

RESOLUTION NO. 463

**TOWN OF FROMBERG,
CARBON COUNTY, STATE OF MONTANA
WASTEWATER REVENUE BOND, SERIES 2016
\$283,000 PRINCIPAL AMOUNT**

A RESOLUTION DIRECTING THE PREPARATION OF THE DESIGN, SPECIFICATION AND BIDDING DOCUMENTS AND EQUIPMENT PURCHASE FOR THE TOWN'S PROPOSED IMPROVEMENTS AND REHABILITATION OF ITS WASTEWATER SYSTEM, AUTHORIZING AND DIRECTING THE ISSUANCE AND SALE OF A REVENUE BOND TO THE MONTANA BOARD OF INVESTMENTS TO FINANCE AND PAY FOR THE COSTS OF PRODUCING SUCH DOCUMENTS AND EQUIPMENT ACQUISITION, PROVIDING THE TERMS OF THE BOND AND CREATING SPECIAL FUNDS AND ACCOUNTS AND PLEDGING CERTAIN REVENUES AS THE SOLE SOURCES OF SECURITY AND PAYMENT FOR SUCH REVENUE BOND.

WHEREAS, the Town of Fromberg in Carbon County, Montana (the "Town") is authorized by law, including without limitation Title 7, Chapter 7, Part 44, MCA to issue and sell revenue bonds to finance and pay for the costs of constructing and improving certain undertakings, including but not limited to wastewater systems, to pledge the revenues from its wastewater enterprise fund for the payment of such revenue bonds, and to make and establish other appropriate covenants and conditions with or for the benefit of the holders of such bonds; and

WHEREAS, the Montana Board of Investments (the "MBOI") through its INTERCAP Program authorized under Title 17, Chapter 5, Part 16, MCA, is authorized to make certain loans to political subdivisions of the State of Montana, including the Town; and

WHEREAS, the Town is currently under an administrative order of consent with the Montana Department of Environmental Quality to address its wastewater system deficiencies; and

WHEREAS, the Town estimates the preparation of the design, specification and bidding documents and camera equipment purchase to cost \$283,000; and

WHEREAS, the Town has applied to the Montana Board of Investments ("MBOI") for a loan in the amount of \$283,000 to pay for such costs; and

WHEREAS, the MBOI has indicated its commitment to purchase the Town's \$283,000 Revenue Bond (the "Series 2016 Bond") to provide funding for the preparation of the design, specification and bidding documents and camera equipment purchase (the "Project") for the Town's proposed improved and renovated Wastewater System; and

WHEREAS, the Town desires to avail itself of the opportunity to acquire financing from MBOI, for the Project, as and to the extent authorized by Title 7, Chapter 7, Part 44, MCA, and for that purpose the Town Council now desires to adopt this Resolution, as permitted by law, authorizing and directing the Project described herein, the issuance of a revenue bond payable out of the net revenues of the Wastewater System Enterprise Fund to finance the costs of such Project, and the sale of the Series 2016 Bond to MBOI; and

WHEREAS, the Town Council anticipates that, after completion of the Project, the Town's proposed wastewater system improvements and rehabilitation will be bid and will be partially funded from a \$912,000 loan and a \$1,082,000 grant from USDA Rural Utilities Services, which will provide for the early payment in full of the Series 2016 Bond.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF FROMBERG, CARBON COUNTY, STATE OF MONTANA, AS FOLLOWS:

ARTICLE I - DEFINITIONS

Section 1.01. Definitions. In this Resolution, unless a different meaning clearly appears from the context;

"Additional Bonds" means Bonds issued pursuant to Article VI of this Resolution.

"Bond" or "Bonds" means the \$283,000 Wastewater System Revenue Bond, Series 2016 and any Additional Bonds issued pursuant to this Resolution.

"Bondholder" or "Holder" means any person or entity listed in the registration books of the Treasurer as the holder of a Bond pursuant to Section 3.06 of this Resolution, regardless of whether such Bondholder holds the Bond for his own account or as a fiduciary for another person.

"Bond Repayment Account" means the account and subaccounts therein created by the Treasurer in the Wastewater System Fund pursuant to Section 4.01 of this Resolution and treated in the manner described in Sections 4.03 and 5.04 of this Resolution.

"Bond Repayment Reserve Account" means the account therein created by the Treasurer in the Wastewater System Fund pursuant to Section 4.01 of this Resolution and treated in the manner described in Sections 4.04 and 5.04 of this Resolution.

"Construction Account" means the account created by the Town in the Wastewater System Fund pursuant to Section 4.01 hereof and treated in the manner described in Section 4.02 and 5.02 hereof.

"Date of Closing" means the date on which the Series 2016 Bond is sold and delivered by the Town to MBOI.

“Debt Service Coverage” means that the Net Revenues in each fiscal year of the Town’s Wastewater System are not less than 1.25 % of the maximum annual principal and interest payments on all outstanding Bonds (using the then applicable interest rate for determining the amount for the Series 2016 Bond as described in Section 3.02 hereof) provided, however, that this coverage factor may be reduced if the Town issues Additional Bonds for required System improvements and such Additional Bonds are purchased by a State or Federal agency under programs that require a lower coverage and require a parity lien on the Net Revenues of the System, in which case, the new coverage factor would be the factor of the State or Federal agency purchasing the additional Bonds.

“Governing Body” means the Town Council and Mayor of the Town.

“Gross Revenues” include, without limitation, all gross income and receipts, (a) from the Town’s fees and charges imposed for the availability and use of the System; (b) from penalties and interest on thereon; (c) from sales of property which are part of the System but no longer needed for the System; and (d) from the investment of any of the foregoing.

“INTERCAP Program” or “INTERCAP” means the INTERCAP Program of the MBOI pursuant to which the MBOI will issue and sell INTERCAP Bonds and use the proceeds thereof to make loans to eligible governmental units, pursuant to Title 17, Chapter 5, Part 6, MCA.

“IRC” means the Internal Revenue Code of 1986, as amended.

“MBOI” means the Montana Board of Investments.

“Nationally Recognized Bond Counsel” means a firm of attorneys of nationally recognized standing in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds.

“Net Proceeds” means the amount received by the Town as a result of the sale of the Bond, after any deduction for any amount deposited into the Bond Repayment Reserve Account referenced in Section 4.05 but without deduction for any costs incurred by the Town except as previously authorized in writing by MBOI.

“Net Revenues” means, for any period of time, the excess of Gross Revenues over the operation and maintenance costs for the System, not including any principal or interest payments on the Bonds and not including any depreciation.

“Permitted Investments” means the obligations set forth in Section 5.08 of this Resolution that may be purchased with Wastewater System funds.

“Project” means the acquisition of camera equipment and the preparation of the design, specifications and bidding documents for the Town’s proposed System improvements and rehabilitation planned for 2017.

“Project Costs” means those costs which under generally accepted accounting principles are capital costs of the Project, and of such future improvements and extensions of the Project as may be authorized in accordance with law and this Resolution. Project Costs shall include, but are not limited to: payments due for work and materials performed and delivered under construction contracts; architectural, engineering, contract administration, inspection, supervision, fiscal, and legal expenses (including bond counsel); the costs of acquiring and installing equipment in connection with the Project; reimbursement of any advances made for the foregoing purpose from other Town funds and all other expenses incurred in connection with the construction and financing of the Project.

“Rebate Amount” means the amount calculated pursuant to Section 5.10 of this Resolution representing excess investment earnings which must be rebated to the United States Treasury.

“Replacement and Depreciation Account” means the account created by the Treasurer pursuant to Section 4.01 hereof in the Wastewater System Fund and treated in the manner described in Section 4.05 and 5.04 of this Resolution.

“Reserve Requirement” means the maximum annual principal and interest payable on all Bonds payable on a parity basis under this Resolution (using the then applicable interest rate for determining the amount for the Series 2016 Bond as described in Section 3.02 hereof) or 10% of the amount drawn on the Bond, whichever is less.

“Series 2016 Bond” means the \$283,000 Town of Fromberg Wastewater Revenue Bond, Series 2016 authorized to be issued by this Resolution to MBOI.

“Supplemental Resolution” means a resolution adopted by the Town pursuant to Article X of this Resolution.

“Surplus Account” means the account created by the Treasurer pursuant to Section 4.01 hereof in the Wastewater System Fund and treated in the manner described in Sections 4.06 and 5.04 of this Resolution.

“System” means the wastewater or sewer system of the Town.

“Town” means the Town of Fromberg, Carbon County, Montana.

“Treasurer” means the Clerk and/or Treasurer of the Town. The terms “Clerk”, “Treasurer”, “Clerk/Treasurer” are used interchangeably herein.

“USDA” means the United States Department of Agriculture acting through Rural Utilities Services and Rural Development.

“Wastewater System Fund” means the Town’s Wastewater Enterprise Fund, and categorized on the Town’s financial records as Fund #5310.

In addition to the foregoing definitions, other terms are defined or described in subsequent sections or subsections of this Resolution and shall, unless the context otherwise requires, have those same meanings at all places in this Resolution and in related documents where those terms appear.

ARTICLE II - AUTHORIZATION OF SERIES 2016 PROJECT

Section 2.01 Authorization for the Series 2016 Project. The Town has applied for and received approval for a loan from MBOI for the "Project."

The Governing Body finds that the Project is authorized by law, is not contrary to any covenant, agreement, or obligation of the Town, and is in the best interests of the residents of the Town. The Town has determined the necessity for the Project and has no other readily available funding for the Project.

Section 2.02 Existing Wastewater System Debt. The Town has no outstanding wastewater debt.

Section 2.03 Ratification and Repealer. (a) All actions heretofore taken by the Town or its officers and agents toward the completion of the Project and the issuance and sale of the Series 2016 Bond (except actions inconsistent with the provisions of this Resolution) are hereby ratified, approved and confirmed.

(b) All provisions of other ordinances and resolutions and all other actions and proceedings of the Governing Body of the Town which are in any way inconsistent with the terms and provisions of this Resolution are repealed, amended, and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

Section 2.04 Approval of Series 2016 Project Expenditures, Estimates and Sources of Funding.

