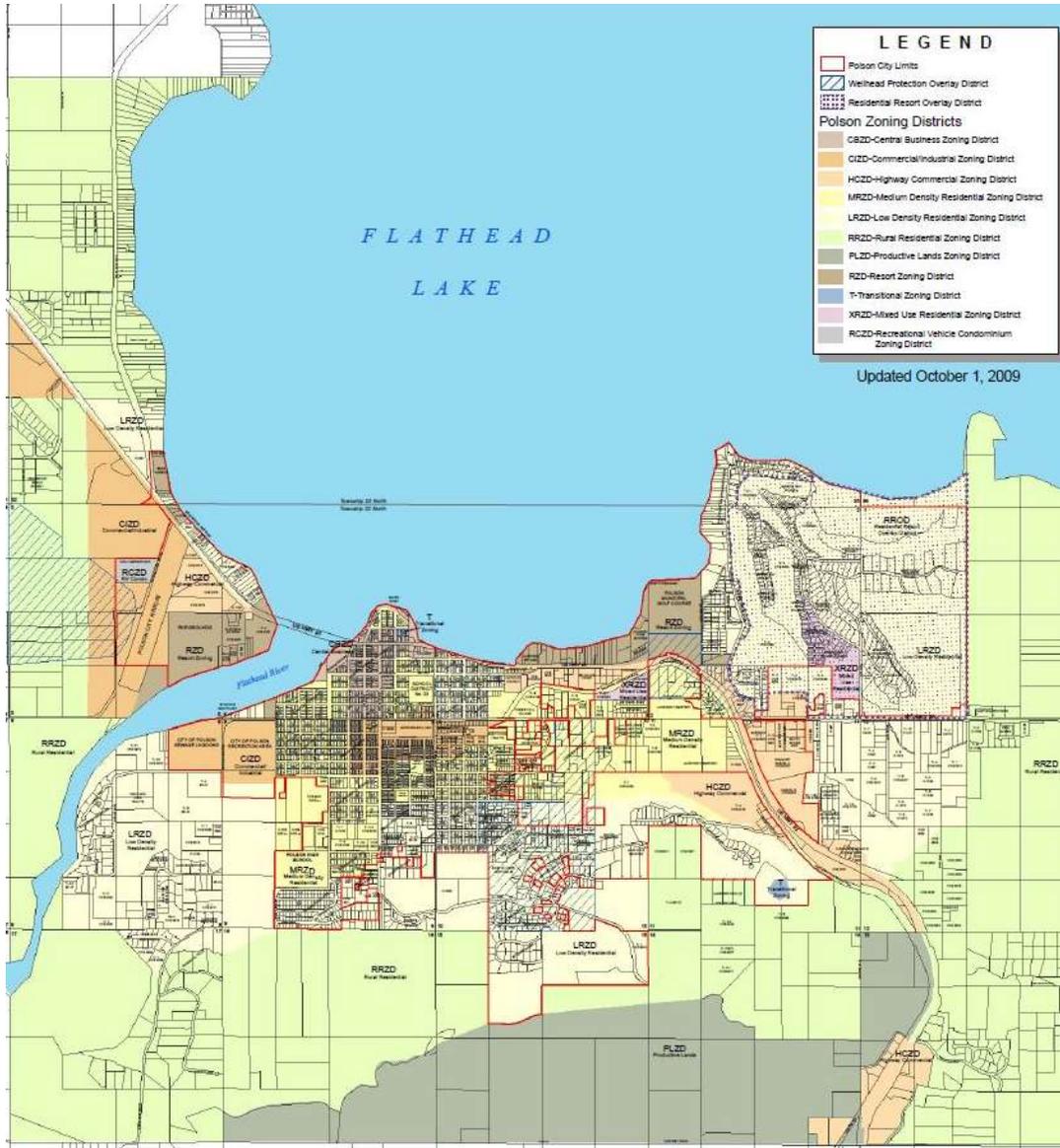


CITY OF POLSON

EXTENSION OF SERVICES PLAN



Adopted 2015

CITY OF POLSON
EXTENSION OF SERVICES PLAN

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INTRODUCTION

This extension of services plan is intended to be used as a guide for the provision of City services to those areas of the City not served at this time, and for territories to be annexed into the City. (See Exhibit A on page 26) The plan will serve three basic objectives:

1. To meet Montana statutory requirements for annexation of lands;
2. To provide a logical framework, in concert with:
 - 2011 Polson Area Transportation Plan
 - 2010 United States Census Bureau Data
 - Polson Development Code
 - Polson Growth Policy
 - Lake County Growth Policy
 - Draft Lake County Parks and Trails Plan,
 - Lake County Subdivision Regulations
3. To establish policies which clearly identify methods of financing and extending municipal services and the party or parties responsible.

Statutory Requirements

In order to satisfy statutes 7-2-4731, M.C.A., "Plans and Report on Extension of Services required," and 7-2-4732, M.C.A., "Contents of Plan for Extension of Services," the City of Polson is required to show how it will provide services to areas proposed for annexation. Specifically, such a plan must establish at least a five-year urban growth boundary based on availability of water, sewer, storm drainage, solid waste disposal, streets, police protection and fire protection.

If it becomes necessary to extend streets, water, sewer, or other, municipal services into an area to be annexed, the plan must set forth a proposed timetable for construction and show how the municipality plans to finance extension of these services. If the area to be annexed is currently served by adequate water, sewer and streets, and no capital improvements are necessary, the municipality must provide plans of how it intends to finance other services, mainly police protection, fire protection, and solid waste disposal, as well as how it will continue utility service.

The location of the urban growth boundary is determined by considering available undeveloped and underdeveloped lands in the context of existing municipal services and the logical extension of these services into undeveloped land. In addition, past community growth trends, as well as existing community growth stimulants and deterrents, are taken into consideration in projecting growth area boundaries.

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The proposed growth boundary should also conform to the adopted Growth Policy and, whenever practical, should use natural topographic features such as ridge lines, streams, or creeks as boundaries. If a street is used as a boundary, land on both sides of the street is included in the growth area.

Relationship to the Polson Growth Policy

This Extension of Services Plan, by reference, hereby incorporates the Polson Growth Policy, 2006. The Growth Policy has been used as a source of technical information presented in this document. The adoption and implementation of this plan will assist the City in achieving the goals and objectives of the Growth Policy.

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URBAN GROWTH BOUNDARIES

The urban growth area is the projected service area in which municipal services can or may be extended over a period of 5 -10 years, depending upon needs and demand. Boundaries of the urban growth area are established based on prevailing and anticipated growth trends, with consideration given to growth stimulants as well as growth deterrents or impediments. Population and economic trends that affect community growth or decline are also critical factors which should be analyzed in order to accurately establish urban growth area boundaries.

Economic Conditions and Population Trends

The City of Polson is in Lake County, Montana, United States, on the southern shore of the Flathead Lake. Polson is also on the Flathead Indian Reservation. Polson was incorporated on April 5th, 1910, and is the county seat of Lake County. The City was named after pioneer rancher David Polson. Flathead Lake is the largest freshwater lake west of the Mississippi.

As of the census of 2010, there were 4,488 people, 1,991 households and 1,150 families residing in the City of Polson. The population density was 1,084.1 inhabitants per square mile. There were 2,506 housing units at an average density of 605.3 per square mile.

There were 1,991 households out of which 31.1% had children under the age of 18 living in them, 42.7% were married couples living together, 13.2% had a female householder with no husband present and 39.5% were non-families. 34% of all households were made up of individuals and 16.7% had someone living alone who was 65 years of age or older. The average household size was 2.25 and the average family size was 2.86.

