

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 NO. 21-06 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 regular meeting on September 21, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 District Resolution 21-06 at said meeting, the following Directors voted in favor thereof: President Tom Reeves, and Directors Mike Ducuennois, Dick Fast, Peter Manka, Bill Shropshire, Brian Wheeler & Mike Wilcynski; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this 21st day of September, 2021.

Richard Fast, Secretary

RESOLUTION NO. 21-06

**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 Wastewater and 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.

2.01 Current Wastewater Plant Investment Charges (PIC). The District currently charges for the use and availability of the Sewer System as shown below.

A. Existing Wastewater Plant Investment Charges

The PIC shall be two thousand three hundred sixty dollars (\$2,360) per Single Family Equivalent (SFE) (see note ^[1] below).	\$2,360 Per SFE ^{[1][2]}
^[1] Plant Investment Charge (PIC): For Boyne owned lots (i.e. Cascade, Mountain Village, etc.) as of July 25, 1997, are subject to an additional \$3,500 surcharge per SFE as itemized on permit.	
^[2] Westland /TM land in Section 1 of the Meadow Village, and Westfork Meadows are exempt from Wastewater PIC charges from prior agreements.	

2.02 Current Water System Investment Charges (SIC). The District currently charges for the use and availability of the Water System as shown below.

B. Existing Water System Investment Charges

The PIC shall be five hundred fifteen dollars (\$515) per Single Family Equivalent (SFE).	\$515 Per SFE
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2.03 Miscellaneous. The District has also developed a schedule of other charges, including user fees for both the Sewer System and the Water System, inspection fees for new hookups, bulk water charges and other fees as shown on the rate schedule attached as Exhibit A to this resolution (collectively, the “Miscellaneous Charges”).

Section 3. Rate Increases. Effective as of September 21, 2021, the Board approves increasing both the wastewater PIC and water SIC rates as follows.

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

The PIC shall be five thousand four hundred ten dollars (\$5,410) per Single Family Equivalent (SFE) for new connections that have paid the sewer mill levy prior to December 31, 2020.	\$5,410 Per SFE ^{[1][2]}
The PIC shall be six thousand one hundred seventy dollars (\$6,170) per Single Family Equivalent (SFE) new connections that have <u>NOT</u> paid the sewer mill levy prior to December 31, 2020.	\$6,170 Per SFE ^{[1][2]}
^[1] Plant Investment Charge (PIC): For Boyne owned lots (i.e. Cascade, Mountain Village, etc.) as of July 25, 1997, are subject to an additional \$3,500 surcharge per SFE as itemized on permit.	
^[2] Westland /TM land in Section 1 of the Meadow Village, and Westfork Meadows are exempt from Wastewater PIC charges from prior agreements.	

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

The SIC shall be one thousand eight hundred twenty eight dollars (\$1,828) per Single Family Equivalent (SFE) for new domestic use connections that have paid the water mill levy prior to December 31, 2020.	\$1,828 Per SFE												
The SIC shall be two thousand one hundred sixty dollars (\$2,160) per Single Family Equivalent (SFE) for new domestic use connections that have <u>NOT</u> paid the water mill levy prior to December 31, 2020.	\$2,160 Per SFE												
The SIC for all new irrigation use connections serving non-single family residential connections shall be based on meter size. For meter sizes above 4" the SIC shall be determined on a case by case basis. The SIC charge for meter sizes shall be:	<table border="1"> <tr> <td>3/4" or less</td> <td>\$4,382</td> </tr> <tr> <td>1"</td> <td>\$7,429</td> </tr> <tr> <td>1 1/2"</td> <td>\$14,859</td> </tr> <tr> <td>2"</td> <td>\$23,774</td> </tr> <tr> <td>3"</td> <td>\$47,549</td> </tr> <tr> <td>4"</td> <td>\$74,295</td> </tr> </table>	3/4" or less	\$4,382	1"	\$7,429	1 1/2"	\$14,859	2"	\$23,774	3"	\$47,549	4"	\$74,295
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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 21st day of September, 20 21.

Tom Reeves
President, Board of Directors

Attest:

Dick Fast
Secretary