

Town of Clyde Park
Public Hearing – Proposed Water Rate Structure Changes
November 12, 2025, Immediately following PER presentation (approx. 8:00 p.m.)
Clyde Park Town Hall & via Zoom

Call to Order – Public Hearing

Mayor Wiley reconvened and opened the public hearing on the proposed changes to the Town's water rate structure, noting this was the first public hearing and that a second hearing and possible adoption would occur at the December 10, 2025 council meeting.

Staff Presentation – Proposed Rate Structure: Clerk/Treasurer Stacy Mills

Stacy shared a slide presentation titled "**Town of Clyde Park – Water Rate Hearing**"

Current Rate Structure

- Base Rate (¾" meter – most residential):
 - Includes 4,000 gallons
 - \$77.91/month
- Overage Charge:
 - \$1.92 per 1,000 gallons above 4,000 gallons
- Well-Lot Fee (properties inside town limits not on city water):
 - \$19.43/month

Proposed Changes

- Base Monthly Charge remains \$77.91 for ¾" meters.
- Base Gallons reduced to either:
 - 3,000 gallons or 2,000 gallons (Two options presented for council/public input.)
- 1½" meters: base gallons reduced from 16,000 to 13,000 gallons.
- Overage Rate increased to either:
 - \$5.00 per 1,000 gallons, or \$7.00 per 1,000 gallons, above base.
- Well-Lot Fee increased from \$19.43 to \$23.00/month.

Stacy noted these changes are structured as an approximate 20% decrease or increase in included gallons or fees, rather than an across-the-board base-rate hike.

Usage Analysis – October 2025

Residential usage for **October 2025** (¾" meters):

- At **3,000 gallons**:
 - **67.46%** of residents used **less than 3,000 gallons**
 - **32.54%** used **more than 3,000 gallons**

Annual Usage (Nov 2024 – Nov 2025)

- At **3,000 gallons**:
 - **61.59%** used **less than 3,000 gallons**
 - **38.41%** used **more than 3,000 gallons**
- At **2,000 gallons**:
 - **40.24%** used **less than 2,000 gallons**

- **59.76%** used **more than 2,000 gallons**

Stacy concluded that **most Clyde Park households are low-to-moderate users**; a change in structure ensures these customers are not subsidizing very high users.

Example Bills – 3,000 Gallon Base

(³/₄" meter, base \$77.91, base gallons 3,000)

- Up to 3,000 gallons: \$77.91/month (no change).
- 4,000 gallons:
 - At \$5/1,000 over: \$82.91
 - At \$7/1,000 over: \$84.91
- 6,000 gallons:
 - At \$5/1,000 over: \$92.91
 - At \$7/1,000 over: \$98.91
- 10,000 gallons:
 - At \$5/1,000: \$112.91
 - At \$7/1,000: \$126.91

Example Bills – 2,000 Gallon Base

(³/₄" meter, base \$77.91, base gallons 2,000)

- Up to 2,000 gallons: \$77.91/month.
- 3,000 gallons:
 - At \$5/1,000: \$82.91
 - At \$7/1,000: \$84.91
- 10,000 gallons:
 - At \$5/1,000: \$117.91
 - At \$7/1,000: \$133.91

Projected Annual Revenue (Approx.)

Current projected approximated annual water revenues (per budget): \$179,820.

- Option – 3,000 gallon base
 - \$5 overage: ≈\$190,772
 - \$7 overage: ≈\$195,152
- Option – 2,000 gallon base
 - \$5 overage: ≈\$196,542
 - \$7 overage: ≈\$203,231

Stacy explained that the additional revenue would be used to fund operations, maintenance, debt obligations, and reserves, without increasing the base rate for low-use households.

Rationale

- Keeps base rate at \$77.91, which protects low-use customers.
- Aligns bills with actual usage and supports fairness and conservation.
- Helps fund existing water loans, future loan payments for system improvements identified by Great West, and required reserves.

