

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Big Sky County Water & Sewer District No. 363, Montana (the "District"), hereby certify that the attached is a true copy of a Resolution entitled: "RESOLUTION OF BIG SKY COUNTY

WATER & SEWER DISTRICT NO. 363, MONTANA APPROVING INCREASES TO RATES FOR THE WATER AND SEWER SYSTEMS" (the "Resolution"), on file in the original records of the District in my legal custody; that the Resolution was duly adopted by the Board of Directors of the District at a special meeting on June 1, 2021, and that the meeting was duly held by the Board of Directors and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Directors voted in favor thereof: President Tom Reeves, Directors Dick Fast, Mike Ducuennois, Peter Manka, Bill Shropshire & Brian Wheeler ; voted against the same: _____; abstained from voting thereon: _____; or were absent: Mike Wilcynski .

WITNESS my hand officially this 1st day of June, 2021.

Dick Fast
Secretary

RESOLUTION NO. 21-05

RESOLUTION OF BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363, MONTANA APPROVING INCREASES TO RATES FOR THE WATER AND SEWER SYSTEMS

RECITALS

WHEREAS, Big Sky County Water & Sewer District No. 363, Montana (the "District") has been duly created pursuant to Montana Code Annotated, Title 7, Chapter 13, Parts 22 and 23, and the District currently operates a water system and a sewer system; and

WHEREAS, the Board of Directors of the District (the "Board") has determined that it is necessary to increase the rates of the District's sewer system (the "Sewer System") and the District's water system (the "Water System") to collect sufficient revenues to repay outstanding bonds payable from the revenues of the Sewer System and the Water System (together, the "Systems"), pay costs associated with the operation and maintenance of the Systems, and establish appropriate reserves; and

WHEREAS, as described in Section 7-13-2275, M.C.A., the rate increases approved below represent a cumulative rate increase of less than or equal to 5% for a 12-month period.

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

Section 1. Desire to Modify Water User Charges. The Board desires to modify the basis on which water and sewer charges are imposed and implement a rate increase for the use and availability of the Systems as set forth herein.

Section 2. Current Rate System. The District currently charges for the use and availability of the Systems as set forth in Exhibit A attached to Ordinance No. 97-1002 originally approved by the Board on October 23, 1997 and as subsequently amended through June 20, 2020 (collectively, the "Rate Ordinance"). The Board is in the process of amending the Rate

Ordinance to allow for the setting of water and sewer rates and charges by resolution instead of by amending the Rate Ordinance.

2.01 Current Wastewater User Charges. The District currently charges for the use and availability of the Sewer System as shown below.

A. Existing Wastewater User Charges

Type of Rate	2020	
• Base Rate Commercial	\$28.22 per month (\$84.66/Qtr.)	
• Base Rate Residential	\$28.22 per month (\$84.66/Qtr.)	
• Variable Rate ⁽¹⁾ Commercial per 1,000 gallons of water use.	\$7.21	Per 1,000 Gals.
• Variable Rate ⁽¹⁾ Residential per 1,000 gallons of water use.	\$6.88	Per 1,000 Gals.

⁽¹⁾ (For single family homes the 2nd & 3rd quarter sewer charges based on winter average use for the period Oct. 1 - March 30 from the preceding year.)

2.02 Current Water User Charges. The District currently charges for the use and availability of the Water System as shown below.

