

RESOLUTION No. 3443

A RESOLUTION OF INTENT OF THE CITY COUNCIL OF RED LODGE, MONTANA TO ADJUST THE FEE SCHEDULE AND WATER AND SEWER RATES FOR SEASONAL OCCUPANTS AND UNDEVELOPED LOTS AND MISCELLANEOUS CHARGES FOR THE CITY OF RED LODGE TO BECOME EFFECTIVE ON JANUARY 1, 2018 AND TO SET A DATE AND TIME FOR A PUBLIC HEARING.

WHEREAS, the application of the water and sanitary sewer rates and charges in effect at the present time is not complete and thorough enough to provide for fair and consistent utility billing throughout the City; and

WHEREAS, the Council desires to have a sustainable budget source to fund major sewer and water infrastructure projects that is beneficial to and supported by all Red Lodge City residents; and

WHEREAS, the lack of a complete and thorough fee schedule hinders the collection of adequate revenue to defray the increased costs of operation, maintenance, and capital improvements of the City's water and sewer distribution facilities and systems; and

WHEREAS, a Water and Sewer Rate Study had been conducted for the City of Red Lodge, March 2015, to ensure that rates, charges and classifications are reasonable and just and in accordance with MCA 69-7-101 and to ensure that undertakings are self-supporting in accordance with MCA 7-7-4424; and

WHEREAS, the provision of the water and sewer systems and facilities is essential to the preservation of the public's health and welfare; and, that how the adjustment of rates are applied must, before taking effect, be approved by the City Council after advertising and conducting a public hearing pursuant to the Rules and Regulations governing Water and Waste Water Service for the City of Red Lodge, Title 10, Chapter 8, Section 1, as previously adopted by the City Council through Ordinance 835 and MCA Section 69-7-111; and

WHEREAS, current budgetary requirements with respect to the operation of said facilities in addition to on-going and future projects require that the proposed rates become effective on January 1, 2018 to enable the City to proceed as expeditiously as possible to accomplish the objectives herein above recited; and

WHEREAS, pursuant to Montana law, the City Council has determined that a public hearing must be advertised and held to gather public testimony and input regarding the proposed increases in water and sewer rates for seasonal occupants and undeveloped lots, and increases in miscellaneous charges.

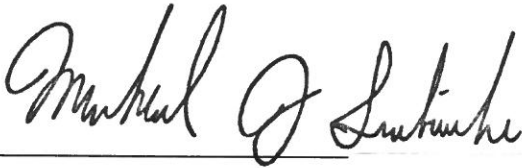
NOW THEREFORE BE IT RESOLVED by the City Council:

1. That the City Council considers it advisable and necessary to both adjust the application of the Water and Sewer Fee Schedule, and to also increase certain fees as noted on Exhibit A, attached hereto; and to extent permitted by Montana Code Annotated and/or the existing service agreements with those applicable portions of Remington Ranch; Beartooth Business Park; and the Woodlands to also apply Exhibit A thereto.
2. That a Public Hearing shall be held on the 10th of October, 2017 at 6 p.m. in the City Council Chambers, at City Hall, at 1 Platt Ave. S., Red Lodge, MT, for the purpose of gathering and receiving testimony, input and comments from all interested or affected users, citizens, persons, associations, corporations and/or companies.
3. Notice of the Public Hearing shall be published in the Carbon County News, pursuant to MCA § 7-1-4127 and 69-7-111.

INTRODUCED at a Regular meeting of the City Council on September 12, 2017 by Council Member Corey Thompson.

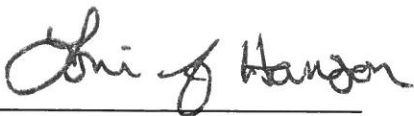
PASSED AND APPROVED BY THE RED LODGE CITY COUNCIL on this 12th day of September, 2017.

City of Red Lodge:



Michael Schoenike, Mayor

Attest:



Loni Hanson, City Clerk

EXHIBIT – A

to Resolution No. 3443

The City Council hereby adopts the following rate schedule. The below noted fees/charges supersede and replace any previously established rates for water and/or sewer services.

