

RESOLUTION NO. 3513

A RESOLUTION, PURSUANT TO §69-7-111 OF THE MONTANA CODE ANNOTATED, OF INTENT TO DECREASE FOR TWO YEARS, THEN INCREMENTALLY INCREASE FOR 13 YEARS, MONTHLY MINIMUM WATER RATES AND MONTHLY OVERAGE WATER RATES, AND PROVIDING FOR MUNICIPAL RATE HEARING THEREON.

WHEREAS, §7-13-4307 requires that the rates and charges for the City of Miles City water system be sufficient in each year to provide income and revenues adequate for the payment of the reasonable expenses and maintenance, maintenance of sinking funds, accumulation of reserves, and expenditures for depreciation and replacement of such system, and to meet the covenants of outstanding bonds for the system;

AND WHEREAS, in order to meet the above obligations, the City Council of the City of Miles City considers it advisable to decrease the rates charged to residential and commercial consumers of water from the City of Miles City water system for monthly minimum rates and monthly overage rates by six percent (6%) below current rates from September 15, 2012 to July 1, 2013, then to further decrease such rates by an additional six percent (6%) from July 1, 2013 to June 30, 2014, and then to incrementally increase such rates by two percent (2%) per year for the next 13 years, as more fully set forth in Exhibit "A" attached hereto and incorporated herein by reference.

AND WHEREAS, the City Council further considers it advisable to phase in the increases in the monthly residential and commercial minimum rates and monthly overage rates over 13 fiscal years, with the initial rate increase being effective July 1, 2014, and the remaining 12 annual rate increases being effective on July 1st of each year thereafter.

AND WHEREAS, pursuant to §69-7-111, the City of Miles City must conduct a hearing upon such proposed rate changes;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Miles City, Montana that the rates charged to residential and commercial consumers of water from the City of Miles City water system for monthly minimum rates and monthly overage rates be decreased by six percent (6%) below current rates from November 1, 2012 to July 1, 2013, then be further decreased by an additional six percent (6%) from July 1, 2013 to June 30, 2014, and then, commencing July 1, 2014, be incrementally increased by two percent (2%) per year for the next 13 years, as more fully set forth in Exhibit "A" attached hereto and incorporated herein by reference. Such minimum rates and overages rates shall supersede the water system minimum and overage rates set forth in Ordinance No. 1073 and pursuant to Resolution 3193.


BE IT FURTHER RESOLVED that a public hearing shall be held on the above proposed rate increase on the 25th day of September, 2012 at 7:00 p.m. in the City Council Chambers at City Hall, 17 South 8th Street, Miles City, Montana. The City Clerk shall cause

notice of such hearing to be published in the Miles City Star, in accordance with §69-7-111 MCA, at least 3 times with at least 6 days separating each publication, the first publication to be no more than 28 days prior to the aforesaid date of hearing, and the last publication to be no less than 3 days prior to the date of hearing.

The City Clerk shall mail notice of such hearing to each person served by the City of Miles City water system. Such notice shall contain an estimate of the amounts the customer's average bill will increase. In addition, the City Clerk shall mail notice of such hearing to the Montana consumer counsel, by first class mail, postage prepaid. Such notices shall be mailed at least 7 days and not more than 30 days prior to the date of hearing.

BE IT FURTHER RESOLVED that, within 30 days after such hearing, the City Council of the City of Miles City shall issue its decision upon such rate increase and file such decision with the City Clerk and shall file a copy of the revised rate schedule as determined subsequent to such hearing, with the Montana public service commission. Such decision shall become final ten (10) days after date of filing with the City Clerk.

SAID RESOLUTION FINALLY PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF MILES CITY, MONTANA, THIS 14TH DAY OF AUGUST, 2012.



