



CITY OF MILES CITY AGENDA

*Regular Council Meeting
Remote per Zoom.us*

*May 26, 2020
6:00 p.m.*

During the COVID-19 emergency, City of Miles City-City Council will be meeting by remote means. To attend the meetings by mobile phone, please log on to zoom.us and download the Zoom app from its "Download Center". The meeting information will be posted on the City of Miles City's website at milescity-mt.org. If you would to receive a personal invite, please email your email address to the City Clerk at the address below. Documents for the meetings can be accessed by calling 874-8602 or emailing cityclerk@milescity-mt.org with the request.

CALL TO ORDER PLEDGE OF ALLEGIANCE ROLL CALL

1. APPROVAL OF COUNCIL MINUTES/COMMITTEE MINUTES

- | | |
|---------------------------------|------------|
| A. Regular City Council Meeting | 05/12/2020 |
| B. Human Resource Meeting | 05/07/2020 |
| C. Public Safety Meeting | 05/19/2020 |

2. SCHEDULE MEETINGS

3. REQUEST OF CITIZENS & PUBLIC COMMENT

Harvey Wolf from the Veterans of Foreign Wars Club- Purchasing fireworks for fourth of July display

4. APPOINTMENTS

5. PROCLAMATIONS

6. STAFF REPORTS

Lorrie Pearce- MMIA's Final Rates for FY21- Workman's Compensation had an overall decrease of 5.53 percent from last year's rate, Liability had a 1.9 percent decrease from last years rate, Property had a 3.73 percent increase for auto physical damage and 13.96 percent increase for Contractor Equipment and Real/Personal Property from last years rate. Health Insurance increased \$80 per employee

7. CITY COUNCIL COMMENTS

8. MAYOR COMMENTS

9. COMMITTEE RECOMMENDATIONS

Public Safety- Options for Housing the Police Department- Recommends to investigate the following: Retrofit City Hall for Police Department and find rental or buy a facility for present staff at City Hall. Buy or Lease the Wool house, Contractor Building on 7th Street, Rue 21 building, or Purchase Man Camps.

Human Resources- To keep the Building Inspector as a contracted position.

10. BID OPENINGS

Janitorial Bids for City Hall, Police Station and Library

11. BID AWARDS

12. PUBLIC HEARINGS

- A. **ORDINANCE NO. 1341- An Ordinance Repealing Article III in Chapter 18, Including Sections 18-51, 18-52 and 18-53, of the Code of Ordinances of the City of Miles City, Pertaining to Police Advisory Committees**

13. UNFINISHED BUSINESS

- A. **ORDINANCE NO. 1341- (*Second Reading*) An Ordinance Repealing Article III in Chapter 18, Including Sections 18-51, 18-52 and 18-53, of the Code of Ordinances of the City of Miles City, Pertaining to Police Advisory Committees**
- B. **Approve Selling Leased Land Near Airport to Lessee**

14. NEW BUSINESS

- A. **Approve sending \$28,343.93 from Ambulance Fund to Collections**
- B. **RESOLUTION NO. 4325- A Resolution Authorizing the City of Miles City to Enter Into a Water Purchase Agreement With TransCanada Keystone Pipeline, LP**

15. ADJOURNMENT

Public comment on any public matter that is not on the agenda of this meeting can be presented under Request of Citizens, provided it is within the jurisdiction of the City to address. Public comment will be entered into the minutes of this meeting. The City Council cannot take any action on a matter unless notice of the matter has been made on an agenda and an opportunity for public comment has been allowed on the matter. Public matter does not include contested cases and other adjudicative proceedings

Minutes

REGULAR COUNCIL MEETING May 12, 2020
6:00 p.m.

CALL TO ORDER

The Regular Council meeting was held Tuesday, May 12, 2020, by remote means Zoom.us, Mayor John Hollowell called the meeting to order. Council Members present were Brant Kassner, Dwayne Andrews, Ken Gardner, Rick Huber, Austin Lott, Kathy Wilcox and Curtis Reese.

Also present were City Attorney Dan Rice, Public Utilities Director Tom Speelmon, Police Chief Doug Colombik, Fire Chief Branden Stevens, Planner in Training Ally Capps, Flood Plain Administrator/Auto Cad/Assistant PWPV Samantha Malenovsky, Eddy Kanduch Fire Inspector and City Clerk/Minute Recorder Lorrie Pearce.

PLEDGE OF ALLEGIANCE

Mayor Hollowell led the Council in the Pledge of Allegiance.

APPROVAL OF COUNCIL & COMMITTEE MINUTES

City Council Minutes: 4/28/2020

****** *Councilperson Gardner moved to approve the minutes of the Regular Council Meeting of April 28, 2020, and seconded by Councilperson Lott. The motion passed by unanimous consent, 7-0.*

SCHEDULE MEETINGS

The following meetings will be held in the City Hall Conference Room:
Human Resource Committee May 21st @ 4:15 p.m.

REQUEST OF CITIZENS & PUBLIC COMMENT

Mark Ahner representative for the 4th of July Committee explained that the Committee is going forward on planning the fourth of July parade and events in the Park. He asked for the City to provide signage, street closure from 5th Street to Montana Street, Police escort for the parade, a non-alcoholic park use permit that includes the usage of the Pavilion at no cost to the committee the City to provide and pay for the Special Event liability Insurance. Due to uncertainty, the Council has the discretion to cancel the event at any time up to Tuesday, June 23rd.

