



City Commission Agenda

for

July 7, 2009

Please Note: The City Commission agenda format allows citizens to speak on each issue prior to Commission action. We encourage your participation. Please keep your remarks concise and to the topic under consideration.

CALL TO ORDER: 7:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENTATIONS

Great Falls Lions Club Family FunFest

NEIGHBORHOOD COUNCILS

1. Miscellaneous reports and announcements.

PUBLIC HEARINGS

2. Ord. 3034, To Add Provisions for Wind-Powered Electricity Systems to the Land Development Code. Action: Conduct public hearing and adopt or deny Ord. 3034. *(Presented by: Bill Walters)*
3. Res. 9833, to Re-Crete a Business Improvement District within the City of Great Falls. Action: Conduct public hearing and adopt or deny Res. 9833. *(Presented by: Coleen Balzarini)*

OLD BUSINESS

NEW BUSINESS

4. Labor Agreement with Great Falls Police Protective Association. Action: Approve or deny Agreement. *(Presented by: Greg Doyon)*
5. Energy Consultant Contract. Engages Burns and McDonnell to perform a comprehensive review of Electric City Power. Action: Approve or deny award. *(Presented by: Greg Doyon)*
6. Application to Montana Department of Natural Resources and Conservation (DNRC) Modifying the City's Water Reservation 41K 71890. Authorizes Water Rights Solutions to prepare and submit the application to the DNRC. Action: Approve or deny request. *(Presented by: Coleen Balzarini)*

ORDINANCES/RESOLUTIONS

7. Ord. 3038, Assign City Zoning to a tract of land located at the northwest corner of the intersection of River Drive North and 52nd Street North. Assigns zoning classification of I-2 Heavy industrial district. Action: Accept Ord. 3038 on first reading and set public hearing for August 4, 2009. *(Presented by: Bill Walters)*
8. Res. 9837, Authorizing the loan agreement with the Montana Board of Investments for \$20,516 to fund the installation cost of five (5) City-owned street lights in Water Tower Park Addition. Action: Adopt or deny Res. 9837. *(Presented by: Coleen Balzarini)*

9. Res. 9842, Resolution relating to \$750,000 Water System Revenue Bonds (DNRC Drinking Water State Revolving Loan Programs), consisting of \$416,300 subordinate lien taxable Series 2009A Bond and \$333,700 Series 2009 B Bond; Authorizing the issuance and fixing the terms and conditions thereof. Action: Adopt or deny Res. 9842. **(Presented by: Coleen Balzarini)**
10. Res. 9845, Establish Nationwide Retirement Solutions as an alternative Deferred Compensation Plan. Action: Adopt or deny Res. 9845. **(Presented by: Greg Doyon)**

CONSENT AGENDA *The Consent Agenda is made up of routine day-to-day items that require Commission action. Items may be pulled from the Consent Agenda for separate discussion/vote by any Commissioner.*

11. Minutes, June 16, 2009, Commission meeting.
12. Total Expenditures of \$4,884,738 for the period of June 11-30, 2009, to include claims over \$5000, in the amount of \$4,463,189.
13. Contracts list.
14. Set public hearing for July 21, 2009, on Res. 9838, Intent to Increase Property Tax and Res. 9839, Annual Budget Resolution.
15. Approve Change Order No. 1 for the Wastewater Treatment Re-Roof Projects to Treasure State Roofing in the amount of \$8,425.
16. Postpone construction contract for the 2009 CDBG Handicap Ramps until July 21, 2009.
17. Postpone construction contract for the 2009 CDBG Sidewalk Replacement until July 21, 2009.
18. Approve Water Meter Equipment Purchase for FY 2010 to Dana Kepner Co. of Billings in an amount not to exceed \$270,000.
19. Approve Final Payment for the North Park Sewer Lift Station #27 Replacement to Dick Anderson Construction, Inc. and the State Miscellaneous Tax Fund in the amount of \$10,975.

Action: Approve Consent Agenda or remove items for further discussion and approve remaining items.

BOARDS & COMMISSIONS

20. Preliminary Amended Plat of Lot 3, Twilite Theater Tracts, located along the north side of Smelter Avenue between Division Road and 4th Street NE. Subdivides Lot 3 into eight smaller lots. Action: Approve or deny Plat and accompanying Findings of Fact. **(Presented by: Bill Walters)**
21. Miscellaneous reports and announcements.

CITY MANAGER

22. Miscellaneous reports and announcements.

PETITIONS AND COMMUNICATIONS *(Public comment on any matter that is not on the agenda of the meeting and that is within the jurisdiction of the City Commission. Please keep your remarks to a maximum of 5 minutes)*

23. Miscellaneous reports and announcements.

CITY COMMISSION

24. Miscellaneous reports and announcements.

MOTION TO ADJOURN



Item: Public Hearing - Ordinance 3034 to add provisions for Wind-powered Electricity Systems to the Land Development Code

From: Bill Walters, Interim Planning Director

Initiated By: City Staff

Presented By: Bill Walters, Interim Planning Director

Action Requested: City Commission adopt Ordinance 3034.

Public Hearing:

1. Mayor conducts public hearing, calling three times each for opponents and proponents.
2. Mayor closes public hearing and asks the will of the Commission.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Ordinance 3034.”

2. Mayor calls for a second, discussion, and calls the vote.
-

City Zoning Commission Recommendation: The City Zoning Commission, at the conclusion of a public hearing held March 10, 2009, unanimously passed a motion recommending the City Commission adopt the ordinance (3034) to amend the Land Development Code to permit certain types of wind-powered electricity systems within the City subject to compliance with specified standards and conditions.

Background: As interest and inquiries are increasing regarding wind turbines, ranging in size from the one recently approved through the conditional use process for MSU COT to smaller units that can be mounted on residential rooftops, Staff has drafted amendments to the Land Development Code which will permit certain types of wind-powered electricity systems in all zoning districts, subject to compliance with specified standards and conditions.

In preparing the attached material, Staff started with a ‘wind-powered generator’ ordinance that the City adopted in October, 2001, and upgraded it based upon review of recent publications on the subject, codes from other communities and input from local individuals to date.

A significant factor that influences energy production associated with wind-powered electricity systems is the speed and consistency of the wind. Variations in topography and obstructions such as buildings and trees slow the wind and add turbulence near the ground. Therefore, adequate height is a critical factor in wind-powered electricity system effectiveness. In order to function well, the lowest part of systems with rotor blades must be a minimum of 25 to 35 feet higher than surrounding obstructions.

Ordinance 3034 essentially allows small wind-powered electricity systems (up to 10 kW and 80 feet in height) as accessory uses in all residential zoning districts and systems (up to 100kW and 125 feet in height) in all other zoning districts subject to setback and other standards. The proposed minimum setbacks of 110% of the tower height for systems 80 feet or less in height and 200% of the tower height of systems more than 80 feet in height are reasonable requirements. Structure failure in wind-powered electricity systems is extremely unlikely. Systems are installed on engineered towers and poles and rooftop models must be installed on structures that are engineered to accommodate the additional weight and stress. Even so, such setbacks of 1.1 to 2 times the tower height address a range of potential impacts including safety, noise, and aesthetics, and can give neighbors peace of mind. Based upon the proposed standards, a standalone 60-foot tall wind-powered electricity system would require a minimum 66 foot (110% x 60ft) setback from any property line. With the vast majority of the lots in the City being less than 80 feet in width, they would be precluded from accommodating such a system. A standalone wind-powered electricity system placed on a typical 50-foot wide lot could not be more than 22.7 feet in height.

Opinions vary widely about whether wind-powered electricity systems are attractive, based largely on personal taste. And there are a variety of different wind-powered electricity systems as is evident from reviewing the attached photo collage. Some would be considered rather innocuous and appear more like ornamental art instead of an energy producing system. However, most systems are usually quite visible because they must be placed high enough to access good wind. The community has to decide if the aesthetic impact is serious enough to enforce height standards that would compromise a system's functionality. The appearance of a turbine is an aesthetic issue which staff has attempted to address through the color, signs and lighting provisions in the attached ordinance.

Noise generated by a wind-powered electricity system is often a first concern of neighbors. Small systems that would be used in a residential setting (up to 10kW) can be compared to a flag flapping in the wind. To further illustrate, the noise level measured 50 feet away from a wind-powered electricity system (up to 10kW) on an 80-foot tower is approximately 45 decibels which is under the maximum 50 decibel limitation in residential areas stipulated by the City's noise ordinance. Of course, the greater the distance between the listener and the turbine, the less the noise level. Off-property noise intrusion from a residential turbine system is typically very limited. The slow-spinning blades on large wind-powered electricity systems can cause thumping vibrating acoustical effects. Faster rotating, smaller systems do not cause the same effects.

Following are some comparative figures for energy production associated with wind turbines.

- ◆ Typical residential roof mounted unit will generate about 500W or .5kW.
- ◆ Models used by Cascade County at its new County shop Complex and to be built at MSU COT are rated about 50kW with an approximate height of 120 feet.
- ◆ The six United Materials' turbines west of International Airport are each rated 1.5mW or 1500kW with a height of about 220 feet.
- ◆ 1mW will power 250 – 300 homes.

During the Public Hearing before the Zoning Commission on March 10, 2009, Mr. Ken Thornton, 31 Paradise Lane, spoke as a proponent, Mr. Joe McMahon, 3121 2nd Avenue South, spoke as an opponent, and Mr. Ronald Gessaman, 1006 36th Avenue NE, spoke under public comment. A copy of the Minutes of the Zoning Commission Public Hearing are attached.

Concurrences: Other City Departments including Public Works, Community Development, and Administration have been involved in the drafting of Ordinance 3034.

Fiscal Impact: Adoption of Ordinance 3034 allowing certain types of wind-powered electricity systems subject to specific standards could eventually result in energy cost savings for the user/owner of the systems.

Alternatives: The City Commission could deny Ordinance 3034 or amend the Ordinance before adopting it or if there are justifiable reasons, continue the hearing to a specific date or close the hearing and take the Ordinance under advisement.

Attachments/Exhibits:

Ordinance 3034

Photo Collage of wind-powered electricity systems (3 pages)

Examples of Minimum Setbacks based upon tower height

Minutes of Zoning Commission Public Hearing held March 10, 2009

ORDINANCE 3034

AN ORDINANCE AMENDING THE LAND DEVELOPMENT CODE
TO GOVERN WIND-POWERED ELECTRICITY SYSTEMS AS AN
ACCESSORY USE SUBJECT TO SPECIFIC STANDARDS AND
ADDING NEW DEFINITIONS FOR WIND-POWERED SYSTEMS

* * * * *

WHEREAS, the City of Great Falls Land Development Code allows wind-powered generators in all zoning districts through a conditional use process, but lacks standards for the erection and operation of such generators; and,

WHEREAS, the City of Great Falls desires to establish standards for the erection and operation of wind-powered systems within the City limits of Great Falls, Montana; and,

WHEREAS, the City of Great Falls further desires to allow wind-powered systems as an accessory use in all zoning districts; and,

WHEREAS, the City of Great Falls Planning Board/Zoning Commission has held a public hearing and has recommended standards for wind-powered systems so as to protect the public health and safety; and,

WHEREAS, notice of amending the Land Development Code to add provisions for wind-powered systems was published in the Great Falls Tribune, advising that a public hearing on these proposed amendments would be held on the 7th day of July, 2009, before final passage of said Ordinance herein.

NOW THEREFORE, BE IT ORDAINED BY THE COMMISSION OF THE CITY OF GREAT FALLS, STATE OF MONTANA:

Section 1. Exhibit 20-2 of Chapter 20 of the Land Development Code is hereby amended to add wind-powered systems as accessory uses permitted in all zoning districts.

Section 2. That new definitions for wind-powered systems as presented in attached Exhibit "A", Paragraph A. are hereby added to Section 17.8.120 General definitions and Appendix F Land Use Definitions of the Land Development Code.

Section 3. That a new Section 17.20.7.110 is hereby added to the Land Development Code providing specific standards for wind-powered systems as presented in attached Exhibit "A", Paragraphs B. through K.

Section 4. That the term "wind turbines" shall be deleted from the definition of "Utility installation" as contained in Section 17.8.120 General definitions and Appendix F Land Use Definitions of the Land Development Code.

Section 5. It is determined that the herein proposed zoning amendments will meet the criteria and guidelines cited in Section 76-2-304 Montana Code Annotated, and Section 17.16.40.030 of the Unified Land Development Code of the City of Great Falls.

Section 6. All Ordinances and parts of Ordinances in conflict herewith, are hereby repealed.

Section 7. This ordinance shall be in full force and effect thirty (30) days after its passage and adoption by the City Commission.

APPROVED by the City Commission on first reading June 16, 2009.

PASSED, APPROVED AND ADOPTED by the City Commission of the City of Great Falls, Montana, on second reading July 21, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

State of Montana)
County of Cascade : ss.
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do certify that I did post as required by law and as prescribed and directed by the Commission, Ordinance 3034 in three conspicuous places within the limits of said City to-wit:

On the Bulletin Board, first floor, Civic Center Building;
On the Bulletin Board, first floor, Cascade County Court House;
On the Bulletin Board, Great Falls Public Library

Lisa Kunz, City Clerk

(CITY SEAL)

EXHIBIT A

17.20.7.110 Wind-powered electricity systems

A. Definitions.

- 1) **Small wind-powered electricity systems** have a rated capacity of up to and including 100 kilowatts (kW) and are incidental and subordinate to a permitted use on the same parcel. A system is considered a small wind-powered electricity system only if it supplies electrical power solely for on-site use, except that when a parcel on which the system is installed also receives electrical power supplied by a utility company, excess electrical power generated and not presently needed for on-site use may be used by the utility company as may be governed by applicable state statutes.
- 2) **Large wind-powered electricity systems** have a rated capacity of over 100 kilowatts (kW) and are intended to produce electricity for use on-site and/or sale to a rate regulated utility company or other off-site provider of electric power. Such systems may also be termed as “commercial wind-powered electricity systems”.
- 3) **Tower height** means the vertical measurement from the base of the tower to the top of the tower itself or the tip of the highest piece of equipment attached thereto. In the case of building-mounted towers the height of the tower does not include the height of the building on which it is mounted.

B. Siting. Small wind-powered electricity systems are allowed as accessory uses in all zoning districts provided the following standards are met:

- 1) In residential districts (R-1, R-2, R-3, R-5, R-6, R-9, and R-10), wind-powered electricity systems rated up to and including 10 kW are allowed. The maximum height shall be eighty (80) feet, as measured from finished ground level to the top of the tower system, which includes the generating unit and the highest vertical extent of any blades or rotors.
- 2) In all other districts (C-1, C-2, C-3, C-4, C-5, M-1, M-2, POS, PLI, IA, I-1, and I-2), wind-powered electricity systems up to and including 100 kW are allowed. The maximum height shall be one-hundred and twenty-five (125) feet, as measured from finished ground level to the top of the tower system, which includes the generating unit and the highest vertical extent of any blades or rotors.
- 3) On parcels greater than one acre in size, except within residential districts, wind-powered electricity systems up to and including 100 kW are also allowed as a primary use provided all other applicable provisions of this section are met.

C. Minimum Setback Requirement.

Minimum setback from any property line for wind-powered electricity systems 80 feet or less in height above the ground shall be 110% of the tower height (i.e. $110\% \times \text{tower height} = \text{minimum setback}$). Minimum setback from any property line for wind-powered electricity systems more than 80 feet in height above the ground shall be 200% of the tower height (i.e. $200\% \times \text{tower height} = \text{minimum setback}$).

D. Permits. All wind-powered electricity system installations are subject to applicable building, electrical, and mechanical permits issued by the City and shall be located in compliance with any applicable Federal Aviation Administration regulations and guidelines.

E. Noise. All wind-powered electricity systems are subject to noise standards set forth in Chapter 8.56, Official Code of the City of Great Falls, and it is incumbent upon the property owner to demonstrate compliance prior to the issuance of any permits by the City.

- F. **Color.** Tower colors should have a matted or non-reflective finish and be of neutral subdued tones such as earth tones of green or brown. Gray, including naturally darkening galvanized gray, is also acceptable. Towers shall not be finished in bright or vivid colors intended to draw attention to the structure or property.
- G. **Signs.** The system tower shall not be used for signs and advertising of any kind. One sign, limited to four square feet, shall be posted at the base of the tower. The sign shall include a notice of no trespassing, a warning of high voltage, and the telephone number of the property owner/operator to call in case of emergency.
- H. **Lighting.** The system shall be unlit unless required to meet Federal Aviation Administration regulations in which case tower lighting shall be shielded or directed to the greatest extent possible to minimize the amount of light that falls onto nearby properties, particularly residences.
- I. **Anti-climbing Measures.** All tower systems with climbable features shall be enclosed by a fence or shall incorporate other effective anti climbing measures to discourage unauthorized climbing of the tower and reduce potential for trespass and injury.
- J. **Removal.** Tower systems that remain nonfunctional or inoperative for a continuous period of one year shall be deemed to be abandoned, shall constitute a public nuisance and shall be removed by the owner/operator.
- K. **Prohibited Systems.** Large or commercial wind-powered electricity systems shall not be allowed, erected, operated or maintained within the City.





Dongtan Eco-City, Shanghai,
masterplanning and engineering by Arup.



VOA Photo - C. Blumie





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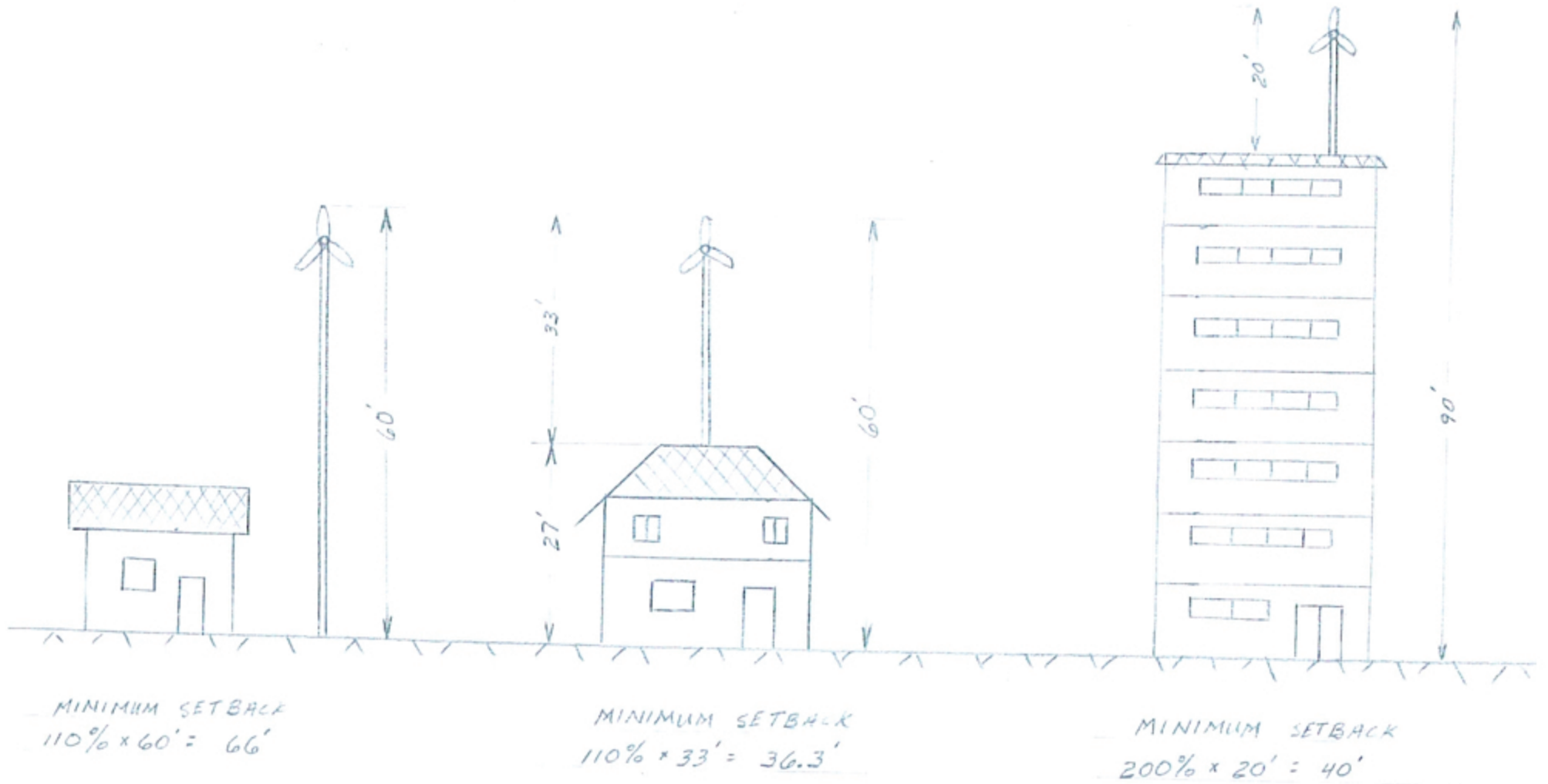
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10/16/2008



10/16/2008



GREAT FALLS ZONING COMMISSION

MINUTES OF THE PUBLIC HEARING FOR AMENDING THE LAND DEVELOPMENT CODE TO PERMIT CERTAIN TYPES OF WIND-POWERED ELECTRICITY SYSTEMS AND PROVIDING SPECIFIC STANDARDS FOR SUCH SYSTEMS

March 10, 2009

The public hearing was called to order at 3:25 p.m. in the Commission Chambers of the Civic Center by Vice Chairman Joe Schaffer.

ROLL CALL & ATTENDANCE

Zoning Commission Members present:

Mr. Michael Bates
Mr. Terry Hilgendorf
Mr. Ron Kinder
Mr. Bill Roberts
Mr. Joe Schaffer
Mr. Wyman Taylor

Zoning Commission Members absent:

Mr. Art Bundtrock
Ms. Danna Duffy
Mr. John Harding

Planning Staff Members present:

Mr. Andrew Finch, Senior Transportation Planner
Ms. Deb McNeese, Administrative Assistant
Mr. Charlie Sheets, Planner I
Mr. Bill Walters, Interim Planning Director

Others present:

Mr. Bill Bronson, City Commissioner
Mr. Dave Dobbs, City Engineer
Ms. Mary Jolley, City Commissioner
Mr. John Rosenbaum, City Commissioner

A copy of the attendance list, as signed by those present, is attached and incorporated by reference.

EXPLANATION OF HEARING PROCEDURES

Mr. Schaffer advised that agendas are available on the table at the back of the room and the agenda will be followed. He requested that everyone present sign the attendance list, which was also on the table. There will be an opportunity for proponents and opponents to speak. Mr. Schaffer asked those intending to speak to come to the rostrum, state their name, address and whom they represent. He requested remarks be on the subject before the Board at this hearing and be limited to a reasonable length of time to allow everyone equal opportunity to speak. The Chairman reserves the right to determine reasonable time. The hearing is recorded on tape as an aid in preparing minutes. He asked that cell phones and electronic devices be turned off.

READING OF PUBLIC NOTICE

As there was no response to Mr. Schaffer's question on whether anyone present wished to have the public notice read, the public notice was not read.

PLANNING STAFF REPORT & RECOMMENDATION

After reviewing the staff report and recommendation, Mr. Walters said he would be glad to respond to any questions from the Board. He added that because some folks do not support wind power in urban residential areas and others believe new standards may be too restrictive, he hopes that some consensus can be arrived at in order to allow this draft ordinance to move forward. He reminded the Board that should issues and/or questions arise today that cannot be addressed, the Zoning Commission has the option to continue this hearing to a specific future date.

Mr. Schaffer questioned the statement that systems need the lowest part of the unit with rotor blades to be 25 to 35 feet higher than surrounding structures in order to function properly, and asked where this information was taken. Mr. Walters responded that it was stated in several publications regarding wind turbines.

PROponents OPPORTUNITY TO SPEAK

Mr. Ken Thornton, 31 Paradise Lane, plans to install wind energy in Great Falls. He shared his experience in owning and installing windmills and said that after reading through the ordinance he is happy with it. He remarked that noise levels vary with each model, and

aesthetics is in the eye of the beholder. Mr. Thornton added that the ordinance may need to be reviewed in a year or two, as wind turbine technological is rapidly advancing.

OPPONENTS OPPORTUNITY TO SPEAK

Mr. Joe McMahon, 3121 2nd Avenue South, said he is in favor of wind power, but is in opposition of the setback requirements for all four property lines. He asked if written agreements from neighboring property owners could waive the required setbacks.

Mr. Walters explained that the setback distance of 110% of tower height was used in a number of reviewed publications and ordinance standards. In the event of a mishap, it would create a clear zone 360 degrees around the tower. Mr. Walters said that the ordinance is not constructed to waive setbacks, and would spare neighboring property owners from unsafe and/or unwanted proximity to a wind tower.

OTHER PUBLIC COMMENT

Mr. Ronald Gessaman, 1006 36th Avenue NE, commented on portions of Exhibit A. He said that the state legislature uses 50 kW as the rated capacity of a "small system", while A. 2) considers systems up to 100 kW. In section B, the height requirement description is not the same as used in the recent City Commission hearing regarding the MSU COT wind turbine. Mr. Gessaman said a single definition needs to be adopted. He was not in favor of minimum setback requirements using a "stepping system", whereas an 80-foot tower would require 110% of the tower height and an 81-foot tower would require 200%. He also questioned how the "property owner must demonstrate compliance" in regard to noise standards.

ZONING COMMISSION DISCUSSION & ACTION

There followed a lengthy discussion regarding maximum height measurement standards, noise compliance, restriction of the number of towers per lot, the possibility of appearance being controlled by the Design Review Board, and removal of inoperable systems. The consensus was to not make any amendments to the draft ordinance and forward it to the City Commission as presented.

MOTION: That the Zoning Commission recommend the City Commission adopt the ordinance to amend the Land Development Code to permit certain types of wind-powered electricity systems within the City, subject to compliance with specified standards and conditions.

Made by: Mr. Hilgendorf

Minutes of the March 10, 2009

Public Hearing

Amending the Land Development Code to Permit Certain Types of Wind-Powered Electrical Systems and
Providing Specific Standards for Such Systems

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Second: Mr. Roberts

Vote: The motion carried unanimously.

Mr. Walters said the Zoning Commission's recommendation will be presented to the City Commission, with the possibility of the initial consideration in April and a public hearing in May.

ADJOURNMENT

The hearing adjourned at 4:12 p.m.

CHAIRMAN

SECRETARY



Item: Resolution 9833 Resolution to re-create a Business Improvement District within the City of Great Falls

From: Martha Capps, Operations Supervisor

Initiated By: Business Improvement District Board of Directors

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: Adopt Resolution 9833

Public Hearing:

1. Mayor conducts public hearing, calling three times each for opponents and proponents.
2. Mayor closes public hearing and asks the will of the Commission.

Suggested Motion:

1. Commissioner moves:

“I move the City Commission (adopt/deny) Resolution 9833.”

2. Mayor calls for a second, discussion, and calls for the vote.
-

Staff Recommendation: Staff recommends the City Commission adopt Resolution 9833.

Background: Montana Code Annotated 7-12-1101 through 7-12-1151 provides statutory authority to the City Commission to create and appoint a board to administer a Business Improvement District (BID). Resolution 9832, Resolution of Intent to Re-Create a BID was adopted June 2, 2009 and establishes the boundaries of the District (which have not changed since the initial creation of the District in May, 1989). The notice of this public hearing was printed in the Great Falls Tribune on June 5, 2009 and June 12, 2009 and sent individually to each person, firm, corporation, or a known agent thereof, having property within the District.

The City of Great Falls has been presented with petitions signed by 72% of the owners, which exceeds the statutorily required 60%, of the area to be included in a Business Improvement District and has not received any written protests to the re-creation.

Concurrences: Representatives from Fiscal Services have been assisting the Business Improvement District Board of Directors on the re-creation process.

Fiscal Impact: No direct fiscal impacts to the City are anticipated as a result of the re-creation. All costs are assessed against the properties within the boundaries of the district.

Alternatives: The City Commission could choose to not adopt Resolution 9833

Attachments/Exhibits: Resolution 9833

Resolution 9832 is on file with the City Clerk and on the City's website
@ <http://www.greatfallsmt.net/records/resolutions/res9832.pdf>

Cc: Business Improvement District Board of Directors

Resolution 9833

**A RESOLUTION TO RE-CREATE A BUSINESS IMPROVEMENT DISTRICT WITHIN
THE CITY OF GREAT FALLS, MONTANA**

WHEREAS, the City Commission of the City of Great Falls, duly and regularly passed and adopted Resolution No. 9832 on the 2nd day of June, 2009, which Resolution of Intent to Re-Create a Business Improvement District is now on file in the office of the City Clerk and to which reference is hereby made; and

WHEREAS, the City Commission caused notice of the intent of passage of the Resolution of Intent 9832 to be published in the Great Falls Tribune, a daily newspaper published in the City of Great Falls, Montana, in the manner and form and during the period as required by law and also caused the City Clerk on the 5th day of June, 2009, that being the day of the first publication of the notice, to mail to each person, firm, corporation, or a known agent thereof, having property within the District, listed in his or her name upon the last completed assessment roll for state, county, and school district taxes, at his or her last-known address, a notice of the passage of the Resolution of Intent 9832; and in the form and manner prescribed by law,

WHEREAS, the City Commission having this day met in regular session, at the time and place fixed and mentioned in the Resolution to Intent 9832 and in said notices for a public hearing, and the passing upon protests, against the making of the proposed District therein; and the Commission having fully heard and considered all of such protests and other testimony.

WHEREAS, in accordance with 7-12-1102 MCA, the City Commission has determined that this purpose promotes the health, safety, prosperity, security and general welfare of the inhabitants of the City of Great Falls and the proposed district, the people of the State of Montana, and provides special benefit to the property located within the boundaries of said district; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE
CITY OF GREAT FALLS, MONTANA:**

Section 1. That the City Commission does hereby re-establish a Business Improvement District pursuant to Section 7-12-1101, et seq., MCA, for the purposes and with the powers provided for in State Statutes.

Section 2. The City Commission does hereby find and determine that the protests and each of them made against the creation of the District are and the same are hereby declared insufficient.

Section 3. The boundaries of the District shall be the same as described in the Resolution of Intent 9823 to which reference is hereby made for a particular description thereof.

Section 4. On Tuesday, July 7, 2009, in the City Commission Chambers, in the Civic Center, Great Falls, MT at 7:00 p.m., the City Commission conducted a public hearing to consider re-creation of the Business Improvement District. At that time, the City Commission provided any property owner, or known agent thereof, with the opportunity to comment either for or against the creation of said district, and concluded there were insufficient protest to prevent the re-creation of the District.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, July 7, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

Approved for Legal Content: City Attorney

Resolution 9832

A RESOLUTION OF INTENTION TO RE-CREATE A BUSINESS IMPROVEMENT DISTRICT WITHIN THE CITY OF GREAT FALLS, MONTANA

WHEREAS, pursuant to 7-12-1101, et seq., MCA, the City of Great Falls is authorized to create and appoint a board to administer a Business Improvement District; and,

WHEREAS, the Business Improvement District in the City of Great Falls was originally created in May 1989 and re-created July 1999; and

WHEREAS, Section 7-12-1141, MCA specifies that a Business Improvement District shall not be for a period longer than ten (10) years unless the duration of the district is extended in compliance with the provisions for the creation of the district; and

WHEREAS, in accordance with 7-12-1111 (1) MCA, the City of Great Falls has been presented with petitions signed, and on file with the City Clerk, by 72% of the owners which exceeds the statutorily required 60%, of the area of the property to be included in a Business Improvement District. The exterior boundaries of which are shown on the map attached as Exhibit "A" and as described on Exhibit "B" and which by this reference is made a part hereof; and,

WHEREAS, in accordance with 7-12-1102 MCA, the Great Falls City Commission has determined that this purpose promotes the health, safety, prosperity, security and general welfare of the inhabitants of the City of Great Falls and the proposed district, the people of the State of Montana, and provides special benefit to the property located within the boundaries of said district.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

Section 1. That the Great Falls City Commission intends to re-create and re-establish a Business Improvement District pursuant to Section 7-12-1101, et seq., MCA, for the purposes and with the powers provided for in State Statutes.

Section 2. Said Business Improvement District would have boundaries as shown on the

attached Exhibit "A" and as described on the attached Exhibit "B" which, by this reference, is made a part thereof, provided, however, that all property owned by the United States Federal Government pursuant to federal prohibition on state or local entities imposing assessments on federal government) is specifically excluded from the Business Improvement District and is exempt from its assessments.

Section 3. The City Clerk is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the Great Falls Tribune a newspaper of general circulation in Cascade County on June 5, 2009 and June 12, 2009, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to every person, firm, corporation, or the agent of such person, firm, or corporation having real property within the District listed in his or her name upon the last completed assessment roll for state, county, and school district taxes, at his or her last-known address, on or before the same day such notice is first published.

Section 4. Any owner of property liable to be assessed may make written protest against the re-creation of the district to be assessed. The protest must be in writing and must be delivered to the City Clerk, not later than 5:00 p.m. of the last day, within 15 days after the date of the first publication of the notice of the resolution of intention. The date and hours of receipt of the protest shall be endorsed thereon.

Section 5. A public hearing shall be held prior to action taken in regards to a Resolution of Creation, at 7:00 p.m. on July 7, 2009, in the City Commission Chambers, Civic Center #2 Park Drive S, Great Falls, Montana.

Section 6. In accordance with 7-12-1114 MCA, the Great Falls City Commission will proceed to hear and pass upon all protests at their regular meeting of July 7, 2009. Its decision shall be final and conclusive. The City Commission may adjourn the hearing from time to time. A protestant shall have the right to withdraw a protest at any time before final action thereon by the City Commission. No further action shall be taken upon the proposed district for 1 year if a written protest against the passage of the proposed resolution is filed by:

- (a) owners of property within the proposed district having a taxable valuation, when aggregated, representing not less than 50% of the total taxable valuation of property within the district;
- (b) not less than 50% of the owners of property within the district; or
- (c) owners of property within the proposed district having projected assessments, when aggregated, representing not less than 50% of the total projected assessments for property within the district.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, June 2, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

City of Great Falls Business Improvement District

Point of Beginning

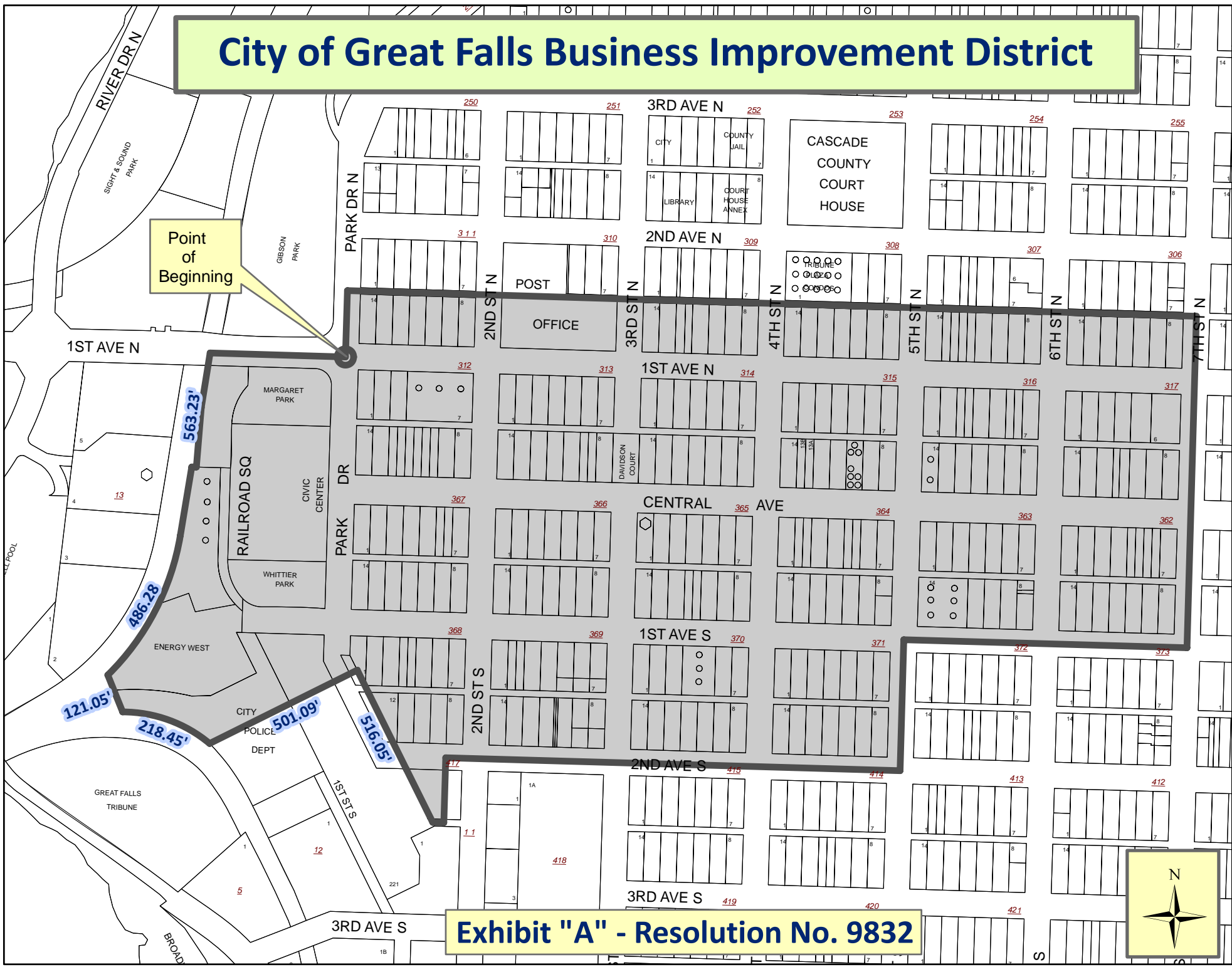
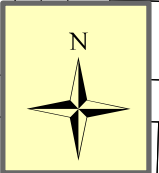


Exhibit "A" - Resolution No. 9832



City of Great Falls
Business Improvement District
Exhibit "B" Resolution No. 9832

Boundary Description

Created by City of Great Falls Mapping Department
(This is not a survey....Generated from Exhibit A of Resolution)

Point of Beginning; Beginning at the intersection of the centerline of Park Dr N and centerline of 1st Ave N;

Thence north to the intersection of the centerline of Park Dr N and the extended centerline of 2nd alley north in Block 311;
Thence east along centerline of 2nd alley north to the intersection of the centerline of 7th St N;
Thence south along centerline of 7th St S to the centerline intersection of 1st Ave S;
Thence west along centerline of 1st Ave S to the centerline intersection of 5th St S;
Thence South along centerline of 5th St S to the centerline intersection of 2nd Ave S;
Thence west along centerline of 2nd Ave S to the extended west boundary line of lot 3, Block 417;
Thence south along the west boundary line of lot 3, Block 417 to the intersection of the centerline of 3rd alley south;
Thence west to the intersection of the extended west boundary of lot 1, Block 417;
Thence northwesterly approximately 516.05 ft. to a point on the west boundary line of lot 1, Block 368;
Thence southwesterly approximately 501.09 ft. to the right of way boundary line of the BNSF Railway;
Thence approximately 218.45 ft. along a curve to the left being the right of way boundary line of the BNSF Railway;
Thence northwesterly approximately 121.05 ft. along the right of way boundary line of the BNSF Railway;
Thence along a curve to the left approximately 486.28 ft. being the right of way boundary of the BNSF Railway;
Thence northerly approximately 563.23 ft along the right of way boundary of the BNSF Railway to the intersection of the centerline of 1st Ave N;
Thence east along the centerline of 1st Ave N to the point of beginning.



Item: Labor Agreement between the City of Great Falls and the Great Falls Police Protective Association (GFPPA)

From: City Manager's Office

Initiated By: Linda Williams, Human Resources Manager

Presented By: Greg Doyon, City Manager

Action Requested: Approve Labor Agreement

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (approve/deny) the labor agreement between the City of Great Falls and the Great Falls Police Protective Association, and authorize the City Manager to execute the agreement”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends that the City Commission approve the labor agreement between the City of Great Falls and the Great Falls Police Protective Association (GFPPA).

We are pleased to report that the negotiating sessions were respectful, constructive, and completed in only two meetings. Both the City negotiating team and GFPPA lead by Master Police Officer Donny Gerhart, worked to identify key contractual issues first, present options and come to an agreement that benefits the employees and the City.

Background: The previous two-year labor agreement with GFPPA expired June 30, 2009. The terms of the proposed agreement extend the agreement for two years, from July 1, 2009 through June 30, 2011.

The goal of both parties from the onset was to ensure the City's ability to recruit and retain qualified police officers. Market competitiveness is critical when recruiting applicants who compare wages and benefits of other Montana communities. Great Falls is positioned in the middle range of other Class 1 cities. The City has endeavored to remain competitive by periodically conducting salary surveys, making adjustments when necessary, and negotiating collective bargaining agreements that have reasonable wage adjustments.

After reviewing data from other communities, the proposed agreement includes a 2.13% market adjustment for year two.

The major changes from the previous agreement include:

1. Article 8, Section 8.1, Overtime

Subsection “b” was changed to clarify when the 4 hour call back provision applies and when it does not. The 4 hour call back provision does not apply to scheduled work such as court and meetings the officer has advanced notice of that occur one hour before or after their regular shift.

Language was also added to address how an officer should be compensated when required to return to work to complete work that should have been done prior to the end of their shift. If they are notified within one-half (½) hour of leaving, their return to work will be paid as an extension of their shift. If they are notified within one hour of the end of their shift, they will be credited with a minimum of two (2) hours at straight time.

2. Article 8, Section 8.3, Court Appearance

Language was added referencing the change that was made in Section 8.1 (e). When an officer has a scheduled court appearance within one hour before or after the regular shift, it is compensated as an extension of the shift.

3. Article 9, Compensation, Section 9.1, Salaries

Effective 7/1/09, the wage schedule was increased by 3.25%. The second year increase effective 7/1/10 includes a 1.5% cost of living increase and a 2.13% market adjustment.

4. Article 10, Holidays, Section 10.2, Compensation for Working Holidays

The current language did not address how an officer should be paid when they did not work their full shift on a holiday. Language was added in a new subsection “c” that states employees will not be charged sick, vacation or compensatory time for the hours not actually worked on the holiday.

Management’s rationale for not charging for the use of that time is that it will actually save the City holiday wages by only paying the officer at the overtime wage for actual hours worked on the holiday.

5. Article 13, Family and Medical Leave (FMLA)

Article 13 outlined the Family Medical Leave Act. The detailed language was replaced with references to the City Policy Manual and other FMLA documentation.

6. Article 17, Health, Safety, Welfare and Other Insurance

The contribution rates were changed to reflect City and employee contribution amounts effective 7/1/09, which are the same for all employees. Any health insurance premium increases during the term of the agreement will be shared with the City contributing 90% of the increase and the employees contributing 10% of the increase.

7. Article 18, Allowances, Section 18.2, Lost or Stolen Personal Property

Language was modified and added to address the repair or reimbursement of department issued items as well as personal property that are damaged, destroyed, lost or stolen while in the course and scope of employment. Department issued items will be replaced at market value. Personal property will be replaced up to a maximum value of \$300 (same dollar value as previous contract), provided there was no negligence on the part of the officer. Reimbursement for eyeglasses or contact lenses will be replaced only to the extent they are not covered by the existing vision coverage of the employee health benefit plan.

8. Article 25, Terms, Amendments and Modification of Basic Agreement

The dates were changed to reflect the terms of the two-year contract, 7/1/09 – 6/30/11.

Concurrences: The GFPPA members voted to ratify the proposed agreement on June 22, 2009.

Fiscal Impact: The proposed contract provides for a 3.25% increase in wages effective 7/1/09, and a 3.63% (1.5% COLA and a 2.13% market adjustment) increase in wages effective 7/1/10. The 3.25% effective 7/1/09 is the same as the other bargaining units who have current contracts (MPEA, Fire and Crafts Council).

This is the first labor agreement settled for FY '11. Negotiations are scheduled to begin in July for the other contracts with a 6/30/09 expiration date (IBEW and Painter). The Plumbers' contract expires 12/31/09.

Health insurance rates did not increase 7/1/09. If there are increases in health insurance premiums during the term of the agreement, the increase will be shared with the City contributing 90% of the increase and the employees contributing 10% of the increase.

Attachments/Exhibits:

Proposed labor agreement between the City of Great Falls and the GFPPA
Salary Survey

A G R E E M E N T

BETWEEN

CITY OF GREAT FALLS, MONTANA

AND

GREAT FALLS POLICE PROTECTIVE ASSOCIATION

July 1, 2009 - June 30, 2011

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ARTICLE 1

DEFINITIONS

1.1 ASSOCIATION

The Great Falls Police Protective Association, or its designated representative.

1.2 BARGAINING UNIT

All sworn personnel of the Police Department of the City of Great Falls, Montana, except lieutenants, captains and the Chief of Police.

1.3 COLLECTIVE BARGAINING ACT

The Collective Bargaining for Public Employees Act, Section 39-31-101 through 39-31-409, MCA, 1979, as it exists, as of the date of this Agreement.

1.4 COMPENSATORY OR COMPENSATED TIME

The time off to which an employee, at his option, is entitled in lieu of cash payment as permitted by this Agreement.

1.5 DAY

The day for each employee shall be the twenty-four (24) hour period commencing at the beginning of his regularly-scheduled shift.

1.6 DEPARTMENT

The Municipal Police Department of the City of Great Falls, Montana.

1.7 EMPLOYEE

All members of the Bargaining Unit.

1.8 EMPLOYER

The Municipal Police Department of the City of Great Falls, Montana.

1.9 PRONOUN

Whenever used in this Agreement, each singular number or term shall include the plural, and the plural the singular, and the use of any gender shall include all genders.

1.10 SHIFT

The hours per day regularly scheduled for an employee to work.

1.11 WORK WEEK

An employee's work week shall consist of one calendar week and shall include no more than seven consecutive calendar days.

1.12 WORK DAY

In accordance with MCA 39-4-107, a period of eight (8) hours constitutes a day's work, unless specifically stated elsewhere in this contract.

ARTICLE 2

PURPOSE

In consideration of the mutual covenants herein recited, which have been established through collective bargaining procedures as provided for under Montana State statutes, this Agreement has as its purpose the promotion of harmonious relations between Employer and Association; the establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work, fringe benefits, officer safety and other conditions of employment.

ARTICLE 3

RECOGNITION

Employer recognizes Association as the sole and exclusive bargaining agent for all employees for the purposes set forth in this Agreement or in the Collective Bargaining Act.

ARTICLE 4

EMPLOYEE RIGHTS

4.1 NON-JEOPARDY AND RIGHT TO ORGANIZE

- a. It shall be the right of all employees to join and support Association for the purposes of negotiating with Employer, or its duly selected representative, with respect to the subjects of negotiation and to confer or consult on any other matters for the purpose of establishing, maintaining, protecting, and improving the standards of the Great Falls Police Department and to establish procedures which will facilitate and encourage settlement of disputes, pursuant to the Collective Bargaining Act. Employer agrees that it shall not deprive any employee of the rights conferred by this Agreement or the Collective Bargaining Act.
- b. No employee shall be discharged or discriminated against by Employer for upholding lawful Association activities.

