

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Rusti Phone # _____

request the following item be placed on the agenda for
the November 10 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: 6:00 pm

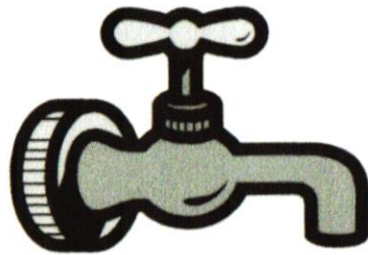
Action: Update Water Regulations

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

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CITY OF THOMPSON FALLS

WATER & SEWER REGULATIONS



April 10, 2023

COLLECTION OF WATER & SEWER CHARGES AND ENFORCEMENT OF REGULATIONS

Section 1. Billing Cycle - Water meters shall be read on or around the 1st of the month and bills for water and or sewer shall be issued the following day. Payment is due by the first of the following month and delinquent if not paid by the 1st of that month. A delinquent charge of \$5.00 will be added to the next bill. New service connections and services inactive as of June 15, 1994 will not be billed until activated.

Section 2. Party Responsible for Payment - The owner of the premises receiving water and or sewer shall be responsible to pay for these services provided to the premises. For the purpose of this regulation the term "owner" shall mean a purchaser on contract for deed in cases where property is being purchased on contract. If two NSF checks are received from an individual, only cash will be accepted as payment from that individual. A \$30.00 fee shall be assessed for any NSF checks received.

Section 3. Notice of Delinquent Water & Sewer Bills - When any water and or sewer bill for any premises shall have been delinquent for two months, the City shall prepare and mail by certified mail to the property owner a notice of delinquency. The notice shall state with particularity the amount and period of such delinquency including a \$15.00 fee for certified mail. The notice shall advise the recipient that he or she may provide a written explanation or appear before the City Council at the next regular meeting to show cause why water service to the premises should not be turned off. The notice shall further state the consequences of a failure to bring the water and or sewer bill current as set forth hereinafter. Payment arrangements must be approved by City Council.

Section 4. Council Authority to Defer Payment - The City Council shall have the authority to continue providing water and or sewer service and to defer the payment of delinquent water and or sewer bills after notice of delinquency is sent as hereinabove provided, if, in the Council's judgment, good cause exists for such deferment, but the Council shall have no authority to defer the imposition of sanctions hereinafter provided for a period of longer than six months after the notice of delinquency is sent.

Section 5. Failure to Cure Delinquency - If a delinquent water and or sewer bill has not been paid before the next regular council meeting after notice of delinquency is sent and if no person appears, or, having appeared, fails in the judgment of the council, to show cause why water service to the premises shall not be turned off, the council shall direct the water Public Works Director to turn off the water supply without further notice to the owner or occupant of the premises. Notice of the impending water shut-off shall be posted on the property, in a readily observable location, no less than 24-hours before the water service is to be shut-off. Failure of a property owner or water customer to see the notice shall not constitute a defense in failing to meet the intent of the notice or the rules of water service.

Section 6. Vacation Rate – Any request to be placed on vacation rate for water and sewer shall be made in writing and shall also cause the water to be shut off at the meter. At such time as a written request is made for billing to be taken off vacation rate and water turned back on, a \$50.00 fee shall be paid in advance. The owner or representative has to be present when water turned back on. Water and sewer rates be will charged from the date water turned on.

Section 7. Foreclosed Properties – If a property is Foreclosed the Foreclosing Company shall:

1. Pay the bill in full

2. Notify the City to ask to turn off the services after the account is showing zero usage. Vacation rate charges have to be applied for and will accrue until the property is bought by a new owner/customer.
3. The new owner/customer will pay a \$50.00 turn on fee and all accrued charges to have services turned on.
4. If water needs to be turned on for an appraisal or for a repair the Foreclosing Company/Realtor shall pay the regular \$50.00 Water Turn-on fee.

Section 8. Permanent Shut offs- After August 9, 2021; there will be no permanent shut offs.

Section 9. Water, Sewer Connections- No water or sewer connections will be done from November through March unless written signed permission from the Public Works Director and Mayor.

WATER SYSTEM REGULATIONS OF THOMPSON FALLS, MONTANA

GENERAL PROVISIONS

Section 1. Authority - The following regulations governing the water system of the City of Thompson Falls have been adopted by resolution by the City Council of Thompson Falls pursuant to the authority granted by Section 69-7-201 M.C.A. and by Chapter 9-1-1 of the Code of Thompson Falls, Montana.

Section 2. Service Area - The service area of the Thompson Falls Water System shall be all of that area of the City within its corporate limits.

Section 3. Service Connection – Service Lines and Connections

- 1. Main Connection.** Any person desiring the extension of a new water service for premises within the service area of the Thompson Falls water system shall complete an application to the City office at City Hall for a service connection and shall pay a connection fee at the time application is made. The connection fee pays for the City to install a service clamp on the main, a corporation cock, and the cost of inspection of the water line, meter pit and curb valve installation. The connection fee is for a 1" tap. Any larger taps are charged extra for the additional cost to the City. The customer is responsible for the excavation from the point of intended use to the main. Restoration of the excavated area in the public right-of-way is the responsibility of the customer. All work done in the public right-of-way shall be done by a licensed and insured contractor and in accordance with City standards and Montana Public Works Standard Specifications. Such plumbing shall not be installed unless the City Water Utility has received at least twenty-four hours advanced notice of the time and manner of proposed installation. All connections shall be made under the supervision of the City Water Utility and no connection shall be covered until the work has been inspected by the City Water Utility. Coordination should be afforded so the city's service line and the property owner's line are compatible. No water service may be obtained for a property except by the owner of the property, as listed on Sanders County tax rolls. Any person, firm, or corporation on property located outside of incorporated City limits may be required by the City, as a condition to initiate water service, to consent to annexation of the tract of property to be served by the City. See Mont. Code Ann. § 7-13-4314; § 69-7-201 (2015).

2. **Service Lines.** The customer, at the customer's expense, shall install all piping and appurtenances, except the meter, from the main connection to the point of usage and restore all surfaces in the public right-of-way to the conditions which existed before installation. The curb valve, curb box and meter pit shall be located in the public right-of-way or easement, as directed by the Water Utility. Once installed and approved by the City Water Utility the service line, curb valve, curb box and meter pit located in the public right-of-way become the property of the City Water Utility and will be maintained by the Water Utility from the main line connection to the outlet fitting of the meter pit. There shall be no branches made in the water service line between the City's curb valve and the meter pit.
3. **Main line extension.** Any extensions of a water service main line into any new subdivision or annexed property shall be engineered, designed, inspected and have approved construction by the City Engineer. The cost of the City Engineer and any inspection will be reimbursed to the City by the party requesting the extension of the service main. Construction and materials for water main line extension, requested by a developer of an annexed property or property owner, are to be paid by the developer or owner and the water main line will become property of the city upon completion and acceptance by the City Engineer.
4. **Permit.** All excavations in City right-of-ways require an excavation permit. Permits and information on permit requirements are available at the City Office.
5. An easement of 10ft. on each side of the main line shall be given to the City for any main line extension and no development may happen on this easement.