C.A. Grenz, Mayor

ATTEST:



Rebecca Stanton, City Clerk

RESOLUTION 3513 - EXHIBIT "A" (Rev. 8-8-12)

RESIDENTIAL MONTHLY MINIMUM RATES (BASE RATES)

Meter Size:	Monthly Minimum Quantity (gals.)	Current Minimum Rate	Proposed Rate Effective 11-1-12	Proposed Rate Effective 7-1-13	Proposed Rate Effective 7-1-14	Proposed Rate Effective 7-1-15	Proposed Rate Effective 7-1-16	Proposed Rate Effective 7-1-17	Proposed Rate Effective 7-1-18	Proposed Rate Effective 7-1-19	Proposed Rate Effective 7-1-20	Proposed Rate Effective 7-1-21	Proposed Rate Effective 7-1-22	Proposed Rate Effective 7-1-23	Proposed Rate Effective 7-1-24	Proposed Rate Effective 7-1-25	Proposed Rate Effective 7-1-26
5/8"	3,000	\$22.57	\$21.22	\$19.94	\$20.34	\$20.75	\$21.16	\$21.59	\$22.02	\$22.46	\$22.91	\$23.37	\$23.83	\$24.31	\$24.80	\$25.29	\$25.80
3/4"	4,000	\$28.08	\$26.40	\$24.81	\$25.31	\$25.81	\$26.33	\$26.86	\$27.39	\$27.94	\$28.50	\$29.07	\$29.65	\$30.25	\$30.85	\$31.47	\$32.10
1"	6,000	\$39.14	\$36.79	\$34.58	\$35.28	\$35.98	\$36.70	\$37.43	\$38.18	\$38.95	\$39.73	\$40.52	\$41.33	\$42.16	\$43.00	\$43.86	\$44.74
1 1/2"	10,000	\$57.17	\$53.74	\$50.52	\$51.53	\$52.56	\$53.61	\$54.68	\$55.77	\$56.89	\$58.03	\$59.19	\$60.37	\$61.58	\$62.81	\$64.07	\$65.35
2"	20,000	\$109.88	\$103.29	\$97.09	\$99.03	\$101.01	\$103.03	\$105.09	\$107.20	\$109.34	\$111.53	\$113.76	\$116.03	\$118.35	\$120.72	\$123.13	\$125.60
3"	60,000	\$277.98	\$261.30	\$245.62	\$250.54	\$255.55	\$260.66	\$265.87	\$271.19	\$276.61	\$282.14	\$287.79	\$293.54	\$299.41	\$305.40	\$311.51	\$317.74
4"	140,000	\$490.25	\$460.83	\$433.18	\$441.85	\$450.69	\$459.70	\$468.89	\$478.27	\$487.84	\$497.59	\$507.55	\$517.70	\$528.05	\$538.61	\$549.38	\$560.37
6"	200,000	\$649.48	\$610.51	\$573.88	\$585.36	\$597.07	\$609.01	\$621.19	\$633.61	\$646.28	\$659.21	\$672.39	\$685.84	\$699.56	\$713.55	\$727.82	\$742.38

COMMERCIAL MONTHLY MINIMUM RATES (BASE RATES)

