

CLANCY WATER & SEWER DISTRICT

Delivering Local Assistance Program

Water System Improvements



September 2019

Prepared by:



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The Clancy Water and Sewer District does not have an existing public water system. The District currently utilizes individual onsite private wells that are aging and do not supply safe drinking water. The drinking water wells are located within close proximity to failing private septic and drainfield systems. Current Montana Department of Environmental Quality (MDEQ) regulations require a 100-foot separation distance between the systems. These close proximities have created a public health and safety issue. As explored earlier in a 2012 wastewater Preliminary Engineering Report (PER), the individual septic systems are aging and failing at an increasing rate. The Jefferson County Health Department has been dealing with these issues related to safe drinking water for many years now. Well testing performed throughout the District has revealed elevated levels of Nitrates and Uranium. The District has reached the point where the water quality is a serious concern and the District is unable to grow in a reasonable and prudent manner. This situation has brought the need for a public water supply system to the forefront. The local citizens are becoming more aware of the water quality issues and the potential health and safety hazards faced. Jefferson County and the Clancy Water and Sewer District Board of Directors have taken an active role to find solutions for this problem.

The District hired Great West Engineering to analyze and develop a solution to the problem through a PER in 2018. The PER was used to support a TSEP application in 2018. The District's highest priorities are protecting public health and safety and financial feasibility. The solution identified to solve the issue is to develop a centralized public water system via construction of a public water supply, a water storage tank, and a complete water distribution system. The District has determined to address the needs with a phased approach to provide a cost effective and financially feasible solution, which includes developing a public water system to serve the area most severely impact by high nitrate levels in area drinking water.

a. Infrastructure background and issue (please provide narrative response):

The Clancy Water and Sewer District does not have an existing public water supply system. The District currently utilizes individual onsite private wells that are aging and do not supply safe drinking water. The drinking water wells are located within close proximity to failing private septic and drainfield systems. Current Montana Department of Environmental Quality (MDEQ) regulations require a 100-foot separation distance between the systems. Well testing performed throughout the District has revealed Nitrates present in numerous wells. Additional testing determined the nitrates are an indicator of human fecal waste. Elevated levels (greater than 2 mg/L) of Nitrates were found in 47% of the Clancy drinking wells. The Maximum Contaminant Level (MCL) of 10 mg/L as defined by the Environmental Protection Agency (EPA), was exceeded in 18% of the Clancy drinking wells. The EPA established this drinking water standard to protect infants from Methemoglobinemia (blue baby syndrome). Blue baby syndrome can be fatal to infants if left untreated. Elevated levels were also discovered in nearby Prickly Pear Creek and Clancy Creek. Well testing performed throughout the District also revealed Uranium in numerous wells. Uranium occurs naturally in the environment and is a heavy metal. The testing discovered that 37% of Clancy drinking wells exceeded the EPA MCL of 30 µg/L. Exposure to elevated levels of Uranium can cause kidney damage and has been linked to cancer. A new centralized public water supply enhances public health and safety and would promote and allow for community and economic growth.

b. Description of proposed solution (please provide narrative response):

The 2018 Water PER analyzed a number of alternatives for the District to construct a centralized water system. The alternative screening process considered various alternatives for the water system improvements. The alternatives for the water system were separated by water supply, storage site, storage tank type, and distribution system. After an initial evaluation, some alternatives were determined to be non-viable by the District and were eliminated from further review. A detailed list of the alternatives considered, and a decision matrix can be found in the 2018 PER. Each of the alternatives are analyzed in detail in the PER. The preferred alternative is a combination of the alternatives analyzed. The District's highest priorities are protecting public health and safety and financial feasibility. With this goal in mind, the District's proposed solution consists of the construction of a water supply well at the Clancy School site, the construction of an on-grade bolted steel glass-lined storage tank at the Marks Ranch site, and

the construction of a phased non-fire flow water distribution system. The District has determined to address the needs with a phased approach to provide a cost effective and financially feasible solution through maximizing grant and loan opportunities. The proposed project solution addresses the District's highest priorities, improves public health and safety, and is economically feasible. A new centralized public water supply also would promote and allow for community and economic growth.

c. Description of application need (please provide narrative response):

Sound infrastructure drives economic growth, and sustainable infrastructure in a time during which natural resources are constantly fluctuating encourages economic development while helping protect vital natural resources. Making the most of natural resources in our communities across the state will lead to job creation and growth. Adequate infrastructure, from roads to water supply to sewer services, are vital to supporting that growth, which in the case of Clancy, centralized water and sewer do not exist.

Jefferson County has experienced dramatic fluctuations in timber development with harvests ranging from a high of 17.2 million board feet in 2010 to 3.1 million board feet in 2015. Ironically, while the number of jobs associated with logging declined, employment in mills grew 131% from 16 jobs to 37 jobs between 1998 and 2016 due in large part to operations like Marks Post and Pole and Marks Lumber at Clancy. However, timber mills have struggled to find local timber and have had to import logs from across Montana to maintain production. For others, the inability to get logs from the Beaverhead Deerlodge National Forest could not be overcome and forced the closure of Bull Mountain Woodworks LLC near Boulder, Rodgers Post and Pole near Whitehall and the loss of a planned biomass project near Cardwell. The project was not able to proceed due to the inability to access the dead timber on public lands due to the forest management challenges being faced at that time. These situations have led to a general decline in jobs and salary in the immediate area creating economic hardship for the people in the District.

Additionally, since the Montana Tunnels Mine, located nine miles northwest of Clancy, ceased production in 2008 Jefferson County's Taxable Value of Net and Gross Proceeds shows a revenue decline of 75% between 2008 and 2010 and another decline of 72% between 2013 and 2019 (See Attachment 1). The closure resulted in the loss of 250 jobs and ultimately higher property taxes for Clancy residents and residents throughout the county.

The requested DLA funding is needed along with the funding that has already been secured to complete the design, bidding, and construction of the necessary improvements to address a serious threat to public health and safety in Clancy, but also to support economic growth in the community, which in turn can reduce poverty and unemployment and improve public services. The proposed funding package without DLA funding results in user rates estimated at \$110/month, which is nearly 200% of the calculated target rate. Inclusion of the requested DLA funding will allow the required loan to be reduced, minimizing the financial impact to residents and businesses in Clancy. The supplemental DLA funding keeps user rates as affordable as possible.

Section II

(Please limit your responses to no more than 500 words per question or subquestion as listed below. Supporting documents or attachments are included in the word limit).

Please respond to questions.

Infrastructure Deficiency

- 1. Describe the urgency or severity of the deficiency that exists concerning the infrastructure system proposed improvements? Describe how the deficiency will be addressed by the proposed project, including details of the identification of a preferred alternative, cost estimates, technical or planning documents to be completed, administrative costs (not to exceed 5% of the project request), and other project parameters. Will the deficiency be completely resolved by the proposed project?**

Please refer to the 2018 TSEP application and PER.

- 2. Provide a description of the short-term and long-term consequences of “no-action”. Indicate any overall deficiencies that will remain after completion of the proposed project.**

Please refer to the 2018 TSEP application and PER.

- 3. Is the project for preventive or deferred maintenance, or is the project solving a problem whose consequences have already been realized by the public? Please describe.**

Please refer to the 2018 TSEP application and PER.

- 4. Has the system or project component been properly operated and maintained in the past? (Please provide results of the most recent inspection or report). Is an asset management plan or facility condition assessment report, or similar document been, utilized? Is a capital improvements plan utilized?**

Please refer to the 2018 TSEP application and PER.

- 5. a. Does the applicant’s proposed project fail to meet a state or federal health or safety standard or has an order or violation been issued from a state or federal agency? Please identify the standard(s), and provide supporting documentation of any order or violations issued against the applicant, and describe how the proposed project will enable the applicant to meet a state or federal health or safety standard.**

Please refer to the 2018 TSEP application and PER.

AND/OR

- b. Does the applicant fail to meet code compliance or accreditation standards? Please identify the codes, accreditation or failure of compliance and describe how the proposed project will enable the applicant to meet the code or accreditation standards. Please provide supporting documentation for compliance, accreditation or code failure.**

Please refer to the 2018 TSEP application and PER.

6. If applicable, describe how reclamation, mitigation, remediation, or protection of the environment completed will alleviate an existing problem and benefit the public and its urgency.

Please refer to the 2018 TSEP application and PER.

7. Describe the deficiency and if the project will provide service to an underserved or unserved area. Will the infrastructure be actively used and made available for publicly accessible service? If so, please describe any coordination at the local level.

Please refer to the 2018 TSEP application and PER.

Natural Resource Development Impact

1. Describe the impact of coal, oil, natural gas or timber development on the community.

Like any community with a natural resource-based economy, Jefferson County is affected, often profoundly, by fluctuations in commodity prices and environmental constraints that limit supply and disrupt economic activity. For example, the U.S. Department of Commerce County Business Pattern data shows from 1998 to 2018, mining employment in Jefferson County shrank from 340 to 118 jobs, a 65% decrease. In 1998 mining represented 25% of total private employment. In 2016, mining’s share of total employment had dwindled to 13%. Wage data from the Bureau of Labor Statistics illustrates why the loss of jobs at the Golden Sunlight and Montana Tunnels operations near Whitehall and Clancy, respectively have impacted Jefferson County’s economy.

| | Jefferson County, MT | Montana |
|-------------------------------|----------------------|-----------|
| All Sectors, 2017 (2018 \$s) | \$43,028 | \$43,054 |
| Private | \$40,225 | \$41,872 |
| Mining | \$114,252 | \$89,939 |
| Oil & Gas Extraction | \$0 | \$104,476 |
| Mining (Except Oil & Gas) | na | \$89,279 |
| Support Activities for Mining | na | \$84,997 |
| Non-Mining | \$31,623 | \$41,049 |
| Government | \$50,948 | \$48,341 |

Jefferson County has also experienced dramatic fluctuations in timber development with harvests ranging from a high of 17.2 million board feet in 2010 to 3.1 million board feet in 2015. Ironically, while the number of jobs associated with logging declined, employment in mills grew 131% from 16 jobs to 37 jobs between 1998 and 2016 due in large part to operations like Marks Post and Pole and Marks Lumber at Clancy. However, timber mills have struggled to find local timber and have had to import logs from across Montana to maintain production. For others, the inability to get logs from the Beaverhead Deerlodge National Forest could not be overcome and forced the closure of Bull Mountain Woodworks LLC near Boulder, Rodgers Post, and Pole near Whitehall and the loss of a planned biomass project near Cardwell. The project was not able to proceed due to inability to access the dead timber on public lands due to the forest management challenges being faced at that time.

