



City of Libby Libby Montana

www.cityoflibby.com

PO Box 1428
952 E. Spruce Street
Libby MT, 59923
(406) 293-2731
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REGULAR COUNCIL MEETING AGENDA

Meeting #1708

Tuesday, September 8, 2026 @ 7PM

Council Chambers – City Hall

CALL TO ORDER

- Pledge of Allegiance
- Prayer by Mark Luttenberger
- Roll Call
- Welcome / Announcements
- Approve minutes for Council Meeting #1705 dated July 20, 2026, 1706 dated August 3, 2026 and #1707 dated August 17, 2026.
- Reports

Department Heads

- City Administrator
- Streets
- Police
- Clerk/Treasurer

Council Committees

- Building
- Cemetery/Parks
- Fire
- Lights/Streets/Sidewalks
- Ordinance
- Water/Sewer
- Wildlife

Other Boards

- Board of Health
- Planning/Zoning
- Shade Tree

PUBLIC COMMENT ON NON-AGENDA ITEMS

This is an opportunity for the public to offer comments related to issues that are **not** currently on the agenda that the council has jurisdiction over. Public comment is limited to 3 minutes.

NEW BUSINESS

The mayor will introduce each new agenda item with a description of the item and an explanation for the recommended action to be taken. Following council discussion on each item, there will be an opportunity for public comment. Public comment is limited to 3 minutes concerning the agenda item being discussed only.

1. Approve Libby Area Business Association Mineral Avenue Street closure request for Halloween, October 31st from 3:30-6pm, Lincoln Blvd to 2nd Street.
2. Approve Resolution #2075 – Emergency Disaster Tax Levy.
3. Approve Resolution #2076 – Establishing two new funds – Large Taxpayer Reserve Fund & Cemetery Perpetual Care Fund.
4. Approve Change Order 1 to Noble DR 4901 Emergency Contract.
5. Approve all claims received to date.
6. Approve all business license applications received to date.
 - a. J&E Builders and Services, 186 Falcon Trail. Individual, Carpentry and contractor services.
 - b. JJ's Homecare, 30292 Bull Lake Rd., Troy, Individual, Home cleaning, maintenance, lawn care, meal prep, and shopping.
 - c. MNM Property Mngmt, 1930 Chase Cutoff Rd., Troy, Individual, Lawn care and house cleaning.
 - d. Mountain Tree Service LLC, 275 Pinewood Lane, LLC, Arborist services, tree removal, ornamental pruning, lot clearing, and stump grinding.

UNFINISHED BUSINESS

Each item will be introduced by the mayor (or assigned liaison) with a description of the item. Following council discussion on each item, there will be an opportunity for public comment. **No action will be taken.** Public comment is limited to 3 minutes concerning each item.

GENERAL COMMENTS FROM COUNCIL

Public comment will not be taken during this portion of the meeting.

ADJOURNMENT

THE MANNER OF ADDRESSING COUNCIL

- Each person, not a Council member, shall address the Council at the time designated in the agenda or as directed by the Council, by stepping to the podium or microphone, giving that person's name and address in an audible tone of voice for the record, unless further time is granted by the Council, shall limit the address to the Council to three minutes.
- All remarks shall be addressed to the Council as a body and not to any member of the Council or Staff with no personal remarks allowed.
- No person, other than the Council and the person having the floor, shall be permitted to enter any discussion either directly or through a member of the Council, without the permission of the Presiding Officer.
- Any person making personal, impertinent, or slanderous remarks or who shall become boisterous or disruptive during the council meeting shall be forthwith barred from further presentation to the council by the presiding officer unless permission to continue is granted by a majority vote of the council.

ATTENTION

Full agenda: www.cityoflibby.com

To access this meeting electronically with Zoom:

Dial: 253-215-8782

Meeting ID: 4042719951

Password: 151041

Posted: 9/3/2026



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From: City Administrator Samuel Sikes

3 Sept 2026

To: Mayor Hugh Taylor and City Council Members

Subject: NOBLE EXCAVATION PROCUREMENT FOR DR 4901 RECOVERY

Due to the heartbreaking decision on August 5, 2026, that the existing spillway is unusable, we will not be able to complete the permanent repairs to the lower reservoir facility this year as planned. Accordingly, I am recommending that the city approve a change order to extend the existing emergency contract with Noble Excavating for making additional emergency preparations to the lower reservoir prior to the fall rains and spring runoff. The change order for the project will be limited to emergency preparations as directed by the project engineer only. The future permanent repairs will follow standard purchasing and procurement policies.

Following the December 2025 flood damage to our lower reservoir, the plan was to complete geotechnical studies, design a repair/replacement of the damaged northern wall, and complete the project this year before the fall rains and spring runoff arrived. This was an effort to mitigate the danger to our city's water system and to our residents from possible catastrophic failure flooding. The plan was following an accelerated timeline that was deemed necessary because any abnormally high additional flows would threaten the already damaged facility which could require widespread evacuations in the event of pending catastrophic failure of the facility.

