

City of Helena, Montana

09/08/2025

To: Mayor Collins and the Helena City Commission

From: Tim Burton, City Manager
Ryan Leland, Public Works Director
Sheila Danielson, Finance Director

Subject: Consider a Resolution of Intention to set rates for all customers of the City of Helena water system

Present Situation: All water system customers are charged a monthly base rate and a per unit usage rate as required by Helena City Code 6-2-8. Rate increase considerations are necessary to adjust for inflation, provide for necessary capital improvements, and meet bonded debt coverage. A rate increase of 3.5% is recommended.

Background Information: The water rate study recommended an across-the-board increase of 3.5% for all water customers. Based on the significant amount of ARPA capital funds awarded to the Water fund, staff elected to postpone a rate increase recommendation for FY24. A 3.5% rate increase for FY25, and a proposed 3.5% rate increase for FY26 will keep the city in line with the rate study recommendations.

Proposal/Objective: Consider a Resolution of Intention to set residential and commercial water base and usage rates and to set a public hearing for October 20, 2025.

Advantage: Timely rate considerations will ensure the ability to cover system operating costs, capital costs, and existing and future debt to maintain the integrity of the water system.

Notable Energy Impact: n/a

Disadvantage: A 3.5% increase amounts to an additional \$1.72 monthly for the average residential water customer based on 11 units (HCF).

Quasi-Judicial Item: False

Notice of Public Hearing: False

**Staff Recommendation/
Recommended Motion:** Move to approve a Resolution of Intention to set residential and commercial water base and usage rates and set a public hearing for October 20, 2025.

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

RESOLUTION NO. _____

A RESOLUTION OF INTENTION TO SET RATES FOR ALL CUSTOMERS OF THE CITY OF HELENA WATER SYSTEM

WHEREAS, Mont. Code Ann. § 7-13-4307 requires rates and charges established for municipal water systems must be sufficient in each year to provide income and revenue adequate for the payment of the reasonable expense of operation and maintenance, for the payment of the sums required to be paid into the sinking fund, for accumulation of reserves, for the payment of rates, and for the payment of expenditures for depreciation and replacement of the system; and

WHEREAS, water system users are charged a base rate and a per unit rate for water consumption as required by §6-2-8 of the Helena City Code;

WHEREAS, rates are adjusted as necessary to correct for inflation, cost of service, provide for necessary capital improvements, and meet bonded debt coverage; and

WHEREAS, a tiered rate structure is desired to encourage conservation of water while providing necessary funding for operational and capital costs.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA:

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res. No.

Section 1. It is the intention of the Helena City Commission to set residential, commercial and non-metered residential water consumption rates.

Section 2. The proposed water base and consumption rates are shown in the following table:

	CURRENT	PROPOSED
Monthly Meter Base Rate¹:		
Meter Size		
¾"	\$9.58	\$9.92
1"	\$15.94	\$16.50
1 ½"	\$31.88	\$33.00
2"	\$50.92	\$52.70
3"	\$95.63	\$98.98
4"	\$159.70	\$165.29
6"	\$319.40	\$330.58
8"	\$574.84	\$594.96
12"	\$718.50	\$743.65
Per Unit Consumption rate²:		
Use Type		
Commercial	\$4.23	\$4.38
Multi-dwelling	\$3.51	\$3.63
Residential 0-8 units	\$3.51	\$3.63

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Residential 9-15 units	\$3.93	\$4.07
Residential 15+ units	\$3.99	\$4.13
Non-metered residential (11 units)	\$4.06	\$4.20

¹ per meter per month

² units are measured in HCF (100 cubic feet or approximately 748 gallons)

Section 3. The rates are effective November 1, 2025 and will remain in effect until such time as the City Commission deems the rates and charges are insufficient to cover the requirements of MCA 7-13-4307.

Section 3. The Helena City Commission will hold a public hearing on this matter on October 20, 2025, in the Commission Chambers at 316 North Park Avenue in Helena, Montana, at 6:00 P.M., 316 North Park Avenue, Helena, Montana, and via Zoom meeting at webinar ID: <https://zoom.helenamt.gov/ej/c/72667328/october2025regular> so that all interested parties may appear and express their opinions of approval or disapproval.

Section 4. Notice of the passage of this Resolution of Intention shall be given by publication and mailing as required in §69-7-111, MCA. The City Clerk is authorized and directed to make publication of this Resolution of Intention in the Independent

RESOLUTIONS OF THE CITY OF HELENA, MONTANA

Res. No.

Record, the official newspaper of the City of Helena.

MAYOR

ATTEST:

CLERK OF THE COMMISSION