Section 4. Consent to Annexation –

The City may, at any time, require any owner of property located outside the City corporate limits receiving water service to consent to annexation as a condition of continued water service. When the City determines to require such consent from a particular property owner, the City will notify the property owner, in writing, that the City seeks such consent, and that if such consent is not given, the City will require the property owner to discontinue receiving water service. If the property owner has not, within ten (10) days, made firm written arrangements to discontinue water service, then the City shall be entitled to treat the property owner as having consented to annexation of his or her property upon expiration of such 10-day period. If the property owner consents to annexation by failing to make arrangements to disconnect, then the City shall be entitled to disregard any protest that such property owner makes to a proposed annexation of his or her property. *See* Mont. Code Ann. § 7-13-4314; § 69-7-201; *See also* Montana Attorney General Opinion, 46 Op. Att'y Gen. No. 12 (1995); Montana Supreme Court Opinion, *Gregg v. Whitefish City Council*, 2004 MT 262, ¶32.

Section 5. Water Turn on Procedure and Deposits - Before the connection for water from the Thompson Falls municipal water system shall be turned on to provide water for either a new water service or the resumption of existing water service, the person desiring the turn-on shall complete an application at City Hall on an application form which shall contain an agreement by the applicant to abide by and accept all the provisions of these regulations as conditions governing the use of the City water supply by the applicant. The application must be signed in the presence of a city employee or agent who then must affirm that they witnessed the

signing. Applications shall contain contact owner phone number, mailing address and email address. No water from the City water supply shall be turned on for service into any premises by any person but the City Public Works Director or by some person authorized by the city to perform this service. A turn on fee of \$50.00 shall be charged at the time application for turn-on is made. The City requires an application for turn-on to be made in writing and requires an applicant to acknowledge receipt of a copy of these regulations and any other regulations and rules that apply to city water service. The owner or their representative must be present when water is turned on.

Section 6. Plumbing - No water shall be turned on to service in premises in which the plumbing does not comply with the ordinances of the City including any plumbing code which may have been adopted and may in effect at the time application for water turn on is made; provided, that water may be turned on for construction work in unfinished buildings.

All services are required to have a main shut off valve that is accessible and in good working order. Water service may be shut off at the discretion of the City in cases where the plumbing or associated improvements have become inadequate through time or neglect. Service will be restored when problem is taken care of and turn on fee has been paid.

Section 7. Resale - No water shall be resold or distributed by the recipient thereof from the city supply to any premises other than that for which application has been made and the meter installed, except in case of emergency.

Section 8. Tampering, Damage - No person other than an individual duly authorized by the City of Thompson Falls, shall tamper with, alter or injure any part of the city waterworks or supply system, curb box, meter pit or meter readout. Tampering with water facilities to willfully cause damage or disruption is a Federal Offense. (U.S. Code Title 42 section 300i-1). Damage to City water system components will result in charges for repairs or replacements to property owner.

Section 9. Repairs - Owners of premises served shall keep the pipes and plumbing upon their premises in good repair and prevent the waste or leakage of water and shall be held liable for all damage to the City of Thompson Falls for their failure to do so. All repairs for service pipes and plumbing systems of premises shall be made by and at the expense of the owners of the premises served. The City may in case of an emergency, repair any service pipes and if this is done the cost of such repair work shall be repaid to the City by the owner of the premises served. The City water department will turn water service off and on for maintenance and repairs during regular department hours. Call-outs after hours will be charged a minimum of \$50.00. No changes to curb boxes, meters, meter pits, or meter readouts are allowed without City of Thompson Falls approval. This includes burying of curb boxes, meter pits, enclosing of meters or readouts etc. Any upgrades to City water components to accommodate customer changes must be done with prior City approval with the property owner responsible for the costs.

METERS

Section 1. Meter Required - All premises to which City water is supplied shall be equipped with an operating water meter furnished by the City which shall remain the property of the City of Thompson Falls after installation. A separate meter is required for each individual residence and each individual business but combined residences and businesses occupying the same building may be served by a single meter.

Section 2. Meter Installation – All meters will be installed in a frost-free meter suitable for exterior installation, unless, in the judgement of the Water Utility such installation is not feasible. The owner of the property will have the meter installed by the City of Thompson Falls once the service line, curb valve, curb box and meter pit have been installed by the customer's contractor and approved by the City.

Section 3. Access to Property - The City personnel shall at all times have access to meters, meter pits, meter readouts, service connections, curb boxes and any property owned by the City which is on the customer's premises for the purpose of maintenance, operation and inspection. The City also reserves the right to inspect all plumbing connected to the City supply of water for violation of use, or improper or illegal connections. Upon reasonable notice the customer shall remove obstructions and contain pets so they do not impair ingress or egress or interfere with the work of the City personnel. If the customer refuses to allow access, remove obstructions or contain pets for official City purposes, it shall be deemed to be sufficient cause for discontinuance of service. The customer shall have the right to verify the identity of the person seeking access. City employees whose duties require the entering of the customer's premises shall carry an identification card issued by the City identifying the employee as a representative of the City. The identification card shall contain pertinent information necessary to identify the employee, including a photograph together with the telephone number of the City office.

Section 4. Testing Meters - Any municipal water meter shall be taken out and tested upon complaint of the consumer, upon payment of a fee of \$50.00. If upon test the meter is not within three percent of being accurate, it shall be repaired or replaced and the \$50.00 fee returned to the consumer.

WATER RATES

Section 1. Rate Schedule - The following schedule of rates based on meter readings shall be charged for City of Thompson Falls water service:

- A. Rates. The City hereby adopts the rate structure, as described in Resolution No. 804, for the water and wastewater users of the City as follows:

WATER

New Drinking Water Rate. The City's monthly base rate for the Water System is calculated by determining an amount per EDU sufficient to pay Water System debt service and reserve costs, plus a portion of the operation and maintenance costs. The new monthly base rate will be as follows:

RESIDENTIAL: Base rate is \$41.25, with 2,000 gallons included. This shall increase to \$41.75 on January 1, 2022, then to \$42.25 on January 1, 2023, and to \$42.75 on January 1, 2024.

Charge \$1.50 for each 1,000 gallons used per month after 2,000 gallons per month.

COMMERCIAL: Current base rate is \$41.25, with 2,000 gallons per month included. This shall increase to \$41.75 on January 1, 2022, then to \$42.25 on January 1, 2023, and to \$42.75 on January 1, 2024.

Charge \$1.50 for each 1,000 gallons used per month after 2,000 gallons per month.

VACATION: Vacation Rate--\$31.25 a month after bill showing zero usage. This shall increase to \$31.75 on January 1, 2022, then to \$32.25 on January 1, 2023, and to \$32.75 on January 1, 2024.

Meter Size	Multiplier	Gallons
3/4"	1	2,000
1"	1.79	3,580
1 1/2"	4	8,000
2"	7.14	14,280
3"	16	32,000
4"	28.57	57,000

Thompson Falls Municipal Water Rates

\$1.50/1,000 over 2,000 gallons for 3/4" line size and \$1.50 per 1,000 gallons after the base rate reflected above.

\$2,000.00	Service Line Connection to Main Line (1" tap)
\$2,000.00	Turn on fee on permanent shut off properties
\$50.00	Water Turn-on fee
\$50.00	Maintenance and repairs after regular business hours
\$50.00	Data Log Meter
\$20.00	Broken meter base
\$15.00	Delinquent notice charge
\$5.00	Delinquent charge after payment due date
\$30.00	NSF Checks

B. Rental Units – Water Change

A residential connection with additional separate rental(s) shall be charged the base rate of \$41.25 per month for the first user and \$41.25 per month for each additional rental unit with 2,000 gallons per month for each unit included in the base rate. Charge \$1.50 for each 1,000 gallons used per month after 2,000 gallons per month.

C. Effective Date of New Rate Charges and Method of Calculating

Rates and Future Changes. The new rates will go into effect October, 2021 billing. Any subsequent adjustments to the rates will be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Section. 2. Modification of Rate Schedule - The foregoing rate schedule may be amended from time to time by resolution of the City Council in accordance with the municipal code of Thompson Falls and the laws of the State of Montana. Any such resolution modifying the rate schedule shall also provide for amendment of these regulations to reflect the new rate schedule.

