

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Town of Froid, Montana (the "Town"), hereby certify that the attached resolution is a true copy of Resolution No.2019-9, entitled: "RESOLUTION OF THE TOWN OF FROID, MONTANA MODIFYING THE BASIS ON WHICH SEWER RATES ARE CHARGED AND INCREASING RATES FOR THE USERS OF THE MUNICIPAL SEWER SYSTEM" (the "Resolution"), on file in the original records of the Town in my legal custody; that the Resolution was duly adopted by the Town Council of the Town at a regular meeting on September 9, 2019, and that the meeting was duly held by the Town Council 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Council members voted in favor thereof: Gregg Labatte, Gale Strandlund, Dan Mogen, Dan Kjelskus; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this 9th day of September, 2019.

HeAnn M Johnson
Town Clerk-Treasurer

RESOLUTION NO. 2019-9

RESOLUTION OF THE TOWN OF FROID, MONTANA
MODIFYING THE BASIS ON WHICH SEWER RATES ARE
CHARGED AND INCREASING RATES FOR THE USERS OF
THE MUNICIPAL SEWER SYSTEM

RECITALS

WHEREAS, the Town of Froid, Montana (the "Town") is in the process of undertaking certain improvements to the System, a portion of the costs of which will be paid from sewer system revenue bonds to be issued by the Town on a parity with the Town's outstanding Sewer System Revenue Bond (DNRC Water Pollution Control State Revolving Fund Program), Series 2004 (collectively, the "Bonds"); and

WHEREAS, the Town has the power and authority to regulate, establish, and charge, as it considers proper, rates, charges, and classifications imposed for utility services to its inhabitants and other persons served by the Town's sewer system (the "System"). Rates, charges, and classifications must be reasonable and just; and

WHEREAS, it is necessary for the Town to collect sufficient revenues to pay the costs associated with the operation and maintenance of the System, to pay debt service on the Bonds and to build necessary reserves and the Town has determined that it is necessary to increase the rates of the System to do so; and

WHEREAS, pursuant to Section 7-13-4303, M.C.A., the Town has the power and authority to fix and establish, by ordinance or resolution, and collect rates, rentals, and charges for the services, facilities, and benefits directly or indirectly afforded by the system, taking into account services provided and benefits received; and

WHEREAS, the Town has determined that the availability of the System is a benefit to all properties within the Town, and has further determined that it is most equitable to spread the costs of paying debt service on the Bonds to all properties within the Town that are connected to the System, even if the owners of such properties do not reside in the Town on a year-round basis; and

WHEREAS, pursuant to Section 69-7-111, M.C.A., the Town Council shall order a public hearing prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing or increasing rates, fees, or charges for services or facilities; and

WHEREAS, a notice of public hearing was mailed to all users of the Town's System notifying them that pursuant to Resolution No. 2019-5, adopted August 12, 2019, it was the intention of the Town to modify the basis on which sewer rates are charged thereby increasing the rates and charges for sewer service and notice of public hearing was published as required by Section 69-7-111, M.C.A. A public hearing was held on September 9, 2019, commencing at

6:30 p.m. at the Froid Community Center, 103 2nd Street North, in Froid, Montana for the purpose of hearing comments from the public on the sewer rate increase; and

WHEREAS, all persons appearing were given an opportunity to speak at the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Town Council (the “Council”) of the Town as follows:

Section 1. Determination of Annual Budget for System. Each year the Council of the Town 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 System; (b) administration of the System; (c) the payment of principal and interest on any bonded or other indebtedness of the System; 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 Council or as covenanted in the ordinance or resolution authorizing any outstanding bonds of the System. Based on the annual needs of the System, the Council will establish monthly charges for the use and availability of the System.

Section 2. Current Rates. The Town currently charges users of the System a monthly charge of \$40.00 per month.

Section 3. Fixing of Rates. Effective as of the October 2019 billing, the methodology for imposing rates and charges for the use and availability of the System will be as follows.

(a) Monthly Base Rate. The Town will charge a monthly base rate to all developed properties connected to the System (the “Base Rate”), as follows:

<u>Type of User:</u>	<u>Multiplier:</u>	<u>Base Rate:</u>
Residential or commercial users	1	\$ 37.00
Froid Public School building	4	\$ 148.00

(b) Monthly Usage Rate. In addition, the Town will charge a monthly usage rate to all developed properties connected to the System and receiving sewer service (the “Usage Rate”), as follows:

<u>Type of User:</u>	<u>Multiplier:</u>	<u>Usage Rate:</u>
Residential or commercial users	1	\$ 21.00
Froid Public School building	4	\$ 84.00

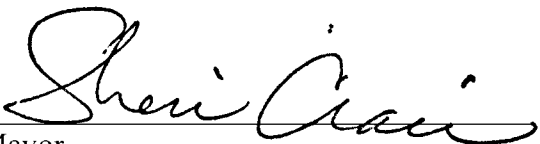
(c) Monthly Charge. Effective as of the October 2019 billing, the monthly charge for all developed properties connected to the System (the “Monthly Charge”) will be equal to the Base Rate, plus, for those properties receiving sewer service, the Usage Rate.

(d) Monthly Charge for Inactive Connections. During months that a developed property connected to the System is not receiving sewer service (i.e., in cases where the owner or resident is out of Town and has contacted the Town to suspend sewer services), the monthly charge for that developed property will be only the Base Rate.

Section 4. Further Rate Increases. Subsequent adjustments to the sewer rates and charges will be made by resolution of the Town Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 5. Effective Date of Resolution. This resolution shall be immediately filed with the Town Clerk-Treasurer and shall become effective upon passage.

Passed and approved this 9th day of September, 2019.



Mayor

Attest:



Town Clerk-Treasurer