

RESOLUTION NO. 526

RESOLUTION OF INTENTION OF THE TOWN OF FROMBEG TO INCREASE RATES AND CHARGES FOR THE USERS OF THE TOWN'S WATER SYSTEM

RECITALS

WHEREAS, the Town of Fromberg, in Carbon County, Montana (the "Town") owns a water system (the "System"); and

WHEREAS, the Town hired Great West Engineering (the "Engineer") to conduct an engineering analysis of the System; and

WHEREAS, the Town and the Engineer have developed a plan for the replacement of a section of drinking water transmission main line, with an estimated cost of approximately \$1,515,499 (the "Project"); and

WHEREAS, the Town has received commitments for loans in the amount of \$830,000 from the Montana Department of Natural Resources and Conservations (with \$617,000 of the loans to be forgiven under certain circumstances and \$213,000 payable over 30 years at 2.50% interest) and has procured American Recovery and Reinvestment Act grant funds in the amount of \$677,999; and

WHEREAS, the Town has determined it is necessary to change the rates and charges for the services provided by the System in order to collect sufficient revenues to pay bonds issued for System improvements and meet bond covenants on coverage, establish reserves and pay costs associated with the operation and maintenance of the System; and

WHEREAS, the Town is required to provide notice and a public hearing prior to the passage or enactment of a resolution imposing, establishing, changing or increasing rates, fees, or charges for water services or facilities.

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

Section 1. Reasons for Proposed Increase in Water User Charges. It is the intent of the Town to implement a rate increase for users of the System as set forth herein. The reason for the proposed increased in rates is that the Town will need to borrow approximately \$213,000 (payable over 30 years at an interest rate of 2.5% per annum) as part of the Town's portion of the construction costs of the Project, and the costs of operating the Town's water system. The debt service coverage requirements for such loan repayment and reserves, as well as debt service coverage on existing water debt, will be approximately \$53,212 per year and the expenses for that water system, including operation and maintenance are estimated at \$150,265 per year. These obligations, along with the increasing costs of operation and the need to maintain reasonable reserves, require a monthly base rate increase of \$12.00 per month per equivalent dwelling unit (EDU).

Section 2. Proposed Changes and Increases in Water Rates and Charges.

The Town's current monthly base rate is as follows:

User Categories	Current Base Rate
Residential Active	\$45.00
Commercial Active	\$45.00
Non-Residential Active	\$50.00
Non-Active	\$29.00

Bulk Water Users - \$3.00 per token for approximately 200 gallons.

The proposed new monthly base rate anticipates an increase of \$12.00 to the current base rate as follows:

User Categories	Current Base Rate
Residential Active	\$57.00
Commercial Active	\$57.00
Non-Residential Active	\$62.00
Non-Active	\$41.00

Bulk Water Users - \$3.00 per token for approximately 200 gallons.

Section 3. Effective Date of New Rates. The proposed new rates would go into effect for July 1, 2024 billing. Subsequent adjustments to the rates will be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 4. Further Rate Study and Changes. The Town will conduct further rate studies to determine if rates need to be further adjusted to provide adequate funds to operate and maintain the System and to satisfy debt service and covenant obligations and maintain appropriate reserves.

Section 5. Public Hearing. A public hearing on the proposed rate increase will be held on June 10, 2024, commencing at 6:30 PM at the Fromberg Town Hall, located at 118 W River St, Fromberg, Montana.

Section 6. Notice. The Clerk is hereby authorized and directed to publish or cause to be published a notice of the passage of this resolution in the Carbon County News, a newspaper of general circulation in the Town, on the dates of May 23 and May 30 and June 6, in the form and manner prescribed by Section 69-7-11(3) MCA, and to mail or cause to be mailed a copy of said notice to all customers of the System at least 7 days and not more than 30 days prior to the public hearing. The Clerk will also mail a copy of the Notice to the Montana Consumer Counsel.

☐ Passed and approved this 13th day of May, 2024.

Attest:


Kirstin Sweet, Town Clerk Pro Tem


Tim Nottingham, Mayor

RESOLUTION NO. 527

RESOLUTION OF INTENTION OF THE TOWN OF FROMBERG TO INCREASE RATES AND CHARGES FOR THE USERS OF THE TOWN'S SEWER SYSTEM

RECITALS

WHEREAS, the Town of Fromberg, in Carbon County, Montana (the "Town") owns a sewer system (the "System"); and

WHEREAS, the Town hired Great West Engineering (the "Engineer") to conduct an engineering analysis of the System; and

WHEREAS, the Town and the Engineer have developed a plan for the replacement of a section of wastewater transmission main, with an estimated cost of approximately \$736,674 (the "Project"); and

WHEREAS, the Town has received commitments for loans in the amount of \$603,173 from the Montana Department of Natural Resources and Conservations (with \$295,173 of the loans to be forgiven under certain circumstances and \$308,000 payable over 30 years at 2.50% interest) and has received \$126,001 of American Recovery and Reinvestment Act grant funds; and

WHEREAS, the Town has determined it is necessary to change the rates and charges for the services provided by the System in order to collect sufficient revenues to pay bonds issued for System improvements and meet bond covenants on coverage, establish reserves and pay costs associated with the operation and maintenance of the System; and

WHEREAS, the Town is required to provide notice and a public hearing prior to the passage or enactment of a resolution imposing, establishing, changing or increasing rates, fees, or charges for sewer services or facilities.

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

Section 1. Reasons for Proposed Increase in Sewer User Charges. It is the intent of the Town to implement a rate increase for users of the System as set forth herein. The reason for the proposed increase in rates is that the Town will need to borrow approximately \$308,000 (payable over 30 years at an interest rate of 2.5% per annum) as part of the Town's portion of the construction costs of the Project, and the costs of operating the Town's sewer system. The debt service coverage requirements for such loan repayment and reserves, as well debt service coverage on existing sewer debt, will be approximately \$51,334 per year and the expenses for that sewer system, including operation and maintenance are estimated at \$136,605 per year. These obligations, along with the increasing costs of operation and the need to maintain reasonable reserves, require a monthly base rate increase of \$8.00 per month.

Section 2. Proposed Changes and Increases in Sewer Rates and Charges.

The Town's current monthly base rate is as follows:

User Categories	Current Rate
Active	\$67.00
Non-Active	\$36.00

The proposed new monthly rate anticipates an increase of \$8.00 to the current rate as follows:

User Categories	Current Rate
Active	\$75.00
Non-Active	\$44.00

Section 3. Effective Date of New Rates. The proposed new rates would go into effect for July 1, 2024 billing. Subsequent adjustments to the rates will be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 4. Further Rate Study and Changes. The Town will conduct further rate studies to determine if rates need to be further adjusted to provide adequate funds to operate and maintain the System and to satisfy debt service and covenant obligations and maintain appropriate reserves.

Section 5. Public Hearing. A public hearing on the proposed rate increase will be held on June 10, 2024, commencing at 6:30 PM at the Fromberg Town Hall, located at 118 W River St, Fromberg, Montana.

Section 6. Notice. The Clerk is hereby authorized and directed to publish or cause to be published a notice of the passage of this resolution in the Carbon County News, a newspaper of general circulation in the Town, on the dates of May 23 and May 30 and June 6, in the form and manner prescribed by Section 69-7-11(3) MCA, and to mail or cause to be mailed a copy of said notice to all customers of the System at least 7 days and not more than 30 days prior to the public hearing. The Clerk will also mail a copy of the Notice to the Montana Consumer Counsel.

Passed and approved this 13th day of May, 2024.

Attest:


Kristin Sweet, Town Clerk Pro Tem


Tim Nottingham, Mayor

RESOLUTION NO. 525

RESOLUTION RELATING TO THE ISSUANCE BY THE TOWN OF FROMBERG OF ITS \$603,173 WASTEWATER SYSTEM REVENUE BONDS (DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM), CONSISTING OF A \$295,173 SUBORDINATE LIEN TAXABLE SERIES 2024A BOND AND A \$308,000 SERIES 2024B BOND; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEREOF AS A SUPPLEMENT RESOLUTION TO RESOLUTION NOS. 468, 471 AND 475.

WHEREAS, pursuant to the Water Pollution Control State Revolving Fund Act, Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended (the "State Act"), the State of Montana (the "State") has established a revolving loan program (the "Program") to be administered by the Department of Natural Resources and Conservation of the State of Montana, an agency of the State (the "DNRC"), and by the Department of Environmental Quality of the State of Montana, an agency of the State (the "DEQ"), and has provided that a water pollution control state revolving fund (the "Revolving Fund") be created within the state treasury and all federal, state and other funds for use in the Program be deposited into the Revolving Fund, including, but not limited to, all federal grants for capitalization of a state water pollution control revolving fund under the federal Clean Water Act (the "Clean Water Act"), all repayments of assistance awarded from the Revolving Fund, interest on investments made on money in the Revolving Fund and payments of principal of and interest on loans made from the Revolving Fund; and

WHEREAS, the State Act provides that funds from the Program shall be disbursed and administered for the purposes set forth in the Clean Water Act and according to rules adopted by the DEQ and the DNRC; and

WHEREAS, the Town of Fromberg (the "Borrower"), by its Resolution No. 468, as amended and supplemented by Resolution Nos. 471 and 475, issued its \$912,000 Wastewater System Revenue Bond, Series 2018A (the "Series 2018A Bond"), and its \$130,000 Wastewater System Revenue Bond, Series 2018B (the "Series 2018B Bond"), through the United States Department of Agriculture, Rural Development ("RD"), in order to pay for certain improvements to the Borrower's wastewater System (the "System"); and

WHEREAS, the Series 2018B Bond has been paid in full; and

WHEREAS, the Borrower pledged the revenues of the Borrower's System to the payment of the Series 2018A Bond and will obtain the consent of RD to the issuance of the Series 2024B Bond (hereafter defined) on a parity lien basis with the Series 2018A Bond; and

WHEREAS, the 2024 EPA Capitalization Grant (as hereinafter defined) requires that loans under the Program funded in whole or in part by such grant in the aggregate and not on a loan-by-loan basis be structured in such a way that a dollar amount in the aggregate equal to at least 15% of the total proceeds of such grant be subject to loan forgiveness; and

WHEREAS, the Borrower, with the advice of its engineer, has determined that the Town needs to make improvements to its System to include the replacement of sewer transmission main and has advertised for and received bids therefor (the “Series 2024 Project”); and

WHEREAS, the Borrower has applied to the DNRC for the 2024A and B Loans (as hereinafter defined) from the Revolving Fund to enable the Borrower to finance, refinance or reimburse itself for the costs of the Series 2024 Project (as hereinafter defined) which will carry out the purposes of the Clean Water Act; and

WHEREAS, the Borrower is authorized under applicable laws, ordinances and regulations to adopt this Resolution and to issue the Series 2024 Bonds (as hereinafter defined) to evidence the 2024A and B Loans (as hereinafter defined) for the purposes set forth herein; and

WHEREAS, the DNRC will fund: (i) the 2024A Loan (as hereinafter defined) from proceeds of a portion of the 2024 EPA Capitalization Grants and (ii) the 2024B Loan (as hereinafter defined) in part, directly or indirectly, with proceeds of State Bonds (as hereinafter defined) and in part, directly or indirectly, with funds provided by the United States Environmental Protection Agency under the Clean Water Act.

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

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION AND APPENDICES

Section 1.1 Definitions. In this Resolution, unless a different meaning clearly appears from the context or is separately defined herein, the meanings of words with initial capitalization are as defined in Town Resolution No. 468:

“Accountant” or “Accountants” means an independent certified public accountant or a firm of independent certified public accountants satisfactory to the DNRC.

“Acquisition and Construction Account” means the account created in the Wastewater System Fund pursuant to Section 11.1 hereof.

“Act” means Montana Code Annotated, Title 7, Chapter 7, Parts 44, 45 and 46, as amended, which authorizes the Borrower to own and operate the System and to finance or refinance improvements to the System.

“Administrative Expense Surcharge” means, (i) in respect of the 2024B Loan, in any event, and (ii) in respect of the 2024A Loan, upon the delivery of a Noncompliance Statement as provided by this Resolution, a surcharge equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2024 Loans from the date of each advance thereof, payable by the Borrower on a Payment Date.

“Authorized DNRC Officer” means the Director or Deputy Director of the DNRC, and, when used with reference to an act or document, also means any other individual authorized by resolution of the Department of Natural Resources and Conservation to perform such act or sign such document. If authorized by the Department of Natural Resources and Conservation, an Authorized DNRC Officer may delegate all or a portion of his authority as an Authorized DNRC Officer to another individual, and such individual shall be deemed an Authorized DNRC Officer for purposes of exercising such authority.

“Bond Counsel” means any Counsel nationally recognized as experienced in matters relating to the issuance by states or political subdivisions of tax-exempt obligations selected by the Borrower and acceptable to the DNRC.

“Bonds” means the Series 2024B Bond, the Series 2018A Bond and any Additional Bonds to be issued on a parity therewith; “Bonds” does not include the Series 2024A Bond which is subject to being forgiven as provided herein.

“Borrower” means the Town of Fromberg, Montana and its permitted successors or assigns hereunder.

“Business Day” means any day which is not a Saturday or Sunday, a legal holiday in the State or a day on which banks in Montana are authorized or required by law to close.

“Clean Water Act” means the Federal Water Pollution Control Act, 33 U.S.C. Section 1251-1387, as amended, and all regulations, rules and interpretations issued by the EPA thereunder.

“Closing” means, with respect to the Series 2024A Bond, the date of delivery thereof to the DNRC.

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

“Collateral Documents” means any security agreement, guaranty or other document or agreement delivered to the DNRC securing the obligations of the Borrower under this Resolution and the Series 2024 Bonds. If no Collateral Documents secure such obligations, any reference to Collateral Documents in this Resolution shall be without effect.

“Committed Amount” means the amount of the 2024 Loans committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Resolution, as such amount may be reduced pursuant to Sections 3.2 and 3.4 of this Resolution.

“Debt” means, without duplication, (1) indebtedness of the Borrower for borrowed money or for the deferred purchase price of property or services; (2) the obligation of the Borrower as lessee under leases which should be recorded as capital leases under generally accepted accounting principles; and (3) obligations of the Borrower under direct or indirect guarantees in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clause (1) or (2) above.

“DEQ” means the Department of Environmental Quality of the State of Montana, an agency of the State, or any successor to its powers, duties and obligations under the State Act or the EPA Agreements.

“Determination Statement” means a Forgiveness Statement or a Noncompliance Statement.

“DNRC” means the Department of Natural Resources and Conservation of the State of Montana, an agency of the State, and any successor to its powers, duties and obligations under the State Act.

“DNRC Compliance Certificate and Request” means the certificate and request substantially in the form of the attached Appendix D delivered by the DNRC to the Borrower following the final advance of principal of the 2024A Loan, to be completed, executed and delivered by the Borrower to the DNRC pursuant to Section 5.1.2 of this Resolution.

“DNRC Forgiveness Statement” means a written statement delivered to the Borrower by the DNRC in response to a Compliance Certificate and Request that the Borrower’s obligation to repay the principal of the Series 2024A Bond is forgiven.

“DNRC Noncompliance Statement” means a written statement delivered to the Borrower by the DNRC that the Borrower’s obligation to repay the principal of the Series 2024A Bond is not forgiven.

“DNRC Reserve Requirement” means, as of the date of calculation, an amount equal to one-half the maximum principal and interest payable on outstanding Bonds in the current or any future fiscal year (giving effect to mandatory sinking fund redemption, if any).

“EPA” means the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Clean Water Act.

“EPA Agreements” means all capitalization grant agreements and other written agreements between the DEQ, DNRC and the EPA concerning the Program.

“EPA Capitalization Grant” means a grant of funds to the State by the EPA under Section 1452 of the Clean Water Act.

“Estimated Completion Date” means December 31, 2025, the date by which it is estimated by the Borrower that the 2024 Project will be substantially completed.

“Fund” means the Wastewater System Fund established pursuant to Section 11.1 hereof.

“Governmental Unit” means governmental unit as such term is used in Section 145(a) of the Code.

“Indenture” means the Indenture of Trust, dated as of June 1, 1991, between the Board of Examiners of the State and the Trustee, as such may be supplemented or amended from time to time in accordance with the provisions thereof, pursuant to which, among other things, the State Bonds are to be or have been issued.

“Loan” means a Loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the Committed Amount to provide funds to pay all or a portion of the costs of the Project under the Program and to fund a deposit to the Series 2024 Reserve Subaccount.

“Loan Loss Reserve Surcharge” means a surcharge on the 2024 Loans charged by DNRC to the Borrower equal to twenty-five hundredths of one percent (0.25%) per annum on the outstanding principal amount of the 2024 Loan from the date of each advance thereof, payable by the Borrower on a Payment Date, except as otherwise provided for the 2024A Loan in Section 5.1 hereof.

“Loan Repayments” means periodic installments of principal and interest by Borrower in repayment of the Series 2024B Bond, and if the DNRC delivers a DNRC Noncompliance Statement, for the Series 2024A Bond, at the rates and times specified in Article V of this Resolution.

“Net Revenues” means the entire amount of the gross revenues of the System (as described in Section 11.1) remaining upon each such monthly apportionment, after crediting to the Operating Account the amount required by Section 11.3, including sums required to maintain the Operating Reserve in the minimum amount herein stated.

“Operating Account” means the account created in the Wastewater System Fund pursuant Resolution No. 468.

“Operating Expenses” means those expenses of the System defined as such in Section 11.3 of this Resolution.

“Operating Reserve” means the reserve to be maintained in the Operating Account as required by Resolution No. 468.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Payment Date” means, with respect to the 2024B Loan, each January 1 and July 1 during the term of the Series 2024B Bond on which a payment of interest or principal and interest is due, as determined under this Resolution, and, if a Noncompliance Statement is delivered with respect to the 2024A Loan, each January 1 and July 1 during the term of the Series 2024A Bond on which a payment of interest or principal and interest is due, as determined under this Resolution.

“Person” means any individual, corporation, partnership, joint venture, limited liability company, limited liability partnership, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Program” means the Water Pollution Control State Revolving Fund Program established by the State Act.

“Project” means an improvement, betterment, reconstruction or extension of the System, including the Series 2024 Project.

“Public Entity” means a State agency, city, town, municipality, irrigation district, county water and sewer district, a soil conservation district or other public body established by State law or an Indian tribe that has a federally recognized governing body carrying out substantial governmental duties and powers over any area.

“Regulations” means the Treasury Department, Income Tax Regulations, as amended or any successor regulation thereto, promulgated under the Code or otherwise applicable to the Series 2024 Bonds.

“Replacement and Depreciation Account” means the Account created in the Wastewater System Fund pursuant to Resolution No. 468.

“Reserve Account” means the account described in the Wastewater System Fund pursuant to Section 11.5 of this Resolution.

“Reserved Amounts” means any undisbursed Committed Amount which will or may be required to pay any remaining costs of the Project upon completion thereof as provided in Section 3.4(a.)

“Supplemental Resolution” means this Resolution, and other resolutions.

“Revenue Bond Account” means the account described in the Wastewater System Fund pursuant to Section 11.1 of this Resolution.

“Series 2018A Bond” means the Borrower’s \$912,000 Wastewater System Revenue Bond, Series 2018A issued to RD pursuant to Borrower Resolution No. 468, as amended and supplemented by Resolution No. 471 and 475.

“Series 2024 Bonds” means, collectively, the Series 2024A Bond and the Series 2024B Bond.

“Series 2024A Bond” means the \$295,173 Subordinate Lien Wastewater System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Taxable Series 2024A, issued to the DNRC to evidence the 2024A Loan.

“Series 2024B Bond” means the \$308,000 Wastewater System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2024B, issued to the DNRC to evidence the 2024B Loan.

“Series 2024 Project” means the design, financing and construction of the replacement of sewer transmission main with proceeds of the 2024 Loans, described in Appendix A hereto.

“Series 2024 Revenue Bond Subaccount” means the subaccount created in the Debt Service Account of the Wastewater Fund pursuant to Section 11.5 of this Resolution.

“Series 2024 Reserve Subaccount” means the subaccount created in the Reserve Account of the Wastewater System Fund pursuant to Section 11.1 of this Resolution.

“State” means the State of Montana.

“State Act” means Montana Code Annotated, Title 75, Chapter 5, Part 11, as amended from time-to-time.

“State Bonds” means the State’s General Obligation Bonds (Water Pollution Control State Revolving Fund Program), issued or to be issued pursuant to the Indenture.

“Subordinate Obligations” means bonds from the Surplus Net Revenue of the System. Such obligations do not have a parity lien against the Net Revenues of the System.

“Subordinate Obligations Subaccount” means the subaccount within the Surplus Account in the Wastewater System Fund contemplated and created pursuant to this Resolution to provide for payment of the Series 2024A Bond, if necessary.

“Surplus Account” means the account within the Fund established pursuant to Sections 11.1 and 11.7.

“Surplus Net Revenues” shall mean that portion of the Net Revenue in excess of the current requirements of the Operating Account, the Revenue Bond Account and the Reserve Account.

“System” means the Wastewater System of the Borrower and all extensions, improvements and betterments thereof heretofore or hereafter constructed and acquired.

“Town” means the Borrower and its permitted successors or assigns hereunder.

“Trustee” means U.S. Bank National Association, in Seattle, Washington, or any successor trustee under the Indenture.

“2024 EPA Capitalization Grant” means that EPA Capitalization Grant made available to the Program from 2024 federal appropriations.

“2024A Committed Amount” means the amount of the 2024A Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Resolution, as such amount may be reduced pursuant to Section 3.2 and Section 3.4 of this Resolution.

“2024B Committed Amount” means the amount of the 2024B Loan committed to be lent by the DNRC to the Borrower pursuant to Section 4.1 of this Resolution, as such amount may be reduced pursuant to Section 3.2 and Section 3.4 of this Resolution.

“2024B First Advance” means the first advance of funds of the 2024 Loans, which shall be made from the proceeds of the 2024B Loan by the DNRC to the Borrower in the amount of at least \$50,001.

“2024 Loans” or “Loan” means, collectively, the 2024A Loan and 2024B Loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the Committed Amount to provide funds to pay all or a portion of the costs of the Series 2024 Project and to pay costs of issuance of the Series 2024 Bonds.

“2024A Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2024A Committed Amount to provide funds to pay a portion of the costs of the Series 2024 Project payable under the Program and to pay costs of issuance.

“2024B Loan” means the loan made to the Borrower by the DNRC pursuant to the Program in the maximum amount of the 2024B Committed Amount to provide funds to pay a portion of the costs of the Series 2024 Project payable under the Program and to pay costs of issuance.

“Undisbursed Committed Amount” means any undisbursed Committed Amount which is not required to pay costs of the Series 2024 Project upon completion thereof as provided in Section 3 of this Resolution.

“Wastewater System Fund” means the fund described in Resolution No. 468.

Section 1.2 Other Rules of Construction. For all purposes of this Resolution, except where the context clearly indicates otherwise:

- (a) All accounting terms not otherwise defined herein have the meaning assigned to them in accordance with generally accepted government accounting standards.
- (b) Terms in the singular include the plural and vice versa.
- (c) All references to time shall refer to Mountain Standard or Daylight Savings Time, as appropriate, unless otherwise provided herein.
- (d) All references to mail shall refer to first-class mail postage prepaid.
- (e) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.
- (f) “Or” is not exclusive, but is intended to permit or encompass one, more or all of the alternatives conjoined.

Section 1.3 Appendices. Attached to this Resolution and hereby made a part hereof are the following Appendices:

Appendix A: a description of the Series 2024 Project;

Appendix B-1: the form of the Series 2024A Bond;

Appendix B-2: the form of the Series 2024B Bond;

Appendix C: additional agreements and representations of the Borrower; and

Appendix D: DNRC Compliance Certificate and Request.

ARTICLE II

AUTHORIZATION, FINDINGS, REPRESENTATIONS AND COVENANTS

Section 2.1 Authorization and Findings.

(a) Authorization. Under the provisions of the Act, the Borrower is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the reconstruction, improvement, betterment and extension of the System or to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by the undertaking to the Borrower.

(b) The System. The Borrower, pursuant to the Act and other laws of the State has established and presently owns and operates the System.

(c) The 2024 Project. After investigation of the facts and as authorized by the Act, this Council has determined it to be necessary and desirable and in the best interests of the Borrower to acquire and construct the Series 2024 Project.

(d) The total cost of the 2024 Project and costs of issuance of the Series 2024 Bonds and funding the reserve is estimated to be \$736,674, which is anticipated to be funded by a American Rescue Plan Act grants totaling \$126,001, Borrower's contribution of \$7,500, and proceeds of the Series 2024 Bonds, allocated as appropriate between the Series 2024A Bond and the Series 2024B Bond. The Borrower covenants with the DNRC that from and after the 2024B First Advance it will spend the Committed Amount on costs of the Series 2024 Project before applying its own funds, if any, to costs of the Series 2024 Project.

Section 2.2 Representations. The Borrower represents as follows:

(a) Organization and Authority. The Borrower:

- (1) is duly organized and validly existing as a municipal corporation of the State;
- (2) has all requisite power and authority and all necessary licenses and permits required as of the date hereof to own and operate the System and to carry on its current activities with respect to the System, to adopt this Resolution and to enter into the Collateral Documents and to issue the Series 2024 Bonds and to carry out and consummate all transactions contemplated by the Resolution, the Series 2024 Bonds and the Collateral Documents;
- (3) is a Governmental Unit and a Public Entity;
- (4) will, prior to issuance of the Series 2024A and B Bonds, obtain the consent of RD to the issuance of the Series 2024B Bond on a parity lien basis with the Series 2018A Bond and is current on funding of its Reserve Account obligation for the Series 2018A Bond as described in Resolution No. 468; and

(5) has taken all proper action to authorize the execution, delivery and performance of its obligations under this Resolution, the Series 2024 Bonds and the Collateral Documents and the incurrence of the Debt evidenced by the Series 2024 Bonds in the maximum amount of the Committed Amount.

(b) Litigation. There is no litigation or proceeding pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower in any court or before or by any governmental authority or arbitration board or tribunal that, if adversely determined, would materially and adversely affect the existence, corporate or otherwise, of the Borrower, or the ability of the Borrower to make all payments and otherwise perform its obligations under the Resolution, the Series 2024 Bonds and the Collateral Documents, or the financial condition of the Borrower, or the transactions contemplated by the Resolution, the Series 2024 Bonds and the Collateral Documents or the validity and enforceability of the Resolution, the Series 2024 Bonds and the Collateral Documents. No referendum petition has been filed with respect to any resolution or other action of the Borrower relating to the Series 2024 Project, the Series 2024 Bonds or any Collateral Documents and the period for filing any such petition will have expired before issuance of the Series 2024 Bonds.