****** *Councilperson Andrews moved to approve the event and requests, seconded by Councilperson Huber. The motion passed unanimously*

Councilperson Andrews said that he was contacted by Harvey Wolf from the Veterans of Foreign Wars Club. He wanted advise on purchasing fireworks for the fourth of July display. Councilperson Andrews asked for the issue to be added to the next Council meeting to discuss and Mr. Wolf could explain his concerns.

APPOINTMENTS

None

PROCLAMATIONS

Mayor Hollowell proclaimed May 16, 2020 as Kids to Parks Day.

STAFF REPORTS

Branden Stevens- Reported that there is a confirmed Corona case in Custer County. The person was considered an essential worker and is from another state. He was sent back to his home state. Meanwhile, five of his co-workers were tested for Corona, with four having a negative result and one testing positive. That person is being isolated and will be leaving Custer County. The project has been shut down and everyone involved will be returning to their home state. Health officers are monitoring the situation. Also, six sets of firefighter turnouts were destroyed on a hazmat call. He has sent an invoice to their insurance company for a total amount of \$17,592. In addition, the City will have their ISO evaluation on June 2nd.

Doug Colombik- He updated the year to date crime stats and they are place in each Councilpersons box at City Hall.

Tom Speelmon- Reported that there is a preconstruction meeting on the Darling project tomorrow at City hall, and an open house meeting Thursday night at Wibaux Park from 6 to 7 p.m.

Lyne Anderson- Advised that a grant for \$103,000 will be submitted to purchase data terminals for Miles City police officers, Garfield Sheriff department and Custer County Sheriff department. The terminals will improve communication between dispatch and police officers.

CITY COUNCIL COMMENTS

Austin Lott- Reported that there is a small discrepancy in the Building Inspectors Fund. There is a difference of approximately \$6,000 when you compare the Revenue versus the expenditure and the seventy percent that is paid to the inspector. He had been claiming one hundred percent of the plan reviews and per his contact it should have been seventy percent. The Council discussed its options and thought that Councilperson Lott should visit with the inspector and see if the City could deduct the amount owed from his monthly payment.

Rick Huber- He thought the new street sweeper was a good selection and it looks like it is doing a fine job.

MAYOR COMMENTS

None

COMMITTEE RECOMMENDATIONS

None

BID OPENINGS

Portable Asphalt Recycling Machine

One Bid was received as follows:

Swanton Equipment- Total bid was \$214,900, with a \$20,000 trade in and \$13,300 extended warranty available. A bid bond was included.

*** Councilperson Wilcox moved to refer the bid to the Finance Committee to review, seconded by Councilperson Reese. The motion passed unanimously*

BID AWARDS

None

PUBLIC HEARINGS

- A. **ORDINANCE NO. 1340- An Ordinance Amending Section 1-8 of the Code of Ordinances of Miles City, Montana, Revising the Legal Description of the Corporate Limits of the City of Miles City**

Mayor Hollowell called for comments from proponents three times, then opponents three times and, hearing none, the hearing was closed.

UNFINISHED BUSINESS

- A. **ORDINANCE NO. 1340- (Second Reading) An Ordinance Amending Section 1-8 of the Code of Ordinances of Miles City, Montana, Revising the Legal Description of the Corporate Limits of the City of Miles City with the amendment provided by the Auto Cad Tech**

*** Councilperson Lott moved to approve the Ordinance as read by the Mayor, and seconded by Councilperson Andrews.*

Administrator Malenovsky explained that there is an additional section which was included in the Ordinance on the second reading. The additional information removes the area between the New Hunan and Zip Trip from the corporate limit because they are not in the City limits.

*** On roll call vote, the motion passed by unanimous consent, 7-0. Ordinance No. 1340 passed.*

NEW BUSINESS

- A. **ORDINANCE NO. 1341- (First Reading) An Ordinance Repealing Article III in Chapter 18, Including Sections 18-51, 18-52 and 18-53, of the Code of Ordinances of the City of Miles City, Pertaining to Police Advisory Committees**

** *Councilperson Wilcox moved to approve the Ordinance, read by title only, and seconded by Councilperson Gardner.*

Chief Colombik said the Ordinance was written years ago and does not follow the current policies of the City. The old Ordinance gives the advisory committee the power to hire, fire, appoint, promote and discipline police officers. He said all those powers are up to the Mayor. He recommended to approve the Ordinance.

** On roll call vote, the motion passed , 7-0*

- B. **RESOLUTION NO. 4324- A Resolution Authorizing the City of Miles City to Enter Into a Montana Department of Commerce Coal Board Contract for Grant Funding Relating to the Frank Wiley Field Miles City Airport Improvement Project**

** *Councilperson Gardner moved to approve the Resolution, read by title only, and seconded by Councilperson Lott. On roll call vote, the motion passed 7-0. Resolution No. 4324 passed.*

- C. **Discussion and Recommendation for sale of leased Airport land to lessee**

Mayor Hollowell said the land in question is currently being leased to Ben Holman. Mr. Holman has leveled some land and built a road into his property, for an amount of approximately \$6,000. He asked Council if they felt that would constitute as a substantial improvement to the property. If it was considered a substantial improvement then the Airport could sell the land to Mr. Holman without putting the purchase out for bid. He added that the land had been assessed at a market value of \$7,000 to \$8,000.