All expenditures for the Project to be made or incurred by Town will be approved by USDA, the Engineer and the Town Council prior to expenditure.

The Town currently estimates the costs as follows:

Engineering design & bidding documents	\$269,500
Equipment Purchase	\$13,500
Total Project Costs	\$283,000

The Town anticipates providing funding for the Series 2016 Project as follows:

MBOI Purchase of Bond	\$283,000
Total Funds Available	\$283,000

The Town will take action to assure that the Project funds are expended only for the eligible items included in the Project budget, or as may be otherwise agreed to by MBOI and USDA.

Section 2.05 Compliance with Laws. The construction and maintenance of the Project and the procurement of professional services, construction services and construction materials shall be undertaken and performed in accordance with all applicable federal, state and local statutes, regulations and ordinances, including but not limited to the requirements of Title 18, Chapter 2, Part 4, MCA.

Section 2.06 Benefit, Rates and Charges. The Town will impose reasonable rates and charges for the availability and use of the System which will, based upon the reasonable estimates and projections of the Town's consulting engineer, be sufficient to pay all expenses of operation and maintenance, to provide for depreciation and repairs of the System, to pay installments or principal and interest on the Bonds when due and to build and maintain the required reserves as set forth herein.

Section 2.07 Reimbursement of Expenditures. The Internal Revenue Service has issued Section 1.150-2 of the Treasury Regulations (the "Regulations") dealing with the issuance of tax-exempt bonds, all or a portion of the proceeds of which are to be used to reimburse the issuer for the project expenditures made by the issuer prior to the date of issuance of such bonds. The Regulations generally require that, except for preliminary expenditures of not more than 20% of the Project Costs for such things as engineering, surveying and soil testing, the issuer make a declaration (no later than 60 days after payment of the original expenditures) of its official intent to reimburse itself for such expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within eighteen months of the original expenditure or the date the project is placed in service, and that the expenditure be a capital expenditure or cost of issuance. The Town Council desires to comply with the Regulations in the construction of the Project. Except for the preliminary engineering expenditures, the Town does not expect to reimburse itself from Bond Proceeds for any of its prior expenditures. However, if it does so reimburse itself, then all reimbursed expenditures shall be expenditures authorized to be reimbursed by Section 1.150-2 of the Regulations and under the direction of the Town's Bond Counsel.

ARTICLE III - AUTHORIZATION AND TERMS OF THE SERIES 2016 BOND

Section 3.01 Authorization, Issuance and Sale of the Series 2016 Bond. In order to provide moneys for the construction of the Project, the Town authorizes the issuance and sale of the Series 2016 Bond in the aggregate principal amount of \$283,000 to MBOI as the original purchaser and in accordance with the terms and conditions stated herein. The final maturity of the Series 2016 Bond will not exceed 6 years.

Section 3.02 General Terms and Interest Rate. The Town shall forthwith issue the Series 2016 Bond in a principal amount not to exceed \$283,000. The Series 2016 Bond shall be dated as of the date of its delivery. Upon each disbursement of the Series 2016 Bond proceeds, the MBOI shall enter the amount advanced on the amortization schedule attached thereto and the

total amount advanced under this Resolution. The Series 2016 Bond shall be lettered and numbered R-1 and shall be subject to redemption as herein provided on August 15, 2022 (the "Stated Maturity"), and shall bear interest on the principal amount thereof advanced and outstanding at the rate per annum equal to the Variable Rate (as hereinafter defined), as such may be adjusted from time to time as hereinafter provided. Interest shall be computed on the basis of the actual number of days in the year and the actual number of days outstanding. Principal and interest shall be payable semi-annually on or before February 15th and August 15th, as directed by MBOI, for the approximately six (6) year term of the Bond in order to fully amortize the principal amount of the Bond by the Maturity Date.

Principal of the Series 2016 Bond from time to time outstanding shall bear interest from the date of issuance thereof, until paid at the Variable Rate, as may be adjusted from time to time as hereinafter provided. Until the initial Adjustment Date (as hereafter defined), the Variable Rate shall be one and fifty-five hundredths percent (1.55%) per annum. Thereafter, for the Adjustment Period (as hereafter defined), the Variable Rate shall be the rate per annum equal to the interest rate then borne by the MBOI's Annual Adjustable Rate Tender Option, Municipal Finance Consolidation Act Bonds (INTERCAP Program), as certified by the MBOI as of the Adjustment Date, but in no event shall exceed fifteen percent (15.00%) per annum. If for any reason the interest rate cannot be established as so provided or is held invalid or unenforceable by a court of law, the interest rate for the Series 2016 Bond for the Adjustment Period shall be a rate equal to the largest integral multiple of five hundredths of one percent (.05%) that is equal to or less than eighty percent (80%) of the average yield, evaluated at par, of the United State Treasury obligations with a stated or remaining maturity of one year, as reported in *The Wall Street Journal* (Des Moines Edition) (or, if such paper is no longer published or fails to report such information, in any other financial periodical selected by the State Treasurer and reasonably acceptable to the holders of the Series 2016 Bond) on the Adjustment Date or, if the Adjustment date is not a Business Day, the next preceding Business Day, but in no event to exceed fifteen percent (15.00%) per annum. As used herein, "Adjustment Date" means February 16 and "Adjustment Period" means the period beginning on an Adjustment Date and ending on the day before the next succeeding Adjustment date or the final Stated Maturity of the Series 2016 Bond, whichever is earlier; provided that if the Series 2016 Bond is not paid at its final Stated Maturity, the final Adjustment Period with respect to the Series 2016 Bond shall extend until it is paid or provision has been duly made for its payment.

Section 3.03 Payments Due on Saturdays, Sundays and Holidays. In any case in which the date on which an installment payment is due shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions are authorized by law to close, then such installment payment need not be made on such date, but may be made on the next business day that is not a Saturday, a Sunday, a legal holiday, or a day on which banking institutions are authorized by law to close, with the same force and effect as if made on the date on which the installment payment was due. No penalty shall attach to a payment made pursuant to this provision.

Section 3.04 Prepayment and Redemption. The Town may at any time prepay all or any part of the principal plus accrued interest on the Series 2016 Bond. Any such prepayment may be made without penalty or premium. Any prepayment shall be identified as such, shall be

applied first to accrued interest and then to unpaid principal, and shall not extend or postpone the due date of any subsequent installment payment on the Series 2016 Bond.

Section 3.05 Negotiability, Transfer and Registration. The Series 2016 Bond shall be fully registered as to both principal and interest, and shall be initially registered in the name of and payable to the Board of Investments of the State of Montana. The Series 2016 Bond shall be negotiable, subject to the provisions for registration and transfer contained in this section. No transfer of the Series 2016 Bond shall be valid unless and until (1) the Bondholder, or its duly authorized attorney or legal representative, has executed the form of assignment appearing on the Series 2016 Bond, and (2) the Clerk, as Bond Registrar, has duly noted the transfer on the Series 2016 Bond and recorded the transfer on the Clerk's registration books. The Clerk may, prior to noting and recording the transfer, require appropriate proof of the transferor's authority and the genuineness of the transferor's signature. In the event that the Town adopts or amends a system of registration as provided in Sections 17-5-1101 through 1123, MCA, such system and any amendments thereto shall be applicable to the Series 2016 Bond except to the extent that such system is inconsistent with this Resolution, in which event the terms of this Resolution shall take precedence. The Town shall be entitled to deem and treat the person in whose name a Series 2016 Bond is registered as the absolute owner of the Series 2016 Bond for all purposes, notwithstanding any notice to the contrary, and all payments to the registered holder shall be valid and effectual to satisfy and discharge the Town's liability upon such Series 2016 Bond to the extent of the sum or sums so paid.

Section 3.06 Execution. The Series 2016 Bond shall be executed on behalf of the Town by the manual signature of the Mayor and shall be manually countersigned by the Clerk. Any or all of such signatures may be affixed at or prior to the Date of Closing. In the event that any of the officers who have signed the Bond cease to be officers of the Town before the Series 2016 Bond is issued or delivered, their signatures shall remain binding upon the Town. Conversely, the Series 2016 Bond may be signed by an authorized official who did not hold such office on the date of this Resolution.

Section 3.07 Delivery. The Series 2016 Bond shall be delivered to MBOI or its attorney or legal representative on the Date of Closing. The purchase price of the Series 2016 Bond shall be the principal amount thereof advanced from time-to-time.

Section 3.08 Security. The Series 2016 Bond shall be paid solely from the Bond Repayment Account of the Wastewater System Fund, to which Fund are pledged the Net Revenues pursuant to this Resolution. This Council estimates the Net Revenues available funds for the payment of the Series 2016 Bond will be at least 125% of the annual Debt Service, provided, however, that this coverage factor may be reduced if the Town issues additional Bonds for the required System improvements and such additional Bonds are purchased by a State or Federal agency under programs that require a parity lien on the Net Revenues of the System, in which case the new coverage factor would be the factor of the State or Federal agency purchasing the additional Bonds. The Series 2016 Bond does not constitute and may not be included as an indebtedness or liability of the Town for purposes of any statutory debt limitation. The Series 2016 Bond is issued on the condition that the amount of principal and interest due in any fiscal year on the Series 2016 Bond and any additional Bonds do not exceed the amount of

revenue pledged to the payment of such bonds and received in that fiscal year as estimated by this Town Council.

Section 3.09 Form. The Series 2016 Bond shall be in substantially the following form (with appropriate insertions for dates and amounts as described above):

UNITED STATES OF AMERICA
STATE OF MONTANA
TOWN OF FROMBERG
CARBON COUNTY, MONTANA
Series 2016 Wastewater Revenue Bond
Series 2016

R-1 \$283,000

<u>Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
Variable			
Described below	August 15, 2022	December __ 2016	None

REGISTERED OWNER: BOARD OF INVESTMENTS OF THE STATE OF MONTANA

PRINCIPAL AMOUNT: TWO HUNDRED EIGHTY-THREE THOUSAND AND NO/100

KNOW ALL PERSONS BY THESE PRESENTS: The Town of Fromberg, (the "Town"), a duly organized political subdivision of the State of Montana, acknowledges itself to be indebted to and for value received promises to pay to the order of the registered owner named above, or its registered assignee, solely from the Bond Repayment Account of the Town's Wastewater System Fund, the principal sum of Two Hundred Eighty-three Thousand and No/100 Dollars (\$283,000) with interest thereon from the date of original issue specified above, at the annual rate specified above, until paid or discharged, all subject to the provisions hereof relating to the redemption of this Bond before maturity. Semi-annual payments of principal and interest will be made on or before each February 15th and August 15th as directed by the Montana Board of Investments in order to fully amortize the principal amount of this Bond by the Maturity Date listed above. The interest hereon and the principal hereof are payable in lawful money of the United States of America to the registered owner of this Bond as it appears in the Bond Register of the Town.

