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RESOLUTION NO. 2017

**RESOLUTION OF INTENTION OF THE CITY OF GLASGOW, MONTANA TO
MODIFY THE BASIS ON WHICH WATER CHARGES ARE IMPOSED AND TO
INCREASE RATES FOR THE USERS OF THE SYSTEM**

WHEREAS, under Mont. Code Ann. §69-7-101, 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, it will be necessary for the City to collect sufficient revenues to pay the costs associated with upgrading and the operation and maintenance of the System; and

WHEREAS, pursuant to Mont. Code Ann. §69-7-111, the Council shall order a public hearing prior to the passage or enactment of an ordinance or resolution imposing, establishing, changing or increasing rates, fees, or charges for services or facilities.

NOW, THEREFORE, BE IT RESOLVED by the City Council (the "council") of the City as follows:

Section 1. Intent to Change the Method of Assessing Water User Charges, Which Will Result in an Increase for Certain Users. It is the intent of the City to modify the basis on which charges for the users of the System are imposed, which will result in a rate increase for users of the System as set forth herein.

Section 2. Current Rate System. A ¾ inch service is the standard service for single family residential users. The following table shows the monthly cost for each size service.

<u>Line/Meter Size</u>	<u>Base Rate</u>	<u>Multiplier</u>	<u>Total Cost</u>
Residential ¾"	\$ 25.00	1.0	\$ 25.00
Commercial ¾"	\$ 25.00	1.0	\$ 25.00
Commercial 1"	\$ 25.00	1.0	\$ 25.00
Commercial 1¼"	\$ 25.00	1.5	\$ 37.50
Commercial 1½"	\$ 25.00	1.5	\$ 37.50

1 Commercial 2" \$ 25.00 2.0 \$ 50.00

2 Commercial 3" \$ 25.00 2.0 \$ 50.00

3 2.01. Charge Based on Gallons Used. An additional charge based on a rate of \$1.78 per
4 one thousand gallons of water used will be assessed for each meter or connection on a monthly
5 basis. The Council may from time to time increase the rates and charges in accordance with
6 Sections 4 and 5.

7
8 2.02. Base Rate Charge. A ¾" service is the standard service for single family
9 residential users. The following table shows the annual 2% increase on the base rate for each
10 size of service

Line/Meter Size	Oct. 2016 – Sept. 2017	Oct. 2017 – Sept. 2018	Oct. 2018 – Sept. 2019	Oct. 2019 – Sept. 2020	Oct. 2020 – Sept. 2021	Oct. 2021 – Sept. 2022
Residential ¾"	\$25.50	\$26.01	\$26.53	\$27.06	\$27.60	\$28.15
Commercial ¾"	\$25.50	\$26.01	\$26.53	\$27.06	\$27.60	\$28.15
Commercial 1"	\$25.50	\$26.01	\$26.53	\$27.06	\$27.60	\$28.15
Commercial 1 ¼"	\$38.25	\$39.02	\$39.80	\$40.59	\$41.40	\$42.23
Commercial 1 ½"	\$38.25	\$39.02	\$39.80	\$40.59	\$41.40	\$42.23
Commercial 2"	\$51.00	\$52.02	\$53.06	\$54.12	\$55.20	\$56.31
Commercial 3"	\$51.00	\$52.02	\$53.06	\$54.12	\$55.20	\$56.31

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21 2.03. Charge Based on Gallons Used. An additional charge based on a rate of \$1.78 per
22 one thousand gallons of water used will be assessed for each meter or connection on a monthly
23 basis. The Council may from time to time increase the rates and charges in accordance with
24 Sections 4 and 5.

25
26 Section 3. Subject to minimum meter charge. Once city water service to a lot or parcel
27 of real property has been established in accordance with applicable city ordinances, resolutions,

1 regulations, and procedures, the real property owner shall pay the monthly minimum base rate
2 set by the city, which shall be payable twelve (12) months of the year.

3 Section 4. Determination of Annual Budget for System. At least once each year the City
4 Council shall determine the amount of money needed to pay the costs of the System, including,
5 but not limited to: (a) the payment of the reasonable expense of operation and maintenance of the
6 System; (b) administration of the System; and (c) the establishment or maintenance of any
7 required reserves, including reserves needed for expenditures for depreciation and replacement
8 of facilities, as may be determined necessary from time to time by the Council. Based on the
9 annual needs of the System, the Council will establish monthly charges for the use of the System.
10

11 Section 5. Further Rate Increases. Subsequent adjustments to the rates and charges for
12 the use of the System will be made by a resolution of the Council duly adopted after a public
13 hearing with notice thereof given as provided by law.
14

15 Section 6. Public Hearing. A public hearing on the rate increase will be held on August
16 1, 2016, commencing at 5:30 p.m., in the City Council Chambers, 319 3rd Street South, Glasgow,
17 Montana.

