



CITY OF LIBBY
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NOTICE OF PUBLIC HEARING

APRIL 8TH, 2024 @ 7:00PM
COUNCIL CHAMBERS – CITY HALL

CALL TO ORDER:

- Pledge of Allegiance
- Roll Call
- Welcome

NEW BUSINESS: Each new agenda item will be introduced by the mayor (or assigned liaison) with a description of the item and explanation for the recommended action. Following council discussion on each item will be an opportunity for public comment prior to any action taken. **Public comment is limited to 3 minutes concerning the agenda item being discussed only.**

The Libby City Council will review and receive comments on recommended utility rate increases and the use of equivalent dwelling unit charges.

GENERAL COMMENTS FROM COUNCIL:

ADJOURNMENT:

Notes:

The manner of Addressing Council:

- Each person, not a Council member shall address the Council, at the time designated in the agenda or as directed by the Council, by stepping to the podium or microphone, giving that person's name and address in an audible tone of voice for the record, unless further time is granted by the Council, **shall limit the address to the Council to three minutes.**
- All remarks shall be addressed to the Council as a body and not to any member of the Council or Staff with no personal remarks allowed.
- No person, other than the Council and the person having the floor, shall be permitted to enter any discussion either directly or through a member of the Council, without the permission of the Presiding Officer.
- Any person making personal, impertinent, or slanderous remarks or who shall become boisterous or disruptive during the council meeting shall be forthwith barred from further presentation to the council by the presiding officer unless permission to continue by granted by a majority vote of the council.

ATTENTION:

To access this meeting electronically with ZOOM,
Dial: 253-215-8782
Meeting ID: 4042719951
Password: 151041

Posted: 03/14/24

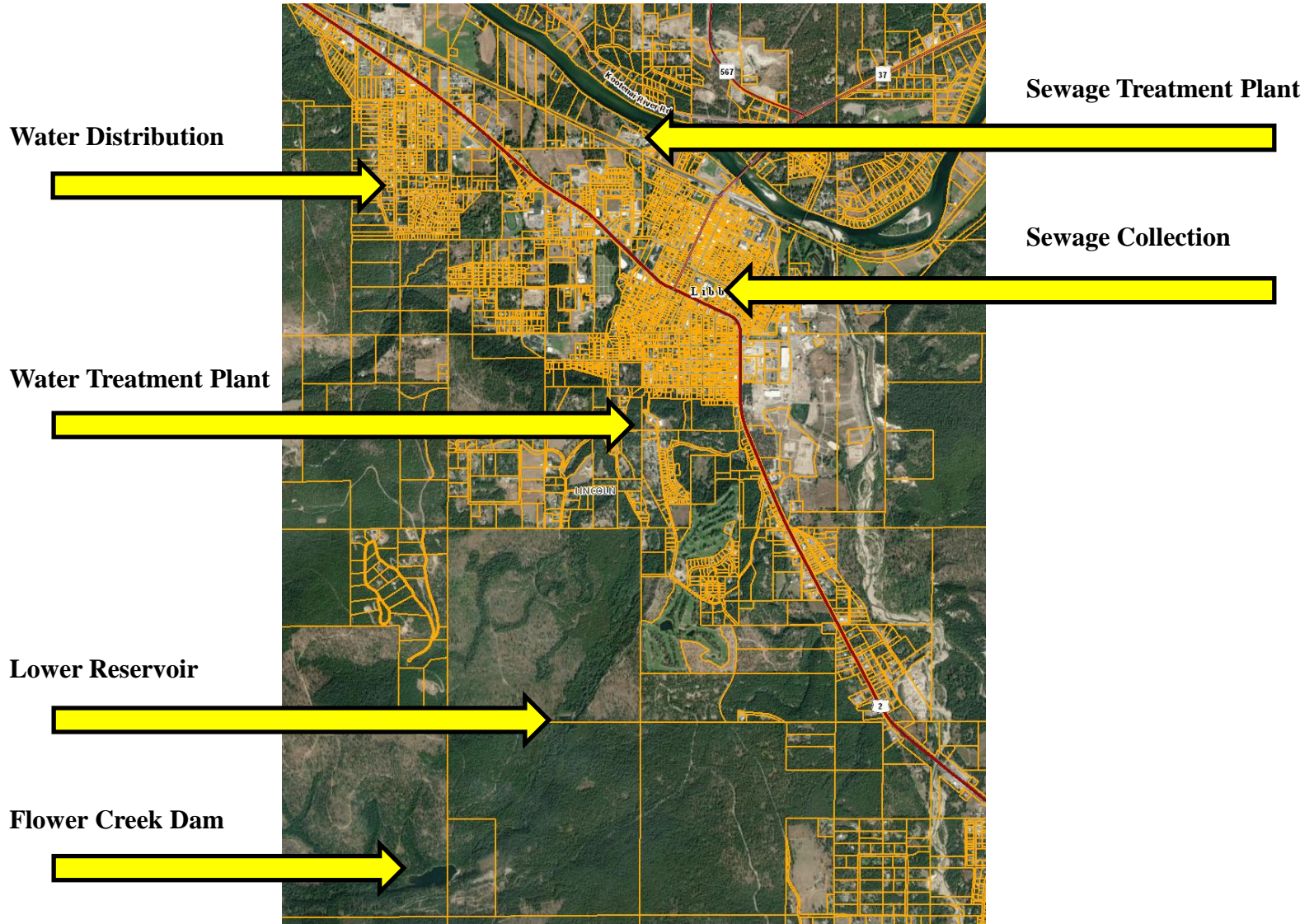
Water and Sewer Rate Analysis

- The Water and Sewer Departments are businesses that must be financially self-sustaining and maintained in a manner that will continue to provide adequate services into the future.
- MCA 69-3-201 states that charges shall be reasonable and just.

Water and Sewer Rate Analysis

- Each department must maintain the whole system from the origination point to the usage or removal points.
 - Water Department – Flower Creek Dam, Lower Reservoir, Raw Water Main, Treatment Plant, Water Mains including all the valves, Fire Hydrants, and Water Meters.
 - Replacing mains, repairing leaks, replacing dig sites to original condition like on roads, building a new Dam, repairing and maintaining reservoirs, replacing treatment systems like the main filters, upgrading existing systems like pumps and injections, employee benefits, etc...
 - Sewer Department – Collection Mains, Lift Stations, and Treatment Plant including the removal of solids and liquids from the plant.
 - Replacing mains, clearing blockages, upgrading treatment systems like the bar screen, replacing antiquated systems like the clarifiers and ditch, employee benefits, sludge removal, UV lighting, etc...

Water and Sewer Rate Analysis



Water and Sewer Rate Analysis Steps

- To complete a rate analysis, first gather all the required documents to create a current snapshot of how the system is currently operating.
 - Operating expenditure budget spent for the previous fiscal year
 - Loan documents that are divided into three sections
 - Loan principal and interest payments (base rate)
 - Loan reserve requirements (usage rate)
 - Loan asset replacement requirements (usage rate)
 - A detailed list of all user types for water and sewer
 - Residential by line diameter and In/Out of city limits
 - Commercial by line diameter and In/Out of city limits
 - A list of usage (water) per user type on your system
 - A detailed list of how the users are charged by type

Water and Sewer Rate Analysis Steps

Water Debt Reserve Requirements

Name	Libby Water			Case number		
DEBT RESERVE ACCOUNT REQUIRED WATER						
Year of loan	2014	2015	2015			
Rate	2.5	2.625	2.625			
Loan #	12	14	16			
Payment	\$ 89,820.00	\$ 129,408.00	\$ 19,824.00			
Ann. Deposit	\$ 8,982.00	\$ 12,941.00	\$ 1,983.00			
Fully Funded Y/N	Y	Y	Y			
				Total		
June 30, 2015	\$ 8,982.00			\$ 8,982.00		
June 30, 2016	\$ 17,964.00	\$ 8,541.00	\$ 1,409.00	\$ 27,914.00		
June 30, 2017	\$ 26,946.00	\$ 21,482.00	\$ 3,392.00	\$ 51,820.00		
June 30, 2018	\$ 35,928.00	\$ 34,423.00	\$ 5,375.00	\$ 75,726.00		
June 30, 2019	\$ 44,910.00	\$ 47,364.00	\$ 7,358.00	\$ 99,632.00		
June 30, 2020	\$ 53,892.00	\$ 60,305.00	\$ 9,341.00	\$ 123,538.00		
June 30, 2021	\$ 62,874.00	\$ 73,246.00	\$ 11,324.00	\$ 147,444.00		
June 30, 2022	\$ 71,856.00	\$ 86,187.00	\$ 13,307.00	\$ 171,350.00		
June 30, 2023	\$ 89,820.00	\$ 129,408.00	\$ 19,824.00	\$ 239,052.00		
June 30, 2024	\$ 89,820.00	\$ 129,408.00	\$ 19,824.00	\$ 239,052.00		

Sewer Debt Reserve Requirements

Name	Libby Sewer			Case number		
DEBT RESERVE ACCOUNT REQUIRED WASTE WATER						
Year of loan	2010	2011				
Rate	2.25	3				
Loan #	8	10				
Annual Payment	\$66,384.00	\$ 29,136.00				
Ann. Deposit	\$ 6,639.00	\$ 2,914.00				
Fully Funded Y/N	Y	Y				
				Total		
June 30, 2011	\$ 3,320.00			\$ 3,320.00		
June 30, 2012	\$ 9,959.00	\$ 2,185.00		\$ 12,144.00		
June 30, 2013	\$ 16,598.00	\$ 5,099.00		\$ 21,697.00		
June 30, 2014	\$ 23,237.00	\$ 8,013.00		\$ 31,250.00		
June 30, 2015	\$ 29,876.00	\$ 10,927.00		\$ 40,803.00		
June 30, 2016	\$ 36,515.00	\$ 13,841.00		\$ 50,356.00		
June 30, 2017	\$ 43,154.00	\$ 16,755.00		\$ 59,909.00		
June 30, 2018	\$ 49,793.00	\$ 19,669.00		\$ 69,462.00		
June 30, 2019	\$ 56,432.00	\$ 22,583.00		\$ 79,015.00		
June 30, 2020	\$ 63,071.00	\$ 25,497.00		\$ 88,568.00		
June 30, 2021	\$ 66,384.00	\$ 28,411.00		\$ 94,795.00		
June 30, 2022	\$ 66,384.00	\$ 29,136.00		\$ 95,520.00		
June 30, 2023	\$ 66,384.00	\$ 29,136.00		\$ 95,520.00		
June 30, 2024	\$ 66,384.00	\$ 29,136.00		\$ 95,520.00		
June 30, 2025	\$ 66,384.00	\$ 29,136.00		\$ 95,520.00		

Short Lived Asset Requirements

Name	Libby			Case number		
SHORT LIVED ASSET FUND						
					Water-Distribution	Sewer
						Total
Total Deposit					Until Loans are paid	\$ -
Annual Deposit				\$ 82,765.00	\$ 19,547.00	\$ 102,312.00
June 30, 2011				\$ 9,774.00	\$ 9,774.00	
June 30, 2012				\$ 29,321.00	\$ 29,321.00	
June 30, 2013				\$ 48,868.00	\$ 48,868.00	
June 30, 2014				\$ 65,373.00	\$ 65,373.00	
June 30, 2015				\$ 78,472.25	\$ 84,920.00	\$ 163,392.25
June 30, 2016				\$ 151,665.09	\$ 104,467.00	\$ 256,132.09
June 30, 2017				\$ 219,563.17	\$ 124,014.00	\$ 343,577.17
June 30, 2018				\$ 282,364.15	\$ 143,561.00	\$ 425,925.15
June 30, 2019				\$ 351,622.74	\$ 163,108.00	\$ 514,730.74
June 30, 2020				\$ 414,723.46	\$ 182,655.00	\$ 597,378.46
June 30, 2021				\$ 482,366.95	\$ 202,202.00	\$ 684,568.95
June 30, 2022				\$ 554,790.45	\$ 221,749.00	\$ 776,539.45
June 30, 2023				\$ 608,793.49	\$ 241,296.00	\$ 850,089.49
June 30, 2024				\$ 691,558.49	\$ 260,843.00	\$ 952,401.49
June 30, 2025				\$ 774,323.49	\$ 280,390.00	\$ 1,054,713.49
June 30, 2026				\$ 857,088.49	\$ 299,937.00	\$ 1,157,025.49
June 30, 2027				\$ 939,853.49	\$ 319,484.00	\$ 1,259,337.49
June 30, 2028				\$ 1,022,618.49	\$ 339,031.00	\$ 1,361,649.49
June 30, 2029				\$ 1,105,383.49	\$ 358,578.00	\$ 1,463,961.49
June 30, 2030				\$ 1,188,148.49	\$ 378,125.00	\$ 1,566,273.49
June 30, 2031				\$ 1,270,913.49	\$ 397,672.00	\$ 1,668,585.49

