$0.10 per gallon increase in the fuel tax and additional adjustments in the fuel tax revenue distribution formula, Montana can fully leverage available federal highway funds, and provide a long-overdue funding increase for City and County roadway and bridge improvements.

Local Option Tourism Tax:

With an emphasis on local control, each community would be empowered to decide whether a local tourism tax is appropriate in their area. This tool requires local voter approval and re-approval upon a mandatory sunset, applicability to a limited range of luxury items, at least five percent of the revenue returned to local residents through property tax relief, and a commitment of revenue to be invested in infrastructure.

Enhancing Infrastructure Assistance through the Coal Tax Trust Fund:

The Legislature has struggled in recent years with issuing bonds for infrastructure that are backed by the General Fund. As an alternative, the Coalition proposes that the Coal Trust be capped at \$1 billion and new revenues used to back bonds issued specifically for vetted and prioritized infrastructure projects, such as those that might qualify for the Treasure State Endowment Program.

Additional Tools:

The Coalition is developing enabling legislation to provide local governments with the ability to leverage private investment through **Public Private Partnerships** (P3s), and will also support a reasonable and balanced **Bonding Bill** focused on critical infrastructure needs across the state.

“The Infrastructure Coalition looks forward to collaborating with the new legislative leadership and the Bullock Administration to develop this new approach, but what we know now is that the status quo isn’t working, and we simply must start taking incremental steps towards addressing a problem that isn’t going away and isn’t getting any smaller,” said Mr. James.

About the Montana Infrastructure Coalition

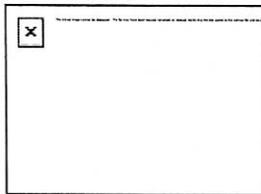
The Montana Infrastructure Coalition is an association of over 70 public and private organizations involved in the design, construction, finance, operation and maintenance of our most critical infrastructure in Montana. The purpose of this Coalition is to help change public policy and improve the manner in which State and local governments build and maintain these essential community assets.

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Lori Stratton

From: Lori Stratton
Sent: Thursday, November 17, 2016 9:41 AM
To: Lori Stratton
Subject: FW: Shelby's 1st Annual Coyote Classic
Attachments: image001.jpg

From: Audie <shelbycoc@3rivers.net>
Date: November 17, 2016 at 9:36:21 AM MST
To: Audie <shelbycoc@3rivers.net>
Subject: Shelby's 1st Annual Coyote Classic



1st Annual Coyote Classic

Boys/Girls Basketball Tournament

Basketball is coming to Shelby! Shelby High School, in partnership with the Shelby Tourism Business Improvement District is sponsoring an 8-team boys and girls varsity and junior varsity basketball tournament here in Shelby, December 9th and 10th. Perennial powerhouse teams from Missoula Loyola, Big Fork, Belt, Florence, Shepherd, Libby, Big Fork and Malta will be here for the 1st Annual Coyote Classic! Varsity and JV boys and girls teams will be playing at Shelby High as well as Shelby Elementary during the 2-day event.

We hope you might be interested in showing your support for this great event for Shelby. A tournament program will be printed and we would like to invite you to assist in sponsoring this. For a small fee of \$10.00, we will list you as a tournament sponsor. We will also list your individual/company name on the banner that will be displayed at Shelby High during the tournament.

If you are interested, please send your \$10.00 payment to SHS ~ Coyote Classic, 1001 Valley Street by Monday, November 28th. Your support is vital in welcoming these schools, their families and basketball fans to our home.
See you all at the 1st Annual Coyote Classic!

Shelby High School
Shelby Tourism Business Improvement District

Lorette Carter
City of Shelby
112 1st St. South
Shelby, MT 59474

OFFICE OF THE GOVERNOR

2019 BIENNIUM BUDGET

Governor Steve Bullock
Lieutenant Governor Mike Cooney



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

2019 BIENNIUM BUDGET

Governor Bullock's budget emphasizes six main priority areas:

- ✓ Fiscal Responsibility
- ✓ Infrastructure Investment
- ✓ Job Creation and Business Incentives
- ✓ Educational Opportunity
- ✓ Tax Fairness for Montana Businesses
- ✓ Caring for Montana Families and Children

GOVERNOR BULLOCK WILL CONTINUE TO INSIST ON A FISCALLY RESPONSIBLE BUDGET

- ✓ The General Fund should have a \$300 million ending fund balance on June 30, 2019.
- ✓ The General Fund budget should have a structural surplus – that we spend less than we project taking in.
- ✓ Legislation should follow the same fiscal standards as the Executive branch to gain Executive support.

