

RESOLUTION NO. 2017-06

A RESOLUTION OF THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT REPEALING RESOLUTION NO. 2017-05 AND AMENDING RESOLUTION NO. 2016-02 IN SECTIONS 1.01, 3.01 AND 3.03 FOR THE PURPOSE OF PROVIDING CHANGES TO THE SERIES 2017B WASTEWATER SPECIAL ASSESSMENT BOND PRINCIPAL AMOUNT, PAYMENT AMOUNT AND SERIES DESIGNATION.

WHEREAS, the Gallatin Gateway County Water and Sewer District, Gallatin County, Montana (the "District"), by Resolution No. 2016-02 authorized the issuance of the District's wastewater special assessment bond in the aggregate amount of \$787,000 to pay a portion of the cost of acquiring and constructing its wastewater system project (the "Project"); and

WHEREAS, after passage of Resolution No. 2016-02, the District obtained bids and commenced construction of the Project; and

WHEREAS, part of the funding for the Project will be provided through a Community Development Block Grant ("CDBG") from the Montana Department of Commerce ("MDOC") to Gallatin County (the "County") to prepay certain special assessment principal amounts levied against properties owned or occupied by qualified low-to moderate income persons ("LMI Properties"); and

WHEREAS, the County had earlier provided information to MDOC indicating that 36 LMI Properties are eligible for payment by MDOC from CDBG funds for the prepayment of the principal amount of \$5,917.29 levied against each LMI Property; and

WHEREAS, MDOC is still verifying the number of LMI qualified properties and is only able to certify 20 LMI properties at this time; and

WHEREAS, the principal amount to be assessed against 20 LMI properties is \$118,345.80; and

WHEREAS, the United States Department of Agriculture through its Rural Development office has agreed to the \$118,345.80 prepayment for the LMI Properties and, instead of issuing the Series 2017B Bond in its originally anticipated amount of \$787,000, obtaining a prepayment of \$118,345.80 and then requiring issuance of a new special assessment bond in the amount of \$668,654.20, will now acknowledge the prepayment for the 20 LMI Properties and accept the Series 2017B Bond in the new, rounded, principal amount of \$668,700, plus a payment \$45.80 from the District, for the rounded amount; and

WHEREAS, the District is ready to issue the Series 2017B Bond in the new principal amount of \$668,700 due to the prepayment by the County for the 20 LMI properties; and

WHEREAS, if there are additional LMI properties qualifying after the issuance of the Series 2017B Bond by the date the special assessment payments are first due (November 30, 2017), MDOC has indicated it will allocate CDBG funds for additional prepayment for such LMI properties.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GALLATIN GATEWAY COUNTY WATER AND SEWER DISTRICT, GALLATIN COUNTY, STATE OF MONTANA, AS FOLLOWS:

1. Determination. The District Board hereby repeals Resolution No. 2017-05 since it is based on inaccurate amounts and no bonds were issued pursuant thereto and the Board hereby amends Resolution No. 2016-02 to reflect the changes in the Series 2017 B Special Assessment Bond principal amount, payment amount and Series designation by amending Sections 1.01, 3.01 and 3.03 of Resolution No. 2016-02.

2. Amendment to Section 1.01. The definition of the term "Bond" in Section 1.01 of Resolution No. 2016-02 shall be amended to read as follows:

"Bond" or "Bonds" means the \$863,000 Gallatin Gateway County Water and Sewer District Wastewater System Revenue Bond, Series 2017A, the \$668,700 Gallatin Gateway County Water and Sewer System Special Assessment Bond, Series 2017B and the \$310,000 Gallatin Gateway County Water and Sewer District Wastewater System Revenue Bond, Series 2017C Bond and any other Bonds issued pursuant to this Resolution to further improve or repair the System. If the year in which the Bonds are issued is anything other than 2017, then the designation of the year of the Bond will be the year issued.