Councilperson Andrews felt that the City should not sell any land because the value will increase over time.

** *Councilperson Wilcox moved to refer the issue to the Finance Committee and revisit at the next Council meeting, seconded by Councilperson Lott. The*

motion passed unanimously 7-0

D. Approval of April Claims

*** Councilperson Kassner moved to approve the April claims, seconded by Councilperson Lott. The motion passed unanimously 7-0*

ADJOURNMENT

*** Councilperson Huber moved to adjourn the meeting, seconded by Councilperson Gardner and passed unanimously.*

The meeting was adjourned at 7:00 p.m.

John Hollowell, Mayor

Lorrie Pearce, City Clerk

Human Resources Committee
May 7, 2020

The **Human Resources Committee** met Thursday, May 7, 2020, at 4:15 p.m. in the Conference Room at City Hall. Present were Committee Members Kathy Wilcox, Dwayne Andrews, R. Curtis Reese and Rick Huber. Also present were: Mayor John Hollowell, PW Director Scott Gray, PU Director Tom Speelmon, Floodplain Administrator Samantha Malenovsky, City Building Inspector Dennis Hirsch, Police Chief Doug Colombik, City Clerk Lorrie Pearce and Human Resources Officer/Recorder Linda Wilkins.

Acting Chairperson Dwayne Andrews called the meeting to order.

1. Requests of Citizens

None

2. Committee Member Comments

None

3. Wage Increase Requests for FY 20-21

The Mayor recommended that none of the wage increase requests be approved for this fiscal year. The committee discussed the wage increase policy regarding the timeframe for which the wage increases are requested, it is difficult to grant wage increases ahead of the budget process. It was suggested that the wage increase be looked at individually along with the supporting documentation, as per policy.

***Committee Member Andrews moved to move the agenda item for Wage Increase Requests for FY 20-21 to the next Human Resource meeting agenda, seconded by Committee Member Reese. On roll call vote, the motion passed unanimously 4-0.*

4. Review, Revise and Approve/Recommend Job Descriptions:

A. Building Inspector contractor conversation to City Employee

Committee Member Wilcox thought that leaving the Building Inspector as a contracted position opposed to a employee would be best for the City. There was discussion on the possible benefits of having Civil Engineer also acting as the Building Inspector or the City hiring a Civil Engineer and the Building Inspector working under the engineer.

***Committee Member Wilcox moved to keep the Building Inspector as a contracted position, seconded by Committee Member Andrews.*

Committee Member Huber asked for some insight from Inspector Hirsch. Inspector Hirsch stated that the Building Inspector position is a busy job and until all the details could be worked out regarding the Civil Engineer he thought keeping it as contracted position would be best.

***On roll call vote, the motion passed unanimously 4-0.*

B. Civil Engineer

The position description had previously been approved at a previous Human Resource Committee Meeting there was no need for discussion.

5. Discuss: Dept Head's request for an additional personal day as PTO

No action, a policy would need to be written and approved.

6. Other

Chief Colombik pointed out the need for another salary survey, he is concerned if the City does not keep pace with comparable cities wages throughout the state. He believes the City will be in the same position it was in when the 2012 Salary Survey was conducted. It was suggested that a salary survey should be done during the next fiscal year.

7. Next Meeting: May 21, 2020 at 4:15 p.m.

8. Adjournment

***Committee Member Huber moved to adjourn, seconded by Committee Member Reese. The motion passed unanimously 4-0.*

The meeting was adjourned at 5:10 p.m.

Respectfully submitted,

Acting Chairperson Dwayne Andrews

Recorder Linda Wilkins

Public Safety Committee Meeting
May 19, 2020

The Public Safety Committee met Tuesday, May 19, 2020, at 6:00 pm in the via Zoom Conferencing in the Human Resources Office at City Hall, 17 S. 8th. Present were Committee Members Kathy Wilcox, Ken Gardner and Austin Lott. Also present were: Police Chief Doug Colombik, Police Captain Dan Baker, Mayor John Hollowell, Councilperson Dwayne Andrews, Councilperson Rick Huber, Fire Chief Branden Stevens, City Clerk Lorrie Pearce and Human Resources Officer/Recorder Linda Wilkins.

Chairperson Lott called the meeting to order.

1. Request of Citizens

None

2. Committee Member Comments

None

3. Discuss and recommendation on options for housing the police department

Chairperson Lott commented that Mayor Hollowell and he had meet with the County Commissioners regarding plans for the VA Hospital building, basically when the VA tells us to leave we will have to leave. Chief Colombik has considered some possible places to relocated the Police Department to, including the old Fish, Wildlife and Parks building, the Garberson Clinic building, obtaining man camp trailers similar to what the Fire department has set up for temporary housing for their staff and other locations. Committee Member asked where we are at with the Public Safety Building. Chief Stevens stated that the public meetings that were to be held were postponed due to the COVID virus. Councilperson Andrews thought there were 3 options: 1) the Public Safety building, 2) rent someplace (which would involve repairs, or 3) a separate building for the Police Department. Chairperson Lott asked what was the minimum square footage required. Captain Baker thought around 3,800 square feet for offices and evidence holding. Chairperson Lott asked about retrofitting City Hall. Captain Baker thought that would work. Other buildings suggested where a contractor's building on N. 7th St., the Woolhouse, the old wrestling complex on Bridge St and Rue 21.