With that being said, and as was briefed to the city council on August 17, 2026, we can no longer hold to completing the project this year due to the spillway determination that the existing spillway has been completely undermined making it unusable going forward. The spillway is the foundation that the northern and eastern retaining walls rely on to function as designed to divert water into our system and retain enough water to create the hydraulic pressure to function. Thus, the city must now shift from making permanent repairs back into emergency protective measures.

Permanent repairs and emergency protective measures each come with very different approaches and requirements in justifying timeframes, planning and designs, bidding, and funding. The city considered four options to move forward with making emergency preparations for the lower reservoir; Formal Solicitation of Bids, Sole Source Procurement, Exigency Purchases, and approving a Change Order to an existing contract. Due to the emergency circumstances, only Exigency Purchases or a Change Order will allow the city to complete the project in the timeframe we require.

After a lot of communication with all the principal parties, I am recommending making a Change Order, not to circumvent the system, but because it will serve the city the best on multiple fronts as many systems are already in place.

1. SHPO approved mine site and materials are in place.
2. FEMA and MT DES already approved the contractor pay scale and equipment rates.
3. The emergency contractor already knows the site and the same workers will be completing basically the same emergency work as before; [a proven track record.
4. The invoicing and reimbursement systems have already been created and used.
5. The emergency contractor still has temporary equipment utilized on the original emergency repairs like the temporary culvert.

When considering Exigency Purchases versus approving a Change Order, I noted that the Change Order would also serve the city better as there may be unforeseen challenges. We cannot be exactly sure what we will encounter once contact is made with the severely damaged northern wall. Under Exigency Purchases the city must provide a list of supplies and services to be provided and the amount of the contract. Because of the unknowns we cannot be sure of the amount of materials or contract price that the protective measures may cost, it will depend.

I understand that there is opportunity for a downfall in approving the Change Order; how do we ensure that the contractor is not overbilling or creating more work to make more money? The answer to this is fairly straight forward; communication and verification. As with the original emergency protective measures the city, including the project engineer, will be monitoring the work daily for adherence to the plan and all the invoices have multiple levels of scrutiny prior to approval.

The city is in uncharted territory in dealing with the lower reservoir following the flooding in December of 2026 as far as procurement and emergency versus permanent repairs go. The justification to utilize a change order over exigency is crucial to ensure the city is not simply trying to circumvent the system but to fulfill an emergency actual need. However, I feel confident that the city meets all the criteria to make approving the change order legal, moral, and in the best interests of the city moving forward in the future.



Samuel Earl Sikes
City Administrator

CHANGE ORDER

CHANGE ORDER NO.: 1

DATE: September 1, 2026

PROJECT: Lower Flower Creek Reservoir Emergency Protective Measures

PROJECT NO.: DR 4901

PURCHASE ORDER NO.: N/A

TO: City Administrator Samuel Sikes

You are hereby directed to make the following change(s) in this contract as per the attached itemized breakdown:

The Original Contract Sum Not to exceed \$1,500,000

Net Change by Previous Change Orders None

Contract Sum prior to this Change Order Not to exceed \$1,500,000

Contract Sum will be (increased/decreased)
by this Change Order – Attach Details \$500,000

New Contract Sum including this Change Order Not to exceed \$2,000,000

Contract Time will Increase by 60 days following notice to proceed.

Revised Contract Completion Date NLT October 30, 2026 without city administrator approval.

RECOMMENDED

Architect/Engineer/Project Manager

WWC Engineering

Kevin Grabinski, P.E., Principal

By: _____

Dated: _____

ACCEPTED

Contractor

Noble Excavating

Chris Noble, President

By: _____

Date: _____

APPROVED

City of Libby, Mayor Hugh Taylor

PO Box 1428, 925 E. Spruce Street

Libby, MT 59923

By: _____

Dated: _____

CITY OF LIBBY



INDEPENDENT CONTRACTOR AGREEMENT

for

LOWER FLOWER CREEK RESERVOIR

Emergency Protection Measures
DR-PW# 4901

with

NOBLE EXCAVATING, INC.

FEBRUARY 2026

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Independent Contractor Agreement

CITY OF LIBBY

This Agreement is made between City of Libby, "Libby" with a principal place of business at 952 E. Spruce St., Libby MT, 59923 and Noble Excavating, Inc. "Noble", with a principal place of business at PO Box 1592, 108 Jay Effar Rd. Libby MT, 59923.

1. Services to Be Performed (Scope of Work)

Noble agrees to perform emergency protective measure services at the lower flower creek reservoir. The Scope of Work and additional location information is provided in Appendix B.

Work Completion Timelines: Emergency protective measure actions commenced prior to the execution of this contract as described in the scope of work shall be completed within 90 days of the new year. Exceptions to this time frame must be approved by the mayor with consent of the city council.

Required Communication:

Contractor is required to communicate any anticipated road closures to the city administrator and streets supervisor prior to any closure. In addition, the actual start date, estimated completion date (with updates), must be emailed to vanessa.cruz@erassist.com, mayor@cityoflibby.com, and city.administrator@cityoflibby.com.

Work started prior to this contract agreement being fully executed and Noble had made contact with Samuel Sikes at (406) 293-1278 to schedule work and work supervision/inspection.

Required Invoice Documentation:

Invoices must be sent in pdf format and contain the project number and Tax ID.

