

RESOLUTION NO. 256

RESOLUTION OF THE TOWN OF STEVENSVILLE,
MONTANA TO MODIFY THE BILLING CYCLE FOR THE
USERS OF THE MUNICIPAL SEWER SYSTEM FROM
QUARTERLY TO MONTHLY AND CONFORMING THE
RATES AND CHARGES ACCORDINGLY

RECITALS

WHEREAS, the Town of Stevensville, Montana (the "Town") pursuant to authority conferred by Montana Code Annotated (M.C.A.), Title 7, Chapter 13, Part 43, as amended (the "Act"), and other laws of the State of Montana, has established and presently owns and operates a municipal sewer system (the "System"); and

WHEREAS, pursuant to Section 7-13-4307, M.C.A., the rates and charges established for the services and facilities afforded by the System must be sufficient in each year to provide income and revenues adequate for the payment of reasonable expense and operation and maintenance and for the accumulation of reserves and the making of such expenditures for depreciation and replacement of the System; and

WHEREAS, the Town Council (the "Council") of the Town recently increased the rates and charges of the System following a public hearing pursuant to Resolution No. 255, adopted by the Council on May 10, 2010 (the "Prior Resolution"), such increase to go into effect as of the October 1, 2010 billing cycle; and

WHEREAS, the Town currently charges users of its municipal sewer system on a quarterly basis, as described in the Prior Resolution; and

WHEREAS, the Town has subsequently determined it to be in the best interest of the Town and the users of the System to change its current quarterly billing cycle to a monthly billing cycle; and

WHEREAS, pursuant to Sections 7-13-4308 and 69-7-101, M.C.A., the Town 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, a notice of public hearing was mailed to all users of the Town's System notifying them that pursuant to Resolution No. 255A, adopted July 26, 2010, it was the intention of the Town to change its current quarterly billing cycle to a monthly billing cycle and implement such change effective as of its October 1, 2010 sewer billing and notice of public hearing was published as required by Section 69-7-111, M.C.A. A public hearing was held on August 23, 2010 at 6:30 p.m. at the Chambers of the Town Council, Town Hall, 206 Buck Street, Stevensville, Montana, for the purpose of hearing comments from the public on the billing cycle change; and

WHEREAS, all persons appearing were given an opportunity to speak at the public hearing.

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

Section 1. 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 quarterly charges for the use and availability of the System.

Section 2. Equivalent Dwelling Unit and Water Usage. The Town utilizes an equivalent dwelling unit methodology for imposing rates and charges, which is based on the size of the water line or meter servicing each connection. A ¾ inch service, which is the standard service for single family residential users, is 1 Equivalent Dwelling Unit (EDU). The following table shows the number of EDUs for each size of service:

<u>Water Line/Meter Size</u>	<u>Connections</u>	<u>Multiplier</u>	<u>EDUs</u>
¾ inch	662	1.00	662.00
1 inch	25	1.79	44.75
1½ inch	17	4.00	68.00
2 inch	4	7.14	28.56
Total			803.31

There are currently 803.31 EDUs in the Town.

Section 3. Quarterly Sewer Charge. The Town currently charges users of the System a base rate charge of \$69.12 per EDU per quarter (the "Base Rate Charge"). The Town also imposes a quarterly charge per EDU to pay debt service on the Town's sewer revenue bonds (the "Debt Service Charge" and together with the Base Rate Charge, the "Quarterly Charge"). These charges are shown below:

<u>Quarterly Sewer Charge for July 2010 – June 2011</u>				
<u>Water Line/ Meter Size</u>	<u>Multiplier</u>	<u>Base Rate Charge</u>	<u>Debt Service Charge</u>	<u>Total per Quarter</u>
¾ inch	1.00	\$69.12	\$60.90	\$130.02
1 inch	1.79	\$123.72	\$109.00	\$232.72
1½ inch	4.00	\$276.48	\$243.60	\$520.08
2 inch	7.14	\$493.52	\$434.83	\$928.35

Section 4. Conversion of Quarterly Charge to Monthly Charge. The Town will change its current quarterly billing cycle to a monthly billing cycle and implement such change effective as of its October 1, 2010 sewer billing, simultaneously with the effective date of an increase to the Town's water rates and charges. The monthly Base Rate Charge, the monthly Debt Service Charge and the total monthly sewer charge per EDU (such total, the "Monthly Charge") are shown in the table below.

