

**CITY OF GREAT FALLS, MONTANA
AGENDA REPORT**

**AGENDA # 4
DATE: January 22, 2007**

ITEM Resolution 9708; to Establish Water, Sewer and Storm Drain Utility Service Rates and Fees

INITIATED BY Bond Covenant Requirements and Capital Improvement Needs

ACTION REQUESTED Conduct public hearing and adopt or deny Resolution 9708; to Establish Water, Sewer and Storm Drain Utility Service Rates and Fees

PREPARED BY Martha Capps, Operations Supervisor

APPROVED BY Coleen Balzarini, Fiscal Services Director

RECOMMENDATIONS: Staff recommends the City Commission conduct a public hearing, and adopt Resolution 9708, to Establish Water, Sewer, and Storm Drain Utility Service Rates and Fees.

MOTIONS: "I move the City Commission adopt Resolution 9708, to establish water, sewer, and storm drain utility service rates and fees."

SYNOPSIS: Each year, staff reviews and analyzes the financing needs of the water, sewer, and storm drain utility funds. The review allows us to insure the City has the funding necessary to finance day to day operations, and provide for any capital improvements, emergency main breaks, or replacements. These funds also provide the financing to run the Water and Waste Water Treatment Plants effectively. Adjustments in utility rates are necessary to provide adequate revenue to meet annual operating requirements, finance the capital improvements program, meet debt service coverage requirements and to maintain appropriate reserves.

BACKGROUND: The public has been notified of the public hearing and the proposed rate changes through three legal ads in the Great Falls Tribune, inserts sent in the utility bills the end of December and the first part of January, and a separate notice to our commercial customers. The public hearing provides a vehicle through which the public can express their views and concerns to the commission. With the proposed rates beginning February 5, 2008, the average residential utility bill will increase approximately 4% or \$1.79. This is derived from a water and sewer utility service increase of 5.0%, each, and no increase in the storm drain utility service rate.