Photos:

Noble must provide "before" photos and "after" photos of each site containing GPS coordinates using a phone application such as Solocator or GPS Camera. GPS coordinates must be in decimal form and carried out to at least six (6) decimal places. Before photos must be submitted prior to work starting, and After photos must be submitted with an invoice. Pictures taken prior to this contract are exempt from the GPS requirement.

Fill or Rock (Quarry) Location and Quantity Support:

If Fill or Rock is called for in the Scope of Work, the fill or rock source location must be listed in the invoice (physical address and GPS) and **documentation of the quantity of fill or rock installed must be provided (documentation example type: quarry tickets, invoice, calculation sheet, or third party document).**

Haul out or Disposal Site:

Haul out of the accumulated sediment and material from the temporary dewatering coffer dam will be transported to the city mine site or city snow dump. If disposal of debris occurs, date and time stamped photos of the haul out or disposal location must be provided (in addition to the "after" photos), and the Site Location and GPS coordinates must be listed on the invoice. (See Photos for GPS requirements)

Submitted invoices will be reviewed for conformance to required elements. Once verified, they will be forwarded to the city administrator for final approval and payment processing by the clerk/treasurer. Invoices must be turned in with enough time to process and verify all required elements prior the scheduled bi-monthly city council meeting.

2. Payment

In consideration for the services to be performed by Noble, Libby agrees to pay Noble at the rates listed in Appendix C, not to exceed a total of \$1,500,000 unless approved by Libby. 1% GCR will be paid to the Department of Revenue on each invoice.

Noble shall be paid within a reasonable time after the city administrator and contracted engineer approves the invoice and the city council approves payment. The invoice should include the following: an invoice number, invoice amount, tax id # (do not place Social Security number on invoice), the dates covered by the invoice, the aforementioned required invoice documentation, and a summary of the work performed (to include contract line items with agreed rates and quantities). Noble shall not charge Interest or Late Fees on delayed payments.

Markup. Contractor shall be reimbursed for materials, equipment or tool rentals, and subcontractors as needed and approved by the City on a Cost Plus percentage markup. Such markup percentage(s) shall be as follows: A fifteen percent (15%) markup shall apply to additional Contractor-supplied Equipment is not included in the Rate Schedules in Appendix C below.

3. Expenses

Noble shall be responsible for all expenses incurred while performing services under this Agreement. This includes automobile, truck, and other travel expenses; vehicle maintenance and repair costs; vehicle and other license fees and permits; insurance premiums; road, fuel, and other taxes; fines; radio, pager, or cell phone expenses; meals; and all salary, expenses, and other compensation paid to employees or contract personnel Noble hires to complete the work under this Agreement.

4. Vehicles and Equipment

The Contractor will furnish all vehicles, equipment, tools, and materials used to provide the services required by this Agreement, unless specifically called out as “provided by Libby” in Section 2: Payment of this agreement. Libby will not require Noble to rent or purchase any equipment, product, or service as a condition of entering into this Agreement.

5. Independent Contractor Status

Contractor is an independent contractor, and neither Contractor nor Contractor's employees or contract personnel are, or shall be deemed, Libby's employees.

6. Business Licenses, Permits, and Certificates

Contractor represents and warrants that Contractor and Contractor's employees and contract personnel will comply with all federal, state, and local laws requiring drivers and other licenses, business permits, and certificates required to carry out the services to be performed under this Agreement. Contractor shall be responsible for performing all 811 obligations.

7. State and Federal Taxes

Libby will not:

- withhold FICA (Social Security and Medicare taxes) from Contractor's payments or make FICA payments on Contractor's behalf,
- make state or federal unemployment compensation contributions on Contractor's behalf, or
- withhold state or federal income tax from Contractor's payments.

Contractor shall pay all taxes incurred while performing services under this Agreement—including all applicable income taxes and, if Contractor is not a corporation, self-employment (Social Security) taxes. Upon demand, the Contractor shall provide Libby with proof that such payments have been made.

8. Fringe Benefits

Contractor understands that neither Contractor nor Contractor's employees or contract personnel are eligible to participate in any employee pension, health, vacation pay, sick pay, or other fringe benefit plan of Libby.

9. Unemployment Compensation

Libby shall make no state or federal unemployment compensation payments on behalf of Contractor or Contractor's employees or contract personnel. Contractor will not be entitled to these benefits in connection with work performed under this Agreement.

10. Workers' Compensation

Libby shall not obtain workers' compensation insurance on behalf of Contractor or Contractor's employees. If Contractor hires employees to perform any work under this Agreement, Contractor will cover them with workers' compensation insurance to the extent required by law and provide Libby with a certificate of workers' compensation insurance before the employees begin the work.

11. Insurance

Libby shall not provide insurance coverage of any kind for Contractor or Contractor's employees or contract personnel. Contractor shall obtain the following insurance coverage and maintain it during the entire term of this Agreement:

[Check all that apply.]

[X] Automobile liability insurance for each vehicle used in the performance of this Agreement -- including owned, non-owned (for example, owned by Contractor's employees), leased, or hired vehicles -- in the minimum amount required by current Kentucky law.