***Chairperson Lott moved to recommend to opt to retrofit City Hall for the Police Department finding either, renting or buying a building for City Hall staff, buildings for consideration are the Contractor Building, the Woolhouse, Rue 21 or man camps for temporary housing, seconded by Committee Member Wilcox. By unanimous consent the motion passed 3-0.*

4. Discuss and recommendation on Ordinance 1341 - An ordinance repealing Article III in Chapter 18, including sections 18-51, 18-52 and 18-53, of the Code of Ordinances of the City of Miles City, pertaining to Police Advisory Committees

Chief Colombik stated that he thought it was inappropriate for junior officers to be making recommendations for hire of other staff. HR Officer Wilkins stated she thought it was a violation of fair labor standards.

***Committee Member Wilcox moved to repeal Article III in Chapter 18, including sections 18-51, 18-52 and 18-53, of the Code of Ordinances of the City of Miles City, pertaining to Police Advisory Committees, seconded by Committee Member Gardner. By unanimous consent the motion passed 3-0.*

5. Adjournment

***Committee Member Gardner moved to adjourn the meeting, seconded by Committee Member Wilcox and passed unanimously, 3-0.*

The meeting was adjourned at 6:45 p.m.

Respectfully Submitted:

Austin Lott, Chairperson

Linda Wilkins, Recorder

Public Hearing
&
Unfinished Business

ORDINANCE NO. 1341

AN ORDINANCE REPEALING ARTICLE III IN CHAPTER 18, INCLUDING SECTIONS 18-51, 18-52, AND 18-53, OF THE CODE OF ORDINANCES OF THE CITY OF MILES CITY, PERTAINING TO POLICE ADVISORY COMMITTEES.

BE IT ORDAINED, by the City Council of the City of Miles City, Montana, as follows:

Section 1. Article III in Chapter 18, including Sections 18-51, 18-52, and 18-53, are hereby **REPEALED**. Articles IV and V in Chapter 18 shall be renumbered accordingly.

Section 2. This Ordinance shall become effective thirty (30) days after its final passage.

Said Ordinance read and put on its passage this 12th day of May, 2020.

John Hollowell, Mayor

ATTEST:

Lorrie Pearce, City Clerk

FINALLY PASSED AND ADOPTED this 26th day of May, 2020.

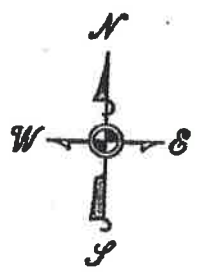
John Hollowell, Mayor

ATTEST:

