RESOLUTION NO. 13-29

A Resolution of the City Council of the City of Whitefish, Montana, specifying rate increases for water, wastewater and garbage collection services beginning October 1, 2013.

WHEREAS, as established by Resolution Nos. 06-51 and 07-12, on October 1 of every year, the City water and wastewater rates and charges are to be automatically increased, based on the increase, if any, in the U.S. Department of Labor's Water, Sewer and Trash Collection Services Consumer Price Index for All Urban Consumers (Consumer Price Index) for the twelve-month period ending the preceding December 31; and

WHEREAS, as established by Resolution No. 11-52, beginning on October 1, 2012, and continuing through October 31, 2016, the four-year term of the City's agreement with Montana Waste Systems, Inc., d/b/a North Valley Refuse, the City garbage collection rates and charges are to be automatically increased by 3% annually; and

WHEREAS, during the September 16, 2013 Regular Meeting, the City Council was notified of the 5.7% rate increase in the Consumer Price Index and discussed whether to implement the 2013 automatic annual inflationary rate increases of 5.7% for water and wastewater services, and 3% for garbage collection services, in order to generate adequate funds to operate the utilities and charge each customer class their fair share of the costs; and

WHEREAS, under Title 69, Chapter 7 of the Montana Code Annotated, and under the terms of City Resolution Nos. 06-51, 07-12, and 11-52, the City of Whitefish is authorized to regulate the City's municipal water, wastewater, and garbage collection rates and charges and to change such rates and charges as may be deemed by the City Council to be reasonable and just; and

WHEREAS, at a lawfully noticed hearing on October 7, 2013, after receiving public comment and reviewing staff reports, and having considered the 5.7% increase of the Consumer Price Index, the study of the cost of water and wastewater services, and forecasted expenses, the Whitefish City Council determined that beginning October 1, 2013, the municipal water and wastewater rate increases would be 5.7%, and the garbage collection rate increase would be 3%; and

WHEREAS, beginning October 1, 2014, and continuing thereafter, the City water and wastewater services rates and charges will be automatically increased, based on the increase, if any, in the Consumer Price Index, as provided by Resolution Nos. 06-51 and 07-12.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: Those rates and charges as reflected on Exhibit "A", attached hereto and incorporated herein by reference, are hereby adopted and approved by the City Council of

the City of Whitefish and shall be implemented for water, wastewater, and garbage collection services billed after October 1, 2013.

Section 2: In addition to the rate increase reflected on the attached Exhibit, on October 1 of every year, beginning October 1, 2014, and continuing thereafter indefinitely, the City water and wastewater services rates and charges will be automatically increased, based on the increase, if any, in the Consumer Price Index, all as provided by Resolution Nos. 06-51 and 07-12. The City Council will be notified of the amount of the increase based on the Consumer Price Index.

Section 3: In addition to the rate increase reflected on the attached Exhibit, on October 1, 2014, and continuing through October 31, 2016, the term of the City's agreement with Montana Waste Systems, Inc., d/b/a North Valley Refuse, the City garbage collection services rates and charges will be automatically increased by 3% annually.

Section 4: This Resolution shall take effect immediately upon its adoption by the City Council, and signing by the Mayor thereof.

Section 5: Once this Resolution becomes final, the City Public Works Department is authorized and directed to implement the adjustments reflected in the attached Exhibit, and the automatic increases described in Sections 2 and 3 above.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS 7TH DAY OF OCTOBER, 2013.

John M. Muhlfeld, Mayor

ATTEST:

Necile Lorang, City Clerk

Exhibit "A"

Rate Code Description	Proposed Base	Proposed Usage	Current Base	Current Usage
WATER	5.7%			
Inside City				
IN .625"	$23.21	$3.66	$21.96	$3.46
IN .625" Low Income/Senior	$5.80	$3.66	$5.49	$3.46
IN .750"	$34.26	$3.66	$32.41	$3.46
IN .750" Low Income/Senior	$8.56	$3.66	$8.10	$3.46
IN 1"	$48.62	$3.66	$46.00	$3.46
IN 1" Low Income/Senior	$12.16	$3.66	$11.50	$3.46
IN 1.5"	$149.19	$3.66	$141.14	$3.46
IN 1.5" Low Income/Senior	$37.30	$3.66	$35.29	$3.46
IN 2"	$246.44	$3.66	$233.15	$3.46
IN 3"	$295.06	$3.66	$279.15	$3.46
IN 4"	$487.35	$3.66	$461.07	$3.46
Pressurized Zone				
PZI .625"	$26.52	$4.65	$25.09	$4.40
PZI .625" Low Income/Senior	$6.63	$4.65	$6.27	$4.40
PZI .750"	$39.78	$4.65	$37.64	$4.40
PZI .750" Low Income/Senior	$9.95	$4.65	$9.41	$4.40
PZI 1"	$57.46	$4.65	$54.37	$4.40
PZI 1" Low Income/Senior	$14.37	$4.65	$13.59	$4.40
PZI 1.5"	$160.24	$4.65	$151.60	$4.40
PZI 1.5" Low Income/Senior	$40.06	$4.65	$37.90	$4.40
Outside City				
OUT .625"	$29.84	$5.38	$28.23	$5.09
OUT .625" Low Income/Senior	$7.46	$5.38	$7.06	$5.09
OUT .750"	$43.10	$5.38	$40.77	$5.09
OUT .750" Low Income/Senior	$10.77	$5.38	$10.19	$5.09
OUT 1"	$64.10	$5.38	$60.64	$5.09
OUT 1" Low Income/Senior	$16.02	$5.38	$15.16	$5.09
OUT 1.5"	$173.50	$5.38	$164.14	$5.09
OUT 2"	$287.32	$5.38	$271.83	$5.09
SPRINKLER				
.625" IN	$9.95	$2.32	$9.41	$2.20
.625" OUT	$13.26	$4.09	$12.55	$3.87
.625" PZ	$13.26	$3.32	$12.55	$3.14
.750" IN	$14.37	$2.32	$13.59	$2.20
.750" OUT	$18.79	$4.09	$17.77	$3.87
.750" PZ	$19.89	$3.32	$18.82	$3.14
1" IN	$24.31	$2.32	$23.00	$2.20
1" OUT	$30.94	$4.09	$29.27	$3.87
1" PZ	$33.15	$3.32	$31.37	$3.14
1.5" IN	$60.78	$2.32	$57.50	$2.20