Key Contacts for 2019 Biennium Budget

Budget Director Dan Villa
Deputy Budget Director Amy Sassano
Assistant Budget Director Ryan Evans

Lead Budget Analysts Nancy Hall, Pat Sullivan, Brent Doig, Christine Hultin, and Gerry Murphy

Senior Budget Analysts Sonia Powell, Brian Hannan, Malissa Williams, Cynthia Hollimon, Errolyn Lantz

Revenue Analysts Ralph Franklin and Christopher Watson

(406) 444-3616

FISCAL RESPONSIBILITY

Funding Priorities While Living within Our Means

Governor Bullock proposes a budget that is a reflection of Montana values. Montanans expect state leaders to make responsible decisions about state finances while investing in areas that help grow the state's economy and create good-paying jobs for our friends, families, and neighbors.

Like families all across this state do with their own finances, Montanans expect government to live within its means. First and foremost, the proposed budget ensures government does not spend more than it brings in and maintains a meaningful rainy day fund. More than just that, the budget funds core essential services and makes necessary investments in infrastructure, tax credits for businesses to invest in new equipment and hard-working middle-class Montanans, and education. Savings, transfers, efficiencies, and cuts are used to make these critical investments and to restore our state's rainy day fund.

INFRASTRUCTURE INVESTMENT

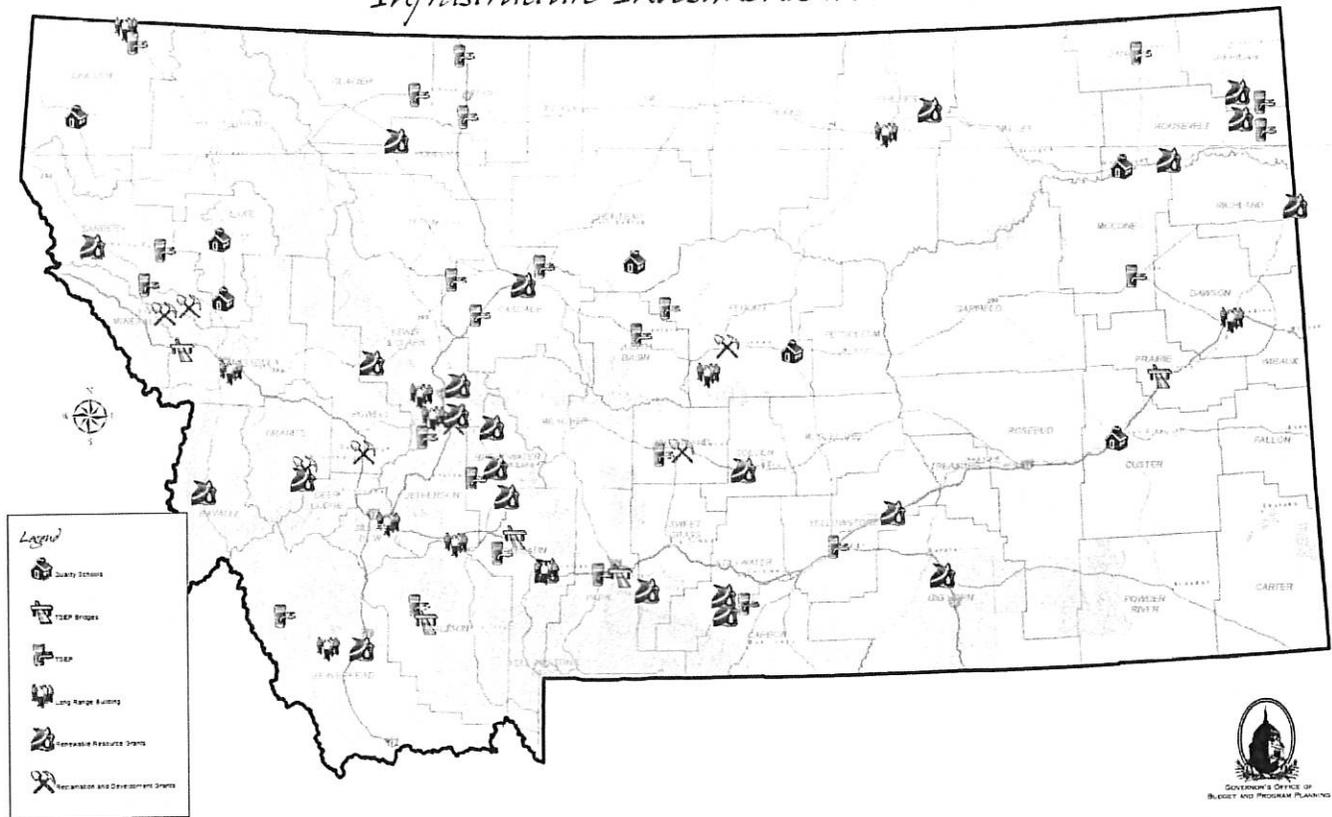
Building Montana Now and for Future Generations

