

**NOTICE OF RATE MODIFICATION AND PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that on May 10, 2022, the Board of Directors (the “Board”) of Sun Prairie Village County Water and Sewer District, Montana (the “District”), adopted a Resolution of Intention of the Sun Prairie Village County Water and Sewer District, Montana to Modify and Increase Rates for the Users of the Water System and Sewer System; and Calling a Public Hearing Thereon.

The District has established a water system (the “Water System”) and a wastewater system (the “Sewer System”). The District intends to undertake certain improvements to the Sewer System, a portion of the costs of which is expected to be paid from the proceeds of sewer system revenue bonds to be issued by the District.

It will be necessary for the District to collect sufficient revenues pay the costs associated with the operation and maintenance of the Water System and Sewer System, to pay debt service related to outstanding bonds of the Water System and the proposed bonds of the Sewer System, and to establish appropriate reserves.

Water System

The District currently charges owners of property in the District and customers of the Water System a monthly Water Rate based on the classification of the property or connection, with properties/connections classified as “undeveloped,” “unoccupied/developed,” “occupied (residential),” “commercial” and “industrial.”

The District also charges each Occupied connection to the Water System a monthly Water Usage Charge equal to \$0.00755 per gallon of water used per month, such that for Occupied connections, the monthly water charge is equal to the Water Rate plus the Water Usage Charge.

Effective as of its July 2022 billing, the District proposes to increase and modify the Water Rate as shown below (the “Proposed Water Rate”).

	<b>Undeveloped</b>	<b>Unoccupied/ Developed</b>	<b>Occupied</b>	<b>Commercial</b>	<b>Industrial</b>
Water Base	\$ 7.76	\$ 7.76	\$ 7.76	\$ 13.89	\$ 55.40
Revenue Bond		11.56	11.56	11.56	11.56
Debt Service		1.16	1.16	1.16	1.16
Water Reserve		14.14	14.14	14.14	14.14
<b>Total Proposed Water Rate</b>	<b>\$ 7.76</b>	<b>\$ 34.62</b>	<b>\$ 34.62</b>	<b>\$ 40.75</b>	<b>\$ 82.26</b>

The District also proposes to adjust its Water Usage Charge to equal \$0.007765 per gallon of water used per month (the “Proposed Water Usage Charge”), and to charge the Proposed Water Usage Charge to all Occupied, Commercial and Industrial connections such that for Occupied, Commercial and Industrial connections, the proposed monthly water charge is equal to the Proposed Water Rate plus the Proposed Water Usage Charge.

The Proposed Water Rate represents an increase of 4.7% over the current monthly Water Rate for Undeveloped properties and an increase of 5.9% over the current monthly Water Rate for Unoccupied/Developed connections. For an Occupied connection using 5,000 gallons of water per month, the proposed monthly water charge ( $\$34.62 + \$38.83 = \$73.45$ ) represents an increase of 4.27% over the current monthly water charge ( $\$32.69 + \$37.75 = \$70.44$ ). For Commercial connections using 5,000 gallons of water per month, the proposed monthly water charge ( $\$40.75 + \$38.83 = \$79.58$ ) represents a 56.35% decrease from the current monthly Water Rate ( $\$182.31$ ). For the Industrial connection, assuming use of 5,000 gallons of water per month, the proposed monthly water charge ( $\$82.26 + \$38.83 = \$121.09$ ) represents a 34.13% decrease from the current monthly Water Rate ( $\$183.82$ ).

Sewer System

The District currently charges owners of property in the District and customers of the Sewer System a monthly Sewer Rate based on the classification of the property or connection, with properties/connections classified as “undeveloped,” “unoccupied/developed,” “occupied (residential),” “commercial” and “industrial.”

Effective as of its July 2022 billing, the District proposes to increase and modify the Sewer Base Rate as shown below (the “Proposed Sewer Rate”).

	<b>Undeveloped</b>	<b>Unoccupied/ Developed</b>	<b>Occupied</b>	<b>Commercial</b>	<b>Industrial</b>
Sewer Base	\$ 7.39	\$ 7.39	\$ 7.39	\$ 13.23	\$ 52.78
Revenue Bond		7.94	7.94	7.94	7.94
Debt Service		0.79	0.79	0.79	0.79
Sewer Reserve		7.13	7.13	7.13	7.13
<b>Total Proposed Sewer Rate</b>	<b>\$ 7.39</b>	<b>\$ 23.25</b>	<b>\$ 23.25</b>	<b>\$ 29.09</b>	<b>\$ 68.64</b>

For Occupied, Commercial and Industrial connections, the District also proposes to add a sewer usage charge to equal \$0.00261 per gallon of water used per month (the “Proposed Sewer Usage Charge”). For the months of September through April, the Proposed Sewer Usage Charge will be based on actual gallons of water used in such month. For the months of May through August, the Proposed Sewer Usage Charge will be based on the average number of gallons of water used per month during the most recent period from September through April. For Occupied, Commercial and Industrial connections, the proposed monthly sewer charge is equal to the Proposed Sewer Rate plus the Proposed Sewer Usage Charge.

The Proposed Sewer Rate represents an increase of 4.97% over the current Sewer Rate for Undeveloped properties and an increase of 93% over the current Sewer Rate for Unoccupied/Developed connections. For an Occupied connection using 5,000 gallons of water per month, the proposed monthly sewer charge ( $\$23.25 + \$13.05 = \$36.30$ ) represents an increase of 23% over the current Sewer Rate ( $\$29.51$ ). For a Commercial connection using 5,000 gallons of water per month, the proposed monthly sewer charge ( $\$29.09 + \$13.05 = \$42.14$ ) represents an increase of 39.7% over the current Sewer Rate ( $\$30.16$ ). For the Industrial connection, assuming

the use of 5,000 gallons of water per month, the proposed monthly sewer charge (\$68.64 + \$13.05 = \$81.69) represents a decrease of 25% from the current Sewer Rate (\$108.98).

At least once each year the Board shall determine the amount of user fees that will be required to pay the costs of operating and maintaining the Water System and Sewer System, paying principal of and interest on any outstanding debt of the Water System and Sewer System and the establishing and maintaining of any reserves therefor.

On June 14, 2022, commencing at 6:30 p.m. in the District Office located at 1047 Grant Drive in Great Falls, Montana, the Board will conduct a public hearing on the proposed rate modifications. Further information about the proposed rate increase may be obtained from the Janet Fulmer, General Manager, 1047 Grant Drive, Great Falls, MT 59404, or by telephone at (406) 965-3944.

Dated: May 10, 2022.

BY ORDER OF THE BOARD OF DIRECTORS  
OF SUN PRAIRIE VILLAGE COUNTY WATER  
AND SEWER DISTRICT, MONTANA

Publish: May 22, 2022 and May 29, 2022

Mail: May 22, 2022