1.5" OUT	$78.46	$4.09	$74.23	$3.87
1.5" PZ	$60.78	$3.32	$57.50	$3.14
2" IN	$102.77	$2.32	$97.23	$2.20
2" OUT	$131.51	$4.09	$124.41	$3.87
2" PZ	$102.77	$3.32	$97.23	$3.14
4" IN	$206.65	$2.32	$195.51	$2.20
SPRINKLER MAX (12,000 gallons per month)		$2.32		$2.20
	Proposed		Current	
Rate Description	Base	Usage	Base	Usage
SEWER	5.7%			
Inside City				
SC-1 IN	$19.57	$3.28	$18.51	$3.10
SC-1 IN Low Income/Senior	$4.89	$3.28	$4.63	$3.10
LAUNDRY	$19.57	$3.28	$18.51	$3.10
SC-2 IN	$34.24	$5.84	$32.40	$5.52
SC-2 IN Low Income/Senior	$8.57	$5.84	$8.10	$5.52
SC-3 IN	$39.92	$8.19	$37.77	$7.75
SC-3 IN Low Income/Senior	$9.98	$8.19	$9.44	$7.75
GRINDERS	$49.89	$12.46	$47.20	$11.78
GRINDERS Low Inc/Sr	$12.48	$12.46	$11.81	$11.78
STEP PACK RAT	$51.85	$15.40	$49.06	$14.57
STEP PKRAT Low Inc/Sr	$12.97	$15.40	$12.27	$14.57
Outside City				
SC-1 OUT	$22.87	$5.05	$21.63	$4.78
SC-2 OUT	$38.36	$8.05	$36.29	$7.62
SC-3 OUT	$44.00	$9.74	$41.63	$9.21
STEP REST HAVEN	$55.66	$19.86	$52.66	$18.79
BIG MOUNTAIN	$67.12	$8.05	$63.50	$7.62

Service Class (SC) is determined by number of lift stations and/or complexity of system.

Exhibit "A"

City of Whitefish Solid Waste Collection Rates

3% Rate increase effective 10/1/2013

RESIDENTIAL CONTAINER RATES

	Frequency - # of Containers and/or # of Pick-ups				
Type/Size	**1**	**2**	**3**	**4**	**5**
Curbside Recycle	$4.00				
1 Container	$8.76	$15.89	$22.77	$29.66	$36.54
1 Bear Cart	$10.87	$19.63	$28.38	$37.13	$45.89

COMMERCIAL CONTAINER RATES

For commercial rates, add number of businesses multiplied by $5.50 for the admin charge

All commercial accounts that contract directly for service with a licensed private hauler due to specific needs (such as weekend, rolloff or hazardous material service) shall be charged a minimum fee of $6.50

	Frequency - # of Containers and/or # of Pick-ups				
Type/Size	**1**	**2**	**3**	**4**	**5**
300 Gallon	$23.40	$46.80	$70.20	$93.61	$117.01
300 Gal Shared	$11.70	$23.40	$35.10	$46.80	$58.50
1.5 Yard	$48.57	$97.15	$145.72	$194.30	$242.87
1.5 Yd Shared	$24.29	$48.57	$72.85	$97.14	$121.42
2 Yard	$54.64	$109.28	$163.92	$218.57	$273.21
2 Yd Shared	$27.32	$54.64	$81.96	$109.28	$136.60
2 Yard Bear	$60.24	$120.49	$180.73	$240.98	$301.22
2 Yd Bear Shared	$30.13	$60.25	$90.37	$120.50	$150.62
3 Yard	$58.29	$116.58	$174.86	$233.15	$291.44
3 Yd Shared	$29.14	$58.28	$87.42	$116.56	$145.70
3 Yard Bear	$64.36	$128.73	$193.09	$257.46	$321.82
3 Yd Bear Shared	$32.19	$64.38	$96.57	$128.75	$160.94
4 Yard	$80.13	$160.27	$240.40	$320.54	$400.67
4 Yd Shared	$40.07	$80.14	$120.21	$160.27	$200.34
4 Yard Bear	$86.70	$173.39	$260.08	$346.77	$433.47
4 Yd Bear Shared	$43.34	$86.69	$130.04	$173.39	$216.73
6 Yard	$106.85	$213.70	$320.55	$427.40	$534.25
6 Yd Shared	$53.43	$106.85	$160.27	$213.70	$267.12
6 Yard Bear	$114.44	$228.89	$343.33	$457.77	$572.22
6 Yd Bear Shared	$57.23	$114.45	$171.68	$228.90	$286.13
8 Yard	$136.00	$272.00	$408.00	$544.00	$680.01
8 Yd Shared	$67.99	$135.99	$203.98	$271.98	$339.97

GENERAL FEES

Special Pick-Ups (Off Route)	
Standard Cart - Per Lift	$7.70
Bear Cart-Per Lift	$9.53
300 Gallon-Per Lift	$24.42
1.5 Yard-Per Lift	$24.42
2 Yard-Per Lift	$32.24
3 Yard	$47.84
4 Yard	$51.50
6 Yard	$55.62
8 Yard	$59.74

