

Evergreen Water and Sewer District 1

Rate Increase Frequently Asked Questions

1. Why are Water & Sewer rates increasing?

The District does not make a profit, but it must pay its expenses. The District is subject to the same inflationary cost increases as its customers and must pass those increases on in the form of rate increases. The primary reasons that rates are increasing are:

- System age and capital improvements – The District has, in the past, not invested in upgrading its water and sewer equipment. The time has come to repair and replace many components of its systems and the District has begun several capital projects to ensure that it can continue providing a safe water supply. Since the Covid pandemic, construction costs have approximately doubled.
- Utility cost increases related to inflation – the District experiences the same cost increases as its customers.
- City of Kalispell sewer rates and surcharges – The District pays the City of Kalispell to treat its wastewater and is bound by the rates for treatment that Kalispell charges.
- Third-party maintenance company cost increases – the District's cost of maintenance services provided by external organizations have approximately doubled in the past couple of years.
- Unfunded state and federal mandates such as lead and copper identification and compliance, PFAS monitoring requirements, and increased water quality monitoring requirements. The District is required by the federal government to conduct specific testing with its own funds.

2. What capital projects has the District been working on or recently completed?

- Steel water tank refurbishment – the District completed the refurbishment of the original steel water tank from the 1960's. This was necessary to meet regulatory requirements and was significantly less expensive than constructing a new tank.
- Sewer pump station improvements – due to the age of equipment and lack of bypass pumping capability, the District is upgrading its three largest sewage pump stations, including the main pump station, which pumps all the District's wastewater to the City of Kalispell's treatment plant.
- Inflow and infiltration (I&I) reduction – ground water and stormwater that enters the District's sewer system increases its treatment costs. The District is continuing to identify facilities under the influence of I&I and eliminate major contributors. The current project replaces 18 compromised manholes in high groundwater areas.

- New instrumentation and monitoring system – this project replaces an aging system that is now obsolete.
- New water supply wells – two new large capacity wells have been added to the District's water system to provide for increased water demand in Evergreen.
- Building and staff expansion

3. How much are rates increasing?

For most customers, the Water base rate is increasing by \$3.34 and the per 1000 Gallon rate is increasing by \$0.50.

For most customers, the Sewer base rate is increasing by \$2.15 and the per 1000 Gallon rate is increasing by \$1.44

4. How are the rate increases calculated?

Like most Water and Sewer utilities, the District uses a third-party engineering firm expert to determine the precise amounts that it must increase rates to maintain its operation while not generating a profit. All facets of the operation are examined, including day-to-day costs, capital improvement needs, debt service, and future needs.

5. How do the proposed rate increases compare to neighboring communities'?

- a. Please refer to the Rates & Policies section under the Customer Service drop-down menu on our website to see how the District's rates compare to neighboring communities.

6. Does the Evergreen Water and Sewer District receive tax money to fund its operation?

Unlike other municipalities, the District does not receive property tax revenue to fund its operation. The District relies on its rates and fees to operate.

7. What actions is the District taking to control its costs?

The District has successfully applied for several grants and low-interest loans totaling over \$6 million dollars and qualified for \$850,000 in loan forgiveness to fund its capital projects.

Energy efficiency rebates from Flathead Electric and Bonneville Power have been applied for and received.

A leak detection program has been implemented to identify locations of water loss in the District's water system, thereby reducing energy (pumping) costs.

Inflow and infiltration (I&I) is being addressed to reduce excess water entering the sewer system, thereby reducing treatment costs.

Several budgetary reviews have been conducted to reduce day-to-day expenditures as much as possible.

The District's staffing has been re-structured to reduce cost by retaining individuals who are skilled at identifying areas in which the District can operate more efficiently.

New fees for developers have been added to pay for the increased load on the systems.

8. How do customers keep Water and Sewer bills as low as possible?

Here are the District's recommendations on how you, the customer, can minimize your bill:

- Reduce your water use, both indoors and outdoors. (See *TIPS* on our website, evergreenwaterdistrict.com. Call us with questions at 406-257-5861.) You pay for water when it comes into your house and sewer when it goes out. Don't let the faucets or sprinklers run needlessly.
- Consider low-flow toilets and shower heads. Consider low water-use appliances.
- Check for leaks in your toilet, faucets, and outdoors. A leaky toilet can really run up your bill.
- Call the office at 406-257-5861 if you have concerns about your bills or questions about your usage. The State of Montana no longer has financial assistance for low-income water and sewer customers. We will try to work with you to make sure you can handle your water and sewer bill in these challenging times.