

## RESOLUTION NO. 3384

### **A RESOLUTION OF INTENT TO INCREASE THE CITY OF RED LODGE'S WATER AND SEWER RATES AND CHARGES TO BECOME EFFECTIVE ON JULY 1, 2015 AND SETTING A DATE AND TIME FOR A PUBLIC HEARING.**

WHEREAS, the water and sanitary sewer rates and charges in effect at the present time are not adequate to provide revenues to defray the increased costs of operation, maintenance, and capital of the City's water and sewer distribution facilities and systems; and

WHEREAS, a Water and Sewer Rate Study has been conducted for the City of Red Lodge, March 2015, to insure that rates, charges and classifications are reasonable and just in accordance with MCA 69-7-101 and to insure that undertakings are self-supporting in accordance with MCA 7-7-4424; and

WHEREAS, the provision of the water and sewer systems and facilities is essential to the preservation of the public's health and welfare; and, that the new rates, must before taking effect, be approved by the City Council after advertising and conducting a public hearing pursuant to the Rules and Regulations governing Water and Waster Water Service for the City of Red Lodge, Title 10, Chapter 8, Section 1, as previously adopted by the City Council through Ordinance 835 and MCA Section 69-7-111; and

WHEREAS, current budgetary requirements with respect to the operation of said facilities in addition to on-going and future projects require the proposed rates to become effective on or about July 1, 2015, to enable the City to proceed as expeditiously as possible to accomplish the objectives herein above recited; and

WHEREAS, pursuant to Montana law, the City Council has determined that a public hearing must be advertised and held to gather public testimony and input regarding the proposed increases in water and sewer rates and charges.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RED LODGE, MONTANA:

1. That the City Council of the City of Red Lodge considers it both advisable and necessary to increase the municipal water and sewer rates and charges for all users and proposes to increase the rates and charges as specifically contained on the rate and charge schedule marked "Exhibit A" that is attached hereto and hereby incorporated into this Resolution by reference.
2. That a public hearing shall be held on May 26, 2015 at 6:00 p.m. in the City Council Chambers, at City Hall, Red Lodge, Montana, for the purpose of gathering and receiving testimony, input and comments from all interested or affected users, citizens, persons, associations, corporations and/or companies.
3. Notice of the hearing shall be published once a week for three consecutive weeks in the *Carbon County News*, a newspaper that conforms to the requirements of MCA § 7-1-4127, and the first such publication shall not be more than twenty-eight (28) days prior to the hearing and the last publication shall be not less than three (3) days prior to the hearing, in a form substantially similar to the Notice of Public Hearing marked and attached hereto as "Exhibit A".
4. Additionally, the notice of the hearing shall be mailed at least seven (7) days and not more than thirty (30) days prior to the hearing to all persons who are served by the City's utilities. The notice shall contain an estimate of the amount the customer's average monthly bill will increase.


5. A copy of this Resolution and Notice of the public hearing (Exhibit A) shall be mailed to the Montana Consumer Counsel at least seven (7) days before but not more than thirty (30) days prior to the hearing date.

Introduced at a regular meeting of the City Council on April 28, 2015, by Council Member Foisy.

PASSED and APPROVED by the City Council of the City of Red Lodge this 28<sup>th</sup> day of April, 2015.

APPROVED by the Mayor this 28<sup>th</sup> day of April, 2015.

CITY OF RED LODGE

  
Ed Williams, Mayor

ATTEST:

  
Loni Hanson, City Clerk

**EXHIBIT A**

**City of Red Lodge Water and Sanitary Sewer Utility Service  
Rates and Charges**

**And**

**Notice of Public Hearing**

OFFICIAL NOTICE IS HEREBY GIVEN that the Red Lodge City Council will hold a Public Hearing on May 26, 2015 at 6:00 p.m. in the Council Chambers at City Hall located at 1 South Platt, P.O. Box 9, Red Lodge, Montana 59068 regarding proposed municipal water and sewer rate increases.

