

Resolution 11-04

A Resolution of the Gallatin Gateway County Water & Sewer District

*DETERMINING THE NEED FOR INCURRING BONDED INDEBTEDNESS BY ISSUANCE OF REVENUE BONDS IN THE AMOUNT OF UP TO EIGHT HUNDRED SIXTY-THREE THOUSAND AND NO/100 DOLLARS (\$863,000) FOR THE PURPOSE OF FUNDING A PORTION OF THE DESIGN, CONSTRUCTION, ACQUISITION, EQUIPPING AND FINANCING OF A PUBLIC SEWER COLLECTION AND TREATMENT SYSTEM, INCLUDING LAND ACQUISITION FOR THE GALLATIN GATEWAY COUNTY WATER & SEWER DISTRICT, GALLATIN COUNTY, MONTANA; CALLING FOR A MAIL BALLOT ELECTION; PROVIDING FOR NOTICE OF THE ELECTION AND THE FORM OF THE BALLOT*

In a Regular Meeting of the Board of Directors of the Gallatin Gateway County Water & Sewer District, Director Sullivan moved to adopt a resolution authorizing revenue bonds and calling for an election. The resolution passed unanimously.

**W**HEREAS on February 17, 2009, the Gallatin Gateway County Water & Sewer District (the "District") was formed and the Board of Directors (the "Board") was elected and the District boundaries are described in Exhibit A, attached hereto and incorporated herein; and

**WHEREAS** the Board, after having conducted public hearings and meetings to ensure that the landowners and residents in the District desire central wastewater collection and treatment facilities to replace the existing individual septic tanks and drainfields currently in service, have received significant public feedback in support of such a system and documenting the existing community health problems such as cross contamination between wastewater and drinking water, that growth, renovation and remodeling are stifled by the lack of a community wastewater collection system that meets the Clean Water Act standards. Through the Preliminary Engineering Review Process and public hearing and comment, it has been determined that a 'Level 2' treatment system would be the most appropriate type system for the community; and

**WHEREAS** the total estimated project costs of the design, construction, acquisition, equipping and financing of a public sewer collection and treatment system (the "System"), including land acquisition and paying costs associated with the sale and issuance of the bonds (the "Project") is approximately \$4,315,000 and all of the lands within the District will benefit from the completion of the Project; and

**WHEREAS** the Board has secured grant funding from the State of Montana

Department of Natural Resources and Conservation in the amount of \$100,000 and from the Treasure State Endowment Program in the amount of \$750,000 and from Rural Development (United States Department of Agriculture) in the amount of \$1,815,000 and Gallatin County, on behalf of the District, has applied for, but not yet received, a State of Montana Community Development Block Grant (the "CDBG") in the amount of \$450,000 (which, if awarded, may be used to prepay special assessment bonds, hereinafter defined, for qualified low to moderate income users of the System and to pay a portion of the Project costs); and

**WHEREAS** the balance of the funds (not counting the CDBG) required to complete the Project are to be provided by the issuance of a combination of revenue bonds and special assessment bonds with the revenue bonds to be in a principal amount not to exceed \$863,000 (the "Revenue Bonds") and the special assessment bonds estimated not to exceed \$787,000 in principal amount (the "Special Assessment Bonds") and both the Revenue Bonds and the Special Assessment Bonds are contingently committed to be purchased by USDA Rural Development at an interest rate of 3.375% per annum payable over 40 years; and

**WHEREAS** pursuant to §7-13-2321, MCA, whenever the board of directors of a county water and sewer district deems it necessary for the district to incur a bonded indebtedness for revenue bonds secured by the revenues of the sewer system and by a deficiency tax levy pursuant to §7-13-2302, MCA, in the event revenues are insufficient, it shall by resolution so declare and state the purpose for which the debt is proposed to be incurred, the land within the district to be benefited thereby, the amount of the debt to be incurred, the maximum term of the bonds proposed to be issued, and the proposition to be submitted to the electors; and

**WHEREAS** pursuant to §7-13-2280 through 7-13-2290, MCA, and §7-13-2333, MCA, the board of directors of a county water and sewer district are authorized to issue special assessment bonds without submitting the authorization of such bonds to the electors; and

**WHEREAS** the Board has determined to pay a portion of the Project with the Revenue Bonds secured by a deficiency tax levy for which an election will be required and to pay for a portion of the Project with the Special Assessments Bonds for which no election is required; and

**WHEREAS** USDA Rural Development's contingent offer to purchase the Revenue Bonds and the Special Assessment Bonds was for a term of the Bonds not to exceed 40 years from the date of issuance and at a rate of interest not to exceed 3.375%.