(c) Borrowing Legal and Authorized. The adoption of this Resolution, the execution and delivery of the Series 2024 Bonds and the Collateral Documents and the consummation of the transactions provided for in this Resolution, the Series 2024 Bonds and the Collateral Documents and compliance by the Borrower with the provisions of the Resolution, the Series 2024 Bonds and the Collateral Documents:

- (1) are within the powers of the Borrower and have been duly authorized by all necessary action on the part of the Borrower; and
- (2) do not and will not result in any breach of any of the terms, conditions or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Borrower pursuant to any ordinance, resolution, indenture, loan agreement or other agreement or instrument (other than the Resolution and any Collateral Documents) to which the Borrower is a party or by which the Borrower or its property may be bound, nor will such action result in any violation of the provisions of any laws, ordinances, governmental rules or regulations or court or other governmental orders to which the Borrower, its properties or operations are subject.

(d) No Defaults. No event has occurred and no condition exists that, upon execution and delivery of the Series 2024 Bonds and the Collateral Documents, would constitute a default under the Resolution or the Collateral Documents. The Borrower is not in violation of any term of any agreement, bond resolution, trust indenture, charter or other instrument to which it is a party or by which it or its property may be bound which violation would materially and adversely affect the transactions contemplated hereby or the compliance by the Borrower with the terms hereof or of the Series 2024 Bonds and the Collateral Documents.

(e) Governmental Consent. The Borrower has obtained or made all permits, findings and approvals required to the date of adoption of this Resolution by any governmental body or officer for the making and performance by the Borrower of its obligations under this Resolution, the Series 2024 Bonds and the Collateral Documents (including any necessary water rate increase) or for the Series 2024 Project,

the financing or refinancing thereof or the reimbursement of the Borrower for the costs thereof. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority (other than those, if any, already obtained) is required on the part of the Borrower as a condition to adopting this Resolution, issuing the Series 2024 Bonds or entering into the Collateral Documents and the performance of the Borrower's obligations hereunder and thereunder.

(f) Binding Obligation. This Resolution, the Series 2024 Bonds and any Collateral Document to which the Borrower is a party are the valid and binding special, limited obligations and agreements of the Borrower, enforceable against the Borrower in accordance with their terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, moratorium, reorganization, insolvency or similar laws affecting creditors' rights and general principles of equity.

(g) The Series 2024 Project. The Series 2024 Project consists and will consist of the facilities, improvements and activities described in Appendix A, as such Appendix A may be amended from time to time in accordance with the provisions of Article III of this Resolution. The Series 2024 Project comprises facilities of a type that, as determined by the EPA, will facilitate compliance with the national Clean Water Act regulations applicable to the System or will otherwise significantly further the health protection objectives of the Clean Water Act.

(h) The System. The System is a "community wastewater System" within the meaning of the State Act and the Clean Water Act in that it is a public Wastewater System, comprising collection, treatment and discharge facilities for the provision to the public of wastewater services, that serves not less than 15 service connections used by year-round residents of the area served by the System or regularly serves not less than 25 year-round residents.

(i) Full Disclosure. There is no fact that the Borrower has not specifically disclosed in writing to the DNRC that materially and adversely affects or (so far as the Borrower can now foresee), except for pending or proposed legislation or regulations that are a matter of general public information, that will materially and adversely affect the properties, operations and finances of the System, the Borrower's status as a Public Entity and Governmental Unit, its ability to own and operate the System in the manner it is currently operated or the Borrower's ability to perform its obligations under the Resolution, the Series 2024 Bonds and the Collateral Documents and to pledge any revenues or other property pledged to the payment of the Series 2024 Bonds.

(j) Compliance With Law. The Borrower:

- (1) is in compliance with all laws, ordinances, governmental rules and regulations and court or other governmental orders, judgments and decrees to which it is subject and which are material to the properties, operations and finances of the System or its status as a Public Entity and Governmental Unit; and
- (2) has obtained all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the System and the operation thereof and agrees to obtain all such licenses, permits, franchises or other governmental authorizations as may be required in the future for the System and the operation thereof, which failure to obtain might materially and adversely affect the ability of the Borrower to conduct the operation of the System as presently conducted or

the condition (financial or otherwise) of the System or the Borrower's ability to perform its obligations under the Resolution, the Series 2024 Bonds and the Collateral Documents.

Section 2.3 Covenants.

(a) Insurance. The Borrower at all times shall keep and maintain with respect to the System property and casualty insurance and liability insurance with financially sound and reputable insurers, or self-insurance as authorized by State law, against such risks and in such amounts, and with such deductible provisions, as are customary in the State in the case of entities of the same size and type as the Borrower and similarly situated and shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for all such insurance. All such insurance policies shall name the DNRC as an additional insured to the extent permitted under the policy or program of insurance of the Borrower. Each policy must provide that it cannot be cancelled by the insurer without giving the Borrower and the DNRC 30 days' prior written notice. The Borrower shall give the DNRC prompt notice of each insurance policy it obtains or maintains to comply with this Section 2.3(a) and of each renewal, replacement, change in coverage or deductible under or amount of or cancellation of each such insurance policy and the amount and coverage and deductibles and carrier of each new or replacement policy. Such notice shall specifically note any adverse change as being an adverse change. The Borrower shall deliver to the DNRC at Closing a certificate providing the information required by this Section 2.3(a).

(b) Right of Inspection and Notice of Change of Location. The DNRC, the DEQ and the EPA and their designated agents shall have the right at all reasonable times during normal business hours and upon reasonable notice to enter into and upon the property of the Borrower for the purpose of inspecting the System or any or all books and records of the Borrower relating to the System.

(c) Further Assurance. The Borrower shall execute and deliver to the DNRC all such documents and instruments and do all such other acts and things as may be necessary or required by the DNRC to enable the DNRC to exercise and enforce its rights under the Resolution, the Series 2024 Bonds and the Collateral Documents and to realize thereon, and record and file and re-record and refile all such documents and instruments, at such time or times, in such manner and at such place or places, all as may be necessary or required by the DNRC to validate, preserve and protect the position of the DNRC under the Resolution, the Series 2024 Bonds and the Collateral Documents.

(d) Maintenance of Security, if Any; Recordation of Interest.

(1) The Borrower shall, at its expense, take all necessary action to maintain and preserve the lien and security interest of the Resolution and the Collateral Documents so long as any amount is owing under the Resolution or the Series 2024 Bonds;

(2) The Borrower shall forthwith, after the execution and delivery of the Series 2024 Bonds and thereafter from time to time, cause the Resolution and any Collateral Documents granting a security interest in revenues or real or personal property and any financing statements or other notices or documents relating thereto to be filed, registered and recorded in such manner and in such places as may be required by law in order to perfect and protect fully the lien and security interest hereof and thereof and the security interest in them granted by the Resolution and, from time to time, shall perform or cause to be performed any other act required by law, including executing or causing to be executed any and all required continuation statements and shall execute

or cause to be executed any further instruments that may be requested by the DNRC for such perfection and protection; and

(3) Except to the extent it is exempt therefrom, the Borrower shall pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of the documents described in subparagraph (2), and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Series 2024 Bonds and the Collateral Documents and the documents described in subparagraph (2).

(e) Additional Agreements. The Borrower covenants to comply with all representations, covenants, conditions and agreements, if any, set forth in Appendix C hereto.

(f) Financial Information. The Borrower agrees that for each Fiscal Year it shall furnish to the DNRC and the DEQ, promptly when available:

- (1) the preliminary budget for the System; and
- (2) when adopted, the final budget for the System.

The Borrower will cause proper and adequate books of record and account to be kept showing complete and correct entries of all receipts, disbursements and other transactions relating to the System, the monthly gross revenues derived from its operation, and the segregation and application of the gross revenues in accordance with the Resolution, in such reasonable detail as may be determined by the Borrower in accordance with generally accepted governmental accounting practice and principles. It will cause such books to be maintained on the basis of the same Fiscal Year as that utilized by the Borrower. The Borrower shall, within 180 days after the close of each Fiscal Year, cause to be prepared and supply to the DNRC a financial report with respect to the System for such Fiscal Year. The report shall be prepared at the direction of the financial officer of the Borrower in accordance with applicable generally accepted governmental accounting principles and, in addition to whatever matters may be thought proper by the financial officer to be included therein, shall include the following:

- (i) A statement in detail of the income and expenditures of the System for the Fiscal Year, identifying capital expenditures and separating them from operating expenditures;
- (ii) A balance sheet as of the end of the Fiscal Year;
- (iii) The number of premises connected to the System at the end of the Fiscal Year;
- (iv) The amount on hand in each account of the Fund at the end of the Fiscal Year;

- (v) A list of the insurance policies and fidelity bonds in force at the end of the Fiscal Year, setting out as to each the amount thereof, the risks covered thereby, the name of the insurer or surety and the expiration date of the policy or bond; and
- (vi) A determination that the report shows full compliance by the Borrower with the provisions of the Resolution during the Fiscal Year covered thereby, including proper segregation of the capital expenditures from operating expenses, maintenance of the required balance in the Reserve Account, and receipt of Net Revenues during each Fiscal Year at least equal to 110% of the maximum amount of principal and interest payable on outstanding Bonds (calculated assuming the DNRC has delivered a Forgiveness Statement) in any subsequent Fiscal Year, or, if the report should reveal that the revenues have been insufficient for compliance with the Resolution, or that the methods used in accounting for such revenues were contrary to any provision of the Resolution, the report shall include a full explanation thereof, together with recommendations for such change in rates or accounting practices or in the operation of the System as may be required.

The Borrower shall also have prepared and supplied to the DNRC and the DEQ, within 270 days of the close of every other Fiscal Year, an audit report prepared by an independent certified public accountant or an agency of the state in accordance with generally accepted governmental accounting principles and practice with respect to the financial statements and records of the System. The audit report shall include an analysis of the Borrower's compliance with the provisions of the Resolution.

(g) System Accounts. The Borrower shall maintain System accounts in accordance with generally accepted government accounting standards.

(h) Records. After reasonable notice from the EPA or the DNRC, the Borrower shall make available to the EPA or the DNRC such records as the EPA or the DNRC reasonably requires to review and determine compliance with the Clean Water Act, as provided in Section 75-5-1113(1)(c) of the Act.

(i) Compliance with Clean Water Act and Section 436 of the Appropriations Act. The Borrower has complied and shall comply with all conditions and requirements of the Clean Water Act pertaining to the 2024 Loan and the 2024 Project. The Borrower understands and agrees that the 2024 Loan is being made with funds made available to the DNRC. The Borrower has complied and shall comply with all Program requirements applicable to the 2024 Loan.

(j) Compliance with DEQ Requirements. The Borrower shall comply with plan, specification and other requirements for public wastewater Systems established by the DEQ, as required by the Act.

Section 2.4 Property Insurance. The Borrower will cause all buildings, properties, fixtures and equipment constituting a part of the System to be kept insured with a reputable insurance carrier or carriers, qualified under the laws of the State, in such amounts as are ordinarily carried, and against loss or damage by such hazards and risks as are ordinarily insured against, by public bodies owning and operating properties of a similar character and size; provided that if at any time the Borrower is unable to obtain insurance, it will obtain insurance in such amounts and against risks as are reasonably obtainable. The

proceeds of all such insurance shall be available for the repair, replacement or reconstruction of damaged or destroyed property, and until paid out in making good such loss or damage, are pledged as security for the Bonds. All insurance proceeds received in excess of the amount required for restoration of the loss or damage compensated thereby shall be and become part of the revenues appropriated to the Fund. If for any reason insurance proceeds are insufficient for the repair, replacement and reconstruction of the insured property, the Borrower shall supply the deficiency from revenues on hand in the Replacement and Depreciation Account and the Surplus Account.

Section 2.5 Liability Insurance and Surety Bonds. The Borrower will carry insurance against liability of the Borrower and its employees for injuries to persons (including death) and damage to property resulting from the construction, operation, maintenance, improvement or extension of the System in amounts not less than \$100,000 for death of or personal injury to any one person, \$300,000 for all personal injuries and deaths resulting from any one accident and \$300,000 for property damage in any one accident. It will also cause all persons handling money and other assets of the Fund to be adequately bonded for the faithful performance of their duties and to account for and pay over such money to the Borrower. Such bond shall be in the penal sum of \$10,000 or such greater amount as may from time to time be on hand in the Debt Service Account, the Reserve Account and the Replacement and Depreciation Account. All amounts received under such insurance and bonds shall be applied to the payment of the loss or damage covered thereby. The premiums for all insurance and bonds required by this Section 2.4 and Section 2.3 constitute part of the Operating Expenses of the System, but no insurance liabilities of the Borrower in excess of amounts received under such insurance and bonds shall constitute a lien or charge on revenues or any other assets herein or otherwise pledged to the Fund.

Section 2.6 Disposition of Property. The Borrower will not mortgage, lease, sell or otherwise dispose of any real or personal properties of the System, unless:

- (a) Prior to or simultaneous with such mortgage, lease, sale or other disposition, all of the Bonds then Outstanding shall be discharged as provided in Article XIV; or
- (b) (i) The properties to be mortgaged, leased sold or otherwise disposed of are unserviceable, inadequate, obsolete or no longer required for use in connection with the System; and (ii) the mortgage, lease, sale or other disposition will not prevent the Borrower from complying with the provisions of this Resolution; and (iii) all proceeds of the mortgage, lease, sale or other disposition of such properties are deposited into the Fund.

Section 2.7 Cost of Insurance and Accounting. The insurance and fidelity bond premiums and the cost of the bookkeeping and audits herein provided for and of the billings and collection of the Revenues shall be payable from the Operating Account.

Section 2.8 Handling of Funds. The employees of the Borrower, under the direction and control of the Clerk, shall keep books of account and collect the rates, charges and rentals for the services and facilities provided by the System and for other money currently receivable on account thereof. All money collected with respect to the System shall be deposited daily with the Clerk. The Clerk shall be bonded at all times with a surety company authorized to do business in the State, in the amount of at least \$5,000, to assure the faithful carrying out of such duties. Any failure on the part of the Clerk to comply and to enforce compliance on the part of all officers and employees concerned with the provisions of this Resolution, and

with the Borrower's other regulations respecting the System, shall constitute malfeasance for which the Clerk and the surety on his or her bond shall be personally liable.

Section 2.9 Covenants Relating to the Tax-Exempt Status of the State Bonds.

(a) The Borrower covenants and agrees that it will not use or permit to be used any of the proceeds of the Series 2024 Bonds or any other funds of the Borrower in respect of the Series 2024 Project or the Series 2024 Bonds, directly or indirectly, in a manner that would cause, or take any other action that would cause, any State Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or would otherwise cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(b) The Borrower agrees that it will not enter into, or allow any "related person" (as defined in Section 147(a)(2) of the Code) to enter into, any arrangement, formal or informal, for the purchase of the State Bonds or any other obligations of the DNRC in an amount related to the amount of the 2024 Loans or the portion of the 2024 Loans derived directly or indirectly from proceeds of the State Bonds or that would otherwise cause any State Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code.

(c) The Borrower shall not use or permit the use of the Series 2024 Project directly or indirectly in any trade or business carried on by any Person who is not a Governmental Unit. For the purpose of this subparagraph, use as a member of the general public (within the meaning of the Regulations) shall not be taken into account and any activity carried on by a Person other than a natural person shall be treated as a trade or business.

(d) Any portion of the Series 2024 Project being refinanced or the cost of which is being reimbursed was acquired by and is now and shall, during the term of the 2024 Loans, be owned by the Borrower and not by any other Person. Any portion of the Series 2024 Project being financed shall be acquired by and shall, during the term of the 2024 Loans, be owned by the Borrower and not by any other Person. Notwithstanding the previous two sentences, the Borrower may transfer the Series 2024 Project or a portion thereof to another Governmental Unit which is also a Public Entity if such transfer is otherwise permitted under the Resolution and if such organization agrees with the DNRC to comply with Section 2.3(h), Section 2.3(i) and Section 2.4 of this Resolution and if the DNRC receives an Opinion of Bond Counsel that such transfer will not violate the State Act or the Clean Water Act or adversely affect the exclusion of interest on the State Bonds from gross income or purposes of federal income taxation. In addition, except as otherwise provided in the Resolution or in any Collateral Documents, the Borrower may sell or otherwise dispose of any portion of the Series 2024 Project which has become obsolete or outmoded or is being replaced or for other reasons is not needed by the Borrower or beneficial to the general public or necessary to carry out the purposes of the Clean Water Act.

(e) At the Closing of the 2024 Loans, the DNRC will, if necessary to obtain the Opinion of Bond Counsel described in Section 7.05(a) of the Indenture, deliver to the Borrower instructions concerning compliance by the Borrower with the arbitrage rebate requirements of Section 148 of the Code (the "Arbitrage Rebate Instructions"). The Borrower shall comply with the Arbitrage Rebate Instructions, if any, delivered to it by the DNRC at Closing, as such Instructions may be amended or replaced by the DNRC from time to time. The Arbitrage Rebate Instructions may be amended or replaced by new

Arbitrage Rebate Instructions delivered by the DNRC and accompanied by an Opinion of Bond Counsel to the effect that the use of said amended or new Arbitrage Rebate Instructions will not adversely affect the excludability of interest on the State Bonds or any Additional State Bonds (except State Bonds the interest on which the State did not intend to be excluded from gross income for federal income tax purposes) from gross income of the recipients thereof for federal income tax purposes.

(f) The Borrower agrees that during the term of the 2024 Loans it will not contract with or permit any Private Person to manage the Series 2024 Project or any portion thereof except according to a written management contract and upon delivery to the DNRC of an opinion of Bond Counsel to the effect that the execution and delivery of such management contract will not violate the State Act or the Clean Water Act or adversely affect the exclusion of interest on State Bonds from gross income or purposes of federal income taxation.

(g) The Borrower may not lease the Series 2024 Project or any portion thereof to any Person other than a Nonexempt Person which agrees in writing with the Borrower and the State not to cause any default to occur under the Resolution; provided the Borrower may lease all or any portion of the Series 2024 Project to a Nonexempt Person pursuant to a lease which in the Opinion of Bond Counsel delivered to the DNRC will not cause the interest on the State Bonds to be included in gross income for purposes of federal income taxation.

(h) The Borrower shall not change the use or nature of the Series 2024 Project if (i) such change will violate the Clean Water Act, or (ii) so long as the State Bonds are outstanding unless, in the Opinion of Bond Counsel delivered to the DNRC, such change will not result in the inclusion in gross income of interest on the State Bonds for federal income tax purposes.

Section 2.10 Maintenance of System; Liens. The Borrower shall maintain the System, including the Series 2024 Project, in good condition and make all necessary renewals, replacements, additions, betterments and improvements thereto. The Borrower shall not grant or permit to exist any lien on the Series 2024 Project or any other property making up part of the System, other than liens securing Debt where a party or senior lien secures the Series 2024 Bonds; provided that this Section 2.10 shall not be deemed to be violated if a mechanic's or contractor's lien is filed against any such property so long as the Borrower uses its best efforts to obtain the discharge of such lien and promptly reports to the DNRC the filing of such lien and the steps it plans to take and does take to discharge of such lien.

Section 2.11 Maintenance of Existence; Merger, Consolidation, Etc.; Disposition of Assets. The Borrower shall maintain its corporate existence, except that it may consolidate with or merge into another Governmental Unit or permit one or more Governmental Units to consolidate with or merge into it or may transfer all or substantially all of its assets to another Governmental Unit and then dissolve if the surviving, resulting or transferee entity (if other than the Borrower) (i) is a Public Entity and (ii) assumes in writing all of the obligations of the Borrower under the Resolution, the Series 2024 Bonds and the Collateral Documents, and (a) such action does not result in any default in the performance or observance of any of the terms, covenants or agreements of the Borrower under the Resolution, the Series 2024 Bonds and the Collateral Documents, (b) such action does not violate the State Act or the Clean Water Act and does not adversely affect the exclusion of interest on the Series 2024 Bonds or the State Bonds from gross income for federal income tax purposes and (c) the Borrower delivers to the DNRC on the date of such action an Opinion of Bond Counsel that such action complies with this Section 2.11.

Other than pursuant to the preceding paragraph, the Borrower shall not transfer the System or any portion thereof to any other Person, except for property which is obsolete, outmoded, worn out, is being replaced or otherwise is not needed for the operation of the System, unless the provisions of (a) and (b) of the preceding paragraph are satisfied and the Borrower delivers to the DNRC an Opinion of Bond Counsel to that effect and, in addition, the DNRC consents to such transfer.

Section 2.12 Compliance with Interlocal Agreement. The Town will abide by and enforce the term so the Interlocal Agreement.

ARTICLE III USE OF PROCEEDS; THE Series 2024 Project

Section 3.1 Use of Proceeds. The Borrower shall apply the proceeds of the 2024 Loans from the DNRC solely as follows:

(a) The Borrower shall apply the proceeds of the 2024 Loans solely to the financing or reimbursement of the costs of the Series 2024 Project as set forth in Appendix A hereto and this Section 3.1. The 2024 Loans will be disbursed in accordance with Article IV hereof and Article VII of the Indenture. If the Series 2024 Project has not been completed prior to Closing, the Borrower shall, as quickly as reasonably possible, complete the Series 2024 Project and expend proceeds of the 2024 Loans to pay the costs of completing the Series 2024 Project.

(b) No portion of the proceeds of the 2024 Loans shall be used to reimburse the Borrower for costs paid prior to the date of adoption of this Resolution of a Project the construction or acquisition of which occurred or began earlier than June 1, 1991. In addition, if any proceeds of the 2024 Loans are to be used to reimburse the Borrower for Series 2024 Project costs paid prior to the date of adoption of this Resolution, the Borrower shall have complied with Section 1.150-2 of the Regulations in respect of such costs.

(c) Any Debt to be refinanced with proceeds of the 2024 Loans was incurred after June 1, 1991 for a Project the construction or acquisition of which began after June 1, 1991. No proceeds of the 2024 Loans shall be used for the purpose of refinancing an obligation the interest on which is exempt from federal income tax or excludable from gross income for purposes of federal income taxation unless the DNRC has received an Opinion of Bond Counsel, satisfactory to it, to the effect that such refinancing will not adversely affect the exclusion of interest on the State Bonds from gross income for purposes of federal income taxation.

Section 3.2 The Series 2024 Project. Set forth in Appendix A to this Resolution is a description of the Series 2024 Project, which describes the property which has been or is to be acquired, installed, constructed or improved and the other activities, if any to be funded from the 2024 Loans (the Series 2024 Project may consist of more than one facility or activity), and an estimated budget relating to the Series 2024 Project, including the amount of proceeds of the 2024A Loan and the 2024B Loan estimated to be applied to Green Infrastructure. The Series 2024 Project may be changed and the description thereof in Appendix A may be amended from time to time by the Borrower but only after delivery to the DNRC of the following:

- (a) A certificate of the Borrower setting forth the amendment to Appendix A and stating the reason therefor, including statements whether the amendment would cause an increase or decrease in the cost of the Series 2024 Project, an increase or decrease in the amount of 2024 Loans proceeds which will be required to complete the Series 2024 Project and providing that the change will not delay the construction schedule for the Series 2024 Project;
- (b) A written consent to such change in the Series 2024 Project by an Authorized DNRC Officer;
- (c) An Opinion or Opinions of Bond Counsel stating that the Series 2024 Project, as constituted after such amendment, is, and was at the time the State Bonds were issued, eligible for financing under the State Act and is, and was at the time the Series 2024 Bonds were issued, eligible for financing under the Act, such amendment will not violate the State Act or the Act and such amendment will not adversely affect the exclusion of interest on the State Bonds or the Series 2024B Bond from gross income for purposes of federal income taxation. Such an Opinion of Bond Counsel shall not be required for amendments which do not affect the type of facility to be constructed or activity to be financed; and
- (d) In the event the change to the Series 2024 Project has the effect of reducing the amount of the Committed Amount, the written consent of the Borrower to reallocation of the Committed Amount between the 2024A Loan and the 2024B Loan, if required by the DNRC, as described in Section 5.6 below.

The Borrower acknowledges and agrees that an increase in the principal amount of the 2024 Loans may be made only upon an application to the DEQ, the DNRC and the Trustee, in such form as the DEQ shall specify, which is approved by the DEQ and the DNRC, in their sole and absolute discretion, and adoption by the governing body of the Borrower of a resolution amendatory of or supplementary to the Resolution authorizing the additional loan and delivery of written certifications by officers of the Borrower to the DEQ, the DNRC and the Trustee to the effect that all representations and covenants contained in the Resolution as it may be so amended or supplemented are true as of the date of closing of the additional loan and compliance with applicable tests for the incurrence of such Debt. No assurance can be given that any additional loan funds will be available under the Program at the time of any such application or thereafter. The Borrower acknowledges and agrees that neither the DEQ, the DNRC, the Trustee nor any of their agents, employees or representatives shall have any liability to the Borrower and have made no representations to the Borrower as to the sufficiency of the 2024 Loans to pay costs of the Series 2024 Project or as to the availability of additional funds under the Program to increase the principal amount of the 2024 Loans.

Section 3.3 Series 2024 Project Representations and Covenants. The Borrower hereby represents to and covenants with the DNRC that:

- (a) all construction of the Series 2024 Project has complied and will comply with all federal and state standards, including, without limitation, EPA regulations and standards;
- (b) all construction of the Series 2024 Project has and will be done only pursuant to fixed price construction contracts. The Borrower has obtained a performance and payment bond from the contractor for each construction contract in the amount of 100% of the construction price and will ensure that such

bond is maintained until construction is completed to the Borrower's, the DNRC's and the DEQ's satisfaction;

(c) all construction of the Series 2024 Project has and will be done in accordance with plans and specifications on file with the DNRC and the DEQ, provided that changes may be made in such plans and specifications with the written consent of an Authorized DNRC Officer and the DEQ;

(d) all laborers and mechanics employed by contractors and subcontractors on the Series 2024 Project have been and will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code;

(e) the Series 2024 Project is a project of the type permitted to be financed under the Act, the State Act and the Program and the Clean Water Act; and

(f) the Borrower will cause the Series 2024 Project to be completed as promptly as practicable with all reasonable dispatch, except only as completion may be delayed by a cause or event not reasonably within the control of the Borrower; it is estimated by the Borrower that the Series 2024 Project will be substantially completed by the Estimated Completion Date.

(g) The useful life of the Project is not less than the term of the Series 2024 Bonds.

Section 3.4 Completion or Cancellation or Reduction of Costs of the Series 2024 Project.

(a) Upon completion of the Series 2024 Project, the Borrower shall deliver to the DNRC a certificate stating that the Series 2024 Project is complete and stating the amount, if any, of the Undisbursed Committed Amount. If Appendix A describes two or more separate projects as making up the Series 2024 Project, a separate completion certificate shall be delivered for each.

(b) If all or any portion of the Series 2024 Project is cancelled or cut back or its costs are reduced or for any other reason the Borrower will not require the full Committed Amount, the Borrower shall promptly notify the DNRC in writing of such fact and the amount of the Undisbursed Committed Amount.

