



RESOLUTION NO. 2018 – 11

**A RESOLUTION OF INTENT OF THE CITY OF BELGRADE, MONTANA
TO INCREASE THE RATES FOR THE USERS OF THE MUNICIPAL
WATER AND SEWER SYSTEM**

WHEREAS, the City of Belgrade, Montana has an obligation to establish adequate rates and charges for the services provided by the Systems in order to collect sufficient revenues to pay the costs associated with the operation and maintenance of the Systems, to make debt service payments, to fulfill the City’s obligations under Water and Sewer debt obligation agreements, and to ensure the Systems have adequate reserves; and,

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.

NOW THEREFORE, BE IT RESOLVED THAT:

Section 1. Intent to increase Water and Sewer User Charges

It is the intent of the City to implement a rate increase for users of the Systems effective as of December 1, 2018, as set forth herein. This includes the intent to change the amount of water covered by the “Base Rate”, reducing it from 5,000 gallons to 2,000 gallons per month.

Section 2. Water Rates

The base rate for residential water service for up to 2,000 gallons per month will remain at \$18.19 per month (Water Base Rate Charge). The excess rate for residential water service in excess of 2,000 gallons per month will remain at \$1.37 for up to 1,000 gallons per month. The proposed change to the number of gallons included in the base rate represents an average increase of approximately 21% over existing residential water rates. The following table shows the increase proposed for base rates and excess rates for each year going forward:

Fiscal Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Base Rate	\$18.19	\$18.19	\$19.40	\$20.05	\$21.06	\$21.90	\$22.78	\$23.69	\$24.63	\$25.62	\$26.64
Excess Rate	\$1.37	\$1.37	\$1.44	\$1.51	\$1.59	\$1.65	\$1.72	\$1.78	\$1.86	\$1.93	\$2.01

The base rate for non-residential water service for up to 2,000 gallons per month will be increased from \$18.19 to \$20.01 per month (Water Base Rate Charge). The excess rate for non-residential water service in excess of 2,000 gallons per month will be increased from \$1.37 to \$1.51 per 1,000

gallons. The proposed rate represents an average increase of approximately 33% over existing non-residential water rates. The following table shows the increase proposed for base rates and excess rates for each year going forward:

Fiscal Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Base Rate	\$20.01	\$22.01	\$24.21	\$26.15	\$27.72	\$29.38	\$30.85	\$32.39	\$33.69	\$35.03	\$36.43
Excess Rate	\$1.51	\$1.66	\$1.82	\$1.97	\$2.09	\$2.21	\$2.32	\$2.44	\$2.54	\$2.64	\$2.75

Section 3. Sewer Rates

Fees for sewer services are based upon average monthly water usage in winter months. The base rate for residential sewer service for up to 2,000 gallons per month will be increased from \$24.93 to \$27.42 per month (Sewer Base Rate Charge). The excess rate for residential sewer service in excess of 2,000 gallons per month will be increased from \$1.97 to \$2.27 for up to 1,000 gallons per month. The proposed rates represent an average increase of approximately 36% over existing sewer rates. The following table shows the increase proposed for base rates and excess rates for each year going forward:

Fiscal Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Base Rate	\$27.42	\$30.17	\$33.18	\$34.84	\$35.89	\$36.60	\$37.34	\$38.08	\$38.84	\$39.62	\$40.41
Excess Rate	\$2.27	\$2.61	\$3.00	\$3.45	\$3.55	\$3.62	\$3.69	\$3.77	\$3.84	\$3.92	\$4.00

The base rate for non-residential sewer service for up to 2,000 gallons per month will be increased from \$24.93 to \$29.92 per month (Sewer Base Rate Charge). The excess rate for non-residential sewer service in excess of 2,000 gallons per month will be increased from \$1.97 to \$2.56 for up to 1,000 gallons per month. The proposed rates represent an average increase of approximately 49% over existing non-residential sewer rates. The following table shows the increase proposed for the base rates and excess rates for each year going forward:

Fiscal Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Base Rate	\$29.92	\$35.90	\$43.08	\$47.39	\$50.23	\$51.23	\$52.26	\$53.30	\$54.37	\$55.46	\$56.57
Excess Rate	\$2.56	\$3.33	\$4.33	\$5.63	\$5.96	\$6.08	\$6.21	\$6.33	\$6.46	\$6.58	\$6.71

Section 4. Public Hearing

A public Hearing on the rate increases will be held on Monday, November 5, 2018 commencing at 7:00 pm at the City Council Chambers, 91 East Central Avenue, Belgrade, Montana.

Section 5. Notice

The City Clerk 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 Belgrade News, a newspaper of general circulation in the City on October 11th, 18th, and 25th of 2018, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to all persons who own property in the City and to all

customers of the Systems at least 7 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. The City Clerk is also authorized and directed to mail first class mail, postage prepaid, notice of all hearings to the Montana Consumer Council.

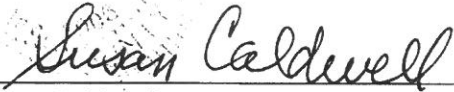
PASSED and APPROVED this 1st day of October, 2018.



Russell C. Nelson, Mayor



Attest:



Susan Caldwell
Susan Caldwell
City Clerk