Cash Report showing Reserves

5210 WATER UTILITY							
101000 Cash - Operating	512,214.03	141,176.09	3,150.00	15.00	215,823.30	440,695.82	
102200 Cash - Customer Water	33,600.00	1,500.00	0.00	0.00	3,150.00	31,950.00	
102250 \$800K-Current Reserve	26,741.68	0.00	0.00	0.00	0.00	26,741.68	
102251 \$800K-Future Reserve	53,483.00	0.00	0.00	0.00	0.00	53,483.00	
102252 \$490K Debt Reserve	19,824.00	0.00	0.00	0.00	0.00	19,824.00	
102253 \$3,200K Debt Reserve	129,408.00	0.00	0.00	0.00	0.00	129,408.00	
102255 \$2,268K Debt Reserve	89,820.00	0.00	0.00	0.00	0.00	89,820.00	
102256 DNRC Short-Lived Asset	72,975.00	0.00	0.00	0.00	0.00	72,975.00	
102257 DNRC Coal Sev Tax Bonds	8,463.00	0.00	0.00	0.00	0.00	8,463.00	
102258 DNRC General Reserve	130,425.00	0.00	0.00	0.00	0.00	130,425.00	
102259 DNRC RD Bonds Reserve	138,888.00	0.00	0.00	0.00	0.00	138,888.00	
102260 USDA-RD Short-Lived Asset	608,793.49	0.00	0.00	0.00	0.00	608,793.49	
Total Fund	1,824,635.20	142,676.09	3,150.00	15.00	218,979.30	1,751,466.99	
5310 SEWER UTILITY							
101000 Cash - Operating	113,714.00	61,890.95	3,956.51	0.00	151,743.31	27,818.15	
102231 Cab Hous Debr Reserve	66,384.00	0.00	0.00	0.00	0.00	66,384.00	
102241 RD Loans Short-Lived Asset	244,338.00	0.00	0.00	0.00	0.00	244,338.00	
102243 RD Bond Debt Reserve	29,136.00	0.00	0.00	0.00	0.00	29,136.00	
Total Fund	453,572.00	61,890.95	3,956.51	0.00	151,743.31	367,676.15	

Budgeted Short Lived Asset payment

490200 RD LOAN WIR DIST. (\$2,268K)							
610 Principal	3,412.73	23,754.84	40,914.00	40,914.00		17,159.16	
620 Interest	4,072.27	28,640.16	48,907.00	48,907.00		20,266.84	
621 Asset Replacement	0.00	4,262.90	82,764.00	82,764.00		78,501.10	
Account Total:	7,485.00	56,657.90	172,585.00	172,585.00		115,927.10	
490220 USDA-RD BOND WASTE-WATER PLANT IMPROVEMENT							
610 Principal	1,058.05	7,351.20	12,682.00	12,682.00		5,330.80	
620 Interest	1,369.95	9,644.80	16,455.00	16,455.00		6,810.20	
621 Asset Replacement	99.00	1,342.96	19,547.00	19,547.00		18,204.04	
Account Total:	2,527.00	18,338.96	48,684.00	48,684.00		30,345.04	

Water and Sewer Rate Analysis Steps

Water Short Lived Asset List

Customer Name: <u>Libby, City of</u>			
Project Name: <u>Water FY14 Flower Creek Dam</u>			
Replacement Reserve - Short Lived Assets			
1 - 5 Years			
User Desc	Replacement Cost	Reserve On Hand	Annual Reserve
pH Meter and Probes	500.00	0.00	100.00
Turbidity Meter	1,000.00	0.00	200.00
Spectrophotometer	3,900.00	0.00	780.00
Distilled water still	4,300.00	0.00	860.00
Water Tank Inspection	5,000.00	0.00	1,000.00
WTP Control Computer	2,000.00	0.00	400.00
WTP Laptop for On-Call (2@2000)	4,000.00	0.00	800.00
Billing Computer (shared with WW)	1,000.00	0.00	200.00
Repair Kits for PRV Valves	2,700.00	0.00	540.00
TOTALS	24,400		4,880
5 - 10 Years			
User Desc	Replacement Cost	Reserve On Hand	Annual Reserve
Air Compressor for Control Valves	10,000.00	0.00	1,000.00
WTP Lab Dishwasher	500.00	0.00	50.00
Water Meters (1,659 @ \$140)	232,000.00	0.00	23,200.00
Meter Read Wand	5,000.00	0.00	500.00
TOTALS	247,500		24,750
10 - 15 Years			
User Desc	Replacement Cost	Reserve On Hand	Annual Reser
Surface Wash Pumps (2@ \$15,000)	30,000.00	0.00	2,000.00
High Service Pumps (2@ \$20,000)	40,000.00	0.00	2,667.00
Filter Backwash Pumps (2@ \$20,000)	40,000.00	0.00	2,667.00
Cabinet Heights Pumps (2@ \$20,000)	40,000.00	0.00	2,667.00
Turbidity Station & Controls (7@ \$2	17,500.00	0.00	1,167.00
Clear Well Level Indicator	2,500.00	0.00	167.00
Polymer Feed System	40,000.00	0.00	2,667.00
Corrosion Inhibitor Feed System	45,000.00	0.00	3,000.00
Caustic Feed System	10,000.00	0.00	667.00
Chlorine Feed System	60,000.00	0.00	4,000.00
Chlorine Scrubber	65,000.00	0.00	4,333.00
Chlorine Analyzer (2@ \$15,000)	30,000.00	0.00	2,000.00
Alum Feed System	20,000.00	0.00	1,333.00
Mixer	50,000.00	0.00	3,333.00
In-line Mixer	30,000.00	0.00	2,000.00
Streaming Current Detector	12,000.00	0.00	800.00
Raw Water Meter	15,000.00	0.00	1,000.00
Blowers (2@ \$20,000)	40,000.00	0.00	2,667.00
Water Tank Interior Coating	10,000.00	0.00	667.00
Control System Upgrade	200,000.00	0.00	13,333.00
TOTALS	797,000		53,135
Replacement Reserve -Totals			
User Desc	Replacement Cost	Reserve On Hand	Annual Reser
TOTALS	1,068,900		82,765

Sewer Short Lived Asset List

Short Lived Assets		Print Date Feb 23, 2023 Page 1 of 1	
Customer Name: <u>Libby, City of</u>			
Project Name: <u>Libby Waste Water Treatment Plant Improvements 2010</u>			
Replacement Reserve - Short Lived Assets			
1 - 5 Years			
User Desc	Replacement Cost	Reserve On Hand	Annual Reserve Amt
UV Equip - Bulbs	4,500.00	0.00	900.00
flat jet nozzles	215.00	0.00	43.00
UV Equipment - Ballasts	4,130.00	0.00	826.00
Computers	5,000.00	0.00	1,000.00
TOTALS	13,845		2,769
5 - 10 Years			
User Desc	Replacement Cost	Reserve On Hand	Annual Reserve Amt
wipers - screw press	480.00	0.00	48.00
solenoid valves - screw press	400.00	0.00	40.00
Lift Station Pumps	7,800.00	0.00	780.00
Plate Press Equipment	7,600.00	0.00	760.00
Root Blowers	12,000.00	0.00	1,200.00
Alarm Systems	1,500.00	0.00	150.00
TOTALS	29,780		2,978
10 - 15 Years			
User Desc	Replacement Cost	Reserve On Hand	Annual Reserve Amt
UV Equip - sleeves	2,200.00	0.00	146.67
bushing - screw press	1,150.00	0.00	76.67
oil seals - screw press	520.00	0.00	34.67
roller bearing - screw press	375.00	0.00	25.00
Sludge Pumps	24,000.00	0.00	1,600.00
Huffman Blowers	120,000.00	0.00	8,000.00
Shop Truck	12,000.00	0.00	800.00
Air Circ. & Floats	13,000.00	0.00	867.00
Skid Steer	33,750.00	0.00	2,250.00
TOTALS	206,995		13,800
Replacement Reserve -Totals			
User Desc	Replacement Cost	Reserve On Hand	Annual Reserve Amt
TOTALS	250,620		19,547

Water and Sewer Rate Analysis Steps

Current Billing Codes

Description	Service	Rate Type
33.48	SEWER	BASE
COM-IN-0.75"	WATER	MULTI-LEVEL
COM-IN-1.00"	WATER	MULTI-LEVEL
COM-IN-1.25"	WATER	MULTI-LEVEL
COM-IN-1.50"	WATER	MULTI-LEVEL
COM-IN-2.00"	WATER	MULTI-LEVEL
COM-IN-3.00"	WATER	MULTI-LEVEL
COM-IN-4.00"	WATER	MULTI-LEVEL
COM-IN-6.00"	WATER	MULTI-LEVEL
COM-IN-ACT	SEWER	SINGLE-LEVEL
COM-OUT-0.75"	WATER	MULTI-LEVEL
COM-OUT-1.00"	WATER	MULTI-LEVEL
COM-OUT-1.25"	WATER	MULTI-LEVEL
COM-OUT-1.50"	WATER	MULTI-LEVEL
COM-OUT-2.00"	WATER	MULTI-LEVEL
COM-OUT-3.00"	WATER	MULTI-LEVEL
COM-OUT-4.00"	WATER	MULTI-LEVEL
COM-OUT-6.00"	WATER	MULTI-LEVEL
COM-OUT-8.00"	WATER	MULTI-LEVEL
COM-OUT-ACT	SEWER	SINGLE-LEVEL
FLAT- 46.02	WATER	BASE
FLAT- 87.65	WATER	BASE
FLAT- 94.41	WATER	BASE
FLAT-109.37	WATER	BASE
FLAT-1623.27	WATER	BASE
FLAT-2.00	HYDRANT	BASE
FLAT-72.56	WATER	BASE
NONE	WATER	BASE
NONE	SEWER	BASE
RES-IN-0.75"	WATER	MULTI-LEVEL
RES-IN-1.00"	WATER	MULTI-LEVEL
RES-IN-AVG	SEWER	SINGLE-LEVEL
RES-OUT-0.75"	WATER	MULTI-LEVEL
RES-OUT-1.00"	WATER	MULTI-LEVEL
RES-OUT-ACT	SEWER	SINGLE-LEVEL
STATE FEE	STATE FEE	BASE

Current Rates by User Type

2023 Water Rates				
Diameter	City Residential	County Residential	City Commercial	County Commercial
.75"	\$ 45.25	\$ 56.60	\$ 56.37	\$ 70.37
1.00"	\$ 46.55	\$ 56.23	\$ 74.97	\$ 93.59
1.25"			\$ 94.14	\$ 117.52
1.50"			\$ 117.25	\$ 146.37
2.00"			\$ 150.51	\$ 187.89
3.00"			\$ 225.48	\$ 205.19
4.00"			\$ 300.46	\$ 273.72
6.00"			\$ 328.92	\$ 410.58

2023 Water Flat Rates		
	City	County
1.00" Fire Supression	\$46.02	\$46.02
2.00" Fire Supression	\$72.56	\$72.56
3.00" Fire Supression	\$87.65	\$87.65
4.00" Fire Supression	\$94.41	\$94.41
6.00" Fire Supression	\$109.37	\$109.37

Sewer Rate
City or County - \$33.48

Water and Sewer Rate Analysis Steps

Name: City of Libby
Date: February 2, 2024
Type: MUNICIPAL WATER SUPPLY

INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
City			
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1156	1.00	1156.00
0.75 INCH (RES-OUT)	476	1.2509	595.43
1.00 INCH (RES-IN)	10	1.0288	10.29
0.75 INCH (COMM-IN)	209	1.246	260.41
0.75 INCH (COMM-OUT)	24	1.288	30.92
1.00 INCH (COMM-IN)	41	1.6568	67.93
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	8	2.0805	16.64
1.25 INCH (COMM-OUT)	0	2.5912	0.00
1.50 INCH (COMM-IN)	18	2.5912	46.64
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	24	3.3483	80.36
2.00 INCH (COMM-OUT)	8	4.1523	33.22
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	4.5345	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	1984		2337.20

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,520,742.61	\$404,680.72	\$82,765.00
Adjustment of Total Cost	\$1,437,977.61	\$82,765.00	Adjustment
Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$54.22
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$51.27
Variable Revenue	\$404,680.72		

	BASE RATE COST		
	2023 Actuals	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ 521,676.32	\$ 43,473.03	\$ 18.60
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 916,301.29	\$ 76,358.44	\$ 32.67
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ 82,765.00	\$ 6,897.08	\$ 2.95
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,520,742.61	\$ 126,728.55	\$ 54.22

TOTAL COST	\$ 1,520,742.61	
EDU'S	2337.2038	
COST PER EDU	\$ 650.67	\$ 54.22

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 54.22	1.00	\$ 54.22	\$51.27
0.75 INCH (RES-OUT)	\$ 54.22	1.2509	\$ 67.83	\$64.14
1.00 INCH (RES-IN)	\$ 54.22	1.0288	\$ 55.78	\$52.75
0.75 INCH (COMM-IN)	\$ 54.22	1.246	\$ 67.56	\$63.88
0.75 INCH (COMM-OUT)	\$ 54.22	1.288	\$ 69.86	\$66.06
1.00 INCH (COMM-IN)	\$ 54.22	1.657	\$ 89.85	\$84.96
1.00 INCH (COMM-OUT)	\$ 54.22	2.068	\$ 112.15	\$106.04
1.25 INCH (COMM-IN)	\$ 54.22	2.0805	\$ 112.81	\$106.67
1.25 INCH (COMM-OUT)	\$ 54.22	2.5912	\$ 140.50	\$132.85
1.50 INCH (COMM-IN)	\$ 54.22	2.5912	\$ 140.50	\$132.85
1.50 INCH (COMM-OUT)	\$ 54.22	3.2569	\$ 176.60	\$166.99
2.00 INCH (COMM-IN)	\$ 54.22	3.3483	\$ 181.55	\$171.67
2.00 INCH (COMM-OUT)	\$ 54.22	4.1523	\$ 225.15	\$212.89
3.00 INCH (COMM-IN)	\$ 54.22	4.98	\$ 270.19	\$255.48
3.00 INCH (COMM-OUT)	\$ 54.22	4.53	\$ 245.87	\$232.49
4.00 INCH (COMM-IN)	\$ 54.22	6.64	\$ 360.04	\$340.44
4.00 INCH (COMM-OUT)	\$ 54.22	6.0492	\$ 328.00	\$310.15
6.00 INCH (COMM-IN)	\$ 54.22	6.662	\$ 361.23	\$341.57
6.00 INCH (COMM-OUT)	\$ 54.22	9.0735	\$ 491.99	\$465.21

- Take the Rate Analysis form from Rural Water and correct the User Types by water service line size to fit your system.
- Fill in the multipliers.
 - Multipliers vary for each system and are used to cover for increased impact on the systems due to the larger diameter or distance from the plant.