Extra Pick-up on Site Outside of Container	
Standard-Per Lift	$7.70
Bear Cart-Per Lift	$9.53
300 Gal-Per Lift	$13.80
1.5 Yard-Per Lift	$13.80
2 Yard-Per Lift	$15.45
3 Yards-Per Lift	$16.82
4 Yards-Per Lift	$20.46
6 Yards-Per Lift	$26.53
8 Yards-Per Lift	$32.60

GENERAL FEES-CONTINUED

Change from Regular Cart to Bear Cart		$48.42	
New or Additional Cart:	Regular Cart	$65.00	
	Bear Cart	$107.00	
Cleaning of Carts:	1st Cart	$13.36	
	Additional Cart	$9.24	each
Delivery Fee-Change out 300g thru 8Yd		$30.75	not applicable to new construction

Damaged Containers:

Standard Cart	$103.88
Bear Cart	$185.25
300 Gal	$525.15
1Yd to 8Yd Refurbished	$468.50
Bear 1 Yd - 8 Yd	$777.50

MWS bills customers directly who have compactors and cardboard recycling

Grass clippings need to be bagged and placed in cart - up to 3 bags only (single carts not 300 gal)

All overnight or weekly residential rental units shall be charged at commercial rates.

An admin fee is included in the Residential rate. The admin fee of $5.50 per business is not included in the Commercial rate.

Extra collection charges for garbage outside of containers, special pickups, and cleaning of carts are charged the cost of collection billed to the City plus a $1.00 administration fee. The $1.00 is included in rate schedule.

Extra Pick-ups charges will be waived for two weeks after December 25 for residential pickups.

All new accounts requiring service at a location not previously served or accounts requesting additional cart(s) will be assessed a one-time charge of the cost of the cart(s) billed to the city plus a $5.00 set-up fee. The $5.00 fee is included in the rate schedule above.

Change from regular cart to bear cart, delivery fee for change out 300g thru 8yd, and damaged containers will be assessed the charge of the cost to the city plus a $5.00 admin fee. The $5.00 fee is included in the rate schedule.

P.O. Box 158 • Whitefish, MT 59937 • (406) 863-2400 • Fax: (406) 863-2419

September 30, 2013

Mayor Muhlfeld and City Councilors
City of Whitefish
Whitefish, Montana

Mayor Muhlfeld and Councilors

Recommendation to Adopt a Resolution Specifying Rate Increases for Water, Wastewater and Garbage Collection Services

Introduction/History
The Public Works Department presented information to the City Council on September 16th regarding current policy for annual rate increases for water, wastewater and garbage collection services, in accordance with City Resolutions 6-51, 7-12 and 11-52. The outcome of Council discussion was to direct staff to prepare a resolution for a Public Hearing and Council consideration at the October 7th City Council meeting.

This memo is to present that resolution, along with exhibits to illustrate the result of water and wastewater rate increases of 5.7% and a garbage collection rate increase of 3%. Values associated with lesser water and wastewater rate increases of 3% are attached for your information. A copy of the staff memo from the September 16th City Council meeting packet is attached, as well.

Current Report
If enacted, a 5.7% water and wastewater rate increase would result in an additional charge of approximately $4.25 per month for a typical family. Likewise, a 3% rate increase for garbage collection services would result in an additional charge of approximately $0.25 per month for a typical family. More information is available in the attached staff memo.

Also attached is a draft resolution to enact these rate increases, along with the necessary exhibits.

Financial Requirement
These rate adjustments would increase revenues to the Water, Wastewater and Solid Waste funds, but would not require any new expenditures.

Estimated annual revenue increases for the Water and Wastewater funds, based on the US Bureau of Labor Statistics' Consumer Price Index of 5.7% for Water, Sewer and Trash Collection for All Urban Customers for the twelve month period ending December 31, 2012 would be $168,532 and $213,248, respectively. The estimated annual revenue increase for the Solid Waste Fund, based on a 3% rate increase for garbage collection services, would be $22,445.

Recommendation

We respectfully recommend the City Council consider the information provided with this memo, as well as information and comments presented at the Public Hearing, and direct staff as to how to proceed with proposed rate increases for water, wastewater and garbage collection services.

Sincerely,

John C. Wilson
Public Works Director

P.O. Box 158 • Whitefish, MT 59937 • (406) 863-2400 • Fax: (406) 863-2419

City of Whitefish

September 4, 2013

Mayor Muhlfeld and City Councilors
City of Whitefish
Whitefish, Montana

Mayor Muhlfeld and Councilors

Recommendations Regarding Annual Utility Rate Adjustments

Introduction/History

In 2006 and 2007, the City Council adopted Resolutions 6-51 and 7-12, which generally provide for water and sewer rates to be adjusted on October 1st of each year "based on the increase, if any, in the U.S. Department of Labor's Water, Sewer and Trash Collection Services Consumer Price Index for All Urban Consumers for the twelve-month period ending the preceding December 31." Copies of those resolutions are attached.

Resolution 11-52 was adopted in October 2011, approving a new five year contract for solid waste hauling services and providing a 3% annual increase for contract fees, as well as a 3% annual increase for user rates. A copy of that resolution is attached.