The Series 2016 Bond shall be dated as of the date of its delivery. Upon each disbursement of the Series 2016 Bond proceeds, the Montana Board of Investments shall enter the amount advanced on the amortization schedule attached thereto and the total amount advanced under Resolution No. 463. The Series 2016 Bond shall be lettered and numbered R-1 and shall mature, subject to redemption as herein provided, on August 15, 2022 (the "Stated Maturity"), and shall bear interest on the principal amount thereof at the rate per annum equal to the Variable Rate (as hereinafter defined), as such may be adjusted from time to time as hereinafter provided. Interest shall be computed on the basis of the actual number of days in the year and the actual number of days outstanding.

Principal of the Series 2016 Bond from time to time outstanding shall bear interest from the date of issuance thereof until paid at the Variable Rate, as may be adjusted from time to time as hereinafter provided. Until the initial Adjustment Date (as hereafter defined), the Variable Rate shall be one and fifty-five hundredths percent (1.55%) per annum. Thereafter, for the Adjustment Period (as hereafter defined), the Variable Rate shall be the rate per annum equal to the interest rate then borne by the MBOI's Annual Adjustable Rate Tender Option, Municipal Finance Consolidation Act Bonds (INTERCAP Program), as certified by the MBOI as of the Adjustment Date, but in no event to exceed fifteen percent (15.00%) per annum. If for any reason the interest rate cannot be established as so provided or is held invalid or unenforceable by a court of law, the interest rate for the Series 2016 Bond for the Adjustment Period shall be a rate equal to the largest integral multiple of five hundredths of one percent (.05%) that is equal to or less than eighty percent (80%) of the average yield, evaluated at par, of the United State Treasury obligations with a stated or remaining maturity of one year, as reported in *The Wall Street Journal* (Des Moines Edition) (or, if such paper is no longer published or fails to report such information, in any other financial periodical selected by the State Treasurer and reasonably acceptable to the holders of the Series 2016 Bond) on the Adjustment Date or, if the Adjustment date is not a Business Day, the next preceding Business Day, but in no event to exceed fifteen percent (15.00%) per annum. As used herein, "Adjustment Date" means February 16 and "Adjustment Period" means the period beginning on an Adjustment Date and ending on the day before the next succeeding Adjustment date of the final Stated Maturity of the Series 2016 Bond, whichever is earlier; provided that if the Series 2016 Bond is not paid at its final Stated Maturity, the final Adjustment Period with respect to the Series 2016 Bond shall extend until it is paid or provision has been duly made for its payment.

This Bond has been issued pursuant to and in full conformity with the constitution and laws of the State of Montana, including without limitation Title 7, Chapter 7, Part 44, MCA, and in accordance with Resolution No. 463 of the Town. Reference is hereby made to the Resolution for a description of the terms and conditions other than those herein, upon which this Bond is issued and secured.

The Bond has been issued for the purpose of providing the funds necessary to pay the costs of the preparation of the design, specification and bidding documents and camera equipment acquisition ("the Project") for the Town's proposed improved and renovated Wastewater System. The principal of and interest on the Bond is payable solely from the Net Revenues of the Town's Wastewater System as defined in the Resolution and does not constitute a debt or general obligation of the Town within the meaning of any constitutional or statutory limitation or provision. The Bond does not constitute and may not be included as an indebtedness or liability of the Town for purposes of any statutory debt limitation.

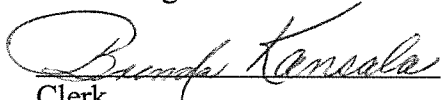
The Town may at any time prepay all or any part of the principal plus accrued interest on the Bond. Any such prepayment may be made without penalty or premium. Any prepayment shall be identified as such, shall be applied first to accrued interest and then to unpaid principal, and shall not extend or postpone the due date of any subsequent installment payment on the Bond.

The Town has duly authorized and will forthwith complete the Project as defined in Resolution No. 463. The Town Council will impose reasonable rates and charges for the operation and the maintenance costs of the Wastewater System, and to pay all installments of principal and interest on the Bond when due and to build the Bond Repayment Reserve Account and maintain the Reserve Fund Requirement for the Bond as set forth in the above-referenced Resolution. The Wastewater System Fund includes a Bond Repayment Account, into which there shall each month be credited, out of the Net Revenues then on hand, amounts sufficient, with similar credits from prior and subsequent months, to meet the semi-annual payments of principal of and interest on the Bond.

It is hereby certified that all acts, conditions, and things required by law, resolution, or agreement to be done or to have happened prior to or in connection with the issuance of this Bond have been done or have happened, and that the issuance of this Bond does not violate any constitutional or statutory limitation on bonded indebtedness.

IN WITNESS WHEREOF, the Town, acting by and through its Town Council has caused this Bond to be executed in its behalf by the signature of the Mayor and countersigned by the signature of the Clerk of the Town, and has caused this Bond to be dated as of December 5, 2016.

Countersigned:


Clerk


Mayor

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest, initially in the name of the Board of Investments of the State of Montana. No transfer of this Bond shall be valid unless and until (1) the registered holder of the Bond, or his duly authorized attorney or legal representative, executes the form of assignment appearing on this Bond, and (2) the Clerk, as bond registrar, has duly noted the transfer on the Bond and recorded the transfer on the Town's registration book. The Town shall be entitled to deem and treat the person in whose name a Bond is registered as absolute owner thereof for all purposes, notwithstanding any notice to the contrary. Payments on account of the Bond shall be made only to the order of the registered holder thereof, and all such payments shall be valid and effectual to satisfy and discharge the Town's liability upon the Bond to the extent of the sum or sums so paid.

THE FOLLOWING ENTRIES ARE TO BE MADE ONLY BY THE BOND REGISTRAR UPON REGISTRATION OF EACH TRANSFER

The Treasurer of the Town of Fromberg, Carbon County, Montana, acting as registrar for this Bond, has transferred, on the books of the Town, on the date last noted below, ownership of the principal amount of and the accrued interest on the Bond to the new registered holder noted next to such date, except amounts of principal and interest theretofore paid.

Date of Transfer	Name of new Registered Holder	Signature of Bond Registrar
_____	_____	_____
_____	_____	_____
_____	_____	_____

ARTICLE IV – WASTEWATER SYSTEM FUND AND ACCOUNTS

Section 4.01 Establishment of Accounts. The Treasurer has established or shall establish the following funds within the existing Wastewater System fund in the official books of the Town;

- (a) The Construction Account;
- (b) The Bond Repayment Account
- (c) The Bond Repayment Reserve Account;
- (d) The Replacement and Depreciation Account; and
- (e) The Surplus Account.

All Net Revenues as defined above are irrevocably pledged, appropriated and shall be credited to the Series 2016 Bond Repayment Account until the principal of and interest on the Series 2016 Bond has been fully paid or the Town's obligation with respect to the Series 2016 Bond has been discharged as provided in this Resolution.

Section 4.02 Construction Account. Money in the Construction Account shall be used only to pay Project costs and shall be held in bank accounts and disbursed only in the manner prescribed in Section 5.02 of this Resolution.

Section 4.03 Bond Repayment Account. Money held in the Bond Repayment Account shall be disbursed only to meet the regular installment payments of principal and interest on the Series 2016 Bond as they become due or to redeem or make prepayments with respect to the Series 2016 Bond. If on any regular installment payment date the money in the Bond Repayment Account is insufficient to make the installment payment due, then an amount equal to the amount of the insufficiency shall be transferred to the Bond Repayment Account from (i) the Bond Repayment Reserve Account, (ii) the Surplus Account, (iii) the Replacement and Depreciation Account, and (iv) the Construction Account, in that order.

Section 4.04 Bond Repayment Reserve Account. Money held in the Bond Repayment Reserve Account shall be disbursed only to the Bond Repayment Account, and only for the purpose of eliminating any insufficiency existing in the Bond Repayment Account at the time of any regular installment payment date, pursuant to Section 5.04 of this Resolution.

Section 4.05 Replacement and Depreciation Account. Money in the Replacement and Depreciation Account shall be disbursed to replace worn out or obsolete equipment or infrastructure, or to eliminate any deficiency in the Bond Repayment Account or the Bond

Repayment Reserve Account at the time of the monthly apportionment, or if directed by the Governing Body, to prepay the Bond, pursuant to Section 5.04 of this Resolution.

Section 4.06 Surplus Account. Money held in the Surplus Account, when not required to restore a current deficiency in the Bond Repayment Account or the Bond Repayment Reserve Account, may be disbursed for the payment of subordinate lien bonds, redemption or prepayment of the Bond, construction and installation of maintenance or improvement items, or to make payments of Rebate Amounts.

ARTICLE V - DEPOSITS, TRANSFERS, INVESTMENTS AND WITHDRAWALS

Section 5.01 Deposit of Series 2016 Bond Proceeds. The proceeds of sale of the Series 2016 Bond shall be utilized to pay the Project Costs.

Section 5.02 Disbursements from Construction Account. (a) The proceeds of the Bond hereby authorized shall be deposited in the Construction Account as authorized by the Town from time to time for expenses approved by the Town Council and USDA, and only for the purposes of the Project. The initial advance of Bond proceeds will be at least \$14,151.

