

RESOLUTION NO. R24-94

**A RESOLUTION OF INTENT TO INCREASE THE CITY OF LAUREL'S
WATER AND SANITARY SEWER RATES AND CHARGES TO BECOME
EFFECTIVE ON JANUARY 10, 2025 AND SETTING A DATE
AND TIME FOR A PUBLIC RATE HEARING.**

WHEREAS, the current water and sanitary sewer rates and charges in effect at the present time are not adequate to provide revenues with which to defray the increased costs of operation, maintenance, and capital of the City's water and sanitary sewer distribution facilities and systems;

WHEREAS, the provision of the water and sanitary sewer systems and facilities is essential to the preservation of the public's health and welfare;

WHEREAS, the new rates, must before taking effect, be approved by the City Council after advertising and conducting a public rate hearing pursuant to the City's Charter at Article I, Section 1.03(2) and MCA Section 69-7-111;

WHEREAS, current budgetary requirements with respect to the operation of said facilities in addition to on-going and future projects require the proposed rates to become effective on or about January 10, 2025, to enable the City to proceed as expeditiously as possible to accomplish the objectives herein above recited; and

WHEREAS, pursuant to its Charter and Montana law, the City Council has determined that a public rate hearing must be advertised and held to gather documents, testimony, and other evidence regarding the proposed increases in water and sanitary sewer rates and charges.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAUREL, MONTANA:

1. That the City Council considers it both advisable and necessary to increase the municipal water and sanitary sewer rates and charges for all users and proposes to increase the rates and charges as specifically contained on the rate and charge schedule marked "Exhibit A" that is attached hereto and hereby incorporated into this Resolution by reference.
2. That a public rate hearing shall be held on December 10, 2024, at 6:30 p.m. in the City Council Chambers, at City Hall, Laurel, Montana, for the purpose of gathering and receiving testimony, input, and comments from all interested or affected users, citizens, persons, associations, corporations and/or companies.
3. Notice of the public rate hearing shall be published once a week for three consecutive weeks in the *Yellowstone County News*, a newspaper that conforms

to the requirements of MCA § 7-1-4127, and the first such publication shall not be more than twenty-eight (28) days prior to the hearing and the last publication shall be not less than three (3) days prior to the hearing, in a form substantially similar to the Notice of Public Hearing marked and attached hereto as “Exhibit A”.

4. Additionally, the notice of the public rate hearing shall be mailed at least seven (7) days and not more than thirty (30) days prior to the hearing to all persons who are served by the City’s utilities. The notice shall contain an estimate of the amount the customer’s average monthly bill will increase.

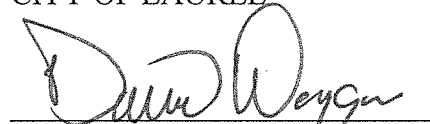
Introduced at a regular meeting of the City Council on the 26th day of November 2024 by Council Member Mize.

PASSED and APPROVED by the City Council of the City of Laurel on the 26th day of November 2024.

APPROVED by the Mayor on the 26th day of November 2024.




CITY OF LAUREL



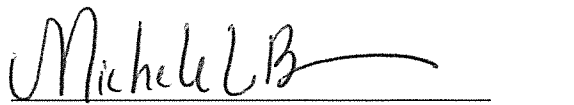
Dave Waggoner, Mayor

ATTEST:



Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:






Michele L. Braukmann, Civil City Attorney



DRAFT

Dear Customer,

We are reaching out to inform you about important updates to the City of Laurel's water and wastewater rates, based on a recent comprehensive rate study. Our rates need to be updated to address several key issues, including:

-  Increasing operational costs; the City has not increased rates since 2015, and since then, our costs have increased
-  Urgent maintenance and upgrades for our aging infrastructure
-  Ensuring every customer covers the cost of their water and sewer service

The City Council carefully considered these changes. A public hearing to share more information about these rates is scheduled for December 17, 2024, with a vote on the proposed rates within 30 days.

The results of the rate study recommended a change to how we charge for water. The water rates structure will change to prioritize affordable and equitable rates, and encourage water efficiency. We're moving to a tiered water rate structure. Under this model, the cost per gallon increases as usage rises, which encourages conservation and ensures that high water users contribute more to support the system's additional capacity needs. Many customers may find themselves in the higher tiers during the summer months and in the lower tier during the winter months.

These rate changes are a necessary step towards achieving a balanced and efficient rates structure and will ensure we can continue providing safe and reliable water and sewer services for generations to come.

We appreciate your support as we continue to work to be a stronger and more resilient water utility and community. The following page includes details of the new rates structure. Note that our billing system is not changing, only our rates are. If you have any questions about these new rates or would like assistance with understanding your bill, please contact our customer service team at (406) 628-4796.

Sincerely,

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OUR PRIORITIES

-  Minimized Customer Impacts
-  Affordability
-  Revenue Stability
-  Fairness
-  Long-Term Planning

EXAMPLES OF THREE RESIDENTIAL CUSTOMERS WITH 3/4" METERS WITH DIFFERENT WATER AND WASTEWATER USAGE AND ANTICIPATED IMPACTS ON THEIR BILLS

Indoor Use 4,000 Gallons of Water 3,000 Gallons of Wastewater	Average Use 6,000 Gallons of Water 3,000 Gallons of Wastewater	Summer Use 15,000 Gallons of Water 3,000 Gallons of Wastewater
Water: Monthly Increase of \$0.10 Sewer: Monthly Increase of \$9.54 Total Change: \$9.64	Water: Monthly Decrease of \$0.74 Sewer: Monthly Increase of \$9.54 Total Change: \$8.80	Water: Monthly Increase of \$0.94 Sewer: Monthly Increase of \$9.54 Total Change: \$10.20

Water Rates Structure

Water
 Monthly Minimum Charge/Base Charge, \$ per Bill

Meter Size	Existing	Proposed
<i>Inches</i>		
3/4"	\$32.61	\$32.61
1"	\$56.11	\$56.11
1.25"	\$85.57	\$85.57
1.5"	\$121.86	\$121.86
2"	\$215.28	\$215.28
3"	\$478.86	\$478.86
4"	\$852.82	\$852.82
6"	\$1,915.49	\$1,915.49
10"	\$5,291.82	\$5,291.82

Includes capital charge of \$8 per EDU

Volume Rate
 \$ per 1,000 gallons

Threshold	Existing	Proposed
Residential		
0 - 1,000	\$0.00	\$2.17
1,001 - 5,000	\$2.86	\$2.17
5,001 - 10,000	\$2.86	\$2.71
10,001 - 20,000	\$2.86	\$3.26
Over 20,000	\$2.86	\$4.34
Commercial		
0 - 1,000	\$0.00	\$3.27
Over 1,000	\$2.86	\$3.27
Industrial		
0 - 1,000	\$0.00	\$4.02
Over 1,000	\$2.86	\$4.02

Sewer Rates Structure

Meter Size	Existing	Proposed
<i>Inches</i>		
3/4"	\$29.24	\$29.24
1"	\$52.34	\$52.34
1.25"	\$81.29	\$81.29
1.5"	\$116.96	\$116.96
2"	\$208.77	\$208.77
3"	\$467.84	\$467.84
4"	\$835.39	\$835.39
6"	\$1,879.84	\$1,879.84
Multi	\$29.27	\$29.27

All Usage	Rate, \$ per Kgal	Rate, \$ per Kgal
	\$5.27	\$8.45

Includes capital charge of \$10.00 per EDU



For more information, call (406) 628-4796