4.2 PROTECTION OF EMPLOYEE RIGHTS

- a. Employer shall give reasonable support to employees in the discharge of their duties.
- b. No employee shall suffer any reduction in this base rate of pay or in any other benefits covered by this Agreement at the date hereof as a result of this Agreement.
- c. No employee shall be discharged or reprimanded, reduced in compensation, suspended or terminated without just cause; excluding, however, probationary employees.
- d. The Standards of the Department as of the effective date of this Agreement provides certain written policies and procedures for the commencement, receipt, handling and disposition of matters relating to discipline of employees as well as complaints against them. Matters relating to disciplinary procedures are set forth in Department Standards, "Disciplinary Procedures", encompassing Sections 590 through 596. Matters relating to complaints against employees are set forth in General Order 115 issued January 1, 1989, entitled "Complaints--Against Officers and Department", effective from and after January 1, 1989, encompassing Sections 115.01 through 115.08 inclusive of the Manual.

The Employer and Association agree that the referenced General Orders are hereby incorporated in this Agreement by this reference as if fully set forth herein and that no change may be made therein by Employer without such change first having been negotiated with and accepted by the Association.

4.3 HOLD HARMLESS

Employer shall provide insurance protection to defend and indemnify, if necessary, employees for claims, actual or alleged, made against them while acting within the course and scope of their employment, provided that such incidents, damages or acts are not caused by the willful violation of penal statutes, or acts of fraud or conduct contrary to the Manual of Department Procedures. In addition, Employer agrees to abide by all requirements of the laws of the State of Montana relating to its obligation to defend, indemnify and hold employees harmless while acting within the course and scope of their employment.

4.4 PERSONNEL FILES

- a. Employees shall have the right to review the contents of any personnel file maintained regarding them by Employer or any agent or representative of Employer. One copy of any material placed in an Employee's file shall be made available to him upon request.
- b. All items in any such file shall be identified as to source.
- c. The Employee shall have the right to answer any material filed and his answer shall

be placed in the same personnel file. The answer shall succinctly state the Employee's position and shall not be unduly lengthy or burdensome.

4.5 UNLAWFUL TERMINATION

Employer will not terminate nor separate an employee from his employment in an attempt to circumvent the provisions of this Agreement.

ARTICLE 5

ASSOCIATION RIGHTS

5.1 AFFIRMATIVE ACTION POLICY

Association agrees that this Agreement is subject to the Affirmative Action Policy of Employer and that cooperation will be given to ensure that no individuals shall be discriminated against with respect to compensation, hours or conditions of employment because of race, color, religion, sex, national origin or public assistance status.

5.2 MEMBERSHIP

All employees covered by this Agreement who are or become members of the Association on or after the effective date of this Agreement shall maintain their membership in good standing with the Association.

5.3 REPRESENTATION FEE

- a. Membership in the Association shall be separate, apart and distinct from assumption by each employee of his equal obligation to supply the financing of the cost of collective bargaining from which the employee receives benefits equal to those received by Association members. It is recognized that the Association is required both under law and under this Agreement to represent all of the employees in the bargaining unit fairly and equally without regard to whether or not an employee is a member of the Association. Inasmuch as the terms of this Agreement have been made for all employees in the bargaining unit and all employees derive benefit thereunder, each employee in the bargaining unit shall as provided in this subsection assume his fair share of the obligation along with the grant of benefits contained in this Agreement.
- b. Any employee who is not a member of the Association or who does not make application for membership within thirty (30) days from the date of his attainment of the rank of Police Officer, shall as a condition of employment, pay as a representation fee to the Association, and amount equal to the Association dues.

- 1) The Association will certify to Employer, the current rate of Association

membership dues.

- 2) Requests for initiating deductions for the personal representation fee shall be submitted on a form signed by the employee within the above-defined thirty (30) day period.
 - 3) Deductions shall be under the same conditions and schedules as the deductions for Association membership dues prescribed in Article 5.4 of this Agreement.
- c. In the event that an affected employee does not pay the representation fee directly to the Association, or authorize such payment through the payroll deduction plan, Employer, upon notification from the Association, shall immediately cause the termination of employment of such employee unless it has been established that said employee is a member of a bona fide religious sect, or division thereof, whose established and traditional tenets or teachings oppose a requirement that a member of such sect or division thereof join or financially support any labor organization.
- 1) Employees who qualify under the religious sect or division thereof classification of this section shall be governed by the provisions of MCA Section 39-31-204.
 - 2) The parties expressly agree that the failure of any employee to comply with the provisions of this article is just and reasonable cause for discharge from employment, and any employee (not otherwise exempt as allowed herein) shall be discharged for such failure upon the expiration of said thirty (30) days.
 - 3) The Association shall indemnify the City and any department of the City and hold it harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, any action taken by the City or any action taken by the City or any department of the City for the purpose of complying with the provisions of this Article.
- d. The provisions of this subsection 5.3 shall not apply to any existing employee who is not a member of the Association, but shall apply to all current members thereof and all future employees.

5.4 DUES ASSIGNMENT AND PAYROLL DEDUCTION

- a. Payroll deductions shall be made by Employer for Association membership dues and for the representation fee.
 - 1) Deductions for Association membership dues or for representation fees shall be initiated by submitting to Employer a written authorization therefor signed by each individual employee wishing to effect such deductions. Said deductions shall continue in effect from year to year pursuant to such written authorization unless revoked by written notice by the employee to Employer and to Association during the calendar month of July of any year.
 - 2) Employer shall deduct in equal installments, such dues from each regular salary check of all employees whose authorizations are on file with Employer.
 - 3) All monies deducted by Employer for Association membership dues and personal

representation fees shall be remitted to the Treasurer of the Association within five (5) working days.

5.5 ASSOCIATION BULLETIN BOARDS

Employer agrees to provide suitable space for the Association Bulletin Boards. Postings by the Association on such boards is confined to official business of the Association.

5.6 ASSOCIATION BUSINESS

Employer recognizes a negotiating committee from the Association not to exceed five (5) members and a grievance committee not to exceed one (1) member. Time spent by the negotiating committee in bargaining on terms and conditions of the contract, as well as other necessary negotiation business, shall be without loss of regularly scheduled time or pay. Discussions with the grievance committee shall also be conducted without loss of regularly scheduled time or pay.

5.7 INFORMATION

Employer recognizes the necessity for the Association to have possession of information to maintain the Agreement and prepare for negotiations.

Therefore, one (1) copy of the materials listed below will be furnished the Association by Employer at no cost within ten (10) days of the receipt of a request therefor, provided such materials are available.

- a. General fund budgets - preliminary and final.
- b. Annual report of Employer setting forth actual receipts and expenditures.
- c. Administrative regulations.
- d. Names, addresses, rank, and general payroll classification of employees in a particular rank.
- e. Any information, statistics and records relevant to negotiations, or necessary for proper enforcement of the terms of this agreement.

The Association, upon written request to Employer, shall also be furnished information or access to information that is of a public nature and is available. For such information Employer may charge the Association for the cost of preparing or providing copies thereof.

ARTICLE 6

SENIORITY AND REDUCTION IN FORCE

6.1 SENIORITY

Seniority means an employee's length of continuous service with the Department since the date of hire, and shall be computed from the date the employee began such service.

- a. To be absent from the job due to layoffs will be considered lost time for the purpose of seniority; however, in the event of reemployment under Article 6.2 of this Article, previous service shall count towards seniority.
- b. To be absent from the job due to a voluntary leave of absence without pay that exceeds fifteen (15) days will be considered lost time for the purpose of seniority unless the employee worked one hundred (100) hours or more in any calendar month(s) during which the leave occurred; however, previous service upon return to work is counted toward seniority.
- c. To be absent from the job due to involuntary active military leave will not affect seniority. Such time spent in military service will count towards seniority.
- d. Employer shall post a seniority roster on December 1 and June 1 of each year. Employees may protest their seniority designation through the grievance procedure if they have cause to believe an error has been made.
- e. Absences due to injury in the line of duty shall be considered as time worked for the purposes of determining seniority and granting of any benefits covered by this Agreement.

6.2 REDUCTION IN FORCE

- a. A Reduction in Force and the term "layoff" as used herein shall be separate and distinct from the terms resignation, retirement and dismissal, and shall mean the loss of an employee's employment with Employer which is the result of any reason other than resignation, retirement or dismissal.
- b. In the event that Employer anticipates that a layoff of employees is to take place, Employer will provide Association with written notification which will include the positions proposed to be affected, the proposed schedule of implementation, and the reasons for the layoff. Said notification shall be at least thirty (30) calendar days before the official action is to be taken. Upon Association request, Employer will make available to Association any data requested which pertains to the layoff determination. Any employee who is to be placed on layoff will be so notified in writing, by certified mail, at least thirty (30) days prior to the effective date of the layoff. The Association will be provided with a listing of the employees being notified of the layoff.
- c. Layoffs caused by Reduction in Force shall be in order of seniority; that is, the employee last hired shall be the first released.

- d. No full-time employee shall be laid off while temporary or part-time employees are servicing in the bargaining unit.
- e. All recalls to employment shall likewise be in order of seniority; that is, the last employee released as a result of a Reduction in Force shall be the first rehired, provided the employee is able to meet the physical requirements of the job. The Employer shall notify in writing such employees to return to work and furnish the Association with a copy of such notification. It shall be the employee's responsibility to maintain a current address on record with the Employer for the purpose of such notification. An employee who is notified to report to duty, but fails to notify Employer within fourteen (14) calendar days of his intention to return to work, shall be considered as having forfeited his right to reemployment.
- f. Layoffs and subsequent recall shall not be considered as a new employment affecting the status of previous employees, nor shall it require the placement of reemployed personnel in a probationary status.

ARTICLE 7

HOURS OF WORK

7.1 HOURS OF DUTY

The working year shall normally be two thousand eighty (2,080) hours. The regularly scheduled working hours for employees shall be forty (40) hours per week, except for the patrol division that presently works nine (9) and ten (10) hour shift patterns.

7.2 WORK SCHEDULE

The hours of work each day may consist of an eight (8) hour shift which will include thirty minutes for a meal and two fifteen-minute rest breaks midway through the first part of the shift and midway through the second part of the shift.

The hours of work each day may consist of a nine (9) hour shift which will include forty-five minutes for a meal and one twenty minute rest break.

The hours of work each day may consist of a ten (10) hour shift which will include sixty-five minutes for a meal and one twenty minute rest break.

7.3 SHIFT CHANGE

The City will notify an employee of a change in a normally scheduled shift as soon as possible in order to minimize any inconvenience the change may cause.

ARTICLE 8

ADDITIONAL DUTY

8.1 OVERTIME

- a. Except as otherwise specifically provided in this Article, employees shall be paid at the rate of time and one-half for all hours worked in excess of a regularly scheduled work shift, and for all hours worked on days off.
- b. Overtime shall be computed to the nearest quarter (1/4) hours starting one minute after the quarter hour begins and extending to the full quarter hour.
- c. Holidays, sick leave, vacation or compensatory time taken during the work week will be considered as time worked when computing overtime.
- d. Employees shall not be required to suspend work during regular schedule hours to prevent overtime accumulation.
- e. Call Back: An employee called back to work, not as an extension of the regular shift, shall be credited with a minimum of four (4) hours as straight time, or time and one-half for actual hours worked, whichever is greater. Call back does not include scheduled work such as court and meetings that the employee has advanced notice of, and occurs one hour or less either before or after the regular shift. Employees required to return to work within one-half (1/2) hour of the end of their shift to complete work that should have been done prior to leaving work will be compensated as an extension of the regular shift; employees required to return to work within one (1) hour of the end of their shift to complete work that should have been done prior to leaving work will be credited with a minimum of two (2) hours as straight time. Employees called to report to work early, within one hour of the beginning of their regular shift, will be compensated as an extension of the regular shift.
- f. No overtime shall be paid for travel time to and from the job.
- g. An employee required to attend local training and meetings, not as an extension of the regular shift, shall be credited with a minimum of four (4) hours as straight time or time and one-half, whichever is greater.

8.2 STANDBY

Employer and the Association agree that the use of standby time shall be minimized consistent with sound law enforcement practices, and the maintenance of public safety. Standby assignments shall be for a fixed predetermined period of time not to exceed eight (8) hours. Employees formally placed on standby status shall be compensated on the basis of four (4) hours straight time pay for eight (8) hours of standby or fraction thereof. If the employee is actually called back to work, normal overtime rules shall apply in addition to the standby premium.

8.3 COURT APPEARANCE

In the event that any court appearance before any judicial or administrative body is required, excluding those occurring during regularly scheduled hours or days, (except as provided in 8.1(e) above) the employee shall be paid for a minimum of four (4) hours at the straight time rate. If such court appearance is on a scheduled day off, the four (4) hour minimum will be paid at the time and one-half rate.

8.4 PAYMENT FOR OVERTIME

Except as provided in this paragraph, employees may accumulate overtime hours worked without restriction. Each employee shall have the right, at his sole discretion, to elect to receive payment for his overtime work on a cash or compensatory time basis; provided, however, that the maximum amount of compensatory time that can be accumulated shall be one hundred sixty (160) hours. Any hours in excess thereof shall be paid in cash to any such employee. No more than forty (40) hours overtime pay may be requested at one time by any employee.

- a. The dates when employee's accumulated compensatory time shall be granted shall be determined by the Chief of Police or his duly authorized officer.
 1. Abide by current standards as set forth in the Fair Labor Standards Act (FLSA);
 2. If manning is limited and it is necessary to post an overtime spot for a compensatory day request, two (2) weeks notice must be given. If the overtime slot is unfilled one (1) week in advance of the requested day off, it will be denied unless agreed upon by both parties.
 3. Granting a compensatory time request when it conflicts with a pre-approved vacation will be at the discretion of the Shift Supervisor.

8.5 COMPENSATION FOR TRAINING

- a. Employer agrees to compensate each employee as provided in Article 8.1(a) for all overtime earned as a result of attendance at local in-service training schools and seminars. Compensation shall be by cash payment or compensatory time as provided in Article 8.4 above.
- b. For attendance at in-service training schools, seminars or other meetings authorized by Employer outside the City of Great Falls, Montana, each employee shall be entitled to the per diem allowances provided in MCA Section 2-18-501(1)(b), (4), (5) and (8). In addition, each employee who is required to use personal transportation for travel in the performance of assigned duties shall be reimbursed at the rate established by Montana law (MCA 2-18-503).

8.6 COMPENSATION FOR ASSIGNMENT TO HIGHER RANK

If any employee is assigned a position normally reserved for an employee of a rank higher than Master Police Officer for a period of four (4) hours or more, that employee assuming that position shall be paid as if he actually held the assumed rank.

8.7 PYRAMIDING

There shall be no pyramiding of overtime pay except as expressly permitted by this

Agreement.

ARTICLE 9

COMPENSATION

9.1 **SALARIES**

The base monthly salary, from first date of employment, for each class of employee covered by this Agreement shall be as follows: The City proposes to change the pay period from semi-monthly to bi-weekly, if every other unit agrees to the change.

BASE SALARY

RANK	<u>July 1, 2009</u> (3.25% increase)	<u>July 1, 2010</u> (1.5% increase and 2.13% market adjustment)
Probationary Police Officer	\$3,342	\$3,464
Police Officer	\$3,467	\$3,594

9.2 **LONGEVITY PAY**

Longevity shall be paid from the first date of employment as a sworn officer of Employer. Compensation therefore shall be at the rate of sixteen dollars and fifty cents (\$16.50) per month. Longevity pay increases shall become effective upon each employee's anniversary date of employment.

When an Officer of the Great Falls Police Department attains his 17th year anniversary with this Department, his accumulated longevity will be placed on his base salary. This longevity will be at the rates negotiated in this contract, and shall not exceed \$16.50/month/year of service, not to exceed an accumulated total of \$330.00.

The formula for computing each employee's rate of pay shall be as follows:

Police Officer = base plus longevity
Senior Police Officer = base X's % plus longevity
Master Police Officer = base X's % plus longevity
Sergeant = base X's % plus longevity

X% = Senior Police Officer 15%
Master Police Officer 22%
Sergeant 35%

9.3 SHIFT PREMIUM

An employee who shall be employed for what is commonly referred to as the "afternoon shift" shall receive an additional 35¢/hr. in addition to other salary payments, and any employee who shall be employed for what is commonly known as "night shift" shall receive an additional 50¢/hr. in addition to other salary payments. In each case such additional compensation shall apply only to the hours during which the employee, in a given pay period, is actually serving on the "afternoon shift" or the "night shift" as the case may be.

9.4 PROMOTIONS AND ROTATIONS

Eligibility for placement as a probationary police officer and advancement to the rank of Senior Police Officer or promotion to Master Police Officer or Sergeant will be set in Department Policy. Master Police Officer and Sergeant will be identified as a promotion for purposes of seniority. Rotations will also be in accordance with Department Policy.

Any change to this policy shall include or involve the Labor-Management Committee.

9.5 RATE OF COMPENSATION--LENGTH OF SERVICE

Upon satisfactory completion of one (1) year of service on the Department as a Probationary Police Officer, an employee shall be paid at a minimum rate of a Police Officer. Upon satisfactory completion of one (1) year of service on the Department as Police Officer, an employee shall be paid at a minimum rate of a Senior Police Officer.

9.6 INVESTIGATIVE PAY

Employees assigned to the Detective Division for a period longer than six (6) months will receive an additional \$25.00/month.

9.7 HIGH RISK UNIT PAY

Employees assigned to the High Risk Unit for a period longer than six (6) months will receive an additional \$30/month.

9.8 FIELD TRAINING OFFICER PAY

Employees assigned to perform the function of Field Training Officer (FTO) will receive \$100.00 for the 1st Phase, \$75.00 for the 2nd Phase, \$75.00 for the 3rd Phase, and \$50.00 for the 4th Phase of the Probationary Officer's training. If an extension of the training is necessary, the officer assigned as the FTO will receive \$40.00.

9.9 DEATH OF EMPLOYEE

In the event of death of an employee, all sums payable under the terms of this Agreement to

the employee, had he survived, including unused sick leave as provided by state law, final pay, vacation and compensatory time shall be paid to the employee's beneficiary designated on a form provided by Employer, or to his estate in the absence of any such designation by employee. The designation of a beneficiary by an employee shall have the same force and effect as if the same disposition had been made by Will by the employee.

The employee, his estate, his designated beneficiary, and any successors and assigns shall indemnify and hold the Employer harmless from any and all claims, demands, or liability arising out of the disbursement of such sums to the designated beneficiary, or in lieu thereof, employee's estate.

ARTICLE 10

HOLIDAYS

10.1 SCHEDULED HOLIDAYS

Employees shall be granted the following holidays:

- a. New Year's Day, January 1;
- b. Martin Luther King Day, 3rd Monday in January;
- c. Lincoln's and Washington's Birthday, 3rd Monday in February;
- d. Memorial Day, last Monday in May;
- e. Independence Day, July 4;
- f. Labor Day, first Monday in September;
- g. Veterans' Day, November 11;
- h. Thanksgiving, fourth Thursday and Friday in November;
- i. Christmas, December 25;
- j. Every day declared a legal holiday by the City Commission;
- k. Every day in which a general election is held throughout the State of Montana;
- l. A personal holiday to be taken within the calendar year earned. Requires prior approval of supervisor. If request is denied, the employee will be paid at the time and one-half rate.

10.2 COMPENSATION FOR WORKING HOLIDAYS

Employees required to work on a holiday will be paid at one and one-half (1½) times their regular rate of pay in addition to their regular rate of pay for actual hours worked. When an employee is required to work on a holiday, he/she will earn compensatory time at the rate of twelve (12) hours for an eight (8) hour shift, thirteen and one-half (13½) hours for a nine (9) hour shift, and fifteen (15) hours for a ten (10) hour shift. The employee shall submit a written request to his/her immediate supervisor for one of the following:

- a. Pay at the negotiated rate of pay.
- b. Compensatory time to be taken at a time mutually agreed upon by the employee and supervisor.
- c. Employees required to work on a holiday who do not work the entire shift will be compensated for the holiday at their regular rate of pay and will receive time and

one-half (1 ½) for actual hours worked on the holiday. The employee will not be charged sick, vacation or comp. time for the hours not worked.

10.3 COMPENSATION FOR HOLIDAYS FALLING ON DAYS OFF

Observed holidays which fall on the employee's regularly scheduled day off shall be compensated for on a straight time basis, either by accumulation of compensatory time or by receiving a regular day's pay, at the discretion of the employee, as defined and limited in Article 8.4.

10.4 COMPENSATION FOR HOLIDAYS FALLING ON VACATIONS AND SICK LEAVE

Holidays, including those allowed in lieu of the actual holiday, occurring while an employee is on a paid sick leave or a paid vacation shall be earned by the employee and not charged as sick leave or vacation.

ARTICLE 11

VACATIONS

11.1 VACATION CREDIT

Each employee is entitled to and shall earn annual vacation leave credits from the first date of employment. For calculating vacation leave credits, two thousand eighty (2080) hours (52 weeks times 40 hours) shall equal one (1) year. Proportionate vacation leave credits shall be earned and credited at the end of each pay period; provided, however, employees shall not be entitled to any vacation leave with pay until they have been continuously employed for a period of six (6) calendar months. See Montana Code Annotated 2-19-611. Vacation leave credit shall be earned in accordance with the following schedule:

- a. From first date of employment through ten (10) years of employment at the rate of one hundred twenty (120) hours (the equivalent of fifteen (15) eight (8) hour working days) for each year of service;
- b. After ten (10) years through fifteen (15) years of employment at the rate of one hundred forty-four (144) hours (the equivalent of eighteen (18) eight (8) hour working days) for each year of service;
- c. After fifteen (15) years through twenty (20) years of employment at the rate of one hundred sixty-eight (168) hours (the equivalent of twenty-one (21) eight (8) hour working days) for each year of service;
- d. After twenty (20) years of employment at the rate of one hundred ninety-two (192) hours (the equivalent of twenty-four (24) eight (8) hour working days) for each year of service.

11.2 SEPARATION FROM SERVICE OR TRANSFER TO OTHER DEPARTMENT-CASH

FOR UNUSED VACATION LEAVE

An employee whose employment with Employer is terminated shall be entitled upon the date of such termination to cash compensation at his then effective rate of pay then in effect for unused accumulated vacation leave; provided, however, if an employee transfers between agencies of the Employer, there shall be no cash compensation paid. In the event of such a transfer the receiving agency shall assume the liability for accrued vacation credits of the employee.

11.3 ACCUMULATION OF LEAVE

Vacation leave credits may be accumulated to a total number of days not to exceed two (2) times the maximum number of days earned annually as of the last day of any calendar year. Excess vacation leave credits shall not be forfeited if taken within ninety (90) calendar days from the last day of the calendar year in which the excess was accrued.

11.4 LEAVE OF ABSENCE WITHOUT PAY

An employee may not accrue annual leave credits while in a leave without pay status.

11.5 CHARGES AND CREDITS

Vacation charges and credits shall be charged to the time actually used.

11.6 LEAVES OF ABSENCE

Leave of absence without pay may be used to extend regular vacation, with the prior approval of Employer or its designated representative.

11.7 VACATION DETERMINATION

Vacation shall be determined on the basis of seniority preferences by division and rank.

ARTICLE 12

SICK LEAVE

12.1 SICK LEAVE CREDITS EARNED

Each employee is entitled to and shall earn sick leave credits from the first date of employment. For calculating sick leave credits 2080 hours (52 weeks x 40 hours) shall equal one (1) year. Proportionate sick leave credits shall be earned and credited at the end of each pay period. Sick leave credits shall be earned at the rate of twelve (12) working days for each year of service without restriction as to the number of days which may be accumulated. See Montana Code Annotated 2-18-618.

12.2 QUALIFICATION

An employee may not accrue sick leave credits while in a leave without pay status. Employees are not entitled to be paid sick leave under the provisions of this Agreement until they have been continuously employed for ninety (90) days. Upon completion of the qualifying period, the employee is entitled to the sick leave credits the employee has earned.

12.3 USE

Employee shall be allowed to use earned and accumulated sick leave credits for absences from duty without loss of pay due to any one or more of the following:

- 1) Illness;
- 2) Injury;
- 3) Medical disability;
- 4) Maternity-related disability, including prenatal care, birth, miscarriage, abortion and/or other medical care for either employee or child;
- 5) Quarantine resulting from exposure to contagious disease;
- 6) Medical, dental or eye examination or treatment;
- 7) Care of or attendance to immediate family member for any of the above;
- 8) Care of or attendance to other relative for any of the above at the discretion of the Chief of Police or his designee;
- 9) When there is a death in the immediate family, employee may use up to five (5) days of accumulated sick leave for bereavement leave.
 - a. Immediate family is defined as employee's spouse and any member of employee's household, or any parent, child, sister, brother, grandparent, grandchild, or corresponding in-law.

12.4 ELIGIBILITY

Employees are required to follow the following three steps in order to be eligible for use of sick leave:

- a. Report one (1) hour prior to the beginning of the shift to the shift commander on duty or immediate supervisor the reason for absence.
- b. If the absence is for more than one (1) day in length, the employee must keep the shift commander on duty or immediate supervisor informed of the status of the condition.
- c. Employees who claim sick leave when physically and mentally fit unless under specific provision of this Agreement shall be subject to disciplinary action.
- d. If required by Police Chief, employees must submit a proper medical certificate for any absence charged to sick leave.

12.5 TERMINATION OF EMPLOYMENT

An employee whose employment is terminated is entitled to a lump-sum payment equal to one-fourth (1/4) of the pay attributed to the accumulated sick leave. The pay attributed to the

accumulated sick leave shall be computed on the basis of the employee's salary or wage at the time his employment is terminated. Accrual of sick leave credits for calculating the lump-sum payment provided for in this subsection begins July 1, 1971, and the payment therefore shall be the responsibility of Employer; provided, no employee forfeits any sick leave rights or benefits he had accrued prior to July 1, 1971. However, where an employee transfers between agencies within Employer's jurisdiction, he shall not be entitled to a lump-sum payment. In such a transfer the receiving agency shall assume the liability for the accrued sick leave credits earned after July 1, 1971, and transferred with the employee.

12.6 RE-EMPLOYMENT

An employee who receives a lump-sum payment pursuant to this Agreement and who is again employed by Employer thereof shall not be credited with any sick leave for which he has previously been compensated.

12.7 MISCELLANEOUS SICK LEAVE PROVISIONS

- a. Sick leave charges in excess of earned sick leave credits may be charged to earned and available annual leave or leave without pay at the employee's option.
- b. Sick leave charges and credits shall be charged to the actual time used.
- c. Medical appointments may be charged to sick leave provided the minimum time charged is not less than one-quarter ($\frac{1}{4}$) hour. Each absence shall be reported separately and authorized in advance by the employee's supervising officer.
- d. Maternity leave may be charged against sick leave credits up to six (6) weeks, not to exceed 240 hours, without medical documentation.
- e. Paternity leave may be charged against sick leave credits up to forty (40) hours regardless of the shift.
- f. Illness that occurs during an employee's vacation shall be charged to sick leave. Any holidays that fall during a period that an employee is on sick leave will be charged as a holiday and shall not be charged to sick leave.
- g. Sick leave credits will be used on a first earned, first charged basis.
- h. In the event an employee becomes incapable of performing the duties of his regular classification through illness or injury, Employer may transfer the employee, with the employee's consent, without loss of pay to a position for which he is qualified provided the change can be accomplished without displacing another employee.

12.8 SICK LEAVE DONATIONS

Sick leave utilized must not exceed the amount accrued by the employee. If an employee is ill and has exhausted his/her sick leave credits, and needs more time away from work, he/she may utilize his/her accrued annual leave. Members of the Association may donate eight (8) hours of sick leave to any City employee on an individual basis. Requests for donations must be approved by

management. Maximum employee can receive or donate is one hundred-twenty (120) hours in a calendar year.

12.9 LIGHT DUTY

The department will endeavor to modify duty assignments consistent with documented medical restrictions for employees who have experienced work-related injuries. Ordinarily light duty for a work-related injury will be granted for a one year period from the first day of light duty per injury; however, it generally will not be approved beyond the one year limitation.

The department will also attempt to provide light duty to employees injured off duty; however, personnel with duty related injuries take precedence. The Chief of Police may grant ninety (90) days of light duty in a non-duty related injury or illness. Any extension must be placed in writing, recommended by a supervisor and approved by Human Resources. If the request is not approved, the officer may appeal the decision to the City Manager. These decisions will be based upon the circumstances involved, available positions, and alternative resources available to the employee.

This section shall not be construed as a guarantee of a specific form of accommodation nor shall accommodation in one case establish a precedent for similar or dissimilar circumstances.

ARTICLE 13

FAMILY AND MEDICAL LEAVE (FMLA)

- A. As referenced in the City Policy Manual.
- B. As referenced in FMLA documentation.

ARTICLE 14

MATERNITY LEAVE

14.1 POLICY

It shall be unlawful for Employer or its agent:

- a. To terminate a woman's employment because of her pregnancy;
- b. To refuse to grant to the employee a reasonable leave of absence for such pregnancy;
- c. To deny to the employee, who is disabled as a result of pregnancy, any compensation to which she is entitled as a result of accumulation of disability or leave benefits accrued pursuant to plans maintained by Employer or this Agreement; provided that Employer may require disability as a result of pregnancy to be verified by medical clarification that the employee is not able to perform her employment duties;
- d. To require that an employee take a mandatory maternity leave for an unreasonable length of time.

14.2 REINSTATEMENT

Upon return at the end of her maternity leave, such employee shall be reinstated to her original job, if available, or to an equivalent position with equivalent pay and accumulated seniority, retirement, fringe benefits and other service credits.

ARTICLE 15

OTHER LEAVES WITH PAY

15.1 **MILITARY LEAVE**

Any employee who is a member of the organized National Guard of the State of Montana or who is a member of the organized or unorganized reserve corps or forces of the United States Army, Navy, Marine Corps, Air Force, or Coast Guard, shall be given leave of absence with pay, after six (6) months of employment, the minimum number of days required to fulfill his 15 day/120 hour military service obligation. Such absence shall not be charged against vacation leave credits earned by the employee. Under the terms of this contract refer to State Law, currently MCA 10-1-1009.

15.2 **JURY SERVICE AND SUBPOENA**

Each employee who is under proper summons as a juror or witness shall collect all fees and allowances payable as a result of the service and forward the fees to the appropriate accounting office. Such fees shall be applied against the amount due the employee from Employer. However, if an employee elects to charge the time against annual leave, he shall not be required to remit the fees to Employer. In no instance is an employee required to remit to Employer any expense or mileage allowance paid by the court. Employees shall not lose cumulative benefits because of such service.

15.3 **BEREAVEMENT LEAVE**

With the approval of the Chief of Police or a duly authorized officer, employees may be granted leave, not to exceed four (4) hours to attend the funeral of a member of the Department.

ARTICLE 16

LEAVES WITHOUT PAY

16.1 **ELIGIBILITY**

All employees are entitled to take a leave of absence without pay for good and sufficient reasons with prior approval of the Chief of Police and the City Manager.

16.2 **REQUESTS**

Requests for leave of absence without pay shall be submitted in writing by the employee to the supervising officer.

16.3 **DURATION**

The length of leave without pay will be determined on an individual basis and based on the circumstances involved.

ARTICLE 17

HEALTH, SAFETY, WELFARE AND OTHER INSURANCE

17.1 INDUSTRIAL ACCIDENT INSURANCE

Employer shall carry Industrial Accident Insurance on all employees. Each employee must within sixty (60) days, report in writing to Employer any injury in the course of employment. Failure to do so may result in the loss of benefits.

17.2 HEALTH AND ACCIDENT INSURANCE

The Employer agrees to provide non-occupational health and accident insurance coverage for each insurable regular employee and insurable dependents thereof immediately following the period of exclusion provided by the terms of the master policy.

A City health insurance contribution in the amount listed below will be added to the employee's gross pay. This portion of the employee's gross pay is hereinafter referred to as the "Contribution."

As part of this collective bargaining agreement, employees are required to participate in the city's health insurance plan on either a pre-tax or post-tax basis. If an employee elects to participate on a pre-tax basis, the employee shall authorize a payroll deduction from the employee's gross pay equal to the City's contribution. This deduction from the employee's gross pay will be paid into a fund maintained to provide health benefits for eligible employees.

If an employee elects to participate on a post-tax basis, the Contribution shall be taxable income to the employee and the employee shall authorize the payment of the Contribution value, after its deemed receipt, toward the employee's health insurance.

It is hereby acknowledged that both employee and employer retirement contributions will be required on this additional gross income, causing a decrease to the net income of the employee. It is also the intent of the employees and the City that the Contribution be excluded from the determination of the employee's "regular rate" of compensation as that phrase is defined under 29 U.S.C. § 207(e)(4). In the event that any subsequent law, court, arbitrator, or other lawful authority determines that the inclusion of the City's health insurance contribution in the employee's gross pay should be included in overtime compensation calculations, then the parties agree that there will be a corresponding adjustment to the affected hourly rate, pay or benefit to carry out the intent of this provision. The intent of such adjustment will be to result in the least net financial effect on both the employee and the employer.

*The City's contribution of the composite rate will increase with future increases to the composite rate during the term of the agreement through 6/30/2011. Any increases in premiums will be shared to maintain the City's 90 (ninety) percent contribution of the total premium and the employee's contribution of ten (10) percent of the total premium.

The CITY agrees to contribute the following amounts, not to exceed ninety (90) percent of the premium beginning 7/1/09, for each eligible employee covered by this Agreement into the City's Health Insurance Plan.

Type of Coverage	7/1/09	
	City Composite Contribution	Employee
Employee	\$783	\$21

Employee & Spouse	\$783	\$80
Employee & Child(ren)	\$783	\$76
Family	\$783	\$105

- a. The City reserves the right to add to the benefit plan in effect prior to August 1, 1988, with no obligation to negotiate, and retains the right to delete or modify any or all the added benefits with no obligation to negotiate.

Effective 7/1/97, the City reserves the right to add to, delete from, or modify the benefit plan, with no obligation to negotiate, and retains the right to delete or modify any or all of the added benefits with no obligation to negotiate.

- b. The City shall be at liberty to make an independent selection of the insurance carrier, including the option of partially or fully self-funding with no obligation to negotiate.

17.3 HEALTH DEATH BENEFIT

If an employees is "killed in the line of duty", the City agrees to pay the health insurance premium for dependents who are on the plan at the time of his/her death for twelve (12) months. The determination as to whether or not an employee was "killed in the line of duty" will be made by the City's workers' compensation carrier.

17.4 UNEMPLOYMENT INSURANCE

Employer shall carry unemployment insurance on all employees as required by law.

17.5 INSURANCE CONTRACTS

All requirements and insurance benefits shall be subject to the provisions of the policy issued by the carrier. Written benefit provisions shall be provided to each employee. Benefits shall continue until the last day of the final month of employment.

- 17.6 The City shall continue to provide safe working conditions and equipment. Safety concerns should be handled at the lowest supervisory level possible. All safety concerns will be brought to the attention of the Bureau Chief. If no solution can be found, then the concern should be addressed through the Chain of Command. If the issue is still not resolved, then the issue will be brought to the Labor Management Committee.

ARTICLE 18

ALLOWANCES

18.1 UNIFORMS AND EQUIPMENT

- a. The Employer agrees to budget annually a minimum of \$5,000 for the full cost of replacement of personal body armor, to be purchased by management.

18.2 LOST OR STOLEN PERSONAL PROPERTY

Employer will repair or reimburse employees at market value for any items either issued by the department or that the employee has received uniform allowance for that is damaged, destroyed, lost or stolen while in the course and scope of employment during assigned duty hours. This does not include repair or reimbursement due to normal wear and tear of clothing, equipment or personal property. Personal property that is damaged, destroyed, lost, or stolen while in the course and scope of employment during assigned duty hours will be replaced up to a maximum value of Three Hundred Dollars (\$300.00) provided there was no negligence on the part of the officer. Reimbursement for eyeglasses or contact lenses will be replaced under this contract only to the extent that they are not covered by the existing vision coverage of the employee health benefit plan. A written notice of the loss or damage must be filed by the employee with his immediate supervisor immediately within the work shift, but no more than five (5) days after the occurrence of the damage or loss or the claim will be forever waived. Receipts for repair or the appraisal of value shall be submitted when reimbursement is requested. There shall be no reimbursement for loss or theft of cash.

ARTICLE 19

SHIFT TRADING

19.1 POLICY

Consistent with the reasonable operational requirements of the police service to maintain public health and safety, it shall be the policy of the department to permit employees to trade shifts, or a portion thereof, providing no overtime compensation will be paid by Employer and that persons exchanging will be of the same ability or be fully qualified to perform the duties of the rank involved in the trade.

19.2 REQUESTS

When requested in advance, shift trading of one (1) shift or less may be approved by the Shift Commander. Shift trading in excess of one (1) shift shall require the prior approval of the Chief of Police.

19.3 OTHER EMPLOYMENT

No days exchanged shall be for the purpose of other employment.

ARTICLE 20

MANAGEMENT RIGHTS

In addition to State law, Employer retains the full and unrestricted right to operate and manage all manpower, facilities, methods and equipment, to establish functions and programs, make and enforce all rules and regulations; to plan and set and amend budgets; to determine the utilization of technology; to establish and modify the organizational structures; to select, direct, assign, control and determine methods, means, organization and number of personnel; to establish work schedules, assign overtime, and to perform any inherent managerial functions not specifically limited by this Agreement. Any term and condition of employment not specifically established or modified by this Agreement shall remain solely within the

discretion of Employer to modify, establish, or eliminate.

ARTICLE 21

GRIEVANCE PROCEDURE

21.1 DEFINITIONS

- a. Grievance - any dispute which may arise over the application, meaning, or interpretation of this Agreement. An alleged grievance shall be evidenced by a signed, written complaint stating in general terms the nature of the grievance, the facts on which it is based, and the remedy requested.
- b. Aggrieved party - the employee or employees or the Association asserting the grievance.
- c. Parties of interest - the employee or employees or Association asserting the grievance, any person or persons assisting in processing the grievance, any person or persons who might be required to take action or against whom action might be taken in order to resolve the grievance.

21.2 PURPOSE

- a. The purpose of this procedure is to secure, at the lowest possible level, and in an atmosphere of courtesy and cooperation, equitable solutions of grievances which may arise.
- b. Nothing contained in this Article of this Agreement shall be construed to prevent any employee from discussing a problem with Employer and having it adjusted, provided that any resolution of the problem shall be consistent with terms of this Agreement.

21.3 RIGHTS TO REPRESENTATION

The aggrieved party may, at his option, be present at all meetings and hearings and may be represented at all meetings and hearings at all levels and stages of the grievance procedure by an Association representative.

21.4 TIME LIMITS

All time limits shall consist of working days. The time limit specified may be extended by written, mutual consent.

21.5 PROCEDURE

- a. STEP I Within ten (10) days of the occurrence of the grievance, or within the (10) days of the time that the aggrieved party becomes aware of the occurrence of the grievance, or with reasonable diligence should have become aware of the occurrence of the grievance, the aggrieved party shall present his immediate supervisor with the signed, written complaint and

an attempt to resolve the grievance through informal discussion shall be made.

- b. STEP II - If the grievance is not resolved at Step I, the decision may be appealed to the Chief of Police within ten (10) days of the decision at Step I or within then (10) days of the date of the meeting at Step I in the event no decision has been rendered. The Chief of Police or his designee shall meet with the aggrieved party, Association representatives, and other parties of interest within the (10) days to discuss and attempt to resolve the grievance. The decision of the Chief of Police shall be issued in writing to the aggrieved party and to the Association no later than ten (10) days following said meeting.

- c. STEP III - If the grievance has not been resolved at Step II, the decision may be appealed to the City Manager for consideration within ten (10) days of the receipt of the decision at Step II or within ten (10) days of the date of the meeting at Step II in the event no decision has been rendered. Said appeal may be taken by filing a written request therefore with the City Manager. The City Manager shall notify the aggrieved party and the Association if he deems it necessary to meet with them. If a meeting is not held, the City Manager shall render a decision in writing within 15 days. If a meeting is held, the City Manager shall render a decision in writing with 10 days.

- d. STEP IV
 - 1) If the grievance remains unresolved at the conclusion of Step III, the grievance may be submitted by the aggrieved party, the Association or Employer for binding arbitration, provided that written notice of the request for submission is delivered to the opposing party within twenty (20) days of the receipt of the decision at Step III or within thirty (30) days of the date of the Step III meeting in the event no decision has been rendered.
 - 2) If the parties cannot agree as to an arbitrator within seven (7) days from the date of notification that arbitration will be pursued, the Board of Personnel Appeals shall be called upon to submit a list of five (5) names of arbitrators. Within seven (7) days of the receipt of the list, the parties shall select an arbitrator by striking two names from the list in alternate order, and the name thus remaining shall be forwarded to the board of Personnel Appeals. The Board of Personnel Appeals shall notify the arbitrator of his selection. The date of the arbitration hearing shall be arranged by the arbitrator in consultation with the Employer and the Association. Within thirty (30) days of the date the hearing is closed, the arbitrator shall make an award unless other time limits are required of the arbitrator.
 - 3) Rules of procedure to govern the hearing shall be fixed by the arbitrator, and the award, when signed by the arbitrator and submitted to the Association and to the Employer within the prescribed time limits, shall be final and binding and shall be subject to rulings in a court of competent jurisdiction.
 - 4) The arbitrator shall have no power to add to, subtract from, or alter or vary in any manner the express terms of this Agreement, nor imply any restriction or burden against either party that has not been assumed in this Agreement. The arbitrator shall consider and decide only the specific issue(s) submitted by the parties and shall have no authority to make a decision on any other issue not so submitted. The arbitrator

shall be without power to render any decision which is contrary to or inconsistent with or which modifies or varies in any way applicable rules, laws or regulations, except to the extent that this Agreement supersedes any such rule, law or regulation. No single monetary award by the arbitrator shall exceed the sum of \$400.00 and no collective monetary award by the arbitrator shall exceed the sum of \$1,000.00, except any such award related to required, essential uniform items damaged or destroyed in the performance of necessary services while on duty. The arbitrator shall in no way comment on the amount of award except to specify the amount.

- 5) The fees and expenses of the arbitrator shall be shared jointly and equally by the Association and Employer. Neither party shall be required to pay any part of the cost of a stenographic record without its consent.

21.6 MISCELLANEOUS

- a. The aggrieved party and his immediate supervisor may agree in writing that Step I of the procedure may be bypassed and the grievance processed at Step II.
- b. Grievance meetings and hearings shall be conducted at a time that will provide an opportunity for the aggrieved party and all parties of interest to be present. When scheduled meetings or hearings are held during regularly scheduled duty hours, persons required to participate in the meeting or hearing shall be excused without loss of pay or other benefits.
- c. Reprisals shall not be taken against any person by reason of participation in the grievance process.
- d. Except such matters as would otherwise constitute apart thereof, all documents, communications, and records dealing with the processing of a grievance will be filed separately from the personnel files of the participants and shall be treated as confidential material. These materials shall not be reviewed for decisions regarding reemployment, promotion, assignment or transfer.
- e. The established grievance procedure shall be utilized to resolve grievances.
- f. Any claim or grievance filed prior to the expiration of this agreement shall be processed through the grievance procedure until resolution.

ARTICLE 22

PHYSICAL EXAMINATIONS

22.1 REQUESTS BY EMPLOYER

If Employer requests a mental or physical examination to determine job fitness, the employee will be provided a physical by a physician at no cost to the employee.

ARTICLE 23

SAVINGS CLAUSE

Should any Article, section, or portion thereof of this Agreement be held unlawful or invalid by any court or board of competent jurisdiction, such decision shall apply only to the specific Article, section, or portion thereof directly specified in the decision. Upon issuance of such a decision, the parties agree to negotiate immediately a substitute for the invalidated Article, section or portion thereof.

ARTICLE 24

MISCELLANEOUS

24.1 **AGREEMENT AND STANDARDS**

- a. This Agreement constitutes the full and complete agreement between the parties.
- b. Mutually recognized benefits now received by employees not covered by the terms of this Agreement or in excess of the minimums set forth herein shall remain in full force and effect, except in the event that the continuation is beyond the power and authority of Employer.
- c. No employee shall be bound by any provision, rule, regulation, express or implied, except as written in this Agreement or other written policy of Employer, or by action of the Legislature of the State of Montana.

24.2 **MONTANA STATE LAW**

The parties hereto recognize that the Police Department of the City of Great Falls is subject to the laws of the State of Montana that pertain to police departments in cities of the first and second class. In the event that this Agreement conflicts with the laws of the State of Montana, that portion of the agreement shall be null and void and without effect.

24.3 **LABOR-MANAGEMENT COMMITTEE**

A Labor-Management Committee shall be formed and consist of three (3) members from the Association and three (3) from the Employer. The Committee will meet on a quarterly basis or more often as needed. Any subject of concern to either the Association or Employer may be presented to this Committee.

- a. The City Manager may adopt procedures as part of the Rules and Regulations of the Police Department after review and consideration by the Labor-Management Committee, except that such procedures shall be subject to the terms and conditions of this Agreement.

24.4 **DISTRIBUTION**

This Agreement shall be printed at the expense of Employer and six (6) copies thereof shall be delivered to the Association within thirty (30) calendar days of ratification by the parties.

ARTICLE 25

TERMS, AMENDMENTS AND MODIFICATION OF BASIC AGREEMENT

25.1 **TERM**

This Agreement shall be effective as of July 1, 2009, and shall remain in full force and effect until the 30th day of June, 2011.

25.2 **REOPENING**

This Agreement shall be automatically renewed and will continue in full force and effect for an additional period of one (1) year unless either party hereto shall notify the other in writing, no later than May 1, 2011, of its desire to amend, modify, supplement, or add to any provisions of this Agreement and to negotiate over the terms thereof. In such event bargaining shall commence no later than June 1, 2011.

IN WITNESS WHEREOF, the Association and Employer have caused this Agreement to be executed in their names by their duly authorized representatives at Great Falls, Montana, this ____ day of _____, 2009.

