

****ATTENTION****

The City Council meeting will be held in a hybrid format that may include both in-person AND virtual attendance via Zoom. Unless they have cause to appear virtually, Councilmembers will attend the meeting in person in Council Chambers, second floor of City Hall, 220 N. 27th Street. In order to honor the Right of Participation and the Right to Know in Article II, Sections 8 and 9, of the Montana Constitution, the City of Billings and City Council are making every effort to meet the requirements of the open meeting laws.

Citizens are invited to:

- Review the Agenda Packet on the City's website at: www.billingsmt.gov and click on "Your Government," "City Council," and "Agendas & Minutes".
- View the meeting:
 - On Community 7 TV - Channel 7 or Channel 507 -- Spectrum Cable. *(On evenings when there is a conflict with School District No. 2 Board meetings, the City Council meeting will be broadcast on Channel 8 - Spectrum Cable.)*
 - Online at www.comm7tv.com and click on the "Watch Live" icon. Community 7 also has links to their Facebook page and YouTube channel.
 - On the City's website at www.billingsmt.gov and click on "Watch Meetings Online" on the homepage.
 - In-Person.
 - Virtually via Zoom (see the link below).

Citizens may submit public comment via the following methods:

- Mail: City Clerk, P.O. Box 1178, Billings, MT 59103
- Email: Council@billingsmt.gov.
 - Emails received after 3:00 PM on the day of the meeting, may be posted on the Council's webpage the following day for public viewing.
- Attend the meeting in person.
- Attend the meeting virtually through Zoom by entering the Webinar ID and Passcode indicated below. Click on *Zoom Meeting Instructions* and *Zoom Hybrid Meeting Details* below for more information. The link will allow you to attend, view and participate in the meeting on your computer, laptop or smart phone. (You must have the Zoom App on your device [Click Here to Download Zoom App](#)) To provide public comment at the appropriate time, click on the "raise hand" icon located at the bottom of the screen and the moderator will unmute your device.
 - **Don't have a smart phone, computer or laptop?** That's okay -- you can attend a Zoom meeting using your **landline phone**. Call the Zoom phone number, 1.253.215.8782 to join the meeting and follow the operator's instructions. Want to give public comment? Simply "*raise your hand*" by pressing *9 and the moderator will give you permission to speak when it is your turn. **Note this is a long distance toll number and charges may apply depending on your plan.*
- Click Here for [Zoom Meeting IDs and Passcodes](#)
- Click Here for [Zoom Meeting Instructions for Attendees \(as guests\)](#)

Please contact Denise Bohlman, City Clerk, at bohlmand@billingsmt.gov, or at 406.657.8210, with any questions.



VISION STATEMENT:
"The Magic City: A diverse,
welcoming community
where people prosper and
business succeeds."

WORK SESSION AGENDA

COUNCIL CHAMBERS

APRIL 17, 2023

5:30 P.M.

CALL TO ORDER: Mayor Cole

PUBLIC COMMENT ON ALL ITEMS. This is the time to comment on any matter (Agenda or Non-Agenda) falling within the scope of the Billings City Council. There will also be time in conjunction with each agenda item for public comment relating to that item. You may only speak once for each item during the meeting.

Please note, the City Council cannot take action on any item of significant interest to the public that does not appear on the agenda. Comments are limited to three (3) minutes during each public comment period or as set by the Mayor. **Speaker sign-in required.** Please sign the roster at the cart located at the back of the Council chambers or at the podium.

Mayor's Statement Regarding Settlement of Franchise Fee Lawsuit.

1. **Safe Routes to School, Phase II.**
(Presented by: Elyse Monat, Active Transportation Planner)
-Public Comment
2. **CDBG and HOME Budget Allocation Action Plan.**
(Presented by: Brenda Beckett, Community Services Manager)
-Public Comment
3. **Water and Wastewater Rates Study.**
(Presented by: Jennifer Duray, Public Works Deputy Director)
-Public Comment
4. **2023/24 City Council Priorities Discussion.**
(Presented by: Chris Kukulski, City Administrator)
-Public Comment
5. **Legislative Session updates.**
(Presented by: Chris Kukulski, City Administrator)
-Public Comment
6. **Highlight Upcoming Agenda Items of Council Interest.**
(Presented by: Chris Kukulski, City Administrator)
-Public Comment

COUNCIL DISCUSSION:

PUBLIC COMMENT on "NON-AGENDA ITEMS". Speaker Sign-in required. *(Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium.)*

ADJOURN:

Note:

- This meeting is an "informal" meeting of the City Council. The content of the Agenda is subject to change at the meeting.
- In the event there is a Closed Executive Session, the sole purpose is to discuss litigation strategy. The other parties to the case(s) discussed are not public bodies or associations as described in Section 2-3-203(1) and (2), MCA. The meeting is closed, as allowed by Section 2-3-203(4) (a), MCA, "to discuss a strategy to be followed with respect to litigation when an open meeting would have a detrimental effect on the litigating position" of the City of Billings.

City Council Work Session

Date: 04/17/2023
Title: Safe Routes to School Phase 2 Mid-Plan Presentation
Presented by: Elyse Monat
Department: Planning & Community Services
Presentation: Yes
Legal Review Not Applicable

RECOMMENDATION

This is a presentation only. No action is needed on this item at this time.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The Billings-Yellowstone County Metropolitan Planning Organization (MPO) is conducting a Safe Routes to School Plan, Phase 2. Sanderson Stewart was hired to complete this plan. The plan considers concerns and opportunities along students' routes to school at a variety of schools including Billings Public Schools Middle Schools and private and county schools within the Billings Urbanized area that serve elementary students or middle school students. The plan also includes two private high schools. The plan will recommend safety improvement projects to make routes to school safer and create walking route maps for the schools. Please see below for the complete list of schools.

This is a mid-way presentation on the plan designed to keep the Council informed of progress on the plan. Presentation topics will include information about the plan's timeline, public outreach, data collection, and work that will happen in the coming months including the development of walking route maps, analysis of potential Rural Special Improvement Districts, and more. The presentation will also include a brief demonstration of how to use the online interactive map and survey. The interactive map will remain open for comments until the end of May 2023.

Sanderson Stewart will return to present the final results of the plan to the Council as part of the plan adoption process later this summer. At that time, the Council will be asked to forward a recommendation for plan adoption to the Policy Coordinating Committee.

Schools included in the plan include:

- Ben Steele Middle School
- Billings Central Catholic High School
- Billings Christian School Elementary Campus
- Billings Christian School High School Campus
- Castle Rock Middle School
- Elysian School
- Grace Montessori Academy
- Independent Elementary School
- Lewis & Clark Middle School
- Lockwood Schools Campus
- Medicine Crow Middle School
- Mount Olive Lutheran School
- Pioneer Elementary School
- Riverside Middle School
- St. Francis Catholic School
- Sunrise Montessori
- Will James Middle School

ALTERNATIVES

This is a presentation only. No action is required at this time.

FISCAL EFFECTS

There are no fiscal effects as this is a presentation only.

City Council Work Session

Date: 04/17/2023
Title: Review of Annual Action Plan including CDBG & HOME Budget Allocations for FY23-FY24
Presented by: Brenda Beckett
Department: Planning & Community Services
Presentation: Yes
Legal Review No

RECOMMENDATION

No action is expected as this is a Work Session and City Council is scheduled to act on this item at its meeting on April 24. This is an informational item.

City staff and the Community Development Board are recommending the Council at its April 24 meeting conduct a public hearing and approve the FY2023-2024 Annual Action Plan and budget allocations for Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) program. The allocations are outlined below and fully described in the Fiscal Effects section of this memo. FY2023-2024 Budget Recommendation Priorities Budget recommendation priorities and estimates for the City's core programs:

- Administration at maximum caps, 20% of CDBG (\$124,784) and 10% of HOME (\$37,809). Funding is reserved for administrative costs including technology and phone charges, duplication, publication of notices, motor vehicle costs, liability insurance, staff time; etc. Staff time is tracked drawn for actual time dedicated to administration (Attachment D).
- CDBG totaling \$63,000 to compliment the AmeriCorps Volunteers in Service to America (VISTA) program. This allocation leverages \$361,527 in grant funds from the Corporation for National and Community Service.
- No additional funding is recommended for allocation to the First Time Home Buyer program (The City currently has over \$500,000 in CDBG and HOME resources dedicated to the program)
- Affordable Housing Development would include the required 15% minimum allocation in new HOME funding for Community Housing Development Organizations (\$56,713), HOME totaling \$683,563, and CDBG totaling \$286,134 (A total of about \$1 million).

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

Funding Source and Intent: The City of Billings has been a recipient of U.S. Department of Housing and Urban Development (HUD) CDBG funds since the mid-1970s and HOME funds since the early 1990s (nearly \$50 million). Investments in CDBG and HOME have generated nearly \$10 million in loan repayments since 2001. Projects, programs, and activities funded through CDBG and HOME are regulated and monitored by the federal government and must be primarily targeted to address community affordable housing for low-income citizens and poverty-impact needs in Billings.

Guidance & Recommendations Process: The Community Development Board provides staff guidance relative to assessment, planning, allocation, monitoring, and reporting processes for HUD federal funding. The Board is composed of six low-income neighborhood representatives and three at-large members. The Board also has a City Council Liaison - currently Council Member Joy. This composition complies with a federal regulation to ensure decision-making processes include involvement from residents of low-income neighborhoods. The Board is also responsible for making funding recommendations to the City Council for its review and approval.

Planning Process: The Consolidated Plan is the primary planning document directing the City's CDBG and HOME investments and it covers a five-year period from July 1, 2020 through June 30, 2025 (Attachment A). The Annual Action Plan for FY2023-2024 (attached draft) is the fourth year in the Consolidated Plan's five-year process (Attachment B).

Allocation Process: To allocate CDBG and HOME resources via the Consolidated Plan, the Community Development Division staff and Board members facilitate an extensive process to gather public input on the use of federal funds. Applications for carrying out the programs identified in the Consolidated Plan were available at the beginning of December and due in mid-January. Staff presented its plans for application of the program funds to the Community Development Board and recommendations were prepared for City Council consideration. The Staff facilitated a 30-day public comment period, the City Council will take action on April 24, and the Annual Action Plan

will be submitted to HUD by May 15.

STAKEHOLDERS

1. **Program Recipients** - The City serves low-income households through a variety of affordable housing programs such as housing development, home buyer, and foreclosure acquisition / rehabilitation programs. Full descriptions of available programs can be found online at www.BillingsMT.gov/comdev.
2. **The Community Development Board** - As an advisory body to the City Council, the Board provides detailed oversight to both the CDBG and HOME programs throughout the year. The Board also facilitates a public input process to prepare recommendations for the City Council consideration. Six of nine total Community Development Board members are representatives of low-income neighborhoods either by residence or task force delegation, ensuring low-income citizen involvement of planning and allocation processes.
3. **Non-Profit Organizations** - Community organizations serving those experiencing poverty are supported by the Billings Metro VISTA Project. AmeriCorps VISTA members assist in the provision of social services to those in need.

ALTERNATIVES

At its Regular Business Meeting on April 24, the City Council may:

- Hold a public hearing and approve the Annual Action Plan, and the allocation of CDBG and HOME funding as recommended by Staff and the Community Development Board.
- Hold a public hearing and approve the Annual Action Plan and the allocation of CDBG and HOME funding based on alternative funding amounts as determined by the City Council.
- Not hold a public hearing and not approve the Annual Action Plan and the allocation of CDBG and HOME funding and refuse to undertake CDBG and HOME activities. This action would place the City in jeopardy of not receiving HUD funding for its CDBG and HOME programs.

FISCAL EFFECTS

Anticipated Revenues: The City of Billings will receive \$623,918 in new CDBG and \$378,085 in HOME funding allocations for use in affordable housing and other projects benefiting low-income residents for FY2023-2024 (Attachment C). Funding recommendations include loan repayment revenue from programs such as First Time Home Buyer and Housing Rehabilitation. The Corporation for National and Community Service has awarded the City of Billings \$361,527 in federal funds to support the Billings Metro VISTA Project contingent on the City's CDBG allocation supporting the program.

Allocation Compliance: Proposed allocations are consistent with the goals and priorities of the approved five-year Consolidated Plan for the use of CDBG & HOME resources in Billings. Allocation recommendations conform to pre-determined spending requirements on several categories including: CDBG and HOME administration caps (maximum of 20% and 10% of new funding respectively); public service caps (up to 15% of new CDBG funding); and Community Housing Development Organization set-aside for affordable housing development (minimum 15% of new HOME funding). Changes creating non-compliance with federal spending requirements would place the City's entitlement status for federal funds at risk. Non-federal funding repayment is required for noncompliant project, program, and activity expenditures. The allocation of funding is restricted by eligibility requirements for CDBG and HOME and must meet pressing citywide community needs as identified in the Consolidated Plan; affordable housing, housing choice, and poverty-impact. HUD policy prohibits the use of federal funds to supplant local government funds on projects communities typically underwrite, regardless of whether federal grant dollars are available.

FY2023-2024 Budget Recommendation Priorities

Budget recommendation priorities and estimates for the City's core programs:

Administration at maximum caps, 20% of CDBG (\$124,784) and 10% of HOME (\$37,809). Funding is reserved for administrative costs including technology and phone charges, duplication, publication of notices, motor vehicle costs, liability insurance, staff time; etc. Staff time is tracked drawn for actual time dedicated to administration (Attachment D).

CDBG totaling \$63,000 to compliment the AmeriCorps Volunteers in Service to America (VISTA) program. This allocation leverages \$361,527 in grant funds from the Corporation for National and Community Service.

o Provide resources to nonprofit organizations to undertake poverty-impact activities and to support the low-income individuals and families they serve.

o Focus areas include education, healthcare, food security, economic opportunity, housing, financial literacy, and others.

No additional funding is recommended for allocation to the First Time Home Buyer program (The City currently has over \$500,000 in CDBG and HOME resources dedicated to the program)

- o Promote financial security, home equity, housing self-sufficiency, housing and neighborhood quality and stability.
- o Increase minority homeownership, promote equal access and opportunity, and decrease segregation citywide.
- o Improve affordable housing opportunities for the elderly, persons with disabilities, and other special populations.
- o Reduce predatory lending through education and standardized procedures.

Foreclosure Acquisition / Rehabilitation would be funded at \$200,000.

- o Mitigate the negative community impact of vacant, foreclosed properties.
- o Improve affordable housing quality, condition, safety, livability, and accessibility.
- o Stabilize property values in neighborhoods with existing vacant, foreclosed homes.
- o Eliminate the potential for crime related to existing vacant, foreclosed properties.

Affordable Housing Development would include the required 15% minimum allocation in new HOME funding for Community Housing Development Organizations (\$56,713), HOME totaling \$683,563, and CDBG totaling \$286,134 (A total of about \$1 million).

- o Expand access and availability of decent, affordable housing citywide.
- o Improve the physical quality of affordable housing.
- o Foster suitable living environment and quality of life through the improvement of physical conditions including infrastructure for housing projects and housing development.

Ensuring Timeliness: Initial budget allocations may be changed to facilitate close- and shovel-ready priorities to assist the City in maintaining compliance with commitment and expenditure deadlines. This includes all repayment funding received during the program year from loans issued through programs such as First Time Home Buyer, Housing Rehabilitation, Affordable Housing Development, etc.

SUMMARY

City staff and the Community Development Board have made recommendations for CDBG and HOME budgets and the Annual Action Plan is ready for Council adoption on April 24. The City Council will conduct a public hearing and consider public input received during the 30-day comment period and the public hearing at the April 24 meeting, and make a final decision on the Annual Action Plan and accompanying CDBG and HOME budget.

Attachments

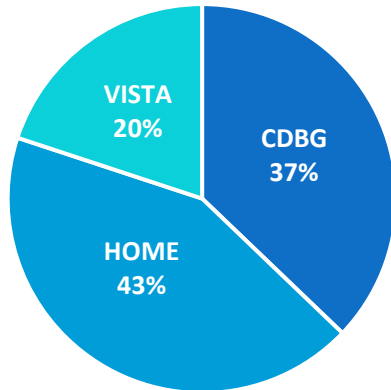
CD Recommendation for Revenue
FY2023-Fy2024 Annual Action Plan Draft
FY2020 - FY2-24 Consolidated Plan
ComDev_Time_Tracking_and_Draw_Procedures
Allocation and Funding History

COMMUNITY DEVELOPMENT DIVISION
Final Revenue & Recommended Budget FY2023-2024

	CDBG	HOME	Totals
New HUD Entitlement Grant	623,918	378,085	1,002,003
Current Year Repayment Revenue	50,000	400,000	450,000
Total Available	673,918	778,085	1,452,003

Funding Recommendations

Programs	CDBG	HOME	Totals
CDBG Administration (20% Cap New \$)	124,784	-	124,784
HOME Administration (10% Cap New \$)	-	37,809	37,809
Set-Aside for CHDOs (minimum 15% New \$)	-	56,713	56,713
VISTA Administration (Public Service)	63,000	-	63,000
First Time Home Buyer Program	0	0	0
Foreclosure Acquisition Rehabilitation	200,000	-	200,000
Affordable Housing Development	286,134	683,563	969,697
Allocated	673,918	778,085	1,452,003



Total CD New \$ Budget	
Funding Source	Budget
CDBG	\$673,918
HOME	\$778,085
VISTA	\$361,527
Direct \$85,000 / CNCS Support \$276,527	
Total Budget	\$1,813,530

**Continue close- and shovel-ready allocations*

Affordable Housing Development Current Allocations	CDBG	HOME	Total
FY2022-2023	143,830	519,975	769,900
FY2021-2022 & 2022-2023 CHDO	-	106,095	



Annual Action Plan FY2023-2024

DRAFT

Community Development Division
2825 Third Avenue North
Billings, Montana 59101
www.BillingsMT.gov/comdev
406.657.8281 TTY711



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Section I: Executive Summary

Introduction

Five-year Consolidated Plans and one-year action plans are required by the United States Department of Housing and Urban Development (HUD) for the City of Billings to receive funding through the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs (HOME). The City's five-year [Consolidated Plan for FY2020-2024](#) identifies activities to be carried out from July 1, 2020 through June 30, 2025 to address priority needs in the community and serves as a guiding document for the use of the City's CDBG and HOME funding.

This one-year Annual Action Plan addresses priority needs and outlines the use of the City's CDBG and HOME funding for activities to be carried out from July 1, 2023 to June 30, 2024. Plans should be submitted to HUD 45 days prior to the start of the City's program year start date: July 1.

Focused on CDBG and HOME activities, the Consolidated and Annual Action Plans combine the planning and application requirements for the CDBG and HOME programs. Consolidation of the submission requirements for the CDBG and HOME programs allows program planning and citizen participation to take place in a comprehensive context covering both programs. The CDBG and HOME programs covered by the Consolidated Plan have three basic goals:

- **To provide decent housing**, including maintaining the affordable housing stock in the community; increasing the availability of permanent housing that is affordable to low-income households without discrimination; increasing support of housing that enables persons with special needs to live independently; and assisting homeless persons to obtain affordable housing.
- **To provide a suitable living environment**, including improving the safety and livability of neighborhoods; increasing access to quality facilities and services; reducing the isolation of low-income households within areas by de-concentrating housing opportunities and revitalizing deteriorating neighborhoods; restoring and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons; and conserving energy resources.
- **To expand economic opportunities**, including creating jobs accessible to low-income individuals; providing access to credit for community development activities promoting long-term economic and social viability; and empowering low-income persons living in public and federally assisted housing to achieve self-sufficiency.

All activities undertaken by the City utilizing CDBG and HOME funding must primarily benefit low-income persons. The strategies described in the Consolidated and Annual Action Plans outline a specific course of action for the community's housing and community development activities. The plan builds on local assets to meet the needs of the community and sets forth goals, objectives, and performance measures to ensure progress in achieving the strategies described herein.

Pandemic Response

The Community Development Division spearheaded new initiatives in response to worldwide and national pandemic variant surges. Several pandemic projects and programs were funded:

- **The Salvation Army:** Funding was allocated to increase food service by 20 percent through the mobile meals program.
- **Downtown Billings Improvement District:** Funding was allocated to procure and install a public handwashing and restroom facility in an area facilitating use by people who are experiencing homelessness.
- **Parks Improvements:** A number of improvements within low-income area neighborhoods parks were funded to specifically address pandemic concerns, including touchless bathroom features. Other improvements were designed to provide suitable outdoor fitness and create spaces to support social distancing. Other projects include ADA improvements, playground equipment, ensuring airflow exchange in a community building, and the installation of adult exercise equipment to encourage physical activity and social distancing outdoors.
- **Fast-Track Public Services:** The Community Development staff and the Community Development Board also recommended implementing a fast-track public services application process, which was approved by the City Council at the end of December, 2021. The streamlined procedure accommodated applications from social service agencies to prevent, prepare for, and respond to the coronavirus. Several organizations were funded to provide social services, including mental health care, substance abuse services, homeless programs, and programs benefitting children www.BillingsMT.gov/CDBGcvfast.
- **Alternatives, Inc.:** \$47,000 in CDBG funding is being used to strengthen information technology and app development to provide mental health treatment options, at a distance, to low-income clients. The ability to provide distance services will protect both the clients and Alternatives staff from the spread of the coronavirus. According to the City's pandemic needs assessment, one in two survey respondents experienced higher levels of stress, and one in five respondents expressed mental health care as a primary need.
- **Boys & Girls Club:** \$140,000 in CDBG funding was used to renovate an insufficient front reception area at the Boys & Girls Club in order to provide room for social distancing.
- **Billings Public Schools:** \$313,300 in CDBG funding will be used to replace an insufficient HVAC system at Washington Elementary School to improve indoor air quality and ventilation. Improvements to public health will prevent spread of coronavirus to ensure the building's continued usefulness during an outbreak. The Delta variant significantly impacted children attending school in Billings and accelerated the spread of the coronavirus across the city.

Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

According to the City's most recent Consolidated Plan, the most significant housing issues in Billings include housing cost burden, the availability of affordable housing, and equal opportunity in homeownership for minority households.

- **Housing Cost Burden:** Over 80% of low-income households have been paying 30-50% or more of their income for housing costs. Minorities are disproportionately impacted by housing cost burden including Black / African American, Asian, Native American, and Hispanic families.
- **Affordable Housing Availability:** Housing affordability and availability are the most significant factors in limiting housing choice for both renters and homeowners. While there are an adequate number of housing units in Billings to accommodate the population, there is a housing deficit of over 4,700 units for households with incomes less than 30% of the AMI. According to HomeFront, the local public housing authority and formerly the Housing Authority of Billings, there were also over 5,500 households on waiting lists for public housing. Over 2,000 people were waiting for single-person housing.
- **Homeownership and Opportunity:** Racial and ethnic minorities have a lower homeownership rate than the White population (67%) in Billings. The Black cohort has the lowest homeownership rate at 16% followed by Native Americans at 31%. Thirty-three percent of the Hispanic cohort are homeowners.

The City's goals are to: create, preserve, and expand affordable housing options; promote neighborhood revitalization through foreclosure program; to impact poverty; and to prepare for, respond to, and prevent the coronavirus. Outside of pandemic-impact projects and activities, the City will continue to offer programs on a citywide basis to ensure equal opportunity in all Billings neighborhoods:

- **First Time Home Buyer** - Promote financial security, home equity, housing self-sufficiency, housing and neighborhood quality and stability; increase minority homeownership, promote equal access and opportunity, and decrease segregation citywide; improve affordable housing opportunities for the elderly, persons with disabilities, and other special populations; and reduce predatory lending through education and standardized procedures.
- **Affordable Housing Development** - Expand access and availability of decent, affordable housing citywide; improve the physical quality of affordable housing; and foster suitable living environment and quality of life through the improvement of physical conditions including infrastructure for housing projects and housing development.
- **Foreclosure, Acquisition, Rehabilitation** - Mitigate the negative community impact of vacant, foreclosed properties; improve affordable housing quality, condition, safety, livability, and accessibility; stabilize property values in neighborhoods with existing vacant, foreclosed homes; and eliminate the potential for crime related to existing vacant, foreclosed properties.
- **Billings Metro VISTA Project** - Provide resources to nonprofit organizations to undertake poverty impact activities and to support the low-income individuals and families they serve; and focus areas include education, healthcare, food security, economic opportunity, housing, financial literacy, and others.

Evaluation of past performance

An evaluation of past performance that help the City choose goals or projects.

Performance on past goals and projects has been adequate and progress on goals is summarized below.

- **Create, preserve, and expand affordable housing options:**
 - **Affordable Housing Development:** The C & C Community, a resident owned manufactured housing project, completed infrastructure improvements in 2021. Sixty households have benefitted from this project. Work pending on the project includes updated fencing to be completed in 2023.
 - **First Time Home Buyer:** In FY2021-2022, the City provided assistance to 27 households and did not meet the Annual Action Plan goal of 35 households. As predicted, the number of available affordable homes has significantly declined as families from across the nation relocate to Montana and this has significantly impacted sales. The City will continue this program to ensure families can purchase their first homes, although partial funding may be diverted to assist with other close- and shovel-ready projects.
- **Neighborhood revitalization:**
 - **Foreclosure Acquisition / Rehabilitation Program:** A contract was completed to reconstruct one single-family home on the Steffanich property in the Billings Heights. Construction will be completed in 2023.
- **Impact poverty:**
 - **Billings Metro VISTA Project:** Full-time AmeriCorps members have been working on poverty-impact programs this fiscal year. They focus on expanding services for the homeless and special needs populations: Healthcare; Food Security; Education; Employment; Financial Literacy; and Housing. Host Site Recruitment has declined, as many agencies expressed hesitation to take on new initiatives with changing organizational needs and services in response to the coronavirus pandemic. VISTA Member recruitment has slowed somewhat due to job market availability for recent graduates.
- **Pandemic Response:** Progress in pandemic projects is described in the Executive Summary and include: food distribution; downtown handwashing / restroom facility; park improvements; and public services to assist those impacted by the pandemic including mental health care, substance abuse services, homeless programs, and child services to date.

Summary of citizen participation process and consultation process

91.200(b)

Summary from citizen participation section of plan.

Citizen participation is the foundation of housing and community development programs. The City of Billings has adopted a *Citizen Participation Plan* which is implemented during Consolidated and Annual Action Plan processes to ensure active participation by residents and affiliate organizations. The City has also adopted a *Language Assistance Plan* to ensure meaningful access to program information and equal opportunity for persons with hearing impairment and limited English proficiency. Both plans can be found online at www.Billingsmt.gov/CDreports.

The Citizen Participation Plan describes public access and engagement through public comment periods, public hearings, published notices, online and hard copy access to documents, and access for the disabled and limited English proficiency. The Plan also details the public decision-making processes via the Community Development Board and the Billings City Council.

Criteria for amending the Consolidated and Annual Action Plans includes substantial changes; *the creation of any new program, project, or activity to be funded or carried out under the City's CDBG and / or HOME programs*. All substantial changes to the Consolidated and Annual Action Plans must meet demonstrated need substantiated by HUD-approved data sources. Minor amendments include the *expansion of an existing program, project, or activity funded or carried out under the City's CDBG and / or HOME programs*. Minor changes must also meet demonstrated need by HUD-approved data sources.

In the event of a pandemic or other infectious disease, the City may alter public participation to include social distancing, virtual attendance, and other forms of virtual participation in lieu of, or in addition to, efforts described in the Citizen Participation Plan. The City may also implement shorter public comment periods as allowed by HUD. As per federal regulation, the City of Billings may publish its application for CDBG-CV funds for no less than five calendar days to solicit public comments.

Summary of public comments

Brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The FY2023-2024 Annual Action Plan's public comment period began on March 25 and ended on April 24, 2023. A public hearing was held on April 24, 2023 during the Billings City Council meeting to accept public comments on the Annual Action Plan and Community Development Board recommendations for funding allocation. To facilitate an open public involvement process, the public hearing was available live and remains available on demand at the www.comm7tv.com website and also on Community 7's public Facebook page at www.facebook.com/comm7tv.

Public Comment & Hearing: Comments are summarized in the Appendix.

Summary of comments or views not accepted and the reasons for not accepting them

All comments are taken into consideration during the development of the Annual Action Plan.

Summary

Pending...

Section II: The Process

PR-05 Lead & Responsible Agencies

24 CFR 91.200(b)

Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

The City of Billings - Community Development Division staff is responsible for preparing the Consolidated Plan and administration of CDBG and HOME grant programs.