Monthly Water Fees (Fiscal Year being July 1- June 30) **EXISTING – NO CHANGE** EXHIBIT A-1

		Current	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Base Rate per EDU*		-	\$ 22.95	\$ 23.41	\$ 23.88	\$ 24.35	\$ 24.84
Capital Expenses per EDU		-	\$ -	\$ 2.81	\$ 5.63	\$ 9.85	\$ 14.07
Curb-Stop Fee per Service		-	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Total		-	\$ 24.95	\$ 28.22	\$ 31.51	\$ 36.20	\$ 40.91
Meter Size	EDUs	Monthly Service Charge					
¾"	1.00	\$ 22.95	\$ 24.95	\$ 28.22	\$ 31.51	\$ 36.20	\$ 40.91
1"	1.79	\$ 32.79	\$ 43.08	\$ 48.93	\$ 54.82	\$ 63.23	\$ 71.65
1½"	4.00	\$ 39.35	\$ 93.80	\$ 106.88	\$ 120.03	\$ 138.82	\$ 157.65
2"	7.14	\$ 71.05	\$ 165.86	\$ 189.20	\$ 212.68	\$ 246.22	\$ 279.83
3"	16.00	\$ 163.96	\$ 369.20	\$ 421.50	\$ 474.11	\$ 549.28	\$ 624.59
4"	28.57	\$ 327.91	\$ 657.68	\$ 751.08	\$ 845.02	\$ 979.23	\$ 1,113.71
Block		Monthly Usage Charge per 1,000 gallons					
0 to 3,000 gallons		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,001 to 8,000 gallons		\$ 4.12	\$ 4.12	\$ 4.20	\$ 4.29	\$ 4.37	\$ 4.46
8,001 to 20,000 gallons		\$ 5.41	\$ 5.41	\$ 5.52	\$ 5.63	\$ 5.74	\$ 5.86
> 20,001 gallons		\$ 6.83	\$ 6.83	\$ 6.97	\$ 7.11	\$ 7.25	\$ 7.39

*One (1) EDU = equivalent dwelling unit, which is a typical ¾" residential water service.

Monthly SEWER Fees (Fiscal Year being July 1- June 30) **EXISTING – NO CHANGE** EXHIBIT – A 2

		Current	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Base Rate per EDU		-	\$ 23.83	\$ 24.31	\$ 24.79	\$ 25.29	\$ 25.79
Capital Expenses per EDU		-	\$ 10.82	\$ 13.55	\$ 16.28	\$ 20.38	\$ 24.48
Total		-	\$ 34.65	\$ 37.86	\$ 41.07	\$ 45.67	\$ 50.27
Meter Size	EDUs	Monthly Service Charge					
¾"	1.00	\$ 23.83	\$ 34.65	\$ 37.86	\$ 41.07	\$ 45.67	\$ 50.27
1"	1.79	\$ 42.66	\$ 62.02	\$ 67.76	\$ 73.52	\$ 81.75	\$ 89.99
1½"	4.00	\$ 95.32	\$ 138.60	\$ 151.43	\$ 164.29	\$ 182.67	\$ 201.10
2"	7.14	\$ 170.15	\$ 247.40	\$ 270.30	\$ 293.26	\$ 326.07	\$ 358.96
3"	16.00	\$ 381.82	\$ 554.40	\$ 605.71	\$ 657.16	\$ 730.70	\$ 804.39
4"	28.57	\$ 680.82	\$ 989.95	\$ 1,081.56	\$ 1,173.45	\$ 1,304.75	\$ 1,436.34
Block	Monthly Usage Charge per 1,000 gallons						
0 to 3,000 gallons	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,001 to 8,000 gallons	\$ 1.61	\$ 1.61	\$ 1.64	\$ 1.68	\$ 1.71	\$ 1.74	\$ 1.74
8,001 to 20,000 gallons	\$ 1.61	\$ 2.11	\$ 2.15	\$ 2.20	\$ 2.24	\$ 2.28	\$ 2.28
> 20,001 gallons	\$ 1.61	\$ 2.67	\$ 2.72	\$ 2.78	\$ 2.83	\$ 2.89	\$ 2.89

*One (1) EDU = equivalent dwelling unit, which is a typical ¾" residential water service.

