

**REGULAR MEETING OF THE BOARD OF COUNTY COMMISSIONERS  
PONDERA COUNTY, MONTANA  
Held in August, 2011**

The Board of Pondera County Commissioners met daily in informal session and in scheduled meetings on August 3, 10, 17, 24 and 30, 2011. Unless indicated, all Commissioners were present.

**DISCUSSION REGARDING PONDERA MEDICAL CENTER** - August 3, 2011

Mark Jones, Tiffany Nitz and Cale Younce of the Pondera Medical Center met with the Commissioners regarding several topics that need the approval of the County Commissioners under the terms of the Lease Agreement between the County and the Pondera Medical Center.

Jones reviewed the plans for a parking lot sale of surplus property of the facility. After reviewing the list of items for sale, the Commissioners indicated no concerns with the sale of the items.

Jones advised the commissioners that PMC has been approached by a dentist needing space to rent to establish a private practice. In Jones' discussions with the doctor it is understood that the practice would not be a Pondera Medical Center service but a private practice with its own billing, appointment and reception services within the clinic building. Commissioner Broesder moved to allow the Pondera Medical Center to lease a portion of the clinic building to the doctor for a private practice dental office. Commissioner Christiaens seconded; motion carried. (Commissioner Johnson absent)

Cale Younce, Director of the Extended Care Unit of Pondera Medical Center, reviewed plans to improve the grounds area around the extended care facility by establishing a place for children and their families to play and interact with residents of PMC's Extended Care unit. The plan includes walking paths, benches, raised sensory gardens, bird-viewing areas and fountains surrounding a playground which will provide ample opportunities for recreation, fitness and fellowship for the entire community of Conrad and surrounding areas. It is anticipated that funding for the project will come from donations, fund-raising projects and grant awards. The commissioners will have the County Attorney review any plans for possible liability issues before making a decision.

**APPROACH AGREEMENT APPROVED**- August 3, 2011

Commissioner Broesder moved to approve the Approach Agreement requested by Kirby Swanson to encroach upon the Pondera County Right of Way described as Swift Dam Road (T28N, R8W, S13: NE4) for the purpose of installing an approach on the south side of the road. No culvert is required. Commissioner Christiaens seconded; motion carried (Commissioner Johnson absent)

**WILDLIFE EXTENSION GRANT INVOICE APPROVED** – August 3, 2011

Commissioner Broesder moved to approve the invoice (draw request #1) for the Wildlife Extension Grant in the amount of \$560.00 for labor expenses of US Wildlife Service in Sheep Creek Restoration – Dupuyer Creek. The invoice will be submitted to the US Fish and Wildlife Service for payment to Pondera County. Upon receipt, the County will pay the funds to the contractor of the project.

Commissioner Christiaens seconded; motion carried. (Commissioner Johnson absent)

**RESOLUTION #5 – AUTHORIZING PARTICIPATION IN INTERCAP LOAN PROGRAM - ADOPTED** – August 3, 2011

**PONDERA COUNTY, MONTANA  
RESOLUTION #5 - 2011/12**

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

**August 2011**

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS (the Governing Body) OF PONDERA COUNTY (the Borrower) AS FOLLOWS:

ARTICLE I

DETERMINATIONS AND DEFINITIONS

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

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

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

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

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

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

Borrower shall mean the Borrower above named.

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

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

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

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

Loan Date means the date of closing a Loan.

Loan Rate means the rate of interest on the Loan which is initially 1.95% per annum through February 15, 2012 and thereafter a rate equal to the Adjusted Interest Rate on the Bonds and up to 1.5% per annum as necessary to pay Program Expenses.

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

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

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

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

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

Section 1.03. Execution of Agreement and Delivery of Note. Pursuant to the Indenture and the Board Act, the Board has issued and sold the Bonds and deposited a part of proceeds thereof in the Loan Fund held by the Trustee. The Board has, pursuant to the Term Sheet, agreed to make a Loan to the Borrower in the principal amount of \$150,000.00 and upon the further terms and conditions set forth herein, and as set forth in the Term Sheet and the Loan Agreement.

ARTICLE II

THE LOAN AGREEMENT

Section 2.01. Terms. (a) The Loan Agreement shall be dated as of the Loan Date, in the principal amount of \$150,000.00 and shall constitute a valid and legally

binding obligation of the Borrower. The obligation to repay the Loan shall be evidenced by a Promissory Note. The Loan shall bear interest at the initial rate of 1.95% per annum through February 15, 2012 and thereafter at the Adjusted Interest Rate, plus up to 1.5% per annum as necessary to pay the cost of administering the Program (the Program Expenses). All payments may be made by check or wire transfer to the Trustee at its principal corporate trust office.

- (b) The Loan Repayment Dates shall be February 15 and August 15 of each year.
- (c) The principal amount of the Loan may be prepaid in whole or in part provided that the Borrower has given written notice of its intention to prepay the Loan in whole or in part to the Board no later than 30 days prior to the designated prepayment date.
- (d) The Prepayment Amount shall be equal to the principal amount of the Loan outstanding, plus accrued interest thereon to the date of prepayment.
- (e) Within fifteen days following an Adjustment Date, the Trustee shall calculate the respective amounts of principal and interest payable by each Borrower on and with respect to its Loan Agreement and Note for the subsequent August 15 and February 15 payments, and prepare and mail by first class mail a statement therefor to the Borrower.