NOW THEREFORE, IT IS

**R**ESOLVED, Purpose. Based upon community public hearings and meetings the District intends to construct a central wastewater collection system and 'Level 2' treatment system and to replace the existing individual septic tanks and drainfields currently in service. The Board believes such new system will address existing community health problems such as cross contamination between wastewater and drinking water, that growth, renovation and remodeling are stifled by the lack of a community wastewater collection and treatment system that meets the Clean Water Act standards. The estimated cost of the Project is approximately \$4,315,000.00. Anticipated funding for the Project is set forth in the recitals above. The District intends to issue Revenue Bonds in an amount not to exceed \$863,000 with the Bonds secured by a deficiency tax levy and payable at an interest rate of 3.375% per annum fully amortized and payable over 40 years to pay a portion of the costs of the Project.

Benefited Land. All land within the District, described on the attached Exhibit A, will be benefited by the Project and by the issuance of the Revenue Bonds due to the availability of a central sewer system.

Maximum Term of Revenue Bonds. The term of the Revenue Bonds shall not exceed 40 years from the date of issuance.

Submission of Question on Issuing Revenue Bonds to the Electorate. The Board hereby calls a mail ballot special election and directs notice to be given of the mail ballot special election to be held on January 31, 2012 for the electorate to consider approving or disapproving the District incurring bonded indebtedness for such Revenue Bonds in the amount not to exceed \$863,000 for payment of a portion of the Project. All qualified electors of the District shall be entitled to vote at the bond election. The Election Administrator is hereby requested and authorized to give proper notice of the close of registration and is hereby requested and authorized to fill in the dates appropriate for the election process and cause notice of the call and holding of the election to be published at least once a week for three consecutive weeks before the election in the Bozeman Daily Chronicle and may do so in any other newspaper of general circulation in the county. The notice of election shall be in the form attached hereto as Exhibit B, with the blanks filled in by the Election Administrator.

Form of Ballot Proposition. The proposition to be submitted to the electors at the special mail ballot election referenced above is:

PROPOSITION

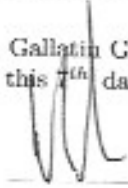
SHOULD THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT, GALLATIN COUNTY, MONTANA INCUR BONDED INDEBTEDNESS BY ISSUANCE OF REVENUE BONDS SECURED BY A DEFICIENCY TAX LEVY WITH THE PRINCIPAL AMOUNT OF THE BONDS NOT TO EXCEED \$863,000 AND THE BONDS PAYABLE OVER A MAXIMUM TERM OF 40 YEARS FROM THE DATE OF ISSUANCE AT AN INTEREST RATE NOT GREATER THAN 3.375% PER ANNUM, FOR THE PURPOSE OF FUNDING A PORTION OF THE COSTS OF THE DESIGN, CONSTRUCTION, ACQUISITION OF PROPERTY, EQUIPPING AND FINANCING OF A PUBLIC SEWER TREATMENT AND COLLECTION SYSTEM, FOR THE BENEFIT OF ALL LANDS WITHIN THE DISTRICT?

FOR THE PROPOSITION

AGAINST THE PROPOSITION

Resolution to Election Administrator. A copy of this resolution will be provided to the Election Administrator as soon as possible after its adoption and approval in order to inform her of the details of the election and the pertinent requests and authorizations as to the conduct of the election.

ADOPTED by the Board of Directors of the Gallatin Gateway County Water & Sewer District, Gallatin County, Montana, this 7<sup>th</sup> day of November, 2011.



