

WATER RATE INCREASE PUBLIC HEARING NOTICE

Attention Water District Customers:

This letter is to inform you that, unwillingly, the Seeley Lake Water District will be implementing a significant rate increase by January 1, 2025.

As you all know Pyramid Mountain Lumber (the Mill) shut down in the fall of 2024. This has and will have substantial impacts on everyone in our community. Unfortunately, the Mill closure will also impact the Water District's monthly income, as the Mill consumed approximately 20% of all the water we produced, every month.

What does this mean? In discussions with the Mill, they will be shutting off city water around the end of 2024. At that point the Water District will have to find a way to make up for that lost income. The Mill's water consumption was great for the income side of our budget, but now we will have a big gap between our income and expenses. The production of that water is not the expensive part of the Water District operation. All the other line items such as daily operating expenses, maintenance, insurance, bookkeeping, wages, etc. are fixed costs that will not reduce in situations such as this. These costs cannot be reduced, nor will they go away. The only way to close the gap between expenses and income is to raise the monthly water rates.

We will continue the process of reviewing our budget and operating expense to see if there is anything we can do to ease the burden to our customers. However, the Water District is a non-profit organization and is therefore required to run on a tight budget. Unfortunately losing \$50,000 - \$60,000 of annual income is not easy to offset. Our only option is to raise the base charged monthly. This would equate to a monthly increase of \$12 for a residential meter. For larger meters the increase will vary according to size.

We are doing everything we can to figure out a way to deal with this loss, and will continue to do so. We wanted give you as much notice as possible of the substantial impact that the Mill closure will have on us, so that the increase does not come as a shock when it is implemented.

The Water District will be holding a public hearing regarding this water rate increase **on November 6, 2024 at the Community Hall, 3248 Highway 83, Seeley Lake, MT** and will begin at **6:00pm**, Mountain Time. If you have any questions, please call Vince Chappell at 406 677-2559. You can also stop by the office any time at 281 Rice Ridge Road, Seeley Lake, MT 59868.

The district's regular October board meeting has been rescheduled to November 6th at the Community Hall, directly after the public hearing.