FOR THE CITY OF GREAT FALLS:

FOR THE GREAT FALLS PPA:

City Manager

President

ATTEST:

City Clerk

(SEAL OF CITY)

REVIEWED FOR LEGAL CONTENT:

City Attorney

Police Comparative Wages

HOURLY - Patrol Officer (Base + Longevity)

Years	Helena 1-Jul-2008	Median 7 Other Entities	Missoula 1-Jan-2009	Kalispell	Bozeman	Great Falls 1-Jan-2009	Difference		Billings	Average	Median "Other" Entity	Highest	Lowest
							(\$'s)	as %					
Step 1 0 to 1	\$ 19.3326	\$ 20.4100	B \$ 21.17	\$ 20.65	\$ 20.41	\$ 18.68	\$ (1.73)	-9.26%	\$ 19.63	\$ 20.24	\$ 20.41	\$ 21.17	\$ 19.33
Step 2 1 to 2	\$ 20.3612	\$ 20.8800	B \$ 21.55	\$ 20.92	\$ 20.88	\$ 19.47	\$ (1.41)	-7.24%	\$ 20.01	\$ 20.74	\$ 20.88	\$ 21.55	\$ 20.01
Step 3 2 to 3	\$ 21.4382	\$ 21.3600	B \$ 21.92	\$ 21.10	\$ 21.36	\$ 22.47	\$ 1.11	4.94%	\$ 20.41	\$ 21.25	\$ 21.36	\$ 21.92	\$ 20.41
Step 4 3 to 4	\$ 22.5659	\$ 21.8300	B \$ 22.30	\$ 21.46	\$ 21.83	\$ 22.57	\$ 0.74	3.28%	\$ 21.64	\$ 21.96	\$ 21.83	\$ 22.57	\$ 21.46
Step 5 4 to 5	\$ 23.7469	\$ 22.6673	G \$ 22.67	\$ 21.73	\$ 22.31	\$ 22.67	\$ 0.00	0.01%	\$ 22.94	\$ 22.68	\$ 22.67	\$ 23.75	\$ 21.73
Master 10	\$ 24.3539	\$ 24.3539	BI \$ 24.91	\$ 23.34	\$ 24.80	\$ 24.59	\$ 0.24	0.96%	\$ 23.63	\$ 24.21	\$ 24.35	\$ 24.91	\$ 23.34
Sr Master 15	\$ 24.8989	\$ 25.0600	BI \$ 25.29	\$ 24.68	\$ 26.58	\$ 25.06	\$ -	0.00%	\$ 25.06	\$ 25.30	\$ 25.06	\$ 26.58	\$ 24.68

2080 hours

round = 0

ANNUAL - Patrol Officer (Base + Longevity)

Years	Helena 1-Jul-2008	Average of 7 Other Entities	Missoula	Kalispell	Bozeman	Great Falls	Difference		Billings	Average	Median "Other" Entity	Highest	Lowest
							(\$'s)	as %					
Step 1 0 to 1	\$ 40,212	\$ 42,097	\$ 44,040	\$ 42,952	\$ 42,453	\$ 38,854	\$ (3,243)	-8.35%	\$ 40,830	\$ 42,097	\$ 42,453	\$ 44,040	\$ 40,212
Step 2 1 to 2	\$ 42,351	\$ 43,147	\$ 44,820	\$ 43,514	\$ 43,430	\$ 40,498	\$ (2,649)	-6.54%	\$ 41,621	\$ 43,147	\$ 43,430	\$ 44,820	\$ 41,621
Step 3 2 to 3	\$ 44,591	\$ 44,192	\$ 45,600	\$ 43,888	\$ 44,429	\$ 46,738	\$ 2,546	5.45%	\$ 42,453	\$ 44,192	\$ 44,429	\$ 45,600	\$ 42,453
Step 4 3 to 4	\$ 46,937	\$ 45,674	\$ 46,380	\$ 44,637	\$ 45,406	\$ 46,946	\$ 1,272	2.71%	\$ 45,011	\$ 45,674	\$ 45,406	\$ 46,937	\$ 44,637
Step 5 4 to 5	\$ 49,394	\$ 47,172	\$ 47,148	\$ 45,198	\$ 46,405	\$ 47,154	\$ (18)	-0.04%	\$ 47,715	\$ 47,172	\$ 47,148	\$ 49,394	\$ 45,198
Master 10	\$ 50,656	\$ 50,351	\$ 51,816	\$ 48,547	\$ 51,584	\$ 51,147	\$ 796	1.56%	\$ 49,150	\$ 50,351	\$ 50,656	\$ 51,816	\$ 48,547
Sr Master 15	\$ 51,790	\$ 52,626	\$ 52,596	\$ 51,334	\$ 55,286	\$ 52,125	\$ (501)	-0.96%	\$ 52,125	\$ 52,626	\$ 52,125	\$ 55,286	\$ 51,334

Other communities:	7/1/2009	1/1/2010	7/1/2010
Billings	in negotiations		
Bozeman	3.50%		3.75%
Helena	COLA + 2% Market Adj		Open - wages only
Kalispell	4%		4%
Missoula	3%	3%	
Great Falls	3.25%		3.63%



Item: Energy Consultant Proposal Award

From/Presented By: Gregory T. Doyon – City Manager

Action Requested: City Commission is asked to authorize the City Manager to engage an energy consultant to review ECP and make recommendations about future operations.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission authorize the City Manager to engage the firm of Burns & McDonnell to perform a comprehensive review of Electric City Power and offer recommendations regarding its future operations.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Authorize the City Manager to execute the contract.

Background: During its budget work session on March 24, 2009, the Commission discussed ECP’s budget and its future. It was recommended that the City retain the services of an experienced energy consultant to assist the City assessing its involvement with the electric utility business and charting a new direction for the utility. On April 21, 2009, the Commission held a work session soliciting feedback from a draft RFP for a consultant. The RFP was issued on April 27, 2009, and closed on May 15, 2009. The City received 8 responses (summary attached) which are open for public inspection in the City Clerk’s office.

Significant Impacts: Although projected to make modest gains in 2010, ECP has not made a profit since its inception four years ago. The challenges with the utility extend beyond its financial condition. The City needs to consider its structure, relationship with Southern/SME, and develop a clear plan for its electric utility. Creating a plan will require input from all interested parties and assessing the benefits and risks associated with continuing the business.

Citizen Participation: There will be opportunities for the public to interact with the consultant.

Workload Impacts: There will be a significant time commitment required by staff, ECP Board members, and Commissioners initially as the consultant seeks to obtain background information and ECP's current status.

Project Work Scope: As outlined in the RFP:

Task 1

Perform an organizational and operational assessment of Electric City Power

Key Specific Deliverables:

- Assess the City's capacity to operate a municipal electric utility within its current municipal structure
- Review all enabling ordinances, resolutions, policies, contracts and ECP's Assignment and Assumption Agreement. Suggest revisions and updates.
- Evaluate the structure of the relationship between ECP and Southern Montana Electric (Southern)
- Evaluate and identify any conflicts between the City, ECP and SME. Identify any alternatives
- Assess the structure of ECP relative to current state statute involving electric utilities. Review shall include its relationship to Montana Public Service Commission and compliance requirements for reporting and supply portfolio mix

Task 2

Perform a comprehensive financial analysis of ECP

Key Specific Deliverables:

- Review past performance and current financial position
- Provide a long term financial prospective/outlook based on current energy contracts, ECP'S relationship with Southern and regional, state, local energy demands, local energy supply alternative options, and state statutes
- Evaluate current business models or plans for viability and effectiveness
- Evaluate economic development potential, if any, of ECP energy supply contract with SME

Task 3

Evaluate Risk

- Evaluate benefits and risk associated with partnering with Southern under the current organizational structure
- Assess risk potential associated with continuing the operation of ECP in consideration of changes with the HGS project, past utility revenue shortfalls, changes in state law and existing power contracts

- Assess financial risk to the City of Great Falls as creator of ECP, using ECP to serve on its behalf
- Evaluate risk associated and whether the City should consider continuing any further involvement in generating facility construction via membership in SME

Task 4

Identify Alternatives

Based on conclusions from Tasks 1, 2, & 3, provide options and alternatives for the City Commission and ECP to consider including:

Key Specific Deliverables:

- Recommendations for continuing operation of ECP
- Recommendations on continuing the relationship with Southern
- Recommendations on continuing a membership relationship with SME
- Long-term viability of ECP
- Steps required to insure ECP is financially feasible and/or an exit strategy from the energy utility business
- Selling or discontinuing existing ECP customer power contracts
- Determine an appropriate level of return on investment for ECP

Evaluation and Selection Process: At the request of the City manager, the City Commission selected two members (Commissioners Bronson & Jolley) and the ECP Board selected two members (Members Golie & Ebeling) to sit on the review board. The committee reviewed all proposals and ranked them by preference. A majority of the panel selected the same firm as their top choice and a teleconference session was scheduled to interview them.

The interview occurred on June 29, 2009, and ended with a unanimous recommendation to the Commission that Burns and McDonnell be selected.

Fiscal Impact: Recommended consultant has proposed a not to exceed amount of \$59,660.

Attachments/Exhibits:

1. RFP
2. Proposal Summary
3. Proposal from Burns & McDonnell
(Proposal not available online; on file in City Clerk's Office.)

Request for Proposals

Energy Consultant

Introduction

The City of Great Falls is seeking an energy industry consultant to perform an organizational and financial review of its municipal electric utility, Electric City Power (ECP).

On October 7, 2003, the City of Great Falls passed ordinance 2861, authorizing establishment and operation of an electric utility to market power service to customers. On November 1, 2005, the City passed Ordinance 2925 which created Electric City Power, Inc., a non-profit designed to own, operate, and take all other actions necessary or desirable in connection with the municipal electric utility on behalf of the City. On December 6, 2005, the City passed Resolution 9537 declaring intent of the City to participate in development of Highwood Generating Station (HGS) and authorizing the City Manager to take all actions necessary.

On August 29, 2003, the City invested \$500 to become a member of Southern Montana Electric Generation & Transmission Cooperative, Inc. (Southern). This membership allows the City to purchase electricity for resale from Southern. Effective on October 2, 2007, the City and Southern entered into a revised wholesale power contract which expires December 31, 2048. ECP sells power to both public and private customers. However state law has changed to significantly limit ECP's potential to acquire additional customers.

ECP has been operating at a loss since its inception. While the City has made an initial investment in HGS, it is not a formal member of SME, the entity formed to construct HGS. SME suspended construction activities associated with the coal fired plant and is exploring alternative generation options including natural gas.

Scope and Deliverables

Task 1

Perform an organizational and operational assessment of Electric City Power

Key Specific Deliverables:

- Assess the City's capacity to operate a municipal electric utility within its current municipal structure
- Review all enabling ordinances, resolutions, polices, contracts and ECP's Assignment and Assumption Agreement. Suggest revisions and updates.
- Evaluate the structure of the relationship between ECP and Southern Montana Electric (Southern)

- Evaluate and identify any conflicts between the City, ECP and SME. Identify any alternatives
- Assess the structure of ECP relative to current state statute involving electric utilities. Review shall include its relationship to Montana Public Service Commission and compliance requirements for reporting and supply portfolio mix

Task 2

Perform a comprehensive financial analysis of ECP

Key Specific Deliverables:

- Review past performance and current financial position
- Provide a long term financial prospective/outlook based on current energy contracts, ECP'S relationship with Southern and regional, state, local energy demands, local energy supply alternative options, and state statutes
- Evaluate current business models or plans for viability and effectiveness
- Evaluate economic development potential, if any, of ECP energy supply contract with SME

Task 3 Evaluate Risk

- Evaluate benefits and risk associated with partnering with Southern under the current organizational structure
- Assess risk potential associated with continuing the operation of ECP in consideration of changes with the HGS project, past utility revenue shortfalls, changes in state law and existing power contracts
- Assess financial risk to the City of Great Falls as creator of ECP, using ECP to serve on its behalf
- Evaluate risk associated and whether the City should consider continuing any further involvement in generating facility construction via membership in SME

Task 4 Identify Alternatives

Based on conclusions from Tasks 1, 2, & 3, provide options and alternatives for the City Commission and ECP to consider including:

Key Specific Deliverables:

- Recommendations for continuing operation of ECP
- Recommendations on continuing the relationship with Southern
- Recommendations on continuing a membership relationship with SME
- Long-term viability of ECP
- Steps required to insure ECP is financially feasible and/or an exit strategy from the energy utility business
- Selling or discontinuing existing ECP customer power contracts
- Determine an appropriate level of return on investment for ECP

Proposal Content

All proposals shall include the method and procedures used to develop recommendations. Consultant shall demonstrate their experience in the energy industry, understanding of municipal operations and experience with municipal electric utilities. Provide resumes for persons involved with the project sufficient to demonstrate expertise in areas described herein. Proposal shall include a brief description of how the project will be approached and potential methodologies used for recommendations.

Proposal shall include a fixed price for the cost of services necessary to successfully complete deliverables.

Proposal must include a disclaimer identifying any potential conflicts of interest including prior work for the City of Great Falls, ECP, Southern (and its member Co-ops).

Selection Criteria

The City of Great Falls reserves the right to reject any or all proposals or to select a proposal that is in the best interest of the City. Proposals will be ranked based on the consultants understanding of the work, methodology, level of experience, cost, value offered, and ability to complete within a timeframe of three months or sooner.

Form of Proposal

An original and five copies of the sealed proposals must be received by the City Clerk at the Great Falls Civic Center, 2 Park Drive South, Room 202, P.O. Box 5021, Great Falls, Montana 59403, by 4:30 p.m. on May 15, 2009.

RESPONSES TO REQUEST FOR PROPOSALS

ENERGY INDUSTRY CONSULTANT

Company <small>Listed in Order of Rated Preference</small>	Amount Bid
Burns & McDonnell 9400 Ward Parkway Kansas City, MO 64114	\$59,660
R.W. Beck, Inc. 1001 Fourth Ave., Suite 2500 Seattle, WA 98154-1004	\$75,700 +\$30,700 Option 1
Commonwealth Assoc. Inc. 2021 East College Way, Ste 101 Mount Vernon, WA 98273	\$271,235 +\$10,000 contingency
Elenchus Research Assoc. Inc. Suite 610, 34 King St. East Toronto, ON M5C 2X8	\$50,510
Scott Madden Mgmt Consultants 2626 Glenwood Ave., Ste. 480 Raleigh, NC 27608	\$85,000
Basin Creek Power Services, LLC 65 East Broadway, 4 th Floor Butte, MT 59701	\$187,640
Lands Energy Consulting, Inc. 2719 California Ave. SW, Ste 5 Seattle, WA 98116	30,000
ProSidian Consulting, LLC 5500 Open Book Lane Charlotte, NC 28270	\$157 per hour



Item: Application to Montana Department of Natural Resources and Conservation (DNRC) Modifying the City's Water Reservation 41K 71890.

From: Coleen Balzarini, Fiscal Services Director

Initiated By: Request From Southern Montana Electric Generation and Transmission Cooperative, Inc.

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: Authorize Water Right Solutions to prepare and submit an application to Montana Department of Natural Resources and Conservation (DNRC) Modifying the City's Water Reservation 41K 71890 by adding an additional Point of Diversion. And, authorize the City Manager to execute the application prior to submittal."

Suggested Motion:

1. Commissioner moves:

"I move that the City Commission (approve/deny) the request to authorize Water Right Solutions to prepare and submit an application to Montana Department of Natural Resources and Conservation modifying the City's Water Reservation 41K 71890 by adding an additional Point of Diversion. And, authorize the City Manager to execute the application prior to submittal."

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends the City Commission authorize Water Right Solutions to submit an application to Montana Department of Natural Resources and Conservation by modifying the City's Water Reservation 41K 71890 by adding an additional Point of Diversion as requested by Southern Montana Electric G&T.

Background: PBS&J acting on behalf of Southern Montana Electric G&T (Southern) has requested a modification to the City's Water Reservation 41K 71890. Specifically, the request is to add an additional Point of Diversion (POD) to accommodate the gathering of industrial process water from a location differing from what was contemplated in the original change application. The modification does not increase the amount of water to be supplied to the site. The application would be completed by Water Right Solutions, signed by the City Manager, and submitted to DNRC by Water Right Solutions.

The City has a Water Service Agreement with Southern Montana Electric G&T that was approved by the City Commission on March 15, 2005 in which:

“the City agrees to make appropriate application and provide all necessary information to the Montana Department of Natural Resources and Conservation (DNRC), and/or other appropriate agency, to gain approval for transfer of the City’s water right, sale of water or transfer of place of use of water outside the corporate limits of the City, to accommodate Southern’s industrial use of water”

It should be noted that the Water Service Agreement does contain a paragraph indicating:

“ the City is a member of Southern with expectation of purchasing wholesale electricity from Highwood Station, a 250 mW CFB coal-fired power plant which Southern anticipates construction and operating east of the City.”

Currently, the CFB power plant construction has been placed on hold. In the interim, construction of a gas fired power plant is being pursued by four of the six members of Southern Montana. A spin-off corporation, SME, was created to delineate the four cooperatives, serving members throughout Montana, that are actively participating in ongoing costs related to the permitting and construction of a power plant. Two members of Southern, the City and Yellowstone Valley Co-Op, are not investing additional dollars at the present time. The spinoff group is incurring the additional expenses necessary to complete due-diligence activities. The City’s prior investment in development costs of the CFB plant, that are applicable to the gas-fired plant, will transfer into a pro-rata share (based on dollars invested in relation to total dollars invested by the cooperatives and the City), of a completed power plant facility.

When the details related to construction, ownership allocation, operations of facility, etc have been finally determined, the Commission will have an opportunity to consider a request from Southern (if deemed necessary) to approve assignment of the Water Service Agreement to SME.

“Neither party shall assign any of its rights or obligations hereunder without the consent of the other party. Any consent required by this section shall not be unreasonably withheld”

In addition to the Water Service Agreement referenced above, there are also agreements with Southern related to Potable Water, Wastewater Return, and Fire Services. A condition of the Fire Protection and Emergency Services Agreement, as well as the existing Potable Water and Wastewater Return Agreements, requires that SME agree not to protest annexation and to comply with additional terms related to future annexation in a separate agreement. The additional terms must meet the requirements of Ordinance 2972, adopted by the City Commission on September 18, 2007.

Concurrences: The Commission is asked to approve Southern’s request to submit a modification request to DNRC. Approval of the modification lies with DNRC, and will be evaluated by DNRC staff using established criteria for such requests.

Fiscal Impact: There will be no Fiscal Impact to the City related to the application. All out of pocket preparation and application costs will be reimbursed by Southern.

Alternatives:

The City Commission may deny the request.

Attachments/Exhibits:

1. Letter of Request from PBS&J, Consultant for Southern Montana
2. Water Service Agreement, March 15, 2005

Cc: Southern Montana Electric G&T



An employee-owned company

June 15, 2009

Coleen Balzarini
Department of Fiscal Services
City of Great Falls
PO Box 5021
Great Falls, MT 59403

RE: POINT OF DIVERSION CHANGE APPLICATION FOR PORTION OF
WATER RIGHT 41K 71890, SOUTHERN MONTANA ELECTRIC
GENERATION & TRANSMISSION COOPERATIVE, INC., GREAT
FALLS, MONTANA

Dear Coleen,

As you know, a portion of the City of Great Falls water reservation (WR# 41K 71890-00) has been allotted for use by Southern Montana Electric's (SME) proposed Highwood Generation Station (HGS). A change application for a new point of diversion (POD) was previously submitted by the City and approved by the Montana Department of Resources and Conservation (DNRC). This new POD specifies pulling water from a diversion within the Morony Pool.

SME has investigated the option of pulling Missouri River water from an infiltration gallery (well) system rather than directly from the reservoir pool and has shown to DNRC through pump tests that this method is technically feasible. Pumping water from an infiltration gallery will be more environmentally friendly (less impact to aquatic fauna) and economical than pumping directly from the reservoir pool. Discussions with DNRC indicate that they will require a new POD for the proposed infiltration gallery. SME requests that the City of Great Falls prepare and submit a POD change application to DNRC. This work would be completed through the City's existing contractor, Water Rights Solutions, Inc.

Our discussions with DNRC indicate that the same general language used in the previous change application could be used in this new application with the addition of technical data already prepared by SME as an attachment. As the owner of the water right, the change application should come from the City through their contractor. SME is willing to reimburse the City for the associated costs.

If you have questions after review of this request, please give me a call to discuss at (406) 587-7275 ext. 230.

Sincerely,

A large black rectangular redaction box covering the signature of Daniel E. March.

Daniel E. March, P.E.
Sr. Project Manager

cc: Tim Gregori, Southern Montana Electric G&T

COPY

WATER SERVICE AGREEMENT

THIS AGREEMENT, made and entered into this 15th day of March, 2005, by and between the CITY OF GREAT FALLS, an incorporated city with its principal place of business of City Hall, 2 Park Drive South, Great Falls, Montana, 59401, (hereinafter referred to as the City), and SOUTHERN MONTANA ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE, INC., a corporation organized and existing under the laws of the State of Montana, with its principal place of business at 3521 Gabel Road, Suite #5, Billings, Montana 59102, (hereinafter referred to as Southern). The City and Southern are collectively referred to hereinafter as the parties.

WHEREAS, the City is a member system of Southern with expectation of purchasing wholesale electricity from Highwood Station, a 250 mW CFB coal-fired power plant which Southern anticipates constructing and operating east of the City; and

WHEREAS, the City has water rights and water right reservations in the Missouri River, for which there is actual water subject to appropriation, which the City has agreed to make available to Southern in quantities necessary for operation of the Highwood Station by means of transfer of water right or sale of water mutually agreeable to Southern and the City. The City has agreed to make appropriate application and provide all necessary information to the Montana Department of Natural Resources and Conservation (DNRC), and/or other appropriate agency, to gain approval for transfer of the City's water right, sale of water or transfer of place of use of water outside the corporate limits of the City, to accommodate Southern's industrial use of water contemplated herein.

NOW, THEREFORE, in consideration of the agreements set forth hereinafter, the parties covenant and agree as follows:

A. Sale of City Water to Southern for Industrial Purposes.

1. The City agrees to sell to Southern the raw water necessary to operate a 250 mW circulating fluidized bed coal fired electric generating plant known as the Highwood Station to be located east of the boundary of the corporate limits of the City. The City agrees to dedicate an instantaneous maximum of 3,200 gallons per minute from the City's available water rights to provide industrial water to be used in connection with operation of Highwood Station, commencing during the course of construction, anticipated to begin in 2006, but not later than 2016, and continuing thereafter during the life of the project which, as of the date hereof, the parties agree will be a minimum of thirty-five (35) years, from and after commencement of commercial operation.

2. The City agrees to file all necessary and appropriate applications, notices, or petitions with the Montana Department of Natural Resources and Conservation (DNRC), the Montana Water Court, PP&L Montana LLC, the Federal Energy Regulatory Commission, or elsewhere to obtain change in place of appropriation and/or use and to preserve and defend its reserved water right so the City may allocate water to Southern during the term hereof. The City and Southern agree to participate in appropriate environmental assessments or environmental impact statements which may be necessitated as a consequence of the City's applications to allocate water for use by Southern.

The City agrees to make available to Southern all notices of all filings and administrative or judicial approvals or decisions relating to the City's water right as it relates to this agreement.

3. Southern agrees to provide the City with the legal description of the location of the point of diversion and appropriation, together with the place of use of the water. Southern agrees to provide information regarding water intake structures and other detailed information as requested and deemed necessary to allow for the successful application and approval of water right transfer. Southern agrees that it will construct water intake structures, provide necessary pumps, pipeline, storage and return facilities at its sole cost and expense. All water shall be metered through a water meter selected and provided by the City and installed by Southern.

The Industrial Process Water Meter shall be an appropriately designed and sized propeller meter with digital register display, showing rate of flow and total flow in gallons. The propeller meter need not be capable of field testing and repair and in event the meter must be removed for repair water use will be estimated based upon previous use. All meters shall be installed in accordance with manufacturer's requirements at a location agreeable and accessible to the City.

4. Southern shall own the water service line from the point of diversion to the place of use. The City shall have continued ownership of all water meters installed within the water service line, together with the obligation of maintenance and upkeep of the same.

5. Southern shall keep daily records of industrial process water passing through the meter. Southern agrees it shall make all records of water consumption available to the City upon request at all times its business office is open.

B. Fees and Rates.

1. In consideration of receiving water provided by the City, Southern shall pay the City appropriate service fees as required by Title 13, Official Code of the City of Great Falls (OCCGF).

2. Southern agrees to pay the City for use of the City's industrial water at the rate described in Exhibit A attached hereto.

3. Southern shall pay the City the agreed upon rate for industrial water based upon the volume of water consumed by Southern. To ensure the integrity of the City's water rights the volume of Southern's industrial water consumption will be determined by the total gallons of water passing through the industrial water meter provided and owned by the City. Southern shall keep records and report daily, electronically or otherwise, to the City the amount of water passing through the industrial water meter in a manner which is mutually acceptable to the City. The City shall bill Southern at the raw water rate as described in Exhibit A on a monthly basis for the volume of industrial process water consumed by Southern. Southern shall be entitled to credit against said monthly billing for Southern's difference in cost of power than paid therefore by the City as set forth in that certain Agreement dated the 22nd day of October, 2004.

4. Each month the City will invoice Southern for industrial process water consumed by Southern in the prior month. In event there remains a balance due the City, after credit is given as described in paragraph 3 hereinabove, Southern shall pay the City said balance within thirty days from each invoice date. Late payment penalties will be charged and paid by Southern at the rate of Ten Percent (10%) per annum upon any balance which shall be in excess of sixty (60) days past due.

C. Term of Agreement.

1. This agreement shall commence upon the date the Montana Department of Natural Resources and Conservation issues its Order or other written communication approving the transfer of water rights or sale of water by the City to Southern and shall continue for an initial term expiring on December 31st, 2045. In event the Highwood Station power generation facility is, on the date of expiration of this agreement, viable and operational the parties agree this agreement shall continue for the remaining operational life of the Highwood Station under terms which are mutually satisfactory to the parties.

2. If either party perceives the other has failed to perform material obligation hereunder thereby giving rise to a dispute which remains un-remedied for a period of sixty (60) days after written notice of the nature of, and facts giving rise to, the dispute, said party shall appoint an arbitrator and place the other party on notice that the other party shall have fourteen (14) days to appoint an arbitrator. The two arbitrators selected on behalf of each party shall then, within fourteen (14) days, select a mutually agreed upon third arbitrator. Upon establishment of the Board of Arbitrators all hearings and proceedings shall be held in accordance with, and all

matters in dispute shall be resolved as provided for in, the Montana Uniform Arbitration Act, M.C.A. § 27-5-101, et seq.

The parties hereto expressly acknowledge, due to the public nature of the use of water, pursuant to the terms of this agreement, that the same is not subject to cancellation or termination without mutual consent during the term as set forth hereinabove.

D. Further Representations.

1. Failure in the water system shall create no liability against the City unless such failure shall have been caused by the gross negligence or willful misconduct of the City, its employees, agents or contractors. Southern shall hold the City harmless and indemnify the City from any and all claims and actions for property damage or personal injury arising from any acts or omissions of Southern with respect to Southern's construction and use of pipelines or facilities to convey the City's water located upon realty or rights-of-way of the City or elsewhere, unless such damage or injury shall arise from the gross negligence or willful misconduct of the City, its employees, agents or contractors.


2. During the term of this agreement, no delay by the City or Southern in exercising any right or power or in enforcing any of its remedies hereunder shall be deemed a waiver of such default of the rights, power and remedies herein provided.

3. The provisions of this agreement will be binding upon and inure to the benefit of the successors and assignees of each of the parties hereto. Neither party shall assign any of its rights or obligations hereunder without the consent of the other party. Any consent required by this section shall not be unreasonably withheld.


4. This agreement shall be interpreted according to the laws of the State of Montana.

5. Any notice, demand, request, statement or correspondence provided for in this agreement, or any notice which a party may desire to give to the other, shall be in writing (unless otherwise provided) and shall be considered duly delivered when received by mail, facsimile or overnight courier, at the address below listed otherwise required or directed in this agreement.

CITY OF GREAT FALLS


John Lawton, City Manager
P.O. Box 5021
Great Falls MT 59403

SOUTHERN MONTANA ELECTRIC


Tim Gregori, Manager
3521 Gabel Road, Suite 5
Billings MT 59102

EXECUTED the day and year first hereinabove written.

Southern Montana Electric Generation and Transmission
Cooperative Inc.

By: [Redacted]
President

Attest: [Redacted]
Vice-President

City of Great Falls

By: [Redacted]
Its: City Manager

Attest: [Redacted]
Its: City Controller

STATE OF MONTANA)
 :SS.
County of Yellowstone)

On this 18th day of March, 2005 before me, the undersigned, a Notary Public in and for said state, personally appeared Wm C Fitzgerald and John E Pinski, the President and Vice-President of Southern Montana Electric Generation and Transmission Cooperative, Inc., a Montana corporation, each known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same, on behalf of said corporation, for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first hereinabove written.

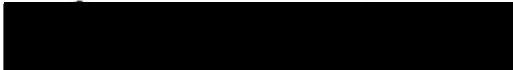
(Notarial Seal)

[Redacted Signature]
Printed Name: Patricia R Delaney
Notary Public for the State of Montana
Residing at: Billings mt
My Commission Expires: 3-5-2007

STATE OF MONTANA)
 :SS.
County of Cascade)

On this 15th day of March, 2005, before me, the undersigned, a Notary Public in and for said state, personally appeared John Lawton and Coleen Balzarini, the City Manager and City Controller, respectively, of the City of Great Falls, an incorporated city, each known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that they executed the same, on behalf of said city, for the purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first hereinabove written.



Printed Name: Carolyn M. Horst
Notary Public for the State of Montana
Residing at: Great Falls
My Commission Expires: 11/03/2007



SOUTHERN MONTANA ELECTRIC GENERATION AND TRANSMISSION COOPERATIVE
WATER RATES

Valid thru June 30, 2010
 All Rates Subject to Yearly Rate Review
 As of June 1, 2004

RUNNING WATER

	(per 100 ccf)
1st 300 CCF/Month	0.16
Over 300 CCF/Month	0.16

CONNECTION FEES

Fee shall be ADDED TO: General Plumbing Permit for extension to new buildings; or, Inspection Permits for larger diameter pipe.

SERVICE LINE SIZE										
0.75"	1"	1.25"	1.5"	2"	3"	4"	6"	8"	10"	12"
270.00	300.00	NA	365.00	395.00	595.00	765.00	1,185.00	1,980.00	NA	3,970.00

Fee shall be ADDED TO: General Plumbing Permit for extension to new buildings; or, Inspection Permits for larger diameter pipe.
 Where one meter serves one multi-purpose development, either mobile home, multiple family housing units, local business, commercial, industrial, residential use zones or variance, the connection charge will be based upon the size of the water tap. If there is no water tap, the charge will be based upon the the sewage being discharged on the same ratio as for other sewer connections.

INSPECTION FEES

Fees for inspection and approval of all water service work and all sewer connections under Title 13 OCCGF
 WATER Flat fee of : \$ 100



Item: Ordinance 3038 to Assign City Zoning to Tract 2 of Certificate of Survey 4591, located in NE¼, Section 4, Township 20 North, Range 4 East, Cascade County, Montana

From: Charles Sheets, Planner I

Initiated By: Steel Etc. Holding Co., Property Owner and Developer

Presented By: Bill Walters, Interim Planning Director

Action Requested: City Commission accept Ordinance 3038 on first reading and set a public hearing for August 4, 2009, to consider adoption of Ordinance 3038.

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (accept/deny) Ordinance 3038 on first reading and set a public hearing for August 4, 2009.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Zoning Commission Recommendation: At the conclusion of a public hearing held April 28, 2009, the Zoning Commission passed a motion recommending the City Commission assign a City zoning classification of I-2 Heavy industrial district to Tract 2 of Certificate of Survey 4591, located in NE¼, Section 4, Township 20 North, Range 4 East, Cascade County, Montana, upon annexation to the City.

Background: The Planning Office is in receipt of applications from Steel Etc. Holding Co., regarding the following:

- 1) Annexation of Tract 2 of Certificate of Survey 4591, located in NE¼, Section 4, Township 20 North, Range 4 East, Cascade County, Montana.
- 2) Establishing City zoning of I-2 Heavy industrial district, upon annexation of said tract.

Said tract is located at the northwest corner of the intersection of River Drive North and 52nd Street North and is being developed by Steel Etc. Holding Co. for their recycling and salvage business.

For additional information, please refer to the attached Vicinity/Zoning Map and reduced copy of Certificate of Survey 4591.

The area described as Tracts 1 and 2 of Certificate of Survey 4591 was previously used as the contractor yard for McIntyre Construction. Steel Etc. has started construction of three buildings (an office building

and two shop buildings) on Tract 2. The State of Montana has issued building permits for these structures.

For access, the applicant intends to utilize the existing approach off 52nd Street North. No new approaches are planned to River Drive North.

The applicant has recently extended a water main per City policy to the north boundary of the said Tract 2. The sanitary sewer main in River Drive North is being extended to serve a portion of Tract 2. Due to the shallow depth of the sanitary sewer main, it is not feasible to serve development beyond Tract 2 without involving a pump system. Easements across Tract 2 will be necessary to accommodate public and private utilities.

Neighborhood Council District 4 during a meeting held December 22, 2008, considered the proposal to annex Tract 2. The council voted unanimously in favor of the proposal.

The business operation to be conducted on Tract 1 of Certificate of Survey 4591 is integral to that to be conducted on Tract 2. As no City services are intended to be provided to that portion of the business operation to be conducted on Tract 1, the applicant has not applied to annex Tract 1. As the City expands in the vicinity, Tract 1's existence outside the City for an indefinite period of time will eventually cause confusion and conflicts associated with provision of public services in the area. Therefore, it would be appropriate to require the applicant to consent to annex Tract 1 under certain conditions.

It is proposed that said Tract 2 be zoned I-2 Heavy industrial district, upon annexation to the City. Subject property is located on the fringe of the City, which in this area has been developing primarily with industrial uses.

Section 76-2-304 Montana Code Annotated lists criteria and guidelines which must be considered in conjunction with establishing municipal zoning on land:

- a) is designed in accordance with the growth policy (comprehensive plan);
- b) is designed to lessen congestion in the streets;
- c) will secure safety from fire, panic or other dangers;
- d) will promote health and the general welfare;
- e) will provide adequate light and air;
- f) will prevent overcrowding of land;
- g) will avoid undue concentration of population;
- h) will facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements;
- i) gives reasonable consideration to the character of the district;
- j) gives reasonable consideration to the peculiar suitability of the property for particular uses;
- k) will conserve the value of buildings; and
- l) will encourage the most appropriate use of land throughout the municipality.

A goal of the land use element of the Great Falls Growth Policy is:

“To support and encourage efficient, sustainable development and redevelopment throughout the community.”

Goals of the economic development element include:

- Enhance, strengthen and expand the existing economic base.
- Attract new business and support expansion of existing businesses that tend to raise the median income level.

- Encourage businesses and industries that will utilize existing infrastructure.

Applicable policy statements include “Annexations should be logical and efficient extensions of the City’s boundaries and service areas”.

Annexation of subject property will enhance health, safety and welfare through application of City Codes and provision of municipal services. Therefore, staff concludes the above-cited criteria are substantially met.

At the conclusion of a public hearing held April 28, 2009, the Zoning Commission passed a motion recommending the City Commission assign a zoning classification of I-2 Heavy industrial district to Tract 2 of Certificate of Survey 4591, located in NE¼, Section 4, Township 20 North, Range 4 East, Cascade County, Montana, upon annexation to the City. Ms. Sandra Guynn, 3624 9th Avenue South, Chair of Neighborhood Council #4, said the project is supported by the Council # 4. No other citizens spoke as proponents or opponents during the hearing.

It is anticipated the City Commission, following the public hearing on August 4, 2009, will consider the annexation resolution and an annexation agreement for Tract 2 of Certificate of Survey 4591, simultaneously with Ordinance 3038.

Concurrences: Representatives from the City’s Public Works, Community Development, and Fire Departments have been involved throughout the review and approval process for this project.

Fiscal Impact: Providing services is expected to be a negligible cost to the City. Any increased costs likely will be covered by increased tax revenues from improved properties.

Alternatives: The City Commission could deny acceptance of Ordinance 3038 on first reading and not set the public hearing. However, such action would deny the applicant due process and consideration of a public hearing, as provided for in City Code and State Statute.

Attachments/Exhibits:

1. Vicinity/Zoning Map
2. Ordinance 3038
3. Copy of Certificate of Survey 4591

Cc: Jim Rearden, Public Works Director
Dave Dobbs, City Engineer
Mike Rattray, Community Development Director
Steel Etc., P.O. Box 1259, Great Falls, MT 59403

ORDINANCE 3038

AN ORDINANCE ASSIGNING A ZONING CLASSIFICATION OF I-2 HEAVY INDUSTRIAL DISTRICT TO TRACT 2 OF CERTIFICATE OF SURVEY 4591, LOCATED IN NE¼ SECTION 4, TOWNSHIP 20 NORTH, RANGE 4 EAST, P.M.M., CASCADE COUNTY, MONTANA

* * * * *

WHEREAS, Steel Etc. Holding Co., has petitioned the City of Great Falls to annex Tract 2 of Certificate of Survey 4591, located in NE¼ Section 4, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana; and,

WHEREAS, Steel Etc. Holding Co., has petitioned Tract 2 of Certificate of Survey 4591, located in NE¼ Section 4, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana, be assigned a zoning classification of I-2 Heavy industrial district upon annexation to the City; and,

WHEREAS, notice of assigning a zoning classification of I-2 Heavy industrial district, to Tract 2 of Certificate of Survey 4591, located in NE¼ Section 4, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana was published in the Great Falls Tribune advising that a public hearing on this zoning designation would be held on the 4th day of August, 2009, before final passage of said Ordinance herein; and,

WHEREAS, following said public hearing, it was found and recommended that the said zoning designation be made, NOW THEREFORE,

BE IT ORDAINED BY THE COMMISSION OF THE CITY OF GREAT FALLS, STATE OF MONTANA:

Section 1. It is determined that the herein requested zoning designation will meet the criteria and guidelines cited in Section 76-2-304 Montana Code Annotated, and Section 17.16.40.030 of the Unified Land Development Code of the City of Great Falls.

Section 2. That the zoning of Tract 2 of Certificate of Survey 4591, located in NE¼ Section 4, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana, be designated as I-2 Heavy industrial district classification.

Section 3. This ordinance shall be in full force and effect thirty (30) days after its passage and adoption by the City Commission or upon filing in the office of the Cascade County Clerk and Recorder the resolution annexing Tract 2 of Certificate of Survey 4591, located in NE¼ Section 4, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana into the corporate limits of the City of Great Falls, Montana, whichever event shall occur later.

APPROVED by the City Commission on first reading July 7, 2009.

PASSED, APPROVED AND ADOPTED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, on second reading August 4th, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

City Attorney

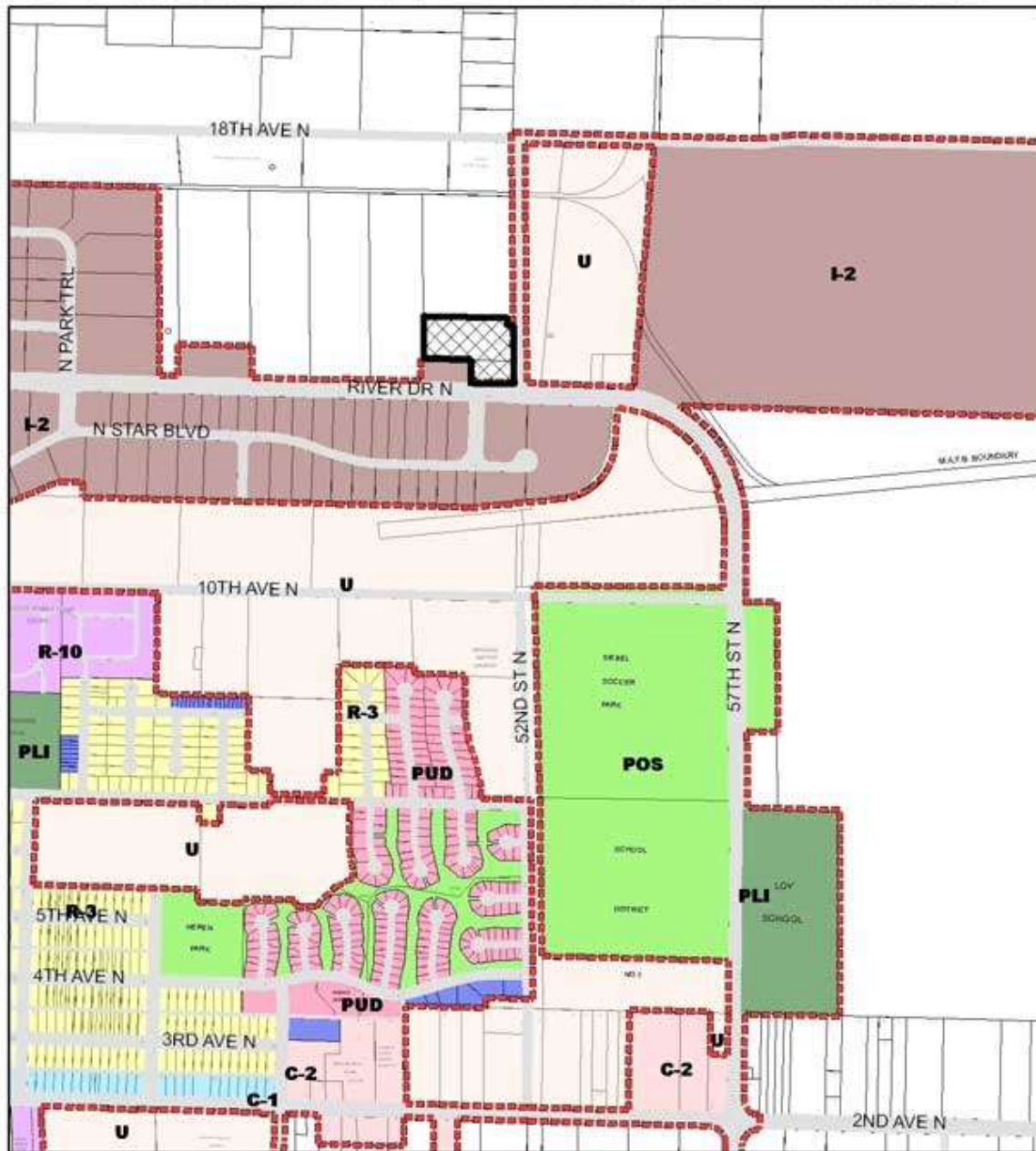
I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do certify that I did post as required by law and as prescribed and directed by the Commission, Ordinance 3038 in three conspicuous places within the limits of said City to-wit:


On the Bulletin Board, first floor, Civic Center Building;
On the Bulletin Board, first floor, Cascade County Court House;
On the Bulletin Board, Great Falls Public Library













Lisa Kunz, City Clerk

(CITY SEAL)


VICINITY/ZONING MAP



 PROPOSED ANNEXATION TO THE CITY AND REQUESTED ZONING CLASSIFICATION OF "I-2" HEAVY INDUSTRIAL

 City Limits	 C-1 Neighborhood commercial	 PUD Planned unit development
 R-3 Single-family high density	 C-2 General commercial	 I-2 Heavy industrial
 R-5 Multi-family medium density	 PLI Public Lands and Institutional	 U Unincorporated enclave
 R-10 Mobile home park	 POS Parks and Open Space	 Tracts of land outside City

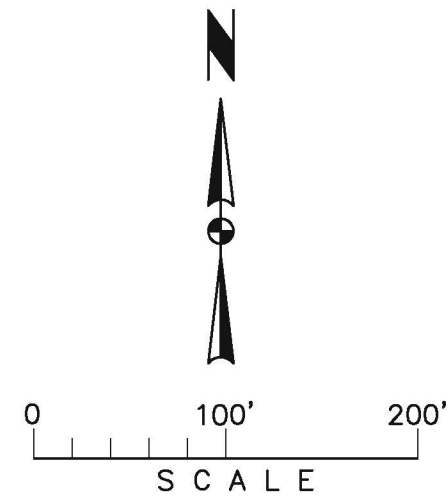
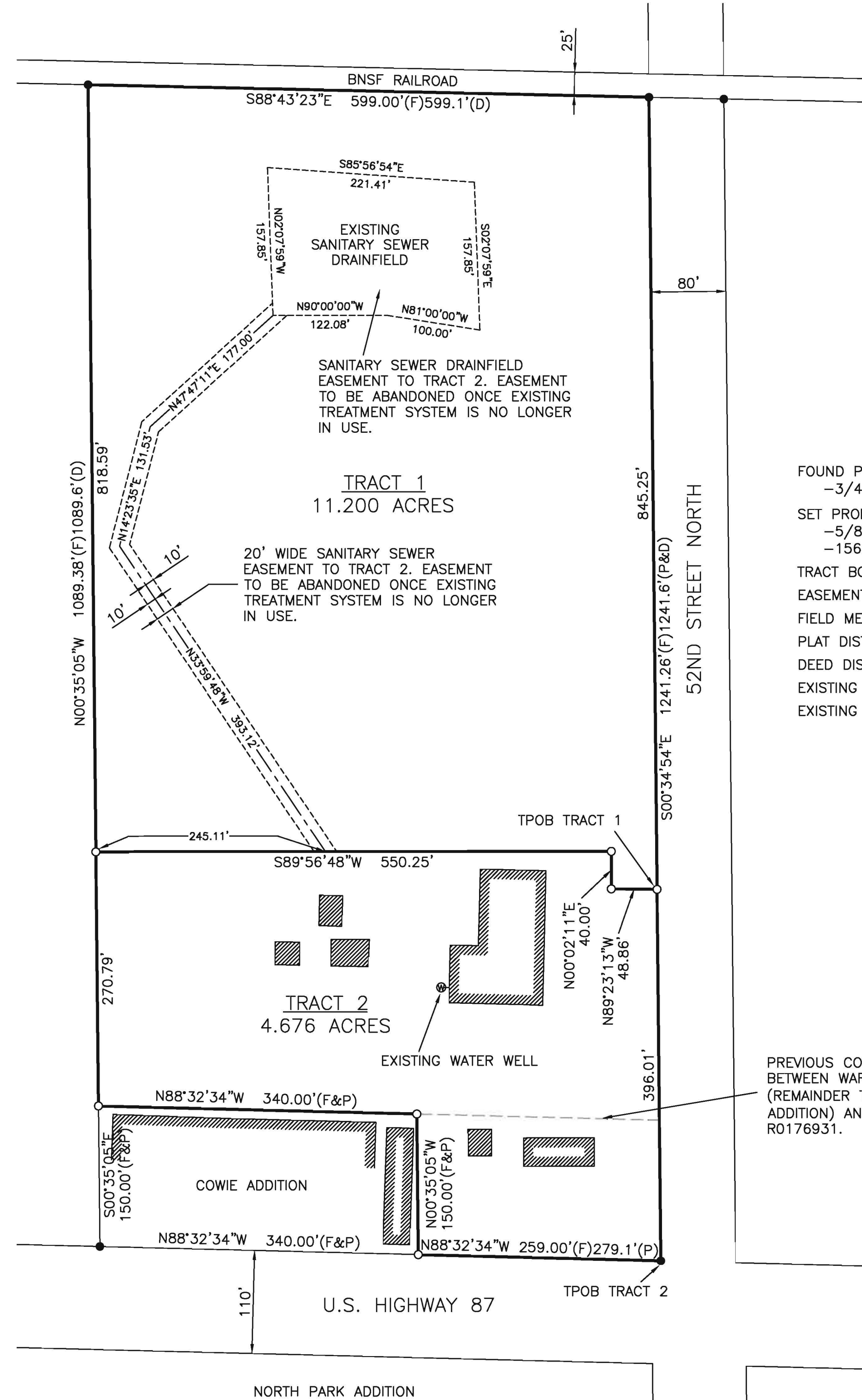
1,200 600 0 1,200 Feet



CERTIFICATE OF SURVEY

TWO TRACTS OF LAND LOCATED IN THE NE¹/₄ OF SECTION 4,
T20N, R4E, P.M.M., CASCADE COUNTY, MONTANA

LAND OWNER: STEEL, ECT. HOLDING COMPANY



LEGEND

- FOUND PROPERTY MONUMENT - 3/4" REBAR ●
- SET PROPERTY MONUMENT - 5/8"x24" REBAR - 15625LS YPC ○
- TRACT BOUNDARY —————
- EASEMENT - - - - -
- FIELD MEASUREMENT (F)
- PLAT DISTANCE (P)
- DEED DISTANCE (D)
- EXISTING BUILDING ▨
- EXISTING WELL ⊙

DESCRIPTION — TRACT 1

A tract of land located in the NE¹/₄ of Section 4, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana, and being more particularly described as follows:
Beginning at a point being the intersection of the Westerly right-of-way of 52nd Street North and the Northerly right-of-way of U.S. Highway 87; thence North 00°34'54" West along said Westerly right-of-way of 52nd Street North, a distance of 396.01 feet to the True Point of Beginning; thence North 89°23'13" West, a distance of 48.86 feet; thence North 00°02'11" East, a distance of 40.00 feet; thence South 89°56'48" West, a distance of 550.25 feet to the Westerly boundary of a tract described on Warranty Deed R0176931; thence North 00°35'05" West along said Westerly boundary, a distance of 818.59 feet to the Southerly right-of-way of the Burlington Northern Sante Fe Railroad; thence South 88°43'23" East along said Southerly right-of-way, a distance of 599.00 feet to said Westerly right-of-way of 52nd Street North; thence South 00°34'54" East along said Westerly right-of-way, a distance of 845.25 feet to the True Point of Beginning and containing 11.200 acres.