The population was fairly diverse with 25.6% under the age of 18, 8.7% from 18 to 24, 25.3% from 25 to 44, 20.9% from 45 to 64 and 19.6% who were 65 years of age or older. The median age was 39 years of age. For every 100 females there were 86.8 males. For every 100 females age 18 and over, there were 83.8 males.

The median income for a household in the City was \$21,870 and the median income for a family was \$30,833. Males had a median income of \$21,113 versus \$19,210 for females. The per capita income for the City was \$13,777. About 16% of families and 19.8% of the population were below the poverty line, including 27.5% of those under age 18 and 12.2% of those age 65 or over.

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The following documents can be consulted for information relative to the area's socioeconomic trends and conditions: 2010 Federal Census, State of Montana Census and Economic Information Center.

Physical Growth Trends

Due to population increases, a greater demand for utility services and other factors need to be considered.

While ongoing small scale annexations of individual properties connecting to City utilities have a minimal effect on the actual City boundaries, the City has had many significantly large subdivisions and Planned Unit Developments annexed into the City limits and have initiated several other annexations to bring in neighborhoods that were on City services.

There exist certain "influencing factors" which can either stimulate or impede the physical growth of the City. In conjunction with the ability to provide services, these influencing factors must also be given consideration in the establishment of future service and growth area boundaries.

Impediments to Growth

The identified impediments to growth in and around Polson are the lack of and high cost of extending infrastructure, important lands of agricultural significance, volume of land under public or corporate ownership, soils unsuitable for development, seasonally high groundwater and steep slopes.

Many areas on the outskirts of Polson have no nearby utility services and other infrastructure available. Additionally, the cost of extending roads and utility services increases every year, making it more difficult for new subdivision developments to be economically viable.

Slopes generally exceeding twenty percent (20%) are considered an impediment to urban development. Development on such slopes, including buildings, roads, driveways and other improvements, can have significant impacts on existing drainage patterns, riparian vegetation, wildlife, adjacent (particularly downhill) properties and the existing natural scenic qualities of the community. While the City of Polson is generally situated on the valley floor, instances of steep slopes are typical in the areas north and west of the City.

Growth Stimulants

Growth stimulants can be defined as any pressure exerted upon a City which may cause or encourage that City to grow in a particular direction. Growth stimulants may be physical factors such as a scenic environment or a proximity

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to services and/or utilities. An attractive quality of life or a strong economy can also stimulate the growth of a City. The physical beauty of the Lake Valley and its perceived quality of life has spurred substantial growth in recent years. The greater Polson area is expected to continue to attract its share of the area's overall population growth, mainly due to its appealing life style and proximity to Glacier Park, Flathead Lake and the Blacktail Mountain Ski Area.

Prevailing Growth Patterns

The prevailing growth patterns in the Polson area and the probable growth stimulants associated therewith, are found in the adopted Polson Growth Policy, 2006.

Projected Growth Area

It is recognized that there are no current overwhelming barriers that would impede slow, reasonable physical growth of the City during the next five years.

The growth patterns discussed above, particularly the availability of City utilities, will presumably guide the future urban growth of the City of Polson.

The boundaries of the future service area of Polson (the extent to which the City is willing and able to extend services) have been conceived on the basis of the City's historical growth, recent growth trends, growth stimulants and impediments, population projections, current zoning, the expectations of the Polson Master Plan as well as the general physiography of the vicinity.

See Exhibit 'B' link on page 27 for the projected Urban Growth Boundary.

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A number of studies have been done to determine the effects of various types of development on a municipality's cost outlays. These studies have consistently shown the net public costs resulting from low-density sprawl development are higher than those resulting from higher density developments of the same number of homes. In simple terms, it costs more to extend sewer and water service, to provide police and fire protection, to fund road repair, to send out school buses and to provide refuse collection service when homes are spread out than when they are close to existing services and facilities.

In order to achieve compact, orderly and efficient urban growth, plans for the extension of municipal services into growth areas must be developed and implemented. In addition to identifying the services available and a plan to physically provide those services within a defined service area, it is also essential to both identify the party responsible for service extension and a method of financing the extension.

The services which are considered for extension into the future growth areas of the City are: streets, sanitary sewer, storm drains, water, police protection, and fire protection.

Streets

The transportation network within and around a community plays a significant role in its physical development and growth. This network of streets, roads and highways should be coordinated to form a system that not only provides efficient internal circulation, but one that also facilitates through traffic. Since streets serve two basic functions, moving traffic and providing access to abutting lands; each street should be classified and designed for the specific function or combination of functions it is intended to serve. This functional classification system forms the basis for planning, designing, constructing, maintaining and operating the street system. For these reasons urban streets are designed and developed in a hierarchy comprised of the following types:

Major Arterials

A major road or highway with moderate to high speeds and high traffic volumes. Major arterials provide access to the regional transportation network, and move traffic across the county and between cities and communities. Access to abutting lands is limited. Traffic volumes would typically exceed 15,000 vehicles per day.

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Minor Arterials

A major road with moderate speeds designed to collect or move traffic from one major part of the community to another or to move traffic to and from the major arterial system. Traffic volumes would generally range from 5,000 to 15,000 vehicles per day.

Collectors

A secondary or intermediate street with moderate speeds and low to moderate volumes. Such streets would collect local traffic from neighborhoods and carry it to adjacent neighborhoods or transfer the traffic to the arterial system. Such streets would typically serve a neighborhood or area with 150 or more dwellings and carry 1,000 to 5,000 vehicles per day.

Local

These are minor streets intended to serve individual sites, buildings or lots, and provide access to residential neighborhoods. Local streets either feed into collectors or provide destination access off of collectors.

The Street Department has generated a spreadsheet of roads as a tool for scheduling reconstruction, overlays and preventative maintenance for public streets, excluding State and Federal highways, in the projected urban boundary.

The city is in the process of writing the Polson Transportation Plan. This plan will identify priority projects for the Polson and surrounding street systems, which, if implemented, result in a benefit to existing traffic system performance. The plan will, in addition to identifying deficiencies and recommending improvements, also identify potential funding sources.

All new development, pursuant to annexation which further impacts the existing or proposed street network will be subject to conditions of approval intended to mitigate said impacts. It will be the responsibility of the developer of a new subdivision to provide streets built to city standards, including curbs, gutters, sidewalks, boulevards, street signs, street lights and street trees. Standards for such improvements are contained in the City of Polson's Standards for Design and Construction. The POLICY section of this plan supports these requirements.

Street Maintenance

The City of Polson maintains, sweeps and plows most dedicated streets within the incorporated area, while the Montana Department of Transportation maintains and plows U.S. Highway 93.

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The City's equipment is generally adequate for the present snow plowing needs, although in the event of an unusually heavy snowfall the city has to prioritize which roads are plowed first. The need for additional equipment and personnel should be determined and coordinated as the city grows. Please see the Resources Map and Table.

Wastewater System

The wastewater system is a network of gravity sewer mains, force mains, and lift stations that convey wastewater to the wastewater treatment facility. The location and capacity of main sewer lines and treatment plants are a factor in determining both the density and location of development within a community. Generally, the design of main sewer lines and plant capacity is reflective of anticipated land uses and population projections of a predetermined "service" area.

