

Town of Philipsburg's Resolution No. 2023-02

**RESOLUTION OF THE TOWN OF PHILIPSBURG'S AMENDING RESOLUTION 2015-03,
MODIFYING THE BASE RATE AND USAGE RATE FOR THE TOWN'S WATER AND
SEWER SYSTEM USERS**

WHEREAS, under Section 69-7-101, Montana Code Annotated, the Town Council Philipsburg, Montana ("Town") has the power and authority to regulate, establish, and modify, as it considers proper, rates, fees, and classifications imposed for utility (water and sewer) services to its inhabitants and other persons served by the municipal systems. Rates, fees, and classifications must be reasonable, equitable, and just; and

WHEREAS, the Town has worked with Montana Rural Water Systems, Inc. (MRWS) to devise a reliable method to establish rates and fees for the System that will be reasonable and just—this includes increasing the monthly water base rate fee, increasing the monthly water usage rate fee after 5,000 gallons of usage, and dedicating a portion of the water base rate for meter replacement; and

WHEREAS, the method used to increase the base rate for monthly water and sewer fees which method uses a proven and established formula (based upon fixed costs, averaged variable costs, and actual water usage) that reasonably forecasts a simple flat, base monthly water and sewer rates that are the same regardless of the service line size or meter size; and such method is reasonable, equitable, and just; and

WHEREAS, the Town has determined it is in the best interests of the Town to adjust the rates and fees for the use and availability of the System; and

WHEREAS, pursuant to Section 69-7-111, Montana Code Annotated, the Council has conducted public hearings on December 20, 2022 and February 21, 2023 at 6:00 pm at the Town Hall at 104 South Sansome Street in Philipsburg, with proper notice with publication and mailing of such notice, prior to the passage or enactment of this current resolution modifying fees or charges for water and sewer services or facilities; and

WHEREAS, The Town Clerk-Treasurer, having been duly authorized and directed to publish the public hearing notices in *The Philipsburg Mail*, a newspaper of general circulation in the Town, on December 1, 2022, December 9, 2022, December 16, 2022, February 2, 2023, February 9, 2023, and February 16, 2023, as required by law, and previously mailed a copy of said notice to all persons who own property in the Town and to all customers of the Town that was carried out at least seven (7) days and not more than thirty (30) days prior to the public hearing. The said mailed notice contained an estimate of the amount that the property owner or customer will be charged under the proposed ordinance or resolution. The Town Clerk-Treasurer also mailed such notice via first class, postage prepaid, of all said hearings to the Montana Consumer Counsel in a timely manner; and,

WHEREAS, the Town's monthly water base rates are being increased, the Town's monthly water usage rates are being increased after 5,000 gallons of usage, and the Town is dedicating a portion of the water base rate for the purchase of new meters, all as set forth below.

NOW, THEREFORE, BE IT RESOLVED by the Town as follows:

Section 1. Modification. The Town establishest new monthly water and sewer rates to its water and sewer customers as set forth below.

Section 2. Existing Rate System Effective August 2015 (Current Rate Schedule Being Amended Herein). The Town currently charges users of the water and sewer a monthly flat monthly rate fee as set forth below:

- a. Set Rates for System; Metered Water Rates Set; Sewer Usage Rates Set. Effective as of the August 2015 billing statement for all Town customer, the Town sets, establishes, and maintains the flat, base monthly water fees (charges) of \$44.50. Effective as of the August 2015 billing statement for all Town customers, the Town sets, establishes, and increases the flat, base monthly sewer fees (charges), an additional \$27.50 per month (Existing Monthly Charge of \$27.50 plus additional monthly charge of \$27.50) totaling \$55.00 per month as the monthly base sewer rate for each residence, apartment, house, or business using water services. Effective as of August 2015 billing statement for all Town customers, the Town increases the monthly water usage rate by \$0.50 to \$1.50 per 1,000 gallons (Existing Usage Charge is \$1.00) as the monthly water usage rate for each residence, apartment, house or business using water services. Effective as of August 2015 billing statement for all Town customers, the Town enacts a monthly sewer usage rate of \$1.50 per 1,000 as the monthly water usage rate for each residence, apartment, house or business using water services. The sewer usage rate will be based on averaging the November, December, January, February water usages to establish the monthly sewage use rate fees. So after all these modifications are considered, the total and joint monthly base rate for water and sewer services is \$99.50 per month. There is no pro-ration during a month and an example of this is provided in next sentence. For example, for a total use of 2,500 gallons per month by one water user, the additional fee would be \$4.50 above the base rate of \$99.50. All of the base monthly fees and additional water usage fees charged may be used for all expenses of the System - sewer fees used by sewer enterprise fund and water fees used by water enterprise fund - and this includes, but is not limited to ongoing operations, maintenance, and improvements as determined by the Council with consent of the Mayor.
- b. Flat Water Rate Fees. Any water user without meter shall be charged a reasonable and equitable monthly fee as negotiated and contracted with the Town. All said water and sewer fees shall be used as discussed in Section 2(c) below.
- c. Determination of Annual Budget for System. 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 fees for the use of the System.