(b) MBOI has agreed to lend the Series 2016 Bond proceeds to the Town for the purposes of financing or reimbursing the Town for the costs of the Project. The Bond proceeds shall be disbursed from time-to-time as requested by the Town in the form approved by MBOI after receipt by MBOI of the following documents:

- (1) an Opinion of Bond Counsel as to the validity and enforceability of the Series 2016 Bond and the security therefore and stating in effect that interest on the Series 2016 Bond is not includable in gross income for purposes of federal income taxation;
- (2) the Series 2016 Bond, fully executed and registered;
- (3) an executed copy of this Resolution and all other documents required by Bond Counsel for the financing of the Series 2016 Project;
- (4) proof of approval from USDA for each draw.

Section 5.03 Funding from Other Sources. Nothing in this Resolution shall prevent the Town from depositing money from sources other than Gross Revenues into the Wastewater System Fund in addition to the transfers contemplated by this Resolution. Such voluntary deposits shall be treated as Gross Revenues and shall not thereafter be withdrawn except in accordance with this Resolution. Such voluntary deposits of other money to the Bond Repayment Account or the Bond Repayment Reserve Account may be made in lieu of an equal amount of transfers or apportionments of Net Revenues to such accounts as required by this Resolution. The Town Council agrees if the Project is completed and the proposed improvement and rehabilitation of the System is not under construction by August 1, 2017 and if the Series 2016 Bond is not paid in full by then, the Town Treasurer will transfer from Town Account

#5310.102240 (the cash R&D account) to the Bond Replacement Reserve Account an amount equal to 10% of the remaining principal balance of the Series 2016 Bond.

Section 5.04. Monthly Apportionment. Each month the Treasurer shall transfer money between the accounts created pursuant to Section 4.01 of this Resolution, which monthly transfer (the "Monthly Apportionment") shall be made as follows:

- (a) First, an amount equal to one-sixth of the semi-annual payment due on the Series 2016 Bond (plus the amount of any such transfers required in previous months that were not made due to lack of funds) shall be transferred from the Wastewater System Fund to the Bond Repayment Account;
- (b) Second, if the money is insufficient, then an amount equal to the amount of the insufficiency shall be transferred to the Bond Repayment Account from the Bond Repayment Reserve Account;
- (c) Third, there shall be transferred from the Wastewater System Fund to the Reserve Account an amount necessary to have the balance in the Bond Repayment Reserve Account equal to the Reserve Requirement;
- (d) Fourth, if the money in the Bond Repayment Reserve Account is insufficient to make the transfer required by subparagraph (c), then an amount equal to the amount of the insufficiency shall be transferred to the Bond Repayment Reserve Account from the Surplus Account, and, if that is not sufficient, such amounts as necessary from the Replacement and Depreciation Account.

Section 5.05 Segregation of Moneys. All Net Proceeds, Net Revenues, and other moneys received by the Town pursuant to this Resolution and any Supplemental Resolution are to be deposited into the accounts described above in Section 4.01, and all Permitted Investments purchased with moneys deposited therein, shall at all times be kept segregated and set apart from all other funds of the Town. No such moneys shall at any time be transferred from any of the above-referenced accounts to any other fund of the Town, nor shall any moneys at any time be loaned to other Town funds or invested in other obligations payable from other funds, except as provided in this Resolution. None of such moneys or investments shall at any time or under any circumstances constitute public funds of the Town, nor shall they be subject to lien or attachment by any creditor (except by a creditor acting as or on behalf of a Bondholder). However, the requirements of this section shall not be construed in such a manner as to prevent the aggregation or pooling of moneys in the Wastewater System Fund or one or more of its accounts for the purpose of investing such funds as permitted by this Resolution, so long as such aggregation or pooling, and any investments so made, do not cause the Series 2016 Bond to become an "arbitrage bond" under IRC Section 148(a).

Section 5.06 Deposit of Moneys. The Treasurer shall deposit all money held in the Wastewater System Fund pursuant to this Resolution in one or more financial institutions qualified to serve as depositories for public funds under Section 7-6-201, MCA. The balance in such deposit accounts, except portions guaranteed by federal insurance, shall at all times be

secured in the manner provided by Section 7-6-207, MCA, to the full extent of such uninsured portion or to the maximum extent permitted by law.

Section 5.07 Investment of Moneys. Wastewater System Fund moneys may be invested if and to the extent that the Town does not need such moneys to be available for immediate use, in direct obligations of the United States Government, savings or time deposits, or other investments authorized for cities in Montana, described in Title 7, Chapter 6, Part 2 of the Montana Code Annotated.

Section 5.08 Investment Income. Except as otherwise provided with respect to the Rebate Amount, income from the deposit or investment of moneys in the above-described accounts shall be credited to the account from whose moneys the deposit was made or the investment was purchased, and shall be handled and accounted for in the same manner as other moneys in that account.

Section 5.09 Arbitrage Limitation. The Town hereby covenants and agrees with the Bondholder that no part of the proceeds of the Series 2016 Bond or any other funds held by the Town shall at any time be used directly or indirectly to acquire securities or obligations the acquisition of which would cause the Series 2016 Bond to be or become an "arbitrage bond" as defined in Section 148(a) of the Code; provided, however, that the Town may at any time request, receive, and rely with full acquittance upon the opinion of Nationally Recognized Bond Counsel that a proposed acquisition will not cause the Series 2016 Bond to be or become an arbitrage bond. Any fees and expenses incurred in providing such opinion of Nationally Recognized Bond Counsel shall be paid by the Town.

The Town recognizes that certain arbitrage profits must be rebated to the United States Treasury Department. The Town agrees to obtain the assistance of Nationally Recognized Bond Counsel in the preparation and passage of any supplemental resolution necessitated by the arbitrage requirements of the Code or promulgation of the Treasury Regulations thereunder. The Town hereby covenants to make any determinations, retain records and rebate to the United States Treasury any Rebate Amounts determined to be due at the times and in the manner required, however, pursuant to Section 148(f)(D) of the Code, the Town anticipates that it will not issue in excess of \$5,000,000 of tax-exempt bonds in calendar year 2016 and claims the "small issuer exception" to the rebate requirement for the issuance of Bond and states that the instant Bond is the only tax-exempt obligation it has issued in calendar year 2016.

ARTICLE VI - ADDITIONAL BONDS

Section 6.01 Additional Bonds. The Town reserves the right and privilege of issuing, pursuant to a Supplemental Resolution or resolutions, Additional Bonds on a parity with and having a lien equal in rank to that of the Series 2016 Bond against the Wastewater System Fund and the accounts therein and which are payable equally and ratably therefrom without preference, priority, or distinction because of date of issue. Such Additional Bonds (hereinafter called "Parity Bonds") may be issued only for the purposes of improving the Wastewater System and upon prior written approval of MBOI. It is anticipated by the Town that Additional Bonds will be issued for the next phase of the Town's necessary Wastewater System improvements and

the Town anticipates that such Bonds may be issued to the United States Department of Agriculture through Rural Utilities Services ("RUS"). In determining whether or not the Town meets the Net Revenues coverage requirement for issuance of Additional Bonds, the Town may base the determination on anticipated revenue increases if the Town passes such increases prior to the issuance of Additional Bonds.

Section 6.02 Completion Parity Bonds. Parity Bonds may be issued for the purpose of financing the cost or estimated cost of completing the Project or the next phases of the Wastewater Improvements to respond to the Town's current Administrative Order of Consent with DEQ (hereinafter called "Completion Parity Bonds"), provided that the scope of the Project has not changed, that other available moneys are insufficient for completing the Project, and that the Completion Parity Bonds together with available moneys will be sufficient to complete the Project.

Section 6.03 Refunding and Defeasance. The Town may issue Parity Bonds to currently refund the Series 2016 Bond or Parity Bonds, provided that "advance refunding" of the Series 2016 Bond may not occur. If, at any time, it shall appear to MBOI that the Town is able to currently refund the amount of the Series 2016 Bond then outstanding, in whole or in part, by issuance and sale of bonds to responsible cooperative or private credit sources, at reasonable rates and terms for loans for similar purposes and periods of time, the Town will, upon request of MBOI, apply for and accept such financing in sufficient amount to repay the Series 2016 Bond.

Section 6.04 Subordinate Bonds. Nothing in this Resolution shall preclude the Town from issuing, pursuant to a separate resolution or resolutions, additional bonds when necessary for further improvements to the Town's Wastewater System, provided that such additional bonds (hereinafter called "Subordinate Bonds") are expressly made subordinate to the lien of the Bond and Parity Bonds authorized by this Resolution on the Net Revenues of the Town's Wastewater System Fund.

Section 6.05 Approval of Counsel. Any registered holder of the Series 2016 Bond or Parity Bonds whose aggregate unpaid principal amount constitutes at least ten percent (10%) of the aggregate unpaid principal amount of the Series 2016 Bond and of all outstanding Parity Bonds shall have the right, prior to the issuance of any Parity Bonds or Subordinate Bonds, to require the Town to furnish, at the Town's expense, either or both of the following:

(a) An opinion of an attorney duly licensed to practice law in Montana to the effect that the Town is not then in default on the Series 2016 Bond or any Parity Bond, covenant or any other term or condition of this Resolution;

(b) The opinion of a Nationally Recognized Bond Counsel to the effect that the issuance of the proposed bonds will not violate any covenant, term, or condition of this Resolution, and that the interest on the Bond and Parity Bonds then outstanding shall be and remain exempt from taxation under IRC Section 103.

ARTICLE VII - GENERAL COVENANTS

Section 7.01 Resolution Constitutes Contract Between Bondholder and Town. (a) This Resolution constitutes and shall be deemed to be a contract between the Town and the Bondholder, and the pledges and the covenants made by the Town in this article or elsewhere in this Resolution shall be for the benefit, protection and security of the Bondholder.

(b) No recourse for the payment of any part of the principal of or interest on the Bond or for the satisfaction of any liability arising from the issuance, sale, purchase or ownership of the Bond, or any liability arising from this Resolution, shall be had against any officer, member, employee, or agent of the Town in his or her individual capacity, all such liability being hereby expressly released and waived as a condition of and as part of the consideration for the execution of this Resolution and the issuance of the Bond.

