

NOTICE OF CITY OF THOMPSON FALLS PROPOSED WATER RATE INCREASES AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on May 18, 2026, the City Council (the "Council") of the City of Thompson Falls, Montana (the "City"), adopted its Resolution No. **868** of its Intention to Increase Rates and Charges for the Users of the Water System.

The City currently owns and operates a drinking water system (the "Water System") and imposes a monthly rate charge on all connections to the Water System (the "Water Monthly Rate Charge"). The costs of the Water System covered by the Monthly Rate Charges are the amount necessary to pay the costs of operating and maintaining the Water System, to pay the principal of and interest on any outstanding or authorized debt of the Systems and to establish and maintain any reserves and other debt service requirements.

The current Water Monthly Rate Charge is as follows:

RESIDENTIAL:

Base rate is \$42.75, with 2,000 gallons included.
Charge \$1.50 for each 1,000 gallons used per month after 2,000 gallons per month.

COMMERCIAL:

Current base rate is \$42.75, with 2,000 gallons per month included.
Charge \$1.50 for each 1,000 gallons used per month after 2,000 gallons per month.

VACATION:

Vacation Rate--\$32.75 a month after bill showing zero usage.

The monthly minimum charge is determined by multiplying the monthly base rate by the EDU Multiplier associated with the water meter size for the property (the same multiplier as currently used for sewer) as follows:

Meter Size	Multiplier
3/4"	1
1"	1.79
1 1/2"	4
2"	7.14
3"	16
4"	28.57

The proposed new Monthly Rate Charge for the Water System is proposed as follows:

RESIDENTIAL:

Base rate is \$60.63, with 2,000 gallons included.
Charge \$1.50 for each 1,000 gallons used per month after 2,000 gallons per month.

COMMERCIAL:

Current base rate is \$60.63, with 2,000 gallons per month included.
Charge \$1.50 for each 1,000 gallons used per month after 2,000 gallons per month.

VACATION:

Vacation --\$32.75 a month after billing showing zero usage.

The reason for the proposed increase in the Water Monthly Rate Charge is that the City will need to borrow approximately \$1,933,000 payable over 40 years at 3.125% interest as part of the City's portion of the construction costs of the Water Project, and the costs of operation the City's Water System. The debt service coverage requirements for such loan repayment and reserves will be approximately \$132,769 per year and the expenses for that Water System, including operation and maintenance are estimated at \$627,587.88 per year. These increased obligations amount to a monthly base rate increase of \$17.88 per month per equivalent dwelling unit.

On **June 15, 2026 at 6:00 PM at 410 Golf Street, Thompson Falls, Montana**, the Council will conduct a public hearing on the proposed water rate increase. Comments may be given orally at the hearing or submitted in writing to the address below before 3:00 PM on the date of the hearing.

Further information about the proposed rate increases may be obtained by contacting Kelliann Barton, City Clerk/Treasurer, P.O. Box 99, Thompson Falls, MT 59873, phone (406) 827-3557.

Done by Order of the Council of the City of Thompson Falls, Montana, this 18th day of May, 2026.

Kelliann Barton, City Clerk/Treasurer

MNAXLP