Current Report

The provisions for annual water and wastewater rate adjustments, or indexing, found in Resolutions 6-51 and 7-12 are an important aspect of these rate plans that enable revenues to keep pace with rising costs such as fuel, power, labor and insurance. Indexing also helps us avoid abrupt rate increases, such as the three successive 30% water rate hikes we experienced in the late 1990s. A table from the Bureau of Labor Statistics' report on the Consumer Price Index for All Urban Customers is attached, indicating the CPI for Water, Sewer and Trash Collection Services for the 12 month period ending December 2012 was 5.7%. If enacted, a 5.7% water and wastewater rate increase would result an additional charge of approximately $4.25 per month for a typical single family home. This calculation is based on an average monthly water and wastewater charge of $74.50.

In the course of adopting Resolution 11-52 for solid waste services, the City Council indicated a preference to forego the annual 3% user rate increase in those years when cash reserves are sufficient to cover the increased charges for contract hauling. A copy of the minutes from that City Council discussion is attached. The Finance Director reports the Solid Waste Fund currently has approximately $78,000 in cash reserves, with projections for that amount to increase slightly under the current rate schedule in FY14.

As such, the fund has adequate reserves to forego a 3% user rate increase; although the Council may want to consider the advisability of building up the cash reserve to allow the option of resuming in-house services for solid waste hauling at some time in the future. If enacted, a 3% rate increase would result in an additional charge of approximately $0.25 per month for a typical single family home.

Financial Requirement

This matter does not involve a financial requirement for the Water or Wastewater Utility, although significant consequences could result if effective revenues were allowed to decline due to inflation.

Cash reserves in the Solid Waste Fund are capable of absorbing the 3% annual increase for contract hauling services. Nevertheless, cash reserves will increase at a slower rate if the Council chooses not to implement a 3% annual user rate increase, as proposed in Resolution 11-52.

Recommendation

Staff respectfully recommends the City Council approve a 5.7% user rate increase for the water and wastewater utilities, effective October 1, 2013, as provided in City Resolutions 6-51 and 7-12.

Staff further recommends the City Council consider the information provided above on the Solid Waste Fund and provide staff with direction as to whether or not to implement the 3% user rate increase proposed in Resolution 11-52. If the Council chooses to direct staff to implement the 3% user rate increase, it is recommended that increase take effect on October 1, 2013.

Sincerely,

John C. Wilson
Public Works Director

RESOLUTION NO. 06-51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, AMENDING AND ESTABLISHING NEW RATES AND CHARGES FOR WATER SERVICE SUPPLIED TO ITS INHABITANTS AND ALL OTHER PARTIES SERVED BY THE CITY'S WATER UTILITY SYSTEM.

WHEREAS, staff has recommended that a water rate adjustment is necessary to cover the rising costs of operations and maintenance, as well as cash flow requirements for existing debt obligations of the water utility, adequate provision for capital improvements, and discounts for low income and senior citizens; and

WHEREAS, City staff determined that it would be appropriate for the City Council to conduct a public hearing at its September 5, 2006, Council Meeting; and

WHEREAS, pursuant to Sections 69-7-111(2) and (3)(a), MCA, a Notice of Hearing was properly published in the Whitefish Pilot; and

WHEREAS, pursuant to Section 69-7-111(3)(b), MCA, the proper notice was mailed to all customers receiving water utility service from the City of Whitefish; and

WHEREAS, pursuant to Section 69-7-111(5), MCA, a Notice of the hearing was mailed to the Montana Consumer Council; and

WHEREAS, on September 5, 2006, a public hearing was conducted, and members of the public expressed their opinions concerning the proposed adjustment; and

WHEREAS, the City Council of the City of Whitefish has determined that it will be in the best interests of the City of Whitefish, its inhabitants, and all other parties served by the City's water utility system to adjust the rates and charges for water utility service;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: That those rates and charges as reflected on Exhibits "A-1," "A-2," "A-3," and "A-4," attached hereto and incorporated herein by reference, are hereby adopted and approved by the City Council of the City of Whitefish and shall be implemented effective for water use billed after October 1, 2006.

Section 2: In addition to the rate increase reflected on the attached exhibits, on October 1 of every year, beginning October 1, 2009, and continuing thereafter indefinitely, the basic service charge component of the City water rate, the commodity rate component rate of the City water rate, and the sprinkling rate will be automatically increased, based on the increase, if any, in the US Department of Labor's Water, Sewer and Trash Collection Services Consumer Price Index for All Urban Consumers for the twelve-month period ending the preceding December 31. For instance, the automatic rate increase that will take

effect on October 1, 2009, will be based on the increase in the above-referenced Consumer Price Index for the previous calendar year. The City Council will be notified of the amount of the increase based on the Consumer Price Index.

Section 3: This Resolution shall be filed immediately with the City Clerk, and shall become final ten (10) days after being filed with the City Clerk.

Section 4: Once this Resolution becomes final, a copy of the Resolution, together with the attached exhibits, shall be filed with the Public Service Commission.

Section 5: Once this Resolution becomes final, the City Public Works Department is authorized and directed to implement the adjustments reflected on the attached exhibits, and the automatic increase described in Section 2, above.

Section 6: That the City Council of the City of Whitefish hereby repeals any and all prior Motions or Resolutions implementing rates and charges for water utility service that are inconsistent with the terms hereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS 5TH DAY OF SEPTEMBER, 2006.

ANDY FEURY, MAYOR

ATTEST:

Necile Lorang

Necile Lorang, City Clerk

RESOLUTION NO. 07-12

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, AMENDING AND ESTABLISHING NEW RATES AND CHARGES FOR SEWER SERVICE SUPPLIED TO ITS INHABITANTS AND ALL OTHER PARTIES SERVED BY THE CITY'S SEWER UTILITY SYSTEM.

