

RESOLUTION NO. 2020- # 009

RESOLUTION TO IMPLEMENT SECOND STEP IN RATE INCREASE
FOR USERS OF THE CITY OF POLSON MUNICIPAL SEWER SYSTEM

RECITALS

WHEREAS, the City of Polson (the "City") has the power and authority, to regulate, establish, and change as it considers proper the reasonable and just rates, charges, and classifications imposed on utility services to its inhabitants and other persons served by its water and sewer systems (Section 69-7-101, et seq, MCA); and

WHEREAS, the Commission previously considered the need for rate increases to cover the cost of operation, reserves and debt service for the construction of a new mechanical wastewater treatment plant; and

WHEREAS, pursuant to Section 69-7-111, MCA, the Commission, after appropriate notice to sewer users, held a public hearing on June 6, 2016 on the issue of imposing, establishing, changing or increasing rates, fees, or charges for sewer services; and

WHEREAS, after the hearing, the Commission determined that the sewer rate increase should occur in two steps, with the first step effective July 1, 2016, to reflect the rates in Step 1 of Exhibit A attached hereto, and the second step of the sewer rate increase, as reflected in Exhibit A, Step 2, attached hereto, to go into effect after bids for construction were received; and

WHEREAS, bids have been received for construction of the new wastewater treatment plant and construction thereof is substantially complete; and

WHEREAS, the City has made commitments for grants for financing a portion of construction of the new wastewater treatment plant, which commitments included the implementation of the Step 2 rate increase after completion of construction of the new wastewater treatment plant.

NOW, THEREFORE BE IT RESOLVED by the City Commission of the City of Polson as follows:

Section 1. Implementation of Step 2 of Wastewater Rate Increase. Pursuant to the foregoing recitals, the City Commission hereby implements Step 2 of the wastewater rate increase authorized by City Resolution No. 2016-#009, after the public hearing on such increase was held on June 6, 2016. The rate increase hereby implemented is described in Exhibit A hereto and referenced as "Step 2" on the two right hand columns.

Section 2. Effective Date of Step 2 Wastewater Rate Increase. The Step 2 rate increase implemented in Section 1 above is effective ~~on July 16, 2020~~ and will be reflected on the City sewer customer's August, 2020 utility billing statement. The City Clerk shall provide notice of the effective date of the Step 2 Wastewater rate increase to all City sewer customers.

PASSED AND ADOPTED by the City Commission of the City of Polson, Montana, this 15th day of June, 2020.

Mayor

ATTEST:

City Clerk

Approved as to form and content:

Clint Fischer, City Attorney

City of Polson
 Table of Proposed Sewer Rates - 05/16/2016
 Rates Initially Calculated by Carl Brown Consulting, LLC
 Information compiled by Cindy M Dooley, CPA Finance Officer

Proposed Increase has 2 steps

How to Use this Table*

- 1) Locate your meter size and whether you are charged on a winter average (residential) water usage or actual (commercial) water usage
- 2) Multiply usage times the usage rate for that line and add the monthly minimum charge to determine the charge for the month

SEWER							
Meter size	Usage Over (in thousands of gallons)	Current Monthly Minimum Charge	Current Usage Rate Per 1,000 Gallons	Step 1	Step 1	Step 2	Step 2
				Monthly Minimum Charge (Effective 07/01/16)	Usage Rate Per 1,000 Gallons (Effective 07/01/16)	Maximum Monthly Minimum Charge (Effective date TBD)	Maximum Usage Rate Per 1,000 Gallons (Effective date TBD)
3/4" - AVG	0.000	25.04	3.47	33.38	4.62	39.64	5.20
3/4" - ACT	0.000	25.04	3.47	33.38	4.62	39.64	5.20
1.0" - AVG	0.000	28.79	3.47	38.39	4.62	45.59	5.20
1.0" - ACT	0.000	28.79	3.47	38.39	4.62	45.59	5.20
1.5" - AVG	0.000	36.50	3.47	48.66	4.62	57.79	5.20
1.5" - ACT	0.000	36.50	3.47	48.66	4.62	57.79	5.20
2.0" - ACT	0.000	47.29	3.47	63.05	4.62	74.87	5.20
3.0" - ACT	0.000	78.10	3.47	104.14	4.62	123.66	5.20
4.0" - ACT	0.000	121.42	3.47	161.66	4.62	191.97	5.20
6.0" - ACT	0.000	244.51	3.47	326.01	4.62	387.13	5.20
Sewer Only - Residential		32.50		43.34		50.38	
Sewer Only - Commercial		170.42		227.22		264.14	

*Example

Customer has a 3/4" meter and has a winter average of 3,000 gallons per month.

- 1) Select the rates for the 3/4" meter - average (3/4" - AVG)
- 2) Multiply 3 times the usage rate. Add this amount to the minimum monthly charge for the total monthly sewer rate

TBD = To be determined