Monthly Sewer Charge for October 2010 – June 2011				
<u>Water Line/ Meter Size</u>	<u>Multiplier</u>	<u>Base Rate Charge</u>	<u>Debt Service Charge</u>	<u>Total per Month</u>
¾ inch	1.00	\$23.04	\$20.30	\$43.34
1 inch	1.79	\$41.24	\$36.33	\$77.57
1½ inch	4.00	\$92.16	\$81.20	\$173.36
2 inch	7.14	\$164.51	\$144.94	\$309.45

The Monthly Charge is derived by dividing the Quarterly Charge by three such that the sum of the Monthly Charges over a calendar quarter is equal to the Quarterly Charge.

Section 4. Subsequent Increases. In the Prior Resolution, the Town also approved subsequent rate increases to the Quarterly Charge effective as of July 2011, July 2012, July 2013, and July 2014. Those Quarterly Charges will become monthly charges as shown in the tables below.

Monthly Sewer Charge for July 2011 – June 2012				
<u>Water Line/ Meter Size</u>	<u>Multiplier</u>	<u>Base Rate Charge</u>	<u>Debt Service Charge</u>	<u>Total per Month</u>
¾ inch	1.00	\$24.29	\$20.30	\$44.59
1 inch	1.79	\$43.48	\$36.33	\$79.81
1½ inch	4.00	\$97.16	\$81.20	\$178.36
2 inch	7.14	\$173.43	\$144.94	\$318.37

Monthly Sewer Charge for July 2012 – June 2013				
<u>Water Line/ Meter Size</u>	<u>Multiplier</u>	<u>Base Rate Charge</u>	<u>Debt Service Charge</u>	<u>Total per Month</u>
¾ inch	1.00	\$25.54	\$20.30	\$45.84
1 inch	1.79	\$45.72	\$36.33	\$82.05
1½ inch	4.00	\$102.16	\$81.20	\$183.36
2 inch	7.14	\$182.36	\$144.94	\$327.30

Monthly Sewer Charge for July 2013 – June 2014				
<u>Water Line/ Meter Size</u>	<u>Multiplier</u>	<u>Base Rate Charge</u>	<u>Debt Service Charge</u>	<u>Total per Month</u>
¾ inch	1.00	\$26.39	\$20.30	\$46.69
1 inch	1.79	\$47.24	\$36.33	\$83.57
1½ inch	4.00	\$105.56	\$81.20	\$186.76
2 inch	7.14	\$188.42	\$144.94	\$333.36

Monthly Sewer Charge for July 2014 – June 2015				
<u>Water Line/ Meter Size</u>	<u>Multiplier</u>	<u>Base Rate Charge</u>	<u>Debt Service Charge</u>	<u>Total per Month</u>
¾ inch	1.00	\$27.24	\$20.30	\$47.54
1 inch	1.79	\$48.76	\$36.33	\$85.09
1½ inch	4.00	\$108.96	\$81.20	\$190.16
2 inch	7.14	\$194.49	\$144.94	\$339.43


Section 5. Further Rate Increases. Subsequent adjustments to the Monthly 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 6. Effective Date of Resolution. This resolution shall be immediately filed with the Town Clerk and shall become effective 10 days after filing with the Town Clerk.

Passed and approved this 23rd day of August, 2010.


 Mayor

ATTEST:


 Town Clerk

08/23/10

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Town of Stevensville, Ravalli County, Montana (the "Town"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION OF THE TOWN OF STEVENSVILLE, MONTANA TO MODIFY THE BILLING CYCLE FOR THE USERS OF THE MUNICIPAL SEWER SYSTEM FROM QUARTERLY TO MONTHLY AND CONFORMING THE RATES AND CHARGES ACCORDINGLY" (the "Resolution"), on file in the original records of the Town in my legal custody; that the Resolution was duly adopted by the Town Council of the Town at a regular meeting on August 23, 2010, and that the meeting was duly held by the Town Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: Desera Towle, Robin Holcomb, Dan Mullan, Pat Groninger; voted against the same: NONE; abstained from voting thereon: NONE; or were absent: NONE.

WITNESS my hand officially this 24th day of August, 2010.

Dain S. Kump
Town Clerk