WHEREAS, staff has recommended that a sewer rate adjustment is necessary to cover the rising costs of operations and maintenance, as well as cash flow requirements for existing debt obligations of the sewer utility, adequate provision for capital improvements, and discounts for low income and senior citizens; and

WHEREAS, City staff determined that it would be appropriate for the City Council to conduct a public hearing at its March 5, 2007, Council Meeting; and

WHEREAS, pursuant to Sections 69-7-111(2) and (3)(a), MCA, a Notice of Hearing was properly published in the Whitefish Pilot; and

WHEREAS, pursuant to Section 69-7-111(3)(b), MCA, the proper notice was mailed to all customers receiving sewer utility service from the City of Whitefish; and

WHEREAS, pursuant to Section 69-7-111(5), MCA, a Notice of the hearing was mailed to the Montana Consumer Council; and

WHEREAS, on March 5, 2007, a public hearing was conducted, and members of the public expressed their opinions concerning the proposed adjustment; and

WHEREAS, the City Council of the City of Whitefish has determined that it will be in the best interests of the City of Whitefish, its inhabitants, and all other parties served by the City's sewer utility system to adjust the rates and charges for sewer utility service;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: Those rates and charges as reflected on Exhibit "A," attached hereto and incorporated herein by reference, are hereby adopted and approved by the City Council of the City of Whitefish and shall be implemented effective for sewer use billed after October 1, 2007.

Section 2: In addition to the rate increase reflected on the attached exhibit, on October 1 of every year, beginning October 1, 2010, and continuing thereafter indefinitely, the City sewer rates and charges shall be automatically increased, based on the increase, if any, in the US Department of Labor's Water, Sewer and Trash Collection Services Consumer Price Index for All Urban Consumers for the twelve-month period ending the preceding December 31. For instance, the automatic rate increase that will take effect on October 1, 2010, will be based on the increase in the above-referenced

Consumer Price Index for the previous calendar year. The City Council will be notified of the amount of the increase based on the Consumer Price Index.

Section 3: This Resolution shall be filed immediately with the City Clerk, and shall become final ten (10) days after being filed with the City Clerk.

Section 4: Once this Resolution becomes final, a copy of the Resolution, together with the attached exhibit, shall be filed with the Public Service Commission.

Section 5: Once this Resolution becomes final, the City Public Works Department is authorized and directed to implement the adjustments reflected on the attached exhibit, and the automatic increase described in Section 2, above.

Section 6: The City Council of the City of Whitefish hereby repeals any and all prior Motions or Resolutions implementing rates and charges for sewer utility service that are inconsistent with the terms hereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS 5TH DAY OF MARCH, 2007.

ANDY FEURY, MAYOR

ATTEST:

Necile Lorang, City Clerk

RESOLUTION NO. 11-52

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, APPROVING A CONTRACT WITH MONTANA WASTE SYSTEMS, INC., D/B/A NORTH VALLEY REFUSE FOR SOLID WASTE COLLECTION AND DISPOSAL AND ESTABLISHING A GARBAGE COLLECTION FEE SCHEDULE.

WHEREAS, Section 7-5-4301, MCA, authorizes the City of Whitefish to make any contract necessary to carry into effect its municipal powers authorized by Montana law; and

WHEREAS, since 2004, the City of Whitefish has contracted for the collection and disposal of solid waste for its residential and commercial businesses within the City boundaries with Montana Waste Systems, Inc., d/b/a North Valley Refuse, a Montana corporation licensed and authorized to collect and haul solid waste to the Flathead County Solid Waste District Landfill; and

WHEREAS, according to the terms of the contract, the City charges City residents and commercial businesses for the cost of solid waste collection and disposal, and the City compensates the City's contractor; and

WHEREAS, in order to initiate the process for approval of the five-year contract with North Valley Refuse, which beginning in 2012 would have a three percent (3%) annual increase in fees, and incorporate the monthly base rate for all solid waste collection and disposal customers and a garbage collection fee schedule, the City scheduled a public hearing before the Whitefish City Council, to be held at 7:10 p.m. on October 17, 2011; and

WHEREAS, prior to such hearing, a notice of the type required by Section 69-7-111, MCA, was published in the *Whitefish Pilot* three times, in compliance with subsection 69-7-111(3)(a), MCA; and

WHEREAS, notice of the hearing with the proposed monthly base rate, rate increases and fee schedule was also mailed to all persons receiving solid waste collection and disposal services, in the manner required by subsection 69-7-111(3)(b), MCA; and

WHEREAS, notice of the hearing was mailed, first class, postage prepaid, to the Montana Consumer Counsel, as required by subsection 69-7-111(5), MCA; and

WHEREAS, all notices referenced above comply fully with the requirements of Section 69-7-111, MCA; and

WHEREAS, at the October 17, 2011, public hearing, the City Council permitted all interested persons to speak, and all written comments received prior to the hearing were considered by the City Council and made a part of the public record; and

WHEREAS, upon completion of the public hearing, the City Council determined that it would be in the best interests of the City of Whitefish and its inhabitants and businesses,

to approve the proposed five-year contract with North Valley Refuse, with its annual three percent (3%) increases for solid waste collection and disposal, monthly base rates, and establish a garbage collection fee schedule.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Whitefish, Montana, as follows:

Section 1: All of the recitals set forth above are hereby adopted as Findings of Fact.

Section 2: The new five (5) year contract for solid waste collection and disposal, which beginning in 2012 would incorporate an annual three percent (3%) increase, and fee schedule as shown as Exhibit "1", attached hereto and incorporated by reference, are hereby adopted and approved, and the City Public Works Department is directed to implement the garbage collection fee schedule beginning immediately.

Section 3: The Whitefish City Manager is authorized to negotiate and execute a contract on behalf of the City of Whitefish, which incorporates the above-referenced terms, and is directed to fulfill all of the City's obligations under such contract.