(c) If there is any Undisbursed Committed Amount, the DNRC reserves the right to reallocate the amount equal to the Committed Amount as reduced by the Undisbursed Committed Amount between the 2024A Loan and the 2024B Loan.

ARTICLE IV

THE 2024 LOANS

Section 4.1 The 2024 Loans; Disbursement of 2024 Loans.

(a) The DNRC has agreed to lend to the Borrower, from time to time as the requirements of this Section 4.1 are met, an amount up to (i) \$295,173 (the "2024A Committed Amount") and (ii) \$308,000 (the "2024B Committed Amount") for the purposes of financing or reimbursing the Borrower for a portion

of the costs of the Series 2024 Project; provided the DNRC shall not be required to loan any proceeds of the State Bonds to the Borrower after the Estimated Completion Date. The Committed Amount may be reduced as provided in Section 3.2 and Section 3.4 of this Resolution and subject to the operation of Section 5.6.

(b) The DNRC intends to disburse the 2024 Loans through the Trustee. In consideration of the issuance of the Series 2024 Bonds by the Borrower, the DNRC shall make, or cause the Trustee to make, a disbursement of all or a portion of the 2024 Loans upon receipt of the following documents:

(1) an Opinion of Bond Counsel as to the Series 2024A Bond and an Opinion of Bond Counsel as to the validity and enforceability of the Series 2024B Bond and the security therefor and stating in effect that interest on the Series 2024B Bond is not includable in gross income of the owner thereof for purposes of federal income taxation, in form and substance satisfactory to the DNRC;

(2) the Series 2024A Bond and the Series 2024B Bond, fully executed and authenticated;

(3) a certified copy of this Resolution;

(4) any other security instruments or documents required by the DNRC or DEQ as a condition to their approval of the 2024 Loans;

(5) if all or part of a 2024 Loan is being made to refinance a Project or reimburse the Borrower for the costs of a Project paid prior to the Closing, evidence, satisfactory to the DNRC and the Bond Counsel referred to in (1) above, (A) that the acquisition or construction of the Project was begun no earlier than June 1, 1991 or the debt was incurred no earlier than June 1, 1991, (B) of the Borrower's title to the Project, (C) of the costs of such Project and that such costs have been paid by the Borrower and (D) if such costs were paid before adoption of this Resolution that the Borrower has complied with Section 1.150-2 of the Regulations;

(6) the items required by the Indenture for the portion of the 2024 Loans to be disbursed at Closing; and

(7) such other certificates, documents and other information as the DNRC, the DEQ or the Bond Counsel giving the opinion referred to in subparagraph (1) may require (including any necessary arbitrage rebate instructions).

(c) In order to obtain a disbursement of the 2024 Loans to pay costs of the Project, the Borrower shall submit to the DNRC and the Trustee a signed request for disbursement on the form prescribed by the DNRC, with all costs which have been legally incurred and are due and payable. All Loan disbursements will be made to the Borrower only upon proof that cost was legally incurred. The disbursements of the 2024 Loans will be requested by the Borrower in the form required by the DNRC so that it is received by the DNRC by the date that is no later than ten Business Days prior to the date desired by the Borrower for the closing of the Series 2024 Bonds.

(d) Provided that the 20__ EPA Capitalization Grants are available to the Program, from and after the 2024B First Advance, the 2024 Loans shall be disbursed, subject to the other terms and conditions of this Resolution, in the following order:

(1) First, at the Closing, the 2024B First Advance will be advanced from the 2024B Loan.

(2) Second, after the 2024B First Advance has been disbursed to the Borrower, the entire amount of the 2024A Loan may then be disbursed to the Borrower as and when needed. For the avoidance of doubt, any amounts of the 2024 Loans to be disbursed at Closing in excess of the 2024B First Advance will be disbursed as proceeds of the 2024A Loan to the extent of the 2024A Committed Amount.

(3) Third, after the entire principal amount of the 2024A Loan has been disbursed to the Borrower, the remaining amount of the 2024B Loan will be disbursed to the Borrower as and when needed.

(e) The Borrower shall submit the request for the 2024B First Advance in the form required by the DNRC so that it is received by the DNRC in sufficient time for the DNRC to process the information by the date desired by the Borrower for the making of the 2024B First Advance. The Borrower shall not be entitled to, and the DNRC shall have no obligation to make, the 2024B First Advance or any subsequent advance of amounts under the 2024B Loan until such time as the Borrower shall have set aside and funded the Series 2024 Reserve Subaccount in an amount then required to satisfy the Reserve Requirement.

(f) If all or a portion of the 2024 Loans is made to reimburse a Borrower for Series 2024 Project costs paid by it prior to Closing, the Borrower shall present at Closing the items required by Section 4.1(b) of this Resolution relating to such costs. The Trustee shall disburse such amounts to the Borrower pursuant to a disbursement schedule complying with the requirements of the Clean Water Act established by the DNRC and the Borrower at the Closing.

(g) Notwithstanding anything else provided herein, the Trustee shall not be obligated to disburse the 2024 Loans any faster or to any greater extent than it has available the 20__ EPA Capitalization Grant, Bond proceeds and other amounts available therefor in the Revolving Fund. The DNRC shall not be required to do “overmatching” pursuant to Section 5.04(b) of the Indenture, but may do so in its discretion. The Borrower acknowledges that if Project costs are incurred faster than the Borrower projected at Closing, there may be delays in making 2024 Loans disbursements for such costs because of the schedule under which EPA makes the 20__ EPA Capitalization Grant money available to the DNRC. The DNRC will use its best efforts to obtain an acceleration of such schedule if necessary.

(h) Upon making each 2024A Loan disbursement and 2024B Loan disbursement, the Trustee shall note such disbursement on Schedule A to the Series 2024A Bond and Series 2024B Bond, respectively. A Schedule A reflecting the amount of the 2024B First Advance will first be attached to the Series 2024B Bond at Closing.

(i) The Borrower agrees that it will deposit in the Series 2024 Reserve Subaccount upon receipt thereof, on the date of the 2024B First Advance and any subsequent disbursement dates, any proceeds of the 2024B Loan borrowed for the purpose of increasing the balance in the Series 2024 Reserve

Subaccount to the Reserve Requirement. The Borrower further acknowledges and agrees that any portions of the 2024 Loans representing capitalized interest shall be advanced only on Payment Dates and shall be transferred by the Trustee on the Payment Date directly to the Revenue Bond Account. The amount of any such transfer shall be a credit against the interest payments due on the Series 2024 Bonds and interest thereon shall accrue only from the date of transfer.

(j) Compliance by the Borrower with its representations, covenants and agreements contained in this Resolution and the Collateral Documents shall be a further condition precedent to the disbursement of the 2024 Loans in whole or in part. The DNRC and the Trustee, in their sole and absolute discretion, may make one or more disbursements, in whole or in part, notwithstanding such noncompliance, and without liability to make any subsequent disbursement of the 2024 Loans.

Section 4.2 Commencement of 2024 Loan Term. The Borrower's obligations under this Resolution and the Collateral Documents shall commence on the date hereof unless otherwise provided in this Resolution. However, the obligation to make payments under Article V hereof shall commence only upon the first disbursement by the Trustee of the 2024B Loan proceeds.

Section 4.3 Termination of 2024 Loan Term. The Borrower's obligations under this Resolution and the Collateral Documents in respect of the Series 2024 Bonds shall terminate upon payment in full of all amounts due under the Series 2024 Bonds and this Resolution; provided, however, that the covenants and obligations provided in Article VII and Section 12.3 of this Resolution shall survive the termination of this Resolution.

Section 4.4 2024 Loan Closing Submissions. On or prior to the Closing, the Borrower will have delivered to the DNRC and the Trustee the closing submissions required by Section 7.05 of the Indenture.

ARTICLE V

REPAYMENT OF 2024 LOANS

Section 5.1 Repayment of 2024 Loans. The Borrower shall repay the amounts lent to it pursuant to Section 4.1 hereof in accordance with this Section 5.1.

5.1.1. Interest and Surcharges. Until a Determination Statement is delivered by the DNRC to the Borrower and so long as the Borrower's obligation to repay the principal of the 2024A Loan is forgiven as provided in Section 5.1.2 below, amounts disbursed by the DNRC under Section 4.1 hereof that are evidenced by (i) the Series 2024A Bond bear interest at the rate of zero percent (0.00%) per annum from the date of each advance; and (ii) the Series 2024B Bond bear interest at the rate of two percent (2.00%) per annum on the unpaid balance plus a Loan Loss Reserve Surcharge and an Administrative Expense Surcharge on the outstanding principal amount of the Series 2024B Bond at the rate of twenty-five hundredths of one-percent (0.25%) and twenty-five hundredths of one percent (0.25%) respectively, per annum; provided, however, if the DNRC delivers to the Borrower a Noncompliance Statement, then all principal of the Series 2024A Bond advanced by the DNRC shall be payable and amounts disbursed by the DNRC under Section 4.1 hereof that are evidenced by the Series 2024A Bond shall bear interest at the rate of two percent (2.00%) per annum and in addition the Borrower shall pay the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge from the date of each advance under the Series 2024A Bond. If the obligation of the Borrower to repay the principal amount of the 2024A Loan is not

forgiven under Section 5.1.2 below, for purposes of this Resolution and the Program, with respect to the 2024A Loan, the term “interest on the 2024A Loan” when not used in conjunction with a reference to any surcharges, shall include the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge. The Borrower shall pay all Loan Repayments and surcharges in lawful money of the United States of America to the DNRC. Interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge shall be calculated on the basis of a year of 360 days comprising 12 months of 30 days each.

5.1.2. Repayment of 2024A Loan: Principal Forgiveness.

(a) The Borrower is obligated to repay the principal of and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the 2024A Loan, unless the DNRC forgives the Borrower’s obligation to repay the principal of the 2024A Loan as provided in Section 5.1.2(b). Subject to the provisions of Section 5.1.2(b), the Loan Repayments and the Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the 2024A Loan shall be due on each Payment Date, as follows:

- (1) interest and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge on the outstanding principal balance of the 2024A Loan shall be payable from and after the date of each advance of principal of the 2024A Loan on each Payment Date at the rate of 2.50% per annum, beginning on the first Payment Date following the date of delivery by the DNRC of a Noncompliance Statement and concluding on July 1, 2054 and
- (2) the principal of the 2024A Loan shall be repayable on each Payment Date, beginning on the Payment Date that is the first to occur following delivery by the DNRC of a Noncompliance Statement, and concluding on July 1 2054, and the amount of each principal payment shall be calculated on the basis of a substantially level debt service at the rate of 2.50% per annum; provided that principal of the 2024A Loan is payable only in amounts that are multiples of \$1,000.

(b) Notwithstanding Section 5.1.2(a), so long as the Borrower is proceeding diligently to completion of the Series 2024 Project through the final advance of principal of the 2024B Loan and the Borrower has executed and delivered the DNRC Compliance Certificate and Request to the DNRC in form and substance satisfactory to the DNRC and the DEQ within thirty (30) days after the date that the DNRC Compliance Certificate and Request is provided to the Borrower by the DNRC, the DNRC will, following review and approval of the DNRC Compliance Certificate and Request, deliver to the Borrower a Forgiveness Statement and the Borrower will thereafter have no obligation to repay amounts advanced under the Series 2024A Bond or interest or surcharges thereon and the Series 2024A Bond will be marked “CANCELLED” and returned by the DNRC to the Borrower. However, in the event the Borrower fails to deliver timely the DNRC Compliance Certificate and Request, or the Borrower cannot submit the DNRC Compliance Certificate and Request because it cannot make the certifications required therein, or the DNRC Compliance Certificate and Request is delivered in a form that deviates materially from that attached hereto as Appendix D as determined in the sole and complete discretion of the DNRC or the DEQ, or the DNRC or the DEQ determine at any time that the Series 2024 Project or any portion thereof or of the work relating thereto fails to comply with Program requirements, then the DNRC will deliver to the Borrower a Noncompliance Statement. Upon delivery of a DNRC Noncompliance Statement by the DNRC to the Borrower, all principal advanced or to be advanced under the Series 2024A Bond, together

with interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge thereon from the date of each advance, shall be payable as provided in Section 5.1.2 (a). Notwithstanding Section 5.1.2(a), until the delivery by the DNRC to the Borrower of a Determination Statement, the obligation of the Borrower to repay the principal advanced under Series 2024A Bond shall be deferred until the Payment Date first occurring after delivery of a Determination Statement and, until such time, interest on amounts advanced under the Series 2024A Bond will be deemed to be at the rate of zero percent (0.00%) per annum.

(c) In addition, in the event the DNRC delivers a DNRC Noncompliance Statement (i) the Series 2024A Bond will continue in effect as a Subordinate Obligation, and (ii) the Borrower will forthwith comply with the rate covenant set forth in Section 6.7 of this Resolution, and, if necessary, increase the rates and charges of the System to satisfy such rate covenant as soon as practicable and in any event no later than three (3) months after the date of delivery to the Borrower by the DNRC of a Noncompliance Statement.

5.1.3. Repayment of 2024B Loan. The Loan Repayments on the 2024B Loan from and after the 2024B First Advance and all subsequent advances of the 2024B Loan are as follows:

- (1) interest on the outstanding principal balance of the 2024B Loan shall be payable on each Payment Date, beginning on January 1, 2025 and concluding on July 1, 2054 at the rate of 2.00% per annum;
- (2) the Borrower shall also pay on each Payment Date, beginning January 1, 2025 and concluding on July 1, 2054, the Administrative Expense Surcharge of twenty-five hundredths of one-percent (0.25%) per annum and the Loan Loss Reserve Surcharge of twenty-five hundredths of one percent (0.25%) per annum; and
- (3) the principal of the 2024B Loan shall be repayable on each Payment Date, beginning on January 1, 2025 and concluding on July 1, 2054, and the amount of each principal payment shall be calculated on the basis of substantially level debt service at an interest rate of 2.50% per annum; provided that principal of the 2024B Loan is payable only in amounts that are multiples of \$1,000.

5.1.4. Details Regarding 2024 Loan Repayments. Loan Repayments and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge on the Series 2024B Loan and, if applicable, on the 2024A Loan, shall be due on the dates specified above and on the dates and in the amounts shown in Schedule B to each of the Series 2024B Bond and, if applicable, the Series 2024A Bond, as such Schedule B shall be modified from time to time as provided in Sections 5.1.2 and 5.1.3 and below. Schedule B will first be attached to the Series 2024A Bond and the Series 2024B Bond at Closing. The portion of each such Loan Repayment consisting of principal and the portion consisting of interest and the amount of each Administrative Expense Surcharge and the amount of each Loan Loss Reserve Surcharge shall be set forth on Schedule B to the Series 2024B Bond and the portion of each Loan Repayment consisting of principal and the portion consisting of interest and the amount of each Administrative Expense Surcharge shall be set forth in Schedule B to the Series 2024A Bond (if appropriate). Upon each disbursement of 2024 Loan amounts to the Borrower pursuant to Section 4.1 hereof, the Trustee shall enter or cause to be entered the amount advanced on Schedule A to the applicable Series 2024A Bond and the Series 2024B Bond under

“Advances” and the total amount advanced under Section 4.1, including such disbursement, under “Total Amount Advanced.”

Interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge in respect of the Series 2024B Bond on such advance shall accrue from the date the advance is made at the rate of 2.50% per annum and shall be payable on each Payment Date thereafter. If the DNRC shall have delivered a DNRC Noncompliance Statement, then the Schedule B to the Series 2024A Bond shall reflect interest and surcharges on amounts advanced under the Series 2024A Bond at 2.50% per annum, as may be revised to reflect the full principal amount advanced under the Series 2024A Bond, the initial Payment Date, and the periodic total loan payment, and the Trustee shall send a copy of such schedules to the Borrower within one month after delivery by the DNRC of the DNRC Noncompliance Statement. If the DNRC delivers a DNRC Forgiveness Statement, Schedule B to the Series 2024A Bond will be disregarded and of no effect.

Past-due Loan Repayments and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid.

Any payment of principal and interest as to the Series 2024B Bond and, if applicable, the Series 2024A Bond, and the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge as to the Series 2024A Bond and the Series 2024B Bond, if applicable, under this Section 5.1 shall be credited against the same payment obligation under each of the Series 2024B Bond and, if applicable, the Series 2024A Bond.

Section 5.2 Additional Payments. The Borrower shall also pay, within 30 days after receipt of a bill therefor, from any legally available funds therefor, including proceeds of the 2024 Loans, if the Borrower so chooses, all reasonable expenses of the DNRC and the Trustee in connection with the 2024 Loans, the Collateral Documents and the Series 2024 Bonds, including, but not limited to:

- (a) the cost of reproducing this Resolution, the Collateral Documents and the Series 2024 Bonds;
- (b) the fees and disbursements of bond counsel and other Counsel utilized by the DNRC and the Trustee in connection with the 2024 Loans, the Resolution, the Collateral Documents and the Series 2024 Bonds and the enforcement thereof; and
- (c) all taxes and other governmental charges in connection with the execution and delivery of the Collateral Documents or the Series 2024 Bonds, whether or not the Series 2024 Bonds are then outstanding, including all recording and filing fees relating to the Collateral Documents and the pledge of the State’s right, title and interest in and to the Series 2024 Bonds, the Collateral Documents and the Resolution (and with the exceptions noted therein) and all expenses, including attorneys’ fees, relating to any amendments, waivers, consents or collection or enforcement proceedings pursuant to the provisions hereof or thereof.

Section 5.3 Prepayments. The Borrower may not prepay all or any part of the outstanding principal amount of the Series 2024B Bond and, if applicable, the Series 2024A Bond, unless (i) a Determination Statement has been delivered, (ii) it obtains the prior written consent of the DNRC thereto, and (iii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued

interest and, if applicable, Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2024 Bonds are prepaid in part pursuant to this Section 5.3, such prepayments shall be applied to principal payments in inverse order of maturity.

Section 5.4 Obligations of Borrower Unconditional. The obligations of the Borrower to make the payments required by the Resolution and the Series 2024 Bonds and to perform its other agreements contained in the Resolution, the Series 2024 Bonds and Collateral Documents shall be absolute and unconditional, except as otherwise provided herein or in such documents. The Borrower (a) shall not suspend or discontinue any payments provided for in the Resolution and the Series 2024 Bonds, (b) shall perform all its other agreements in the Resolution, the Series 2024 Bonds and the Collateral Documents and (c) shall not terminate the Resolution, the Series 2024 Bonds or the Collateral Documents for any cause, including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Series 2024 Project or the System, commercial frustration of purpose, any dispute with the DNRC or the EPA, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the DNRC to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with the Resolution.

Section 5.5 Limited Liability. All payments of principal of and interest on the 2024 Loans and other payment obligations of the Borrower hereunder and under the Series 2024 Bonds shall be special, limited obligations of the Borrower payable, with respect to the Series 2024B Bond, solely out of the Net Revenues and, with respect to the Series 2024A Bond, solely out of Surplus Net Revenues and shall not, except at the option of the Borrower and as permitted by law, be payable out of any other revenues of the Borrower. The obligations of the Borrower under the Resolution and the Series 2024 Bonds shall never constitute an indebtedness of the Borrower within the meaning of any state constitutional provision or statutory or charter limitation and shall never constitute or give rise to a pecuniary liability of the Borrower or a charge against its general credit or taxing power. The taxing powers of the Borrower may not be used to pay principal of or interest on the Series 2024 Bonds, and no funds or property of the Borrower other than the Net Revenues or Surplus Net Revenues, as applicable, may be required to be used to pay principal of or interest on the Series 2024 Bonds.

Section 5.6 Reallocation of 2024 Loans. The Borrower understands that the principal amounts of the 2024 Loans have been sized based on the understanding and expectation that the Series 2024 Project costs at least \$603,173 and that the Borrower will request disbursement of the full amount of the 2024A Loan and the 2024B Loan. Notwithstanding any provision to the contrary herein, the Borrower acknowledges and agrees that in the event there is any Undisbursed Committed Amount, then the DNRC reserves the right in its sole and complete discretion to reallocate loan amounts as between the 2024A and B Loans on the basis of the amounts of the 2024A and B Loans that the Borrower would have been entitled to had the 2024 Loans initially equaled the Committed Amount less the Undisbursed Committed Amount. The reallocation between the 2024A and B Loans will reflect the same proportions of the 2024 Loans originally allocated to the 2024A and B Loans. Upon making such reallocation, the DNRC shall deliver to the Borrower a replacement Series 2024A and B Bond reflecting adjusted principal amounts, which bonds shall supersede and render of no effect the original bonds and be payable on the same dates as described in the original bonds, but in an adjusted amount owing on each Payment Date because of the reallocation of principal amounts. The Borrower shall execute and deliver the replacement Series 2024A and B Bonds to the DNRC within thirty (30) days after delivery of such bonds to the Borrower by the DNRC.

Contemporaneous with the delivery of the replacement Series 2024A and B Bonds to the DNRC by the Borrower, the Borrower shall determine whether the Net Revenues of the System total at least 110% of the maximum principal of and interest payable on the Series 2024 Bonds and other Bonds outstanding in any Fiscal Year, and, if they do not, the Borrower shall increase its rates and charges to satisfy the rate covenant set forth in Section 6.7 below, within three (3) months after the date of delivery of the replacement Series 2024A and B Bonds to the DNRC by the Borrower.

ARTICLE VI

OTHER AGREEMENTS OF BORROWER

Section 6.1 Competing Service. The Borrower will not establish or authorize the establishment of any other system for the public supply of service or services in competition with any or all of the services supplied by the facilities of the System.

Section 6.2 Billing. The charges for wastewater services shall be billed at least quarterly, and if the bill is not paid within 60 days of the date of billing, or if the customer fails to comply with all rules and regulations established for the System within 60 days after notice of violation thereof (which notice shall be given promptly upon discovery of any such violation), the water service to the premises involved shall be discontinued and shall not be resumed until payment of all past due bills for water service and compliance with all such rules and regulations. The Borrower shall take appropriate legal action to collect the unpaid charges, including, to the extent now or hereafter authorized by law, making the charge a lien against the real property served by the water connection for which the charge remains unpaid and causing charges with respect to such properties to be collected in the same manner as taxes levied against property within the Borrower.

Section 6.3 Remedies. The DNRC, so long as it owns the Series 2024 Bonds, or the owners of not less than 25% in principal amount of the outstanding Bonds issued and secured under the provisions of this Resolution shall have the right, either at law or in equity, through suit, action or other proceedings, to protect and enforce the rights of all owners of such Bonds and to compel the performance of any and all of the covenants required herein to be performed by the Borrower, and its officers and employees, including but not limited to the fixing and maintaining of rates, fees and charges and the collection and proper segregation of gross revenues and the application and use thereof. The owners of a majority in principal amount of such outstanding Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Bondowners or the exercise of any power conferred on them and the right to waive a default in the performance of any such covenant, and its consequences, except a default in the payment of the principal of, premium, or interest on any Bond when due. However, nothing herein shall impair the absolute and unconditional right of the owner of each such Bond to receive payment of the principal of, premium, if any, and interest on such Bond as such principal and interest respectively become payable, and to institute suit for any such payment. Any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Borrower with power to charge and collect rates, fees and charges sufficient to provide for the payment of any Bonds or obligations outstanding against the System, and to apply the gross revenues in conformity with this Resolution and the laws of the State.

Section 6.4 Rate Covenant. While any Bonds are outstanding and unpaid, the rates, charges and rentals for all services and facilities furnished and made available by the System to the Borrower and its inhabitants, and to all customers within or without the boundaries of the Borrower, shall be reasonable and just, taking into consideration the cost and value of the System and the cost of maintaining and operating them, and the amounts necessary for the payment of all Bonds and the interest accruing thereon, and the proper and necessary allowances for the Reserve Account and depreciation of the System, and no free service shall be provided to any person or corporation. In accordance with DNRC's Program requirements, as provided in Montana Code Administrative Rule 36.23.11(1)(c), the Borrower covenants that the rates, charges and rentals to be charged to all recipients of water services shall be maintained and shall be revised, whenever and as often as may be necessary, according to schedules such that the revenues for each fiscal year will be at least sufficient to pay the current expenses of operation and maintenance as herein defined, to maintain the Operating Reserve herein established, to maintain the Reserve Requirement as redefined herein, to pay the principal and interest on any Subordinate Obligations, to provide reserves for the replacement and depreciation of the System and to produce Net Revenues during each fiscal year commencing after the fiscal year ending June 30, 2024, not less than 110% of the maximum annual principal and interest payable on any outstanding Revenue Bonds in the current or any future fiscal year and to produce Surplus Net Revenues during each fiscal year commencing with the fiscal year in which the DNRC delivers a DNRC Noncompliance Statement in an amount at least sufficient to pay the principal of and interest on the Series 2024A Bond as and when due.

For purposes of construing the foregoing sentence, principal of and interest on the Series 2024A Bond shall initially be disregarded. However, in the event the Borrower's obligation to repay the principal of the Series 2024A Bond is not forgiven as described in Section 5.1.2 of this Resolution, the Borrower shall forthwith, and, in any event, within three months after the date of delivery by the DNRC to the Borrower of an DNRC Noncompliance Statement, cause the rates, charges and rentals to be charged to all recipients of water services to be maintained and to be revised whenever and as often as may be necessary, according to schedules such that (i) Revenues for each Fiscal Year will be at least sufficient to pay the principal of and interest on all Bonds payable from the Revenues derived in such Fiscal Year, to establish and maintain the Reserve Requirement, to pay promptly the reasonable and current Operating Expenses, to pay the principal of and interest on any Subordinate Obligations (including, without limitation, all Outstanding principal of the Series 2024A Bond with interest thereon at 2.50% per annum) and to provide reserves for the repair and replacement of the System, and (ii) Net Revenues for each Fiscal Year commencing after June 30, 2024 will be equal to at least 110% of the maximum Principal and Interest of Revenue Bonds for all future Fiscal Years during which any Revenue Bonds will be outstanding. The establishment of the percentage of Net Revenues and the provision of adequate Net Revenues to pay Subordinate Obligations contained above in this paragraph have been deemed necessary in order to sell the Bonds and Subordinate Obligations upon terms most advantageous to the Borrower.

If at the close of any fiscal year the Net Revenues actually received during such year have been less than required hereby, the Borrower will forthwith prepare a schedule of altered rates, charges and rentals which are just and equitable and sufficient to produce Net Revenues and Surplus Net Revenues in such amount, and will do all things necessary to the end that such schedule will be placed in operation at the earliest possible date.

The Series 2024A Bond is a Subordinate Lien Taxable Obligation payable from Surplus Net Revenues as described in Section 10.3 of this Resolution. Any Revenues or Net Revenues segregated to

pay such Subordinate Obligations in the Fund are subject to the prior appropriation thereof to the Operating Account, the Revenue Bond Account or the Reserve Account if necessary to meet the requirements thereof.