B. Existing Water User Charges

Type of Rate	2020	
• Base Rate Commercial	\$17.58 per month (\$52.74/Qtr.)	
• Base Rate Residential	\$17.58 per month (\$52.74/Qtr.)	
• Base Rate Irrigation	\$17.58 per month (\$52.74/Qtr.)	
• Base Rate Reuse(Current Volume Charge \$0.00)	\$17.58 per month (\$52.74/Qtr.)	
• Variable Rate Wholesale Customers All Usage	\$3.50	Per 1,000 Gals.
• Variable Rate ^[1] Commercial per 1,000 gallons of water use.		
Tier 1: 0 to 30,000 Gallons	\$2.98	Per 1,000 Gals.
Tier 2: 30,000 to 60,000 Gallons	\$4.47	Per 1,000 Gals.
Tier 3: 60,000 to 80,000 Gallons	\$6.26	Per 1,000 Gals.
Tier 4: > than 80,000 Gallons	\$8.76	Per 1,000 Gals.
• Variable Rate ^[1] Residential per 1,000 gallons of water use.		
Tier 1: 0 to 20,000 Gallons	\$2.98	Per 1,000 Gals.
Tier 2: 20,000 to 40,000 Gallons	\$4.47	Per 1,000 Gals.
Tier 3: 40,000 to 60,000 Gallons	\$6.26	Per 1,000 Gals.
Tier 4: > than 60,000 Gallons	\$8.76	Per 1,000 Gals.
• Variable Rate ^[1] Irrigation per 1,000 gallons of water use.		
Tier 1: 0 Gallons	\$0.00	Per 1,000 Gals.
Tier 2: 0 to 20,000 Gallons	\$4.47	Per 1,000 Gals.
Tier 3: 20,000 to 40,000 Gallons	\$6.26	Per 1,000 Gals.
Tier 4: > than 40,000 Gallons	\$8.76	Per 1,000 Gals.
• Variable Rate ^[1] Reuse per 1,000 gallons of water use.		
Tier 1: 0 Gallons	\$0.00	Per 1,000 Gals.
Tier 2: 0 to 90,000 Gallons	\$0.00	Per 1,000 Gals.
Tier 3: 90,000 to 120,000 Gallons	\$0.00	Per 1,000 Gals.
Tier 4: > than 120,000 Gallons	\$0.00	Per 1,000 Gals.
^[1] (Variable charges are calculated on actual use per quarter.)		

2.03 Current Flat Rate Water and Sewer Rates. The District currently charges the flat rates listed below.

C. Existing Flat Rate Water & Sewer Rates

Type of Rate	2020	
• Sewer SFE Rate Charge	\$27.85 per month (\$83.55/Qtr.)	
• Water SFE Rate Charge	\$20.55 per month (\$61.65/Qtr.)	

2.04 Current Vacant Lot Rates. The District currently charges vacant lots the rates listed below.

D. Existing Vacant Lot Rates

Type of Rate	2020	
• Sewer Availability (\$22.50 qtr)	\$7.50	Per month
• Water Availability (\$22.50 qtr)	\$7.50	Per month

2.05 Miscellaneous. The District has also developed a schedule of other charges, including hookup fees for both the Sewer System and the Water System, plant investment charges, and bulk water charges as shown on the rate schedule attached as Exhibit A to this resolution (collectively, the "Miscellaneous Charges").

Section 3. Rate Increases. Effective as of July 1, 2021, the Board approves increasing both the water and sewer rates as follows.

3.01 Wastewater User Charges. The Board approves increasing the wastewater user charges as shown in the table below:

A. Wastewater User Charges

Type of Rate	2021-22	
• Base Rate Commercial	\$29.63 per month (\$88.89/Qtr.)	
• Base Rate Residential	\$29.63 per month (\$88.89/Qtr.)	
• Variable Rate ^[1] Commercial per 1,000 gallons of water use.	\$7.57	Per 1,000 Gals.
• Variable Rate ^[1] Residential per 1,000 gallons of water use.	\$7.22	Per 1,000 Gals.
^[1] (For single family homes the 2nd & 3rd quarter sewer charges based on winter average use for the period Oct. 1 - March 30 from the preceding year.)		