DESCRIPTION — TRACT 2

A tract of land located in the NE¹/₄ of Section 4, Township 20 North, Range 4 East, P.M.M., Cascade County, Montana, and being more particularly described as follows:
Beginning at a point being the intersection of the Westerly right-of-way of 52nd Street North and the Northerly right-of-way of U.S. Highway 87; thence North 88°32'34" West along said Northerly right-of-way of U.S. Highway 87, a distance of 259.00 feet to the Easterly boundary of the Cowie Addition; thence North 00°35'05" West along said Easterly boundary, a distance of 150.00 feet to the Northerly boundary of the Cowie Addition; thence North 88°32'34" West along said Northerly boundary, a distance of 340.00 feet to the Westerly boundary of a tract described on Warranty Deed R0176931; thence North 00°35'05" West along said Westerly boundary, a distance of 270.79 feet; thence North 89°56'48" East, a distance of 550.25 feet; thence South 00°02'11" West, a distance of 40.00 feet; thence South 89°23'13" East, a distance of 48.86 feet to said Westerly right-of-way of 52nd Street North; thence South 00°34'54" East along said Westerly right-of-way, a distance of 396.01 feet to the Point of Beginning and containing 4.676 acres.

CERTIFICATE OF COUNTY TREASURER

I, _____ County Treasurer of Cascade County, Montana, do hereby certify that the accompanying plat has been duly examined and that no real property taxes assessed and levied on the land to be subdivided are delinquent.

Dated this _____ day of _____, A.D., 20____.

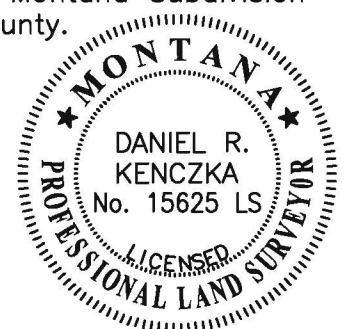
County Treasurer, Cascade County, Montana

CERTIFICATE OF SURVEYOR

I, the undersigned, Daniel R. Kenczka, Professional Land Surveyor, Montana registration No. 15625LS, do hereby certify that I supervised this survey and platted same as shown on the accompanying Certificate of Survey, and as described in accordance with the provisions of the Montana Subdivision and Platting Act, Sections 76-3-101 through 76-3-614, M.C.A., and Cascade County.

Dated this _____ day of _____, A.D., 20____.

Daniel R. Kenczka, Montana Reg. No. 15625LS



CERTIFICATE OF EXEMPTION

I, the undersigned property owner, hereby certify that this division of land is made outside of platted subdivisions for the purpose of relocating common boundary lines between adjoining properties. Therefore this division of land is exempt from subdivision review, pursuant to Section 76-3-207(1)(a) M.C.A.

CERTIFICATE OF EXCLUSION

I, the undersigned property owner, hereby certify that this division of land is excluded from sanitation review, pursuant to ARM 17.36.605(2)(b), stating "(2) The reviewing authority may exclude the following parcels created by divisions of land from review under Title 76, chapter 4, part 1, MCA, unless the exclusion is used to evade the provisions of that part: (b) a parcel that has no existing facilities for water supply, wastewater disposal, or solid waste disposal other than those that were previously approved by the reviewing authority under Title 76, chapter 4, part 1, MCA, or that were exempt from such review, if: (i) no new facilities will be constructed on the parcel; and (ii) the division of land will not cause approved facilities to violate any conditions of approval, and will not cause exempt facilities to violate any conditions of exemption".

STEEL ECT. HOLDING COMPANY

State of Montana)
:ss
County of Cascade)

On this _____ day of _____, before me, _____, the undersigned, a Notary Public for the State of Montana, personally appeared, _____, known to me to be the person who executed the Certificate of Exemption and Exclusion. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(Notarial Seal)
Notary Public for the State of Montana
Residing at _____
My commission expires _____

BASIS OF BEARING: ASSUMED BEARING BASED UPON ENGINEERING DESIGN OF SITE IMPROVEMENTS
PURPOSE OF SURVEY: TO RELOCATE A COMMON BOUNDARY LINE BETWEEN ADJOINING PROPERTIES
MADE OUTSIDE OF A PLATTED SUBDIVISION

DRAWN BY: DRK	DATE: 10-15-08	QUALITY CHECK: DRK
SURVEYED BY: RFS	JOB NO. 08-065	FIELDBOOK

THOMAS, DEAN & HOSKINS, INC.
ENGINEERING CONSULTANTS

GREAT FALLS—BOZEMAN—KALISPELL—HELENA
SPOKANE
LEWISTON

MONTANA
WASHINGTON
IDAHO



Item: Resolution 9837, authorizing the loan agreement with the Montana Board of Investments for \$20,516 to fund the installation cost of five (5) City owned street lights in Water Tower Park Addition.

From: Martha Capps, Operations Supervisor

Initiated By: Developer and Fiscal Services Department

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: Adopt Resolution 9837

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 9837”

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Staff recommends the City Commission adopt Resolution 9837

Background:

On February 3, 2009 Resolution 9807 Created Special Improvement Lighting District- City Owned Residential Lighting District No. 1305, Water Tower Park Addition, for the installation of five (5) 100 watt street light units on 16 foot steel poles with underground wiring.

City Commissioners awarded the installation contract to United Electric on June 2, 2009.

Concurrences: The City Engineering and Fiscal Services Departments have worked together on this project in cooperation with the developer.

On July 19, 2005 the City Commissioners adopted Resolution No. 9506 creating the City’s Street Light Policy, which establishes a policy that the City own and operate any new street lighting districts that would be requested by property owners or developers as allowed by state statutes, Title 7, Chapter 12, Part 43 M.C.A.

Fiscal Impact: The Montana Board of Investments has agreed to loan the City of Great Falls, \$20,516 for the installation costs of five (5) city-owned residential street lights in the Water Tower Park Addition. The loan amount consists of \$18,516 for construction and \$2,000 for contracted engineering services on the design and installation. The loan has a variable interest rate that changes annually in February and the current interest rate is 3.25%. The term of the loan

will be 15 years and is repayable from assessments levied against the 16 individual properties within the lighting district.

Alternatives: The Commission may choose not to enter into the loan agreement, in which case alternative financing options for the construction and engineering costs would have to be determined.

Attachments/Exhibits: Resolution 9837

RESOLUTION AUTHORIZING PARTICIPATION IN THE INTERCAP PROGRAM

CERTIFICATE OF MINUTES RELATING TO
RESOLUTION NO. 9837

Issuer: City of Great Falls

Kind, date, time and place of meeting: A City Commission meeting held on July 7, 2009 at 7 o'clock p.m. in Great Falls, Montana.

Members present: _____

Members absent: _____

RESOLUTION NO. 9837

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE TENDER OPTION MUNICIPAL FINANCE CONSOLIDATION ACT BONDS (INTERCAP REVOLVING PROGRAM), APPROVING THE FORM AND TERMS OF THE LOAN AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO

I, the undersigned, being the fully qualified and acting recording officer of the public body issuing the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of the public body in my legal custody, from which they have been transcribed; that the documents are a correct and complete transcript of the minutes of a meeting of the governing body at the meeting, insofar as they relate to the obligations; and that the meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 7th day of July, 2009.

Lisa Kunz, City Clerk

RESOLUTION NO. 9837

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE TENDER OPTION MUNICIPAL FINANCE CONSOLIDATION ACT BONDS (INTERCAP REVOLVING PROGRAM), APPROVING THE FORM AND TERMS OF THE LOAN AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO

BE IT RESOLVED BY THE CITY COMMISSION (the Governing Body) OF THE CITY OF GREAT FALLS (the Borrower) AS FOLLOWS:

ARTICLE I

DETERMINATIONS AND DEFINITIONS

Section 1.01. Definitions. The following terms will have the meanings indicated below for all purposes of this Resolution unless the context clearly requires otherwise. Capitalized terms used in this Resolution and not defined herein shall have the meanings set forth in the Loan Agreement.

Adjusted Interest Rate means the rate of interest on the Bonds determined in accordance with the provisions of Section 3.03 of the Indenture.

Authorized Representative shall mean the officers of the Borrower designated and duly empowered by the Governing Body and set forth in the application.

Board shall mean the Board of Investments of the State of Montana, a public body corporate organized and existing under the laws of the State and its successors and assigns.

Board Act shall mean Section 2-15-1808, Title 17, Chapter 5, Part 16, MCA, as amended.

Bonds shall mean the Bonds issued by the Board pursuant to the Indenture to finance the Program.

Borrower shall mean the Borrower above named.

Indenture shall mean that certain Indenture of Trust dated March 1, 1991 by and between the Board and the Trustee pursuant to which the Bonds are to be issued and all supplemental indentures thereto.

Loan means the loan of money by the Board to the Borrower under the terms of the Loan Agreement pursuant to the Act and the Borrower Act and evidenced by the Note.

Loan Agreement means the Loan Agreement between the Borrower and the Board, including any amendment thereof or supplement thereto entered into in accordance with the provisions thereof and hereof.

Loan Agreement Resolution means this Resolution or such other form of resolution that the Board may approve and all amendments and supplements thereto.

Loan Date means the date of closing a Loan.

Loan Rate means the rate of interest on the Loan which is initially 3.25% per annum through February 15, 2010 and thereafter a rate equal to the Adjusted Interest Rate on the Bonds and up to 1.5% per annum as necessary to pay Program Expenses.

Note means the promissory note to be executed by the Borrower pursuant to the Loan Agreement, in accordance with the provisions hereof and thereof, in substantially the form set forth in the Promissory Note, or in such form that may be approved by the Board.

Program shall mean the INTERCAP Program of the Board pursuant to which the Board will issue and sell Bonds and use the proceeds to make loans to participating Eligible Government Units.

Project shall mean those items of equipment, personal or real property improvements to be acquired, installed, financed or refinanced under the Program as set forth in the Description of the Project/Summary of Draws.

Trustee shall mean U.S. Bank Trust National Association MT (formerly known as First Trust Company of Montana National Association) and its successors.

Section 1.02. Authority. The Borrower is authorized to undertake the Project and is further authorized by the Borrower Act to enter into the Loan Agreement for the purpose of obtaining a loan to finance or refinance the acquisition and installation costs of the Project.

Section 1.03. Execution of Agreement and Delivery of Note. Pursuant to the Indenture and the Board Act, the Board has issued and sold the Bonds and deposited a part of proceeds thereof in the Loan Fund held by the Trustee. The Board has, pursuant to the Term Sheet, agreed to make a Loan to the Borrower in the principal amount of \$20,516.00 and upon the further terms and conditions set forth herein, and as set forth in the Term Sheet and the Loan Agreement.

ARTICLE II

THE LOAN AGREEMENT

Section 2.01. Terms. (a) The Loan Agreement shall be dated as of the Loan Date, in the principal amount of \$20,516.00 and shall constitute a valid and legally binding obligation of the Borrower. The obligation to repay the Loan shall be evidenced by a Promissory Note. The Loan shall bear interest at the initial rate of 3.25% per annum through February 15, 2010 and thereafter at the Adjusted Interest Rate, plus up to 1.5% per annum as necessary to pay the cost of administering the Program (the Program Expenses). All payments may be made by check or wire transfer to the Trustee at its principal corporate trust office.

(b) The Loan Repayment Dates shall be February 15 and August 15 of each year.

(c) The principal amount of the Loan may be prepaid in whole or in part provided that the Borrower has given written notice of its intention to prepay the Loan in whole or in part to the Board no later than 30 days prior to the designated prepayment date.

(d) The Prepayment Amount shall be equal to the principal amount of the Loan outstanding, plus accrued interest thereon to the date of prepayment.

(e) Within fifteen days following an Adjustment Date, the Trustee shall calculate the respective amounts of principal and interest payable by each Borrower on and with respect to its Loan Agreement and Note for the subsequent August 15 and February 15 payments, and prepare and mail by first class mail a statement therefore to the Borrower.

Section 2.02. Use and Disbursement of the Proceeds. The proceeds of the Loan will be expended solely for the purposes set forth in the Description of the Project/Summary of Draws. The proceeds from the sale of the Note to the Board shall remain in the Borrower's Account pending disbursement at the request of the Borrower to pay the budgeted expenditures in anticipation of which the Note was issued. Requests for disbursement of the Loan shall be made to the Board. Prior to the closing of the Loan and the first disbursement, the Borrower shall have delivered to the Trustee a certified copy of this Resolution, the executed Loan Agreement and Note in a form satisfactory to the Borrower's Counsel and the Board's Bond Counsel and such other certificates, documents and opinions as set forth in the Loan Agreement or as the Board or Trustee may require. The Borrower will pay the loan proceeds to a third party within five business days after the date they are advanced (except for proceeds to reimburse the Borrower for previously paid expenditures, which are deemed allocated on the date advanced).

Section 2.03. Payment and Security for the Note. In consideration of the making of the Loan to the Borrower by the Board, the provisions of this Resolution shall be a part of the Agreement of the Borrower with the Board. The provisions, covenants and Agreements herein set forth to be performed by or on behalf of the Borrower shall be for the benefit of the Board. The Loan Agreement and Note shall constitute a valid and legally binding obligation of the Borrower and the principal of and interest on the Loan shall be payable from the general fund of the Borrower, and any other money and funds of the Borrower otherwise legally available therefore. The Borrower shall enforce its rights to receive and collect all such taxes and revenues to insure the prompt payment of the Borrower obligations hereunder.

Section 2.04. Representation Regarding the Property Tax Limitation Act. The Borrower recognizes and acknowledges that the amount of taxes it may levy is limited by the state pursuant to Section 15-10-402, et. seq. (the Property Tax Limitation Act). The Borrower is familiar with the Property Tax Limitation Act and acknowledges that the obligation to repay the Loan under the Agreement and Note are not exceptions to the provisions of the Property Tax Limitation Act. The Borrower represents and covenants that the payment of principal of and interest on the Loan can and will be made from revenues available to the Borrower in the years as they become due, notwithstanding the provisions of the Property Tax Limitation Act.

Section 2.05. Levy and Appropriate Funds to Repay Loan. The Borrower agrees that in order to meet its obligation to repay the Loan and all other payments hereunder that it will budget, levy taxes for and appropriate in each fiscal year during the term of the Loan an amount sufficient to pay the principal of and interest hereon within the limitations of the Property Tax Limitation Act, as may be amended, and will reduce other expenditures if necessary to make the payments hereunder when due.

ARTICLE III

CERTIFICATIONS, EXECUTION AND DELIVERY

Section 3.01. Authentication of Transcript. The Authorized Representatives are authorized and directed to prepare and furnish to the Board and to attorneys approving the validity of the Bonds, certified copies of this Resolution and all other resolutions and actions of the Borrower and of said officers relating to the Loan Agreement, the Note, and certificates as to all other proceedings and records of the Borrower which are reasonably required to evidence the validity and marketability of the Note. All such certified copies and certificates shall be deemed the representations and recitals of the Borrower as to the correctness of the statements contained therein.

Section 3.02. Legal Opinion. The attorney to the Borrower is hereby authorized and directed to deliver to the Board at the time of Closing of the Loan his or her opinion regarding the Loan, the Loan Agreement, the Note and this Resolution in substantially the form of the opinion set forth in the Attorney's Opinion.

Section 3.03. Execution. The Loan Agreement, Note, and any other document required to close the Loan shall be executed in the name of the Borrower and shall be executed on behalf of the Borrower by the signatures of the Authorized Representatives of the Borrower.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, July 7, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney



Item: Resolution 9842, Resolution relating to \$750,000 Water System Revenue Bonds (DNRC Drinking Water State Revolving Loan Program), consisting of \$416,300 subordinate lien taxable Series 2009A Bond and \$333,700 Series 2009B Bond; Authorizing the issuance and fixing the terms and conditions thereof

From: Martha Capps, Operations Supervisor

Initiated By: Fiscal Services, Public Works/Water Utility

Presented By: Coleen Balzarini, Fiscal Services Director

Action Requested: Adoption of Resolution 9842

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 9842”

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Staff recommends adoption of Resolution 9842, authorizing the issuance and fixing the terms of a \$416,300 subordinate lien taxable Series 2009A Bond and a \$333,700 Series 2009B Bond.

Background: The Public Works Department requested consideration for funding through the American Recovery and Reinvestment Act of 2009 (ARRA) to continue the replacement of the water system in various areas throughout Great Falls. The City was notified by the DNRC on April 17, 2009 that, should participation be accepted, ARRA would provide \$416,300 in principal forgiveness and an interest rate on the remainder of the funding at either 1.75% or 0.75% depending on whether the City qualifies for additional subsidy based on affordability. On April 29, 2009, the City Commission confirmed the acceptance of the funds and agreed to abide by the terms outlined, including the application for funding through the State Revolving Loan program

DNRC has since submitted a letter of approval for a loan to the City of Great Falls in the amount of \$750,000. Loan A will be for \$416,300 and be forgiven upon completion of the ARRA program requirements. Loan B will be for \$333,700 at 1.75% per annum, for 20 years. All issuance fees and costs will be paid out of this financing. Pending completion of the financing

process, cash balances in the water fund will provide sufficient cash to pay upfront expenses. Staff anticipates the bond closing in August, 2009.

Dorsey & Whitney, LLC will serve as bond counsel. In this capacity, they prepare necessary documents requiring action by the City Commission and staff, and the DNRC. They will also provide assurance that the procedures used to issue the bonds are in compliance with rules and regulations regarding the issuance of tax exempt revenue bonds, and also in compliance with existing bond ordinances of the outstanding Water System Revenue Bonds of the City.

Fiscal Impact: The cost of the project will increase marginally as a result of the requirements of ARRA; however, the amount of loan forgiveness will be far in excess of the anticipated increase in project costs. The water utility rates, implemented in March 2009, are capable of supporting this debt issuance.

Alternatives: The City Commission may deny passage of the resolution and the issuance of debt.

Attachments/Exhibits: Resolution 9842

Resolution 9842
Project List

Water project:

O.F. 1570 - 1st Avenue North Water Main Replacement, 5th to 13th Streets

Wastewater Project:

O.F. 1374.0 - Coating Improvements at the GFWWTP and Lift Station #15

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Great Falls, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. 9842 entitled: "RESOLUTION RELATING TO \$750,000 WATER SYSTEM REVENUE BONDS (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), CONSISTING OF \$416,300 SUBORDINATE LIEN TAXABLE SERIES 2009A BOND AND \$333,700 SERIES 2009B BOND; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Commission of the City at a regular meeting on July 7, 2009, and that the meeting was duly held by the City Commission and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: _____
_____; voted against the same: _____
_____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this _____ day of July, 2009.

Lisa Kunz, City Clerk

SUPPLEMENTAL RESOLUTION

Relating to

\$750,000

WATER SYSTEM REVENUE BONDS

(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM)

CONSISTING OF

\$416,300 SUBORDINATE LIEN TAXABLE SERIES 2009A BOND

AND \$333,700 SERIES 2009B BOND

CITY OF GREAT FALLS, MONTANA

Adopted: July 7, 2009

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RESOLUTION NO. 9842

RESOLUTION RELATING TO \$750,000 WATER SYSTEM
REVENUE BONDS (DNRC DRINKING WATER STATE
REVOLVING LOAN PROGRAM), CONSISTING OF \$416,300
SUBORDINATE LIEN TAXABLE SERIES 2009A BOND AND
\$333,700 SERIES 2009B BOND; AUTHORIZING THE
ISSUANCE AND FIXING THE TERMS AND CONDITIONS
THEREOF

WHEREAS, pursuant to the Drinking Water State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 6, Part 2, as amended (the "State Act"), the State of Montana (the "State") has established a revolving loan program (the "Program") to be administered by the Department of Natural Resources and Conservation of the State of Montana, an agency of the State (the "DNRC"), and by the Department of Environmental Quality of the State of Montana, an agency of the State (the "DEQ"), and has provided that a drinking water state revolving fund (the "Revolving Fund") be created within the state treasury and all federal, state and other funds for use in the Program be deposited into the Revolving Fund, including, but not limited to, all federal grants for capitalization of a state drinking water revolving fund under the federal Safe Drinking Water Act (the "Safe Drinking Water Act"), all repayments of assistance awarded from the Revolving Fund, interest on investments made on money in the Revolving Fund and payments of principal of and interest on loans made from the Revolving Fund; and

WHEREAS, the State Act provides that funds from the Program shall be disbursed and administered for the purposes set forth in the Safe Drinking Water Act and according to rules adopted by the DEQ and the DNRC; and

WHEREAS, one-time funding has been made available to the Program under the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (2009) ("ARRA"), a portion of which funding may be disbursed to eligible borrowers for eligible projects, upon satisfaction of certain terms and conditions specified in ARRA, Program documents, and herein; and

WHEREAS, the City of Great Falls, Cascade County, Montana (the "Borrower") has applied to the DNRC for the 2009 Loans (as hereinafter defined) from the Revolving Fund to enable the Borrower to finance, refinance or reimburse itself for the costs of the 2009 Project (as hereinafter defined) which will carry out the purposes of the Safe Drinking Water Act and be implemented in accordance with ARRA; and

WHEREAS, the Borrower is authorized under applicable laws, ordinances and regulations to adopt this Resolution and to issue the Series 2009 Bonds (as hereinafter defined) to evidence the 2009 Loans (as hereinafter defined) for the purposes set forth herein; and

WHEREAS, the DNRC will fund the 2009A Loan (as hereinafter defined) and the 2009B Loan (as hereinafter defined) with funds provided by the United States Environmental Protection Agency under ARRA.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, AS FOLLOWS:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION AND APPENDICES

Section 1.1 Definitions. Unless a different meaning clearly appears from the context, terms used with initial capital letters but undefined in this Supplemental Resolution shall have the meanings given them in the Original Resolution, the Indenture, or as follows:

“Accountant” or “Accountants” means an independent certified public accountant or a firm of independent certified public accountants satisfactory to the DNRC.

“Act” means Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as heretofore and hereafter amended or supplemented.

“Additional Bonds” means any Bonds issued pursuant to Article VI of the Original Resolution, excluding Subordinate Obligations.

“Administrative Expense Surcharge” means, upon the delivery of an ARRA Noncompliance Statement as provided by this Supplemental Resolution, a surcharge equal to seventy-five hundredths of one percent (0.75%) per annum on the outstanding principal amount of the 2009 Loans from the date of each advance thereof, payable by the Borrower on a Payment Date.

“ARRA” means the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (2009), and all regulations, rules, and interpretations issued by the EPA thereunder.

“ARRA Bonds” means, collectively, the Series 2009A Bond and the Series 2009B Bond.

“ARRA Certificate and Request” means the certificate and request substantially in the form of the attached Appendix D delivered by the DNRC to the Borrower following the final advance of principal of the 2009B Loan, to be completed, executed and delivered by the Borrower to the DNRC pursuant to Section 5.1.2 of this Supplemental Resolution.

“ARRA Forgiveness Statement” means a written statement delivered to the Borrower by the DNRC that the Borrower’s obligation to repay the principal of the Series 2009A Bond is forgiven.

“ARRA Noncompliance Statement” means a written statement delivered to the Borrower by the DNRC that the Borrower’s obligation to repay the principal of the Series 2009A Bond is not forgiven.

“ARRA Statement” means an ARRA Forgiveness Statement or an ARRA Noncompliance Statement.

“Authorized DNRC Officer” means the Director of the DNRC or his or her designee.

“Bond Counsel” means any Counsel nationally recognized as experienced in matters relating to the issuance by states or political subdivisions of tax-exempt obligations selected by the Borrower and acceptable to the DNRC.

“Bonds” means the Series 2000 Bond, Series 2002A Bonds, Series 2008 Bond, Series 2009B Bond, and any Additional Bonds; “Bonds” does not include the Series 2009A Bond.

“Borrower” means the City of Great Falls, Montana and its permitted successors or assigns hereunder.

“Business Day” means any day which is not a Saturday or Sunday, a legal holiday in the State or a day on which banks in Montana are authorized or required by law to close.

“City” means the City and its permitted successors or assigns hereunder.

“Closing” means the date of delivery of the Series 2009 Bonds to the DNRC.

“Collateral Documents” means any security agreement, guaranty or other document or agreement delivered to the DNRC securing the obligations of the Borrower under this Supplemental Resolution and the Series 2009 Bonds. If no Collateral Documents secure such obligations, any reference to Collateral Documents in this Supplemental Resolution shall be without effect.

“Commission” means the City Commission of the City of Great Falls, Montana.

“Committed Amount” means the amount of the 2009 Loans committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Supplemental Resolution, as such amount may be reduced pursuant to Sections 3.2 and 3.4 of this Supplemental Resolution.

“Construction Account” means the account created in the Water System Fund pursuant to Section 7.02 of the Original Resolution.

“Construction Contract” means the binding contract for construction of the 2009 Project entered into between the Borrower and the construction contractor in compliance with all laws of the State, including those regarding the construction of public projects.

“Consultant” means a nationally recognized consultant or firm of consultants, or an independent engineer or firm of independent engineers, or an Accountant, which in any case is qualified and has skill and experience in the preparation of financial feasibility studies or projections for facilities similar to the System or the 2009 Project, selected by the Borrower and satisfactory to the DNRC.

“Counsel” means an attorney duly admitted to practice law before the highest court of any state and satisfactory to the DNRC.

“Debt” means, without duplication, (1) indebtedness of the Borrower for borrowed money or for the deferred purchase price of property or services; (2) the obligation of the Borrower as lessee under leases which should be recorded as capital leases under generally

accepted accounting principles; and (3) obligations of the Borrower under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (1) or (2) above.

“Debt Service Account” means the account created in the Water System Fund pursuant to Section 7.04 of the Original Resolution.

“DEQ” means the Department of Environmental Quality of the State of Montana, an agency of the State, or any successor to its powers, duties and obligations under the State Act or the EPA Agreements.

“DNRC” means the Department of Natural Resources and Conservation of the State of Montana, an agency of the State, and any successor to its powers, duties and obligations under the State Act.

“EPA” means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Safe Drinking Water Act.

“EPA Agreements” means all capitalization grant agreements and other written agreements between the DEQ, DNRC and the EPA concerning the Program.

“EPA Capitalization Grant” means a grant of funds to the State by the EPA under Section 1452 of the Safe Drinking Water Act.

“Estimated Completion Date” means December 31, 2009, the date by which it is estimated by the Borrower that the 2009 Project will be substantially completed.

“Fund” means the Water System Fund established pursuant to Section 7.01 of the Original Resolution.

“Green Infrastructure” means all or any portion of the 2009 Project that addresses green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities, as described more particularly in ARRA and EPA policies or guidelines.

“Governmental Unit” means governmental unit as such term is used in Section 145(a) of the Code.

“Indenture” means the Indenture of Trust, dated as of May 1, 1998, between the Board of Examiners of the State and the Trustee, as such may be supplemented or amended from time to time in accordance with the provisions thereof, pursuant to which, among other things, the State Bonds are to be or have been issued.

“Loan Loss Reserve Surcharge” means, upon the delivery of an ARRA Noncompliance Statement as provided by this Supplemental Resolution, a surcharge equal to one percent (1.00%) per annum on the outstanding principal amount of the 2009 Loans from the date of each advance thereof, payable by the Borrower on a Payment Date.

“Loan Repayments” means periodic installments of principal and interest by Borrower in repayment of the Series 2009B Bond, and if the DNRC delivers an ARRA Noncompliance Statement, of the Series 2009A Bond, at the rates and times specified in Article V.

“Operating Account” means the account created in the Water System Fund pursuant to Section 7.03 of the Original Resolution.

“Original Resolution” means Resolution No. 9226, adopted by this Commission on May 7, 2002, as amended and supplemented by Resolution No. 9755, adopted by the City Commission of the City on June 17, 2008.

“Payment Date” means, with respect to the Series 2009 Bonds, each January 1 and July 1 during the term of the Series 2009 Bonds on which a payment of interest or principal and interest is due, as determined under the Resolution. The term “Payment Date” as used in this Supplemental Resolution in respect of the Series 2009 Bonds has the same meaning as “Stated Maturity” in the Original Resolution.

“Program” means the Drinking Water State Revolving Fund Program established by the State Act.

“Project” means an improvement, betterment, reconstruction or extension of the System, including the 2009 Project.

“Public Entity” means a State agency, city, town, municipality, irrigation district, county water and sewer district, a soil conservation district or other public body established by State law or an Indian tribe that has a federally recognized governing body carrying out substantial governmental duties and powers over any area.

“Rebate Account” means the account created in the Water System Fund pursuant to Section 7.09 of the Original Resolution.

“Regulations” means the Treasury Department, Income Tax Regulations, as amended or any successor regulation thereto, promulgated under the Code or otherwise applicable to the Series 2009 Bonds.

“Repair and Replacement Account” means the Account created in the Water System Fund pursuant to Section 7.07 of the Original Resolution.

“Reserve Account” means the account created in the Water System Fund pursuant to Section 7.05 of the Original Resolution.

“Reserve Requirement” has the meaning given in the Original Resolution.

“Resolution” means the Original Resolution, as amended and supplemented by Resolution No. 9755, this Supplemental Resolution, and other supplemental resolutions.

“Safe Drinking Water Act” has the meaning given in the Original Resolution, as supplemented by Section 12.1 below.

“Series 2000 Bond” means the City’s Amended and Restated Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2000, issued, as amended and restated, in the maximum authorized principal amount of \$3,000,000 pursuant to the Original Resolution.

“Series 2002A Bonds” means the City’s Water System Revenue Refunding Bonds, Series 2002A, issued in the original principal amount of \$8,030,000 pursuant to the Original Resolution.

“Series 2008 Bond” means the City’s Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2008, issued in the original principal amount of \$4,010,000 pursuant to the Original Resolution.

“Series 2009 Bonds” means, collectively, the Series 2009A Bond and the Series 2009B Bond.

“Series 2009A Bond” means the \$416,300 Subordinate Lien Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Taxable Series 2009A, issued to the DNRC to evidence the 2009A Loan.

“Series 2009B Bond” means the \$333,700 Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2009B, issued to the DNRC to evidence the 2009B Loan.

“State” means the State of Montana.

“State Bonds” means the State’s General Obligation Bonds (Drinking Water State Revolving Fund Program), issued or to be issued pursuant to the Indenture.

“State Act” means Montana Code Annotated, Title 75, Part 6, Chapter 2, as amended from time to time.

“Subordinate Obligations Account” means the account in the Water System Fund contemplated pursuant to Section 7.06 of the Original Resolution and created pursuant Section 8.8 of this Supplemental Resolution.

“Supplemental Resolution” means this Resolution No. 9842 of the Borrower adopted pursuant to Article IX of the Original Resolution.

“Surplus Account” means the account created in the Water System Fund contemplated pursuant to Section 7.08 of the Original Resolution.

“Surplus Revenues” shall mean that portion of the Net Revenues in excess of the current requirements of the Operating Account, the Debt Service Account, the Reserve Account, and the Subordinate Obligations Account.

“System” means the water system of the Borrower and all extensions, improvements and betterments thereof heretofore or hereafter constructed and acquired.

“Trustee” means U.S. Bank National Association, in Seattle, Washington, or any successor trustee under the Indenture.

“2009A Committed Amount” means the amount of the 2009A Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Supplemental Resolution, as such amount may be reduced pursuant to Section 3.2 and Section 3.4 of this Supplemental Resolution.

“2009B Committed Amount” means the amount of the 2009B Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Supplemental Resolution, as such amount may be reduced pursuant to Section 3.2 and Section 3.4 of this Supplemental Resolution.

“2009B First Advance” means the first advance of funds of the 2009 Loans, which shall be made from the proceeds of the 2009B Loan by the DNRC to the Borrower in the amount of at least \$16,686.

“2009 Loans” or “Loan” means, collectively, the 2009A Loan and 2009B Loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the Committed Amount to provide funds to pay all or a portion of the costs of the 2009 Project and to pay costs of issuance of the Series 2009 Bonds.

“2009A Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2009A Committed Amount to provide funds to pay a portion of the costs of the 2009 Project payable under the Program and to pay costs of issuance.

“2009B Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2009B Committed Amount to provide funds to pay a portion of the costs of the 2009 Project payable under the Program and to pay costs of issuance.

“2009 Project” means the designing and engineering of the facilities, improvements and activities financed, refinanced or the cost of which is being reimbursed to the Borrower with proceeds of the 2009 Loans, described in Appendix A hereto.

“2009 Project Readiness Date” means a date that is no later than November 1, 2009.

“Undisbursed Committed Amount” means any undisbursed Committed Amount which is not required to pay costs of the 2009 Project upon completion thereof as provided in Section 3 of this Supplemental Resolution.

“Water System Fund” means the fund created by Section 7.01 of the Original Resolution.

Section 1.2 Other Rules of Construction. For all purposes of this Supplemental Resolution, except where the context clearly indicates otherwise:

(a) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted government accounting standards.

(b) Terms in the singular include the plural and vice versa.

(c) All references to time shall refer to Helena, Montana time, unless otherwise provided herein.

(d) All references to mail shall refer to first-class mail postage prepaid.

(e) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(f) "Or" is not exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

Section 1.3 Appendices. Attached to this Supplemental Resolution and hereby made a part hereof are the following Appendices:

Appendix A: a description of the 2009 Project;

Appendix B-1: the form of the Series 2009A Bond;

Appendix B-2: the form of the Series 2009B Bond;

Appendix C: additional agreements and representations of the Borrower; and

Appendix D: ARRA Certificate and Request.

ARTICLE II

AUTHORIZATION, FINDINGS, REPRESENTATIONS AND COVENANTS

Section 2.1 Authorization and Findings.

(a) Authorization. Under the provisions of the Act, the Borrower is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of the System or to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by the undertaking to the Borrower.

(b) The System. The Borrower, pursuant to the Act and other laws of the State has established and presently owns and operates the System.

(c) The 2009 Project. After investigation of the facts and as authorized by the Act, this Commission has determined it to be necessary and desirable and in the best interests of the Borrower to acquire and construct the 2009 Project.

(d) Outstanding Bonds. Pursuant to the Act and the Original Resolution, the Borrower has issued, and has outstanding, its Series 2000 Bond, Series 2002A Bonds, and Series 2008

Bond. The Series 2000 Bond, the Series 2002A Bonds, and the Series 2008 Bond are payable from Net Revenues of the System, and no other bonds or indebtedness are outstanding that are payable from or secured by revenues of the System.

(e) Additional Bonds. The Borrower reserved the right under Section 6.01 of the Original Resolution to issue Additional Bonds to finance the cost or estimated cost of providing any improvement, extension or rehabilitation of the System; provided that if the Additional Bonds are issued to finance a project, a certificate is to be signed by an Independent Consultant stating that on the date of issuance of such Additional Bonds Net Revenues of the System meet the requirements set forth in Section 6.01 of the Original Resolution. Based on a certificate executed or to be executed by an Independent Consultant, it is hereby determined that the Borrower is authorized to issue the Series 2009B Bond in the maximum principal amount of \$333,700 pursuant to Section 6.01 of the Original Resolution, with the Series 2009B Bond payable from and secured by the Net Revenues on a parity with the outstanding Series 2000 Bond, Series 2002A Bonds, and Series 2008 Bond. For purposes of the foregoing certificate, principal of and interest and surcharges on the 2009A Loan are disregarded and interest on the Series 2009B Bonds is assumed to be 1.75% per annum. The Borrower acknowledges and agrees that if it fails to deliver timely an acceptable ARRA Certificate and Request as provided in Section 5.1 of this Supplemental Resolution as determined in the sole and complete discretion of the DNRC, then principal and interest and surcharges will become due and owing on the Series 2009A Bond and the Series 2009B Bond as provided in Section 5.1 of this Supplemental Resolution, and the Borrower shall thereupon, and in any event no later than three (3) months after delivery of an ARRA Noncompliance Statement, to the extent required by Section 8.09 of the Original Resolution, as implemented as described under Section 12.3 below, adjust its schedule of fees, rates, and charges applicable to the System to cause Net Revenues to be produced in an amount at least equal to that required by this Resolution.

(f) The total cost of the 2009 Project and costs of issuance of the Series 2009 Bonds and funding the reserve is estimated to be \$750,000, all of which will be paid from proceeds of the Series 2009 Bonds, and allocated as appropriate between the Series 2009A Bond and the Series 2009B Bond. The Borrower covenants with the DNRC that from and after the 2009B First Advance it will spend the Committed Amount on costs of the 2009 Project before applying its own funds, if any, to costs of the 2009 Project.

Section 2.2 Representations. The Borrower represents as follows:

(a) Organization and Authority. The Borrower:

(1) is duly organized and validly existing as a municipal corporation of the State;

(2) has all requisite power and authority and all necessary licenses and permits required as of the date hereof to own and operate the System and to carry on its current activities with respect to the System, to adopt this Supplemental Resolution and to enter into the Collateral Documents and to issue the Series 2009 Bonds and to carry out and consummate all transactions contemplated by the Supplemental Resolution, the Series 2009 Bonds and the Collateral Documents;

(3) is a Governmental Unit and a Public Entity; and

(4) has taken all proper action to authorize the execution, delivery and performance of its obligations under this Supplemental Resolution, the Series 2009 Bonds and the Collateral Documents and the incurrence of the Debt evidenced by the Series 2009 Bonds in the maximum amount of the Committed Amount.

(b) Litigation. There is no litigation or proceeding pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before or by any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the existence, corporate or otherwise, of the Borrower, or the ability of the Borrower to make all payments and otherwise perform its obligations under the Resolution, the Series 2009 Bonds and the Collateral Documents, or the financial condition of the Borrower, or the transactions contemplated by the Resolution, the Series 2009 Bonds and the Collateral Documents or the validity and enforceability of the Resolution, the Series 2009 Bonds and the Collateral Documents. No referendum petition has been filed with respect to any resolution or other action of the Borrower relating to the 2009 Project, the Series 2009 Bonds or any Collateral Documents and the period for filing any such petition will have expired before issuance of the Series 2009 Bonds.

(c) Borrowing Legal and Authorized. The adoption of this Supplemental Resolution, the execution and delivery of the Series 2009 Bonds and the Collateral Documents and the consummation of the transactions provided for in this Supplemental Resolution, the Series 2009 Bonds and the Collateral Documents and compliance by the Borrower with the provisions of the Resolution, the Series 2009 Bonds and the Collateral Documents:

(1) are within the powers of the Borrower and have been duly authorized by all necessary action on the part of the Borrower; and

(2) do not and will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any ordinance, resolution, indenture, loan agreement or other agreement or instrument (other than the Resolution and any Collateral Documents) to which the Borrower is a party or by which the Borrower or its property may be bound, nor will such action result in any violation of the provisions of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower, its properties or operations are subject.

(d) No Defaults. No event has occurred and no condition exists that, upon execution and delivery of the Series 2009 Bonds and the Collateral Documents, would constitute a default under the Resolution or the Collateral Documents. The Borrower is not in violation of any term of any agreement, bond resolution, trust indenture, charter or other instrument to which it is a party or by which it or its property may be bound which violation would materially and adversely affect the transactions contemplated hereby or the compliance by the Borrower with the terms hereof or of the Series 2009 Bonds and the Collateral Documents.

(e) Governmental Consent. The Borrower has obtained or made all permits, findings and approvals required to the date of adoption of this Supplemental Resolution by any governmental body or officer for the making and performance by the Borrower of its obligations under this Supplemental Resolution, the Series 2009 Bonds and the Collateral Documents (including any necessary water rate increase) or for the 2009 Project, the financing or refinancing thereof or the reimbursement of the Borrower for the costs thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority (other than those, if any, already obtained) is required on the part of the Borrower as a condition to adopting this Supplemental Resolution, issuing the Series 2009 Bonds or entering into the Collateral Documents and the performance of the Borrower's obligations hereunder and thereunder.

(f) Binding Obligation. The Resolution, the Series 2009 Bonds and any Collateral Document to which the Borrower is a party are the valid and binding special, limited obligations and agreements of the Borrower, enforceable against the Borrower in accordance with their terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, moratorium, reorganization, insolvency or similar laws affecting creditors' rights and general principles of equity.

(g) The 2009 Project. The 2009 Project consists and will consist of the facilities, improvements and activities described in Appendix A, as such Appendix A may be amended from time to time in accordance with the provisions of Article III of this Supplemental Resolution. The 2009 Project comprises facilities of a type that, as determined by the EPA, will facilitate compliance with the national primary drinking water regulations applicable to the System or will otherwise significantly further the health protection objectives of the Safe Drinking Water Act.

(h) The System. The System is a "community water system" within the meaning of the State Act and the Safe Drinking Water Act in that it is a public water system, comprising collection, treatment, storage and distribution facilities for the provision to the public of water for human consumption, that serves not less than 15 service connections used by year-round residents of the area served by the System or regularly serves not less than 25 year-round residents.

(i) Full Disclosure. There is no fact that the Borrower has not specifically disclosed in writing to the DNRC that materially and adversely affects or (so far as the Borrower can now foresee), except for pending or proposed legislation or regulations that are a matter of general public information, that will materially and adversely affect the properties, operations and finances of the System, the Borrower's status as a Public Entity and Governmental Unit, its ability to own and operate the System in the manner it is currently operated or the Borrower's ability to perform its obligations under the Resolution, the Series 2009 Bonds and the Collateral Documents and to pledge any revenues or other property pledged to the payment of the Series 2009 Bonds.

(j) Compliance With Law. The Borrower:

(1) is in compliance with all laws, ordinances, governmental rules and regulations and court or other governmental orders, judgments and decrees to which it is subject and

which are material to the properties, operations and finances of the System or its status as a Public Entity and Governmental Unit; and

(2) has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the System and the operation thereof and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for the System and the operation thereof, which failure to obtain might materially and adversely affect the ability of the Borrower to conduct the operation of the System as presently conducted or the condition (financial or otherwise) of the System or the Borrower's ability to perform its obligations under the Resolution, the Series 2009 Bonds and the Collateral Documents.

Section 2.3 Covenants.

(a) Insurance. In addition to the requirements of Article VIII of the Original Resolution, the Borrower at all times shall keep and maintain with respect to the System property and casualty insurance and liability insurance with financially sound and reputable insurers, or self-insurance as authorized by State law, against such risks and in such amounts, and with such deductible provisions, as are customary in the State in the case of entities of the same size and type as the Borrower and similarly situated and shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for all such insurance. All such insurance policies shall name the DNRC as an additional insured to the extent permitted under the policy or program of insurance of the Borrower. Each policy must provide that it cannot be cancelled by the insurer without giving the Borrower and the DNRC 30 days' prior written notice. The Borrower shall give the DNRC prompt notice of each insurance policy it obtains or maintains to comply with this Section 2.3(a) and of each renewal, replacement, change in coverage or deductible under or amount of or cancellation of each such insurance policy and the amount and coverage and deductibles and carrier of each new or replacement policy. Such notice shall specifically note any adverse change as being an adverse change. The Borrower shall deliver to the DNRC at Closing a certificate providing the information required by this Section 2.3(a).

(b) Right of Inspection and Notice of Change of Location. The DNRC, the DEQ and the EPA and their designated agents shall have the right at all reasonable times during normal business hours and upon reasonable notice to enter into and upon the property of the Borrower for the purpose of inspecting the System or any or all books and records of the Borrower relating to the System.

(c) Further Assurance. The Borrower shall execute and deliver to the DNRC all such documents and instruments and do all such other acts and things as may be necessary or required by the DNRC to enable the DNRC to exercise and enforce its rights under the Resolution, the Series 2009 Bonds and the Collateral Documents and to realize thereon, and record and file and re-record and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the DNRC to validate, preserve and protect the position of the DNRC under the Resolution, the Series 2009 Bonds and the Collateral Documents.

(d) Maintenance of Security, if Any; Recordation of Interest.

(1) The Borrower shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of the Resolution and the Collateral Documents so long as any amount is owing under the Resolution or the Series 2009 Bonds;

(2) The Borrower shall forthwith, after the execution and delivery of the Series 2009 Bonds and thereafter from time to time, cause the Resolution and any Collateral Documents granting a security interest in revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by the Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute or cause to be executed any further instruments that may be requested by the DNRC for such perfection and protection; and

(3) Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of the documents described in subparagraph (2), and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Series 2009 Bonds and the Collateral Documents and the documents described in subparagraph (2).

(e) Additional Agreements. The Borrower covenants to comply with all representations, covenants, conditions and agreements, if any, set forth in Appendix C hereto.

(f) Financial Information. This Section 2.3(f) supplements, and is not intended to limit, the requirements in Section 8.06 of the Original Resolution. The Borrower agrees that for each Fiscal Year it shall furnish to the DNRC and the DEQ, promptly when available:

(1) the preliminary budget for the System, with items for the 2009 Project shown separately; and

(2) when adopted, the final budget for the System, with items for the 2009 Project shown separately.

The Borrower will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the System, the monthly gross revenues derived from its operation, and the segregation and application of the gross revenues in accordance with the Resolution, in such reasonable detail as may be determined by the Borrower in accordance with generally accepted governmental accounting practice and principles. It will cause such books to be maintained on the basis of the same Fiscal Year as that utilized by the Borrower. The Borrower shall, within 180 days after the close of each

Fiscal Year, cause to be prepared and supply to the DNRC a financial report with respect to the System for such Fiscal Year. The report shall be prepared at the direction of the financial officer of the Borrower in accordance with applicable generally accepted governmental accounting principles and, in addition to whatever matters may be thought proper by the financial officer to be included therein, shall include the following:

- (i) A statement in detail of the income and expenditures of the System for the Fiscal Year, identifying capital expenditures and separating them from operating expenditures;
- (ii) A balance sheet as of the end of the Fiscal Year;
- (iii) The number of premises connected to the System at the end of the Fiscal Year;
- (iv) The amount on hand in each account of the Fund at the end of the Fiscal Year;
- (v) A list of the insurance policies and fidelity bonds in force at the end of the Fiscal Year, setting out as to each the amount thereof, the risks covered thereby, the name of the insurer or surety and the expiration date of the policy or bond; and
- (vi) A determination that the report shows full compliance by the Borrower with the provisions of the Resolution during the Fiscal Year covered thereby, including proper segregation of the capital expenditures from operating expenses, maintenance of the required balance in the Reserve Account, and receipt of Net Revenues during each Fiscal Year at least equal to 125% of the maximum amount of principal and interest payable on outstanding Parity Bonds (calculated assuming the DNRC has delivered an ARRA Forgiveness Statement) in any subsequent Fiscal Year, or, if the report should reveal that the revenues have been insufficient for compliance with the Resolution, or that the methods used in accounting for such revenues were contrary to any provision of the Resolution, the report shall include a full explanation thereof, together with recommendations for such change in rates or accounting practices or in the operation of the System as may be required.

