

NOTICE OF PASSAGE OF RESOLUTION OF INTENTION TO CREATE RURAL SPECIAL IMPROVEMENT DISTRICT NO. 10 AND TO ISSUE RURAL SPECIAL IMPROVEMENT DISTRICT BONDS SECURED BY THE COUNTY'S RURAL SPECIAL IMPROVEMENT DISTRICT REVOLVING FUND; TO CREATE RURAL MAINTENANCE DISTRICT NO. 10M FOR THE PURPOSE OF MAINTAINING THE IMPROVEMENTS; AND SUPERSEDING AND TERMINATING RURAL SPECIAL IMPROVEMENT DISTRICTS NO. 5 AND 7

STILLWATER COUNTY, MONTANA

NOTICE IS HEREBY GIVEN that on January 28, 2020, the Board of County Commissioners of Stillwater County, Montana (the "County"), adopted a resolution of intention to create Rural Special Improvement District No. 10 (the "District") for the purpose of financing a portion the costs of certain necessary improvements to a wastewater collection and treatment system within the County (the "System"), including the rehabilitation of existing lagoons; design, engineering and construction of a new lift station with backup power, a new moving bed bioreactor, a new nitrification reactor, a new UV disinfection system, a new lagoon aeration system, including blowers, a new blower building, a new UV building, site piping and appurtenances; sludge removal; and related improvements (collectively, the "Project"), including costs associated with the sale and the security of the rural special improvement district bonds drawn on the District in the total principal amount of up to \$4,100,000 (the "Bonds"), the creation and administration of the District and the funding of a deposit to the County's Rural Special Improvement District Revolving Fund (the "Revolving Fund"). The County determined to terminate a prior proceeding to create a rural special improvement district to finance the Project after information became available that caused the County to reconsider the assessment methodology and boundaries of the District.

A complete copy of the resolution of intention (the "Resolution") is on file with the County Clerk and Recorder that more specifically describes the nature of the Project, the boundaries and the area included in the District and other matters pertaining thereto and further particulars. The Project is necessary to comply with an Administrative Order on Consent that has been issued with respect to the System, and to lift a moratorium on development within the proposed District. Enclosed is a map of the boundaries of the District.

The total estimated cost of the Project is approximately \$6,350,000 and is expected to be financed or refinanced through a Renewable Resource Grant in the amount of \$125,000, a USDA Rural Development grant in the amount of \$1,856,000, a contribution from the County in the amount of \$269,000 and the issuance of the Bonds.

The County proposes to issue the Bonds in an aggregate principal amount of \$4,100,000 to finance a portion of the costs of the Project and pay costs incidental thereto. Principal of and interest on the Bonds will be paid from special assessments levied against the property in the District in the estimated aggregate principal amount of \$4,100,000 and such payment will be secured by the Revolving Fund. **Subject to the limitations of Montana Code Annotated, Section 7-12-2182, the general fund of the County may be used to provide loans to the Revolving Fund or a general tax levy may be imposed on all taxable property in the County to meet the financial requirements of the Revolving Fund.**

Properties with no Address or a Single Address. Each developed or developable lot, parcel or tract located in the District that has either not been assigned an address or has been assigned a single address will be assessed an equal amount based on the total cost of the Project and incidental costs, as authorized in Section 7-12-2151(d) of the Act. Accordingly, each developed or developable lot, tract or parcel in the District will be subject to a special assessment in the total principal amount of up to \$7,509.16, which amount is exclusive of interest on each special assessment. Assuming a special

assessment in the total principal amount of \$7,509.16, an interest rate on special assessments of 3.25%, and a 40-year term, the total annual amount of the special assessment for each lot, tract or parcel having no assigned address or a single assigned address is expected to be approximately \$337.

Properties with Multiple Addresses. The District includes properties on which there are multiple facilities to which the County's GIS Department has assigned separate and distinct addresses, such as mobile homes, apartment buildings or multiple habitable structures. Each assigned address in a lot with multiple assigned addresses indicates a separate customer of the System, currently served or capable of being served by one or more connections to the System. Therefore, each developed or developable lot, tract or parcel located in the District containing multiple addresses will be assessed an equal amount per address based on the total cost of the Project and incidental costs, as authorized in Section 7-12-2151(d) of the Act. Accordingly, developed or developable lots, tracts or parcels in the District with multiple addresses will be subject to a special assessment in the total principal amount of \$7,509.16 per address, which amount is exclusive of interest on each special assessment. Assuming a special assessment in the total principal amount of \$7,509.16, an interest rate on special assessments of 3.25%, and a 40-year term, the total annual amount of the special assessment for each lot, tract or parcel having multiple addresses is expected to be approximately \$337 per address.

