

CITY OF THREE FORKS, MONTANA

RESOLUTION #463 -2025

CODIFY POLICY OF REGARDING WATER/SEWER ACCOUNTS IN NON-OWNER (TENANT) NAMES AND SETTING A NEW POLICY EFFECTIVE / /2026 REGARDING NEW ACCOUNTS IN NON-OWNER (TENANT) NAME AS WELL AS DIRECTING DEPOSITS ON RECORD FOR WATER/SEWER ACCOUNTS

WHEREAS, Ordinance #9-1-3 was enacted in 2008, which is seventeen (17) years ago. Since 2008, the City of Three Forks (“City”) has increased in population by approximately 300 people. Additional procedures have arisen over time, which are not currently codified, such as property managers are treated as “landowners” and the City requiring utility deposits from tenants.

WHEREAS, pursuant to §7-13-4309, MCA, the “Property Owner” is ultimately the responsible party for the water/sewer service, pursuant to 7-13-4309, MCA.

WHEREAS, it remains unknown as to when or how the City determined that utility billing could or would be placed in the name of the tenant. The practice commenced prior to 2008. The City has required a deposit to be paid at time of signup and held on the account. The City currently has \$10,525 in deposits reflected within its fund account associated with tenant deposits. Currently, there is no policy for such deposits. The current practice is that when a tenant receives a minimum of two disconnect notices, the deposit is applied to the outstanding balance, and the account is returned to the property owner’s name. Likewise, when a tenant moves out the deposit is applied to the outstanding balance, and the account is returned to the property owner’s name. When a tenant moves from the property, the City must expend resources to attempt to locate the tenant to return the deposit.

WHEREAS, staff estimates that it expends approximately seven (7) hours per month changing water/sewer accounts from one tenant, back to the owner, then to a new tenant; phone calls explaining the process; making copies of tenant late/disconnect notices and mailing those copies to the landowner; communicating between all these parties; and administering deposit refunds. It is likely that the staff time estimate realistically is more hours than originally approximated. The costs of paper, envelopes, postage or wear and tear on equipment are not estimated.

WHEREAS, the deposits held by the City must be accounted for and addressed for the audit. The time spent addressing the deposits does not benefit the City as the landowner is ultimately responsible for all unpaid utilities bills.

WHEREAS, addressing a policy for this topic was scheduled at the Ordinance Committee for September 4, 2025. Notice of the Ordinance Committee meeting was published in accordance with §7-1-4127, MCA. Additionally, the City Clerk posted notice of the Ordinance Committee meeting on the City’s website, Facebook page, as well as various physical locations around Three Forks on August 27, 2025.

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WHEREAS, at the September 4, 2025 Ordinance Committee meeting thirteen members of the public attended, most of whom voiced opposition to the draft ordinance which suggested ceasing the practice of placing tenants names on water/sewer accounts. Additionally, there were ten letters of opposition submitted via email prior to the hearing. The proposed amended ordinance presented four options on how to proceed (#1 through 3.b below). The Committee made no recommendations.

WHEREAS, at the September 9, 2025 City Council meeting, the Ordinance Committee members relayed four options posed to them, their opinions of what to do including two new options, and then opened it up for discussion. The options presented were:

1. Leave the situation in the same manner;
2. Remove 9-1-3 from the ordinances and place accounts into landowner's name 30 days after the enactment of the ordinance to remove 9-1-3.
3. Establish a policy that as tenants move out, return water/sewer accounts to the property owner's name,
 - a. Allow any future tenant to receive an email bill as a secondary notification of what is due each month. Late/disconnect notices will only be sent to the landowner.
 - b. Establish the policy of 3 and 3.a above with the caveat that if an account remains in a tenants' name as of December 31, 2026, then the account name will be changed to the landowner's name on January 1, 2027 giving landowners over a year prior to changing the account to the landowner's name.
4. Increase the signup fee to cover the cost of Staff's time changing accounts.
5. Apply existing deposits and upon passage of an ordinance, cease requiring deposits.

WHEREAS, at the September 9, 2025 Council meeting, the Council members who are on the Ordinance Committee members recommended option 3.a as well as apply deposits immediately and no longer require them. One other City Council member, who is not on the Ordinance Committee, voiced support ceasing sending duplicate copies of late/disconnect notices and apply deposits immediately.

WHEREAS, additionally, the Council set a special meeting for a work session held on which was held on November 4, 2025, which was posted on October 25, 2025 on the City's Facebook page, website, and around town at various physical locations as is City policy.

WHEREAS, at the Council Meeting held on November 13, 2025, the Council again discussed how to address the matter and directed staff to provide the Council with a draft Ordinance for the Council to consider at the City Council's November 25, 2025 meeting.

NOW, THEREFORE BE IT RESOLVED by the Three Forks City Council that it hereby adopts a policy which addressed utility billing process in tenants name as there is not clear policy, to streamline the functioning of the City office and reduced the City's liability and further align with the §7-13-4309, MCA which states that on or before July 7th annually the Treasurer or Clerk must notice the landowner of any assessment owing and in arrears for city water and sewer. The City will:

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1. Effective 12/1/2025, as to any tenant moving out, that water/sewer account will have its deposit applied to the outstanding balance, and the account will be returned to the landowner's name.
2. Effective 12/1/2025, the City will no longer require a deposit on any new water/sewer account.
3. Effective 12/31/2025, City staff will apply all deposits held on remaining tenant water/sewer accounts, to the outstanding bill and any balance shall be returned to the tenant having paid the deposit.
4. Effective 1/1/2026:
 - a. All utility bills shall be placed in the landowner's name. Any tenant wanting to sign up for water/sewer service will not have the "Customer" portion of the water/sewer bill in the City's utility software program completed with the Tenant's name. The account will remain in the landowner's name. However, the tenant may provide an email address to be added to the water/sewer account serving the address they reside at, so that they may receive an email copy of the water/sewer bill. The "Resident" portion of the City's utility software program may, at landowner's request, include the current tenant's name.
 - b. Any remaining tenant accounts will be phased out as they move out of the rental address assigned to the account.
5. Effective 1/1/2026, City staff will not make or send copies of late or disconnect notices to the property owner/property manager for any accounts remaining in tenant names.
6. At any time the landowner desires to switch the "Customer" portion to their name (for instance, as leases renew), the City will modify the water/sewer account name. The tenant may also provide their email address to be added to the water/sewer account serving the address they reside at.

BE IT FURTHER RESOLVED by the City Council that it hereby directs City staff to:

1. Send an explanation of the actions in this resolution to all property owners, property managers, and tenants to alert them of these upcoming changes.
2. Draft an amendment to the Fee Schedule to remove the Water Deposit line, and rescind Resolution #243-2015.

Dated this 25th day of November 2025.

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ATTESTED:

Randy Johnston, Mayor

Crystal Turner, City Clerk