Governor Bullock proposes a \$292 million investment in infrastructure financed through a responsible mix of cash and bonds and the creation of the Build Montana Trust. The Legislation includes Long-Range Building, the Treasure State Endowment Program, Renewable Resource Grants, Resource Development Grants, Quality Schools program investments, and direct loans and grants to local governments.

Further, Governor Bullock proposes a long-term solution to Montana's infrastructure funding through the Build Montana Trust. This fund will direct coal severance tax revenues into a new subtrust within the coal tax trust fund to finance infrastructure investments for future generations of Montanans.

INFRASTRUCTURE INVESTMENT

Infrastructure Investments in Montana



JOB CREATION AND BUSINESS INCENTIVES

Spurring Business Growth and Job Creation Across the State

Governor Bullock proposes new business incentives to help individual businesses capitalize on a positive business climate in the state. These proposals support the creation of new good-paying jobs for Montanans by incentivizing new and expanding businesses to invest in new equipment and increase career and earning opportunities for Montanans by incentivizing businesses to hire workers and provide on-the-job training.

Governor Bullock also proposes a \$1,000 tax credit for every position hired where the worker is offered structured on-the-job training, boosting Montana workers' earning potential immediately while they learn the skills of their vocation and over the lifetime of their career. Given that Montana leads the nation in military service, this tax credit will double (\$2,000) for every veteran hired into a recognized apprenticeship program.

In an effort to maintain and bolster Montana's \$6 billion outdoor recreation economy and the 64,000 jobs it supports, Governor Bullock proposes the creation of the Office of Outdoor Recreation. The Office will be housed in the Governor's Office of Economic Development and will promote economic development by coordinating with outdoor recreation stakeholders, improving workforce development and economic opportunities and working with outdoor recreation businesses to expand and relocate to Montana.

EDUCATIONAL OPPORTUNITY

Continuing Historic Investments in Education and the Future Leaders of Montana

Governor Bullock believes public education is a great equalizer that gives every Montana student the opportunity to succeed. Montanans – just like those in 45 states around the country - know that high-quality early childhood education experiences positively impact a community's economic development opportunities and set the stage for a child's success in school and in life. Governor Bullock proposes increased access to high-quality preschool for four-year-olds with a \$12 million investment in our earliest learners as well as a \$2.4 million investment in the successful Stars to Quality program. Grants will be available to public schools, Head Start programs and community-based providers to create or expand services for at-risk children.

Governor Bullock has worked with the Legislature to ensure historic investments in K-12 education, including a 25% increase over the last four years. Governor Bullock proposes to increase K-12 education by a total of \$30.0 million over the biennium. The Executive is also proposing additional investments in K-12 infrastructure, with \$5.4 million proposed in Quality Schools grants and using Timber for Technology funds as a match for local school districts to enhance their broadband capacity.

TAX FAIRNESS FOR MONTANA BUSINESSES

Modernizing Montana's Tax System to Ensure Fairness for All Montanans

Montana continues to be ranked among the fairest tax systems in the country (Tax Foundation, 2016 Business Tax Climate Index). But parts of Montana's tax system are antiquated and unfair to hard-working middle-class Montana families. Governor Bullock proposes to make Montana's tax system more fair by making Main Street Montana businesses competitive with large national and international corporations and leveling the playing field for lower-income Montana families.

Governor Bullock proposes that for the first five years of operation, 75 percent of a new or expanding business' property tax obligations be waived. The savings achieved through this proposal will allow businesses to create more jobs and pay higher wages. Governor Bullock also proposes to implement an expanded income tax credit for working Montanans and to close loopholes on excess revenue from non-working income, a new tax bracket for income over \$500,000 per year, and modest consumption taxes.

