

DAWSON COUNTY RESOLUTION NO. 2019-20

A RESOLUTION CREATING RURAL SPECIAL IMPROVEMENT AND MAINTENANCE DISTRICT NO. 48 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.

WHEREAS the Board of County Commissioners of Dawson County, Montana (the "County") adopted Resolution of Intention to create Rural Special Improvement and Maintenance District No. 48 (Resolution No. 2019-17) on July 3, 2019, which indicated the County's intention to create Rural Special Improvement and Maintenance District No. 48 (the "District") for the purposes of 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 connects to the City of Glendive's (the "City") wastewater system (the "Improvements"), to benefit those properties identified and listed on Exhibit A of Resolution No. 2019-17 and to finance a deposit to a reserve account for the District (the "Reserve Account") and pay the costs of issuance via a Series 2019 Bond payable from special assessments to be levied against property in the District, which property are specially benefited by the Improvements, in an amount estimated to be \$1,963,000 (the "Series 2019 Bond"); and

WHEREAS the estimated budget of \$1,963,000 identified in Resolution No. 2019-17 is to be paid with Series 2019 Bond; and

WHEREAS, the County published a copy of a notice of the passage of Resolution No. 2019-17 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 mailed a copy of said notice on to every person, firm, corporation, or the agent of such person, firm, or corporation having real property within the District listed in his or her name upon the last completed assessment roll for state, county and school district taxes, at his last-known address, on or before the same day such notice is first published; and

WHEREAS the County opened a thirty (30) day written protest period hearing pursuant to Resolution No. 2019-17 on July 7, 2019, during which 87 property owners in the proposed District protested, representing eight and eight-tenths percent (8.8%) of the proposed assessments in the proposed District, of which 16 protesting properties were within the City limits representing twenty-nine percent (29%) of proposed assessments on City properties; and

WHEREAS, it is in the County's interest to refinance the Improvements via the Series 2019 Bond, insofar as these improvements are more than a local area benefit and are a public benefit and will improve the value of all of the properties in the District;

THEREFORE, BE IT RESOLVED by the Board of County Commissioners, Dawson County, Montana, (the "County") as follows:

Section 1. The Improvements; City/County Joint Resolution. The County, by approval of County Resolution 2019-16, and the City of Glendive, by approval of City Resolution No. 3030, agreed to terms of the District to be created for the purpose of refinancing DNRC State Revolving Fund Loan Number SRF-18-414, which originally financed the Improvements and funding maintenance of District property. The total estimated costs of refinancing DNRC State Revolving Fund Loan Number SRF-18-414 are \$1,963,000, which is to be paid from the Series 2019 Bond.

Section 2. Insufficiency of Protests and Creation of District. On July 7, 2019, the County opened a thirty-day (30) day written protest period pursuant to Resolution No. 2019-17. The County duly published and mailed notice to all property owners in proposed District No. 48. The Commission has considered the fact that 87 lot owner(s) of the nine-hundred eighty-eight (988) total property owners in the proposed District filed a written protest against the creation of the District, and that such property owner constitutes eight and eight-tenths percent (8.8%) of the property in the proposed District to be assessed and thus eight and eight-tenths percent (8.8%) of the cost of the improvements, since the Improvements are to be assessed on an equal amount per lot. The Commission has further considered that 16 of the fifty-five (55) parcels located in the City have protested, and that such property owners constitute twenty-nine percent (29%) of the total projected assessments against District properties within the City limits. The Commission hereby determines, pursuant to Section 7-12-2102(3) and 2112, MCA, there have been insufficient protests to halt further proceedings on the creation of the District. This Commission does hereby create and establish in the County pursuant to Montana Code Annotated, Title 7, Chapter 12, Part 21, as amended, Rural Special Improvement and Maintenance District No. 48 for the purpose of refinancing of DNRC State Revolving Fund Loan Number SRF-18-414, paying the costs of issuance on the Series 2019 Bond including financing the Reserve Account, and funding ongoing maintenance of District property.

Section 3. Number of District. The District shall be known and designated as Rural Special Improvement and Maintenance District No. 48 of Dawson County, Montana.

Section 4. Boundaries of District. The boundaries of the District and the properties to be assessed are more particularly described in the Exhibit A to County Resolution No. 2019-17.

Section 5. Benefitted Property. The District and territory included within the limits and boundaries described in Section 4 is the territory which benefits from the Improvements and will be assessed for the Improvements being refinanced by the Series 2019 Bond.

Section 6. General Character of the Improvement. The Improvements consist of those described in Section 5 of County Resolution No. 2019-17.

Section 7. Engineer and Estimated Cost. KLJ Engineering shall be the engineer for the District. 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 8. Assessment Method – Equal Assessments. All properties in the 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 (1)(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 determines that the assessments are equitable and do not exceed the special benefits received from the Improvements. The total estimated principal assessment for refinancing the Improvements per parcel is \$1,986.85. The assessment amount for each parcel for both maintenance and Improvements, will be equal to 1/988 of the total annual estimated cost which is \$144. 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 9. 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 31<sup>st</sup>, with the first payment due November 30, 2019. The estimated annual improvement assessment per parcel is \$144.

Section 10. Method of Financing. The County intends to issue the Series 2019 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 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 11. Maintenance. Maintenance of the Improvements will be subsequently provided by Dawson County and will be funded through maintenance assessments established in the Maintenance District, consisting of the same properties included in the Improvement District

jointly referred to as Rural Special Improvement and Maintenance District No. 48 and defined above as “the District”.

The District will 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 \$67.00 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 District.

Section 12. Joint City/ County Resolution Passage. Pursuant to Section 7-12-2102(3) MCA, due to the inclusion in the District of parcels from inside the City limits in the District, the City Council and the Board of County Commissioners have both passed a Joint Resolution agreeing to the terms of Rural Special Improvement and Maintenance District No 48. The City Clerk will be presented a copy of this resolution and Resolution 2019-17.

PASSED AND APPROVED by the Board of County Commissioners of Dawson County, Montana, this 6th day of August, 2019.

  
Chairman

Attest:

  
County Clerk and Recorder