WATER USE RESTRICTIONS

Section 1. Authority to Regulate- The mayor and city Public Works Director shall have the authority to regulate the use of water for domestic and irrigation purposes by persons connected to the city water system.

Section 2. Filing, Publication and Posting of Regulations- Any restrictions imposed by the mayor and/or city Public Works Director shall become effective immediately and shall be in written form filed in the office of the city clerk-treasurer immediately thereafter. The restrictions shall be published in the next issue of the Sanders County Ledger. The clerk-treasurer shall also post the restrictions at the official posting places. (City Hall, Sanders County Court House, Valley Bank, City Library & First Security Bank)

DISCRETIONARY ACTION BY THE COUNCIL

Section 1. Meter Reading Unavailable - Whenever meter readings for any billing period are unavailable, whether due to meter malfunction, weather conditions, or other cause, water bills shall be calculated on the basis of an average monthly seasonal consumption rate for the premises. If such average rate is unavailable or is not reasonably applicable, the billing shall be estimated from a comparison with similar households or businesses in the community. At such time as, normal monthly readings can be obtained the actual metered rate will be reinstated.

Section 2. Excessive Water Use from Mechanical Malfunction - If the City Council shall determine after consultation with the water Public Works Director, that during any billing period there was extraordinary water consumption on any premises by reason of broken pipes, faulty toilet seals, or other similar cause and that the excessive water use was unknown to the consumer and was promptly corrected upon discovery, the City Council shall have the authority to adjust the water bill for said billing period by deducting the portion of the bill estimated to result from mechanical failure or leakage. Only one such adjustment may be made to a property and its current owner.

SEWER SYSTEM AND PRIVATE WASTEWATER DISPOSAL REGULATIONS THOMPSON FALLS, MONTANA GENERAL PROVISIONS

Section 1: Authority - The following regulations governing the sewer system and private wastewater disposal in the City of Thompson Falls have been adopted by resolution by the City Council of Thompson Falls pursuant to the authority granted by Section 69-7-210, M.C.A. These regulations are set apart from the existing City Code pertaining to sewer and septic systems. This separation is:

- (1) for ease of access by the public to the rules applying to sewer and septic systems in Thompson Falls, and
- (2) for ease of the City Council to revise sewer rates from time to time.

These regulations do not supersede the City Code, but must be read together with the Code.

Section 2: Service Area - The service area of the Thompson Falls Sewer System shall be all of that area of the City within its corporate limits.

Section 3: Users Responsibility-

- A. All property owners using the Thompson Falls wastewater system must sign an affidavit stating that they have read and understand what can and cannot be disposed of in the sewer system. Also, their liability if the regulations are not followed.
- B. Wastewater user that have grinder pumps, will receive a user's manual and also sign that they understand the regulations and liabilities for proper grinder pump use.
- C. It is the property owners responsibility to inform renters, of their property, what cannot be disposed of in the wastewater system.

Section 4: Service Connection – Any person desiring the extension of a new sewer service for premises within the service area of the Thompson Falls sewer system shall complete an application to the City office at City Hall for a service connection and shall pay a connection fee at the time application is made. The connection fee pays for the City to install a service connection on the main and the cost of inspection of the sewer line. The connection fee is for a 4" tap. Any larger taps are charged extra for the additional cost to the City. The customer is responsible for the excavation from the point of intended use to the main. Restoration of the excavated area in the public right-of-way is the responsibility of the customer. All work done in the public right-of-way shall be done by a licensed and insured contractor and in accordance with City standards and Montana Public Works Standard Specifications. Such plumbing shall not be installed unless the City Water/Sewer Utility has received at least twenty-four hours advanced notice of the time and manner of proposed installation. All connections shall be made under the supervision of the City Water/Sewer Utility and no connection shall be covered until the work has been inspected by the City Water/Sewer Utility. Coordination should be afforded so the city's service line and the property owner's line are compatible. No sewer service may be obtained for a property except by the owner of the property, as listed on Sanders County tax rolls.

Any person, firm, or corporation on property located outside of incorporated City limits may be required by the City, as a condition to initiate sewer service, to consent to annexation of the tract of property to be served by the City. *See Mont. Code Ann. § 7-13-4314; § 69-7-201 (2015).*

Section 5: Extensions- Any extensions of a wastewater main into any new subdivision or annexed property shall be engineered, designed, inspected and have approved construction by the City Engineer. The cost of the City Engineer and any inspection will be reimbursed to the city by the party requesting the extension of the wastewater main. Construction and

materials for wastewater main line extensions requested by a developer of an annexed property or property owner, are to be paid by the developer or owner and the wastewater main line will become property of the City upon completion and acceptance by the City Engineer. An easement of 10ft. on each side of the main line shall be given to the City of any main line extensions and no development may happen on those easements.

Section 6: Plumbing – No new service connection to the sewer system shall be made for premises in which the plumbing does not comply with the requirements of the building and plumbing code in effect at the time of the performance of such activity and as adopted by the State of Montana.

Section 7: Tampering – No person shall tamper with, alter or damage any part of the city sewer system.

Section 8: Repairs – Owners of the premises served shall keep the drain pipes and plumbing in good repair and shall prevent the leakage of sewage from drain pipes. They shall be liable to the City of Thompson Falls for failure to do so. All repairs for drain pipes and plumbing systems within the boundaries of premises serviced by the sewer system shall be made at the expense of the owners of the premises served. The City may, in the case of an emergency, repair any drainpipes and the owner of the premises served shall reimburse the City such repair work.

Section 9: Grinder Pumps-

- A. Grinder pumps will be pulled and refurbished on a 5 to 6-year rotating schedule by the City.
- B. Grinder pumps are only to be worked on, replaced or repaired by the City. No homeowners, renters or private contractors are to do anything with a grinder pump unless approved in writing by the Director of Public Works.
- C. Homeowners will be notified when the grinder pumps are to be repaired or pulled and when the work is done.

Section 10: Septic Waste – No person shall introduce into the sewer system or discharge directly into the sewage treatment lagoon any septic sewage which comes from or is generated by individual septic tanks, recreational vehicles, camper trailers, cesspools, or other private sewage disposal systems.

Section 11: The Use of Public Sewers –

A. Unpolluted Drainage: No person shall discharge or cause to be discharged any unpolluted waters such as stormwater, surface water, groundwater, roof runoff, subsurface drainage, or cooling water to the City sewer. After the effective date hereof, no new clear water connection from roof drains, storm drains or otherwise shall be made to the City wastewater sewer.

B. Use of Storm Sewer Required: Stormwater and all other unpolluted drainage shall be discharged to such sewers as are specifically designated as storm sewers or to a natural outlet approved by the Public Works Director and the state department of health. Unpolluted industrial cooling water or process waters may be discharged, on approval of the Public Works Director, to a storm sewer or natural outlet.

C. Prohibited Discharges: No person shall discharge or cause to be discharged any of the following described water or wastes to any public sewers:

- 1. Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid or gas.

