


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. 25-01 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 June 17, 2025, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 25-01 at said meeting, the following Directors voted in favor thereof: President Brian Wheeler, and Directors Jerad Biggerstaff, Dick Fast, Al Malinowski, Peter Manka, Bill Shropshire & Mike Wilcynski; voted against the same: Ø; abstained from voting thereon: Ø; or were absent: Ø.

WITNESS my hand officially this 17th day of June 2025.


Richard Fast, Secretary

RESOLUTION NO. 25-01

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.

WHEREAS The District held a Rate Hearing on May 20, 2025. The hearing was noticed on our website and in the Explore Big Sky newspaper, and notices were mailed to District customers and owners in accordance with MCA 7-13-2275.

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

Section 1. Modifications to Wastewater and Water User Charges and Connection Fees. 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 Wastewater and Water Systems as set forth on Exhibit A.

Section 2. Current Wastewater and Water User Charges and Connection Fees. The District currently charges for the use and availability of the Sewer and Water Systems as shown in Exhibit A which went into effect on July 1, 2022.

Section 3. Rate Increases. The Board approves the following increases to water and wastewater rates and charges, effective over a two-year period beginning July 1, 2025. Water user charges will increase by 5% effective July 1, 2025, with an additional 5% increase effective July 1, 2026, resulting in a total increase of 10% over two years. Wastewater base charges will increase by 10% effective July 1, 2025, with an additional 10% increase effective July 1, 2026, resulting in a total increase of 20% over two years. Wastewater volumetric rates will increase by 3% effective July 1, 2025, with an additional 3% increase effective July 1, 2026, resulting in a total increase of 6% over two years.

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 more than 5% over existing water and sewer rates and 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.

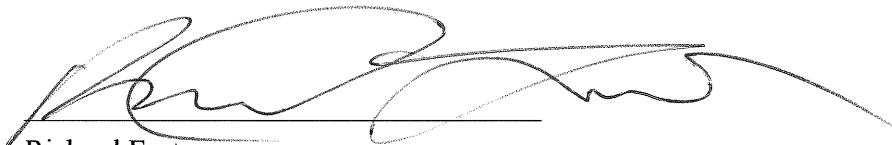
Section 6. Further Rate Increases. Subsequent adjustment to the rates and charges for the use and availability of the Systems will be made by a resolution of the Board of Directors duly adopted, if required, after a public hearing, with notice given as required by law.

Passed and approved this 17th day of June 2025.

A handwritten signature in black ink, appearing to read 'Brian Wheeler', written over a horizontal line.

Brian Wheeler
President, Board of Directors

Attest:

A handwritten signature in black ink, appearing to read 'Richard Fast', written over a horizontal line.

Richard Fast
Secretary

[S E A L]

EXHIBIT A**BIG SKY COUNTY WATER & SEWER DISTRICT No. 363
SUMMARY OF RATES, FEES & CHARGES**

Effective: July 1, 2025

I. HOOKUP FEES

A. WASTEWATER CONNECTION INSPECTION CHARGES:		2025-2026
Type of Improvement		Inspection Charge^[1]
• Remodeling or change in use that changes SFEs		\$50
• Single Family Residence		\$200
• Two (2) through Four (4) units of improvement		\$350
• Five (5) through ten (10) units of improvement; and each commercial building less than or equal to 10,000 square feet		\$500
• Eleven (11) or more units of improvement; and each commercial building greater than 10,000 square feet		\$1,250

^[1] For wastewater permitted projects on Westland/TM land in Section 1 the inspection fee shall be 50% of the applicable inspection fee.**B. WASTEWATER PLANT INVESTMENT CHARGE (PIC)**

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 property 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.**C. WATER CONNECTION INSPECTION CHARGES:**

Type of Improvement	Inspection Charge
• Remodeling or change in use that changes SFEs	\$50
• Single Family Residence	\$200
• Two (2) through Four (4) units of improvement	\$350
• Five (5) through ten (10) units of improvement; and each commercial building less than or equal to 10,000 square feet	\$500
• Eleven (11) or more units of improvement; and each commercial building greater than 10,000 square feet	\$1,250

