

COUNTY RESOLUTION NO. 2019-17

RESOLUTION OF INTENTION RELATING TO CREATING A PROPOSED COUNTY RURAL SPECIAL IMPROVEMENT AND MAINTENANCE DISTRICT WHICH IS INTENDED TO INCLUDE PARCELS IN DAWSON COUNTY AND IN THE CITY OF GLENDIVE ABUTTING THE CITY LIMITS AND BENEFITING SUCH PROPERTIES, FOR THE PURPOSE OF REFINANCING DNRC LOAN NUMBER SRF-18-414 WHICH PROVIDED FOR THE PAYMENT OF A PORTION OF THE DESIGN AND CONSTRUCTION COSTS FOR WASTEWATER IMPROVEMENTS INCLUDING COLLECTION PIPES, A LIFT STATION, AND RELATED WASTEWATER COLLECTION INFRASTRUCTURE, AND PROVIDING FOR MAINTENANCE OF SUCH IMPROVEMENTS, FINANCING THE COSTS THEREOF AND INCIDENTAL COSTS THROUGH THE ISSUANCE OF RURAL SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY A RURAL SPECIAL IMPROVEMENT DISTRICT LIEN

BE IT RESOLVED by the County Commissioners of (the “Commission”) of the Dawson County, Montana, (the “County”) as follows:

Section 1. Proposed Refinancing of Improvements: Intention To Create District.

The County proposes to undertake refinancing of Montana Department of Natural Resources and Conservation (“DNRC”) State Revolving Fund Loan Number SRF-18-414, which provided for the construction of certain wastewater infrastructure improvements including collection and service lines, a lift station, and related wastewater collection and transportation infrastructure including in the area previously identified as the West Glendive Metropolitan Sanitary Sewer District which connected to the City of Glendive’s wastewater system (the “Improvements”). The refinancing will be accomplished through a proposed rural special improvement district (the “Proposed Improvement District”) pursuant to Section 7-12-2102, MCA, as more particularly described in Section 5. The costs of refinancing DNRC Loan # SRF-18-414 is proposed to be paid from a DNRC Rural Special Improvement District Special Assessment Bond (the “Bond”) in the amount of \$1,963,000. The intention of the County and the City of Glendive (the “City”) is to create the Proposed Improvement District, which will include 95 parcels in the City and 944 parcels in the County pursuant to Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended. The Bond is intended to be issued for the purpose of refinancing DNRC Loan # SRF-18-414, and includes a deposit to a reserve account for the Proposed Improvement District (the “Reserve Account”) and payment of costs of issuance of the Bond. The Bond is to be payable from special assessments to be levied against property in the Proposed Improvement District, which property is to be specially benefitted by the Improvements.

Section 2. Number of District. The Proposed Improvement District, if the same shall be created and established, shall be designated as Rural Special Improvement and Maintenance District No. 48 of the County.

Section 3. Boundaries of District. The proposed boundaries of the Proposed Improvement District and the properties to be assessed are shown on the map attached hereto as Exhibit “A”, (with the blue outlined properties being the assessed parcels of the Proposed Improvement District located in the City. A listing of each of the proposed properties in the Proposed Improvement District by Parcel ID, Lot, Block and Subdivision or other legal designation, street address (where applicable), and name of owner is attached to this Resolution as Exhibit “B” and will be an exhibit to the resolution creating the Proposed Improvement District intended to be passed by the County.

Section 4. Benefitted Property. The Proposed Improvement District and territory included within the limits and boundaries described in Section 3 are intended to be in the proposed Rural Special Improvement District and to be the territory which benefits from the Improvements and which is intended to and will be assessed for the Improvements being refinanced by the Bond.

Section 5. General Character of the Improvements. The Improvements, which were completed and financed by DNRC Loan # SRF-18-414 pursuant to County Resolution No. 2015-3, consist of wastewater infrastructure including collection and service lines, a lift station, and related wastewater collection and transportation infrastructure in the area previously identified as the West Glendive Metropolitan Sanitary Sewer District, and include incidental financing expenses (as defined in Section 7-12-2101(7), MCA. The Improvements will be operated pursuant to a Second Amended Interlocal Agreement dated July __, 2019 between the County and the City.

Section 6. Designation of Engineer and Estimated Cost. The designated engineer for the Proposed District is KLJ Engineering and their costs for the Improvements have been paid to date by the County. The estimated cost of the Bond is \$1,963,000. The estimated costs include: outstanding principal and interest on the DNRC Loan # SRF-18-414 estimated at \$1,879,65, a Debt Service Reserve estimated at \$68,350, and bond counsel and related costs estimated at \$15,000. The estimated costs are proposed to be paid by the Bond proceeds of \$1,963,000.

Section 7. Assessment Methods. All properties in the Proposed Improvement District will benefit from the Improvements and will be assessed an equal amount per parcel for their proportionate share of the Bond repayment based on the benefits received from the Improvements as authorized in Section 7-12-2151 (l)(d) MCA, plus one-half of one percent interest added to the bond interest rate of 2.5%, as required by Section 7-12-2176(a), MCA. The Commission must determine that the assessments are equitable and do not exceed the special benefits received from the Improvements. The total estimated principal assessment per parcel is \$1,889.32. The assessment amount for each parcel for both maintenance and Improvements, will be equal to 1/1,039 of the total annual estimated cost. If an increase occurs in the number of benefitted lots, the Board will recalculate the amount assessable to each lot as provided in Section 7-12-2151(4), MCA.

