

RESOLUTION NO. 132-2026

RESOLUTION OF INTENTION TO INCREASE WATER AND SEWER RATES FOR
BIGFORK COUNTY WATER AND SEWER DISTRICT AND CALLING FOR A
PUBLIC HEARING AND NOTICE THEREOF.

RECITALS

WHEREAS, the District has hired Raftelis Financial Consultants, Inc, to provide a detailed rate study and 5 year financial plan to ensure that an adequate level of income from water and sewer rates are maintained to finance daily operations, fund needed maintenance and improvement projects, meet debt coverage requirements, fund reserves, and ensure rates are fair and aligned with the District's goals and community values.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District (the "Board") as follows:

1. Reason for Proposed Water Rate Increase. Revenue from rates need to be sufficient to cover operating expenses, repair and replace capital, debt service coverages, and supplement growth-related capital when necessary. Current rates are not sufficient to cover annual expenses. Therefore, revenue adjustments are required to generate sufficient revenue to cover annual expenses and to build reserves over the 5-year financial plan. Equal annual revenue adjustments of 7% from FY 2026 to FY 2030 are needed to meet these requirements.
2. Existing Monthly Base Water Charge.

FY 2026 BASE WATER CHARGES (CURRENT)		
Meter Size	Allowance (THOUSAND GALLONS)	\$/ Per Month
¾"	0	\$31.89
1"	0	\$79.98
1 ½"	0	\$160.12
2"	0	\$256.37
3"	0	\$517.24
4"	0	\$801.59
6"	0	\$1,603.39

3. Proposed Rates and Charges. The District proposes establishing new monthly base water rates as follows:

FY 2027 BASE WATER CHARGES (PROPOSED)		
Meter Size	Allowance (Thousand Gallons)	S/ Per Month
¾"	0	\$34.12
1"	0	\$85.58
1 ½"	0	\$171.33
2"	0	\$274.32
3"	0	\$553.45
4"	0	\$857.70
6"	0	\$1715.63

4. Volume Charges. The rate structure will have tier blocks for each meter size. This volume structure is aligned with the demand patterns for customers of the same meter size. The tiered thresholds will change based on meter size.

5. Existing Monthly Water Volume Charges.

FY 2026 VOLUME WATER CHARGES (CURRENT)		
Meter Size	Threshold (Thousand Gallons)	\$/ Per Thousand Gallons
¾"	5,000	\$1.25
¾"	15,000	\$1.57
¾"	35,000	\$2.35
¾"	>35,000	\$3.52
1"	15,000	\$1.25
1"	60,000	\$1.57
1"	170,000	\$2.35
1"	>170,000	\$3.52
1.5"	25,000	\$1.25
1.5"	75,000	\$1.57
1.5"	200,000	\$2.35
1.5"	>200,000	\$3.52
2"	40,000	\$1.25
2"	90,000	\$1.57
2"	240,000	\$2.35
2"	>240,000	\$3.52
3"	50,000	\$1.25
3"	100,000	\$1.57
3"	250,000	\$2.35
3"	>250,000	\$3.52
4"	80,000	\$1.25
4"	175,000	\$1.57
4"	440,000	\$2.35
4"	>440,000	\$3.52

6. Proposed Monthly Water Volume Charges.

FY 2027 VOLUME WATER CHARGES (PROPOSED)		
Meter Size	Threshold (Thousand Gallons)	\$/ Per Thousand Gallons
¾"	5,000	\$1.34
¾"	15,000	\$1.68
¾"	35,000	\$2.52
¾"	>35,000	\$3.77
1"	15,000	\$1.34
1"	60,000	\$1.68
1"	170,000	\$2.52
1"	>170,000	\$3.77
1.5"	25,000	\$1.34
1.5"	75,000	\$1.68
1.5"	200,000	\$2.52
1.5"	>200,000	\$3.77
2"	40,000	\$1.34
2"	90,000	\$1.68
2"	240,000	\$2.52
2"	>240,000	\$3.77
3"	50,000	\$1.34
3"	100,000	\$1.68
3"	250,000	\$2.52
3"	>250,000	\$3.77
4"	80,000	\$1.34
4"	175,000	\$1.68
4"	440,000	\$2.52
4"	>440,000	\$3.77

7. Reason for Proposed Sewer Rate Increase. Revenue from rates need to be sufficient to cover operating expenses, repair and replace capital, debt service coverages, and supplement growth-related capital when necessary. Current rates are not sufficient to cover annual expenses. Therefore, revenue adjustments are required to generate sufficient revenue to cover annual expenses and to build reserves over the 5-year financial plan. Equal annual revenue adjustments of 16% from FY 2026 to FY 2030 are needed to meet these requirements.
8. Existing Monthly Base Sewer Charges.

FY 2026 SEWER CHARGES (CURRENT)		
Meter Size	Allowance (THOUSAND GALLONS)	\$/ Per Month
¾"	5,000	\$58.70
1"	13,000	\$147.33
1 ½"	25,000	\$294.95
2"	40,000	\$472.16
3"/Flathead Lake Lodge Rate	75,000	\$885.55
4"	125,000	\$1,476.26
6"	250,000	\$2,952.70
FLAT	0	\$58.70
Sewer Volume - \$/Kgal Usage Allowance \$2.73/Kgal		

9. Proposed Monthly Base Sewer Charges.

FY 2027 SEWER CHARGES (PROPOSED)		
Meter Size	Allowance (THOUSAND GALLONS)	\$/ Per Month
¾"	5,000	\$68.10
1"	13,000	\$170.91
1 ½"	25,000	\$342.15
2"	40,000	\$547.71
3"/Flathead Lake Lodge Rate	75,000	\$1027.24
4"	125,000	\$1,712.47
6"	250,000	\$3,425.14
FLAT	0	\$68.10
Sewer Volume - \$/Kgal Usage Allowance \$3.71/Kgal		

14. Effective Date. The above-referenced proposed rates will go into effect July 1, 2026. These rate increases are scheduled for yearly review and hearings FY 2026 through FY 2030, according to Section 7-13-2301, per MCA the board will review the rates and charges annually.
15. Public Hearing. A public hearing on adopting the water and sewer rate increase will be held on May 29th, 2026, commencing at 1:00 p.m. at 108 Harbor Heights Blvd, in Bigfork, Montana.
16. Notice. The Secretary is hereby authorized and directed to publish or cause to be published a notice of the passage of this resolution (in the form attached as Exhibit "A") in the Daily Interlake, a newspaper of general circulation in the District, once a week for two weeks (with 6 days separating each publication) in accordance with Section 7-1-2121, MCA, and to mail or cause to be mailed a copy of said notice to all property owners in the District and all customers of the District at least 7 and not more than 30 days prior to the public hearing. Tyler Hantz, District Manager, may be contacted for more information about the rates or the hearing at (406) 837-4566.

Passed and approved by the Board of Directors on this 13th day of May 2026.

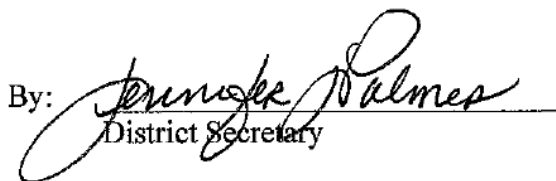
ATTEST:

BIGFORK COUNTY WATER AND SEWER
DISTRICT



President

By:


District Secretary