- d. Discounted Rates. Churches and part-time resident owners shall not receive discounted rates; but shall pay the same rates as set forth in Section 2 above.
- e. Equal Rates. All rates shall be equal for various levels of usage of System users within the corporate Town limits versus those users receiving such services outside the corporate Town limits.

Section 3. Monthly Water Base Rate Fees; Monthly Water Usage Rate Fees; Monthly Water Sewer Base Rate Fees; Monthly Sewer Usage Rate Fees. The monthly water user base rate fees will increase by \$7.50 from \$44.50 to \$52.00 per month. This will include the first 5,000 gallons of water. The monthly water usage rate fees will increase to \$5.00 per 1000 gallons after the first 5,000 gallons used, up to 15,000 gallons. The monthly water usage rate fees will increase to \$10.00 per 1000 gallons after the first 15,000 gallons used, up to 45,000 gallons. The monthly water usage rate fees will increase to \$20.00 per 1000 gallons after the first 45,000 gallons used. The monthly base sewer rate fee will remain at \$55.00 per month. The monthly sewer usage rate fee shall remain at \$1.50 per 1000 gallons. The fee rates described in this current Section 3 will commence as of June 1, 2023 and being due to the Town by July 25, 2023. All such fees are due and payable by the twenty-fifth (25th) of the following month.

Section 4. New Sewer Usage Rate Fees. The Town hereby establishes a sewer usage rate fees at \$1.50 per 1000 gallons of sewage. The sewer usage rate will be based on averaging the November, December, January, and February household water usages to establish the monthly sewage use rate fees. This average basis for household sewage usage will be modified for every water/sewer user each March 1st based upon the prior November, December, January, and February sewer use rate averages for the household.

Section 5. Dedicating a Portion of the Water Base Rate for New Meter Purchase. The Town hereby will dedicate \$6.00 of the water base rate (\$52.00 total) from each customer to purchase new meters for the Town. This revenue will be itemized to a specific revenue line item in the budget.

Section 6. Delinquent Fees; Legal Remedy for Delinquent Bills. The Town shall assess a \$5.00 late fee for delinquent bills each month from and after the delinquency until said bill is paid in full, or until an arrangement is made with and agreed to by the Mayor and approved by the Town Council. The Town may exercise any legal remedy available to it to collect unpaid water and sewer bills, including but not limited to adding delinquent bills to property tax assessments (MCA 7-3-4306), placing a lien on the property (Philipsburg Ordinance 10-1-1), shutting off water service, legal action, or other legal remedy. All costs incurred by the Town in pursuing collection of, in addition to a reasonable collection fee, shall be the responsibility of the landowner of the

premises. A \$75 fee is hereby authorized to be added to the water and sewer bill each time a notice is placed on the premises of a delinquent account.

Section 7. Town's Water and Sewer Funds. All monthly base and usage water fees collected shall only be credited to the Town's Water Fund and may only be used for the Town's water system as allowed by law; and all monthly base and usage sewer fees collected shall only be credited to the Town's Sewer Fund and may only be use for the Town's sewer system as allowed by law.

Section 8. Annual Review of Water and Sewer Rates. The Town Council shall review the rates and policy on an annual basis going forward.

Section 9. Mayor Authority to Limit or Prohibit Sprinkling of Water. The Mayor is hereby authorized by public notice to limit or prohibit sprinkling of water on yards and lawns at his or her discretion for the purposed of conserving water, whenever the need to do so arises.


Section 10. Superseding. This current Resolution supersedes all other resolutions governing all water and sewer fees of the Town, and this current Resolution modifies and supersedes Town of Philipsburg Resolution 2015-03, and also fully replaces the Town of Philipsburg's Water Regulations which are described in Philipsburg Town Ordinance Section 10-1-3; however, the Town of Philipsburg's Rates, Rules and Regulations Governing Water Service effective May 1, 1969 is binding and effective so long as it is consistent with and not modified by this current Resolution and codified Town ordinances.

Section 11. Further Rate Modifications. Subsequent adjustment to the water rates, sewer rates, and fees for the use of the System, including the water and sewer system, will be made by a resolution of the Town Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 12. Effective Date. This Resolution is to be immediately filed by the Town Clerk and shall be effective within ten (10) days of the Council's passage of this current Resolution.

Passed a majority of the Council and approved this 21st day of March, 2023.

Mayor of the Town of Philipsburg:



Daniel Reddish, Mayor

Attest by Town Clerk-Treasurer:



Reed Speegle, Town Clerk-Treasurer

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