Water and Sewer Rate Analysis Steps

Name: City of Libby
Date: February 2, 2024
Type: MUNICIPAL WATER SUPPLY

INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
City			
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1156	1.00	1156.00
0.75 INCH (RES-OUT)	476	1.2509	595.43
1.00 INCH (RES-IN)	10	1.0288	10.29
0.75 INCH (COMM-IN)	209	1.246	260.41
0.75 INCH (COMM-OUT)	24	1.288	30.92
1.00 INCH (COMM-IN)	41	1.6568	67.93
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	8	2.0805	16.64
1.25 INCH (COMM-OUT)	0	2.5912	0.00
1.50 INCH (COMM-IN)	18	2.5912	46.64
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	24	3.3483	80.36
2.00 INCH (COMM-OUT)	8	4.1523	33.22
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	4.5345	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	1984		2337.20

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,520,742.61	\$404,680.72	\$82,765.00
Adjustment of Total Cost	\$1,437,977.61	\$82,765.00	Adjustment
Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$54.22
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$51.27
Variable Revenue	\$404,680.72		

- Fill in the number of connections for each user type on your system from your detailed list. (You can sort using an Excel Workbook)
- Input the principal and interest payments and amount spent on the operations fund the for the water system loans during the previous fiscal year. This is what the base rate is set on and base rates must pay these to be charging justly.
- Fill in the amount of all the reserve and asset replacement payments for the previous fiscal year. This is a variable, not be part of the base rates.

	BASE RATE COST		
	2023 Actuals	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ 521,676.32	\$ 43,473.03	\$ 18.60
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 916,301.29	\$ 76,358.44	\$ 32.67
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ 82,765.00	\$ 6,897.08	\$ 2.95
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,520,742.61	\$ 126,728.55	\$ 54.22

TOTAL COST	\$ 1,520,742.61
EDU'S	2337.2038
COST PER EDU	\$ 650.67
	\$ 54.22

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 54.22	1.00	\$ 54.22	\$51.27
0.75 INCH (RES-OUT)	\$ 54.22	1.2509	\$ 67.83	\$64.14
1.00 INCH (RES-IN)	\$ 54.22	1.0288	\$ 55.78	\$52.75
0.75 INCH (COMM-IN)	\$ 54.22	1.246	\$ 67.56	\$63.88
0.75 INCH (COMM-OUT)	\$ 54.22	1.288	\$ 69.86	\$66.06
1.00 INCH (COMM-IN)	\$ 54.22	1.657	\$ 89.85	\$84.96
1.00 INCH (COMM-OUT)	\$ 54.22	2.068	\$ 112.15	\$106.04
1.25 INCH (COMM-IN)	\$ 54.22	2.0805	\$ 112.81	\$106.67
1.25 INCH (COMM-OUT)	\$ 54.22	2.5912	\$ 140.50	\$132.85
1.50 INCH (COMM-IN)	\$ 54.22	2.5912	\$ 140.50	\$132.85
1.50 INCH (COMM-OUT)	\$ 54.22	3.2569	\$ 176.60	\$166.99
2.00 INCH (COMM-IN)	\$ 54.22	3.3483	\$ 181.55	\$171.67
2.00 INCH (COMM-OUT)	\$ 54.22	4.1523	\$ 225.15	\$212.89
3.00 INCH (COMM-IN)	\$ 54.22	4.98	\$ 270.19	\$255.48
3.00 INCH (COMM-OUT)	\$ 54.22	4.53	\$ 245.87	\$232.49
4.00 INCH (COMM-IN)	\$ 54.22	6.64	\$ 360.04	\$340.44
4.00 INCH (COMM-OUT)	\$ 54.22	6.0492	\$ 328.00	\$310.15
6.00 INCH (COMM-IN)	\$ 54.22	6.662	\$ 361.23	\$341.57
6.00 INCH (COMM-OUT)	\$ 54.22	9.0735	\$ 491.99	\$465.21

Water and Sewer Rate Analysis Steps

Name: City of Libby			
Date: February 2, 2024			
Type: MUNICIPAL WATER SUPPLY			
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
City			
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1156	1.00	1156.00
0.75 INCH (RES-OUT)	476	1.2509	595.43
1.00 INCH (RES-IN)	10	1.0288	10.29
0.75 INCH (COMM-IN)	209	1.246	260.41
0.75 INCH (COMM-OUT)	24	1.288	30.92
1.00 INCH (COMM-IN)	41	1.6568	67.93
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	8	2.0805	16.64
1.25 INCH (COMM-OUT)	0	2.5912	0.00
1.50 INCH (COMM-IN)	18	2.5912	46.64
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	24	3.3483	80.36
2.00 INCH (COMM-OUT)	8	4.1523	33.22
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	4.5345	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	1984		2337.20

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,520,742.61	\$404,680.72	\$82,765.00
Adjustment of Total Cost	\$1,437,977.61	\$82,765.00	Adjustment
Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$54.22
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$51.27
Variable Revenue	\$404,680.72		



- You now have the base and variable rate for the starting point of your rate analysis, the previous fiscal year.
 - In this case, the water base rate of \$45.25 should have been \$51.17 per EDU (+\$6.02). The sewer base rate of \$33.48 should have been \$37.02 per EDU (+\$3.54). This is what the base rates should have been to meet the previous fiscal years costs.
- ❖ Tip – It is best to save your starting point separately prior to making any adjustments in the next steps.

	BASE RATE COST		
	2023 Actuals	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ 521,676.32	\$ 43,473.03	\$ 18.60
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 916,301.29	\$ 76,358.44	\$ 32.67
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ 82,765.00	\$ 6,897.08	\$ 2.95
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,520,742.61	\$ 126,728.55	\$ 54.22

TOTAL COST	\$ 1,520,742.61
EDU'S	2337.2038
COST PER EDU	\$ 650.67

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 54.22	1.00	\$ 54.22	\$51.27
0.75 INCH (RES-OUT)	\$ 54.22	1.2509	\$ 67.83	\$64.14
1.00 INCH (RES-IN)	\$ 54.22	1.0288	\$ 55.78	\$52.75
0.75 INCH (COMM-IN)	\$ 54.22	1.246	\$ 67.56	\$63.88
0.75 INCH (COMM-OUT)	\$ 54.22	1.288	\$ 69.86	\$66.06
1.00 INCH (COMM-IN)	\$ 54.22	1.657	\$ 89.85	\$84.96
1.00 INCH (COMM-OUT)	\$ 54.22	2.068	\$ 112.15	\$106.04
1.25 INCH (COMM-IN)	\$ 54.22	2.0805	\$ 112.81	\$106.67
1.25 INCH (COMM-OUT)	\$ 54.22	2.5912	\$ 140.50	\$132.85
1.50 INCH (COMM-IN)	\$ 54.22	2.5912	\$ 140.50	\$132.85
1.50 INCH (COMM-OUT)	\$ 54.22	3.2569	\$ 176.60	\$166.99
2.00 INCH (COMM-IN)	\$ 54.22	3.3483	\$ 181.55	\$171.67
2.00 INCH (COMM-OUT)	\$ 54.22	4.1523	\$ 225.15	\$212.89
3.00 INCH (COMM-IN)	\$ 54.22	4.98	\$ 270.19	\$255.48
3.00 INCH (COMM-OUT)	\$ 54.22	4.53	\$ 245.87	\$232.49
4.00 INCH (COMM-IN)	\$ 54.22	6.64	\$ 360.04	\$340.44
4.00 INCH (COMM-OUT)	\$ 54.22	6.0492	\$ 328.00	\$310.15
6.00 INCH (COMM-IN)	\$ 54.22	6.662	\$ 361.23	\$341.57
6.00 INCH (COMM-OUT)	\$ 54.22	9.0735	\$ 491.99	\$465.21

Water and Sewer Rate Analysis Steps

MUNICIPAL WATER SUPPLY			
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
City			
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1241	1.00	1240.80
0.75 INCH (RES-OUT)	557	1.2509	696.75
1.00 INCH (RES-IN)	2	1.0288	2.06
0.75 INCH (COMM-IN)	346	1.246	431.18
0.75 INCH (COMM-OUT)	25	1.288	32.21
1.00 INCH (COMM-IN)	25	1.657	41.43
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	2	2.0805	4.16
1.50 INCH (COMM-IN)	13	2.5912	33.69
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	11	3.3483	36.83
2.00 INCH (COMM-OUT)	4	4.1523	16.61
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	5.78	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	2235.85		2575.07

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,807,342.32	\$404,680.72	\$82,765.00
Adjustment of Total Cost	\$1,724,577.32	\$82,765.00	Adjustment
Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$58.49
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$55.81
Variable Revenue	\$404,680.72		

- Since your budget numbers are for the previous fiscal year, adjust your budget for the upcoming fiscal years revenue to be taken in.
 - The existing debt payments should remain constant unless you are seeking a new loan.
 - Update the operating budget for the next fiscal year. (Keeping up with inflation is why an annual percentage increase of 3% to 5% is usually added for 3 to 5 years instead of completing the entire rate analysis annually)

BASE RATE COST			
	2025	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ 521,676.32	\$ 43,473.03	\$ 16.88
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 1,202,901.00	\$ 400,241.75	\$ 36.53
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ 82,765.00	\$ 6,897.08	\$ 2.68
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,807,342.32	\$ 150,611.86	\$ 58.49
TOTAL BASE COST	\$ 1,724,577.32		
EDU'S	2575.0691		
COST PER EDU	\$ 669.72	\$ 55.81	

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 55.81	1.00	\$ 55.81	\$55.81
0.75 INCH (RES-OUT)	\$ 55.81	1.2509	\$ 69.81	\$55.81
1.00 INCH (RES-IN)	\$ 55.81	1.0288	\$ 57.42	\$55.81
0.75 INCH (COMM-IN)	\$ 55.81	1.246	\$ 69.54	\$55.81
0.75 INCH (COMM-OUT)	\$ 55.81	1.288	\$ 71.91	\$55.81
1.00 INCH (COMM-IN)	\$ 55.81	1.657	\$ 92.48	\$55.81
1.00 INCH (COMM-OUT)	\$ 55.81	2.068	\$ 115.43	\$55.81
1.25 INCH (COMM-IN)	\$ 55.81	2.0805	\$ 116.11	\$55.81
1.50 INCH (COMM-IN)	\$ 55.81	2.5912	\$ 144.62	\$55.81
1.50 INCH (COMM-OUT)	\$ 55.81	3.2569	\$ 181.77	\$55.81
2.00 INCH (COMM-IN)	\$ 55.81	3.3483	\$ 186.87	\$55.81
2.00 INCH (COMM-OUT)	\$ 55.81	4.1523	\$ 231.74	\$55.81
3.00 INCH (COMM-IN)	\$ 55.81	4.98	\$ 278.10	\$55.81
3.00 INCH (COMM-OUT)	\$ 55.81	5.78	\$ 322.58	\$55.81
4.00 INCH (COMM-IN)	\$ 55.81	6.64	\$ 370.58	\$55.81
4.00 INCH (COMM-OUT)	\$ 55.81	7.4400	\$ 415.23	\$55.81
6.00 INCH (COMM-IN)	\$ 55.81	8.270	\$ 461.55	\$55.81
6.00 INCH (COMM-OUT)	\$ 55.81	9.0735	\$ 506.39	\$55.81