Agency Role	Name	Department/Agency
CDBG Administrator	City of Billings	Community Development Division
HOME Administrator	Brenda Beckett, Division Manager	

Table 1 – Responsible Agencies

Consolidated Plan Public Contact Information

Brenda Beckett, Community Development Manager
Community Development Division, 2825 3rd Avenue North, Suite 610, Billings, MT
Phone: 406-657-8286 (TTY 711)
Email: beckettb@billingsmt.gov
Web: www.Billingsmt.gov/comdev

AP-10 Consultation

91.100, 91.200(b), 91.215(l)

Introduction

Several organizations in the community are involved in affordable housing and community development-related activities in Billings and are asked to comment on the Consolidated and Annual Action Plans. The continued cooperation of these organizations in pursuing affordable housing for the community is required to meet the Consolidated Plan goals. Consultations include review of the plan with public and private agencies that provide health care, social services, and fair housing education. Populations targeted for consultation include agencies that provide services for children, the elderly, the disabled, minorities, single-headed households, persons with HIV / AIDS and their families, and homeless individuals and families.

The Consolidated and Annual Action Plans are distributed widely during the public comment period and interested persons were invited to attend several staff-facilitated, regularly scheduled meetings to find out more about Community Development initiatives. Routine meetings were facilitated through staff for the Community Development Board; six of the nine total members represent and reside in low-income neighborhoods.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies (91.215(I)).

Public Housing: The City's public housing authority, HomeFront, is primarily responsible for administration of the public housing and Section 8 Programs for the community. HomeFront is a municipal housing authority established under the laws of the State of Montana (*MCA 7-15-44*). Board members for HomeFront are appointed by the Mayor of the City of Billings. The City supports HomeFront and regularly communicates and consults with HomeFront staff on a variety of housing issues. 91.100(c)

Housing Opportunities for Persons with AIDS: Public and private agencies have assisted the City in reviewing the Consolidated Plan. Organizations providing housing, health services, and social services have been involved in planning processes for the homeless and chronically homeless. The City supports the Human Resources Development Council District 7 in their implementation of Housing Opportunities for Persons with AIDS (HOPWA) goals and objectives. 91.100(b)

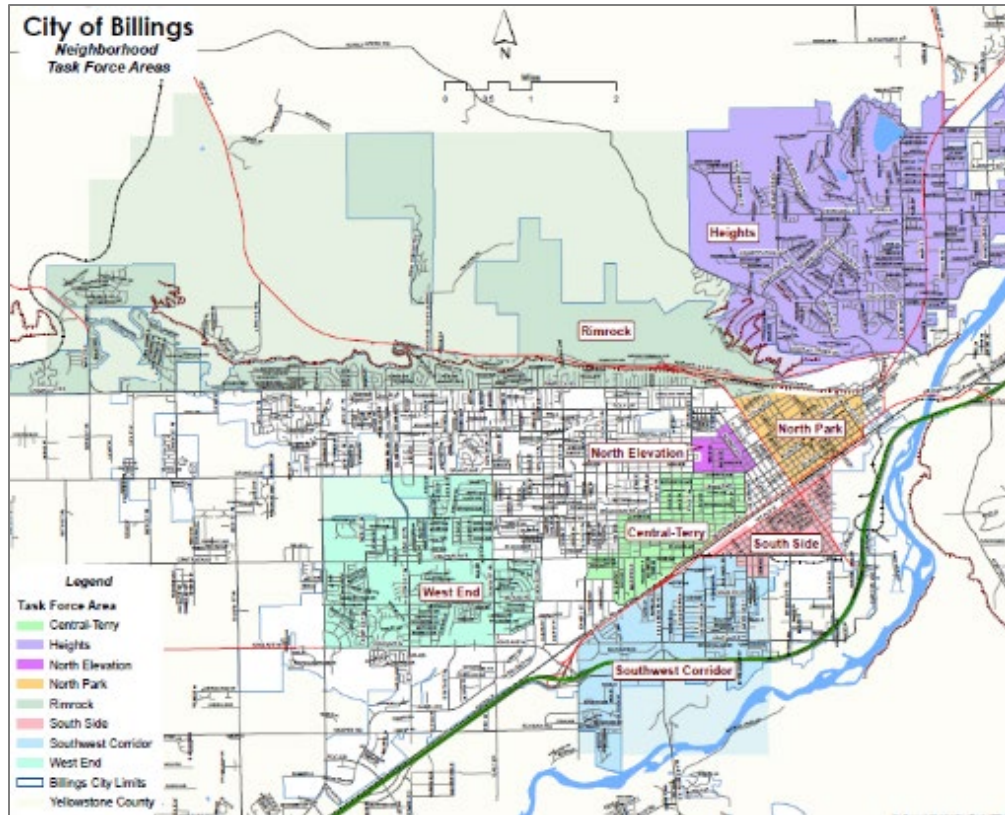
Adjacent Governments: Communication regarding non-housing community development needs is conducted via collaboration through adjacent units of local government including the State of Montana and Yellowstone County. 91.100(a)(4)

Metropolitan Planning: The City of Billings - Community Development Division is included in the Planning and Community Services Department. The department, overall, includes Code Enforcement, and Planning / Transportation (includes the City of Billings and Yellowstone County). These Divisions work internally to implement the Growth Policy, Infill Policy, Transportation Plan and Neighborhood Plans collectively. All City-assisted projects are reviewed for residential access to public transportation and broadband infrastructure. 91.100(a)(5)

Community Development Board: The Community Development Board is a citizen's advisory board consisting of nine members who are appointed by the Mayor of Billings with the consent of the City Council. Six members are appointed to represent low-income neighborhoods of the City as defined by federal regulations for the CDBG program and three members represent the community at large. The Community Development Board makes recommendations to the City Council regarding the Consolidated Plan, the Annual Action Plan, the Citizen Participation Plan, and the CAPER (Consolidated Annual Performance and Evaluation Report). In addition, the Board reviews applications submitted for CDBG and HOME funding to make recommendations to the City Council for approval.

Billings City Council: The *Billings City Council* is the final governmental policy body that reviews and acts on the Consolidated and Annual Action Plans, including the Citizen Participation Plan. Recommendations are presented to the City Council and a public hearing is held. After receipt and consideration of public comments, the City Council can approve proposed plan(s) and funding allocations.

Low-Income and Minority Households: To ensure citizen participation emphasizing the involvement of low-income and minority residents in areas where housing and community development funds may be spent, the City's Community Development Board is comprised of six members representing lower-income neighborhoods. The City's Planning and Community Services Department also continues to coordinate meetings with the Adjacent Neighborhood Committee including those representing the City's low-income areas with high concentrations of minorities.



The City also continues to support the **Adjacent Neighborhood Committee** comprised of Task Force officers who meet quarterly to collaborate. The City also seeks input from low-income neighborhood representatives on housing, neighborhood, and public service activities for the annual allocation process.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

Continuum of Care Funding: Funding is provided to the State of Montana and are distributed by the State to various regions in Montana through the Human Resource Development Councils (HRDCs). A Continuum of Care application is prepared on a statewide basis and the City plays a small role in this process. One or two organizations in Billings may receive Continuum of Care funding, but a very small percentage of the available statewide Continuum of Care funding is allocated to local projects: five to seven percent annually.

The Billings City Council allocated an amount not to exceed \$210,000 to the Yellowstone County Continuum of Care for the FY23 low-barrier winter shelter for one year. The City Council also approved an allocation not to exceed \$76,700 to the Montana Rescue Mission (MRM) to support data entry into the Coordinated Entry system in the Homeless Management Information System (September 26, 2022, City Council meeting minutes).

Billings Metro VISTA Project: To maintain momentum for City's ten-year plan to impact homelessness, the City's Community Development Division created an AmeriCorps Volunteers in Service to America (VISTA) program known as the *Billings Metro VISTA Project*; sponsored by the Corporation for National and Community Service. VISTA members work to create or expand community-based programs, services, and systems that prevent and intervene in homelessness. VISTA members may be supervised by City staff for over-arching, community-wide benefit programs and they can also be supervised by nonprofit organization staff that are spearheading efforts to impact poverty and homelessness.

Statewide Continuum of Care: The Montana Continuum of Care Coalition (MT CoC) is the statewide organization designed to bring homeless service providers together from across the state to identify needs, inventory resources, recognize gaps and prioritize HUD funding as part of a greater planning effort to eradicate homelessness in Montana. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. In 2012, MT CoC restructured to incorporate a Board of Directors to oversee the operations of the coalition. The MT CoC consists of 15 delegates; ten from districts mirroring the same planning districts used by the Montana Department of Health and Human Services and five at-large delegates. The Board of Directors is the decision-making entity for the MT CoC and is responsible for ensuring compliance with the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.

Local Continuum of Care: The South-Central Montana Continuum of Care serves as the City's local Continuum of Care organization. It is a subsidiary of the MT CoC and represents Big Horn, Carbon, Stillwater, Sweet Grass, and Yellowstone counties. The South-Central Montana Continuum of Care collaboratively works to develop, support, and promote a continuum of resources, services, and housing opportunities that prevent homelessness and promote long-term stability.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate Emergency Solutions Grant (ESG) funds, develop performance standards and evaluate outcomes, and develop funding, policies, and procedures for the administration of Homeless Management Information System (HMIS).

The City does not receive ESG funds as an entitlement; these funds are distributed statewide by the Montana Department of Public Health and Human Services through ten HRDCs throughout the state. Therefore, the City does not develop performance standards, evaluate outcomes, or develop funding, policies, or procedures for the administration of HMIS. District 7 HRDC utilizes ESG funding for homeless prevention activities and rapid rehousing. HRDC has received additional HUD Continuum of Care funds for rapid-rehousing homeless families living in shelters.

DRAFT

Describe Agencies, groups, organizations, and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities.

Table 2 – Agencies, groups, organizations who participated in Consolidated Planning

#	Agency/Group/Organization	Type(s)	Consolidated Plan Section(s)	How Consulted / Outcomes
1.	HomeFront	Public Housing Authority; Services - Homeless	Housing Need Assessment; Public Housing Needs; Homeless Needs - Chronically Homeless, Families with Children, Veterans; Homelessness Strategy; Market Analysis; Anti-Poverty Strategy	Email / phone / web retrieval; data exchange for the development of relevant sections
2.	Homeword	Housing	Housing Need Assessment; Market Analysis; Anti-Poverty Strategy	
3.	Rimrock	Housing; Services - Persons with Disabilities	Housing Need Assessment; Homeless Needs - Chronically Homeless; Anti-Poverty Strategy	
4.	Mental Health Center	Housing; Services - Persons with Disabilities	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
5.	Family Service, Inc.	Services - Housing	Housing Need Assessment; Market Analysis; Homeless Needs - Families with Children; Homelessness Strategy; Anti-Poverty Strategy	
6.	District 7 HRDC	Housing; Services - Housing, Children, Persons with HIV/AIDs, Homeless	Housing Need Assessment; Homeless Needs - Chronically Homeless, Families with Children; Homelessness Strategy; HOPWA Strategy; Anti-Poverty Strategy	
7.	Adult Resource Alliance	Services - Elderly Persons	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
8.	Big Sky Senior Services	Services - Elderly Persons	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
9.	Living Independently for Today and Tomorrow	Housing; Services - Persons with Disabilities	Housing Needs Assessment; Market Analysis; Non-Homeless Special Needs	
10.	City of Billings - Planning Division	Local Government; Planning Organization	Housing Needs Assessment; Market Analysis; Economic Development; Anti-Poverty Strategy; Broadband Access; Resiliency	
11.	YWCA Gateway House	Housing; Services - Domestic Violence, Children	Housing Needs Assessment; Market Analysis; Homeless Needs - Families with Children; Anti-Poverty Strategy	
12.	Billings Public Schools	Services - Homeless, Education	Homeless Needs - Families with Children; Anti-Poverty Strategy	
13.	Billings Job Service	Services - Employment	Economic Development; Anti-Poverty Strategy	
14.	Montana Fair Housing	Services - Fair Housing	Housing Needs Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
15.	The Alliance	Health Agency	Non-Homeless Special Needs; Anti-Poverty Strategy	
16.	Montana Department of Commerce	State; Housing	Housing Need Assessment; Market Analysis; Anti-Poverty Strategy	
17.	Billings Public Works Department	Local Government	Non-Housing Community Development Needs	
18.	Billings Police Department	Local Government; Services - Domestic Violence, Homeless	Housing Need Assessment; Anti-Poverty Strategy	

Identify any Agency Types not consulted and provide rationale for not consulting.

The City of Billings staff is not aware of any agency types that have not been consulted in preparation of the Consolidated Plan. City staff contacted many agencies to assist with the development of the Consolidated Plans and has widely circulated information relative to proposed programs and funding allocations to garner feedback. Additional efforts were made during the public comment period to distribute the Consolidated Plan for review and feedback.

Describe other local/regional/state/federal planning efforts considered when preparing the Plan.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Montana State Continuum of Care	Identifies Federal and State resources to impact homelessness.
Growth Policy	City of Billings - Planning Division	Promotes affordable housing and infill development.
Infill Policy	City of Billings - Planning Division	Promotes affordable housing and infill development.
Annexation Policy	City of Billings - Planning Division	Promotes infill development.
Transportation Plan	City of Billings - Planning Division	Improves transit impacting project affordability.
Neighborhood Plans	City of Billings - Planning Division and Neighborhood Task Forces	Guides development efforts in each neighborhood.
Consolidated Plan	Montana Department of Commerce - Community Development	State CDBG and HOME resources may be available to further projects. Consultation and coordination of statewide Analysis of Impediments to Fair Housing Choice.

Table 3 – Other local / regional / federal planning efforts

AP-12 Participation

91.105, 91.200(c)

Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal setting.

Public comments are requested at least 30 days prior to submission of reports required under HUD's Consolidated Plan process. City staff has considered all written comments by citizens, public agencies, and other interested parties prior to submission of its final Consolidated Plan and related reports to HUD and attach a summary of each comment to the final submission. If written comments were not accepted for inclusion in the Plan, City staff has provided written explanation of why those comments were not accepted.

Staff utilizes data-driven analysis processes along with citizen and community participation to establish goals, strategies, and funded activities.

Citizen Participation Outreach			
#	Mode of Outreach	Target of Outreach	Summary of response/attendance
Summary of comments not accepted and reasons: No comments were rejected.			
1	Public Notices	Nonprofit and other organizations with an interest in CDBG and/or HOME funding opportunities, Broad Community	Public Notices to obtain public comment on: performance for the prior program year; current community needs to assist the Community Development Board in designing the application process for the upcoming program year, before the publication of the drafted Annual Action Plan; and the needs of those experiencing homelessness in preparation for HOME-ARP assessment and planning activities. The notices were published through the Yellowstone County News on August 12, 19, 26, 2022.
	The City did not receive public comments.		
2	Public Hearing	Nonprofit and other organizations with an interest in CDBG and/or HOME funding opportunities, Broad Community	Public Hearing on September 12, 2022 to obtain public comment on: performance for the prior program year; current community needs to assist the Community Development Board in designing the application process for the upcoming program year, before the publication of the drafted Annual Action Plan; and regarding the needs of those experiencing homelessness in preparation for HOME-ARP assessment and planning activities.
	The City did not receive public comments.		
3	Public Informational Meeting	Nonprofit and other organizations with an interest in federal funding opportunities, Broad Community	On December 16, 2022, City staff organized a public informational meeting to describe funding opportunities including CDBG and HOME, AmeriCorps VISTA, HOME-ARP, and the Affordable Housing Development program. Invitations were sent to hundreds of community members, social service agencies, etc.
	Twenty individuals attended the meeting including members of the local Continuum of Care, City Council, Social Service organizations, HomeFront - public housing authority, neighborhood task forces, etc.		
4	Public Notices	Nonprofit and other organizations with an interest in CDBG and/or HOME funding opportunities, Broad Community	Public Notices regarding the availability of CDBG and HOME funding were published through the Yellowstone County News on December 16, 23, 30, 2022.
	The City did not receive applications for CDBG or HOME funding.		
5	Public Notices	Nonprofit organizations with an interest in AmeriCorps VISTA funding opportunities, Broad Community	Public Notices regarding the availability of AmeriCorps VISTA resources were published through the Yellowstone County News on December 22, 30, 2022 and January 6, 2023.
	The City received numerous proposals for AmeriCorps VISTA placements for projects designed to impact poverty.		
6	Public Notices	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents	Public Notices regarding the publication of the drafted HOME-ARP Allocation Plan on the City's website, the public comment period from February 25 through March 13, 2023. Notice of the public hearing, to be held during the March 13, 2023, City Council meeting, was published in the Yellowstone County News on February 24 and March 3 & 10, 2023.
	Public comments are summarized in the HOME-ARP Allocation Plan at www.BillingsMT.gov/HOMEarp .		
7	Public Hearing	Nonprofit organizations with an interest in HOME-ARP funding opportunities, Broad Community	Public hearing was held during the City Council meeting on March 13, 2023.
	Public comments are summarized in the HOME-ARP Allocation Plan at www.BillingsMT.gov/HOMEarp .		

Citizen Participation Outreach			
#	Mode of Outreach	Target of Outreach	Summary of response/attendance
Summary of comments not accepted and reasons: No comments were rejected.			
8	Public Notices	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents	Public Notices regarding the publication of the drafted Annual Action Plan on the City's website, the public comment period from March 25 through April 25, 2023. Notice of the public hearing, to be held during the April 25, 2023, City Council meeting, was published in the Yellowstone County News on March 24, 31, and April 7, 2023.
	No responses or comments were received.		
9	Website	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents	The drafted Annual Action Plan was available online, from March 25 through April 25, 2023, for public comment and feedback. Emails were also sent to local nonprofit, healthcare, and housing organizations.
	No responses or comments were received.		
10	Public Meetings	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents	Monthly Community Development Board meetings are open to the public. Meetings are held on the first Tuesday of each month and are advertised
	There were no public comments made during the meetings.		
11	Public Hearing / Public Meeting	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents	The City Council public hearing held April 25, 2023, were streamed live. The videos are available on demand at www.comm7tv.com and www.facebook.com/comm7tv .
	See the appendix for a summary of responses.		

Table 4 – Citizen Participation Outreach

Section III: Annual Action Plan

AP-15 Expected Resources

91.220(c)(1,2)

Introduction

The table below illustrates the CDBG and HOME resources expected for the program year. CDBG administration allocations are capped at 20% of the new CDBG allocation in addition to eligible program income received during the project year. Maximum amounts for public service activities are capped at 15% of the new CDBG allocation and 15% of the previous year's program income. HOME administration activities are capped at 10% of the new HOME allocation and eligible program income received following the required affordability period. Revenue received during a project's affordability period is considered recaptured and may not be used for administration.

Expected revenues from the CDBG program include repayments for funding loaned through the Housing Rehabilitation Loan program and other revitalization efforts. The City expects to receive approximately \$75,000 to \$300,000+ in repayments for the upcoming fiscal year and this funding will be reprogrammed for programs identified herein. The City will not receive proceeds for Section 108 loan guarantees, surplus funds from urban renewal settlements, or float-funded activities. The City allocated all available CDBG program income during the FY2022-2023 fiscal year to meet pandemic community needs and to assist with timeliness.

Revenue expected for the HOME program includes recaptured and program income funding generated by the First Time Homebuyer Loan program. The City expects to receive approximately \$150,000 to \$300,000+ in HOME funding through these venues, and the funding will be utilized to further programs identified in this Plan. City of Billings programs utilize 100% of CDBG and HOME funding to benefit low- to moderate-income households and/or areas. The City may also receive program income attributable to the Neighborhood Stabilization Program and other previously funded federal and state programs.

Routine revenues including program income, recaptured / repaid funds, and re-programmed monies will be utilized for existing and previously approved programs as it is received during each fiscal year. Routine revenues are allocated on a close- and shovel-ready basis to ensure timely commitment and expenditure. These changes are customary and facilitate funding allocations to projects and activities most in demand and do not require a substantial or minor amendment to the Consolidated Plan.

The City was awarded \$1.2 million in HOME-ARP funding through the American Recovery Act. An assessment was designed and conducted in 2022-2023 and the HOME-ARP allocation plan was submitted to HUD by March 31, 2023.

Anticipated Resources

Program	Source of Funds	Expected Amount Available				Expected Amount Available Remainder of Con Plan	Narrative Description
		Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	Public / Federal	\$623,918	\$50,000	\$0	\$673,918	\$0	Entitlement Allocation
	Uses of Funds: Administration, Foreclosure Acquisition / Rehabilitation / Homebuyer Acquisition, New Housing Development						
HOME	Public / Federal	\$378,085	\$400,000	\$0	\$778,085	\$0	Entitlement Allocation
	Uses of Funds: Administration, Homebuyer Acquisition, New Housing Development						

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state, and local funds), including a description of how matching requirements will be satisfied.

The HOME program requires 25% match funding for projects be dedicated from non-federal sources. The City of Billings meets HOME matching requirements through low-interest financing available for First Time Homebuyer Loans issued through the Montana Board of Housing (MBOH) and matching funds provided for other affordable housing projects undertaken with HOME funds, such as private contributions and other local bank financing.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.

The City of Billings does not have plans to use publicly-owned land to address needs identified in the Consolidated Plan and is not required to do so, as per federal regulation.

Requirements set forth in CFR 24 91.220 and 91.520 indicate the City may indicate publicly-owned land or property located within the jurisdiction that may be used to address the needs identified in the Consolidated / Annual Action Plan.

While the City has not dedicated land to the Community Development Division, the Billings City Council supported the Division's housing programs by dedicating nearly \$450,000 in non-federal funds to support Consolidated Plan activities.

AP-20 Annual Goals and Objectives

Projects are funded on a close- and shovel-ready for core programs. An asterisk* indicates activities must be implemented by housing development organizations.

#	Goal Name	Category & Needs Addressed	Outcome	Objective	\$	City Program	Goal Outcome Indicator	One Year Goal
1	Create, preserve, and expand affordable housing options	Affordable Housing	Affordability	Decent Affordable Housing	CDBG \$286,134	Affordable Housing Development	Public Infrastructure: Low-income Housing Benefit	# Households Assisted*
							Rental Units Constructed	4 Housing Units*
							Rental Units Rehabilitated	# Housing Units*
							Homeowner Housing Added	# Housing Units*
					NSP TBD	First Time Home buyer	Direct Financial Assistance to Homebuyers	# Households Assisted
		- Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. - Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs citywide. - Provide affordable financing and support to promote homeownership opportunities citywide.						
		Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b): The City’s intent is to assist # low-income (under 80% AMI) families this fiscal year through the HOME First Time Home Buyer program. Of these households, zero are expected to be extremely low-income.						
2	Neighborhood Revitalization: Foreclosures	Affordable Housing	Affordability	Decent Affordable Housing	CDBG EN \$200,000	Foreclosure Acquisition Rehabilitation	Homeowner housing rehabilitated	1 Housing Unit
							Buildings Demolished	# Buildings
		Revitalize neighborhoods through foreclosure remediation, redevelopment, and infill development.						
3	Impact Poverty	Other: Poverty Impact	Availability / Accessibility	Create Suitable Living Environment	CDBG \$63,000 CNCS pending	Billings Metro VISTA Project	Public service activity for low-income benefit	200 Persons Assisted
					Provide public service activity funding to support the Billings Metro VISTA Project to support local nonprofit organizations expand services for the homeless and special needs populations: Healthcare; Food Security; Education; Employment; Financial Literacy; and Housing.			
HOME Investment Partnerships Program (HOME)			Community Development Block Grant (CDBG)			Corporation for National and Community Service (CNCS)		

Table 6: Goals Summary Information

Introduction

The City of Billings is recommending the following projects for CDBG and HOME funding for FY2023-2024. Revenues received from CDBG, HOME, and other sources will be allocated to current programs under a close- or shovel-ready basis to ensure commitment and expenditure timeliness. The City will be receiving \$623,918 in new CDBG funds and \$378,085 in new HOME funds. CDBG and HOME administration will be funded at the maximum allowable caps (20 and 10 percent, respectively).

CDBG programs will be funded with entitlement and program income funding as follows: \$200,000 to the Foreclosure Acquisition / Rehabilitation program, \$63,000 to the Billings Metro VISTA Project, and all remaining CDBG funding to the Affordable Housing Development program. These funding allocations are subject to the City's standard close- and shovel-ready allocation process. Fifteen percent of new HOME entitlement funding will be dedicated to Community Housing Development Organizations for affordable housing development. All remaining HOME funding would be allocated to the Affordable Housing Development program. These funding allocations are also subject to the City's standard close- and shovel-ready allocation process.

FY2023-2024 Allocations - PENDING COMMUNITY DEVELOPMENT BOARD RECOMMENDATIONS

#	Project Name	CDBG		HOME		CDBG & HOME TOTALS
		EN	PI	EN	PI	
1 & 2	Administration	124,784	0	37,809	-	162,593
3	Foreclosure Acquisition / Rehab	150,000	50,000	-	-	200,000
4	Community Housing Dev Orgs	-	-	56,713	-	1,026,410
	Affordable Housing Devel	286,134	0	283,563	400,000	
5	First Time Home Buyer	0	0	0	0	0
6	Billings Metro VISTA Project	63,000	0	-	-	63,000
TOTALS		623,918	50,000	378,085	400,000	1,452,003

Table 7 – Project Information, Allocations including unallocated program income

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities were established by identifying community needs through the Needs Assessment and Market Analysis:

- **Affordable Housing:** Single- and multi-housing development, First Time Home Buyer, and Foreclosure Acquisition and Rehabilitation.
- **Poverty Impact:** Billings Metro VISTA Project.

Limited funding is the primary obstacle faced by the City in undertaking the activities described in its Consolidated Plan and meeting under-served needs. The Needs Assessment identified the affordable housing needs and conditions of our community. These conditions, particularly the cost burden faced by very low-income renters and homeowners, is difficult to address given existing resources.

#	Project Name	Target Area	Goals / Needs	Funding	Target Date	Estimate # / Type Families Benefitting
1 & 2	Administration	City of Billings	Affordable Housing	CDBG \$124,784 HOME \$37,809	June 30, 2024	Not Applicable
		General grant administration for CDBG and HOME programs.				
3	Foreclosure Acquisition & Rehabilitation	City of Billings	Affordable Housing	CDBG \$200,000	June 30, 2024	1 Housing Unit – Low-Income Household (IDIS Category 10)
		Description: Revitalize low-income neighborhoods through foreclosure remediation, redevelopment, and infill development. Planned Activities: Funding to support the purchase of vacant and foreclosed properties for the purpose of rehabilitation and direct homeownership assistance to income-qualified homebuyers as their primary residence. Properties may also be demolished to make way for new construction of affordable housing. The purpose of the program is to stabilize neighborhoods, stem the decline of house values of neighboring homes due to foreclosure, and to preserve decent affordable housing.				
4	Affordable Housing Development	City of Billings	Affordable Housing	CDBG \$286,134 HOME CHDO: \$56,713 HOME EN: \$283,563 HOME PI: \$400,000	June 30, 2024	4 Household Housing Units Rental Units Constructed (IDIS Category 7)
		Description: Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. Planned Activities: This funding would be utilized to facilitate the development of new affordable housing.				
5	First Time Home Buyer	City of Billings	Affordable Housing	HOME \$0 CDBG \$0 Utilizing Rollover Funding from Last Fiscal Year	June 30, 2024	# Low-Income Households Assisted (IDIS Category 11)
		Description: Provide affordable financing and support to promote homeownership opportunities citywide. Planned Activities: This program provides financial resources to support low-income first-time homebuyers with down payment and closing costs.				
6	Billings Metro VISTA Project	City of Billings	Poverty Impact	CDBG \$63,000	June 30, 2024	# Low-Income Persons Assisted (IDIS Category 3)
		Description: Provide public service activity funding to support the Billings Metro VISTA Project to help local nonprofit organizations expand services for the homeless and special needs populations: Healthcare; Food Security; Education; Employment; Financial Literacy; and Housing. Planned Activities: AmeriCorps members work on poverty impact issues in the community including hunger, homelessness, education, and veterans / military family support. Members are placed at nonprofit organization Host Sites and the City to assist in strengthening services in the poverty-impact service continuum.				
Community Development Block Grant (CDBG) HOME Investment Partnerships Program (HOME)						

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The geographic area served by the Consolidated and Annual Action Plans is defined by the current City of Billings limits. Citation 24 CFR 91.220(f) reads as follows, *“When appropriate, jurisdictions should estimate the percentage of funds they plan to dedicate to target areas.”* Estimating the percentage of funds planned for dedication to target areas is not appropriate for the Billings community due to the following reasons:

- Geographic area is defined by the current Billings city limits.
- Citywide strategies encourage the distribution of resources to support affirmatively furthering fair housing and equal opportunity to avoid segregation in Billings.
- Geographic distribution of investments description includes the focus of resources on a citywide basis to support diversity across the community.
- The City of Billings is classified as a smaller city on a national scale.
- The actual dollar amount planned for allocation to each program is included in this Action Plan.