2. Any liquids containing toxic or poisonous solids, liquids or gases in sufficient quantity, either singly or by interaction with other wastes, to contaminate the sludge of any municipal system, to damage or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in or have an adverse effect on the waters receiving any discharge from the treatment works.
3. Any glass, metal, gravel, sand, aquarium stone, coffee grinds, seafood shells, socks, rags or cloths, plastic, sanitary napkins or tampons, disposable diapers, kitty litter, explosives, flammable materials, lubricating oil, grease, paint, large amounts of cooking oil, strong chemicals, gasoline or diesel, stormwater runoff, and personal wipes (and other products marked "flushable")
4. Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the wastewater facilities such as, but not limited to, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood unground garbage, whole blood, paunch manure, hair and fleshings, entrails, paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
5. Any prohibited discharge of toxic pollutants which cause an increase in the city's cost of managing the effluent or the sludge of the City treatment works shall result in the increased costs being assessed to the responsible party.

D. Harmful Materials/Substances: The following described substances, materials, waters or wastes shall be limited in discharges to the City sewer to concentrations or quantities which will not harm either the sewers, the sludge of the system, the wastewater treatment process or equipment, will not have an adverse effect on the receiving stream, or will not otherwise endanger lives, limb, public property, or constitute a nuisance. The Public Works Director may set limitations lower than the limitations established in the regulations in this subsection if, in his opinion, such more severe limitations are necessary to meet the above objectives. In forming his opinion as to the acceptability, the Public Works Director will give consideration to such factors as: 1) the quantity of subject waste in relation to flows and velocities in the sewers, 2) materials of construction of the sewers, 3) the wastewater treatment process employed, 4) capacity of the wastewater treatment plant, and other pertinent factors. The limitations or restrictions on materials or characteristics of waste or wastewaters discharged to the sanitary sewer which shall not be violated without approval of the Public Works Director are as follows:

1. Wastewater having a temperature higher than one hundred fifty degrees Fahrenheit (150°F) (65°C).
2. Wastewater containing more than twenty-five milligrams per liter (25 mg/l) of petroleum oil non-biodegradable cutting oils or product of mineral oil origin.
3. Wastewater from industrial plants containing floatable oils fat or grease
4. Any garbage that has not been properly shredded. Garbage grinders may be connected to sanitary sewers from homes hotels, institutions, restaurants, hospitals, catering establishments, or similar places where garbage originates from the preparation of food in kitchens for the purpose of consumption on the premises or when served by caterers.

5. Any waters or wastes containing iron, chromium, copper, zinc and similar objectionable or toxic substances to such degree that any such material received in the composite wastewater at the wastewater treatment works exceeds the limits established by the Public Works Director for such materials
6. Any waters or wastes containing odor producing substances exceeding limits which may be established by the Public Works Director.
7. Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the Public Works Director in compliance with applicable state or federal regulations.
8. Quantities of flow, concentrations or both, which constitute a "slug" as defined in the City Code (9-2-1). A "slug" is defined as any discharge of water or wastewater which in concentration of any given constituent, or in quantity of flow, exceeds for any period of duration longer than fifteen (15) minutes more than five (5) times the average twenty-four (24) hour concentration or flows during normal operation and shall adversely affect the collection system or performance of the wastewater treatment works.
9. Waters or wastes containing substances which are not amendable by treatment or reduction by the wastewater treatment processes employed or are amendable to treatment only to such degree that the wastewater treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.
10. Any water or wastes which may interact with other water or wastes in the public sewer system, release noxious gases, form suspended solids which interfere with the collection system, or create a condition deleterious to structures and treatment processes.

E. Authority To Reject, Require Pretreatment, Or Control Quantity: If any waters or wastes are discharged, or are proposed to be discharged to the public sewers, which waters contain the substances or possess the characteristics enumerated in subsection C or D above, and which in the judgment of the Public Works Director may have a deleterious effect upon the wastewater facilities, processes, equipment or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the Public Works Director may:

1. Reject the wastes;
2. Require pretreatment to an acceptable condition for discharge to the public sewers;
3. Require control over the quantities and rates of discharge; and/or
4. Require payment to cover the added cost of handling and treating the wastes not covered by existing taxes or sewer charges.

If the Public Works Director permits the pretreatment or equalization of waste flows, the design and installation of the plants and equipment shall be subject to the review and approval of the Public Works Director and the state department of health.

F. Interceptors Required:

1. Required: Grease, oil and sand interceptors shall be provided when, in the opinion of the Public Works Director, they are necessary for the proper handling of liquid wastes containing floatable grease in excessive amounts as specified in subsection 03 of this section, or any flammable wastes, sand or other harmful ingredients; except that such interceptors shall not be required for private living quarters or dwelling units.
2. Type; Capacity; Location: All interceptors shall be of a type and capacity approved by the Public Works Director and the state plumbing code and shall be located as to be readily and easily accessible for cleaning and inspection.
3. Collected Materials; Records: In the maintaining of these interceptors, the owner shall be responsible for the proper removal and disposal by appropriate means of the captivated material and shall maintain records of the dates and means of disposal which are subject to review by the Public Works Director. Any removal and hauling of the collected materials not performed by owner's personnel must be performed by currently licensed waste disposal firms.
4. Maintenance: Where pretreatment or flow equalization facilities are provided or required for any waters or wastes they shall be maintained continuously in satisfactory and effective operation by the owner at his expense

Section 12: Inspectors-

A. Right of Entry: The Public Works Director and other duly authorized employees of the city bearing proper credentials and identification shall be permitted to enter all properties for the purposes of inspection, observation, measurement, sampling and testing pertinent to discharge to the City sewer.

B. Safety Rules; Indemnification: While performing the necessary work on private properties referred to in subsection A of this section, the Public Works Director or duly authorized employees of the city shall observe all safety rules applicable to the premises established by the company, and the company shall be held harmless for injury or death to the city employees, and the city shall indemnify the company against loss or damage to its property by city employees and against liability claims and demands for personal injury or property damage asserted against the company growing out of the gauging and sampling operation, except as such may be caused by negligence or failure of the company to maintain safe conditions as required in subsection 9-2-5G of this chapter.

C. Access to Easements: The Public Works Director and other duly authorized employees of the city bearing proper credentials and identification shall be permitted to enter all private properties through which the city holds a duly negotiated easement for the purposes of, but not limited to, inspection, observation, measurement, sampling, repair and maintenance of any portion of the wastewater facilities lying within said easement. All entry and subsequent work, if any, on said easement, shall be done in full accordance with the terms of the duly negotiated easement pertaining to the private property involved.

Section 13: Outdoor Privies, Prohibited- No person shall erect or maintain an outdoor privy or privies within the City.

Section 14: Private Wastewater Disposal –

A. Public Sewer Unavailable: Where a public sanitary sewer is not available, the building sewer shall be connected to a private wastewater disposal system complying with the provisions of this section.

B. County Permit Required: Before commencement of construction of a private wastewater disposal system, the owner shall first make application to the Sanders County Sanitarian and obtain a written permit signed by the Sanitarian or designated agent. The application, fees, procedures and all administration shall be conducted through the Sanders County septic regulations.

C. Inspection: A permit for a private waste disposal system shall not become effective until the installation is completed in accordance with the Sanders County septic regulations.

D. The type, capacities, location and layout of a private wastewater disposal system shall comply with current septic regulations of Sanders County.

E. Public Sewer Becomes Available: At such time as a public sewer becomes available to a property served by private wastewater disposal system, a direct connection shall be made to the public sewer within one hundred twenty (120) days, and any septic tanks, cesspools and similar private wastewater disposal facilities shall be cleaned of sludge and filled with suitable material at no expense to the city.

Section 15: Costs for unauthorized materials-

Any property that releases any prohibited substances into the City of Thompson Falls Wastewater System and causes damage to the system, the property owner, will be held monetarily responsible for any costs needed to repair the system. Any property that releases any prohibited substances that damages a grinder pump, the property owner, will be held monetarily responsible for replacement of the grinder pump. These costs can be placed as a lien against the property where the prohibited discharge took place.