President

Attest:



EXHIBIT A  
DESCRIPTION OF THE DISTRICT

The properties constituting the District are situated in the SW  $\frac{1}{4}$  NE  $\frac{1}{4}$ , NW  $\frac{1}{4}$  SE  $\frac{1}{4}$ , N  $\frac{1}{2}$  SW  $\frac{1}{4}$ , S  $\frac{1}{2}$  NW  $\frac{1}{4}$ , located in Section 11, Township 3 South, Range 4 East, Principal Meridian, Gallatin County, Montana, more particularly described as follows: Beginning at the northwest corner of Block 3 of the Town of Gallatin Gateway, formerly known as Salesville, the true point of beginning; thence easterly along the north line of the Town of Gallatin Gateway to the northeast corner of Block 1 of the Town of Gallatin Gateway; thence easterly along the north line of the parcel described in Film 4, Page 32, to the northeast corner Film 4, Page 32; thence northeasterly along the westerly lines of Tract A and Tract B-1A of Certificate of Survey No. 2018 (COS 2018) to the northwest corner of Tract B-1A; thence easterly along the north lines of Tract B-1A and Tract A to the intersection of the easterly extension of the north line of Tract A and the centerline of United States Highway No. 191 (U.S. Highway 191); thence southerly along the centerline of U.S. Highway 191 to its intersection with the westerly extension of the northerly right-of-way line of Penny Lane of Minor Subdivision No. 262 (Minor SD 262); thence easterly along the extension of and northerly right-of-way line of Penny Lane to the point of curvature of the cul-de-sac of Penny Lane; thence curving to the right along the cul-de-sac right-of-way line to the northeast corner of Lot 4 of Minor SD 262; thence southerly along the east line of Lot 4 to the southeast corner of Lot 4; thence westerly along the south line of Minor SD 262 to its intersection with the east right-of-way line of Cinch Road of Minor SD 213; thence southerly along the east right-of-way line of Cinch Road to the north right-of-way line of Latigo Road of Minor SD 213; thence easterly along the north right-of-way line of Latigo Road to its intersection with the northerly extension of the east line of Lot 4 of Minor SD 213; thence southerly along the extension of and the east line of Lot 4 to the southeast corner of Lot 4; thence easterly along the north line Parcel A-2 of COS 706A to the northeast corner of Parcel A-2; thence southerly along the east line of Parcel A-2 to the southeast corner of Parcel A-2; thence southerly along the east line of Parcel D of COS 706 to the southeast corner of Parcel D; thence westerly along the south line of Parcel D to the southwest corner of Parcel D; thence southerly along the east line of Lot 3 of Minor SD 56 to the southeast corner of Lot 3; thence westerly along the south lines of Lot 3 of Minor SD 56, Lot 4A of Minor SD 56B, and the Remainder of Tract 1-A-2 of COS 347B to the intersection of the westerly extension of the south boundary of the Remainder of Tract 1-A-2 of COS 347B and the centerline of U.S. Highway 191; thence northerly along the centerline of U.S. Highway 191 to a point on the east-west center of section line of section 11; thence westerly along the east-west center of section line of section 11 to the northeast corner of the Remainder of Tract 2 of COS 2046A; thence westerly along the northerly lines of the Remainder of Tract 2 to the northeast corner of Tract 1 of COS 2046; thence southerly and southwesterly along the easterly and southerly lines of Tract 1 to the southeast corner of Block 14 of the Town of Gallatin Gateway; thence westerly along the

southerly line of the Town of Gallatin Gateway to the southwest corner of Lynde Street; thence northerly along the west right-of-way line of Lynde Street to the intersection of the northerly extension of west right-of-way line of Lynde Street and the easterly extension of the south line of Block 8 of the Town of Gallatin Gateway; thence westerly along the extension of and south line of Block 8 to the southwest corner of Block 8; thence westerly along the south line of the parcel described in Deed Book 103, Page 445 to the right bank of the Gallatin River; thence northerly along the right bank of the Gallatin River to the point of beginning and further incorporating the following parcels

S11, T03 S, R04 E, S2 TR S BEING 92.25 X 96.74' NW4SW4 SEC 11 3S 4E further described in deed record 97-367 Gallatin County, Montana

S11, T03 S, R04 E, A TRACT 92.25X96.74' NW4SW4 SEC 11 3S 4E further described in deed record 103-162 Gallatin County, Montana