The City will focus distribution of investments on a citywide basis to support diversity and mixed-income development across the community. Neighborhood Revitalization Strategy Areas **have not been established** in Billings and there is no specific amount of funding allocated for a target area in the City’s geographic distribution of resources. **Therefore, the City plans to dedicate zero percent of funding to target areas in favor of supporting a citywide approach to further fair housing, equal opportunity, and anti-segregation efforts.**

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

Table 6 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The strategies identified in the Consolidated and Annual Action Plans will be addressed on a citywide basis to encourage the distribution of low-income affordable housing and other assistance to lower-income households throughout the community.

Introduction

Planned affordable housing activities for the upcoming year include Foreclosure Acquisition / Rehabilitation, Affordable Housing Development, and First Time Home Buyer. While many of these programs may serve the homeless or special needs households, the programs are not designed to exclusively serve one or more of the following cohorts.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	5
Special-Needs	0
Total	5

Table 7 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	5
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	5

Table 8 - One Year Goals for Affordable Housing by Support Type

Introduction

The City's public housing authority, HomeFront, serves extremely low-income, very low-income, and low-income citizens. HomeFront plans to apply for all grants that will assist the organization in adding units to its existing programs and any programs that complement existing services and are able to be implemented. HomeFront will continue to assess and implement modernization funds to upgrade and restore units, (with sustainability as the priority) and complete energy efficient repairs as needed.

Actions planned during the next year to address the needs to public housing

The City allocated over \$2 million to HomeFront to develop 95 affordable housing units. HomeFront may apply for funding to develop affordable housing through the Affordable Housing Development Program. In the past, the City has granted funds to build new units through the HOME and CDBG programs in neighborhoods where HomeFront property exists. The City has also provided funding for a variety of rehabilitation and new construction projects to neighborhoods that have public housing units in need of upgrading.

The City has helped rehabilitate properties, sold land for new businesses, and granted land to nonprofits to assist with neighborhood revitalization efforts in neighborhoods where HomeFront complexes have been built. The City has provided funding for parks and play areas for the neighborhoods where HomeFront families reside. In addition, the businesses that have moved into areas where HomeFront properties are located have contributed to the economic stability of HomeFront clients. The City's First Time Home Buyer program assists with home ownership down payment assistance and home ownership counseling for clients considering homeownership.

The City coordinates with HomeFront for housing needs assessments, assists in funding new projects when appropriate, and assists with applications for supportive services when called upon.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

HomeFront implements the Family Self-Sufficiency program. This program links participants to community agencies to help them become self-sufficient through individual goal setting. Forty-one households have achieved homeownership through this program to date. Resident councils, an Advisory Board and the Family Self-Sufficiency Panel are involved in providing input on program needs and assisting others to become actively involved in the process. Additional information is included in the five-year plan on file at the HomeFront office.

Each year goes through a process to assess physical needs addressed by tenants through their Resident Advisory Board for the Annual Plan process; comments are also solicited via Resident Council functions throughout the year. These comments, Board participation, tenant commissioners, and Public Housing Administration's daily communications with HomeFront's client base serve to assist in assessing client needs for physical adjustments, security issues, and needed links with the community. The physical needs requests are implemented along with staff recommendations in the Capital Fund planning process.

If the PHA is designated as troubled, describe the way financial assistance will be provided or other assistance

Not applicable. HomeFront is a High Performer for the Public Housing Assessment System (PHAS) and the Section 8 Management Assessment Program (SEMAP). Therefore, a review of troubled status needs is not required as part of the Consolidated and Annual Action Plans.

Introduction

As previously stated in the SP-60 Homelessness Strategy of the [Consolidated Plan](#), the Community Development Division's ongoing activities include:

- Continuing to distribute the City's *Resource Map*, *Notepad*, and the *Veteran's Resource Map*. These documents include comprehensive service directories for anyone seeking assistance.
- To the greatest extent possible, City staff will continue to provide local nonprofit organizations access to AmeriCorps VISTA members through the **Billings Metro VISTA Project** resources. VISTA members may be placed at the City to undertake objective citywide initiatives. VISTA members may also be placed at nonprofit Host Site organizations to work on specific anti-poverty initiatives.

The City does not directly receive Continuum of Care, Emergency Shelter Grant, or other federal funds to exclusively support efforts to impact homelessness. City staff does not provide direct services to those experiencing homelessness.

A network of over 50 local service providers in the community strive to meet the diverse needs of those experiencing homelessness, those who are at-risk of homelessness, and people experiencing poverty. The Mental Health Center manages a Projects for Assistance in Transition from Homelessness (PATH) outreach program to engage those living outside or in areas unfit for human habitation. Tumbleweed runs a Street Outreach program to seek out unaccompanied youth to engage them in services. A complete listing of services, including outreach, is included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Mental Health Center manages the PATH outreach program to engage those living outside or in areas unfit for human habitation. Tumbleweed runs a Street Outreach program to seek out unaccompanied youth to engage them in services. Additional services for the homeless are included in the MA-30 Homeless Facilities and Services section of the Consolidated Plan (www.BillingsMT.gov/ConPlan).

While not funded with federal funds, the City of Billings recently implemented a new Crisis Response Unit (CRU) in partnership with Rimrock Foundation and the Substance Abuse Connect Coalition. The goal is to help people going through a mental health crisis. The CRU team consists of a peer specialist from the Rimrock Foundation, a licensed counselor, and an EMT from the Billings Fire Department. A care coordinator will follow up with the individual for any treatment and recovery support.

Addressing the emergency shelter and transitional housing needs of homeless persons

The shelter needs for those experiencing homelessness in the Billings community are primarily met by the Montana Rescue Mission (MRM). The organization operates a men's shelter and a shelter to serve women and their children. MRM does not seek nor utilize federal funds for its operation. While not funded with federal funds, the City of Billings recently provided a one-year grant to the MRM to implement the Homeless Management Information System (MHIS) and Coordinated Entry System. Several local service providers assist homeless families by providing funding for rent, mortgage, utility, and deposit assistance.

The Community Crisis Center provides crisis intervention, and 23-hour stays as a technique to impact chronic homelessness. The YWCA provides transitional housing for victims of domestic violence. Additional services for the homeless are included in the MA-30 Homeless Facilities and Services section of the Consolidated Plan (www.BillingsMT.gov/ConPlan).

For those living on the downtown streets of Billings, a position was created for an addiction / mental health counselor to accompany two downtown police officers when engaging people living on the streets. This initiative was undertaken as one of the many outcomes from the Community Innovations Summit, which was facilitated by the Community Development Division and the Downtown Billings Alliance. Non-federal funding through the City of Billings has been allocated to support the counselor staff position.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Family Promise of Yellowstone Valley provides emergency shelter to several families at a time in a network of church congregations. The organization also operates a transitional housing program that provides apartments for those who have graduated from the shelter program.

YWCA Gateway House provides housing for female-headed households who have been victims of domestic violence. Additional services provided include case management, mental health treatment, budgeting assistance, and the facilitation of access to benefits. The organization also provides transitional housing and permanent supportive housing.

HRDC District 7 receives Emergency Shelter Grant funds and manages a rapid rehousing program to provide deposit and rent payment assistance to help families quickly regain stability into permanent housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly-funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The City does not receive McKinney-Vento Homeless Assistance Act funds and is not required to develop and implement a Discharge Coordination Policy. The Montana Continuum of Care (MT CoC) for the Homeless Coalition is the state's lead agency for addressing homeless activities and is a statewide collaboration of diverse homeless service providers, nonprofit organizations, and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. The system is established upon community and regionally-based continuum of care systems, which form the statewide coalition and continuum of care process. The City supports the MT CoC in their efforts to establish a Statewide Discharge Coordination Policy.

The City does not receive Emergency Shelter Grant funds. These funds are distributed statewide by the Montana Department of Public Health and Human Services through ten HRDCs throughout the state. The local District 7 HRDC utilizes these funds to support rapid re-housing activities in conjunction with the local shelters.

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Introduction

Barriers to affordable housing are noted in the MA-40 and SP-55 Barriers to Affordable Housing sections of the Consolidated Plan, which can be found online at www.BillingsMT.gov/ConPlan.

Additional barriers have been identified in the City's Analysis of Impediments to Fair Housing Choice, including:

- Concentrations of minorities that would not exist in a free market not distorted by discrimination suggest that Billings has a dual housing market; one for non-Hispanics, Whites and Asians and another for all other minorities.
- Discriminatory real estate industry practices such as racial and ethnic steering distort the free market in housing.
- Discrimination against Latinos in issuing government-backed mortgage and refinancing loans continues unabated in Billings as it does throughout the nation.
- The relatively high cost of housing continues to pose a barrier to fair housing choice in Billings.
- A review of Unified Zoning Regulations and review requirements to foster compliance with fair housing law and to promote inclusionary zoning.
- There is a serious shortage of housing affordable to holders of Housing Choice Vouchers in the areas where the proportion of public-school students from low-income neighborhoods is relatively low.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment.

The City plans on assisting with housing affordability and poverty impact through the following programs:

- Foreclosure Acquisition / Rehabilitation
- First Time Home Buyer
- Affordable Housing Development
- Billings Metro VISTA Project

The City of Billings recently adopted, and has begun implementing, a new zoning code that includes several provisions to expand affordable housing options and choice citywide. [Project Re:Code](#) was a three-year process to modernize zoning codes, diversify neighborhoods, and remove barriers to affordable housing development. The new code allows for smaller, accessory dwelling units to create more compact, affordable housing options in existing residential neighborhoods. With the assistance of AmeriCorps VISTA members through the Billings Metro VISTA Project, the City also built a [new Pattern Guide website](#) to provide guidance to homeowners and small business owners investing in [Billings' First Neighborhoods](#).

In 2019, City officials met locally with several HUD officials from the Office of Fair Housing and Equal Opportunity: Assistant Secretary Anna Maria Farias; Regional Director Amy Frisk; and Enforcement Branch Chief Chris Vogel. After reviewing Project Re:Code, Farias...commended the effort, saying [Project Re:Code] was "very impressive," before adding her thoughts on the importance of zoning codes. "If you are serious about affordable housing, then somebody has to be willing to start talking about zoning." ([Billings Gazette](#))

Introduction

The City's programs have been designed to meet priority needs in the community. However, there is very limited funding coming through the City to meet the needs of local citizens.

Actions planned to address obstacles to meeting underserved needs

The City plans on meeting underserved needs through the following programs:

- **First Time Home Buyer**
 - Promote financial security, home equity, housing self-sufficiency, housing and neighborhood quality and stability.
 - Increase minority homeownership, promote equal access and opportunity, and decrease segregation citywide.
 - Improve affordable housing opportunities for the elderly, persons with disabilities, and other special populations.
 - Reduce predatory lending through education and standardized procedures.
- **Affordable Housing Development**
 - Expand access and availability of decent, affordable housing citywide.
 - Improve the physical quality of affordable housing.
 - Foster suitable living environment and quality of life through the improvement of physical conditions including infrastructure for housing projects and housing development.
- **Foreclosure, Acquisition, Rehabilitation**
 - Mitigate the negative community impact of vacant, foreclosed properties.
 - Improve affordable housing quality, condition, safety, livability, and accessibility.
 - Stabilize property values in neighborhoods with existing vacant, foreclosed homes.
 - Eliminate the potential for crime related to existing vacant, foreclosed properties.
- **Billings Metro VISTA Project**
 - Provide resources to nonprofit organizations to undertake poverty impact activities and to support the low-income individuals and families they serve.
 - Focus areas include education, healthcare, food security, economic opportunity, housing, financial literacy, and others.

Actions planned to foster and maintain affordable housing

The City plans on maintaining affordable housing through the following:

- **Create, preserve, and expand affordable housing options:** Affordable Housing Development and First Time Home Buyer
- **Neighborhood Revitalization – Foreclosures:** Foreclosure Acquisition Rehabilitation
- **Impact Poverty:** Billings Metro VISTA Project

Actions planned to reduce lead-based paint hazards

The City continues to follow HUD's lead-based paint requirements as established in September of 2000. Projects involving structures built prior to 1978 are considered to have the potential for lead-based paint and consistent procedures have been developed to ensure compliance with federal regulations.

The City will continue diligence while undertaking rehabilitation and construction activities to maintain the safety of households participating in federal programs. Participants in the City's housing programs are made aware of the requirements the City must follow. Education on the hazards of exposure to lead is provided for each rehabilitation project. The City currently offers risk assessments, through certified staff, paint inspections, clearance testing, and has access to lead-safe certified contractors to ensure compliance.

Actions planned to reduce the number of poverty-level families

As stated in the SP-70 Anti-Poverty Strategy section of the Consolidated Plan ([BillingsMT.gov/ConPlan](https://www.billingsmt.gov/ConPlan)), the Needs Assessment contains comprehensive information on the lower-income status of local households. All the Consolidated Plan strategies target the improvement of economic conditions of lower-income households in the community, including housing development, financing home repair, continuing partnerships, and funding public service activities. The City proposes to support the following specific activities in the Consolidated Plan to address economic conditions of low-income households in Billings:

- Continue to work with nonprofit organizations to help address the human service needs of lower-income residents of the community in general and of our lower-income neighborhoods. This would be achieved primarily through supporting capacity building efforts of social service agencies through implementation of the *Billings Metro VISTA Project*.
- Continue to apply for the AmeriCorps VISTA project status to bring full-time and summer associate volunteers to work on poverty-impact programs.

AmeriCorps VISTA is a national anti-poverty initiative that places full-year and Summer Associate volunteers with local projects. Full-year VISTA members are recruited locally and nationally, are college graduates, and commit to at least a year of service with a project. Summer Associates are at least 18 years old and commit to ten weeks of service.

Actions planned to develop institutional structure

As described in the SP-40 Institutional Delivery Structure section of the [Consolidated Plan](#), the City of Billings maintains strong partnerships with housing and social service agencies. The only gaps in the institutional structure relate to funding limitations and the City's inability to dedicate time and resources to additional projects outside of the current funding structure.

Actions planned to enhance coordination between public and private housing & social service agencies

The City will continue coordinating with public, private, and social service agencies to further activities and projects identified herein, including participation in the following groups and initiatives:

- Nonprofit Organizations
- Neighborhood Task Forces
- Community Innovations Initiatives
- Resource Map and Notepad
- Veteran's Resource Map
- Coronavirus (COVID-19) Resource Guide
- Billings Metro VISTA Project

Introduction

The City of Billings has programmed all available revenues in current programs identified herein.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

1. Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.	\$0
2. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed.	\$0
3. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	\$0
4. The amount of surplus funds from urban renewal settlements.	\$0
5. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
6. The amount of income from float-funded activities.	\$0
Total Program Income:	\$0

Other CDBG Requirements

1. The amount of urgent need activities.	\$0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low- and moderate-income. Overall Benefit - A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specific the years covered that include this Annual Action Plan.	100%
FY Year Covered 2023	

Reference 24 CFR 91.220(I)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The above-noted regulation refers to the use of HOME funds for eligible activities. The City of Billings will not utilize HOME funds outside of the following allowable investments:

- Equity investments, interest-bearing loans or advances, non-interest-bearing loans or advances, interest subsidies consistent with the purposes of this part, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the purposes of this part. Each participating jurisdiction has the right to establish the terms of assistance, subject to the requirements of this part.
- Guarantee loans made by lenders and, if required, the participating jurisdiction may establish a loan guarantee account with HOME funds. The HOME funds may be used to guarantee the timely payment of principal and interest or payment of the outstanding principal and interest upon foreclosure of the loan. The amount of the loan guarantee account must be based on a reasonable estimate of the default rate on the guaranteed loans, but under no circumstances may the amount on deposit exceed 20% of the total outstanding principal amount guaranteed; except that the account may include a reasonable minimum balance. While loan funds guaranteed with HOME funds are subject to all HOME requirements, funds which are used to repay the guaranteed loans are not.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Recapture provisions permit the original homebuyer to sell the assisted property to any willing buyer during the period of affordability while the City can recapture all, or a portion of the HOME assistance provided to the original homebuyer. The City utilizes recapture provisions exclusively when assisting homeowners and the provisions are enforced via a Promissory Note (not recorded), the use of a Deed Restriction Agreement and a Montana Trust Indenture that are both recorded at the Yellowstone County Clerk and Recorder's office. These written, legal documents contain language outlining the recapture provisions as established herein. The City does not use subrecipients or other grantees to carry out these activities.

Homebuyer Requirements: For homeownership housing to qualify as affordable housing eligible for HOME funding, it must be single-family; considered modest housing; be acquired by a low-income household for their principal residence; and meet affordability requirements for a single period as determined by the amount of assistance provided. The City utilizes [single family mortgage limits set by HUD](#).

Direct HOME Subsidy: The amount of HOME assistance that enabled the homebuyer to buy the unit. The direct subsidy includes down payment and closing costs provided directly to the homebuyer, which resulted in a reduced purchase price from the fair market value of the home to an affordable price. The entire amount of HOME assistance is subject to recapture.

Net Proceeds: The sales price, less the superior loan repayment and any closing costs. The City will only recapture the net proceeds from a sale. Any loans or improvements made to the property after the time of the HOME assistance will be paid after the City is repaid the amount owed under its

recapture provisions. If the net proceeds are not sufficient to recapture the full HOME investment, the City will accept the available net proceeds as full payment.

Recapture Model - City Recaptures Entire HOME Assistance Amount: The City allows the assisted homebuyer to retain all appreciation and the City expects to recapture the entire direct HOME subsidy invested in the project. Therefore, the homeowner will retain any value of the appreciation of the property after the City's HOME assistance has been recaptured / repaid. The homeowner's down payment, principal payments, and any capital improvement investment made in the property after the HOME assistance was provided will be returned to the homeowner at closing after the City's HOME assistance is recaptured and repaid from the net proceeds as described above.

Subordination: The City does not subordinate loans in the First Time Homebuyer program and other homeowner-assisted projects without City Administrator approval. Therefore, if an assisted homeowner refinances the property, the City will need to be repaid the full amount of HOME assistance provided.

Use of Recaptured Funds: Recaptured HOME funds will be used to assist other first-time homebuyers to purchase property in Billings or other HOME-eligible activities to be determined through the City's budget allocation process in accordance with the Citizen Participation Plan. Homebuyers must be low-income and must use the assisted property with the recaptured funds as their principal residence. Low-income and first-time homebuyer status will be determined based on HOME program regulations.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

Long Term Affordability: Under the recapture provision, there is no requirement that the original HOME-assisted homebuyer sell the unit to another low-income homebuyer.

Affordability Periods: For City-assisted homebuyer units under the recapture provision, the period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. Any program income used to provide direct assistance to the homebuyer is included when determining the period of affordability. Recapture provisions for the First Time Home Buyer program are either five or ten years for each assisted property beginning after the transfer of the property to the property owner as evidenced by the Deed Restriction Agreement, Montana Trust Indenture and Promissory Note.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City of Billings does not propose the use of HOME funds to refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.

Section IV: Appendix

Appendix A: CDBG Application for Federal Assistance (SF-424)

Appendix B: HOME Application for Federal Assistance (SF-424)

Appendix C: Local Government Certifications

Appendix D: CDBG Construction Assurances (SF-424D)

Appendix E: HOME Construction Assurances (SF-424D)

Appendix F: CDBG Non-Construction Assurances (SF-424B)

Appendix G: HOME Non-Construction Assurances (SF-424B)

Appendix H: Citizen Participation Plan

Citizen participation is the foundation of housing and community development programs. The Citizen Participation Plan for the City of Billings is designed to ensure citizen involvement in the planning and reporting on the City's programs covered under the HUD Consolidated Plan requirements. The purpose of the Citizen Participation Plan is to ensure that citizens, nonprofit organizations, and other interested parties are afforded adequate opportunity to review and comment on plans, programs, activities and reports regarding the City's federally funded housing and community development programs. Citizen participation pertains to the following documents herein referred to as "plans and reports":

- Consolidated Plan
- Annual Action Plans
- Citizen Participation Plan
- Limited English Proficiency Plan
- Comprehensive Annual Performance and Evaluation Reports
- Analysis of Impediments to Fair Housing Choice

Citizen Participation Plan Objectives

The primary objectives of the City's participation plan are to:

- Encourage citizen participation in the development of the City's plans and reports with emphasis on participation from individuals and households identified as:
 - Low / moderate income
 - Residents of blighted areas
 - Minorities and all protected class members
 - Those with limited English proficiency
 - Elderly
 - Disabled
 - Those with HIV / AIDS diagnoses
 - Homeless
 - Families with children
 - Those residing in areas where funding will be utilized
- Provide citizens with reasonable and timely access to meetings, information and records relating to the City's plan for utilizing funding in addition to allowing reasonable opportunity to comment on the above-noted plans and reports. All records regarding these activities are maintained according to the City Record Retention Schedule and as required by federal regulations.
- Consult with the local Public Housing Authority (HomeFront, formerly known as the Housing Authority of Billings) on the development and implementation of the above noted plans and reports, which includes input from residents of public and assisted housing.
- The City's Planning and Community Services Department will also continue to support the activities for the Adjacent Neighborhood Committee, which is comprised of Task Force Officers who meet bi-monthly to collaborate and exchange information regarding the lower-income neighborhood task force areas. The Community Development Division staff attends meetings of

lower-income task force neighborhoods when requested for specific presentations. The lower-income neighborhoods are comprised of higher concentrations of ethnic and racial minority populations.

- Facilitate public hearings to obtain citizen views and to respond to proposals and questions at all stages in developing and implementing activities as outlined in the City's plans and reports. All hearings and meetings shall be provided in areas where accommodations for the disabled can be provided.
- Consult with public and private agencies and organizations during the development of the City's plans and reports:
 - Assisted housing
 - Health and social services
 - Regional and local government agencies
 - Public Housing Authority
 - Fair Housing education and enforcement agencies
 - Continuum of Care organizations
 - Businesses
 - Housing developers
 - Nonprofit organizations
 - Philanthropic agencies
 - Faith-based communities

HUD Data

The City of Billings will share any HUD-provided data and other supplemental information relative to the City's plans and reports. HUD-provided data is also currently provided on the City's website at www.BillingsMT.gov/HUDdata.

Public Decision-Making Processes

The *Community Development Board* is a citizen's advisory board consisting of nine members who are appointed by the Mayor of Billings with the consent of the City Council. Six members are appointed from, and represent, lower-income neighborhoods of the City as defined by federal regulations for the Community Development Block Grant (CDBG) program and three members represent the community at large. Staff is available to provide technical assistance to the Board in all aspects of planning and reporting processes.

This board serves in an advisory capacity to the City Council for the purpose of providing citizen input on policy decisions to the City Council. The primary responsibilities of the board are to review existing and proposed City policies and to review the Community Development Division's activities to ensure policies are being implemented and carried out. As six of the nine Board positions are held by low income area representatives, board composition meets basic federal requirements for low income citizen input and engagement.

The Community Development Board makes recommendations to the City Council relative to all plans and reports. In addition, the Community Development Board reviews applications submitted for CDBG and HOME funding in order to make funding recommendations to the City Council for approval.

The *Billings City Council* is the final citizen policy body that reviews and takes action on plans and reports. The Community Development Board presents recommendations to the City Council during a scheduled work session preceding the public hearing in April in order to deliver information on decisions made regarding recommendations. After receipt and consideration of public comments, the City Council approves reports / plans and proposed funding allocations.

Public notices announcing Community Development Board and City Council meetings are published in a widely-circulated newspaper prior to the meeting date. These notices are designed to provide reasonable and timely access to local meetings consistent with accessibility and reasonable accommodation requirements.

Plans and reports on the City's housing and community development activities are made available for review by citizens, public agencies, and other interested parties. These documents are available at the Community Development Division and posted on its website at www.BillingsMT.gov.

Public Access and Engagement

The City of Billings takes the following actions to ensure public access to drafted / proposed plans and reports are published and accessible to ensure the public has reasonable opportunities to examine content and to submit comments. City staff will strive to explore alternative public involvement techniques and quantitative ways to measure efforts that encourage citizen participation in a shared vision for change in communities and neighborhoods, where practical.

Public Comment Periods: The City will publish and accept public comment on drafted Consolidated Plans, Annual Action Plans, Citizen Participation Plans, Limited English Proficiency Plans, and the Analysis of Impediments to Fair Housing Choice for a period of at least 30 days. The same timeline applies to substantial amendments to the aforementioned documents.

The City will publish and accept public comment on drafted Comprehensive Annual Performance Evaluation Reports (CAPER) for a period of at least 15 days. The same timeline applies to amendments to the CAPER.

The City may request public comment for one or more activities, plans, and / or reports during the same public comment period for efficiency. Staff will consider citizen comments and views made prior to document finalization and comment summaries will also be included or attached to the document.

The City will strive to provide written responses to all written complaints and grievances related to the City's housing and community development programs within 15 working days of receipt of the complaint or grievance where practical. Grievances at the City Council level will require significantly more time.

In the event of a pandemic or other infectious disease, the City may alter public participation to include social distancing, virtual attendance, and other forms of virtual participation in lieu of or in addition to efforts described herein. The City may also implement shorter public comment periods as allowed by HUD. As per federal regulation, the City of Billings may publish its application for CDBG-CV funds for no less than five calendar days to solicit public comments.

Published Notices: City staff will issue notices via widely-circulated print press in advance of public comment periods. Notices will include the purpose of the document, a summary of the document contents, and instructions on how to access documents in their entirety. Statements are included in notices of public hearings and service brochures indicating that office, meeting, and public hearing locations are accessible to persons with disabilities and they include the Montana Relay phone number 711.

Plan Online Access: City staff will post drafted / proposed reports and plans online for free download at www.BillingsMT.gov/CDreports.

Plan Hard Copy Access: City staff will make available free hard copies of drafted / proposed documents to the public including residents, groups, and organizations upon request at the City's Community Development office. City staff will provide reasonable and timely access to information and records relating to all plans and reports, including the use of assistance under the programs managed by the Community Development Division. Those requesting records can complete a [Public Records Request](#) and submit it to the City's Legal Department.

Public Hearings: The City will hold at least two public hearings during City Council meetings each year to obtain residents' views and to respond to proposals and questions. Council meetings promote community access and participation and the meetings are aired live on social media and the local community television access station website and local free channels. Citizens may also access recordings of the meetings on social media and Channel 7's website.

The hearings will be held at two different stages of the program year and together they will address housing and community development needs, development of proposed activities, proposed strategies and actions for affirmatively furthering fair housing, and a review of program performance.

- **September:** One public hearing will be held each September, before publishing the proposed Consolidated and / or Annual Action Plan. The purpose of this hearing is to obtain public comment on:
 - CDBG and HOME Comprehensive Annual Performance Evaluation Report (CAPER) for the prior program year; and
 - Current community needs to assist the Community Development Board in designing the application process for the upcoming program year, before the publication of the drafted Consolidated and / or Annual Action Plan.
- **April:** One public hearing will be held during the development of the Consolidated and / or Annual Action Plan. This hearing is typically held on the last day of the public comment period and prior to staff's adjustments to Consolidated and / or Annual Action Plans and subsequent submission to HUD.
 - In the event HUD releases allocation amounts later than the public comment period, the Consolidated / Annual Action Plans will include descriptions of activities with specific recommended dollar amounts and one activity each for CDBG and HOME that will be allocated the remaining funding amounts. This will ensure only one activity for each program will be allocated variable funding amounts.

- The City Council maintains authority to change the allocation amounts recommended by the Community Development Boards during the April public hearing meeting.

The City may facilitate one public hearing to accept public comment on one or more plans / reports for efficiency. Staff will consider public hearing comments made prior to document finalization and comment summaries will also be included or attached to the document.

All public hearings are accessible to disabled individuals, publicized as required by State law and allow for accommodation of individuals with hearing, visual, or mobility impairments.