SEWER RATES

Section 1. Rate Schedule - The following schedule of rates based on meter readings shall be charged for City of Thompson Falls water service:

SEWER

New Wastewater Rate. The City's monthly base rate for the Wastewater System is calculated by determining an amount per EDU sufficient to pay Wastewater System debt service and reserve costs, plus a portion of the operation and maintenance costs. The new monthly rate will be as follows:

RESIDENTIAL: ¾ INCH WATER LINE

Base rate is \$58.00, with 2,000 gallons included. This shall increase to \$58.50 on January 1, 2022, then to \$59.00 on January 1, 2023, and to \$59.50 on January 1, 2024.

Charge \$4.10 for each 1,000 gallons used per month after 2,000 gallons per month.

COMMERCIAL: ¾ INCH WATER LINE

Base rate is \$63.00, with 2,000 gallons per month included. This shall increase to \$63.50 on January 1, 2022, then to \$64.00 on January 1, 2023, and to \$64.50 on January 1, 2024.

Charge \$4.10 for each 1,000 gallons used per month after 2,000 gallons per month.

Rental Units—Sewer Charge

A residential connection with additional separate rental(s) shall be charged the base rate of \$58.00 per month for the first user and \$58.00 per month for each additional rental unit with 2,000 gallons per month for each unit included in the base rate. These respective base rates shall increase to \$58.50 on January 1, 2022, then to \$59.00 on January 1, 2023, and to \$59.50 on January 1, 2024. Charge \$4.10 for each 1,000 gallons used per month after 2,000 gallons per month.

The minimum monthly charge is determined by multiplying the base rate by the EDU Multiplier associated with the water line size as described above for water. The minimum monthly base charge is based on an average usage from November to May.

Meter Size	Multiplier
3/4"	1
1"	1.79
1 1/2"	4
2"	7.14
3"	16
4"	28.57

Thompson Falls Municipal Sewer Rates

\$4.10/1,000 Gallons over 2,000 Gallons

\$2,000.00 Connection fee

\$50.00 Maintenance and repairs after regular business hours

\$15.00 Delinquent Notice Charge

\$5.00 Delinquent Charge After Payment Due Date

\$30.00 NSF Checks

Rental Units - Sewer Charge

A residential connection with additional separate rental(s) shall be charged the base rate of \$58.00 per month for the first user and \$58.00 per month for each additional rental unit with 2,000 gallons per month for each unit included in the base rate. Charge \$4.10 for each 1,000 gallons used per month after 2,000 gallons per month.

Section 2: Modification of Rate Schedule-The foregoing rate schedule may be amended from time to time by resolution of the City Council in accordance with the City code of Thompson Falls and laws of the State of Montana. Any such resolution modifying the rate schedule shall also provide for amendment of these regulations to reflect the new rate schedule.

Section 3: Foreclosed Properties – If a property is Foreclosed the Foreclosing Company shall:

1. Pay the bill in full
2. Notify the City to turn off the services after the account is showing zero usage. Vacation rate charges have to be applied for and will accrue until the property is bought by a new owner/customer.
3. The new owner/customer will pay a \$50.00 turn on fee and all accrued charges to have the services turned on.

AUTHORITY

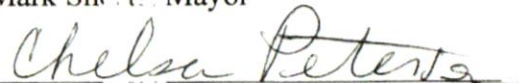
Section 1. Authority to Amend Regulations - The City Council of Thompson Falls expressly reserves the right to amend these regulations at any time with a majority vote of the council and at a properly noticed meeting.

The foregoing Regulations were adopted by the City Council on April 10, 2023. The regulations are all inclusive and supersede all prior enactments of the City Council.

IN WITNESS WHEREOF the City Council of Thompson Falls, Montana passed and approved the foregoing regulations effective the 10th day of April, 2023.



Mark Shortt, Mayor

Attest: 

Chelsea Peterson, City Clerk/Treasurer



**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, _____ Phone # _____

request the following item be placed on the agenda for
the November 10 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: 6:00pm

Action: Montana League of Cities and Towns
Contract Amendment

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

AMENDMENT #1
AGREEMENT FOR MUNICIPAL FINANCIAL SERVICES

THIS AMENDMENT to the AGREEMENT FOR MUNICIPAL FINANCIAL SERVICES dated November 4, 2025 is made and entered into by and between the original Parties to the Agreement, the Montana League of Cities and Towns and the City of Thompson Falls.

Section 3 of the AGREEMENT FOR MUNICIPAL FINANCIAL SERVICES is hereby amended by the Parties to read as follows:

- 3. Scope of Services.** MLCT will perform and complete municipal financial services as follows:
- A. Financial Report Preparation. Prepare annual finance report along with yearly closing entries including all GASB adjustments, documenting and accounting for all assets, liabilities, revenues, and expenditures.
 - B. Training. Provide training on any aspect of municipal finance upon request by Municipality, including but not limited to financial reconciliation, budgeting, and reporting.

All other terms, conditions, and sections of the AGREEMENT FOR MUNICIPAL FINANCIAL SERVICES remains in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the dates stated below.

FOR THE CITY OF THOMPSON FALLS

Signed: _____
Dated: _____
By: Rusti Leivestad, Mayor

FOR THE MONTANA LEAGUE OF CITIES AND TOWNS

Signed: _____
Dated: _____
By: Kelly A. Lynch, Executive Director

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Pusti Phone # _____

request the following item be placed on the agenda for
the November 10 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: 6:00 pm

Action: Water Project Amended Bond
Anticipatory Note Resolution

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

RESOLUTION NO. ____

A RESOLUTION OF THE CITY OF THOMPSON FALLS AMENDING AND SUPPLEMENTING ITS RESOLUTION NO. 853 IN SECTIONS 1.01, 2.02, AND 2.08 FOR THE PURPOSE OF INCLUDING ALTERNATE LONG-TERM FINANCING

WHEREAS, the City of Thompson Falls, Montana (the "City") has obtained a commitment from the Montana State Revolving Fund to provide long-term financing for the Project defined in Resolution 853 in the event the Anticipated RD Loans and Grants cannot be made available due to the pending shutdown of the United States federal government.

BE IT RESOLVED by the City Council (the "Council") of the City of Thompson Falls, Sanders County, Montana (the "City"), as follows:

1. Amendment of Section 1.01. Section 1.01 of Resolution No. 853 shall be amended to read as follows:

1.01. Background. The City intends to make improvements to its Water System which includes the design, construction and financing of a new 400,000-gallon storage tank, the replacement of water mains to include new fire hydrants, valves and water meters and boxes and the financing costs of the above (the "Project"). The City applied for loans and grants from the United States Department of Agriculture, Rural Development office ("RD"), consisting of the purchase by RD of the City's water system revenue bond in the estimated aggregate amount of \$1,933,000 and estimated grants from RD of \$1,831,000 (collectively the "Anticipated RD Loans and Grants"). The City has, alternately, obtained from the Montana Drinking Water State Revolving Fund Loan Program a commitment to lend up to \$3,764,000 (the "SRF Loan") if for any reason the full Anticipated RD Loans and Grants become unavailable. In addition to the anticipated funding from RD for the Project, the City has received commitments for grants from the Montana Coal Endowment Program ("MCEP") in the amount of \$750,000; the Montana Department of Natural Resources and Conservation ("DNRC") through a Renewable Resource Grant ("RRGL") in the amount of \$125,000; American Rescue Plan Act Grant ("ARPA") in the amount of \$2,304,413 and the City plans to contribute \$200,000 of its own funds. The City has obtained a commitment from the ("DNRC") for a Series 2025 Bond Anticipation Note in the amount of \$1,933,000 for the Project. The City has received bids for the construction of the Project within the engineers' estimates and funds available for the Project.