Sewage is collected by a gravity flow system when possible, wherein sewer lines are laid out in a manner as to flow continually downhill. Where grades are insufficient to provide gravity flow, pressurized sewer force mains and lift stations become necessary. Adding lift stations to the system correspondingly adds expense and maintenance and replacement needs and is generally discouraged. The Sewer Department currently maintains more than 30 miles of gravity and pressure sewer mains, and 12 sewage lift stations, with 1 offline.

The City of Polson treats the collected wastewater in an aerated lagoon system. The hydraulic capacity is 0.65 million gallons per day and the effluent is discharged into the Lower Flathead River under MPDES permit #MT0020559. Allowable effluent regulations are changing and the city is undertaking treatment plant upgrades. Once complete, the proposed upgrades to treatment capacity for Polson's wastewater system will be just under one million gallons per day with a service population of 9080 EDU's, Equivalent Dwelling Units.

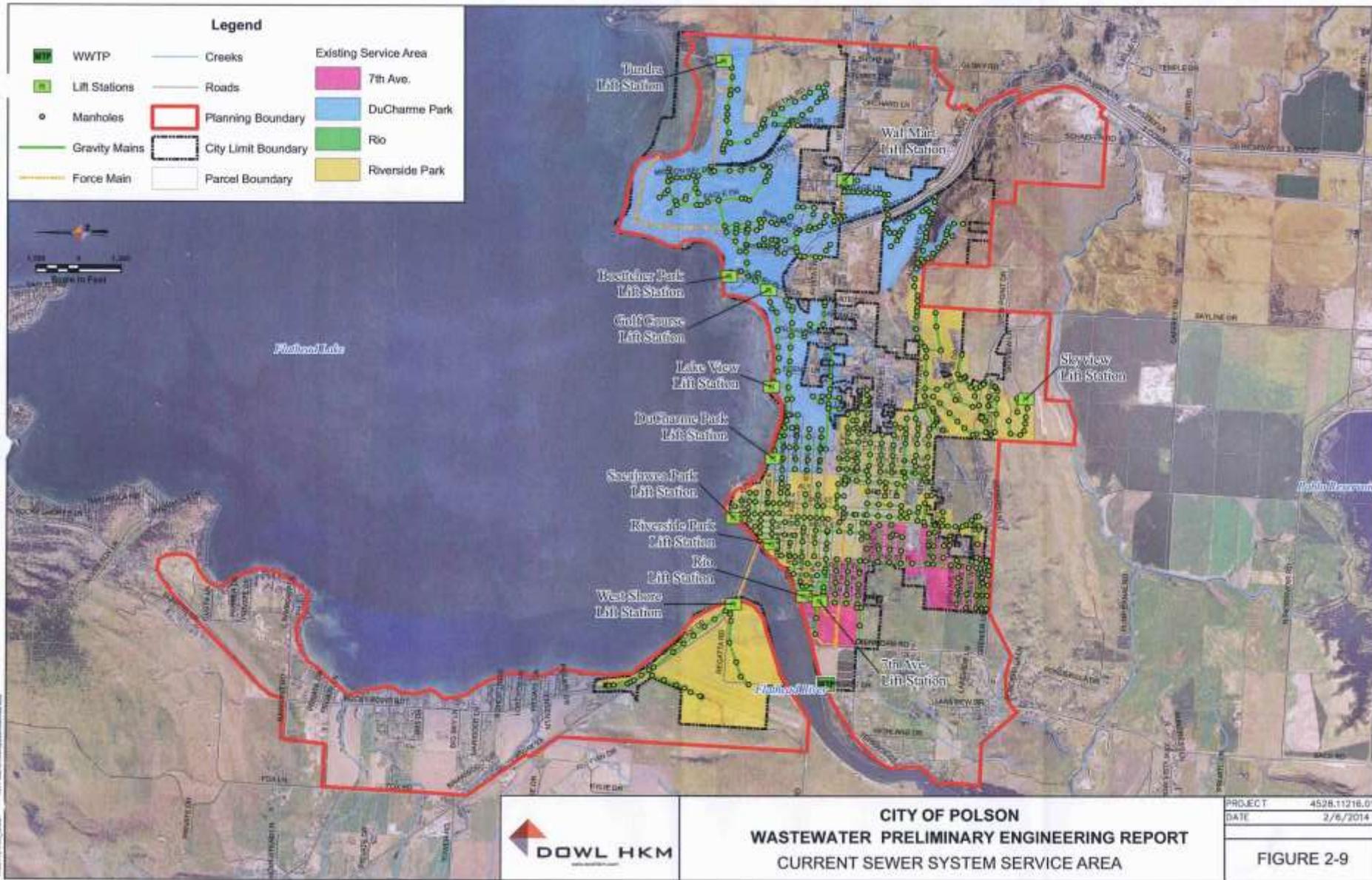
A Preliminary Engineering Report, prepared by Dowl HKM in April, 2014, was completed for selection of the new treatment system and evaluation of the future anticipated service area. The new treatment plant service area is depicted in Figure 2-9.

High groundwater infiltration and storm runoff inflow have a significant negative impact on the city's collection and treatment systems. Infiltration and inflow are extraneous clear waters which can enter the sewer collection system and thus reduce the carrying capacity of the collection, pumping and treatment systems. As the amount of infiltration and inflow is reduced, the ability of the plant to serve a larger population is increased. Although much inflow due to storm runoff

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has been eliminated through the construction of underground storm drainage facilities, elimination of cross-connected storm water catch basins, disconnection of roof drains from sanitary sewer lines, and aging sewer lines are still a serious problem. Storm drainage is being improved as the city's street reconstruction program proceeds.

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Storm Water Management

Storm water runoff is the water flowing over the surface of the ground as a result of a rainfall or snow melt. The primary goal in the management of storm water runoff is to minimize hazards to life and property. This is accomplished by using storm sewers, ditches, swales, ponds and treatment facilities to manage, collect and carry surface water to a natural water course or body of water in such a way as to prevent flooding and the resultant damage.

The 2009 Storm water System Preliminary Engineering Report (PER), prepared by Shari Johnson, City Engineer, identifies catch basins, collection mains, drainage canals, and outfalls in the Polson area. The storm water collection mains vary in size, condition, and adequacy. Much of the downtown collection area is comprised of the old clay tile pipe sewer system. These pipes have been upgraded in size and material when other public works projects made it possible. Also, a newer network of PVC collection mains has been installed in areas surrounding town. A large 48-inch interceptor main was constructed by the Army Corps and runs east to west thru the central part of town. The outfalls all drain into Flathead Lake and/or the Lower Flathead River. A permit for these outfalls is not required at this time. The outfall at Riverside Park has a storm infiltrator unit to help keep sediment and pollution out of the river. Detailed information on these facilities is presented in the PER.

As new city streets are constructed, and as existing streets are improved, storm drainage infrastructure will continue to be installed or improved. Those persons developing property have the responsibility to convey storm water from their property to an appropriate point of disposal. The quantity and rate of runoff from a developed piece of property should not exceed that which would occur had the property remained undeveloped. In instances where developing property cannot be drained to an appropriate point of disposal, storm water must be detained and handled on site.