(c) Nothing in this Resolution, express or implied, is intended or shall be construed to confer upon or to give to any person or corporation other than the Bondholder any right, remedy, or claim under or by any reason of this Resolution, and the covenants, stipulations, and agreements contained in this Resolution are and shall be for the sole and exclusive benefit of the Bondholder.

Section 7.02 Faithful Performance in General. The Town will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in the Bond issued hereunder; will pay or cause to be paid to the Bondholder, the principal of and interest on the Series 2016 Bond, on the dates and in the place and manner prescribed in such Bond, provided that such payments will be made solely out of the revenues pledged for the payment thereof pursuant to this Resolution; will not issue any bonds in any manner other than in accordance with the provisions of this Resolution; and will not suffer or permit any default to occur under this Resolution, but will faithfully observe and perform all the conditions, covenants, and requirements hereof. The Town will take all steps reasonably necessary to insure that its officers, employees, and agents act in accordance with and in furtherance of the purposes, covenants, and conditions of this Resolution, and the Town will adopt and carry out such further resolutions as may be reasonably requested by MBOI for the purpose of better carrying out the purpose and intent of this Resolution.

Section 7.03 Authority of the Town. The Town is duly authorized under the Constitution and laws of the State of Montana to create and issue the Series 2016 Bond and to adopt and be bound by this Resolution. All actions and proceedings that must be taken by the Town for the authorization and issuance of the Series 2016 Bond and the adoption and delivery of this Resolution have been duly and effectively taken, and the Bond will be a valid and enforceable obligation of the Town in accordance with its terms.

Section 7.04 Pledge. (a) To secure payment of the principal of and interest on the Bond, the Town hereby irrevocably pledges and confirms to the Bondholder and grants the Bondholder a security interest in the following:

- (1) The Net Proceeds of the Series 2016 Bond, as defined in this Resolution; and
- (2) the Net Revenues of its Wastewater System Fund as described above.

(b) This pledge is valid and binding from the date of the adoption of this Resolution by the Governing Body, and all Net Revenues so pledged and hereafter received by the Town shall immediately be subject to the lien created by the pledge. It is the intention of the Town that the lien and security interest created by this pledge shall be valid and binding against all parties having claims of any kind, whether in tort, contract or otherwise, against the Town.

(c) If the Town shall pay or cause to be paid the principal of and interest due on the Series 2016 Bond at the times and in the manner required or permitted in this Resolution, and shall observe and perform all of the covenants made by it in this Resolution, then this pledge and the rights and interests granted by this Resolution shall cease, terminate and be void.

Section 7.05 Maintenance of Books and Accounts/Audits. The Treasurer shall keep or cause to be kept books of record and account in which complete and correct entries shall be made of all receipts, disbursements and other transactions relating to Town's Wastewater System Fund and the accounts created by this Resolution. Such books shall be based on the same fiscal periods as those utilized by the Town, and shall be subject to inspection by any Bondholder or the representative, duly authorized in writing, of any Bondholder. The Town recognizes it is subject to, and agrees to comply with, the State of Montana Single Audit Act in Title 2, Chapter 7, Part 5, MCA. The Town shall promptly, upon receipt, provide copies of audits of the Wastewater System and the annual fiscal year end revenue and expense statements for the Wastewater System.

Section 7.06 Information Reports to U.S. Treasury Department. The Town agrees to promptly provide and/or cooperate in providing, any reports required by the U.S. Treasury Department relating to the Series 2016 Bond.

ARTICLE VIII - DEFAULT AND REMEDIES

Section 8.01 Events of Default and Remedies. Any one or more of the following events shall constitute an "Event of Default" under this Resolution:

(a) Nonpayment of any principal of or interest on the Series 2016 Bond within thirty (30) days after the date on which such principal and interest was due and payable;

(b) Default by the Town in the due and punctual performance of any of the covenants, conditions, agreements, and provisions contained in the Series 2016 Bond, this Resolution, or in any resolution supplemental hereto, which are to be performed by the Town, if such default shall have continued for a period of thirty (30) days after written notice, specifying such default and requiring the same to be remedied, shall have been given to the Town by any Bondholder;

(c) The filing of a petition by the Town under the laws of the United States seeking protection under the Bankruptcy Code or the consent of the Town to the appointment of a receiver, trustee, or debtor in possession of all or a major portion of its property; and

(d) Any event (other than amendment of the Internal Revenue Code) causing interest on the Bond to be subject to federal income taxation.

Section 8.02 Remedies. (a) Upon the occurrence and continuance of an Event of Default, the Bondholder shall have the right, either at law or in equity, by suit, action, or other proceeding, to protect and enforce his rights and to compel the performance of any and all covenants and conditions required herein to be performed by the Town and its officers and employees, including but not limited to the fixing and maintaining of rates, fees, and charges, the collection or proper segregation of revenues, and the application and use thereof. The Bondholder shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to Bondholder or the exercise of any power conferred on the Bondholder, and the right to waive a default in the performance of any covenant or condition, and its consequences, except in payment of the principal of or interest on any Series 2016 Bond when due.

(b) Nothing herein shall impair the absolute and unconditional right of any Bondholder to receive each payment of the principal of and interest on such Bond, as such principal and interest, respectively, become due, and to institute suit for any such payment.

(c) No remedy conferred upon or reserved to a Bondholder by the terms of this Resolution is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given by this Resolution or now or hereafter existing at law, in equity or by statute. No delay or omission in the exercise of any right or power accruing upon any default or Event of Default shall impair any such right or power or be construed to be a waiver of or acquiescence in any such default or Event of Default, and such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default under this Resolution shall extend to or affect any subsequent default or Event of Default, nor impair any rights or remedies consequent thereon. In case a Bondholder shall have proceeded to enforce any right under this Resolution, and the proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bondholder, then and in every such case the Town and the Bondholder shall be restored to their former positions and rights and duties hereunder and the same shall continue as if no such proceedings had been taken.

ARTICLE IX - DISCHARGE

Section 9.01 Discharge by Payment. When all principal of and interest due and payable on the Series 2016 Bond has been paid in the manner required or permitted by this Resolution, then the Series 2016 Bond shall cease to be entitled to any lien, pledge, benefit or security under this Resolution and all pledges, covenants and other rights granted to the Bondholder by the Resolution shall cease, terminate and be discharged and satisfied.

ARTICLE X - AMENDMENTS

Section 10.01 Amendments without Bondholder Consent. The Town reserves the right to amend or supplement this Resolution by adopting further resolutions from time to time, and at any time, for any one or more of the following purposes:

- (a) To add covenants and agreements for the protection of the Bondholder;
- (b) To cure any ambiguity or correct any defect or inconsistent provision in this Resolution;
- (c) To subject additional revenue, properties, or collateral to the terms of this Resolution;
- (d) To set forth terms and conditions of Parity Bonds or Subordinate Bonds not contrary to this Resolution;
- (e) To preserve the exemption of interest on the Series 2016 Bond from federal and/or state income taxation and to preserve the right of the Town to continue to issue other bonds, debts, or other obligations of any nature the interest income of which is likewise exempt from federal and/or state income taxation;
- (f) To surrender or waive any right or power reserved to or conferred upon the Town by this Resolution; or
- (g) To make any other change or addition to this Resolution which the Governing Body may deem necessary or desirable, which is not inconsistent with this Resolution, and which does not adversely affect the interests of the Bondholder.

Section 10.02 Amendments with Bondholder Consent. Except as provided in Section 10.01 of this Resolution, the Town shall not have the right or the power to amend this Resolution or to adopt any supplemental resolutions, unless, after notice to the Bondholder, such amendment or supplemental resolution is approved by the holder of the Series 2016 Bond.

Section 10.03 Notice and Consent. (a) Notice of any proposed amendment or supplement to this Resolution, which requires consent of the Bondholder pursuant to Section 10.02 hereof, shall be given in the manner prescribed by Section 11.01 of this Resolution not less than thirty (30) days prior to the adoption of such amendment or supplement to the holder of the Bond at the time of such notice. Any written consent to an amendment may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by an agent of the Bondholder duly appointed in writing, and shall become effective when delivered to the Treasurer. Any consent by a Bondholder shall bind him and every future holder of the same Series 2016 Bond with respect to any amendment adopted by the Town pursuant to such consent.

(b) The fact and date of execution by any person of any such consent may be proved by the affidavit of the witness to such execution or by the certificate of any Notary Public or other officer authorized to take acknowledgments of deeds, certifying that the person signing it acknowledged to him the execution thereof.

ARTICLE XI - OTHER PROVISIONS

Section 11.01 Notices. Any request, demand authorization, consent, direction, notice, or other document provided or permitted by this Resolution shall be sufficient for such purpose when mailed by certified mail, return receipt requested, and with sufficient postage prepaid, to the following addresses (or to such other address as may be provided by any party upon notice to all other parties), but shall not be deemed to be effective until receipt:

To the Town: Mayor
Town of Fromberg
P.O. Box 236
Fromberg, MT 59029

To MBOI: Bond Program Officer
Montana Board of Investments
P.O. Box 200126
Helena, MT 59620-0126

To any Bondholder: The name and address of such Bondholder as it appears in the bond register.

Section 11.02 Arbitrage Certificate. The Mayor and Clerk/Treasurer, being the officers of the Town charged with the responsibility of issuing the Bond, are authorized and directed to execute and deliver to the purchaser, a certification in order to satisfy the provisions of Section 148 of the Code and of the Treasury Regulations, relating thereto. Such certification shall state the reasonable expectations of the Town, on the date of issue and delivery of the Series 2016 Bond authorized by this Resolution, regarding the amount and the use of the proceeds of the issue. Such expectations must be such that the Series 2016 Bond will not be an "arbitrage bond" as defined in Section 148(a) of the Code.

Section 11.03 General Tax Covenant. The Town covenants and agrees with the owners from time to time of the Series 2016 Bond that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2016 Bond to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"). The Town also covenants to take any and all actions within its powers to ensure that the interest on the Series 2016 Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 11.04 Transcript. The officers of the Town are hereby authorized and directed to prepare and furnish to the purchasers of the Series 2016 Bond, and to the attorneys approving the legality of the issuance of the Series 2016 Bond, certified copies of all proceedings and records of the Town relating to the Series 2016 Bond and to the organization of the Town, and of reports on the financial condition of the Town, and such affidavits, certificates, and other information and documents as may be requested or required to carry out the purposes of this Resolution; and

all such certified copies, affidavits and certificates, including any heretofore furnished, shall constitute representations of the Town as to the truth of the matters contained therein.

