

RESOLUTION NO. 2011-01

A RESOLUTION OF RIVER ROCK COUNTY WATER AND SEWER DISTRICT, MONTANA, SUBMITTING TO THE QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF INCURRING GENERAL OBLIGATION BONDED INDEBTEDNESS IN THE AMOUNT OF UP TO THREE MILLION NINE HUNDERD TWENTY THOUSAND AND NO/100 DOLLARS (\$3,920,000) FOR THE PURPOSE OF PAYING FOR THE COSTS OF DESIGN, ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO THE DISTRICT'S WASTEWATER TREATMENT PLANT AND PROVIDING LIFT STATION IMPROVEMENTS AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS.

WHEREAS, pursuant to Section 7-13-2321, Montana Code Annotated, whenever the board of directors of a county water and sewer district deems it necessary for the district to incur a bonded indebtedness, 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 the bonds proposed to be issued shall run before maturity, and the proposition to be submitted to the electors; and

WHEREAS, pursuant to Section 7-13-2332, Montana Code Annotated, the board of directors of a county water and sewer district is authorized to issue general obligation bonds to finance the acquisition, construction or improvement of facilities in accordance with the provisions in Title 20, Chapter 9, Part 4, Montana Code Annotated, except to the extent that those provisions conflict with the express provisions of Part 22 and 23 of Title 7, Chapter 13; and

WHEREAS, the Board of Directors (the "Board") of River Rock County Water and Sewer District, Montana, (the "District"), has determined that the District needs to modify and upgrade its wastewater treatment plant and has received commitments for financing for such purpose from Montana Department of Natural Resources and Conservation ("DNRC") in the amount of up to \$4,220,000 of which \$300,000 may be available in loan forgiveness; and

WHEREAS, the Board has determined that there should be submitted to the electors of the District qualified to vote at bond elections the question of whether or not the Board shall be authorized to issue and sell bonds of the District in order to obtain funds for the purpose of paying a portion of the costs of the design, acquisition and construction of improvements to the District's wastewater treatment plant consisting of an advanced treatment membrane bioreactor system, ultraviolet disinfection system, a new generator and improvements to existing lift stations and related improvements, and paying costs associated with the sale and issuance of the bonds (the "Project"); and

WHEREAS, the Board has determined that it is in the best interest of the District that the bonds to be issued to finance the Project be issued as general obligation bonds, payable from an ad valorem property tax on all property in the District with an estimated annual increase in taxes

for payment of the bond of \$266.84 for a home with a market value for tax purposes of \$100,000; and

WHEREAS, based on the information provided to the District from Morrison-Maierle, Inc., the District's Engineers, the estimated cost of the Project is \$4,220,000; and

WHEREAS, it is the judgment and determination of the Board that it is in the best interest of the District to undertake the Project and incur the indebtedness of up to \$3,920,000 as a general obligation bond of the District to pay a portion of the cost of the Project.

NOW, THEREFORE, BE IT RESOLVED by the Board of the District as follows:

Calling of the Election. The Board of the District hereby calls and directs a mail ballot special election be held for the District on September 13, 2011, for the purpose of voting on the question of whether or not the Board shall be authorized to issue and sell general obligation bonds for the District, in an amount not to exceed \$3,920,000, bearing interest at a rate not more than three and three-quarters percent (3.75%) per year, for the purpose of paying for the costs of improvements to the District's wastewater system treatment plant consisting of an advanced treatment membrane bioreactor system, ultraviolet disinfection system, a new generator and improvements to existing lift stations and related improvements, and paying for costs associated with the sale and issuance of the bonds. The bonds shall be payable during a period of not more than twenty (20) years.

Benefited Land. All land within the District will be benefited by the Project and an ad valorem tax will be levied against all property in the District to pay the principal and interest on the bonds. The land within the District is described on the attached Exhibit A.

Conduct of Election. All qualified electors of the District shall be entitled to vote at the bond election. The Secretary of the District is hereby authorized and directed to give notice of the call and details of this election to the County Election Administrator. The County Election Administrator is requested to give notice of the close of registration and thereafter prepare printed lists of the electors in the District entitled to vote in the election in the District in the form and manner prescribed by law, to prepare the ballot and arrange for the printing of the ballot and conduct the election in accordance with the provisions of Title 7, Chapter 13, Part 22 and 23, Title 13, Chapter 19 and Title 20, Chapter 9, Part 4, M.C.A., as the case may be.