The Borrower shall also have prepared and supplied to the DNRC and the DEQ, within 270 days of the close of every other Fiscal Year, an audit report prepared by an independent certified public accountant or an agency of the state in accordance with generally accepted governmental accounting principles and practice with respect to the financial statements and records of the System. The audit report shall include an analysis of the Borrower's compliance with the provisions of the Resolution.

(g) 2009 Project Accounts. The Borrower shall maintain 2009 Project accounts in accordance with generally accepted government accounting standards.

(h) Records. After reasonable notice from the EPA or the DNRC, the Borrower shall make available to the EPA or the DNRC such records as the EPA or the DNRC reasonably requires to review and determine compliance with the Safe Drinking Water Act, as provided in Section 75-6-224(1)(h) of the State Act.

(i) Compliance with Safe Drinking Water Act and ARRA. The Borrower has complied and shall comply with all conditions and requirements of the Safe Drinking Water Act pertaining to the 2009 Loans and the 2009 Project. The Borrower understands and agrees that the 2009A Loan and the 2009B Loan are being made with funds made available to the DNRC under ARRA. The Borrower has complied and shall comply with all requirements of ARRA applicable to the 2009 Loans.

(j) Compliance with DEQ Requirements. The Borrower shall comply with plan, specification and other requirements for public water systems established by the DEQ, as required by Section 75-6-224(1)(h) of the State Act.

Section 2.4 Covenants Relating to the Tax-Exempt Status of the State Bonds.

(a) The Borrower covenants and agrees that it will not use or permit to be used any of the proceeds of the Series 2009 Bonds or any other funds of the Borrower in respect of the 2009 Project or the Series 2009 Bonds, directly or indirectly, in a manner that would cause, or take any other action that would cause, any State Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or would otherwise cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(b) The Borrower agrees that it will not enter into, or allow any “related person” (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the State Bonds or any other obligations of the DNRC in an amount related to the amount of the Loan or the portion of the Loan derived directly or indirectly from proceeds of the State Bonds or that would otherwise cause any State Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code.

(c) The Borrower shall not use or permit the use of the 2009 Project directly or indirectly in any trade or business carried on by any Person who is not a Governmental Unit. For the purpose of this subparagraph, use as a member of the general public (within the meaning of the Regulations) shall not be taken into account and any activity carried on by a Person other than a natural person shall be treated as a trade or business.

(d) Any portion of the 2009 Project being refinanced or the cost of which is being reimbursed was acquired by and is now and shall, during the term of the Loan, be owned by the Borrower and not by any other Person. Any portion of the 2009 Project being financed shall be acquired by and shall, during the term of the Loan, be owned by the Borrower and not by any other Person. Notwithstanding the previous two sentences, the Borrower may transfer the 2009 Project or a portion thereof to another Governmental Unit which is also a Public Entity if such

transfer is otherwise permitted under the Resolution and if such organization agrees with the DNRC to comply with Section 2.3(h), Section 2.3(i) and Section 2.4 of this Supplemental Resolution and if the DNRC receives an Opinion of Bond Counsel that such transfer will not violate the State Act or the Safe Drinking Water Act or adversely affect the exclusion of interest on the State Bonds from gross income or purposes of federal income taxation. In addition, except as otherwise provided in the Resolution or in any Collateral Documents, the Borrower may sell or otherwise dispose of any portion of the 2009 Project which has become obsolete or outmoded or is being replaced or for other reasons is not needed by the Borrower or beneficial to the general public or necessary to carry out the purposes of the Safe Drinking Water Act.

(e) At the Closing of the 2009 Loans, the DNRC will, if necessary to obtain the Opinion of Bond Counsel described in Section 7.05(a) of the Indenture, deliver to the Borrower instructions concerning compliance by the Borrower with the arbitrage rebate requirements of Section 148 of the Code (the "Arbitrage Rebate Instructions"). The Borrower shall comply with the Arbitrage Rebate Instructions, if any, delivered to it by the DNRC at Closing, as such Instructions may be amended or replaced by the DNRC from time to time. The Arbitrage Rebate Instructions may be amended or replaced by new Arbitrage Rebate Instructions delivered by the DNRC and accompanied by an Opinion of Bond Counsel to the effect that the use of said amended or new Arbitrage Rebate Instructions will not adversely affect the excludability of interest on the State Bonds or any Additional State Bonds (except State Bonds the interest on which the State did not intend to be excluded from gross income for federal income tax purposes) from gross income of the recipients thereof for federal income tax purposes.

(f) The Borrower agrees that during the term of the 2009 Loans it will not contract with or permit any Private Person to manage the 2009 Project or any portion thereof except according to a written management contract and upon delivery to the DNRC of an opinion of Bond Counsel to the effect that the execution and delivery of such management contract will not violate the State Act or the Safe Drinking Water Act or adversely affect the exclusion of interest on State Bonds from gross income or purposes of federal income taxation.

(g) The Borrower may not lease the 2009 Project or any portion thereof to any Person other than a Nonexempt Person which agrees in writing with the Borrower and the State not to cause any default to occur under the Resolution; provided the Borrower may lease all or any portion of the 2009 Project to a Nonexempt Person pursuant to a lease which in the Opinion of Bond Counsel delivered to the DNRC will not cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(h) The Borrower shall not change the use or nature of the 2009 Project if (i) such change will violate the Safe Drinking Water Act, or (ii) so long as the State Bonds are outstanding unless, in the Opinion of Bond Counsel delivered to the DNRC, such change will not result in the inclusion in gross income of interest on the State Bonds for federal income tax purposes.

Section 2.5 Maintenance of System; Liens. The Borrower shall maintain the System, including the 2009 Project, in good condition and make all necessary renewals, replacements, additions, betterments and improvements thereto. The Borrower shall not grant or permit to exist any lien on the 2009 Project or any other property making up part of the System, other than liens securing Debt where a parity or senior lien secures the Series 2009 Bonds; provided that this

Section 2.5 shall not be deemed to be violated if a mechanic's or contractor's lien is filed against any such property so long as the Borrower uses its best efforts to obtain the discharge of such lien and promptly reports to the DNRC the filing of such lien and the steps it plans to take and does take to discharge of such lien.

Section 2.6 Maintenance of Existence; Merger, Consolidation, Etc.; Disposition of Assets. The Borrower shall maintain its corporate existence, except that it may consolidate with or merge into another Governmental Unit or permit one or more Governmental Units to consolidate with or merge into it or may transfer all or substantially all of its assets to another Governmental Unit and then dissolve if the surviving, resulting or transferee entity (if other than the Borrower) (i) is a Public Entity and (ii) assumes in writing all of the obligations of the Borrower under the Resolution, the Series 2009 Bonds and the Collateral Documents, and (a) such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the Borrower under the Resolution, the Series 2009 Bonds and the Collateral Documents, (b) such action does not violate the State Act or the Safe Drinking Water Act and does not adversely affect the exclusion of interest on the Series 2009 Bonds or the State Bonds from gross income for federal income tax purposes and (c) the Borrower delivers to the DNRC on the date of such action an Opinion of Bond Counsel that such action complies with this Section 2.6.

Other than pursuant to the preceding paragraph, the Borrower shall not transfer the System or any portion thereof to any other Person, except for property which is obsolete, outmoded, worn out, is being replaced or otherwise is not needed for the operation of the System, unless the provisions of (a) and (b) of the preceding paragraph are satisfied and the Borrower delivers to the DNRC an Opinion of Bond Counsel to that effect and, in addition, the DNRC consents to such transfer.

ARTICLE III

USE OF PROCEEDS; THE 2009 PROJECT

Section 3.1 Use of Proceeds. The Borrower shall apply the proceeds of the 2009 Loans from the DNRC solely as follows:

(a) The Borrower shall apply the proceeds of the 2009 Loans solely to the financing, refinancing or reimbursement of the costs of the 2009 Project as set forth in Appendix A hereto and this Section 3.1. The 2009 Loans will be disbursed in accordance with ARTICLE IV hereof and Article VII of the Indenture. If the 2009 Project has not been completed prior to Closing, the Borrower shall, as quickly as reasonably possible, complete the 2009 Project and expend proceeds of the 2009 Loans to pay the costs of completing the 2009 Project.

(b) No portion of the proceeds of the 2009 Loans shall be used to reimburse the Borrower for costs paid prior to the date of adoption of this Supplemental Resolution of a Project the construction or acquisition of which occurred or began earlier than June 1, 1993. In addition, if any proceeds of the Loan are to be used to reimburse the Borrower for 2009 Project costs paid prior to the date of adoption of this Supplemental Resolution, the Borrower shall have complied with Section 1.150-2 of the Regulations in respect of such costs.

(c) Any Debt to be refinanced with proceeds of the Loan was incurred after June 1, 1993 for a Project the construction or acquisition of which began after June 1, 1993. No proceeds of the Loan shall be used for the purpose of refinancing an obligation the interest on which is exempt from federal income tax or excludable from gross income for purposes of federal income taxation unless the DNRC has received an Opinion of Bond Counsel, satisfactory to it, to the effect that such refinancing will not adversely affect the exclusion of interest on the State Bonds from gross income for purposes of federal income taxation.

Section 3.2 The 2009 Project. Set forth in Appendix A to this Supplemental Resolution is a description of the 2009 Project, which describes the property which has been or is to be acquired, installed, constructed or improved and the other activities, if any to be funded from the Loan (the 2009 Project may consist of more than one facility or activity), and an estimated budget relating to the 2009 Project, including the amount of proceeds of the 2009A Loan and the 2009B Loan estimated to be applied to Green Infrastructure. The 2009 Project may be changed and the description thereof in Appendix A may be amended from time to time by the Borrower but only after delivery to the DNRC of the following:

(a) A certificate of the Borrower setting forth the amendment to Appendix A and stating the reason therefor, including statements whether the amendment would cause an increase or decrease in the cost of the 2009 Project, an increase or decrease in the amount of Loan proceeds which will be required to complete the 2009 Project and providing that the change will not delay the full execution and delivery of the Construction Contract to a date that is after the 2009 Project Readiness Date;

(b) A certificate of Independent Consultant that the change to the 2009 Project in no way adversely affects or diminishes the eligibility of the 2009 Project for ARRA funding or the various attributes of the 2009 Project as that relates to ARRA (such as, for example, the amount of Green Infrastructure);

(c) A written consent to such change in the 2009 Project by an Authorized DNRC Officer;

(d) An Opinion or Opinions of Bond Counsel stating that the 2009 Project, as constituted after such amendment, is, and was at the time the State Bonds were issued, eligible for financing under the State Act and is, and was at the time the Series 2009 Bonds was issued, eligible for financing under the Act, such amendment will not violate the State Act or the Act and such amendment will not adversely affect the exclusion of interest on the State Bonds or the Series 2009 Bonds from gross income for purposes of federal income taxation. Such an Opinion of Bond Counsel shall not be required for amendments which do not affect the type of facility to be constructed or activity to be financed; and

(e) In the event the change to the 2009 Project has the effect of reducing the amount of the Committed Amount, the written consent of the Borrower to reallocation of the Committed Amount between the 2009A Loan and the 2009B Loan, if required by the DNRC, as described in Section 5.6 below.

The Borrower acknowledges and agrees that an increase in the principal amount of the 2009 Loans may be made only upon an application to the DEQ, the DNRC and the Trustee, in such form as the DEQ shall specify, which is approved by the DEQ and the DNRC, in their sole and absolute discretion, and adoption by the governing body of the Borrower of a resolution amendatory of or supplementary to the Resolution authorizing the additional loan and delivery of written certifications by officers of the Borrower to the DEQ, the DNRC and the Trustee to the effect that all representations and covenants contained in the resolution as it may be so amended or supplemented are true as of the date of closing of the additional loan and compliance with applicable tests for the incurrence of such Debt. No assurance can be given that any additional loan funds will be available under the Program at the time of any such application or thereafter. The Borrower acknowledges and agrees that neither the DEQ, the DNRC, the Trustee nor any of their agents, employees or representatives shall have any liability to the Borrower and have made no representations to the Borrower as to the sufficiency of the 2009 Loans to pay costs of the 2009 Project or as to the availability of additional funds under the Program to increase the principal amount of the Loan.

Section 3.3 2009 Project Representations and Covenants. The Borrower hereby represents to and covenants with the DNRC that:

(a) construction of the 2009 Project did not commence prior to February 17, 2009, and the Construction Contract relating to the 2009 Project has been fully executed and delivered;

(b) all construction of the 2009 Project has complied and will comply with all federal and state standards, including, without limitation, EPA regulations and standards and the requirements of ARRA;

(c) all future construction of the 2009 Project will be done only pursuant to fixed price construction contracts. The Borrower shall obtain a performance and payment bond from the contractor for each construction contract in the amount of 100% of the construction price and ensure that such bond is maintained until construction is completed to the Borrower's, the DNRC's and the DEQ's satisfaction;

(d) all future construction of the 2009 Project will be done in accordance with plans and specifications on file with the DNRC and the DEQ, provided that changes may be made in such plans and specifications with the written consent of an Authorized DNRC Officer and the DEQ;

(e) the iron, steel, and manufactured goods used in the 2009 Project comply with the "buy American" requirements of Section 1605 of ARRA, as those requirements are further interpreted by applicable EPA guidance;

(f) all laborers and mechanics employed by contractors and subcontractors on the 2009 Project have been and will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code;

(g) the 2009 Project is a project of the type permitted to be financed under the Act, the State Act and the Program and Section 1452 of the Safe Drinking Water Act;

(h) the Borrower will undertake the 2009 Project promptly after the Closing Date and will cause the 2009 Project to be completed as promptly as practicable with all reasonable dispatch, except only as completion may be delayed by a cause or event not reasonably within the control of the Borrower; it is estimated by the Borrower that the 2009 Project will be substantially completed by the Estimated Completion Date; and

(i) the Borrower agrees to provide information regarding jobs created and retained as a result of the 2009 Project and such other information regarding the 2009 Project, including information for the website www.montanarecovery.gov, to the DNRC and the DEQ upon the request for such information by the DNRC or the DEQ or both, and to post signage at the site of the 2009 Project that designates the 2009 Project as an ARRA funded project.

Section 3.4 Completion or Cancellation or Reduction of Costs of the 2009 Project.

(a) Upon completion of the 2009 Project, the Borrower shall deliver to the DNRC a certificate stating that the 2009 Project is complete and stating the amount, if any, of the Undisbursed Committed Amount. If Appendix A describes two or more separate projects as making up the 2009 Project, a separate completion certificate shall be delivered for each.

(b) If all or any portion of the 2009 Project is cancelled or cut back or its costs are reduced or for any other reason the Borrower will not require the full Committed Amount, the Borrower shall promptly notify the DNRC in writing of such fact and the amount of the Undisbursed Committed Amount.

(c) If there is any Undisbursed Committed Amount, the DNRC reserves the right under Section 5.6 below to reallocate the amount equal to the Committed Amount as reduced by the Undisbursed Committed Amount between the 2009A Loan and the 2009B Loan, as more particularly provided in Section 5.6.

ARTICLE IV

THE LOAN

Section 4.1 The Loan; Disbursement of Loan.

(a) The DNRC has agreed to lend to the Borrower, from time to time as the requirements of this Section 4.1 are met, an amount up to (i) \$416,300 (the “2009A Committed Amount”) and (ii) \$333,700 (the “2009B Committed Amount”) for the purposes of financing, refinancing or reimbursing the Borrower for all or a portion of the costs of the 2009 Project; provided the DNRC shall not be required to loan any proceeds of the State Bonds to the Borrower after the Estimated Completion Date. The Committed Amount may be reduced as provided in Section 3.2 and Section 3.4 of this Supplemental Resolution and subject to the operation of Section 5.6.

(b) The DNRC intends to disburse the 2009 Loans through the Trustee. In consideration of the issuance of the Series 2009 Bonds by the Borrower, the DNRC shall make, or cause the Trustee to make, a disbursement of all or a portion of the 2009 Loans upon receipt of the following documents:

(1) an Opinion of Bond Counsel as to the validity and enforceability of the Series 2009 Bonds and the security therefor and stating in effect that interest on the Series 2009B Bond is not includable in gross income of the owner thereof for purposes of federal income taxation, in form and substance satisfactory to the DNRC;

(2) the Series 2009A Bond and the Series 2009B Bond, fully executed and authenticated;

(3) a certified copy of the Original Resolution and this Supplemental Resolution;

(4) any other security instruments or documents required by the DNRC or DEQ as a condition to their approval of the 2009 Loans;

(5) if all or part of a Loan is being made to refinance a Project or reimburse the Borrower for the costs of a Project paid prior to the Closing, evidence, satisfactory to the DNRC and the Bond Counsel referred to in (1) above, (A) that the acquisition or construction of the Project was begun no earlier than June 1, 1993 or the debt was incurred no earlier than June 1, 1993, (B) of the Borrower's title to the Project, (C) of the costs of such Project and that such costs have been paid by the Borrower and (D) if such costs were paid before adoption of this Supplemental Resolution that the Borrower has complied with Section 1.150-2 of the Regulations;

(6) the items required by the Indenture for the portion of the 2009 Loans to be disbursed at Closing; and

(7) such other certificates, documents and other information as the DNRC, the DEQ or the Bond Counsel giving the opinion referred to in subparagraph (1) may require (including any necessary arbitrage rebate instructions).

(c) In order to obtain a disbursement of a portion of the 2009 Loans to pay costs of the 2009 Project, the Borrower shall submit to the DNRC and the Trustee a signed request for disbursement on the form prescribed by the DNRC, with all attachments required by such form. The Borrower may obtain disbursements only for costs which have been legally incurred and are due and payable. All Loan disbursements will be made to the Borrower only upon proof that cost was incurred.

(d) The 2009 Loans shall be disbursed, subject to the other terms and conditions of this Supplemental Resolution, in the following order:

(1) First, at the Closing, the 2009B First Advance will be advanced from the 2009B Loan.

(2) Second, after the 2009B First Advance has been disbursed to the Borrower, the entire amount of the 2009A Loan may then be disbursed to the Borrower as and when needed. For the avoidance of doubt, any amounts of the 2009 Loans to be disbursed at Closing in excess of the 2009B First Advance will

be disbursed as proceeds of the 2009A Loan to the extent of the 2009A Committed Amount.

(3) Third, after the entire principal amount of the 2009A Loan has been disbursed to the Borrower, the remaining amount of the 2009B Loan will be disbursed to the Borrower as and when needed.

(4) Fourth, only after the full amount of the 2009A Loan and 2009B Loan has been disbursed to the Borrower, the Borrower may apply to the costs of the 2009 Project, if any, any other funds available to it, including grants or other funds.

(e) The Borrower shall submit the request for the 2009B First Advance in the form required by the DNRC so that it is received by the DNRC in sufficient time for the DNRC to process the information by the date desired by the Borrower for the making of the 2009B First Advance. The Borrower shall not be entitled to, and the DNRC shall have no obligation to make, the 2009B First Advance or any subsequent advance of amounts under the 2009B Loan until such time as the Borrower shall have set aside and funded the Reserve Account in an amount then required to satisfy the Reserve Requirement.

(f) For refinancings, a disbursement schedule complying with the requirements of the Safe Drinking Water Act shall be established by the DNRC and the Borrower at Closing. The Trustee shall disburse 2009 Loan amounts directly to the holder of the debt being refinanced according to such schedule. If the Borrower should repay all or a portion of the debt to be refinanced from other sources or should otherwise not need any portion of the 2009 Loan which was to have been used to refinance such debt, it shall inform the DNRC and the Trustee of such fact pursuant to Section 3.4(b) and a new disbursement schedule shall be drawn up by the DNRC. The DNRC shall obtain a receipt from the holder of the debt being refinanced for each disbursement made to pay or prepay a portion of such debt.

(g) If all or a portion of the 2009 Loans is made to reimburse a Borrower for Project costs paid by it prior to Closing, the Borrower shall present at Closing the items required by Section 4.1(b) relating to such costs. The Trustee shall disburse such amounts to the Borrower pursuant to a disbursement schedule complying with the requirements of the Safe Drinking Water Act established by the DNRC and the Borrower at the Closing.

(h) Notwithstanding anything else provided herein, the Trustee shall not be obligated to disburse the 2009 Loans any faster or to any greater extent than it has available EPA Capitalization Grants, Bond proceeds and other amounts available therefor in the Revolving Fund. The DNRC shall not be required to do "overmatching" pursuant to Section 5.04(b) of the Indenture, but may do so in its discretion. The Borrower acknowledges that if Project costs are incurred faster than the Borrower projected at Closing, there may be delays in making Loan disbursements for such costs because of the schedule under which EPA makes EPA Capitalization Grant money available to the DNRC. The DNRC will use its best efforts to obtain an acceleration of such schedule if necessary.

(i) Upon making each 2009A Loan disbursement and 2009B Loan disbursement, the Trustee shall note such disbursement on Schedule A to the Series 2009A Bond and Series 2009B Bond, respectively. A Schedule A reflecting the amount of the 2009B First Advance will first be attached to the Series 2009B Bond at Closing.

(j) The Borrower agrees that it will deposit in the Reserve Account upon receipt thereof, on the date of the 2009B First Advance and any subsequent disbursement dates, any proceeds of the 2009B Loan borrowed for the purpose of increasing the balance in the Reserve Account to the Reserve Requirement. The Borrower further acknowledges and agrees that any portions of the 2009 Loans representing capitalized interest shall be advanced only on Payment Dates and shall be transferred by the Trustee on the Payment Date directly to the Debt Service Account. The amount of any such transfer shall be a credit against the interest payments due on the Series 2009 Bonds and interest thereon shall accrue only from the date of transfer.

(k) Compliance by the Borrower with its representations, covenants and agreements contained in the Original Resolution, this Supplemental Resolution and the Collateral Documents shall be a further condition precedent to the disbursement of the Loan in whole or in part. The DNRC and the Trustee, in their sole and absolute discretion, may make one or more disbursements, in whole or in part, notwithstanding such noncompliance, and without liability to make any subsequent disbursement of the Loan.

Section 4.2 Commencement of Loan Term. The Borrower's obligations under this Supplemental Resolution and the Collateral Documents shall commence on the date hereof unless otherwise provided in this Supplemental Resolution. However, the obligation to make payments under ARTICLE V hereof shall commence only upon the first disbursement by the Trustee of the 2009B Loan proceeds.

Section 4.3 Termination of Loan Term. The Borrower's obligations under the Resolution and the Collateral Documents in respect of the Series 2009 Bonds shall terminate upon payment in full of all amounts due under the Series 2009 Bonds and the Resolution in respect thereof; provided, however, that the covenants and obligations provided in ARTICLE VI and Section 10.3 of this Supplemental Resolution shall survive the termination of the Resolution.

Section 4.4 Loan Closing Submissions. On or prior to the Closing, the Borrower will have delivered to the DNRC and the Trustee the closing submissions required by Section 7.05 of the Indenture.

ARTICLE V

REPAYMENT OF 2009 LOANS

Section 5.1 Repayment of 2009 Loans. The Borrower shall repay the amounts lent to it pursuant to Section 4.1 hereof in accordance with this Section 5.1.

5.1.1. Interest and Surcharges. Until an ARRA Statement is delivered by the DNRC to the Borrower and so long as the Borrower's obligation to repay the principal of the 2009A Loan is forgiven as provided in Section 5.1.2 below, amounts disbursed by the DNRC

under Section 4.1 hereof that are evidenced by (i) the Series 2009A Bond bear interest at the rate of zero percent (0.00%) per annum from the date of each advance; and (ii) the Series 2009B Bond bear interest at the rate of one and seventy-five hundredths percent (1.75%) per annum; provided, however, if the DNRC delivers to the Borrower an ARRA Noncompliance Statement, then all principal of the Series 2009A Bond advanced by the DNRC shall be payable and amounts disbursed by the DNRC under Section 4.1 hereof that are evidenced by the Series 2009A Bond and the Series 2009B Bond shall bear interest at the rate of two percent (2.00%) per annum and in addition the Borrower shall pay the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge from the date of each advance under the Series 2009A Bond and Series 2009B Bond. If the obligation of the Borrower to repay the principal amount of the 2009A Loan is not forgiven under Section 5.1.2 below, for purposes of this Supplemental Resolution and the Program, with respect to the 2009A Loan and the 2009B Loan, the term “interest on the 2009 Loans” or “interest on the 2009A Loan” or “interest on the Series 2009B Loan” when not used in conjunction with a reference to any surcharges, shall include the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge. The Borrower shall pay all Loan Repayments and surcharges in lawful money of the United States of America to the DNRC. Interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge shall be calculated on the basis of a year of 360 days comprising 12 months of 30 days each.

5.1.2. Repayment of 2009A Loan; Principal Forgiveness.

(a) The Borrower is obligated to repay the principal of and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the 2009A Loan, unless the DNRC forgives the Borrower’s obligation to repay the principal of the 2009A Loan as provided in Section 5.1.2(b). Subject to the provisions of Section 5.1.2(b), the Loan Repayments and the Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the 2009A Loan shall be due on each Payment Date, as follows:

- (1) interest and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge on the outstanding principal balance of the 2009A Loan shall be payable from and after the date of each advance of principal of the 2009A Loan on each Payment Date at the rate of 3.75% per annum, beginning on the first Payment Date following the date of delivery by the DNRC of an ARRA Noncompliance Statement and concluding on July 1, 2029; and
- (2) the principal of the 2009A Loan shall be repayable on each Payment Date, beginning on the Payment Date that is the first to occur following delivery by the DNRC of an ARRA Noncompliance Statement, and concluding on July 1, 2029, and the amount of each principal payment shall be calculated on the basis of a substantially level debt service at the rate of 3.75% per annum; provided that principal of the 2009A Loan is payable only in amounts that are multiples of \$1,000

(b) Notwithstanding Section 5.1.2(a), so long as the Borrower is proceeding diligently to completion of the 2009 Project through the final advance of principal of the 2009B Loan and the Borrower has executed and delivered the ARRA Certificate and Request to the DNRC in form

and substance satisfactory to the DNRC and the DEQ within thirty (30) days after the date that the ARRA Certificate and Request is provided to the Borrower by the DNRC, the DNRC will, following review and approval of the ARRA Certificate and Request, deliver to the Borrower an ARRA Forgiveness Statement and the Borrower will thereafter have no obligation to repay amounts advanced under the Series 2009A Bond or interest or surcharges thereon and the Series 2009A Bond will be marked "CANCELLED" and returned by the DNRC to the Borrower. However, in the event the Borrower fails to deliver timely the ARRA Certificate and Request, or the Borrower cannot submit the ARRA Certificate and Request because it cannot make the certifications required therein, including without limitation, those related to ARRA, or the ARRA Certificate and Request is delivered in a form that deviates materially from that attached hereto as Appendix D as determined in the sole and complete discretion of the DNRC or the DEQ, or the DNRC or the DEQ determine at any time that the 2009 Project or any portion thereof or of the work relating thereto fails to comply with ARRA, then the DNRC will deliver to the Borrower an ARRA Noncompliance Statement. Upon delivery of an ARRA Noncompliance Statement by the DNRC to the Borrower, all principal advanced or to be advanced under the Series 2009A Bond, together with interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge thereon from the date of each advance, shall be payable as provided in Section 5.1.2 (a). Notwithstanding Section 5.1.2(a), until the delivery by the DNRC to the Borrower of an ARRA Statement, the obligation of the Borrower to repay the principal advanced under Series 2009A Bond shall be deferred until the Payment Date first occurring after delivery of an ARRA Statement and, until such time, interest on amounts advanced under the Series 2009A Bond will be deemed to be at the rate of zero percent (0.00%) per annum.

(c) In addition, in the event the DNRC delivers an ARRA Noncompliance Statement (i) the Series 2009A Bond will continue in effect as a Subordinate Obligation, and (ii) the Borrower will forthwith comply with the rate covenant set forth in Section 8.09 of the Original Resolution, as implemented as described in Section 12.3 below, and, if necessary, increase the rates and charges of the System to satisfy such rate covenant as soon as practicable and in any event no later than three (3) months after the date of delivery to the Borrower by the DNRC of an ARRA Noncompliance Statement.

5.1.3. Repayment of 2009B Loan.

(a) Subject to the provisions of Section 5.1.3(b), the Loan Repayments on the 2009B Loan from and after the 2009B First Advance and all subsequent advances of the 2009B Loan are as follows:

- (1) interest on the outstanding principal balance of the 2009B Loan shall be payable on each Payment Date, beginning on January 1, 2010 and concluding on July 1, 2029 at the rate of 1.75% per annum;
- (2) the Borrower shall have no obligation to pay any Administrative Expense Surcharge or any Loan Loss Reserve Surcharge; and
- (3) the principal of the 2009B Loan shall be repayable on each Payment Date, beginning on January 1, 2010 and concluding on July 1, 2029, and the amount of each principal payment shall be calculated on the basis of

substantially level debt service at an interest rate of 1.75% per annum; provided that principal of the 2009B Loan is payable only in amounts that are multiples of \$1,000.

(b) Notwithstanding the provisions of Section 5.1.3(a), upon the delivery by the DNRC to the Borrower of an ARRA Noncompliance Statement, Loan Repayments and the Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the 2009B Loan required by this Section 5.1 shall be due on each Payment Date from and after the delivery of such statement, as follows:

- (1) interest and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge on the outstanding principal balance of the 2009B Loan shall be payable from and after the date of the 2009B First Advance and each advance of principal of the 2009B Loan thereafter on each Payment Date following the date of delivery of an ARRA Noncompliance Certificate at the rate of 3.75% per annum, beginning on the first Payment Date to occur after the ARRA Noncompliance Certificate has been delivered and concluding on July 1, 2029; and
- (2) the principal of the 2009B Loan shall be repayable on each Payment Date, beginning on the first Payment Date to occur after the date of the delivery of an ARRA Noncompliance Certificate and concluding on July 1, 2029, and the amount of each principal payment shall be calculated on the basis of a substantially level debt service at the rate of 3.75% per annum, taking into account each Loan Repayment, if any, made pursuant to Section 5.1.3(a), and provided that principal of the 2009B Loan is payable only in amounts that are multiples of \$1,000.

(c) The adjustment to the rate of interest paid on the Series 2009B Bond resulting from the provisions of Section 5.1.3(b) will not extend the final maturity date of the Series 2009 B Bond and interest at the adjusted rate, including surcharges, shall be payable on each advance of principal of the Series 2009B Bond from the date of the advance at the rates specified in Section 5.1.3(b); provided that, the Borrower is entitled to a credit against such payments equal to an amount then paid by the Borrower under Section 5.1.3(a).

5.1.4. Details Regarding 2009 Loan Repayments. Loan Repayments and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge, if applicable, on the 2009A Loan and the 2009B Loan, shall be due on the dates specified above and on the dates and in the amounts shown in Schedule B to each of the Series 2009B Bond and, if applicable, the Series 2009A Bond, as such Schedule B shall be modified from time to time as provided in Sections 5.1.2 and 5.1.3 and below. Schedule B will first be attached to the Series 2009A Bond and the Series 2009B Bond at Closing. The portion of each such Loan Repayment consisting of principal and the portion consisting of interest shall be set forth on Schedule B to the Series 2009B Bond and the portion of each Loan Repayment consisting of principal and the portion consisting of interest and the amount of each Administrative Expense Surcharge and the amount of each Loan Loss Reserve Surcharge shall be set forth in Schedule B to the Series 2009A Bond (and the Series 2009B Bond, if appropriate). Upon each disbursement of 2009 Loan amounts to

the Borrower pursuant to Section 4.1 hereof, the Trustee shall enter or cause to be entered the amount advanced on Schedule A to the applicable Series 2009A Bond and the Series 2009B Bond under “Advances” and the total amount advanced under Section 4.1, including such disbursement, under “Total Amount Advanced.”

If the advance was made to pay costs of the 2009 Project pursuant to Section 4.1(b), interest in respect of the Series 2009B Bond on such advance shall accrue from the date the advance is made at the rate of 1.75% per annum and shall be payable on each Payment Date thereafter, subject to the operation of the following sentence. If the DNRC shall have delivered an ARRA Noncompliance Statement, then the Trustee shall revise the Schedule B to the Series 2009B Bond to reflect interest and surcharges totaling 3.75% per annum in accordance with Section 5.1.3(b), and Schedule B to the Series 2009A Bond shall continue to reflect interest and surcharges on amounts advanced under the Series 2009A Bond at 3.75% per annum, as may be revised to reflect the full principal amount advanced under the Series 2009A Bond, the initial Payment Date, and the periodic total loan payment, and the Trustee shall send a copy of such schedules to the Borrower within one month after delivery by the DNRC of the ARRA Noncompliance Statement. If the DNRC delivers an ARRA Forgiveness Statement, Schedule B to the Series 2009A Bond will be disregarded and of no effect and Schedule B to the Series 2009B Bond will continue to reflect a debt service schedule with payments at 1.75% per annum, and the Trustee shall send a copy of the revised Schedule B to the Series 2009B Bond showing the full principal amount advanced under the Series 2009B Bond to the Borrower within one month after the delivery of such ARRA Forgiveness Statement.

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

Any payment of principal and interest as to the Series 2009B Bond and, if applicable, the Series 2009A Bond, and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge as to the Series 2009A Bond and the Series 2009B Bond, if applicable, under this Section 5.1 shall be credited against the same payment obligation under each of the Series 2009B Bond and, if applicable, the Series 2009A Bond.

Section 5.2 Additional Payments. The Borrower shall also pay, within 30 days after receipt of a bill therefor, from any legally available funds therefor, including proceeds of the Loan, if the Borrower so chooses, all reasonable expenses of the DNRC and the Trustee in connection with the 2009 Loans, the Collateral Documents and the Series 2009 Bonds, including, but not limited to:

(a) the cost of reproducing this Supplemental Resolution, the Collateral Documents and the Series 2009 Bonds;

(b) the fees and disbursements of bond counsel and other Counsel utilized by the DNRC and the Trustee in connection with the Loan, the Resolution, the Collateral Documents and the Series 2009 Bonds and the enforcement thereof; and

(c) all taxes and other governmental charges in connection with the execution and delivery of the Collateral Documents or the Series 2009 Bonds, whether or not the Series 2009 Bonds are then outstanding, including all recording and filing fees relating to the Collateral Documents and the pledge of the State's right, title and interest in and to the Series 2009 Bonds, the Collateral Documents and the Resolution under the Resolution (and with the exceptions noted therein) and all expenses, including attorneys' fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof or thereof.

Section 5.3 Prepayments. The Borrower may not prepay all or any part of the outstanding principal amount of the Series 2009B Bond and, if applicable, the Series 2009A Bond, unless (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and, if applicable, Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2009 Bonds are prepaid in part pursuant to this Section 5.3, such prepayments shall be applied to principal payments in inverse order of maturity.

Section 5.4 Obligations of Borrower Unconditional. The obligations of the Borrower to make the payments required by the Resolution and the Series 2009 Bonds and to perform its other agreements contained in the Resolution, the Series 2009 Bonds and Collateral Documents shall be absolute and unconditional, except as otherwise provided herein or in such documents. The Borrower (a) shall not suspend or discontinue any payments provided for in the Resolution and the Series 2009 Bonds, (b) shall perform all its other agreements in the Resolution, the Series 2009 Bonds and the Collateral Documents and (c) shall not terminate the Resolution, the Series 2009 Bonds or the Collateral Documents for any cause, including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2009 Project or the System, commercial frustration of purpose, any dispute with the DNRC or the EPA, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the DNRC to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with the Resolution.

Section 5.5 Limited Liability. All payments of principal of and interest on the 2009 Loans and other payment obligations of the Borrower hereunder and under the Series 2009 Bonds shall be special, limited obligations of the Borrower payable solely out of the Net Revenues and shall not, except at the option of the Borrower and as permitted by law, be payable out of any other revenues of the Borrower. The obligations of the Borrower under the Resolution and the Series 2009 Bonds shall never constitute an indebtedness of the Borrower within the meaning of any state constitutional provision or statutory or charter limitation and shall never constitute or give rise to a pecuniary liability of the Borrower or a charge against its general credit or taxing power. The taxing powers of the Borrower may not be used to pay principal of or interest on the Series 2009 Bonds, and no funds or property of the Borrower other than the Net Revenues may be required to be used to pay principal of or interest on the Series 2009 Bonds.

Section 5.6 Reallocation of 2009 Loans. The Borrower understands that the principal amounts of the 2009A Loan and the 2009B Loan have been sized based on the understanding

and expectation that the 2009 Project costs at least \$750,000 and that the Borrower will request disbursement of the full amount of the 2009A Loan and 2009B Loan. Notwithstanding any provision to the contrary herein, the Borrower acknowledges and agrees that in the event there is any Undisbursed Committed Amount, then the DNRC reserves the right in its sole and complete discretion to reallocate loan amounts as between the 2009A Loan and 2009B Loan on the basis of the amounts of the 2009A Loan and the 2009B Loan that the Borrower would have been entitled to had the 2009 Loans initially equaled the Committed Amount less the Undisbursed Committed Amount. The reallocation between the 2009A Loan and 2009B Loan will reflect the same proportions of the 2009 Loans originally allocated to the 2009A Loan and 2009B Loan. Upon making such reallocation, the DNRC shall deliver to the Borrower a replacement Series 2009A Bond and a replacement Series 2009B Bond reflecting adjusted principal amounts, which bonds shall supersede and render of no effect the original bonds and be payable on the same dates as described in the original bonds, but in an adjusted amount owing on each Payment Date because of the reallocation of principal amounts. The Borrower shall execute and deliver the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC within thirty (30) days after delivery of such bonds to the Borrower by the DNRC. Contemporaneous with the delivery of the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC by the Borrower, the Borrower shall determine whether the Net Revenues of the System total at least 125% of the maximum principal of and interest payable on the Bonds outstanding in any Fiscal Year, and, if they do not, the Borrower shall increase its rates and charges to satisfy the rate covenant set forth in Section 8.09 of the Original Resolution, as implemented as described in Section 12.3 below, within three (3) months after the date of delivery of the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC by the Borrower.

ARTICLE VI

INDEMNIFICATION OF DNRC AND DEQ

The Borrower shall indemnify and save harmless the DNRC and the DEQ and their officers, employees and agents (each an "Indemnified Party" or, collectively, the "Indemnified Parties") against and from any and all claims, damages, demands, expenses, liabilities and losses of every kind asserted by or on behalf of any Person arising out of the acts or omissions of the Borrower or its employees, officers, agents, contractors, subcontractors, or consultants in connection with or with regard or in any way relating to the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation or financing of the 2009 Project. The Borrower shall also indemnify and save harmless the Indemnified Parties against and from all costs, reasonable attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. If any proceeding is brought against an Indemnified Party by reason of such claim or demand, the Borrower shall, upon notice from an Indemnified Party, defend such proceeding on behalf of the Indemnified Party.

ARTICLE VII

ASSIGNMENT

Section 7.1 Assignment by Borrower. The Borrower may not assign its rights and obligations under the Resolution or the Series 2009 Bonds.

Section 7.2 Assignment by DNRC. The DNRC will pledge its rights under and interest in the Resolution, the Series 2009 Bonds and the Collateral Documents (except to the extent otherwise provided in the Indenture) as security for the payment of the State Bonds and may further assign such interests to the extent permitted by the Indenture, without the consent of the Borrower.

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

ARTICLE VIII

THE SERIES 2009 BONDS

Section 8.1 Net Revenues Available. The Borrower is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, the Series 2009A Bond, and the Series 2009B Bond the Net Revenues to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The Net Revenues to be produced by such rates, charges and rentals during the term of the Series 2009 Bonds are expected to be more than sufficient to pay the principal and interest when due on the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and the Series 2009 Bonds and to create and maintain reasonable reserves therefor and to provide an adequate allowance for replacement and depreciation, as prescribed herein. For purposes of the foregoing statement, principal of and interest on the 2009A Loan are disregarded, and interest on the Series 2009B Bond is assumed to be 1.75%. The Borrower acknowledges and agrees that if the DNRC delivers an ARRA Noncompliance Statement to the Borrower as provided in Section 5.1.2 as determined in the sole and complete discretion of the DNRC, then principal and interest and surcharges will become due and owing on the 2009A Loan evidenced by the Series 2009A Bond and the 2009B Loan evidenced by the Series 2009B Bond as provided in Section 5.1 and the Borrower shall thereupon, and no later than three (3) months after delivery of such a statement, to the extent required by Section 8.09 of the Original Resolution, as implemented as described in Section 12.3 below, adjust its schedule of fees, rates,

and charges applicable to the System to cause Net Revenues and Surplus Revenues to be produced in an amount at least equal to that required by the Resolution.

Section 8.2 Issuance and Sale of the Series 2009 Bonds. The Commission has investigated the facts necessary and hereby finds, determines and declares it to be necessary and desirable for the Borrower to issue the Series 2009 Bonds to evidence the 2009 Loans. The Series 2009 Bonds are issued to the DNRC without public sale pursuant to Montana Code Annotated, Section 7-7-4433(2)(a).

Section 8.3 Terms. The Series 2009A Bond and the Series 2009B Bond shall be in the maximum principal amount equal to the original 2009A Committed Amount and 2009B Committed Amount, respectively, shall each be issued as a single, fully registered bond numbered R-1, shall be dated as of the date of delivery to the DNRC, and shall bear interest at the rate charged by the DNRC on the 2009A Loan and 2009B Loan, respectively. The principal of and interest on the Series 2009B Bond, and, if applicable, the principal of and interest on the Series 2009A Bond and any Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the Series 2009A Bond and the Series 2009B Bond shall be payable on the same dates and in the same amounts on which Loan Repayments are payable. Advances of principal of the Series 2009A Bond or Series 2009B Bond shall be deemed made when advances of the 2009A Loan or 2009B Loan, respectively, are made under Section 4.1, and such advances shall be payable in accordance with Schedule B to the Series 2009B Bond and, if applicable, the Series 2009A Bond, as the case may be, as it may be revised by the DNRC from time to time in accordance with Section 5.1. The Series 2009A Bond is a Subordinate Obligation payable only from the Subordinate Obligations Account. The Series 2009B Bond is an Additional Bond.

The Borrower may prepay the Series 2009 Bonds, in whole or in part, only upon the terms and conditions under which it can prepay the 2009 Loans under Section 5.3.

Section 8.4 Negotiability, Transfer and Registration. The Series 2009 Bonds shall be fully registered as to both principal and interest, and shall be initially registered in the name of and payable to the DNRC. While so registered, principal of and interest on the Series 2009 Bonds shall be payable to the DNRC at the Office of the Department of Natural Resources and Conservation, 1625 Eleventh Avenue, Helena, Montana 59620-1601 or such other place as may be designated by the DNRC in writing and delivered to the Borrower. The Series 2009 Bonds shall be negotiable, subject to the provisions for registration and transfer contained in this Section. No transfer of the Series 2009 Bonds shall be valid unless and until (1) the holder, or his duly authorized attorney or legal representative, has executed the form of assignment appearing on the Series 2009 Bonds, and (2) the Fiscal Services Director of the Borrower (or successors, the "Registrar"), as Bond Registrar, has duly noted the transfer on the Series 2009 Bonds and recorded the transfer on the registration books of the Registrar. The Registrar may, prior to noting and recording the transfer, require appropriate proof of the transferor's authority and the genuineness of the transferor's signature. The Borrower shall be entitled to deem and treat the Person in whose name the Series 2009 Bonds is registered as the absolute owner of the Series 2009 Bonds for all purposes, notwithstanding any notice to the contrary, and all payments to the registered holder shall be valid and effectual to satisfy and discharge the Borrower's liability upon such Bond to the extent of the sum or sums so paid.

Section 8.5 Execution and Delivery. The Series 2009 Bonds shall be executed on behalf of the Borrower by the manual signatures of the Mayor, City Manager, City Fiscal Services Director, and City Clerk. Any or all of such signatures may be affixed at or prior to the date of delivery of the Series 2009 Bonds. The Series 2009 Bonds shall be sealed with the corporate seal of the Borrower. In the event that any of the officers who shall have signed the Series 2009 Bonds shall cease to be officers of the Borrower before the Series 2009 Bonds are issued or delivered, their signatures shall remain binding upon the Borrower. Conversely, the Series 2009 Bonds may be signed by an authorized official who did not hold such office on the date of adoption of this Supplemental Resolution. The Series 2009 Bonds shall be delivered to the DNRC, or its attorney or legal representative.

Section 8.6 Form. The Series 2009A Bond shall be prepared in substantially the form attached as Appendix B-1 and the Series 2009B Bond shall be prepared in substantially the form attached as Appendix B-2.

Section 8.7 Construction Account. To the Construction Account shall be credited as received the portion of the proceeds of Series 2009 Bonds for costs of the 2009 Project and for costs of issuance of the Series 2009 Bonds and any other funds appropriated by the Borrower to the Construction Account for improvements to the System, and all income received from the investment of the Construction Account.

Section 8.8 Subordinate Obligations Account. A Subordinate Obligations Account is hereby created in the Water System Fund to pay the Series 2009A Bond and any other Subordinate Obligations from time to time issued by the Borrower. Net Revenues remaining after satisfying the requirements of the Debt Service Account and the Reserve Account shall be deposited by the Borrower in the Subordinate Obligations Account, and amounts therein or to be deposited therein shall in all events be subject to the prior appropriation of Revenues and Net Revenues to the Operating Account, Debt Service Account, and Reserve Account to satisfy the requirements thereof. The Borrower shall deposit in the Subordinate Obligations Account Net Revenues in an amount sufficient to pay the Series 2009A Bond as and when due.

ARTICLE IX

SECURITY FOR THE SERIES 2009 BONDS

The Series 2009B Bond is issued as an Additional Bond under Section 6.01 of the Original Resolution and shall, with the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and any other Additional Bonds issued under the provisions of Section 6.01 of the Original Resolution, be equally and ratably secured by the provisions of the Resolution and payable out of the Net Revenues appropriated to the Debt Service Account of the Water System Fund, without preference or priority, all as provided in the Resolution, and secured by the Reserve Account, as further provided in Section 7.05 of the Original Resolution. Upon advancement of principal of the Series 2009B Bond, the City Fiscal Services Director shall transfer from proceeds of the Series 2009B Bond such amount or amounts to the Reserve Account to cause the balance therein to equal the Reserve Requirement, treating such principal amount as outstanding. Upon the each advance of the Series 2009B Bond, the deposit to the Reserve Account shall be sufficient to cause the balance in the Reserve Account to equal the

Reserve Requirement in respect of the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and the principal of the Series 2009B Bond so advanced. The Series 2009A Bond is a Subordinate Obligation issued under Section 6.02 of the Original Resolution and payable from the Net Revenues in the Subordinate Obligations Account that are remaining after required credits to the Operating Account, the Debt Service Account, and the Reserve Account. No payment of principal or interest shall be made on any Subordinate Obligation, including the Series 2009A Bond, if the City is then in default in the payment of principal of or interest on any Bond or if there is a deficiency in the Operating Account or the Debt Service Account or the balance in the Reserve Account is less than the Reserve Requirement. In the event the principal of and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge become payable under the Series 2009A Bond, the Borrower shall cause rates and charges to be increased to produce Net Revenues at least equal to the amount required under Section 8.09 of the Original Resolution, as implemented as described in Section 12.3 below, within three (3) months following delivery of an ARRA Noncompliance Statement. The Borrower shall keep, perform and observe each and every one of its covenants and undertakings set forth in the Resolution for the benefit of the registered owners from time to time of the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and the Series 2009 Bonds.