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

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

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

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

ARTICLE III  
CERTIFICATIONS, EXECUTION AND DELIVERY

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

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

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

PASSED AND APPROVED by the BOARD OF COUNTY COMMISSIONERS  
this 3rd day of August, 2011.

/s/ Joseph Christiaens  
Joseph Christiaens, Vice Chair

ATTEST: /s/ Janice Hoppes  
Janice Hoppes, Clerk & Recorder

Moved by Commissioner Broesder, seconded by Commissioner Broesder; motion passed 2-0 (Commissioner Johnson absent)

INTERCAP LOAN DRAW #1 APPROVED – August 3, 2011

Commissioner Christiaens moved to approve Draw #1 under the terms of the Loan Agreement with the Board of Investments' InterCap Loan for the Community Center in the amount of \$10,325.00. Commissioner Broesder seconded; motion carried. (Commissioner Johnson absent)

FUNDING REQUEST OF CONRAD TV DISTRICT BOARD MEMBERS – August 10, 2011

Sharon Eisenberg and Jerry Walth, Chair and Member, respectively, of the Conrad TV District Board of Directors, met with commissioners to request the County enter into a Promissory Note with Larcan, a firm working with analog TV conversion to digital. The TV District does not have authority to enter into such an agreement on its own and would be under the umbrella of the County. The cost to digitalize the transmitting would be \$79,000 and the federal grant for reimbursement of these costs would be \$71,000, leaving \$8,000 to be funded directly by the District. The District currently has approximately \$54,000 in funds. In addition, the TV District would use its current funds to purchase and install the necessary towers which would be in addition to the equipment and conversion to digital.

Following discussion of the proposal, Commissioner Christiaens moved to proceed with the Conrad TV District conversion, pending approval by the County Attorney and verification that the County nor District needs to submit a request for proposals. Commissioner Broesder seconded; motion carried.

AGREEMENT FOR TRANSFER FOR MEDICAID MATCH FOR ADDICTIVE AND MENTAL DISORDERS SERVICES – August 10, 2011

Commissioner Christiaens moved to approve the County Funds Transfer for Medicaid Match agreement with the Montana Department of Public Health and Human Services, Addictive and Mental Disorders Division. The County receives Medicaid funds

from the State of Montana and agrees to remit these Medicaid funds to the Department. Currently, the money received is \$6,153.00 per fiscal year.

Commissioner Broesder seconded; motion carried.

DESIGNATION OF SECURE RURAL SCHOOLS FUNDING FOR FISCAL YEAR 2011-12 APPROVED – August 10, 2011

Commissioner Broesder moved to allocate the Secure Rural Schools funding portion of the Forest Reserve Act as 85% to Title I and 15% to Title II of the program. By designating 15% to Title II, the County will receive its full payment in lieu of taxes. If the county were to choose Title III of the program, the money would be counted as prior payment of PILT money and full payment of PILT would not be received.

Commissioner Christiaens seconded; motion carried.

NEIGHBORHOOD STABILIZATION PROGRAM DRAW #8 APPROVED – August 10, 2011

Commissioner Christiaens moved to approve the Neighborhood Stabilization Program #MT-NSP-018-01-001C, draw #8 in the amount of \$32,173.44 for additional expenditures at the Brady project and the two projects in Conrad. Commissioner Broesder seconded; motion carried.

JULY MINUTES APPROVED - August 10, 2011

Commissioner Christiaens moved to approve the July Minutes of the Commission. Commissioner Broesder seconded; motion carried.

JOB DESCRIPTIONS APPROVED- August 10, 2011

Commissioner Christiaens moved to approve the Job Description for a part-time (job share) Accounting and Recording Clerk in the Clerk and Recorder’s office. Commissioner Broesder seconded; motion carried.

Commissioner Broesder moved to approve the Job Description for a part-time clerk in the Treasurer’s office. Commissioner Christiaens seconded; motion carried

MUTUAL AID AGREEMENT FOR CONTINGENCY STAFFING APPROVED – August 10, 2011

Commissioner Christiaens moved to approve the Mutual Aid Agreement for Contingency Staffing for the County Health Department, including Sanitarian. Under this agreement, terms are set forth under which the county health and sanitarian departments of four counties of Pondera, Glacier, Teton and Toole will assist each other during emergent situations. Commissioner Broesder seconded; motion carried.