D. WATER SYSTEM INVESTMENT CHARGE (SIC)

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:	3/4" or less 1" 1 1/2" 2" 3" 4"	\$4,382 \$7,429 \$14,859 \$23,774 \$47,549 \$74,295

E. Water Meter Equipment Charge

For new commercial, single residential, and multiple residential unit water connection permits where meters are required, the District sells meter horns, water meters, and remote read devices to the permit applicant as part of the connection permit fee. All water meters and appurtenant metering equipment shall be sold at the District's cost plus five (5%).	District Cost + 5%
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II. MONTHLY USER CHARGES

A. Wastewater User Charges

Type of Rate	2025-2026
• Base Rate Commercial	\$41.33 Per month (\$123.99/Qtr)
• Base Rate Residential	\$41.33 Per month (\$123.99/Qtr)
• Variable Rate ^[1] Commercial per 1,000 gallons of water use.	\$9.89 Per 1,000 Gals.
• Variable Rate ^[1] Residential per 1,000 gallons of water use.	\$9.43 Per 1,000 Gals.

^[1] For single-family homes, 2nd and 3rd quarter sewer charges are calculated using the winter average water consumption from the prior year's October 1–March 30 period.

B. Water User Charges

Type of Rate	2025-2026
• Base Rate Commercial	\$24.57 Per month (\$73.71/Qtr)
• Base Rate Residential	\$24.57 Per month (\$73.71/Qtr)
• Base Rate Irrigation	\$24.57 Per month (\$73.71/Qtr)
• Base Rate Reuse (Current Volume Charge \$0.00)	\$24.57 Per month (\$73.71/Qtr)
• Variable Rate Wholesale Customers All Usage	\$4.81 Per 1,000 Gals.
• Variable Rate ^[1] Commercial per 1,000 gallons of water use. Tier 1: 0 to 30,000 Gallons Tier 2: 30,000 to 60,000 Gallons Tier 3: 60,000 to 80,000 Gallons Tier 4: > than 80,000 Gallons	\$4.17 Per 1,000 Gals. \$6.24 Per 1,000 Gals. \$8.76 Per 1,000 Gals. \$12.25 Per 1,000 Gals.
• Variable Rate ^[1] Residential per 1,000 gallons of water use. Tier 1: 0 to 20,000 Gallons Tier 2: 20,000 to 40,000 Gallons Tier 3: 40,000 to 60,000 Gallons Tier 4: > than 60,000 Gallons	\$4.17 Per 1,000 Gals. \$6.24 Per 1,000 Gals. \$8.76 Per 1,000 Gals. \$12.25 Per 1,000 Gals.
• Variable Rate ^[1] Irrigation per 1,000 gallons of water use. Tier 1: 0 Gallons Tier 2: 0 to 20,000 Gallons Tier 3: 20,000 to 40,000 Gallons Tier 4: > than 40,000 Gallons	\$0.00 Per 1,000 Gals. \$6.24 Per 1,000 Gals. \$8.76 Per 1,000 Gals. \$12.25 Per 1,000 Gals.
• Variable Rate ^{[1] [2]} Reuse per 1,000 gallons of water use. Tier 1: 0 Gallons Tier 2: 0 to 90,000 Gallons Tier 3: 90,000 to 120,000 Gallons Tier 4: > than 120,000 Gallons	\$0.00 Per 1,000 Gals. \$1.05 Per 1,000 Gals. \$1.05 Per 1,000 Gals. \$1.05 Per 1,000 Gals.

^[1] Variable charges are calculated on actual use per quarter.

^[2] FY 2025-26: Variable charges will not apply to reuse water for large irrigator agreements: Big Sky Meadow Village Golf Course, Spanish Peaks or Yellowstone Club.