City staff makes every effort to encourage public participation in the City Council public hearings and meetings:

- **Agenda Packet:** Available for viewing on the City's website www.BillingsMT.gov/councilagendas.
- **Viewing the Meeting:** The Public may view the meeting on the Community 7 TV - Channel 7 or Channel 507 – Spectrum Cable. The Public may also view online at www.comm7tv.com and click the *Watch Live* icon. Community 7 also has links to their Facebook page and YouTube channel in which to view the meeting. Meeting recordings are also available after the meeting for viewing online via the Community 7 TV website, Facebook page, or YouTube channel.
- **Public Participation:** Verbal comments are taken only during the Public Comment periods as indicated on the agenda and during the Public Hearings under the regular agenda. Written communication can be submitted any time prior to or during the public comment period.
 - **In-Person:** The public may attend City Council meetings in person in the Council's Chambers, City Hall, 210 North 27th Street, Billings, Montana.
 - **Email:** Emails can be sent to the City Council before 3:00 pm on the date of the Public Hearing at council@BillingsMT.gov.
 - **Viewing Council Emails:** All emails sent to the City Council can be viewed online at www.BillingsMT.gov/councilemails. Emails received after 3:00 pm and prior to 5:00 pm, may be read during the meeting.

Access for the Disabled and Limited English Proficiency: The City will provide accommodations for individuals with disabilities in public meetings, public hearings and in written documentation regarding programs and services available from the Division. Community Development offices and City Hall are accessible to those with disabilities. Statements are included in notices of public hearings and service brochures indicating that office and hearing locations are accessible to persons with disabilities. Accommodations can be made for other disabilities as well.

Special arrangements for participation by individuals with hearing, speech, or vision impairment may be made upon request with three business days advanced notice. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance with the City's Language Assistance Plan.

Criteria for amending the Consolidated Plan

24 CFR part 91.105(c) of the Final Rule requires grantees of CDBG and HOME programs make public the criteria the City will use for determining what changes in planned or actual activities constitute a substantial amendment to the five-year Consolidated Plan and the Analysis of Impediments to Fair Housing Choice.

Substantial changes to the Consolidated Plan are defined as *the creation of any new program, project, or activity to be funded or carried out under the City's CDBG and / or HOME programs*. All substantial changes to the Consolidated Plan must meet demonstrated need substantiated by HUD-approved data sources. Minor amendments include the *expansion of an existing program, project, or activity funded or carried out under the City's CDBG and / or HOME programs*. Minor changes must also meet demonstrated need by HUD-approved data sources.

Prior to the submission of any substantial change in the proposed use of federal housing and community development funds or to the Analysis of Impediments to Fair Housing Choice, the City will hold a public hearing to allow citizens reasonable notice of, and opportunity to comment on, proposed amendments. Public comment periods will not be less than thirty (30) days unless otherwise allowed by HUD.

Routine revenues including program income, recaptured / repaid funds, and re-programmed monies will be utilized for existing and previously approved programs as it is received during each fiscal year. Routine revenues are allocated on a close- and shovel-ready basis to ensure timely commitment and expenditure. These changes are customary and facilitate funding allocations to projects and activities most in demand and do not require a substantial or minor amendment to the Consolidated Plan.

City staff cannot predict annual HUD entitlement allocation amounts or repayment revenues for CDBG or HOME. Therefore, five-year Consolidated Plan numerical goals are established as estimates that may fluctuate during the five-year period based on funding received and demand for the City's programs. These changes are customary and do not require a substantial or minor amendment to the Consolidated Plan.

Technical Assistance

The Community Development Division provides technical assistance, as requested and as staff time allows, to lower income groups to develop proposals for the Division's housing and community development activities in the City limits. Technical assistance is offered any time proposals for the use of funding are requested, and is offered routinely in December and January - prior to application deadlines for CDBG / HOME funding allocations.

Nondiscrimination, Accommodations & Grievances

The Community Development Division receives federal funding to support housing acquisition, repair, development and poverty impact programs and is required to adhere to the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, the Fair Housing Act, the Montana Human Rights Act, and other equal opportunity regulations. These regulations are designed to protect individuals with disabilities with equal access to employment opportunities and the services, programs and activities the City offers.

It is essential that all individuals have equal access to the Community Development Division's communication, open meetings, programs and services including: First Time Home Buyer; Home Repair; Housing Development; and the Billings Metro VISTA Project.

- **Federally Protected Classes:** Disability, including people with HIV / AIDS and people in recovery from alcohol / drugs; Race / Color; Religion; Sex, includes protection against sexual harassment; Familial Status, includes the presence of children under the age of 18 and / or pregnancy; and National Origin.
- **HUD Protected Classes:** Sexual Orientation; Gender Identity; and Marital Status.
- **Montana's Protected Classes:** Marital Status; Creed; and Age.

Accommodations: Auxiliary aids and services are available to facilitate effective communication to individuals with disabilities to ensure equal participation. Such aids and services are free to the public and may include sign-language interpreters, large print formats, and other aids to make information and communications accessible to individuals with speech, hearing or vision impairments.

Public Notices: The City of Billings - Community Development Division encourages all members of the community to participate. Special arrangements for participation by individuals with hearing, speech, vision impairment or physical disabilities can be made upon request. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance the City's Language Assistance Plan. Fair Housing Equal Opportunity.

Grievance Procedure: If a citizen feels they have been denied equal access to Community Development programs, services or activities, they may file a written complaint including their contact information and a description of the alleged act(s) of discrimination, including the date and place of the act(s). The written complaint may be submitted to any Community Development employee or specifically directed to the Community Development Manager by phone at 406.657.8286 (Montana Relay 711), email beckett@billingsmt.gov, in person (appointment recommended) or U.S. Postal Service at 2825 3rd Avenue North, 6th Floor, Billings, MT 59101. City staff will provide a timely, substantive written response to written citizen complaints as soon as practicable. Complaints may also be filed in writing with the Denver HUD FHEO Office at 1670 Broadway, Denver, CO 80202 or by calling 303.672.5155.

Program Eligibility: If a citizen disagrees with a staff decision relative to program eligibility unrelated to discrimination, they may submit a written appeal to the Community Development Division. The letter must be received at least two weeks prior to the Community Development Board meeting when the appeal would be reviewed. If the Community Development Board upholds the staff decision, the citizen has the option to have the appeal reviewed during a future City Council meeting. Please note, it can take several months to prepare an appeal for City Council review and determination.

ADA / 504 Coordinator: The City of Billings ADA Coordinator is responsible for the City's overall Grievance Procedure and is also available to ensure compliance with the physical and general program accessibility requirements of the ADA for other City Departments and Divisions. Please call 406.237.6294 (Montana Relay 711) with any questions.

Fair Housing Complaints: Please see the City's [fair housing webpages](#) for information on how to file a fair housing complaint.

Appendix I: Public Notices

Federal regulations require the City to facilitate two public hearings, at different stages of the program year, to obtain residents' views and respond to questions. Together, the hearings must address housing and community development needs, development of proposed activities, proposed strategies and actions for affirmatively furthering fair housing, and a review of program performance.

First Public Hearing – Held Prior to Publishing Drafted Consolidated / Annual Action Plan(s)

The City of Billings held a public hearing on Monday, September 12, 2022, at 5:30 pm to obtain public comment on:

- CDBG and HOME Comprehensive Annual Performance Evaluation Report (CAPER) for the prior program year; and
- Current community needs to assist the Community Development Board in designing the application process for the upcoming program year, before the publication of the drafted Consolidated or Annual Action Plan.

Public Notice - CDBG & HOME Applications Available

The City of Billings held a public hearing on Monday, September 12, 2022, at 5:30 pm to obtain public comment on accepting loan applications for FY2023-2024 Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funding:

- Estimated \$650,000 allocation in new CDBG funding for community development activities, which primarily benefit lower-income neighborhoods or households.
- Estimated \$300,000 allocation in HOME funding for activities to preserve or increase the supply of affordable housing for lower-income households in Billings.

Public Notice - Request for AmeriCorps VISTA Proposals

Billings Metro VISTA Project published on December 22 & 30, 2022, January 6, 2023, a notice announcing:

- Opportunity for Partnership & Request for Proposals for FY2023-2024.

Second Public Hearing – Held During the Public Comment Period

Appendix J: Public Comments - Summarized

Public Comments from First Public Hearing in September:

- List here

During the April public hearing at the Billings City Council Meeting:

- List here

DRAFT



CITY OF BILLINGS

Five Year Consolidated Plan

Amended to include CDBG-CV Allocations and Activities - July 2021

FY2020-2024

The City's plan for Community Development Block Grant and
HOME Investment Partnerships Programs

Community Development Division

2825 Third Avenue North

Billings, Montana 59101

406.657.8281

www.BillingsMT.gov/comdev



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Section I: Executive Summary

ES-5 Executive Summary

24 CFR 91.200(c), 91.220(b155)

Introduction

Five-year Consolidated Plans and one-year action plans are required by the United States Department of Housing and Urban Development (HUD) for the City of Billings to receive funding through the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs (HOME). The City's five-year Consolidated Plan for FY2020-2024 identifies activities to be carried out from July 1, 2020 through June 30, 2025 to address priority needs in the community and serves as a guiding document for the use of the City's CDBG and HOME funding.

The City of Billings, an entitlement community acting primarily through the Community Development Division, will continue to serve as the lead agency for administration of the City's CDBG and HOME program activities targeted to meet the goals of the Consolidated Plan.

Focused on CDBG and HOME activities, the Consolidated and Annual Action Plans combine the planning and application requirements for the CDBG and HOME programs. All activities undertaken by the City utilizing CDBG and HOME funding must primarily benefit low income persons. The CDBG and HOME programs covered by the Consolidated Plan have three basic goals:

- **To provide decent housing**, including: maintaining the affordable housing stock in the community; increasing the availability of permanent housing that is affordable to low income households without discrimination; increasing support of housing which enables persons with special needs to live independently; and assisting homeless persons to obtain affordable housing.
- **To provide a suitable living environment**, which includes: improving the safety and livability of neighborhoods; increasing access to quality facilities and services; reducing the isolation of low income households within areas by de-concentrating housing opportunities and revitalizing deteriorating neighborhoods; restoring and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons; and conserving energy resources.
- **To expand economic opportunities**, including: creating jobs accessible to low income individuals; providing access to credit for community development activities which promote long-term economic and social viability; and empowering low income persons living in public and federally assisted housing to achieve self-sufficiency.

The FY2020-2024 Consolidated Plan was open for public comment extending from March 28, 2020 to May 11, 2020 in order to provide additional time for public comment due to Coronavirus COVID-19 separation recommendations. A public hearing was held on May 11, 2020 during the Billings City Council meeting to accept public comments on the Annual Action Plan, and Community Development Board recommendations for funding allocation. The plan was adopted by the Billings City Council on May 11, 2020. A substantial amendment to the Consolidated Plan and FY2020-2021 Annual Action Plan was approved by City Council on June 28, 2021.

Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The most significant housing issues in Billings include housing cost burden, the availability of affordable housing, and equal opportunity in homeownership for minority households.

Housing Cost Burden: Over 80% of low income households have been paying more than 30-50% of their income for housing costs. Minorities are disproportionately impacted by housing cost burden including Black / African American, Asian, Native American, and Hispanic families.

Affordable Housing Availability: Housing affordability and availability are the most significant factors in limiting housing choice for both renters and homeowners. While there are an adequate number of housing units in Billings to accommodate the population, there is a housing deficit of over 4,700 units for households with incomes less than 30% of the AMI. There are also over 6,200 households on the Housing Authority of Billings waiting lists. Over 2,000 people are waiting for single-person housing.

Homeownership and Opportunity: Racial and ethnic minorities have a low homeownership rate than the White population (67%) in Billings. The Black cohort has the lowest homeownership rate at 16% followed by Native Americans at 31%. Thirty-three percent of the Hispanic cohort are homeowners.

The City's goals are to: create, preserve, and expand affordable housing options; promote neighborhood revitalization through foreclosure program, and to impact poverty. The City will continue to offer programs on a citywide basis to ensure equal opportunity in all Billings neighborhoods:

First Time Home Buyer

- Promote financial security, home equity, housing self-sufficiency, housing and neighborhood quality and stability.
- Increase minority homeownership, promote equal access and opportunity, and decrease segregation citywide.
- Improve affordable housing opportunities for the elderly, persons with disabilities, and other special populations.
- Reduce predatory lending through education and standardized procedures.

Housing Rehabilitation

- Help current homeowners maintain their homes in safe, quality condition.
- Increase value, quality, and durability of existing affordable housing stock.

Affordable Housing Development

- Expand access and availability of decent, affordable housing citywide.
- Improve the physical quality of affordable housing.
- Foster suitable living environment and quality of life through the improvement of physical conditions including infrastructure for housing projects and housing development.

Foreclosure, Acquisition, Rehabilitation

- Mitigate the negative community impact of vacant, foreclosed properties.

- Improve affordable housing quality, condition, safety, livability, and accessibility.
- Stabilize property values in neighborhoods with existing vacant, foreclosed homes.
- Eliminate the potential for crime related to existing vacant, foreclosed properties.

Billings Metro VISTA Project

- Provide resources to nonprofit organizations to undertake poverty impact activities and to support the low income individuals and families they serve.
- Focus areas include: education, healthcare, food security, economic opportunity, housing, financial literacy, and others.

HUD's EnVision Center Demonstration Project

In July 2018, HUD launched the EnVision Center demonstration project to leverage public and private resources for the benefit of individuals and families living in HUD-assisted housing. EnVision Centers focus on empowering people to leave HUD-assisted housing through self-sufficiency to become responsible homeowners and renters in the private housing market through promotion of the following four pillars:

- Economic Empowerment
- Educational Advancement
- Health and Wellness
- Character and Leadership

In May and June 2020, the City of Billings staff facilitated a connection between Housing Authority of Billings and HRDC District 7 to the regional EnVision Center representatives for HUD's Region 8. Planning for a Billings EnVision center is underway.

Regulatory Citations

Throughout the Consolidated Plan, staff has identified regulatory citations for the Code of Federal Regulations (CFR), shown in *italics*. The code references are located in sections of the Consolidated Plan required by federal regulation.

2020 HOME Income Limits

Household Size	30%	50%	60%	80%
1	\$16,100	\$26,850	\$32,220	\$42,950
2	\$18,400	\$30,650	\$36,780	\$49,050
3	\$20,700	\$34,500	\$41,400	\$55,200
4	\$23,000	\$38,300	\$45,960	\$61,300
5	\$24,850	\$41,400	\$49,680	\$66,250
6	\$26,700	\$44,450	\$53,340	\$71,150
7	\$28,550	\$47,500	\$57,000	\$76,050
8	\$30,400	\$50,600	\$60,720	\$80,950

Table is included in PDF version of the plan - uploaded as an IDIS Attachment

Evaluation of past performance

An evaluation of past performance that help the City choose goals or projects.

The City of Billings has been receiving CDBG funds since the 1970s and began receiving HOME funds in the mid-1990s. Performance on past goals and projects has been adequate, given declining resources. As a result, City staff have consolidated smaller programs focused on meeting priority needs, including affordable housing preservation and the provision of new housing opportunities.

In 2012, stakeholders recommended prioritizing loan programs to maximize sustainability of community development programs in order to continue funding programs in the future. Loan repayment revenue has increased by an annual average of \$230,000 over the past seven years, which has enabled the City to serve dozens of additional low income households through home buyer and repair programs.

The FY2015-2019 Consolidated Plan included the following goals and the City met or exceeded each of the established goals as of mid-June 2020:

- Affordable Housing Preservation – all goals were met:
 - 20 homeowner homes were rehabilitated
 - One manufactured home was rehabilitated
 - Five foreclosed homes were acquired, rehabilitated, and sold to low income households
- New Affordable Housing Opportunity – goals were met or exceeded:
 - Four homeowner housing units were added
 - 280 households received direct financial assistance to purchase their first home
- Poverty Impact goal was exceeded:
 - Over 2,500 individuals were assisted in garnering access to health / mental health services, housing, education, and economic opportunity

City staff have witnessed a decline in homeowners seeking Housing Rehabilitation Loans and are likewise seeing an increased need in affordable housing and infrastructure development. Additional resources may be directed towards longer-term investments to benefit low income neighborhoods on the whole.

Summary of citizen participation process and consultation process

91.200(b)

Summary from citizen participation section of plan.

A number of organizations in the community are involved in affordable housing and community development-related activities in Billings and are asked to comment on the Consolidated Plan. The continued cooperation of these organizations in pursuing affordable housing for the community is required to meet the Consolidated Plan goals. Consultations include review of the plan with public and private agencies that provide health care, social services and fair housing education. Populations targeted for consultation include low income neighborhoods and agencies providing services for children, the elderly, the disabled, minorities, persons with HIV / AIDS and their families, and homeless individuals and families.

The City of Billings has adopted a *Citizen Participation Plan* which is implemented during Consolidated Plan processes in order to ensure active participation by residents and affiliate organizations. The City has also adopted a *Language Assistance Plan* to ensure meaningful access to program information and equal opportunity for persons with hearing impairment and limited English proficiency. Both plans can be found online at www.BillingsMT.gov/CDreports.

Public Comments: The City must provide opportunities for public comment at least 30 days prior to Consolidated Plan submission, as required by HUD. City staff considers all written comments by citizens, public agencies and other interested parties prior to submission of its final Consolidated Plan and related reports to HUD and attach a summary of each comment to the final submission. If written comments are not accepted for inclusion in the Plan, the City will provide written explanation of why those comments were not accepted.

Summary of public comments

Brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Public Comment & Hearing: The FY2020-2024 Consolidated Plan was open for public comment extending from March 28, 2020 to May 11, 2020. The extension from a 30 day to 45 day public comment period was primarily implemented to accommodate the universal response to the coronavirus pandemic.

A public hearing was held on May 11, 2020 during the Billings City Council meeting to accept public comments on the Consolidated and Annual Action Plans, and Community Development Board recommendations for funding allocation. To facilitate an open public involvement process, the public hearing was available live and remains available on demand at the www.comm7tv.com website and also on Community 7's public Facebook page at www.facebook.com/comm7tv.

These plans were adopted by the Billings City Council on May 11, 2020. Public comments made during the meeting are outlined below included in the Appendix.

Summary of comments or views not accepted and the reasons for not accepting them

All comments were taken into consideration during the development and prior to submission of the Consolidated Plan. Comments received following staff's presentation to the City Council are outlined below.

Councilmember Yakawich: He has heard the City's presentation seven times and this presentation was the best ever. He was inspired by the infrastructure project planned in the [Southwest Corridor] as he has been in the area and has had a friend living in the C & C Community for a long time. The idea [of moving from rental to homeownership] is rockin'! City staff noted that the C & C Community had to incorporate and become an official organization while NeighborWorks Montana facilitated the process. Beckett noted that the staff is excited about the project and are pleased with the improvements already made in the community after it was purchased by the residents.

Councilmember Joy: Totally supports this and wanted to thank City staff and the Community Development Board for doing a fabulous job on this. Wonderful job – the C & C Community happens to be in Ward 3, wonderful, absolutely wonderful. She said she was glad that the Community Development Board wanted to take on this infrastructure project; it's going to turn out really fabulous.

Public comments are continued in the Summary section below.

Summary

Councilmember Neese: Noted a question about the data pointing to adequate affordable housing availability and how it is not available [to low income households] because people are living below their means. He said, “Why do you think that is and how can we rectify that?” Staff noted they could only offer a personal opinion; everyone learned a lot in the recession. Living below household means is something everyone talks about. People with greater incomes occupy units affordable to low and very low income households, so City staff has prioritized development of affordable housing units in the Consolidated Plan. Staff noted the very high number of households on the waiting list for the Housing Authority of Billings, particularly single-person households.

Councilmember Neese asked if we could duplicate the [C & C Community ownership] process with other trailer / mobile home parks. Staff said they really hoped so. The model of collecting lot rents is very lucrative for manufactured housing park owners, particularly if they are not making improvements to the site. They can increase the density of the park to further increase their income. There has to be an owner willing to sell a park and there has to be an organization like NeighborWorks Montana. Mary Lou Affleck facilitated the incorporation and purchasing process for the residents. There were persons living in the units for decades that never spoke to one another while they were renters. As owners, they are working together and helping one another out during the pandemic, cleaning up the properties together, etc. Staff hopes the City can fund more of these types of projects and would recommend funding any infrastructure project in any low income neighborhood in the City. Councilmember Neese also asked about the total amount of funding used for CDBG and HOME administration.

Councilmember Ronning: The Housing Authority waiting list number is over 7,000 households; staff notes that this is the largest number we have ever seen. Councilmember Ronning really appreciates the presentation and she watched staff online on the Facebook livestreaming of the Community Development Board meeting. They are a great Board and they are really participating – exciting to see.

The AmeriCorps VISTA program is very significant on many different levels. One of the areas she hopes staff adds to the list [of VISTA accomplishments] is the Indian Child Welfare Act (ICWA) Court. That is massive – not just significant in Billings. ICWA Court was developed by a Billings VISTA volunteer and it was the fourth court established nationwide. The Billings ICWA Court now travels nationwide to give presentations, trainings, and teachings and that really put Billings on the national level due to the work of the Billings VISTA member. Staff noted that the VISTA member who put the ICWA Court together is Shannen Keene and she now is working at the Seattle Indian Health Board and there is also another VISTA alum working there as well.

Councilmember Purinton: Requested a copy of the presentation and also requested a breakdown of what administration would pay for. Staff explained that administration pays for staff salaries, training costs, printers, paper, office supplies, etc. There are 15 spaces in the Miller Building and the City Council pays for the office space. We can have over 50 VISTA members per year and 15 to 30 members on board at any one time, so a lot goes on in the office.

Jim Corson – Public Hearing Call-In Hotline: Noted he is on the Community Development Board. He praised City staff; they are absolutely wonderful, the best, so helpful, and everyone is great to work with. He was going to hype the presentation but the City Council seemed to like it. He encouraged the City Council to support the Consolidated Plan and funding recommendations. Mayor Cole thanked Mr. Corson for his work on the Board and his contribution to the community.

Section II: The Process

PR-05 Lead & Responsible Agencies

24 CFR 91.200(b)

Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The City of Billings - Community Development Division staff is responsible for preparing the Consolidated Plan and administration of CDBG and HOME grant programs.

Agency Role	Name	Department/Agency
CDBG Administrator	City of Billings	Community Development Division
HOME Administrator	Brenda Beckett, Division Manager	

HUD Table 1 - Responsible Agencies

Consolidated Plan Public Contact Information

Brenda Beckett, Community Development Manager
Community Development Division, 2825 3rd Avenue North, Billings, MT
Phone: 406-657-8281
Email: beckettb@billingsmt.gov
Web: www.BillingsMT.gov/comdev

PR-10 Consultation

91.100, 91.200(b), 91.215(l)

Introduction

A number of organizations in the community are invited to participate in planning affordable housing and community development-related activities in Billings and are asked to comment on the Consolidated and Annual Action Plans. Consultations include review of the plan with public and private agencies that provide health care, social services and fair housing education. Populations targeted for consultation include agencies that provide services for children, the elderly, the disabled, minorities, persons with HIV / AIDS and their families, and homeless individuals and families.

The Consolidated Plan was distributed widely during the public comment period and interested persons were invited to attend a number of staff-facilitated, regularly scheduled meetings to find out more about Community Development initiatives. Routine meetings were facilitated through staff for the Community Development Board as the majority of Board members represent lower income neighborhoods.

Affirmatively Furthering Fair Housing: Historically, the five-year cycle utilized for the Billings Analysis of Impediments to Fair Housing Choice has not coincided with the City's five-year Consolidated Planning cycle. This schedule was implemented primarily due to the expense of conducting both fair housing and housing needs / market analyses in the same fiscal year. While HUD has recommended regional collaboration to affirmatively further fair housing and equal opportunity, the City's fair housing analyses have been limited to the City of Billings limits.

Therefore, the City of Billings has been working to reconcile the timing of the fair housing assessment process with the City's five-year Consolidated Plan cycle in order to heighten conformity to HUD's recommendations. Further, the City is committed to regional planning efforts along with other entitlement communities and the State of Montana.

In early 2017, the City of Billings started collaborating with entities across Montana to construct a regional 2020 fair housing analysis. This collaboration includes partnerships with the State of Montana's Department of Commerce (MDOC), the City of Missoula, and the City of Great Falls. Seven full-year AmeriCorps Volunteers in Service to America (VISTA) members have been placed to assist with this fair housing / equal opportunity initiative:

- **Montana Department of Commerce, Helena:** One member began in July 2017 and one additional member began in January 2018.
- **City of Billings:** One member began service in August 2017 in the Community Development Division. Two members began service in the Planning Division in January 2018.
- **Cities of Great Falls and Missoula:** One VISTA member was placed in each of these jurisdictions in January 2018 and a third VISTA member was placed in Missoula in January 2019.

Efforts to reach the public for public input on fair housing needs and issues include the development and distribution of a Fair Housing Community Survey in 2017 and a resiliency survey in 2018.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

Public Housing: The Housing Authority of Billings is primarily responsible for administration of the public housing and Section 8 Programs for the community. The Housing Authority is an independent organization established under the laws of the State of Montana. Board members for the Housing Authority are appointed by the Mayor for the City of Billings. 91.100(c)

Housing Opportunities for Persons with AIDS: Public and private agencies have assisted the City in reviewing the Consolidated Plan. Local organizations providing housing, health services, and social services have been involved in planning processes for the homeless and chronically homeless. The City does not receive Housing Opportunities for Persons with AIDS (HOPWA) funding directly, but supports the Human Resources Development Council District 7 in their implementation of HOPWA goals and objectives. 91.100(b)

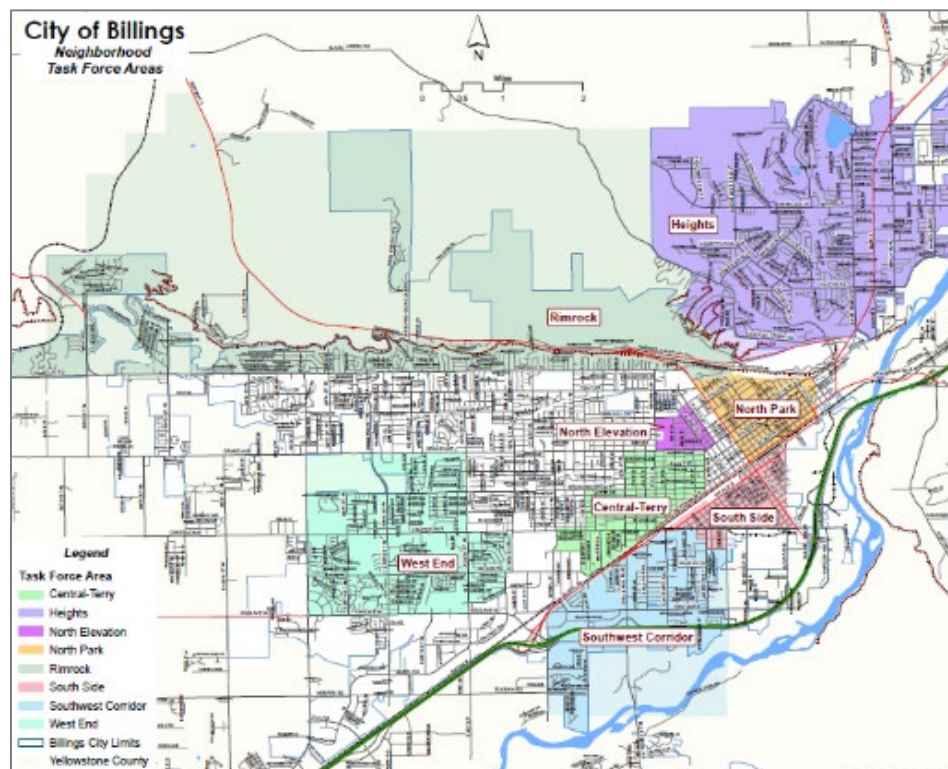
Adjacent Governments: Communication regarding non-housing community development needs is conducted via collaboration through adjacent units of local government including the State of Montana and Yellowstone County. 91.100(a)(4)

Metropolitan Planning: The City of Billings - Community Development Division is included in the Planning and Community Services Department. The Department, overall, includes Code Enforcement, Planning / Transportation (includes the City of Billings and Yellowstone County), and the Building Division. These Divisions work internally to implement the Growth Policy, Infill Policy, Transportation Plan and Neighborhood Plans collectively. All City-assisted projects are reviewed for residential access to public transportation and broadband infrastructure. 91.100(a)(5)

Community Development Board: The *Community Development Board* is a citizen’s advisory board consisting of nine members who are appointed by the Mayor of Billings with the consent of the City Council. Six members are appointed to represent low income neighborhoods of the City as defined by federal regulations for the CDBG program and three members represent the community at large. This board serves in an advisory capacity to the City Council for the purpose of providing citizen input on policy decisions to the City Council. The Community Development Board makes recommendations to the City Council regarding the Consolidated Plan, the Annual Action Plan, the Citizen Participation Plan, and the CAPER. In addition, the Community Development Board reviews applications submitted for CDBG and HOME funding in order to make funding recommendations to the City Council for approval.