Fortunately, the amount of timber harvested in the County is once again trending upward helped in part by the efforts of the Beaverhead-Deerlodge Working Group (BDWG). BDWG members include representatives of the U.S. Forest Service, Sun Mountain Lumber, Montana Wildlife Federation, Montana Resources, Jefferson County Commissioner Leonard Wortman and others who represent conservation, timber, wildlife, agriculture, recreation, mining, and governmental interests (Attachment 2). The work of the BDWG has made it possible for the Forest Service to approve the Boulder Lowlands Vegetation Project in 2018 and the Red Rocks Vegetation Project in August 2019.

Phase 1 of the Boulder Lowlands project in 2018 harvested 10 million board feet of timber on 767 acres and generated a \$1.35 million stumpage fee. Phase 2 of the project is scheduled to be in October 2019 and will harvest 4 million board feet of timber on 369 acres.

In August 2019, Cheri Ford, Beaverhead-Deerlodge Forest Supervisor, issued a Decision Notice and Finding of No Significant Impact for the Red Rocks project (Attachment 3). The proposed action will harvest 25 million board feet of timber on 4,160 acres with an estimated stumpage fee of \$2.31 million. The environmental benefits of the project include the following:

- Reduce stand density and increase age class, size class and species diversity in the project area;
- Reduce encroaching conifers in low to mid-elevation grassland-shrubland communities and aspen stands; and
- Recover the economic value of forest products to support and sustain local economies, industries, and livelihoods.

The impact of the Boulder Lowlands and Red Rocks projects include forest restoration, decreasing wildfire intensity and severity, increase in safety to adjacent landowners and firefighters and a forest with more age diversity and resilience to future insect and disease outbreaks. The Forest Service also expects each project to improve grazing, improve recreation and conservation along with hunting and fishing which in turn will benefit outfitters and guides and other citizen interests.

a. Describe the type and level of impact the community is experiencing as it relates to coal, oil, natural gas, or timber development.

During the past decade timber development has fluctuated dramatically in Jefferson County. However, with the recent approval of forest health projects that include the Boulder Lowlands and Red Rocks Vegetation projects, timber development is once again trending upward, and it's expected to continue for the next several years. These projects will improve the local economy and positively affect communities, residents, and visitors. Accordingly, it will be imperative that communities such as Clancy have adequate infrastructure in place to support the expected growth.

The Red Rocks project will involve the logging of 25 million board feet of timber on 4,160 acres of land in Jefferson County. The Forest Service's estimated stumpage fee to cut the timber is \$2.31 million. Next month, Phase 2 of the Boulder Lowlands project will begin and harvest 4-million board feet of timber from 369 acres with an estimated stumpage fee ranging from \$300 to \$450 thousand.

The implementation of these projects will help improve local economies and provide opportunities to residents and businesses by creating jobs that pay higher salaries than non-timber employment. According to the Bureau of Labor Statistics, the following table confirms that wages in the timber industry in Montana are 13% higher than non-timber jobs. Timber wages in Jefferson County are not available, but non-timber wages paid are 41% lower than wage paid to employees in Montana's timber industry and 32% lower than non-timber wages statewide.

| Wages*, 2017 | Jefferson County, MT | Montana |
|-------------------------------|----------------------|----------|
| All Sectors, 2017 (2018 \$\$) | \$43,028 | \$43,054 |
| Private | \$40,225 | \$41,872 |
| Timber | \$0 | \$48,031 |
| Forestry & Logging | \$0 | \$44,967 |
| Wood Products Manufacturing | na | \$48,699 |
| Paper Manufacturing | \$0 | na |
| Non-Timber | \$28,245 | \$41,816 |
| Government | \$50,948 | \$48,341 |

b. How many local government residents and businesses are directly and/or indirectly impacted by coal, oil, natural gas, or timber?

The Boulder Lowlands and Red Rocks projects will directly impact each resident, business, and visitors to the Beaverhead-Deerlodge National Forest. The projects include over 17,000 acres of land where conditions are not desirable because they do not meet forest plan goals and objectives, according to forest health experts (Attachment 4).

Economic effects will likely include more jobs, with higher wages. Both the Boulder Lowlands and Red Rocks projects will continue to affect the local economy and the sustainability of the local forest products industry.

The projects are and will continue to contribute economically to the local communities and the County, although the actual impact will depend largely on costs and revenues based in part on current local timber market conditions and product costs for logging and milling the lumber. Logging costs include “stump to truck,” hauling, road reconstruction, road, and drainage maintenance, temporary road construction, tree planting, and brush disposal. The Red Rocks project will help achieve the forest plan goal to contribute to the social and economic well-being of the local communities and the County by promoting sustainable use of renewable natural resources. The project will provide timber for commercial harvest, and the expedited recovery of the forest product will further support and sustain local timber industries (Attachment 5).

c. Is the proposed project directly related to the development of coal, oil, natural gas, or timber?

The proposed project is not directly related to the development of coal, oil, natural gas, or timber.

d. Is the current and/or future population impacted by this development? If so, how does this impact relate to the proposed project?

The timber harvested from the Boulder Lowlands and Red Rocks Vegetation projects have and will continue to create jobs with higher wages that are spent throughout Jefferson County. The logs also provide materials processed by local mills, which in turn preserves and creates good-paying mill jobs all of which increases purchasing power and encourages growth which must be supported by sound infrastructure.

2. Is the coal, oil, natural gas, or timber development increasing or decreasing in the applicant’s community?

Over the last decade, the County has experienced dramatic fluctuations in timber development with the amount of board harvested ranging from a high of 17.2 million board feet in 2010 to 3.1 million board feet in 2015. The amount of timber harvested in the County is once again trending upward helped in part by the efforts of the BDWG with the recent Boulder Lowlands and Red Rocks projects. The impacts will

significantly affect the County, its residents, businesses and visitors. In addition to increased timber development, which will further support and sustain local timber industries, the impacts to the local economy include hunting, logging and recreational opportunities, which will result in job creation and the potential of new businesses.

Communities in Jefferson County have recently experienced a significant loss of jobs with the closure of the Golden Sunlight Mine, in operation for over 30 years employing nearly 60 people, and the closure of Montana Developmental Center (MDC) in Boulder. The MDC facility, founded in 1889, employed more than 200 people.

a. If the development is increasing, what is the current impact and forecasted impact to the community, its residents, and businesses.

The Boulder Lowlands project involved felling and salvaging 1,800 acres of mountain-pine-beetle-killed lodgepole pine trees in an effort to increase forest health and resiliency of the area. Approximately 2.25 million board feet of dead and dying lodgepole pine trees were removed from 375 acres within the Boulder Lowlands project area (Attachment 6). Benefits of this forest restoration effort include a decrease in wildfire intensity and severity, increase in safety to adjacent landowners and firefighters and a more resilient forest landscape. This project resulted in approximately \$395,000 available for investments into other restorations activities including hazardous fuels reduction, aspen restoration, weed spraying and stream improvement projects.

The Red Rocks project is expected to contribute 58 jobs and \$2.57 million in labor income on an annual average basis (Attachment 7). This project will have a long-term effect on the County, its residents, businesses and visitors through economic development opportunities. Creating resilient forest health promotes the recovery of the economic value of forest products to support and sustain local economies, industries and livelihoods.

Both projects will help achieve the forest plan goal to contribute to the social and economic well-being of the local communities and the County by promoting sustainable use of renewal natural resources. The projects have and will continue to provide timber for commercial harvest and the expedited recovery of the forest product will further support and sustain local timber industries (Attachment 5).

b. If the development is decreasing, what is the current impact and forecasted impact to the community, its residents, and businesses.

Not Applicable.

Financial Impacts

1. Will current user rates be increased as a result of the project, to repay debt or are current rates sustainable, if applicable? (User rates will only be reviewed if they are charged for the system applied for)

As described in the 2018 TSEP application and PER, user rates will increase significantly with the implementation of the proposed water project to repay debt and cover annual operation and maintenance costs for the new system. The PER estimates rates of about \$110/user/month, which is nearly 200% of the community's target rate. With the addition of the DLA funds, the required loan amount may be reduced resulting in a more affordable project for Clancy residents.

2. **If the applicant is providing cash match, please provide a copy of the resolution obligating these funds. If the applicant is providing match as a grant or loan from another source, please indicate the timing necessary to secure and obligate the leveraged funds and any other relevant details or documentation.**

Please refer to the 2018 TSEP application and PER. SRF has committed a loan amount of \$1.6 million, of which the District has requested forgiveness of \$500,000. The loan amount and financial impact to users would be reduced with the addition of DLA funds.

3. **Please provide any other financial information to demonstrate the natural resource impacts the community is experiencing and as it pertains to the proposed project.**

In 2008, the Montana Tunnels, located nine miles northwest of Clancy, ceased production. The closure resulted in the loss of 250 jobs, and as shown in the taxable valuations, the County's net and gross proceeds decline over 70%. Since, property taxes have continued to increase for Clancy and Jefferson County residents.

4. **Provide responses to the financial indicators, below:**

- **Is the applicant in good standing in its current financial audit;**

The District is in good current financial audit standing. A search of the Local Government Services website will show that the Clancy Water and Sewer District is current with its audit, financial report, and budget submittal requirements. The Clancy Water and Sewer District does not appear in any of the delinquent reports posted on the LGS website. See Attachment 8 for documentation of compliant financial account system.

- **The applicant must supply documentation for the last ten years of taxable valuation, noting changes in increases or decreases and how those changes relate to the natural resource impacts on the financial costs to the community.**

The DLA Grant Program is intended to assist communities with natural resource impacts and although hard rock mining is not included in statute, Jefferson County's story also involves hard rock mining and the significant impact, caused by the loss of 390 jobs and a huge loss of tax revenue, to residents and business owners from Whitehall to Montana City.

According to Jefferson County Clerk and Recorder, Bonnie Ramey, the cessation of operations at Montana Tunnels near Clancy in 2008 resulted in a dramatic decline in tax revenue (See Attachment 1). A review of the County's Taxable Value of Net and Gross Proceeds shows a revenue decline of 75% between 2008 and 2010 and another decline of 72% between 2013 and 2019 (See Attachment 1). In response to this loss of revenue the County Commission was required to increase property taxes by increasing the amount of mills levied county-wide. The property tax increase affects all community residents and business owners in the County.