C. Flat Rate Water & Sewer Rates

Type of Rate	2025-2026
• Sewer SFE Rate Charge	\$39.23 Per month (\$117.69/Qtr)
• Water SFE Rate Charge	\$27.36 Per month (\$82.08/Qtr)

D. Vacant Lots

Type of Rate	2025-2026
• Sewer Availability	\$10.99 Per month (\$32.97/Qtr)
• Water Availability	\$10.49 Per month (\$31.47/Qtr)

III. PLANT & SYSTEM INVESTMENT CHARGES^[1]- SFEs PER 1,000 SQUARE FEET

A. Single Family Homes & Single Condos

Type of Rate		SFEs / 1,000 Sq. Ft.
• Rate 1	< 2,000 Sq. Ft.	0.85
• Rate 2	2,001 to 3,000 Sq. Ft.	0.65
• Rate 3	3,001 to 4,000 Sq. Ft.	0.55
• Rate 4	> 4,000 Sq. Ft.	0.45

^[1] Plant Investment Charge (PIC) : For Boyne owned lots (i.e. Cascade, Mountain Village, etc) as of July 25, 1997, the PIC charge is \$8,910 per SFE (\$5,410 PIC and \$3,500 surcharge) as itemized on permit.

B. Multiple Unit Condominiums

Type of Rate	Condo Size	SFEs / 1,000 Sq. Ft.
• Rate 1	< 1,000 Sq. Ft.	0.95
• Rate 2	1,001 to 2,000 Sq. Ft.	0.85
• Rate 3	2,001 to 2,300 Sq. Ft.	0.75
• Rate 4	> 2,300 Sq. Ft.	0.65

C. Employee Housing Projects and Accessory Dwelling Units

Type of Rate	Unit Size	SFEs / 1,000 Sq. Ft.
• Rate 1	> 0 Sq. Ft.	1.20

Plant Investment Charges (PIC) calculation for all work force/employee housing projects as apartments or condominiums. All ADU's will also be calculated using this rate.

IV. BULK WATER RATES

A. Bulk Water User Charges

Type of Rate	Charge
• Hydrant Use Permit Fee	\$50
• Bulk Water Rate- Fills < 1,000 Gallons	\$15.75
• Bulk Water Rate- Fills > 1,000 Gallons	\$15.75 per 1,000 gals

V. OTHER FEES

A. Delinquent Accounts

Type of Rate	Charge
Delinquent accounts that are transferred to Gallatin or Madison County for collection through the tax role	\$100

B. Property Transfers

Type of Rate	Charge
Title Company requests for current billing information for property transfers, or change of ownership	\$50

C. Permit Reimbursements

Type of Rate	Charge
Retained connection permit fees for projects not constructed	\$100

D. Reactivation Charge

Type of Rate	Charge
Reactivate water service by turning curbside back on after it has been shut off.	\$100

E. Fire Hydrant Flow Test

Type of Rate	Charge
Fire hydrant flow test cost per hydrant test	\$150

F. Penalties

Type of Fine	Charge
A. Billing & Permitting Fines	
Sewer and/or water connection inspection permit changes after issuance. The penalty for an unapproved increase that exceeds one (1) SFE shall be calculated by prorate.	\$500 Minimum

Late payments for sewer and water charges and accrued penalties that are not paid by February 15, May 15, August 15, and November 15 of each year.	1% per Month 12% per Annum
B. General Fines	
Minor Fines & Penalties For Violation.	\$500
Major Fines & Penalties For Violation. For violations relating to local or federal wastewater pretreatment standards implemented in the Federal Water Pollution Control Act, 33 USC1251 through 1387	\$1,000
C. Sewer System Fines	
Pulling a sewer plug on a main line: plus the cost of sewer jetting	\$5,000
Exposing a sewer lateral without the District's knowledge or permission:	\$2,000
Exposing a sewer main without the District's knowledge or permission:	\$3,000
D. Water System Fines	
Exposing a water lateral without the District's knowledge or permission	\$3,000
Exposing a water main without the District's knowledge or permission	\$5,000
Operating a curb stop in a non-emergency situation without the District's knowledge or permission	\$2,000
Operating a main line valve without the District's knowledge or permission	\$5,000
Operating a fire hydrant without the District's knowledge or permission	\$5,000