If an increase occurs in the number of benefited lots, tracts or parcels within the boundaries of the District, or in the number of addresses assigned to lots, tracts or parcels within the boundaries of the District, during the term of the Bonds, the Board will recalculate the amount assessable to each lot, tract, parcel or address. The recalculation will be based on the amount of the District's outstanding principal of and interest on the Bonds for the current fiscal year and the County will spread the assessments across the District based on the number of benefited lots, tracts or parcels within the boundaries of the District and the number of addresses assigned to such benefited lots, tracts or parcels as of the July 1 following the action that resulted in the increase in the number of benefited lots, tracts or parcels or addresses, all as provided in Section 7-12-2151(4), M.C.A. In doing so, the Board will comply with Sections 7-12-2158 through 7-12-2160, M.C.A.

From and after creation of the District, the lien of the special assessments to pay or finance the costs of the Project financed with proceeds of the Bonds and associated incidental costs is not extinguished or diminished by the combination or consolidation of multiple lots, tracts or parcels; accordingly, the area consisting of the combined or consolidated lot or lots, tract or tracts, or parcel or parcels will be assessed in an amount equal to the amount it would have been assessed had the combination or consolidation not occurred. Similarly, unless otherwise provided by an ordinance of the County enacted after the date hereof, from and after the creation of the District, the lien of the special assessments to pay or finance costs of the Project financed with proceeds of the Bonds and associated incidental costs is not extinguished or diminished by the elimination of addresses assigned to lots, tracts or parcels; accordingly, any lot, tract or parcel that eliminates one or more addresses assigned to it will be assessed in an amount equal to the amount it would have been assessed had the address(es) not been eliminated.

If the District is created, the County intends to create simultaneously a maintenance district for the purpose of assessing the costs of maintaining, preserving or repairing the System, as improved by the Project, in accordance with the provisions of Sections 7-12-2161 through 7-12-2163, M.C.A. Maintenance of the System and the Project is expected to initially be assessed on the basis currently levied in the currently existing Rural Special Improvement Districts No. 5 and 7 and described in Resolution No. 2015-31C. Each year the County will determine the annual costs for the maintenance of the System and may adjust the annual maintenance assessment in accordance with Section 7-12-2161, M.C.A.

If the District is created, it is the intent of this Board that the maintenance district created simultaneously with the creation of the District supersede in their entireties Rural Special Improvement District Nos. 5 and 7, and that such districts shall terminate on June 30, 2021.

On Tuesday, March 10, 2020 at 9:00 a.m., in the First Floor Meeting Room at the Stillwater County Courthouse, 400 E. 3rd Avenue North, Columbus, Montana, the Board of County Commissioners will conduct a public hearing and pass upon all written protests against the creation of the District or the undertaking of the Project that may be filed in the period hereinafter described. The Board may adjourn the hearing from time to time.