[x] Comprehensive or commercial general liability insurance coverage in the minimum amount of \$2,000,000 combined single limit, including coverage for bodily injury, personal injury, broad form property damage, contractual liability, and cross-liability.

Before commencing any work, Contractor shall provide Libby with proof of this insurance and with proof that Libby has been made an additional insured under the policies.

12. Indemnification

Contractor shall indemnify and hold Libby harmless from any loss or liability arising from performing services under this Agreement.

13. Equal Employment Opportunity**

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. **The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.**

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

(4) Reserved for Unions.

(5) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204

of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, That if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

14. Compliance with the Contract Work Hours and Safety Standards Act**

This requirement will apply if contract amount is over \$100,000

(1) *Overtime requirements.* Work hours in a day are paid at regular rate for any hours worked 8 and under. Any hours worked over 8 hours a day are paid at the overtime rate. All hours worked on Saturday or Sunday are considered overtime.

(2) *Violation; liability for unpaid wages; liquidated damages.* In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States, for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard

workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) *Withholding for unpaid wages and liquidated damages.* Libby shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.

(4) *Subcontracts.* The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (b)(1) through (4) of this section.

Further Compliance with the Contract Work Hours and Safety Standards Act*

(1) The contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid.

(2) Records to be maintained under this provision shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the Department of Homeland Security, the Federal Emergency Management Agency, and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

15. Domestic Preferences for Procurement**

As appropriate, and to the extent consistent with law, Contractor should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. This includes, but is not limited to iron, aluminum, steel, cement, and other manufactured products.

For purposes of this clause:

Produced in the United States means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings occurred in the United States.

Manufactured products mean items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

16. Reserved or Prohibition on Contracting for Covered Telecommunications Equipment or Services (Not Applicable to this project)**

17. Clean Air Act and Federal Water Pollution Control Act**

This requirement will apply if contract amount is over \$150,000

Clean Air Act

1. The contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 *et seq.*
2. The contractor agrees to report each violation to Libby and understands and agrees that Libby will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

Federal Water Pollution Control Act

1. The contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.*
2. The contractor agrees to report each violation to Libby and understands and agrees that Libby will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency, and the appropriate Environmental Protection Agency Regional Office.
3. The contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA.

18. Suspension and Debarment**

- (1) This contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the contractor is required to verify that none of the contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- (2) The contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- (3) This certification is a material representation of fact relied upon by Libby. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to Libby, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- (4) The Contractor agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The Contractor further agrees to include a provision requiring such compliance in its lower tier covered transactions.

19. Byrd Anti-Lobbying Amendment, 31 U.S.C. § 1352 (as amended)**

Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds

that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the federal awarding agency.

Contractor will complete the attached APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING.

20. Procurement of Recovered Materials**

In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

1. Competitively within a timeframe providing for compliance with the contract performance schedule;
2. Meeting contract performance requirements; or
3. At a reasonable price.

Information about this requirement, along with the list of EPA designated items, is available at EPA's Comprehensive Procurement Guidelines website:

<https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.

The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

21. Access to Records*

The following access to records requirements apply to this contract:

The Contractor agrees to provide Libby, Montana Disaster Emergency Services, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.

The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

In compliance with Section 1225 of the Disaster Recovery Act of 2018, Libby and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

The Contractor agrees to maintain these records for a period of five years after termination of contract.

22. Term of Agreement**

This agreement will become effective when signed by both parties and will terminate on the earlier of:

- the date Contractor completes the services required by this Agreement
- 180 days from the date this contract was executed

23. Terminating the Agreement**

Termination for cause:

This contract shall be terminated for cause if the Contractor defaults in the performance of any of the terms hereof, including but not limited to: unsatisfactory job performance or progress, defective work, disputed work, failure to comply with material provisions of the contract, third party claims filed or reasonable evidence that a claim will be filed, or other reasonable cause; or otherwise if the Contractor fails to cure any other deficiency identified by Libby's authorized agent within 24 hours of delivery of notice of said deficiency. Libby retains all other legal or equitable rights or remedies existing as a result of said default, including but not limited to, any legal process necessary to obtain relief against any sureties securing this contract. Any reasonable attorney's fee incurred by Libby in enforcing this contract will be paid by the Contractor. Jurisdiction for all legal proceedings shall be the courts of Lincoln County.

Termination for convenience:

This contract may be terminated at any time for the convenience of Libby. Libby agrees to pay the contractor for all work completed through the termination date, as well as any demobilization costs that were a part of the original contract unless Contractor is responsible for termination.

24. Exclusive Agreement

This is the entire Agreement between Contractor and Libby.

25. Modifying the Agreement*

This Agreement may be modified only by a written addendum signed by both parties.

26. Resolving Disputes**

If a dispute arises under this Agreement, the parties agree to first try to resolve the dispute with the help of a mutually agreed-upon mediator in Lincoln County. Any costs and fees other than attorney fees associated with the mediation shall be shared equally by the parties. If it proves impossible to arrive at a mutually satisfactory solution through mediation, then the parties may take the matter to Montana state court, jurisdiction of the Lincoln County's court.

