

Resolution 12-05

A Resolution of the Gallatin Gateway County Water & Sewer District

*MAKING A DETERMINATION OF PROTESTS AND
BENEFITED PROPERTIES FOR WASTEWATER SYSTEM
SPECIAL ASSESSMENTS AND DESCRIBING THE PROCESS
FOR LEVYING OF ASSESSMENTS*

In a Regular Meeting of the Board of Directors of the Gallatin Gateway County Water & Sewer District, Director Sullivan moved to adopt a resolution MAKING A DETERMINATION OF PROTESTS AND BENEFITED PROPERTIES FOR WASTEWATER SYSTEM SPECIAL ASSESSMENTS AND DESCRIBING THE PROCESS FOR LEVYING OF ASSESSMENTS. The resolution was adopted by a unanimous vote of the Board.

IT IS

RESOLVED, by the Board of Directors (the "Board") of the Gallatin Gateway County Water & Sewer District, Gallatin County, Montana (the "District"), as follows:

Section 1. Notice of Intention to Levy. By Resolution No. 12-04, passed on July 2, 2012, the Board indicated its intention to levy special assessments against benefited properties in the District (the "Proposed Benefited Properties") for payment of a portion of the improvements described in Resolution No. 12-04 (the "Improvements") and calling for a August 6, 2012 hearing to protest the proposed Improvements or the proposed special assessments. The District Secretary timely sent out notice of such protest hearing to all landowners of Proposed Benefited Properties in the District and published a Notice of Passage of Resolution No. 12-04 on July 7, 2012 and July 14, 2012 in the Bozeman Daily Chronicle.

Section 2. Protest Hearing. On August 6, 2012, the District Board heard and considered 0 written protests of the proposed levy and Improvements referenced in Resolution No. 12-04. The written protests are on file with the District as are minutes of the hearing conducted on the protests, including the Board's responses to the matters raised at the hearing. The written protests considered included all written protests received by the District against the proposed assessments filed by property owners in the District and received by the District Secretary from July 7, 2012 through August 6, 2012 at 5:00 PM.

Section 3. Aggregation of Parcels. During the month of March of 2012, the District and Gallatin County provided information and assistance to property owners in the District to aggregate their lots in order to minimize potential assessments charged against contiguous properties. On April 9, 2012 the Board passed Resolution 12-02 declaring the Board's intention to levy special assessments against benefited properties in the District and setting May 10, 2012 as

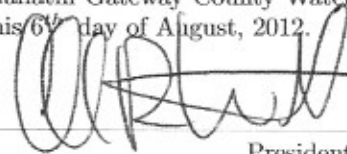
the date for a public hearing. On May 10, 2012, after hearing testimony from property owners regarding the complexity and length of the lot aggregation process, the Board rescinded Resolution 12-02 to give property owners more time to complete the lot aggregation process. Subsequent to the passage of the Resolution 12-02, but prior to May 10, 2012, 13 owners of 52 pre-aggregation parcels aggregated their parcels into 16 post-aggregation parcels, whereby reducing the number of benefited parcels within the District to 137. As of May 10, 2012 the total number of parcels in the District was thus 137.

The Board subsequently passed a new Resolution of Intention, Resolution No. 12-04, which also indicated that the District and Gallatin County provided information and assistance to property owners in the District to aggregate their lots. Resolution 12-04 estimated that after the extended aggregation period there would be 134 benefited parcels. Subsequent to the passage of Resolution 12-04, but prior to passage of this Resolution, 4 owners of 8 pre-aggregation parcels aggregated their parcels into 4 post-aggregation parcels, whereby reducing the number of benefited parcels within the District to 133. As of the date of this Resolution, the total number of parcels in the District is thus 133. The estimates used for budget and special assessment information in the Resolution of Intention, Resolution No. 12-04, were based on an estimated 137 properties subject to the special assessment after aggregations.

Section 4. Benefited Property Determination and Determination of Protests. The District Board hereby determines that the properties described in Revised Exhibit A attached hereto are the properties to be benefited by the Improvements. The protests reviewed were made by property owners in the District to be assessed and equal approximately 0% of the estimated costs of the Improvements. For a protest to be successful under Section 7-13-2282(4), MCA, the protests must be made by property owners in the District to be assessed and be in excess of 50% of the estimated costs of the Improvements. The Board therefore determines that the protests against the methods of assessments or the levy of special assessments are not sufficient to stop the creation of the special assessment area or the special assessments from being levied under Section 7-13-2282 (4), MCA.

Section 5. Final Determination on Assessments. The District will continue with final design of the Improvements and, upon regulatory approval of the final design, will obtain construction bids for the Improvements. If the construction costs of the Improvements and final interest rate for the proposed special assessment bonds result in the assessment being not substantially greater than the assessment estimates given in Resolution No. 12-04, then the District Board will proceed to approve the final levy for the assessments and present that levy amount for each property to the County Clerk and Recorder, Assessor and Treasurer. If the final Improvement costs and bond interest rate result in estimated costs substantially higher than as shown in Resolution No. 12-04, then the District will provide a new resolution of intent and protest hearing for the new assessment amounts.

ADOPTED by the Board of Directors of the Gallatin Gateway County Water & Sewer District, Gallatin County, Montana, this 6th day of August, 2012.



President

Attest:



