

# **NOTICE OF WATER RATE INCREASE AND PUBLIC HEARING**

NOTICE IS HEREBY GIVEN that on April 15, 2024, the Town Council (the “Council”) of the Town of Whitehall, Montana (the “Town”), adopted a Resolution of Intention of the Town of Whitehall, Montana to Increase Rates for the Users of the Municipal Water System.

The Town is undertaking various improvements to its water system (the “System”), including constructing an ion exchange water treatment plant, constructing a new building, installing raw water pipelines, rehabilitating current wells, replacing waterlines, and related improvements and costs (the “Project”). In addition to grants, to pay a portion of the costs of the Project, the Town plans to issue water revenue bonds in the aggregate principal amount of \$4,024,000 that are required to be repaid over a period from 30 years to 40 years (such bonds, collectively, the “Bonds”).

It is necessary for the Town to collect sufficient revenues to pay the costs associated with the operation and maintenance of the System, to pay debt service on the Town’s water system revenue bonds, including the Bonds, and to establish and maintain appropriate operating reserves.

The Town currently charges users of the System a monthly base rate (the “Base Rate”) based on the size of the connection, which Base Rate charge includes a base usage amount (the “Base Usage Amount”) per equivalent dwelling unit (EDU) based on the size of the connection, as follows:

<u>Diameter of Service Line</u>	<u>Monthly Base Rate</u>	<u>EDUs</u>	<u>Monthly Base Usage Amount</u>
¾”	\$35.25	1.000	Initial 3,000 gallons
1”	\$40.57	1.151	Initial 5,100 gallons
1 ½”	\$81.85	2.322	Initial 12,000 gallons
2”	\$127.45	3.616	Initial 21,300 gallons
RV Park	\$100.00	2.837	Initial 50,000 gallons
Unmetered	\$34.00	0.965	n/a

The variable charge for each connection is currently \$1.27 per 1,000 gallons of water, or portion thereof, used per month in excess of the Base Usage Amount (the “Variable Rate”). The monthly water charge (the “Monthly Charge”) for each connection consists of the Base Rate plus the Variable Rate for such connection.

The Council proposes to increase the Monthly Charge in a two-step process, with the first phase of the rate increase commencing with the June 2024 billing and lasting through and including the December 2024 billing, and the second phase of the rate increase commencing with the January 2025 billing.

Commencing with the June 2024 billing and through and including the December 2024 billing, the Monthly Charge is proposed to be increased as follows:

<u>Diameter of Service Line</u>	<u>Monthly Base Rate</u>	<u>EDUs</u>	<u>Monthly Base Usage Amount</u>
¾"	\$53.00	1.000	Initial 3,000 gallons
1"	\$61.00	1.151	Initial 5,100 gallons
1 ½"	\$123.07	2.322	Initial 12,000 gallons
2"	\$191.63	3.616	Initial 21,300 gallons
RV Park	\$150.35	2.837	Initial 50,000 gallons
Unmetered	\$51.12	0.965	n/a

The Town proposes to increase the Variable Rate to \$2.25 per 1,000 gallons of water, or portion thereof, used per month in excess of the Base Usage Amount.

For a user of the System with a ¾-inch line using 5,000 gallons of water per month, the proposed Monthly Charge to be in effect commencing with the June 2024 billing through and including the December 2024 billing (\$53.00 + \$4.50 = \$57.50) represents an increase of approximately 52.16% over the current Monthly Charge (\$35.25 + \$2.54 = \$37.79).

Commencing with the January 2025 billing, the Monthly Charge is proposed to be further increased as follows:

<u>Diameter of Service Line</u>	<u>Monthly Base Rate</u>	<u>EDUs</u>	<u>Monthly Base Usage Amount</u>
¾"	\$71.00	1.000	Initial 3,000 gallons
1"	\$81.72	1.151	Initial 5,100 gallons
1 ½"	\$164.86	2.322	Initial 12,000 gallons
2"	\$256.71	3.616	Initial 21,300 gallons
RV Park	\$201.42	2.837	Initial 50,000 gallons
Unmetered	\$68.48	0.965	n/a

The Town proposes to keep in effect its then current Variable Rate of \$2.25 per 1,000 gallons of water, or portion thereof, used per month in excess of the Base Usage Amount.

For a user of the System with a ¾-inch line using 5,000 gallons of water per month, the proposed Monthly Charge to be in effect commencing with the January 2025 billing (\$71.00 + \$4.50 = \$75.50) represents an increase of approximately 31.30% over the then current Monthly Charge (\$53.00 + \$4.50 = \$57.50).

On May 20, 2024, commencing at 6:30 p.m. at Town Hall Council Chambers at 207 East Legion Avenue in Whitehall, Montana, the Council will conduct a final public hearing on the proposed water rate increases.

Further information about the proposed rate increase may be obtained by contacting Kennedy Kleinsasser, Town Clerk-Treasurer of the Town of Whitehall, at (406) 287-3972.

Done by Order of the Town Council of the Town of Whitehall, Montana, this 8th day of April, 2024.

Publish: May 1, May 8, and May 15, 2024  
 Mail: On or about April 29, 2024