ABATEMENT/ADD-ON 902 APPROVED- August 17, 2011

Commissioner Christiaens moved to approve tax abatement/add-on 902 as follows:

<b>NUMBER</b>	<b>REASON</b>	<b>CANCEL</b>	<b>ADD</b>	<b>PARCEL #</b>
902	Personal property was not properly entered into state or county system	0	5.61	1131300

Commissioner Johnson seconded; motion carried. (Commissioner Broesder absent)

EXTENSION OF DEADLINE FOR ENERGY GRANT ACTIVITY REQUESTED – August 17, 2011

Commissioner Christiaens moved to request an extension of the end date of the Montana DEQ Energy Efficiency Grant, # 210141, to the 30<sup>th</sup> of September. Commissioner Johnson seconded; motion carried. (Commissioner Broesder absent)

EMERGENCY MANAGEMENT PERFORMANCE GRANT (EMPG) APPROVED – August 24, 2011

Commissioner Christiaens moved to approve the Emergency Management Performance Grant (EMPG) agreement, Grant #EMW-2011-EP-00035 with the US Department of Homeland Security. This grant will provide \$13,676.40 during fiscal year 2011-12 to reimburse expenses of the County Disaster and Emergency Services Department. Commissioner Broesder seconded;

EXCAVATION AGREEMENT APPROVED- August 24, 2011

Commissioner Christiaens moved to approve the Excavation Agreement requested by 3 Rivers Telephone to engage in excavation on and under Homestead Road (T28N, R1W, Sections 19 and 20) for the purpose of installing buried 24 fiber service line to the existing Verizon cell site located at 410 Homestead Road. Commissioner Broesder seconded; motion carried.

FEE PROPOSAL WITH DENNING, DOWNEY & ASSOCIATES ACCEPTED –

August 24, 2011

Denning, Downey & Associates provides auditing services for the County and has presented a proposal for additional services to report County compliance to the Governmental Accounting Services Board (GASB) standards. The fees proposed are:

Fiscal Year	GASB #34	Consulting	Data Collection Form
2011	\$4,200	\$175/hr	\$350
2012	\$4,380	\$180/hr	\$350
2013	\$4,560	\$185/hr	\$425

Commissioner Broesder moved to accept the fee proposal. Commissioner Christiaens seconded; motion carried.

DATE, TIME AND PLACE SET FOR PUBLIC HEARING ON PROPOSED COUNTY BUDGET – August 24, 2011

Commissioner Christiaens moved set Wednesday, September 14, 2011 at 10:00 a.m. in the Commissioners' office as the date, time and place to conduct a public hearing on the proposed County budget for fiscal year 2011-12. Commissioner Broesder seconded; motion carried.

OIL AND GAS WELL PLUG AND ABANDON GRANT AGREEMENT APPROVED – August 24, 2011

Commissioner Broesder moved to approve the Oil and Gas Well Plug and Abandon Grant #RIT-12-8718 with the Montana Department of Natural Resources and Conservation in the amount of \$100,000 for FY2011-2012. Commissioner Christiaens seconded; motion carried.

NEXT MEETING OF THE COMMISSION WILL BE ON TUESDAY, AUGUST 30, 2011 DUE TO CONFLICTS ON WEDNESDAY, AUGUST 31<sup>ST</sup>.

ADDITIONAL SIGNATURE AUTHORIZED FOR NEIGHBORHOOD STABILIZATION PROGRAM REPORTS – August 30, 2011

Commissioner Broesder moved to authorize Cheryl Curry as an additional signator on the Neighborhood Stabilization Program reporting. Commissioner Christiaens seconded; motion carried.

BRADY LIGHTS MAINTENANCE ASSESSMENT INCREASE APPROVED- August 30, 2011

Commissioner Christiaens moved to increase the per parcel maintenance assessment for street lighting in Brady by 20% in fiscal year 2011-12. The assessment has not been increased since 2006 but the cost of lighting has increased during that time period. Commissioner Broesder seconded; motion carried.

CLAIMS APPROVED FOR PAYMENT – August 31, 2011

<i>FUND</i>	<i>AMOUNT</i>
GENERAL	\$ 31,459.74
ROAD	19,434.09
BRIDGE	1,021.72
WEED	7,417.70
COUNTY FAIR	9.98
AIRPORT	1,066.37
AMBULANCE	103.10

EXTENSION SERVICE	4,687.12
PUBLIC SAFETY (LAW ENFORCEMENT)	10,719.77
HEALTH INSURANCE - EMPLOYER CONTRIBUTION	1,430.48
BRADY LIGHTS MAINTENANCE	323.12
ALCOHOL REHABILITATION	3,736.00
911 EMERGENCY	7,721.60
LAND USE PLANNING	200.00
BUCKLE UP MT	711.11
DES GRANTS	920.11
BREAST & CERVICAL SCREENING	105.59
WIC GRANT	381.51
MATERNAL CHILD HEALTH	744.65
TOBACCO USE PREVENTION GRANT	61.10
ARRA HUB & SPOKE DEQ GRANT	39,200.00
ROAD/BRIDGE CAPITAL IMPROVEMENT	<u>10,000.00</u>
TOTAL CLAIMS	\$ 141,454.86
TOTAL PAYROLL	<u>205,389.81</u>
TOTAL CLAIMS AND PAYROLL FUNDS	<u><u>346,844.67</u></u>

**ADJOURNMENT**

The meeting adjourned at 5:00 p.m. on August 31, 2011.

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CHAIRMAN, BOARD OF COUNTY COMMISSIONERS

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SECRETARY, BOARD OF COUNTY COMMISSIONERS  
PONDERA COUNTY, MONTANA