- **The applicant is encouraged to provide information (financial or otherwise) about the high impact as it relates to financial need.**

Please refer to the Taxable Valuation data included in Attachment 1.

- **Include data from past or present financials that has resulted in increases in community costs as an impact on residents or businesses in the community.**

In addition to the County's overall loss of revenue, Montana Tunnels Mining, Inc. still owes the County approximately \$5 million in back taxes. Over the last

decade, the County had to increase property taxes to offset the loss of tax revenue from mining and lack of timber sales. This tax increase affects all community residents and business owners in the County. Furthermore, with the impending closure of the Golden Sunlight Mine, the loss of jobs and decrease in tax revenue will continue to impact the County, its residents and businesses.

NOTE: Commerce will review current audits of applicants. Audit reports do not need to be provided unless the applicant is referencing an audit that has not been submitted to the Department of Administration, Local Government Services Division.

Planning, Design and Cost Estimate

- 1. In the context of the \$1.5 million maximum funds available per county, and \$750,000 maximum funds available per local government, describe how the project fits into local prioritization and long-term planning of necessary improvements.**

Please refer to the 2018 TSEP application and PER.

- 2. Describe how local governments or jurisdictions within the county have coordinated. If possible, provide documentation of coordination efforts or communication.**

Great West Engineering communicated with Tom Harrington of the Jefferson Local Development Corporation, evidenced in the August 23rd email (Attachment 9) to coordinate projects within Jefferson County.

- 3. Has the local government held public hearings regarding this project? If so, please describe the dates and times and describe the importance of the project to the community and the citizen or public benefits that will occur from the project. If a public hearing has not been held, please describe the importance of the project to the community and the citizen or public benefits that will occur from the project.**

Please refer to the 2018 TSEP application and PER.

- 4. Are cost estimates being provided? Explain the how these estimates are reasonable and affordable to the community.**

Please refer to the 2018 TSEP application and PER. Since completion of the 2018 application the District received a \$200,000 WRDA grant. The District elected to increase the project cost estimate as it relates to water rights and the development of a new water source, which is reflected in the updated project budget included in this application.

- 5. Describe the likelihood and timing of receiving funds from each of the proposed funding sources that are indicated in your project budget. Indicate when construction is likely to occur.**

The current funding package includes the following sources of funds. All but the DLA funds have been awarded.

- \$750,000 TSEP grant
- \$125,000 DNRC grant
- \$200,000 WRDA grant
- \$450,000 CDBG grant
- \$1,600,000 SRF loan
 - The SRF loan amount has been committed in full. The District's application for \$500,000 in forgiveness is pending.

6. Please describe how the proposed projects' design will thoroughly address the deficiency that exists.

Please refer to the 2018 TSEP application and PER.

7. Has a preliminary planning, such as a PER or PAR, feasibility study, technical or planning document, been completed for the proposed project?

- **If yes, date it was completed?** A PER was completed in 2018
- **If no, estimated date it will be completed?** N/A

Project Readiness and Implementation

1. Using the project's proposed implementation schedule, please provided any significant details that might impact the schedule (delay or accelerate the project) for the following tasks:

a. Firm Commitment of matching funds

The District has been awarded TSEP, CDBG, DNRC, and WRDA grant funding and received a commitment of funds letter from SRF.

b. Completion of a management plan (modified to address the procedures necessary to carry out the specific project activity)

Please refer to the 2018 TSEP application and PER.

c. Documentation of compliance with auditing and reporting requirements have been met

The Clancy Water & Sewer District is a new District with no infrastructure, no employees, and provides no services to residents of Clancy, nor do they collect fees. As such, they are not required to submit annual reports or budgets. To date, all funding has been funneled through Jefferson County.

d. Documentation of compliant financial accounting system that generally conforms with generally accepted accounting principles

The Clancy Water & Sewer District is a new District with no infrastructure, no employees, and provides no services to residents of Clancy, nor do they collect fees. As such, they have not yet set up a financial accounting system. To date, all funding has been funneled through Jefferson County.

e. Satisfy any conditions described in the project TSEP application summaries established by the Commerce during the ranking process, if applicable,

Not applicable.

f. Satisfy other specific requirements (such as a technical document or an environmental review process), and

Please refer to the 2018 TSEP application and PER which includes a reviewed and accepted Environmental Assessment for the project.

- g. Or other items identified in the project implementation schedule, such as environmental, procurement or other administrative tasks.**

Please refer to the 2018 TSEP application and PER. The greatest challenge for the propose project will be the acquisition of water rights. Prior to a water rights application being submitted, the District will need to complete a hydrogeologic study, test wells, geotechnical evaluation, design, and construction of the new production wells. It is anticipated that DLA funding could support these initial project activities. Once the aquifer test is completed on the new production wells, the water rights application will be prepared.

- 2. Please describe the environmental review process that has already been completed for the project and if any public comments were received.**

- a. If no environmental review process has been completed, please explain how this process may impact the applicant's ability to proceed with project activities.**

Please refer to the 2018 TSEP application and PER which includes a reviewed and accepted Environmental Assessment for the project.

- b. Does the project anticipate public concern or extended public comment periods when completing the environmental review process.**

Please refer to the 2018 TSEP application and PER which includes a reviewed and accepted Environmental Assessment for the project.

- 3. Describe the applicant's previous experience with grant management by providing a list of projects administered by/for the applicant and indicate if those projects were successful and completed on time, if applicable. Please note, only those applicants that have experience managing grants need to respond to this question.**

The Clancy Water and Sewer District is new and has not completed a project in the past involving grant management. However, the District has selected Great West Engineering as its on-call engineer. Great West has a significant amount of experience in administering grants with the Department of Commerce and other agencies on hundreds of projects and will assist the District with the administration and management of all funding for the project.

- 4. If the local government will secure its match through local bonds or debt elections, please describe the process and timeframe associated to secure the match funding.**

Please refer to the 2018 TSEP application and PER.

- 5. Will the local government need to procure professional or non-professional services to complete the proposed project? If so, please describe what professional services will be procured and the timeframe to complete. If not, please describe what existing staff or professional services (that have already been procured) that will complete the proposed project.**

The District completed the procurement process and selected Great West Engineering for professional engineering services.

- 6. Have plans and specifications been drafted for the proposed project?**

No, plans and specifications have not been drafted for the proposed project.

7. Have plans and specifications been approved for the proposed project?

No, plans and specifications have not been drafted for the proposed project.

- a. **If yes, date they were approved by DEQ?** Not Applicable.
- b. **If no, estimated date they will be submitted to DEQ?** 2020 for the water supply, 2021 for the distribution system.

8. Have all necessary building permits been approved?

Not Applicable.

- a. **If yes, date(s) approved?** Not Applicable.
- b. **If no, estimated date they will be submitted for approval?** Not Applicable.

SECTION III

1. Complete the implementation schedule, detailing project timelines, milestones, and completion dates.
2. Complete the preliminary project budget, detailing total project costs and sources of funding.

IMPLEMENTATION SCHEDULE

(Please modify the implementation schedule tasks to best reflect specific project details)

| CLANCY WATER & SEWER DISTRICT WATER IMPROVEMENT PROJECT PROJECT IMPLEMENTATION SCHEDULE | | | | | | | | | | | | | | | | |
|--|----------------|-------|-------|---------|----------------|-------|-------|-------|----------------|-------|-------|-------|----------------|-------|-------|-------|
| TASK | QUARTERS, 2019 | | | | QUARTERS, 2020 | | | | QUARTERS, 2021 | | | | QUARTERS, 2022 | | | |
| | 1st | 2nd | 3rd | 4th | 1st | 2nd | 3rd | 4th | 1st | 2nd | 3rd | 4th | 1st | 2nd | 3rd | 4th |
| | J F M | A M J | J A S | O N D | J F M | A M J | J A S | O N D | J F M | A M J | J A S | O N D | J F M | A M J | J A S | O N D |
| PROJECT DESIGN | | | | | | | | | | | | | | | | |
| Hydrogeologic Study | | | | X X X X | | | | | | | | | | | | |
| Test Wells | | | | | X | | | | | | | | | | | |
| Commence Final Design | | | | | | X | | Y | | | | | | | | |
| Complete Project Design | | | | | | X | | | Y | | | | | | | |
| Submit Plans to DEQ | | | | | | X | | | Y | | | | | | | |
| Prepare Bid Documents | | | | | | X | | | Y | | | | | | | |
| ADVERTISEMENT FOR CONST. BID | | | | | | | | | | | | | | | | |
| Review Contract Requirements | | | | | | X | | | Y | | | | | | | |
| Public Bid Advertisement | | | | | | X | | | Y | | | | | | | |
| Open Bids & Examine Proposals | | | | | | | X | | Y | | | | | | | |
| Request Contr. Debarment Review | | | | | | | X | | Y | | | | | | | |
| Select Contractor & Award Bid | | | | | | | X | | Y | | | | | | | |
| Conduct Pre-const. Conference | | | | | | | X | | Y | | | | | | | |
| Issue Notice to Proceed to Contractor | | | | | | | X | | Y | | | | | | | |
| PROJECT CONSTRUCTION | | | | | | | | | | | | | | | | |
| Begin Construction | | | | | | | X | | Y | | | | | | | |
| Monitor Engineer & Contractor | | | | | | | X X | | | | Y Y | Y Y Y | Y Y Y | Y Y Y | Y Y Y | Y Y Y |
| Conduct Labor Compliance Reviews | | | | | | | X X | | | | Y Y | Y Y Y | Y Y Y | Y Y Y | Y Y Y | Y Y Y |
| Hold Const. Progress Meetings | | | | | | | X X | | | | Y Y | Y Y Y | Y Y Y | Y Y Y | Y Y Y | Y Y Y |
| Final Inspection | | | | | | | X | | | | | | | | | Y |
| Water Rights | | | | | | | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X | X X X |
| PROJECT CLOSE OUT | | | | | | | | | | | | | | | | |
| Submit Final Drawdown | | | | | | | | | | | | | | | | Z |
| Project Completion Report | | | | | | | | | | | | | | | | Z |
| Contract End date | | | | | | | | | | | | | | | | Z |

- X: Water supply work**
- Y: Distribution and Tank work**
- Z: Overall project work**