Water and Sewer Rate Analysis Steps

MUNICIPAL WATER SUPPLY			
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
City			
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1241	1.00	1240.80
0.75 INCH (RES-OUT)	557	1.2509	696.75
1.00 INCH (RES-IN)	2	1.0288	2.06
0.75 INCH (COMM-IN)	346	1.246	431.18
0.75 INCH (COMM-OUT)	25	1.288	32.21
1.00 INCH (COMM-IN)	25	1.657	41.43
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	2	2.0805	4.16
1.50 INCH (COMM-IN)	13	2.5912	33.69
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	11	3.3483	36.83
2.00 INCH (COMM-OUT)	4	4.1523	16.61
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	5.78	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	2235.85		2575.07

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,807,342.32	\$404,680.72	\$82,765.00
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Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$58.49
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$55.81
Variable Revenue	\$404,680.72		

BASE RATE COST			
	2025	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ 521,676.32	\$ 43,473.03	\$ 16.88
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 1,202,901.00	\$ 100,241.75	\$ 38.93
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ 82,765.00	\$ 6,897.08	\$ 2.68
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,807,342.32	\$ 150,611.86	\$ 58.49
TOTAL BASE COST	\$ 1,724,577.32		
EDU'S	2575.0691		
COST PER EDU	\$ 669.72	\$ 55.81	

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 55.81	1.00	\$ 55.81	\$55.81
0.75 INCH (RES-OUT)	\$ 55.81	1.2509	\$ 69.81	\$55.81
1.00 INCH (RES-IN)	\$ 55.81	1.0288	\$ 57.42	\$55.81
0.75 INCH (COMM-IN)	\$ 55.81	1.246	\$ 69.54	\$55.81
0.75 INCH (COMM-OUT)	\$ 55.81	1.288	\$ 71.91	\$55.81
1.00 INCH (COMM-IN)	\$ 55.81	1.657	\$ 92.48	\$55.81
1.00 INCH (COMM-OUT)	\$ 55.81	2.068	\$ 115.43	\$55.81
1.25 INCH (COMM-IN)	\$ 55.81	2.0805	\$ 116.11	\$55.81
1.50 INCH (COMM-IN)	\$ 55.81	2.5912	\$ 144.62	\$55.81
1.50 INCH (COMM-OUT)	\$ 55.81	3.2569	\$ 181.77	\$55.81
2.00 INCH (COMM-IN)	\$ 55.81	3.3483	\$ 186.87	\$55.81
2.00 INCH (COMM-OUT)	\$ 55.81	4.1523	\$ 231.74	\$55.81
3.00 INCH (COMM-IN)	\$ 55.81	4.98	\$ 278.10	\$55.81
3.00 INCH (COMM-OUT)	\$ 55.81	5.78	\$ 322.58	\$55.81
4.00 INCH (COMM-IN)	\$ 55.81	6.64	\$ 370.58	\$55.81
4.00 INCH (COMM-OUT)	\$ 55.81	7.4400	\$ 415.23	\$55.81
6.00 INCH (COMM-IN)	\$ 55.81	8.270	\$ 461.55	\$55.81
6.00 INCH (COMM-OUT)	\$ 55.81	9.0735	\$ 506.39	\$55.81

- If you are obtaining a new loan, add the amount of the annual principal and interest payments. This directly effects the base rate.
- If you are obtaining a new loan, add the amount of the new annual reserve and asset replacement payments.
- ❖ Tip – If you are getting a new loan for water or sewer, rate increases are automatically part of the process.

Water and Sewer Rate Analysis Steps

account	city_state_zip	service_address	route_meter	usertype	meter	mē	Cc	Curren	Current W	WTR Only	Current SV	New User Type	New	WTR per	SWR pe	New W	New S	Colu
43	00095-00	LIBBY MT 59923	01-00215	COMMERCIAL	0.75"	M		1	\$ 56.37		\$ 33.48	COMMERCIAL	1	\$ 56.37	\$ 40.18	56.37	40.18	
44	00097-00	LIBBY MT 59923-1919	01-00220	COMMERCIAL	0.75"	B		1	\$ 56.37		\$ 33.48	COMMERCIAL	1	\$ 56.37	\$ 40.18	56.37	40.18	
45	00099-00	LIBBY MT 59923	01-00225	COMMERCIAL	0.75"	M		1	\$ 56.37		\$ 33.48	COMMERCIAL	1	\$ 56.37	\$ 40.18	56.37	40.18	
46	00101-00	LIBBY MT 59923	01-00230	RESIDENTIAL	0.75"	B		1	\$ 56.37		\$ 33.48	RESIDENTIAL	1	\$ 45.25	\$ 33.48	45.25	33.48	
47	00103-00	LIBBY MT 59923	01-00235	RESIDENTIAL	0.75"	M		1	\$ 56.37		\$ 33.48	RESIDENTIAL	1	\$ 45.25	\$ 33.48	45.25	33.48	
48	00105-00	LIBBY MT 59923-1923	01-00240	RESIDENTIAL	0.75"	B		1	\$ 56.37		\$ 33.48	RESIDENTIAL	1	\$ 45.25	\$ 33.48	45.25	33.48	
49	00107-00	LIBBY MT 59923-1923	01-00245	COMMERCIAL	1.00"	E	5	1	\$ 74.97		\$ 33.48	RESIDENTIAL	1	\$ 45.25	\$ 33.48	307.70	227.66	
50	00109-00	LIBBY MT 59923-1945	01-00250	COMMERCIAL	0.75"	B		1	\$ 56.37		\$ 33.48	COMMERCIAL	1	\$ 56.37	\$ 40.18	56.37	40.18	
51	00111-00	HERRON MT 59844	01-00255	COMMERCIAL	0.75"	B		1	\$ 56.37		\$ 33.48	COMMERCIAL	1	\$ 56.37	\$ 40.18	56.37	40.18	
52	00113-00	LIBBY MT 59923	01-00260	COMMERCIAL	0.75"	B		1	\$ 56.37		\$ 33.48	COMMERCIAL	1	\$ 56.37	\$ 40.18	56.37	40.18	
53	00115-00	LIBBY MT 59923-1548	01-00265	COMMERCIAL	0.75"	B		1	\$ 56.37		\$ 33.48	COMMERCIAL	1	\$ 56.37	\$ 40.18	56.37	40.18	
54	00117-00	LIBBY MT 59923-1903																
55	00118-00	LIBBY MT 59923																
56	00127-00	KALISPELL MT 59904																
57	00128-00	GREAT FALLS MT 5940																
58	00129-00	LIBBY MT 59923-0749																
59	00																	
60	00	CLASSIFICATION		EQUIVALENT USERS														
61	00	Apartments, Duplex and Mobile Home Courts (per each)		1.00														
62	00	Assembly Hall or Lodge (no cafe)		1.00														
63	00	Bar or Tavern (for each seat)		0.25														
64	00	Barber & Beauty Shops (per chair)		0.50														
65	00	Bowling Alley (per lane)		2.00														
66	00	Cafe, up to 30 seats		1.00														
67	00	for each additional 25 seats		0.20														
68	00	Cafe, Drive in, less than 30 inside seats		2.00														
69	00	for each additional 20 inside seats		1.00														
70	00	Car Washes (per stall)		2.00														
71	00	Churches (single congregation)		2.00														
72	00	multiple congregations for each additional		1.00														
73	00	for churches that meet one day a week		1.00														
74	00	Change or Maintenance Shop		1.00														
75	00	Hospitals or Medical Clinics (with no beds)		3.00														
76	00	for each additional bed		0.50														
77	00	Hotels, Motels, or Rooming House (per unit)		0.20														
78	00	additional per unit with kitchens		0.20														
79	00	additional per unit with bathrooms		0.20														
80	00	Institution with permanent or temporary residents, Rooming etc.		1.00														
81	00	(per per resident)		0.50														
82	00	Laundromat, up to 10 washers		2.00														
83	00	each additional washer		0.10														
84	00	Office, up to 20 employees		1.00														
85	00	for each additional employee		0.03														
86	00	Schools, no cafeterias, per student		0.02														
87	00	with cafeteria, per student		0.03														
88	00	Service Station (per 6,000 gallons/month)		2.00														
89	00	Single Dwelling Unit (home, residence, mobile home or condominium)		1.00														
90	00	Store or Business, up to 20 employees		1.00														
91	00	each additional employee		0.03														
92	00	Supermarkets, Grocery stores		2.00														
93	00	with butcher shop additional		1.00														
94	00	with bakery additional		1.00														
95	00	Worshiphouse etc. (per 6,000 gallons/month)		1.00														
96	00	Open Class (per 6,000 gallons/month)		1.00														
97	00	R.V. Parks (per camp site)		0.20														
98	00																	
99	00189-00	LIBBY MT 59923-050																
100	00191-00	LIBBY MT 59923																
101	00193-00	LIBBY MT 59923																
102	00195-00	LIBBY MT 59923																

- Scrutinize your detailed list of why and how much you are charging for each user type. In an Excel Workbook, adjustments can be made in additional columns such as adding new EDU numbers. (By charging fairly, additional EDUs will lower the cost of an individual EDU) This equals out everyone's portion of responsibility.
- In this case it was found that multiple unit dwellings and many commercial accounts were not being charged fairly. (See equivalent user chart)
 - Apartments and Duplex's are charged 1 EDU each.
 - Hotels are charged per unit, .2 EDU per unit, .2 per bathroom, and .2 per kitchen.
 - RV Parks are charged per camp site. **Removed – Usage impact does not justify rate.**
 - ❖ Rates are based on impact to the systems. The larger the service or amount of use, the more impact, the higher the rate (or EDU).

Water and Sewer Rate Analysis Steps

MUNICIPAL WATER SUPPLY			
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
SIZE	City		
	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1241	1.00	1240.80
0.75 INCH (RES-OUT)	557	1.2509	696.75
1.00 INCH (RES-IN)	2	1.0288	2.06
0.75 INCH (COMM-IN)	346	1.246	431.18
0.75 INCH (COMM-OUT)	25	1.288	32.21
1.00 INCH (COMM-IN)	25	1.657	41.43
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	2	2.0805	4.16
1.50 INCH (COMM-IN)	13	2.5912	33.69
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	11	3.3483	36.83
2.00 INCH (COMM-OUT)	4	4.1523	16.61
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	5.78	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	2235.85		2575.07

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,807,342.32	\$404,680.72	\$82,765.00
Adjustment of Total Cost	\$1,724,577.32	\$82,765.00	Adjustment
Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$58.49
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$55.81
Variable Revenue	\$404,680.72		

- Update your new numbers from the detailed list. If a 4-plex was charged a 1" Commercial-In rate, it would change to 4 EDUs at the Residential-In ¾" base rate.
- In this case...
 - Fairly charging in several areas raised the water EDUs 237.87 and sewer EDUs by 302.56. This equates to proportional responsibility.
 - Adjusting the operating funds to account for inflation means raising the base EDU rate for water to \$55.81 and sewer to \$43.92.

	BASE RATE COST		
	2025	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ 521,676.32	\$ 43,473.03	\$ 16.88
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 1,202,901.00	\$ 100,241.75	\$ 38.93
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ 82,765.00	\$ 6,897.08	\$ 2.68
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,807,342.32	\$ 150,611.86	\$ 58.49
TOTAL BASE COST	\$ 1,724,577.32		
EDU'S	2575.0691		
COST PER EDU	\$ 669.72	\$ 55.81	

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 55.81	1.00	\$ 55.81	\$55.81
0.75 INCH (RES-OUT)	\$ 55.81	1.2509	\$ 69.81	\$55.81
1.00 INCH (RES-IN)	\$ 55.81	1.0288	\$ 57.42	\$55.81
0.75 INCH (COMM-IN)	\$ 55.81	1.246	\$ 69.54	\$55.81
0.75 INCH (COMM-OUT)	\$ 55.81	1.288	\$ 71.91	\$55.81
1.00 INCH (COMM-IN)	\$ 55.81	1.657	\$ 92.48	\$55.81
1.00 INCH (COMM-OUT)	\$ 55.81	2.068	\$ 115.43	\$55.81
1.25 INCH (COMM-IN)	\$ 55.81	2.0805	\$ 116.11	\$55.81
1.50 INCH (COMM-IN)	\$ 55.81	2.5912	\$ 144.62	\$55.81
1.50 INCH (COMM-OUT)	\$ 55.81	3.2569	\$ 181.77	\$55.81
2.00 INCH (COMM-IN)	\$ 55.81	3.3483	\$ 186.87	\$55.81
2.00 INCH (COMM-OUT)	\$ 55.81	4.1523	\$ 231.74	\$55.81
3.00 INCH (COMM-IN)	\$ 55.81	4.98	\$ 278.10	\$55.81
3.00 INCH (COMM-OUT)	\$ 55.81	5.78	\$ 322.58	\$55.81
4.00 INCH (COMM-IN)	\$ 55.81	6.64	\$ 370.58	\$55.81
4.00 INCH (COMM-OUT)	\$ 55.81	7.4400	\$ 415.23	\$55.81
6.00 INCH (COMM-IN)	\$ 55.81	8.270	\$ 461.55	\$55.81
6.00 INCH (COMM-OUT)	\$ 55.81	9.0735	\$ 506.39	\$55.81

