

RESOLUTION NO. 234

RESOLUTION OF THE TOWN OF STEVENSVILLE, MONTANA  
TO INCREASE THE RATES FOR THE USERS OF THE  
MUNICIPAL WATER SYSTEM

RECITALS

WHEREAS, the Town pursuant to authority conferred by Montana Code Annotated (M.C.A.), Title 7, Chapter 13, Parts 43 and 44, as amended (the "Act"), and other laws of the State of Montana, has established and presently owns and operates a municipal water 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 shall be sufficient in each year to provide income and revenues adequate for the payment of reasonable expense and operation and maintenance and for payment of the sums required to be paid into the sinking fund and for the accumulation of such reserves and the making of such expenditures for depreciation and replacement of the System; and

WHEREAS, the Town has determined that the current rates and charges for the services and facilities afforded by the System are inadequate to meet the requirements of Section 7-13-4307, M.C.A.; 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, the Town in consultation with its engineer and the Montana Rural Water Users Association has determined it to be in the best interest of the Town and the users of the System to increase the rates and charges for the services provided by the System in order to collect sufficient revenues to meet the requirements of Section 7-13-4307, M.C.A.;

WHEREAS, a notice of public hearing was mailed to all users of the Town's System notifying them that pursuant to Resolution No. 233, adopted April 23, 2007, it was the intention of the Town to increase the rates and charges for water service and notice of public hearing was published as required by Section 69-7-111, M.C.A. A public hearing was held on May 29, 2007 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 water rate increase; 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 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 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	725	1.00	725.00
1 inch	25	1.79	44.75
1½ inch	17	4.00	68.00
2 inch	4	7.14	28.56
Total			866.31

There are currently 866 EDUs in the Town.

Section 3. Current Charges. The Town currently charges users of the System a base rate charge (the “Quarterly Charge”) of \$25.75 per EDU for metered properties plus a rate of \$0.55 for every 1,000 gallons of water used over 10,000 gallons (the “Usage Charge”). Out-of-town properties are charged a Quarterly Charge of \$39.80 per EDU, and unmetered in-town properties are charged a Quarterly Charge of \$33.10 per EDU.

Section 4. Fixing of Rates. The Town hereby increases the Quarterly Charge per EDU to \$43.96 for metered properties, \$58.01 for out-of-town properties, and \$51.31 for unmetered in-town properties, effective as of the July 1, 2007 water billing.


As of April 23, 2007, there are 866 EDUs as shown in Section 2 above. Effective as of July 1, 2007, the Quarterly Charge for customers shall be as follows:

<u>Water Line/ Meter Size</u>	<u>Multiplier</u>	<u>Monthly Water Charge</u>	<u>Metered</u>	<u>Out-of-Town</u>	<u>Unmetered</u>
¾ inch	1.00		\$43.96	\$58.01	\$51.31
1 inch	1.79		\$78.69	\$103.84	\$91.84
1½ inch	4.00		\$175.84	\$232.04	\$205.24
2 inch	7.14		\$313.87	\$414.19	\$366.35

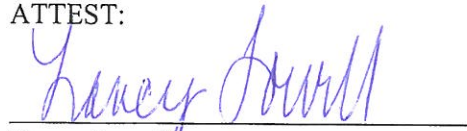
Section 5. Further Rate Increases. Subsequent adjustments to the Quarterly Charge will be made by resolution of the Town Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 6. Effective Date of Resolution. This resolution shall be immediately filed with the Town Clerk and shall become effective upon passage. This resolution shall also be filed with the Public Service Commission.

Passed and approved this 29th day of May, 2007.

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
Nancy Lowell  
Town Clerk

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 INCREASE THE RATES FOR THE USERS OF THE MUNICIPAL WATER SYSTEM" (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 May 29, 2007, 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: Paul Ludington, Robert Summey, Susan Evans, Tom Brown; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_.

WITNESS my hand officially this 29 day of May, 2007.

Nancy Lowell  
Nancy Lowell  
Town Clerk