

RESOLUTION NO. 2399

A RESOLUTION OF INTENT OF THE CITY OF HARDIN, MONTANA TO INCREASE RATES AND CHARGES FOR THE USERS OF THE WATER SYSTEM.

WHEREAS, the City Council (hereinafter "Council") of the City of Hardin, Montana (hereinafter "City") has determined the City of Hardin water system (hereinafter "System") is not generating enough income to pay all of the expenses associated with the System; and

WHEREAS, the City may, from time to time readjust the rates and charges so fixed and established so that the aggregate of such rates and charges shall always be sufficient to meet the payment of reasonable expenses of operation and maintenance, accumulation of reserves, expenditures for depreciation, and replacement, per Mont. Code Ann. §§ 7-13-4307 to 4308 (2023); and

WHEREAS, under § 69-7-101, 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 § 69-7-111, 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.

WHEREAS, it is necessary to increase the rates and charges for the services provided by the System in order to collect sufficient revenues to pay the necessary expenses incurred in the operation, maintenance, and improvements of the System; and

WHEREAS, the City will notify all users of the public hearing regarding increases;

NOW THEREFORE, BE IT RESOLVED by the Council as follows:

1. Intent to Increase User Charges. It is the intent of the City to implement a rate increase for users of the System effective as of the June 2025 billing, as set forth herein.
2. Existing Monthly Rate Charge. The City currently imposes a monthly rate charge on all connections to the System (the "Monthly Rate Charge"). The costs of the System covered by the Monthly Rate Charge are the amount necessary to pay the costs of operating and maintaining the System, to pay principal of and interest on any outstanding debt of the System, anticipated debt, and to establish and maintain any reserves.

3. The City intends to impose an increase of \$1.67 to the base rate for the water system.
4. An average user with a ¾ inch water supply line using 7,300 gallons per month will see an increase of \$1.91 in water charges per month.
5. An average commercial user with a 2 inch water supply line using 22,000 gallons per month will see an increase of \$5.86 in water charges per month.
6. The proposed increase is necessary to fund the costs of the System. These proposed rate increases represent an average increase of 5.5% over the existing Water System rates. Reconnect fees of \$50.00 will apply to all customers.
7. Other administrative charges may also be passed through the City to the users, including fees from the Montana Department of Environmental Quality.
8. Public Hearing. A Public Hearing on the rate increase will be held on May 6, 2025, commencing at 6:00 p.m. at the City Council Chambers, 401 North Cheyenne Avenue, Hardin, Montana 59034.
9. Notice. The 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 three weeks prior to the public hearing, or otherwise post the notice, and to mail or cause to be mailed a copy of said notice to all customers of the Systems at least 10 days and not more than 30 days prior to the public hearing.

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