Water and Sewer Rates Without loans

MUNICIPAL WATER SUPPLY			
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
SIZE	City		
	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1241	1.00	1240.80
0.75 INCH (RES-OUT)	557	1.2509	696.75
1.00 INCH (RES-IN)	2	1.0288	2.06
0.75 INCH (COMM-IN)	346	1.246	431.18
0.75 INCH (COMM-OUT)	25	1.288	32.21
1.00 INCH (COMM-IN)	25	1.657	41.43
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	2	2.0805	4.16
1.50 INCH (COMM-IN)	13	2.5912	33.69
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	11	3.3483	36.83
2.00 INCH (COMM-OUT)	4	4.1523	16.61
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	5.78	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	2235.85		2575.07

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,202,901.00	\$404,680.72	\$0.00
Adjustment of Total Cost	\$1,202,901.00	\$0.00	Adjustment
Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$38.93
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$38.93
Variable Revenue	\$404,680.72		

	BASE RATE COST		
	2025	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ -	\$ -	\$ -
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 1,202,901.00	\$ 100,241.75	\$ 38.93
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,202,901.00	\$ 100,241.75	\$ 38.93

TOTAL BASE COST	\$ 1,202,901.00	
EDU'S	2575.0691	
COST PER EDU	\$ 467.13	\$ 38.93

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 38.93	1.00	\$ 38.93	\$38.93
0.75 INCH (RES-OUT)	\$ 38.93	1.2509	\$ 48.69	\$38.93
1.00 INCH (RES-IN)	\$ 38.93	1.0288	\$ 40.05	\$38.93
0.75 INCH (COMM-IN)	\$ 38.93	1.246	\$ 48.50	\$38.93
0.75 INCH (COMM-OUT)	\$ 38.93	1.288	\$ 50.15	\$38.93
1.00 INCH (COMM-IN)	\$ 38.93	1.657	\$ 64.50	\$38.93
1.00 INCH (COMM-OUT)	\$ 38.93	2.068	\$ 80.51	\$38.93
1.25 INCH (COMM-IN)	\$ 38.93	2.0805	\$ 80.99	\$38.93
1.50 INCH (COMM-IN)	\$ 38.93	2.5912	\$ 100.87	\$38.93
1.50 INCH (COMM-OUT)	\$ 38.93	3.2569	\$ 126.78	\$38.93
2.00 INCH (COMM-IN)	\$ 38.93	3.3483	\$ 130.34	\$38.93
2.00 INCH (COMM-OUT)	\$ 38.93	4.1523	\$ 161.64	\$38.93
3.00 INCH (COMM-IN)	\$ 38.93	4.98	\$ 193.98	\$38.93
3.00 INCH (COMM-OUT)	\$ 38.93	5.78	\$ 225.00	\$38.93
4.00 INCH (COMM-IN)	\$ 38.93	6.64	\$ 258.48	\$38.93
4.00 INCH (COMM-OUT)	\$ 38.93	7.4400	\$ 289.62	\$38.93
6.00 INCH (COMM-IN)	\$ 38.93	8.270	\$ 321.93	\$38.93
6.00 INCH (COMM-OUT)	\$ 38.93	9.0735	\$ 353.21	\$38.93

- Libby water rates would be different without loans...
 - The water base rate of \$55.81 per EDU is \$16.88 higher due to the loans payments.
 - The sewer base rate of \$43.92 per EDU is \$4.47 higher due to the loans payments.
- ❖ Tip – Revenue bonds are loans taken out by the city that the customers guarantee to pay.

Water and Sewer Rate Analysis Recommendation

- The Equivalent Users Classifications should be adopted to properly portion out responsibility according to the impact to our systems.
- The water rate should be increased to \$55.81 per EDU.
- The sewer rate should be increased to \$43.92 per EDU.
- The water and sewer rates should increase 4% annually for the next 3 years to keep up with inflation. Rate analyses will be completed throughout.
- Identifying and correcting billing should occur throughout the year. (Identifying multi-dwelling units including ADUs, etc.)

Water and Sewer Rate Recommendations

New Billing Codes

Description	Service	Rate Type
NONE	WATER	BASE
COM-IN-0.75"	WATER	MULTI-LEVEL
COM-IN-1.00"	WATER	MULTI-LEVEL
COM-IN-1.25"	WATER	MULTI-LEVEL
COM-IN-1.50"	WATER	MULTI-LEVEL
COM-IN-2.00"	WATER	MULTI-LEVEL
COM-IN-3.00"	WATER	MULTI-LEVEL
COM-IN-4.00"	WATER	MULTI-LEVEL
COM-IN-6.00"	WATER	MULTI-LEVEL
COM-OUT-0.75"	WATER	MULTI-LEVEL
COM-OUT-1.00"	WATER	MULTI-LEVEL
COM-OUT-1.25"	WATER	MULTI-LEVEL
COM-OUT-1.50"	WATER	MULTI-LEVEL
COM-OUT-2.00"	WATER	MULTI-LEVEL
COM-OUT-3.00"	WATER	MULTI-LEVEL
COM-OUT-4.00"	WATER	MULTI-LEVEL
COM-OUT-6.00"	WATER	MULTI-LEVEL
COM-OUT-8.00"	WATER	MULTI-LEVEL
FLAT-46.02	WATER	BASE
FLAT-72.56	WATER	BASE
FLAT-87.65	WATER	BASE
FLAT-94.41	WATER	BASE
FLAT-109.37	WATER	BASE
RES-IN-0.75"	WATER	MULTI-LEVEL
RES-IN-1.00"	WATER	MULTI-LEVEL
RES-OUT-0.75"	WATER	MULTI-LEVEL
RES-OUT-1.00"	WATER	MULTI-LEVEL
STATE FEE	WATER	BASE
NONE	SEWER	BASE
RES-.075"	SEWER	BASE
RES-1.00"	SEWER	BASE
COM-0.75"	SEWER	BASE
COM-1.00"	SEWER	BASE
COM-1.25"	SEWER	BASE
COM-1.50"	SEWER	BASE
COM-2.00"	SEWER	BASE
COM-3.00"	SEWER	BASE
COM-4.00"	SEWER	BASE
FLAT-2.00	HYDRANT	BASE

New Rates by User Type

2024 Water Rates				
Diameter	City		County	
	Residential	Residential	Commercial	Commercial
.75"	\$ 55.81	\$ 69.81	\$ 69.54	\$ 71.91
1.00"	\$ 57.42	\$ 70.42	\$ 92.48	\$ 115.43
1.25"			\$ 116.11	\$ 142.15
1.50"			\$ 144.62	\$ 181.77
2.00"			\$ 186.87	\$ 231.74
3.00"			\$ 278.10	\$ 322.58
4.00"			\$ 370.58	\$ 415.23
6.00"			\$ 461.55	\$ 506.39

2024 Water Flat Rates			
		City	County
1.00" Fire Supression		\$57.42	\$70.42
2.00" Fire Supression		\$71.78	\$88.03
3.00" Fire Supression		\$89.72	\$110.03
4.00" Fire Supression		\$112.15	\$137.54
6.00" Fire Supression		\$140.19	\$171.92

2024 Sewer Rates				
Diameter	Residential		Commercial	
	.75"	\$ 43.92		\$ 52.71
1.00"	\$ 52.71		\$ 63.25	
1.25"			\$ 75.98	
1.50"			\$ 91.36	
2.00"			\$ 131.76	
3.00"			\$ 273.19	
4.00"			\$ 307.45	
6.00"			\$ 395.29	

Water Rate Analysis

Name: City of Libby			
Date: February 2, 2024			
Type: MUNICIPAL WATER SUPPLY			
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
City			
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1156	1.00	1156.00
0.75 INCH (RES-OUT)	476	1.2509	595.43
1.00 INCH (RES-IN)	10	1.0288	10.29
0.75 INCH (COMM-IN)	209	1.246	260.41
0.75 INCH (COMM-OUT)	24	1.288	30.92
1.00 INCH (COMM-IN)	41	1.6568	67.93
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	8	2.0805	16.64
1.25 INCH (COMM-OUT)	0	2.5912	0.00
1.50 INCH (COMM-IN)	18	2.5912	46.64
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	24	3.3483	80.36
2.00 INCH (COMM-OUT)	8	4.1523	33.22
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	4.5345	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	1984		2337.20

A \$10.56 per month increase per EDU is required for system operation, maintenance, and replacement.

(+\$4.54)
\$55.81



(+\$6.02)
\$51.27



\$45.25
2023 Starting Base Rate

BASE RATE COST			
	2023 Actuals	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ 521,676.32	\$ 43,473.03	\$ 16.60
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 916,301.29	\$ 76,358.44	\$ 32.67
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ 82,765.00	\$ 6,897.08	\$ 2.95
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,520,742.61	\$ 126,728.55	\$ 54.22

TOTAL COST	\$ 1,520,742.61
EDU'S	2337.2038
COST PER EDU	\$ 650.67

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 54.22	1.00	\$ 54.22	\$51.27
0.75 INCH (RES-OUT)	\$ 54.22	1.2509	\$ 67.83	\$64.14
1.00 INCH (RES-IN)	\$ 54.22	1.0288	\$ 55.78	\$52.75
0.75 INCH (COMM-IN)	\$ 54.22	1.246	\$ 67.56	\$63.88
0.75 INCH (COMM-OUT)	\$ 54.22	1.288	\$ 69.86	\$66.06
1.00 INCH (COMM-IN)	\$ 54.22	1.657	\$ 89.85	\$84.96
1.00 INCH (COMM-OUT)	\$ 54.22	2.068	\$ 112.15	\$106.04
1.25 INCH (COMM-IN)	\$ 54.22	2.0805	\$ 112.81	\$106.67
1.25 INCH (COMM-OUT)	\$ 54.22	2.5912	\$ 140.50	\$132.85
1.50 INCH (COMM-IN)	\$ 54.22	2.5912	\$ 140.50	\$132.85
1.50 INCH (COMM-OUT)	\$ 54.22	3.2569	\$ 176.60	\$166.99
2.00 INCH (COMM-IN)	\$ 54.22	3.3483	\$ 181.55	\$171.67
2.00 INCH (COMM-OUT)	\$ 54.22	4.1523	\$ 225.15	\$212.89
3.00 INCH (COMM-IN)	\$ 54.22	4.98	\$ 270.19	\$255.48
3.00 INCH (COMM-OUT)	\$ 54.22	4.53	\$ 245.87	\$232.49
4.00 INCH (COMM-IN)	\$ 54.22	6.64	\$ 360.04	\$340.44
4.00 INCH (COMM-OUT)	\$ 54.22	6.0492	\$ 328.00	\$310.15
6.00 INCH (COMM-IN)	\$ 54.22	6.662	\$ 361.23	\$341.57
6.00 INCH (COMM-OUT)	\$ 54.22	9.0735	\$ 491.99	\$465.21

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,520,742.61	\$404,680.72	\$82,765.00
Adjustment of Total Cost	\$1,437,977.61	\$82,765.00	Adjustment
Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$54.22
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$51.27
Variable Revenue	\$404,680.72		

Name: City of Libby			
Date: February 2, 2024			
Type: MUNICIPAL WATER SUPPLY			
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE			
City			
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S
0.75 INCH (RES-IN)	1241	1.00	1240.80
0.75 INCH (RES-OUT)	557	1.2509	696.75
1.00 INCH (RES-IN)	2	1.0288	2.06
0.75 INCH (COMM-IN)	346	1.246	431.18
0.75 INCH (COMM-OUT)	25	1.288	32.21
1.00 INCH (COMM-IN)	25	1.657	41.43
1.00 INCH (COMM-OUT)	3	2.068	6.20
1.25 INCH (COMM-IN)	2	2.0805	4.16
1.50 INCH (COMM-IN)	13	2.5912	33.69
1.50 INCH (COMM-OUT)	1	3.2569	3.26
2.00 INCH (COMM-IN)	11	3.3483	36.83
2.00 INCH (COMM-OUT)	4	4.1523	16.61
3.00 INCH (COMM-IN)	6	4.98	29.90
3.00 INCH (COMM-OUT)	0	5.78	0.00
4.00 INCH (COMM-IN)	0	6.64	0.00
4.00 INCH (COMM-OUT)	0	6.0492	0.00
6.00 INCH (COMM-IN)	0	6.662	0.00
6.00 INCH (COMM-OUT)	0	9.0735	0.00
TOTAL	2235.85		2575.07

BASE RATE COST			
	2025	per Month	per EDU
EXISTING DEBT PAYMENTS	\$ 521,676.32	\$ 43,473.03	\$ 16.88
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -
O&M	\$ 1,202,901.00	\$ 100,241.75	\$ 38.93
RESERVE PAYMENTS	\$ -	\$ -	\$ -
ASSET REPLACEMENT PAYMENT	\$ 82,765.00	\$ 6,897.08	\$ 2.68
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -
TOTAL COST	\$ 1,807,342.32	\$ 150,611.86	\$ 58.49