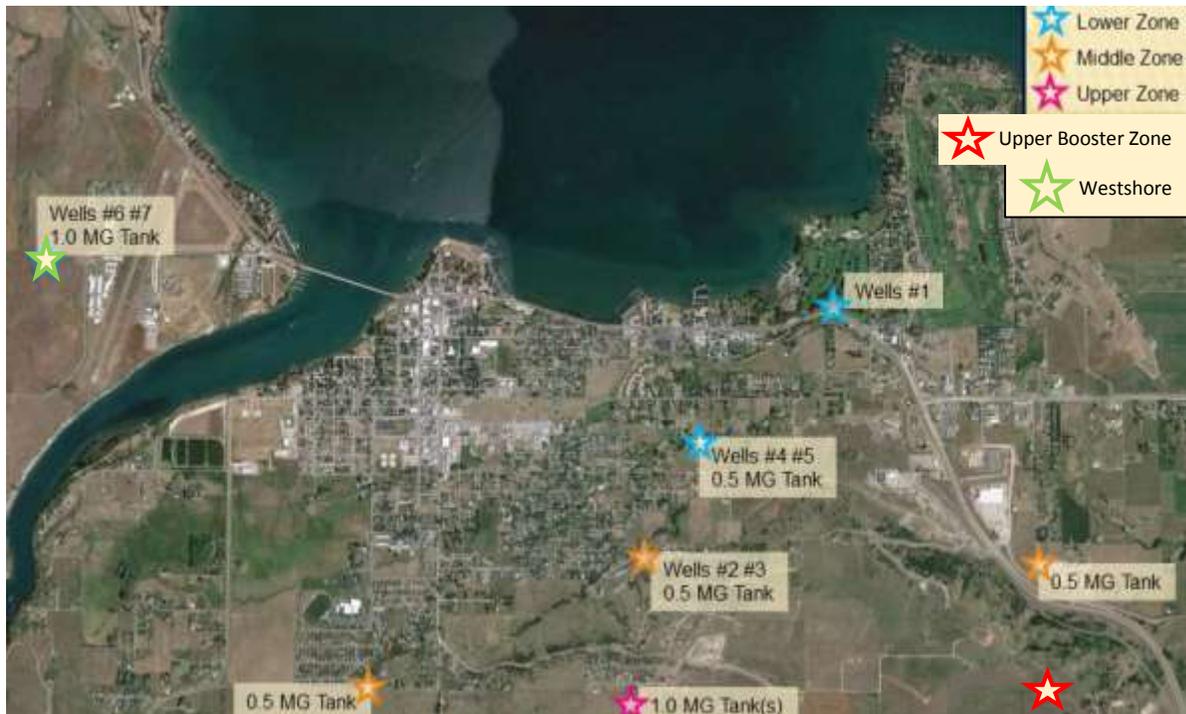
Water

The mission of the Polson Water Department is to provide safe, potable drinking water for the needs of their domestic, institutional, industrial and commercial consumers and to provide adequate pressure and flow to meet irrigation demands and firefighting needs.

The 2012 Water System Preliminary Engineering Report (PER), prepared by Shari Johnson, City Engineer evaluated the existing Polson water system. The community is supplied by 7 groundwater wells with 1 out of service and 6 storage tanks. The water system is complex with five interconnected pressure zones and miles of distribution piping. See Figure below.

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The wells have a total pumping capacity of 1870 gpm (gallons per minute). The Department of Environmental Quality (DEQ) requires a water system to supply the maximum daily demand for water with the largest well out of production. Polson currently meets this requirement.

Polson Average Day Demand = 491gpm

Polson Maximum Day Demand = 1079gpm

Vs
Wells = 1370gpm*

* pumping capacity with the largest well out of service

The six water storage tanks provide 4.0 million gallons of storage and are used to equalize pressure and available water supply across the five pressure zones. Tanks also serve to supply water in case of an interruption of power or a failure of pumping equipment. The amount and location of stored water represents a key component of the water system's ability to deliver water for the purpose of fire suppression. The pumps on tanks 2 through 5 have auxiliary generators in case of an emergency. DEQ requires that the average daily demand plus fire flow be available in each pressure zone. Adequate storage is currently available with the transfer of water between pressure zones. Polson will need to focus on the hydraulics of this water transfer to ensure adequate water storage is maintained as the community grows.

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Under the requirements of the Safe Drinking Water Act, the water supply is tested for a wide variety of contaminants on a regular basis. Extensive testing for coliform bacteria, giardia cysts, lead and copper, and a wide range of metals, solvents and pesticides has shown that Polson's water is of the highest quality.

The provision of water for firefighting purposes is as important as, and as consumptive as, that required for domestic and commercial uses, and must be considered when evaluating transmission, storage and distribution facilities.

Fire Protection

Fire protection is dependent upon the size and type of fire protection work force, availability of adequate water, type of equipment, and the response time involved.

The current fire department, which is all volunteer personnel serving under a paid fire chief, serves the City of Polson. In order to furnish fire protection for property within the city, Montana law grants the department authority to provide adequate firefighting apparatus, equipment, housing and facilities. In addition, the department has authority to request special fire district levies when necessary. The City of Polson and the Polson Rural Fire District have entered into a mutual aid agreement that allows either department to request assistance for emergencies.

The Polson Fire Department was evaluated by the Insurance Services Office (ISO) in June 2013 and has an insurance class five (5) rating. The department is able to provide an average response time of 6 minutes to calls within the current City Boundary. The ISO made a statement that as Polson grows a response station would be needed on the east side of town. Current fire apparatus and major equipment in Polson and the Rural Stations include the following:

Station #1 City Station: 1st Street East, Polson

- 312 - 1990 Central States Ford, 1250gpm, 1000 gallon tank, Class A Engine
- 311 - 2003 Pierce 1250 gpm, 1000 gallon tank, Class A Engine
- Rural: 318 - 2007 Pierce 1250 gpm, 1000 gallon tank, CAFS 30 gallon tank
- 317 - 1997 Smeal 75' Ladder truck, 500 gallon tank, 1500gpm
- 310 - 1998 International, 2000 gallon Water Tender
- 300 - 2000 Ferrara Rescue truck, with major equipment
- 302 - 2006 Chevy, Command vehicle
- 301 - 2014 Chevy, Command vehicle

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Station #2 Rural Station: Big Arm

- 324 - 2004 F450, 300 gallon tank, brush truck
- 328 - 1987 Central States Ford, 1250gpm, 750 gallon tank, Class A Engine
- 326 - 2007 Kenworth, 1250gpm, 2000 gallon tank, Engine/Tender

Station #3 Rural Station: Irvine Flats Road, Polson

- 333 - 2011 F550, Quick Attack/Brush truck, 500 gallon tank
- 319 - 1982 Auto Car Pierce, 2500 gallon tank, 1250gpm, Engine/Tender

Station #4 Rural Station: Regatta Road, Polson

- City: 316 - 2007 Chevy Kodiak, quick response, 440 gallon tank, brush truck
- City: 315 - 1999 Ford, 300 gallon tank, brush truck
- Rural: 314 Chevy, 300 gallon tank, brush truck
- Rural: 337 Ford, 1500 gallon tank, 1000gpm, Engine/Tender
- City: 1991 Fire Boat, ABT aluminum, 330gpm pump

Currently, hydrant locations in the city are considered adequate in most areas. The water department has conducted a water model of the City and is working on improving fire hydrant flow and pressure where needed. There are concerns about the service schedule for hydrant maintenance because some hydrants have been identified as not easily turned on or that once on, cannot be shut off.

Any proposed annexations will require additional hydrants in those areas and an improved water delivery system such as mains and adequate fire flows. Depending on the annexed location, additional resources will be required to maintain the fire department response time to calls that is currently achieved. Additional resources may include personnel, a satellite fire station, and equipment. Please see the Resources Table on page 19 for anticipated resources needed for specific growth areas.

Another challenge is to establish and maintain accessibility to areas as growth occurs. Ingress and egress is critical to maintaining a quick response time.