The establishment of the above ratio of Net Revenues available for the Revenue Bond Account and the provision for adequate Surplus Net Revenues in the event the Borrower's obligation to repay the principal of the Series 2024A Bond is not forgiven are deemed necessary for the DNRC to make the 2024 Loans to the Borrower upon terms most advantageous. The excess of the Net Revenues over the annual principal and interest and Reserve Requirements of the Series 2024 Bonds may be used as authorized in Section 11.6 and 11.7 of this Resolution. The Series 2024 Bonds may be prepaid according to their terms on any date, and in the estimation of the governing body of the Borrower any excess, prior to that date, of Net Revenues over principal and interest payments actually due and the balance required to be maintained in the Reserve Account, will be needed to pay or to provide reserves for payment of replacements, renewals and improvement costs, in order to provide adequate service for the present population and the increase thereof reasonably to be expected; and after that date, any excess not required for such purposes in the judgment of the governing body of the Borrower may be used to prepay the Series 2024A Bond and thereby reduce the interest cost thereon to the Borrower and to the persons served by the System.

Section 6.5 Appointment of Superintendent. In the event of default on the part of the Borrower in the payment of principal of or interest on any Bond promptly as each falls due, or in the keeping of any covenants herein contained, and if such default shall continue for a period of 60 days, the governing body of the Borrower will appoint a special superintendent for the System, with the power and responsibility to operate the System for the Borrower, and to recommend to the governing body of the Borrower such revisions of the rates and charges and operating policies as may be necessary to comply with this Resolution, and to assure that the Net Revenues will be sufficient to pay all principal of and interest on Bonds, and he shall in all things so operate the System as to comply fully with all the requirements and provisions of this Resolution. The right of the owners of the Bonds to require employment of such a superintendent shall not be exclusive, and in the event of default as herein outlined, such owner or owners shall have the right to proceed at law or in equity, in any form of action which shall to them seem appropriate.

ARTICLE VII

INDEMNIFICATION OF DNRC AND DEQ

The Borrower shall, to the full extent permitted by law, indemnify and save harmless the DNRC and the DEQ and their officers, employees and agents (each an "Indemnified Party" or, collectively, the "Indemnified Parties") against and from any and all claims, damages, demands, expenses, liabilities and losses of every kind asserted by or on behalf of any Person arising out of the acts or omissions of the Borrower or its employees, officers, agents, contractors, subcontractors, or consultants in connection with or with regard or in any way relating to the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation or financing of the Series 2024 Project. The Borrower shall also, to the full extent permitted by law, indemnify and save harmless the Indemnified Parties against and from all costs, reasonable attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. If any proceeding is brought against an Indemnified

Party by reason of such claim or demand, the Borrower shall, upon notice from an Indemnified Party, defend such proceeding on behalf of the Indemnified Party.

ARTICLE VIII

ASSIGNMENT

Section 8.1 Assignment by Borrower. The Borrower may not assign its rights and obligations under the Resolution or the Series 2024 Bonds.

Section 8.2 Assignment by DNRC. The DNRC will pledge its rights under and interest in the Resolution, the Series 2024 Bonds and the Collateral Documents (except to the extent otherwise provided in the Indenture) as security for the payment of the State Bonds and may further assign such interests to the extent permitted by the Indenture, without the consent of the Borrower.

Section 8.3 State Refunding Bonds. In the event the State Bonds and Additional State Bonds are refunded by bonds which are not Additional State Bonds, all references in the Resolution to State Bonds and Additional State Bonds shall be deemed to refer to the refunding bonds and any bonds of the State on a parity with such refunding bonds (together, the “Refunding Bonds”) or, in the case of a crossover refunding, to the State Bonds and Additional State Bonds and the Refunding Bonds. In the event the State Bonds are refunded by an issue of Additional State Bonds, all references in the Resolution to the State Bonds shall be deemed to refer to such Additional State Bonds or, in the case of a crossover refunding, both the State Bonds and such Additional State Bonds.

ARTICLE IX

THE SERIES 2024 BONDS

Section 9.1 Authorization. Under the provisions of the Enabling Act, the Borrower is authorized to issue and sell its revenue bonds for the design, construction and financing of the Series 2024 Project with such Bonds payable during a term not exceeding 30 years.

Section 9.2 Outstanding Wastewater Debt. The Series 2018A Bond is currently outstanding and has a parity lien on the Net Revenues with the Series 2024B Bond. No other Bonds or indebtedness are outstanding that are payable from the Wastewater Revenues of the System.

Section 9.3 Net Revenues Available. The Borrower is authorized to charge just and equitable rates, charges and rentals for all services directly or indirectly furnished by the System, and to pledge and appropriate to the Series 2024B Bond the Net Revenues, on a parity basis with the Series 2018A Bond (and, in respect of the Series 2024A Bond, if necessary, the Surplus Net Revenues) to be derived from the operation of the System, including improvements, betterments or extensions thereof hereafter constructed or acquired. The Borrower agrees to establish its rates and charges such that the Net Revenues available are sufficient to pay (after payment of the System Operation and Maintenance expenses and meeting the Reserve Requirement) 110% of the maximum principal of and interest on the outstanding Bonds issued in the current or any future fiscal year. The Net Revenues to be produced by such rates, charges and rentals during the term of the Series 2024 Bonds are expected to be more than sufficient to pay the principal and interest when due on the Series 2024B Bond and to create and maintain reasonable reserves therefor

and to provide an adequate allowance for replacement and depreciation, as prescribed herein. For purposes of the foregoing statement, principal of and interest on the 2024A Loan is disregarded. The Borrower acknowledges and agrees that if the DNRC delivers a Noncompliance Statement to the Borrower as provided in Section 5.1.2 as determined in the sole and complete discretion of the DNRC, then principal and interest and surcharges will become due and owing on the 2024A Loan evidenced by the Series 2024A Bond as provided in Section 5.1 and the Borrower shall thereupon, and no later than three (3) months after delivery of such a statement, to the extent required by Section 6.7 hereof, adjust its schedule of fees, rates, and charges applicable to the System to cause Net Revenues and Surplus Net Revenues to be produced in an amount at least equal to at least 110% of the maximum principal and interest payments payable on outstanding Bonds in the current or any future fiscal year.

Section 9.4 Issuance and Sale of the Series 2024 Bonds. The Council has investigated the facts necessary and hereby finds, determines and declares it to be necessary and desirable for the Borrower to issue the Series 2024 Bonds to evidence the 2024 Loans. The Series 2024 Bonds are issued to the DNRC without public sale pursuant to Montana Code Annotated, Section 7-7-4433(2)(a).

Section 9.5 Terms. The Series 2024A Bond and the Series 2024B Bond shall be in the maximum principal amount equal to the original 2024A Committed Amount and 2024B Committed Amount, respectively, shall each be issued as a single, fully registered bond numbered R-1, shall be dated as of the date of delivery to the DNRC, and shall bear interest at the rate charged by the DNRC on the 2024A Loan and 2024B Loan, respectively. The principal of and interest on the Series 2024B Bond, and, if applicable, the principal of and interest on the Series 2024A Bond and any Administrative Expense Surcharge and Loan Loss Reserve Surcharge on the Series 2024A Bond and the Series 2024B Bond shall be payable on the same dates and in the same amounts on which Loan Repayments are payable. Advances of principal of the Series 2024A Bond or Series 2024B Bond shall be deemed made when advances of the 2024A Loan or 2024B Loan, respectively, are made under Section 4.1, and such advances shall be payable in accordance with Schedule B to the Series 2024B Bond and, if applicable, the Series 2024A Bond, as the case may be, as it may be revised by the DNRC from time to time in accordance with Section 5.1. The Series 2024A Bond is a Subordinate Obligation payable only from the Surplus Net Revenues.

The Borrower may prepay the Series 2024 Bonds, in whole or in part, only upon the terms and conditions under which it can prepay the 2024 Loans under Section 5.3.

Section 9.6 Negotiability, Transfer and Registration. The Series 2024 Bonds shall be fully registered as to both principal and interest, and shall be initially registered in the name of and payable to the DNRC. While so registered, principal of and interest on the Series 2024 Bonds shall be payable to the DNRC at the Office of the Department of Natural Resources and Conservation, 1539 Eleventh Avenue, Helena, Montana 59620-1601 or such other place as may be designated by the DNRC in writing and delivered to the Borrower. The Series 2024 Bonds shall be negotiable, subject to the provisions for registration and transfer contained in this Section. No transfer of the Series 2024 Bonds shall be valid unless and until (1) the holder, or his duly authorized attorney or legal representative, has executed the form of assignment appearing on the Series 2024 Bonds, and (2) the Town Clerk of the Borrower (or successors, the "Registrar"), as Bond Registrar, has duly noted the transfer on the Series 2024 Bonds and recorded the transfer on the registration books of the Registrar. The Registrar may, prior to noting and recording the transfer, require appropriate proof of the transferor's authority and the genuineness of the transferor's signature. The Borrower shall be entitled to deem and treat the Person in whose name the Series 2024

Bonds is registered as the absolute owner of the Series 2024 Bonds 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 Borrower's liability upon such Bond to the extent of the sum or sums so paid.

Section 9.7 Execution and Delivery. The Series 2024 Bonds shall be executed on behalf of the Borrower by the manual signatures of the Mayor and Town Clerk. Any or all of such signatures may be affixed at or prior to the date of delivery of the Series 2024 Bonds. The Series 2024 Bonds shall be sealed with the corporate seal of the Borrower, if such seal exists. In the event that any of the officers who shall have signed the Series 2024 Bonds shall cease to be officers of the Borrower before the Series 2024 Bonds are issued or delivered, their signatures shall remain binding upon the Borrower. Conversely, the Series 2024 Bonds may be signed by an authorized official who did not hold such office on the date of adoption of this Resolution. The Series 2024 Bonds shall be delivered to the DNRC, or its attorney or legal representative.

Section 9.8 Form. The Series 2024A Bond shall be prepared in substantially the form attached as Appendix B-1 and the Series 2024B Bond shall be prepared in substantially the form attached as Appendix B-2.

Section 9.9 Acquisition and Construction Account. To the Acquisition and Construction Account shall be credited as received the portion of the proceeds of Series 2024 Bonds for costs of the Series 2024 Project and for costs of issuance of the Series 2024 Bonds and any other funds appropriated by the Borrower to the Acquisition and Construction Account for improvements to the System, and all income received from the investment of the Acquisition and Construction Account.

ARTICLE X

ADDITIONAL WASTEWATER DEBT

Section 10.1 Other Revenue Bonds. The Borrower reserves the right to issue Additional Bonds payable from the Revenue Bond Account of the Fund on a parity as to both principal and interest with the Series 2018A Bond and the Series 2024B Bond, if the Net Revenues of the System for the last complete fiscal year preceding the date of issuance of such Additional Bonds have equaled at least 110% of the maximum amount of principal and interest payable from said Revenue Bond Account in any subsequent fiscal year during the term of the outstanding Bonds, on all Bonds then outstanding and on the Additional Bonds proposed to be issued and payable from the Revenue Bond Account. For the purpose of the foregoing computation, the Net Revenues for the fiscal year preceding the issuance of Additional Bonds shall be those shown by the financial reports caused to be prepared by the Borrower, except that if the rates and charges for services provided by the System have been changed since the beginning of such preceding fiscal year, then the rates and charges in effect at the time of issuance of the Additional Bonds or finally authorized to go into effect within 60 days thereafter shall be applied to the quantities of service actually rendered and made available during such preceding fiscal year to ascertain the gross revenues, from which there shall be deducted to determine the net revenues, the actual operation and maintenance cost plus any additional annual costs of operation and maintenance which the Consultant estimates will be incurred because of the improvement or extension of the System to be constructed from the proceeds of the Additional Bonds proposed to be issued. In no event shall any Additional Bonds be issued and made payable from the Revenue Bond Account if the Borrower is then in default in any payment of principal of

or interest on any outstanding Bonds payable therefrom or if there then exists any deficiency in the balances required by this Resolution to be maintained in any of the accounts of the Fund, which will not be cured or restored upon the issuance of the Additional Bonds. In connection with the issuance of a series of Additional Bonds, the Borrower shall cause the Reserve in the Revenue Bond Account to be increased, from the proceeds of the Additional Bonds or from surplus Net Revenues, to an amount equal to the Reserve Requirement during the term of the outstanding Bonds or so much thereof as will not cause the Borrower to violate the provisions of Section 12.2 hereof.

Section 10.2 Subordinate Bonds. Nothing in this Resolution shall preclude the Borrower from issuing Subordinate Obligations which are expressly made a charge on only the Surplus Net Revenues of the System and subordinate to the pledge of Net Revenues to the Revenue Bond Account and Reserve Account; provided, however, no obligations may be issued pursuant to this Section 10.3 if a deficiency exists in the Revenue Bond Account or the Reserve Account which is not to be restored by the issuance of the Subordinate Obligations.

Section 10.3 Refunding Revenue Bonds. The Borrower reserves the right and privilege of refunding any or all of the Bonds subject to the following terms and conditions:

- (a) Any matured Bonds may be refunded if moneys available for the payment thereof at maturity, within the limitation prescribed in Section 10.1, should at any time be insufficient to make such payment in full.
- (b) Any Bonds may be refunded prior to maturity as and when they become prepayable according to their terms.
- (c) Provision may be made for the payment and refunding of any unmatured Bonds by the deposit with a duly qualified depository bank, as escrow agent, of cash sufficient, or of securities of the kinds authorized by law, the payments of interest on and principal of which are sufficient, to pay the principal amount of and premium, if any, on such Bonds with interest to maturity or to any prior date or dates on which they are prepayable, and have been called for redemption or provision has been irrevocably made for their redemption, on such date or dates.

Any refunding revenue Bonds issued for the above purposes may be made payable from the net revenues on a parity as to interest with all then outstanding Bonds; provided that (1) if not all of the Bonds of a series are refunded, the maturity of each refunding revenue Bond shall be subsequent to the last maturity of any then outstanding Bonds of such series which are not refunded or to be refunded out of moneys on deposit with such escrow agent, and (2) no Bondowner shall be required to accept a refunding revenue Bond in exchange for any Bond owned by him.

ARTICLE XI

WASTEWATER SYSTEM FUND

Section 11.1 Bond Proceeds and Revenues Pledged and Appropriated. A special Wastewater System Fund has been created by the Borrower as an enterprise fund and will be maintained as a separate and special bookkeeping account on the official books of the Borrower until all Bonds (including the Series 2024A Bond, if applicable) and interest and redemption premiums due thereon have been fully paid, or

the Borrower's obligations with reference to such Bonds has been discharged as provided in this Resolution. All proceeds of Series 2024 Bonds issued hereunder and all other funds presently on hand derived from the operation of the System are irrevocably pledged and appropriated to the Fund. In addition, there is hereby irrevocably pledged and appropriated to the Fund all gross revenues and receipts from rates, fees, charges and rentals imposed for connections with and for the availability, benefit and use of the System and from any sales of property acquired for the System and all income received from the investment of such gross revenues, including investment of the Reserve established in the Revenue Bond Account and the Operating Reserve established in the Operating Account, levied for construction of any part of the System and the proceeds of any grant or loan from the State or the United States, and any investment income thereon, to the extent such exclusion is a condition to such grant or loan. The Fund has been subdivided into separate accounts as designated and described in Sections 11.2 through 11.7 hereof, to segregate income and expenses received, paid and accrued for the respective purposes described in those sections. The gross revenues received in this Fund shall be apportioned monthly, commencing as of the date of Closing.

Section 11.2 Acquisition and Construction Account. The Acquisition and Construction Account shall be used only to pay as incurred and allowed costs which under accepted accounting practice are capital costs of the Series 2024 Project and of such future reconstructions, improvements, betterments or extensions of the System as may be authorized in accordance with law, including but not limited to payments due for work and materials performed and delivered under construction contracts, architectural, engineering, inspection, supervision, fiscal and legal expenses, the cost of lands and easements, reimbursement of any advances made from other Borrower funds, and all other expenses incurred in connection with the acquisition, construction and financing of any such undertaking. To the Acquisition and Construction Account shall be credited as received all proceeds of Series 2024 Bonds and other Bonds issued hereunder (except proceeds of refunding Bonds appropriated to the payment of outstanding Bonds and amounts required to be credited to the Revenue Bond Account), all other funds appropriated by the Borrower for the System and any other funds appropriated by the Borrower to the Acquisition and Construction Account for improvements to the System, and all income received from the investment of the Acquisition and Construction Account.

Section 11.3 Operating Account. On each monthly apportionment there shall first be set aside and credited to the Operating Account, as a first charge on the gross revenues, such amount as may be required over and above the balance then held in the account to pay the reasonable and necessary operating expenses of the System which are then due and payable, or are to be paid prior to the next monthly apportionment. The term "operating expenses" shall mean the current expenses, paid or accrued, of operation, maintenance and current repair of the System and its facilities, as calculated in accordance with sound accounting practice, and shall include, without limitation, administrative expenses of the Borrower relating solely to the System, premiums for insurance on the properties thereof, labor and the cost of materials and supplies used for current operation and for maintenance, and charges for the accumulation of appropriate reserves for current expenses which are not recurrent monthly but may reasonably be expected to be incurred in accordance with sound accounting practices. Such expenses shall not include any allowance for interest expense or depreciation, renewals or replacements of capital assets of the System and shall not include any portion of the salaries or wages paid to any officer or employee of the Borrower, except such portion as shall represent reasonable compensation for the performance of duties necessary to the operation of the System. There shall also be credited to this account forthwith upon the delivery of the Series 2024 Bonds and from available funds other than the proceeds therefrom a sum equal

to the estimated average monthly operating expenses of the System to establish an Operating Reserve, which sum shall be maintained by additional transfers upon each monthly apportionment whenever necessary, or may be augmented by transfers of additional amounts from the Surplus Account described below if determined by the governing body of the Borrower to be necessary to meet contingencies arising in the operation and maintenance of the System. Money in the Operating Account shall be used solely for the payment of current operating expenses of the System.

Section 11.4 Series 2024 Revenue Bond Subaccount. Upon each monthly apportionment there shall be set aside and credited to the Series 2024 Revenue Bond Subaccount of the Debt Service Account out of the Net Revenues an amount equal to not less than the sum of one-sixth of the interest due within the next six months plus one-twelfth of the principal to become due within the next twelve months with respect to outstanding Bonds payable from the Revenue Bond Account; provided that the Borrower shall be entitled to reduce a monthly credit by the amount of any surplus previously credited and then on deposit in the Series 2024 Revenue Bond Subaccount. Money from time to time held in the Series 2024 Revenue Bond Subaccount shall be disbursed only to meet payments of principal of, premium, if any, and interest on the Bonds payable therefrom as such payments become due. If any payment of principal or interest becomes due when moneys in the Series 2024 Revenue Bond Subaccount are temporarily insufficient therefor, such payment shall be advanced out of any Net Revenues theretofore segregated and then on hand in the Series 2024 Reserve Subaccount, the Replacement and Depreciation Account or the Surplus Account.

Section 11.5 Series 2024 Reserve Subaccount. The Borrower agrees to establish and maintain a Series 2024 Reserve Subaccount in the Reserve Account of the Fund. Upon each monthly apportionment, from the Net Revenues remaining after the apportionment to the Series 2024 Revenue Bond Subaccount, the Borrower shall credit to the Series 2024 Reserve Subaccount such additional Net Revenues as may be required to establish and thereafter maintain the balance in an amount equal, as of the date of calculation, to the Reserve Requirement. Money in the Series 2024 Reserve Subaccount shall be used only to pay maturing principal, premium and interest on Bonds when money within the Series 2024 Revenue Bond Subaccount is insufficient therefor; provided that on any date when all outstanding Bonds of a series are due or prepayable by their terms, if the amount then on hand in the Series 2024 Reserve Subaccount allocable to such Bonds and available for such appropriation is sufficient with money available for the purpose to pay all such Bonds and the interest accrued thereon in full, it may be used for that purpose; and provided, further, that so long as the amount on hand in the Series 2024 Reserve Subaccount is not less than the Reserve Requirement, the Borrower may credit earnings on investment of the Series 2024 Reserve Subaccount to the Replacement and Depreciation Account.

Section 11.6 Replacement and Depreciation Account. There shall next be set aside and credited, upon each monthly apportionment, to the Replacement and Depreciation Account Surplus Net Revenues of the System, as the governing body of the Borrower shall determine to be required for the accumulation of a reasonable allowance for repair and depreciation of the System and for replacement or renewal of worn out, obsolete or damaged properties and equipment thereof. Money in this account shall be used only for the purposes above stated or, if so directed by the governing body of the Borrower, to redeem Bonds which are prepayable according to their terms, to pay principal or interest when due thereon as required in Section 11.5, or to pay the cost of improvements to the System; provided that in the event construction and installation of additional improvements or additions to the System are financed other than from proceeds of Bonds payable from the Revenue Bond Account, surplus net revenues from time to time received may be segregated and paid into one or more separate and additional accounts for the repayment

of such indebtedness and interest thereon, in advance of payments required to be made into the Replacement and Depreciation Account.

Section 11.7 Surplus Account. This account also includes the Subordinate Obligations Subaccount. Any amount of the Surplus Net Revenues from time to time remaining after the above required applications thereof shall be credited to the Surplus Account (or such other account in the Fund as the Borrower may establish for bookkeeping purposes to account for surplus money in accordance with the purposes of this Resolution), and the money from time to time in that account, when not required to restore a current deficiency in the Revenue Bond Account as provided in Section 11.4, may be used for any of the following purposes and not otherwise:

- (a) To redeem bonds payable from the Net Revenues when and as such bonds become prepayable according to their terms; or
- (b) To purchase Bonds on the open market, whether or not the Bonds or other such Bonds may then be prepayable according to their terms; or
- (c) To be held as a reserve for redemption of bonds payable from the Net Revenues which are not then but will later be prepayable according to their terms; or
- (d) To pay for repairs of or for the construction and installation of improvements or additions to the System; or
- (e) To restore the Operating Reserve or increase the same when determined to be necessary by the governing body of the Borrower; or
- (f) to pay from the Subordinate Obligation Subaccount, the principal and interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge, Surcharge on Subordinate Obligations.

No money shall at any time be transferred from the Surplus Account or any other account of the Fund to any other fund of the Borrower, nor shall such moneys at any time be loaned to other municipal funds or invested in warrants, special improvement bonds or other obligations payable from other funds, except as provided in Section 11.8.

Section 11.8 Deposit and Investment of Funds. The finance officer of the Borrower shall cause all money appropriated to the Fund to be deposited as received with one or more depository banks duly qualified in accordance with the provisions of Montana Code Annotated, Section 7-6-201, in a deposit account or accounts. The balance in such accounts, except such portion thereof as shall be guaranteed by federal deposit insurance, shall at all times be secured to its full amount by bonds or securities of the types set forth in said Section 7-6-201. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No money shall at any time be withdrawn from such deposit accounts except for the purposes of the Fund as defined and authorized in this Resolution; except that money from time to time on hand in the Fund may at any time, in the discretion of the governing body of the Borrower, be invested in securities which are direct, general obligations of, or

obligations the prompt payment of the principal of and the interest on which is fully and unconditionally guaranteed by, the United States of America, bank repurchase agreements with respect to such obligations, certificates of deposits of national banks having a combined capital and surplus of at least \$1,000,000 or in the Montana short-term investment program administered by the Board of Investments, which investments mature and bear interest at the times and in the amounts estimated to be required to provide cash when needed for the purposes of the respective accounts; provided that funds on hand in the Series 2024 Reserve Subaccount, the Replacement and Depreciation Account and the Surplus Account may be invested in said securities maturing not later than five years from the date of the investment; and provided, further, that money on hand in the Surplus Account of the Fund may, in the discretion of the governing body of the Borrower, be invested in any securities which are direct, general obligations of the Borrower. Income received from the deposit or investment of moneys in said accounts shall be credited to the account from whose moneys the deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys in that account.

ARTICLE XII

TAX MATTERS

Section 12.1 Use of Series 2024 Project. The Series 2024 Project will be owned and operated by the Borrower and available for use by members of the general public on a substantially equal basis. The Borrower shall not enter into any lease, use or other agreement with any non-governmental person relating to the use of the Series 2024 Project or the System or security for the payment of the Series 2024B Bond which might cause the Series 2024B Bond to be considered a “private activity bond” or “private loan bond” within the meaning of Section 141 of the Code.

Section 12.2 General Covenant. The Borrower covenants and agrees with the owners from time to time of the Series 2024B 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 2024B Bond to become includable in gross income for federal income tax purposes under the Code and the Regulations, and covenants to take any and all actions within its powers to ensure that the interest on the Series 2024B Bond will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

Section 12.3 Arbitrage Certification. The Mayor and the Town Clerk, being the officers of the Borrower charged with the responsibility for issuing the Series 2024B Bond pursuant to the Resolution, are authorized and directed to execute and deliver to the DNRC a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2024B Bond, it is reasonably expected that the proceeds of the Series 2024B Bond will be used in a manner that would not cause the Series 2024B Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations.

Section 12.4 Arbitrage Rebate Exemption.

(a) The Borrower hereby represents and makes the election that the Series 2024B Bond qualifies for the exception for small governmental units to the arbitrage rebate provisions contained in Section 148(f)(2) of the Code. Specifically, the Borrower represents:

(1) Substantially all (not less than 95%) of the proceeds of the Series 2024B Bond (except for amounts to be applied to the payment of costs of issuance) will be used for local governmental activities of the Borrower;

(2) The aggregate face amount of all “tax-exempt bonds” (including warrants, contracts, leases and other indebtedness, but excluding private activity bonds) issued by or on behalf of the Borrower and all subordinate entities thereof during 2024 is reasonably expected not to exceed \$5,000,000. To date in 2024, the Borrower has issued no tax-exempt bonds; and

(3) The Borrower has general taxing powers as a City.

(b) If notwithstanding the provisions of paragraph (a) of this Section 10.4, the arbitrage rebate provisions of Section 148(f) of the Code apply to the Series 2024B Bond, the Borrower hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

Section 12.5 Information Reporting. The Borrower shall file with the Secretary of the Treasury, not later than 45 days after the end of the calendar quarter in which the Series 2024B Bond is issued, a statement concerning the Series 2024B Bond containing the information required by Section 149(e) of the Code.

Section 12.6 “Qualified Tax-Exempt Obligations.” Pursuant to Section 265(b)(3)(B)(ii) of the Code, the Borrower hereby designates the Series 2024B Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. The Borrower has not so designated any other obligations in 2024, other than the Series 2024 Refunding Bond. The Borrower hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the Borrower and all “subordinate entities” of the Borrower in 2024 in an amount greater than \$10,000,000.