Section 11.05 Severability. In case any one or more of the provisions contained in this Resolution or in the Series 2016 Bond shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Resolution, but this Resolution shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Section 11.06 Insurance. The Town agrees to keep and maintain, with respect to the System, property, casualty and liability insurance with financially sound and reputable insurers or through MMIA, against such risks and in such amounts and deductible provisions, as are customary for other similar public entities of similar size in this State. All such insurance policies shall name MBOI as additional insured.

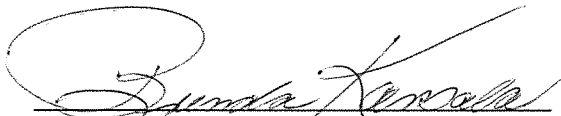
This Resolution was adopted by the Town Council of the Town of Fromberg, Carbon County, Montana, on the 5 day of December, 2016.

IN WITNESS WHEREOF, the Mayor has executed this Resolution and the Clerk/Treasurer has so attested.

Attest:

Approved:


Mayor


Clerk/Treasurer

The following Council members voted in favor of the Resolution:

JAMES A. PERKINS LULA PRICE, TIMOTHY
NOTTINGHAM AND SHIRLEY MILLER.

The following Council members voted against the Resolution:

The following Council members were absent or abstained:

LOAN RESOLUTION # 462 (Public Bodies)

 APPROVED
 OMB. No. 0572-0121

 A RESOLUTION OF THE Town Council

 OF THE Fromberg, Town Of

 AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A
 PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
Municipal Entity

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

 WHEREAS, it is necessary for the Fromberg, Town Of

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

Nine Hundred Twelve Thousand & 00/100

pursuant to the provisions of

THIS RESOLUTION

 WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture,
 (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921
 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event
 that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 1,082,000.00

under the terms offered by the Government; that the Clerk

and Mayor of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 4 Nays 0 Absent 0

IN WITNESS WHEREOF, the Town Council of the

Fromberg, Town Of has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this Monday, 3 day of October, 2016

(SEAL)

Attest:

Richard [Signature]
Title Mayor

By

Brenda Kansala

Title

Clerk

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the Fromberg, Town Of
hereby certify that the Town Council _____ of such Association is composed of
_____ members, of whom, _____ constituting a quorum, were present at a meeting thereof duly called and
held on the _____ day of _____ : and that the foregoing resolution was adopted at such meeting
by the vote shown above. I further certify that as of _____
the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
rescinded or amended in any way.

Dated, this _____ day of _____

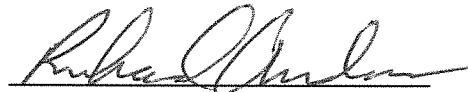
Title _____

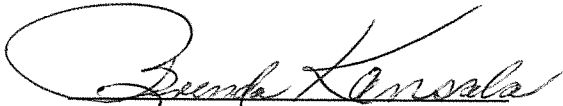
Resolution # 461

A resolution approving the Town of Fromberg 2016-2017 budget as attached and labeled as Town of Fromberg Final 2016-2017 Budget.

Passed this 1ST day of August 2016.

Said Town of Fromberg has caused its corporate name to be subscribed there to and its corporate seal affixed by it's Mayor and Clerk this 1st day of August, 2016.


Richard Anderson, Mayor


Brenda Kansala, Clerk

Town of Fromberg Final 2016-2017 Budget

DATE 7/8/2016

Fund	Fund Description	Account	Account Description	Object	Object Description	2016 Budget	2016 Actual	2017 Budget
Revenues								
1000	General	311010	Real Tax	0		46455	49935	49000
1000	General	311020	Personal Tax	0		1000	2577	2500
1000	General	312000	Penalty & Interest	0		500	323	500
1000	General	314140	Co-op 5% Tax	0		14500	14986	14500
1000	General	322020	Business License	0		1000	675	1000
1000	General	323030	Animal License	0		800	965	800
1000	General	335065	Oil & Gas Prod Tax	0		4000	1403	4000
1000	General	335120	Gambling Machine Permits	0		1150	2375	2300
1000	General	335230	State Entitlement Share	0		34403	25803	36032
1000	General	351030	Town Law Violations	0		6000	3150	3000
1000	General	361000	Misc Rents/Royalties	0		100	1495	1000
1000	General	362000	Other misc revenue	0		500	724	500
1000	General	365000	Contributions and Donation	0		1000	60	500
1000	General	365100	Mosquito Control Donation	0		300	360	300
1000	General	371000	Interest	0		100	102	100
Expenses								
Total Projected Revenue Fund 1000						111808	104933	116032
1000	General	410100	Town Council	110	Salaries	800	512	800
1000	General	410100	Town Council	140	Social Security	0	15	25
1000	General	410100	Town Council	141	Unemployment Insurance	0	1	5
1000	General	410100	Town Council	142	Medicare	0	3	5
1000	General	410200	Mayor	110	Salaries	400	300	400
1000	General	410300	City Court	110	Salaries	8000	6600	8000
1000	General	410300	City Court	140	Social Security	0	0	0
1000	General	410300	City Court	141	Unemployment Insurance	0	0	0
1000	General	410300	City Court	142	Medicare	0	0	0
1000	General	410300	City Court	200	Supplies	0	378	400
1000	General	410300	City Court	310	Postage	300	173	300
1000	General	410300	City Court	390	Other Services	1800	710	1800
1000	General	410400	Financial Administration	110	Salaries	12000	8698	13000
1000	General	410400	Financial Administration	200	Supplies	300	475	500

2810	Police Reserve	362000	Other misc revenue	0			400	525	400
						Total Projected Revenue Fund 2810	7185	525	400
Expenses									
2810	Police Reserve	420100	Police	390		Other Services	750	0	750
2810	Police Reserve	420400	Fire	300		Purchased Services	0	0	0
						Total Projected Expenses Fund 2810	750	0	750
Revenue									
2820	Gas Tax	335040	Gas Tax Apportionment	0			10887	10887	10887
2820	Gas Tax	365000	Contributions and Donations	0			0	150	0
						Total Projected Revenue Fund 2820	10887	11037	10887
Expenses									
2820	Gas Tax	430200	Road & Street	110		Salaries	0	3961	0
2820	Gas Tax	430200	Road & Street	130		MMIA - AD&D	0	768	0
2820	Gas Tax	430200	Road & Street	140		Social Security	0	203	0
2820	Gas Tax	430200	Road & Street	141		Unemployment Insurance	0	16	0
2820	Gas Tax	430200	Road & Street	142		Medicare	0	47	0
2820	Gas Tax	430200	Road & Street	146		MMIA - DENTAL	0	46	0
2820	Gas Tax	430200	Road & Street	147		MMIA - LIFE INSURANCE	0	14	0
2820	Gas Tax	430200	Road & Street	148		MMIA - VISION	0	8	0
2820	Gas Tax	430200	Road & Street	200		Supplies	0	724	0
2820	Gas Tax	430200	Road & Street	225		Maint & Repair-Vehicles	0	194	0
2820	Gas Tax	430200	Road & Street	230		Gas & Oil	0	885	0
2820	Gas Tax	521000	Transfer	820		Transfer out	0	0	0
						Total Projected Expenses Fund 2820	0	6866	0
Revenue									
5210	Water	343021	Metered Water Charges	0			126360	138468	158400
5210	Water	343022	Metered Water/hookups	0			1000	-3333	1000
5210	Water	343023	Bulk Water Sales	0			2500	1132	2500
5210	Water	343024	Sale of water sup/METERS	0			1500	2628	2300
5210	Water	343025	MT State DEQ Fees	0			500	422	500
5210	Water	343090	Operating Penalties/Interd	0			2000	73	2000
5210	Water	360000	MISCELLANEOUS REVENUE	0			0	0	0

5210	Water	362000	Other misc revenue	0				200	95	200
5210	Water	0	Well Project Loan	0				0	0	0
							Total Projected Revenue Fund 5210	134060	139485	166900
Expenses										
5210	Water	430360	Fire Protection	360			Maintenance & Repair	2000	1000	1000
5210	Water	430510	Water Adm	110			Salaries	43000	41286	41000
5210	Water	430510	Water Adm	130			MMIA - AD&D (Health)	3000	6531	6600
5210	Water	430510	Water Adm	140			Social Security	2000	2264	2500
5210	Water	430510	Water Adm	141			Unemployment Insurance	300	178	300
5210	Water	430510	Water Adm	142			Medicare	500	530	600
5210	Water	430510	Water Adm	146			MMIA - DENTAL	600	484	600
5210	Water	430510	Water Adm	147			MMIA - LIFE INSURANCE	100	133	150
5210	Water	430510	Water Adm	148			MMIA - VISION	100	86	100
5210	Water	430510	Water Adm	150			Health Insurance (AD&D)	7800	552	600
5210	Water	430510	Water Adm	200			Supplies	1500	2167	2500
5210	Water	430510	Water Adm	225			Maint & Repair- Vehicles	1000	474	500
5210	Water	430510	Water Adm	230			Gas & Oil	5000	1287	2500
5210	Water	430510	Water Adm	310			Postage	300	361	300
5210	Water	430510	Water Adm	350			Legal Services	2500	3241	3000
5210	Water	430510	Water Adm	352			Audit & Legal	400	0	400
5210	Water	430510	Water Adm	362			Computer and Equipment	0	1443	0
5210	Water	430510	Water Adm	390			Other Services	4000	4884	4000
5210	Water	430520	Water	250			New Wtr. Meters For Resale	2000	0	2000
5210	Water	430520	Water	360			Maintenance & Repair	2500	2323	2500
5210	Water	430530	Source of Supply	200			Supplies	9000	11833	12000
5210	Water	430530	Source of Supply	340			Utilities/Phone	4500	6133	6500
5210	Water	430530	Source of Supply	360			Maintenance & Repair	500	12508	10000
5210	Water	430540	Water Treatment	200			Supplies	1500	2356	2500
5210	Water	430540	Water Treatment	390			Other Services	200	715	200
5210	Water	490300	Debt Service	610			Bond Pmt Princ & Interest	39648	39648	39648
5210	Water	521000	Transfer	820			Transfer Out Well Debt Reserve	0	0	5000
5210	Water	430530	Source of Supply	390			Well Project Costs	0	0	15900
							Total Projected Expenses Fund 5210	133948	142417	162898
Revenue										
5310	Sewer	331000	CDBG Grant	0			2016 Portion of Project Grant	200000	0	450000
5310	Sewer	334120	TSEP Grant	0			2016 Portion of Project Grant	400000	0	750000