Law Enforcement

Police protection is one of the essential services that should be adequately and efficiently available to every citizen. The Polson Police Department, headquartered in City Hall, currently has a staff of thirteen police officers to provide 24 hour coverage with at least 2 officers on duty at any given time. The primary service area is within the city limits; however, the department will respond to emergency calls outside city limits if they are dispatched, are in the local area and the range is neighboring City boundaries.

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At any given time the Polson Police Department is influenced by a much larger population than the residents of the city. As a tourist destination, the City of

Polson's population regularly doubles during the summer months. This increase is significantly more during summer holidays and festivals. These factors impact the efficiency and effectiveness of the police force.

Other factors that impact the department are the number, frequency and location of crimes and traffic accidents. Development of the commercial area east of the City along Highway 93 has changed the nature and direction of response calls in that area. Growth on opposite ends of the City will affect response times and coverage within the City where coverage is currently adequate.

As the city grows both physically and in terms of population, it will be necessary to staff and equip the police department accordingly. Depending on an annexed location, additional resources will be required to maintain the police department's response time as well as patrol route coverage. Additional resources will include personnel, vehicles and equipment. Please see the Resource Table on page 19 for anticipated resources needed for specific growth areas.

Additional challenges affecting the resources needed are dependent on the type of development or area being annexed. Commercial, high density residential, low density residential and access routes all impact the effectiveness of the police department in a different ways.

Parks and Recreation

The City of Polson Parks and Recreation Department has developed plans and goals for the next several years. The following is a brief description of the park facilities and program services that are either in existence or planned for future development. In a 2007 study it was estimated there was 28 acres of land for citywide parks. This provided for an average of five acres of park land for every 1000 residents.

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Current improved parks include the following:

Park	Acreage	Softball/ Baseball	Soccer/ Football	Athletic Courts*	Picnic Shelters	Playground Equipment	Rest Rooms	Skate Park	Open Space	Pathways
Sports Complex	20.0	2	3	1	1	1	1	1		X
Riverside	2.0			1	1	1	1			X
Boettcher	2.0			1	3	1	1			
O'Malley	2.0	2		1		1	1			
Sacajawea	2.0						1		X	X
Jana Campbell	0.5					1				
Travis Dolphin Dog Park	2.0					1	1		X	
Pomajavich	1.0	1				1	1			
Ducharme	0.5								X	
14 th Avenue	0.25								X	
Total	32.25	5	3	4	5	7	7	1		

* Basketball, tennis and volleyball courts.

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ANTICIPATED RESOURCES TABLE

The Resource Table is intended to give a depiction of the type of additional resources that need to be considered before a property or area may be annexed into the city to maintain the quality of service currently provided by the City of Polson. This does not preclude base requirements for infrastructure to be provided in an annexation request.

Map Zone Color	Green	Orange	Pink	Blue	Yellow
Fire	none	Satellite Station on north end of zone	Satellite Station (none if Orange Zone station is already built)	Existing Polson Fire Hall to be relocated to area of 7 th Ave & 1 st St.	Addition of Structure Fire Equipment
Parks	none	Identify & acquire large open spaces for future goals			
Police	none	2 FTE Officers and equipment*	2 FTE Officers and equipment*	2 FTE Officers and equipment*	2 FTE Officers and equipment*
Streets	none	1 FTE employee & equipment	1 FTE employee & equipment	1 FTE employee & equipment	1 FTE employee & equipment
Water	none	Provided by Impact Fees	Provided by Impact Fees	Provided by Impact Fees	Provided by Impact Fees
Wastewater	none	Provided by Impact Fees	Provided by Impact Fees	Provided by Impact Fees	Provided by Impact Fees

FTE = Full Time Equivalent

*based on current allowable zoning density

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RECOMMENDED POLICIES FOR EXTENDING SERVICES

General Policies

The following general policies shall be pursued for all properties proposed to be developed with or without annexation into the City of Polson ("City"):

1. It is the responsibility of the developer or property owner to construct all water lines, reservoirs, pump stations, culverts, drainage systems, sewer systems, roadways, sidewalks, curbs, gutters, street lighting, and rights-of-way in accordance with the Extension of Services Plans contained herein as well as the Subdivision Requirements of the City of Polson and the Standards for Design and Construction. The infrastructure improvements shall be of adequate size and design to accommodate the needs of the proposed development. In the event that a development creates impacts requiring off-site improvements, the City Council will determine whether the developer shall wholly or partially bear the costs of such improvements.
2. The developer or property owner shall be responsible for providing fire protection appurtenances and required water flow pressures, to the satisfaction of the City Fire Chief, based on the use of land and the type of construction employed.
3. Water systems and sewer systems shall be designed in such a manner as to avoid the provision of booster pumps or lift stations if feasible. All proposed booster pump stations and lift stations shall receive the approval of the City Water & Sewer Department.
4. Before a development beyond city limits is allowed to connect to a City-owned utility, a Services Agreement for Annexation and City Water/Sewer Services form shall be properly filed with the City Clerk. (See Exhibit C-2 and C-3 on pages 28 - 36).
5. Prior to receiving services, the developer or property owner annexing must initiate and secure a rezone to appropriate City of Polson zoning when necessary. If the City initiates an annexation, it will assume responsibility for needed zoning map amendments.

Policies for Extension of Services to Undeveloped Areas

Each development should be considered an integral part of the comprehensive services plan of the City. Therefore the following general policies for extension of services to undeveloped areas should be observed:

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1. Any subdivision or development of property within the identified growth area should be designed in accordance with the current edition of the City's "Standards for Design and Construction".
2. Any subdivision or development of land beyond the Polson city limits, but within the urban growth boundary, should be reviewed and commented upon by the City-County Planning Board. For development outside the planning jurisdiction, the City shall recommend to the Board of County Commissioners that new development within the identified growth area be in accordance with the service plans contained herein.
3. Where construction of a sewage system is being considered, the future drainage basin of the system should be identified and lines sized accordingly. The cost and construction of all sewage systems are the responsibility of the developer or property owner. Under certain circumstances, the City Council will determine whether the City will participate in financing the oversizing of infrastructure.
4. It is the responsibility of the developer or property owner to have designed and constructed water mains and lines of adequate size to provide the required flows for the intended land use and fire protection.
5. It is the responsibility of the developer or property owner to provide all required infrastructure improvements, as well as rights-of-way and easements.

Policies for Services in Existing Developed Areas

As a general policy, properties within the service area with existing utilities and facilities shall be required to upgrade those improvements to City standards and specifications as a prerequisite to receiving City services or additional City utility services. In such situations, the following policies shall apply:

1. Prior to making the municipal service(s) available to an existing developed area within the service area, the City may require a report describing the following:
 - a. The approximate year or period in which the existing area was developed.
 - b. The location, size and condition of existing water lines or systems.
 - c. The location and condition of the existing sewer system, including the size, material and grades of all pipe.
 - d. The size, location and legal purpose of all existing rights-of-way and easements.
 - e. The surface type, condition and width of all roadways.
 - f. The existing storm drainage into and out of the area.

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The report shall also include the estimated costs associated with correcting the deficiencies and bringing the utility or improvement to City standards. The City may require such a report to be prepared by a professional engineer, with the cost of the report borne by the developer or property owner.

2. If the property is to be annexed, the City's annexation ordinance or resolution shall specifically state the method and time frame for bringing the existing conditions into compliance with City standards, and shall identify the parties responsible for the improvements.
3. If City services are to be extended without concurrent annexation, the property owner shall sign an Agreement for Annexation and City Sewer/Water Service. The agreement shall be recorded with the County Clerk and Recorder's Office. The property owner shall also sign, and the City shall record, a waiver of the right to protest participation in and the formation of any special improvement district that may be formed to improve the existing services, utilities, streets or other improvements.