Billings City Council: The *Billings City Council* is the final governmental policy body that reviews and takes action on the Annual Action Plan, including the Citizen Participation Plan. The Community Development Board presents recommendations to the City Council during a scheduled work session preceding the public hearing each April in order to deliver information on decisions made regarding recommendations. After receipt and consideration of public comments, the City Council has the opportunity to approve the Consolidated Plan and Annual Action Plan and proposed funding allocations. Following approval, the Consolidated Plan and Annual Action Plans are forwarded to HUD.

Low-Income and Minority Households: In order to encourage citizen participation emphasizing the involvement of low income and minority residents in areas where housing and community development funds may be spent, the City’s Community Development Board is comprised of six members representing lower income neighborhoods. The City’s Planning and Community Services Department also continues to coordinate meetings with the Adjacent Neighborhood Committee including those representing the City’s low income areas with high concentrations of minorities.



Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

Continuum of Care Funding: Funding is provided to the State of Montana and are distributed by the State to various regions in Montana through the Human Resource Development Councils (HRDCs). A Continuum of Care application is prepared on a statewide basis and the City plays a small role in this process. One or two organizations in Billings may receive Continuum of Care funding, but a very small percentage of the available Continuum of Care funding is allocated to local projects; five to seven percent annually.

Billings Metro VISTA Project: In order to maintain momentum for City's ten-year plan to impact homelessness, the City's Community Development Division created an AmeriCorps Volunteers in Service to America (VISTA) program known as the *Billings Metro VISTA Project*; sponsored by the Corporation for National and Community Service. VISTA members work to create or expand community-based programs, services, and systems that prevent and intervene in homelessness. VISTA members may be supervised by City staff for over-arching, community-wide benefit programs and they can also be supervised by nonprofit organization staff that are spearheading efforts to impact poverty and homelessness.

Statewide Continuum of Care: The Montana Continuum of Care Coalition (MT CoC) is the statewide organization designed to bring homeless service providers together from across the state in order to identify needs, inventory resources, recognize gaps and prioritize HUD funding as part of a greater planning effort to eradicate homelessness in Montana. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. In 2012, MT CoC restructured to incorporate a Board of Directors to oversee the operations of the coalition. The MT CoC consists of 15 delegates; ten from districts mirroring the same planning districts used by the Montana Department of Health and Human Services and five at-large delegates. The Board of Directors is the decision-making entity for the MT CoC and is responsible for ensuring compliance with the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.

Local Continuum of Care: The South Central Montana Continuum of Care serves as the City's local Continuum of Care organization. It is a subsidiary of the MT CoC and represents Big Horn, Carbon, Stillwater, Sweet Grass, and Yellowstone counties. The South Central Montana Continuum of Care collaboratively works to develop, support, and promote a continuum of resources, services, and housing opportunities that prevent homelessness and promote long-term stability.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate Emergency Solutions Grant (ESG) funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of Homeless Management Information System (HMIS)

The City does not receive ESG funds as an entitlement; these funds are distributed statewide by the Montana Department of Public Health and Human Services through ten HRDCs throughout the state. Therefore the City does not develop performance standards, evaluate outcomes or develop funding, policies or procedures for the administration of HMIS.

District 7 HRDC utilizes ESG funding for homeless prevention activities and rapid-rehousing. HRDC staff does not maintain a waiting list due to the volume of households in need. HRDC has received additional HUD Continuum of Care funds for rapid-rehousing homeless families living in shelters.

Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 1 - Agencies, groups, organizations who participated

#	Agency/Group/Organization	Type(s)	Consolidated Plan Section(s)	How Consulted / Outcomes
1.	Housing Authority of Billings	Public Housing Authority; Services - Homeless	Housing Need Assessment; Public Housing Needs; Homeless Needs - Chronically Homeless, Families with Children, Veterans; Homelessness Strategy; Market Analysis; Anti-Poverty Strategy	Email / phone / web retrieval; data exchange for the development of relevant sections
2.	Homeword	Housing	Housing Need Assessment; Market Analysis; Anti-Poverty Strategy	
3.	Rimrock	Housing; Services - Persons with Disabilities	Housing Need Assessment; Homeless Needs - Chronically Homeless; Anti-Poverty Strategy	
4.	Mental Health Center	Housing; Services - Persons with Disabilities	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
5.	Family Service, Inc.	Services - Housing	Housing Need Assessment; Market Analysis; Homeless Needs - Families with Children; Homelessness Strategy; Anti-Poverty Strategy	
6.	District 7 HRDC	Housing; Services - Housing, Children, Persons with HIV/AIDs, Homeless	Housing Need Assessment; Homeless Needs - Chronically Homeless, Families with Children; Homelessness Strategy; HOPWA Strategy; Anti-Poverty Strategy	
7.	Adult Resource Alliance	Services - Elderly Persons	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
8.	Big Sky Senior Services	Services - Elderly Persons	Housing Need Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
9.	Living Independently for Today and Tomorrow	Housing; Services - Persons with Disabilities	Housing Needs Assessment; Market Analysis; Non-Homeless Special Needs	
10.	City of Billings - Planning Division	Local Government; Planning Organization	Housing Needs Assessment; Market Analysis; Economic Development; Anti-Poverty Strategy; Broadband Access; Resiliency	
11.	YWCA Gateway House	Housing; Services - Domestic Violence, Children	Housing Needs Assessment; Market Analysis; Homeless Needs - Families with Children; Anti-Poverty Strategy	
12.	Billings Public Schools	Services - Homeless, Education	Homeless Needs - Families with Children; Anti-Poverty Strategy	
13.	Billings Job Service	Services - Employment	Economic Development; Anti-Poverty Strategy	
14.	Montana Fair Housing	Services - Fair Housing	Housing Needs Assessment; Non-Homeless Special Needs; Anti-Poverty Strategy	
15.	The Alliance	Health Agency	Non-Homeless Special Needs; Anti-Poverty Strategy	
16.	Montana Department of Commerce	State; Housing	Housing Need Assessment; Market Analysis; Anti-Poverty Strategy	
17.	Billings Public Works Department	Local Government	Non-Housing Community Development Needs	
18.	Billings Police Department	Local Government; Services - Domestic Violence, Homeless	Housing Need Assessment; Anti-Poverty Strategy	

#	Agency/Group/Organization	Type(s)	Consolidated Plan Section(s)	How Consulted / Outcomes
19.	Domestic Violence Unit	Local Government; Services - Domestic Violence	Housing Need Assessment; Anti-Poverty Strategy	Email / phone / web retrieval; data exchange for the development of relevant sections
20.	Big Sky Economic Development	County Government	Economic Development; Anti-Poverty Strategy	
21.	Montana Epidemiology, Addictive / Mental Disorders	Health Agency; Services - Health, Persons with HIV/AIDS, Disabilities, Homeless; State Government	Housing Need Assessment; Non-Homeless Special Needs	
22.	Civic Consulting	Services - Homeless	Homeless Strategy	
23.	NeighborWorks Montana	Housing	Housing Need Assessment; Market Analysis; Anti-Poverty Strategy	
24.	RiverStone Health	Health Agency; Services - Homeless	Non-Homeless Special Needs; Homeless Strategy; Lead-Based Paint Strategy; Anti-Poverty Strategy	
25.	Downtown Billings Alliance	Business and Civic Leaders	Homeless Needs - Chronically Homeless; Economic Development; Anti-Poverty Strategy	
26.	Adjacent Neighborhood Task Force	Civic Leaders; low income Area Representatives; Neighborhood Organization	All	Public Meeting
27.	Billings City Council	Local Government; Civic / Business Leaders	All	Public Notices / Public Hearing / Public Meetings
28.	Community Development Board	Civic / Business Leaders, Low income Area Representatives ; Neighborhood Leaders	All	Public Notices / Public Meeting
29.	Yellowstone County Emergency Services	County Government	Resiliency	Email / phone / web retrieval; data exchange for the development of relevant sections

Identify any Agency Types not consulted and provide rationale for not consulting

The City of Billings staff is not aware of any agency types that have not been consulted in preparation of the Consolidated Plan. City staff contacted many agencies to assist with the development of the Consolidated Plan and has widely circulated information relative to proposed programs and funding allocations to garner feedback. Additional efforts were made during the public comment period to distribute the Consolidated Plan for review and feedback.

Describe other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Montana State Continuum of Care	Identifies Federal and State resources to impact homelessness.
Growth Policy	City of Billings - Planning Division	Promotes affordable housing and infill development.
Infill Policy	City of Billings - Planning Division	Promotes affordable housing and infill development.
Annexation Policy	City of Billings - Planning Division	Promotes infill development.
Transportation Plan	City of Billings - Planning Division	Improves transit impacting project affordability
Neighborhood Plans	City of Billings - Planning Division and Neighborhood Task Forces	Guides development efforts in each neighborhood.
Consolidated Plan	Montana Department of Commerce - Community Development	State CDBG and HOME resources may be available to further projects. Consultation and coordination of statewide Analysis of Impediments to Fair Housing Choice.

HUD Table 3 - Other local / regional / federal planning efforts

Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))

The City of Billings - Community Development Division is included in the Planning and Community Services Department. The Department, overall, includes Code Enforcement, Planning / Transportation (includes the City of Billings and Yellowstone County), and the Building Division. These Divisions work internally to implement the Growth Policy, Annexation Policy, Infill Policy, Transportation Plan and Neighborhood Plans collectively. All projects are reviewed for residential access to public transportation.

PR-15 Citizen Participation

Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal-setting.

Public comments are requested at least 30 days prior to submission of reports required under HUD's Consolidated Plan process. City staff has considered all written comments by citizens, public agencies and other interested parties prior to submission of its final Consolidated Plan and related reports to HUD and attach a summary of each comment to the final submission. If written comments were not accepted for inclusion in the Plan, City staff has provided written explanation of why those comments were not accepted.

Staff utilizes data-driven analysis processes along with citizen and community participation to establish goals, strategies and funded activities.

Citizen Participation Outreach

#	Mode of Outreach	Target of Outreach	Summary of response/attendance
Summary of comments not accepted and reasons: No comments were rejected.			
1	Public Notices	Nonprofit and other organizations with an interest in CDBG and / or HOME funding opportunities	Public Notices regarding the availability of CDBG and HOME funding were published through the Yellowstone County News on December 6 and 13, 2019.
	The City received one application for infrastructure development from NeighborWorks Montana for the C & C Community.		
2	Public Notices	Nonprofit organizations with an interest in AmeriCorps VISTA funding opportunities	Public Notices regarding the availability of AmeriCorps VISTA resources were published through the Yellowstone County News on December 6 and 13, 2019.
	The City received numerous proposals for AmeriCorps VISTA placements for projects designed to impact poverty.		
3	Public Notices	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents, All Citizens	Public Notices regarding the publication of the drafted Consolidated Plan on the City's website, the public comment period from March 28 to May 11 and the May 11, 2020 City Council Public Hearing were published in the Yellowstone County News on March 27, April 3, and April 10, 2020. A revised notice was published on April 17 & 24, May 1, 8 & 15, 2020 to include additional public engagement options due to the coronavirus pandemic. Public comment period was extended from 30 to 45 days to accommodate additional planning and outreach efforts to include virtual meeting attendance and participation.
	See the appendix for a summary of responses.		
4	Website	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents, All Citizens	The drafted Consolidated Plan was available online from March 28 to May 11, 2020 for public comment and feedback. Emails were also sent to Billings area nonprofit, healthcare, and housing organizations.
	See the appendix for a summary of responses.		
5	Public Meeting	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents, All Citizens	Community Development Board meeting on May 5, 2020 was streamed live and video is available on demand on the Billings Planning and Community Services Department Facebook page.
	As of mid-June, 130 people were reached, the video was viewed 80 times, and there were 44 public engagements.		
6	Public Meeting	Minorities, Disabled, Broad Community, Public & Assisted Housing Residents, All Citizens	City Council public hearing held on May 11, 2020 was streamed live and video is available on demand at www.comm7tv.com . Streamed live and video is available on demand at www.facebook.com/comm7tv .
	As of mid-June, the video was viewed 324 times. See the appendix for a summary of responses.		

HUD Table 4 - Citizen Participation Outreach

Section III: Needs Assessment

NA-05 Overview

Needs Assessment Overview

The Needs Assessment is intended to provide a clear picture of the City's needs related to affordable housing, special needs housing, community development and homelessness. The overall intent of the Needs Assessment is to identify high priority needs that may be addressed by the Consolidated Plan.

NA-10 Housing Needs Assessment

24 CFR 91.205 (a,b,c)

Summary of Housing Needs

The City's Consolidated Plan must include a precise summary of the City's estimated housing needs projected for the duration of the Plan.

Demographics	Base Year: 2009	Most Recent Year: 2015	% Change
Population	104,170	108,135	4%
Households	41,841	44,095	5%
Median Income	\$45,004	\$51,012	13%

HUD Table 5 - Housing Needs Assessment Demographics Data Source: 2005-2009 & 2011-2015 ACS

Demographics: Billings has an estimated four percent population increase over the past several years. The number of households increased by five percent during this period, slightly exceeding the rate of population change, and median income increased by 13%.

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households*	5,797	5,465	7,985	4,530	20,315
Small Family Households* (two to four members)	1,544	1,414	2,574	1,480	9,700
Large Family Households* (five or more members)	100	230	595	290	1,760
Household contains at least one person 62-74 years of age	1,005	1,065	1,384	1,124	4,195
Household contains at least one person age 75 or older	829	1,115	1,465	455	1,424
Households with one or more children 6 years old or younger*	950	840	1,564	644	1,874

* the highest income category for these family types is >80% HUD Area Median Family Income (HAMFI)

HUD Table 6 - Total Households

Data Source: 2011-2015 CHAS

Total Households: The HUD Area Median Family Income (HAMFI) analysis in the table above indicates the highest number of total households have income over 100% AMI. In this group, the following categories contain the largest number of households in all income categories: small family households and households with at least one person between the ages of 62 and 74. Excluding total households and households with incomes over 80%, the next largest cohort includes households with incomes between 50% and 80% AMI (7,985). The largest cohort in the low income categories is the small family households group (over 30%).

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	85	85	135	40	345	4	10	0	0	14
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	10	30	25	0	65	0	0	10	0	10
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	135	120	165	40	460	4	25	75	45	149
Housing cost burden greater than 50% of income (and none of the above problems)	2,549	630	130	70	3,379	909	570	380	85	1,944
Housing cost burden greater than 30% of income (and none of the above problems)	570	1,335	1,045	120	3,070	460	670	1,098	595	2,823
Zero/negative Income (and none of the above problems)	154	0	0	0	154	180	0	0	0	180

HUD Table 7 - Housing Problems

Data Source: 2011-2015 CHAS

Cost Burden: Over 80% of low income households have been paying more than 30-50% of their income for housing costs and the cohort impacted most significantly are renters with very low incomes less than 50% of the AMI.

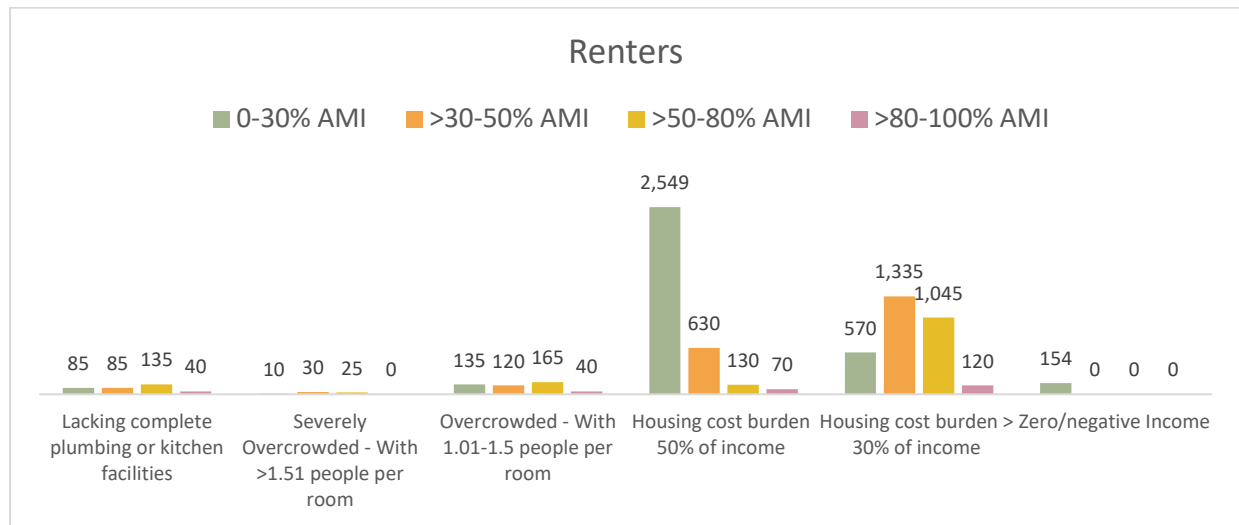


Chart is included in PDF version of the plan - uploaded as an IDIS Attachment

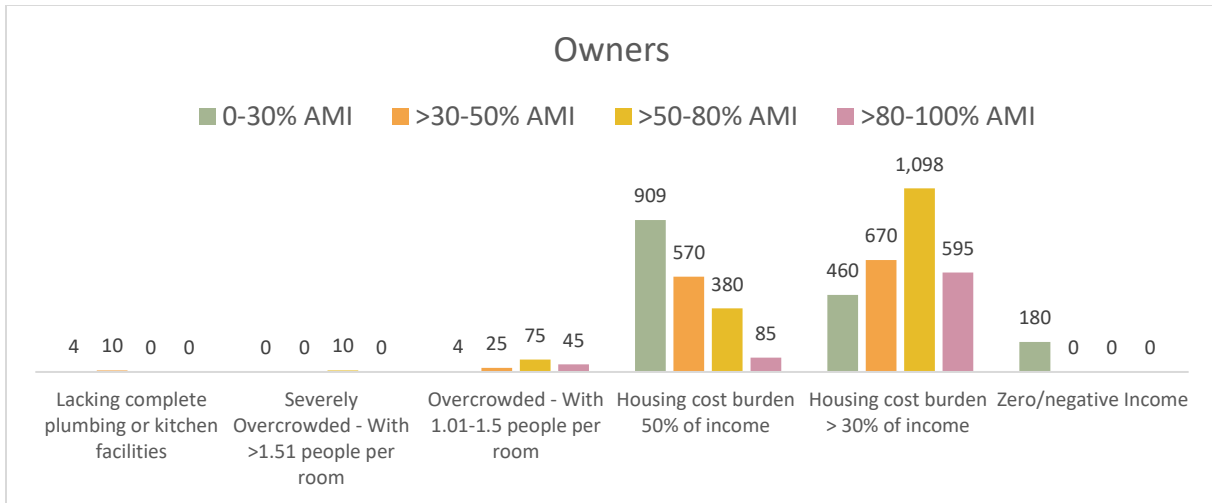


Chart is included in PDF version of the plan - uploaded as an IDIS Attachment

2. Housing Problems 2

Households with One+ Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	2,779	865	460	150	4,254	919	605	460	130	2,114
Having none of four housing problems	1,044	2,155	3,340	1,409	7,948	725	1,845	3,725	2,840	9,135
Household has negative income, but none of the other housing problems	154	0	0	0	154	180	0	0	0	180

HUD Table 8 - Housing Problems 2

Data Source: 2011-2015 CHAS

Housing Problems: The majority of renters and owners in most income categories do not have any of the four identified housing problems. A slightly higher percentage of low income households have one or more of the four housing problems than all households represented in the table above.

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,130	580	394	2,104	140	365	514	1,019
Large Related	45	110	85	240	19	20	205	244
Elderly	655	480	325	1,460	819	545	479	1,843
All Other Households	1,519	950	445	2,914	400	315	325	1,040
Total need by income	3,349	2,120	1,249	6,718	1,378	1,245	1,523	4,146

HUD Table 9 - Cost Burden > 30%

Data Source: 2011-2015 CHAS

Cost Burdened Over 30%: Small related households (*two to four related members*) and the elderly represent nearly 60% of the total cost burdened renters and owners categories in the table above. Households with incomes less than 30% AMI represent 44% of the group. When separating renters from owners, the largest renter cohort paying over 30% of household income for housing expenses is the small-related cohort (32%). For owners, the largest group is the elderly (44%).

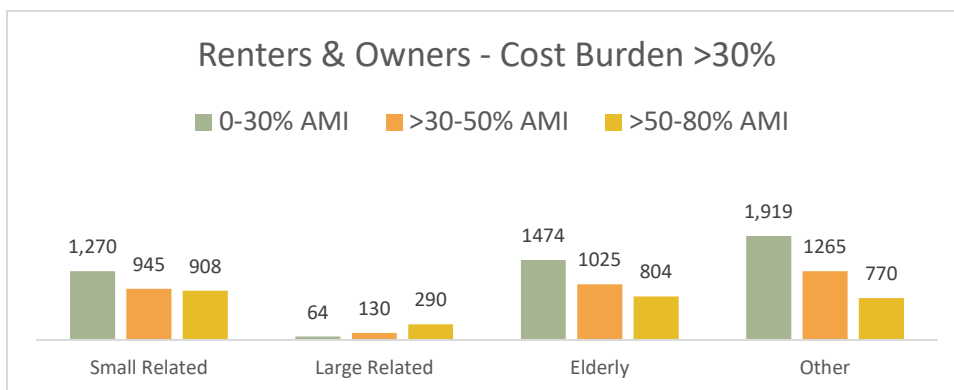


Chart is included in PDF version of the plan - uploaded as an IDIS Attachment

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	895	170	25	1,090	105	195	160	460
Large Related	35	15	0	50	4	0	10	14
Elderly	530	275	140	945	484	205	145	834
All Other Households	1,244	230	25	1,499	325	170	65	560
Total need by income	2,704	690	190	3,584	918	570	380	1,868

HUD Table 10 - Cost Burden > 50%

Data Source: 2011-2015 CHAS

Cost Burdened Over 50%: According to data provided in the above table, the highest need for all renter / owner household types is the zero to 30% AMI group, comprising 66% of total households. The highest need populations are the elderly followed by small-related households.

When considering renters alone, 75% of all renters with household incomes less than 30% AMI are cost burdened. Small-related and elderly households are the largest renter cohorts and comprise 57% of the overall group respectively.

Forty-nine percent of owners are in the zero to 30% AMI category. Overall, 45% of owner households are elderly followed by small-related households at 25%. Collectively, the elderly and small-related households comprise 69% of the overall homeownership households identified in the table.

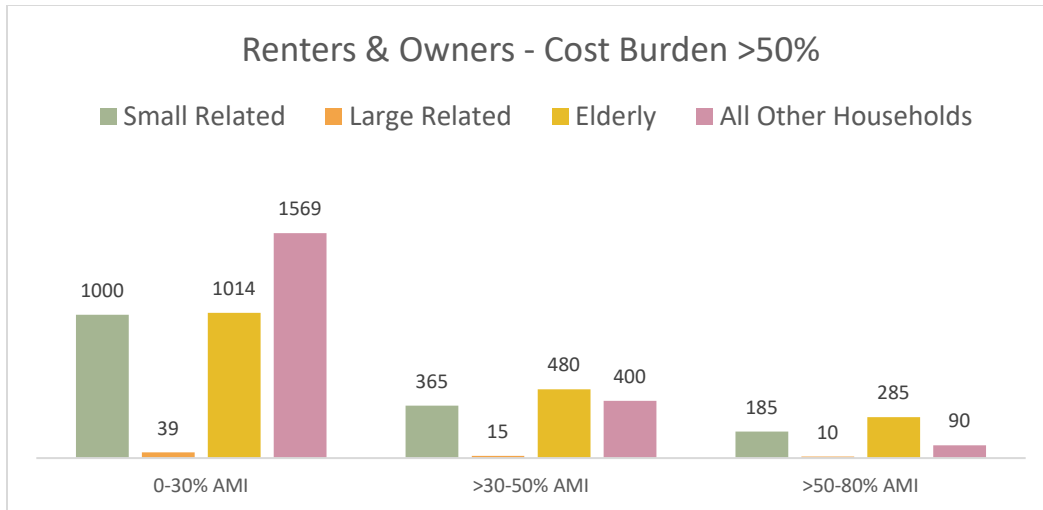


Chart is included in PDF version of the plan - uploaded as an IDIS Attachment

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	145	120	190	40	495	4	0	85	35	124
Multiple, unrelated family households	0	30	0	0	30	0	25	0	15	40
Other, non-family households	10	0	0	0	10	0	0	0	0	0
Total need by income	155	150	190	40	535	4	25	85	50	164

HUD Table 11 - Crowding Information

Data Source: 2011-2015 CHAS

Crowding: The City of Billings does not appear to have significant issues with crowding although households with very low incomes have a higher prevalence of crowding.

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
# Households with Children Present	42	40	51	133	1	7	23	31

HUD Table 12 - Crowding Information - 2 of 2

Data Source: Statistical Atlas & 2011-2015 CHAS

Children – Crowding: For the table above, City staff utilized [Statistical Atlas](#) to determine 26.8% of all households in Billings have children under the age of 18 in residence. HUD data was utilized with this percentage to estimate crowding by tenancy and household income.

Describe the number and type of single person households in need of housing assistance.

According to the [2010 Census](#), Billings had 43,945 households and one person occupied 32.6% of the homes (approximately 14,326 people / units). The percentage of people experiencing poverty may have decreased in recent years. According to Montana Quick Facts from the US Census, the 2009-2013 Billings poverty rate was 15.2%. The 2014-2018 American Community Survey estimated 10.2% of persons in Billings are experiencing poverty. Using the latter poverty estimate, 1,461 single person households may be in need of housing assistance. This estimate does not account for those individuals who have previously received assistance.

The Housing Authority of Billings has 2,220 and 2,166 single person households on their waiting list for public housing units and the Section 8 program, respectively. All of these households have incomes less than 30% of the AMI. This represents a significant need for housing assistance and smaller unit size, as the Housing Authority only manages 32 one-bedroom units at present.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Disabled: The American Community Survey identified 13,942 disabled residents in Billings (13% of the 107,130 population in 2017).

Living Independently for Today and Tomorrow (LIFTT) is a nonprofit organization employing and serving those with disabilities. The organization provides information and service referrals, linkage with personal care assistants, assists with independent living skills and offers a peer-mentoring program. LIFTT is also an advocacy organization supporting those with disabilities in all facets of life.

According to LIFTT staff, the most pressing needs for disabled citizens in Billings is rental assistance and accessible housing, both in rentals and ownership. LIFTT receives requests for the construction of ramps and for home modifications. LIFTT advocates for the rehabilitation of current housing units and new housing construction conformity to **visitability** standards, which includes no-step entrances, wide hallways and an accessible ground-level bathroom. Visitability standards accommodate residents and visitors with disabilities in addition to the aging population in Billings. New housing should be placed in areas of town with accessible sidewalks and public transportation.

The Housing Authority of Billings estimates 736 households classified as *disabled* on the public housing waiting list and an additional 799 disabled households on the waiting list for the Section 8 program; nearly 37% of the total waiting list. The need in this household category is not specific to household size; all bedroom sizes can accommodate these populations.

Domestic Violence: Domestic violence is a significant issue in Billings. In 2019, the Billings Police Department responded to 613 calls, up from a previous five-year high of 580 calls in 2017. This data was retrieved from a recent [Billings Gazette article](#) regarding a new domestic violence specialty court.

The Yellowstone Women's Christian Association (YWCA) Gateway program provides housing and services for victims of domestic violence in Billings. YWCA staff previously noted a lack of affordable housing for families transitioning out of Gateway. The organization recently opened a 24 one and two bedroom apartment complex on its campus. Residents have access to YWCA services at no cost, including financial, legal, and clinical counseling; education and skills training and job placement. The Housing Authority of Billings does not collect domestic violence status on housing assistance applications. The number of people in this special needs category on the waiting list cannot be determined.

What are the most common housing problems?

Cost Burden: HUD's data indicates the greatest housing problem in Billings for both owners and renters of all income levels is housing cost burden. Over 80% of low income renter / owner households have been paying more than 30-50% of their income for housing costs. In the renter category, the largest group is small-related households followed by the elderly. For owner households, the largest group is the elderly followed by small-related households.