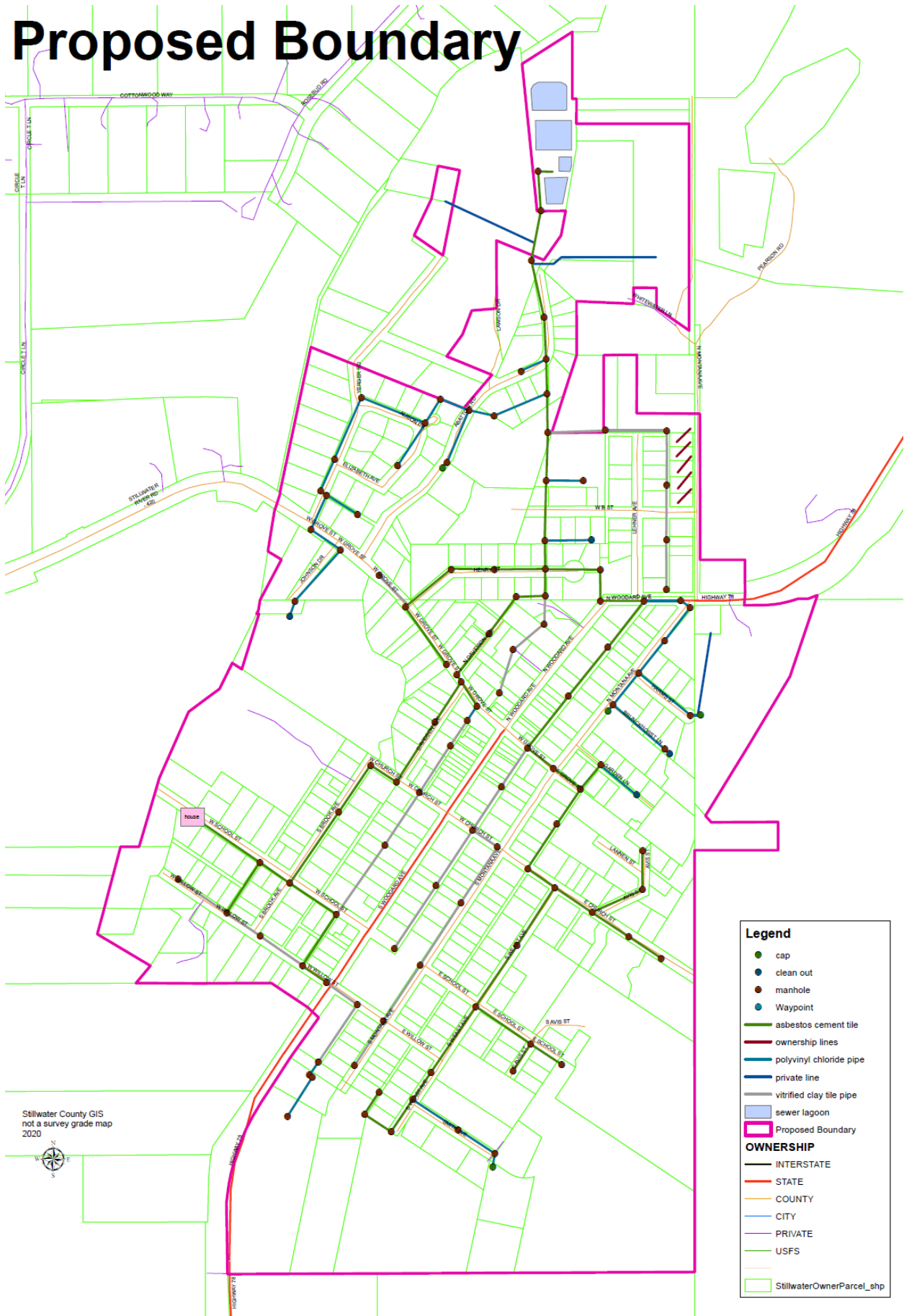
Written protests against the creation of the District and the undertaking of the Project may be filed by any owner of real property within the proposed District whose property is liable to be assessed for the Project. Such protests must be delivered to the County Clerk and Recorder at the Stillwater County Courthouse, 400 E. 3rd Avenue North, Columbus, Montana 59019, not later than 5:00 p.m., M.T., on Monday, March 9, 2020. As provided by law, protests must be in writing, identify the property in the District owned by the protestor and be signed by all owners of the property. The protest must be delivered to the County Clerk and Recorder, who shall endorse thereon the date of its receipt by him or her.

Further information regarding the proposed District or the Bonds or other matters in respect thereof may be obtained from Cathy McClurg, the manager of the System, at (406) 328-6010 or 15 North Woodard, P.O. Box 405, Absarokee, Montana 59001, or from the Stillwater County Commissioners, Stillwater County Courthouse, 400 E. 3rd Avenue North, Columbus, Montana 59019.

Dated: January 28, 2020.

BY ORDER OF THE BOARD OF COUNTY
COMMISSIONERS OF STILLWATER COUNTY,
MONTANA
County Clerk and Recorder, Stillwater County, Montana

Proposed Boundary



Stillwater County GIS
not a survey grade map
2020



Legend

- cap
- clean out
- manhole
- Waypoint
- asbestos cement tile
- ownership lines
- polyvinyl chloride pipe
- private line
- vitrified clay tile pipe
- sewer lagoon
- Proposed Boundary

OWNERSHIP

- INTERSTATE
- STATE
- COUNTY
- CITY
- PRIVATE
- USFS
- StillwaterOwnerParcel_shp