ARTICLE XIII

CONTINUING DISCLOSURE

The Borrower understands and acknowledges that the DNRC is acquiring the Series 2024 Bonds under the Program pursuant to which the State issues from time to time State Bonds to provide funds therefor. The Borrower covenants and agrees that, upon written request of the DNRC from time to time, the Borrower will promptly provide to the DNRC all information that the DNRC reasonably determines to be necessary or appropriate to offer and sell State Bonds or to provide continuing disclosure in respect of State Bonds, whether under Rule 15c2-12 (17 C.F.R. § 240.15c2-12) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 2003, as amended, or otherwise. Such information shall include, among other things and if so requested, financial statements of the Borrower prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards

promulgated by the Governmental Accounting Standards Board or as otherwise provided under Montana law, as in effect from time to time (such financial statements to relate to a Fiscal Year or any period therein for which they are customarily prepared by the Borrower, and, if for a Fiscal Year and so requested by the DNRC, subject to an audit report and opinion of an accountant or government auditor, as permitted or required by the laws of the State). The Borrower will also provide, with any information so furnished to the DNRC, a certificate of the Mayor and the Town Clerk of the Borrower to the effect that, to the best of their knowledge, such information does not include any untrue statement of a material fact or omit to state any material fact required to be stated therein to make the statements made, in light of the circumstances under which they are made, not misleading.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices. All notices or other communications hereunder shall be sufficiently sent or given and shall be deemed sent or given when delivered or mailed by certified mail, postage prepaid, to the parties at the following addresses:

DNRC: Department of Natural Resources and Conservation
1539 Eleventh Avenue
P. O. Box 202401

Helena, Montana 59620-1601
Attn: Conservation and Resource
Development Division

Trustee: U.S. Bank National Association
c/o Corporate Trust Services
1420 Fifth Avenue, 7th Floor
Seattle, Washington 98101

Borrower: Town of Fromberg
P.O. Box 236
Fromberg, Montana 59029
Attn: Town Clerk

Any of the above parties may, by notice in writing given to the others, designate any further or different addresses to which subsequent notices or other communications shall be sent.

Section 14.2 Binding Effect. This Resolution shall inure to the benefit of and shall be binding upon the DNRC, the Borrower and their respective successors and assigns.

Section 14.3 Severability. If any provision of this Resolution shall be determined to be unenforceable at any time, it shall not affect any other provision of the Resolution or the enforceability of that provision at any other time.

Section 14.4 Amendments. This Resolution may not be effectively amended without the written consent of DNRC.

Section 14.5 Applicable Law. This Resolution shall be governed by and construed in accordance with the internal laws of the State.

Section 14.6 Captions; References to Sections. The captions in this Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Resolution.

Section 14.7 No Liability of Individual Officers, Directors or Trustees. No recourse under or upon any obligation, covenant or agreement contained in this Resolution shall be had against any director, officer or employee, as such, past, present or future, of the DNRC, the DEQ or the Trustee, either directly or through the DNRC, the DEQ or the Trustee, or against any officer, or member of the governing body or employee of the Borrower, past, present or future, as an individual so long as such individual was acting in good faith. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer or member of the governing body or employee of the DNRC, the Trustee or the Borrower is hereby expressly waived and released by the Borrower and by the DNRC as a condition of and in consideration for the adoption of this Resolution and the making of the 2024 Loans.

Section 14.8 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Resolution or the Series 2024 Bonds, shall not be Business Day, such payments may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Resolution or the Series 2024 Bonds.

Section 14.9 Right of Others To Perform Borrower's Covenants. In the event the Borrower shall fail to make any payment or perform any act required to be performed hereunder, then and in each such case the DNRC or the provider of any Collateral Document may (but shall not be obligated to) remedy such default for the account of the Borrower and make advances for that purpose. No such performance or advance shall operate to release the Borrower from any such default and any sums so advanced by the DNRC or the provider of any Collateral Document shall be paid immediately to the party making such advance and shall bear interest at the rate of ten percent (10.00%) per annum from the date of the advance until repaid. The DNRC and the provider of any Collateral Document shall have the right to enter the Series 2024 Project or the facility or facilities of which the Series 2024 Project is a part or any other facility which is a part of the System in order to effectuate the purposes of this Section.

Section 14.10 Authentication of Transcript. The officers of the Borrower are hereby authorized and directed to furnish to the DNRC and to Bond Counsel certified copies of all proceedings relating to the issuance of the Series 2024 Bonds and such other certificates and affidavits as may be required to show the right, power and authority of the Borrower to issue the Series 2024 Bonds, and all statements contained in and shown by such instruments, including any heretofore furnished, shall constitute representations of the Borrower as to the truth of the statements of fact purported to be shown thereby.

Section 14.11 Consent by DNRC to Parity Lien on Net Revenues and Reserve Requirements for all Bonds and issuance of Additional Bonds. At the time of the issuance of the Series 2024B Bond, the Town will obtain a written consent by DNRC to the parity lien on the Net Revenues and the Reserve Requirements for all Bonds and the issuance of Series 2024B Bond as an additional bond.

Section 14.12 Date. This Resolution shall take effect immediately.

Adopted by the Town Council of the Town of Fromberg, Montana, on this 13th day of May, 2024.

ATTEST:

Kirstin Sweet

Kirstin Sweet, Town Clerk Pro Tem

Tim Nottingham
Tim Nottingham, Mayor

APPENDIX A

Description of the Series 2024 Project

The Series 2024 Project generally consists of the costs of the planning, design, financing and construction of the replacement of sewer transmission main.

Estimated Series 2024 Project Budget

	<u>Project Costs</u>
Grant Management	\$11,500
Audit fees	7,500
Loan Reserve	7,788
Bond Counsel	10,000
Engineering Design	50,000
Geotechnical Evaluation	7,000
MDT & BNSF Permit	7,000
Engineering – Construction	43,000
Construction	534,055
Contingency	<u>58,831</u>
TOTAL	\$736,674

The Series 2024 Project is expected to be funded by:

ARPA Local Fiscal Recovery Funds	\$29,631
ARPA Minimum Allocation grant	96,370
Series 2024A	295,173
Series 2024B	308,000
Local funds	<u>7,500</u>
TOTAL	\$736,674

APPENDIX B-1

[Form of the Series 2024A Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF CARBON

TOWN OF FROMBERG

SUBORDINATE LIEN WASTEWATER SYSTEM REVENUE BOND
(DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM)
TAXABLE SERIES 2024A

R-1

\$295,173

FOR VALUE RECEIVED, THE TOWN OF FROMBERG, MONTANA (the “Borrower”), a duly organized municipal corporation and political subdivision of the State of Montana, acknowledges itself to be specially indebted and hereby promises to pay to the Department of Natural Resources and Conservation of the State of Montana (the “DNRC”), or its registered assigns, solely out of available Surplus Net Revenues remaining in the Subordinate Obligations Subaccount of the Surplus Account of its Wastewater System Fund, the principal sum equal to the sum of the amounts entered on Schedule A attached hereto under “Total Amount Advanced,” with interest on each such amount from the date such amount is advanced hereunder at the rate of two percent (2.00%) per annum on the unpaid balance until paid, together with a Loan Loss Reserve Surcharge and an Administrative Expense Surcharge on the outstanding principal amount of this Bond from the date of each advance of principal at the rate of twenty-five hundredths of one percent (0.25%) and twenty-five hundredths of one percent (0.25%) per annum, respectively, all subject to the effect of the immediately following paragraph. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable in semiannual installments on each January 1 and July 1 (each a “Loan Repayment Date”) commencing with the Loan Repayment Date that is the first to occur following delivery by the DNRC to the Borrower of a statement that the Borrower’s obligation to repay the principal amount of the 2024A Loan is not forgiven and ending on the July 1, 2054, all as described in the Resolution (as hereinafter defined), subject to earlier redemption. Principal shall as well be payable on such dates, as set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B hereto under “Total Loan Payment.” The portion of each such payment consisting of principal, the portion consisting of interest and the portion consisting of Administrative Expense Surcharge and the portion consisting of Loan Loss Reserve Surcharge shall be as set forth in Schedule B attached hereto. Upon each disbursement of 2024A Loan amounts to the Borrower pursuant to the Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under “Advances” and the total amount advanced under the Resolution (as hereinafter defined), including such disbursement, under “Total Amount Advanced.” The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 5.1 of the Resolution

authorizing this Bond, and the final Schedule B will reflect repayments under Section 5.1.4 of such resolution. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of two and one-half percent (2.50%) per annum. Past-due payments of principal and interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Bond shall be made to the registered holder of this Bond, at its address as it appears on the Bond register, in lawful money of the United States of America.

NOTWITHSTANDING THE FOREGOING PROVISIONS OF THIS BOND, IN THE EVENT THAT THE BORROWER TIMELY DELIVERS A COMPLIANCE CERTIFICATE AND REQUEST (AS DEFINED IN THE RESOLUTION) IN FORM AND SUBSTANCE SATISFACTORY TO THE DNRC AND THE DNRC IN RESPONSE THERETO SUPPLIES TO THE BORROWER A FORGIVENESS STATEMENT, THEN THEREUPON INTEREST SHALL BE DEEMED TO ACCRUE ON THE PRINCIPAL OF THIS SERIES 2024A BOND FROM THE DATE OF EACH ADVANCE AT THE RATE OF ZERO PERCENT (0.00%) PER ANNUM AND THE BORROWER'S OBLIGATION TO REPAY PRINCIPAL ADVANCED HEREUNDER SHALL BE FORGIVEN, AND THE BORROWER SHALL HAVE NO OBLIGATION TO REPAY THE DNRC OR ITS REGISTERED ASSIGNS ANY AMOUNTS ADVANCED HEREUNDER OR INTEREST OR ANY SURCHARGE THEREON. THIS BOND SHALL THEREUPON BE MARKED "CANCELLED" AND RETURNED BY THE HOLDER TO THE BORROWER, AND THIS BOND SHALL NO LONGER CONSTITUTE AN OBLIGATION OF THE BORROWER OR OF THE SYSTEM (AS HEREINAFTER DEFINED). IN ADDITION, UNTIL THE DELIVERY OF A DETERMINATION STATEMENT BY THE DNRC TO THE BORROWER, THE OBLIGATION OF THE BORROWER TO REPAY THE OUTSTANDING PRINCIPAL AMOUNT HEREOF SHALL BE DEFERRED UNTIL THE LOAN REPAYMENT DATE FIRST OCCURRING AFTER DELIVERY OF A NONCOMPLIANCE STATEMENT AND INTEREST SHALL BE DEEMED TO ACCRUE ON THE PRINCIPAL OF THIS SERIES 2024A BOND FROM THE DATE OF EACH ADVANCE UNTIL DELIVERY OF SUCH A NONCOMPLIANCE STATEMENT AT THE RATE OF ZERO PERCENT (0.00%) PER ANNUM.

This Bond is one of an issue of Wastewater System Revenue Bonds of the Borrower authorized to be issued in one or more series from time to time and constitutes a series in the maximum authorized principal amount of \$295,173 (the "Series 2024A Bond"). The Series 2024A Bond is issued to finance a portion of the costs of the construction of certain improvements to the Wastewater System of the Borrower (the "System") and to pay costs of issuance of the Series 2024A Bond. The Series 2024A Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the Borrower, and by Resolution No. _____ adopted on May _____, 2024 (the "Resolution"). Terms used with initial capital letters but not defined herein shall have the meanings given them in the Resolution. The Series 2024A Bond is issuable only as a single, fully registered bond. The Series 2024A Bond is issued as a Subordinate Obligation payable from Surplus Net Revenues in the Subordinate Obligations Account in the Fund of the

Borrower. The Borrower is issuing simultaneously herewith its \$308,000 Wastewater System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2024B (the "Series 2024B Bond"). Following the 2024B First Advance, principal amounts of this Series 2024A Bond are advanced until all of the principal of this Series 2024A Bond is advanced and then the remaining amounts of principal of the Series 2024B Bond are advanced. The Borrower also has outstanding its \$912,000 Wastewater System Revenue Bond, Series 2018A, which is issued on a parity basis with the Series 2024B Bond.

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2024A Bond has been issued, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the Borrower, and the rights of the owners of the Series 2024A Bond.

The Borrower may prepay the principal of the Series 2024A Bond only if (i) a Determination Statement has been delivered, (ii) it obtains the prior written consent of the DNRC thereto, and (iii) no Loan Repayment or Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2024A Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

This Series 2024A Bond, including interest and any premium for the redemption thereof, are payable solely from the Surplus Net Revenues available for the payment hereof and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision.

The Borrower may deem and treat the person in whose name this Series 2024A Bond is registered as the absolute owner hereof, whether this Series 2024A Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Borrower shall not be affected by any notice to the contrary. The Series 2024A Bond may be transferred as hereinafter provided.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the Borrower will forthwith construct and complete the improvements to the System hereinabove described; that it will prescribe and collect reasonable rates and charges for all services and facilities afforded by the System, including all additions thereto and replacements and improvements thereof, and has created a special Wastewater System Fund into which the gross revenues of the System will be paid, and a separate and special Subordinate Obligations Account in that Fund, into which will be paid, subject to the prior lien thereon of the Operating Account, Revenue Bond Account, and the Series 2024 Reserve Subaccount, Surplus Net Revenues; that the rates and charges for the System will from time to time be made and kept sufficient, to provide gross income and revenues adequate to pay promptly the reasonable and current expenses of operating and maintaining the System, to produce in each Fiscal Year Net Revenues in excess of such current expenses, equal to at least 110% of the maximum amount of principal and interest payable from the Revenue Bond Account in any subsequent Fiscal Year and to produce in each Fiscal Year adequate Surplus Net Revenues to pay the principal of and interest on Subordinate Obligations including the Series 2024A Bond, as and when due; that Additional Bonds issued on

a parity with the Outstanding Bonds (such bonds, collectively, with the Outstanding Bonds, the “Bonds”) and refunding Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Outstanding Bonds, and other parity Bonds, upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues of the System, unless the lien thereof shall be expressly made subordinate to the lien of the Outstanding Bonds and Additional Bonds on such Net Revenues (such as is the case with this Series 2024A Bond); that all provisions for the security of the holder of this Series 2024A Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the Borrower to be done, to exist, to happen and to be performed in order to make this Series 2024A Bond a valid and binding special obligation of the Borrower according to its terms have been done, do exist, have happened and have been performed in regular and due form, time and manner as so required; and that this Series 2024A Bond and the interest hereon are payable solely out of available Net Revenues in the Subordinate Obligations Subaccount of the Surplus Account of the Wastewater System Fund and do not constitute a debt of the Borrower within the meaning of any constitutional or statutory limitation or provision and the issuance of the Series 2024A Bond does not cause either the general or the special indebtedness of the Borrower to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Town of Fromberg, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor and Town Clerk, and has caused the official seal of the Borrower to be affixed hereto, and has caused this Bond to be dated as of the ____ day of ____, 2024.

Mayor

Town Clerk

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest. 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 Town Clerk as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The Borrower shall be entitled to deem and treat the person in whose name this 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 Borrower's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the unpaid Principal Balance of this Bond and the interest accruing thereon is registered on the books of the Town of Fromberg, Montana in the name of the registered holder appearing on the first page hereof or as last noted below:

<u>Date of Registration</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of Town Clerk</u>
_____, 2024	<u>Department of Natural Resources and Conservation</u> <u>1539 Eleventh Avenue</u> <u>Helena, MT 59620</u>	_____

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

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

<u>Date of Transfer</u>	<u>Name of New Registered Holder</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____
_____ the within Bond and does hereby
irrevocably constitute and appoint _____
attorney to transfer the Bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it
appears upon the face of the within Bond in every particular, without alteration or any change
whatsoever.

SCHEDULE OF AMOUNTS ADVANCED

B-1-7

SCHEDULE B

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	Administrative <u>Expense Surcharge</u>	Loan Loss Reserve <u>Surcharge</u>	Total Loan <u>Payment</u>
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APPENDIX B-2

[Form of the Series 2024B Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
COUNTY OF CARBON

TOWN OF FROMBERG

WASTEWATER SYSTEM REVENUE BOND
(DNRC WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM)
SERIES 2024B

R-1

\$308,000

FOR VALUE RECEIVED, THE TOWN OF FROMBERG, MONTANA (the “Borrower”), a duly organized municipal corporation and political subdivision of the State of Montana, acknowledges itself to be specially indebted and, for value received, hereby promises to pay to the Department of Natural Resources and Conservation of the State of Montana (the “DNRC”), or its registered assigns, solely from the Revenue Bond Account of its Wastewater System Fund, the principal sum equal to the sum of the amounts entered on Schedule A attached hereto under “Total Amount Advanced,” with interest on each such amount from the date such amount is advanced hereunder at the rate of two percent (2.00%) per annum on the unpaid balance until paid. In addition, the Borrower shall pay a Loan Loss Reserve Surcharge and an Administrative Expense Surcharge on the outstanding principal amount of this Bond at the rate of twenty-five hundredths of one-percent (0.25%) and twenty-five hundredths of one percent (0.25%) respectively, per annum. Interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be payable on each January 1 and July 1 (each a “Loan Repayment Date”) commencing January 1, 2025. Principal shall be payable on the dates set forth in Schedule B hereto. Each installment shall be in the amount set forth opposite its due date in Schedule B attached hereto under “Total Loan Payment.” The portion of each such payment consisting of principal and the portion consisting of interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be as set forth in Schedule B hereto. Upon each disbursement of 2024B Loan amounts to the Borrower pursuant to the Resolution described below, the DNRC shall enter (or cause to be entered) the amount advanced on Schedule A under “Advances” and the total amount advanced under the Resolution (as hereinafter defined), including such disbursement, under “Total Amount Advanced.” The DNRC shall prepare Schedule B and any revised Schedule B, or cause Schedule B and any revised Schedule B to be prepared, as provided in Section 5.1 of the resolution authorizing this Bond. Schedule B shall be calculated and recalculated on a level debt service basis assuming an interest rate of 2.50% per annum. Past-due payments of principal and interest and Administrative Expense and Loan Loss Reserve Surcharge shall bear interest at the rate of ten percent (10.00%) per annum, until paid. Interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge shall be calculated on the basis of a 360-day year comprising 12 months of 30 days each. All payments under this Bond shall be made to the

registered holder of this Bond, at its address as it appears on the Bond register, in lawful money of the United States of America.

This Bond is one of an issue of Wastewater System Revenue Bonds of the Borrower authorized to be issued in one or more series from time to time, and constitutes a series in the maximum authorized principal amount of \$308,000 (the "Series 2024B Bond"), issued to finance a portion of the costs of construction of certain improvements to the Wastewater System of the Borrower (the "System") and to pay costs of issuance of the Series 2024B Bond. The Series 2024B Bond is issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 7, Part 44 and 45, as amended, and ordinances and resolutions duly adopted by the governing body of the Borrower on May ____, 2024 by Resolution No. ____ (the "Resolution"). Terms used with initial capital letters but not defined herein have the meanings given to them in the Resolution. The Series 2024B Bond is issuable only as a single, fully registered bond. The Borrower is also issuing simultaneously herewith its Subordinate Lien Wastewater System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Taxable Series 2024A (the "Series 2024A Bond"). The Borrower also has outstanding its \$912,000 Wastewater System Revenue Bond Series 2018A, which is issued on a parity basis with the Series 2024B Bond. The Series 2024A Bond is not issued on a parity basis with the Series 2024B Bond or the Series 2018A Bond.

Reference is made to the Resolution for a more complete statement of the terms and conditions upon which the Series 2024B Bond has been issued, the Net Revenues of the System pledged and appropriated for the payment and security thereof, the conditions upon which additional bonds may be issued under the Resolution and made payable from such Net Revenues on a parity with the Series 2024B Bond or otherwise, the conditions upon which the Resolution may be amended, the rights, duties and obligations of the Borrower, and the rights of the owners of the Series 2024B Bond.

The Borrower may prepay the principal of the Series 2024B Bond only if a Determination Statement has been delivered, it obtains the prior written consent of the DNRC thereto, and no Loan Repayment, Administrative Expense Surcharge or Loan Loss Reserve Surcharge is then delinquent. Any prepayment permitted by the DNRC must be accompanied by payment of accrued interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge to the date of prepayment on the amount of principal prepaid. If the Series 2024B Bond is prepaid in part, such prepayments shall be applied to principal payments in inverse order of maturity.

The Bonds, including interest and any premium for the redemption thereof, are payable solely from the Net Revenues pledged for the payment thereof and do not constitute a debt of the Borrower within the meaning of any constitutional, statutory or charter limitation or provision.

The Borrower may deem and treat the person in whose name this Series 2024B Bond is registered as the absolute owner hereof, whether this Series 2024B Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and the Borrower shall not be affected by any notice to the contrary. The Series 2024B Bond may be transferred as hereinafter provided.

This Series 2024B Bond has been designated by the Borrower as a "qualified tax-exempt obligation" pursuant to Section 265 of the Internal Revenue Code of 1986, as amended.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the Borrower has duly authorized and will forthwith undertake the improvements to the System hereinabove described, has fixed and established and will collect reasonable rates and charges for the services and facilities afforded by the System, and has created a special Wastewater System Fund into which the revenues of the System will be paid, and a separate and special Revenue Bond Account in that fund, into which will be paid each month; from and as a first and prior lien on the Net Revenues of the System then on hand, an amount equal to not less than the sum of one-sixth of the interest due within the next six months and one-twelfth of the principal due within the next twelve months with respect to all Bonds payable from that Account; that the Borrower has created a Series 2024 Reserve Subaccount in such fund into which shall be paid additional Net Revenues, after required credits to the Revenue Bond Account sufficient to establish and maintain a reserve therein equal to, as of the date of calculation, the Reserve Requirement (as defined in the Resolution); that the Revenue Bond Account will be used only to pay the principal of, premium, if any, and interest on the Bonds and any other additional Bonds issued pursuant to the Resolution on a parity therewith; that the rates and charges for the System will from time to time be made and kept sufficient to (i) produce Net Revenues for each Fiscal Year in an amount at least sufficient to pay the principal of and interest on all Bonds payable from the Net Revenues derived in such Fiscal Year, to establish and maintain the Reserve Requirement, to pay promptly the reasonable and current Operating Expenses, to pay the principal of and interest on any Subordinate Obligations out of Surplus Net Revenues and to provide reserves for the repair and replacement of the System, and (ii) Net Revenues for each Fiscal Year will be equal to at least 110% of the maximum principal and interest requirements for all future Fiscal Years during which any Bonds will be Outstanding; that Additional Bonds and refunding Bonds may be issued and made payable from the Revenue Bond Account on a parity with the Series 2024B Bond upon certain conditions set forth in the Resolution, but no obligation will be otherwise incurred and made payable from the Net Revenues unless the lien thereof shall be expressly made subordinate to the lien of the Series 2024B Bond; that all provisions for the security of this Series 2024B Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the ordinances and resolutions of the Borrower to be done, to exist, to happen and to be performed in order to make this Series 2024B Bond a valid and binding special obligation of the Borrower according to its terms have been done, do exist, have happened and have been performed as so required; and that this Series 2024B Bond and the premium, if any, and interest hereon are payable solely from the Net Revenues of the System pledged and appropriated to the Revenue Bond Account and do not constitute a debt of the Borrower within the meaning of any constitutional, statutory or charter limitation or provision and the issuance of the Series 2024B Bond does not cause either the general or the special indebtedness of the Borrower to exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the Town of Fromberg, Montana, by its governing body, has caused this Bond to be executed by the signatures of its Mayor and Town Clerk, and has caused the official seal of the Borrower to be affixed hereto, and has caused this Bond to be dated as of the ____ day of ____, 2024.

Mayor

Town Clerk

REGISTRATION AND TRANSFER

This Bond shall be fully registered as to both principal and interest. 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 Town Clerk as bond registrar (the "Registrar"), has duly noted the transfer on the Bond and recorded the transfer on the Registrar's registration books. The Borrower shall be entitled to deem and treat the person in whose name this 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 Borrower's liability upon the Bond to the extent of the sum or sums so paid.

REGISTER

The ownership of the unpaid Principal Balance of this Bond and the interest accruing thereon is registered on the books of the Town of Fromberg, Montana in the name of the registered holder appearing on the first page hereof or as last noted below:

<u>Date of Registration</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of Town Clerk</u>
_____, 2024	<u>Department of Natural Resources and Conservation</u> <u>1539 Eleventh Avenue</u> Helena, MT 59620	_____

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

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

<u>Date of Transfer</u>	<u>Name of New Registered Holder</u>	<u>Signature of Bond Registrar</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

FORM OF ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby

irrevocably constitute and appoint _____

attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

SCHEDULE OF AMOUNTS ADVANCED

B-2-7

SCHEDULE B

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Administrative Expense Surcharge</u>	<u>Loan Loss Reserve Surcharge</u>	<u>Total Loan Payment</u>
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APPENDIX C

ADDITIONAL REPRESENTATIONS AND COVENANTS

None

APPENDIX D

\$603,173
Wastewater System Revenue Bonds
(DNRC Water Pollution Control State Revolving Loan Program)
Consisting Of
\$295,173 Subordinate Lien Taxable Series 2024A Bond
And
\$308,000 Series 2024B Bond

COMPLIANCE CERTIFICATE AND REQUEST

We, _____ and _____, hereby certify that we are on the date hereof the duly qualified and acting Mayor and Town Clerk, respectively, of the Town of Fromberg, Montana (the “Borrower”), and that:

1. Pursuant to Resolution No. _____ adopted on _____, 2024, by this Council (the “Resolution”), entitled “Resolution Relating to its \$603,173 Wastewater System Revenue Bonds (DNRC Water Pollution Control State Revolving Loan Program), consisting of a \$295,173 Subordinate Lien Taxable Series 2024A Bond and a \$308,000 Series 2024B Bond; Authorizing the Issuance and Fixing the Terms and Conditions Thereof”, the Borrower issued its Subordinate Lien Wastewater System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Taxable Series 2024A, dated, as originally issued, as of _____, 2024, in the maximum aggregate principal amount of \$295,173 (the “Series 2024A Bond”) and its Wastewater System Revenue Bond (DNRC Water Pollution Control State Revolving Loan Program), Series 2024B, dated, as originally issued, as of _____, 2024, in the maximum aggregate principal amount of \$308,000 (the “Series 2024B Bond”). The Borrower has reviewed the Resolution, including, without limitation, Articles II and III of the Resolution, and the definitions relating thereto. The Borrower acknowledges and agrees that the Series 2024A Bond evidences loans made to the Borrower from the DNRC from funds made available to the DNRC from the 20 ____ EPA Capitalization Grants, and that this Certificate is being relied upon by the DNRC for ensuring compliance with requirements applicable to the Borrower, the DNRC, and the Series 2024 Project (as hereinafter defined). Capitalized terms used herein without definition shall have the meanings given them in the Resolution.
2. The Series 2024A Bond is issued to finance a portion of the costs of construction and installation of various improvements to the System, generally described as the Series 2024 Project in the Resolution. Construction of the Series 2024 Project has complied with all federal and state standards, including, without limitation, EPA regulations and standards. The Series 2024 Project is expected to be completed and placed in service on or about _____.
3. Costs of the Series 2024 Project in the amount of \$ _____ have been paid as of the date of delivery of this Certificate. The Borrower hereby waives its right to any remaining 2024A Committed Amount or 2024B Committed Amount not advanced or to be advanced upon delivery hereof. The Borrower specifically confirms and agrees that any remaining amounts of the 2024 Loans to be lent to the Borrower, if any, shall be evidenced by the Series 2024B Bond.