PROJECT BUDGET

(Please modify the budget line items to best reflect specific project details)

| Completed By: Great West Engineering | | Clancy Water & Sewer District | | | September 25, 2019 | | |
|---|-----------------------------|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|------------------------|
| Administrative/Finance Costs | DNRC RRG Grant \$125,000 | DLA Grant \$500,000 | WRDA Grant \$200,000 | TSEP Grant \$750,000 | CDBG Grant \$450,000 | SRF Loan @ 2.5% for 30 yrs | Total |
| Personnel Costs | | | | \$ 3,500.00 | | | \$ 3,500.00 |
| Office Costs | | | | \$ 3,500.00 | | | \$ 3,500.00 |
| Professional Services | \$ 10,000.00 | \$ 10,000.00 | | \$ 10,000.00 | \$ 10,000.00 | \$ 10,000.00 | \$ 50,000.00 |
| Legal Costs | | | | \$ 5,000.00 | \$ 5,000.00 | | \$ 10,000.00 |
| Audit Fees | | | | | | \$ 15,000.00 | \$ 15,000.00 |
| Travel-Training | | | | \$ 1,000.00 | \$ 3,000.00 | | \$ 4,000.00 |
| Loan Reserves | | | | | | \$ 38,407.00 | \$ 38,407.00 |
| Bond Counsel & Related Costs | | | | | | \$ 15,000.00 | \$ 15,000.00 |
| TOTAL ADMIN COSTS: | \$ 10,000.00 | \$ 10,000.00 | \$ - | \$ 23,000.00 | \$ 18,000.00 | \$ 78,407.00 | \$ 139,407.00 |
| ACTIVITY COSTS: | | | | | | | |
| Land Acquisition | | | | \$ 40,000.00 | | | \$ 40,000.00 |
| Hydrogeological Investigation/Test Wells | \$ 83,000.00 | | \$ 32,000.00 | | | | \$ 115,000.00 |
| Geotechnical | | \$ 18,000.00 | \$ 2,000.00 | | | | \$ 20,000.00 |
| Permitting | | | | \$ 2,500.00 | \$ 2,500.00 | | \$ 5,000.00 |
| Water Rights Application | \$ 32,000.00 | | | \$ 96,500.00 | \$ 96,500.00 | | \$ 225,000.00 |
| Pre-Development Financing | | | | | | \$ 30,000.00 | \$ 30,000.00 |
| Engineering Design - Well | | \$ 50,000.00 | | | | | \$ 50,000.00 |
| Engineering Design - Distribution/Storage | | | \$ 166,000.00 | | | | \$ 166,000.00 |
| Construction Engineering - Well | | \$ 22,000.00 | | | | | \$ 22,000.00 |
| Construction Engineering - Distribution/Storage | | | | \$ 83,000.00 | \$ 83,000.00 | | \$ 166,000.00 |
| Construction - Well | | \$ 400,000.00 | | | | | \$ 400,000.00 |
| Construction - Distribution/Storage | | | | \$ 505,000.00 | \$ 250,000.00 | \$ 795,909.00 | \$ 1,550,909.00 |
| Contingency | | | | | | \$ 195,684.00 | \$ 195,684.00 |
| | | | | | | | \$ - |
| TOTAL ACTIVITY COSTS | \$ 115,000.00 | \$ 490,000.00 | \$ 200,000.00 | \$ 727,000.00 | \$ 432,000.00 | \$ 1,021,593.00 | \$ 2,985,593.00 |
| TOTAL COSTS | \$ 125,000.00 | \$ 500,000.00 | \$ 200,000.00 | \$ 750,000.00 | \$ 450,000.00 | \$ 1,100,000.00 | \$ 3,125,000.00 |

Attachment 1

Taxable Valuation 2008-2019



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8-5-08

MONTANA
Form AB-72T
Rev. 7-08

2008 Certified Taxable Valuation Information
(Pursuant to 15-10-202, MCA)

County of Jefferson

Taxing Jurisdiction: COUNTY GENERAL

| | | |
|--|----|--------------------|
| 1. 2008 Total Market Value..... | \$ | <u>817,077,108</u> |
| 2. 2008 Total Taxable Value..... | \$ | <u>26223141</u> |
| 3. 2008 Taxable Value of Newly Taxable Property..... | \$ | <u>890813</u> |
| 4. 2008 Taxable Value less Incremental Taxable Value* | \$ | |
| 5. 2008 Taxable Value of Net and Gross Proceeds (Class 1 and Class 2 properties)..... | \$ | <u>6182810</u> |

| <u>Tax Increment District Name</u> | <u>Current Taxable Value</u> | <u>Base Taxable Value</u> | <u>Incremental Value</u> |
|--|----------------------------------|---------------------------|--------------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

Preparer [Signature] Date 8/5/08

*Note: This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.

For Information Purposes Only

2008 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

- i. Value included in "newly taxable" property \$ 0
- ii. Total value exclusive of "newly taxable" property \$ 0



2009 Certified Taxable Valuation Information
(Pursuant to 15-10-202, MCA)

County of Jefferson

Taxing Jurisdiction: COUNTY GENERAL

| | | |
|--|----|--------------------|
| 1. 2009 Total Market Value..... | \$ | <u>976,974,859</u> |
| 2. 2009 Total Taxable Value..... | \$ | <u>26,746,867</u> |
| 3. 2009 Taxable Value of Newly Taxable Property..... | \$ | <u>1,168,024</u> |
| 4. 2009 Taxable Value less Incremental Taxable Value* | \$ | |
| 5. 2009 Taxable Value of Net and Gross Proceeds (Class 1 and Class 2 properties)..... | \$ | <u>6,085,474</u> |

| <u>Tax Increment District Name</u> | <u>Current Taxable Value</u> | <u>Base Taxable Value</u> | <u>Incremental Value</u> |
|--|----------------------------------|---------------------------|--------------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

6. Total Incremental Value _____

Preparer Jane M. Lindahl Date 8/28/09

*Note: This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.

For Information Purposes Only

2009 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|----------|
| I. Value included in "newly taxable" property | \$ | <u>0</u> |
| II. Total value exclusive of "newly taxable" property | \$ | <u>0</u> |



2010 Certified Taxable Valuation Information
(Pursuant to 15-10-202, MCA)

County of Jefferson

Taxing Jurisdiction: COUNTY GENERAL

| | | |
|--|----|--------------------|
| 1. 2010 Total Market Value..... | \$ | <u>870,389,345</u> |
| 2. 2010 Total Taxable Value..... | \$ | <u>22,775,860</u> |
| 3. 2010 Taxable Value of Newly Taxable Property..... | \$ | <u>1,002,466</u> |
| 4. 2010 Taxable Value less Incremental Taxable Value* | \$ | <u>22,707,634</u> |
| 5. 2010 Taxable Value of Net and Gross Proceeds (Class 1 and Class 2 properties)..... | \$ | <u>1,513,196</u> |

| <u>Tax Increment District Name</u> | <u>Current Taxable Value</u> | <u>Base Taxable Value</u> | <u>Incremental Value</u> |
|---|----------------------------------|---------------------------|--------------------------|
| North Jefferson County Industrial (127T) | <u>11,528</u> | <u>11,805</u> | <u>0</u> |
| North Jefferson County Industrial (27BT) | <u>7,411</u> | <u>6,785</u> | <u>626</u> |
| Sunlight Industrial (4FT) | <u>155</u> | <u>132</u> | <u>23</u> |
| Sunlight Industrial (4RT) | <u>2,460</u> | <u>100</u> | <u>2,360</u> |
| Sunlight Industrial (16RT) | <u>802,319</u> | <u>737,102</u> | <u>65,217</u> |

6. Total Incremental Value 68,226

Preparer *Jane M. Orndahl* Date 8/2/10

*Note: This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.

For Information Purposes Only

2010 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

- I. Value included in "newly taxable" property \$ 0
- II. Total value exclusive of "newly taxable" property \$ 0



2011 Certified Taxable Valuation Information
(15-10-202, MCA)

County Jefferson

Taxing Jurisdiction County General

| | | |
|--|----|--------------------|
| 1. 2011 Total Market Value..... | \$ | <u>700,729,299</u> |
| 2. 2011 Total Taxable Value..... | \$ | <u>21,770,219</u> |
| 3. 2011 Taxable Value of Newly Taxable Property..... | \$ | <u>799,827</u> |
| 4. 2011 Taxable Value less Incremental Taxable Value* | \$ | <u>21,312,183</u> |
| 5. 2011 Taxable Value of Net and Gross Proceeds (Class 1 and Class 2 properties)..... | \$ | <u>169,896</u> |

| Tax Increment District Name | Current Taxable Value | Base Taxable Value | Incremental Value |
|--|----------------------------------|-------------------------------|------------------------------|
| N Jeff Cnty Ind'l (127T) | 75,251 | 11,805 | 63,446 |
| N Jeff Cnty Ind'l (27BT) | 9,310 | 6,785 | 2,525 |
| Sunlight Ind'l (4FT) | 151 | 132 | 19 |
| Sunlight Ind'l (4RT) | 2,335 | 100 | 2,235 |
| Sunlight Ind'l (16RT) | 1,126,913 | 737,102 | 389,811 |

6. Total Incremental Value 458,036

Preparer Sheila Cerovski Date 7/28/11

**This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.*

For Information Purposes Only

2011 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

I. Value included in "newly taxable" property \$ _____

II. Total value exclusive of "newly taxable" property \$ _____



CORRECTED

MONTANA
Form AB-72T
Rev. 3-12

2012 Certified Taxable Valuation Information
(15-10-202, MCA)

Jefferson County
COUNTY WIDE LEVIES

| | | |
|---|----|-------------|
| 1. 2012 Total Market Value..... | \$ | 754,599,313 |
| 2. 2012 Total Taxable Value..... | \$ | 25,888,405 |
| 3. 2012 Taxable Value of Newly Taxable Property..... | \$ | 1,631,327 |
| 4. 2012 Taxable Value less Incremental Taxable Value*..... | \$ | 24,893,060 |
| 5. 2012 Taxable Value of Net and Gross Proceeds (Class 1 and Class 2)..... | \$ | 2,471,772 |

6. TIF Districts

| Tax Increment District Name | Current Taxable Value | Base Taxable Value | Incremental Value |
|--------------------------------|--------------------------|-----------------------|---------------------------|
| 27BT N JEFF COUNTY INDUSTRIAL | 4,770 | 6,785 | - |
| 4RT SUNLIGHT INDUSTRIAL | 2,319 | 100 | 2,219 |
| 4FT SUNLIGHT INDUSTRIAL | 145 | 132 | 13 |
| 16RT SUNLIGHT INDUSTRIAL | 1,599,088 | 737,102 | 861,986 |
| 127T N JEFF COUNTY INDUSTRIAL | 142,932 | 11,805 | 131,127 |
| [: TIF6Name : END :] | [: TIF6Current : END :] | [: TIF6Base : END :] | [: TIF6Increment : END :] |

Total Incremental Value \$ 995,345

Preparer Sheila Cerovski Date 7/31/2012

*This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.