3.02 Water User Charges. The Board approves increasing the water user charges as shown on the table below:

B. Water User Charges

Type of Rate	2021-22	
• Base Rate Commercial	\$18.46 per month (\$55.38/Qtr.)	
• Base Rate Residential	\$18.46 per month (\$55.38/Qtr.)	
• Base Rate Irrigation	\$18.46 per month (\$55.38/Qtr.)	
• Base Rate Reuse(Current Volume Charge \$0.00)	\$18.46 per month (\$55.38/Qtr.)	
• Variable Rate Wholesale Customers All Usage	\$3.61	Per 1,000 Gals.
• Variable Rate ^[1] Commercial per 1,000 gallons of water use.		
Tier 1: 0 to 30,000 Gallons	\$3.13	Per 1,000 Gals.
Tier 2: 30,000 to 60,000 Gallons	\$4.69	Per 1,000 Gals.
Tier 3: 60,000 to 80,000 Gallons	\$6.57	Per 1,000 Gals.
Tier 4: > than 80,000 Gallons	\$9.20	Per 1,000 Gals.
• Variable Rate ^[1] Residential per 1,000 gallons of water use.		
Tier 1: 0 to 20,000 Gallons	\$3.13	Per 1,000 Gals.
Tier 2: 20,000 to 40,000 Gallons	\$4.69	Per 1,000 Gals.
Tier 3: 40,000 to 60,000 Gallons	\$6.57	Per 1,000 Gals.
Tier 4: > than 60,000 Gallons	\$9.20	Per 1,000 Gals.
• Variable Rate ^[1] Irrigation per 1,000 gallons of water use.		
Tier 1: 0 Gallons	\$0.00	Per 1,000 Gals.
Tier 2: 0 to 20,000 Gallons	\$4.69	Per 1,000 Gals.
Tier 3: 20,000 to 40,000 Gallons	\$6.57	Per 1,000 Gals.
Tier 4: > than 40,000 Gallons	\$9.20	Per 1,000 Gals.
• Variable Rate ^[1] Reuse per 1,000 gallons of water use.		
Tier 1: 0 Gallons	\$0.00	Per 1,000 Gals.
Tier 2: 0 to 90,000 Gallons	\$0.00	Per 1,000 Gals.
Tier 3: 90,000 to 120,000 Gallons	\$0.00	Per 1,000 Gals.
Tier 4: > than 120,000 Gallons	\$0.00	Per 1,000 Gals.
^[1] (Variable charges are calculated on actual use per quarter.)		

The Board makes no change to the Base Rate for persons served by the Water System. As part of the water rate increase, the Board has added a new variable rate for wholesale customers.

3.03 Flat Rate Water and Sewer Rates. The Board approves increasing the flat rates as shown below.

C. Flat Rate Water & Sewer Rates

Type of Rate	2021-22
• Sewer SFE Rate Charge	\$28.12 per month (\$84.36/Qtr.)
• Water SFE Rate Charge	\$20.55 per month (\$61.65/Qtr.)

3.04 Vacant Lot Rates. The Board approves increasing the vacant lot rates as shown

D. Vacant Lot Rates

Type of Rate	2021-22
• Sewer Availability (\$23.64 qtr)	\$7.88 Per month
• Water Availability (\$23.64 qtr)	\$7.88 Per month

Section 4. Amount of Increases. The amount of the increases in the water and sewer rates and charges approved by the Board pursuant to this resolution is no more than 5% over existing water and sewer rates and charges. The Board by this resolution makes no changes to the Miscellaneous Charges.

Section 5. Determination of Annual Budget for Systems. At least once each year the Board of the District shall determine the amount of money needed to pay the costs of the System including but not limited to: (a) the payment of the reasonable expense of operation and maintenance of the Systems; (b) administration of the Systems; (c) the payment of principal and interest on any bonded or other indebtedness of the Systems; and (d) the establishment or maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of facilities, as may be determined necessary from time to time by the Board or as covenanted in the ordinance or resolution authorizing any outstanding bonds of the Systems. Based on the annual needs of the Systems, the Board will establish monthly charges for the use of the Systems.

Section 6. Further Rate Increases. Subsequent adjustment to the rates and charges for the use and availability of the Systems will be made by a resolution of the Board of Directors duly adopted, if required, after a public hearing, with notice given as required by law.

Passed and approved this 1st day of June, 2021.

Tom Reeves, President, Board of Directors

Attest:

Dick Fast, Secretary