S11, T03 S, R04 E, TRACT 2A SW4 SEC 11 3S 4E 1.02AC COS 2046A

S11, T03 S, R04 E, TRACT SW4NW4 SEC 11 3S 4E .81AC

S11, T03 S, R04 E, SALESVILLE S2NW4 SEC 11 3S 4E .30AC LOT 7 BLK 1 & TR 5

S11, T03 S, R04 E, TRACT OF LAND 305.25X60 SE4NW4 SEC 11 3S 4E .42AC

S11, T03 S, R04 E, TRACT 1 LESS COS 104A NE4NW4 SEC 11 3S 4E 2.69AC COS 104

S11, T03 S, R04 E, TRACT 1N NW4 SEC 11 3S 4E 2.427AC COS 104A

S11, T03 S, R04 E, TRACT 2 E2NW4 SEC 11 3S 4E .853AC COS 104

MINOR SUB 213, S11, T03 S, R04 E, BLOCK XXX, Lot 003, MINOR SUB 213 SW4NE4 SEC 11 3S 4E 2.069AC LOT 3.

The description of land contains an estimated 80 acres.

EXHIBIT B  
NOTICE OF GALLATIN GATEWAY COUNTY WATER AND  
SEWER DISTRICT REVENUE BOND ELECTION

NOTICE IS HEREBY GIVEN by the Board of Directors (the "Board") of Gallatin Gateway County Water & Sewer District, Montana (the "District"), that pursuant to Resolution No. 11-04 duly adopted at a regular meeting of the Board on November 7, 2011, which resolution is available for public inspection, a mail ballot special election of the registered voters owning real property in or residing in the District will be held on January 31, 2012 for the purpose of voting on the question of whether or not the Board shall be authorized to issue District revenue bonds secured by a deficiency tax levy with the principal amount of the Bonds not to exceed \$863,000, and the Bonds bearing interest at a rate not more than three and three-eighths percent (3.375%) per year and payable over a period of not more than 40 years, for the purpose of paying for a portion of the costs of the design, construction, acquisition of property, and equipping and financing a wastewater collection system and 'Level 2' wastewater treatment system, (the "Project"). All of the property in the District will be benefited by the Project and the owners of such property as well as all registered electors of the District shall be entitled to vote.

The property included in the District is described on the attached Exhibit.

The election will be conducted solely by mail ballot by the Gallatin County Election Administrator. Ballots will be mailed to all eligible registered voters in the District on \_\_\_\_\_ and must be returned by each voter, by mail or in person to the Gallatin County Election Administrator, Gallatin County, 311 W. Main Street, Room 210, Bozeman, Montana 59715, during regular business hours (8:00 a.m. to 5:00 p.m.), weekdays (exclusive of holidays), January \_\_\_\_\_, 2012 through January \_\_\_\_\_, 2012.

On Election Day, January 31, 2012, voted ballots must be returned to the office of the Gallatin County Election Administrator, Gallatin County, 311 W. Main Street, Room 210, Bozeman, Montana 59715, which will be open from 7:00 a.m. to 8:00 p.m., and all ballots must be in that office by 8:00 p.m. in order to be counted. All ballots will be counted on January 31, 2012, in accordance with Montana law with the results being released after 8:00 p.m. on that day.

A qualified voter who will be absent from the District during the time the election is being conducted may: (a) vote in person in the office of the Gallatin County Election Administrator as soon as the ballots are available and until noon on January 31, 2012; or (b) make a written request prior to noon on \_\_\_\_\_, signed by the applicant and addressed to the office of the Gallatin County Election Administrator requesting the ballot be mailed to an address other than that which appears on the registration records. All ballots to be mailed will be mailed no later than \_\_\_\_\_.

An elector may obtain a replacement ballot if his ballot is destroyed, spoiled, lost, or not received by the elector by personally appearing at the office of the Gallatin County Election Administrator and by: (a) signing an affidavit form stating the reason for the request for replacement; and (b) if the reason given

for replacement is "spoiled ballot," by returning the spoiled ballot to the office of the Gallatin County Election Administrator.

Questions about the Project, or the need therefore, shall be directed to the General Manager of the District at P.O. Box 383, Gallatin Gateway, Montana 59730 or by phone at (509)460-8777. DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2011. Charlotte Mills, Gallatin County Election Administrator