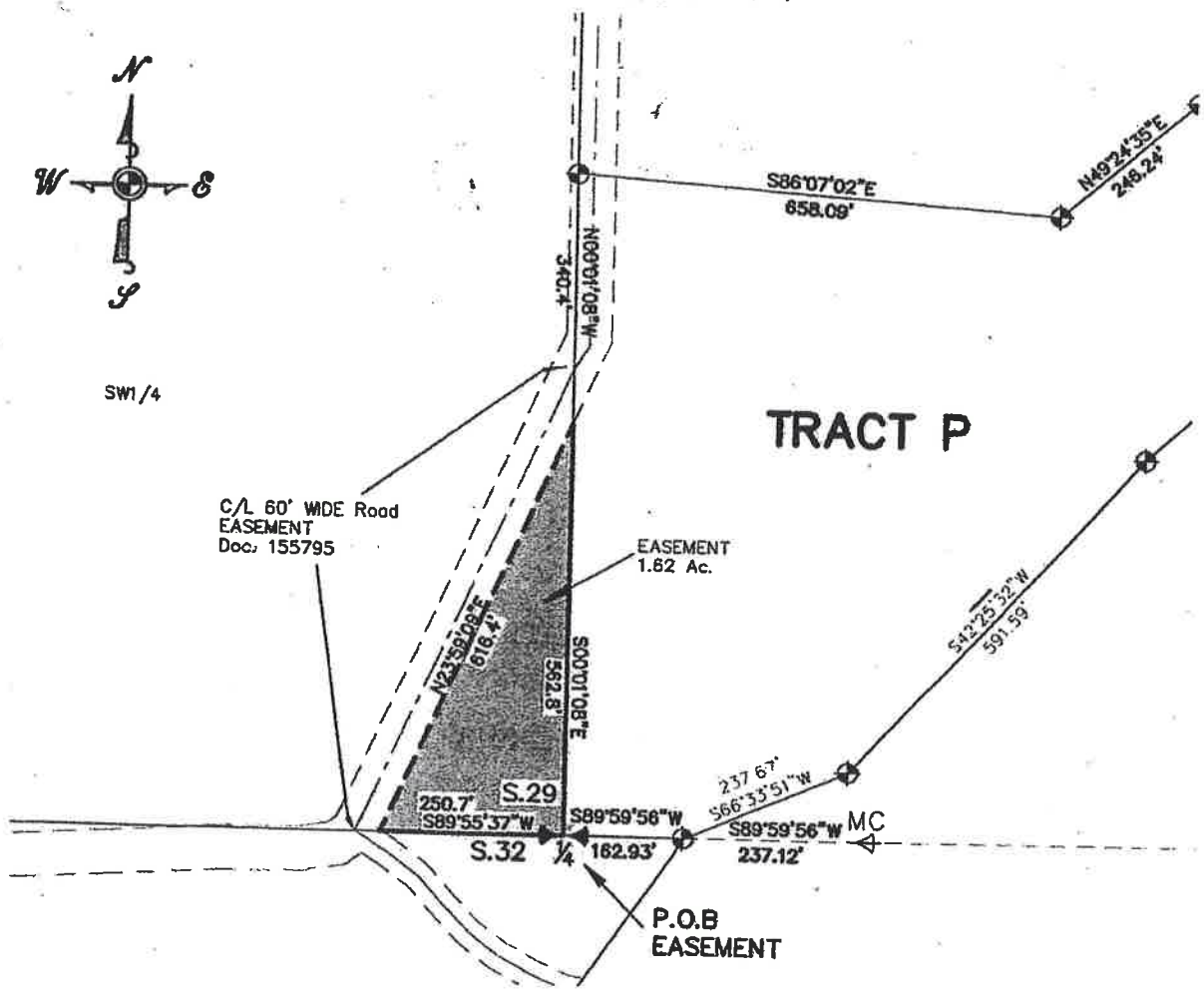
Lorrie Pearce, City Clerk

AIRPORT

EXHIBIT A

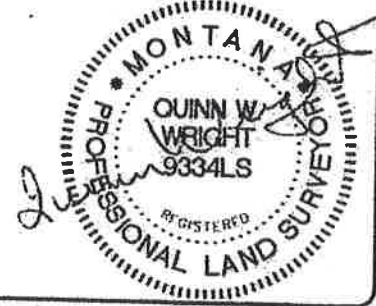
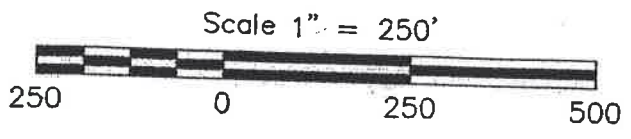


SW1/4



EASEMENT METES & BOUNDS

A parcel of land being a portion of the southwest quarter, Section 29, Township 8 North, Range 47 East, P.M.M., Custer County, Montana, with the outer perimeter more particularly described as follows:
 Beginning at the south quarter corner of said Section 29, said point being the POINT OF BEGINNING; thence S.89°55'37"W., a distance of 250.7 feet; thence N.23°59'09"E., a distance of 616.4 feet; thence S.00°01'08"E., a distance of 562.8 feet to the POINT OF BEGINNING. Containing 1.62 acres, more or less.



Easement Across the SW1/4, S 29, T. 8 N., R.47E., P.M.M. for the Benefit of Tract P, Landmark Subdivision

EXHIBIT A

DOWL

4127.20374.17 | 11-14-17

**City of Miles City
PO Box 910 – 17 S 8th Street
Miles City, Montana 59301**

May 13, 2019

Mr. Joe Nye, PE – Project Manager
Federal Aviation Administration
Helena Airports District Office
2725 Skyway Drive – Suite 2
Helena, Montana 59602-1213

Re: Frank Wiley Field (KMLS)
Release of Airport Property Request

Dear Mr. Nye:

The city of Miles City is requesting a release of certain airport property with the intent of discharging and relinquishing the FAA's right to enforce any contractual obligations the Sponsor is currently subject to related to the property. This request has been prepared in accordance with FAA Order 5190.6B FAA Compliance Manual (Chapter 22 – Release from Federal Obligation) which states:

Section 22.1 – Any property, when described as part of an airport in an agreement with the United States or defined by an airport layout plan (ALP) or listed in the Exhibit "A" property map, is considered to be "dedicated" or "obligated" property for airport purposes by the terms of the agreement. If any of the property so dedicated is not needed for present or future airport purposes, and amendment to, or a release from the agreement is required.

Section 22.16 – All land described in a project application and shown on an Exhibit "A" constitutes the airport's federally obligated property. A sponsor is federally obligated to obtain FAA consent to delete an land described and shown on the Exhibit "A."

In support of this request, the following information is provided:

Description of Property to be Released

The property consists of 1.62 acres and is located in the extreme southeast corner of the Airport. The property is identified on the Airport Property Map included as Attachment 1.

Affected Federal Agreements

The parcel was acquired as part of Parcel B (as shown on the Airport Property Map) in 1941 by the city of Miles City. No federal funds have been used for the acquisition of the land or the construction of any improvements associated with the land. Included as Attachment 2 is a copy of the deed filed with the Custer County Clerk and Recorder documenting the acquisition of the land.

Facts and Circumstances that Justify the Request

The existing conditions at Frank Wiley Field support the release for the following reasons:

1. Aeronautical development of the property included in this release request is not viable due to its remote location on the Airport. The parcel is located approximately 4,500-feet south of the end of Runway 31 and 200-feet below the threshold elevation. The land cannot be accessed from any of the Airport's aircraft operation areas.
2. The Airport has sufficient property for future aeronautical development. The Airport Layout Plan was updated in 2015 and no existing or future aeronautical development would be impacted by the proposed release.