For Information Purposes Only

2012 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|---|
| I. Value Included in "newly taxable" property | \$ | - |
| II. Total value exclusive of "newly taxable" property | \$ | - |

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Ans'd.....



REVISED

2013 Certified Taxable Valuation Information

(15-10-202, MCA)

Jefferson County
COUNTY WIDE LEVIES

| | | |
|---|----|-------------|
| 1. 2013 Total Market Value..... | \$ | 803,198,717 |
| 2. 2013 Total Taxable Value..... | \$ | 29,376,887 |
| 3. 2013 Taxable Value of Newly Taxable Property..... | \$ | 836,355 |
| 4. 2013 Taxable Value less Incremental Taxable Value* | \$ | 28,228,663 |
| 5. 2013 Taxable Value of Net and Gross Proceeds** (Class 1 and Class 2)..... | \$ | 5,017,066 |

6. TIF Districts

| Tax Increment District Name | Current Taxable Value | Base Taxable Value | Incremental Value |
|--------------------------------|--------------------------|-----------------------|----------------------|
| North Jefferson Co Industrial | 136,158 | 11,805 | 124,353 |
| Sunlight Industrial | 141 | 132 | 9 |
| North Jefferson Co Industrial | 10,393 | 6,785 | 3,608 |
| Sunlight Industrial | 2,212 | 100 | 2,112 |
| Sunlight Industrial | 1,755,244 | 737,102 | 1,018,142 |

Total Incremental Value \$ 1,148,224

Preparer Lisa Vossler

Date 10/2/2013

*This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.

**The taxable value of class 1 and class 2 is included in the taxable value totals.

For Information Purposes Only

2013 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|---|
| I. Value Included in "newly taxable" property | \$ | - |
| II. Total value exclusive of "newly taxable" property | \$ | - |



2014 Certified Taxable Valuation Information

(15-10-202, MCA)

Jefferson County
COUNTY WIDE LEVIES

| | |
|---|----------------|
| 1. 2014 Total Market Value* | \$ 830,986,559 |
| 2. 2014 Total Taxable Value | \$ 28,427,318 |
| 3. 2014 Taxable Value of Newly Taxable Property | \$ 390,475 |
| 4. 2014 Taxable Value less Incremental Taxable Value** | \$ 27,264,601 |
| 5. 2014 Taxable Value of Net and Gross Proceeds*** (Class 1 and Class 2) | \$ 4,266,994 |
| 6. TIF Districts | |

| Tax Increment District Name | Current Taxable Value | Base Taxable Value | Incremental Value |
|--------------------------------|--------------------------|-----------------------|----------------------|
| Whitehall Urban Renewal | 191,084 | 194,544 | - |
| Whitehall Urban Renewal | 830,603 | 866,801 | - |
| ORTH JEFFERSON CO INDUSTRI | 95,452 | 11,805 | 83,647 |
| ORTH JEFFERSON CO INDUSTRI | 11,130 | 6,785 | 4,345 |
| SUNLIGHT INDUSTRIAL | 137 | 132 | 5 |
| SUNLIGHT INDUSTRIAL | 2,126 | 100 | 2,026 |
| SUNLIGHT INDUSTRIAL | 1,809,796 | 737,102 | 1,072,694 |
| Total Incremental Value | | | \$ 1,162,717 |

Preparer Stacie St.Clair

Date 7/24/2014

*Market value does not include class 1 and class 2 value

**This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.

***The taxable value of class 1 and class 2 is included in the taxable value totals.

For Information Purposes Only

2014 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | |
|---|------|
| I. Value Included in "newly taxable" property | \$ - |
| II. Total value exclusive of "newly taxable" property | \$ - |



2015 Certified Taxable Valuation Information
(15-10-202, MCA)

Jefferson County
COUNTY WIDE LEVIES

| | | |
|--|----|---------------|
| 1. 2015 Total Market Value*..... | \$ | 1,333,146,750 |
| 2. 2015 Total Taxable Value..... | \$ | 27,883,468 |
| 3. 2015 Taxable Value of Newly Taxable Property..... | \$ | 276,679 |
| 4. 2015 Taxable Value less Incremental Taxable Value**..... | \$ | 26,721,038 |
| 5. 2015 Taxable Value of Net and Gross Proceeds*** (Class 1 and Class 2)..... | \$ | 3,407,951 |

6. TIF Districts

| Tax Increment District Name | Current Taxable Value | Base Taxable Value | Incremental Value |
|--------------------------------|--------------------------|-----------------------|----------------------|
| Whitehall Urban Renewal | 746,359 | 695,750 | 50,609 |
| Whitehall Urban Renewal | 54,089 | 40,777 | 13,312 |
| North Jefferson Co Industrial | 81,219 | 11,805 | 69,414 |
| North Jefferson Co Industrial | 8,954 | 6,785 | 2,169 |
| Sunlight Industrial | 83 | 132 | - |
| Sunlight Industrial | 1,618 | 100 | 1,518 |
| Sunlight Industrial | 1,762,510 | 737,102 | 1,025,408 |
| Total Incremental Value | | | \$ 1,162,430 |

Preparer Stacie St.Clair Date 8/3/2015

*Market value does not include class 1 and class 2 value
 **This value is the taxing jurisdiction's taxable value less total incremental value of all tax increment financing districts.
 ***The taxable value of class 1 and class 2 is included in the taxable value totals.

For Information Purposes Only

2015 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|-----------|
| I. Value Included in "newly taxable" property | \$ | 277 |
| II. Total value exclusive of "newly taxable" property | \$ | 2,783,582 |



Revised 10/21/2016

MONTANA
Form AB-72T
Rev. 3-12

2016 Certified Taxable Valuation Information
(15-10-202, MCA)
Jefferson County
COUNTY WIDE LEVIES

Certified values are now available online at property.mt.gov/cov

| | | |
|--|----|---------------|
| 1. 2016 Total Market Value ¹ | \$ | 1,371,159,288 |
| 2. 2016 Total Taxable Value ² | \$ | 29,942,601 |
| 3. 2016 Taxable Value of Newly Taxable Property..... | \$ | 2,573,433 |
| 4. 2016 Taxable Value less Incremental Taxable Value ³ | \$ | 28,860,586 |
| 5. 2016 Taxable Value of Net and Gross Proceeds ⁴ (Class 1 and Class 2)..... | \$ | 3,027,911 |

6. TIF Districts

| Tax Increment District Name | Current Taxable Value ² | Base Taxable Value | Incremental Value |
|--------------------------------|---------------------------------------|-----------------------|----------------------|
| SUNLIGHT INDUSTRIAL | 1,704,825 | 737,334 | 967,491 ^ |
| NORTH JEFFERSON CO IN | 87,917 | 18,590 | 69,327 |
| WHITEHALL URBAN REN | 781,724 | 736,527 | 45,197 |

^ Increment based on the percentage of overall increment for the TIFD

Total Incremental Value \$ 1,082,015

Preparer Sallie Keener

Date 10/21/2016

¹Market value does not include class 1 and class 2 value

²Taxable value is calculated after abatements have been applied

³This value is the taxable value less total incremental value of all tax increment financing districts

⁴The taxable value of class 1 and class 2 is included in the taxable value totals

For Information Purposes Only

2016 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|-------|
| I. Value Included in "newly taxable" property | \$ | 3,773 |
| II. Total value exclusive of "newly taxable" property | \$ | 0 |



2017 Certified Taxable Valuation Information
(15-10-202, MCA)
Jefferson County
COUNTY WIDE LEVIES

Certified values are now available online at property.mt.gov/cov

| | | |
|--|----|---------------|
| 1. 2017 Total Market Value ¹ | \$ | 1,494,991,674 |
| 2. 2017 Total Taxable Value ² | \$ | 30,338,943 |
| 3. 2017 Taxable Value of Newly Taxable Property..... | \$ | 793,706 |
| 4. 2017 Taxable Value less Incremental Taxable Value ³ | \$ | 29,485,920 |
| 5. 2017 Taxable Value of Net and Gross Proceeds ⁴ (Class 1 and Class 2)..... | \$ | 1,535,874 |

6. TIF Districts

| Tax Increment District Name | Current Taxable Value ² | Base Taxable Value | Incremental Value |
|--------------------------------|---------------------------------------|-----------------------|----------------------|
| SUNLIGHT INDUSTRIAL | 1,371,465 | 737,334 | 634,131 |
| NORTH JEFFERSON CO IIR | 90,576 | 18,590 | 71,986 |
| WHITEHALL URBAN REN | 883,433 | 736,527 | 146,906 |

Total Incremental Value \$ 853,023

Preparer Stacie St.Clair

Date 8/2/2017

¹Market value does not include class 1 and class 2 value

²Taxable value is calculated after abatements have been applied

³This value is the taxable value less total incremental value of all tax increment financing districts

⁴The taxable value of class 1 and class 2 is included in the taxable value totals

For Information Purposes Only

2017 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|---|
| I. Value Included in "newly taxable" property | \$ | - |
| II. Total value exclusive of "newly taxable" property | \$ | - |



2018 Certified Taxable Valuation Information
(15-10-202, MCA)
Jefferson County
COUNTY WIDE LEVIES

Certified values are now available online at property.mt.gov/cov

| | | |
|--|----|---------------|
| 1. 2018 Total Market Value ¹ | \$ | 1,517,568,340 |
| 2. 2018 Total Taxable Value ² | \$ | 30,601,304 |
| 3. 2018 Taxable Value of Newly Taxable Property..... | \$ | 461,656 |
| 4. 2018 Taxable Value less Incremental Taxable Value ³ | \$ | 29,841,750 |
| 5. 2018 Taxable Value of Net and Gross Proceeds ⁴ (Class 1 and Class 2)..... | \$ | 1,784,421 |