27. Administrative, Contractual, and Legal Remedies**

This requirement will apply if contract amount is over \$250,000

In addition to any of the remedies described elsewhere in the Contract, if the Contractor materially fails to comply with the terms and conditions of this Contract, including and Federal or State statutes, rules or regulations, applicable to this Contract, the Non-Federal Entity may take one or more of the following actions.

- A. Temporarily withhold pending correction of the deficiency by the Contractor.
- B. Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
- C. Wholly or partly suspend or terminate this Contract.
- D. Take other remedies that may be legally available.

The remedies identified above, do not preclude the Contractor from being subject to debarment and suspension under the Presidential Executive Orders 12549 and 12689. The Non-Federal entity shall have the right to demand a refund, either in whole or part, of the funds provided to the Contractor for noncompliance with the terms of this Contract.

28. Force Majeure

Neither Libby nor the Contractor shall be considered in breach of this agreement due to damages and delays caused by an event of Force Majeure, defined in this agreement as events including, but not limited to, acts of God, such as earthquakes, floods, storms, drought, and epidemics; war and hostilities, such as foreign invasion, troop mobilization, and requisition; domestic rebellion, such as revolution, civil war, and insurrection; labor actions, such as lockouts, strikes, slowdowns, riot, industrial disturbance, sabotage, fire loss, court action, and Government action; and acts of terrorism. Parties agree to negotiate terms for continuation of service due to event(s) of Force Majeure.

29. Proprietary Information**

A. The product of all work performed under this Agreement (“Work Product”), including without limitation all notes, reports, documentation, drawings, computer programs, inventions, creations, works, devices, models, work-in-progress and deliverables will be the sole property of Libby, and Contractor hereby assigns to Libby all rights, title and interest therein, including but not limited to all audiovisual, literary, moral rights and other copyrights, patent rights, trade secret rights and other proprietary rights therein. The Contractor retains no right to use the Work Product and agrees not to challenge the validity of Libby’s ownership in the Work Product.

B. Contractor hereby assigns to Libby all right, title, and interest in any and all photographic images and videos or audio recordings made by Noble during Contractor’s work for them, including, but not limited to, any royalties, proceeds, or other benefits derived from such photographs or recordings.

C. Libby will be entitled to use Contractor’s name and/or likeness in advertising and other materials.

30. No Partnership

This Agreement does not create a partnership relationship. Contractor does not have authority to enter into contracts on Libby's behalf.

31. Assignment and Delegation

Either Contractor or Libby may assign rights and may delegate duties under this Agreement.

32. Applicable Law*

This Agreement will be governed by Montana law, without giving effect to conflict of laws’ principles.

This is an acknowledgement that FEMA financial assistance may be used to fund all or a portion of the contract. The contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the non-Federal entity, contractor, or any other party pertaining to any matter resulting from the contract.

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor’s actions pertaining to this contract.

33. DHS Seal, Logo, and Flags*

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval. The Contractor shall include this provision in any subcontracts.

34. Reserved for Affirmative Socioeconomic Steps*

35. The Davis-Bacon Act does not apply to this project.

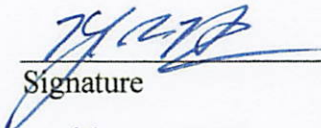
36. The Copeland "Anti-Kickback" Act does not apply to this project.

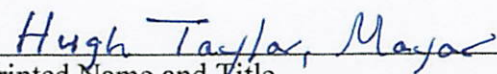
****FEMA Required Contract Provisions under 2 C.F.R. Part 200 Appendix II**

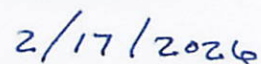
*** FEMA Recommended Contract Provisions**

SIGNATURE PAGE:

Libby:

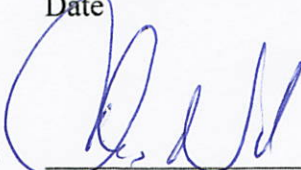

Signature

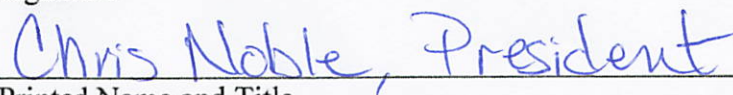

Printed Name and Title

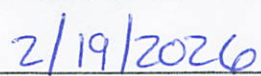

Date

Date

Contractor:


Signature


Printed Name and Title


Date

Date

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of their knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The contractor, Noble Excavation, certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of Contractor’s Authorized Official

Name and Title of Contractor’s Authorized Official

Date

Appendix B – Scope of Work

On 11 December 2025 the Libby lower Flower Creek reservoir diversion dam was hit with flood conditions that topped the northern wingwall. The topping undermined the material backing the wingwall making it severely unstable and a possible catastrophic failure. The DNRC hired engineers to access the damage in the days following the flood damage occurring. It was determined that the head pressure had to be relieved from the wingwall and the retaining boards that hold back the head pressure to operate Libby's water system were removed. The loss of head pressure required emergency bypassing of the sedimentation basin, which occurred. The northern wingwall has been assessed as unusable until repaired or replaced. This assessment does not negate the fact that Libby must accomplish the overall task of restoring a reliable and constant head pressure to the water system to operate it as designed through the intake manifold.