Based upon an assumed average usage of 6,000 gallons per month, the rate structure is estimated to increase the monthly charges as follows for a typical ¾" service (Fiscal Year being July 1- June 30)

Fund	Current	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Current Target Rate
Water	\$ 35.31	\$ 37.31	\$ 40.83	\$ 44.37	\$ 49.32	\$ 54.29	\$ 58.74
Sewer	\$ 28.66	\$ 39.48	\$ 42.78	\$ 46.10	\$ 50.79	\$ 55.50	\$ 37.76
Water and Sewer	\$ 63.97	\$ 76.79	\$ 83.61	\$ 90.46	\$ 100.12	\$ 109.79	\$ 96.51
Increase Over Current	-	\$ 12.82	\$ 19.64	\$ 26.49	\$ 36.15	\$ 45.82	-

DRAFT – DRAFT - DRAFT

EXHIBIT – A 3

Discontinuance/Reestablishment Charges.

A. Water Service: Charge for discontinuance/reestablishment of water service:
Inside normal working hours (i.e. when City Hall is open) — Sixty Dollars (\$60.00).
Outside normal working hours — Ninety Dollars (\$90.00).

B. Wastewater Service: Charge for discontinuance/reestablishment of wastewater service:
Same Hourly Rate as noted above for Water Service, except that in addition, a fee of \$150 per hour for heavy equipment shall be added.

C. Seasonal Occupant (Developed Lot): All developed lots with a structure connected to the City Water and Sewer system shall be charged for Water and Sewer service regardless of the status of the service. When the Water Service, is turned-off at the request of the owner, the full amount attendant to both Water and Sewer Fees as hereon shown shall continue to be required except that the “Base Rates” for both Water and Sewer shall not apply during said time of voluntary turn-off.

D. Undeveloped Lot: All vacant lots (i.e. lots where habitable structures do not exist, or if structures do exist, are otherwise by prior written approval of the City not connected to the City Water and Sewer Service) within the City limits, which have a water curbstop installed shall be charged for Water and Sewer service; (Undeveloped Lots without a curbstop are not included.) Water and Sewer Fees, as hereon shown, shall be required except that the “Base Rates” for both Water and Sewer shall not apply; and all other applicable rates shall be charged at 80%.

All vacant lots located outside the City Limits, and located within those applicable portions of Remington Ranch; Beartooth Business Park; and the Woodlands, shall be charged for Sewer service. Sewer Fees, as hereon shown, shall be required except that the “Base Rates” for both Water and Sewer shall not apply; and all other applicable rates shall be charged at 80%.

Miscellaneous Fees.

Application fee for service area enlargements	\$500.00
Application fee for extensions	\$500.00
Fee for special meter accuracy test (Data Log)	\$75.00
Fee for setting/removing fire hydrant meter	\$50.00 (The PW Director may require a deposit for anticipated water use.)
Fee for performing fireflow test (Admin)	\$60.00
Main-Line Tapping fee:	\$500.00 (Additional fees apply for Mains larger than 12”)
<u>Late payment penalty charge</u>	<u>15% per month **</u>
<u>Shut-Off Notice charge</u>	<u>\$25 ***</u>
<u>Service Call (Not charged when on site less than 10 minutes and use of tools not required)</u>	<u>Sixty Dollars (\$60.00)</u> . Inside normal working hours (i.e. when City Hall is open) <u>Ninety Dollars (\$90.00)</u> . Outside normal working hours
<u>Fee for Disposal of Septage</u>	<u>Septage shall not be accepted until such time that the Council adopts, by Resolution, specific protocols to ensure compliance with the City’s DEQ Wastewater Discharge Permit.</u>

** Payment for all utility billing related fees shall be due as of the 15th of each month. The Utility department shall provide a grace period of no more than 5 calendar days (after which the account shall be considered delinquent); and shall then apply the late payment penalty charge as hereon shown to the full amount of the utility bill.

*** Shut-Off Notices (door hangers) will be placed if payment is not received prior to delinquency for the 2nd month.