Other data sources report that the majority of local citizens are not worried about the cost of housing, nor are they experiencing housing cost stress. According to the [Community Health Needs Assessment](#), less than 30% of survey respondents worry about the cost of housing. This data point is in alignment with the City's [National Citizen Survey](#) results, as approximately 70% of respondents reported that they were not experiencing housing cost stress.

Access to Housing: The most recent vacancy rates available from the Housing Authority of Billings point to a tight assisted housing rental market. The vacancy rate is less than two percent for public housing and Section 8 housing is 100% leased. There are over 6,000 households on the waiting list for assistance through the Housing Authority and over 4,300 of these are one-person households with income less than 30% AMI. These data indicate an exceptionally high need for smaller housing units affordable to extremely low income citizens.

Overall housing vacancy rates are relatively stable at five percent over the last several years. Homeownership rates have also been stable and new affordable housing development has outpaced the City's population growth. A [recent article](#) published by the Federal Reserve Bank of Minneapolis notes the growth in home pricing has greatly exceeded median household income. The median price of a home was nearly three times the median household income in 2000. In 2017, the sale price was four times the median income.

The Community Health Needs Assessment survey respondents indicate housing access issues relative to low income households, and low barrier housing for people living with mental illness. Half of the City's [National Citizen Survey](#) respondents indicate adequate housing options are available in the community, although only 32% indicate adequate access to quality, affordable housing.

Housing Quality: Surveys conducted for renters, current and potential homeowners reveals a great need for increased housing affordability, quality and availability. Low income aging, disabled, and single-parent homeowners often need help with routine repairs and maintenance to keep their homes in good condition, but simply cannot perform the work themselves or afford to hire a contractor to complete the work. Disabilities congruent with increasing age may prevent the elderly from performing maintenance and home improvement tasks. Key informants participating in the Community Health Needs Assessment note that the City does not have a housing quality code. Renters may deal with a lack of heat, pests, and substandard housing conditions. Surveys conducted for renters and current homeowners revealed great need for affordable home repair programs, including a desire for enhancements to energy-efficiency.

Are any populations/household types more affected than others by these problems?

Cost burdening impacts extremely low income (*less than 30% AMI*) households the most. In the rental housing market, small families are the most affected followed by the elderly. For owners, the elderly are most cost burdened followed by small families.

Describe the characteristics and needs of low income individuals and families with children (especially extremely low income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance.

Poverty, coupled with limited affordable housing options, contribute to housing instability for many low income individuals and families in Billings. Persons at imminent risk of homelessness typically have a combination of influencing financial factors including a lack of living wage job, rent in excess of 30% of their income, medical or transportation costs. Households with limited incomes can also experience additional hardships, such as family conflict, domestic violence, doubled-up living arrangements, criminal history and / or mental health / chemical dependency. Any of these factors create housing instability, particularly in the event of an unforeseen or unplanned economic hardship.

Formerly homeless individuals and families need stable income commensurate with a livable wage, affordable housing, education, training, reliable transportation, health services, and employment opportunities. Families may also need affordable childcare to accommodate education and employment commitments.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates

The City is not including a numerical estimate of the at-risk population in Billings.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

The high cost of rent and deposits in Billings are contributing factors to housing instability. These issues are compounded when the City's vacancy rate for assisted rental units is below two percent.

Discussion

In conclusion, cost burden is the most significant housing issue for low income households. Smaller families and the elderly are the largest cohorts experiencing housing cost burden. Over 80% of low income households have been paying greater than 30-50% of their income for housing costs. For renters, the cost burden is more significant with small related households followed by the elderly. With homeowners, cost burden is more significant with the elderly followed by small related households.

Homeownership housing pricing has outpaced income levels indicating a continued need for down payment and closing costs assistance to promote housing stability for low income families. The high percentage of elderly homeowners experiencing housing cost burden indicates the need for home repair programs.

There are enough housing units in Billings to accommodate the population, although there is a housing deficit of over 4,700 units for households with incomes less than 30% of the AMI. The total number of affordable units for the 50% and 80% AMI households exceeds the need. This has created a surplus of 1,193 housing units for 50% AMI households and over 9,000 units for households with incomes up to 80%

AMI. Many affordable units are occupied by higher income households. The data indicates a need for the development of housing units affordable to extremely low income families. There appears to be a surplus of housing affordable to higher income cohorts. Housing developers might consider converting existing, larger housing units to accommodate smaller families and single-person households.

The Housing Authority of Billings manages several federal housing programs and maintains a high performance status. The waiting list for access to Housing Authority units is particularly concerning. There are over 6,200 households on the Housing Authority of Billings waiting lists. Single-person households are the largest cohort on the waiting list, indicating a clear need for housing development or conversion to meet the needs of smaller households. Availability of housing affordable to very low income households is also a significant issue. Over 2,000 households are waiting for single-person housing. The high number of single-person households on the Housing Authority's waiting list indicates the need to expand the number of publicly assisted rental units.

NA-15 Disproportionately Greater Need: Housing Problems

91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole. For this purpose, disproportionately greater needs exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole.

Introduction

For the purposes of data analysis, HUD has provided data from the 2011-2015 Comprehensive Housing Affordability Strategy (CHAS) to demonstrate the number of households with certain housing problems in each income strata. This data is derived from the American Community Survey (ACS).

0%-30% of Area Median Income

Housing Problems - Lacks complete kitchen facilities - Lacks complete plumbing facilities - More than one person per room - Cost burden > 30%	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	4,728	734	334	82%	Baseline
White	3,814	624	309	80%	Similar
Black / African American	60	0	0	100%	Higher
Asian	35	0	0	100%	Higher
American Indian, Alaska Native	385	100	15	77%	Similar
Pacific Islander	0	0	0	-	-
Hispanic	334	14	10	93%	Higher

HUD Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2011-2015 CHAS

Zero to 30% AMI - Housing Problems: The total number of households for the jurisdiction as a whole is 5,796 in the zero to 30% AMI category. The above table illustrates 82% of the jurisdiction as a whole (*baseline*) is experiencing one or more of the four housing problems, similar to the White and American populations. Black / African American, Asian, and Hispanic households are disproportionately impacted by housing problems. The Black / African American and Asian population represents less than two percent of the total population in this chart. However, the Hispanic cohort represents over six percent of the total population in this chart. Collectively, minorities with higher need than the baseline measurement comprise nearly eight percent of the total cohort.

30%-50% of Area Median Income

Housing Problems - Lacks complete kitchen facilities - Lacks complete plumbing facilities - More than one person per room - Cost burden > 30%	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	3,465	1,995	0	63%	Baseline
White	2,920	1,860	0	61%	Similar
Black / African American	85	0	0	100%	Higher
Asian	0	0	0	-	-
American Indian, Alaska Native	170	25	0	87%	Higher
Pacific Islander	0	0	0	-	-
Hispanic	260	60	0	81%	Higher

HUD Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2011-2015 CHAS

30% to 50% AMI - Housing Problems: The total number of households for the jurisdiction as a whole is 5,460 in the 30% to 50% AMI category. The table above illustrates data showing 63% of the jurisdiction as a whole has one or more housing problems, similar to the White population. When compared to the jurisdiction as a whole, a higher percentage of Black / African American, American Indian, and Hispanic households have at least one housing problem. These minority populations represent nearly 11% of the total households in this category.

50%-80% of Area Median Income

Housing Problems - Lacks complete kitchen facilities - Lacks complete plumbing facilities - More than one person per room - Cost burden > 30%	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	3,059	4,920	0	38%	Baseline
White	2,529	4,420	0	36%	Similar
Black / African American	99	0	0	-	-
Asian	19	0	0	100%	Higher
American Indian, Alaska Native	180	140	0	56%	Higher
Pacific Islander	10	0	0	100%	Higher
Hispanic	130	299	0	30%	Lower

HUD Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2011-2015 CHAS

50% to 80% AMI - Housing Problems: The total number of households for the jurisdiction as a whole is 7,979 in the 50% to 80% AMI category. The table above illustrates data showing 38% of the jurisdiction as a whole has one or more housing problems, similar to the White population. This baseline measurement is eight percent lower than the Hispanic population in the chart. The Asian, American Indian, and Pacific Islander populations in this chart have at least one housing problem. Collectively, this minority cohort represents just over four percent of the total households represented in the chart.

80%-100% of Area Median Income

Housing Problems - Lacks complete kitchen facilities - Lacks complete plumbing facilities - More than one person per room - Cost burden > 30%	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	995	3,533	995	18%	Baseline
White	910	3,283	910	18%	Same
Black / African American	0	0	0	-	-
Asian	20	15	20	36%	Higher
American Indian, Alaska Native	15	55	15	18%	Same
Pacific Islander	0	0	0	-	-
Hispanic	4	120	4	3%	Lower

HUD Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2011-2015 CHAS

80% to 100% AMI - Housing Problems: The total number of households for the jurisdiction as a whole is 5,523 in the 80% to 100% AMI category. The above table illustrates data showing 18% of the jurisdiction as a whole has one or more housing problems, the same as White and American Indian populations. The Asian population has a much higher percentage of households with at least one housing problem. This cohort represents approximately one percent of the table's population.

Discussion

When considering the zero to 80% AMI households collectively, nearly 60% of the households have one or more of the four housing problems. The HUD tables above indicate 1,767 minority households from zero to 80% AMI have disproportionately greater need for resolution of one or more housing problem. A higher percentage of low income Black, Asian, Native American, and Hispanic families have one or more housing problem. Housing problems are impediments to fair housing choice for these cohorts.

The majority of local citizens are White, although the city is becoming more diverse. According to the [Diversity Data website](#), Whites made up 91.5% of the population in Billings in the year 2000. This has decreased to 88.7% of the population by 2010 and to 87% in 2012. The greatest percentage change in the resident population by race and ethnicity appears to be greatest for the City's multi-racial category of two or more races, followed by African Americans, American Indians, Hispanic Americans and Asians. The overall change in population for the White cohort is just over ten percent.

The [Analysis of Impediments to Fair Housing Choice](#) identified a dual housing market; one for Whites and Asians and one for American Indians, Hispanics and African Americans. Differences between actual and expected racial / ethnic census tract composition are likely due to housing discrimination. The probability of a dual, discriminative market exacerbates access to local housing, particularly for minorities and special populations.

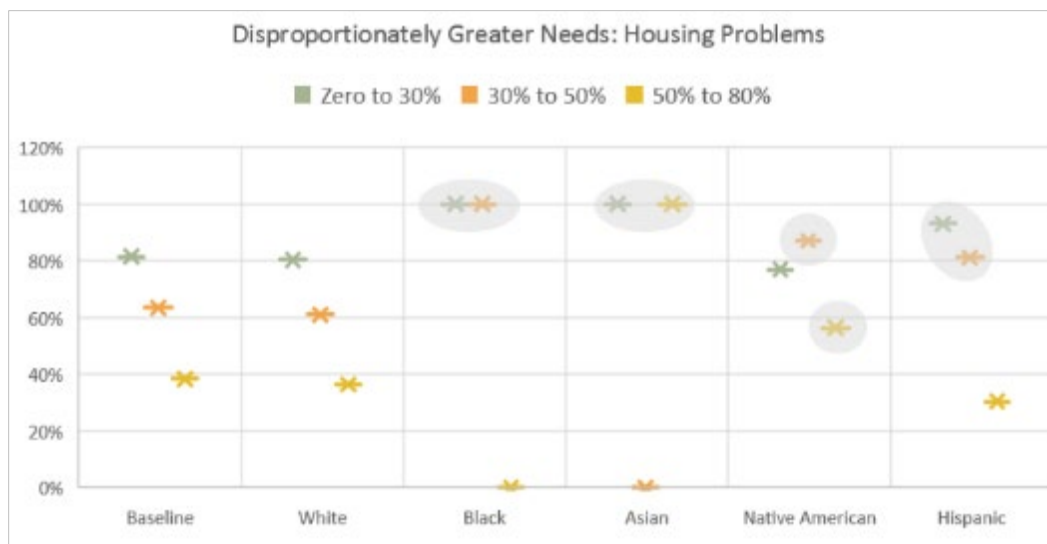


Chart is included in PDF version of the plan - uploaded as an IDIS Attachment

NA-20 Disproportionately Greater Need: Severe Housing Problems

91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole. For this purpose, disproportionately greater needs exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole.

Introduction

For the purposes of data analysis, HUD has provided data from the 2011-2015 Comprehensive Housing Affordability Strategy (CHAS) to demonstrate the number of households with certain housing problems in each income strata. This data is derived from the American Community Survey (ACS).

0%-30% of Area Median Income

Severe Housing Problems - Lacks complete kitchen facilities - Lacks complete plumbing facilities - More than 1.5 persons per room - Cost burden > 50%	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	3,698	1,769	334	64%	Baseline
White	3,049	1,384	309	64%	Same
Black / African American	50	10	0	83%	Higher
Asian	0	35	0	0%	Lower
American Indian, Alaska Native	300	185	15	60%	Lower
Pacific Islander	0	0	0	-	-
Hispanic	214	130	10	60%	Lower

HUD Table 17 - Severe Housing Problems 0 - 30% AMI

Data Source: 2011-2015 CHAS

Zero to 30% AMI - Severe Housing Problems: The majority of households in this income category have one or more of the listed housing problems overall. Asian, American Indian, and Hispanic households rank lower than the jurisdiction as a whole. However, the Black cohort has a higher percentage of households with one or more housing problem than the overall cohort population.

30%-50% of Area Median Income

Severe Housing Problems - Lacks complete kitchen facilities - Lacks complete plumbing facilities - More than 1.5 persons per room - Cost burden > 50%	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	1,470	4,000	0	27%	Baseline
White	1,235	3,545	0	26%	Similar
Black / African American	4	80	0	5%	Lower
Asian	0	0	0	-	-
American Indian, Alaska Native	120	75	0	62%	Higher
Pacific Islander	0	0	0	-	-
Hispanic	85	235	0	27%	Same

HUD Table 18 - Severe Housing Problems 30 - 50% AMI

Data Source: 2011-2015 CHAS

30% to 50% AMI - Severe Housing Problems: African Americans appear to have a lower percentage of persons in need compared to the jurisdiction as a whole. The American Indian population has a much higher percentage of housing problems when compared to any other cohort.

50%-80% of Area Median Income

Severe Housing Problems - Lacks complete kitchen facilities - Lacks complete plumbing facilities - More than 1.5 persons per room - Cost burden > 50%	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	920	7,065	0	12%	Baseline
White	720	6,245	0	10%	Similar
Black / African American	25	74	0	-	-
Asian	0	19	0	0%	Lower
American Indian, Alaska Native	135	185	0	42%	Higher
Pacific Islander	0	10	0	0%	Lower
Hispanic	30	409	0	7%	Lower

HUD Table 19 - Severe Housing Problems 50 - 80% AMI

Data Source: 2011-2015 CHAS

50% to 80% AMI - Severe Housing Problems: The American Indian population is the only cohort with a higher percentage of housing problems when compared to all other cohorts.

80%-100% of Area Median Income

Severe Housing Problems - Lacks complete kitchen facilities - Lacks complete plumbing facilities - More than 1.5 persons per room - Cost burden > 50%	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	280	4,249	0	6%	Baseline
White	215	3,984	0	5%	Similar
Black / African American	0	0	0	-	-
Asian	20	15	0	57%	Higher
American Indian, Alaska Native	4	60	0	6%	Same
Pacific Islander	0	0	0	-	-
Hispanic	0	125	0	0%	Lower

HUD Table 20 - Severe Housing Problems 80 - 100% AMI

Data Source: 2011-2015 CHAS

80% to 100% AMI - Severe Housing Problems: The Asian cohort is the only group with a higher percentage of housing problems when compared to all other populations. This cohort accounts for 35 households in the above table.

Discussion

When comparing the baseline percentage of households with housing problems by race and ethnicity, the Black and American Indian cohorts are disproportionately impacted by severe housing problems if the household income is below 80% AMI. Severe housing problems are impediments to fair housing choice for these cohorts.

NA-25 Disproportionately Greater Need: Housing Cost Burdens

91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole. For this purpose, disproportionately greater needs exist when the percentage of persons in a category of need who are members of a particular racial or ethnic group is at least ten percentage points higher than the percentage of persons in the category as a whole.

Introduction

For the purposes of data analysis, HUD has provided data from the 2011-2015 Comprehensive Housing Affordability Strategy (CHAS) to demonstrate the number of households with certain housing problems in each income strata. This data is derived from the American Community Survey (ACS).

The following HUD Table displays the cost burden information for Billings and each racial / ethnic group, including:

- No cost burden for those paying less than 30% of household income for housing
- Cost burden for those paying 30% to 50% of household income for housing
- Severe cost burden for those paying over 50% of household income for housing

Housing Cost Burden

Housing Cost Burden	<=30% No Cost Burden	30-50% Cost Burden	>50% Severe Cost Burden	No / negative income (not computed)	Percentage in need and comparison to baseline data	
Jurisdiction as a whole	31,168	6,919	5,668	334	29%	Baseline
White	28,800	5,875	4,840	309	27%	Similar
Black / African American	105	159	60	0	68%	Higher
Asian	185	65	20	0	31%	Similar
American Indian, Alaska Native	700	290	335	15	47%	Higher
Pacific Islander	0	10	0	0	100%	Higher
Hispanic	945	400	314	10	43%	Higher

HUD Table 21 - Greater Need: Housing Cost Burdens AMI

Data Source: 2011-2015 CHAS

Discussion

Over 44,000 households are included in the table above. According to this table, the White and Asian populations are not experiencing housing cost burden. All of the ten Pacific Islander households represented in this chart are experiencing cost burden. The Black cohort represents the next highest percentage followed by the American Indian and Hispanic groups. Over 1,600 racial / ethnic minority households under 50% AMI are experiencing housing cost burden. Housing cost burden is an impediment to fair housing choice for these cohorts.

Are there any income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Disproportionately greater need in racial / ethnic minorities relative to housing problems exists at all income levels. All racial / ethnic minorities have disproportionately greater need than the needs of the overall jurisdiction population. The total number of impacted households for all income categories is 2,698; just over 2,400 of these households qualifies as low income.

The American Indian population is the only cohort that is experiencing disproportionate need relative to one or more severe housing problem. This cohort represents over 1,100 families.

If they have needs not identified above, what are those needs?

The [homeownership rate](#) in Billings is much higher for the overall population, predominantly White, when compared to the rate of American Indian, Black, Hispanic and Asian residents. The highest percentage of people living in ownership housing are Whites, followed by Asians, Pacific Islanders, Hispanics, Blacks and American Indians. The percentage of people living in rental housing is directly opposite, with American Indians in the lead.

2010 Census - Billings	Total Population in Occupied Housing Units	Mortgage	No Mortgage	Owner Occupied	% of Population in Owned Housing	Renter Occupied	% of Population in Rented Housing
White Alone	92,227	48,969	15,451	64,420	70%	27,807	30%
Asian	597	299	68	367	61%	230	39%
Pacific Islander	105	45	6	51	49%	54	51%
Hispanic	4,182	1,654	336	1,990	48%	2,192	52%
African American	679	229	41	270	40%	409	60%
American Indian	3,964	934	166	1,100	28%	2,864	72%

Data Source: 2010 Census, Table is included in PDF version of the plan - uploaded as an IDIS Attachment

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

Minorities appear more concentrated in several areas of the City. The Billings [2013 Analysis of Impediments to Fair Housing Choice](#) indicated that the City has a rare opportunity to prevent segregation from developing. The early stages of segregation were identified in Census tracts 3.0, 9.02, and 2.0 with a pattern of segregation moving westward. There appears to be an isolated minority concentration on the far west end of Billings (Census Tract 17.03) with a ten percent minority population.

Introduction

The Housing Authority of Billings is responsible for the administration of the public housing and Section 8 programs for the community. The Housing Authority is an independent organization established under the laws of the State of Montana. The City of Billings' Mayor appoints Board members for the Housing Authority.

The mission of the Housing Authority of Billings is to help families and individuals with lower incomes achieve greater stability and self-reliance by providing safe, affordable, quality housing and links to the community. The Housing Authority of Billings' five-year plan describes specific goals and objectives and the plan is available for review at the Housing Authority of Billings office located at 2415 1st Avenue North, Billings, Montana.

Shelter Plus Care, Single Room Occupancy and Supportive Housing Program funding amounts are not included in the City's Action Plan, as the funds are not available for allocation through the City's Consolidated Plan process. Funding allocated to the Housing Authority of Billings is contained in their Annual Action Plan and the City is not duplicating the reporting requirements that already exist in the Public Housing Agency Plan.

City staff enjoy a positive, collaborative relationship with the Housing Authority of Billings for affordable housing and community development projects. The City provided the Housing Authority of Billings \$1,543,191 in CDBG and HOME funding from 1996 to 2014 to support affordable housing, including: family self-sufficiency; tenant-based rental assistance; low income area infrastructure; and affordable housing development. This funding has aided in the development of 75 new affordable housing units.

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
# of units vouchers in use	0	0	269	539	0	493	30	0	0

**includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-Year, and Nursing Home Transition*

HUD Table 22 - Public Housing by Program Type

Data Source: PIC (PIH Information Center)

Housing Authority of Billings (HAB) Assistance Program Usage / Demand - February 2020

Assistance Programs	Vouchers / Units in Use	Current Waiting List
HAB Housing Choice Voucher / Section 8 (Certificate)	688	2,168
Moderate Rehabilitation Section 8	33	0
Public Housing (Income Eligibility)	274	3,292
Section 8 Project-Based Vouchers	102	96
Department of Commerce Housing Choice Voucher Managed through HAB	450	469
Veterans Affairs Supportive Housing (VASH) Housing Choice Vouchers	80	50
Shelter Plus Care Vouchers	0	0
HOME Units	35	50
Tax Credit Units	62	100
Total:	1,724	6,225

Source: Housing Authority of Billings – Entered as Table in IDIS

Characteristics of Residents

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project-based	Tenant-based	Special Purpose Voucher Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	0	12,898	10,761	0	10,715	8,585	0
Average length of stay	0	0	4	4	0	4	0	0
Average Household size	0	0	3	2	0	2	1	0
# Homeless at admission	0	0	0	0	0	0	0	0
# of Elderly Program Participants (>62)	0	0	18	90	0	83	6	0
# of Disabled Families	0	0	52	205	0	186	10	0
# of Families requesting accessibility features	0	0	269	N/A	N/A	N/A	N/A	N/A
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

HUD Table 23 - Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
White	0	0	162	430	0	390	25	0	0
Black/African American	0	0	6	19	0	18	1	0	0
Asian	0	0	0	4	0	4	0	0	0
American Indian/Alaska Native	0	0	100	84	0	80	3	0	0
Pacific Islander	0	0	1	2	0	1	1	0	0
Other	0	0	0	0	0	0	0	0	0

**includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-Year, and Nursing Home Transition*

HUD Table 24 - Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Ethnicity	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
Hispanic	0	0	9	47	0	41	5	0	0
Not Hispanic	0	0	260	492	0	452	25	0	0

**includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-Year, and Nursing Home Transition*

HUD Table 25 - Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units

Public Housing Tenant Needs: Data provided in the Housing Authority's Usage / Demand table represent the total number of vouchers and units available in the Billings area. The Public Housing program has a waiting list of over 3,000 households while only 274 units are available.

Waiting List for Accessible Units: The Housing Authority serves many households with a variety of special needs due to a disability. The Public Housing program has 37 handicap accessible units and the Housing Authority corporate subsidiary has 31 adaptable units. The Housing Authority has added several fully accessible and adaptable units of varying unit sizes to ensure accessibility for all applicant types including the vision impaired, hearing impaired or wheelchair accessible to accommodate the mobility impaired. When a wheelchair accessible unit becomes available, the Housing Authority staff spend several weeks trying to find an applicant with those needs ready to move, making the units sometimes difficult to fill.

What are the number and type of families on the waiting lists for public housing and Section 8 tenant-based rental assistance? What are the most immediate needs of residents of Public Housing and Housing Choice voucher holders?

There are 3,292 households on the Public Housing waiting list and 2,168 households on the Section 8 tenant-based waiting list. This indicates a high need for deposit, rent, and mortgage assistance. Applicants currently on all waiting lists by unit size are as follows:

- One bedroom: 2,220
- Two bedroom: 622
- Three bedroom: 211
- Four bedroom: 239

This data supports the high need for smaller units, particularly one-bedroom rentals. The Housing Authority of Billings only has 32 one-bedroom public housing units, indicating a high need for access to affordable housing coupled with a need for housing assistance. The elderly and disabled are typically higher need and placed first, leaving the remaining households on the waiting list.

The Housing Authority can meet the needs of hundreds of households through the Housing Choice Voucher / Section 8 program while thousands of households remain on the waiting list. Section 8 clients often have a difficult time finding units they can rent in higher income areas. Many rental units in Billings are too expensive for prospective tenants to use their Section 8 voucher. Housing Authority of Billings staff indicates many of those issued a voucher are actually unable to find a rental unit.

Voucher holders typically have less income, which makes daily life more challenging on most levels. Many need access to basic necessities such as education, literacy, transportation, employment, parenting skills, access to preschool, medical care / coverage and funds to support daycare expenses. They also need support to be able to follow through with program compliance and develop better skills to obtain higher paying jobs in the community.

How do these needs compare to the housing needs of the population at large

The needs of voucher holders greatly exceeds the housing needs of the population at large. Competition to secure housing often favors households who do not have credit barrier, can come up with required deposits and can pay premium rates for housing units. Additionally, the population at large is able to access housing in wide range of income areas, unlike voucher holders who are often unable to find affordable units in higher income areas that will accept their Section 8 voucher.

Introduction

The overall homeless population includes easily visible cohorts and others that are less visible, including unaccompanied youth, families, single adults, veterans and the working poor. Homelessness is not a lifestyle choice for the majority of those experiencing it. According to the [Montana point-in-time count](#), there were 465 people experiencing homelessness in January 2019. Previous surveys indicate a decrease in homelessness in Billings by over 200 people. An article in the [Billings Gazette](#) noted that homelessness in Billings increased in 2017 by ~29% with 709 individuals participating in the point-in-time count.

Bob Buzzas, Montana Continuum of Care, provided data for the charts in this section. The grey columns contain information the Montana Continuum of Care does not submit to the HUD Data Exchange nor does it have an effective method for estimating this data.

Homeless Needs Assessment

Population	Estimate # of persons experiencing homelessness on a given night		Estimate # experiencing homelessness each year	Estimate # becoming homeless each year	Estimate # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Unsheltered	Sheltered				
Persons in Households with Adult(s) and Child(ren)	6	45				
Persons in Households with Only Children	0	2				
Persons in Households with Only Adults	47	113				
Chronically Homeless Individuals	8	14				
Chronically Homeless Families	6	25				
Veterans	6	23				
Unaccompanied Youth	0	2				
Persons with HIV	0	0				

HUD Table - Data Source: Bob Buzzas, Montana Continuum of Care, February 2020

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

Chronically homeless individuals are often the most visible amongst the homeless population. HUD defines *chronic homelessness* as having a disability and either having been homeless for over a year or having experienced at least four episodes of homelessness within the past three years. In Billings, only seven percent of those represented in the charts above were chronically homeless individuals. An additional ten percent of those counted were chronically homeless families. Seventeen percent of those experiencing homelessness in Billings are households with adults and children. Veterans comprise ten percent of the overall homeless population and unaccompanied youth represent less than one percent of the total population.

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans

According to the data provided in the above tables, there are 51 persons in households with adults and children and 29 veterans. Data is not available relative to the needs of families of veterans.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group

According to the data provided herein, the Billings homeless population is predominantly White (52%). American Indians are the largest and most disproportionately represented minority group amongst the homeless community. Despite representing less than four percent of the general population in Billings (2017 American Community Survey), American Indians represent 41% of the total homeless population. The Hispanic population represents 18% of the homeless population identified in the chart below and just over five percent of the overall population is Hispanic in Billings.

Nature and Extent of Homelessness		
Race:	Sheltered	Unsheltered
White	70	18
Black or African American	6	1
Asian	1	1
American Indian	44	26
Pacific Islander	1	3
Ethnicity:	Sheltered	Unsheltered
Hispanic	21	14
Not Hispanic	119	39

HUD Table - Data Source: Bob Buzzas, Montana Continuum of Care Coalition
February 2020

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness

Pursuant to the HEARTH Act, sheltered and unsheltered homeless are defined as follows:

- **Sheltered Homeless:** An individual or family living in a supervised publicly or privately operated shelter designed to provide temporary living arrangements (*including congregated shelters, transitional housing, and hotels and motels paid for by charitable organization or by federal, state, or local government*).
- **Unsheltered Homeless:** An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.

