

A RESOLUTION PROVIDING FOR THE ISSUANCE OF REVENUE BONDS UPON THE REVENUE DERIVED FROM THE STEVENSVILLE WATER SYSTEM AND DEPARTMENT OF STEVENSVILLE, RAVALLI COUNTY, MONTANA, IN THE SUM OF \$110,000.00 FOR THE PURPOSE OF PROVIDING FOR THE CONSTRUCTION RECONSTRUCTION AND ENLARGMENT OF A WATER RESERVOIR AND DELIVERY SYSTEM THEREFROM TO THE TOWN OF STEVENSVILLE AND FOR THE PAYMENT OF THE NECESSARY ENGINEERING AND OTHER EXPENSES IN CONNECTION WITH THE ISSUANCE OF SUCH REVENUE BONDS AND PRESCRIBING THE FORM OF NOTICE OF THE SALE OF SAID BONDS.

WHEREAS, the Town Council of the Town of Stevensville, Ravalli County, Montana, in order to provide an adequate water supply to the Town of Stevensville, Ravalli County, Montana, caused a study to be made of the existing water system of the Town of Stevensville, Montana.

AND WHEREAS, from the study so made, the Town Council of the Town of Stevensville determined that the existing water system was insufficient to provide adequate water and water pressure for the needs of the Town of Stevensville and to permit proper growth thereof,

AND WHEREAS, the Town Council of the Town of Stevensville determined that in order to provide adequate water supply for the present and future needs of the Town of Stevensville, revenue bonds should be issued and sold in the sum of One hundred ten thousand and no/100 Dollars (\$110,000.00) for the purpose of the construction, reconstruction and enlargement of the water reservoir and delivery system therefrom to the Town of Stevensville, and for the payment of the necessary engineering and other expenses in connection therewith, said bonds to be revenue bonds of the water system of the Town of Stevensville, Montana, the interest and principal of which shall be paid from the revenues derived from the use of the water system within the Town of Stevensville, Montana.

That the said bonds therefor bear interest at the rate not to exceed the sum of nine per cent (9%) per annum and shall be paid semi-annually and shall bear the date of July 1, 1978, and payable during the period of forty (40) years, and the bonds may be redeemed after the date of issuance

attested by the Town Clerk thereof and bear the seal of the Town of Stevensville, Montana.

AND BE IT FURTHER RESOLVED: That for the purpose of administration of money to be received and disbursed by the Town of Stevensville in the construction and enlargement of said water system and repayment of the said money borrowed for such construction, and interest thereon, that there is hereby established the following special funds for the Town of Stevensville, to be held by the Town of Stevensville Treasurer and used as prescribed herein, to-wit:

a. a construction fund, into which shall be paid all monies borrowed by the issuance of the said revenue bonds, and from which construction funds, there shall be paid as accrued, all, but only, those items which by sound accounting practices are proper capital assets of the construction and enlargement of the water system as set forth above.

b. that there is hereby established a sinking fund into which shall be paid monies from the revenue derived from the operation of the Stevensville water system, and so much thereof as is surplus revenue above the cost of the operation of the said water system. And into which shall be paid from the general funds of the Town of Stevensville to the account an amount equal to the cost of furnishing the said Town of Stevensville or any of its departments or agencies with the services of the Stevensville water system.

Said bonds herein authorized to be sold will be sold for not less than their par value and all bids must state the lowest rate of interest at which they will purchase bonds at par. The Town reserves the right to reject any and all bids and to sell bonds at private sale.

BE IT FURTHER RESOLVED: That the Town Council of the Town of Stevensville, Montana, shall prescribe and collect rates, fees and

fully negotiable as provided by the Uniform Commercial Code-Investment Securities.

BE IT FURTHER RESOLVED: That all of the said bonds shall be forthwith prepared for execution under the direction of the Town Clerk and the bond purchasers when so prepared, shall be executed on behalf of the Town of Stevensville, by the signature of the Mayor and the Town Treasurer and attested by the Town Clerk and after being registered by the Town Treasurer, shall be delivered to the buyer or to such other bank or financial institution which may purchase or act as agent for the buyer of such bonds. Upon payment to the Treasurer of the Town of Stevensville of the par value of said bonds plus interest accrued thereon from the date of said bonds to the date of delivery and payment thereof, and the said purchaser shall not be obligated to see to the application of said purchase price beyond the payment to the Town Treasurer; the sale of the said bonds to the said purchaser or purchasers at such agreed price is hereby ratified and confirmed.

BE IT FURTHER RESOLVED: That the purchasers of said bonds, or holders thereof, or any part thereof, may, after default and protest thereof, apply to the District Court of the Fourth Judicial District of the State of Montana, in and for the County of Ravalli for appointment of a receiver and the said receiver may enter and take possession of the Stevensville water system and operate and maintain the same and prescribe rates, fees and charges subject to the approval of the Public Service Commission of Montana, and collect, receive and apply all revenue thereafter arising therefrom to the maintenance and operation of the said water system and apply the balance received therefrom to the bonds herein to be sold until the same has been fully paid, including all interest accruing thereon. Upon payment of all obligations of the Town of Stevensville on the bonds herein to be issued, the receiver shall account to the Court

adopted for use in advertising the sale thereof, and the Clerk is hereby directed to cause to be published once at least five (5) days prior to such sale in the Ravalli Republic, a newspaper published in Ravalli County, Montana, at Hamilton, being the official paper of the Town of Stevensville, Montana, and at least five (5) days before said sale in a financial newspaper published in the City of New York, New York or in the City of Chicago, Illinois, or in the City of San Francisco, California, or in lieu thereof, in daily newspapers circulating in Montana cities of 10,000 population or over, and said Town Clerk is further directed to send a copy of said notice at least fifteen (15) days before the date fixed for the sale of the revenue bonds to the secretary of the State Board of Investments, Helena, Montana, together with a copy of this resolution; to-wit:

NOTICE OF SALE OF REVENUE BONDS OF THE TOWN OF STEVENSVILLE,  
MONTANA, OF THE REVENUE OF THE STEVENSVILLE WATER SYSTEM

NOTICE IS HEREBY GIVEN, of the Council of the Town of Stevensville, Montana, that the said Council will, on the 26<sup>th</sup> day of July, 1978, at the hour of 3 o'clock P.M. at its Council Chambers in the Town of Stevensville, Montana, sell to the highest and best bidder for cash, revenue bonds to be redeemed from the revenue of the Stevensville water system in the total amount of \$110,000.00 for the purpose of construction, reconstruction and enlargement of water reservoir and delivery system therefrom to the Town of Stevensville.

Said bonds will bear the date of July 1, 1978, and will bear interest at a rate not to exceed nine per cent (9%) per annum payable semi-annually on the 1st day of January and the 1st day of July in each year, the term of said bonds shall be 40 years, and will be redeemable at the option of the Town on any interest payment date thereof.

Said bonds will be sold for not less than their par value with accrued interest to the date of delivery and all bidders must state the lowest rate of interest at which they will purchase the bonds at par. The Council reserves the right to reject any and all bids and sell the said bonds at private sale.

The bonds, together with interest thereof, shall be redeemed from the revenue pledged to the payment thereof from the Stevensville water system and does not constitute a general obligation of the property within the said Town.

All bids shall be addressed to the Council of the Town of Stevensville, Montana. and delivered to the Clerk of said Town.

Passed by the Council and approved by the Mayor this 5th day of June, 1978.

Audrey Ebel  
TOWN CLERK

Ray E. Allen  
MAYOR

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