The Scope of Work for this contract is to;

- Maintain the main access road to the lower reservoir facility throughout the scope of this work and completion of the emergency protective measures.
- Construct a material transportation road (secondary access road), including culverts, from the main access road going to the east around the sedimentation basin, then going west over flower creek, and following the fence separating the "wetlands" from the pre-sedimentation to bypass the chokepoint between the sedimentation basin and eastern wingwall.
- Expose the existing bypass pipe upstream from the pre-sedimentation basin and construct a temporary coffer dam downstream around it to create head pressure.
- Clear the bedload upstream from the bypass pipe and place emergency backup pumps capable of transferring water to the sedimentation basin to ensure constant water to the treatment plant.
- Install overflows in the sedimentation basin to regulate the increased flow from the pumps if utilized.
- Construct a temporary coffer dam along the eastern wingwall to dewater the lower reservoir.
- Remove the sediment load from the lower reservoir and transport it to the city open-cut mine.
- Build a main coffer dam from the western shore of the pre-sedimentation basin working towards the eastern wingwall as engineered.

The overall goal of this scope of work is to provide a basic list of items that are believed to be necessary to create a smaller but usable pre-sedimentation basin that will retain adequate head pressure on the intake manifold leading into the sedimentation basin. The scope may be adjusted by agreeance of both parties as situations change and engineering is completed. Lessor tasks such as testing the floor of the pre-sedimentation basin are implied as being essential to completing the overall task.

Appendix C – Payment Rates

EFFECTIVE APRIL 1, 2025		
Noble Excavating, Inc Pit Material Prices		1/1/2025
Noble Excavating, Inc Pit Material Prices		
Nickelback (Quarry)		
Material	Price/TON	Price/CY
Top Soil	\$ 30.50	\$ 42.70
Pit Run	\$ 6.50	\$ 9.10
Crusher Fines	\$ 11.50	\$ 16.10
3/4" Crush	\$ 10.00	\$ 14.00
1 1/2" Crush	\$ 9.75	\$ 13.65
3" Crush	\$ 9.00	\$ 12.60
4" Crush	\$ 8.50	\$ 11.90
3/8" Chips	\$ 20.50	\$ 28.70
3/4" Chips	\$ 18.50	\$ 25.90
3"-5" Clean Landscape	\$ 18.00	\$ 25.20
8" Minus Jaw Run	\$ 8.00	\$ 11.20
1' Minus Rip Rap	\$ 20.50	\$ 28.70
1' Plus Rip Rap	\$ 26.50	\$ 37.10
Common Fill	\$ 7.50	\$ 10.50
Sheldon Pit		
Material	Price/TON	Price/CY
Pit Run	\$ 6.50	\$ 9.10
Crusher Fines	\$ 11.50	\$ 16.10
3/8" Screened Sand	\$ 10.50	\$ 14.70
3/4" Crush	\$ 10.00	\$ 14.00
1 1/2" Crush	\$ 9.75	\$ 13.65
4" Crush	\$ 8.50	\$ 11.90
3/8" Chips	\$ 20.50	\$ 28.70
1/2" Chips	\$ 18.50	\$ 25.90
5/8" Minus Screened	\$ 7.50	\$ 10.50
1" Minus Screened	\$ 7.50	\$ 10.50
1-3" Screened Drain Rock	\$ 8.00	\$ 11.20
Wards Pit (Sand and Gravel)		
Material	Price/TON	Price/CY
3/4" Screened Pit Run	\$ 7.50	\$ 10.50
2" Screened Pit Run	\$ 7.50	\$ 10.50
Crusher Fines	\$ 11.50	\$ 16.10
Sand	\$ 10.50	\$ 14.70
3/4" Crush	\$ 10.00	\$ 14.00
1 1/2" Crush	\$ 9.75	\$ 13.65
3/4" Chips	\$ 18.50	\$ 25.90
Noble Yards		
Material	Price/TON	Price/CY
Salt Sand	\$50.00	\$ 70.00
Crushed RAP	\$20.10	\$ 28.14
1" Washed Concrete Rock	\$18.00	\$ 25.20
Washed Concrete Sand Course	\$19.50	\$ 27.30
Washed Pea Gravel 3/8"	\$15.00	\$ 21.00
Fine Sand	\$20.50	\$ 28.70

Lambert Pit (YAAK, Sand and Gravel)	
Material	Price/CY
Pit Run	\$ 9.00
4" Crush	\$ 12.25
1"-3" Clean Screened	\$ 15.50
3/4" Crush	\$ 15.50
Sand	\$ 14.70
Rip Rap	\$ 28.70

Note: WINTER DELIVERIES OCCURRING BETWEEN NOVEMBER 15TH AND MARCH 15TH PLEASE ADD \$2.00 PER TON

Small loads of any aggregate product from ANY pit is a \$55 (example: Pickup/dump trailer) per load.