"Series 2017 Bonds" means, collectively, the Series 2017A, B and C Bonds. If such Bonds are issued in a calendar year other than 2017, then each such Bond will bear the Series designation of the calendar year in which it is issued.

"Series 2017A Bond" means the \$863,000 Gallatin Gateway County Water and Sewer District, Wastewater System Revenue Bond, issued under a successful election of the voters on January 31, 2012.

"Series 2017B Bond" means the \$668,700 Gallatin Gateway County Water and Sewer District, Wastewater System Special Assessment Bond, which is issued without an election pursuant to Section 7-13-2333, MCA.

"Series 2017C Bond" means the up to \$310,000 principal amount of Gallatin Gateway County Wastewater System Revenue Bond, Series 2017C, issued without an election pursuant to Section 7-13-2333, MCA.

3. Amendment to Section 3.01. Section 3.01 of Resolution No. 2016-02 shall be amended to read as follows:

Section 3.01 Authorization, Issuance and Sale of Series 2017 Bonds. Pursuant to the Act and in order to provide a portion of the moneys for the Project, the Governing Body of the District hereby authorizes the issuance and sale of the Series 2017A, B and C Bonds to RD as the original purchaser upon the terms and conditions stated herein.

The Series 2017A and C Bonds shall be limited obligations of the District payable from the Net Revenues of the System (the Series 2017A Bond shall also be payable as described in Section 3.15), shall be issued and initially sold to RD in the aggregate principal amount of \$863,000 for the Series A Bond and \$310,000 for the Series C Bond, and each shall have a term of 40 years. The Series 2017B Bond shall be a limited obligation of the District in the principal amount of \$668,700 payable from the Special Assessments over a term of 40 years, which recognizes the currently qualified LMI Properties prepayment and rounding.

4. Amendment to Section 3.03. Section 3.03 of Resolution No. 2016-02 shall be amended to read as follows:

Section 3.03 Payment Schedule. *The principal of and interest on the Series 2017A and C Bonds shall be payable in monthly installments with the first installment due one month from the date of the Date of Closing and the remaining payments due on the same day each month thereafter during the remaining term of the Series 2017A and C Bonds until the principal of and interest on the Series 2017A and C Bonds have been paid in full. Principal and interest payments, which are presently estimated to be in the amount of \$2,451 for the Series 2017A Bond and \$881 for the Series 2017C Bond, based on interest at the rate of one and five-eighths percent (1.625%) per annum, shall be paid on the monthly installment dates for the remaining term of the Series 2017A and C Bonds. The final monthly installment may be in such lesser or greater amount as is necessary to pay the balance of principal and interest then remaining due.*

The principal of and interest on the Series 2017B Bond shall be payable in semi-annual installments with the first installment due six months from the date of the Date of Closing and the remaining payments due semi-annually thereafter during the remaining term of the Series 2017B Bond until the principal of and interest on the Series 2017B Bond has been paid in full. Principal and interest payments, which are presently estimated to be in the amount of \$11,402, based on the Bond principal amount of \$668,700 and interest at the rate of one and five-eighths percent (1.625%) per annum, paid on the semi-annually installment dates for the remaining term of the Series 2017B Bond. The final semi-

annual installment may be in such lesser or greater amount as is necessary to pay the balance of principal and interest then remaining due. Prepayments of the Series 2017B Bond, as described in Section 3.05, will result in a reamortization of the Series 2017B Bond and a reduced payment over the same term.

5. Remainder of Resolution in Full Force and Effect. Except as amended herein, Resolution No. 2016-02 shall remain in full force and effect

Adopted by the District Board on this 2nd day of October, 2017.

IN WITNESS WHEREOF, the President has executed this Resolution and the Secretary has so attested.

Approved:

Attest:


Secretary


President

The following Board Members voted in favor of the Resolution: Eric Amend, Ted Border, Elana Wexall

The following Board Members voted against the Resolution: None

The following Board Members were absent or abstained: David Sullivan (absent), Edwin Engler (absent)