Conditions Applicable to this Release

The intent of the Sponsor is to sell the land to the adjacent property owner. In disposing of the land, the Sponsor will assure the following:

1. All proceeds from the sale of the land will be treated as airport revenue and be retained for use by the Airport.
2. The land will not be sold for less than fair market value.

3. The deed transferring the land will include provisions for a continuing right-of-flight over the parcel. These provisions will include but not be limited to the following:
- a. The right to cause any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace, or landing at, or taking off from, or operation at Frank Wiley Field.
 - b. Prohibits the erection of structures or growth of natural objects that would constitute an obstruction of air navigation.
 - c. Prohibits any activity on the land that would interfere with or be a hazard to the flight of aircraft over the land or to and from the airport or that interferes with air navigation and communication facilities serving the airport.
 - d. Necessary height limitations and land-use restrictions in accordance with current (existing and future) FAA criteria as applied to the airport.

We look forward to your approval of our request. Should you have any questions or require additional information, please contact Doug Phair at 409.951.3740 or by email at doug@ramshot.com.


Your consideration of this request is greatly appreciated.

Sincerely,

Miles City Airport Commission


Douglas B. Phair, Chairman

City of Miles City, Montana


John Hollowell, Mayor

RESOLUTION NO. 4248

A RESOLUTION APPROVING THE REQUEST FOR RELEASE OF AIRPORT PROPERTY.

WHEREAS, the City of Miles City and the Miles City Airport Commission desire to request that the FAA release from contractual obligations a certain parcel of City owned property utilized by the airport, as said property is remotely located to the airport;

NOW THEREFORE BE IT RESOLVED by the City Council of Miles City, Montana, as follows:


1. The request for "Release of Airport Property Request," attached hereto as Exhibit "A", and made a part hereof, is hereby approved and adopted by this Council.
2. The Mayor of the City of Miles City is hereby empowered and authorized to execute said request on behalf of the City of Miles City and bind the City of Miles City thereto.

SAID RESOLUTION FINALLY PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF MILES CITY, MONTANA, AT A DULY CALLED MEETING THIS 11TH DAY OF JUNE, 2019.



John Hollowell, Mayor

ATTEST:



Lorrie Pearce, City Clerk

3. The deed transferring the land will include provisions for a continuing right-of-flight over the parcel. These provisions will include but not be limited to the following:
- a. The right to cause any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace, or landing at, or taking off from, or operation at Frank Wiley Field.
 - b. Prohibits the erection of structures or growth of natural objects that would constitute an obstruction of air navigation.
 - c. Prohibits any activity on the land that would interfere with or be a hazard to the flight of aircraft over the land or to and from the airport or that interferes with air navigation and communication facilities serving the airport.
 - d. Necessary height limitations and land-use restrictions in accordance with current (existing and future) FAA criteria as applied to the airport.

We look forward to your approval of our request. Should you have any questions or require additional information, please contact Doug Phair at 409.951.3740 or by email at doug@ramshot.com.

Your consideration of this request is greatly appreciated.

Sincerely,

Miles City Airport Commission


Douglas B. Phair, Chairman

City of Miles City, Montana


John Hollowell, Mayor

Hardesty & Associates Real Estate LLC

Dawn Leidholt, Broker - Owner

1112 MAIN MILES CITY, MONTANA 59301

406/234/2600 FAX 406/234/2601

www.hardestyrealestate.com

E-mail: hardesty@midrivers.com

November 19, 2019

Miles City Airport Commission

Jeff Lankau

Miles City, MT 59301

RE: Property located in the SE ¼ of Sect 29, T8N, R47E

Miles City, MT 59301

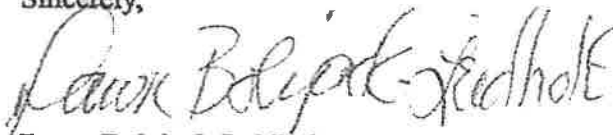
To Whom It May Concern:

I have completed an exterior market evaluation on the vacant land mentioned above. As I understand it is this property is approximately 1.62 acres.

Using the sales of vacant land for the past 12 months... I would value the property at \$1000- \$1383/ acre. I have attached the sales comps of vacant dry land in Custer County to get to this value. Subject property really is not a building site due to the work that needs to be done to level the property.

If you have any questions, please feel free to call or email me.

Sincerely,



Dawn Bolejack-Leidholt

Hardesty Real Estate

Broker Owner

RRE-BRO-LIC-13452

406-234-2600



LESH & COMPANY

REAL ESTATE

October 16, 2019

Mr. Jeff Langkau, manager
Miles City Airport
Miles City, MT 59301

RE: Broker opinion of value for 1.62 acres in the SESESW, Section 29, T8N, R47E. Subject to survey.

Mr. Langkau,

As you requested in your phone call, I have prepared an opinion of value for the above described subject property. The property is owned by the City of Miles City as part of its airport facility. The property is adjacent to a subdivision along the north side of the Yellowstone river.

My opinion of value assumes that there are no adverse legal, access, easements, restrictions, hazards, waste or environmental issues affecting the property. Legal access is through the City property. I do not know if the subject property will have legal access if sold or transferred to another owner. My valuation assumes the property will have legal access.