The City is proposing to modify the existing water rates as follows:

		Current	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Base Rate per EDU		-	\$ 22.95	\$ 23.41	\$ 23.88	\$ 24.35	\$ 24.84
Capital Expenses per EDU		-	\$ -	\$ 2.81	\$ 5.63	\$ 9.85	\$ 14.07
Curb-Stop Fee per Service		-	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
<b>Total</b>		-	\$ 24.95	\$ 28.22	\$ 31.51	\$ 36.20	\$ 40.91
Meter Size	EDUs	Monthly Service Charge					
¾"	1.00	\$ 22.95	\$ 24.95	\$ 28.22	\$ 31.51	\$ 36.20	\$ 40.91
1"	1.79	\$ 32.79	\$ 43.08	\$ 48.93	\$ 54.82	\$ 63.23	\$ 71.65
1½"	4.00	\$ 39.35	\$ 93.80	\$ 106.88	\$ 120.03	\$ 138.82	\$ 157.65
2"	7.14	\$ 71.05	\$ 165.86	\$ 189.20	\$ 212.68	\$ 246.22	\$ 279.83
3"	16.00	\$ 163.96	\$ 369.20	\$ 421.50	\$ 474.11	\$ 549.28	\$ 624.59
4"	28.57	\$ 327.91	\$ 657.68	\$ 751.08	\$ 845.02	\$ 979.23	\$ 1,113.71
Block		Monthly Usage Charge per 1,000 gallons					
0 to 3,000 gallons		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,001 to 8,000 gallons		\$ 4.12	\$ 4.12	\$ 4.20	\$ 4.29	\$ 4.37	\$ 4.46
8,001 to 20,000 gallons		\$ 5.41	\$ 5.41	\$ 5.52	\$ 5.63	\$ 5.74	\$ 5.86
> 20,001 gallons		\$ 6.83	\$ 6.83	\$ 6.97	\$ 7.11	\$ 7.25	\$ 7.39

**Fiscal Year being July 1- June 30**

The City is proposing to modify the existing sewer rates as follows:

		Current	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Base Rate per EDU		-	\$ 23.83	\$ 24.31	\$ 24.79	\$ 25.29	\$ 25.79
Capital Expenses per EDU		-	\$ 10.82	\$ 13.55	\$ 16.28	\$ 20.38	\$ 24.48
Total		-	\$ 34.65	\$ 37.86	\$ 41.07	\$ 45.67	\$ 50.27
Meter Size	EDUs	Monthly Service Charge					
¾"	1.00	\$ 23.83	\$ 34.65	\$ 37.86	\$ 41.07	\$ 45.67	\$ 50.27
1"	1.79	\$ 42.66	\$ 62.02	\$ 67.76	\$ 73.52	\$ 81.75	\$ 89.99
1½"	4.00	\$ 95.32	\$ 138.60	\$ 151.43	\$ 164.29	\$ 182.67	\$ 201.10
2"	7.14	\$ 170.15	\$ 247.40	\$ 270.30	\$ 293.26	\$ 326.07	\$ 358.96
3"	16.00	\$ 381.82	\$ 554.40	\$ 605.71	\$ 657.16	\$ 730.70	\$ 804.39
4"	28.57	\$ 680.82	\$ 989.95	\$ 1,081.56	\$ 1,173.45	\$ 1,304.75	\$ 1,436.34
Block	Monthly Usage Charge per 1,000 gallons						
0 to 3,000 gallons	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,001 to 8,000 gallons	\$ 1.61	\$ 1.61	\$ 1.64	\$ 1.68	\$ 1.71	\$ 1.74	\$ 1.74
8,001 to 20,000 gallons	\$ 1.61	\$ 2.11	\$ 2.15	\$ 2.20	\$ 2.24	\$ 2.28	\$ 2.28
> 20,001 gallons	\$ 1.61	\$ 2.67	\$ 2.72	\$ 2.78	\$ 2.83	\$ 2.89	\$ 2.89

**Fiscal Year being July 1- June 30**

One (1) EDU = equivalent dwelling unit, which is a typical ¾" residential water service.

Based upon an assumed average usage of 6,000 gallons per month, the rate structure is estimated to increase the monthly water charge by the following amounts for a typical ¾" service.

Fund	Current	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Current Target Rate
Water	\$ 35.31	\$ 37.31	\$ 40.83	\$ 44.37	\$ 49.32	\$ 54.29	\$ 58.74
Sewer	\$ 28.66	\$ 39.48	\$ 42.78	\$ 46.10	\$ 50.79	\$ 55.50	\$ 37.76
Water and Sewer	\$ 63.97	\$ 76.79	\$ 83.61	\$ 90.46	\$ 100.12	\$ 109.79	\$ 96.51
Increase Over Current	-	\$ 12.82	\$ 19.64	\$ 26.49	\$ 36.15	\$ 45.82	-

**Fiscal Year being July 1- June 30**

For more information, please contact Loni Hanson, at 1 South Platt, PO Box 9, Red Lodge, MT 59068 or by phone at 406-446-1606.

Dated this \_\_\_<sup>th</sup> day of \_\_\_\_\_, 2015.

Loni Hanson  
 CITY CLERK  
 CITY OF RED LODGE  
 1 South Platt, PO Box 9  
 Red Lodge, MT 59068