TOTAL BASE COST	\$ 1,724,577.32
EDU'S	2575.0691
COST PER EDU	\$ 669.72

BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 55.81	1.00	\$ 55.81	\$55.81
0.75 INCH (RES-OUT)	\$ 55.81	1.2509	\$ 69.81	\$65.81
1.00 INCH (RES-IN)	\$ 55.81	1.0288	\$ 57.42	\$55.81
0.75 INCH (COMM-IN)	\$ 55.81	1.246	\$ 69.54	\$65.81
0.75 INCH (COMM-OUT)	\$ 55.81	1.288	\$ 71.91	\$65.81
1.00 INCH (COMM-IN)	\$ 55.81	1.657	\$ 92.48	\$65.81
1.00 INCH (COMM-OUT)	\$ 55.81	2.068	\$ 115.43	\$65.81
1.25 INCH (COMM-IN)	\$ 55.81	2.0805	\$ 116.11	\$65.81
1.50 INCH (COMM-IN)	\$ 55.81	2.5912	\$ 144.62	\$65.81
1.50 INCH (COMM-OUT)	\$ 55.81	3.2569	\$ 181.77	\$65.81
2.00 INCH (COMM-IN)	\$ 55.81	3.3483	\$ 186.87	\$65.81
2.00 INCH (COMM-OUT)	\$ 55.81	4.1523	\$ 231.74	\$65.81
3.00 INCH (COMM-IN)	\$ 55.81	4.98	\$ 278.10	\$65.81
3.00 INCH (COMM-OUT)	\$ 55.81	5.78	\$ 322.58	\$65.81
4.00 INCH (COMM-IN)	\$ 55.81	6.64	\$ 370.58	\$65.81
4.00 INCH (COMM-OUT)	\$ 55.81	7.4400	\$ 415.23	\$65.81
6.00 INCH (COMM-IN)	\$ 55.81	8.270	\$ 461.55	\$65.81
6.00 INCH (COMM-OUT)	\$ 55.81	9.0735	\$ 506.39	\$65.81

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$1,807,342.32	\$404,680.72	\$82,765.00
Adjustment of Total Cost	\$1,724,577.32	\$82,765.00	Adjustment
Rate per 1000 Gallons	\$2.96	Cost per EDU Base Rate	\$58.49
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$55.81
Variable Revenue	\$404,680.72		

Sewer Rate Analysis

Name: City of Libby				
Date: February 2, 2024				
Type: MUNICIPAL SEWER COLLECTION				
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE				
City				
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S	
0.75 INCH (RES-IN)	1156	1.00	1156.00	
1.00 INCH (RES-IN)	10	1.00	10.00	
0.75 INCH (COMM-IN)	209	1.00	209.00	
1.00 INCH (COMM-IN)	41	1.00	41.00	
1.25 INCH (COMM-IN)	8	1.00	8.00	
1.50 INCH (COMM-IN)	18	1.00	18.00	
2.00 INCH (COMM-IN)	24	1.00	24.00	
3.00 INCH (COMM-IN)	6	1.00	6.00	
TOTAL	1472		1472.00	
BASE RATE COST				
	2023 Actuals	per Month	per EDU	
EXISTING DEBT PAYMENTS	\$ 95,520.00	\$ 7,960.00	\$ 5.41	
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -	
O&M	\$ 558,398.39	\$ 46,533.20	\$ 31.61	
RESERVE PAYMENTS	\$ -	\$ -	\$ -	
ASSET REPLACEMENT PAYMENT	\$ 19,547.00	\$ 1,628.92	\$ 1.11	
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -	
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -	
TOTAL COST	\$ 673,465.39	\$ 56,122.12	\$ 38.13	
TOTAL BASE COST	\$ 653,918.39			
EDU'S	1472			
COST PER EDU	\$ 444.24	\$ 37.02		
BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 37.02	1.00	\$ 37.02	\$37.02
1.00 INCH (RES-IN)	\$ 37.02	1.00	\$ 37.02	\$37.02
0.75 INCH (COMM-IN)	\$ 37.02	1.00	\$ 37.02	\$37.02
1.00 INCH (COMM-IN)	\$ 37.02	1.00	\$ 37.02	\$37.02
1.25 INCH (COMM-IN)	\$ 37.02	1.00	\$ 37.02	\$37.02
1.50 INCH (COMM-IN)	\$ 37.02	1.00	\$ 37.02	\$37.02
2.00 INCH (COMM-IN)	\$ 37.02	1.00	\$ 37.02	\$37.02
3.00 INCH (COMM-IN)	\$ 37.02	1.00	\$ 37.02	\$37.02

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$673,465.39	\$389,641.91	\$19,547.00
Adjustment of Total Cost	\$653,918.39	\$19,547.00	Adjustment
Rate per 1000 Gallons	\$2.85	Cost per EDU Base Rate	\$38.13
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$37.02
Variable Revenue	\$389,641.91		

A \$10.44 per month increase per EDU is required for system operation, maintenance, and replacement.

(+\$6.90)
\$43.92



(+\$3.54)
\$37.02



\$33.48
2023 Starting Base Rate

Name: City of Libby				
Date: February 2, 2024				
Type: MUNICIPAL WATER SUPPLY				
INVENTORY OF CONNECTIONS BY LINE OR METER SIZE				
City				
SIZE	NO. OF CONNECTIONS	MULTIPLIER	EDU'S	
0.75 INCH (RES-IN)	1241	1.00	1240.80	
1.00 INCH (RES-IN)	2	1.2000	2.40	
0.75 INCH (COMM-IN)	346	1.200	415.26	
1.00 INCH (COMM-IN)	25	1.657	41.43	
1.25 INCH (COMM-IN)	2	2.0805	4.16	
1.50 INCH (COMM-IN)	13	2.5912	33.69	
2.00 INCH (COMM-IN)	11	3.3483	36.83	
3.00 INCH (COMM-IN)	0	4.98	0.00	
TOTAL	1639.85		1774.56	
BASE RATE COST				
	2025	per Month	per EDU	
EXISTING DEBT PAYMENTS	\$ 95,520.00	\$ 7,960.00	\$ 4.49	
NEW DEBT PAYMENTS	\$ -	\$ -	\$ -	
O&M	\$ 843,052.00	\$ 70,254.33	\$ 39.59	
RESERVE PAYMENTS	\$ -	\$ -	\$ -	
ASSET REPLACEMENT PAYMENT	\$ 19,547.00	\$ 1,628.92	\$ 0.92	
NEW RESERVE PAYMENTS	\$ -	\$ -	\$ -	
NEW ASSET REPLACEMENT PAYMENT	\$ -	\$ -	\$ -	
TOTAL COST	\$ 958,119.00	\$ 79,843.25	\$ 44.99	
TOTAL BASE COST	\$ 938,572.00			
EDU'S	1774.5629			
COST PER EDU	\$ 528.90	\$ 44.08		
BASE RATE COST PER EDU'S				
SIZE	EDU-COST	MULTIPLIER	TOTAL COST	Adjusted Costs
0.75 INCH (RES-IN)	\$ 44.08	1.00	\$ 44.08	\$44.08
1.00 INCH (RES-IN)	\$ 44.08	1.2000	\$ 52.89	\$52.89
0.75 INCH (COMM-IN)	\$ 44.08	1.200	\$ 52.89	\$52.89
1.00 INCH (COMM-IN)	\$ 44.08	1.440	\$ 63.47	\$63.47
1.25 INCH (COMM-IN)	\$ 44.08	1.73	\$ 76.25	\$76.25
1.50 INCH (COMM-IN)	\$ 44.08	2.0800	\$ 91.68	\$91.68
2.00 INCH (COMM-IN)	\$ 44.08	3	\$ 132.23	\$132.23
3.00 INCH (COMM-IN)	\$ 44.08	6.22	\$ 274.15	\$274.15

Actual Numbers	Total Costs	Variable income	Asset/Reserve pymt
July 2022 - June 2023	\$958,119.00	\$389,641.91	\$19,547.00
Adjustment of Total Cost	\$938,572.00	\$19,547.00	Adjustment
Rate per 1000 Gallons	\$2.85	Cost per EDU Base Rate	\$44.99
1000 gallons sold	\$136,716.46	Adjusted base using variable	\$44.08
Variable Revenue	\$389,641.91		

2024 Proposed Utility Rate Increases

FAQ

There has been a lot of great discussion concerning the proposed 2024 Libby utility rate increases since the Intent Resolution was passed. It is proposed that the Water base rate increase \$10.56 and Sewer base rate increase \$10.44 for the average single-family residence. That single-family residence would become one (1) Equivalent Dwelling Unit (EDU) that other customers rates would be based off. Libby is also proposing that multi-unit dwellings and others be charged by EDU. This means that four families living in a 4-plex would pay four base rates because they have the same impact as four single-family residences on the infrastructure. Here are some conversations and frequently asked questions that may help understand why the city is proposing the rate increases.

The first questions came from a multi-unit dwelling owner.

What do the base rates pay for? **The base rates pay for the O&M (Operating and Maintenance) budget and pay the principal and interest payments on the city loans for each portion of the utility, namely Water and Sewer.**

Why does it cost so much to maintain the system when the property owners are responsible from the property line to the residence? **The maintenance of the system includes much more than just the water and sewer mains. The "system" includes from the Dam into our system, to the landfill or Kootenai River out of our system including the following: Flower Creek Dam, Lower Reservoir, raw water main, Water Treatment Plant, water storage tanks, water pumps for Cabinet View area, water mains, fire hydrants, sewer mains, lift stations, Wastewater Treatment Plant, sludge waste removal to the landfill, and wastewater decontamination prior to entering the Kootenai River.**

Doesn't the city get grants to maintain the water and sewer? **Yes. Grants are allocated every other year for water and sewer, and they help in funding larger projects (projects are not maintenance) and require a healthy cash match, but it is expected that the city will maintain the system on a year-round basis. For example, Libby just completed a leak survey showing leaks on the system are losing a conservative 1.18 million gallons a year. The city is planning on repairing these leaks in the upcoming months which will cost roughly \$60,000 to prevent water loss and hopefully mitigate water restrictions in a drought. Leak surveys must continue to be completed to identify the health of our system, but it all costs money. That is where the base rates come in.**

So, my renters will have to pay roughly a hundred dollars a month more for water and sewer? (This is a multi-unit 4-plex that is accustomed to only paying 1 base rate) **Yes, in your case this is true. Base rates are set, you can say, according to the impact on the water and sewer system. A 4-plex is actually 4 individual dwelling units with walls that are joined. Each one of those dwelling units has the same impact on our utility as a single-family residence with water usage and sewer generation. Without charging each dwelling unit a base rate, single family residents are actually subsidizing the multi-unit dwellings.**

In the State I am in right now I only pay \$8.00 a month for water, and I have a pool. Why are you so much more? The base rates are simply data driven numbers. If you take the revenue amount needed to operate and maintain the system and divide it by the number and size of each service, you get the required base rates. If Libby were to add an additional 1000 users, the portion of responsibility would be spread out more and the rates would drop.

The following questions came from social media.

Why are we going to pay higher rates when the Golf Course gets free water? The Golf Course does not get free water. What you are talking about is the Golf Course taking raw water prior to it being treated at the plant. The Golf Course has water rights just as the city has water rights to Flower Creek. It was worked out years ago that since the city, by storing the water behind the Flower Creek dam and lower reservoir, could interfere with the Golf Courses water rights, that they would receive up to 10 million gallons a year from the raw water main for irrigation. The water is metered and does not interfere with the city water plant producing water for the city.

Libby pays the highest rates in the State and pays more than California does, why? This is not an apples-to-apples comparison, nor true. The last study in Montana was completed three years ago and people's rates have since changed, so that is out. Plus, to make a fair comparison you would have to find a city with an equal number of users, a Dam, a Lower Reservoir, like water Treatment Plant, the same length (miles) of water mains by diameter, the same length (miles) of sewer collection mains, same lift stations, and same mechanical sewer Treatment Plant including Ultraviolet disinfection and screw press sludge removal. Making comparisons can deflect from what is actually important in order to "win" a debate, for either side. The truth is that we have to look at the infrastructure we have, and not engage in the "what if scenarios". What if we had large wells and not a Dam? What if we didn't have a treatment plant and just injected chlorine into the water? What if we had lagoon sewage treatment? What if we had 1000 more users? I think the only questions that are appropriate are not "what if," but "what happens and how long." "What happens" if rates are not adjusted and increased, and "how long" can we cover increasing costs until the systems collapse? We have the system, numbers of users, and loans we have, the true question is how we pay for and maintain our current systems while planning replacements and upgrades. To be reasonable and just, Libby is proposing to charge by equivalent user classification which will equal out the proportioned responsibility for all users by impact to the system. We take the amount of revenue required divided by the number and size of users to get a base rate. It is based on data that is professional, not personal, because we have to maintain Libby's system, not Choteau's.

I don't think that you should charge multi-unit housing more than a single commercial base rate, like it is now, because we are providing affordable housing. I just looked into what the rates would be if the council decided to accept the rate increase but not charge using EDU classification. By losing the 308.78 additional EDUs the sewer base would need to go from \$43.92 to \$53.13 (\$9.21 increase) and losing the 237.87 EDUs from water would cause the base to need to go from \$55.81 to \$61.49 (\$5.68 increase). So, by justly charging by EDU, the city is sparing single family users \$14.89 per month. I would ask the question, why do people living in multi-unit dwellings not have to pay the same as everyone else? Why is it ok for owners to raise their rents to keep up with inflation, but when the city needs to raise utility rates, it is an evil travesty that will make people homeless? Yes, I was told that if the city raises rates on multi-unit dwellings, it will be intentionally making people homeless.