Considering the location of the property, public information and other sale data, in my opinion the property has a market value range of \$7,000-8,000.

If you have any questions, please contact me.

Sincerely,


Monty Lesh
Broker

Enc. Aerial map

Phone: 406-234-1523 • Fax: 406-234-5374 • E-mail: monty@leshandcompany.com
2708 Main #2, P.O. Box 1231 • Miles City, MT • 59301
www.leshandcompany.com



Cover Letter

12/09/2019

Dear Miles City Airport,

Thank you for allowing me the opportunity to provide you with this comparative market analysis (CMA), and for considering the benefits of allowing me to help you sell your home.

My goal is to help you get the best price and terms possible - in the shortest amount of time - with the least amount of inconvenience to you. When you work with me and Dave Smith Realty, you will receive prompt professional service from a team of professionals dedicated to your success.

Please take a few minutes to review the information I have prepared for you. If you have any questions or would like clarification about any part of this CMA, please let me know.

Thank you for your consideration. I look forward to working with you.

I would value the property at \$5,000 due to the type of terrain and its inability to be improved. The above comps are not similar to the property for all of the comps have improvement building opportunities

Sincerely,

Dave Smith
Dave Smith Realty

Prepared By: Dave Smith -- (406) 234-2244

Miles City Airport

p. 2

This information (including all values and estimations of value) is provided as a courtesy estimate only. It should not be relied upon and is not a guarantee of any kind.

New Business

Patient Collections Report

All Companies

MCFR COLLECTION ACCOUNTS

Call Date Range - Oldest Call Date To Most Recent Call Date

Total Page : 44 of 44

Page : 44 of 44

Date : 04/03/2020

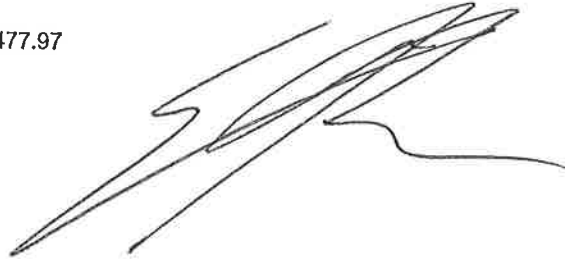
Time : 12:11:50

History ID : 23027208

Grand Totals:

Total Patient Accounts on Report:	20
Total Calls on This Report:	23
Total Account Balances For This Report:	\$28477.97

Minus \$104.04 for
miss billing.



Total for collections \$28,373.⁹³

RESOLUTION NO. 4325

A RESOLUTION AUTHORIZING THE CITY OF MILES CITY TO ENTER INTO A WATER PURCHASE AGREEMENT WITH TRANSCANADA KEYSTONE PIPELINE, LP.

WHEREAS, the City of Miles City desires to enter into an agreement with the TransCanada Keystone Pipeline, LP (TransCanada), wishes to purchase water from the City of Miles City, and the City desires to sell water to TransCanada;

AND WHEREAS the City and TransCanada have reduced the agreement to sell and purchase water to writing;

NOW THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILES CITY, MONTANA AS FOLLOWS:

1. The "Water Purchase Agreement," attached hereto as Exhibit "A", and made a part hereof, is hereby approved and adopted by this Council.
2. The Mayor of the City of Miles City is hereby empowered and authorized to execute said Agreement on behalf of the City of Miles City and bind the City of Miles City thereto; and
3. The Mayor of the City of Miles City is hereby empowered and authorized to execute such further documents as are necessary to carry out the terms of said Agreement and bind the City of Miles City thereto.

SAID RESOLUTION FINALLY PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF MILES CITY, MONTANA, THIS 26TH day of MAY, 2020.

John Hollowell, Mayor

ATTEST:

Lorrie Pearce, City Clerk

WATER PURCHASE AGREEMENT

This Agreement is made and entered into on this 26th day of May, 2020 (“Effective Date”), between TransCanada Keystone Pipeline, LP (“Company”), with a mailing address of 700 Louisiana Street, Suite 700, Houston, TX 77002, and the City of Miles City, Montana, an incorporated municipality, with a mailing address of P.O. Drawer 910, Miles City, MT 59301 (“City”).

WHEREAS:

- A. City owns and operates a municipal water system;
- B. Company is a duly organized pipeline company that is constructing the Keystone XL pipeline, and needs to acquire water for use in its construction, including but not limited to, for use in dust control, dust abatement, horizontal directional drilling, and hydrostatic testing of sections of the Keystone XL pipeline;
- C. Company is also developing temporary housing facilities to house pipeline construction workers (“Work Camps”), and will operate a water distribution system in each, which is necessary to provide a reliable supply of treated water to the Work Camps;
- D. City has the capacity to provide water in sufficient quantities to meet Company’s needs, so long the sale of water is not a detriment to City’s needs, and Company wishes to purchase water from City for its needs.

NOW THEREFORE, in consideration of the sum stated herein, the receipt and sufficiency of which is hereby acknowledged by City, and of the mutual covenants and terms and conditions contained herein, the parties therefore agree as follows:

1. PURPOSE

Under this Agreement, City will sell water to Company on the conditions stated herein. Company agrees to pay for the cost of the water at the rates indicated herein and to maintain its water systems in good condition to accept delivery of the water supply.