18 Section 7. Notice. The City Clerk-Treasurer is hereby authorized and directed to publish
19 or cause to be published a copy of a notice of the passage of this resolution in the Glasgow
20 Courier, a newspaper of general circulation in the City, on July 13, 2016, July 20, 2016, and July
21 27, 2016, by law, and to mail or cause to be mailed a copy of said notice to all persons who own
22 property in the City and to all customers of the City at least 7 days and not more than 30 days
23 prior to the public hearing.
24

25 PASSED AND ADOPTED by the City Council of the City of Glasgow this 5 day of
26 July, 2016.

27 
28 REBECCA ERICKSON, Mayor

1 ATTEST:

Stacey A. Amundson
2 STACEY A. AMUNDSON
3 City Clerk-Treasurer

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1 Commercial 3" \$ 637.70

2 (b) In addition, the city shall charge commercial users a monthly usage
3 charge of \$0.445 per one hundred (100) cubic feet of water used in
4 excess of six hundred (600) cubic feet per month.

5 Section 3. Base Rate Charge.

6 (a) A flat rate for both residential and commercial users of the system
7 shall be charged each month. The following table shows the annual
8 2% increase on the base rate for each size of service:

Line/Meter Size	Oct. 2016 – Sept. 2017	Oct. 2017 – Sept. 2018	Oct. 2018 – Sept. 2019	Oct. 2019 – Sept. 2020	Oct. 2020 – Sept. 2021	Oct. 2021 – Sept. 2022
9 Residential 3/4"	\$40.65	\$41.46	\$42.28	\$43.12	\$43.98	\$44.85
10 Commercial 3/4"	\$40.65	\$41.46	\$42.28	\$43.12	\$43.98	\$44.85
11 Commercial 1"	\$72.76	\$74.21	\$75.69	\$77.20	\$78.74	\$80.31
12 Commercial 1 1/4"	\$113.02	\$115.28	\$117.58	\$119.93	\$122.32	\$124.76
13 Commercial 1 1/2"	\$162.61	\$165.86	\$169.17	\$172.55	\$176.00	\$179.52
14 Commercial 2"	\$290.26	\$296.06	\$301.98	\$308.01	\$314.17	\$320.45
15 Commercial 3"	\$650.45	\$663.45	\$676.71	\$690.24	\$704.04	\$718.12

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18 2.03. Charge Based on Gallons Used. In addition, the city shall charge commercial users
19 a monthly usage charge of \$0.595 per one thousand gallons (1,000) of water used for treatment
20 of waste water produced will be assessed for each meter or connection on a monthly basis. The
21 Council may from time to time increase the rates and charges in accordance with Sections 4 and
22 5.

23
24 Section 3. Subject to minimum meter charge. Once city sewer service to a lot or parcel
25 of real property has been established in accordance with applicable city ordinances, resolutions,
26 regulations, and procedures, the real property owner shall pay the monthly minimum base rate
27 set by the city, which shall be payable twelve (12) months of the year.

1 Section 4. Determination of Annual Budget for System. At least once each year the City
2 Council shall determine the amount of money needed to pay the costs of the System, including,
3 but not limited to: (a) the payment of the reasonable expense of operation and maintenance of the
4 System; (b) administration of the System; and (c) the establishment or maintenance of any
5 required reserves, including reserves needed for expenditures for depreciation and replacement
6 of facilities, as may be determined necessary from time to time by the Council. Based on the
7 annual needs of the System, the Council will establish monthly charges for the use of the System.
8

9 Section 5. Further Rate Increases. Subsequent adjustments to the rates and charges for
10 the use of the System will be made by a resolution of the Council duly adopted after a public
11 hearing with notice thereof given as provided by law.
12

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16 Section 7. Notice. The City Clerk-Treasurer is hereby authorized and directed to publish
17 or cause to be published a copy of a notice of the passage of this resolution in the Glasgow
18 Courier, a newspaper of general circulation in the City, on July 13, 2016, July 20, 2016, and July
19 27, 2016, by law, and to mail or cause to be mailed a copy of said notice to all persons who own
20 property in the City and to all customers of the City at least 7 days and not more than 30 days
21 prior to the public hearing.
22

23 PASSED AND ADOPTED by the City Council of the City of Glasgow this 5 day of
24 July, 2016.


REBECCA ERICKSON, Mayor

25 ATTEST:

26 STACEY A. AMUNDSON
27 City Clerk-Treasurer