ARTICLE X

TAX MATTERS

Section 10.1 Use of 2009 Project. The 2009 Project will be owned and operated by the Borrower and available for use by members of the general public on a substantially equal basis. The Borrower shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the 2009 Project or the System or security for the payment of the Series 2009B Bond which might cause the Series 2009B Bond to be considered a “private activity bond” or “private loan bond” within the meaning of Section 141 of the Code.

Section 10.2 General Covenant. The Borrower covenants and agrees with the owners from time to time of the Series 2009B Bond that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2009B Bond to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2009B Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 10.3 Arbitrage Certification. The Mayor, City Manager and the City Fiscal Services Director, being the officers of the Borrower charged with the responsibility for issuing the Series 2009B Bond pursuant to the Resolution, are authorized and directed to execute and deliver to the DNRC a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2009B Bond, it is reasonably expected that the proceeds of the Series 2009B Bond will be used in a manner that would not cause the Series 2009B Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations.

Section 10.4 Arbitrage Rebate. The City acknowledges that the Series 2009B Bond is subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Treasury Regulations to preserve the exclusion of interest on the Series 2009B Bond from gross income for federal income tax purposes, unless the Series 2009B Bond qualify for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no “gross proceeds” of the Series 2009B Bond (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the original proceeds thereof. In furtherance of the foregoing, the Financial Services Manager is hereby authorized and directed to execute a Rebate Certificate, substantially in the form to be prepared by Bond Counsel, and the City hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

Section 10.5 Information Reporting. The Borrower shall file with the Secretary of the Treasury, not later than November 15, 2009, a statement concerning the Series 2009B Bond containing the information required by Section 149(e) of the Code.

Section 10.6 “Qualified Tax-Exempt Obligations.” Pursuant to Section 265(b)(3)(B)(ii) of the Code, the Borrower hereby designates the Series 2009B Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. The Borrower has not designated any obligations in 2009 other than its \$2,000,000 Tax Increment Urban Renewal Revenue Bonds, Series 2009A (Federal Courthouse/4th Avenue NW Project), its \$900,000 Tax Increment Urban Renewal Subordinate Lien Revenue Note, Series 2009, and the Series 2009B Bond under Section 265(b)(3). The Borrower hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the Borrower and all “subordinate entities” of the Borrower in 2009 in an amount greater than \$30,000,000.

ARTICLE XI

CONTINUING DISCLOSURE

The Borrower understands and acknowledges that the DNRC is acquiring the Series 2009 Bonds under the Program pursuant to which the State issues from time to time State Bonds to provide funds therefor. The Borrower covenants and agrees that, upon written request of the DNRC from time to time, the Borrower will promptly provide to the DNRC all information that the DNRC reasonably determines to be necessary or appropriate to offer and sell State Bonds or to provide continuing disclosure in respect of State Bonds, whether under Rule 15c2-12 (17 C.F.R. § 240.15c2-12) promulgated by the Securities and Exchange Council under the Securities Exchange Act of 1934, as amended, or otherwise. Such information shall include, among other things and if so requested, financial statements of the Borrower prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by

the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time (such financial statements to relate to a Fiscal Year or any period therein for which they are customarily prepared by the Borrower, and, if for a Fiscal Year and so requested by the DNRC, subject to an audit report and opinion of an accountant or government auditor, as permitted or required by the laws of the State). The Borrower will also provide, with any information so furnished to the DNRC, a certificate of the Mayor, the City Manager and the City Fiscal Services Director of the Borrower to the effect that, to the best of their knowledge, such information does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein to make the statements made, in light of the circumstances under which they are made, not misleading.

ARTICLE XII

IMPLEMENTATION

This Article XII describes the implementation of the provisions of the Original Resolution as they apply to the Series 2009 Bonds.

Section 12.1 Safe Drinking Water Act. References to the “Safe Drinking Water Act” shall include any amendments or supplements to such act as are effected by ARRA.

Section 12.2 Subordinate Obligations. The Series 2009A Bond is a Subordinate Obligation payable from the Subordinate Obligations Account as described in the Original Resolution, as supplemented by this Supplemental Resolution. Any Revenues or Net Revenues segregated to pay such Subordinate Obligations in the Fund are subject to the prior appropriation thereof to the Operating Account, the Debt Service Account or the Reserve Account if necessary to meet the requirements thereof.

Section 12.3 Rates and Charges. Section 8.09 of the Original Resolution provides, in part, as follows: “The City covenants and agrees that the rates, charges and rentals to be charged to all users shall be maintained and shall be revised, subject to any approval by the Public Service Commission or other agency of the State required under applicable law, whenever and as often as may be necessary, according to schedules such that (i) Revenues for each Fiscal Year will be at least sufficient to pay the principal of and interest on all Bonds payable from the Revenues derived in such Fiscal Year, to establish and maintain the Reserve Requirement, to pay promptly the reasonable and current Operating Expenses, to pay the principal of and interest on any Subordinate Obligations and to provide reserves for the repair and replacement of the System, and (ii) Net Revenues for each Fiscal Year commencing after June 30, 2002 will be at least equal to 125% of the maximum Principal and Interest Requirements for all future Fiscal Years during which any Bonds will be Outstanding.”

For purposes of construing the foregoing sentence, principal of and interest on the Series 2009A Bond shall initially be disregarded and interest on the Series 2009B Bond shall be 1.75% per annum. However, in the event the City’s obligation to repay the principal of the Series 2009A Bond is not forgiven as described in Section 5.1.2 of this Supplemental Resolution, the City shall forthwith cause the rates, charges and rentals to be charged to all recipients of water services to be maintained and to be revised whenever and as often as may be necessary,

according to schedules such that (i) Revenues for each Fiscal Year will be at least sufficient to pay the principal of and interest on all Bonds payable from the Revenues derived in such Fiscal Year (including, without limitation, the Series 2009B Bond with interest thereon at 3.75% per annum), to establish and maintain the Reserve Requirement, to pay promptly the reasonable and current Operating Expenses, to pay the principal of and interest on any Subordinate Obligations (including, without limitation, all Outstanding principal of the Series 2009A Bond with interest thereon at 3.75% per annum) and to provide reserves for the repair and replacement of the System, and (ii) Net Revenues for each Fiscal Year commencing after June 30, 2002 will be equal to at least 125% of the maximum Principal and Interest Requirements for all future Fiscal Years during which any Bonds will be Outstanding (including, without limitation, the Series 2009B Bond with interest thereon at 3.75% per annum). The establishment of the percentage of Net Revenues and the provision of adequate Net Revenues to pay Subordinate Obligations contained above in this paragraph have been deemed necessary in order to sell the Bonds and Subordinate Obligations upon terms most advantageous to the City. Section 8.09 is not amended hereby and continues in full force and effect.

ARTICLE XIII

REIMBURSEMENT

Section 13.1. Regulations. The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the Borrower for project expenditures paid by the Borrower prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the “Regulations”) require that the Borrower adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the “small issuer” exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

Section 13.2. Prior Expenditures. Other than (i) expenditures to be paid or reimbursed from sources other than the Series 2009B Bond, (ii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iii) expenditures in a “de minimus” amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the Improvements have been paid by the Borrower before the date 60 days before the date of adoption of this resolution.

Section 13.3. Declaration of Intent. The Borrower reasonably expects to reimburse the expenditures made for costs of the Improvements out of the proceeds of Series 2009B Bond in an estimated maximum aggregate principal amount of \$333,700 after the date of payment of all or a portion of the costs of the Improvements and associated costs. All reimbursed expenditures shall

be capital expenditures, a cost of issuance of the Bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

Section 13.4. Budgetary Matters. As of the date hereof, there are no Borrower funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the Improvements, other than pursuant to the issuance of the Bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the Borrower's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

Section 13.5. Reimbursement Allocations. The Fiscal Services Director of the Borrower shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Bonds to reimburse the source of temporary financing used by the Borrower to make prior payment of the costs of the Improvements. Each allocation shall be evidenced by an entry on the official books and records of the Borrower maintained for the Bonds or the Improvements and shall specifically identify the actual original expenditure being reimbursed.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices. All notices or other communications hereunder shall be sufficiently sent or given and shall be deemed sent or given when delivered or mailed by certified mail, postage prepaid, to the parties at the following addresses:

DNRC: Department of Natural Resources and Conservation
1625 Eleventh Avenue
P. O. Box 201601
Helena, Montana 59620-1601
Attn: Conservation and Resource
Development Division

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

Borrower: City of Great Falls
PO Box 1178
Great Falls, Montana 59103
Attn: Fiscal Services Director

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

Section 14.2 Binding Effect. This Supplemental Resolution shall inure to the benefit of and shall be binding upon the DNRC, the Borrower and their respective successors and assigns.

Section 14.3 Severability. If any provision of this Supplemental Resolution shall be determined to be unenforceable at any time, it shall not affect any other provision of the Resolution or the enforceability of that provision at any other time.

Section 14.4 Amendments. This Supplemental Resolution may not be effectively amended except in accordance with Article IX of the Original Resolution.

Section 14.5 Applicable Law. This Supplemental Resolution shall be governed by and construed in accordance with the internal laws of the State.

Section 14.6 Captions; References to Sections. The captions in this Supplemental Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Supplemental Resolution.

Section 14.7 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Supplemental Resolution shall be had against any director, officer or employee, as such, past, present or future, of the DNRC, the DEQ or the Trustee, either directly or through the DNRC, the DEQ or the Trustee, or against any officer, or member of the governing body or employee of the Borrower, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer or member of the governing body or employee of the DNRC, the Trustee or the Borrower is hereby expressly waived and released by the Borrower and by the DNRC as a condition of and in consideration for the adoption of this Supplemental Resolution and the making of the Loan.

Section 14.8 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Supplemental Resolution or the Series 2009 Bonds, shall not be Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Supplemental Resolution or the Series 2009 Bonds.

Section 14.9 Right of Others To Perform Borrower's Covenants. In the event the Borrower shall fail to make any payment or perform any act required to be performed hereunder, then and in each such case the DNRC or the provider of any Collateral Document may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default and any sums so advanced by the DNRC or the provider of any Collateral Document shall be paid immediately to the party making such advance and shall bear interest at the rate of ten percent (10.00%) per annum from the date of the advance until repaid. The DNRC and the provider of any Collateral Document shall have the right to enter the 2009 Project or the facility or facilities of which the 2009 Project is a part or any other facility which is a part of the System in order to effectuate the purposes of this Section.

Section 14.10 Authentication of Transcript. The officers of the Borrower are hereby authorized and directed to furnish to the DNRC and to Bond Counsel certified copies of all proceedings relating to the issuance of the Series 2009 Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the Borrower to issue the Series 2009 Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the Borrower as to the truth of the statements of fact purported to be shown thereby.

Section 14.11 Date. This Supplemental Resolution shall take effect immediately.

Adopted by the City Commission of the City of Great Falls, Montana, on this 7th day of July, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

APPENDIX A

Description of the 2009 Project

The 2009 Project generally consists of replacement of water mains in the City and related improvements.

Estimated 2009 Project Budget

<u>2009 Project Costs</u>	<u>Series 2009A Bond</u>	<u>Series 2009B Bond</u>	<u>Total</u>
Construction	\$416,300.00	\$304,529.00	\$720,829.00
Loan Reserves		\$19,171.00	\$19,171.00
Bond Counsel		\$10,000.00	\$10,000.00
TOTALS	\$416,300.00	\$333,700.00	\$750,000.00

Green Infrastructure

Of the amount shown above for construction of and improvements to be included in the 2009 Project, the Borrower estimates that \$750,000 of the proceeds of the Series 2009A Bond and of the Series 2009B Bond will be applied to the costs of Green Infrastructure.

APPENDIX B-1

[Form of the Series 2009A Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF CASCADE

CITY OF GREAT FALLS

SUBORDINATE LIEN WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM)
TAXABLE SERIES 2009A

R-1

\$416,300

FOR VALUE RECEIVED, THE CITY OF GREAT FALLS, MONTANA (the “Borrower”), a duly organized municipal corporation and political subdivision of the State of Montana, acknowledges itself to be specially indebted and hereby promises to pay to the Department of Natural Resources and Conservation of the State of Montana (the “DNRC”), or its registered assigns, solely out of available Net Revenues remaining in the Subordinate Obligations Account of its Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A attached hereto under “Total Amount Advanced,” with interest on each such amount from the date such amount is advanced hereunder at the rate of two percent (2.00%) per annum on the unpaid balance until paid, together with an Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the outstanding principal amount of this Bond from the date of each advance of principal at the rate of seventy-five hundredths of one percent (0.75%) and one percent (1.00%) per annum, respectively, all subject to the effect of the immediately following paragraph. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments on each January 1 and July 1 (each a “Loan Repayment Date”) commencing with the Loan Repayment Date that is the first to occur following delivery by the DNRC to the Borrower of a statement that the Borrower’s obligation to repay the principal amount of the 2009A Loan is not forgiven and ending on the July 1, 2029, all as described in the Resolution (as hereinafter defined), subject to earlier redemption. Principal shall as well be payable on such dates, as set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B hereto under “Total Loan Payment.” The portion of each such payment consisting of principal, the portion consisting of interest and the portion consisting of Administrative Expense Surcharge and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B attached hereto. Upon each disbursement of 2009A Loan amounts to the Borrower pursuant to the Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under “Advances” and the total amount advanced under the Resolution (as hereinafter defined), including such disbursement, under “Total Amount Advanced.” The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 5.1 of the supplemental resolution

authorizing this Bond, and the final Schedule B will reflect repayments under Section 5.1.4 of such supplemental resolution. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of three and seventy-five hundredths percent (3.75%) per annum. Past-due payments of principal and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Bond shall be made to the registered holder of this Bond, at its address as it appears on the Bond register, in lawful money of the United States of America.

NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS BOND, IN THE EVENT THAT THE BORROWER TIMELY DELIVERS AN ARRA CERTIFICATE AND REQUEST (AS DEFINED IN THE RESOLUTION) IN FORM AND SUBSTANCE SATISFACTORY TO THE DNRC AND THE DNRC IN RESPONSE THERETO SUPPLIES TO THE BORROWER AN ARRA FORGIVENESS STATEMENT, THEN THEREUPON INTEREST SHALL BE DEEMED TO ACCRUE ON THE PRINCIPAL OF THIS SERIES 2009A BOND FROM THE DATE OF EACH ADVANCE AT THE RATE OF ZERO PERCENT (0.00%) PER ANNUM AND THE BORROWER'S OBLIGATION TO REPAY PRINCIPAL ADVANCED HEREUNDER SHALL BE FORGIVEN, AND THE BORROWER SHALL HAVE NO OBLIGATION TO REPAY THE DNRC OR ITS REGISTERED ASSIGNS ANY AMOUNTS ADVANCED HEREUNDER OR INTEREST OR ANY SURCHARGE THEREON. THIS BOND SHALL THEREUPON BE MARKED "CANCELLED" AND RETURNED BY THE HOLDER TO THE BORROWER, AND THIS BOND SHALL NO LONGER CONSTITUTE AN OBLIGATION OF THE BORROWER OR OF THE SYSTEM (AS HEREINAFTER DEFINED). IN ADDITION, UNTIL THE DELIVERY OF AN ARRA STATEMENT BY THE DNRC TO THE BORROWER, THE OBLIGATION OF THE BORROWER TO REPAY THE OUTSTANDING PRINCIPAL AMOUNT HEREOF SHALL BE DEFERRED UNTIL THE LOAN REPAYMENT DATE FIRST OCCURRING AFTER DELIVERY OF AN ARRA STATEMENT AND INTEREST SHALL BE DEEMED TO ACCRUE ON THE PRINCIPAL OF THIS SERIES 2009A BOND FROM THE DATE OF EACH ADVANCE UNTIL DELIVERY OF SUCH A STATEMENT AT THE RATE OF ZERO PERCENT (0.00%) PER ANNUM.

This Bond is one of an issue of Water System Revenue Bonds of the Borrower authorized to be issued in one or more series from time to time and constitutes a series in the maximum authorized principal amount of \$416,300 (the "Series 2009A Bond"). The Series 2009A Bond is issued to finance a portion of the costs of the construction of certain improvements to the water system of the Borrower (the "System") and to pay costs of issuance of the Series 2009A Bond. The Series 2009A Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the Borrower, including Resolution No. 9226, adopted by this Commission on May 7, 2002 (the "Original Resolution"), as amended and supplemented by Resolution No. 9755, adopted June 17, 2008, as further amended and supplemented by Resolution No. 9842, adopted July 7, 2009 (as so amended and supplemented, the "Resolution"). Terms used with initial capital letters but not defined herein shall have the meanings given them in the Resolution.

The Series 2009A Bond is issuable only as a single, fully registered bond. The Series 2009A Bond is issued as a Subordinate Obligation payable out of available Net Revenues remaining in the Subordinate Obligations Account in the Fund of the Borrower. The Borrower has issued its outstanding Amended and Restated Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2000 (the "Series 2000 Bond"), its Water System Revenue Refunding Bonds, Series 2002A (the "Series 2002A Bond"), and its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2008 (the "Series 2008 Bond"), and is issuing simultaneously herewith its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2009B (the "Series 2009B Bond"). The Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and the Series 2009B Bond (collectively, the "Outstanding Bonds") are parity lien bonds payable from the Debt Service Account in the Fund of the Borrower. Following the 2009B First Advance, principal amounts of this Series 2009A Bond are advanced until all of the principal of this Series 2009A Bond is advanced and then the remaining amounts of principal of the Series 2009B Bond are advanced.

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2009A Bond has been issued, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the Borrower, and the rights of the owners of the Series 2009A Bond.

The Borrower may prepay the principal of the Series 2009A Bond only if (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2009A Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

This Series 2009A Bond, including interest and any premium for the redemption thereof, are payable solely from the Net Revenues remaining in the Subordinate Obligations Account subject to the prior lien thereon of the Debt Service Account and Reserve Account available for the payment hereof and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision.

The Borrower may deem and treat the person in whose name this Series 2009A Bond is registered as the absolute owner hereof, whether this Series 2009A Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Borrower shall not be affected by any notice to the contrary. The Series 2009A Bond may be transferred as hereinafter provided.

The Borrower understands that the principal amounts of the 2009A Loan and the 2009B Loan have been sized based on the understanding and expectation that the 2009 Project costs at least \$750,000 and that the Borrower will request disbursement of the full amount of the 2009A Loan and 2009B Loan. Notwithstanding any provision to the contrary herein, the Borrower acknowledges and agrees that in the event there is any Undisbursed Committed Amount, then the DNRC reserves the right in its sole and complete discretion to reallocate loan amounts as between the 2009A Loan and 2009B Loan on the basis of the amounts of the 2009A Loan and

the 2009B Loan that the Borrower would have been entitled to had the 2009 Loans initially equaled the Committed Amount less the Undisbursed Committed Amount. The reallocation between the 2009A Loan and 2009B Loan will reflect the same proportions of the 2009 Loans originally allocated to the 2009A Loan and 2009B Loan. Upon making such reallocation, the DNRC shall deliver to the Borrower a replacement Series 2009A Bond and a replacement Series 2009B Bond reflecting adjusted principal amounts, which bonds shall supersede and render of no effect the original bonds and be payable on the same dates as described in the original bonds, but in an adjusted amount owing on each Payment Date because of the reallocation of principal amounts. The Borrower shall execute and deliver the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC within thirty (30) days after delivery of such bonds to the Borrower by the DNRC. Contemporaneous with the delivery of the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC by the Borrower, the Borrower shall determine whether the Net Revenues of the System total at least 125% of the maximum principal of and interest payable on the Bonds outstanding in any Fiscal Year, and, if they do not, the Borrower shall increase its rates and charges to satisfy the rate covenant set forth in Section 8.09 of the Resolution, as implemented as described in Section 12.3 of the supplemental bond resolution authorizing this Bond, within three (3) months after the date of delivery of the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC by the Borrower.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the Borrower will forthwith construct and complete the improvements to the System hereinabove described; that it will prescribe and collect reasonable rates and charges for all services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and has created a special Water System Fund into which the gross revenues of the System will be paid, and a separate and special Subordinate Obligations Account in that Fund, into which will be paid, subject to the prior lien thereon of the Operating Account, Debt Service Account, and the Reserve Account, Net Revenues; that the rates and charges for the System will from time to time be made and kept sufficient, to provide gross income and revenues adequate to pay promptly the reasonable and current expenses of operating and maintaining the System, to produce in each Fiscal Year Net Revenues in excess of such current expenses, equal to at least 125% of the maximum amount of principal and interest payable from the Debt Service Account in any subsequent Fiscal Year and to produce in each Fiscal Year adequate remaining Net Revenues to pay the principal of and interest on Subordinate Obligations including the Series 2009A Bond, as and when due; that Additional Bonds issued on a parity with the Outstanding Bonds (such bonds, collectively, with the Outstanding Bonds, the "Bonds") and refunding Bonds may be issued and made payable from the Debt Service Account on a parity with the Outstanding Bonds, and other parity Bonds, upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues of the System, unless the lien thereof shall be expressly made subordinate to the lien of the Outstanding Bonds and Additional Bonds on such Net Revenues (such as is the case with this Series 2009A Bond); that all provisions for the security of the holder of this Series 2009A Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the Borrower to be done, to exist, to happen and to be performed in order to make this Series 2009A Bond a valid and binding special obligation of the Borrower

according to its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; and that this Series 2009A Bond and the interest hereon are payable solely out of available Net Revenues in the Subordinate Obligations Account of the Fund and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision and the issuance of the Series 2009A Bond does not cause either the general or the special indebtedness of the Borrower to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Great Falls, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor, City Manager, City Fiscal Services Director, and City Clerk, and has caused the official seal of the Borrower to be affixed hereto, and has caused this Bond to be dated as of the _____ day of _____, 2009.

Mayor

(SEAL)

City Manager

City Fiscal Services Director

City Clerk

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest. No transfer of this Bond shall be valid unless and until (1) the registered holder of the Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on this Bond, and (2) the City Fiscal Services Director as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The Borrower shall be entitled to deem and treat the person in whose name this Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the Borrower's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the unpaid Principal Balance of this Bond and the interest accruing thereon is registered on the books of the City of Great Falls, Montana in the name of the registered holder appearing on the first page hereof or as last noted below:

<u>Date of Registration</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of City Fiscal Services Director</u>
_____, 2009	<u>Department of Natural</u> <u>Resources and Conservation</u> <u>1625 Eleventh Avenue</u> <u>Helena, MT 59620</u>	_____

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND
REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The City Clerk of the City of Great Falls, Montana, acting as Bond Registrar, has transferred, on the books of the Borrower, on the date last noted below, ownership of the principal amount of and the accrued interest on this Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

<u>Date of Transfer</u>	<u>Name of New Registered Holder</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____
_____ the within Bond and does hereby
irrevocably constitute and appoint _____
attorney to transfer the Bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

SCHEDULE B

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Administrative Expense Surcharge</u>	<u>Loan Loss Reserve Surcharge</u>	<u>Total Loan Payment</u>
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APPENDIX B-2

[Form of the Series 2009B Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF CASCADE

CITY OF GREAT FALLS

WATER SYSTEM REVENUE BOND
(DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM)
SERIES 2009B

R-1

\$333,700

FOR VALUE RECEIVED, THE CITY OF GREAT FALLS, MONTANA (the “Borrower”), a duly organized municipal corporation and political subdivision of the State of Montana, acknowledges itself to be specially indebted and, for value received, hereby promises to pay to the Department of Natural Resources and Conservation of the State of Montana (the “DNRC”), or its registered assigns, solely from the Debt Service Account of its Water System Fund, the principal sum equal to the sum of the amounts entered on Schedule A attached hereto under “Total Amount Advanced,” with interest on each such amount from the date such amount is advanced hereunder at the rate of one and seventy-five hundredths percent (1.75%) per annum on the unpaid balance until paid, subject to the provisions of the immediately following paragraph. Interest shall be payable on each January 1 and July 1 (each a “Loan Repayment Date”) commencing January 1, 2010. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B attached hereto under “Total Loan Payment.” The portion of each such payment consisting of principal and the portion consisting of interest shall be as set forth in Schedule B hereto. Upon each disbursement of 2009B Loan amounts to the Borrower pursuant to the Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under “Advances” and the total amount advanced under the Resolution (as hereinafter defined), including such disbursement, under “Total Amount Advanced.” The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 5.1 of the supplemental resolution authorizing this Bond. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of 1.75% per annum. Past-due payments of principal and interest shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Bond shall be made to the registered holder of this Bond, at its address as it appears on the Bond register, in lawful money of the United States of America.

NOTWITHSTANDING THE PROVISIONS OF THE FOREGOING PARAGRAPH OR ANY OTHER PROVISION TO THE CONTRARY HEREIN, IN THE

EVENT THE DNRC DELIVERS TO THE BORROWER AN ARRA NONCOMPLIANCE CERTIFICATE, THEN PRINCIPAL AMOUNTS ADVANCED HEREUNDER SHALL BEAR INTEREST FROM AND AFTER THE DATE OF EACH ADVANCE COMMENCING WITH THE 2009B FIRST ADVANCE (AS DEFINED IN THE RESOLUTION) AT A RATE OF TWO PERCENT (2.00%) PER ANNUM AND THE BORROWER SHALL PAY THE ADMINISTRATIVE EXPENSE SURCHARGE AND LOAN LOSS RESERVE SURCHARGE ON AMOUNTS ADVANCED HEREUNDER FROM AND AFTER THE 2009B FIRST ADVANCE AT THE RATES OF SEVENTY-FIVE HUNDREDTHS OF ONE PERCENT (0.75%) AND ONE PERCENT (1.00%) PER ANNUM, RESPECTIVELY, AND THE IMMEDIATELY FOLLOWING PARAGRAPH WILL THEREUPON GOVERN AND SUPERSEDE THE LOAN REPAYMENT PROVISIONS OF THE INITIAL PARAGRAPH ABOVE.

In the event of delivery of an ARRA Noncompliance Statement, interest at a rate of two percent (2.00%) per annum and an Administrative Surcharge and Loan Loss Reserve Surcharge on each advance of principal of this Bond from and after the 2009B First Advance shall be payable in semiannual installments payable on each Loan Repayment Date commencing with the Loan Repayment Date that is the first to occur following delivery by the DNRC of an ARRA Noncompliance Statement (as defined in the Resolution described below) and taking into account payments, if any, made on each Loan Repayment Date pursuant to the initial paragraph of this Bond prior to the delivery of such statement, all as described in Section 5.1 of the Resolution. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B attached hereto under "Total Loan Payment." The portion of each such payment consisting of principal, the portion consisting of interest, the portion consisting of Administrative Expense Surcharge and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B hereto. Amounts, if any, paid by the Borrower under the initial paragraph above will be credited against the payments owing by the Borrower under this paragraph. The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 5.1 of the Resolution, particularly Section 5.1.4 of the supplemental resolution authorizing this Bond. Schedule B under this paragraph shall be calculated and recalculated on a level debt service basis assuming an interest rate of three and seventy-five hundredths percent (3.75%) per annum. Past-due payments of principal, interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Bond shall be made to the registered holder of this Bond, at its address as it appears on the Bond register, in lawful money of the United States of America.

This Bond is one of an issue of Water System Revenue Bonds of the Borrower authorized to be issued in one or more series from time to time, and constitutes a series in the maximum authorized principal amount of \$333,700 (the "Series 2009B Bond"), issued to finance a portion of the costs of construction of certain improvements to the water system of the Borrower (the "System") and to pay costs of issuance of the Series 2009B Bond. The Series 2009B Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44 and 45, as

amended, and ordinances and resolutions duly adopted by the governing body of the Borrower, including Resolution No. 9226, adopted by this Commission on May 7, 2002 (the "Original Resolution"), as amended and supplemented by Resolution No. 9755, adopted June 17, 2008, as further amended and supplemented by Resolution No. 9842, adopted July 7, 2009 (as so amended and supplemented, the "Resolution"). Terms used with initial capital letters but not defined herein have the meanings given to them in the Resolution. The Series 2009B Bond is issuable only as a single, fully registered bond. The Series 2009B Bond is issued on a parity and is equally and ratably secured by the Net Revenues of the System with the Borrower's outstanding Amended and Restated Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2000 (the "Series 2000 Bond"), its Water System Revenue Refunding Bonds, Series 2002A (the "Series 2002A Bond"), and its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2008 (the "Series 2008 Bond"). The Borrower is also issuing simultaneously herewith its Subordinate Lien Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Taxable Series 2009A (the "Series 2009A Bond"). The 2009B First Advance is advanced at Closing and upon delivery hereof. Following the 2009B First Advance, the remaining principal amounts of this Series 2009B Bond are advanced immediately after the full advance of the principal amount of the Series 2009A Bond.

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2009B Bond has been issued, the Net Revenues of the System pledged and appropriated for the payment and security thereof, the conditions upon which additional bonds may be issued under the Resolution and made payable from such Net Revenues on a parity with the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and the Series 2009B Bond (collectively, the "Bonds") or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the Borrower, and the rights of the owners of the Series 2009B Bond.

The Borrower may prepay the principal of the Series 2009B Bond only if (i) it obtains the prior written consent of the DNRC thereto, and (ii) no Loan Repayment is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge, if any, to the date of prepayment on the amount of principal prepaid. If the Series 2009B Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

The Bonds, including interest and any premium for the redemption thereof, are payable solely from the Net Revenues pledged for the payment thereof and do not constitute a debt of the Borrower within the meaning of any constitutional, statutory or charter limitation or provision.

The Borrower may deem and treat the person in whose name this Series 2009B Bond is registered as the absolute owner hereof, whether this Series 2009B Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Borrower shall not be affected by any notice to the contrary. The Series 2009B Bond may be transferred as hereinafter provided.

This Series 2009B Bond has been designated by the Borrower as a "qualified tax-exempt obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

The Borrower understands that the principal amounts of the 2009A Loan and the 2009B Loan have been sized based on the understanding and expectation that the 2009 Project costs at least \$750,000 and that the Borrower will request disbursement of the full amount of the 2009A Loan and 2009B Loan. Notwithstanding any provision to the contrary herein, the Borrower acknowledges and agrees that in the event there is any Undisbursed Committed Amount, then the DNRC reserves the right in its sole and complete discretion to reallocate loan amounts as between the 2009A Loan and 2009B Loan on the basis of the amounts of the 2009A Loan and the 2009B Loan that the Borrower would have been entitled to had the 2009 Loans initially equaled the Committed Amount less the Undisbursed Committed Amount. The reallocation between the 2009A Loan and 2009B Loan will reflect the same proportions of the 2009 Loans originally allocated to the 2009A Loan and 2009B Loan. Upon making such reallocation, the DNRC shall deliver to the Borrower a replacement Series 2009A Bond and a replacement Series 2009B Bond reflecting adjusted principal amounts, which bonds shall supersede and render of no effect the original bonds and be payable on the same dates as described in the original bonds, but in an adjusted amount owing on each Payment Date because of the reallocation of principal amounts. The Borrower shall execute and deliver the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC within thirty (30) days after delivery of such bonds to the Borrower by the DNRC. Contemporaneous with the delivery of the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC by the Borrower, the Borrower shall determine whether the Net Revenues of the System total at least 125% of the maximum principal of and interest payable on the Bonds outstanding in any Fiscal Year, and, if they do not, the Borrower shall increase its rates and charges to satisfy the rate covenant set forth in Section 8.09 of the Resolution, as implemented as described in Section 12.3 of the supplemental bond resolution authorizing this Bond, within three (3) months after the date of delivery of the replacement Series 2009A Bond and the replacement Series 2009B Bond to the DNRC by the Borrower.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the Borrower has duly authorized and will forthwith undertake the improvements to the System hereinabove described, has fixed and established and will collect reasonable rates and charges for the services and facilities afforded by the System, and has created a special Water System Fund into which the revenues of the System as defined in the Original Resolution (the "Revenues"), including all additions thereto and replacements and improvements thereof, will be paid, and a separate and special Debt Service Account in that fund, into which will be paid each month, Net Revenues of the System then on hand (the Revenues remaining after the payment of Operating Expenses (as defined in the Original Resolution) of the System), an amount equal to not less than the sum of one-sixth of the interest due within the next six months and one-twelfth of the principal due within the next twelve months with respect to all outstanding Bonds payable from that account, and a Reserve Account in that fund into which shall be paid additional Net Revenues sufficient to establish and maintain a reserve therein equal to, as of the date of calculation, the Reserve Requirement (as defined in the Resolution); that the Debt Service Account and the Reserve Account will be used only to pay the principal of, premium, if any, and interest on the Bonds issued pursuant to the authority herein recited; that the rates and charges for the System will from time to time be made and kept sufficient to (i) produce Revenues for each Fiscal Year in an amount at least sufficient to pay the principal of and interest on all Bonds payable from the Revenues derived in such Fiscal Year, to establish and maintain the Reserve

Requirement, to pay promptly the reasonable and current Operating Expenses, to pay the principal of and interest on any Subordinate Obligations and to provide reserves for the repair and replacement of the System, and (ii) Net Revenues for each Fiscal Year will be equal to at least 125% of the maximum Principal and Interest Requirements for all future Fiscal Years during which any Bonds will be Outstanding; that Additional Bonds and refunding Bonds may be issued and made payable from the Debt Service Account on a parity with the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and the Series 2009B Bond upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues unless the lien thereof shall be expressly made subordinate to the lien of the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, and the Series 2009B Bond, and other parity Bonds on such Net Revenues and such obligations are payable only from Net Revenues available in the Subordinate Obligations Account (as is the case with the Series 2009A Bond); that all provisions for the security of this Series 2009B Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the Borrower to be done, to exist, to happen and to be performed in order to make this Series 2009B Bond a valid and binding special obligation of the Borrower according to its terms have been done, do exist, have happened and have been performed as so required; and that this Series 2009B Bond and the premium, if any, and interest hereon are payable solely from the Net Revenues of the System pledged and appropriated to the Debt Service Account and do not constitute a debt of the Borrower within the meaning of any constitutional, statutory or charter limitation or provision and the issuance of the Series 2009B Bond does not cause either the general or the special indebtedness of the Borrower to exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City of Great Falls, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor, City Manager, City Fiscal Services Director, and City Clerk, and has caused the official seal of the Borrower to be affixed hereto, and has caused this Bond to be dated as of the _____ day of _____, 2009.

(SEAL)

Mayor

City Manager

City Fiscal Services Director

City Clerk

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest. No transfer of this Bond shall be valid unless and until (1) the registered holder of the Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on this Bond, and (2) the City Fiscal Services Director as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The Borrower shall be entitled to deem and treat the person in whose name this Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the Borrower's liability upon the Bond to the extent of the sum or sums so paid.

<u>Date of Registration</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of City Fiscal Services Director</u>
_____, 2009	<u>Department of Natural</u> <u>Resources and Conservation</u> <u>1625 Eleventh Avenue</u> Helena, MT 59620	_____

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND
REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The City Fiscal Services Director of the City of Great Falls, Montana, acting as Bond Registrar, has transferred, on the books of the Borrower, on the date last noted below, ownership of the principal amount of and the accrued interest on this Bond to the new registered holder noted next to such date, except for amounts of principal and interest theretofore paid.

<u>Date of Transfer</u>	<u>Name of New Registered Holder</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____
_____ the within Bond and does hereby
irrevocably constitute and appoint _____
attorney to transfer the Bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

SCHEDULE B

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	Total Loan <u>Payment</u>
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APPENDIX C

ADDITIONAL REPRESENTATIONS AND COVENANTS

None

APPENDIX D

\$750,000
Water System Revenue Bonds
(DNRC Drinking Water State Revolving Loan Program)
Consisting Of
\$416,300 Subordinate Lien Taxable Series 2009A Bond
And
\$333,700 Series 2009B Bond

ARRA CERTIFICATE AND REQUEST

We, _____ and _____, hereby certify that we are on the date hereof the duly qualified and acting Mayor and City Fiscal Services Director, respectively, of the City of Great Falls, Montana (the "Borrower"), and that:

1. Pursuant to Resolution No. 9226, adopted by this Commission on May 7, 2002 (the "Original Resolution"), as amended and supplemented by Resolution No. 9755, adopted June 17, 2008, as further amended and supplemented by Resolution No. 9842, adopted July 7, 2009 (the "2009 Supplemental Resolution"), entitled "Resolution Relating to \$750,000 Water System Revenue Bonds (DNRC Drinking Water State Revolving Loan Program), Consisting of \$416,300 Subordinate Lien Taxable Series 2009A Bond and \$333,700 Series 2009B Bond; Authorizing the Issuance and Fixing the Terms and Conditions Thereof" (as so amended and supplemented, the "Resolution"), the Borrower issued its Subordinate Lien Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Taxable Series 2009A, dated, as originally issued, as of _____, 2009, in the maximum aggregate principal amount of \$416,300 (the "Series 2009A Bond") and its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2009B, dated, as originally issued, as of _____, 2009, in the maximum aggregate principal amount of \$333,700 (the "Series 2009B Bond"). The Series 2009A Bond and the Series 2009B Bond are referred to herein collectively as the "ARRA Bonds." The Borrower has reviewed the Resolution, including, without limitation, Articles II and III of the 2009 Supplemental Resolution, and the definitions relating thereto. The Borrower acknowledges and agrees that the ARRA Bonds evidence loans made to the Borrower from the DNRC from funds made available to the DNRC under the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 (2009) ("ARRA"), and that this Certificate is being relied upon by the DNRC for ensuring compliance with ARRA requirements applicable to the Borrower, the DNRC, and the 2009 Project (as hereinafter defined). Capitalized terms used herein without definition shall have the meanings given them in the Resolution.

2. The ARRA Bonds were issued to finance all or a portion of the costs of construction and installation of various improvements to the System, generally described as the 2009 Project (the "2009 Project") in the Resolution. Construction of the 2009 Project has complied with all federal and state standards, including, without limitation, EPA regulations and standards and the requirements of ARRA. The 2009 Project is expected to be completed and placed in service on or about _____, 20__.

3. Costs of the 2009 Project in the amount of \$_____ have been paid as of the date of delivery of this Certificate. The Borrower hereby waives its right to any remaining 2009A Committed Amount or 2009B Committed Amount not advanced or to be advanced upon delivery hereof, and acknowledges that the DNRC has reserved the right to reallocate amounts of the Series 2009A Bond and Series 2009B Bond and deliver a replacement Series 2009A Bond and Series 2009B Bond, which shall each be a binding obligation of the City, as described more particularly in the Resolution.

4. As of the date hereof, the Borrower has spent the following amounts in connection with the 2009 Project and costs related thereto:

Construction	\$
Loan Reserves	
Bond Counsel	
TOTAL	_____ \$

Of such amounts, \$750,000 were paid from advances of proceeds of the ARRA Bonds. In addition, as of the date hereof, and \$750,000 of the proceeds of the ARRA Bonds have been applied to Green Infrastructure. The Borrower certifies that proceeds of the ARRA Bonds, once made available to the Borrower, were applied to costs of the 2009 Project before other funds available to the Borrower.

5. The Trustee has delivered to the Borrower a copy of Schedule B to be attached to the Series 2009A Bond and Schedule B to be attached to the Series 2009B Bond, each of which reflects the amortization of all advances made or to be made on the date hereof of proceeds of the Series 2009A Bond and the Series 2009B Bond, respectively (i.e., \$_____ in respect of the Series 2009A Bond (the sum of the amounts of the Series 2009A Bond applied to pay costs of the 2009 Project or costs of issuance of the Series 2009 Bonds) and \$_____ in respect of the Series 2009B Bond (the sum of the amounts of the Series 2009B Bond applied to pay costs of the 2009 Project or costs of issuance of the Series 2009 Bonds or deposited in the Reserve Account as described in paragraph 6 hereof)), as required under Section 7.08(a) of the Indenture. The Borrower hereby acknowledges and agrees that each Schedule B has been calculated in accordance with the provisions of the Resolution and the Indenture, and that each of the Series 2009A Bond and the Series 2009B Bond, with said Schedule B attached thereto, has been duly issued pursuant to the Resolution and is a valid and binding obligation of the Borrower in accordance with its terms and the terms of the Resolution; provided, however, if the DNRC delivers an ARRA Forgiveness Statement, the Borrower's obligation to repay the principal of the Series 2009A Bond and interest and surcharges thereon is thereupon forgiven, and if the DNRC delivers an ARRA Noncompliance Certificate, amounts advanced under the 2009B Loan evidenced by the Series 2009B Bond shall bear interest from and after the 2009B First Advanced at the rate of two percent (2.00%) per annum and the Borrower shall pay currently with interest the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge, all as described in Section 5.1.3 of the Resolution.

6. Pursuant to the Resolution, the Borrower has established a Reserve Account in the Fund (the "Reserve Account") to secure its outstanding Amended and Restated Water System

Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2000 (the “Series 2000 Bond”), its Water System Revenue Refunding Bonds, Series 2002A (the “Series 2002A Bond”), its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2008 (the “Series 2008 Bond”), and its Series 2009B Bond (collectively, the “Bonds”). The amount on deposit therein on the date hereof totals \$ _____, of which \$ _____, \$ _____ and \$ _____, secures the Series 2000 Bond, the Series 2002A Bonds, the Series 2008 Bond, respectively, and \$ _____ secures the Series 2009B Bond. The amount in the Reserve Account is equal to the lesser of: (i) 10 percent of the original principal amount of all series of parity Bonds now outstanding (i.e., \$ _____), or (ii) the maximum amount of principal and interest payable on the parity Bonds in the current or any future Fiscal Year (i.e. \$ _____), based on the amortization of the Series 2009B Bond in accordance with Schedule B thereto.

7. The representations of the Borrower contained in Articles II and III of the Resolution are true and complete as of the date hereof as if made on this date, except to the extent that the Borrower has specifically advised the DEQ and the DNRC otherwise in writing.

8. No default in any covenant or agreement on the part of the Borrower contained in the Resolution has occurred and is continuing.

9. The Borrower is delivering this Certificate to the DNRC, in part, to ensure compliance with ARRA. The Borrower certifies that the iron, steel, and manufactured goods used in the 2009 Project comply with the “buy American” requirements of Section 1605 of ARRA, as those requirements are further interpreted by applicable EPA guidance. The Borrower further certifies that all laborers and mechanics employed by contractors and subcontractors on the 2009 Project have been and will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

10. The Borrower acknowledges and agrees that this Certificate completed by the Borrower in form satisfactory to the DNRC must be executed and delivered to the DNRC by the date that is 30 days after receipt of the form of this Certificate from the DNRC. By submitting this Certificate, the Borrower requests that the DNRC forgive the obligation of the Borrower to repay the principal of the Series 2009A Bond, together with interest and surcharges thereon. The Borrower acknowledges and agrees that (i) the forgiveness of principal of and interest and surcharges on the Series 2009A Bond by the DNRC is contingent on the timely delivery of this Certificate by the Borrower in satisfactory form as determined in the DNRC’s sole and complete discretion, (ii) the DNRC has no obligation to grant such forgiveness; (iii) if the DNRC delivers to the Borrower an ARRA Noncompliance Certificate, (a) the obligation of the Borrower to repay the principal of the Series 2009A Bond plus interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge thereon shall continue in full force and effect until the principal of the Series 2009A Bond advanced and interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge thereon are paid in full, as set forth in Schedule B delivered pursuant to paragraph 5 above, and as provided in the Series 2009A Bond and the Resolution, and (b) the Borrower shall thereupon be obligated to repay the principal of the Series 2009B Bond together with interest thereon at two percent (2.00%) per annum and to pay the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge on all amounts

advanced from and after the 2009B First Advance until the principal of the Series 2009B Bond advanced and interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge thereon are paid in full, as set forth in Schedule B delivered pursuant to Section 5.1.4 of the 2009 Supplemental Resolution; and (iv) the Borrower shall, as necessary, within the 3-month period specified in the 2009 Supplemental Resolution, adjust its rates and charges to produce Net Revenues required by the rate covenant in the Resolution.

WITNESS our hands on behalf of the Borrower and the seal of the Borrower as of this _____ day of _____, 20__.

CITY OF GREAT FALLS, MONTANA

Mayor

(SEAL)

City Manager

City Fiscal Services Director

City Clerk



Item: Resolution 9845, Establish Nationwide Retirement Solutions (“Nationwide”) as an alternative Deferred Compensation Plan

From: Linda Williams, Human Resources Manager

Initiated By: Nationwide and the IAFF, Local #8

Presented By: Greg Doyon, City Manager

Action Requested: City Commission Adopt Resolution 9845

Suggested Motion:

1. Commissioner moves:

“I move the City Commission (adopt/deny) Resolution 9845 to establish Nationwide as an alternative Deferred Compensation Plan.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Staff recommends the City Commission adopt Resolution 9845.

Background: The City Commission adopted Resolution 8048 on July 15, 1986, allowing all employees to participate in the ICMA Retirement Corporation (ICMA-RC) Section 457 Deferred Compensation Plan. Prior to 1986 only the City Manager and department heads were allowed to participate.

During the collective bargaining process with the Fire Fighters in 2005, the City of Great Falls agreed to allow Nationwide as an additional Deferred Compensation provider in July of 2009.

Concurrences: The Fire Fighters have requested and the City has agreed to give their membership (as well as all other employees) the option of participating in Nationwide as an alternative to the City’s current deferred compensation provider, ICMA-RC.

Fiscal Impact: There would be no additional fixed costs to the City to establish the Nationwide Deferred Compensation Plan. Additional payroll and reporting requirements would be absorbed by the Fiscal Services Department.

Alternatives: The City Commission could choose not to adopt Nationwide as an additional Deferred Compensation provider and thereby deny the adoption of Resolution 9845.

Attachments/Exhibits: Resolution 9845 w/ Exhibits

A – Deferred Compensation Plan Administration Agreement

B – Nationwide Retirement Solutions, Inc. Deferred Compensation
Plan for Public Employees, 457(b) Governmental Plan
Document

(Exhibits Not Available online; on file in City Clerk's Office.)

Resolution 9845

**A RESOLUTION TO ESTABLISH NATIONWIDE RETIREMENT SOLUTIONS
("NATIONWIDE") AS AN ADDITIONAL DEFERRED COMPENSATION PLAN FOR
THE CITY OF GREAT FALLS**

WHEREAS, the City of Great Falls has an established Deferred Compensation Plan and has considered the establishment of an additional Deferred Compensation Plan to be made available to all eligible employees pursuant to Section 457 of the Internal Revenue Code permitting such Plans; and

WHEREAS, certain tax benefits could accrue to employees participating in said Deferred Compensation Plans; and

WHEREAS, such benefits will act as incentives to employees to voluntarily set aside and invest portions of their current income to meet their future financial requirements and supplement their retirement and Social Security (if applicable); and

WHEREAS, the City of Great Falls has established a Master Deferred Compensation program for its employees, permitting its employees to enjoy the advantages of this Program; and

WHEREAS, the adoption of the Nationwide Program, all regulatory, operational, and administrative responsibilities are hereby assumed by Nationwide on behalf of the City of Great Falls; and

WHEREAS, Nationwide as Plan Administrator, agrees to hold harmless and indemnify the City of Great Falls, its appointed and elected officers and participating employees from any loss resulting from the City of Great Falls or its Agent's failure to perform its duties and services pursuant to the Nationwide Program.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

The City Commission hereby adopts the Nationwide Deferred Compensation Program as an additional Deferred Compensation Plan and hereby establishes the City of Great Falls Nationwide Deferred Compensation Plan for the voluntary participation of all eligible employees.