Seventy-five percent of those represented in the charts above were sheltered and 75% were reportedly sheltered.

Introduction

HUD requires the City to describe, to the greatest extent practicable, the level of housing need for persons who are not homeless but require supportive housing, including the elderly, frail elderly, persons with disabilities, persons with alcohol or other drug addiction, persons with HIV/AIDS and their families, and victims of domestic violence, dating violence, sexual assault and stalking.

American Community Survey and Census estimates may be useful at some level to determine overall disability rates, it is also important to note the margin of error for some data sets is quite large in many combined categories.

Describe the characteristics of special needs populations in your community

Elderly (ages 62+): There are [109,550 people](#) living in Billings (2018 Census estimates) and 16.4% of the total population in Billings is aged 65 and older, totaling 17,966 people.

Frail Elderly (*requires assistance with three or more activities of daily living, such as bathing, walking, and performing light housework*): The 2017 five-year American Community Survey estimated 1,268 people between the ages of 65 and 74 with a disability (+/-165) and an additional 1,382 (+/- 187) aged 75 years and older with a disability. The survey provided estimates for people over the age of 65 with the following difficulties: [hearing](#) (1,093 people, +/- 324); [vision](#) (364 people, +/- 138); [self-care](#) (1,185 people, +/- 746); or independent living (4,793 people, +/- 1,067).

Persons with Disabilities: The [American Community Survey](#) estimates indicate a civilian non-institutionalized population of 107,620 individuals, of which, 13.5% / 13,594, have a disability. Just over 12% of the White population is disabled while nearly 19% of those reporting two or more races are disabled.

Addiction: [Montana's Office of Epidemiology and Scientific Support](#) provides recent statistics on drug / alcohol use. The annual death rate from alcohol-related causes is much higher than the national rate (42 deaths per 100,000 people versus 29 in the nation). The [Community Health Needs Assessment](#) indicates 205 area adults are excessive drinkers.

Mental Health: The [Office of Epidemiology and Scientific Support](#) alcohol states 270 Montana citizens die by suicide each year and in 2017, the suicide rate was two times higher than the national rate (*29 deaths per 100,000 people versus 14 deaths per 100,000 people in the United States*). Males account for 80% of suicide deaths in Montana. One in ten high school students reported having attempted suicide in the past twelve months. According to the [Community Health Needs Assessment](#), behavioral health is the most difficult health care option to access in the county.

Persons with HIV/AIDS: According to the [Montana Department of Health and Human Services](#), approximately 21 people are diagnosed with HIV each year. In 2018, 24 newly diagnosed HIV cases were reported in Montana. Data is not currently available relative to the number of cases in Billings.

Domestic Violence Victims: Over 20% of [Community Health Needs Assessment](#) survey respondents indicate they have been a victim of domestic violence at least one time in their life. This figure is higher than the nation's 14% data point.

What are the housing and supportive service needs of these populations and how are these needs determined?

One of the most significant housing problems in Billings for both owners and renters of all income levels and populations is housing cost burden. Single-person households with incomes less than 30% AMI are also a very high need as per the Housing Authority of Billings waiting list. Nearly 1,800 minority households with incomes less than 80% AMI are experiencing one or more housing problems.

Elderly: Housing affordability continues to be a challenge for the elderly, particularly those who are homeowners.

Persons with Disabilities, HIV/AIDS and Domestic Violence Victims: Service providers indicate continued need for rental housing assistance and owner-occupied housing rehabilitation. Supportive services include linkage to transportation, medical / dental care, child care, reliable and sustainable food sources, and case management.

Addicted Persons: The development of sober living housing options are in demand in Billings, along with behavioral / addiction health services. Additionally, a short-term sobering center with accelerated access to inpatient, detoxification treatment and long-term addiction treatment options would be helpful in serving addicted persons.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area

The [Community Health Needs Assessment](#) indicates 103 individuals in Yellowstone County are living with HIV. Nearly 75% of new HIV infections occur in men and 45% of new infections occur in African Americans, 35% in Whites, and 17% in Hispanics.

Describe the jurisdiction's need for Public Facilities

Information on local nonprofits who manage senior centers, facilities for the disabled, facilities serving the homeless, youth centers, child care and health facilities can be found in other sections of this Consolidated Plan. Federal HUD funds are not presently utilized for public facilities outside of affordable housing development, but may be included in future Annual Action Plans based on funding applications submitted to the City.

For public facilities specific to City management, the Public Works Department spearheads a five-year Capital Improvement Planning process beginning each November. All City departments are given an opportunity to review past projects and proposed projects for the next five years. Worksheets aid in the development of proposals for new projects and financial or descriptive modifications to existing projects. By mid-January, projects are prioritized based on input from the public during the course of the year. Every two years in February, the Public Works Department holds two public hearings to review the Capital Improvement Plan in order to garner need and prioritize projects over the next five years. For a full listing of CIP projects, the entire plan can be found [online here](#).

Current public facility needs include the development of two new fire stations to meet national standards. The new stations would be located in the Heights (northern Billings) and on the western area of Billings. The area covered by the fire department has increased significantly and needs have outpaced fire station capacity. Construction of the new stations may be included in future efforts to pass a public safety mill levy. Other public facility needs have been identified in the Capital Improvement Plan available online.

How were these needs determined?

Needs are determined through public hearings and input gathered throughout the year. Data from the Billings Police and Fire Departments has also been provided during public meetings and is available on the City's website.

The City has also conducted extensive *Citizen Surveys* to garner feedback regarding community needs. The Citizen Surveys can be found on the City's website [at the following link](#). The survey focuses on many City attributes, including: community quality; design; public safety; environmental stability; recreation and wellness; community inclusiveness; civic engagement; and public trust. Most residents rated the overall quality of life in Billings positively. Compared to national benchmarks, employment opportunities ranked much higher in Billings.

Describe the jurisdiction's need for Public Improvements

The need for public improvements is outlined in the City's current Capital Improvement Plan. Please see information provided above.

How were these needs determined?

Please see information provided above.

Describe the jurisdiction's need for Public Services

City Public Services: The City's Citizen Survey's open-ended questions indicated a strong need for public safety including response to crime and safety services. Data provided by the Billings Police Department indicate historic increases in violent and property crime. Crime rates are driven largely by addiction and mental illness.

Improvements to downtown safety include increased foot, bike, and vehicle patrols along with improved crime mapping analysis and interventions. Staffing needs to be increased to support prosecutor caseloads. Special emphasis on crime prevention efforts, code enforcement, and traffic safety have also been identified as jurisdictional public service needs.

Food Security and Poverty-Impact: According to local social service providers, there is a demonstrated need for food security and poverty-impact initiatives in the Billings area. Many individuals are experiencing housing cost burden, which constrains household income available to meet other basic needs. Social service agencies serving the elderly note specific food security issues as a high need.

Health Care: Lower income residents are experiencing poorer health due to lack of access to medical and dental care, mental and physical health issues, and unhealthy behaviors. They are also classified as having greater health risk and a higher prevalence of chronic conditions than higher income individuals. Access to healthcare coverage continues to be an issue for many low income households.

How were these needs determined?

As previously noted, the City's Citizen Survey reports and Community Health Needs Assessment were utilized to determine needs. Additional consultation was completed with local social service providers.

Section IV: Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview

Billings is the largest and most populated city in Montana. The City spans over 44 square miles and approximately 110,000 people reside within the city limits. The City has prospered economically and has been able to withstand market changes like the recession. However, there are more significant housing issues that need to be addressed.

The majority of low income households in Billings are experiencing housing cost burden. There are enough housing units to accommodate the population, however there is a significant deficit of affordable housing units available to extremely low and very low income households. Minorities are disproportionately impacted by housing problems; lacking a complete kitchen or plumbing facilities; overcrowding; and / or housing cost burden. Housing problems are a significant impediment to fair housing choice for these cohorts.

MA-10 Number of Housing Units

91.210(a)&(b)(2)

Introduction

The American Community Survey identified over 47,000 housing units in Billings; the majority are single-family residences. Over 80% of the owner-occupied housing units have three or more bedrooms while rental units are slightly smaller; 44% of rental units have two bedrooms.

The City's [Growth Policy](#) includes projections for several different growth scenarios in Billings, including anticipated costs and revenues for each. Infill and adjacent neighborhood growth was the lowest cost and highest revenue option, while low density expansion through the west end of Billings was the highest cost option. Infill and adjacent growth also has the highest anticipated return on investment at 14% compared to all other scenarios (under six percent).

The City manages growth by encouraging development within and adjacent to the existing City limits, but preference will be given to areas where City infrastructure exists or can be extended within a fiscally constrained budget and with consideration given to increased tax revenue from development. The City will prosper with strong neighborhoods with their own unique character that are clean, safe, and provide a choice of housing and transportation options.

All residential properties by number of units

Property Type	Number	%
1-unit, detached structure	28,790	61%
1-unit, attached structure	2,850	6%
2-4 units	5,515	12%
5-19 units	3,785	8%
20 or more units	2,934	6%
Mobile Home, boat, RV, van, etc.	3,180	7%
Total	47,054	100%

HUD Table 26 - Residential Properties by Unit Number

Data Source: 2011-2015 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	50	0%	515	3%
1 bedroom	325	1%	4,395	27%
2 bedrooms	4,780	17%	7,154	44%
3 or more bedrooms	22,565	81%	4,300	26%
Total	27,720	99%	16,364	100%

HUD Table 272 - Unit Size by Tenure

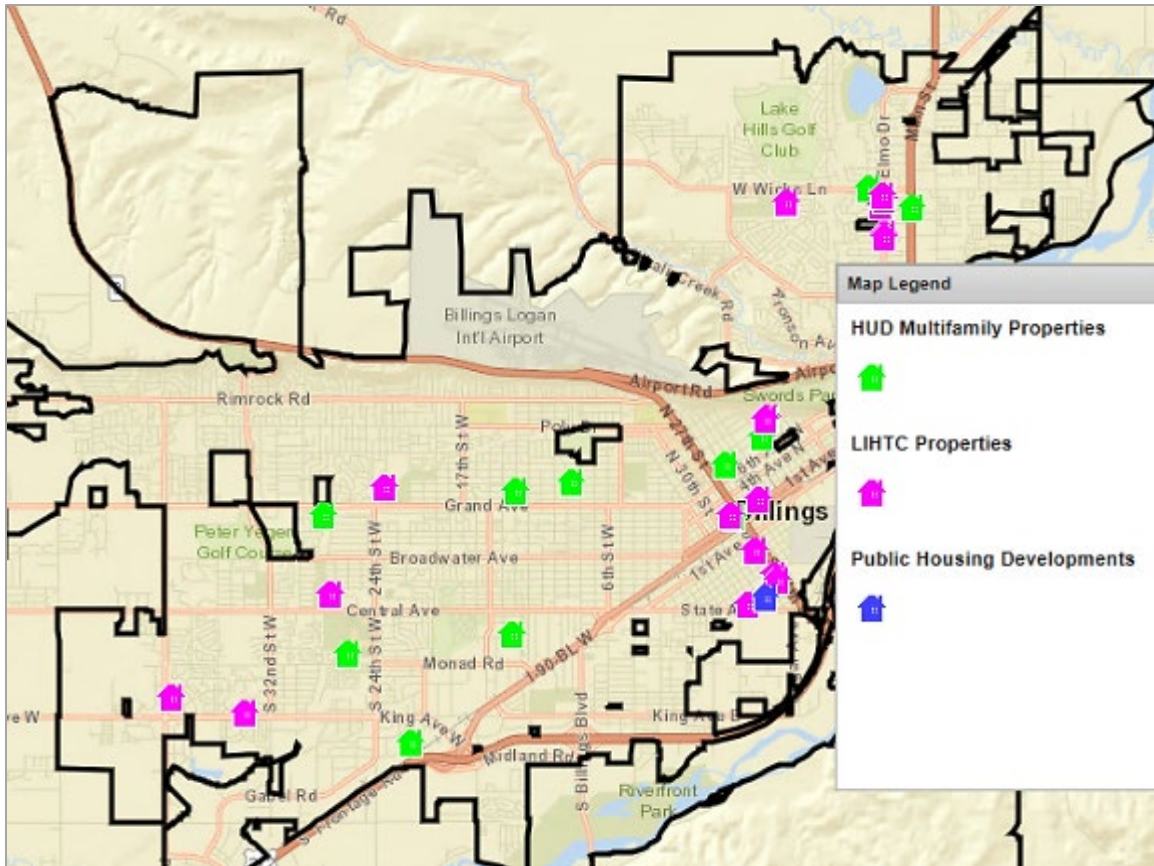
Data Source: 2011-2015 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs

Local: The City's First Time Home Buyer program assists 30 to 50 low income households under 80% AMI each year with down payment and closing costs. Several owner-occupied households are assisted in making necessary repairs through the Housing Rehabilitation program. Many of the households served through repair programs require accessibility repairs / installations to accommodate those with disabilities. The City also manages the Foreclosure Acquisition / Rehabilitation program and has acquired, rehabilitated and sold homes for the past decade. Properties are sold to households with incomes less than 80% AMI. Several of these homes have been sold to very low income families and to households with disabled person(s).

The Billings Metro VISTA Project provides health, mental health, housing, and economic development activities for nonprofits working with those experiencing poverty. Over the past five years, the VISTA members assisted nonprofit organizations in assisting 2,000 low income people with services.

The Housing Authority of Billings provides housing for over 1,700 families. Additional information regarding the services provided by the Housing Authority is located in the MA-25 section of this Consolidated Plan.



CPD Maps, <https://eqis.hud.gov/cpdmaps/>

Federal: HUD Multifamily Properties in Billings include (but are not limited to):

- Volunteers of America, Aspen Grove, 64 Units
- Volunteers of America, Magic City Terrace, 84 Units
- Big Sky Apartments, 80 Units (78 Assisted)
- Pleasant View, 101 Units (100 Assisted)
- Sunrise Manor, 24 Units
- Grand View Apartments, 24 Units
- Rose Park Plaza, 112 Units, also a Low Income Housing Tax Credit (LIHTC) project
- Western View Apartments, 84 Units (34 Assisted)
- Beartooth Homes, 15 Units
- Fraser Tower, 64 Units, also a LIHTC project
- Prairie Tower Apartments, 109 Units (108 Assisted)
- Ponderosa Acres, 120 Units

State: Billings LIHTC Projects include (but are not limited to):

- Sage Tower, 81 Units (76 Assisted)
- Acme Hotel Apartments, 19 Units
- Agape Housing, 9 Units
- Southern Lights, 20 Units

- Central Court Village, 81 Units (80 Assisted)
- Spring Garden Apartments, 8 Units
- South Forty Apartments, 100 Units
- Shiloh Glen Apartments, 120 Units
- YWCA Gateway VISTA Apartments
- Chapel Court, 50 Units

Whitetail Run Apartments received additional federal funding to develop 32 units in 2009. An additional public housing unit is identified on the Community Planning Development (CPD) Maps website with a total of 274 units. This figure likely represents the 274 housing units owned and managed by the Housing Authority of Billings.

[Affordable Housing Online](#) has identified 27 total federally-assisted affordable rental housing projects in Billings containing 1,517 units. The number of units, on average, for affordable rentals is 56 and the largest project is West Park Village at 179 total units. Seven projects provide 477 housing units for the elderly. A total of 1,378 units also come with rental assistance to make the cost of housing affordable for very low income households.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts

Outside of the sale of single-family housing units, the Housing Authority does not anticipate any loss in affordable housing units during the period of this plan. The Housing Authority plans on developing smaller housing units to better accommodate waiting list families. City staff does not anticipate the loss of other assisted housing units in the Billings community owned by other nonprofit housing providers during the period of this plan.

Does the availability of housing units meet the needs of the population?

According to the [Federal Reserve Bank of Minneapolis](#), the population in Billings has increased by 12,300 residents, nearly eight percent, from 2010 to 2018. The local housing market has produced about 8,400 units since 2010, representing a nearly 12% increase. The majority of these housing units are single-family residences. Given these figures, housing development is outpacing population growth.

However, the housing needs of extremely and very low income households have been exacerbated by rising costs and there are not enough rental housing units affordable. The number of low income renters outnumber the supply of housing units they can afford.

There are enough housing units in Billings to accommodate the population, although there is a housing deficit of over 4,700 units for households with incomes less than 30% of the AMI. The total number of affordable units for the 50% and 80% AMI households exceeds the need. This has created a surplus of 1,193 housing units for 50% AMI households and over 9,000 units for households with incomes up to 80% AMI. Many affordable units are occupied by higher income households.

The Housing Authority of Billings manages several federal housing programs and maintains a high performance status. The waiting list for access to Housing Authority units is particularly concerning. There

are over 6,200 households on the Housing Authority of Billings waiting lists. Single-person households are the largest cohort on the waiting list, indicating a clear need for housing development or conversion to meet the needs of smaller households. Availability of housing affordable to very low income households is also a significant issue. Over 2,000 households are waiting for single-person housing.

Describe the need for specific types of housing

The greatest housing need in Billings is the development and renovation of affordable housing for both owners and renters with incomes from zero to 80% AMI. Local housing options are limited due to cost burden and increased competition for available units. The Housing Authority of Billings has identified over 2,000 low income households on the waiting list for single-person households, indicating a high need for smaller affordable housing units.

Introduction

Rental and ownership housing costs have increased significantly over time. Utilizing HUD-provided data provided in the City's last Consolidated Plan and the table methodology below, the median home value has increased 98% over the past 15 years and the median contract rent has increased 59%. In the year 2000, the median home value was \$96,700 and in 2015 it was \$191,200. On average, median home values have increased by 6.5% per year. Median contract rent was \$425 in the year 2000 and in 2015, the rent was \$677. This represents a 59% increase and an annual average increase of 3.9%. The majority of renters are paying \$500 to \$999 per month, followed by those paying less than \$500 per month.

Cost of Housing

	Base Year: 2009	Most Recent Year: 2015	% Change
Median Home Value	160,300	191,200	19%
Median Contract Rent	546	677	24%

HUD Table 283 - Cost of Housing

Data Source: 2005-2009 & 2011-2015 ACS

Rent Paid

Rent Paid	Number	%
Less than \$500	3,648	22.3%
\$500-999	9,968	60.9%
\$1,000-1,499	1,969	12.0%
\$1,500-1,999	365	2.2%
\$2,000 or more	420	2.6%
Total	16,370	100.0%

HUD Table 29 - Rent Paid

Data Source: 2011-2015 ACS

Housing Affordability

Number of units affordable to households earning	Renter	Owner
30% HAMFI	1,084	No Data
50% HAMFI	4,784	1,874
80% HAMFI	10,643	6,480
100% HAMFI	No Data	10,275
Total	16,511	18,629

HUD Table 30 - Housing Affordability

Data Source: 2011-2015 CHAS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Fair Market Rent	597	708	936	1,308	1,594
High HOME Rent	597	708	936	1,183	1,300
Low HOME Rent	597	668	801	925	1,032

HUD Table 31 - Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

While there are enough overall affordable housing units in Billings, there are not enough units for extremely low income households. As previously noted, housing cost burden is most acute for households with incomes from zero to 30% AMI.

In the table below, data from HUD Table 30: Housing Affordability are compared to HUD data provided in the Total Households table (NA-10). This comparison estimates the difference between the number of affordable housing units and the number of households by income strata. There appears to be a disparity relative to the very low income households as there is a 4,700 unit deficit. Contrarily, nearly 1,200 units are available but not needed by the 50% AMI group and over 9,000 units available to 80% AMI households but are not needed.

Number of units affordable to households earning	Total # affordable units	Total Households by Income	Difference Between # Units and Households
30% HAMFI	1,084	5,797	(4,713)
50% HAMFI	6,658	5,465	1,193
80% HAMFI	17,123	7,985	9,138
Total	24,865	19,247	5,618

Data Source: HUD IDIS, 2011-2015 CHAS, Table is included in PDF version of the plan - uploaded as an IDIS Attachment

This disparity was also noted by the Federal Reserve Bank of Minneapolis. A [recent article](#) included CHAS data from 2012-2016 comparing household income with the number of households in rental units by housing unit affordability. Over 5,600 moderate / > median income households are living in extremely low, very low, or low income housing units (nearly 30% of all low income units).

		Number of households in rental units by housing unit affordability				
		Extremely Low Income Units	Very Low Income Units	Low Income Units	Moderate Income Units	Total Households
Household Income	Extremely Low Income	1,453	1,878	1,174	225	4,730
	Very Low Income	519	2,123	1,237	289	4,168
	Low income	469	2,112	2,184	355	5,130
	Moderate Income	182	644	1,130	119	2,075
	> Median Income	250	1,228	2,715	864	4,517
Total Housing Units		2,873	7,995	7,900	1,852	

Federal Reserve Bank of Minneapolis, 2012-2016 CHAS, Table is included in PDF version of the plan - uploaded as an IDIS Attachment

Another way to look at housing affordability is to compare what a household makes at varying income levels compared to fair market rents in Billings. In the following chart, gross income limits for the HOME program are utilized to demonstrate recommended maximum monthly housing costs.

**30% Monthly Limits on Household Costs for
Mortgage/Taxes/Insurance or Rental Unit**

% AMI		30% AMI	50% AMI	80% AMI
HUD Category		Extremely Low Income	Very Low Income	Low Income
Household Size	1	\$411	\$686	\$1,098
	2	\$470	\$784	\$1,254
	3	\$533	\$881	\$1,410
	4	\$644	\$979	\$1,566
	5	\$754	\$1,058	\$1,693
	6	\$865	\$1,136	\$1,818
	7	\$975	\$1,214	\$1,943
	8	\$1,086	\$1,293	\$2,068

*Community Development Division, 2019 HOME Income Limits
Table is included in PDF version of the plan - uploaded as an IDIS Attachment*

Rental Housing: At fair market rates, a single-person household with an income housing cost limit of 30% AMI (\$411) would not be able to afford an efficiency apartment at a rate of \$597. Local housing choice is limited for extremely and very low income households, as shown in the table below. Housing choice is greatest for households with incomes over 80% AMI.

Affordability of Fair Market Rental Units by Household Size and Income Level

% AMI		30% AMI	50% AMI	80% AMI
HUD Category		Extremely Low Income	Very Low Income	Low Income
Household Size	1	-	Efficiency	Efficiency, 1 or 2 Bedroom
	2	-	Efficiency, 1 Bedroom	Efficiency, 1 or 2 Bedroom
	3	-		Efficiency, 1, 2, or 3 Bedroom
	4	Efficiency	Efficiency, 1 or 2 Bedroom	Efficiency, 1, 2, 3 or 4 Bedroom
	5	Efficiency, 1 Bedroom		
	6			
	7	Efficiency, 1 or 2 Bedroom		
	8			

*Community Development Division, 30% of 2019 HOME Income Limits & Fair Market Rents
Table is included in PDF version of the plan - uploaded as an IDIS Attachment*

Ownership Housing: In Yellowstone County, the median price of homes in 2009 was \$181,000 and in 2014, the median sales price was just under \$220,000. This represents nearly \$40,000 increase in home prices over the past five years; \$7,780 per year.

How is affordability of housing likely to change considering changes to home values and/or rents?

Housing affordability is expected to be more of a challenge as rent and housing prices continue to increase. Overall, citizens should expect to pay more for both rental and homeownership housing in Billings in future years.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

HOME rental rates are higher than Fair Market Rent rates for both three and four bedroom units, which is similar to average rental rates in Billings. The [Best Places website](#) indicates the average rents are as follows: Studio - \$605; One Bedroom - \$715; Two Bedrooms - \$945; Three Bedrooms - \$1,325; and Four Bedrooms - \$1,628. Rental housing development and rehabilitation remain primary strategies for the City of Billings to meet priority needs.

Monthly Rent

Monthly Rent (\$)	Efficiency (<i>no bedroom</i>)	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Fair Market Rent	597	708	936	1,308	1,594
High HOME Rent	597	708	936	1,183	1,300
Low HOME Rent	597	668	801	925	1,032

HUD Table 324 - Monthly Rent

Data Source: HUD FMR and HOME Rents

Introduction

The City has managed housing rehabilitation programs throughout the years in order to preserve and sustain the affordable housing stock in Billings. Decades of assistance to low income households has resulted in relatively few neighborhoods where the condition of housing is a primary concern. In recent years, the City has purchased foreclosed, vacant properties to help stabilize neighborhoods. All of the foreclosed properties purchased by the City required substantial rehabilitation. When complete, the units have been sold to low income households with affordable mortgages to support the long-term success of each assisted family.

Describe the City's definition for *substandard condition* and *substandard condition but suitable for rehabilitation*.

For the purposes of this plan, *standard condition* is a housing unit that passes Housing Quality Standard or Uniform Physical Condition Standards review via on-site staff inspection. Substandard condition of housing is defined by the City as properties requiring more than \$25,000 in funding to complete all required code related improvements to the property. *Substandard condition but suitable for rehabilitation* would be those properties where a \$25,000 investment would address all safety hazard conditions related items associated with the house within primary systems ranging from electrical, plumbing, heating, roofing, and foundation repairs.

HUD has defined housing condition problems as follows:

- Lacking a complete kitchen.
- Lacking complete plumbing facilities.
- Cost burdened - paying more than 30% of household income for housing costs.
- Overcrowded - more than one person per room, not including common spaces such as bathrooms, porches, hallways, etc.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	5,610	20%	7,230	44%
With two selected Conditions	85	0%	470	3%
With three selected Conditions	10	0%	20	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	22,025	79%	8,645	53%
Total	27,730	99%	16,365	100%

HUD Table 33 - Condition of Units

Data Source: 2011-2015 ACS

Year Housing Units Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	5,099	18%	2,169	13%
1980-1999	6,440	23%	3,699	23%
1950-1979	13,010	47%	7,075	43%
Before 1950	3,175	11%	3,425	21%
Total	27,724	99%	16,368	100%

HUD Table 34 - Year Unit Built

Data Source: 2011-2015 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	16,185	58%	10,500	64%
Housing Units build before 1980 with children present	2,837	10%	1,735	11%

HUD Table 35 - Risk of Lead-Based Paint

Data Sources: 2011-2015 ACS & 2011-2015 CHAS

Need for Owner and Rental Rehabilitation

According to data provided in the Condition of Units table, the majority of homes in Billings, both owner- and renter-occupied, do not have any of HUD's defined housing condition problems. A total of 555 units have been identified with two housing condition problems; a very small portion of the overall housing inventory in Billings. Thirty housing units have been identified with three selected conditions.

Housing units with incomplete plumbing or kitchen facilities have been a small portion of the total housing units in the community. Despite their limited numbers, these units are of concern as some may be used by very low income households. Housing units are described as lacking complete plumbing facilities if there is an absence of hot and cold piped water, or a flushing toilet, or a bathtub or shower. Units are described as lacking complete kitchen facilities if there is an absence of a sink with piped water, or range / stove, or a refrigerator.

Most of the owner-occupied units rehabilitated through the City's programs have both complete kitchens and plumbing facilities. However, all of the units remodeled through the City's programs have suffered from extensive deferred maintenance, causing overall property deterioration and neighborhood decline. The City also provides funding through the Affordable Housing Development program to support rental redevelopment and renovations.

Vacant Units: The City of Billings does not have access to HUD data on the number of vacant units suitable for rehabilitation, therefore, the Vacant Units table was not available in IDIS. The [rental vacancy rate](#) in Billings was fairly high in 2012 at 7.8% and it has decreased to under five percent in recent years.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

Approximately 60% of all housing units (nearly 27,000 units) in Billings were built before 1979 and are at risk of containing lead-based paint. Not all of the homes built prior to 1979 contain lead-based paint and lead hazards. However, projects involving structures built prior to 1978 are considered to have the

potential for lead-based paint and consistent procedures have been developed to ensure compliance with federal regulations.

There are hundreds of housing units with lead-based paint hazards in each low income neighborhood that are occupied by low income families. For example, the North Park neighborhood is one of the City's lowest-income areas and there are approximately 357 owner-occupied and 473 renter-occupied housing units built before 1980. Just over 70 rental and 22 ownership housing units are in poor condition. The Southside neighborhood has a higher overall homeownership status; 137 rental and 48 homeownership units are in poor condition.