Section 4: This Resolution shall take effect immediately upon its adoption by the City Council, and signing by the Mayor or Deputy Mayor thereof.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF WHITEFISH, MONTANA, ON THIS 17TH DAY OF OCTOBER, 2011.

John M. Muhlfeld

John Muhlfeld, Deputy Mayor

ATTEST:

Necile Lorang

Necile Lorang, City Clerk

EXHIBIT "1"

City of Whitefish Garbage Collection Fees

RATES

Monthly residential ($8.50 per month) & commericial rates are unchanged - no increase until Oct 2012.
Beginning Oct 2012 rates are proposed to increase 3% annually for four years.
Only the fees below are proposed to be changed or added at this time.

GENERAL FEES

Special Pick-Ups (Off Route)		Proposed
Standard Cart - Per Lift	$7.49	
Bear Cart-Per Lift	$9.25	
300 Gallon-Per Lift	$23.71	
1.5 Yard-Per Lift	$23.71	
2 Yard-Per Lift	$31.30	
3 Yard	$46.45	$50.00
4 Yard	$61.60	$54.00
6 Yard	$91.89	$58.00
8 Yard	$122.19	

Extra Pickup on Site Outside of Container		Proposed
Standard-Per Lift	$7.49	
Bear Cart-Per Lift	$9.25	
300 Gal-Per Lift	$13.40	
1.5 Yard-Per Lift	$13.40	
2 Yard-Per Lift	$13.40	$15.00
3 Yards-Per Lift	$16.33	
4 Yards-Per Lift	$19.86	
6 Yards-Per Lift	$25.76	
8 Yards-Per Lift	$31.65	

GENERAL FEES-CONTINUED

		Proposed	
Change from Regular Cart to Bear Cart		$47.16	
New or Additional Cart:	Regular Cart	$65.00	
	Bear Cart	$107.00	
Cleaning of Carts:	1st Cart	$13.00	
	Additional Cart	$9.00	each
Delivery Fee-Change out 300g thru 8Yd		$30.00	not applicable to new construction
Damaged Containers:			
Standard Cart		$101.00	
Bear Cart		$180.00	
300 Gal		$510.00	
1Yd to 8Yd Refurbished		$455.00	
Bear 1 Yd - 8 Yd		$755.00	

Extra Pick-ups charges will be waived for two weeks after December 25 for residential pickups.

Extra collection charges for garbage outside of containers, special pickups, and cleaning of carts are charged the cost of collection billed to the City plus a $1.00 administration fee. The $1.00 is included in the rates.

Montana Waste Systems bills customers directly who have compactors and cardboard recycling

Grass clippings need to be bagged and placed in cart - up to 3 bags only (single carts not 300 gal)

All overnight or weekly residential rental units shall be charged at commercial rates.

Change from regular cart to bear cart, delivery fee for change out 300g thru 8yd, and damaged containers will be assessed the charge of the cost to the city plus a $5.00 admin fee. The $5.00 fee is included in the rates.

mess certain times of the week and he asked how they control that. Manager Stearns said that is in the next resolution and contract. They have to clean up their collection sites as part of the contract.

Deputy Mayor Muhlfeld opened the public hearing.

Richard Hildner, 104 E. 5th Street, said he approves because it is fair to share the fixed costs.

No one else wished to speak and Deputy Mayor Muhlfeld closed the public hearing.

Councilor Kahle asked what the base rate is and what it covered. Finance Director Knapp said the lowest and most common base rate for water is $21, sewer $17.20, and garbage $8.50 for a total of $46.70. The base rate varies on size of meter and number of lift stations. The base rate is charged regardless of use, so if the customer has no use for a month, their bill will still be a minimum of $46.70. Public Works Director Wilson said there was a specific analysis to determine the fixed costs. Councilor Kahle agreed with Richard Hildner that they need to cover the fixed costs. Councilor Mitchell asked and Director Knapp said he didn't know how Columbia Falls or Kalispell break down their base rate. He said Flathead Electric is about $21 for their base rate on electric use.

Councilor Friel asked and Rose Elliott, City of Whitefish Utilities Services Supervisor, said Columbia Falls has a tiered system based on usage. She said Kalispell has a flat rate plus usage. In Columbia Falls they can turn off the water, but Kalispell does not. The base rate for Clyde Park, MT with 4,000 gallons of water usage is $52. The City of Whitefish is low based on 4,000 gallons. She said this will also reduce staff work load for utility billing. Director Wilson said he has tried to get another water clerk for the last three years because they have a lot of work for two people. He said this will make the system more manageable for the staff. Councilor Friel agreed that this was a sensible way to be equitable for all customers.

Councilor Friel offered a motion, seconded by Councilor Kahle, to approve Resolution No. 11-51; A Resolution establishing a year round, monthly base rate for all customers of city water, wastewater, and garbage collection services. The motion passed unanimously.

6b. Resolution No. 11 - 52; A Resolution approving a five year contract with Montana Waste Systems, Inc., d/b/a North Valley Refuse for solid waste collection and disposal and establishing a garbage collection fee schedule (p. 27)

Assistant City Manager/Finance Director Knapp passed out a new resolution because the contract in the packet wasn't the final contract from Montana Waste Systems, Inc. because their lawyer had a few small issues with the contract. This resolution authorizes the City Manager to finalize the final details. He reported that in May 2004, the City moved from collecting solid waste in house to contracting with Montana Waste Systems Inc. (MWS); however the billing remains in house. Staff looked into bidding out the solid waste service, only to discover pursuant to Public Service Commission's regulations for service area, the only other potential bidder, Evergreen, was several miles too far away. The only competition is the City.