Noble Excavating Mailing Address:

PO Box 1592, Libby MT 59923

Aggregate Sales Office: 406-291-5879

Pit Manager: Brien Hansen

Noble Excavating Main Office: 406-293-8824

For Salt Sand: Small loads (pick up) \$55

Noble Excavating Rate Sheet 2025/2026			
Name	Straight Time Labor and Equipment Rates	Emergency Labor and Equipment Rates	UOM
Over 50 miles away over 8hrs of work a day	\$ 50.00	\$ 50.00	Daily
Local work over 8 hours a day	\$ 20.00	\$ 20.00	Daily
Supervisor-Straight Time	\$ 72.51	\$ 103.58	Hourly
Supervisor-Over Time	\$ 103.58	\$ 103.58	Hourly
Operator-Straight Time	\$ 67.33	\$ 93.22	Hourly
Operator-Over Time	\$ 93.22	\$ 93.22	Hourly
Laborer-Straight Time	\$ 67.33	\$ 93.22	Hourly
Laborer-Overtime	\$ 93.22	\$ 93.22	Hourly
Volvo Pipelayer PL4608	\$ 201.33	\$ 231.52	Hourly
Excavator - Large >89K lbs - Caterpillar 345 CL	\$ 161.06	\$ 186.23	Hourly
Excavator - Medium 46-89K lbs - Caterpillar 336 DL/330	\$ 140.93	\$ 161.06	Hourly
Excavator - Medium 46-89K lbs - Caterpillar 320 CL/323	\$ 110.73	\$ 125.83	Hourly
Excavator - Small 20-46K - Kamatsu PC 138	\$ 95.63	\$ 110.73	Hourly
Excavator - Small 12-20K lbs - Kubota KX 080 / 057 / 040	\$ 75.50	\$ 85.56	Hourly
Loader Backhoe -Small 0-100 hp - Caterpillar 420 E	\$ 70.46	\$ 80.53	Hourly
Loader - Small 0-100 hp - Caterpillar 414E / 262 / 259	\$ 50.33	\$ 60.40	Hourly
Dozer - Large >260 hp - Caterpillar D8N	\$ 191.26	\$ 221.46	Hourly
Dozer - Medium 130-260 hp - Caterpillar D6N LGP	\$ 130.86	\$ 150.99	Hourly
Dozer - Medium - Caterpillar D6N and D6R	\$ 115.76	\$ 135.90	Hourly
Loader - >130 hp - Caterpillar 980H	\$ 156.03	\$ 171.13	Hourly
Loader - >130 hp - Caterpillar 966/972 G,K,M	\$ 125.83	\$ 140.93	Hourly
Loader - Medium 100-130 hp - Caterpillar 950/938 F,G,M	\$ 95.63	\$ 110.73	Hourly
Grader - Medium 200-250 hp - Caterpillar 14H / 140 AWD	\$ 140.93	\$ 161.06	Hourly
Grader - Small 0-200 hp - Caterpillar 12G	\$ 90.60	\$ 105.70	Hourly
Dump Truck - Articulated - Caterpillar 735	\$ 150.99	\$ 171.13	Hourly
Roller - Soil Compactor - Caterpillar CS 563/423/323	\$ 70.46	\$ 80.53	Hourly
Boring - Pipe Hammer Rammer - TTechnologies	\$ 352.32	\$ 407.69	Hourly
Boring - Welder - Miller Bobcat w/cutting torch	\$ 598.94	\$ 704.64	Daily
Dump Truck 12 CY - Kenworth	\$ 80.53	\$ 90.60	Hourly
Side Dump 22 CY - Kenworth w /3axle side dump	\$ 95.63	\$ 110.73	Hourly
Belly Dump - 21 CY - Kenworth 3 axle	\$ 95.63	\$ 110.73	Hourly
Lowboy - 60 Ton - Kenworth	\$ 130.86	\$ 150.99	Hourly
Lowboy - 40 Ton - Kenworth	\$ 95.63	\$ 110.73	Hourly
Flatbed Truck - Kenworth	\$ 95.63	\$ 110.73	Hourly
Truck - HI Rail Equipped Flatbed Knuckle Boom Crane - International W. Palfinger	\$ 130.86	\$ 150.99	Hourly
Plow/Sander Truck - International / Kenworth	\$ 115.76	\$ 135.90	Hourly
Water Truck - 2500 g - Ford LA8000	\$ 70.46	\$ 80.53	Hourly
Water Truck - 4000 g - Kenworth T800	\$ 80.53	\$ 90.60	Hourly
Service Truck - Kenworth T300	\$ 95.63	\$ 110.73	Hourly
PickUp Truck - Chevy/Ford	\$ 35.23	\$ 35.23	Hourly
Trailer - Utility	\$ 201.33	\$ 201.33	Daily
Trailer - Emergency Response Trailer/Rigging	\$ 1,006.63	\$ 1,006.63	Daily
Light Plant - 8 KW - Allmand Pro V	\$ 770.07	\$ 905.97	Daily
Generator - 25 KW - Airman	\$ 1,233.12	\$ 1,419.35	Daily
Sweeper - Broce	\$ 55.36	\$ 60.40	Hourly
***OE (Operator Emergency) labor code same as Operator - Overtime			

RESOLUTION NO. 2075

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBBY, MONTANA,
FIXING AN EMERGENCY DISASTER TAX LEVY IN THE AMOUNT OF SEVEN
THOUSAND EIGHT HUNDRED FIFTY DOLLARS (\$7,850.00) AND ESTABLISHING
ONE AND 47/100 (1.47) MILLS FOR FISCAL YEAR 2026/2027 PURSUANT TO
SECTION 10-3-405, MCA.**