6. TIF Districts

| Tax Increment District Name | Current Taxable Value ² | Base Taxable Value | Incremental Value |
|--------------------------------|---------------------------------------|-----------------------|----------------------|
| SUNLIGHT INDUSTRIAL | 1,268,554 | 737,334 | 531,220 |
| NORTH JEFFERSON COUI | 101,359 | 18,590 | 82,769 |
| WHITEHALL URBAN REN | 882,092 | 736,527 | 145,565 |
| Total Incremental Value | | | \$ 759,554 |

Preparer Brandy Hilton Date 8/1/2018

¹Market value does not include class 1 and class 2 value
²Taxable value is calculated after abatements have been applied
³This value is the taxable value less total incremental value of all tax increment financing districts
⁴The taxable value of class 1 and class 2 is included in the taxable value totals

For Information Purposes Only

2018 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|---|
| I. Value Included in "newly taxable" property | \$ | - |
| II. Total value exclusive of "newly taxable" property | \$ | - |



2019 Certified Taxable Valuation Information
(15-10-202, MCA)
Jefferson County
COUNTY WIDE LEVIES

Certified values are now available online at property.mt.gov/cov

| | | |
|--|----|---------------|
| 1. 2019 Total Market Value ¹ | \$ | 1,640,441,580 |
| 2. 2019 Total Taxable Value ² | \$ | 31,841,547 |
| 3. 2019 Taxable Value of Newly Taxable Property..... | \$ | 554,573 |
| 4. 2019 Taxable Value less Incremental Taxable Value ³ | \$ | 31,155,279 |
| 5. 2019 Taxable Value of Net and Gross Proceeds ⁴ (Class 1 and Class 2)..... | \$ | 1,400,453 |

6. TIF Districts

| Tax Increment District Name | Current Taxable Value ² | Base Taxable Value | Incremental Value |
|--------------------------------|---------------------------------------|-----------------------|----------------------|
| SUNLIGHT INDUSTRIAL | 1,134,016 | 737,334 | 396,682 ^ |
| NORTH JEFFERSON COUI | 119,448 | 18,590 | 100,858 |
| WHITEHALL URBAN RENI | 925,255 | 736,527 | 188,728 |

^ Increment based on the percentage of overall increment for the TIFD

Total Incremental Value \$ 686,268

Preparer Brandy Hilton

Date 8/1/2019

¹Market value does not include class 1 and class 2 value

²Taxable value is calculated after abatements have been applied

³This value is the taxable value less total incremental value of all tax increment financing districts

⁴The taxable value of class 1 and class 2 is included in the taxable value totals

For Information Purposes Only

2019 taxable value of centrally assessed property having a market value of \$1 million or more, which has transferred to a different ownership in compliance with 15-10-202(2), MCA.

| | | |
|---|----|-------|
| I. Value Included in "newly taxable" property | \$ | 665 |
| II. Total value exclusive of "newly taxable" property | \$ | 1,338 |

COUNTY OF JEFFERSON

TAXABLE VALUATION/MILL LEVY

TEN YEAR HISTORY AND ANALYSIS

(NOTE: This analysis includes only those levies subject to the limitations of Section 15-10-420, MCA and does not include voted levies. In addition, only the levies assessed entity-wide are to be included.)

| FISCAL YEAR | ENTITY-WIDE TAXABLE VALUATION | %INCREASE (DECREASE) FROM PREVIOUS YEAR | PREVIOUS YEAR LEVY | CURRENT YEAR LEVY | FLOATED MILL-UP (DOWN) |
|-------------|-------------------------------|---|--------------------|-------------------|------------------------|
| 1998-1999** | 24,585,139 | N/A | N/A | 58.42 | N/A |
| 1999-2000 | 23,067,183 | -6.17% | 58.42 | 60.66 | 2.24 |
| 2000-2001 | 20,600,538 | -10.69% | 60.66 | 65.38 | 4.72 |
| 2001-2002 | 20,755,531 | 0.75% | 65.38 | 68.83 | 3.45 |
| 2002-2003 | 19,656,540 | -5.29% | 68.83 | 78.71 | 9.88 |
| 2003-2004 | 18,194,607 | -7.44% | 78.71 | 85.19 | 6.48 |
| 2004-2005 | 21,184,807 | 16.43% | 85.19 | 88.19 | 3.00 |
| 2005-2006 | 19,233,152 | -9.21% | 88.19 | 91.59 | 3.40 |
| 2006-2007 | 20,940,973 | 8.87% | 91.59 | 96.18 | 4.59 |
| 2007-2008 | 21,712,539 | 3.68% | 96.18 | 99.86 | 3.68 |
| 2008-2009 | 26,223,141 | 20.77% | 99.86 | 104.40 | 4.54 |
| 2009-2010 | 26,746,867 | 1.99% | 104.40 | 108.90 | 4.50 |
| 2010-2011 | 22,775,860 | -14.85% | 108.90 | 113.04 | 4.14 |

**NOTE: 1998-1999 is the first base year under the provisions of Section 15-10-420, MCA. Each subsequent fiscal year becomes the base year for the next fiscal year. This section also allows an entity to carry forward any levies which could have been levied but were not to future periods.

The current year levies are x are not at the maximum levels authorized under Section 15-10-420, MCA.

If the levies are not at the maximum allowed by law, how many additional mills can be levied before the limit is reached or carried forward? Mills

Attachment 2

Forest Projects Article

https://mtstandard.com/we-can-find-common-ground-forest-projects-in-jefferson-county/article_302f32a3-2233-530c-b8ec-f83cdad9a2be.html

'We can find common ground': Forest projects in Jefferson County built on collaboration

TED McDERMOTT ted.mcdermott@mtstandard.com Jul 1, 2018

1 of 5



Jefferson County Commissioner Leonard Wortman is a member of the Beaverhead-Deerlodge Working Group, a collaborative committee that provides input on Forest Service projects.

Ted McDermott, The Montana Standard

JEFFERSON COUNTY — Jefferson County Commissioner Leonard Wortman leans against a stock trailer and laments the state of the timber on the National Forest land that surrounds him, in nearly every direction, on a recent morning.

“When I was kid I worked for all the ranchers, and everybody ran cows up in the mountains,” Wortman says. “And we used to go through the trees on a dead run on a horse, chasing them, because they were open. Now you can’t even ride a horse through some of that stuff, where you used to be able to go through it at a dead run. And that’s the way the forest is supposed to be.”

While the national forests of Jefferson County will likely never be the way Wortman remembers them, Dave Sabo, district ranger for the Butte Ranger District of Beaverhead-Deerlodge National Forest, says two projects — one recently completed and one seemingly on the verge of being approved — go some way toward getting things back to how Wortman and others want them.

And the projects — which both relied on the input of the Beaverhead-Deerlodge Working Group, a committee of diverse stakeholders who seek to come to a consensus about Forest Service projects — show the potential for collaboration to help work get done on public land.

Wortman is a member of the BDWG, as is Tony Colter of Deer Lodge’s Sun Mountain Lumber, Nick Gevock of Helena’s Montana Wildlife Federation, Boulder-area rancher John Kountz and Mark Thompson of Butte’s Montana Resources, among others who

represent area conservation, timber, wildlife, agricultural, motorized recreation, mining and governmental interests.

The group's ultimate goal, Colter says, is to get people behind the Forest Service taking action on public lands: "We're trying to make these projects more palatable to the public."

According to Colter, members of the BDWG were involved in the planning process for both the Boulder Lowlands and the Red Rocks projects, taking field trips to the project areas and offering their input about what they wanted to see the Forest Service accomplish.

The result of their collaborative input can be seen just north of Butte, in what's known as the Boulder Lowlands Vegetation Project. Completed last fall and spanning an approximately 10,000-acre area of the Lowlands Creek drainage, the project involved felling and salvaging nearly 1,800 acres of mountain-pine-beetle-killed lodgepole pine trees as well as removing conifers on 15 acres where they were encroaching on quaking aspen habitat.

And the BDWG has also contributed to the planning of a similar project that's located on 79,000 acres that lie just north of the Boulder Lowlands project area. Known as the Red Rocks Vegetation Project, it will involve the treatment of nearly 7,000 acres, much of it also devastated by beetle kill.

According to the Forest Service's proposed action, that treatment would include clearcutting 127 acres, salvaging and thinning 3,828 acres, slashing and burning 2,845 acres and enhancing aspen habitat on 253 acres. The project would also involve rehabbing roads, building about 19 miles of temporary roads and conducting a variety of watershed improvements, such as installing beaver analog structures, replacing culverts and planting willows.

Dave Sabo, district ranger for the Beaverhead-Deerlodge National Forest's Butte Ranger District, says he expects a decision about whether to move forward to come from Forest Supervisor Melany Glossa later this year. And if Glossa gives it the go ahead, work could begin on Red Rocks next year, Sabo says.

While that might seem soon, the idea of harvesting beetle-killed timber in this area was first proposed back in 2010, when the devastation from mountain pine beetle led the Forest Service to conduct a rapid assessment of the Beaverhead-Deerlodge National Forest that sought to identify areas of most imminent need for treatment.

The very first landscape priority identified in that assessment was the Boulder River, where the report noted there “are a variety of values at risk.”

But that rapid assessment led to a prolonged period of inaction.

Then, in 2014, the process got a boost with the passage of that year’s Farm Bill, which included a pair of provisions that allowed the Department of Agriculture to expedite the review process to address qualifying insect and disease infestations on National Forest System lands.

A year later, in the winter of 2015, work on the Boulder Lowlands project finally started, with two primary goals: “increase the resiliency of the areas to insect and disease infestation” and “reduce the risk of wildfire to local communities and surrounding lands,” according the project’s decision memo.

When the project was completed last fall, a great many dead trees had been removed and shipped to RY Lumber in Townsend, which produced some 10 million board feet of lumber from the timber. And a quarter of the proceeds from that timber sale went into the coffers of Jefferson County, via what’s known as a 25% fund, which provides that percentage of the Forest Service’s receipts to local governments in lieu of the property taxes the federal agency doesn’t pay.

While the Boulder Lowlands project proceeded, Sabo and others were working to get the Red Rocks project off the ground, with the input of the BDWG. Despite the varied backgrounds and interests of the group’s members, their hopes for the projects largely overlapped, with stakeholders agreeing on the need to remove dead lodgepoles in order to reduce fire risk, improve habitat for elk and other wildlife, preserve range for cattle grazing and otherwise improve forest health.

