

RESOLUTION NO. 233

RESOLUTION OF INTENTION 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, pursuant to Section 69-7-111, M.C.A., the Town shall order a public hearing on its determination to increase rates and charges imposed on its customers.

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

Section 1. Intent to Increase Water User Charges. It is the intent of the Town to implement a rate increase for users of the System effective as of July 1, 2007, as set forth herein.

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 $\frac{3}{4}$ 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. Base Rate Charge. 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. The Town intends to increase the Quarterly Charge for all users by \$18.21 per EDU effective as of the July 1, 2007 water billing.

Section 4. Fixing of Rates. Effective as of the July 1, 2007 water billing, the Quarterly Charge per EDU shall be \$43.96 for metered properties, \$58.01 for out-of-town properties, and \$51.31 for unmetered in-town properties.

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

This proposed rate increase represents an average increase in the Quarterly Charge of approximately 71% over the existing rates for metered properties, 46% for out-of-town properties, and 55% for unmetered in-town properties.

Section 5. 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 the Water Supply Payment; 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 6. Further Rate Increases. Subsequent adjustments to the Quarterly Charge or Usage 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 7. Public Hearing. A public hearing on the rate increase will be held on Tuesday, May 29, 2007, commencing at 6:30 p.m. at the Chambers of the Town Council, Town Hall, 206 Buck Street, Stevensville, Montana. Written comments will be accepted until the 3:00 p.m, Friday, May 25, 2007, and verbal comments will be accepted at the Town Council meeting.

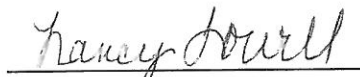
Section 8. Notice. The Town Clerk is directed to provide notice of the public hearing in accordance with Section 69-7-111, M.C.A., including mailing of notice to all users of the System and publication of the Notice.

Passed and approved this 23rd day of April, 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 INTENTION 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 April 23, 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 Summers, Susan Evans; voted
against the same: 0; abstained from voting
thereon: 0; or were absent: Tom Brown.

WITNESS my hand officially this 23rd day of April, 2007.

Nancy Lowell
Nancy Lowell
Town Clerk

Paul Ludington - Motion
Bob Summers - 2nd