CARING FOR MONTANA FAMILIES

Increasing Access to and Quality of Healthcare Through Innovative Collaborations

During a time when partisan gridlock is paralyzing much of the nation, in Montana Governor Bullock and the Legislature have made record investments in mental health services all across the state – including crisis intervention, youth mental health, short-term patient care and emergency detention. And thanks to the bipartisan HELP Act, more working Montanans have access to the healthcare they need. But when it comes to Montanans health and wellbeing – both physical and mental – there is always more work to do.

Governor Bullock proposes enhanced investments that will keep more seniors in their homes, devote more resources to youth suicide prevention, and increase funding for the Child and Family Services Division consistent with the recommendations of the Protect Montana Kids Commission,

LEGISLATIVE HIGHLIGHTS WITH FISCAL IMPACTS

HB2 - General Appropriations Act: Governor Bullock proposes expenditures decrease by \$8.776 million in FY2018 and increase by \$44.017 million in FY2019, for a biennial spending increase of 1.4%.

HB3 - Supplemental Appropriations: Governor Bullock proposes supplemental appropriations for the Department of Corrections, Montana University System, Office of Public Instruction and authority for Coal Board grants.

HBs 5, 6, 7, 8, 11, & 14 - Build Montana and the Build Montana Trust: Governor Bullock proposes \$292,913,801 in infrastructure investment through the Treasure State Endowment Program, Renewable Resource Grants and Loans Program, Resource Development Grant Program, Quality Schools Grant Program, Long Range Building Program, and direct loans and grants to local governments. Projects include the Southwest Montana Veterans Home, Romney Hall, Betty Babcock Museum, direct loans or grants for local projects. The Executive additionally proposes to create a Build Montana Trust within the Coal Tax Trust to provide for long-term funding for infrastructure.

HB13 - State Employee Pay Plan: The Administration has bargained a modest 1% pay increase on November 15, 2018 and again on November 15, 2019. There is no increase in state share of employee health insurance coverage requested.

Incentivizing Investing in Working Montanans, Quality Jobs, and New or Expanding Businesses: Governor Bullock proposes to create an employer tax credit of \$1,000 for each new apprentice hired, and \$2,000 if the apprentice is a veteran; create a Montana earned income tax credit of up to 3% of the federal earned income tax credit; and increase the tax abatement for new or expanding businesses to 75% for the first five years.

Tax Fairness for Small Businesses and Middle Class Montanans: Governor Bullock proposes to eliminate the capital gains credit for gains over \$1,000,000 in any one year, require international and out-of-state corporations pay the same taxes as Montana businesses, and apply tobacco taxes to vapor cigarettes.

Historic Investments in K-12: Governor Bullock proposes increasing K-12 Base Aid, per Average Number Belonging and At Risk payments. Further, Governor Bullock proposes to increase special education payments and to leverage Timber for Technology funds for the biennium to match with federal E-Rate funding garnering up to an additional \$8 million. Finally, the Executive proposes to repeal the NRD, Data for Achievement, and excess oil and gas payments as well as to revise unusual enrollment provisions. To help compensate for the revenue reductions, the legislation also directs the Office of Public Instruction to reduce paperwork and reporting on K-12 school districts.

Keeping Seniors in Their Homes: Governor Bullock proposes to double the investment in the Area Agencies on Aging as well as invest funds in the the home respite care program.

Youth Suicide Prevention: Governor Bullock proposes investing \$1 million in new funds to help address the youth suicide epidemic in Montana.

Implementing Montana's Energy Blueprint: Governor Bullock proposes four measures to implement Montana's energy blueprint including creating a grant program for energy efficiency funding by eliminating existing tax credits, revising the Montana Facility Siting Act to be more efficient, allowing for Property-Assessed Clean Energy (PACE) programs, and revising the state's renewable energy portfolio to incentivize expansion of hydro electricity production. Governor Bullock also proposes an investment in the joint Montana-Wyoming Integrated Testing Center for carbon sequestration and incentivizing commercialization of technologies to use coal in less carbon-intensive matters.

Establish the Office of Outdoor Recreation: As part of the Governor's Office of Economic Development, Governor Bullock proposes to create the Office of Outdoor Recreation. The Director will be charged with coordinating and enhancing Montana's burgeoning outdoor and recreation economic sector.

Investing in Montana's Youngest Learners: Governor Bullock proposes to increase access to high-quality preschool for four-year-olds with a \$12 million investment in our earliest learners through grants and \$2.4 million in the successful Stars to Quality program. Grants will be available to public schools, Head Start programs and community-based providers to create or expand services for at-risk children.