5310 Sewer	334121	DNRC Grant	0	Project Grant	125000	0	125000
5310 Sewer	343031	Sewer Service Charges	0		78120	96906	168840
5310 Sewer	383000	Transfer in	0		0		0
				Total Projected Revenue Fund 5310	803120	96906	1493840
Expenses							
5310 Sewer	430610	Sewer Adm	110	Salaries	31000	35193	40000
5310 Sewer	430610	Sewer Adm	130	MMIA - AD&D (Health)	2000	5324	6600
5310 Sewer	430610	Sewer Adm	140	Social Security	1500	1921	1500
5310 Sewer	430610	Sewer Adm	141	Unemployment Insurance	300	150	300
5310 Sewer	430610	Sewer Adm	142	Medicare	500	449	500
5310 Sewer	430610	Sewer Adm	146	MMIA - DENTAL	500	408	500
5310 Sewer	430610	Sewer Adm	147	MMIA - LIFE INSURANCE	100	110	100
5310 Sewer	430610	Sewer Adm	148	MMIA - VISION	100	73	100
5310 Sewer	430610	Sewer Adm	150	Health Insurance (AD&D)	7800	552	600
5310 Sewer	430610	Sewer Adm	200	Supplies	500	1348	500
5310 Sewer	430610	Sewer Adm	225	Maint & Repair-Vehicles	500	277	500
5310 Sewer	430610	Sewer Adm	230	Gas & Oil	5000	1287	5000
5310 Sewer	430610	Sewer Adm	310	Postage	500	361	500
5310 Sewer	430610	Sewer Adm	350	Legal Services	2500	3310	3000
5310 Sewer	430610	Sewer Adm	352	Audit & Legal	0	400	0
5310 Sewer	430610	Sewer Adm	354	Engineering Services	20000	14660	20000
5310 Sewer	430610	Sewer Adm	362	Computer and Equipment	1000	933	1000
5310 Sewer	430610	Sewer Adm	390	Other Services	300	2152	300
5310 Sewer	430610	Sewer Adm	532	Audit	400		400
5310 Sewer	430640	Pumping	200	Supplies	8000	1659	8000
5310 Sewer	430640	Pumping	211	Chemicals & Supplies	1500	1537	1500
5310 Sewer	430640	Pumping	340	Utilities/Phone	800	961	800
5310 Sewer	430640	Pumping	360	Maintenance & Repair	6000	5817	6000
5310 Sewer	430640	Pumping	390	Other Services	2000	2100	2000
5310 Sewer	521000	Transfer	820	Transfer out	700000	0	1325000
				Total Projected Expenses Fund 5310	792800	80982	1424700
5410 Garbage	343041	Garbage Operating	0		45000	51908	48000
5410 Garbage	361000	Misc Rents/Royalties	0		0	290	200
				Total Projected Revenue Fund 5410	45000	52198	48200

Resolution # 460

Be it resolved: That at a town meeting of the Town of Fromberg held on the 1st day of August 2016, the tax levy for the Town of Fromberg for the fiscal year 2016/2017 was made by resolution of the Town Council and approved as follows:

General (all purpose)	154.43 mills	100%
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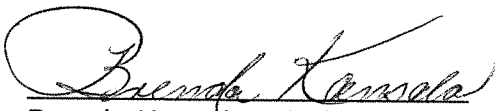
Making a total of 154.43 mills.

Fromberg Rural Fire Dept.	18.400 mills
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Making a total of 172.83 mills.

Said Town of Fromberg has caused its corporate name to be subscribed there to and its corporate seal affixed by it's Mayor and Clerk this 1st day of August, 2016.


Richard Anderson, Mayor


Brenda Kansala, Clerk

RESOLUTION: 459
A FINAL RESOLUTION TO, INCREASE THE RATES AND CHARGES FOR THE
SERVICES PROVIDED BY THE SEWER SYSTEM, AND UPDATE THE RATES AND
FEES IN THE TABLE OF FEES, BY THE TOWN OF FROMBERG, MONTANA

WHEREAS, the Town of Fromberg must construct a new wastewater facility and complete other upgrades and, sewer revenues received by the Town of Fromberg are not sufficient to meet the increased costs for these upgrades and improvements and,

WHEREAS, present sewer revenues received by the Town of Fromberg are not sufficient to meet the increased costs for operation and maintenance of the sewer system, and,

WHEREAS, present revenues are not sufficient to plan for, and set aside funds for, future required renovations, repairs and updates to the system, and

WHEREAS, under Section 69-7-101, Montana Code Annotated, (2015), the Town of Fromberg, a municipality, 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 municipal utility systems, and,

WHEREAS, such rates, charges, and classifications must be reasonable and just, and

WHEREAS, the Town of Fromberg plans to increase these rates in two stages, the first to begin on March 1, 2016 and the final stage beginning July 1, 2016, and,

WHEREAS, all property owners within the boundaries of the Town of Fromberg will benefit from these improvements, all properties not currently connected to the sewer system will be defined as a non-active user and be assessed a fee as shown below, and,

WHEREAS, non-active properties that are not within 100 feet of current sewer line services will be exempt from the non-active fee until such time as the Town installs lines that would be within 100 feet of those properties;

NOW THEREFORE, BE IT RESOLVED by the Town of Fromberg, Montana,

Section 1. Intent to change Sewer System Charges. It is the intent of the Town to implement these changes to the rates and charges of the sewer system services to begin the first day of March, 2016.

Section 2. Rate Changes. It is the intent to change the current rate/rates to the following new rate/rates;

Current Rates:

FULL \$31.00

NON-ACTIVE NO CURRENT FEES

New Rates:

ACTIVE \$51.00 BEGINNING MARCH 2016
INCREASING TO 67.00 BEGINNING JULY 2016

NON-ACTIVE \$20.00 BEGINNING MARCH 2016
INCREASING TO 36.00 BEGINNING JULY 2016

Section 3. Table of Fees. It is the intent of the Town to update the Table of Fees with the rates and fees from this resolution when approved.

Section 4. The adoption of this resolution shall cause to be invalid and rescinded any and all previous resolutions that are contrary to its provisions.

PASSED AND APPROVED the 1ST day of FEBRUARY, 2016, by the Town Council of the Town of Fromberg.

<u>James A. Persane</u> Councilperson	<u>X</u> Yes	<u> </u> No	<u> </u> Absent
<u>Tom Kottchen</u> Councilperson	<u>X</u> Yes	<u> </u> No	<u> </u> Absent
<u>Shirley Miller</u> Councilperson	<u>X</u> Yes	<u> </u> No	<u> </u> Absent
<u>VACANT</u> Councilperson	<u> </u> Yes	<u> </u> No	<u> </u> Absent

Approved:

Richard Ordine
Mayor

ATTEST:

Brenda Kamsala
Clerk

RESOLUTION: 458
A FINAL RESOLUTION TO INCREASE THE RATES AND CHARGES FOR WATER
SERVICES, AND UPDATE THE RATES AND FEES IN THE TABLE OF FEES, BY THE
TOWN OF FROMBERG, MONTANA

WHEREAS, the Town of Fromberg must construct a new water well and complete this and other upgrades and, water revenues received by the Town of Fromberg are not sufficient to meet the increased costs for these upgrades and improvements and,

WHEREAS, present water revenues received by the Town of Fromberg are not sufficient to meet the increased costs for operation and maintenance of the water system, and,

WHEREAS, present water revenues are not sufficient to plan for, and set aside funds for, future required renovations, repairs and updates to the system, and

WHEREAS, under Section 69-7-101, Montana Code Annotated, (2015), the Town of Fromberg, a municipality, 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 municipal utility systems, and,

WHEREAS, the Town of Fromberg plans to increase these rates in two stages, the first to begin on March 1, 2016 and the final stage beginning July 1, 2016, and,

WHEREAS, such rates, charges, and classifications must be reasonable and just;

NOW THEREFORE, BE IT RESOLVED by the Town of Fromberg, Montana,

Section 1. Intent to change Water System Charges. It is the intent of the Town to implement these changes to the rates and charges of the water system services to begin stage one on March 1, 2016 and stage two on July 1, 2016.

Section 2. Base Rate Charge.

User Categories	Current Base Rate	New Base Rate	
		Begin March 2016	Begin July 2016
Residential Active	36.00	\$41.00	\$45.00
Commercial Active	36.00	\$41.00	\$45.00
Non Residential Active	41.20	\$46.00	\$50.00
Non-Active	20.00	\$25.00	\$29.00

Section 3. Base Usage. Active users will be assessed \$2.50 per thousand gallons used based on their meter readings taken each month. (Old Rate was \$2.35)

Section 4. Bulk Water.

Bulk Water Users \$3.00 per token for approximately 200 gallons (Old rate \$2.00/200)

Section 5. Table of Fees. It is the intent of the Town to update the Table of Fees with the rates and fees from this resolution when approved.

Section 6. The adoption of this resolution shall cause to be invalid and rescinded any and all previous resolutions that are contrary to its provisions.

PASSED AND APPROVED the 1 day of FEBRUARY 2016, by the Town Council of the Town of Fromberg.