4. As of the date hereof, the Borrower has spent the following amounts in connection with the Series 2024 Project and costs related thereto:

Construction	\$
Loan Reserves	
Bond Counsel	
Administrative	
Preliminary Engineering	
Engineer Design	
Construction Engineering	
Contingency	
TOTALS	\$

Of such amounts, \$_____ were paid from advances of proceeds of the Series 2024A Bond. In addition, as of the date hereof, _____ of the proceeds have been applied to Green Infrastructure.

5. The Trustee has delivered to the Borrower a copy of Schedule B to be attached to the Series 2024A Bond and Schedule B to be attached to the Series 2024B Bond, each of which reflects the amortization of all advances made or to be made on the date hereof of proceeds of the Series 2024A Bond and the Series 2024B Bond, respectively (i.e., \$_____ in respect of the Series 2024A Bond (the sum of the amounts of the Series 2024A Bond applied to pay costs of the Series 2024 Project or costs of issuance of the Series 2024 Bonds) and \$_____ in respect of the Series 2024B Bond (the sum of the amounts of the Series 2024B Bond applied to pay costs of the Series 2024 Project or costs of issuance of the Series 2024 Bonds or deposited in the Series 2024 Reserve Subaccount as described in paragraph 6 hereof)), as required under Section 7.08(a) of the Indenture. The Borrower hereby acknowledges and agrees that each Schedule B has been calculated in accordance with the provisions of the Resolution and the Indenture, and that each of the Series 2024A Bond and the Series 2024B Bond, with said Schedule B attached thereto, has been duly issued pursuant to the Resolution and is a valid and binding obligation of the Borrower in accordance with its terms and the terms of the Resolution; provided, however, if the DNRC delivers a Forgiveness Statement, the Borrower's obligation to repay the principal of the Series 2024A Bond and interest and surcharges thereon is thereupon forgiven, and if the DNRC delivers a Noncompliance Certificate, amounts advanced under the 2024B Loan evidenced by the Series 2024A Bond shall bear interest from and after the 2024A First Advanced at the rate of two percent (2.00%) per annum and the Borrower shall pay currently with interest the Administrative Expense Surcharge and the Loan Loss Reserve Surcharge, all as described in Section 5.1.2 of the Resolution.

6. The representations of the Borrower contained in Articles II and III of the Resolution are true and complete as of the date hereof as if made on this date, except to the extent that the Borrower has specifically advised the DEQ and the DNRC otherwise in writing.

7. No default in any covenant or agreement on the part of the Borrower contained in the Resolution has occurred and is continuing.

8. The Borrower is delivering this Certificate to the DNRC, in part, to ensure compliance with EPA regulations and standards. The Borrower certifies that all laborers and mechanics employed by contractors and subcontractors on the Series 2024 Project have been and will be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

9. The Borrower acknowledges and agrees that this Certificate completed by the Borrower in form satisfactory to the DNRC must be executed and delivered to the DNRC by the date that is 30 days after receipt of the form of this Certificate from the DNRC. By submitting this Certificate, the Borrower requests that the DNRC forgive the obligation of the Borrower to repay the principal of the Series 2024A Bond, together with interest and surcharges thereon. The Borrower acknowledges and agrees that (i) the forgiveness of principal of and interest and surcharges on the Series 2024A Bond by the DNRC is contingent on the timely delivery of this Certificate by the Borrower in satisfactory form as determined in the DNRC's sole and complete discretion, (ii) the DNRC has no obligation to grant such forgiveness; (iii) if the DNRC delivers to the Borrower a Noncompliance Certificate, (a) the obligation of the Borrower to repay the principal of the Series 2024A Bond plus interest and Administrative Expense Surcharge and Loan Loss Reserve Surcharge thereon shall continue in full force and effect until the principal of the Series 2024A Bond advanced and interest, Administrative Expense Surcharge, and Loan Loss Reserve Surcharge thereon are paid in full, as set forth in Schedule B delivered pursuant to paragraph 5 above, and as provided in the Series 2024A Bond and the Resolution, and (b) the Borrower shall, as necessary, within the 3-month period specified in the 2024 Resolution, adjust its rates and charges to produce Net Revenues and Surplus Net Revenues required by the rate covenant in the Resolution.

WITNESS our hands on behalf of the Borrower and the seal of the Borrower as of this _____ day of _____, 20__.

TOWN OF FROMBERG, MONTANA

Mayor

Town Clerk

RESOLUTION NO. 526

RESOLUTION OF INTENTION OF THE TOWN OF FROMBEG TO INCREASE RATES AND CHARGES FOR THE USERS OF THE TOWN'S WATER SYSTEM

RECITALS

WHEREAS, the Town of Fromberg, in Carbon County, Montana (the "Town") owns a water system (the "System"); and

WHEREAS, the Town hired Great West Engineering (the "Engineer") to conduct an engineering analysis of the System; and

WHEREAS, the Town and the Engineer have developed a plan for the replacement of a section of drinking water transmission main line, with an estimated cost of approximately \$1,515,499 (the "Project"); and

WHEREAS, the Town has received commitments for loans in the amount of \$830,000 from the Montana Department of Natural Resources and Conservations (with \$617,000 of the loans to be forgiven under certain circumstances and \$213,000 payable over 30 years at 2.50% interest) and has procured American Recovery and Reinvestment Act grant funds in the amount of \$677,999; and

WHEREAS, the Town has determined it is necessary to change the rates and charges for the services provided by the System in order to collect sufficient revenues to pay bonds issued for System improvements and meet bond covenants on coverage, establish reserves and pay costs associated with the operation and maintenance of the System; and

WHEREAS, the Town is required to provide notice and a public hearing prior to the passage or enactment of a resolution imposing, establishing, changing or increasing rates, fees, or charges for water services or facilities.

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

Section 1. Reasons for Proposed Increase in Water User Charges. It is the intent of the Town to implement a rate increase for users of the System as set forth herein. The reason for the proposed increased in rates is that the Town will need to borrow approximately \$213,000 (payable over 30 years at an interest rate of 2.5% per annum) as part of the Town's portion of the construction costs of the Project, and the costs of operating the Town's water system. The debt service coverage requirements for such loan repayment and reserves, as well as debt service coverage on existing water debt, will be approximately \$53,212 per year and the expenses for that water system, including operation and maintenance are estimated at \$150,265 per year. These obligations, along with the increasing costs of operation and the need to maintain reasonable reserves, require a monthly base rate increase of \$12.00 per month per equivalent dwelling unit (EDU).

Section 2. Proposed Changes and Increases in Water Rates and Charges.

The Town's current monthly base rate is as follows:

User Categories	Current Base Rate
Residential Active	\$45.00
Commercial Active	\$45.00
Non-Residential Active	\$50.00
Non-Active	\$29.00

Bulk Water Users - \$3.00 per token for approximately 200 gallons.

The proposed new monthly base rate anticipates an increase of \$12.00 to the current base rate as follows:

User Categories	Current Base Rate
Residential Active	\$57.00
Commercial Active	\$57.00
Non-Residential Active	\$62.00
Non-Active	\$41.00

Bulk Water Users - \$3.00 per token for approximately 200 gallons.

Section 3. Effective Date of New Rates. The proposed new rates would go into effect for July 1, 2024 billing. Subsequent adjustments to the rates will be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 4. Further Rate Study and Changes. The Town will conduct further rate studies to determine if rates need to be further adjusted to provide adequate funds to operate and maintain the System and to satisfy debt service and covenant obligations and maintain appropriate reserves.

Section 5. Public Hearing. A public hearing on the proposed rate increase will be held on June 10, 2024, commencing at 6:30 PM at the Fromberg Town Hall, located at 118 W River St, Fromberg, Montana.

Section 6. Notice. The Clerk is hereby authorized and directed to publish or cause to be published a notice of the passage of this resolution in the Carbon County News, a newspaper of general circulation in the Town, on the dates of May 23 and May 30 and June 6, in the form and manner prescribed by Section 69-7-11(3) MCA, and to mail or cause to be mailed a copy of said notice to all customers of the System at least 7 days and not more than 30 days prior to the public hearing. The Clerk will also mail a copy of the Notice to the Montana Consumer Counsel.

Passed and approved this 13th day of May, 2024.

Attest:

Kirstin Sweet

Kirstin Sweet, Town Clerk Pro Tem

Tim Nottingham

Tim Nottingham, Mayor

RESOLUTION NO. 527

RESOLUTION OF INTENTION OF THE TOWN OF FROMBERG TO INCREASE RATES AND CHARGES FOR THE USERS OF THE TOWN'S SEWER SYSTEM

RECITALS

WHEREAS, the Town of Fromberg, in Carbon County, Montana (the "Town") owns a sewer system (the "System"); and

WHEREAS, the Town hired Great West Engineering (the "Engineer") to conduct an engineering analysis of the System; and

WHEREAS, the Town and the Engineer have developed a plan for the replacement of a section of wastewater transmission main, with an estimated cost of approximately \$736,674 (the "Project"); and

WHEREAS, the Town has received commitments for loans in the amount of \$603,173 from the Montana Department of Natural Resources and Conservations (with \$295,173 of the loans to be forgiven under certain circumstances and \$308,000 payable over 30 years at 2.50% interest) and has received \$126,001 of American Recovery and Reinvestment Act grant funds; and

WHEREAS, the Town has determined it is necessary to change the rates and charges for the services provided by the System in order to collect sufficient revenues to pay bonds issued for System improvements and meet bond covenants on coverage, establish reserves and pay costs associated with the operation and maintenance of the System; and

WHEREAS, the Town is required to provide notice and a public hearing prior to the passage or enactment of a resolution imposing, establishing, changing or increasing rates, fees, or charges for sewer services or facilities.

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

Section 1. Reasons for Proposed Increase in Sewer User Charges. It is the intent of the Town to implement a rate increase for users of the System as set forth herein. The reason for the proposed increase in rates is that the Town will need to borrow approximately \$308,000 (payable over 30 years at an interest rate of 2.5% per annum) as part of the Town's portion of the construction costs of the Project, and the costs of operating the Town's sewer system. The debt service coverage requirements for such loan repayment and reserves, as well debt service coverage on existing sewer debt, will be approximately \$51,334 per year and the expenses for that sewer system, including operation and maintenance are estimated at \$136,605 per year. These obligations, along with the increasing costs of operation and the need to maintain reasonable reserves, require a monthly base rate increase of \$8.00 per month.

Section 2. Proposed Changes and Increases in Sewer Rates and Charges.

The Town's current monthly base rate is as follows:

User Categories	Current Rate
Active	\$67.00
Non-Active	\$36.00

The proposed new monthly rate anticipates an increase of \$8.00 to the current rate as follows:

User Categories	Current Rate
Active	\$75.00
Non-Active	\$44.00

Section 3. Effective Date of New Rates. The proposed new rates would go into effect for July 1, 2024 billing. Subsequent adjustments to the rates will be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 4. Further Rate Study and Changes. The Town will conduct further rate studies to determine if rates need to be further adjusted to provide adequate funds to operate and maintain the System and to satisfy debt service and covenant obligations and maintain appropriate reserves.

Section 5. Public Hearing. A public hearing on the proposed rate increase will be held on June 10, 2024, commencing at 6:30 PM at the Fromberg Town Hall, located at 118 W River St, Fromberg, Montana.

Section 6. Notice. The Clerk is hereby authorized and directed to publish or cause to be published a notice of the passage of this resolution in the Carbon County News, a newspaper of general circulation in the Town, on the dates of May 23 and May 30 and June 6, in the form and manner prescribed by Section 69-7-11(3) MCA, and to mail or cause to be mailed a copy of said notice to all customers of the System at least 7 days and not more than 30 days prior to the public hearing. The Clerk will also mail a copy of the Notice to the Montana Consumer Counsel.

Passed and approved this 13th day of May, 2024.

Attest:

Kirstin Sweet

Tim Nottingham
Tim Nottingham, Mayor

Kirstin Sweet, Town Clerk Pro Tem

RESOLUTION NO. 528

RESOLUTION OF INTENTION OF THE TOWN OF FROMBERG TO INCREASE RATES FOR THE USERS OF THE TOWN'S GARBAGE SERVICES AND IMPLEMENT A FOUR (4) YEAR PLAN OF INCREASES.

WHEREAS, under section 69-7-101, Montana Code Annotated, the City has the power and authority to regulate, establish, and change, as it considers proper rates, charges, and classifications imposed for utility services to its inhabitants and other persons served by the municipal systems. Rates, charges, and classifications must be reasonable and just; and

WHEREAS, it will be necessary for the City to collect sufficient revenues to repay outstanding bonds payable from the revenues of its *garbage system* (the "system"), pay costs associated with the operation and maintenance of the system and establish appropriate reserves; and

WHEREAS, pursuant to Section 69-7-111, Montana Code Annotated, the Council shall order a public hearing prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing or increasing rates, fees, or charges for services or facilities.

NOW BE IT RESOLVED, the first increase to services will go into effect on July 1, 2024 billing of utility services. The subsequent increases implemented with the four (4) year plan will each occur on the July services of each year.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Fromberg sets Garbage rates as follows:

Section 1. Intent to Increase Garbage User Charges. It is the intent of the Town to implement rate increases for users of the system, as set forth herein.

1.01 Current Rates.

Residential and Business Collection Charges are as follows:

▪ CONX 1:	\$17.00
▪ CONX 2:	\$34.00
▪ CONX 3:	\$51.00
▪ CONX 4:	\$68.00
▪ CONX 5:	\$85.00
▪ CONX 6:	\$102.00
▪ CONX 7:	\$119.00
▪ CONX 8:	\$136.00
▪ CONX 9:	\$153.00
▪ CONX 10:	\$170.00
▪ CONX 11:	\$187.00
▪ CONX 12:	\$204.00

1.02 Proposed Rate Increase.

Residential and Business Collection Charges are as follows:

- 96-gallon cart: \$28.00
- 2-yard dumpster: \$83.00
- 3-yard dumpster: \$122.00
- 4-yard dumpster: \$162.00
- 6-yard dumpster: \$241.00
- 8-yard dumpster: \$320.00

Section 2. Four (4) Year Plan for Yearly Rate Increases for fiscal years 2026-2029

Taking effect for July services each year, the rate increases will be as follows:

- 2.01 2025-2026 Garbage Rate Increase of 4.5%.
- 2.02 2026-2027 Garbage Rate Increase of 4.5%.
- 2.03 2027-2028 Garbage Rate Increase of 4.5%.
- 2.04 2028-2029 Garbage Rate Increase of 4.5%.

Section 3. Determination of Annual Budget for System. Each year the Council of the Town shall determine the amount of money needed to pay the costs of the system including but not limited to: (a) the payment of the reasonable expense of operation and maintenance of the system; (b) administration of the system; (c) the payment of principal and interest on any bonded or other indebtedness of the system; and (d) the establishment or maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of facilities, as may be determined necessary from time to time by the Council or as covenanted in the ordinance or resolution authorizing any outstanding bonds of the system. Based on the annual needs of the system, the Council will establish garbage charges for the use and availability of the system.

Section 4. Further Rate Increases. Subsequent adjustments to the base rate charge or Usage Charge will be made by resolution of the Town Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 5. Public Hearing. A public hearing on the rate increase will be held on Monday June 10, 2024, commencing at 6:30 p.m. at the Chambers of the Town Council, Town Hall, 118 W River St., Fromberg, Montana.

Section 6. Notice. The Town Clerk/Treasurer is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the *Carbon County News*, a newspaper of general circulation in the Town, on May 23, May 30 and June 6, 2024, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to all persons served by the utility at least seven days and not more than 30 days prior to the public hearing. The mailed notice must contain an estimate of the amount the customer's average bill will increase under the proposed ordinance or resolution. The Town Clerk-Treasurer is also authorized and directed to mail by first class, postage prepaid, notice of all hearings to the Montana consumer counsel.

DULY passed and adopted at the Regular Meeting of the Fromberg Town council this 13th day of May 2024.
This Resolution shall become effective immediately upon passage.

ATTEST:


Kirstin Sweet, Town Clerk Pro Tem


Tim Nottingham, Mayor

RESOLUTION NO. 529

RESOLUTION OF THE TOWN OF FROMBERG TO INCREASE RATES AND CHARGES FOR THE USERS OF THE TOWN'S WATER SYSTEM

RECITALS

WHEREAS, the Town of Fromberg, in Carbon County, Montana (the "Town") owns a water system (the "System"); and

WHEREAS, the Town hired Great West Engineering (the "Engineer") to conduct an engineering analysis of the System; and

WHEREAS, the Town and the Engineer have developed a plan for the replacement of a section of drinking water transmission main line, with an estimated cost of approximately \$1,515,499 (the "Project"); and

WHEREAS, the Town has received commitments for loans in the amount of \$830,000 from the Montana Department of Natural Resources and Conservations (with \$617,000 of the loans to be forgiven under certain circumstances and \$213,000 payable over 30 years at 2.50% interest) and has procured American Recovery and Reinvestment Act grant funds in the amount of \$677,999; and

WHEREAS, the Town has determined it is necessary to change the rates and charges for the services provided by the System in order to collect sufficient revenues to pay bonds issued for System improvements and meet bond covenants on coverage, establish reserves and pay costs associated with the operation and maintenance of the System; and

WHEREAS, the Town is required to provide notice and a public hearing prior to the passage or enactment of a resolution imposing, establishing, changing or increasing rates, fees, or charges for water services or facilities.

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

Section 1. Reasons the Increase in Water User Charges. The Town will implement a rate increase for users of the System as set forth herein. The reason for the increase in rates is that the Town will need to borrow approximately \$213,000 (payable over 30 years at an interest rate of 2.5% per annum) as part of the Town's portion of the construction costs of the Project, and the costs of operating the Town's water system. The debt service coverage requirements for such loan repayment and reserves, as well as debt service coverage on existing water debt, will be approximately \$53,212 per year and the expenses for that water system, including operation and maintenance are estimated at \$150,265 per year. These obligations, along with the increasing costs of operation and the need to maintain reasonable

reserves, require a monthly base rate increase of \$12.00 per month per equivalent dwelling unit (EDU).

Section 2. Changes and Increases in Water Rates and Charges.

The Town's current monthly base rate is as follows:

User Categories	Current Base Rate
Residential Active	\$45.00
Commercial Active	\$45.00
Non-Residential Active	\$50.00
Non-Active	\$29.00

Bulk Water Users - \$3.00 per token for approximately 200 gallons.

The new monthly base rate will increase of \$12.00 to the current base rate as follows:

User Categories	Current Base Rate
Residential Active	\$57.00
Commercial Active	\$57.00
Non-Residential Active	\$62.00
Non-Active	\$41.00

Bulk Water Users - \$3.00 per token for approximately 200 gallons.

Section 3. Effective Date of New Rates. The new rates will go into effect for July 1, 2024 billing. Subsequent adjustments to the rates will be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 4. Further Rate Study and Changes. The Town will conduct further rate studies to determine if rates need to be further adjusted to provide adequate funds to operate and maintain the System and to satisfy debt service and covenant obligations and maintain appropriate reserves.

Section 5. Public Hearing. A public hearing on the proposed rate increase was held on June 10, 2024, commencing at 6:30 PM at the Fromberg Town Hall, located at 118 W River St, Fromberg, Montana.

Section 6. Notice. The Clerk did publish or cause to be published a notice of the passage of this resolution in the Carbon County News, a newspaper of general circulation in the Town, on the dates of May 23 and May 30 and June 6, in the form and manner prescribed by Section 69-7-11(3) MCA, and to mail or cause to be mailed a copy

of said notice to all customers of the System at least 7 days and not more than 30 days prior to the public hearing. The Clerk did also mail a copy of the Notice to the Montana Consumer Counsel.

Passed and approved this 10th day of June 2024.

Attest:

Kirstin Sweet

Kirstin Sweet, Town Clerk Pro Tem

Tim Nottingham

Tim Nottingham, Mayor

RESOLUTION NO. 530

RESOLUTION OF THE TOWN OF FROMBERG TO INCREASE RATES AND CHARGES FOR THE USERS OF THE TOWN'S SEWER SYSTEM

RECITALS

WHEREAS, the Town of Fromberg, in Carbon County, Montana (the "Town") owns a sewer system (the "System"); and

WHEREAS, the Town hired Great West Engineering (the "Engineer") to conduct an engineering analysis of the System; and

WHEREAS, the Town and the Engineer have developed a plan for the replacement of a section of wastewater transmission main, with an estimated cost of approximately \$736,674 (the "Project"); and

WHEREAS, the Town has received commitments for loans in the amount of \$603,173 from the Montana Department of Natural Resources and Conservations (with \$295,173 of the loans to be forgiven under certain circumstances and \$308,000 payable over 30 years at 2.50% interest) and has received \$126,001 of American Recovery and Reinvestment Act grant funds; and

WHEREAS, the Town has determined it is necessary to change the rates and charges for the services provided by the System in order to collect sufficient revenues to pay bonds issued for System improvements and meet bond covenants on coverage, establish reserves and pay costs associated with the operation and maintenance of the System; and

WHEREAS, the Town is required to provide notice and a public hearing prior to the passage or enactment of a resolution imposing, establishing, changing or increasing rates, fees, or charges for sewer services or facilities.

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

Section 1. Reasons for the Increase in Sewer User Charges. The Town will implement a rate increase for users of the System as set forth herein. The reason for the increase in rates is that the Town will need to borrow approximately \$308,000 (payable over 30 years at an interest rate of 2.5% per annum) as part of the Town's portion of the construction costs of the Project, and the costs of operating the Town's sewer system. The debt service coverage requirements for such loan repayment and reserves, as well debt service coverage on existing sewer debt, will be approximately \$51,334 per year and the expenses for that sewer system, including operation and maintenance are estimated at \$136,605 per year. These obligations, along with the increasing costs of operation and the need to maintain reasonable reserves, require a monthly base rate increase of \$8.00 per month.

Section 2. Proposed Changes and Increases in Sewer Rates and Charges.

The Town's current monthly base rate is as follows:

User Categories	Current Rate
Active	\$67.00
Non-Active	\$36.00

The new monthly rate will increase of \$8.00 to the current rate as follows:

User Categories	Current Rate
Active	\$75.00
Non-Active	\$44.00

Section 3. Effective Date of New Rates. The new rates will go into effect for July 1, 2024 billing. Subsequent adjustments to the rates will be made by resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

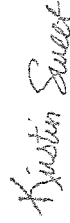
Section 4. Further Rate Study and Changes. The Town will conduct further rate studies to determine if rates need to be further adjusted to provide adequate funds to operate and maintain the System and to satisfy debt service and covenant obligations and maintain appropriate reserves.

Section 5. Public Hearing. A public hearing on the proposed rate increase was held on June 10, 2024, commencing at 6:30 PM at the Fromberg Town Hall, located at 118 W River St, Fromberg, Montana.

Section 6. Notice. The Clerk did publish or cause to be published a notice of the passage of this resolution in the Carbon County News, a newspaper of general circulation in the Town, on the dates of May 23 and May 30 and June 6, in the form and manner prescribed by Section 69-7-111(3) MCA, and to mail or cause to be mailed a copy of said notice to all customers of the System at least 7 days and not more than 30 days prior to the public hearing. The Clerk will also mail a copy of the Notice to the Montana Consumer Counsel.

Passed and approved this 10th day of June 2024.

Attest:



Kirstin Sweet, Town Clerk Pro Tem



Tim Nottingham, Mayor

AMENDED RESOLUTION NO. 532

**A RESOLUTION OF THE TOWN COUNCIL ADOPTING THE ATTACHED BURN
PIT RULES**

WHEREAS, the Town of Fromberg hereby desires to set forth the rules and regulations concerning the use of the Town Burn Pit.

NOW THEREFORE BE IT RESOLVED, by the Town Council of the Town of Fromberg, Montana as follows:

The attached AMENDED Burn Pit Rules and Regulations are hereby adopted in their entirety. The Clerk is hereby directed to post said Burn Pit Rules and Regulations in suitable locations.

DULY passed and adopted at the Regular Meeting of the Fromberg Town Council this 14th day of April 2024. This Resolution shall become effective immediately upon passage.

ATTEST:



Terry Feller, Mayor



Michele Auch, Town Clerk / Treasurer

Burn Pit Rules - located on 3rd Street

1. Any person wishing to utilize the burn pit must present a water bill or other form of documentation showing residency to access the burn pit.
2. Yard debris only! No other dumping of garbage is allowed.
3. All branches need to be cut into 8-foot lengths and the diameter must be 4 inches or less.
4. Any leaf, mulch or grass clippings will be dumped in the designated area only.
5. The burn pit will be staffed by volunteers. Volunteers can dump for free. A calendar will be available in the Clerk's office for volunteers to sign up and so the public knows when the site will be open.
6. Entry to the burn pit area is only allowed when volunteers are available to staff the site.
7. The burn pit will only be accessible from May 1 to November 1 of each year.
8. Any person harassing volunteers or disregarding the rules will be banned from using the burn pit.
9. Any person who is caught dumping debris that is not allowed or accessing the burn pit area when it is closed will be charged. The penalty for that charge will be \$250/occurrence.
10. Burn Pit Tags can be purchased in Town Hall: M 8-12 pm, and Tuesday-Thursday 8-4 pm
 - \$ 3.00 per pick-up load
 - \$ 6.00 per dump trailer load
 - Multiple tags can be purchased at one time

AMENDED RESOLUTION NO. 532

**A RESOLUTION OF THE TOWN COUNCIL ADOPTING THE ATTACHED BURN
PIT RULES**

WHEREAS, the Town of Fromberg hereby desires to set forth the rules and regulations concerning the use of the Town Burn Pit.

NOW THEREFORE BE IT RESOLVED, by the Town Council of the Town of Fromberg, Montana as follows:

The attached AMENDED Burn Pit Rules and Regulations are hereby adopted in their entirety. The Clerk is hereby directed to post said Burn Pit Rules and Regulations in suitable locations.

DULY passed and adopted at the Regular Meeting of the Fromberg Town Council this 14th day of April 2024. This Resolution shall become effective immediately upon passage.

