

Town of Stevensville
PO Box 30
Stevensville, MT 59870

RESOLUTION NO. 549

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

WHEREAS, the Town of Stevensville, MT 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 the accumulation of such reserves and the making of such expenditures for depreciation and replacement of the System; and

WHEREAS, it is necessary to collect sufficient revenues and pay costs associated with the operation and maintenance 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 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.; and

WHEREAS, a notice of public hearing was mailed to all users of the Town's System notifying them of the proposal 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 August 6, at 6:00 p.m. at the Town of Stevensville, 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.



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RECORDED: 8/15/2024 11:19:24 AM

Regina Plettenberg, CLERK AND RECORDER

Fee \$0.00 By

Kelly Coleman

Deputy

NOW, THEREFORE, BE IT RESOLVED, THAT, by the Town Council of the Town of Stevensville, Montana, the new rates for water shall be effective September 1, 2024 (September usage) as follows:

New Water Rate \$58.50 per EDU

Next rate increase for water will be June 1, 2025:

\$11.25 for water per EDU

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 monthly charges for the use of the System.

Section 2. Equivalent Dwelling Unit and Water Usage. The Town utilizes an equivalent dwelling unit methodology for billing 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, based on current metered connections:

Water Line/Meter Size	Connections	Multiplier	EDU's
¾ inch	836	1.00	836.00
1 inch	45	1.79	80.55
1.5 inch	22	4.00	88.00
2 inch	3	7.14	21.42
3 inch	1	16.00	16.00
4 inch	0	28.57	0
TOTAL	907		1,041.97



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Section 3. Proposed Rate. The Town currently bills rates and charges to users of the Water System on a monthly billing cycle.

Water Line/Meter Size	Cost per EDU	Multiplier	Base Rate WATER
¾ inch	\$58.50	1.00	\$58.50
1 inch	\$58.50	1.79	\$104.72
1.5 inch	\$58.50	4.00	\$234.00
2 inch	\$58.50	7.14	\$417.69
3 inch	\$58.50	16.00	\$936.00
4 inch	\$58.50	28.57	\$1,671.35

The Town will continue the monthly usage charge proposed (the "Usage Charge") of **\$2.50 per 1,000 gallons** of water used in excess of each user's Base Usage Allowance. For this purpose, "Base Usage Allowance" equals (i) 3,000 gallons, multiplied by (ii) the multiplier for such user, based on the water line/meter size for such user. All water used each month up to the Base Usage Allowance

is included in the Base Rate. For example, a user with a 3/4" line has a Base Usage Allowance of 3,000 gallons and will incur the Usage Charge for the amount of water used in excess of 3,000 gallons in a month. The Base Usage Allowance for each line size is shown below.

Water Line/Meter Size	Multiplier	Base Usage Allowance
¾ inch	1.00	3,000 gallons
1 inch	1.79	5,370 gallons
1.5 inch	4.00	12,000 gallons
2 inch	7.14	21,420 gallons
3 inch	16.00	48,000 gallons
4 inch	28.57	85,710 gallons

Upon the implementation of the Base Rate and the Usage Charge, the monthly charge for

the use and availability of the System for each user will be the sum of the user's Base Rate and Usage Charge.

Section 4. Further Rate Increases. Subsequent adjustments to the Base Rate and Usage Charge or other charges will be made by resolution of the Town Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 5. Effective Date of Resolution. This resolution shall be immediately filed with the Town Clerk and shall become effective upon passage.

BE IT FURTHER RESOLVED THAT, the adoption of this resolution voids previous resolutions pertaining to rates for the users of the municipal water system.

PASSED AND ADOPTED, dated this 6th day of August 2024, after motion and second at a special meeting of the Stevensville Town Council.

Approved:



Bob Michalson, Mayor

Attest:


Jenelle S. Berthoud, Town Clerk



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