2. Amendment of Section 2.02. Section 2.02 of Resolution No. 853 shall be amended to read as follows:

2.02. Payment Terms. In order to obtain a disbursement of a portion of the principal of the Series 2025 Revenue Note to pay costs of the Project, the City shall submit to the DNRC a signed request for disbursement on the form prescribed by the DNRC and RD that has been approved by the City, with all attachments required by such form. The DNRC and RD will in turn notify the City whether the signed request warrants a disbursement under the Series 2025 Revenue Note. If RD is unable to approve a request for disbursement during a time when the United States federal government is in a shutdown, the City will proceed with DNRC approval of the request for disbursement. The City may obtain disbursements only for costs which have been legally incurred and are due and payable. All disbursements of proceeds will be made to the City only upon proof that an eligible cost was incurred. If all or a portion of a disbursement of principal of the Series 2025 Revenue Note is made to reimburse Project costs paid by the City prior to the date of issuance of the Series 2025 Revenue Note, the City shall present on such issuance date the items required by the above provisions of this Section 2.02 relating to such costs. Upon making each disbursement of principal, the DNRC shall note such disbursement on Schedule A to the Series 2025 Revenue Note. The City's obligations under this Resolution shall commence on the date hereof unless otherwise provided in this Resolution. However, the obligation to make payments under this Section 2.02 shall commence only upon the first disbursement of proceeds of the Series 2025 Revenue Note.

3. Amendment of Section 2.08. Section 2.08 of Resolution No. 853 shall be amended to read as follows:

2.08. Issuance of the Series 2025 Revenue Note: No Further Encumbrance. The Series 2025 Revenue Note is issued in anticipation of receipt by the City of the proceeds to be received of the Anticipated RD Loans and Grants, or alternatively the SRF loan, and pursuant to the MCEP, ARPA and RRGL grants referenced herein. The City shall not issue any other obligation payable from the proceeds of the Anticipated RD Loans and Grants or the grants referenced herein without the prior written consent of the holder of the Series 2025 Revenue Note, which consent may be withheld in the sole discretion of such holder.

Passed and adopted by the City Council of the City of Thompson Falls, Sanders County, Montana, on this ____ day of _____, 2025.

Approved:

Attest:

Mayor

Clerk

The following Council Members voted in favor of the Resolution:

The following Council Members voted against the Resolution:

The following Council Members were absent or abstained:

RESOLUTION NO. 853

RESOLUTION RELATING TO THE PURCHASE BY THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION OF A BOND ANTICIPATION NOTE TO BE ISSUED BY THE CITY OF THOMPSON FALLS IN ANTICIPATION OF ISSUANCE OF WATER SYSTEM REVENUE BOND; FIXING THE FORM AND DETAILS, MAKING COVENANTS WITH RESPECT THERETO, AND AUTHORIZING THE ISSUANCE, EXECUTION AND DELIVERY OF THE 2025 BOND ANTICIPATION NOTE

BE IT RESOLVED by the City Council (the "Council") of the City of Thompson Falls, Sanders County, Montana (the "City"), as follows:

Section 1. Recitals. Authorization and Sale.

1.01. Background. The City intends to make improvements to its Water System which includes the design, construction and financing of a new 400,000-gallon storage tank, the replacement of water mains to include new fire hydrants, valves and water meters and boxes and the financing costs of the above (the "Project"). The City applied for loans and grants from the United States Department of Agriculture, Rural Development office ("RD"), consisting of the purchase by RD of the City's water system revenue bond in the estimated aggregate amount of \$1,933,000 and estimated grants from RD of \$1,831,000 (collectively the "Anticipated RD Loans and Grants"). In addition to the anticipated funding from RD for the Project, the City has received commitments for grants from the Montana Coal Endowment Program ("MCEP") in the amount of \$750,000; the Montana Department of Natural Resources and Conservation ("DNRC") through a Renewable Resource Grant ("RRGL") in the amount of \$125,000; American Rescue Plan Act Grant ("ARPA") in the amount of \$2,304,413 and the City plans to contribute \$200,000 of its own funds. The City has obtained a commitment from the ("DNRC") for a Series 2025 Bond Anticipation Note in the amount of \$1,933,000 for the Project. The City has received bids for the construction of the Project within the engineers' estimates and funds available for the Project.

1.02. Authorization of Series 2025 Bond Anticipation Note. The City is a local government entity authorized by, under and pursuant to Montana Code Annotated, Section 7-7-109, to issue a note in anticipation of the issuance and delivery of its bonds or receipt of its grants. The City has agreed and hereby resolves, to fulfill the conditions required by RD for the Anticipated RD Loans and Grants and, if the Anticipated RD Loans and Grants are not fully or timely available, the City intends to request permanent long-term funding for Project from DNRC. In order for the City to complete the Project, the City has determined that it is in its best interest to provide for the issuance and sale of a bond anticipation note to the DNRC in the principal amount of \$1,933,000 (the "Series 2025 Revenue Note") to provide interim financing for a portion the Project, which said portion will be paid in full by the issuance of the City's Water revenue bond. The City has received an offer from DNRC to lend to the City an amount up to \$1,933,000 in anticipation of the receipt of the above-referenced bond proceeds, upon the further terms and conditions herein set forth. The terms and conditions of the offer are reasonable and advantageous to the City and are hereby accepted.

1.03. Recitals. All acts, conditions and things required by the Constitution and laws of the State to be done, to exist, to happen and to be performed prior to the issuance of the Series 2025 Revenue Note have been done, do exist, have happened, and have been performed in due time, form and manner. Therefore, it is now necessary for this Council to establish the form and terms of the Series 2025 Revenue Note, to provide for the security thereof and to issue the Series 2025 Revenue Note.

Section 2. The Series 2025 Revenue Note.

2.01. General Terms. The City shall forthwith issue the Series 2025 Revenue Note in a principal amount not to exceed \$1,933,000. The Series 2025 Revenue Note shall be dated as of the date of its delivery to DNRC. Upon each disbursement of the Series 2025 Revenue Note proceeds, the DNRC shall enter the amount advanced on Schedule A attached thereto under "Advances" and the total amount advanced under this Resolution, including such disbursement, under "Total Amount Advanced." The Series 2025 Revenue Note shall be lettered and numbered R-1 and shall mature, subject to redemption as herein provided, three years from the date of closing (the "Stated Maturity"), and shall bear interest on the unpaid amounts advanced from the date such amount is advanced at the rate per annum of one and seventy-five 100ths percent (1.75%). Interest shall be computed on the basis of the actual number of days in the year and the actual number of days the Series 2025 Revenue Note is outstanding. Principal and interest shall be payable on its Stated Maturity or upon earlier redemption of the Series 2025 Revenue Note. The principal of and interest on the Series 2025 Revenue Note shall be payable in lawful money of the United States of America by the City to the registered owner of the Series 2025 Revenue Note at its address as it appears in the Note Register of the City.