“You hear a lot about collaboration, but this it in action here,” Gevock says.

The BDWG has played an important role in the planning process, but so have other area stakeholders, like Gary Carlson, owner of the Carlson Ranch, which sits right in the Red Rocks project area.

After attending several public meetings related to the project, Carlson says he was pleased with the aims of the project – and with the collaborative group.

“My impression was there’s an ability in that group (the BDWG) to communicate issues fairly and deal with all sides and say, hopefully, there’s a way to arrive at a consensus for the parties that have interest in a project, so that when the EA (environmental assessment) is released and the final public comments are considered, it will get through without litigation,” Carlson says.

But not everyone is sure that will happen.

Michael Garrity, executive director of Alliance for the Wild Rockies, says his group hasn’t decided if it will do what it has done about 90 times before, by his own count: sue the federal government over a project on public land.

Asked whether Red Rocks would be subject to litigation from AWR, Garrity says, “I don’t know. We’d have to discuss it with our attorneys.”

While he says he’s not sure how he’ll proceed in his opposition to what he calls a “massive clear cutting all along the Continental Divide,” Garrity claims his group has a greater than 80 percent success rate at stopping projects.

“Sometimes we won in court,” Garrity says, “and sometimes we won because they pulled their decision after we sued.”

But the tactic has earned a number of critics, including Carlson, who calls litigation mostly “an obstructionist type thing” and Montana Senator Steve Daines, a Republican who recently proposed a number of amendments to this year’s Farm Bill that would limit opportunities for litigating over Forest Service projects.

Among Daines’ seven forestry amendments to the Farm Bill were provisions that would establish a pilot program under alternative dispute resolution could be used instead judicial review for certain Forest Service projects and that would require plaintiffs in cases against the Forest Service to demonstrate they are “likely to succeed on the merits” before a court can issue a preliminary injunction against forest management projects.

Another amendment would apply specifically to projects like Red Rocks that involve collaborative groups like the BDWG, requiring any individual or entity objecting to a project to meet with the Forest Service to resolve their objections before filing a petition for review of a collaborative project in court. It would also allow the Forest Service to dismiss the project if an objector failed to appear for the meeting.

While those amendments did not make it into the Farm Bill that passed the Senate this week, a spokesperson for Daines said he would continue to push to have them included when the Senate and the House go to conference on their bills.

“Too many Montanans have been harmed by mismanaged forests, litigation from fringe environmental extremists and excessive red tape,” Daines said in a statement. “It is important we make reforms that lead to healthier forests, more jobs and reduced risks of wildfire.”

While those are all aims that Gevock says he supports, he says he and the Montana Wildlife Federation disagree with the kinds of reforms Daines is calling for.

Gevock says its “easy to criticize lawsuits,” but the real threat to forest health has to do with Congress’ propensity to “continually cut the Forest Service budget and then complain that they (the Forest Service) don’t get any work done.”

“We live in a country where we can sue the government if we don’t think they’re following the law,” Gevock says. “But you can’t expect the Forest Service to plan good projects if they don’t have funds.”

But while members of the collaborative and other stakeholders don’t see all issues exactly the same, Gevock says that shouldn’t stop progress on public lands, through projects like Red Rocks.

“These are the kind of things that we come together on, that we can reach broad consensus on,” Gevock says. “That doesn’t mean we don’t have serious discussions and we don’t disagree on things. But the key is to come together on things we can find common ground on.”

Ted McDermott

Assistant editor

Attachment 3

USDA Forest Service Decision Notice



File Code: 2430

Date: August 27, 2019

Dear Interested Public,

I have issued the Decision Notice and Finding of No Significant Impact for the Red Rocks Vegetation Project. The project is located on the Butte Ranger District of the Beaverhead-Deerlodge National Forest; it is primarily northwest of the I-15 Corridor between Butte and Boulder near the communities of Bernice and Basin. This project will implement treatments across approximately 6,673 acres. These treatments will reduce stand density and increase age class, size class, and species diversity in the project area and will reduce encroaching conifers in low to mid-elevation grassland-shrubland communities and aspen stands. In conjunction with addressing these needs, this project will also recover the economic value of forest products to support and sustain local economies, industries, and livelihoods.

The project Decision Notices are available for public review online at the project web page <https://www.fs.usda.gov/project/?project=51022> or you may request a copy by contacting the Butte Ranger District Office at (406) 494-2147.

Thank you for your interest and involvement in this project.

Sincerely,

CHERI A. FORD
Forest Supervisor



Attachment 4

Environmental Assessment Page 3

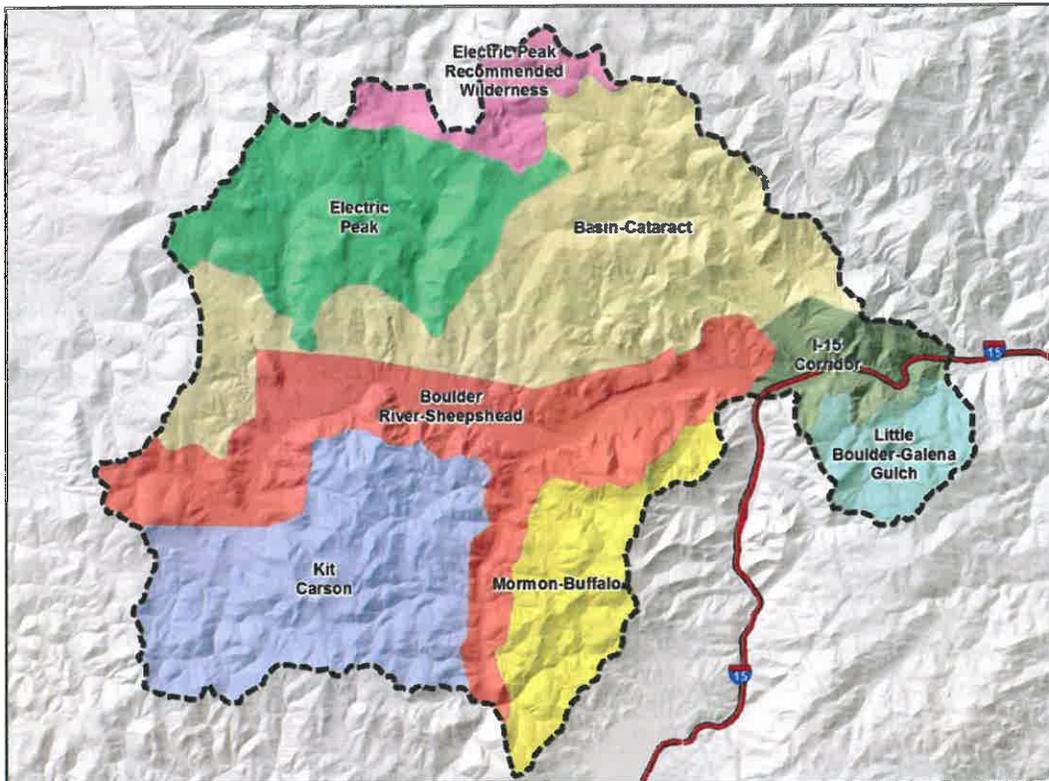


Figure 2. Boulder River Landscape Management Areas in the Red Rocks Vegetation Project

Need for Proposal

Purpose and Need for Action

In 2010, a series of assessments of the Boulder River Landscape were conducted to identify management opportunities. Based on findings from these assessments, recent visits to the project area by forest health experts and on-going observations and field visits by Forest Service specialists, the existing conditions in the Red Rocks Vegetation project area are not desirable because they do not meet forest plan goals and objectives.

Considering this, the purpose and need of this project is to:

- Reduce stand density and increase age class, size class, and species diversity in the project area;
- Reduce encroaching conifers in low to mid-elevation grassland-shrubland communities and aspen stands; and,
- Recover the economic value of forest products to support and sustain local economies, industries, and livelihoods.

The following discusses in detail the existing conditions in the project area and the need for the proposed action.

Attachment 5

Environmental Assessment Page 9

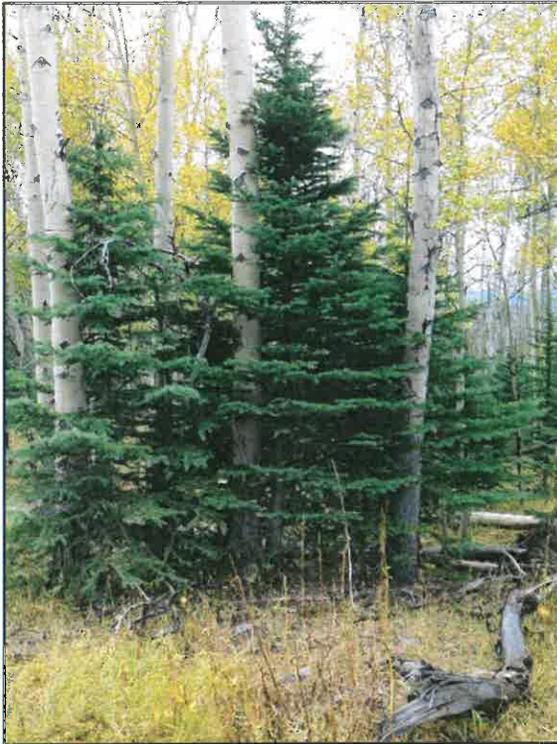


Figure 8. Example of conifer establishment in quaking aspen community in the project area

Social and Economic Conditions

Finally, there is a **need to recover the economic value of forest products to support and sustain local economies, industries, and livelihoods.**

The surrounding communities near the project area have social and economic ties to National Forest System lands. Management decisions made by us can impact the economies of smaller, resource-based communities. Economic effects can include changes in local employment and income and changes in local services and community infrastructure. Forest products resulting from restoration and management activities on National Forest lands contribute to the local economy and to the sustainability of the local forest products industry.

The extent to which the proposed activities would contribute economically to local communities and counties depends largely upon costs and revenues based in part on current local timber market conditions and production costs for logging and milling the lumber. Logging costs include stump to truck (what it costs to get the trees or logs from the harvest unit to the truck loading site), haul, road reconstruction, road and drainage maintenance, temporary road construction, tree planting (if needed), and brush disposal.

The proposed vegetation management activities would help achieve the forest plan goal to contribute to the social and economic well-being of local communities by promoting sustainable use of renewable natural resources. This project would provide timber for commercial harvest. Because of the declining merchantable value and fall rates of beetle-killed lodgepole pine, as previously discussed, expedited recovery of this forest product would further support and sustain local timber industries. Treatment activities to meet some of the vegetation objectives are proposed to be accomplished through the sale of marketable wood products.