WHEREAS, the City Council previously adopted Resolution Number 2067 declaring a local emergency following severe flooding along Flower Creek in December 2025, authorizing emergency financial outlays to protect public safety and infrastructure; and

WHEREAS, Section 10-3-405, MCA, authorizes the governing body of a city to levy an emergency millage, not to exceed 2 mills, to cover estimated emergency expenditures, and requires that no expenditure of the revenue be made without approval of the governing body; and

WHEREAS, the City Council has determined that emergency expenditures resulting from the December 2025 flood totaled over \$7,850.00 — equivalent to over than the two (2) mill emergency levy authorized under Resolution Number 2067 at the taxable valuation in effect at that time — which, at the City’s certified taxable valuation of \$5,347.00 per mill for fiscal year 2026/2027, requires a levy of one and 47/100 (1.47) mills; and

WHEREAS, Section 15-10-420(8)(a)(iii), MCA, exempts an emergency levy authorized under Section 10-3-405, MCA, from the standard statutory property tax calculation limitations; and

WHEREAS, Section 10-3-405(4), MCA, requires that a levy under this section be passed only by a unanimous vote of the governing body.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LIBBY, MONTANA:

Section 1. The City Council hereby fixes an emergency disaster tax levy upon all real property within the corporate limits of the City of Libby for fiscal year 2026/2027 to generate \$7,850.00, being one and 47/100 (1.47) mills.

Section 2. Any portion of this levy remaining unexpended once no further emergency expenditures are necessary shall remain in a separate emergency fund and be used only for expenditures arising from future emergencies, pursuant to Section 10-3-405(5), MCA.

PASSED AND UNANIMOUSLY ADOPTED BY THE CITY COUNCIL OF THE CITY OF LIBBY, MONTANA, on this 8th day of September 2026.

Hugh Taylor, Mayor

Attest: _____

Leann Monigold, Clerk/Treasurer

RESOLUTION NO. 2076

A RESOLUTION ESTABLISHING TWO NEW FUNDS FOR THE CITY OF LIBBY, MONTANA: LARGE TAXPAYER RESERVE FUND (FUND #2388) AND CEMETERY PERPETUAL CARE FUND (FUND #8010)

WHEREAS, the Libby City Council adopted the final budget for Fiscal Year 2026/2027 on August 17, 2026, which included the creation of two new funds: Large Taxpayer Reserve Fund and Cemetery Perpetual Care Fund; and

WHEREAS, pursuant to Section 7-6-620, MCA, the City is authorized to establish a Large Taxpayer Reserve account to set aside 10% of the revenue generated from newly taxable property in classes other than class four properties, which may be utilized for paying outstanding capital project bonds, attracting new industry to the area, and other purposes outlined in Section 7-6-620(4), MCA; and

WHEREAS, while the current financial impact of creating this account is minor, the City Treasurer recommends establishing this fund proactively to safeguard the City against long-term risk; and

WHEREAS, pursuant to Section 37-19-822, MCA, requires a Cemetery Perpetual Care and Maintenance fund to be held as a trust fund, requiring that a minimum of 15% of the gross proceeds from the sale of cemetery lots be deposited therein, with the principal remaining intact and inviolate, and with only the fund's generated interest and investment income used exclusively for the care and maintenance of the cemetery;

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

Section 1. Large Taxpayer Reserve Fund. There is hereby established Fund #2388, Large Taxpayer Reserve Fund, as recommended by the City Treasurer. In accordance with Sections 7-6-620 and 15-10-420, MCA, the City shall deposit annually into this fund 10% of the revenue generated from newly taxable property, excluding class four. Money in the fund must remain in the fund and may not be appropriated unless and until a large taxpayer within the City has permanently ceased operations or experienced a significant decrease in taxable value. If that occurs, the fund may be used only for the purposes listed in Section 7-6-620(4), MCA, including paying outstanding capital project bonds or other prior expenses, attracting new industry to the impacted area, and providing cash incentives to expand the employment base.

Section 2. Cemetery Perpetual Care Fund. There is hereby established Fund #8010, the Cemetery Perpetual Care Fund, as a trust fund under Section 37-19-822, MCA. The principal of the fund must remain intact at all times; only the fund's generated interest and investment income may be used, and only for the care and maintenance of the City cemetery, including its lots, grave spaces, and burial rights. In accordance with Section 37-19-822(6), MCA, not less than 15% of the gross proceeds of each sale of a cemetery lot, grave space, or burial right shall be deposited into the fund, along with any gifts, donations, bequests, or investment earnings designated for that purpose.

BE IT FURTHER RESOLVED, this Resolution shall take effect immediately upon its adoption and formalizes the establishment of Fund #2388 and Fund #8010 as included in the Fiscal Year 2026/2027 budget adopted by the City Council on August 17, 2026.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LIBBY, MONTANA, on this 8th day of September 2026.

Hugh Taylor, Mayor

Attest: _____

Leann Monigold, Clerk/Treasurer