

RESOLUTION NO. 2398

RESOLUTION OF INTENTION OF THE CITY OF HARDIN, MONTANA TO INCREASE RATES FOR THE USERS OF THE SEWER SYSTEM

RECITALS

WHEREAS, the City of Hardin, Montana (the "City"), operates a municipal sewer system (the "System"); and

WHEREAS, the City has determined it is in the best interest of the City to undertake various improvements to the System, including major additions and upgrades to the City's sewer treatment system and related improvements and costs (the "Wastewater Treatment Plant Project"); and

WHEREAS, the City presently has sewer system revenue bonds outstanding and will need to issue additional series of sewer system revenue bonds to finance the completion of the Wastewater Treatment Plant Project; and

WHEREAS, it is necessary for the City to collect sufficient revenues to pay the costs associated with the operation and maintenance of the System, to pay and provide for the sewer system revenue bonds, and to establish appropriate reserves; and

WHEREAS, the City has determined that the current rates of the System do not produce sufficient revenues; and

WHEREAS, under Section 69-7-101, M.C.A., 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 System. Rates, charges, and classifications must be reasonable and just; and

WHEREAS, pursuant to Section 69-7-111, M.C.A., the City 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 of the City as follows:

Section 1. Intent to Increase Rates for the System. It is the intent of the City Council to increase the rates and charges for the use and availability of the System effective as of the June 2025 billing.

Section 2. Current Rates.

2.1. Residential Rate. The City charges residential users of the System a flat rate of \$44.67 per month per connection (the "Residential Rate").

2.3. Commercial Charge.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Hardin, Montana (the "City"), hereby certify that the attached resolution is a true copy of Resolution No. _____, entitled: "RESOLUTION OF INTENTION OF THE CITY OF HARDIN, MONTANA TO INCREASE RATES FOR THE USERS OF THE SEWER SYSTEM" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on April 1, 2025; that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council Members voted in favor thereof: _____; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this 1st day of April, 2025.

Finance Officer/City Clerk

(a) The City charges commercial users of the System a base rate of \$44.67 per month per connection (the "Commercial Base Rate"), which includes the use of 7,200 gallons of water per month.

(b) In addition, the City charges commercial users of the System a monthly usage fee of \$3.8544 per 1,000 gallons of water or portion thereof used per connection per month over the 7,200 gallons included in the Commercial Base Rate (the "Commercial Usage Fee").

(c) The monthly commercial charge (the "Commercial Charge") is equal to the Commercial Base Rate plus the Commercial Usage Fee.

Section 3. Proposed Rates.

3.1 Proposed Residential Rate. Effective as of the June 2025 billing, the City proposes to increase the Residential Rate to \$83.00 per month per connection (the "Proposed Residential Rate").

3.2 Proposed Commercial Charge.

(a) Effective as of the June 2025 billing, the City proposes to increase the Commercial Base Rate to \$83.00 per month per connection (the "Proposed Commercial Base Rate").

(b) In addition, the City proposes to increase the Commercial Usage Rate to \$6.00 per 1,000 gallons of water or portion thereof used per connection per month over the 7,200 gallons included in the Commercial Base Rate (the "Proposed Commercial Usage Fee").

(c) The proposed Commercial Charge (the "Proposed Commercial Charge") is equal to the Proposed Commercial Base Rate plus the Proposed Commercial Usage Fee.

Section 4. Amount of Increase. The Proposed Residential Rate represents an increase of approximately 85.8% over the current Residential Rate. Assuming the use of 10,200 gallons of water per month, the Proposed Commercial Charge represents an increase of approximately 79.6% over the current Commercial Charge.

Section 5. Determination of Annual Budget for the System. Each year the City Council 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 City 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 City Council will establish monthly charges for the use and availability of the System.

Section 6. Further Rate Adjustments. Subsequent adjustments to the rates and charges will be made by resolution of the City Council duly adopted after a public hearing with notice thereof given as provided by law.

Section 7. Public Hearing. A public hearing on the rate increase will be held on May 6, 2025, commencing at 6:00 p.m. at Hardin City Hall, 406 N. Cheyenne, in Hardin, Montana.

Section 8. Notice. The Finance Officer/City Clerk is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the *Big Horn County News*, a newspaper of general circulation in the City, on April 16, April 23, and April 30, 2025, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to all customers of the System at least 7 days and not more than 30 days prior to the public hearing. The mailed notice must contain an estimate of the amount that the customer will be charged under the proposed resolution. The Finance Officer/City Clerk is also authorized and directed to mail by first class, postage prepaid, notice of the hearing to the Montana consumer counsel.

PASSED AND ADOPTED by the City Council of the City of Hardin, Montana, and APPROVED this 1st day of April, 2025.

YEA VOTES 6

NAY VOTES 0

CITY OF HARDIN

BY: [Signature]
Mayor

ATTEST: [Signature]
City Clerk

