

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Town of Valier, Montana (the "Town"), hereby certify that the attached resolution is a true copy of Resolution No. 216 entitled: "RESOLUTION OF THE TOWN OF VALIER, MONTANA INCREASING THE 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 May 11, 2026, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Aldermen Nelson, Tomscheck, and Cannady, and Alderwoman Heartwell

Voted Yes \_\_\_\_\_

\_\_\_\_\_ ; voted  
against the same: None \_\_\_\_\_ ; abstained from voting  
thereon: None \_\_\_\_\_ ; or were absent: None \_\_\_\_\_ .

WITNESS my hand officially this 11 day of May, 2026.

Steph Sullivan  
Town Clerk-Treasurer

RESOLUTION NO. 216

RESOLUTION OF THE TOWN OF VALIER, MONTANA TO  
INCREASE THE RATES FOR THE USERS OF THE  
MUNICIPAL SEWER SYSTEM

RECITALS

WHEREAS, the Town of Valier, Montana (the “Town”) has determined to undertake certain improvements to its municipal sewer system (the “System”); and

WHEREAS, pursuant to Title 7, Chapter 7, Part 44, Montana Code Annotated, the Town is authorized to issue bonds for the purpose of financing improvements to its System; and

WHEREAS, the Town intends to issue a series of sewer system revenue bonds to finance a portion of the costs of making improvements to the System; 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 and provide for the sewer system revenue bonds, and to establish appropriate reserves; and

WHEREAS, the Town has determined that the current rates of the System do not produce sufficient revenues; and

WHEREAS, under Section 69-7-101, M.C.A., the Town has the power and authority to regulate, establish, and change, as it considers proper, rates, charges, and classifications imposed for utility services to its inhabitants and other persons served by the System. Rates, charges, and classifications must be reasonable and just; 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 Sewer System notifying them that pursuant to Resolution No. 215, adopted April 13, 2026, it was the intention of the Town to increase the rates and charges for the System and notice of public hearing was published and mailed as required by Section 69-7-111, M.C.A. A public hearing was held on May 11, 2025, commencing at 7:00 p.m. at the Civic Center located at 514 Montana Street in Valier, Montana, for the purpose of hearing comments from the public on the sewer rate increases; 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. At least once 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 of the System.

Section 2. Equivalent Dwelling Units. The Town utilizes an equivalent dwelling unit methodology for imposing rates and charges for the users of the System, which is based on the size of the water meter entering the building or structure. A ¾ inch service, which is the standard service for single family residential users, equals 1 Equivalent Dwelling Unit (EDU). The following table shows the number of EDUs for each size of service.

<u>Meter Size</u>	<u>Number of Services</u>	<u>EDUs</u>	<u>Total EDUs</u>
¾"	336	1.00	336.00
1"	3	1.79	5.37
1 ½"	3	4.00	12.00
2"	3	7.14	21.42
3"	0	16.00	0.00
4"	0	28.57	0.00
TOTAL	345		374.79

Section 3. Current Sewer Rates. The Town charges users of the System a monthly base rate of \$56.00 per EDU (the "Base Rate"), as follows:

<u>Meter Size</u>	<u>Base Rate per EDU</u>	<u>EDUs</u>	<u>Base Rate by Meter Size</u>
¾"	\$56.00	1.00	\$ 56.00
1"	\$56.00	1.79	100.24
1 ½"	\$56.00	4.00	224.00
2"	\$56.00	7.14	399.84
3"	\$56.00	16.00	896.00
4"	\$56.00	28.57	1,599.92

Section 4. New Sewer Rates. Effective June 2026, the monthly Base Rate will increase to \$61.00 per EDU, as follows:

<u>Meter Size</u>	<u>Base Rate per EDU</u>	<u>EDUs</u>	<u>Base Rate by Meter Size</u>
¾"	\$61.00	1.00	\$ 61.00
1"	\$61.00	1.79	109.19
1 ½"	\$61.00	4.00	244.00

2"	\$61.00	7.14	435.54
3"	\$61.00	16.00	976.00
4"	\$61.00	28.57	1,742.77

Section 5. Additional Fiscal Year Rate Adjustments. After the initial rate increase effective as of the June 2026 billing, the monthly Base Rate will be increased an additional \$0.50 over each of the next two (2) fiscal years. Each fiscal year rate increase is effective as of July 1 of that fiscal year.

<u>Diameter of Service Line</u>	FY Base Rate	
	FY28 (July 1, 2027)	FY29 (July 1, 2028)
¾"	\$61.50	\$62.00
1"	\$110.09	\$110.98
1 ½"	\$246.00	\$248.00
2"	\$439.11	\$442.68
3"	\$984.00	\$992.00
4"	\$1,757.06	\$1,771.34

Section 6. Further Rate Increases. Subsequent adjustments to the rates and charges for the use of the System will be made by resolution of the Town Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 7. 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 11th day of May, 2026.

\_\_\_\_\_  
 Mayor

ATTEST:

\_\_\_\_\_  
 Town Clerk-Treasurer