Section 8. Payment of Assessments. The special assessments for the costs of the Improvements and incidental expenses shall be payable over a term not exceeding eighteen (18) years, each in equal semiannual payments of principal and interest, as the County Commission shall prescribe in the resolution authorizing the issuance of the Bonds. Property owners have the right to prepay assessments as provided by law. The semi-annual assessment payments are due November 30th and May 31st. The estimated annual improvement assessment per parcel is \$137.

Section 9. Method of Financing. The County intends to issue the Bond to refinance DNRC Loan # SRF-18-414, which originally financed the Improvements. Principal of and interest on the Bonds is intended to be paid from special assessments levied against the property in the Proposed Improvement District as described in Exhibit B. The County intends to sell the Bond to DNRC and utilize the Bond proceeds to pay in full DNRC Loan # SRF-18-414, provide a reserve of one-half year debt service as required by DNRC's SRF program, pay costs of issuance of the Bond, and acquire the wastewater infrastructure previously located in the area identified as the West Glendive Metropolitan Sanitary Sewer District.

Section 10. Maintenance. Maintenance of the proposed Improvements will be subsequently provided by Dawson County and will be funded through maintenance assessments established in the Proposed Maintenance District, consisting of the same properties included in the Proposed Improvement District and as described on Exhibit B.

The Proposed Maintenance District will be created at the same time as the Proposed Improvement District to fund future maintenance of the Improvements and related collection lines. An annual maintenance assessment, which will be assessed in addition to the bond repayment principal and interest payment, will typically be used for inspection and maintenance necessary to extend the useful life of the Improvements and to keep the system compliant with Montana Department of Environmental Quality permits and requirements.

The first-year annual maintenance assessment (in November 2019) is estimated to be \$70.00 per parcel. The annual maintenance assessment is estimated to increase an average of 3% per year to account for inflation in maintenance costs. The maintenance assessment will be based on the estimated annual maintenance requirements divided by the total number of benefitted lots in the Proposed Maintenance District. The estimated annual maintenance assessment is included in Exhibit B.

Section 11. Improvements Are a Public Benefit. The City Council and the Board of County Commissioners have agreed that the Improvements and the refinancing of them through the Proposed Improvement District as described above are more than a local area benefit and are a public benefit and will improve the value of all of the properties in the Proposed Improvement District.

Section 12. Joint County/County Resolution Passage. Pursuant to Section 7-12-2102(3), MCA, due to the inclusion in the Proposed Improvement District of parcels from inside the City limits in the Proposed Improvement District, the City Council passed a joint resolution (Resolution No.3030) agreeing to the terms of the Proposed Improvement District on July 2, 2019, and the Board of County Commissioners passed the same on July 3, 2019 (Resolution #2019-16).

Section 13. Public Hearing; Protests.

According to Section 7-12-2102(3), MCA, and Section 7-12-2105, MCA, all owners of parcels in the Proposed District will be given the opportunity to file written protests against the creation of the Proposed Improvement District and Maintenance District or both. Properties within the proposed district boundaries inside the Glendive City limits may not be included in the rural special improvement district if, under the assessment methodology provided in the resolution of intention, the owners of lots, tracts, or parcels inside the City representing at least 40% of the total projected assessments against properties inside the City protest the creation of the rural special improvement district. If such parcel owners inside the City limits representing less than 40% of the total projected assessments inside the City file protests, then the parcels inside the City limits may be included in the Proposed District. Protests can be made at any time within thirty (30) days from and after the date of the first publication of the notice of the passage and approval of the County's resolution of intention to create Dawson County Rural Special Improvement and Maintenance District No. 48, any owner of real property within the District subject to assessment and taxation for the cost and expense of making the Improvements may make and file with the County Clerk until 5:00 p.m., M.T., on the expiration date of said 30-day period written protest against the against the creation of the Proposed District. Pursuant to Section 7-12-2102(3), MCA, owners of property inside the City limits and included in the Proposed District as depicted in Exhibit A are treated in a similar manner as to improvements, notices, and assessments as the properties outside the City limits. Any owner of property created as a condominium that is entitled to protest is collectively the owners of all units having an undivided ownership interest in the common elements of the condominium. An owner of property created as a condominium may protest against the proposed work or against the extent or creation of the district to be assessed, or both, only through a president, vice president, secretary, or treasurer of the condominium owners' association who timely presents to the County Clerk and Recorder a certified protest constituting an affirmative vote of the condominium owners' association in accordance with Section 7-12-2141, MCA. The published notice must also be sent to each property owner in the Proposed District (based on the last completed assessment roll). All protests must be in writing, identify each parcel owned, the owner thereof, and be signed by every owner of the parcel, except for owners of condominiums who must follow Section 7-12-2141, MCA. This Board will at its next regular meeting after the expiration of the thirty (30) days in which such protests in writing can be made and filed, proceed to hear all such protests so made and filed; which said regular meeting will be held on the 6th day of August 2019, at 5:30 p.m., at the Dawson County Courthouse Community Room, Glendive, Montana.

Section 14. Notice of Passage of Resolution of Intention. The County Clerk is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the Glendive Ranger-Review, a newspaper of general circulation in the County on July 7, 2019, and July 14, 2019, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to each person, firm, corporation, or the agent of such person, firm, or corporation having real property within the Proposed Improvement District and Proposed Maintenance District listed in the owner's name upon the last completed assessment roll for state, City, County, and school district taxes, at the owner's last known address.

PASSED AND ADOPTED by the Board of County Commissioners of Dawson County, Montana, this 3rd day of July, 2019.

By: _____
Chairman

Attest:

By: _____
County Clerk and Recorder

EXHIBIT A
MAP OF DISTRICT

EXHIBIT B
SPREADSHEET FOR DISTRICT