ATTEST:

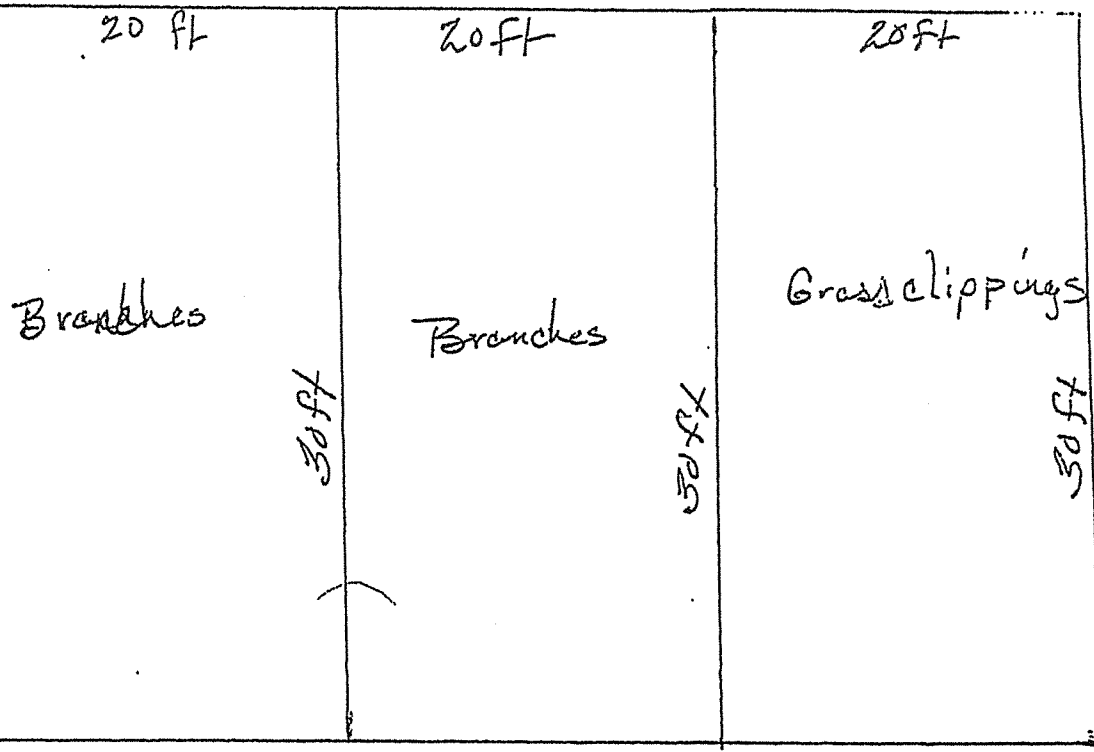
Michele Auch
Michele Auch, Town Clerk / Treasurer

Terry Feller
Terry Feller, Mayor

Burn Pit Rules - located on 3rd Street

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2. Yard debris only! No other dumping of garbage is allowed.
3. All branches need to be cut into 8-foot lengths and the diameter must be 4 inches or less.
4. Any leaf, mulch or grass clippings will be dumped in the designated area only.
5. The burn pit will be staffed by volunteers. Volunteers can dump for free. A calendar will be available in the Clerk's office for volunteers to sign up and so the public knows when the site will be open.
6. Entry to the burn pit area is only allowed when volunteers are available to staff the site.
7. The burn pit will only be accessible from May 1 to November 1 of each year.
8. Any person harassing volunteers or disregarding the rules will be banned from using the burn pit.
9. Any person who is caught dumping debris that is not allowed or accessing the burn pit area when it is closed will be charged. The penalty for that charge will be \$250/occurrence.
10. Burn Pit Tags can be purchased in Town Hall: M 8-12 pm, and Tuesday-Thursday 8-4 pm
 - \$ 3.00 per pick-up load
 - \$ 6.00 per dump trailer load
 - Multiple tags can be purchased at one time

Pole
Game
Camera



Lots divided off with
concrete jersey barrier
blocks.

RESOLUTION NO. 532

**A RESOLUTION OF THE TOWN COUNCIL ADOPTING THE ATTACHED BURN
PIT RULES**

WHEREAS, the Town of Fromberg hereby desires to set forth the rules and regulations concerning the use of the Town Burn Pit.

NOW THEREFORE BE IT RESOLVED, by the Town Council of the Town of Fromberg, Montana as follows:

The attached Burn Pit Rules and Regulations are hereby adopted in their entirety. The Clerk is hereby directed to post said Burn Pit Rules and Regulations in suitable locations.

DULY passed and adopted at the Regular Meeting of the Fromberg Town Council this 15th day of July 2024. This Resolution shall become effective immediately upon passage.

ATTEST:


Kirstin Sweet, Town Clerk / Treasurer


Tim Nottingham, Mayor

Burn Pit Rules - located on 3rd Street

1. Any person wishing to utilize the burn pit must present a water bill to access the burn pit.
2. Yard debris only! No other dumping of garbage is allowed.
3. All branches need to be cut into 8-foot lengths and the diameter must be 4 inches or less.
4. Any leaf, mulch or grass clippings will be dumped in the designated area only.
5. The burn pit will be staffed by volunteers. A calendar will be available in the Clerk's office for volunteers to sign up and so the public knows when the site will be open.
6. Entry to the burn pit area is only allowed when volunteers are available to staff the site.
7. The burn pit will only be accessible from May 1 to November 1 of each year.
8. Any person harassing volunteers or disregarding the rules will be banned from using the burn pit.
9. Any person who is caught dumping debris that is not allowed or accessing the burn pit area when it is closed will be charged. The penalty for that charge will be \$250/occurrence.

RESOLUTION NO. 533

A RESOLUTION TO SET A SPENDING POLICY FOR THE TOWN OF FROMBERG

WHEREAS, the Town Council of the Town of Fromberg, Montana wishes to describe the policy and process that shall be followed by the Town of Fromberg relative to all purchases.

WHEREAS, upon the Town Council's acceptance of budgets, all Department Directors are authorized to make purchases required for their departments in accordance with this policy.

WHEREAS, purchasing authority shall be consistent with the following guidelines:

1. Purchases up to \$500: The Department Heads may authorize purchases up to \$500.
2. Purchases between \$501 and \$1,500: Purchases between \$501 up to \$1,500 must be approved by the Town Mayor or designee. When possible, quotes, bids, or estimates should be obtained by Department Heads prior to purchasing goods or services.
3. Purchases between \$1,501 and \$79,999: Purchase between \$1,501 up to \$79,999 must be approved by the Town Council. When possible, quotes, bids, or estimates should be obtained by Department Heads prior to purchasing goods or services
4. Purchases \$80,000 and over: All purchases in this range must follow the formal bid advertisement process outlined in state law (MCA 7-5-4302).
5. No purchase may be divided into smaller purchases to circumvent these rules.
6. In the event of an emergency, the Mayor may authorize purchases up to \$25,000, pertaining to the emergency, without Council approval. An emergency is defined as a serious and unexpected situation requiring immediate action that affects the health, safety or welfare of the Citizens.

NOW THEREFORE BE IT RESOLVED, by the Town Council of the Town of Fromberg, Montana the above guidelines for employee spending shall be used by all employees when making purchases.

DULY passed and adopted at the Regular Meeting of the Fromberg Town Council this 15th day of July 2024. This Resolution shall become effective immediately upon passage.

ATTEST:


Kirstin Sweet, Town Clerk / Treasurer


Tim Nottingham, Mayor

RESOLUTION #534

A RESOLUTION TO RE-ESTABLISH THE BASE WAGE PAY SCALE FOR THE EMPLOYEES OF THE TOWN OF FROMBERG.

WHEREAS, the Town council shall determine by ordinance or resolution the salaries and compensation of elected and appointed city officers and all city employees.

WHEREAS, from time to time, applicants for employment may be considered that have various degrees of experience, training, education, and other qualifications which would require a more flexible ability to establish salaries and or wages.

WHEREAS, in order to attract the vest applicants for town jobs, the Town Council must have the flexibility to offer differing salaries and or wages based upon experience.

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

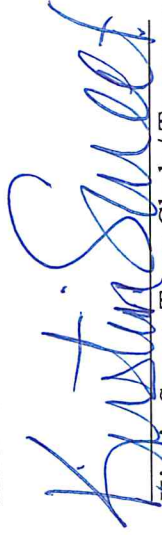
1. Salary/Wage Scale

Position	Hourly Wages	
Public Works Director (full time)	\$18.00	to \$23.00
Public Works Employee (part time or full time)	\$17.00	to \$22.00
Clerk / Treasurer (full time)	\$18.00	to \$23.00
Clerk / Treasurer (part time)	\$17.00	to \$22.00
General Labor (short term, temporary, seasonal)	\$15.00	to \$18.00

2. At budget time, the Town Council shall have the sole discretion to increase salaries/wages.

DULY passed and adopted at the Regular Meeting of the Fromberg Town council this 22nd day of July 2024. This Resolution shall become effective immediately upon passage.

ATTEST:


Kirstin Sweet, Town Clerk / Treasurer


Tim Nottingham, Mayor

RESOLUTION NO. 535

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FROMBERG, MONTANA TO APPROVE AN AMENDMENT TO THE MUNICIPAL BUDGET FOR THE 2023-2024 FISCAL YEAR

WHEREAS, the Town Council of the Town of FROMBERG, Montana, has prepared a budget amendment for the fiscal year 2023-2024 and has given notice permitting all taxpayers to appear and be heard for or against any part of said budget amendment.

WHEREAS, the Town of FROMBERG had more expenditures than expected in the Fire Disability Fund #7120.

WHEREAS, the Town of FROMBERG received more revenue than expected in the Fire Disability Fund #7120.

WHEREAS, the Town of FROMBERG must pay out all monies received in the Fund #7120 to the Fire Relief Secretary:

WHEREAS, the Town of FROMBERG will increase the revenue budget for Fund #7120 as follows: Original Revenue Appropriation New Revenue Appropriation 335050 \$1500.00 335050 \$1654.00

WHEREAS, the Town of FROMBERG will increase the expenditure budget for Fund #7120 as follows: Original Expenditure Appropriation New Expenditure Appropriation 420000, 700 \$1500.00 420000, 700 \$1654.00

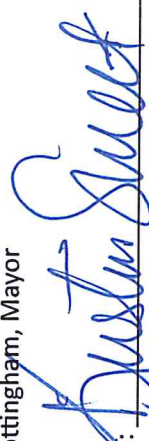
NOW THEREFORE BE IT RESOLVED, by the Town Council of the Town of FROMBERG, Montana that the fiscal year 2023-2024 Municipal Budget Amendment is approved and adopted as set forth above.

DULY passed and adopted at the Regular Meeting of the FROMBERG Town Council this 12th day of August 2024.

This Resolution shall become effective immediately upon passage.



Tim Nottingham, Mayor

ATTEST: 

Kirstin Sweet, Town Clerk / Treasurer

RESOLUTION NO. 536

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FROMBERG, MONTANA
TO SET THE MILL LEVY FOR THE 2024-2025 FISCAL YEAR BUDGET**

WHEREAS, the market value and taxable valuation for the 2024-2025 fiscal year are as follows:

Total Market Value	\$31,545,755
Total Taxable Value	\$477,403
Taxable Value of Newly Taxable Property	\$8,745

NOW THEREFORE BE IT RESOLVED by the Town Council of the Town of Fromberg, MT has set the tax levy for the 2024-2025 Fiscal Year Budget to be as follows:

General Fund	130.78 Mills
Rural Fire Voted Mills	18.40 Mills

Maximum Mills Allowed	149.18 Mills
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For a total mill levy based on a taxable value of \$477,403 per mill for a total tax collection of \$62,434.76.

DULY passed and adopted at the Regular Meeting of the Fromberg Town Council this 9th day of September 2024. This Resolution shall become effective as of July 1, 2024.

THE TOWN OF FROMBERG, MONTANA

ATTEST:



Kirstin Sweet, Town Clerk / Treasurer



Tim Nottingham, Mayor

RESOLUTION NO. 537

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FROMBERG, MONTANA TO APPROVE AND ADOPT THE MUNICIPAL BUDGET FOR THE 2024-2025 FISCAL YEAR

WHEREAS, the Town Council of the Town of Fromberg, Montana, has prepared a budget for the fiscal year 2024-2025 and has given notice permitting all taxpayers to appear and be heard for or against any part of said budget, all is provided under Title 7, Chapter 6, Part 40, Montana Code Annotated and Sections 7-6-4021 and 7-6-4024 thereof;

WHEREAS, Section 7-6-4030, MCA, provides that the governing body shall adopt the final budget by resolution. The resolution must:

- (a) Authorize appropriations to defray the expenses or liabilities for the fiscal year;
- (b) Establish legal spending limits at the level of detail in the resolution; and
- (c) Include any increase in property taxes, including an increase authorized under 15-10-420(1) and the amount by which property taxes will increase on homes valued at \$100,000, \$300,000 and \$600,000.

WHEREAS, the Town of Fromberg desires to authorize the Town Council and Mayor the ability to reallocate expenditures between account and object lines within individual funds of the detailed fiscal year 2024-2025 budget as per Montana Code Annotated 7-6-4031.

WHEREAS, the Municipal Budget in "Attachment A" is based on modified accrual and the designated limit of authority shall be by Fund.

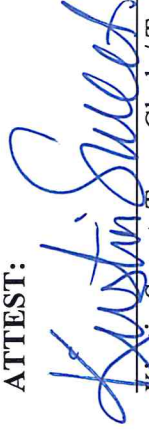
NOW, THEREFORE, BE IT RESOLVED by the Town Council of The Town of Fromberg that:

The final budget after any amendments to the preliminary budget and after considering any public comment is adopted. This resolution authorizes:

- (a) Appropriations to defray the expenses or liabilities for the fiscal year.
- (b) It sets the legal spending limits at the Town fund level. Fund level details are stated in the formal budget document and established in the Town's accounting system to be used as a management guide.
- (c) An increase(decrease) in property taxes due to (15-10-420 calculation), permissive and/or voted levies of \$34.78, \$104.33, and \$208.66 ~~677999~~, respectively for a home valued at \$100,000, \$300,000 and \$600,000 is included in this fiscal year budget.

DULY passed and adopted at the Regular Meeting of the Fromberg Town Council this 9th day of September 2024. This Resolution shall become effective as of July 1, 2024.

ATTEST:


Kirstin Sweet, Town Clerk / Treasurer


Tim Nottingham, Mayor

THE TOWN OF FROMBERG, MONTANA

TOWN OF FROMBERG
Cash Reserve Worksheet
For the Year: 2024 - 2025

Fund		Cash		Proposed		Proposed		AP/AR		Cash	
		Available		Revenues		Expenditures		Outstanding		Remaining	
1000 General	48,109.41	148,005.00	147,501.00	147,501.00	13,070.98	35,542.43	24.10%	-0.63	0.00	-0.38	0.00
2260 Emergency	27,083.37	0.00	27,084.00	27,084.00	0.00	-0.63	0.00	-0.38	0.00	-0.38	0.00
2820 Gas Tax	117,733.62	24,064.00	141,798.00	141,798.00	0.00	-0.38	0.00	-0.38	0.00	-0.38	0.00
2821 Gas Tax - BARSAA	36,303.61	0.00	36,304.00	36,304.00	0.00	-0.39	0.00	-0.39	0.00	-0.39	0.00
2992 America Rescue Plan Act	45,374.82	804,000.00	804,000.00	804,000.00	0.00	45,374.82	5.64%	52.20%	153,594.49	52.20%	5.64%
5210 Water	86,089.23	292,250.00	294,219.00	294,219.00	-69,474.26	153,594.49	52.20%	52.20%	153,594.49	52.20%	5.64%
5250 Water - ARPA	0.00	677,999.00	677,999.00	677,999.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5310 Sewer	289,934.73	194,750.00	236,869.00	236,869.00	-65,534.66	313,350.39	132.29%	132.29%	313,350.39	132.29%	4.05%
5350 Sewer - ARPA	0.00	126,001.00	126,001.00	126,001.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5410 Garbage	-17,269.40	71,140.00	63,152.00	63,152.00	-11,836.09	2,554.69	4.05%	4.05%	2,554.69	4.05%	0.00
7120 Fire Relief Disability	0.00	2,000.00	2,000.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.48
7200 Rural Fire - Voted Mill	0.48	9,894.00	9,894.00	9,894.00	0.00	0.48	0.00	0.00	0.48	0.00	0.00
Totals	633,359.87	2,350,103.00	2,566,821.00	-133,774.03	550,415.90						

TOWN OF FROMBERG
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024 - 2025

1000 General

Account											

20-21											
Actuals											

22-23											

23-24											

Budget											

Current											

23-24											

Rec. Budget											

24-25											

Prelim. Budget											

24-25											

Change											

24-25											

Budget											

24-25											

Final											

24-25											

% Old											

24-25											

310000 TAXES	44,530	21,498	56,426	60,190	57,600	104%	57,600	3,035	60,635	105%	
311010 Real Tax	932	506	694	224	650	34%	650	-400	250	38%	
311020 Personal Tax	932	506	694	224	650	34%	650	-400	250	38%	
311021 Mobile Homes	1,402	952	1,507	1,527	1,400	109%	1,400	150	1,550	111%	
312000 Penalty & Interest	387	265	323	384	300	128%	300	300	300	100%	
314140 County Option Taxes	18,681	16,449	20,053	21,968	20,000	110%	20,000	-1,200	20,000	100%	
314150 Marijuana excise Tax	65,932	39,670	82,047	89,402	87,150	103%	87,150	1,585	88,735	102%	
320000 LICENSES AND PERMITS	345	475	408	295	400	74%	400	400	400	100%	
322020 Business License	220	268	20	380	250	152%	250	250	250	100%	
323030 Animal License	565	743	428	675	650	104%	650	0	650	100%	
330000 INTERGOVERNMENTAL REVENUE	405	13	3,057	0	0	0%	0	200	0	0%	
331113 FEMA	405	13	627	889	600	148%	600	200	800	133%	
335065 Oil & Gas Prod Tax	1,400	1,400	1,100	45,079	1,100	0%	1,100	200	1,300	118%	
335120 Gambling Machine Permits	40,646	41,483	43,316	45,079	45,052	100%	45,052	3,818	48,870	108%	
335230 State Entitlement Share	42,451	42,896	48,100	45,968	46,752	98%	46,752	4,218	50,970	109%	
340000 CHARGES FOR SERVICES	10	10	0	0	0	0%	0	0	0	0%	
343023 Bulk Water Sales	900	632	2,736	640	600	107%	600	0	600	100%	
350000 FINES	900	632	2,736	640	600	107%	600	0	600	100%	
351030 Town Law Violations	160	13,500	15,475	0	0	0%	0	-500	0	0%	
360000 MISCELLANEOUS REVENUE	160	13,500	15,475	0	0	0%	0	-500	0	0%	
361000 Misc Rents/Royalties	4,846	2	13,285	24,271	6,050	401%	6,050	6,050	6,050	100%	
362000 Other misc revenue	18,506	22	29,429	24,271	6,550	371%	6,550	-500	6,050	92%	
370000 INVESTMENT EARNINGS	512	116	1,157	1,435	500	287%	500	500	1,000	200%	
371000 Interest	512	116	1,157	1,435	500	287%	500	500	1,000	200%	
Group:	128,866	84,089	163,897	162,391	142,202	114%	142,202	5,803	148,005	104%	
Fund:	128,866	84,089	163,897	162,391	142,202	114%	142,202	5,803	148,005	104%	

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TOWN OF FROMBERG
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024 - 2025

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2260 Emergency

Account	20-21	21-22	Actuals 22-23	23-24	Current Budget 23-24	% Rec. 23-24	Prelim. Budget 24-25	Budget Change 24-25	Final Budget 24-25	% Old Budget 24-25
330000 INTERGOVERNMENTAL REVENUE										
331113 FEMA			37,269			0 0%				0 0%
Group:			37,269			0 0%	0	0		0 0%
Fund:			37,269			0 0%	0	0		0 0%

2820 Gas Tax

	Account	20-21	21-22	Actuals	22-23	23-24	Budget	Current	%	Prelim.	Budget	Change	Budget	% Old
							23-24	23-24	Rec.	24-25	24-25	24-25	Final	
	330000 INTERGOVERNMENTAL REVENUE													
	335040 Gas Tax Apportionment	10,848	11,389	9,065	70,051	16,315	429%	0	0	16,315	7,749	24,064	147%	0%
	335041 New Gas Tax Street	10,848	11,389	13,711	70,051	16,315	429%	0	0	16,315	7,749	24,064	147%	0%
Group:		10,848	11,389	22,776	70,051	16,315	429%	16,315	429%	16,315	7,749	24,064	147%	
Fund:		10,848	11,389	22,776	70,051	16,315	429%	16,315	429%	16,315	7,749	24,064	147%	

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TOWN OF FROMBERG
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024 - 2025

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2821 Gas Tax - BaRSAA

Account	20-21	21-22	22-23	23-24	Current Budget 23-24	% Rec. 23-24	Prelim. Budget 24-25	Budget Change 24-25	Final Budget 24-25	% Old Budget 24-25
330000 INTERGOVERNMENTAL REVENUE										
335041 New Gas Tax Street	12,291	12,293		19,992	66,830	30%	66,830	-66,830	0	0%
Group:	12,291	12,293		19,992	66,830	30%	66,830	-66,830	0	0%
Fund:	12,291	12,293		19,992	66,830	30%	66,830	-66,830	0	0%

2992 America Rescue Plan Act (ARPA)

Account	20-21	21-22	Actuals	22-23	23-24	Budget	23-24	Rec.	24-25	Prelim.	Budget	24-25	Change	24-25	Budget	Final	% Old	Budget	24-25
330000 INTERGOVERNMENTAL REVENUE																			
331992 ARPA Stimulus Revenues -	110,050	0 ***%	804,000	804,000	804,000	804,000	804,000	0	0 ***%	804,000	804,000	0	0	0	804,000	804,000	0	0 ***%	804,000
Group:	110,050	0 ***%	804,000	804,000	804,000	804,000	804,000	0	0 ***%	804,000	804,000	0	0	0	804,000	804,000	0	0 ***%	804,000
Fund:	110,050	0 ***%	804,000	804,000	804,000	804,000	804,000	0	0 ***%	804,000	804,000	0	0	0	804,000	804,000	0	0 ***%	804,000

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TOWN OF FROMBERG
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024 - 2025

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5210 Water

Account	Actuals				Current	%	Prelim.	Budget	Final	% Old
	20-21	21-22	22-23	23-24	Budget 23-24	Rec. 23-24	Budget 24-25	Change 24-25	Budget 24-25	Budget 24-25
330000 INTERGOVERNMENTAL REVENUE										
331113 FEMA			21,258		0	0%			0	0%
331992 ARPA Stimulus Revenues -				21,450	0	***%			0	0%
Group:			21,258	21,450	0	***%	0	0	0	0%
340000 CHARGES FOR SERVICES										
343021 Metered Water Charges	159,314	176,100	112,942	124,581	155,500	80%	155,500	120,500	276,000	177%
343022 Metered Water/hookups		2,277	-502	2,619	750	349%	750		750	100%
343023 Bulk Water Sales	4,121	9,476	7,203	7,526	5,000	151%	5,000		5,000	100%
343024 Sale of water sup/METERS		50			0	0%			0	0%
343025 MT State DEQ Fees	482	474	482	-2	500	0%	500		500	100%
343090 Operating	10,958	11,923	10,266	11,737	16,000	73%	16,000	-6,000	10,000	63%
Group:	174,875	200,300	130,391	146,461	177,750	82%	177,750	114,500	292,250	164%
360000 MISCELLANEOUS REVENUE										
360000 MISCELLANEOUS REVENUE	58		102		10	0%	10	-10	0	0%
362000 Other misc revenue				10,108	0	***%			0	0%
363000 Special Assessments				4,420	0	***%			0	0%
Group:	58		102	14,528	10	***%	10	-10	0	0%
Fund:	174,933	200,300	151,751	182,439	177,760	103%	177,760	114,490	292,250	164%

5250 Water - ARPA

Account									

330000 INTERGOVERNMENTAL REVENUE									
331992 ARPA Stimulus Revenues -									
Group:									
20-21	21-22	22-23	23-24	Budget	%	Prelim.	Budget	Change	Final
3,900	86,926	0 ***	0 ***	0	0	0	0	0	0
380000 OTHER FINANCING SOURCES									
383000 Transfer In									
Group:									
107,447	0%	677,999	677,999	677,999	631%	107,447	0%	677,999	631%
Fund:									
3,900	86,926	107,447	81%	0	677,999	677,999	631%	677,999	631%

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TOWN OF FROMBERG
Revenue Budget Report -- MultiYear Actuals
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5310 Sewer

Account	Actuals				Current Budget 23-24	% Rec. 23-24	Prelim. Budget 24-25	Budget Change 24-25	Final Budget 24-25	% Old Budget 24-25
	20-21	21-22	22-23	23-24						
330000 INTERGOVERNMENTAL REVENUE										
331113 FEMA			3,057		0	0%			0	0%
331992 ARPA Stimulus Revenues -				4,000	0	***%			0	0%
334122 RD Grant	6,055				0	0%			0	0%
Group:	6,055		3,057	4,000	0	***%	0	0	0	0%
340000 CHARGES FOR SERVICES										
340001 Bank Service Charge	-4				0	0%			0	0%
343031 Sewer Service Charges	180,247	177,154	168,663	151,640	180,000	84%	180,000	14,000	194,000	108%
343032 Sewer Tapping Fees					750	0%	750		750	100%
343042 Garbage Tags			-137		0	0%			0	0%
Group:	180,243	177,154	168,526	151,640	180,750	84%	180,750	14,000	194,750	108%
Fund:	186,298	177,154	171,583	155,640	180,750	86%	180,750	14,000	194,750	108%

5350 Sewer - ARPA

Account									

Actuals									

Current	Budget	Rec.	Prelim.	Budget	Change	Budget	Final	% Old	
23-24	23-24	23-24	24-25	24-25	24-25	24-25	24-25	24-25	

330000 INTERGOVERNMENTAL REVENUE									
331992 ARPA Stimulus Revenues -	2,000	65,280	0 ***%					0	0%
Group:	2,000	65,280	0 ***%	0	0			0	0%
380000 OTHER FINANCING SOURCES									
383000 Transfer In	107,447	0%		126,001	126,001	126,001	126,001	117%	117%
Group:	107,447	0%		126,001	126,001	126,001	126,001	117%	117%
Fund:	2,000	65,280	107,447 61%	0	126,001	126,001	126,001	117%	117%

09/07/24
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TOWN OF FROMBERG
Revenue Budget Report -- MultiYear Actuals
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5410 Garbage