Rural Water does not have authority to raise the rates. That is correct. Rural Water has no legislative power at all, they bring in the training and tools for our leaders and operators. The only body that can raise the rates is the City Council and Mayor unless the utility become insolvent. MCA 69-7-101 states that "A municipality has the power and authority to regulate, establish, and change, as it considers proper..." and, "Rates, charges, and classifications must be reasonable and just." The power is in the hands of city leadership to keep the Utility Businesses solvent and properly providing services.

If there are so many leaks in our water mains, are we being poisoned with ground water entering our water system? No. Libby has a positively charged system that maintains pressure that does not allow ground water to enter our system. This is a perfect example of why rates have to increase, so we can complete proper repairs to fix the leaks to prevent loss and save money in treating the water and fixing the collateral damage that leaks cause.

The following questions came from local businesses.

Why would the hospital have to pay for each bed when usually only half of the beds are filled on a daily basis? Hospital base rate EDUs are charged 3 base EDUs to cover a larger staff and daily visitors/patients and charged according to how many beds could be filled on a daily basis. Each bed is considered .5 of an EDU because even if a room is unoccupied, the cleaning and laundry still have to be completed. To go with each bed and room, that patient is going to be using other examination rooms/labs/surgical areas that have an impact on our system. That is why the two numbers are added together.

If a utility customer is a 501(c)3, can you charge them less? No, water and sewer rates are based on use, impact to our system, and proportioned responsibility for paying the city loans (revenue bonds). 501(c)3 is actually IRS tax code 501 paragraph (c), Number 3, and is for tax purposes, not for utilities.

Why are you charging schools and hospitals more? The city is not selecting certain sectors to "punish" people or to "hit those that have money." The city simply has to look at how it charges everyone, including schools, hospitals, multi-units, or hotels, to charge reasonable and just rates. The city may begin justly charging base rates according to use, which is impact on our systems, and proportioned responsibility for paying the city loans. If you take a 4-plex and compare it to single-family residence you can see why EDUs are charged for the different categories. An normal household averages 2200 gallons a month usage, while a 4-plex will average over 8000 gallons a month in usage. All that extra usage relates to more pressure on the Dam, lower reservoir, treatment plant, water storage and pumping, water mains, sewer collection mains, more pressure on the lift stations, and more influent at the sewer plant to treat. EDUs mean that everyone is paying their fair share according to their use, and size. A 4-plex using 8000 gallons won't pay as much as a 15-unit apartment building using 30,000 gallons who won't pay as much as a business using 250,000 gallons. It's called proportional responsibility.

Well, that 4-plex pays more in usage, why are you lifting the base rate because they already pay more? The base rate pays for the operation/maintenance and loan payments while the usage rate pays for the loan reserves and for replacement/upgrades to the systems. Without increases, the base rate has fallen below the amount needed to cover proper maintenance while, without getting new loans, the usage rate fully covers the reserve and replacement/upgrade requirements.

The following conversation was with a resident currently renting in Libby.

I received a letter from my apartment manager showing that my rent will go up \$100 to \$125 dollars a month because of the city raising rates, why is this happening because my rent already went up \$300 a month last June? I am sorry that your rent is going to go up again, especially after such a hike. The fact is that the city's costs have gone up just like they have for every other business and person. For Libby to bring in the adequate revenue, it is proposing rate increases and changes in the way Libby charges for multi-unit dwellings to cover all costs fairly.

A Dentist bought all the buildings and wanted the rent to be what Kalispell is charging, but Libby doesn't have the money that the people in Kalispell have. Actually, why do you think your rent went up so much in one year?

The rent just went up. I know that their costs went up, but I also have to pay for the heating and power. Was there a meeting where all the tenants were allowed to voice their opinion and try to stop the increase. (The answer was no.)

The renter understood rates had to go up, and was not angry, but wanted to know why. I showed her that the usage in her building far exceeded the EDUs that were proposed and explained that by giving multi-unit dwellings such a low base rate compared to the actual usage, the residents were being subsidized by the single-family customers in town.

What is the difference between the city raising rates and other businesses raising prices? The difference is that the city must have a public hearing to accept comment from our customers whereas nobody else does.

My rent went up \$300 just last June, now the city is making it go up again. If there are 40 apartments where you are at that all went up \$300, that would be \$300 dollars a month times 40 apartments times 12 months for \$144,000 per year increase. Why couldn't the owner absorb the cost? Why is it expected that the city will always absorb the costs?

The following came from social media.

LIBBY/TROY NEEDS YOUR HELP!!!! The City of Libby has passed a bill that will directly affect all renters and businesses with EXTREME WATER HIKES!! On March 4th, 2024, the City passed a Resolution of Intent to consider raising the base rates and to begin charging by Equivalent Dwelling Unit (EDU).

Every renter will be forced to pay more than \$100 EXTRA per month just for water services! An average single-family resident will go up \$10.56 a month for water and \$10.44 for sewer totaling a \$21.00 a month increase. I could hammer all the math out but will leave it at this... An average 4-plex renter would go up \$76.69 for water and sewer combined per month over current rates. The reason for this is because each apartment in that 4-plex has the same impact on our system as a single-family residence. Is it fair and just to not charge people equally when a 4-plex is just 4 houses that have adjoining walls? If a hotel had 17 rooms with bathrooms, they would be charged for 6.8 EDUs worth of impact on our systems. The average usage for 17 room hotel rooms with bathrooms is 31,000 gallons a month. This is equal to 14 houses using an average of 2200 gallons a month. By looking at the actual data, that hotel would be paying base rates equal to 6.8 homes while having the impact of 14.

Families are already struggling with increased rents in Libby/Troy only to have the City force an unnecessary high increase in water bills. I understand that rents have gone up dramatically. One case I heard of, but have not confirmed, was a \$700 per month rent going to \$1,200 per month in three years. I spoke with a developer who explained that their costs for insurance, taxes, maintenance, heating and cooling, staffing, etc., had gone up dramatically, so they had to raise rents to stay in business. I then asked the developer if he thought that the city costs had gone up in the last 10 years for the water department, the answer was yes. So, I asked why it was okay for every other business to raise prices (grocery stores, parts stores, mechanics, room rates, rents, restaurants) but is not okay for the city to raise rates and start charging justly across the board to keep and maintain our utilities? The city has two businesses, namely the Water and Sewer Departments. They must be self-sustaining to remain solvent just like any other business. In order to do that it must bring in adequate funds, which explains the increases.

This will affect everyone in the community and we must show the City Council that they have done us ALL wrong for accepting this insane legislation on March 4th without the public's input or communities interest involved. The Council passed the intent Resolution on March 4th so that we could have a public hearing. The Public Hearing on the 8th is where the Council will hear comments on the proposed changes.

This bill was sneakily passed and the letter sent to utility users were misled by not including these dramatic rate increases, only mentioning a \$10 increase!! The letter showed that the average customer, who is a single-family residence, would actually go up a total of \$21 a month for water and sewer base rates. The Intent Resolution was properly posted and advertised.

Glossing over this bill is unconstitutional and illegal!! The city has the authority to control the utilities and municipal utilities do not fall under the Constitution.

We must all show our support for our neighbors and loved ones who will be directly affected. There is not a Council member that does not understand how rate increases affect our family, friends, and neighbors because everyone on the council lives and has friends/family within the city who will be affected also. How do we show support for our neighbors and loved ones when they have to pay higher prices everywhere else like at the gas station and grocery store? Do we go to the businesses and let them know that they have to keep their gas prices and groceries at 2014 prices? Could those businesses be open if they were still charging 2014 prices?

This bill could be the choice a family has between having water or eating food that month. It's tough out there. Inflation has been hitting everyone in the pocketbook, and Libby is not the exception. We have to maintain our utilities in order to keep the city with water and sewer. Great civilizations throughout time have collapsed when water disappeared. I don't believe that the city raising rates creates a singular choice of eating or drinking. There are programs that provide food assistance to families and individuals. The city must maintain the utilities. To do that our rates have to at least keep up with inflation, not raising water rates in 10 years is not keeping up with inflation. The city has done everything in it's power to not raise rates, but we can wait no longer.

There has to be another way to pay for repairs from the government or grants without the water increase. This would be awesome! However, the truth is far from it. The government runs a two-year grant cycle that only allows us to have one project open at a time. With this, Libby plans alternating projects for the Water and Sewer departments every other year. The grants have what is called a "cash match" ranging from \$100,000 to \$250,00 which has to be 10% to 25% of the project in order to get the grants. This means that the city has to produce funds either from other grants, our Capital Improvement Plan, or from a revenue bond (loan that's payment is directly added to the base rates). There is another problem here. The grants and cash match don't always cover the entire project. One example is that our lower reservoir is getting near catastrophic failure. The cost to replace the spillway and clean out the reservoir is \$3.4 million today and that price goes up a few hundred thousand a year. There are also maximum grant amounts that Libby can be awarded. So, let's say we get Lucky and get \$750,000 from CDBG, MCEP kicks in \$600,000, RRGL adds \$125,000, DLA contributes \$500,000, and we have our \$250,000 cash match. That all totals up to \$2,225,000, which is \$1,175,000 short. Libby either has to pay the difference with cash on hand or it has to go out and get a revenue bond to pay for it. If the annual payment was \$60,000 on that bond, the base rate would go up \$1.94 for every user to pay for it for 20 years. The city also needs over \$10 million for the water treatment plant in the next few years to replace filters. If you figure that the \$520,000 in the loan payments for \$9 million in loans adds \$16.88 a month to the water bill, what will borrowing \$9 million more add?

My utility bill will instantly more than double for the year. I don't know exactly how to answer that one because I have never owned so many properties, except to say this. Libby's water and sewer utility is a business in itself. Libby has tried for years not to increase rates until we found out "that can couldn't be kicked down the road anymore." I really wish you could feel what our council feels about having to raise rates, its rough on all of us. We are hearing from so many people in the same position you are in, and many that are worse off. As a city, we had to finally face the fact that as leaders, tough decisions have to be made. It's not popular, but it's the right decision to consider raising rates. What are the options? We either raise rates or let the utility fail? You may be at the point where you will have to make the same gut-wrenching decision that to keep your business alive, you have to raise your own rates. I am sorry you are going through this.

This is the wrong way to do business. Is there a right way? Libby put off raising rates because it is difficult on all parties involved as long as we could. The issue is that if Libby had been gradually raising the rates in the past, people could have slowly adjusted their budgets for smaller increases. Timing will be changing moving forward.

I can understand a fair, gradual, low rate increase, but this is too drastic too fast. That is the problem with waiting, it doesn't keep up with inflation. We are looking down on the barrel of a \$3.4 and \$10 million project. If we were to gradually raise rates over a couple of years, what will we do when Murphy steps in and we are left without a choice?

Are the repairs the only reason for the increase? Will the increase go away? Repairs come in many shapes and sizes. We are in a constant battle to plug all the leaks in the miles of water mains and the plugging of the sewer mains, and don't forget all the valves and lift stations. In other words, no, the repairs never stop. We repair the water mains as they age until we can replace them, but then the new lines age and we end up repairing them while we are replacing other lines. It is a never-ending cycle that will continue as long as there are water mains. Those repairs are budgeted for in the operating fund on an annual basis. The funds just haven't kept up with inflation. The Sewage plant is 40 years old and will eventually need replaced and the Water plant is no spring chicken. Those are the size of projects that really affect the water and sewer rates. It really hurts when you figure that we were still paying off the old dam when we had to borrow money to build another one. I am thankful that this Mayor and Council had the wisdom to let us create a Capital Improvement Plan where the city can now earmark funds for these monsters to hopefully never go into so much debt again.

It is a relief that single-family residences will only go up \$21 a month. Some businesses will see a thousand percent increase in their water rates, how is that ok? Percentages can be looked at for many things once a fair baseline has been set. By charging according to EDUs going forward, the baseline for water and sewer base rates will be set at a single-family residence. From there, if you were to raise the base EDU by let's say 4%. That 4% would extend to every EDU fairly, including each unit in a multi-dwelling unit and commercial businesses who will continue to pay a higher commercial rate by diameter of service line. That same 4% would translate to a higher percentage because of the multiplier for having a larger diameter service line. I understand that percentages look bad, but when you look at the impact to our systems, it's not by percentage, it's by usage which equals impact. Proportional responsibility is the term that best fits this question. The larger the portion of usage and impact, the larger the portion of responsibility.

How is an increase like that reasonable? I am truly worried about the income. Reasonable is in the eye of the beholder. Is it reasonable for rent in Libby to be \$1,000 a month or if a room for a night is \$150? Is it fair that a meal at a restaurant is nearly \$30 with a drink and a lot more for a family? For a working couple making \$100,000 a year with a paid for house and vehicles, I would say yes. For that single mother, retired bartender or logger, or disabled person on minimum social security, I would say hell no! I would never step in and tell you how to run your business. I can only tell you how Libby is running our businesses. Here is a comparison that I made earlier today.