Policies for Meeting the Cost of Services

1. For the purpose of setting aside adequate funds to replace components, the following shall be considered as the estimated life span:
 - a. Structures 30 Years
 - b. Pipelines 50-80 Years
 - c. Mechanical Equipment 10 Years
(motors, pumps, conveyors, etc.)
 - d. Asphalt Surfaces:
 - Local Streets 20 Years
 - Collector Streets 15 Years
 - Arterial Streets 10 Years

The amount that should be set aside each year for the replacement of municipal infrastructure components shall be the cost of construction, if new or the total estimated replacement cost, divided by the remaining number of years of the life of the component. (These are guidelines and may be adjusted accordingly.)

2. It shall be the responsibility of the developer or property owner to extend all roadways and utilities from the existing City facilities to the site of development in accordance with all City standards and specifications or provide appropriate easements. It shall further be the responsibility of the developer or property owner to construct all streets and utilities to the

CITY OF POLSON
EXTENSION OF SERVICES PLAN

furthest boundary of the property to be developed in order to facilitate future development.

3. The ability of the City to increase existing utility line capacities to meet the demands of growth is dependent upon the availability of funding. If the City's ability to finance the necessary enlargement cannot keep pace with development, or if the improvements schedule does not mesh with that of the developer, it shall be the responsibility of the developer to finance and construct City-approved alterations to the existing infrastructure sufficient to accommodate the development. In the event of this occurrence, the developer may be reimbursed by the City through utility service connection fees for said development. Said reimbursement shall not exceed the cost, including interest, of the improvements to the existing City system, nor shall the reimbursement exceed the value of the connection fees collected from the specific development.
4. If the developer bears the costs of extending services and/or utilities, a Developer's Extension Agreement may be entered into between the developer and the City. This agreement, with a term not to exceed ten (10) years, allows the developer to recoup costs associated with the extension of services and/or utilities by charging future entities wishing to connect to or use the extended service and/or utility a "Latecomer's Fee". The Developer's Extension Agreement shall set forth the specific parcels which could benefit from the extension (those within a described "design area") and specify the amount to be assessed to each parcel. The specific parcels and assessments to be included in the Developer's Extension Agreement are subject to approval by the City Council. Any documentation deemed recordable shall be recorded at the Lake County Clerk and Records office, with a copy provided to the City.
5. The late-coming customer shall pay the extender a pro-rata share of the extension costs, including design and inspection fees, which is collected by the City, then remitted back to the developer. The pro-rata share may be based on lot area, front footage, or other means agreeable to both the City Council and the developer which is equitable to both parties as well as future customers.
6. If the City requires the customer or developer extending a sewer or water line to install a larger size than that required by City standards for a particular project, the City Council will determine whether the City will participate in financing the oversizing of infrastructure.

CITY OF POLSON
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7. The City reserves the right to further extend sewer or water mains installed by the preceding developer or property owner without paying compensation. *The City also reserves the right to charge future sewer or water utility users beyond those areas identified in the Developer's Extension Agreement*, if applicable, for their pro-rated share of the City's cost for the oversizing of the line. This in no way shall diminish the preceding developer's right to collect service line connection fees within the limits of a Developer's Extension Agreement. In the case of water lines, the pro-rata cost shall be based on the domestic capacity plus fire flow capacity existing at the point of extension as opposed to the domestic plus fire flow capacities required by the development.
8. Financing the construction of new streets in a proposed development, or the upgrading of streets in an existing developed area, shall be accomplished in one or a combination of the following methods:
 - a. In an undeveloped area the developer shall ensure all necessary right-of-way requirements are adhered to and/or additional right-of-ways; if they are found less than acceptable.
 - b. The developer shall bear the cost of constructing all improvements within the right-of-way in accord with this Plan, the City's Standards for Design and Construction and the City of Polson Subdivision Regulations.
 - c. Through the formation of a Special Improvement District (S.I.D.).
 - d. Federal or State grant funds.
9. Connection and user fees for properties located outside the City limits for sewer and water services shall be charged in accordance with rates, charges and tariffs adopted by ordinance or resolution by the City Council.
10. As new City streets are constructed and as existing streets are improved, storm drainage infrastructure shall be installed or improved to City standards. It is the responsibility of the developer to transfer storm water from the existing property to an appropriate point of disposal. The quantity and rate of runoff from a developed parcel cannot exceed that which would occur had the property remained undeveloped, unless adequate storm drainage is available.
11. For the purposes of fire, police, and all general government services, the tax burden for these services shall be shared by all city taxpayers.

CITY OF POLSON
EXTENSION OF SERVICES PLAN

EXHIBIT A

POLSON CITY LIMITS
ZONING JURISDICTION BOUNDARY
ZONING USE DESIGNATIONS

CITY OF POLSON
EXTENSION OF SERVICES PLAN

EXHIBIT B

POLSON URBAN GROWTH BOUNDARY

CITY OF POLSON
EXTENSION OF SERVICES PLAN

EXHIBIT C-2
AGREEMENT FOR ANNEXATION
AND CITY SEWER SERVICE

THIS AGREEMENT is entered into as of _____ day of _____, 20____, by
and between the City of Polson, a municipal corporation ("CITY") and

("OWNER"), whose mailing address is
_____ with respect to the following facts:

A. OWNER is the sole owner of the real property that is legally described below, and which shall hereafter be referred to as OWNER'S REAL PROPERTY:

LEGAL DESCRIPTION

B. OWNER'S REAL PROPERTY is located outside of the current corporate limits of the CITY.

C. OWNER desires to obtain municipal sewer service from the CITY to serve OWNER'S REAL PROPERTY.

D. The parties desire to enter into an Agreement pursuant to Section 7-13-4312, MCA, pursuant to which the CITY will provide municipal sewer service in return for OWNER'S agreement that OWNER'S REAL PROPERTY may be annexed to the corporate limits of the CITY.

WHEREFORE, the parties agree as follows:

(1)Furnishing of Sewer Services: The CITY hereby agrees to furnish municipal sewer service to OWNER'S REAL PROPERTY. Unless otherwise agreed in writing between the parties, OWNER shall be solely responsible for all costs involved in extending sewer service to OWNER'S REAL PROPERTY and connecting OWNER'S REAL PROPERTY to the municipal sewer system. Nothing in this Agreement shall obligate the CITY to pay the costs for right-of-way acquisition, engineering, construction and other related costs involved in extending or connecting sewer service to OWNER'S REAL PROPERTY.

(2)Sewer Connections: Upon approval by the CITY Public Works Department of the design and construction of all sewer lines and other facilities necessary to serve OWNER'S REAL PROPERTY, and acceptance of all of such sewer facilities by the CITY, OWNER will be given permission to connect no more than one (1) connection to the CITY'S municipal sewer system.

(3)Rates, Rules and Policies: OWNER agrees to pay to the CITY such charges, rates, and fees, including but not limited to connection fees and plant investment fees, as are established by the CITY in accordance with Montana Law. In addition, OWNER shall comply with and be subject to all of the CITY'S rules, regulations and policies, as amended from time to time, with respect to the operation of the CITY'S sewer system.