Account	20-21	21-22	Actuals 22-23	23-24	Current Budget 23-24	% Rec. 23-24	Prelim. Budget 24-25	Budget Change 24-25	Final Budget 24-25	% Old Budget 24-25
330000 INTERGOVERNMENTAL REVENUE										
331113 FEMA			27,292		0	0%			0	0%
Group:			27,292		0	0%	0	0	0	0%
340000 CHARGES FOR SERVICES										
343041 Garbage Operating	51,080	49,219	41,218	37,076	50,000	74%	50,000	21,000	71,000	142%
343042 Garbage Tags	148	217	-53	218	140	156%	140		140	100%
Group:	51,228	49,436	41,165	37,294	50,140	74%	50,140	21,000	71,140	142%
Fund:	51,228	49,436	68,457	37,294	50,140	74%	50,140	21,000	71,140	142%

7120 Fire Relief Disability

330000 INTERGOVERNMENTAL REVENUE											
335050 Police/Fire from State											
Extra so we do not need to amend											
Account	20-21	21-22	22-23	23-24	Budget 23-24	Current Budget	% Rec.	Prelim. Budget	Budget Change	Final Budget	% Old Budget
	538	558	609	1,000	0%	1,000	0%	1,000	1,000	2,000	200%
Group:	538	558	609	1,000	0%	1,000	0%	1,000	1,000	2,000	200%
Fund:	538	558	609	1,000	0%	1,000	0%	1,000	1,000	2,000	200%

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7200 Rural Fire - Voted Mill

Account	20-21	21-22	22-23	23-24	Current Budget 23-24	% Rec. 23-24	Prelim. Budget 24-25	Budget Change 24-25	Final Budget 24-25	% Old Budget 24-25
310000 TAXES										
311010 Real Tax	6,332	2,751	7,409	8,892	8,593	103%	8,593	1,001	9,594	112%
Actual increase in revenue is only \$191. I added extra so that we donot have to amend.										
311020 Personal Tax	132	73	93	29	100	29%	100		100	100%
311021 Mobile Homes	191	136	199	217	200	109%	200		200	100%
Group:	6,655	2,960	7,701	9,138	8,893	103%	8,893	1,001	9,894	111%
Fund:	6,655	2,960	7,701	9,138	8,893	103%	8,893	1,001	9,894	111%
Grand Total:	571,657	538,179	629,943	899,201	858,784		643,890	1,706,213	2,350,103	

Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
410100 Town Council	110 Salaries and Wages	940	1,850	588	585	694	84%	462	462	462	67%
	140 Social Security	58	115	36	36	43	84%	28	28	28	65%
	141 Unemployment Insurance				1	0	***			0	0%
	142 Medicare	14	27	9	9	10	90%	7	7	7	70%
	143 Work Comp	5	12	4	7	4	175%	3		3	75%
	200 Supplies	51	50	159	124	160	78%	160		160	100%
	300 Purchased Services				100	0	***			0	0%
Account:		1,068	2,054	796	862	911	95%	660	0	660	72%
410200 Mayor	110 Salaries and Wages	125				0	0%			0	0%
	140 Social Security	8				0	0%			0	0%
	142 Medicare	2				0	0%			0	0%
Account:		135				0	***	0	0	0	0%
410300 City Court	111 Contract Labor	5,001	4,532	2,143	2,411	2,500	96%	2,500		2,500	100%
	200 Supplies				465	1,000	47%	1,000	-200	800	80%
	300 Purchased Services				200	0	***	160	160	160	*****
	310 Postage	33				40	0%	40	40	80	200%
	350 Legal Services	137				0	0%			0	0%
	380 Training	592			450	600	75%	600		600	100%
Account:		5,001	4,532	2,905	3,526	4,140	85%	4,140	0	4,140	100%
410400 Financial Administration	110 Salaries and Wages	4,172	2,191	15,177	14,034	12,424	113%	17,536		17,536	141%
	111 Contract Labor	2,960	384	6,473	4,093	3,000	136%	3,000	-1,500	1,500	50%
	130 MMIA - Health Benefits	905	855	5,400	3,963	2,642	150%	4,920		4,920	186%

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1000 General

Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
140	Social Security	259	136	941	1,336	770	174%	1,087		1,087	141%
141	Unemployment Insurance	23	226	789	82	81	101%	131		131	162%
142	Medicare	61	32	220	183	180	102%	254		254	141%
143	Work Comp	16	7	231	347	33	***%	47		47	142%
146	MMIA - DENTAL	43	39	190	8	5	160%	188		188	3760%
147	MMIA - LIFE INSURANCE	18	10	116	213	142	150%	27		27	19%
148	MMIA - VISION	11	9	56	41	27	152%	45		45	167%
200	Supplies	1,703	809	852	1,649	1,000	165%	1,000	1,000	2,000	200%
225	Maint & Repair-Vehicles	20	198			0	0%			0	0%
300	Purchased Services	1,130	24	432	1,008	300	336%	300	700	1,000	333%
310	Postage	401	40	297		300	0%	300	-300	0	0%
330	Publicity, Subscriptions	916	1,349	1,643	1,255	1,000	126%	1,000		1,000	100%
340	Utilities/Phone	4,440	4,937	3,277	2,824	5,000	56%	5,000	-2,000	3,000	60%
350	Legal Services	204				0	0%			0	0%
352	Audit		110	1,133	1,905	0	***%			0	0%
362	Computer and Equipment	2,193	290	1,801	2,182	3,000	73%	3,000	-2,500	500	17%
370	Travel				964	0	***%			0	0%
380	Training	108	202			250	0%	250		250	100%
390	Other Services				1,009	0	***%			0	0%
	Account:	19,583	11,848	39,028	37,096	30,154	123%	38,085	-4,600	33,485	111%
410530	Auditing										
352	Audit	3,454	7,970		4,800	8,500	56%	8,500		8,500	100%
	Account:	3,454	7,970		4,800	8,500	56%	8,500	0	8,500	100%
410600	Elections										
300	Purchased Services					1,000	0%	1,000		1,000	100%
	Account:					1,000	0%	1,000	0	1,000	100%

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Account	Object	Actuals			Current Budget	% Exp. Budget	Prelim. Budget	Changes Budget	Final Budget	% Old Budget	
		20-21	21-22	22-23							
411100 Legal Services	350 Legal Services	7,761	8,169	5,881	16,800	14,000 120%	14,000	-400	13,600	97%	
Account:		7,761	8,169	5,881	16,800	14,000 120%	14,000	-400	13,600	97%	
411200 Facilities	200 Supplies				687	0 ***%			0	0%	
Account:					687	0 ***%			0	0%	
420100 Police	351 Police Contract	12,688		52,284	60,307	55,000 110%	55,000	-1,900	53,100	97%	
Account:		12,688		52,284	60,307	55,000 110%	55,000	-1,900	53,100	97%	
	391 Dispatch	39,026	51,511			0 0%			0	0%	
Account:		39,026	51,511			0 0%			0	0%	
420750 Central Emergency Dispatch - 911	391 Dispatch										
Account:											
	391 Dispatch	1,553	1,536	4,698	5,000 94%	5,000 94%	5,000	300	5,300	106%	
Account:		1,553	1,536	4,698	5,000 94%	5,000 94%	5,000	300	5,300	106%	
430000 PUBLIC WORKS	200 Supplies	155				0 0%			0	0%	
Account:		155				0 0%			0	0%	
430200 Road & Street	200 Supplies	3,095	5,993	4,119	15,820	9,000 176%	9,000		9,000	100%	
Account:		3,095	5,993	4,119	15,820	9,000 176%	9,000		9,000	100%	
	225 Maint & Repair-Vehicles	871	2,831	4,117	2,699	2,000 135%	2,000		2,000	100%	
Account:		871	2,831	4,117	2,699	2,000 135%	2,000		2,000	100%	
	230 Gas & Oil	72				0 0%			0	0%	
Account:		72				0 0%			0	0%	
300 Purchased Services					1,125	0 ***%				0%	
Account:					1,125	0 ***%				0%	
430263 Street Lighting	340 Utilities/Phone	8,130	8,234	6,717	7,730	6,750 115%	6,750	1,000	7,750	115%	
Account:		8,130	8,234	6,717	7,730	6,750 115%	6,750	1,000	7,750	115%	
460400 Parks	110 Salaries and Wages				630	0 0%			0	0%	
Account:					630	0 0%			0	0%	
	111 Contract Labor				236	0 ***%				0%	
Account:					236	0 ***%				0%	

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1000 General

Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
140	Social Security			39		0	0%			0	0%
141	Unemployment Insurance			4		0	0%			0	0%
142	Medicare			9		0	0%			0	0%
143	Work Comp			37		0	0%			0	0%
200	Supplies	1,584	8,164	3,752	5,080	2,000	254%	2,000	800	2,800	140%
211	Chemicals & Supplies	398	13	137		200	0%	200	-200	0	0%
225	Maint & Repair-Vehicles	762	453	357		400	0%	400	-400	0	0%
260	Maint & Repair-Buildings		698	69		100	0%	100	-100	0	0%
300	Purchased Services	300	3,500	800	732	500	146%	500		500	100%
340	Utilities/Phone	189	298	118	188	300	63%	300	-100	200	67%
	Account:	3,233	13,126	5,952	6,236	3,500	178%	3,500	0	3,500	100%
510300	Misc										
200	Supplies				330	0	***%			0	0%
	Account:				330	0	***%	0	0	0	0%
510330	Insurance										
510	Liability Insurance	4,312	4,877	4,295	100	4,087	2%	4,087	-2,171	1,916	47%
511	Property Insurance	6,236	14,449		9,325	6,483	144%	6,483	-2,933	3,550	55%
	Account:	10,548	19,326	4,295	9,425	10,570	89%	10,570	-5,104	5,466	52%
	Fund:	114,820	137,147	127,630	172,141	150,525	114%	158,205	-10,704	147,501	98%

%

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2260 Emergency									
51000 MISCELLANEOUS									
200 Supplies									
Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. Budget 23-24	Prelim. Budget 24-25	Budget Changes 24-25

Actuals									

Final Budget 24-25									

% Old Budget 24-25									

Account:		10,186	37,270	27%	37,270	37,270	27%	37,270	-10,186
Fund:		10,186	37,270	27%	37,270	37,270	27%	37,270	-10,186
		73%	27,084		27,084		73%	27,084	
		73%	27,084		27,084		73%	27,084	
		73%	27,084		27,084		73%	27,084	

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2810 Police Reserve

Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
420100	Police										
	351 Police Contract				5,832		0 ***%			0	0%
	Account:				5,832		0 ***%	0	0	0	0%
420400	Fire										
	300 Purchased Services					5,833	0%	5,833	-5,833	0	0%
	Account:					5,833	0%	5,833	-5,833	0	0%
	Fund:				5,832	5,833	100%	5,833	-5,833	0	0%

2820 Gas Tax

Account Object		20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. Budget 23-24	Prelim. Budget 24-25	Changes Budget 24-25	Final Budget 24-25	% Old Budget 24-25
430200 Road & Street		4,083	68,081	6%	68,081	6%	68,081	73,717	141,798	208%	
200 Supplies		4,083	68,081	6%	68,081	6%	68,081	73,717	141,798	208%	
Account:		4,083	68,081	6%	68,081	6%	68,081	73,717	141,798	208%	
Fund:		4,083	68,081	6%	68,081	6%	68,081	73,717	141,798	208%	

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2821 Gas Tax - BaRSAA

Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
430200	Road & Street										
	200 Supplies		8,273			96,853	0%	96,853	-60,549	36,304	37%
	Account:		8,273			96,853	0%	96,853	-60,549	36,304	37%
	Fund:		8,273			96,853	0%	96,853	-60,549	36,304	37%

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2992 America Rescue Plan Act (ARPA)

Account Object	20-21	21-22	22-23	23-24	Budget 23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
521000 Transfer											
820 Transfer out											
Account:	112,981	0%	804,000	804,000	712%						
Fund:	112,981	0%	804,000	804,000	712%						

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5210 Water

Account	Object	Actuals				Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
		20-21	21-22	22-23	23-24						
410530	Auditing										
352	Audit	3,096	5,330	1,133	1,905	4,500	42%	4,500		4,500	100%
Account:		3,096	5,330	1,133	1,905	4,500	42%	4,500	0	4,500	100%
430200	Road & Street										
380	Training	210				0	0%			0	0%
Account:		210				0	***%	0	0	0	0%
430510	Water Adm										
110	Salaries and Wages	42,485	40,759	41,426	44,629	38,719	115%	68,073		68,073	176%
111	Contract Labor	964	169	28,255	2,559	1,000	256%	1,000	500	1,500	150%
130	MMIA - Health Benefits	6,161	12,002	11,346	15,468	14,715	105%	19,248		19,248	131%
140	Social Security	2,634	2,522	2,711	3,632	3,330	109%	4,221		4,221	127%
141	Unemployment Insurance	235	406	280	322	347	93%	507		507	146%
142	Medicare	616	590	634	720	779	92%	987		987	127%
143	Work Comp	2,058	2,186	1,619	2,455	2,243	109%	3,098		3,098	138%
146	MMIA - DENTAL	250	554	466	150	12	***%	734		734	6117%
147	MMIA - LIFE INSURANCE	121	135	190	427	271	158%	108		108	40%
148	MMIA - VISION	62	127	120	107	51	210%	177		177	347%
200	Supplies	10,035	25,644	65,019	76,188	80,000	95%	80,000		80,000	100%
225	Maint & Repair-Vehicles	399	196	1,463		1,000	0%	1,000		1,000	100%
230	Gas & Oil	876				0	0%			0	0%
300	Purchased Services	161	7,237	256	37,994	38,000	100%	38,000		38,000	100%
310	Postage	183	279	156	131	350	37%	350		350	100%
330	Publicity, Subscriptions	185	30	164		100	0%	100		100	100%
340	Utilities/Phone	8,944	11,291	8,643	8,678	10,000	87%	10,000		10,000	100%
360	Maintenance & Repair		1,584	3,998	2,400	2,000	120%	2,000		2,000	100%
362	Computer and Equipment	2,193	3,195	1,939	2,182	2,500	87%	2,500		2,500	100%

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5210 Water											
Account	Object	20-21		21-22		22-23		23-24		24-25	
		Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget	Actuals	Budget
370	Travel	545	731	278	38	400	10%	400	10%	400	100%
380	Training	290	567	412	440	600	73%	600	600	600	100%
390	Other Services	2,188	1,450	2,150	115	1,500	8%	1,500	1,500	3,000	200%
Added for water tank cleaning.											
510	Liability Insurance				0	0	0%	1,916	1,916	1,916	*****%
511	Property Insurance				0	0	0%	3,550	3,550	3,550	*****%
610	Bond Pmt Princ & Interest			19,000	0	0	0%			0	0%
620	Bond Interest			21,680	0	0	0%			0	0%
630	Paying Agent Fees			1,208	0	0	0%			0	0%
830	Depreciation	34,043	34,043	34,043	0	0	0%			0	0%
430530	Source of Supply	115,628	145,697	205,568	240,523	197,917	122%	234,603	7,466	242,069	122%
430530	360 Maintenance & Repair	446	446	0	0	0	0%			0	0%
430540	Water Treatment	446	446	0	0	0	0%			0	0%
430540	200 Supplies	446	446	0	0	0	0%			0	0%
490300	Debt Service	446	446	0	0	0	0%			0	0%
490300	610 Bond Pmt Princ & Interest	40,988	41,300	12,600	20,213	44,350	46%	44,350	3,300	47,650	107%
510100	Special Assessments	40,988	41,300	12,600	20,213	44,350	46%	44,350	3,300	47,650	107%
510100	800 Other Objects			3,000	0	0	0%			0	0%
Account:				3,000	0	0	0%			0	0%
Fund:		159,922	192,327	220,193	265,641	246,767	108%	283,453	10,766	294,219	119%

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5250 Water - ARPA

Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
430510	Water Adm										
	200 Supplies			3,900	39,800	107,447	37%			0	0%
	300 Purchased Services				47,126	0	***%	677,999		677,999	*****%
	Account:			3,900	86,926	107,447	81%	677,999	0	677,999	631%
	Fund:			3,900	86,926	107,447	81%	677,999	0	677,999	631% %

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5310 Sewer

Account	Object	Actuals					Current Budget	% Exp. Budget	Prelim. Budget	Budget Changes	Final Budget	% Old Budget
		20-21	21-22	22-23	23-24	23-24						
410530 Auditing	352 Audit	1,816	5,330	1,133	1,905	4,500	42%	42%	4,500		4,500	100%
	Account:	1,816	5,330	1,133	1,905	4,500	42%	42%	4,500	0	4,500	100%
430510 Water Adm	610 Bond Pmt Princ & Interest	250				0	0%	0			0	0%
430610 Sewer Adm	110 Salaries and Wages	42,485	40,759	41,423	44,625	38,719	115%	115%	68,073		68,073	176%
	111 Contract Labor	964	208	10,473	3,579	500	716%	716%	500	1,000	1,500	300%
	130 MMIA - Health Benefits	6,161	12,002	11,345	9,516	9,715	98%	98%	19,248		19,248	198%
	140 Social Security	2,634	2,522	2,711	3,632	3,330	109%	109%	4,221		4,221	127%
	141 Unemployment Insurance	235	406	280	322	347	93%	93%	507		507	146%
	142 Medicare	616	590	634	721	779	93%	93%	987		987	127%
	143 Work Comp	2,058	2,186	1,619	2,455	2,244	109%	109%	3,098		3,098	138%
	146 MMIA - DENTAL	250	554	466	124	12	***%	***%	734		734	6117%
	147 MMIA - LIFE INSURANCE	121	135	190	428	271	158%	158%	108		108	40%
	148 MMIA - VISION	62	127	120	98	51	192%	192%	177		177	347%
	200 Supplies	7,755	39,401	34,568	49,497	40,000	124%	124%	40,000	10,000	50,000	125%
	211 Chemicals & Supplies	147	154		300	0%	0%	0%	300		300	100%
	225 Maint & Repair-Vehicles	399	259	1,515	700	0%	0%	0%	700		700	100%
	230 Gas & Oil	1,358	265		300	0%	0%	0%	300		300	100%
	300 Purchased Services	2,413	16,534	1,762	4,935	15,000	33%	33%	15,000		15,000	100%
	310 Postage	183	141	276	131	400	33%	33%	400		400	100%
	340 Utilities/Phone	16,767	21,085	18,765	13,959	17,000	82%	82%	17,000		17,000	100%
	360 Maintenance & Repair	4,059	444	10,796	3,500	0%	0%	0%	3,500		3,500	100%
	362 Computer and Equipment	2,193	3,195	1,939	2,182	2,000	109%	109%	2,000		2,000	100%

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5310 Sewer

Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
370	Travel				38	0	***%			0	0%
380	Training	541	500			550	0%	550		550	100%
390	Other Services			781		0	0%			0	0%
510	Liability Insurance					0	0%		1,916	1,916	*****%
511	Property Insurance					0	0%		3,550	3,550	*****%
610	Bond Pmt Princ & Interest	31,092	28,501	13,623		0	0%			0	0%
830	Depreciation	9,860	75,031	75,031		0	0%			0	0%
	Account:	132,353	244,999	228,317	136,242	135,718	100%	177,403	16,466	193,869	143%
430620	Sewer Facilities										
395	Project costs	6,055				0	0%			0	0%
	Account:	6,055				0	***%	0	0	0	0%
430640	Pumping										
200	Supplies		763			0	0%			0	0%
211	Chemicals & Supplies		282			0	0%			0	0%
	Account:		1,045			0	***%	0	0	0	0%
490300	Debt Service										
610	Bond Pmt Princ & Interest				31,092	32,000	97%	32,000	6,500	38,500	120%
	Account:				31,092	32,000	97%	32,000	6,500	38,500	120%
Fund:		140,224	251,374	229,700	169,239	172,218	98%	213,903	22,966	236,869	138%

%

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5350 Sewer - ARPA

Account Object		20-21	21-22	22-23	23-24	Budget 23-24	Current %	Exp. Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old

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5410 Garbage

Account	Object	20-21	21-22	22-23	23-24	Current Budget 23-24	% Exp. 23-24	Prelim. Budget 24-25	Budget Changes 24-25	Final Budget 24-25	% Old Budget 24-25
430810 Garbage Adm											
110 Salaries and Wages		1,245				0	0%			0	0%
111 Contract Labor					1,235	0	***%			0	0%
130 MMIA - Health Benefits		278				0	0%			0	0%
140 Social Security		77				0	0%			0	0%
141 Unemployment Insurance		7				0	0%			0	0%
142 Medicare		18				0	0%			0	0%
143 Work Comp		5				0	0%			0	0%
146 MMIA - DENTAL		13				0	0%			0	0%
147 MMIA - LIFE INSURANCE		6				0	0%			0	0%
148 MMIA - VISION		3				0	0%			0	0%
200 Supplies		435	665	5,206	10,329	5,200	199%	5,200		5,200	100%
225 Maint & Repair-Vehicles		31		253		50	0%	50		50	100%
300 Purchased Services				168	868	0	***%			0	0%
310 Postage			141		131	400	33%	400		400	100%
340 Utilities/Phone					52	0	***%			0	0%
360 Maintenance & Repair				1,651	1,915	0	***%			0	0%
370 Travel					38	0	***%			0	0%
390 Other Services					1,029	0	***%			0	0%
392 Disposal Contract Pmt		46,264	47,186	64,087	43,534	57,502	76%	57,502		57,502	100%
Account:		48,382	47,992	71,365	59,131	63,152	94%	63,152	0	63,152	100%
Fund:		48,382	47,992	71,365	59,131	63,152	94%	63,152	0	63,152	100%

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7120 Fire Relief Disability

Account Object		Actuals		Budget		Prelim.		Budget		Changes		Final		% Old	
		20-21	21-22	22-23	23-24	23-24	24-25	24-25	24-25	24-25	24-25	24-25	24-25	24-25	24-25
420000 PUBLIC SAFETY															
700 Grants, Contributions & I		538	538	538	629	1,629	39%	1,629	39%	1,629	39%	1,629	39%	2,000	123%
Account:		538	538	538	629	1,629	39%	1,629	39%	1,629	39%	1,629	39%	2,000	123%
Fund:		538	538	538	629	1,629	39%	1,629	39%	1,629	39%	1,629	39%	2,000	123%

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7200 Rural Fire - Voted Mill

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	% Old
		20-21	21-22	22-23	23-24	Budget	Exp.	Budget	Changes	Budget	Budget
						23-24	23-24	24-25	24-25	24-25	24-25
420460	Rural Fire										
540	Rural Fire Protection	8,606	6,877		16,772	16,528	101%	16,528	-6,634	9,894	60%
	Account:	8,606	6,877		16,772	16,528	101%	16,528	-6,634	9,894	60%
	Fund:	8,606	6,877		16,772	16,528	101%	16,528	-6,634	9,894	60%
											%
Grand Total:		472,492	644,528	654,788	855,860	1,186,731		1,748,907	817,914	2,566,821	

RESOLUTION NO. 538

A RESOLUTION RECOMMENDING A FUNDING PRIORITY LIST FOR STATE-LOCAL INFRASTRUCTURE PARTNERSHIP ACT TO THE MONTANA DEPARTMENT OF COMMERCE

Whereas, H.B. 355 created “The State-Local Infrastructure Partnership Act of 2023” (Ch. 771, 2023) (“the Act”);

Whereas, the Act created a state-funded program to fund the maintenance or repair of existing infrastructure on a partnership basis, with the city or town supplying a cash match;

Whereas, Section 5(2) of the Act requires the legislative body of the city or town to hold a public hearing and, based on the information received at the hearing, prepare and submit a recommendation for funding in priority order to the Montana Department of Commerce;

Whereas, a public hearing before the Town of Fromberg Town Council was held on August 12, 2024 wherein the council considered the proposed projects for Act funding.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF FROMBERG, MONTANA:

SECTION 1. The Town Council has identified the following infrastructure project(s) in priority order for Act funding:

Street Repairs and Paving of Mine Spur Loop and a portion of W River St.

SECTION 2. The Town Clerk / Treasurer is hereby ordered to draft and submit an application.

SECTION 3. This Resolution shall be submitted to the Montana Department of Commerce.

DULY passed and adopted at the Regular Meeting of the Fromberg Town Council this 9th day of September 2024. This Resolution shall become effective as of July 1, 2024.

THE TOWN OF FROMBERG, MONTANA

ATTEST:


Kirstin Sweet, Town Clerk / Treasurer


Tim Nottingham, Mayor

RESOLUTION NO. 539

A RESOLUTION OF THE TOWN OF FROMBERG TO ESTABLISH A ZONING ORDINANCE COMMITTEE

Whereas, the Town of Fromberg recognizes the importance of establishing clear and effective zoning regulations to promote orderly growth, protect property values, and safeguard the health, safety, and welfare of its residents; and

Whereas, the Town Council deems it necessary to create a Zoning Ordinance Committee to research, draft, and recommend zoning policies and procedures that reflect the needs and goals of the community;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Fromberg, Montana, as follows:

SECTION 1. Establishment of the Zoning Ordinance Committee

The Town of Fromberg hereby establishes the Zoning Ordinance Committee (hereafter referred to as the “Committee”) to be responsible for the development of zoning ordinances and recommendations to the Town Council.

SECTION 2. Composition and Appointment

- **Membership:** The Committee shall consist of five members appointed by Town Council.
- **Qualifications:** Members shall be residents of the Town of Fromberg and should have an interest or background in urban planning, land use, real estate, or related fields.
- **Term of Service:** Members shall serve until the Committee is dissolved. It is anticipated the Committee shall be dissolved upon the Town Council approving updated Zoning Ordinances.
- **Appointment Process:** The Town Council shall select members through a nomination and approval process, with consideration given to individuals who demonstrate commitment to the objectives of the Committee.
- **Committee Leadership:** The Committee shall elect a Chairperson, Vice-Chairperson, and Secretary from among its members. The Chairperson shall preside over meetings and serve as the primary liaison to the Town Council

SECTION 3. Powers and Duties

The Zoning Ordinance Committee shall:

1. Conduct research, review existing zoning laws, and draft new ordinances or amendments to support the town's development goals.
2. Seek input from the community and other stakeholders to ensure transparency and public participation in the zoning ordinance process.
3. Present recommendations to the Town Council for final approval, including any proposed zoning maps, regulations, or amendments.

SECTION 4. Meetings and Reporting

1. **Regular Meetings:** The Committee shall meet at least once per month, or as needed, to fulfill its objectives.
2. **Reporting Requirements:** The Committee shall provide regular updates to the Town Council, including a summary of activities, findings, and recommendations.
3. **Public Access:** All Committee meetings shall be open to the public, with minutes recorded and made available per town policy.

SECTION 5. Effective Date

This Resolution shall be in full force and effect immediately upon its adoption.

DULY passed and adopted at the Regular Meeting of the Fromberg Town Council this 18th day of November 2024. The Resolution shall become effective as of December 1, 2024.

THE TOWN OF FROMBERG, MONTANA

ATTEST:


Michele Auch, Town Clerk / Treasurer


Tim Nottingham, Mayor