Meter Size:	Monthly Minimum Quantity (gals.)	Current Minimum Rate	Proposed Rate Effective 11-1-12	Proposed Rate Effective 7-1-13	Proposed Rate Effective 7-1-14	Proposed Rate Effective 7-1-15	Proposed Rate Effective 7-1-16	Proposed Rate Effective 7-1-17	Proposed Rate Effective 7-1-18	Proposed Rate Effective 7-1-19	Proposed Rate Effective 7-1-20	Proposed Rate Effective 7-1-21	Proposed Rate Effective 7-1-22	Proposed Rate Effective 7-1-23	Proposed Rate Effective 7-1-24	Proposed Rate Effective 7-1-25	Proposed Rate Effective 7-1-26
5/8"	3,000	\$41.16	\$38.69	\$36.37	\$37.10	\$37.84	\$38.60	\$39.37	\$40.15	\$40.96	\$41.78	\$42.61	\$43.46	\$44.33	\$45.22	\$46.12	\$47.05
3/4"	4,000	\$46.67	\$43.87	\$41.24	\$42.06	\$42.90	\$43.76	\$44.64	\$45.53	\$46.44	\$47.37	\$48.32	\$49.28	\$50.27	\$51.27	\$52.30	\$53.35
1"	6,000	\$57.70	\$54.24	\$50.98	\$52.00	\$53.04	\$54.10	\$55.19	\$56.29	\$57.42	\$58.56	\$59.74	\$60.93	\$62.15	\$63.39	\$64.66	\$65.95
1 1/2"	10,000	\$79.87	\$75.08	\$70.57	\$71.98	\$73.42	\$74.89	\$76.39	\$77.92	\$79.48	\$81.07	\$82.69	\$84.34	\$86.03	\$87.75	\$89.50	\$91.29
2"	20,000	\$128.52	\$120.81	\$113.56	\$115.83	\$118.15	\$120.51	\$122.92	\$125.38	\$127.89	\$130.45	\$133.05	\$135.72	\$138.43	\$141.20	\$144.02	\$146.90
3"	60,000	\$296.59	\$278.79	\$262.07	\$267.31	\$272.65	\$278.11	\$283.67	\$289.34	\$295.13	\$301.03	\$307.05	\$313.19	\$319.46	\$325.85	\$332.36	\$339.01
4"	140,000	\$508.86	\$478.33	\$449.63	\$458.62	\$467.79	\$477.15	\$486.69	\$496.43	\$506.35	\$516.48	\$526.81	\$537.35	\$548.09	\$559.06	\$570.24	\$581.64
6"	200,000	\$673.88	\$633.45	\$595.44	\$607.35	\$619.50	\$631.89	\$644.52	\$657.41	\$670.56	\$683.97	\$697.65	\$711.61	\$725.84	\$740.36	\$755.16	\$770.27

MONTHLY CHARGES FOR GALLONAGE OVER MONTHLY MINIMUM GALLONAGE

Quantity	Current Rate Per 1000 Gallons	Proposed Rate Per 1000 Gallons Effective 1-1-12	Proposed Rate Per 1000 Gallons Effective 7-1-13	Proposed Rate Per 1000 Gallons Effective 7-1-14	Proposed Rate Per 1000 Gallons Effective 7-1-15	Proposed Rate Per 1000 Gallons Effective 7-1-16	Proposed Rate Per 1000 Gallons Effective 7-1-17	Proposed Rate Per 1000 Gallons Effective 7-1-18	Proposed Rate Per 1000 Gallons Effective 7-1-19	Proposed Rate Per 1000 Gallons Effective 7-1-20	Proposed Rate Per 1000 Gallons Effective 7-1-21	Proposed Rate Per 1000 Gallons Effective 7-1-22	Proposed Rate Per 1000 Gallons Effective 7-1-23	Proposed Rate Per 1000 Gallons Effective 7-1-24	Proposed Rate Per 1000 Gallons Effective 7-1-25	Proposed Rate Per 1000 Gallons Effective 7-1-26
0 - 3,000 (Base)	\$22.57	\$21.22	\$19.94	\$20.34	\$20.75	\$21.16	\$21.59	\$22.02	\$22.46	\$22.91	\$23.37	\$23.83	\$24.31	\$24.80	\$25.29	\$25.80
3,000 - 10,000	\$4.42	\$4.15	\$3.91	\$3.98	\$4.06	\$4.14	\$4.23	\$4.31	\$4.40	\$4.49	\$4.58	\$4.67	\$4.76	\$4.86	\$4.95	\$5.05
10,000 - 50,000	\$3.83	\$3.60	\$3.38	\$3.45	\$3.52	\$3.59	\$3.66	\$3.74	\$3.81	\$3.89	\$3.97	\$4.04	\$4.13	\$4.21	\$4.29	\$4.38
50,000 - 100,000	\$2.98	\$2.80	\$2.63	\$2.69	\$2.74	\$2.79	\$2.85	\$2.91	\$2.97	\$3.02	\$3.09	\$3.15	\$3.21	\$3.27	\$3.34	\$3.41
Over 100,000	\$2.12	\$1.99	\$1.87	\$1.91	\$1.95	\$1.99	\$2.03	\$2.07	\$2.11	\$2.15	\$2.19	\$2.24	\$2.28	\$2.33	\$2.38	\$2.42