The new five year MWS contract major changes include the following:

1. No fee increase until October 2012,

2. Customer is charged garbage even if the customer's water/sewer is turned off. (MWS does not prorate or cease any charges to the city)
3. Cost increase is established at 3% annually.
4. No charge for public unit street cans on Central Avenue & downtown area.
5. MWS establishes new fees for delivery, damaged carts and cardboard special pickup.
6. Also, since we are not turning off garbage billing, MWS agrees to waive the extra garbage charge for two weeks after Christmas each year so the snowbirds who are visiting their house for holidays could put out extra garbage (present boxes, etc) at holidays in return for the months they are billed for no pickups. This benefit would apply to all residential pickups as well. He said Roger, with Montana Waste Systems was in the audience to answer questions if they had any.

The proposed contract (Exhibit "1") and exhibits are included in the packet.

Solid Waste-Collection Fees

Some garbage fees were never identified in our fees charged to residents, the schedule in the packet lists out the fees with some changes. A 3% increase, starting October 2012, will result in about a 25 cent residential increase each year of the contract. Current residential is $8.50, Oct 2012-$8.75, Oct 2013-$9.00, Oct 2014-$9.25, and Oct 2015-$9.50. A 3% increase will have a greater effect on commercial due to higher rates.

Councilor Friel said it might be a good idea to let the public look at the contract since they just received the new resolutions.

Deputy Mayor Muhlfeld opened the public hearing.

Richard Hildner, 104 E. Fifth Street, said this is also fair and equitable. He said on page 57, Exhibit A, page 8 of 26 item 5 has a word missing. Manager Stearns said Finance Director Knapp will address it on the next agenda item. Councilor Mitchell said it was his understanding that the 3% increase would come before the Council each year. Finance Director Knapp said it isn't set up that way now. Other Councilors said they also remembered that as what they requested in a work session.

No one else wished to speak and Deputy Mayor Muhlfeld closed the public hearing.

Councilor Mitchell asked and Rodger Bridgeford, Montana Waste Systems, Inc. said they adjusted fees—they raised some and lowered some to encourage people to use larger containers to reduce MWS trips. Mr. Bridgeford explained that they charge fees for collection, transportation and container maintenance; this enables them to pass affordable rates on to the customers in rural areas. Councilor Mitchell asked if there is a way to promote recycling. Mr. Bridgeford said they collect three times/week at the recycling sites, but if they have a problem they'll get out there and clean it up within a few hours. Councilor Kahle asked how close they are to having recycling at individual homes. Mr. Bridgeford said the transportation costs are a large deterrent and they can't find a recovery place for glass. He said they do good curbside recycling of cardboard. Manager Stearns said it is an additional cost because it is a separate truck. Mr. Bridgeford said it is $4.00/month for bi-weekly pick-up. Manager Stearns said they received several emails about garbage pick-up and the base rate. Those were handled out to the Council at the work session today. Finance Director Knapp said the contract currently says there will be a 3% increase every year. Councilor Mitchell clarified that senior rates remain discounted. He asked and Finance Director Knapp said the 3% increased is built into the

contract. Councilor Mitchell said if the City is doing well with cash and can pay it with cash he doesn't want to see them increase the fee by 3% annually. The rest of the Council indicated agreement.

Councilor Mitchell offered a motion, seconded by Councilor Friel, to approve Resolution No. 11 - 52; A Resolution approving a five year contract with Montana Waste Systems, Inc., d/b/a North Valley Refuse for solid waste collection and disposal and establishing a garbage collection fee schedule. The motion passed unanimously.

6c. Resolution No. 11-_____; A Resolution adopting updated Rules and Regulations for the city's water, wastewater, and garbage utility (p. 48)

Assistant City Manager/Finance Director Knapp reported that staff went through the Utility Rules and Regulations and identified several areas that need updating. The main changes dealt with location of meters and refunding deposits. Some updates relate to the proposed year round base rate, some from billing changes made in the August 15 Council Meeting, and some are new recommendations from staff. He said the Council was handed a new page 8 with amendments including the correction Richard Hildner mentioned earlier. Deputy Mayor Muhlfeld asked about the location of meters and Rose Elliott, City Utilities Services Supervisors, said since 9/11, Homeland Security did a vulnerability test and one of the vulnerabilities is the water structure issue. Meters are supposed to be in meter pits outside the home. It is safer and also allows easier access for staff. It will be phased in with new construction and replacement of water lines. Deputy Mayor Muhlfeld asked and Supervisor Elliott said individuals pay about $1200 for the replacement and repair costs for the meter and the plumber. Manager Stearns said they've been implementing this already and some people have been angry. For someone it resulted in $2000 in costs. He wondered if it was an absolute requirement of Homeland Security. Ms. Elliott said she believes it is. He also wondered if the meter was bad could they replace the existing meter inside. Ms. Elliott said if only the meter is broken then the owner can just replace the meter. Councilor Askew asked about #5 on page 14 of 26, which says that "Meters can be moved at the discretion of the City staff at the cost of the resident." She said some of the older meters are in pits the staff can't get to and the lines are pretty deteriorated. Public Works Director Wilson said some of the older meters are in crawl spaces under old homes and it isn't safe or convenient. It impedes safety and accessibility. Deputy Mayor Muhlfeld said they should get a definite answer from the Homeland Security. Councilor Mitchell said it is a large expense for homeowners so he wants to be sure it is required. Councilor Hyatt asked if there was consensus to move this to the next meeting so they could address wording and determine the Homeland Security Issue.

Councilor Friel moved, seconded by Councilor Hyatt, to table the resolution updating Rules and Regulations for the city's water, wastewater, and garbage utility to the November 3 meeting. The motion passed unanimously.