2. SUPPLY OF WATER

City shall furnish potable water to Company, and Company may fill its trucks and tanks with water from City’s pump station in an amount not to exceed 100,000 gallons per day, with a maximum daily average over the course of a month not to exceed 60,000 gallons per day. City will collect monthly meter readings of the water received by Company. If the meter reading equipment fails during any period, City shall determine the amount of water used in that period by the use of an historical average of Company’s use, unless City and Company agree to use a different meter reading amount.

3. METERING EQUIPMENT

City will install a meter and required devices of standard type for properly measuring the quantity of water received by Company.

4. **FILL TIMES & POINT OF RECEIPT**

There are no restrictions on the fill times or dates for Company to receive City's water. City's municipal water system is available to Company twenty-four hours per day and seven days a week. Company may also utilize temporary piping to deliver water from City's system to the Company's construction sites but Company shall be solely responsible for obtaining the requisite landowner permissions and permits. Company and City agree that they will cooperate in good faith to determine a mutually agreeable location for Company's specific point of receipt of City's water that meets the flow rate requirements needed by Company as part of the water purchase agreement described herein.

5. **PAYMENT FOR WATER**

Company shall pay City a monthly administrative fee of FIFTY DOLLARS (\$50.00) during each month that it receives water. In addition to the administrative fee, Company shall pay City the sum of FOUR DOLLARS AND 39 CENTS (\$4.39) (increasing by 2% on 7/1/2020 and again by 2% on 7/1/2021) for every ONE THOUSAND (1,000) gallons of water pumped to fill the Company's trucks and tanks per month. Company shall also deposit the sum of 500 HUNDRED DOLLARS (\$500.00) ("Deposit") with City before receiving any water to secure payment during the term of this Agreement. The Deposit shall be returned to Company at the end of the Agreement, except for the deduction of any unpaid statements as set forth below in Section 5.

6. **TIME OF PAYMENT**

City shall provide Company a statement showing all amounts due and the volume of water pumped and received by Company each month. Company shall pay all amounts due within 45 days of the date of the statement. If Company fails to pay the amounts due within that time frame, this Agreement will be terminated, and City can deduct those outstanding amounts from the Deposit.

7. **INTERRUPTION OF SERVICE**

Company's use of City's water is subject to and governed by City's other provisions of ordinances and resolutions for receiving water. City shall have the right to interrupt water service to Company during times of capacity shortage, regardless of the cause of the shortage. For the avoidance of doubt, preference will always be given to municipal water needs over Company's water needs during times of capacity shortage.

8. **INTERRUPTION OF SERVICE DURING REPAIRS**

City has the right to temporarily interrupt or reduce the amount of water available to Company for the purpose of maintaining, repairing, replacing, investigating, or inspecting any of the City's water works, so long as City gives Company reasonable notice of such interruption or reduction. In such event, City shall not be responsible for any damage or inconvenience arising from such interruption or reduction in water service.

9. **DEQ PERMITTING**

City shall be responsible for preparing a technical memorandum or design report, which shall adequately document City's capacity and capabilities to supply requested potable water volume from Company. The technical memorandum or design report shall be provided to Company for submission to the Montana Department of Environmental Quality (MDEQ) as part of the review &

permitting associated with the Work Camps. City shall be responsible for addressing any questions and review comments received during permitting which are related to City's ability to adequately supply Company with the required volume in a manner acceptable to MDEQ. This agreement is further authorized by the provisions of Section 7-13-43 12, MCA, which authorizes City to provide water to persons located outside of the municipality.

10. **TERM**

This Agreement shall remain in effect for a period of two (2) years ("Term") after the date that Company first receives water from City. Company and City shall have the right to terminate this agreement before the expiration of the Term by providing written notice, via U.S. certified mail at the addresses listed above, of its intent to terminate this Agreement at least three (3) months prior to the termination of water services under this Agreement.

11. **INDEMNITY**

Each party shall indemnify and hold the other party and its elected officials, officers, agents and employees, harmless from liability for any damage or claims stemming from the indemnifying party's activities and obligations specified herein, except as to claims that are the direct or proximate result of the reckless conduct or intentional actions of the party to be indemnified.

12. **SEVERABILITY**

If any provision of this Agreement is invalid under any applicable statute or is declared invalid by a court of competent jurisdiction, then it shall be deemed to be severed from this Agreement provided, however, that the remainder of this Agreement shall continue in full force and effect.

13. **FACSIMILE AND COUNTERPART**

This Agreement may be executed and delivered (including by facsimile or other electronic transmission) by the different parties hereto in separate counterparts, each of which will, when executed, be deemed an original and all of which taken together will constitute one and the same Agreement.

14. **ENTIRE AGREEMENT**

This Agreement represents the entire agreement of the parties and can only be modified by a written agreement of the parties.

The parties are executing this Agreement as of the Effective Date.

TRANSCANADA KEYSTONE PIPELINE, LP
by its agent TC Oil Pipeline Operations Inc.

Signed: _____
Name: _____
Title: _____

Signed: _____
Name: _____
Title: _____

[CITY]

Signed: _____
Name: _____
Title: _____