

**WORDEN BALLANTINE YELLOWSTONE CO.
WATER & SEWER DISTRICT**

P.O. BOX 217 • WORDEN, MONTANA 59088 • 406-967-2550

NOTICE OF WATER RATE INCREASE AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on April 12, 2021, the Board of Directors (the "Board") of Worden/Ballantine Yellowstone County Water and Sewer District, Montana (the "District"), adopted a Resolution of Intention of the Worden/Ballantine Yellowstone County Water and Sewer District, Montana to Increase Rates for the Users of the Water System; and Calling a Public Hearing Thereon.

The District is undertaking improvements to its water system (the "System") consisting of a multi-phase project to provide new source water to the District, generally consisting of drilling a series of new vertical wells, connecting the new wells with the existing distribution system, adding a redundant water main line from Ballantine into Worden, and related improvements (the "Project"). The Project is expected to cost approximately \$4,844,000 and costs of the Project and associated financing costs are expected to be paid from proceeds of a special assessment bond to be issued by the District in an aggregate principal amount of \$850,000, proceeds of one or more revenue bonds to be issued by the District in the aggregate principal amount of \$1,771,000 (the "Revenue Bond"), a USDA Rural Development grant in the amount of \$2,119,000 and amounts the District has on hand and available therefor in the amount of \$104,000.

It will be necessary for the District to collect sufficient revenues to repay the Revenue Bond, to pay the costs associated with the operation and maintenance of the System, and to establish appropriate reserves.

The District utilizes an equivalent dwelling unit methodology for imposing rates and charges, which is based on the size of the water meter serving each connection. A ¾ inch service, which is the standard service for single family residential users, equals 1 Equivalent Dwelling Unit (EDU). The District currently charges a monthly base rate of \$37.43 per EDU, which includes 2,000 gallons of water usage per month. In addition, the District charges users of the System a monthly usage fee of \$3.25 per 1,000 gallons of water or portion thereof used over 2,000 gallons per user per month. The current monthly charge is equal to the base rate plus the usage fee.

Effective as of the June 2021 billing, the Board proposes to increase the current base rate from \$37.43 per EDU to \$49.43 per EDU, which includes 2,000 gallons of water usage per month, as follows:

<u>Meter Size</u>	<u>Proposed Base Rate per EDU</u>	<u>EDUs</u>	<u>Proposed Base Rate by Meter Size</u>
¾"	\$49.43	1.00	\$ 49.43
1"	\$49.43	1.79	88.48
1 ½"	\$49.43	4.00	197.72
2"	\$49.43	7.14	352.93

2 ½"	\$49.43	11.16	551.64
3"	\$49.43	16.00	790.88
4"	\$49.43	28.57	1,412.22

The current usage fee will remain in effect.. The proposed monthly charge would be equal to the proposed base rate plus the usage fee.

The proposed base rate represents an increase of approximately 32% over the current base rate.

At least once each year the Board of Directors of the District shall determine the amount of user fees that will be required to pay the costs of operating and maintaining the System, paying principal of and interest on any outstanding debt of the System and the establishing and maintaining of any reserves therefor.

On Monday, May 17, 2021, commencing at 7:00 p.m. at the V.F.W. located at 2445 Main Street, in Worden, Montana, the Board will conduct a public hearing on the proposed water rate increase. Further information about the proposed rate increase may be obtained from Sandy Kust, Certified Water and Distribution Operator, at 2449 Main Street, Worden, Montana 59088, or by telephone at (406) 967-2550.

Dated: April 12, 2021.

BY ORDER OF THE BOARD OF DIRECTORS
OF THE WORDEN/BALLANTINE
YELLOWSTONE COUNTY WATER AND
SEWER DISTRICT, MONTANA

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