The City Manager is hereby authorized to execute for the City of Great Falls, individual participation agreements with each said employee requesting same, and to act as the "Administrator" of the Plan representing the City of Great Falls, and to execute said agreements and contracts as are necessary to implement this program.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, July 7, 2009.

Dona R. Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

David V. Gliko, City Attorney

Regular City Commission Meeting

Mayor Stebbins presiding

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE

ROLL CALL: City Commissioners present: Dona R. Stebbins, Bill Bronson, John Rosenbaum, Bill Beecher and Mary Jolley. Also present were the City Manager, Assistant City Manager, Assistant City Attorney, Directors of Community Development, Fiscal Services, Library, Park and Recreation, Planning Public Works, the Assistant Fire Chief, Police Chief, and the Acting City Clerk.

PROCLAMATIONS: Mayor Stebbins read proclamations for Alma Smith Jacobs Week and the 20th Annual Lewis & Clark Festival.

ANNOUNCEMENT: Norma Ashby, Co-Chair of the Great Falls Centennial Committee in 1984, noted that, as part of the year-long celebration of the City's 100th birthday, an above-ground time capsule was placed in the Montana room of the Great Falls Public Library. Following the dedication of the Alma Jacobs Memorial Plaza at the Library at 11 a.m. on Saturday, June 20, 2009, everyone is invited to have a close look at the contents of the time capsule that have been preserved for 25 years.

Additionally, Ms. Ashby requested the City Commission endorse the film she and her co-producer, Craig Wirth, are working on, "The Great Falls Story: a tribute to 125 years." Complete information is available at www.thegreatfallsstory.com. Citizens are invited to share home videos and film. The City's logo will be on the website, and the Commission endorsement will be helpful for grants and other funding in the making of this film legacy.

NEIGHBORHOOD COUNCILS

1. There were no miscellaneous reports or announcements from neighborhood council representatives.

PUBLIC HEARINGS

**Great Falls Soccer
Complex Lease
Agreement.**

2. LEASE AGREEMENT, GREAT FALLS SOCCER COMPLEX.

Park and Recreation Director Marty Basta reported that on November 4, 2003, voters approved a \$2.5 million bond issue for the construction of the soccer park. On June 1, 2004, the City entered into a lease agreement (**OF 1397**) with the School District for thirty acres of property for the use of the soccer complex at the cost of \$1.00 per year for 25 years. In return, the School District was granted access to the complex for practice games at no charge. The School District authorized the City to sub-lease the property for a soccer park as part of this agreement. This agreement for the soccer park complex with the Soccer Foundation includes the thirty acres of School

District property, as well as an additional 37.6 acres of City property for 25 years, for an annual cost \$1.00 per year. The agreement will be renewed every five years unless terminated by written notice by either party. The Soccer Foundation is responsible for maintenance and upkeep of the property and buildings and all associated costs. The Soccer Foundation has provided \$1.3 million in improvements to the soccer park, in addition to the bond proceeds. The Commission is asked to approve or deny the soccer park lease agreement with the Soccer Foundation.

Mayor Stebbins declared the public hearing open. No one spoke in opposition.

Kathleen Gessaman, 1006 36th Avenue NE, commented that this is a wonderful idea and said the construction and buildings on the soccer field look beautiful. She inquired if the buildings on site would revert to the City if the Soccer Foundation should disband. Mr. Basta reported that the Lease Agreement specifies that all the improvements become the property of the City of Great Falls.

Brett Doney, Great Falls Development Authority, stated that, from an economic development standpoint, that facility is a wonderful draw. When they held the tournament in Great Falls this year, hotel rooms were full, restaurants were full, and shops were filled. Facilities like this are a benefit to the community and an economic development attraction.

Mike Witsoe, 2612 1st Avenue South, asked for clarification on the \$1.00 fee the City is charging the School District. Mr. Basta explained that the Lease Agreement between the City and the School District specifies the City will pay the School District \$1.00 per year for the property, and the City is leasing both properties to the Soccer Foundation for \$1.00 per year. Mr. Witsoe inquired about maintenance and water expenses. Mayor Stebbins explained that those expenses are the responsibility of the Soccer Foundation, as explained in Mr. Basta's presentation. Mr. Witsoe asked if the water bill during the summer ranges from \$10,000-\$30,000. Public Works Director, Jim Rearden, reported that the total water bill for the season is estimated to be \$70,000, or \$10,000 plus for the peak months. The Soccer Foundation has been operating the facility for over two years and is aware of the expenses.

Mayor Stebbins closed the public hearing.

Commissioner Bronson moved, seconded by Commissioners Beecher and Rosenbaum, that the City Commission approve the lease agreement with the Great Falls Soccer Foundation

Mayor Stebbins asked if there was any discussion amongst the Commissioners. No one responded.

Mayor Stebbins commented that she received six or seven phone calls after the recent tournament praising the park facility and the smooth way that the Foundation ran that tournament.

Motion carried 5-0.

Res. 9836. Adopted.

3. RESOLUTION 9836, CONDITIONAL USE PERMIT TO ALLOW A DAY CARE CENTER ON LOT 1A, BLOCK 3, SUNRISE COURT ADDITION (5115 3rd AVENUE SOUTH).

Interim Planning Director Bill Walters reported that the Great Falls Housing Authority has applied for a conditional use permit to allow operation of a day care center in an existing building at 5115 3rd Avenue South. The involved property is presently zoned R-5 multi-family residential district, wherein a day care center is permitted upon processing and approval of a conditional use permit. At the conclusion of a public hearing held April 28, 2009, the City Zoning Commission passed a motion recommending the City Commission grant a conditional use permit to allow the involved building on Lot 1A, Block 3, Sunrise Court Addition to serve as a day care center. Therefore, following this evening's public hearing, it is recommended the City Commission adopt Resolution 9836.

Mayor Stebbins declared the public hearing open. No one spoke in opposition.

Sandra Guynn, Chair of NC 4, reported that the people in attendance at their April meeting were very much in favor of this day care center.

Mayor Stebbins closed the public hearing.

Commissioner Rosenbaum moved, seconded by Commissioner Bronson, that the City Commission adopt Resolution 9836.

Mayor Stebbins asked if there was any discussion amongst the Commissioners. No one responded.

Motion carried 5-0.

OLD BUSINESS

NEW BUSINESS

Prepayment of debt service interest payable to GFDA for N.E.W. loan and annual release

4. PREPAYMENT OF DEBT SERVICE INTEREST PAYABLE TO GREAT FALLS DEVELOPMENT AUTHORITY FOR N.E.W. LOAN AND APPROVE ANNUAL RELEASE OF URBAN RENEWAL TAX INCREMENT DISTRICT SURPLUS FUNDS.

**of Urban Renewal Tax
Increment District
Surplus Funds.
Approved.**

Fiscal Services Director Coleen Balzarini reported that the City Commission is asked to take action on two items. The Commission is able to consider releasing tax increment surplus funds, as has been done since 1990, to the City, County, State and School District jurisdictions. The Commission is also asked to consider prepayment of interest the City committed to pay on behalf of N.E.W. Economic Development Loan. This amount can be released because there is only one principal payment remaining on the Tax Increment Bonds and the reserves are no longer required. The \$235,000 in loan interest that the Commission is asked to approve payment to the Development Authority on behalf of the N.E.W. loan is authorized through Montana Code 7.15.4288, which authorizes the use of tax increment funds to pay costs incurred in connection with the redevelopment activities which are allowed under 7.15.4233, specifically to improve, clear or prepare for redevelopment any real or personal property in an urban renewal area. The Commission approved this intent in January, 2000. The long-term savings to the City for prepaying this loan are \$45,324. The Development Authority will be able to make an early payment on the principal, as well as re-loan a portion of the funds for another economic development project. Ms. Balzarini stated that the City has put \$20 million of improvements into the downtown urban renewal area and released over \$18 million back to the taxing jurisdictions. Basically, this urban renewal district has worked over the years, creating about \$40 million in increased taxable value, and the Commission is asked to approve the motion as presented.

Commissioner Jolley moved, seconded by Commissioner Rosenbaum, that the City Commission authorize the use of available tax increment funds to prepay \$280,324 in loan interest payable at the discounted amount of \$235,000 to the Great Falls Development Authority, as it relates to City participation in an economic development loan to N.E.W.; and, authorize the release and distribution of \$1,000,000 of surplus tax increments from the Tax Increment Debt Service Fund to the City, Cascade County, School District 1, and the State.

Mayor Stebbins asked if there was any discussion amongst the Commissioners or inquiries from the public.

Commissioner Jolley asked Ms. Balzarini to repeat the Montana Code sections she referred to in her presentation. Ms. Balzarini restated Montana Code 7.15.4288(5), and 7.15.4233(i). Commissioner Jolley said she is satisfied that this is a good use of these funds.

Brett Doney, Great Falls Development Authority, explained that this loan was made approximately 9 years ago and has been a great economic development success. N.E.W. currently has many more employees than they promised they would have, they've done a beautiful renovation of the old department store and are currently making more improvements, and they've always been current on their loan. These funds are permanently

restricted funds for the Development Authority, and this cash will go directly to the Economic Development Administration Loan fund. Mr. Doney explained that two-thirds of this loan was sold several years ago to the Montana Board of Investment to be able to get the money to loan the Port Authority \$1 million to make the Centene deal possible. A large portion of this early payoff will go to the Montana Board of Investments. Approximately \$75,000 will go into the GFDA loan fund, and there are deals pending in the City, so this money will be back working in the community by the end of July.

Motion carried 5-0.

ORDINANCES/RESOLUTIONS

Ord. 3034. Accepted on first reading and set public hearing for July 7, 2009.

5. ORDINANCE 3034, TO ADD PROVISIONS FOR WIND-POWERED ELECTRICITY SYSTEMS TO THE LAND DEVELOPMENT CODE.

Interim Planning Director Bill Walters reported that Ordinance 3034, if adopted, will amend the Land Development Code to permit certain types of wind-powered electricity systems within the City subject to compliance with specified standards and conditions including size, height, setbacks, appearance and noise. The City Zoning Commission, at the conclusion of a public hearing held March 10, 2009, unanimously passed a motion recommending the City Commission adopt the provisions contained in Ordinance 3034. The action requested of the Commission this evening is to accept Ordinance 3034 on first reading and set a public hearing for July 7, 2009.

Commissioner Rosenbaum moved, seconded by Commissioners Beecher and Bronson, that the City Commission accept Ordinance 3034 on first reading, and set a public hearing for July 7, 2009.

Mayor Stebbins asked if there was any discussion amongst the Commissioners or inquiries from the public. No one responded.

Motion carried 5-0.

**Consent Agenda.
Approved.**

CONSENT AGENDA

6. Minutes, June 2, 2009, Commission meeting.
7. Total expenditures of \$1,251,594 for the period of May 28 through June 10, 2009, to include claims over \$5,000, in the amount of \$1,037,684.
8. Contracts list.
9. Approve Change Order No. 1 in the amount of \$389.38 and final payment to United Materials and the State Miscellaneous Tax Fund in

the amount of \$1,568.15 for the 2008 CDBG Sidewalk Replacement.

OF 1537.2

- 10.** Award construction contract to River City Concrete in the amount of \$56,320 for the 2009 Valley Gutter and Handicap Ramps. **OF 1485.7**
- 11.** Approve final payment in the amount of \$12,727.08 to Phillips Construction LLC and the State Miscellaneous Tax Fund for the 14th Street SW and 5th Avenue SW water main replacements. **OF 1436**
- 12.** Approve final payment in the amount of \$22,856.93 to Phillips Construction and the State Miscellaneous Tax Fund for the West Bank Park Storm Drain Outfall improvements. **OF 1482**

Commissioner Jolley moved, seconded by Commissioners Rosenbaum and Beecher, that the City Commission approve the Consent Agenda as presented.

Mayor Stebbins asked if there were any inquiries from the public.

Kathleen Gessaman, 1006 36th Avenue NE, noted that the master account check for Agenda Item #7 runs from May 28th through June 10th and the wire transfers run from May 29th through June 8th. She asked if the \$650,000 June 10th payment to SME was made this month. Ms. Balzarini said the payment was made, but since the wire transfer is done on the 10th, it is not recorded until the 11th, so it wasn't included in this report.

Ron Gessaman, 1006 36th Avenue NE, commented on Agenda Item #7. He said he looked through several years of past \$5000 reports and only found two where the master check run dates and the wire transfer dates are different. He asked if there is an established policy for the period that is to be covered by the items in the greater than \$5000 report.

Mr. Gessaman also commented on the Contracts list. He said item A is an item wherein the City is being reimbursed by the DEQ to perform design reviews for public utility improvements, and is an extension of an existing DEQ contract. He asked how long the City has had this contract and if there have been performance reviews by the DEQ. He said it isn't clear what this agreement involves. He asked if the City is doing design reviews on their own public utility improvements, for someone outside the City, i.e., other small communities, etc.

Ms. Balzarini explained that when a wire transfer isn't reported on the current \$5000 report, it will be reported on the next one. She said she wasn't aware of similar dates. She said that the main wire transfers are for debt service payments and are large payments to Southern Montana Electric. They typically end on the 15th, 10th, or the 1st.

Public Works Director, Jim Rearden, explained that the contract with DEQ has been in place for eight or nine years. The contract allows the City to review water and sewer extension plans primarily for developer-type

projects and subdivisions. The City is not allowed to review plans for City-owned projects; DEQ reviews those plans. The City must submit their review letters and comments to the DEQ and the developers, and DEQ does spot reviews on the City's reviews. This agreement allows the City to review quicker and not have to send a lot of development plans to the State.

Mr. Gessaman asked if item F on the Contracts list is an existing or a new contract for utility bill printing and mail processing in the amount of \$2,062 per month to IPS. Ms. Balzarini said this is an outsourcing of the printing of the City utility bills. She explained that the City is contracting this service because the dedicated printer in the Information Technology (IT) department costs around \$14,000, is 15 years old and needs to be replaced. The City already outsources printing of permits, parking tickets, etc. After an analysis, it was determined that the costs are comparable, whether kept in-house or sent out. By outsourcing, it frees up staff time for more important tasks such as reviewing the utility bills before they are billed.

Mr. Gessaman reported that one section of the City receives their water utility bills approximately five weeks after the readings are made. About four years ago, software was promised that would upgrade this problem so bills in the Riverview area would be received on a timely basis. The bills are currently still arriving about five weeks after the meter readings. He noted that Energy West provide bills two days after meter readings; NorthWestern Energy provides a bill the next day. He said this is a problem for the elderly in Riverview who receive a bill in October or November for \$100 for water and sewer and are confused because they haven't been watering for two months.

Motion carried 5-0.

**James (Jim) Weber
appointed to the Great
Falls Housing Authority
Board.**

BOARDS & COMMISSIONS

13. APPOINTMENT, GREAT FALLS HOUSING AUTHORITY BOARD.

Commissioner Bronson moved, seconded by Commissioner Rosenbaum, that the City Commission appoint James (Jim) Weber to the Great Falls Housing Authority for a five-year term through May 31, 2014.

Mayor Stebbins asked if there was any discussion amongst the Commissioners. No one responded.

Motion carried 5-0.

**Dea Nowell appointed to
the Library Board.**

14. APPOINTMENT, LIBRARY BOARD.

Commissioner Bronson moved, seconded by Commissioner Rosenbaum, that the City Commission appoint Dea Nowell to the Library Board for a five-year term through June 30, 2014.

Mayor Stebbins asked if there was any discussion amongst the Commissioners. No one responded.

Motion carried 5-0.

15. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

CITY MANAGER

City Manager, Greg Doyon, said that if the Commission should have any questions as they continue to review the proposed budget, please let him know and he will provide the information.

16. APPOINT ACTING CITY MANAGER FOR JUNE 19, 2009.

City Manager, Greg Doyon, said that, with the consent of the City Commission, he appoints Police Chief, Corky Grove, as Acting City Manager for Friday, June 19, 2009.

17. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

PETITIONS AND COMMUNICATIONS

18. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Mayor Stebbins opened the meeting to Petitions and Communications.

Commission meeting/ECP deficit.

18A. Ed McKnight, 906 3rd Avenue North, commented that he is confused by Commissioner Rosenbaum’s responses at the May 19, 2009 City Commission meeting. Mr. McKnight shared a quote regarding ECP’s deficit in recent years, and said Commissioner Rosenbaum didn’t ask for clarification on the information when he presented it. He expressed frustration that he did not get a satisfactory response to his inquiries.

Price increases/Public Drug fire/Toxins.

18B. John Hubbard, 615 7th Avenue South, said he is concerned about the recent increase in gas prices, and overall price hikes. He said he is also concerned about the direction of the country. He applauded the recent response by the Fire Department to the fire at Public Drug, and said additional fire equipment isn’t needed, especially with the current economy. He also said he is concerned about possible toxins at the Weissman’s yard.

Mil Levy/Public Drug ramp.

18C. Mike Witsoe, 120 Lions Creek Road, reported that he heard a good explanation on the mil levy from the Fire Department at a Neighborhood Council meeting, and hoped they provide the same information to the other

Neighborhood Councils. They explained that there are only thirteen people and one officer on each shift. He said the levy is needed and will help protect homes and families. He said he doesn't think the Police mil levy will succeed. Regarding Public Drug, he recommends a City inspector check the large ramp drop-off because he fears someone will be injured.

Holiday Inn/Whitmore Ravine/University of Great Falls/Holiday Inn Express/Industrial Park/Visit to Billings.

18D. Brett Doney, Great Falls Development Authority, reported that a \$398,200 loan has been approved to assist Holiday Inn with a \$900,000 renovation project. The Whitmore Ravine Agreement was signed this date. The University of Great Falls has begun construction on their first apartment complex on campus for upper classmen. Holiday Inn Express has filed for design approvals and hopes construction will begin as soon as possible. Efforts have been underway for an Industrial Park, getting financing for the design and approval process. He expressed gratitude to the Great Falls engineering community for providing over \$85,000 in-kind support. He said the project can now proceed in the design process. He said he participated in a trip to Billings, June 15, 2009, organized by Ellen Sievert, of the Historic Preservation Commission, to look at downtown projects. He said he was able to bring back many great ideas.

Plastics.

18E. Kathleen Gessaman, 1006 36th Avenue NE, commented that she is collecting her plastics, but would let the Mayor continue with that story. However, she said it was a fun afternoon.

CITY COMMISSION

19. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Commissioner Beecher stated that a lot of interesting comments and opinions are heard at the public comment section at the end of the meeting. He explained that there is a report available on the City website, as well as available in written form, from November, 2008, "Electric City Power Financial Condition and Comparative Rates" that provides useful information. He said he encourages new candidates to review this report.

Commissioner Beecher also noted that the Commission has been criticized for not allowing public participation. He said that during the meeting this evening, there was public comment on agenda items, and questions were answered by the appropriate staff. The section at the end of the meeting provides opportunity for anyone to make observations regarding something not included on the agenda at that meeting. He cited State Code that requires the agenda to include an opportunity for people to participate in the public process. He noted public comment is encouraged; however, the Code does not invite cross-examination or interrogation.

Mayor Stebbins expressed appreciation to Commissioner Bronson for serving as Mayor Pro Tempore at the Elder Abuse Forum and the Flag Day Ceremony the past weekend.

ADJOURNMENT

Adjourn.

There being no further business to come before the Commission, **Commissioner Beecher moved, seconded by Commissioner Rosenbaum, that the regular meeting of June 16, 2009, be adjourned at 8:05 p.m.**

Motion carried 5-0.

Mayor Stebbins

Acting City Clerk

Minutes Approved: July 7, 2009



Agenda # 12
 Commission Meeting Date: July 7, 2009

**CITY OF GREAT FALLS
 COMMISSION AGENDA REPORT**

ITEM: \$5,000 Report
 Invoices and Claims in Excess of \$5,000

PRESENTED BY: Fiscal Services Director

ACTION REQUESTED: Approval with Consent Agenda

ITEMIZED LISTING OF ALL TRANSACTIONS GREATER THAN \$5000:

MASTER ACCOUNT CHECK RUN FOR JUNE 11 TO JUNE 17, 2009	914,203.02
MASTER ACCOUNT CHECK RUN FOR JUNE 18 TO JUNE 24, 2009	1,756,198.52
MASTER ACCOUNT CHECK RUN FOR JUNE 24 TO JUNE 30, 2009	444,881.81
MUNICIPAL COURT ACCOUNT CHECK RUN FOR JUNE 9 TO JUNE 15, 2009	51,876.58
MUNICIPAL COURT ACCOUNT CHECK RUN FOR JUNE 16 TO JUNE 23, 2009	1,370.00
WIRE TRANSFERS FROM JUNE 10 TO JUNE 16, 2009	232,467.20
WIRE TRANSFERS FROM JUNE 17 TO JUNE 23, 2009	138,268.30
WIRE TRANSFERS FROM JUNE 24 TO JUNE 30, 2009	<u>1,345,472.37</u>
TOTAL: \$	<u><u>4,884,737.80</u></u>

GENERAL FUND

POLICE

CENTRAL SERVICES DIVISION	DATAMAXX LICENSE & SYSTEM USAGE COST (SPLIT AMONG FUNDS)	1,983.06
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SPECIAL REVENUE FUND

PLANNING

RENEWABLE TECHNOLOGIES INC	WEST BANK CULTURAL RESOURCE SURVEY	9,776.07
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CTEP PROJECT

DICK OLSON CONSTRUCTION	PMT #5 CONSTRUCTION OF LIBRARY LANDSCAPE	69,040.78
MT DEPT OF TRANSPORTATION	REFUND OF REIMBURSEMENT OVERPAYMENT OF CTEP FUNDS FOR LIBRARY LANDSCAPING	39,736.58

POLICE SPECIAL REVENUE

HEWLETT PACKARD	PROCURVE SWITCH, MODULES & CABLES (SPLIT AMONG FUNDS)	24,631.00
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SPECIAL REVENUE FUND (CONT)

STREET DISTRICT

WESTERN SYSTEMS INC	TYPE M CONTROLLER CABINET MDOT SPECS	8,800.05
GREAT FALLS INTERNATIONAL AIRPORT AUTHORITY	STREET ASSESSMENTS FOR 2008 SECOND HALF	14,579.64
UNITED MATERIALS	ASPHALT	24,989.95
UNITED MATERIALS	CRUSHED SEAL COAT AGGREGATE	5,186.37

PARK & RECREATION SPECIAL REVENUE

BIG SKY FIREWORKS INC	FIREWORKS FOR 2009, FUNDS DONATED BY BENNETT MOTORS & FRIENDS OF JULY 4TH	15,000.00
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NATURAL RESOURCES

JOHNSON BROTHERS CONTRACTING ROCKY MOUNTAIN TREE CARE SPECIALISTS	GRIND WOOD WASTE FROM PINE BEETLE SPRAY PINE TREES	16,087.50 6,379.05
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FEDERAL BLOCK GRANTS

H J GILCHRIST CO	1/2 DOWN WINDOWS SIDING BATHROOM 1013 10TH AVE SW	12,300.00
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TAX INCREMENT BOND

GREAT FALLS DEVELOPMENT AUTHORITY	INTEREST PAYABLE FOR N.E.W. LOAN	235,000.00
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WEST BANK URBAN RENEWAL

BURLINGTON NORTHERN	PMT FOR FLAGGING PERSON TO DIRECT TRAFFIC & PROVIDE SECURITY TO THE NEW CROSSING ON 3RD AVE NW	14,053.43
UNITED MATERIALS	SECOND PHASE OF CONSTRUCTION ACCESS TO NEW FEDERAL COURTHOUSE	163,405.67
JAMES TALCOTT CONSTRUCTION INC	PURCHASE OF 2 PARCELS OF LAND FOR NEW 3RD AVE NW ROADWAY	186,780.00
MONTANA COWBOYS ASSOCIATION	PURCHASE OF LAND FOR COMPLETION OF THE 3RD AVE NW ROADWAY TO NEW FEDERAL COURTHOUSE	77,250.00
TALCOTT PROPERTIES LLC	PURCHASE OF LAND FOR COMPLETION OF THE 3RD AVE NW ROADWAY TO NEW FEDERAL COURTHOUSE	29,820.00

DEBT SERVICE

SOCCER PARK BONDS

US BANK NA	CITY OF GREAT FALLS GENERAL OBLIGATION BONDS SERIES 2004	144,568.75
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SWIM POOL REHAB GO BOND

US BANK NA	CITY OF GREAT FALLS GENERAL OBLIGATION BONDS SERIES 2007	237,000.00
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TAX INCREMENT BOND

GREAT FALLS PUBLIC SCHOOLS	TAX INCREMENT SURPLUS DISTRIBUTION	298,900.00
CASCADE COUNTY TREASURER	TAX INCREMENT SURPLUS DISTRIBUTION	204,700.00
CASCADE COUNTY TREASURER	TAX INCREMENT SURPLUS DISTRIBUTION STATE FOR SCHOOLS	224,400.00

ENTERPRISE FUNDS

WATER

THOMAS DEAN & HOSKINS	PMT #3 -10TH AVE SO WATER MAIN REPLACEMENT PROFESSIONAL SERVICES FOR DESIGN & PLANS	10,038.00
JAMES TALCOTT CONSTRUCTION INC	PMT #1 WTP BACK WASH CLARIFIER & SCREENING SYSTEM	36,449.64
US BANK NA	DEPT OF NATURAL RESOURCES WRF-01024 LOAN SERIES 2000	109,440.00
US BANK NA	DEPT OF NATURAL RESOURCES WRF-09125 LOAN SERIES 2008	87,308.39
DANA KEPNER CO-BILLINGS ROTORK INC	1-6" C2 COMPOUND METER 1000CF L/CON 4-ROTORK MODEL IQT 2000 ELECTRIC ACTUATORS	5,700.00 23,536.00
PHILLIPS CONSTRUCTION	FINAL PMT 14TH ST SW & 5TH AVE SW WATER MAIN REPLACEMENT	12,599.81
DICK ANDERSON CONSTRUCTION	PMT #6 WTP HEADHOUSE FLOOR REPLACEMENT	16,896.33

SEWER

VEOLIA WATER NORTH AMERICA VEOLIA WATER NORTH AMERICA	MONTHLY WWTP OPERATION CONTRACT MONTHLY CONTRACTED CAPITAL IMPROVEMENTS	230,312.08 12,500.00
PLANNED & ENGINEERED CONST	PMT #1 SANITARY SEWER TRENCHLESS REHAB	180,147.13
TREASURE STATE ROOFING LLC US BANK NA	PMT #5 WWTP ROOF REPLACEMENT DEPT OF NATURAL RESOURCES SRF-02089 LOAN SERIES 2002B	7,494.30 409,640.00
BIG SKY CIVIL & ENVIRONMENTAL	PMT #1 AGRI BUSINESS PARK SEWER LIFT STATION	6,250.00

STORM DRAIN

US BANK NA	DEPT OF NATURAL RESOURCES SRF-04121 LOAN SERIES 2004	157,068.75
US BANK NA	STORM DRAIN REVENUE REFUNDING BONDS SERIES 2003	15,496.25
PHILLIPS CONSTRUCTION	FINAL PMT WEST BANK PARK STORM DRAIN OUTFALL IMPROVEMENT	22,628.36

ELECTRIC

SOUTHERN	PMT OF ENERGY SUPPLY EXPENSE MAY 09 CASH ON DEPOSIT MAY 09	73,059.52 48,961.73
US BANK NA	ELECTRIC UTILITY FUND NON VOTED GENERAL OBLIGATION	72,835.12

SAFETY SERVICES

CENTRAL SERVICES DIVISION	DATAMAXX LICENSE & SYSTEM USAGE COST (SPLIT AMONG FUNDS)	6,525.69
QWEST	JUNE 2009 911 CHARGES	5,709.56

CIVIC CENTER EVENTS

GREAT FALLS SYMPHONY	PAYOUT TICKET RECEIPTS-BIG, KAL, JUB CHORUS, AMBASSADOR	12,933.25
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INTERNAL SERVICES FUND

HEALTH & BENEFITS

BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS JUNE 2 - 8, 2009	186,482.94
BLUE CROSS/BLUE SHIELD	ADMINISTRATION / REINSURANCE JUNE 09	43,147.26
BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS JUNE 9 -15, 2009	43,920.78
BLUE CROSS/BLUE SHIELD	HEALTH INS CLAIMS JUNE 16 - 22, 2009	80,865.60

FISCAL SERVICES

ASSOCIATED BUSINESS SYSTEMS	STATEMENTS AND ENVELOPES FOR UTILITY BILLING	12,311.75
POSTMASTER	POSTAGE FOR UTILITY BILLING	5,139.53
POSTMASTER	POSTAGE FOR UTILITY BILLING	8,500.00

INFORMATION TECHNOLOGY

HEWLETT PACKARD	PROCURVE SWITCH, MODULES & CABLES (SPLIT AMONG FUNDS)	5,282.00
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CENTRAL GARAGE

CITY MOTOR CO	6-2009 POLICE PURSUIT VEHICLES CHEVROLET IMPALA	135,627.00
MOUNTAIN VIEW CO-OP	FUEL	12,818.65
MOUNTAIN VIEW CO-OP	FUEL	9,537.80

ENGINEERING

CTA ARCHITECTS ENGINEERS	PMT #3 ENGINEERING & OPERATIONS OFFICE MODIFICATIONS	5,306.91
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TRUST AND AGENCY

COURT TRUST MUNICIPAL COURT

CITY OF GREAT FALLS	FINES & FORFEITURES COLLECTIONS	44,161.58
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CASTLE PINES TRUST**ULRRWSD AGENCY FUND**

US BANK NA	W&S DISTRICT PHASE 1.1 LOAN PROGRAM 2005 DNRC WRF 06088	12,490.00
US BANK NA	W&S DISTRICT PHASE 1.2 LOAN PROGRAM 2006 DNRC WRF-06091	4,906.25
US BANK NA	W&S DISTRICT PHASE 1.3 LOAN PROGRAM 2008 SRF-08169	8,443.51

UTILITY BILLS

ENERGY WEST	MAY 2009 CHARGES	38,530.72
MONTANA WASTE SYSTEMS	MAY 2009 CHARGES	86,449.37
NORTHWESTERN ENERGY	MAY 2009 CHARGES	91,369.14

CLAIMS OVER \$5000 TOTAL:\$ 4,463,188.60

CITY OF GREAT FALLS, MONTANA

AGENDA: 13

COMMUNICATION TO THE CITY COMMISSION

DATE: July 7, 2009

ITEM: CONTRACT LIST
Itemizing contracts not otherwise approved or ratified by City Commission Action
(Listed contracts are available for inspection in the City Clerk's Office.)

PRESENTED BY: Lisa Kunz, City Clerk

ACTION REQUESTED: Ratification of Contracts through the Consent Agenda

MAYOR'S SIGNATURE: _____

CONTRACT LIST

	DEPARTMENT	OTHER PARTY (PERSON OR ENTITY)	PERIOD	FUND	AMOUNT	PURPOSE
A	Public Works/ Engineering	Montana Department of Transportation (MDT)	04/2007 – 2010	Water Utility	\$180,325 (Estimated)	Utilities Agreement with MDT for reconstruction of the Smelter Avenue and 10 th Street North intersection. OF 1444.1
B	Great Falls Fire Rescue	Great Falls Emergency Services	07/07/2009 – 12/21/2013	N/A	N/A	HIPAA Business Associate Agreement in compliance with 45 CFR 164.504(e)(2)(ii).

C	Public Works	Phillips Construction	Summer 2009	Storm Drainage Fund Street Department Fund	\$14,337 \$12,110	2008 Miscellaneous Storm Drainage Improvements; 7 th Avenue North & 25 th Street . OF 1557.1
D	Public Works Engineering	Montana Department of Environmental Quality (DEQ)	07/01/2009 – 06/30/2010	DEQ to reimburse City for engineering services. Reimbursement payments to be credited to engineering revenue fund.	Maximum amount of reimbursement up to \$21,000 for contract year.	Extend the existing DEQ Agreement No. 506023 for the next fiscal year. The existing agreement between the City and DEQ authorizes the City to perform DEQ design review of public utility improvements. *This Agreement replaces Modification 04 of Agreement (approved on June 16, 2009, Item 8A).



Item: Set Annual Budget Hearings on:
Resolution 9838 – Intent to Increase Property Tax
Resolution 9839 – Annual Budget Resolution

From: Gregory T. Doyon, City Manager

Initiated By: Statutory Budget Requirements

Presented By: Melissa Kinzler, Budget Officer

Action Requested: Set the Annual Budget Hearings

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission set the public budget hearings on Resolutions 9838 and 9839 for July 21, 2009.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Staff Recommendation: Staff recommends the City Commission set the public budget hearings on Resolutions 9838 and 9839 for July 21, 2009, and provide notices for the Public Hearing on the Intent to Increase Property Tax Revenue, and the Public Hearing on the Preliminary Budget.

Background: Prior to the adoption of the City’s annual budget the City is required to hold public hearings on 1) the intent to budget an increase in revenue from property taxation, and 2) the proposed annual budget.

The City started the Fiscal Year 2010 budget process with Initial Commission Budget Work Sessions on March 24 and March 25, 2009. These sessions allowed each department to present to the City Commission the top goals and challenges of each department. They also allowed the City Commission to set informal priorities for the Fiscal Year 2010 Budget. These sessions were open to the public.

The next step in the budget process was for each City department to develop their Fiscal Year 2010 Budgets. The Departments requested budgets were presented to the City Manager on April 14, 15 and 17, 2009. After these meetings, there was a projected shortfall in the General Fund for the Fiscal Year 2010 Budget. The City Manager through a memorandum requested that all City Departments reduce requested operating costs by 2%. The Budget Staff met with all Departments

about the requested reductions on May 6 and 8, 2009. From these meetings and through the City Managers direction, the Fiscal Year 2010 Budget was balanced.

The third step in the budget process, was to present the proposed Fiscal Year 2010 Budget to the City Commission at the June 16, 2009 City Commission Work Session. This session was opened to the public.

The annual public hearings on the budget are proposed for July 21, 2009. Section 15-10-203, MCA, requires the City to hold a public hearing before passing a resolution stating its intent to increase property tax revenues. Section 15-10-420, MCA, authorizes a property tax increase of “one-half of the average rate of inflation for the prior 3 years.” The Consumer Price Index showed a 2.2245% average increase as provided by the Montana Department of Administration. Therefore the City is allowed and is proposing a 1.112% property tax increase.

The total proposed allowable property tax levy increase is 1.112%.

The setting of the tax levies is scheduled for August 18, 2009 or when the Montana Department of Revenue has certified taxable values for the City of Great Falls.

Concurrences: The proposed Fiscal Year 2010 budget was presented by the City Manager on June 16, 2009 at the City Commission Work Session.

Fiscal Impact: The fiscal impact of the proposed increases for inflation and the permissive mill levy for a residential home with a taxable market value of \$100,000 would be approximately \$4.72 a year. The fiscal impact of not authorizing the increase for inflation mills to the General Fund would result in a revenue shortfall of \$112,728 for the proposed budget.

Alternatives: If the Fiscal Year 2010 Budget Hearing is not held on July 21, 2009 it could be delayed until up to the September 15, 2009 City Commission Meeting. State law requires that the City adopt a Fiscal Year 2010 Budget on or before the 2nd Monday in August or 45 days after receiving taxable valuation from the Montana Department of Revenue.

If the hearing on Intent to Increase Property Taxes is not held, the General Fund would need to determine alternative revenues of \$112,728 from non-property tax sources. Other options include reducing proposed expenditures by \$112,728 or use General Fund fund balance of \$112,728. These options are not recommended by staff. The General Fund fund balance is projected to be \$3.1 million (12% of expenditures) at the end of Fiscal Year 2010 without any additional use of General Fund fund balance. This is below the recommended policy of 17%.

Attachments/Exhibits: Proposed Notice – Intent to Increase Property Taxes
Resolution 9838 – Intent to Increase Property Taxes
Proposed Legal Notice – Budget Hearing
Resolution 9839 – Proposed Annual Budget Resolution

NOTICE OF BUDGET INCREASE FROM PROPERTY TAXES

The City of Great Falls intends to budget an increase in revenue from property taxation by approximately 1.112%, as allowed by Section 15-10-420, MCA.

All concerned persons are invited and encouraged to attend a public hearing on budgeting the increased property tax revenue and on the budget as a whole to be held on July 21, 2009, at 7:00 p.m., City Commission Chambers, Civic Center Building.

A decision on budgeting the increased property tax revenue will be made after considering comments made at this hearing.

For further information, please contact: City Clerk's Office, Room 202, Civic Center, 455-8451.

Lisa Kunz
City Clerk

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FOR OFFICE USE ONLY

Publication Dates: July 12, 2009
July 19, 2009

DISPLAY AD

THIS ADVERTISEMENT MAY NOT BE PLACED IN THAT PORTION OF THE NEWSPAPER WHERE LEGAL NOTICES AND CLASSIFIED ADVERTISEMENTS APPEAR. (15-10-203, MCA)

RESOLUTION NO. 9838
RESOLUTION OF INTENT TO INCREASE PROPERTY TAX
FOR THE FISCAL YEAR BEGINNING JULY 1, 2009 AND ENDING JUNE 30, 2010

WHEREAS, Section 15-10-203(1), MCA, requires the City to hold a public hearing and subsequently adopt a resolution of its intent to increase property tax revenue, prior to budgeting for any increase in property tax revenue from existing property, and

WHEREAS, Section 15-10-420(1)(a), MCA, allows the City to increase its annual property tax levy by "one-half the rate of inflation for the prior 3 years" , and

WHEREAS, Section 15-10-420(1)(c), MCA, provides for the average rate of inflation to be calculated "using the consumer price index, U.S. City average, all urban consumers, using the 1982-1984 base of 100, as published by the Bureau of Labor Statistics of the United States Department of Labor", and

WHEREAS, the applicable consumer price indexes had a three year average of 2.2245% and an allowed tax levy increase of **1.112%**,and

WHEREAS, the notice of hearing on the City's intent to budget an increase in revenue from property taxation **by 1.112%**, was published in accordance with Section 7-1-4127, MCA, as required by Section 15-10-203, MCA, and Section 2-9-212, MCA, and

WHEREAS, the hearing on the City's intent to budget an increase in revenue from property taxation was held in accordance with Section 7-1-4131, MCA, and Section 15-10-203 MCA,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

Section 1. - Intent to budget additional property tax revenue

The City Commission intends to budget the **1.112 percent** increase in property tax revenue allowed by Section 15-10-420, MCA.

PASSED by the Commission of the City of Great Falls, Montana, on this _____ day of _____, 2009.

Dona Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

Approved as to form: City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution No. 9838 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the ___ day of ___, 2009, and approved by the Mayor of said City on the __ day of _____, 2009.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this ___ day of _____, 2009.

Lisa Kunz, City Clerk

(SEAL OF CITY)

NOTICE OF BUDGET HEARING

NOTICE is hereby given that the City Commission of the City of Great Falls has:

- completed its preliminary budget;
- placed the preliminary budget on file and open to public inspection at the City Clerk's Office, Room 202, Civic Center Building; and,
- set the public hearing on the City of Great Falls 2009 / 2010 Annual Operating Budget for 7 PM, Tuesday, July 21, 2009, at the City Commission Chambers, Civic Center Building.

All persons desiring to be heard are invited to appear and provide written or oral comments concerning the budget. For further information, please contact: City Clerk's Office, Room 202, Civic Center, 455-8451.

Lisa Kunz
City Clerk

FOR OFFICE USE ONLY

Publication Dates: July 12, 2009
July 19, 2009

LEGAL AD

RESOLUTION NO. 9839

ANNUAL BUDGET RESOLUTION

**A RESOLUTION RELATING TO FINAL BUDGETS AND ANNUAL
APPROPRIATIONS FOR THE FISCAL YEAR
BEGINNING JULY 1, 2009 AND ENDING JUNE 30, 2010**

WHEREAS, Montana Code Annotated (MCA), 7-6-4024, requires that the budget be approved and adopted by resolution by the later of the second Monday in August or within 45 calendar days of receiving certified taxable values from the Department of Revenue, and

WHEREAS, the notice of hearing on budget increase from property taxes was published in accordance with Section 15-10-203, MCA, and

WHEREAS, the notice of hearing on preliminary budget was published in accordance with Section 7-1-4127, MCA, as required by Section 7-6-4021, MCA, and

WHEREAS, the hearing on preliminary budget and budget increase from property taxes was held in accordance with Section 7-1-4131, MCA, and Section 7-6-4024 MCA, and,

WHEREAS, the Official City Code of the City of Great Falls, Title 2, Chapter 14, Sections 2.14.030 and 2.14.040 state the Municipal Court Judge and Municipal Court Clerk salaries shall be set by resolution, and,

WHEREAS, the Government Finance Officers Association recommends an unreserved fund balance in the General Fund of “no less than five to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operation expenditures”,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

Section 1. - Legal Spending Limits

The legal spending limits of the City of Great Falls are established at the fund level. Appendix A establishes each fund’s level. (7-6-4030, MCA)

Section 2. - Implementation Authority

2.1 The City Manager is hereby delegated appropriation authority for the expenditure of funds from any or all of the following:

- a. debt service funds;
 - b. trust funds;
 - c. federal, state, local or private grants accepted and approved by the governing body;
 - d. special assessments;
 - e. proceeds from the sale of land;
 - f. any fund for gifts or donations; and,
 - g. money borrowed during the fiscal year. (7-6-4006, MCA)
- 2.2 The City Manager is hereby delegated authority to adjust appropriations funded by fees throughout the fiscal year in any or all of the following:
- a. proprietary funds (enterprise and internal service funds);
 - b. general fund for fee supported services;
 - c. information technology fund for fee supported mapping services;
 - d. natural resources fund for fee supported forestry services;
 - e. permits fund; and,
 - f. licenses fund. (7-6-4012, MCA)
- 2.3 The authority to make transfers of appropriations between funds is retained by the City Commission.
- 2.4 The City Manager is hereby delegated the authority to make transfers or revisions within appropriations of any fund.
- 2.5 The City Manager may delegate to his department directors the authority to make transfers or revisions within or among appropriations of specific operations within a fund, limited to the division level of accountability.
- 2.6 Joint operating agreements approved by the governing body; insurance recoveries or dividends; hazardous material recoveries and, refunds or reimbursements of expenditures shall automatically amend the annual appropriations or reduce recorded expenditures whichever is correct in accordance with Generally Accepted Accounting Principles (GAAP).

Section 3. - Appropriation Carryovers

Generally accepted accounting principles (GAAP) require expenditures to be recognized in the fiscal year in which the goods or services are received.

- 3.1 Previous fiscal year appropriations for incomplete improvements in progress of construction, or segments thereof, are hereby declared authorized appropriations in addition to the appropriations set out in Appendix A., provided they meet the following criteria:
- a. related financing was provided in the prior fiscal year;
 - b. the appropriations were not obligated by year end;
 - c. the purpose was not included, or rejected, in current budget financing or

- d. appropriations; and,
the City Manager determines the appropriation is still needed.
- 3.2 Outstanding purchase orders and other obligations, representing a City obligation to pay the claim after receipt of the goods or services, are recognized as "claims incurred". They are hereby declared authorized "carryover" appropriations in addition to the appropriations set out in Appendix A., provided they meet the following criteria:
- a. related financing was provided in the prior fiscal year;
 - b. the appropriations were not otherwise obligated by year end;
 - c. the purpose was not included, or rejected, in current budget financing or appropriations; and,
 - d. the City Manager determines the appropriation is still needed.

Section 4. - Appropriated Reserves

Reserves which have been established for specific purposes, such as Equipment Revolving Scheduled (ERS) reserves, are hereby declared to be appropriations available for expenditure according to the reserve purpose. They shall be acknowledged as current appropriations upon the determination by the City Manager that they are currently needed to serve their intended purpose. Unexpended reserves shall be carried forward to meet future needs in accordance with their purpose.

Section 5. Contingency Account

- 5.1 Contingency account appropriations are provided by the City Commission as flexible appropriations. They are intended to provide the City Manager with an effective management tool for adjusting to changing circumstances throughout the budgetary year.
- 5.2 The City Manager is delegated the authority to transfer part or all of any contingency appropriation and related financing. Use of contingency appropriations is restricted to transfers of that appropriation authority to specific operating budgets. Proper classification of expenditures to specific operations is required. Accordingly, charging of expenditures directly to Contingency accounts is prohibited.
- 5.3 The Contingency appropriation is a two part authorization, determined on whether cash funding has been allocated in the General Fund during budget development:
- a. General Fund financed; and,
 - b. Unfunded - a specific fund cash balance, additional revenue, or other funding source must be identified before the "unfunded" contingency appropriation may be used.

Section 6. - Classification and Pay Plan

- 6.1 The objective of the City's Classification and Pay Plan is to enable the City to retain, and when necessary, recruit competent employees. Therefore, the Plan must be a dynamic tool which is continuously updated.

6.2 The City Manager is authorized to administratively change the Classification and Pay Plan. Annual pay surveys, continual or periodic review of positions with changed duties or responsibilities, and additions to the classification plan of changed and new classes of work will assure that the Classification and Pay Plan remains current and equitably meets the needs of the City and its employees.

Section 7. - Budgetary Authority

References to statutes, or to consistency with statutory authority, are for information purposes only. Nothing in this resolution shall be considered to mitigate or compromise the City's self-governing authority.

Section 8. - Accounting Structure

Staff is hereby directed to establish and maintain City accounting structure in accordance with Generally Accepted Accounting Principles (GAAP). Statutes, ordinances, resolutions or other authoritative sources shall be implemented according to their intent and GAAP. Staff shall provide for conformance with the Commission's limits for financing and appropriation under authorized budgets whenever making proper modifications to accounting structure.

Section 9. – Municipal Court Judge and Municipal Court Clerk Salaries

The City Manager is authorized to administratively set the salaries of the Municipal Court Judge and Municipal Court Clerk using the following salary range:

Municipal Court Judge	\$54,777 to \$84,630
Municipal Court Clerk	\$32,773 to \$49,159

Section 10. – Designated for Cash Flow

As permitted by Section 7-6-4034, MCA, a balance Designated for Cash Flow shall be considered adequate in tax levy supported funds (General, Library, and Planning) at 17% of annual appropriations. A balance Designated for Cash Flow for other operating funds of the City shall be considered adequate at 17% (2mo./12mo.) of annual appropriations for seasonal operations; and, 17% (2mo./12mo.) of annual appropriations for all other operating funds.

Such balances designated for cash flow shall be used to meet extended revenue cycles, meet short term economic difficulties, respond to unique opportunities, provide for one-time expenditures, and respond to emergency and disaster situations. The balances shall not be available to meet recurring operating expenses.

PASSED by the Commission of the City of Great Falls, Montana, on this _____ day of _____, 2009.