CITY OF POLSON
EXTENSION OF SERVICES PLAN

(4) Consent to Annexation: OWNER acknowledges and agrees that the CITY is willing to provide municipal sewer service only if OWNER provides all of the promises and representations contained in this Paragraph (4). Pursuant to Section 7-13-4314, MCA, which states that any person, firm, or corporation outside of the incorporated CITY limits may be required by the CITY, as a condition to initiate such service, to consent to annexation of the tract served by the CITY, and in consideration for the CITY'S agreement to provide municipal sewer service, OWNER agrees to consent to annexation under the following conditions and in the following manner:

- (a) OWNER hereby irrevocably consents to the annexation of OWNER'S REAL PROPERTY, and OWNER irrevocably waives any right of protest to any annexation proceedings initiated by the CITY. OWNER agrees that the CITY may initiate annexation of OWNER'S REAL PROPERTY, relying upon this consent and waiver of protest, at any time in the future, without limitation. OWNER acknowledges that, but for this waiver, OWNER would have a right to protest the annexation of OWNER'S REAL PROPERTY.
- (b) OWNER hereby petitions to have OWNER'S REAL PROPERTY annexed to the CITY, pursuant to Section 7-2-4601, et. seq., MCA, or any successor statute. OWNER agrees that the CITY may act on this petition at any time in the future, without limitation. OWNER furthermore expressly waives the provisions of Section 7-2-4608, MCA, which provides, in effect, that no property used for agricultural, mining, smelting, refining, transportation, or any industrial or manufacturing purposes or for any purpose incident thereto shall be annexed pursuant to the provisions of Section 7-2-4601, et. seq., MCA.
- (c) OWNER acknowledges and agrees that OWNER has had an opportunity to inspect the contents of the CITY'S Plan for Extension of Services, as adopted by the CITY, and which describes the manner in which CITY services may be extended to properties annexed by the CITY. OWNER acknowledges and agrees that OWNER is satisfied with the CITY'S Plan for Extension of Services, and that the CITY'S Plan for Extension of Services adequately provides for the extension of CITY services to OWNER'S REAL PROPERTY. OWNER hereby waives the right to object or otherwise challenge the CITY'S Plan for Extension of Services.
- (d) OWNER hereby irrevocably waives for all time the right to file an action in court to challenge, for any reason, the CITY'S annexation of OWNER'S REAL PROPERTY, whether such annexation occurs now or in the future.
- (e) OWNER acknowledges and agrees that all of OWNER'S REAL PROPERTY, as described above, will clearly and immediately, and not merely potentially, be serviced by the sewer service to be provided by the CITY pursuant to this Agreement.
- (f) OWNER agrees that if ever OWNER, its heirs, assigns, successors in interest, purchasers, or subsequent holders of title to OWNER'S REAL PROPERTY, breach, challenge, disregard, or otherwise violate any of the terms of this Paragraph (4), the CITY may, after providing 20 days written notice, terminate sewer service to OWNER'S REAL PROPERTY, in addition to any other remedies that the CITY may have.
- (g) OWNER agrees that if OWNER, in violation of this Agreement, submits a protest to the annexation of OWNER'S REAL PROPERTY, the CITY may disregard such protest, in addition to any other remedies that the CITY may have.
- (h) The promises, covenants, representations, and waivers provided pursuant to this Paragraph (4) are voluntarily and knowingly given, with full knowledge of the

CITY OF POLSON
EXTENSION OF SERVICES PLAN

OWNER'S legal rights. OWNER acknowledges and agrees that it is has had an opportunity to consult with legal counsel of its choice regarding the provisions of this Agreement.

(5)Recording; Binding on Assigns: OWNER agrees that this entire Agreement shall be recorded in the office of the Clerk and Recorder of Lake County, and OWNER agrees that this Agreement shall run to, with, and be binding upon OWNER'S REAL PROPERTY and OWNER'S title to such real property, and shall be binding upon the OWNER'S heirs, assigns, successors in interest, purchasers, and any and all subsequent holders or owners of OWNER'S REAL PROPERTY.

(6)Future Deeds: OWNER agrees that all deeds that OWNER executes to transfer OWNER'S REAL PROPERTY, or portions thereof, shall contain the following language:

"The Grantee hereby covenants and agrees that acceptance of this Deed constitutes a waiver of the statutory right of protest against any annexation procedure initiated by the City of Polson, and constitutes a consent to annexation of the real property described herein, and constitutes a waiver of any right to file a court action to challenge any such annexation, with respect to the real property described herein."

OWNER agrees that this Agreement shall bind future purchasers even if OWNER fails to include the language set forth above in future deeds. After annexation of OWNER'S REAL PROPERTY, future deeds need not contain the language set forth above.

(7)Term: This Agreement shall be in perpetuity.

(8)Entire Agreement: This Agreement contains the entire Agreement of the parties with respect to the issue of annexation of the OWNER'S REAL PROPERTY, and supersedes any prior written or oral agreements between them concerning the annexation of the OWNER'S REAL PROPERTY. The provisions of this Agreement may be waived, altered, amended, or repealed in whole or in part only upon the written consent of all parties to this Agreement.

(9)Partial Invalidity: Each term, covenant, condition or provision of this Agreement shall be viewed as separate and distinct, and in the event that any such term, covenant, condition or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue in full force and effect.

(10) Necessary Acts: Each party to this Agreement agrees to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

(11) Attorneys' Fees. In the event of any litigation to enforce or interpret the provisions of this Agreement, or to remedy a breach thereof, the prevailing party shall be entitled to recover its reasonable attorneys' fees as fixed by the court.

(12) Release of Agreement: After annexation of OWNER'S REAL PROPERTY has been completed, the CITY shall, upon request from OWNER, release this Agreement as an encumbrance against OWNER'S REAL PROPERTY.

CITY OF POLSON

OWNER

City Manager

ATTEST:

City Clerk

CITY OF POLSON
EXTENSION OF SERVICES PLAN

STATE OF MONTANA)
 :SS
County of Lake)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared _____ and _____, known to me to be the City Manager and City Clerk of the City of Polson, whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year last above written.

Printed Name: _____
Notary Public for the State of Montana
Residing in Polson, Montana
My Commission expires: _____

(SEAL)

STATE OF MONTANA)
 :SS
County of Lake)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year last above written.

Printed Name: _____
Notary Public for the State of Montana
Residing in Polson, Montana
My Commission expires: _____

(SEAL)

CITY OF POLSON
EXTENSION OF SERVICES PLAN

EXHIBIT C-3
AGREEMENT FOR ANNEXATION
AND CITY WATER SERVICE

THIS AGREEMENT is entered into as of _____ day of _____, 20____, by and between the City of Polson, a municipal corporation (“CITY”) and _____ (“OWNER”), whose mailing address is _____ with respect to the following facts:

A. OWNER is the sole owner of the real property that is legally described below, and which shall hereafter be referred to as OWNER’S REAL PROPERTY:

LEGAL DESCRIPTION

B. OWNER’S REAL PROPERTY is located outside of the current corporate limits of the CITY.

C. OWNER desires to obtain municipal water service from the CITY to serve OWNER’S REAL PROPERTY.

D. The parties desire to enter into an Agreement pursuant to Section 7-13-4312, MCA, pursuant to which the CITY will provide municipal water service in return for OWNER’S agreement that OWNER’S REAL PROPERTY may be annexed to the corporate limits of the CITY.