2.02. Payment Terms. In order to obtain a disbursement of a portion of the principal of the Series 2025 Revenue Note to pay costs of the Project, the City shall submit to the DNRC a signed request for disbursement on the form prescribed by the DNRC and RD that has been approved by the City, with all attachments required by such form. The DNRC and RD will in turn notify the City whether the signed request warrants a disbursement under the Series 2025 Revenue Note. The City may obtain disbursements only for costs which have been legally incurred and are due and payable. All disbursements of proceeds will be made to the City only upon proof that an eligible cost was incurred. If all or a portion of a disbursement of principal of the Series 2025 Revenue Note is made to reimburse Project costs paid by the City prior to the date of issuance of the Series 2025 Revenue Note, the City shall present on such issuance date the items required by the above provisions of this Section 2.02 relating to such costs. Upon making each disbursement of principal, the DNRC shall note such disbursement on Schedule A to the Series 2025 Revenue Note. The City's obligations under this Resolution shall commence on the date hereof unless otherwise provided in this Resolution. However, the obligation to make payments under this Section 2.02 shall commence only upon the first disbursement of proceeds of the Series 2025 Revenue Note.

2.03. Registration. The Series 2025 Revenue Note shall be fully registered as to both principal and interest and shall initially be registered in the name of and payable to DNRC as original purchaser thereof. The City Clerk shall act as Note Registrar and as such shall establish and maintain a Note Register for the purpose of recording the names and addresses of the registered owners of the Series 2025 Revenue Note and the date of registration of any transfer.

2.04. Redemption. The Series 2025 Revenue Note shall be subject to redemption in whole, or in part, on any date (or dates if it is redeemed in part), at the principal amount thereof plus accrued interest. Not less than 10 days before the date specified for redemption thereof, the City Clerk shall mail notice of the redemption to the registered owner thereof at the address as it appears on the registration books of the Note Registrar.

2.05. Form of Series 2025 Revenue Note. The Series 2025 Revenue Note shall be prepared in substantially the form attached as Exhibit A to this Resolution, which is hereby incorporated herein and made a part hereof, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution.

2.06. Assignment. The Series 2025 Revenue Note shall be transferable by the registered owner or attorney duly authorized in writing upon presentation thereof to the City Clerk together with a written instrument of transfer satisfactory to the City Clerk duly executed by the registered owner or its attorney. Such transfer shall be noted on the Series 2025 Revenue Note. Upon request of the registered owner or transferee, the City shall execute and deliver another Series 2025 Revenue Note of a principal amount equal to the outstanding principal amount of the Series 2025 Revenue Note and maturing at the same time as the Series 2025 Revenue Note so transferred, and the Series 2025 Revenue Note so surrendered for transfer shall be promptly canceled by the City Clerk. No service charge shall be made for such transfer, but the City may require payment of a sum sufficient to cover any tax, fee or governmental charge or other expense incurred by the City with respect to such transfer. Until and unless otherwise provided by resolution of this Council, the following shall be a sufficient written instrument of transfer within the meaning of this Section 2.06:

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the Bond Anticipation Note, Series 2025, No. R-1, of the City of Thompson Falls, Sanders County, Montana, and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the Series 2025 Revenue Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Registered Owner

2.07. Preparation, Execution and Delivery of Series 2025 Revenue Note. The Series 2025 Revenue Note shall be prepared under the direction of the City Clerk and when so prepared shall be executed on behalf of the City by the Mayor and Clerk of the City. When the Series 2025 Revenue Note has been so executed, it shall be delivered to DNRC upon receipt of the initial advance heretofore agreed upon, and DNRC shall not be required to see to the application thereof.

2.08. Issuance of the Series 2025 Revenue Note: No Further Encumbrance. The Series 2025 Revenue Note is issued in anticipation of receipt by the City of the proceeds to be received of the Anticipated RD Loans and Grants and pursuant to the MCEP, ARPA and RRGL grants referenced herein. The City shall not issue any other obligation payable from the proceeds of the Anticipated RD Loans and Grants or the grants referenced herein without the prior written consent of the holder of the Series 2025 Revenue Note, which consent may be withheld in the sole discretion of such holder.

2.09. Application of Proceeds. All of the proceeds of the Series 2025 Revenue Note shall be deposited in an account established for the Project, held and administered by the City Clerk and used solely to defray expenses of the Project, including but not limited to engineering expenses and the transfer to the Series 2025 Revenue Note Account, created pursuant to Section 3.01 of this Resolution, to the extent necessary, of amounts sufficient for the payment of interest and principal due upon the Series 2025 Revenue Note.

Section 3. Security Provisions.

3.01. Series 2025 Revenue Note Account. There is hereby established a separate and special Note Account (the "Series 2025 Revenue Note Account") of the City. The City irrevocably appropriates to the Series 2025 Revenue Note Account the proceeds of the bond or grants referenced herein, and such other money as shall be appropriated to the Series 2025 Revenue Note Account from time to time.

Amounts on deposit in the Series 2025 Revenue Note Account shall be used solely to pay the principal of and interest on the Series 2025 Revenue Note.

3.02. Registered Owner's Remedies. In the event the City has not received the proceeds of the Anticipated RD Loan or Grant on or before the Stated Maturity of the Series 2025 Revenue Note, the registered owner of the Series 2025 Revenue Note, may at its option and in its sole discretion:

a. extend, upon request of the City, the Stated Maturity of the Series 2025 Revenue Note to a date (no later than 3 years after the date of the Series 2025 Revenue Note) by which the City anticipates receiving the proceeds of the Anticipated RD Loans and Grants, but only upon receipt of a letter signed by the Department of Natural Resources and Conservation that the City is still entitled to the Anticipated RD Loans and Grants; or

b. demand that the City issue and deliver to the registered owner a water revenue bond of the City, in principal amount sufficient to pay the principal of and interest on the Series 2025 Revenue Note, payable from the revenues of the City's water system over a term not to exceed 20 years, in accordance with the provisions of Section 4 hereof.

Section 4. Issuance of Long-Term Limited Obligation Bond/Sufficient Rate and Charges. The City hereby covenants and agrees for the benefit from time to time of the owners of the Series 2025 Revenue Note that on or before the Stated Maturity of the Series 2025 Revenue Note, in the

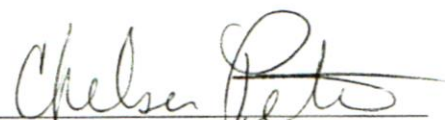
event RD is unable to fund the final take-out, or upon demand of the registered owner as provided for in Section 3.02(b), it will issue and deliver to the registered owner a Water revenue bond in an amount sufficient to pay principal of and interest on the Series 2025 Revenue Note, payable over 20 years with interest at 2.50% (the "DNRC Long-Term Bond"), which is the rate of interest regularly charged by DNRC for 20 year loans in its SRF Program. In such an event, the City hereby covenants that water rates and charges will be established to provide sufficient revenues to pay all of its current water obligations and meet its coverage and reserve requirements and be able to pay principal and interest payments on the DNRC Long-Term Bond and maintain reserve and coverage requirement after the issuance of the DNRC Long-Term Bond.

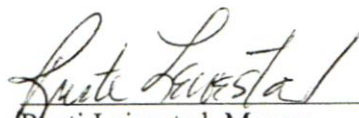
Section 5. Effective Date. All resolutions and parts of resolutions heretofore adopted by this Council which are in conflict herewith are hereby amended so as to conform with the provisions of this resolution, and, as so amended, are hereby ratified and confirmed. This resolution shall become effective upon passage.

Passed and adopted by the City Council of the City of Thompson Falls, Sanders County, Montana, on this 10 day of February 2025.