Dona Stebbins, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

Approved as to form: City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that the foregoing Resolution No. 9839 was placed on its final passage and passed by the Commission of the City of Great Falls, Montana, at a meeting thereof held on the ___ day of ___, 2009, and approved by the Mayor of said City on the __ day of _____, 2009.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said City this ___ day of _____, 2009.

Lisa Kunz, City Clerk

(SEAL OF CITY)

Appendix A. Balances & Changes by Fund for Year Ending June 30, 2010 City of Great Falls, Montana

	Estimated Beginning Balance	(+ Working Capital Sources			(-) Working Capital Uses			Estimated Ending Balance	Reserved Balance	Available Balance
		Revenue	Transfers In	Total Sources	Appropriations	Transfers Out	Total Uses			
General Fund	3,126,788	25,736,821	0	25,736,821	23,272,979	2,463,842	25,736,821	3,126,788	0	3,126,788
Special Revenue Funds										
Planning Fund	10,116	576,534	192,140	768,674	768,045	0	768,045	10,745	0	10,745
CTEP Projects Fund	15,915	1,000	0	1,000	4,324	0	4,324	12,591	12,591	0
Lighting Districts Fund	678,328	1,410,268	0	1,410,268	1,441,620	0	1,441,620	646,976	0	646,976
Historic Bridge Fund	0	0	0	0	0	0	0	0	0	0
Support & Innovation Fund	45,748	163,060	0	163,060	163,206	0	163,206	45,602	45,602	0
911 Special Revenue Fund	468,939	605,200	0	605,200	60,634	328,107	388,741	685,398	685,398	0
Police Special Revenue Fund	194,412	20,100	0	20,100	80,718	0	80,718	133,794	133,794	0
Fire Special Revenue Fund	2,197	5,700	0	5,700	433	0	433	7,464	7,464	0
Public Works Special Revenue Fund	49,803	1,500	0	1,500	49	0	49	51,254	51,254	0
Street District Fund	1,308,617	4,754,008	0	4,754,008	5,553,966	0	5,553,966	508,659	0	508,659
Library Fund	345,083	413,090	787,800	1,200,890	1,194,918	0	1,194,918	351,055	115,580	235,475
Library Foundation Fund	65,552	110,100	0	110,100	121,110	0	121,110	54,542	54,542	0
Park & Recreation Special Revenue Fund	389,970	71,500	0	71,500	111,767	0	111,767	349,703	294,058	55,645
River's Edge Trail Special Revenue Fund	75	0	0	0	75	0	75	0	0	0
Natural Resources Fund	104,472	333,925	264,918	598,843	599,549	0	599,549	103,766	6,692	97,074
Portage Meadows Fund	6,229	24,180	0	24,180	30,409	0	30,409	0	0	0
Housing Authority Fund	0	1,146,359	0	1,146,359	1,146,359	0	1,146,359	0	0	0
Federal Block Grants Fund	784,931	1,477,624	0	1,477,624	1,514,351	0	1,514,351	748,204	0	748,204
Federal Home Grant Fund	10,702	439,426	0	439,426	394,867	0	394,867	55,261	0	55,261
Community Development Fund	41,539	250,341	0	250,341	290,735	0	290,735	1,145	0	1,145
Economic Revolving Fund	154,482	3,050	0	3,050	60,875	0	60,875	96,657	92,746	3,911
Permits Fund	703,777	800,779	0	800,779	924,148	0	924,148	580,408	0	580,408
Licenses Fund	22	224,585	0	224,585	224,225	0	224,225	382	0	382
Ag Tech Park Fund	251,008	147,000	0	147,000	398,008	0	398,008	0	0	0
West Bank Urban Renewal	1,195,443	20,000	0	20,000	20,455	0	20,455	1,194,988	1,194,988	0
Total Special Revenue Funds	6,827,360	12,999,329	1,244,858	14,244,187	15,104,846	328,107	15,432,953	5,638,594	2,694,709	2,943,885
Debt Service Funds										
Master Debt SILD	9,559	56,198	0	56,198	13,027	0	13,027	52,730	52,730	0
Improvement Districts Revolving Fund	233,158	152,246	0	152,246	61,784	0	61,784	323,620	323,620	0
Soccer Park Bonds	117,945	166,800	0	166,800	189,506	0	189,506	95,239	95,239	0
Swim Pool Rehab GO Bond	(6,471)	296,600	0	296,600	284,624	0	284,624	5,505	5,505	0
Tax Increment Bond Fund	1,766,172	0	0	0	1,178,956	167,000	1,345,956	420,216	420,216	0
Total Debt Service Funds	2,120,363	671,844	0	671,844	1,727,897	167,000	1,894,897	897,310	897,310	0
Capital Project Funds										
General Capital Fund	37,186	2,500	0	2,500	9,612	0	9,612	30,074	30,074	0
Improvement District Projects Fund	3,584	0	0	0	0	0	0	3,584	3,584	0
Hazard Removal Fund	99,259	50,000	0	50,000	52,099	0	52,099	97,160	97,160	0
Total Capital Project Funds	140,029	52,500	0	52,500	61,711	0	61,711	130,818	130,818	0

Appendix A. Balances & Changes by Fund for Year Ending June 30, 2010 City of Great Falls, Montana

	Estimated Beginning Balance	(+ Working Capital Sources			(-) Working Capital Uses			Estimated Ending Balance	Reserved Balance	Available Balance
		Revenue	Transfers In	Total Sources	Appropri.	Transfers Out	Total Uses			
Enterprise Funds										
Water Fund	4,470,657	11,000,160	0	11,000,160	11,597,274	0	11,597,274	3,873,543	3,521,374	352,169
Sewer Fund	6,588,191	7,871,712	0	7,871,712	8,800,715	0	8,800,715	5,659,188	4,567,252	1,091,936
Storm Drain Fund	2,603,627	1,832,400	0	1,832,400	2,887,706	0	2,887,706	1,548,321	915,972	632,349
Sanitation Fund	265,106	3,062,335	0	3,062,335	3,076,761	0	3,076,761	250,680	92,533	158,147
Electric Utility Fund	(1,455,575)	9,901,024	0	9,901,024	9,758,047	0	9,758,047	(1,312,598)	100,000	(1,412,598)
Safety Services Fund	173,070	1,151,793	316,335	1,468,128	1,435,904	0	1,435,904	205,294	0	205,294
Parking Fund	65,192	696,650	0	696,650	682,719	0	682,719	79,123	72,951	6,172
Golf Courses Fund	(1,178,609)	1,294,900	244,600	1,539,500	1,495,446	0	1,495,446	(1,134,555)	237,717	(1,372,272)
Swim Pools Fund	184,013	412,215	581,389	993,604	999,929	0	999,929	177,688	0	177,688
Recreation Fund	170,013	268,425	153,729	422,154	417,123	4,600	421,723	170,444	23,912	146,532
Multi-Sports Fund	22,566	130,802	21,669	152,471	157,507	0	157,507	17,530	0	17,530
Civic Center Events Fund	141,563	413,432	214,727	628,159	636,296	0	636,296	133,426	43,406	90,020
Total Enterprise Funds	12,223,079	38,035,848	1,532,449	39,568,297	41,945,427	4,600	41,950,027	9,841,349	9,575,117	266,232
Internal Service Funds										
Human Resource Fund	(14,271)	321,751	0	321,751	321,335	0	321,335	(13,855)	0	(13,855)
Central Communications Fund	37,616	83,510	0	83,510	82,325	0	82,325	38,801	0	38,801
Health and Benefits Fund	1,344,087	5,928,037	0	5,928,037	5,928,037	0	5,928,037	1,344,087	0	1,344,087
Insurance & Safety Fund	75,363	1,268,548	0	1,268,548	1,268,987	0	1,268,987	74,924	0	74,924
Fiscal Services Fund	147,945	1,694,707	0	1,694,707	1,689,695	0	1,689,695	152,957	0	152,957
Information Tech Fund	273,269	1,233,922	23,544	1,257,466	1,155,390	0	1,155,390	375,345	370,839	4,506
Central Garage Fund	3,363,854	1,818,090	0	1,818,090	1,990,277	0	1,990,277	3,191,667	2,783,462	408,205
Engineering Fund	231,919	1,043,311	162,698	1,206,009	1,213,990	0	1,213,990	223,938	138,172	85,766
Public Works Administration Fund	169,267	412,432	0	412,432	401,718	0	401,718	179,981	2,846	177,135
Civic Center Facility Services Fund	93,209	575,928	0	575,928	575,188	0	575,188	93,949	82,053	11,896
Total Internal Service Funds	5,722,258	14,380,236	186,242	14,566,478	14,626,942	0	14,626,942	5,661,794	3,377,372	2,284,422
Trust & Agency Funds										
Trust & Agency Funds Trust & Agency Fund transactions are made in accordance with specific trust or agency agreements, covenants or other regulations. Accordingly, annual budgets are not prepared.	0		0	0		0	0	0	0	0
Total Trust & Agency Funds	0	0	0	0	0	0	0	0	0	0
Total All Budgeted Funds	30,159,877	91,876,578	2,963,549	94,840,127	96,739,802	2,963,549	99,703,351	25,296,653	16,675,326	8,621,327



Item: Change Order No. 1: Wastewater Treatment Re-Roof Projects, O. F. 1457.4

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Approve Change Order No. 1

Suggested Motion:

1. Commissioner moves:

"I move the City Commission approve Change Order No. 1 in the amount of \$8,425.00 to Treasure State Roofing for the Wastewater Treatment Re-Roof Projects, O. F. 1457.4, and authorize the City Manager to execute the necessary documents."

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Approve Change Order No. 1.

Background:

Significant Impacts

This change will replace skylights in the roofs on two of the wastewater treatment plant buildings. The existing skylights are cracked or broken.

Citizen Participation

Not applicable.

Workload Impacts

City engineering staff will perform contract administration duties

Purpose

This project will replace eight skylights that are cracked or broken and are leaking inside the buildings. These skylights were originally going to be eliminated, but wastewater treatment plant staff requested they remain during the roofing project.

Project Work Scope

This change will replace 8 skylights. Two skylights are located in the Secondary Control Building roof and six skylights are located in the Westside Pump Station roof.

Evaluation and Selection Process

Operations and engineering staff considered having wastewater plant personnel replace the skylights, but because of roof warranty issues, the decision was made to add these to the existing contract by change order. The architect concurs with this decision.

Conclusion

City staff recommends approving this change order with Treasure State Roofing in the amount of \$8,425.00. This change order increases the contract amount from \$218,095 to a final cost of \$226,520.00.

Concurrences:

Fusion Architecture + Design, P.C. has concurred with this change order.

Fiscal Impact:

Replacement of these skylights will save on maintenance due to man hours and resources necessary for cleanup and repairs of water damaged property.

Alternatives:

The City Commission could vote to deny approval of the change order.

Attachments:

Change Order No. 1 (Not available online; on file in City Clerk's Office.)



Item: Construction Contract Award: 2009 CDBG Handicap Ramps,
O.F. 1565.1

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Postpone Construction Contract Award

Suggested Motion:

1. Commissioner moves:

“I move the City Commission postpone the award of the construction contract for the 2009 CDBG Handicap Ramps, O. F. 1565.1 until the next City Commission meeting on July 21, 2009.

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Postpone construction contract award.

Background:

Significant Impacts

Due to the pending approval of the CDBG funds on a national level, award of the construction contract will need to be postponed until approval is received. This approval is expected before the next City Commission meeting on July 21, 2009

Citizen Participation

Not Applicable

Workload Impacts

City engineering staff applied for and were awarded the grant and designed the project. The Community Development Department is administering the CDBG program and performing grant and other administrative duties.

Purpose

The City Commission authorized CDBG grant funds for this project April 21, 2009 in the amount of \$100,000. The grant is part of the American Recovery and Reinvestment Act (ARRA). The U.S Department of Housing and Urban Development (HUD) must now approve the allocation of these funds before any costs may be incurred.

Project Work Scope

Approximately 600 linear feet of new curb and gutter, 3,650 square feet of new sidewalk for handicap ramps, 272 square feet of truncated domes, and 3,200 square feet of new sod will be installed on this project. Six existing horseshoe style drainage inlets will be replaced with new curb style inlets during this project as well.

Evaluation and Selection Process

Bids were received and opened for this project on June 24, 2009. Kuglin Construction was the low bidder on the project.

Conclusion

City staff recommends postponing the award of the construction contract until the next City Commission meeting on July 21, 2009.

Concurrences:

Not Applicable.

Fiscal Impact

This project will be funded with the CDBG grant and through Storm Drain Funding.

Alternatives:

The City Commission could vote to deny the postponement of the award of the construction contract.

Attachments/Exhibits:

Not Applicable.



Item: Construction Contract Award: 2009 CDBG Sidewalk Replacement, O.F. 1565.2

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Postpone Construction Contract Award

Suggested Motion:

1. Commissioner moves:

“I move the City Commission postpone the award of the construction contract for the 2009 CDBG Sidewalk Replacement, O. F. 1565.2 until the next City Commission meeting on July 21, 2009.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Postpone construction contract award.

Background:

Significant Impacts

Due to the pending approval of the CDBG funds on a national level, award of the construction contract will need to be postponed until approval is received. This approval is expected before the next City Commission meeting on July 21, 2009

Citizen Participation

Not Applicable

Workload Impacts

City engineering staff applied for and were awarded the grant and designed the project. The Community Development Department is administering the CDBG program and performing grant and other administrative duties.

Purpose

The City Commission authorized CDBG grant funds for this project April 21, 2009 in the amount of \$75,000. The grant is part of the American Recovery and Reinvestment Act (ARRA). The U.S Department of Housing and Urban Development (HUD) must now approve the allocation of these funds before any costs may be incurred.

Project Work Scope

This project will replace sidewalks at approximately 50 residences which includes over 9,100 square feet of new 4 and 6-inch sidewalk and 3,500 square feet of sodding. These sidewalks will be replaced at various locations throughout the City with the majority being bounded by the area of 8th Avenue North to 5th Avenue North from 15th Street to 26th Street.

Evaluation and Selection Process

Bids were received and opened for this project on June 24, 2009. Great Falls Sand and Gravel, Inc. was the low bidder on the project.

Conclusion

City staff recommends postponing the award of the construction contract until the next City Commission meeting on July 21, 2009.

Concurrences:

Not Applicable.

Fiscal Impact

This project will be funded through the CDBG grant.

Alternatives:

The City Commission could vote to deny the postponement of the award of the construction contract.

Attachments/Exhibits:

Not Applicable.



Item: Water Meter Equipment Purchases for FY10
From: Utilities Division
Initiated By: Public Works Department
Presented By: Jim Rearden, Public Works Director
Action Requested: Approve Purchase

Suggested Motion:

1. Commissioner moves:

"I move the City Commission approve the purchase of water meter equipment for the 2010 Fiscal Year from Dana Kepner Co. of Billings in an amount not to exceed \$270,000.

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Approve purchase.

Background:

Significant Impacts

Over the last 10 years, the City Water Distribution Division has been converting old TTR water meters, which are now obsolete, to ECR meters. The ECR meters are used with our new radio read equipment, which makes reading meters easier and less time consuming.

Citizen Participation

N/A

Workload Impacts

N/A

Purpose

To approve purchase of water meter equipment for FY10.

Project Work Scope

In Fiscal Year 2009, staff purchased \$265,593 worth of radio read equipment and new meters from Dana Kepner Co. Additionally, staff also purchased \$21,290 worth of meter parts and installation equipment, including meter horns in Fiscal Year 2009. In Fiscal Year 2010, staff proposes to purchase radio read equipment and new meters totaling approximately \$240,000.

Staff also proposes to purchase \$30,000 worth of meter parts and installation equipment, including meter horns in FY10.

Evaluation and Selection Process

Dana Kepner Co. of Billings is the sole source distributor for compatible parts and equipment for the City's metering system. Due to compatibility issues with different equipment, supplies, and suppliers, staff proposes to continue to purchase equipment from Dana Kepner Co.

Concurrences:

N/A

Fiscal Impact:

Water meter equipment and supply purchases are budgeted for on a yearly basis by the Public Works Water Distribution Division.

Alternatives:

The City Commission could vote to deny purchases.

Attachments/Exhibits:

None.



Item: Final Payment – North Park Sewer Lift Station #27 Replacement,
O. F. 1374.5

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Approve Final Pay Request

Suggested Motion:

1. Commissioner moves:

"I move the City Commission approve Final Payment for the North Park Sewer Lift Station #27 Replacement, O. F. 1374.5, in the amount of \$10,865.25 to Dick Anderson Construction, Inc, and \$109.75 to the State Miscellaneous Tax Fund and authorize the City Manager to make the payments."

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Approve final payment request.

Background:

Significant Impacts

This project involved the replacement and rehabilitation of Lift Station #27 located in the North Park area.

Citizen Participation

Not Applicable.

Workload Impacts

NCI Engineering Co. completed the project design and performed construction inspection and contract administration duties. City engineering and Veolia staff assisted with project administration duties.

Purpose

Originally built in 1977, Lift Station #27 had experienced heavy corrosion over the years and had suffered extreme damage. Cathodic protection was added to the lift station recently to stop further corrosion, but the cost to repair the existing damage was greater than the replacement cost. The cathodic protection system was recovered and installed onto the new lift station.

Project Work Scope

Construction included replacing the lift station's dry well along with mechanical, electrical, and control equipment. Rehabilitation was done on the existing wet well including general maintenance and repairs that were needed.

Evaluation and Selection Process

The bid opening was held on April 2, 2008 with 4 bids submitted. Dick Anderson Construction, Inc. submitted the low bid in the amount of \$227,500. The engineer's estimate for this project was \$285,000. The contract was awarded to Dick Anderson Construction, Inc by the City Commission April 15, 2008.

Conclusion

City staff with NCI Engineering Co.'s concurrence has verified that Dick Anderson Construction, Inc has completed all work and punch list items in accordance with the plans and contract. The City can accept the project and execute the Final Payment. The project was completed within the contract time. The two year warranty period started at the time of substantial completion which was November 25, 2008. The delay between substantial completion and final pay was due to punch list items only recently completed by the contractor. The main punch list item was final site grading and reseeding, which was completed in late spring.

Concurrences:

NCI Engineering Co. recommends approving the final pay.

Fiscal Impact:

The final project cost is \$219,500.00 which is \$8,000.00 under the amount awarded and approved. The difference is mainly due to no miscellaneous work being required on this project. Because of the nature of underground utility work and the age of the infrastructure, unknown conditions are often discovered. This project did not encounter any of these conditions. Funding for this project came from the Sewer Fund.

Alternatives:

The City Commission could vote to deny final payment.

Attachments/Exhibits:

1. Application for Final Payment is attached. (Not available online; on file in City Clerk's Office.)



Item: Preliminary Amended Plat of Lot 3, Twilite Theater Tracts

From: Charles Sheets, Planner I

Initiated By: Twilite L.L.C., Owner

Presented By: Bill Walters, Interim Planning Director

Action Requested: City Commission approve Preliminary Amended Plat of Lot 3, Twilite Theater Tracts.

Suggested Motion:

1. Commissioner moves:

“I move the City Commission (approve/deny) the Preliminary Amended Plat of Lot 3, Twilite Theater Tracts, and the accompanying Findings of Fact, subject to fulfillment of stipulated conditions.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls the vote.

Planning Board Recommendation: At the conclusion of a public hearing held June 9, 2009, the Planning Board passed a motion recommending the City Commission approve the Preliminary Amended Plat of Lot 3, Twilite Theater Tracts, and the accompanying Findings of Fact, subject to fulfillment of stipulated conditions.

Background: The Planning Office is in receipt of application from Twilite L.L.C. regarding the Preliminary Amended Plat of Lot 3, Twilite Theater Tracts, in S½SE¼ Section 35, Township 21 North, Range 3 East, Cascade County, Montana.

Said Lot 3 consists of 7.514 acres located along the north side of Smelter Avenue between Division Road and 4th Street NE and is addressed as 207 Smelter Ave NE. The preliminary amended plat proposes to subdivide said Lot 3 into 8 smaller lots wherein commercial development has occurred on three of the lots and five lots remain to be developed. Lot 3 was planned to accommodate numerous condominium structures for commercial space, parking areas, driveways, landscaped areas and storm water detention facilities all within a single parcel. To date, this is how the property was marketed and developed. The owner would like to alter that plan in order to allow for potential development on individual lots and a common association to continue the shared parking areas, driveways, landscaping areas and storm water detention. If approved, the parcels are still dependent upon each other for a number of items stated above and would require the creation of a development/improvement association and

agreement to address and maintain the intertwined elements of property within Amended Plat of Lot 3, Twilite Theater Tracts.

For additional information, please refer to the attached Vicinity/Zoning Map, preliminary amended plat and site plan.

Access to the subdivision will continue to be provided through three approaches to Smelter Avenue. Additional public roadway improvements for Smelter Avenue are in the design phase, with construction possibly in 2012. Through previous agreement, the owner of Lot 3 is obligated to pay for curb, gutter and sidewalk in Smelter Avenue abutting Subdivision.

Water and sanitary sewer mains were installed previously and service lines will be required to serve each lot within the Subdivision. Storm water drainage ponds were also installed as a part of the development that has occurred to date. As the remaining five lots are developed, a storm water plan will be reviewed by the City.

Said Lot 3 is zoned C-2 General Commercial district. This district is intended to accommodate high-traffic businesses that focus on vehicle traffic.

Based on the information provided by the applicant and the characteristics of the developing vicinity, the subdivision of said Lot 3 into 8 individual lots for commercial development will not be any more intrusive to the neighborhood than the original conceptual plan.

The owner will be required to adhere to all standard review and recommendations for development of buildings, parking and landscaping as required by the City. Attached is a memo by Kim McCleary, Design Review/Parking Supervisor, dated 5/29/2009.

The Planning Board conducted a public hearing on the preliminary amended plat on June 9, 2009. Attached to this report is a letter responding to the proposed development from Montana Department of Transportation, District Traffic Engineer, James A. Combs, P.E. No citizens spoke as proponents or opponents during the hearing. At the conclusion of the public hearing, the Planning Board unanimously passed a motion recommending the City Commission approve the Preliminary Amended Plat of Lot 3, Twilite Theater Tracts and the accompanying Findings of Fact subject to the following conditions being fulfilled by the applicant:

- 1) The Amended Plat shall provide for additional access and storm water easements, incorporate notice of soil and groundwater and correction of any errors or omissions noted by staff.
- 2) A Development/Improvement Agreement shall be prepared containing terms and conditions for Amended Plat, including agreement by applicant to:
 - a) to indemnify and hold City harmless for any damages that may be sustained as a result of adverse soil and/or groundwater conditions.
 - b) adhere to the attached conceptual site plan in conjunction with development of subject property;
 - c) require the creation of a development/improvement association and agreement to address and maintain the intertwined elements of property within Amended Plat of Lot 3, Twilite Theater Tracts.

- d) correct elements of the existing parking and landscaping as recommended by the City;
 - e) agree to all terms of the previously approved Development/Improvement Agreement; and
 - f) pay proportionate share of future storm drainage facilities.
- 3) All applicable fees owed as a condition of plat approval shall be paid upon filing of the amended plat, including:
- a) improvement agreement fee \$ 200.00
 - b) recording fees for agreement documents (\$11 per page) to be determined
- 4) A financial surety (i.e. certificate of deposit) shall be established in the name of the applicant and City to cover the proportionate share of the costs for curb, gutter and sidewalk for the abutting portion of Smelter Avenue. The amount of said surety shall be determined by the City Engineer.

Once the above stated conditions are fulfilled, the final amended plat of Lot 3 will be processed through the Planning Board and City Commission.

Concurrences: Representatives from the City’s Public Works, Community Development and Fire Departments have been involved throughout the review and approval process for this project.

Fiscal Impact: Providing services to the commercial development in the subdivision is expected to be a negligible cost to the City. Any increased costs likely will be covered by increased tax revenues from improved properties.

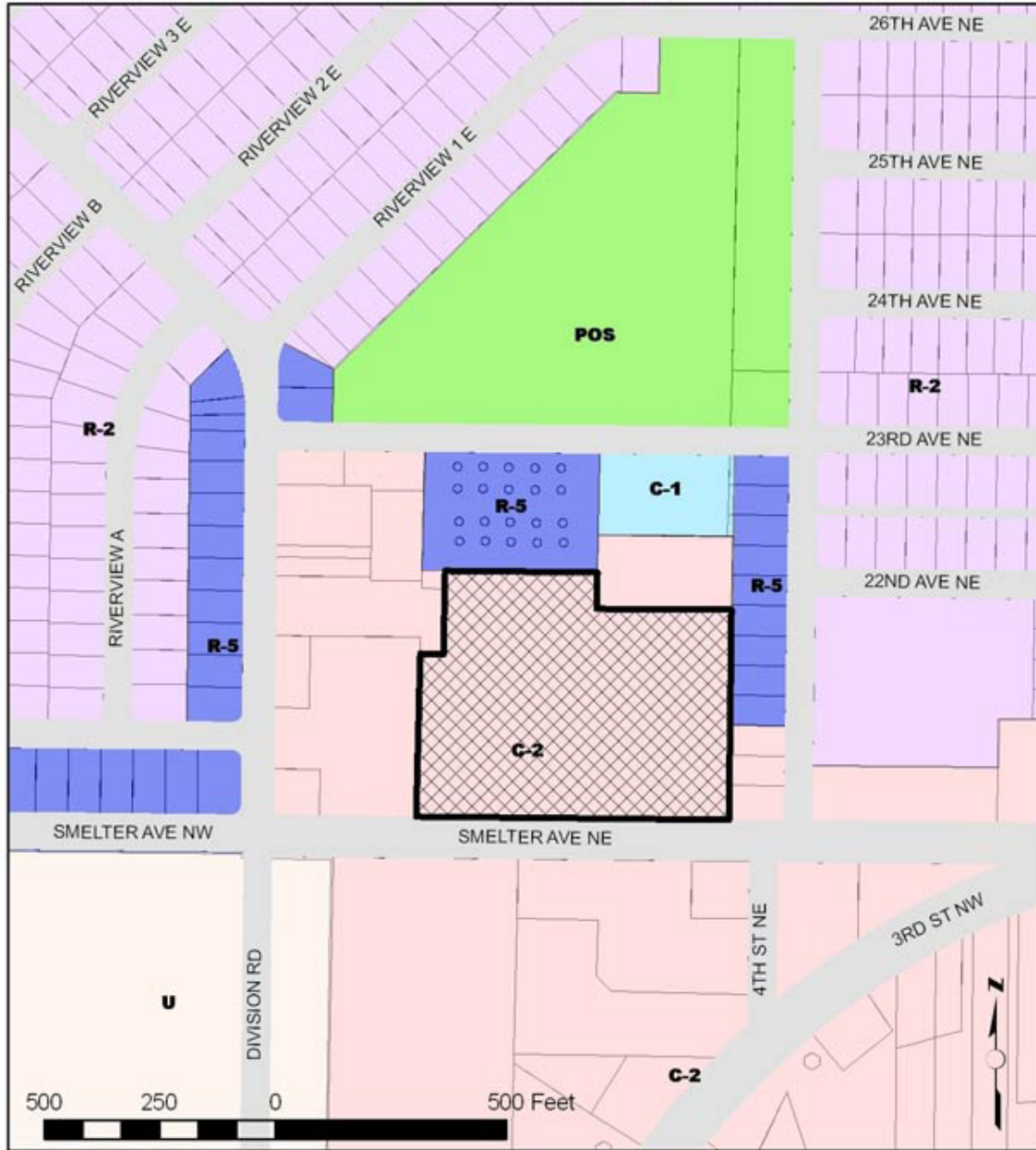
Alternatives: The City Commission could either, deny the preliminary amended plat; approve the preliminary amended plat without conditions; or approve the preliminary amended plat with modified or additional conditions to the extent allowed in City Code and State Statute.








Attachments/Exhibits:

- 1. Vicinity/Zoning Map
- 2. Preliminary Amended Plat
- 3. Site Plan
- 4. Memo dated 5/29/2009, Kim McCleary, Design Review/Parking Supervisor
- 5. Letter dated 6/8/2009, James A. Combs, P.E., Montana Department of Transportation
- 6. Findings of Fact

Cc: Jim Rearden, Public Works Director
 Dave Dobbs, City Engineer
 Kim McCleary, Design Review/Parking Supervisor
 Twilite, L.L.C., 207 Smelter Ave NE, Great Falls, MT 59404

VICINITY/ZONING MAP

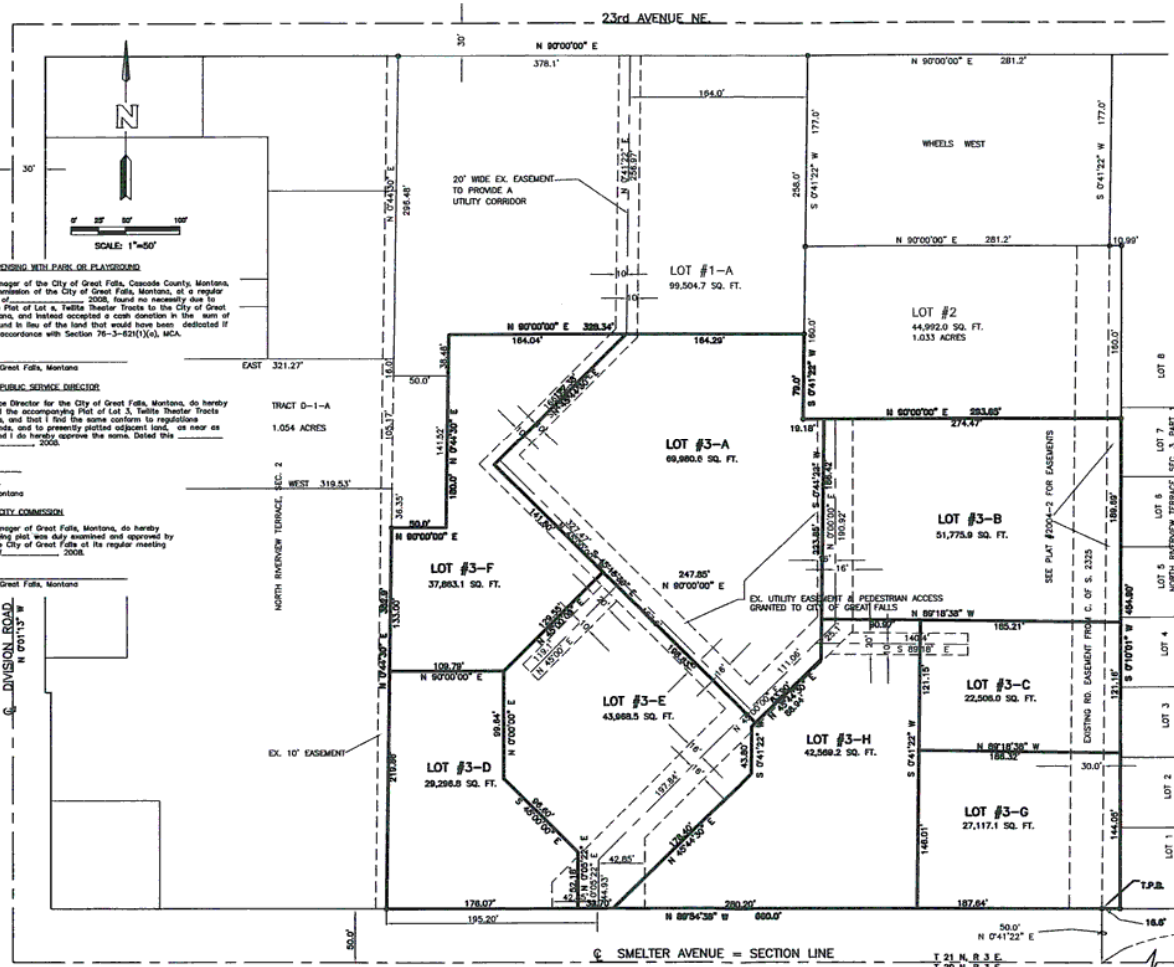


-  LOT 3, TWILITE THEATER TRACTS, PROPOSED TO BE SUBDIVIDED INTO EIGHT SMALLER LOTS.
- | | | |
|--|---|--|
|  R-2 Single-family medium density |  C-1 Neighborhood commercial |  POS Parks and Open Space |
|  R-5 Multi-family medium density |  C-2 General commercial |  U Unincorporated enclave |

AMENDED SUBDIVISION PLAT OF LOT 3, TWILITE THEATER TRACTS

IN THE S 1/2, SE 1/4, SECTION 35, T 21 N, R 3 E, P.M.M.,
CITY OF GREAT FALLS, CASCADE COUNTY, MONTANA.

GALLATIN PARK



CERTIFICATE DISPENSING WITH PARK OR PLAYGROUND
I, Gregory T. Doyen, City Manager of the City of Great Falls, Cascade County, Montana, do hereby certify that the City Commission of the City of Great Falls, Montana, at a regular meeting held on the _____ day of _____, 2008, found no necessity due to the size and location of the Plat of Lot 3, Twilight Theater Tracts to the City of Great Falls, Cascade County, Montana, and instead accepted a cash donation in the sum of \$_____ for the park fund in lieu of the land that would have been dedicated if a dedication were made, in accordance with Section 76-3-621(1)(c), MCA.

City Manager, City of Great Falls, Montana

CERTIFICATE OF PUBLIC SERVICE DIRECTOR
I, Jim Raussen, Public Service Director for the City of Great Falls, Montana, do hereby certify that I have examined the accompanying Plat of Lot 3, Twilight Theater Tracts and the survey it represents, and that I find the same conform to regulations governing the platting of lands, and to presently unacted adjacent land, or near as circumstances will permit, and I do hereby approve the same. Dated this _____ day of _____, 2008.

Public Service Director
City of Great Falls, Montana

CERTIFICATE OF CITY COMMISSION
I, Gregory T. Doyen, City Manager of Great Falls, Montana, do hereby certify that the accompanying plat was duly examined and approved by the City Commission of the City of Great Falls at its regular meeting held on the _____ day of _____, 2008.

City Manager, City of Great Falls, Montana

CERTIFICATE OF SURVEY
We, the undersigned property owner(s), do hereby certify that we have caused to be surveyed, subdivided and plotted into lots as shown by the plat herein included, the following described land in the City of Great Falls, Cascade County, Montana, to-wit:
The purpose of this amendment of Lot 3, Twilight Theater Tracts (Plat #2008-33 and Plat #2004-2), is the City of Great Falls, Montana, to subdivide Lot 3 into 8 lots, which means this is a minor subdivision.
These 8 new lots are presently served by public water and sanitary sewer systems.

LOT 3, TWILITE THEATER TRACTS
BEGINNING at the Southwest corner of Section 35, T 21 N, R 3 E, P.M.M., Cascade County, Montana; Thence N 89°54'38" W, 800.0' ft.; Thence N 0°41'22" E, 50.0' ft. to the original SE corner of the Twilight Theater Tracts and the True Point of Beginning; Thence N 89°54'38" W, 800.0' ft. to the East boundary of North Riverview Terrace, Sec. 2; Thence N 0°44'30" E, 352.9' ft.; Thence N 90°00'00" E, 50.0' ft.; Thence N 0°44'30" E, 190.0' ft.; Thence N 90°00'00" E, 328.34' ft.; Thence S 0°41'22" W, 79.0' ft.; Thence N 90°00'00" E, 283.65' ft. to the West boundary of North Riverview Terrace, Sec. 3, Part I; Thence S 01°00'00" W, 454.00' ft.; Thence N 89°54'38" W, 19.8' ft. to the TRUE POINT OF BEGINNING. This Lot 3 contains 7.514 acres.

Dated this _____ day of _____, 2008.

TWILITE LLC (Lot 3)
State of Montana
County of Cascade
On this _____ day of _____, 2008, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared _____ known to me to be the person who executed the foregoing Certificate of Survey, and he acknowledged to me that he executed the same.

Notary Public for the State of Montana
Reading of Great Falls, Montana
My commission expires _____

CERTIFICATE OF AVAILABILITY OF MUNICIPAL SERVICES
I, Gregory T. Doyen, City Manager of the City of Great Falls, Montana, do hereby certify that the City Commission of the City of Great Falls, Montana, at its regular meeting held on the _____ day of _____, 2008, found that adequate municipal facilities for the supply of water and disposal of sewage and solid waste are available to the above described property, namely the lots and facilities of the City of Great Falls, Montana, and this certificate is made pursuant to section 70-4-124 M.C.A., permitting the Clerk and Recorder of Cascade County, Montana, to record the accompanying plat.

City Manager, City of Great Falls, Montana

CERTIFICATE OF GREAT FALLS PLANNING BOARD
We, the undersigned, John Harding, President of said Great Falls City Planning Board, Great Falls, Cascade County, Montana, and Benjamin M. Ronger Secretary of said Great Falls City Planning Board, do hereby certify that the accompanying Subdivision Plat of Lot 3, Twilight Theater Tracts to Great Falls, Cascade County, Montana has been submitted to the said Great Falls City Planning Board of Great Falls, Cascade County, Montana, for examination by them and was approved at a meeting held on the _____ day of _____, 2008.

President, Great Falls Planning Board
ATTEST:
Secretary, Great Falls Planning Board

CERTIFICATE OF SURVEYOR
State of Montana
County of Cascade
I, Dwight L. Amlund, a registered Land Surveyor, do hereby certify that I have performed the survey on the attached Amended Plat of the Twilight Theater Tracts to Great Falls, that such survey was made on the 14 day of May, 2008, that said survey is true and complete as shown, and that the monuments found and set are of the character and occupy the position shown thereon.

Dated this _____ day of _____, 2008.

Dwight L. Amlund
Registration No. 6641 LS

CERTIFICATE OF COUNTY TREASURER
I, Jess Anderson, County Treasurer of Cascade County, Montana, do hereby certify that I have examined the register covering _____ acres included in the accompanying Subdivision Plat, and find that all taxes on same have been paid up to _____, 2008.

Dated this _____ day of _____, 2008.

Jess Anderson

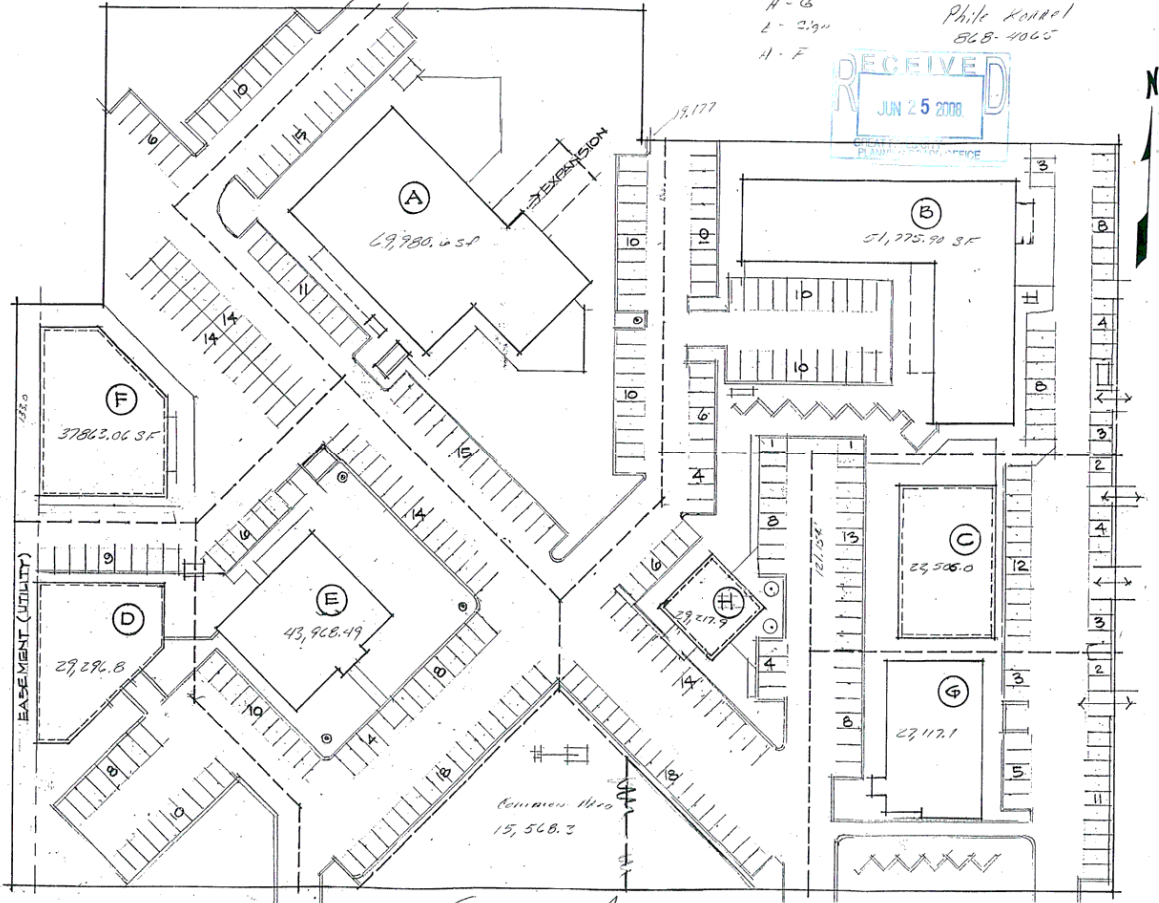
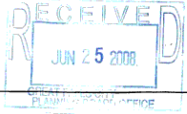


AMENDED SUBDIVISION PLAT OF LOT 3, TWILITE THEATER TRACTS

DESIGNED: D.L.A.	SEE 1/4th SEC 35
DRAWN: D.L.A.	P.L. 2008
CHECKED: D.L.A.	DATE: 14 MAY 2008
SCALE: AS SHOWN	SHEET 1 OF 1
DATE: 14 MAY 2008	
JOB NO. _____	FILE NO. _____

H-G
L-2, 2, 2, 2
H-F

Phil Koppel
868-4065



SMILTIER AVENUE

Community Development Department

Memo

To: Charlie Sheets, Planner 1

From: Kim McCleary, Design Review/Parking Supervisor 

Date: 5/29/2009

Re: Lot 3, Twilite Theatre Tracts

I reviewed the proposed subdivision of Lot 3 into 8 individual lots for parking and landscape code requirements. The site information provided on the Amended Grading Plan showed the proposed parking and landscape square footage for each lot. My review consisted of reviewing the number of parking spaces proposed, and the proposed landscape square footage for each lot. Other parking and landscape requirements would be reviewed at the time the lots are developed.

The parking currently exists for all of the proposed lots except Lots 3D, 3E and 3F, and met the parking code requirements at the time they were built, however the plan does not show an adequate number of handicap spaces on each of the eight lots. Because handicap spaces are larger than non-accessible parking stalls, the installation of the required handicap parking spaces could be an issue for Lots 3A and 3F.

Parking requirements are based on the use of the parcel. The eight lots were reviewed to assure there is an adequate amount of parking stalls on each parcel for a professional office/business use since the actual use has not been established on some of the lots. The parking plan proposed meets the parking stall requirements for each of the eight lots, with the exception of handicap stalls. Any use that requires the same density of parking stalls as a professional office/business or requires less parking would be able to utilize the lots and be in compliance with the code requirements for parking stalls.

The landscape code requires that 15% of a commercially developed lot be landscaped. I reviewed the proposed lot square footage and the amount of lot that the developer is presenting as either installed (for lots already developed) or is proposing to landscape. The amount of landscape square footage presented on the Amended Grading Plan meets the landscape code requirements. There are additional commercial landscape requirements that cannot be reviewed until a final landscape plan is submitted at the time the lot is developed.

If you have any questions, please contact me at extension 405.



Great Falls District Office
200 Smelter Avenue NE
PO Box 1359
Great Falls, MT 59403-1359

June 8, 2009

Bill Walters
Great Falls Planning Board
City of Great Falls
P.O. Box 5021
Great Falls, MT 59403

Subject: Twilite Theater Tracts Amended Subdivision Plat Application

Thank you for providing MDT an opportunity to comment on the subject plat amendment application. MDT has a project currently in design to reconstruct Smelter Avenue along the frontage of the property in question.

Access into the lot may be modified and/or relocated but our intention is to perpetuate existing access into Lot 3. Design of this project is too preliminary to say with certainty what features will be included with the project, where the alignment will be and what additional right-of-way may be required. However, our intention at this time is to design a curb and gutter roadway section with 5' sidewalks and possibly a bike path. Additional access points create additional conflict points between all traffic users. Additional conflict points amongst traffic create additional traffic hazards. Internal circulation of traffic within the existing Lot 3 will help minimize traffic hazards. As such, we request that the City restrict additional access along the frontage of the existing Lot 3. We would also request the developer be required to coordinate development of their infrastructure improvements with MDT to avoid conflicts with Smelter Avenue roadway improvements.

Please contact me at 455-8327 if I may be of further assistance with this matter.

James A. Combs, P.E.
District Traffic Engineer

copies: Mick Johnson, District Administrator – Great Falls
Steve Prinzing, P.E., District Engineering Services Supervisor – Great Falls
Christie McOmber, P.E., District Projects Engineer – Great Falls
Brendan Scott, Designer – Great Falls
File

**FINDINGS OF FACT
FOR AMENDED PLAT OF LOT 3,
TWILITE THEATER TRACTS
SECTION 35, T21N, R3E
CASCADE COUNTY, MONTANA
(PREPARED IN RESPONSE TO 76-3-608(3) MCA)**

1. PRIMARY REVIEW CRITERIA

Effect on Agricultural

The subdivision site is within the City Limits surrounded by urban development and is not used for agricultural purposes. The subdivision will not interfere with any irrigation system or present any interference with agricultural operations in the vicinity.

Effect on Local Services

The subdivision is within the City Limits of Great Falls and is served by City water and sewer systems. The subdivision receives law enforcement and fire protection services from the City of Great Falls. Response distance for emergency fire vehicles is one mile. The subdivision is bordered on the south side by a paved City maintained roadway.

Effect on the Natural Environment

The subdivision is not expected to adversely affect soils or the water quality or quantity of surface or ground waters. A landscaped storm water detention facility exists within the southern boundary of the subdivision.

Effect on Wildlife and Wildlife Habitat

The subdivision is located within the City Limits surrounded by existing development and is not in an area of significant wildlife habitat. The subdivision will not result in closure of public access to hunting or fishing areas, nor to public lands.

Effect on Public Health and Safety

Based on available information, the subdivision does not appear to be subject to abnormal potential natural hazards such as flooding, wildfire, snow or rock slides, high winds, nor potential man-made hazards such as high voltage power lines, high pressure gas lines, nearby industrial or mining activity or high traffic volumes.

II. REQUIREMENTS OF MONTANA SUBDIVISION AND PLATTING ACT, UNIFORM STANDARDS FOR MONUMENTATION, AND LOCAL SUBDIVISION REGULATIONS

The subdivision meets the requirements of the Montana Subdivision and Platting Act and the surveying requirements specified in the Uniform Standards for Monumentation, and conforms to the design standards specified in the local subdivision regulations. The subdivider and the local government have complied with the subdivision review and approval procedures set forth in the local subdivision regulations.

III. EASEMENT FOR UTILITIES

Utilities are or will be accommodated in the existing public roadways bordering the south side of the preliminary amended plat and within proposed utility easements to be provided on the final amended plat.

IV. LEGAL AND PHYSICAL ACCESS

Legal and physical access to the subdivision is provided by the abutting Smelter Avenue which is a paved dedicated public roadway maintained by the City. The lots within the subdivision are also interconnected through access easements.