

TITLE 6 - RESERVED

RESOLUTION NO. 574

RESOLUTION RELATING TO THE ISSUANCE BY THE CITY OF WHITE SULPHUR SPRINGS OF ITS \$467,000 WATER SYSTEM REVENUE BOND (DNRC DRINKING WATER STATE REVOLVING LOAN PROGRAM), CONSISTING OF \$233,500 SUBORDINATE LIEN TAXABLE SERIES 2014A BOND AND \$233,500 SERIES 2014B BOND; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF AND AMENDING RESOLUTION NO. 554 REGARDING RESERVE REQUIREMENTS, ADDITIONAL BONDS AND RATE COVENANTS

WHEREAS, pursuant to the Drinking Water State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 6, Part 2, as amended (the "State Act"), the State of Montana (the "State") has established a revolving loan program (the "Program") to be administered by the Department of Natural Resources and Conservation of the State of Montana, an agency of the State (the "DNRC"), and by the Department of Environmental Quality of the State of Montana, an agency of the State (the "DEQ"), and has provided that a drinking water state revolving fund (the "Revolving Fund") be created within the state treasury and all federal, state and other funds for use in the Program be deposited into the Revolving Fund, including, but not limited to, all federal grants for capitalization of a state drinking water revolving fund under the federal Safe Drinking Water Act (the "Safe Drinking Water Act"), all repayments of assistance awarded from the Revolving Fund, interest on investments made on money in the Revolving Fund and payments of principal of and interest on loans made from the Revolving Fund; and

WHEREAS, the State Act provides that funds from the Program shall be disbursed and administered for the purposes set forth in the Safe Drinking Water Act and according to rules adopted by the DEQ and the DNRC; and

WHEREAS, the City of White Sulphur Springs (the "Borrower"), by its Resolution No. 544 dated September 4, 2012, authorized the issuance of the City of White Sulphur Springs \$2,073,000 Water System Revenue Bonds, Series 2012A and B (the "Series 2012 A and B Bonds") and pledged the revenue of the Borrower's water system to the payment of the Series 2012 A and B Bonds; and

WHEREAS, the Borrower, by its Resolution No. 563 dated October 7, 2013 authorized the issuance of its \$105,264 Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2013 Bond (the "Series 2013 Bond") and pledged the revenue of the Borrower's water system to the payment of the Series 2013 Bond; and

WHEREAS, the Borrower completed acquisition and construction of the projects funded by the Series 2012 A and B Bonds and the Series 2012A Bond was forgiven; and

WHEREAS, the 2013 and 2014 EPA Capitalization Grants (as hereinafter defined) require that loans under the Program funded in whole or in part by such grant in the aggregate

RESOLUTION NO. 222

A RESOLUTION OF THE CITY OF WHITE SULPHUR SPRINGS, MONTANA, ACKNOWLEDGING AN ERROR BY MEAGHER COUNTY IN DISTRIBUTION OF THE COUNTY OPTION TAX AND ACCEPTING THE COUNTY PROPOSAL FOR REIMBURSEMENT FROM THE COUNTY'S SHARE OF ITS DISTRIBUTION UNTIL THE TOTAL DISTRIBUTION ERROR HAS BEEN REPAID.

WHEREAS, pursuant to §61-3-537 of the Montana Code Annotated, Meagher County may impose a Local Option Motor Vehicle Tax upon motor vehicles registered in Meagher County; and

WHEREAS, distribution of the Local Option Motor Vehicle Tax is to be 50% to the county (§61-3-537(2)(a) MCA) and the remaining 50% to be apportioned between the county and the incorporated cities and towns within the county based on population (§61-3-537(2)(b) MCA), with the City's share being the ratio of the city's population as against the total population of the county, and the county share being determined by the ratio of the population of unincorporated areas as against the total population; and

WHEREAS, the City of White Sulphur Springs was notified by the Meagher County Commission of an error in the distribution of the Local Option Motor Vehicle Tax assessed on motor vehicles licensed in Meagher County due to a software calculation error; and

WHEREAS, Meagher County corrected the distribution in July of 2015 and has notified the City of White Sulphur Springs it has gone back to 2010 to encompass a full 5 years from the date of discovery and correction of the error and has calculated the amount due the City of White Sulphur Springs for that period and determined the full amount of \$61,591.09 as the City's share of the option tax during that period which was not paid to the City; and

WHEREAS, the Meagher County Commission has offered to allocate the County's portion of their 2nd 50% distribution under §61-3-537(2)(b) MCA to the City until such time as the full amount is paid (approximately 5 years), and to provide the City with a monthly report showing the amount applied to the balance until the balance is paid in full.

NOW, THEREFORE BE IT ORDAINED AND RESOLVED BY THE CITY OF WHITE SULPHUR SPRINGS, MONTANA as follows:

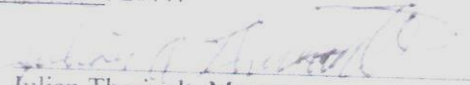
The City of White Sulphur Springs hereby acknowledges the occurrence of a software calculation error in the distribution of the Meagher County Local Motor Vehicle Option Tax between 2010 and 2016 pursuant to the notice provided by the Meagher County Commission dated January 17, 2017. The City understands the County's share of the Option Tax to be the 1st 50% and one-half of the remaining 50%, and the City's share to be one-half of the remaining 50% distribution. The City further understands the total value of the distribution error between 2010 and 2016 is \$61,591.09.

The City hereby accepts Meagher County's proposal dated January 17, 2017, as modified by an email from Shauna Porter, Meagher County Deputy Treasurer on February 2, 2017, to pay back the distribution error by allocating Meagher County's portion of the 50% split (i.e.: the 2nd 50% allocated based on population) under §61-3-537 MCA to the City until such time as the total value of the error is paid in full, which the County anticipates will take approximately 5 years depending on the revenue generated by the Local Motor Vehicle Option Tax on vehicles licensed in Meagher County. Meagher County shall provide to the City a report generated in each month where a distribution is made, but not less than quarterly, disclosing the total amount received in Local Motor Vehicle Option Tax revenue, the total amount applied to the County's obligation, and the remaining balance due the City.

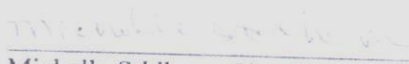
The City, having accepted the repayment proposal of Meagher County, hereby requests the County begin applying payments effective immediately.

This measure is effective upon passage.

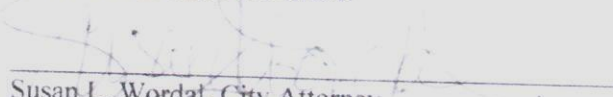
PASSED by the City Council and the City of White Sulphur Springs, Montana, on first reading at a regular session thereof held on the 14th day of March, 2017.


Julian Theriault, Mayor

ATTEST:


Michelle Stidham, City Clerk

APPROVED AS TO FORM:


Susan L. Wordal, City Attorney