James A. Perkins
Councilperson

<u>X</u>	<u> </u>	<u> </u>
Yes	No	Absent

Tom Patton
Councilperson

<u>X</u>	<u> </u>	<u> </u>
Yes	No	Absent

Shirley Miller
Councilperson

<u>X</u>	<u> </u>	<u> </u>
Yes	No	Absent

VACANT
Councilperson

<u> </u>	<u> </u>	<u> </u>
Yes	No	Absent

Approved:

Richard Anderson
Mayor

ATTEST:

Brenda Kansala
Clerk

Resolution # 457

**SECTION 504 and ADA
COMPLAINT RESOLUTION PROCEDURES
and ADA COMPLAINT FORM**

Section 504 of the *Rehabilitation Act of 1973* and the *Americans with Disabilities Act of 1990* (ADA) provide comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services and programs, and telecommunications. Title II of the ADA states, in part, that:

no otherwise qualified disabled individual shall, solely by reason of such disability, be excluded from the participation in, be denied the benefits of, or be subject to discrimination in programs or activities sponsored by a public entity.

The Town of Fromberg has adopted this complaint procedure to provide prompt and equitable resolution of complaints alleging any action prohibited by the U.S. Department of Justice regulations implementing Title II of the ADA.

Any individual who believes that she/he or a specific class of individuals with disabilities has been subjected to unlawful discrimination on the basis of that disability by the Town of Fromberg or any of the Town of Fromberg's contractors or suppliers may, by himself or herself or by an authorized representative, file a written complaint.

Complaints or questions should be addressed to: Richard Anderson, Mayor, 118 W. River Street, Fromberg, MT 59029, TDD # (406) 668-7383. Montana Relay System for the Deaf: Dial 7-1-1 or 1-800-253-4091 to use Montana Relay. The Mayor has been designated to coordinate compliance with Section 504 of the *Rehabilitation Act of 1973* and the *Americans with Disabilities Act of 1990*.

1. The complaint must be filed in writing and contain the name, address, and telephone number of the individual or representative filing the complaint; a description of the alleged discriminatory action in sufficient detail to inform the department of the nature and date of the alleged violation; the signature of the complainant or authorized representative; and a description of the corrective action that is being sought. Complaints filed on behalf of a third party must identify the alleged victims of the discrimination. Complaints may be filed on the attached complaint form.
2. The complaint must be received within 20 calendar days after the alleged violation occurs. This time may be extended, as determined by the Section 504/ADA Coordinator, for good cause shown.

3. The Town of Fromberg shall promptly conduct an informal investigation of the complaint. Interested parties will be afforded an opportunity to submit information relevant to the complaint.
4. A written response will be issued and a copy forwarded to the complainant no later than 30 calendar days after completion of the investigation.
5. The Town of Fromberg will maintain the files and records relating to the complaint and its investigation according to the records retention schedule for personnel documents found in Chapter 800, *Montana Operations Manual*, Volume I.
6. Nothing in this complaint resolution procedure shall be construed as preventing an individual from pursuit of other remedies, including filing a formal complaint with the Montana Human Rights Commission, with any federal agency the individual believes is appropriate, or with the U.S. Department of Justice. The time limit for filing a formal complaint is 180 days after the alleged incident. This procedure also does not preclude the individual's right to file a lawsuit in federal district court.

Signed: Richard Anderson
Richard Anderson, Mayor

Date: 2/1/16

PLEASE SPECIFY WHAT CORRECTIVE ACTION YOU ARE SEEKING:

[☐] CHECK HERE if additional pages are attached.

SIGNATURE OF PERSON MAKING COMPLAINT

DATE

COMPLAINTS SHOULD BE ADDRESSED TO: Richard Anderson, Mayor, 118 W. River Street, Fromberg, MT 59029. Telecommunications Device for the Deaf – TDD: (406) 444-2978. **Dial 7-1-1 or 1-800-253-4091 to use the Montana Relay Service.**

* * * * *

FOR AGENCY USE ONLY

SIGNATURE

DATE

TITLE

EXHIBIT 4-A

BUDGETARY AUTHORITY RESOLUTION

RESOLUTION NO. 456

WHEREAS, on September 28, 2015, the Town of Fromberg received CDBG funds in the amount of \$450,000, for which no provision was made in fiscal 2016 Town budget; and

WHEREAS, towns may appropriate federal or state money received during the fiscal year by formal resolution,

NOW, THEREFORE, BE IT RESOLVED that the Town Council hereby appropriates the sum of \$450,000 and directs the Town Clerk, to allocate said amount to the following program activities:

<u>EXPENDITURE CODE</u> (LIST)	<u>ADMINISTRATION COSTS</u>	<u>ACTIVITY COSTS</u>
<u>Professional Svcs</u>	<u>\$ 17,000</u>	
<u>Geotechnical/Review Fee</u>		<u>\$ 8,000</u>
<u>Engineering Design</u>		<u>\$127,000</u>
<u>Construction Cost</u>		<u>\$298,000</u>
TOTALS	<u>\$ 17,000</u>	<u>\$433,000</u>

BE IT FURTHER RESOLVED that the above appropriation shall become effective on February 2, 2016.

TOWN OF FROMBERG, _____, MONTANA CARBON County, Montana

By Richard Arden
Mayor

By James D. Perkins
Chair

Attest Brenda Lampola
TOWN CLERK

By Tom Leithner
Member

Attest _____

By Shirley Miller
Member

EQUAL EMPLOYMENT OPPORTUNITY (EEO) POLICY

PURPOSE

To provide equal employment opportunity in direct employment with the Town of Fromberg.

POLICY

It is the policy of the Town of Fromberg to provide equal opportunity to all of its employees and applicants for employment and to assure that there shall be no discrimination against any person on the basis of race, color, religion, creed, national origin, sex, age, physical or mental handicap, marital status or political beliefs unless related to a bona fide occupational requirement.

To this end, the Town of Fromberg will take affirmative actions to equalize opportunity for employment at all levels of operation for those classes of people who have traditionally been denied equal opportunity -- minority group members, women, and the handicapped; and the Town of Fromberg recognizes an obligation to make reasonable accommodations to the known physical or mental limitations of an otherwise qualified handicapped applicant or employee unless the accommodation imposes an undue hardship.

All applicants for employment with the Town of Fromberg will be recruited from the reasonably available labor market and evaluated on each person's individual qualifications and abilities.

All Town of Fromberg employees shall be afforded equal employment opportunity during their terms of employment, and are guaranteed protection against retaliation for exercising any legal or administrative procedures to secure rights to equal employment opportunity or testifying on behalf of someone else doing so.

Adoption of this document reaffirms the Town of Fromberg's policy of nondiscrimination in employment, including but not limited to the following:

- | | |
|---------------|--------------------------|
| • recruitment | • promotion |
| • selection | • transfer |
| • placement | • discipline |
| • testing | • demotion |
| • training | • layoff and termination |

All supervisory personnel are responsible for and shall be committed to achieving and promoting equal employment opportunity with the Town of Fromberg and for implementing this equal employment opportunity policy.

ASSIGNMENT OF RESPONSIBILITY

Primary responsibility for the development, implementation and maintenance of procedures in accordance with this equal employment opportunity policy is assigned to BRENDA KANSCH who will serve as the equal opportunity officer and will conduct periodic reviews of the Town of Fromberg's personnel action to ensure that the policy of equal opportunity is being adhered to and will hold quarterly equal opportunity meetings with the Mayor and all supervisors to apprise them of progress and of any developing problems for which remedial action would be appropriate.

The Town Council hereby directs all employees of the Town of Fromberg engaged in any phase of employment, including but not limited to the following:

- | | |
|---------------|--------------------------|
| • recruitment | • promotion |
| • selection | • transfer |
| • placement | • discipline |
| • testing | • demotion |
| • training | • layoff and termination |

to take appropriate steps to ensure that employment opportunities with the Town of Fromberg are offered on an equal basis to all without regard to race, color, sex, creed, religion, national origin, age, physical or mental handicap, marital status, or political beliefs unless such distinction is a bona fide occupational qualification.

IMPLEMENTATION

The Town of Fromberg will implement this policy and Title VI of the Civil Rights Act of 1964, by means of the Equal Employment Program outlined below. This program is drawn to the specifications and standards established by Presidential Executive Orders 11246 and 11375, which are described in Part 60-2 of the *Code of Federal Regulations* (issued by the Office of Federal Contract Compliance, U.S. Department of Labor) and the *Montana Human Rights Act* (Title 49 MCA).

This policy shall be comprehensive in its range. The Town of Fromberg shall make good faith efforts to implement this policy. Procedures adopted will include, at a minimum:

- evaluate all current employment practices for evidence of discriminatory effect. Where such practices are found to be discriminatory in their effect, they shall be modified so as to excise any discriminatory effect;
- remedy any unwarranted instances of under-utilization of women, minorities, and other individuals who have traditionally been the victims of discrimination;
- develop training and upgrading procedures which will ensure full consideration for those classes of people who have traditionally been denied equal opportunity -- minority group members, women, and the handicapped -- in any future employment opportunities with the Town of Fromberg;
- seek out those who have been denied equal opportunity as applicants whenever vacancies occur;

- disseminate the substance of this policy on a continual basis through written notice to all employees, recruitment sources and other interested persons and organizations;
- provide equal pay for equal work;
- apprise all contractors and subcontractors of their affirmative action responsibilities in all contracts awarded by this jurisdiction;
- ensure compliance with all applicable federal and state equal employment requirements;
- include the following clause in all vacancy announcements:

We are an Equal Opportunity Employer.

- provide assistance to members of protected groups in completing applications;
- provide assistance to individuals needing help in meeting training and educational qualifications for job vacancies whenever possible;
- apprise all employment referral agencies of the substance of this policy in order to facilitate referral of qualified minorities, women and handicapped individuals;
- post EEO posters in conspicuous places on Town of Fromberg premises;
- instruct all supervisory personnel in the required procedures following an EEO complaint;
- inform all supervisory personnel of their duties and responsibilities with respect to equal employment opportunity; and
- inform all employees of the Town of Fromberg's commitment to equal employment opportunity and of their rights and remedies under the law.

EFFECTIVE DATE

This policy shall take effect upon affirmative vote of the Town Council.

Signed: 
Richard Anderson, Mayor

Date: 2/1/16