Approved:

Attest:


Chelsea Peterson, Clerk/Treasurer


Rusti Leivestad, Mayor

The following Council Members voted in favor of the Resolution:

Raoul Ribeiro, City Council President; Hayley Allen-Blakney, City Council Vice President; Katherine Maudrone, Earlene Powell, Larry Lack, and Shawni Vaught

The following Council Members voted against the Resolution:

N/A

The following Council Members were absent or abstained:

N/A

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Rusti Phone # _____

request the following item be placed on the agenda for
the November 10 20 25, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: 6:00pm

Action: Water Project Contract Award

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

**REQUEST FOR ITEM TO BE PLACED ON AGENDA
THOMPSON FALLS CITY COUNCIL**

I, Rusti Phone # _____

request the following item be placed on the agenda for
the November 10 2025, City Council Meeting:

Please give a brief description of the item to be discussed,
approximate time you need and the results you would like to see.

Information: _____

Time: 6:00 pm

Action: Term Extension for ARPA
Grant AMG-23-0008

**All agenda requests must be submitted by Noon on
Wednesday before the Council Meeting.**

City of Thompson Falls



Mayor
Russlyn
Leivestad

City Attorney
Timothy Goen

Ward I
Larry Lack
Raoul Ribeiro

Ward II
Earlene Powell
Katherine Maudrone

Ward III
Hayley Allen-
Blakney
Shawni Vaught

November 12, 2025

Rachel Gemar
Compliance Program Lead
American Rescue Plan Act (ARPA) Program
Conservation and Resource Development Division
1539 Eleventh Avenue
Helena, MT 59601

Subject: Term Extension for ARPA Grant #AMC-23-0068

Dear Rachel Gemar:

The City of Thompson Falls requests an extension of the term date for ARPA Grant# AC-22-0073 to June 30, 2026. The city acknowledges that this will be the final day to incur expenses for reimbursement and that the ARPA program will not reimburse costs incurred beyond this date. The city agrees to submit the final reimbursement request, final report, and all other requested submittals to DNRC within 90 days of closeout.

Justification for Extension

We've faced some unexpected hurdles in our project timeline due to an extended lawsuit concerning our Phase 1 and Phase 2 wastewater projects. While we're glad to share that the lawsuit has been settled, it did require a substantial amount of resources from both us and our consultant, Great West Engineering. Additionally, finalizing the hydrogeological and PWS 6 Reports, as well as the plans and specifications for each project phase, took a bit longer than anticipated.

The silver lining is that we've made notable progress. On September 30th, the city opened bids for both the Phase 1 (Distribution System) and Phase 2 (Storage Tank) aspects of our project. Looking ahead, Phase 3 will focus on constructing a new well. The city received a total of nine bids, with Thompson Contracting Inc. (TCI) from Libby submitting the lowest bid. Great West Engineering has evaluated TCI's bid package and recommended to the city that it award the contract contingent upon approval of USDA Rural Development and DEQ. However, because of the shutdown of the federal government, we haven't received RD's competition. If the government shutdown continues, to facilitate the project's progress, DEQ and the DNRC have agreed to issue a commitment of State Revolving Fund (SRF) loan funding, enabling the city council to award TCI the construction contract.

Our next step is to begin contracting with TCI, schedule a preconstruction meeting, and issue the notice to proceed. TCI is aware of the timeline associated with the ARPA and is prepared to expedite mobilization to the project site, with the goal of starting construction by the end of November. The construction contract amount is \$4,267,898.

The contract amount stands at \$4,267,898, and we're pleased to confirm that our project budget has adequate funding to cover the costs for both Phase 1 and Phase 2, as well as the construction of the Phase 3 water well. We will commence the procurement process for Phase 3 by the end of November.

Remaining Scope Items

The following list is included in our ARPA grant agreement as Attachment A – Scope of Work. Except for the construction of the Phase 3 water well, Thompson Contracting will complete each of the following tasks:

Phase 1

- Replace 12 blocks of undersized and leaking main with approximately 8,200 lineal feet of new eight-inch (8) PVC water main.
- Replace 3,200 linear feet of eight (8) inch water main loop on Golf Street.
- Replace 2,500 linear feet of eight (8) inch transmission main from the well site to the Ashley Tank.
- Install associated valves and fittings.
- Install five (5) air release/blowoffs.
- Install six (6) new fire hydrants.
- Replace 26 service line connections.
- Replace 570 lineal feet of one-inch service line.
- Relocate 26-meter pits.

Phase 2

- Construct a new 400,000-gallon prestressed concrete tank adjacent to the Jefferson Tank site.

Phase 3

- Drill a new water supply well to provide an additional 500 gallons per minute capacity.

Detailed Timeline and Projected Expenditures for Project

On September 30th, we opened bids for both Phase 1 (Distribution System) and Phase 2 (Storage Tank) of the project. Phase 3 will involve constructing a new well. Great West Engineering evaluated TCI and recommended to the Town Council that the construction contract be awarded to TCI. At our meeting on November 10th, the Council voted in favor of awarding the contract to TCI. We have sent a copy of the notice of award to TCI and initiated the contracting process. Within the next few days, we'll schedule the pre-construction meeting, issue a Notice to Proceed, and TCI will mobilize its equipment and crew to the project site, with construction expected to begin by the end of November. TCI is aware of the timeline associated with the ARPA funds and is prepared to meet this schedule.

We have spent \$778,292.32 of our ARPA funds. The remaining balance is \$1,162,329.68.

Project Manager Carrie Gardner, PE, has estimated quarterly spending through May 31, 2026. As required by the Letter of Conditions from the Rural Development funding we received for the project, we have contributed \$106,008.85 from our water fund as our cash contribution. Therefore, we have fulfilled the matching requirement stipulated in the ARPA grant agreement.

Project Manager Gardner's drawdown schedule includes a winter shutdown of 45 to 60 days, with construction expected to resume in early March 2026. This schedule will depend on weather conditions and site readiness. However, based on our experience with the Phase 1 and Phase 2 sewer projects, we believe our engineer's schedule is reasonable. The table below summarizes Project Manager Gardner's estimates and anticipated spending through May 31, 2026.

Professional & Engineering Services, RPR, Cost Estimate	Pay App DD	Construction Cost Estimate	Total Monthly Cost Estimate		Total Estimated Monthly ARPA (MAG+COMP) Draw	Total Estimated Monthly Draw	Estimated Draw Date	Running Balance
								\$1,162,330
\$37,000	11/30/2025	\$450,000	\$487,000		\$487,000	\$487,000	12/15/2025	\$675,330
\$35,000	12/31/2025	\$350,000	\$385,000		\$385,000	\$385,000	1/15/2026	\$290,330
\$8,000	1/30/2025	\$0	\$8,000		\$8,000	\$8,000	2/15/2026	\$282,330
\$3,000	2/28/2025	\$0	\$3,000		\$3,000	\$3,000	3/18/2026	\$279,330
\$20,000	3/31/2025	\$75,000	\$95,000		\$95,000	\$95,000	4/18/2026	\$184,330
\$45,000	4/30/2025	\$65,000	\$110,000		\$110,000	\$110,000	5/15/2026	\$74,330
\$21,609	5/31/2025	\$52,721	\$74,330		\$74,330	\$74,330	6/12/2026	(\$0)
\$169,609		\$992,721	\$1,162,330		\$1,162,330	\$1,162,330		

Timeline for Expenditures of All Committed Match

The total amount spent will enable us to draw down all the ARPA funding by the end of May 2026 and submit our final request for ARPA funds, along with the final project report, by June 15, 2026.

Additional Grant Conditions

The City of Thompson Falls agrees to abide by the following conditions:

- ✓ Monthly call with our DNRC grant manager
- ✓ Monthly progress reports will be submitted before reimbursement
- ✓ Include the DNRC grant manager on all pre-construction and construction calls.

Sincerely,

Russlyn Leivestad
Mayor, City of Thomson Falls

Encl: SRF Loan Commitment
Project Status of Funds