7. COMMUNICATIONS FROM CITY MANAGER

7a. Written report enclosed with the packet. Questions from Mayor or Council? (p. 76)

Councilor Mitchell asked and City Manager Stearns said Grouse Mountain Lodge had just recently joined the WCVB.

7b. Other items arising between October 12th and October 17th

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, by expenditure category and commodity and service group

(1982-84=100, unless otherwise noted)

Item and group	Relative importance, December 2011	Unadjusted indexes		Unadjusted percent change to Dec. 2012 from—		Seasonally adjusted percent change from—		
		Nov. 2012	Dec. 2012	Dec. 2011	Nov. 2012	Sep. to Oct.	Oct. to Nov.	Nov. to Dec.
Expenditure category								
All items	100.000	230.221	229.601	1.7	-0.3	0.1	-0.3	0.0
All items (1967=100)	-	689.639	687.782	-	-	-	-	-
Food and beverages	15.256	234.742	235.230	1.8	.2	.2	.2	.2
Food	14.308	234.896	235.390	1.8	.2	.2	.2	.2
Food at home	8.638	232.295	232.901	1.3	.3	.3	.3	.2
Cereals and bakery products	1.242	267.817	268.057	.8	.1	.4	.3	.2
Meats, poultry, fish, and eggs	1.960	232.303	232.262	1.5	.0	.8	-.1	.0
Dairy and related products [1]	.916	218.921	219.443	.5	.2	.8	.8	.2
Fruits and vegetables	1.287	284.367	288.516	1.8	1.5	.6	.2	.6
Nonalcoholic beverages and beverage materials	.961	168.222	168.204	-.2	.0	-.3	.5	.2
Other food at home	2.272	204.531	204.626	2.0	.0	-.1	.4	.1
Sugar and sweets [1]	.307	212.272	213.265	1.1	.5	-.2	-1.2	.5
Fats and oils	.263	231.588	231.540	1.7	.0	-.1	.8	.0
Other foods	1.703	216.748	216.708	2.2	.0	-.1	.6	.1
Other miscellaneous foods [1 2]	.627	128.936	129.455	2.5	.4	-.4	.4	.4
Food away from home [1]	5.669	240.038	240.359	2.5	.1	.1	.1	.1
Other food away from home [1 2]	.361	167.835	167.816	2.3	.0	.2	.2	.0
Alcoholic beverages	.948	231.178	231.572	1.9	.2	-.1	.2	.4
Housing	41.020	223.814	224.032	1.7	.1	.2	.3	.1
Shelter	31.539	258.999	259.298	2.2	.1	.3	.2	.1
Rent of primary residence [3]	6.485	263.365	264.098	2.7	.3	.4	.2	.2
Lodging away from home [2]	.749	132.399	129.021	.7	-2.6	.5	-1.0	-.9
Owners' equivalent rent of residences [1 3 4]	23.957	267.099	267.480	2.1	.1	.2	.2	.1
Owners' equivalent rent of primary residence [1 3 4]	22.543	267.073	267.454	2.1	.1	.2	.2	.1
Tenants' and household insurance [1 2]	.348	132.468	133.852	3.4	1.0	.2	.5	1.0
Fuels and utilities	5.372	217.964	218.496	.4	.2	.4	.7	.4
Household energy	4.216	187.141	187.642	-1.1	.3	.4	.8	.4
Fuel oil and other fuels [1]	.343	335.075	335.590	-1.4	.2	1.1	.3	.2
Energy services [3]	3.873	187.359	187.880	-1.1	.3	.3	.9	.4
Water and sewer and trash collection services [2]	1.156	192.921	193.237	5.7	.2	.4	.4	.4
Household furnishings and operations	4.109	125.500	125.202	.0	-.2	-.1	.4	-.2
Household operations [1 2]	.727	155.921	156.143	2.2	.1	-.1	.4	.1
Apparel	3.562	129.573	125.656	1.8	-3.0	.7	-.6	-.1
Men's and boys' apparel	.855	122.155	118.525	2.2	-3.0	-.5	.8	-.2
Women's and girls' apparel	1.507	117.143	111.974	1.0	-4.4	1.7	-1.4	-.6
Infants' and toddlers' apparel	.201	121.410	119.652	1.4	-1.4	.8	-1.7	.4
Footwear	.678	135.849	133.908	4.4	-1.4	.7	.1	.4
Transportation	16.875	214.525	211.853	1.6	-1.2	-.1	-2.6	-.6
Private transportation	15.694	209.745	206.874	1.5	-1.4	-.3	-2.8	-.8
New and used motor vehicles [2]	5.651	99.645	99.743	-.1	.1	-.5	-.1	.0
New vehicles	3.195	144.762	145.181	1.6	.3	-.1	.2	.0
Used cars and trucks	1.913	145.862	145.234	-2.0	-.4	-.9	-.5	-.4
Motor fuel	5.463	299.777	287.408	1.7	-4.1	-.6	-7.3	-2.3
Gasoline (all types)	5.273	298.131	285.606	1.7	-4.2	-.6	-7.4	-2.3
Motor vehicle parts and equipment [1]	.438	148.509	148.761	.9	.2	-.1	-.1	.2
Motor vehicle maintenance and repair [1]	1.155	258.943	258.845	1.3	.0	.2	.1	.0
Public transportation	1.181	272.244	273.364	2.4	.4	1.7	.8	1.0
Medical care	7.061	418.653	418.654	3.2	.0	.0	.1	.1
Medical care commodities [1]	1.716	334.285	332.684	1.7	-.5	.0	-.4	-.5
Medical care services	5.345	445.278	445.955	3.7	.2	.0	.3	.3
Professional services	3.005	344.158	344.409	1.9	.1	.0	.1	.2

See footnotes at end of table.