

RESOLUTION NO. 2010-8

RESOLUTION OF THE CITY OF BELGRADE, MONTANA TO INCREASE
THE RATES FOR THE USERS OF THE MUNICIPAL SEWER SYSTEM

RECITALS

WHEREAS, it is necessary to increase the rates and charges for the services provided by the System in order to collect sufficient revenues to repay the Bonds and pay costs associated with the operation and maintenance of the System; and

WHEREAS, under Section 69-7-101, Montana Code Annotated, 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 utility system. Rates, charges, and classifications must be reasonable and just; and

WHEREAS, a notice of public hearing was mailed to all users of the City's Sewer System notifying them that pursuant to Resolution No. 2010-7 adopted November 15, 2010, it was the intention of the City to increase the rates and charges for sewer service and notice of public hearing was published as required by Section 69-7-111, M.C.A. A public hearing was held on December 20, 2010 at 7:00 p.m. at the City Council Chambers, 91 East Central Avenue, Belgrade, Montana, for the purpose of hearing comments from the public on the sewer rate increase; and

WHEREAS, all persons appearing were given an opportunity to speak at the public hearing.

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

Section 1. Base Rate Increase. Effective as of January 1, 2011, the base rate for residential and non-residential sewer service for up to 5,000 gallons will be increased from \$18.13 to \$19.94 per month (the "Base Rate Charge"). The charge per excess 1,000 gallons will be increased from \$1.44 to \$1.58 per month. This proposed rate increase represents an average increase of approximately 10% over the existing rates.

Section 2. Determination of Annual Budget for System. Each year the Council of the City 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 charges for the use of the System.

Section 3. Further Rate Increases. Subsequent adjustments to the Base Rate Charge will be made by resolution of the City Council duly adopted after a public hearing with notice thereof given as provided by law.

Passed and approved this 20th day of December, 2010.

Russell C. Nelson, Mayor

ATTEST:

Marilyn Foltz, Director of Finance and Records