Attachment 6

Boulder Lowlands Article

Montana Sells First Timber Sale On National Forested Lands

FOR IMMEDIATE RELEASE

Contact:

Leona Rodreick, Beaverhead-Deerlodge National Forest 406.683.3984
 Crystal Beckman, Department of Natural Resources and Conservation 406.542.4251

MONTANA SELLS FIRST TIMBER SALE ON NATIONAL FOREST LANDS

Good Neighbor Authority Increases Capacity for Forest Restoration Projects

Missoula, Mont., September 27, 2018 – The State of Montana, Department of Natural Resources and Conservation, opened bids on the Boulder Lowlands II Good Neighbor Authority (GNA) Timber Sale today as part of a growing state-federal partnership to increase management activities and restoration outcomes on federal lands in Montana.

Sun Mountain Lumber submitted the winning bid to purchase the sale located north of Butte in Jefferson County. Approximately 2.25 million board feet of dead and dying lodgepole pine from 375 acres will be removed within the Boulder Lowlands II project area. Benefits of this forest restoration project include: decrease in wildfire intensity and severity; increase in safety to adjacent landowners and firefighters; and a forest with more age diversity and resilience to future insect and disease outbreaks.

The Boulder Lowlands project will result in approximately \$395,000 dollars available for investments into other restorations activities such as hazardous fuels reduction, aspen restoration, weed spraying, and stream improvement projects.

This is the first time the Department of Natural Resources and Conservation (DNRC) has used federal authority to oversee the harvest of federal timber. The DNRC and the Northern Region of the Forest Service have more GNA projects scheduled for the future and are working to establish a robust program of work to fully utilize GNA in the state of Montana.

“GNA allows the State, Forest Service, and outside partners to align objectives to improve forest health, reduce wildfire threats to communities, create jobs, and produce economic benefits from Montana’s National Forests. The Boulder Lowlands project is an outstanding first step in utilizing GNA to reach these goals,” states Sonya Germann, DNRC Forestry Division Administrator.

“We recognize the need and benefits of resource and vegetation management on all lands,” states Melany Glossa, Beaverhead-Deerlodge National Forest Supervisor. “I am very proud of the foresight and collaboration of employees on the Beaverhead-Deerlodge National Forest and the MT Department of Natural Resources and Conservation as they forged the way for this and future collaborative efforts to advance restoration work on the



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ground across the state. GNA added the needed capacity to get this project done ahead of schedule.”

Boulder Lowlands II is part of the larger Boulder Lowlands Forest Service project that was collaboratively developed by the Beaverhead-Deerlodge Working Group. This working group is comprised of diverse stakeholders who seek to come to a consensus about forest projects on public lands. Under 2014 Farm Bill Insect and Disease Authorities, the working group identified the Boulder watershed to be included in Governor Bullocks request as a Priority Landscape designation, which was approved by the Chief of the Forest Service. The first Boulder Lowlands timber sale treated over 800 acres of mountain pine beetle impacted and wildland urban interface areas for a combined treatment of over 1,100 acres in this Priority Landscape.

Today’s timber sale and other GNA projects planned across Montana’s forests are the result of many years of hard work and commitment between the DNRC, U.S. Forest Service, local government, industry partners, conservation organizations, collaborative and watershed groups, and other partners.

###

For additional information on Good Neighbor Authority Timber Sales in Montana visit:

<http://dnrc.mt.gov/divisions/forestry/forestry-assistance/good-neighbor-authority-current-timber-sales>

For additional information on the U.S. Forest Service and the Department of Natural Resources and Conservation cross-boundary collaborative and shared stewardship approach visit:

<http://dnrc.mt.gov/news/governor-bullock-unveils-new-forestry-stewardship-partnership>

http://dnrc.mt.gov/divisions/forestry/forestry-assistance/forest-in-focus/FIF2.0_Plan_FINAL_Website.pdf

<https://www.fs.fed.us/managing-land/farm-bill/gna>

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Attachment 7

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pine dwarf mistletoe and western gall rust. Due to current insect hazard ratings and forest plan direction, there is a need to reduce stand density and increase age class, size class, and species diversity in the project area. The result of this project would be a more diverse forest structure, and a more resilient and sustainable forest.

Comment #3-10: Please include an assessment of the value of timber jobs in Montana in comparison to the total level of Montana jobs in recreation and industry, so that the agency's emphasis of timber jobs can be displayed to the general public.

Response: The Economics Specialist Report (available on the [project website](#) and in the project record) analyzes and discloses the economic impact effects of this project on jobs and labor income. Overall, the proposed action is expected to contribute 58 jobs and \$2.57 million in labor income on an annual average basis. The method of reporting employment as annual averages, however, means that one cannot discern the number of hours worked or the proportion that is full time verses part time. This is explained more fully in the specialist report. The economic analysis does not complete the impact of this project on recreation and other industries, nor does it provide a comparison, because this project would not impact recreation or other jobs and there are too many variables to provide an accurate comparison.

Comment #3-11: Please include an analysis of the impact of the proposed project on water availability within Montana rivers, since logging will increase early-season melt off to the detriment of river health. How is river health being considered in these management decisions to reduce it with a huge logging and burning program?

Please also include an analysis of the adverse impact this project will have on river health, due to increases in early season snow melt, triggering higher summer water temperatures and reduced river health as a result.

Response: We expect the proposed vegetation treatments in the proposed action to have no effect on timing, duration and magnitude of streamflow and thus, no subsequent impacts on stream channel morphology or instream habitat. More detailed analysis on the changes to water quantity (i.e., water yield) based on past and proposed actions was analyzed in the Aquatics Specialist Report, available on the [project website](#), and summarized in this environmental assessment.

Comment #3-12: . . . Please define how many acres of ecotones exist within this 79,170 acre project area, and please map them. What is the objective for acres of ecotones with trees, and how does this objective relate to the proposed slashing and burning of ecotones for this project?

The Forest Plan never defines why trees within ecotones are a wildlife problem that needs to be fixed. Please provide the science that indicates that trees are bad for wildlife within these specific habitat zones, yet are good for wildlife elsewhere. What is the difference for the importance of trees, depending on its location?

The loss of sagebrush is never measured or evaluated in the Forest Plan EIS for treatment of ecotones. It remains unclear as to how you determined there is too much sagebrush in this landscape, and that it should be reduced. How was this determined?

Response: The Forest Plan Final Environmental Impact Statement evaluated forestwide wildlife impacts. Ecotones are defined as zones of transition between adjacent ecological systems (Gosz 1993). As such they are areas that are temporary in space and time, subject to constant change. They represent gradients between more homogeneous systems. Treatment of conifer encroachment, including the slashing and prescribed burning, would change the location of ecotonal interfaces, but not destroy them. Please see the [Forest Plan](#) for more information on ecotones.

When the forest plan was appealed, the decision found that the forest plan and its associated management direction adequately provides for wildlife species viability and provides necessary

Attachment 8

Auditor's Report



STROM & ASSOCIATES, P.C.

Certified Public Accountants

3203 3rd Ave N. Suite 208
PO Box 1980
Billings, MT 59103

Phone: 406-252-2765
E-mail: audit@stromcpa.net

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Jefferson County
Boulder, MT 59632

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jefferson County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Jefferson County's basic financial statements and have issued our report thereon dated May 10, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jefferson County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

JEFFERSON COUNTY

SCHEDULE OF FINDINGS AND RESPONSES
For the year ended June 30, 2018

Prior year findings/status:

The following is the status of prior year findings and updated for the fiscal year ended June 30, 2018.

| | |
|--|--------------|
| 2018-001 – Inmate commissary account internal controls | Not repeated |
|--|--------------|

Current year findings:

There were no findings during the current year audit.

Attachment 9

Coordination

Collette T. Anderson

From: Harrington, Tom <tom.harrington@montana.edu>
Sent: Friday, August 23, 2019 12:16 PM
To: Craig Erickson; Joe Willauer
Cc: Bob Church; Collette T. Anderson; Maria Jackson; Cory Kirsch (ckirsch@jeffersoncounty-mt.gov); Drew Dawson (drew.dawson@gmail.com); Rusty Giulio (rsgiolio@hotmail.com); Richardson, Alison
Subject: RE: Jefferson County Delivering Local Assistance Grant Projects
Attachments: STATEMENT OF WORK8-Revised .docx.pdf

Craig – The Boulder City Hall expansion has been in discussion for several months with the Boulder Development Fund Board (BDFB) and city leadership. Part of the proposed city expansion funding was coordinated with Department of Commerce and the City of Boulder leadership as part of the \$500,000 legislative appropriation allocated to help mitigate the Montana Development Center closure. Attached is the Statement of Work #8 outlining the city hall expansion. A county commissioner sits as a member of the BDFB to assist with coordination between the city and county and help collaborate on projects approved from the legislative appropriation.

From: Craig Erickson [mailto:cerickson@greatwesteng.com]
Sent: Friday, August 23, 2019 11:38 AM
To: Joe Willauer <jwillauer@bldc.net>; Harrington, Tom <tom.harrington@montana.edu>
Cc: Bob Church <bchurch@greatwesteng.com>; Collette T. Anderson <ctanderson@greatwesteng.com>; Maria Jackson <mjackson@greatwesteng.com>; Craig Erickson <cerickson@greatwesteng.com>
Subject: Jefferson County Delivering Local Assistance Grant Projects

Joe and Tom,

Good morning. We want you to know that Great West Engineering is helping the City of Boulder, Jefferson County, and the Clancy Water and Sewer District prepare applications for Delivering Local Assistance (DLA) grant funding. The project in Boulder involves the renovation of city hall. Jefferson County wants to construct new solid waste infrastructure, and Clancy is seeking DLA funds for its water system improvements project. We're making you aware these undertakings because the Department of Commerce wants to see evidence that applicants for DLA funds have either coordinated their actions with other jurisdictions in their counties or at least communicated their intent to apply for the funding to other entities.

I am also interested in knowing if you are helping other jurisdictions within Jefferson County with their applications for DLA funds.

I look forward to hearing from you.

Respectfully,

Craig R. Erickson | Certified Grant Writer®

Great West Engineering, Inc.

Direct: 406-495-6189

Mobile: 406-399-0104

www.greatwesteng.com