Notice of Election. The Board shall cause notice of the mail ballot special election to be given not less than once a week for three consecutive weeks immediately prior to the week of the deadline for return of ballots for the election by publishing notice in *Bozeman Daily Chronicle*, a newspaper of general circulation in Gallatin County. The notice of election as published shall read substantially as shown on Exhibit B.

Form of Ballot. The ballot shall be printed in substantially the following Form:

**RIVER ROCK COUNTY WATER & SEWER DISTRICT
GENERAL OBLIGATION BOND ELECTION
MAIL BALLOT DUE SEPTEMBER 13, 2011**

INSTRUCTIONS TO VOTERS: Make an "X" or similar mark in the vacant square before the words "BONDS - YES" if you wish to vote for the bond issue; if you are opposed to the bond issue make an "X" or similar mark in the square before the words "Bonds - No."

Shall the Board of Directors of River Rock County Water & Sewer District (the "District") be authorized to sell general obligation bonds of the District in the amount of up to Three Million Nine Hundred Twenty Thousand and No/Dollars (\$3,920,000), bearing interest at a rate not more than three and three-quarters percent (3.75%) per year, payable over a period of not more than 20 years, for the purpose of paying a portion of the costs of improvements to the District's wastewater system treatment plant consisting of an advanced treatment membrane bioreactor system, ultraviolet disinfection system, a new generator and improvements to existing lift stations and related improvements, and paying costs associated with the sale and issuance of the bonds. The bonds will be payable from an ad valorem property tax levied against all property in the District. It is estimated by the District that a home with a market value for tax purposes of \$100,000 will have taxes assessed annually in the amount of \$266.84 for the payment of the bonds.

G Bonds - Yes

G Bonds - No

Passed and approved this 27th day of June, 2011.

Shawna Veschi

Chairman
Board of Directors

ATTEST:

Suzette R. Whipple
Secretary

(Seal)

EXHIBIT A

**LEGAL DESCRIPTION OF RIVER ROCK
COUNTY WATER AND SEWER DISTRICT**

South ½ of Section 3, Township 1 South, Range 4 East, P.M.M., Gallatin County, Montana

Excepting all that part of the SE1/4 of the SE1/4 of Section 3, Township 1 South, Range 4 East, P.M.M., Gallatin County, Montana, included within the following described metes and bounds, to-wit:

Commencing at a point which is 81.0 feet North and 30.5 feet West of the Southeast corner of said Section 3, thence running North 0⁰ 30' West a distance of 691.43 feet; thence South 89⁰ 30' West 630.0 feet; thence South 0⁰ 30' East 691.43 feet; thence North 89⁰ 30' East 630.0 feet to the point of beginning, containing ten (10) acres according to the plat recorded in book 128 pages 129A.

EXHIBIT B

NOTICE OF RIVER ROCK COUNTY
WATER & SEWER DISTRICT BOND ELECTION

NOTICE IS HEREBY GIVEN by the Board of Directors (the "Board") of River Rock County Water & Sewer District, Montana (the "District"), that pursuant to a certain resolution duly adopted at a special meeting of the Board on June 27, 2011, which resolution is available for public inspection, a mail ballot special election of the registered voters owning or residing in the District will be held on September 13, 2011 for the purpose of voting on the question of whether or not the Board shall be authorized to issue general obligation bonds of the District in the amount not to exceed \$3,920,000, bearing interest at a rate not more than three and three-quarters percent (3.75%) per year and payable over a period of not more than 20 years, for the purpose of paying for the costs of improvements to the District's wastewater system treatment plant consisting of an advanced treatment membrane bioreactor system, ultraviolet disinfection system, a new generator and improvements to existing lift stations and related improvements, and paying costs associated with the sale and issuance of the bonds (the "Project").

The Bonds will be payable from ad valorem taxes to be levied against all property in the District. 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. It is estimated by the District that a home with a market value for tax purposes of \$100,000 will have taxes assessed annually in the amount of \$266.84 for the payment of the bonds.

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

The special election shall be by mail ballot and shall be conducted by the office of the County Election Administrator, Gallatin County, Bozeman, Montana.

Questions about the Project, or the need therefore, shall be directed to the District Office Manager, Christine Clarkson, at (406) 581-7644.

Dated this 27th day of June, 2011

Christine Clarkson
Christine Clarkson