WHEREFORE, the parties agree as follows:

(1)Furnishing of Water Services: The CITY hereby agrees to furnish municipal water service to OWNER’S REAL PROPERTY. Unless otherwise agreed in writing between the parties, OWNER shall be solely responsible for all costs involved in extending water service to OWNER’S REAL PROPERTY and connecting OWNER’S REAL PROPERTY to the municipal water system. Nothing in this Agreement shall obligate the CITY to pay the costs for right-of-way acquisition, engineering, construction and other related costs involved in extending or connecting water service to OWNER’S REAL PROPERTY.

(2)Water Connections: Upon approval by the CITY Public Works Department of the design and construction of all water lines, valves, and other facilities necessary to serve OWNER’S REAL PROPERTY, and acceptance of all of such water facilities by the CITY, OWNER will be given permission to connect no more than one (1) connections to the CITY’S municipal water system.

(3)Rates, Rules and Policies: OWNER agrees to pay to the CITY such charges, rates, and fees, including but not limited to connection fees and plant investment fees, as are established by the CITY in accordance with Montana Law. In addition, OWNER shall comply with and be subject to all of the CITY’S rules, regulations and policies, as amended from time to time, with respect to the operation of the CITY’S water system.

CITY OF POLSON
EXTENSION OF SERVICES PLAN

(4) Consent to Annexation: OWNER acknowledges and agrees that the CITY is willing to provide municipal water service only if OWNER provides all of the promises and representations contained in this Paragraph (4). Pursuant to Section 7-13-4314, MCA, which states that any person, firm, or corporation outside of the incorporated CITY limits may be required by the CITY, as a condition to initiate such service, to consent to annexation of the tract served by the CITY, and in consideration for the CITY'S agreement to provide municipal water service, OWNER agrees to consent to annexation under the following conditions and in the following manner:

(a) OWNER hereby irrevocably consents to the annexation of OWNER'S REAL PROPERTY, and OWNER irrevocably waives any right of protest to any annexation proceedings initiated by the CITY. OWNER agrees that the CITY may initiate annexation of OWNER'S REAL PROPERTY, relying upon this consent and waiver of protest, at any time in the future, without limitation. OWNER acknowledges that, but for this waiver, OWNER would have a right to protest the annexation of OWNER'S REAL PROPERTY.

(b) OWNER hereby petitions to have OWNER'S REAL PROPERTY annexed to the CITY, pursuant to Section 7-2-4601, et. seq., MCA, or any successor statute. OWNER agrees that the CITY may act on this petition at any time in the future, without limitation. OWNER furthermore expressly waives the provisions of Section 7-2-4608, MCA, which provides, in effect, that no property used for agricultural, mining, smelting, refining, transportation, or any industrial or manufacturing purposes or for any purpose incident thereto shall be annexed pursuant to the provisions of Section 7-2-4601, et. seq., MCA.

(c) OWNER acknowledges and agrees that OWNER has had an opportunity to inspect the contents of the CITY'S Plan for Extension of Services, as adopted by the CITY, and which describes the manner in which CITY services may be extended to properties annexed by the CITY. OWNER acknowledges and agrees that OWNER is satisfied with the CITY'S Plan for Extension of Services, and that the CITY'S Plan for Extension of Services adequately provides for the extension of CITY services to OWNER'S REAL PROPERTY. OWNER hereby waives the right to object or otherwise challenge the CITY'S Plan for Extension of Services.

(d) OWNER hereby irrevocably waives for all time the right to file an action in court to challenge, for any reason, the CITY'S annexation of OWNER'S REAL PROPERTY, whether such annexation occurs now or in the future.

(e) OWNER acknowledges and agrees that all of OWNER'S REAL PROPERTY, as described above, will clearly and immediately, and not merely potentially, be serviced by the water service to be provided by the CITY pursuant to this Agreement.

(f) OWNER agrees that if ever OWNER, its heirs, assigns, successors in interest, purchasers, or subsequent holders of title to OWNER'S REAL PROPERTY, breach, challenge, disregard, or otherwise violate any of the terms of this Paragraph (4), the CITY may, after providing 20 days written notice, terminate water service to OWNER'S REAL PROPERTY, in addition to any other remedies that the CITY may have.

(g) OWNER agrees that if OWNER, in violation of this Agreement, submits a protest to the annexation of OWNER'S REAL PROPERTY, the CITY may disregard such protest, in addition to any other remedies that the CITY may have.

(h) The promises, covenants, representations, and waivers provided pursuant to this Paragraph (4) are voluntarily and knowingly given, with full knowledge of the OWNER'S legal rights. OWNER acknowledges and agrees that it is has had an opportunity to consult with legal counsel of its choice regarding the provisions of this Agreement.

CITY OF POLSON
EXTENSION OF SERVICES PLAN

(5)Recording; Binding on Assigns: OWNER agrees that this entire Agreement shall be recorded in the office of the Clerk and Recorder of Lake County, and OWNER agrees that this Agreement shall run to, with, and be binding upon OWNER'S REAL PROPERTY and OWNER'S title to such real property, and shall be binding upon the OWNER'S heirs, assigns, successors in interest, purchasers, and any and all subsequent holders or owners of OWNER'S REAL PROPERTY.

(6)Future Deeds: OWNER agrees that all deeds that OWNER executes to transfer OWNER'S REAL PROPERTY, or portions thereof, shall contain the following language:

"The Grantee hereby covenants and agrees that acceptance of this Deed constitutes a waiver of the statutory right of protest against any annexation procedure initiated by the City of Polson, and constitutes a consent to annexation of the real property described herein, and constitutes a waiver of any right to file a court action to challenge any such annexation, with respect to the real property described herein."

OWNER agrees that this Agreement shall bind future purchasers even if OWNER fails to include the language set forth above in future deeds. After annexation of OWNER'S REAL PROPERTY, future deeds need not contain the language set forth above.

(7)Term: This Agreement shall be in perpetuity.

(8)Entire Agreement: This Agreement contains the entire Agreement of the parties with respect to the issue of annexation of the OWNER'S REAL PROPERTY, and supersedes any prior written or oral agreements between them concerning the annexation of the OWNER'S REAL PROPERTY. The provisions of this Agreement may be waived, altered, amended, or repealed in whole or in part only upon the written consent of all parties to this Agreement.

(9)Partial Invalidity: Each term, covenant, condition or provision of this Agreement shall be viewed as separate and distinct, and in the event that any such term, covenant, condition or provision shall be held by a court of competent jurisdiction to be invalid, the remaining provisions shall continue in full force and effect.

(10) Necessary Acts: Each party to this Agreement agrees to perform any further acts and execute and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

(11) Attorneys' Fees. In the event of any litigation to enforce or interpret the provisions of this Agreement, or to remedy a breach thereof, the prevailing party shall be entitled to recover its reasonable attorneys' fees as fixed by the court.

(12) Release of Agreement: After annexation of OWNER'S REAL PROPERTY has been completed, the CITY shall, upon request from OWNER, release this Agreement as an encumbrance against OWNER'S REAL PROPERTY.

CITY OF POLSON

OWNER

City Manager

ATTEST:

City Clerk

CITY OF POLSON
EXTENSION OF SERVICES PLAN

STATE OF MONTANA)
):ss
County of Lake)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the State of Montana, personally appeared _____ and _____, known to me to be the City Manager and City Clerk of the City of Polson, whose name(s) is/are subscribed to the foregoing instrument, and acknowledged to me that he/she/they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year last above written.

Notary Public for the State of Montana
Residing in Polson, Montana

(SEAL)

My Commission expires: _____

STATE OF MONTANA)
):ss
County of Lake)

On this _____ day of _____, 20____, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year last above written.

Notary Public for the State of Montana
Residing in Polson, Montana

(SEAL)

My Commission expires: _____