

# CITY OF THREE FORKS

## RESOLUTION #442 -2025

### RESOLUTION TO INCREASE THE MINIMUM (BASE) SEWER AND WATER RATES BY UP TO 10% AND 15% RESPECTIVELY

**WHEREAS**, under 69-7-101, MCA, the City 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.

**WHEREAS**, pursuant to Three Forks City Ordinance Title 9, Chapter 4, Section 7, the City shall review the user system charges every two years and revise as necessary to assure equality of the system and assure that sufficient funds will be collected to adequately operate and maintain the system. After ten years without increases, the Budget Committee has found it necessary to increase rates due to operational and maintenance increases, testing expense increase, meeting new requirements, and to accept additional Montana Coal Endowment Program (MCEP) grant funding.

**WHEREAS**, pursuant to 69-7-111, MCA, the Council held a public hearing for the Resolution of Intent to increase the base water and base sewer rates on 6/10/2025 and adopted this decision vis Resolution #438-2025.

**WHEREAS**, also pursuant to 69-7-111, MCA, a public hearing for the Resolution to Adopt the increase of rates for the Sewer and Water Systems was scheduled to be held on July 8, 2025, commencing at 6:00 p.m. at the City Hall, 206 Main Street, Three Forks, Montana.

**WHEREAS**, pursuant to 7-1-4127 and 69-7-111(2), MCA, public notices were published in the Three Forks Voice on 5/28, 6/4, and 6/25/2025; in the Bozeman Daily Chronicle on 6/24 and 7/1/2025; and in the Belgrade News on 7/3/2025.

**WHEREAS**, pursuant to 69-7-111(6), MCA the Clerks mailed notice to every user of both the water and sewer systems as well as to the Public Service Commission on 6/12/2025.

**NOW, THEREFORE, BE IT RESOLVED** by the Three Forks City Council as follows:

**Section 1. Increase Sewer System Rates.** The City Council hereby increases its rates for the users of the Sewer System effective for the billing period beginning July 20, 2025.

#### Sewer Rates.

- (a) Sewer Inactive Service Connection: Users who are connected to the System but who have turned off or are not using any water from the System, shall be responsible for the Service/Availability charge each month during any period of turn off service or non-use of the System.
- (b) Sewer Charge Based on Water Use: The Service/Availability Charge is \$54.25 per month (this is the base rate for just being connected to the System and covers the first 400 cubic feet). The monthly Usage Charge for amounts in excess of 400 cubic feet of water

flow is \$6.97 per 100 cubic feet of water used or part thereof. The Service/Availability Charge plus the Usage Charge equals the monthly sewer rate.

- (c) **Sewer Charged NOT Based on Water Use:** The monthly rate for sewer for properties not connected to the City water system (and for properties with insufficient monthly usage information), is based on household size. The rate per household having a size of one is \$54.25 per month with incremental increases for larger-sized households.

The following table shows the new monthly service charges for the various users of the **Sewer System**, based on the initial 400 cubic feet, or household size if not connected to the Water System:

<u>Household Size</u>	<u>Monthly Service Charge</u>	<u>Based on Assumed Winter Water Use Average of Cubic Feet</u>
Inactive Connection	\$54.25	N/A
1	\$54.25	400
2	\$68.20	600
3	\$79.90	768
4	\$89.45	905
5	\$102.20	1088
6 and up	\$121.45	1364+

- (d) **Use Rate:** The Use Rate for each 100 cubic feet over the initial 400 cubic feet will remain at \$6.97.

**Section 2. Increase the Water System Rates.** The City Council hereby increases its rates for the users of the Water System effective for the billing period beginning July 20, 2025.

**Water Rates.**

The following table shows the current and proposed (in bold) monthly service charge for the various users of the **Water System**, based on initial 100 cubic feet:

<u>Meter Size</u>	<u>Current Monthly Service Charge</u>
Flat Rate	\$39.50
5/8"	\$39.50
3/4"	\$42.05
1"	\$46.60
1 1/4"	\$54.20
1 1/2"	\$60.20

1 ¾"	\$62.55
2"	\$78.00
2 ¼"	\$78.50
2 ½"	\$84.85
2 ¾"	\$95.95
3"	\$133.50
4"	\$259.85

(a) Monthly Water Rate. The Service Charge plus the Use Rate equals the monthly water rate.

(b) Use Rate: The Use Rate for each 100 cubic feet over the initial 100 cubic feet will remain at \$1.55.

**Section 3.** Determination of Annual Budget for the Systems. At least once each year the Council 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 4.** Further Rate Increases. Subsequent adjustments to the rates and charges for the use of the System will be made by a resolution of the Council duly adopted after a public hearing with notice thereof given as provided by law.

**Section 5.** Reminder. Multi-family units are charged a base rate for each unit.

Passed and approved by the Three Forks City Council this 8<sup>th</sup> day of July 2025.

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Mayor Randy Johnston

Attest:

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Crystal Turner, City Clerk