I was watching a business network during lunch that had the founder of Go Daddy speaking about business leadership. He stated that his father told him to "never believe that someone else's business is easier to run than yours." This really put me back. I thought about how the city runs its businesses of Water treatment and distribution and Sewer collection and disinfection. How do we stack up to other businesses in town and what issues have we faced in line with them. Let's see...

Staffing – In the last three years this city has had more than its fair share of staffing issues. Of the 3 Water Plant operators, 3 Sewer Plant operators, Water Distribution operator, and meter reader that were working at that time, only 3 remain. One was released for cause, one left to seek higher pay, one resigned for cause, and two resigned basically in protest of pay and benefits. That is the original 5 that left, but we can't forget that one of the new hires left after a year seeking higher pay and one was released for cause. Basically, this city has dealt with more than its fair share of staffing issues that came at us. How do we differ from other businesses? HR Department? Difficult finding applicants? Qualifications? Certifications?

Overhead/Inflation – The city has overhead in all aspects of business operations just like any other business. Inflation. I have watched as our replacement parts have skyrocketed, our maintenance contracts, fuel prices, wages and benefits, office supplies, phone bills, electric charges, postage, chemicals, and insurance have all increased as well. To deal with the increasing costs, the city has kept realigning our budgets and cutting wherever we could. The city has not taken on additional loans since the Dam was constructed, which was the last time the water rates increased. The city created a Capital Improvement Plan to earmark funds for large purchases and projects in order to not take on loans. The city worked with our creditors to make sure that all the loan requirements were being properly maintained while not overpaying for reserve funds. In other word, the city has dealt very well with the inflation that is now dictating a rate increase. How do we differ from other businesses? Rising costs? Difficulty getting parts?

Loses – The city is paying for loses due to the condition in our systems, namely water leaks and unidentified connections. It is a constant battle that requires money for manpower, equipment, and materials to fix. Past estimates put Libby at 80 to 84% loss, that is why we have been really working at correcting our deficiencies. How do we differ from other businesses? Theft? Vandalism? Maintenance?

This is just another way to look at where we are as a business. Government red tape anyone? I will not pretend to understand what it is like to run a hotel, hospital, rentals, parts store, tire store, or grocery store, but it seems to me like everyone else knows how to run a Water and Sewer Department.

The city hopes that these frequently asked questions help you to understand why the city is proposing utility rate increases. Please continue to contact City Administrator Samuel Sikes for any more information by emailing him at city.administrator@cityoflibby.com, calling (406) 293-2731, writing him at PO Box 1428, Libby MT 59923, or stopping by City Hall at 952 E. Spruce St., in Libby.

How Do These Proposed Rates Affect Me?

Current Combined Water (Domestic) & Sewer Rates	2023	2024
Average Monthly Residential Domestic User =	\$63.14	\$65.13
Average Monthly Residential Domestic (Family of 2) =	\$49.48	\$51.47
Average Monthly Residential Domestic (Family of 4) =	\$76.80	\$78.79
Average Monthly Residential Domestic (Family of 1) =	\$42.65	\$44.64

Proposed Combined Water (Domestic) & Sewer Rates	2023	2024	2025	2026	2027
Average Monthly Residential Domestic User =	\$54.80	\$75.60	\$96.40	\$117.20	\$138.14
Average Monthly Residential Domestic (Family of 2) =	\$54.80	\$75.60	\$96.40	\$117.20	\$138.14
Average Monthly Residential Domestic (Family of 4) =	\$68.46	\$89.67	\$110.89	\$132.13	\$153.51
Average Monthly Residential Domestic (Family of 1) =	\$54.80	\$75.60	\$96.40	\$117.20	\$138.14

Water and sewer rates for similar size communities in Montana.

Name	Water 2021	Sewer 2021	Combined Rates
Columbus	\$16.65	\$26.00	\$42.65
Big Timber	\$67.79	\$52.96	\$120.75
Conrad	\$43.00	\$33.47	\$76.47
Cutbank	\$99.42	\$99.42	\$198.84
Dillon	\$65.25	\$75.00	\$140.25
Fairfield	\$45.00	\$50.00	\$95.00
Forsyth	\$74.49	\$74.49	\$148.98
Fort Benton	\$39.73	\$60.57	\$100.30
Glasgow	\$50.00	\$44.85	\$94.85
Grass Range	\$105.61	\$41.87	\$147.48
Joliet	\$37.16	\$45.68	\$82.84
Colstrip	\$50.00	\$36.00	\$86.00
Red Lodge	\$41.38	\$56.87	\$98.25
Three Forks	\$41.56	\$71.18	\$112.74
Townsend	\$20.57	\$104.47	\$125.04
Bridger	\$34.53	\$25.75	\$60.28
White Sulphur Springs	\$60.87	\$58.41	\$119.28

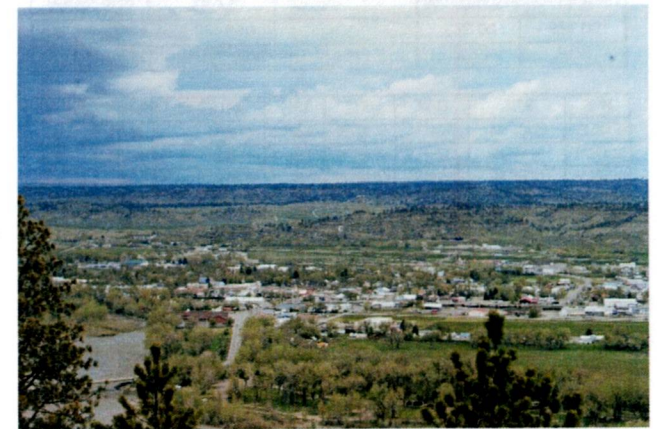
Comments and concerns can be heard at the public hearing scheduled for April 24th, 2023 at 7 pm, located at the Stillwater County Pavilion (328 E. 5th Ave. North, Columbus, Montana).

Written comments can be emailed to clerk@townofcolumbus.com or submitted at the City office located at 408 East 1st Ave. North in Columbus.

CITY OF COLUMBUS
PO BOX 549
COLUMBUS, MT 59019

CITY OF COLUMBUS

Proposed Increased Water and Sewer Rates



The City of Columbus owns, operates, and maintains municipal water and sanitary sewer systems that serve the community. Consequently, the City of Columbus incurs a large financial obligation for the operation and maintenance of these facilities that must be passed on to the utility users.

In order for the City to be eligible for low interest loans and grant monies to complete infrastructure projects, the City must raise the base water and sewer rates to "target rates" set forth by the Montana Department of Commerce. Target rate amounts are computed using the 2015-2019 census and target percentage rationale reviewed biennially by Commerce. The target percentages are calculated from the percent of median household income in each community:

- 2.3% combined (water and wastewater)
- 1.4% for water alone
- 0.9% for wastewater alone
- 0.3% for solid waste

The proposed rates are intended to adjust annually until the "target rates" have been achieved.

Selected Geography	Columbus town
Associated County	Stillwater County
Population	2,194
Total Households	794
Median Household Income	\$64,038
Low & Moderate Income Percent	45.7%
Percent Poverty	8.8%

Target Rates

Water & Wastewater	\$122.74
Water Only	\$74.71
Wastewater Only	\$48.03
Solid Waste Only	\$16.01

Current & Proposed

Residential Water & Sewer Rates

In 2020 the City of Columbus implemented a 10% rate increase for the years of 2020-2024. Prior to that time, the last water rate increase was in 1997. In 2015 the sewer rate was increased from \$17.50 to \$26.00.

Current Residential Water & Sewer Base Rates			
Year	Water Base	Sewer Base	Combined Base
2023	\$16.65	\$26.00	\$42.65
2024	\$18.64	\$26.00	\$44.64

Proposed Residential Water & Sewer Base Rates			
Year	Water Base	Sewer Base	Combined Base
2023	\$20.80	\$34.00	\$54.80
2024	\$36.60	\$39.00	\$75.60
2025	\$52.40	\$44.00	\$96.40
2026	\$68.20	\$49.00	\$117.20
2027	\$84.09	\$54.05	\$138.14

Base Rate = 0-6,000 gallons per month

Annual Base Rate Increases Per ERU			
Year	Water Base	Sewer Base	Combined Base
2023	\$4.15	\$8.00	\$12.15
2024	\$15.80	\$5.00	\$20.80
2025	\$15.80	\$5.00	\$20.80
2026	\$15.80	\$5.00	\$20.80
2027	\$15.89	\$5.05	\$20.94

Current & Proposed

Commercial Water & Sewer Rates

Commercial rates are based upon a ERU (Equivalent Residential Unit) and water meter size. If you are unfamiliar with your water meter size, please contact the City office at 406-322-5313 to determine your commercial meter size in order to determine your current and proposed water & sewer base rates.

Current Commercial Base Water Rates			2023	2024
Water Base Rate per ERU			\$16.65	\$18.64
Meter Size	ERU's	Base Rate (gals)	Monthly Service Charges	
3/4"	1	3,000	\$16.65	\$18.64
1"	1.78	5,340	\$29.64	\$33.18
1-1/2"	4	8,310	\$66.60	\$74.56
2"	7.11	21,330	\$118.38	\$132.53
3"	16	48,000	\$266.40	\$298.24
4"	28.44	85,350	\$473.53	\$530.12
6"	64	85,350	\$1,065.60	\$1,192.96
8"	113.78	85,350	\$1,894.44	\$2,120.86
10"	177.78	85,350	\$2,960.04	\$3,313.82
Usage Charges (per 1,000-gallons)			\$4.83	\$5.31

Proposed Commercial Base Water Rates							
Water Base Rate per ERU			2023	2024	2025	2026	2027
Meter Size	ERU's	Base Rate (gals)	Water Basic Monthly Service Charges				
3/4"	1	6,000	\$20.80	\$36.60	\$52.40	\$68.20	\$84.09
1"	1.78	10,680	\$37.02	\$65.15	\$93.27	\$121.40	\$149.68
1-1/2"	4	24,000	\$83.20	\$146.40	\$209.60	\$272.80	\$336.36
2"	7.11	42,660	\$147.89	\$260.23	\$372.56	\$484.90	\$597.88
3"	16	96,000	\$332.80	\$585.60	\$838.40	\$1,091.20	\$1,345.44
4"	28.44	170,640	\$591.55	\$1,040.90	\$1,490.26	\$1,939.61	\$2,391.52
6"	64	384,000	\$1,331.20	\$2,342.40	\$3,353.60	\$4,364.80	\$5,381.76
8"	113.78	682,680	\$2,366.62	\$4,164.35	\$5,962.07	\$7,759.80	\$9,567.76
10"	177.78	1,066,680	\$3,697.82	\$6,506.75	\$9,315.67	\$12,124.60	\$14,949.52
Usage Charges (per 1,000-gallons)			\$4.83	\$4.97	\$5.12	\$5.28	\$5.44

Current Commercial Base Sewer Rates			2023	2024
Sewer Base Rate per ERU			\$26.00	\$26.00
Meter Size	ERU's	Base Rate (gals)	Monthly Service Charges	
3/4"	1	3,000	\$26.00	\$26.00
1"	1.78	3,000	\$46.28	\$46.28
1-1/2"	4	3,000	\$104.00	\$104.00
2"	7.11	3,000	\$184.86	\$184.86
3"	16	3,000	\$416.00	\$416.00
4"	28.44	3,000	\$739.44	\$739.44
6"	64	3,000	\$1,664.00	\$1,664.00
8"	113.78	3,000	\$2,958.28	\$2,958.28
10"	177.78	3,000	\$4,622.28	\$4,622.28
Usage Charges (per 1,000-gallons)			\$2.00	\$2.00

Proposed Commercial Base Sewer Rates							
Sewer Base Rate per ERU			2023	2024	2025	2026	2027
Meter Size	ERU's	Base Rate (gals)	Sewer Basic Monthly Service Charges				
3/4"	1	6,000	\$34.00	\$39.00	\$44.00	\$49.00	\$54.05
1"	1.78	10,680	\$60.52	\$69.42	\$78.32	\$87.22	\$96.21
1-1/2"	4	24,000	\$136.00	\$156.00	\$176.00	\$196.00	\$216.20
2"	7.11	42,660	\$241.74	\$277.29	\$312.84	\$348.39	\$384.30
3"	16	96,000	\$544.00	\$624.00	\$704.00	\$784.00	\$864.80
4"	28.44	170,640	\$966.96	\$1,109.16	\$1,251.36	\$1,393.56	\$1,537.18
6"	64	384,000	\$2,176.00	\$2,496.00	\$2,816.00	\$3,136.00	\$3,459.20
8"	113.78	682,680	\$3,868.52	\$4,437.42	\$5,006.32	\$5,575.22	\$6,149.81
10"	177.78	1,066,680	\$6,044.52	\$6,933.42	\$7,822.32	\$8,711.22	\$9,609.01
Usage Charges (per 1,000-gallons)			\$2.00	\$2.06	\$2.12	\$2.19	\$2.25