- Ensures water rate revenue can fully support the water system .

Public Comment – Water Rate Structure

Mayor Wiley opened the floor for public comment. Key themes:

Base Gallons – 3,000 vs. 2,000

- Shonna Hillman: Stated that 2,000 gallons is not enough for even a small household. Expressed support for keeping the base at 3,000 gallons.
- **Karalee** (online): Thanked the Town for not raising the base rate. Agreed with keeping 3,000 gallons and favored the lower \$5 overage to keep bills as low as possible.

Overage Rate – \$5 vs. \$7

- Several commenters supported starting with \$5 per 1,000 gallons rather than \$7, noting many residents are already facing multiple cost increases.

Purpose of the Increase / Prior Loans & Reserves

- Zach asked what is driving the need for additional revenue: Is it current operational deficit, saving for future expansion, or catching up on prior under-funding?
- Stacy explained:
 - The Town has two existing water loans (approx. \$800,000 and \$400,000).
 - For many years there were no water rate increases (about 15 years), and during that time only interest was paid; principal was not significantly reduced.
 - Recent increases (from \$58 to \$65, and then to \$77.91) were necessary to become eligible for grants and to begin catching up.
- Angela Koch asked whether the current 20% structural adjustment fully accounts for the “gap” from the prior 15 years without increases, and whether future increases would be smaller.
 - Stacy responded that recent increases have significantly improved the Town’s position and that future adjustments are expected to be smaller and more regular, but that actual future increases will be decided each year according to need and by the council using rate analysis tools.

Affordability & Past-Due Bills

- Angela asked what percentage of accounts are generally past due.
- Stacy and LuAnn estimated about 3% of accounts are significantly behind, with some others struggling and paying partial amounts.
- Stacy emphasized Council has tried to find a “happy medium” between system needs and residents’ ability to pay; the structural change is designed so customers can manage usage to control bills.

Water Loans & Historical Under-Funding

- Sean Jones expressed concern upon hearing the amount of principal that had been paid.
- Council Member Roger Chandler explained that for years, because rates were not increased, water revenues were consumed by operating expenses, and funds that should have gone toward principal were instead covering inflation-driven O&M costs, contrary to self-funding requirements.

Tiered Overage Idea

- **Christine David** suggested a **multi-tiered overage** (e.g., \$4 for the first 2,000 over, \$7 for the next 1,000, \$9 thereafter) to more strongly target very high users.

- Stacy acknowledged the idea and said it is **interesting but more complex**; current proposal is a simpler single overage rate. She noted state law requires a **new resolution of intent** and public process for different rate structures; detailed tiering may be considered in a future round.

Letters/Comments submitted in Writing

- A written comment from Wes and Penny Johnson was read into the record. Their letter argued, among other points, that:
 - Clyde Park has “the highest rates in Montana,”
 - They stated that reducing base gallons is effectively a 25–50% increase for some users,
 - The increase in well-lot fees is unfair to those who were once required to drill their own wells,
 - New development should pay its full share of infrastructure and impacts.
- Craig Erickson and Stacy responded in part that:
 - Other communities (e.g., Cascade and some water districts) have higher base rates and/or average bills than Clyde Park.
 - The well-lot fee has not been increased in many years and reflects fire protection and system benefits for those inside town limits.

Council Comments

- Several council members expressed that they:
 - Reluctantly support adjustments because of the system’s needs, debt load, and funding requirements.
 - Appreciate focusing increased costs on higher-use customers, not those using under the base.

4. Closing the Public Hearing

With no further comment after three calls, Mayor Wiley:

- Closed the public comment period for the water rate structure hearing.
- Noted that no action would be taken at this meeting.
- Stated that the second public hearing and possible adoption of the rate structure changes would occur at the December 10, 2025 council meeting.
- Invited additional written comments to be submitted to Town Hall or by email prior to that meeting; all such comments will be provided to council.

A brief recess was taken before reconvening the regular council meeting.