Introduction

The Housing Authority of Billings was created in 1973 and ceased new development in the mid-1990s. Thorough information regarding the Housing Authority of Billings has been noted previously in the Needs Assessment - Public Housing (NA-25) section of this plan.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled*
# of units vouchers available			274	618			271	0	0
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-Year, and Nursing Home Transition									

HUD Table 36 - Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan

The Housing Authority of Billings owns and maintains many single- and multi-family housing developments across the City of Billings, totaling 274 units; designed in a variety of configurations. Housing Authority staff note a city the size of Billings should have triple the number of public housing units in comparison to other communities who continued new housing development activities.

The Housing Authority owns and manages 274 scattered site units in good condition. Units are continually upgraded with new siding, efficient mechanical systems, new roofs, appliances, energy efficient windows, lighting, floor coverings, and interior / exterior painting. A new energy performance contracting effort is under way to reduce utility consumption to make the units more energy-efficient.

Local public housing units must be inspected for adherence to quality standards on an annual basis. If the HAB achieves a *High Performer* score through the Public Housing Assessment System (PHAS), HAB staff can complete annual inspections. An outside contractor can then perform the inspections on a bi-annual basis.

Public Housing Condition

Public Housing Development	Average Inspection Score
AMP 1	High Performer / 96

HUD Table 37 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction

The Housing Authority develops and implements improvement plans to maintain all of their units. The Housing Authority also plans to continue efforts to improve energy efficiency in lighting and water usage.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing

The Housing Authority plans to continue providing prompt and efficient maintenance in order to maintain properties inside and out. The Housing Authority's standards are very high and this assists in maintaining tenant pride in their living environments. The Housing Authority also facilitates connections to community services that benefit tenants and encourages the development and support of whole and healthy families. The Housing Authority enforces lease provisions relative to safe and drug-free living.

The Housing Authority continually encourages involvement in the Family Self-Sufficiency program, promotes the development of sustainable food sources, and provides linkage to literacy and education programs. The promotion of homeownership opportunities through the Section 8 program will continue, which assists two to five households per year achieve homeownership. The Housing Authority also promotes involvement and service opportunities to support the community at large.

Introduction

A network of over 50 local service providers in the community strive to meet the diverse needs of those experiencing homelessness, those who are at-risk of homelessness, and people experiencing poverty. Available resources in the community do not adequately meet the needs of the general homeless population, particularly in regards to housing and temporary shelter beds. The current inventory of beds does not meet the needs of the approximately overall homeless individuals in Billings each night. The following agencies assist in the provision of emergency housing in Billings:

- **Community Crisis Center** provides an intervention services to unique individuals per month who are in crisis due to mental health, substance abuse or social service needs. Individuals who engage in mental health assessment and qualify for extended care may utilize stabilization service for up to 24 hours per visit.
- **Family Promise of Yellowstone Valley** provides emergency shelter to several families at a time in a network of church congregations. The organization also operates a transitional housing program that provides apartments for those who have graduated from the shelter program.
- **YWCA Gateway House** provides housing for female-headed households who have been victims of domestic violence. Additional services provided include case management, mental health treatment, budgeting assistance, and the facilitation of access to benefits. The organization also provides transitional housing and permanent supportive housing.
- **HRDC District 7** receives Emergency Shelter Grant funds and manages a rapid rehousing program to provide deposit and rent payment assistance to help families quickly regain stability into permanent housing.
- **Tumbleweed** provides emergency services for youth and families including emergency shelter placement.
- **Montana Rescue Mission** provides emergency shelter in year-round beds. The **Women and Family Shelter** provides year-round beds and some of the beds are reserved for individuals without children.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Current & New Year-Round Beds	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	44	3	28	39	0
Households with Only Adults	67	20	40	80	0
Chronically Homeless Households	0	0	0	21	0
Veterans	0	0	39	103	0
Unaccompanied Youth	4	0	9	1	0

HUD Table 38 - Facilities and Housing Targeted to Homeless Households

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Health and Mental Health Services:

- **RiverStone Health** is an essential provider of personal and public health through medical and dental clinics.
- **Healthcare for the Homeless** provides health / mental health care and serves homeless adults and families who stay in emergency shelters, sleep in makeshift shelters and/or on the streets, temporarily live with friends or family members, eat in soup kitchens or visit drop-in centers or other sites providing temporary assistance.
- **Rimrock** is the largest drug and alcohol services provider in the region and the organization provides mental health and healthcare services for substance abuse and co-occurring disorders.
- Crisis intervention and mental health services are provided by the **Community Crisis Center**, as previously mentioned.
- Mental health services are provided by the **Mental Health Center - The HUB** program; a drop-in day service.

Employment Services:

- **Dress for Success** and **Billings Family Service** provide education for better employment, job training, and interview apparel programs.
- **YWCA Billings** provides services to support economic independency through employment counseling, job skills training, certificate programs, and college education.
- **HRDC District 7** facilitates adult, youth and young adult employment opportunities and job training and retention services for those in need. The organization also assists families with transportation needs to and from work.
- **Family Promise of Yellowstone Valley** provides skills training in housing, employment, family and social relations, life skills, budgeting, and community involvement.
- **Tumbleweed** provides life and skills development for youth and young adults.
- Employment services can also be accessed through **Job Service** and **The HUB**.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Chronically Homeless: Those experiencing chronic homelessness can be served through Enterprise House; Rimrock's sober living unit specifically designed to provide housing, addiction treatment, and employment services. The YWCA administers Shelter Plus Care units to house people experiencing chronic homelessness, mental illness, addiction issues, and co-occurring mental illness / addiction. The Community Crisis Center also provides intervention services for the chronically homeless. Rimrock provides addiction treatment and mental health counseling.

Families with Children: Family Promise of Yellowstone Valley provides transitional housing for chronically homeless families. The YWCA provides shelter and transitional housing opportunities for homeless families with children.

Veterans and Unaccompanied Youth: Volunteers of America - Independence Hall provides transitional housing for veterans who have experienced homelessness. The organization also provides homeless prevention, rapid rehousing, and supportive services. City staff facilitated the development of a [Veteran Resource List](#) as part of an overall effort to support veterans and military families in Billings with the assistance of Elizabeth Donald, an AmeriCorps VISTA member. Unaccompanied youth are provided with shelter and supportive services through Tumbleweed.

Resource Map & Notepad: The following documents were developed through the Community Development Division as part of an overall effort to impact homelessness and was sponsored by the Mayor's Committee on Homelessness. Kelly Fessler, an AmeriCorps VISTA member through the Billings Metro VISTA Project, facilitated initial development and design.

- The [Resource Map](#) a portable, user friendly guide that quickly connects individuals and families experiencing homelessness with downtown community resources. The map illustrates direct access points for shelter, food, clothing, health care, legal aid, restroom, shower and laundry facilities.
- The [Resource Notepad](#) is a tool designed for case managers, organizations and individuals to quickly make referrals to community resources providing direct services to anyone within the following major categories: Food Assistance & Household Needs, Housing, Transportation, Healthcare, Shelter, Employment Services, Education Opportunities, Financial Assistance, Children's Services, and Addiction Treatment Options.

The first printing of these resources was supported through the City of Billings and RiverStone Health; 4,000 maps and 120 notepads. Each notepad contains 25 service guides, resulting in the distribution of 7,000 total maps and notepads combined. After quickly distributing the initial run, the Montana Rescue Mission and District 7 HRDC sponsored the second printing of 10,000 maps and 500 notepads / 12,500 service guides. A third printing was sponsored by the Center for Children & Families, Rimrock and the City of Billings totaling 10,000 maps and 500 notepads / 12,500 guides.

Overall reach of the project to date includes the printing and distribution of 24,000 total maps and 27,750 service guides. City staff recently connected several community partners to update the Resource Map and Notepad and the documents should be published in 2020.

Introduction

There are many organizations serving the needs of the elderly, those with disabilities, addicted persons and individuals who have been diagnosed with HIV/AIDS. A number of supportive services serving the elderly and disabled are available through the Adult Resource Alliance organization, including nutrition programs, minor home repair, and volunteer engagement. The Alliance also operates an aging and disability resource center to provide long-term care information and referral services, options for counseling, and access to private and public benefits.

Big Sky Senior Services serves the elderly through nursing, respite care, homemaking services, prevention of elder abuse and personal care. There are also two senior centers in Billings; the Southside Senior Center and the Billings Community & Senior Center. Food services are provided at the Southside Senior Center and the Billings Community & Senior Center provides access to computers, a health and fitness center, a variety of classes and activities, free or low-cost screenings, trips and tours.

A comprehensive service array is available to assist those with disabilities in Billings. Organizations providing housing and services include: AWARE, Inc.; Living Independently for Today and Tomorrow; the Montana Center on Disabilities, Support and Technologies for Empowering People, COR Enterprises, Easter Seals Goodwill, and Job Connection. Organizations serving those with addictions or who have been diagnosed with HIV/AIDS have been mentioned previously in this Consolidated Plan and include: Rimrock; Mental Health Center; and HRDC District 7.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

As previously mentioned, the greatest housing problem in Billings for both owners and renters of all income levels and populations is housing cost burden, followed by access to housing in tight rental and ownership markets. Housing quality is also a concern, as renters and owners with incomes less than 80% AMI are dealing with one or more housing problems. The need for case management and supportive services has been a consistent concern with special needs populations.

Elderly: Demand for special living facilities for the elderly appears to remain high, according to facility and Census Bureau data. Housing affordability continues to be a challenge for the elderly and disabled like other populations. The Housing Authority owns a 102-unit Section 8 project-based complex which exclusively serves the elderly. [Affordable Housing Online](#) lists 34 total federally-assisted affordable rental housing projects in Billings containing 1,972 units; an increase of 455 units over the past five years. [Thirteen housing projects](#) provide housing units for the elderly.

The [State of Montana Quality Assurance Division](#) provides data on the number and types of facilities available in Billings to assist the elderly and disabled. In 2010, there were 47 facilities in Billings classified as providing assisted living services, long term care, or retirement with a total of more than 2,569 beds in Billings. In 2020, there are now 48 facilities with 2,635 beds; a total increase of 66 beds. These facilities should alleviate some of the housing needs for the elderly. There is continued need for the

implementation of Universal Design concepts in housing construction and rehabilitation.

Persons with Disabilities, HIV/AIDS and Domestic Violence Victims: Service providers indicate a high need for rental housing assistance and owner-occupied housing rehabilitation. Supportive services include linkage to transportation, medical / dental care, child care, reliable and sustainable food sources, and case management.

Addicted Persons: The development of sober living apartments would assist those exiting inpatient treatment in Billings. A short-term sobering center with accelerated access to inpatient, detoxification treatment and long-term addiction treatment options would also meet the needs of addicted persons in Billings.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The **South Central Montana Regional Mental Health Center** provides mental health and chemical dependency care in the Billings area and surrounding region. The organization owns and manages several supportive housing programs including an eight-bed adult group home, cooperative living settings, and independent living apartments. These supportive housing placements require involvement in case management and treatment planning.

Rainbow House, the Mental Health Center's day treatment program, has provided an important service to the community since de-institutionalization of Montana State Hospital in 1975. Although Rainbow House is not a live-in facility, the program is designed to assist clients in successful independent living while incorporating support from other Mental Health Center programs and community care providers.

The HUB, the Mental Health Center's drop-in center, serves homeless and at-risk individuals by acting as a resource site to connect individuals with community resources and supportive services. HUB case managers as well as outreach liaisons from the Projects for Assistance in Transition from Homelessness (PATH) engage individuals with disabling mental illness or serious emotional disturbance and are homeless or at risk of homelessness because of their mental illness. Liaisons provide sources of community support and enrollment in mental health services.

The **Community Crisis Center** serves a vital role in the community as a crisis management facility. Previous to the Community Crisis Center, emergency departments of the two local hospitals served as the de facto option for people in mental health / substance abuse crisis. The Crisis Center operates 24 hours per day and provides assessment and referral services.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The City of Billings offers several programs to address the housing needs for households with members having special needs, and will continue to offer these programs for the next year and foreseeable future:

- **First Time Home Buyer:** This program provides down payment and closing cost assistance to low income households to purchase their first home. Priority is given to large households and

households including a disabled individual requiring special home modifications or other considerations.

- **Housing Rehabilitation / Manufactured Home Repair:** These programs provide affordable financing to low income households to make necessary repairs to owner-occupied housing units to create safe, stable access to housing. Improvements are based on safety hazard and address special needs including construction of wheelchair ramps, the installation of grab bars, retrofitting bathrooms for accessibility, etc.
- **Affordable Housing Development:** This program provides affordable financing to housing developers to build or renovate housing units for low income households and may include housing options for those with special needs. The City requires a percentage of the units be accessible for the mobility, visual and hearing impaired.
- **Foreclosure Acquisition / Rehabilitation:** The City purchases vacant, foreclosed homes for the purpose of rehabilitation and sale to income qualified, first time home buyers.
- **Billings Metro VISTA Project:** This AmeriCorps VISTA program places full-time and summer associate volunteers with nonprofit host sites to build capacity for serving those in need, including those experiencing poverty.

Please refer to the City's one-year goals in the Action Plan.

MA-40 Barriers to Affordable Housing

91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

According to the City's most recent Analysis of Impediments to Fair Housing Choice, most of the typical exclusionary provisions that would hinder affordable housing development do not exist in current zoning codes. However, the following issues may act as barriers to affordable housing investment:

- Density bonuses (increasing the number of dwelling units per acre) have not been established to offset the cost of development if a project contains a certain percentage of affordable housing.
- There is currently not a way to fast-track the approval processes for affordable housing development projects. However, fast-tracking may not be as important in Billings as it is in other parts of the country. Subdivision review times are set by the Montana State Legislature. Building permit reviews for single-family homes (one to four units) are three to five days and commercial permits, including multi-family with five or more units in a structure, take four to six weeks to review. Other areas of the country, and some cities in Montana, take 30 days or longer for single-family reviews and four to six months for commercial reviews.
- The City does not currently permit a waiver or reduction of impact fees, including water and wastewater system development fees, to promote affordable housing development.
- The use of accessory dwelling units is not currently a widely practiced housing development strategy.

Other public policy concerns relate to a dated zoning code and inadequate funding to further affordable housing development. The City is currently in the process of revising the zoning code and one of the main goals of the project is to expand affordable housing choice across the City. The Billings City Council is expected to act on the adoption of the new zoning code in 2020. Additional information can be found online at [Project Re:Code](#).

Introduction

Billings is one of the nation's largest trade areas covering over 125,000 square miles and serving nearly 400,000 people with medical, retail, educational and business services. According to the [Bureau of Labor Statistics](#), the civilian labor force has been relatively stable over the past several years; approximately 87,000. The average annual unemployment rate has also been level, ranging between three and four percent.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	1,290	366	3	1	-2
Arts, Entertainment, Accommodations	7,593	9,505	15	16	0
Construction	3,234	2,890	6	5	-2
Education and Health Care Services	9,353	12,392	19	20	2
Finance, Insurance, and Real Estate	3,038	3,962	6	6	0
Information	983	1,233	2	2	0
Manufacturing	2,011	2,305	4	4	0
Other Services	2,441	3,013	5	5	0
Professional, Scientific, Management Services	4,004	5,414	8	9	1
Public Administration	0	0	0	0	0
Retail Trade	7,729	10,066	15	16	1
Transportation and Warehousing	2,056	2,176	4	4	-1
Wholesale Trade	3,552	4,365	7	7	0
Total	47,284	57,687	--	--	--

HUD Table 39 - Business Activity Data: 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	57,933
Civilian Employed Population 16 years and over	55,655
Unemployment Rate	3.91
Unemployment Rate for Ages 16-24	14.60
Unemployment Rate for Ages 25-65	2.58

HUD Table 40 - Labor Force Data Source: 2011-2015 ACS

Occupations by Sector

Occupations by Sector	Number of People
Management, business and financial	12,360
Farming, fisheries and forestry occupations	2,205
Service	6,909
Sales and office	13,895
Construction, extraction, maintenance, repair	5,755
Production, transport, material moving	2,590

HUD Table 41 - Occupations Sector, Data: 2011-2015 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	48,077	91%
30-59 Minutes	3,374	6%
60 or More Minutes	1,614	3%
Total	53,065	100%

HUD Table 42 - Travel Time Data: 2011-2015 ACS

Education

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	2,160	225	1,204
High school graduate (includes equivalency)	11,585	545	3,655
Some college or Associate's degree	15,135	398	3,700
Bachelor's degree or higher	15,550	294	1,979

HUD Table 43 - Educational Attainment by Employment Status

Data Source: 2011-2015 ACS

Educational Attainment by Age

	Age in Years					Totals	%
	18-24	25-34	35-44	45-65	65+		
Less than 9th grade	134	240	135	325	600	1,434	2%
9th to 12th grade, no diploma	1,515	1,144	665	1,080	1,085	5,489	7%
High school graduate, GED, or alternative	3,619	4,354	3,302	8,200	5,385	24,860	31%
Some college, no degree	3,874	4,779	3,382	6,679	4,074	22,788	29%
Associate's degree	450	1,068	1,185	2,164	750	5,617	7%
Bachelor's degree	708	3,636	2,835	6,214	2,925	16,318	21%
Graduate or professional degree	70	1,244	1,309	2,650	1,589	6,862	9%
Totals	10,370	16,465	12,813	27,312	16,408		
%	13%	21%	16%	34%	21%		

HUD Table 44 - Educational Attainment by Age

Data Source: 2011-2015 ACS

Educational Attainment - Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	19,500
High school graduate (includes equivalency)	120,069
Some college or Associate's degree	183,470
Bachelor's degree	208,626
Graduate or professional degree	230,334

HUD Table 45 - Median Earnings in the Past 12 Months

Data Source: 2011-2015 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

The largest business industries noted in the Business Activity table are education and health care services, followed by retail trade and arts, entertainment and accommodations. The number of jobs exceeds the number of workers in all of these business categories. The table also illustrates that there are more workers than jobs in the agriculture, mining, oil / gas extraction and construction businesses.

According to the [Long Streets Project](#), mining and healthcare job opportunities have the highest income potential coupled with recent increases in new job opportunities. Billings offers the most employment positions (109,000) and the highest wages in the State of Montana (\$51,400 in 2016). Employment change in Billings is greatest with service positions followed by healthcare, trade, construction, natural resources, government, and manufacturing.

Describe the workforce and infrastructure needs of the business community.

Big Sky Economic Development Authority recently published a [State of the Workforce](#) report that includes data and projections for the Billings workforce. The report noted employers do not have an adequate supply of talent to meet industry needs and for most, the lack of available workers inhibits industry growth. There is a gap of 2,221 employment positions between current jobs with job growth compared to new college graduates. In this report, growth rates are most promising with Physician Assistant, Respiratory Therapists, and other medical professions. Additional training in general employability skills is also needed, including emphasis on drug-free status, decision making, problem solving, and critical thinking.

Travel time is less than 30 minutes for over 90% of the citizens in Billings and very few people travel more than 60 minutes. Infrastructure needs cited by the region's [Comprehensive Economic Development Strategy](#) include, but are not limited to:

- Housing availability, variety, and condition
- Shortage of long-term planning efforts
- Infrastructure improvements
- Access to funding and funding incentives
- Reductions in revenue for local and state governing bodies

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

In a [recently posted video](#), BillingsWorks notes that there will be 7,660 new jobs in Billings over the next 10 years and an additional 42,683 jobs due to baby-boomer retirements and job exits. This results in over 50,000 new positions by 2030. BillingsWorks is focusing on attracting millennials and others to Billings to meet business employment demands.

Downtown Billings has been designated an Opportunity Zone to encourage long-term investments in low income areas. This program provides federal tax incentives to taxpayers who reinvest capital gains in development activities such as revitalization, workforce development, affordable housing, infrastructure, business startup, and business expansion.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

Out of a total of 83,368 persons noted in the Educational Attainment by Age table, the largest cohort are those between the ages of 45 to 65; 34% of the total population. Those between the ages of 25 and 34 and 65+ each represent 21% of the population. Ninety-six percent graduated with at least a high school diploma or equivalent (five percent higher than in 2015). Sixty-five percent have attended some college or earned a college degree (four percent higher than in 2015). Median earnings are highest for those with graduate or professional degrees and lowest for those without a high school diploma.

As noted in the [State of the Workforce Report](#), employers have been challenged in finding workers with the required education, experience and employability skill set to fill vacant positions. The report noted

employers do not have an adequate supply of talent to meet industry needs and for most, the lack of available workers inhibits industry growth. The most difficult positions to fill are in the following areas: manufacturing, engineering, energy, technical / skilled trade positions; information technology and professional services; health care positions; and retail / hospitality.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The Big Sky Economic Development Authority created [BillingsWorks](#) to increase collaboration, accountability and reporting related to workforce needs. BillingsWorks supports the Consolidated Plan by working to address workforce development and attraction needs, providing linkage to and coordination with higher education systems in the community, and developing talent attraction campaigns.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)? If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

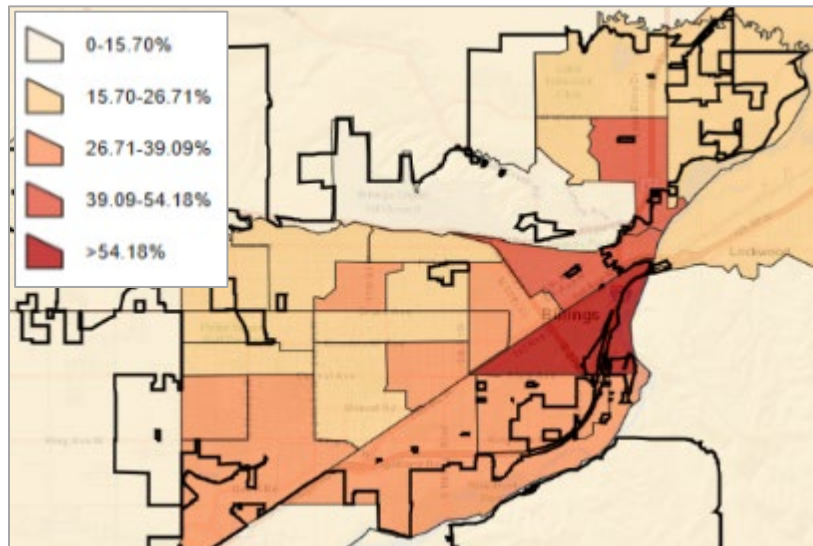
Yellowstone County is covered by the Beartooth Resource Conservation and Development District's [Comprehensive Economic Development Strategy](#). The latest plan was developed in 2019 and includes projections through 2023.

The Community Development Division has collaborated with Beartooth Resource Conservation and Development on the provision of first time homebuyer education and is now collaborating on the Home Center initiative. The Big Sky Economic Development Authority is also working on economic development activities for Yellowstone County including a new campaign, Better off in Billings.

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

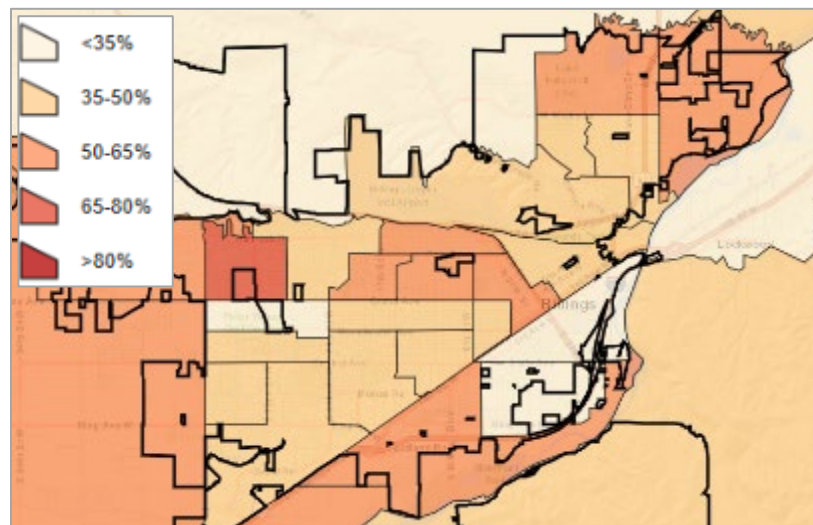
HUD's [Community Planning Development mapping system](#) identified the highest concentration of low income households; the south side, followed by north park, and lower Billings heights neighborhoods. Other neighborhoods with higher concentrations of low income households are in the southwest corridor and throughout central and west end neighborhoods. Interestingly, the south side and part of the southwest corridor neighborhoods have the lowest concentration (35%) of low income households with any of the four severe housing problems. Less than 50% of the households in central Billings and part of the heights neighborhoods have any of the four severe housing problems. A small area in the northwest Billings has the highest concentration (between 65% and 80%) of severe housing problems.

Percent Low income Households



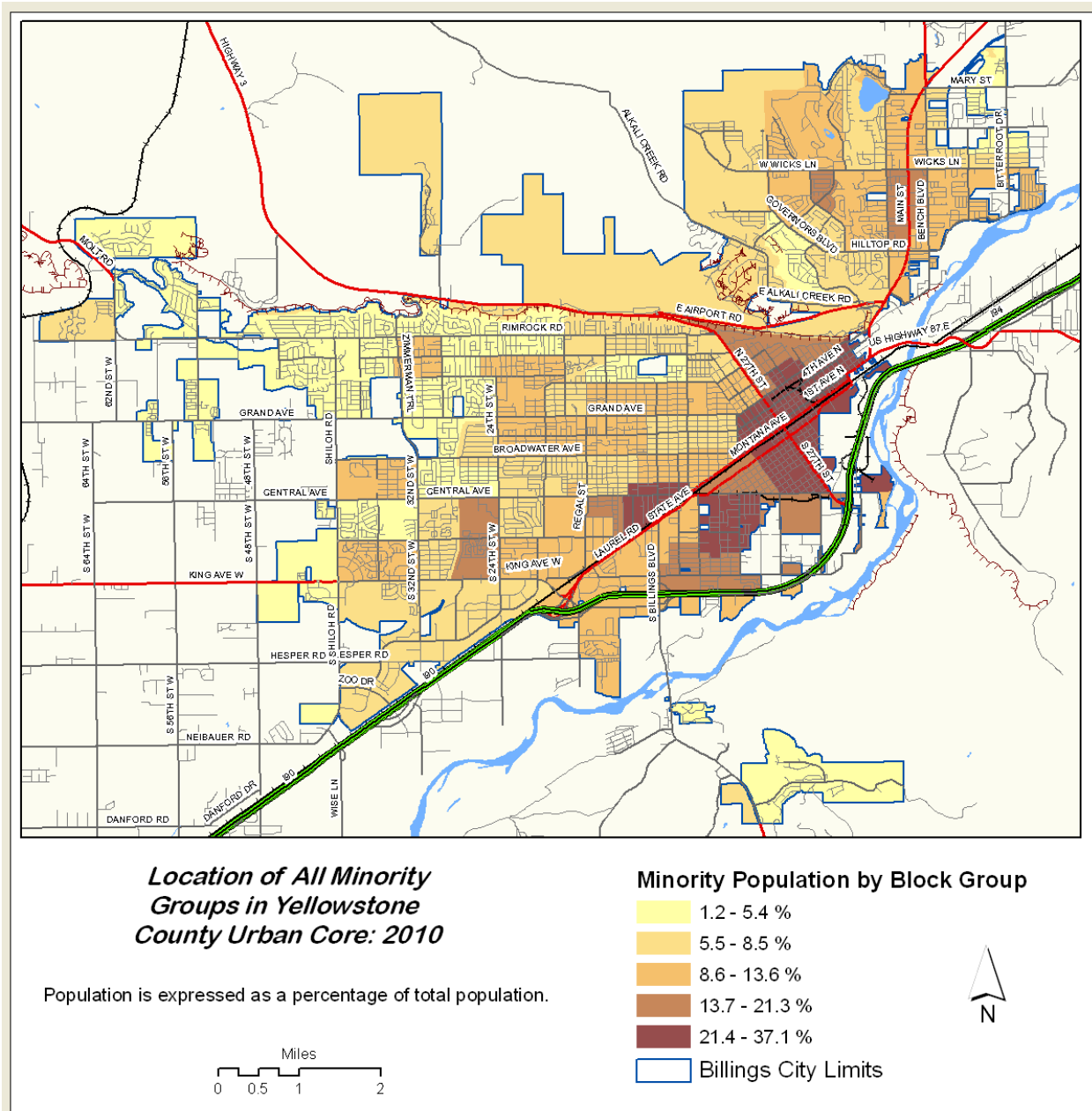
Percent of Low income Households with Any of Four Severe Housing Problems

Lacks complete kitchen / plumbing facilities, more than 1.5 persons per room, or cost burden >50%



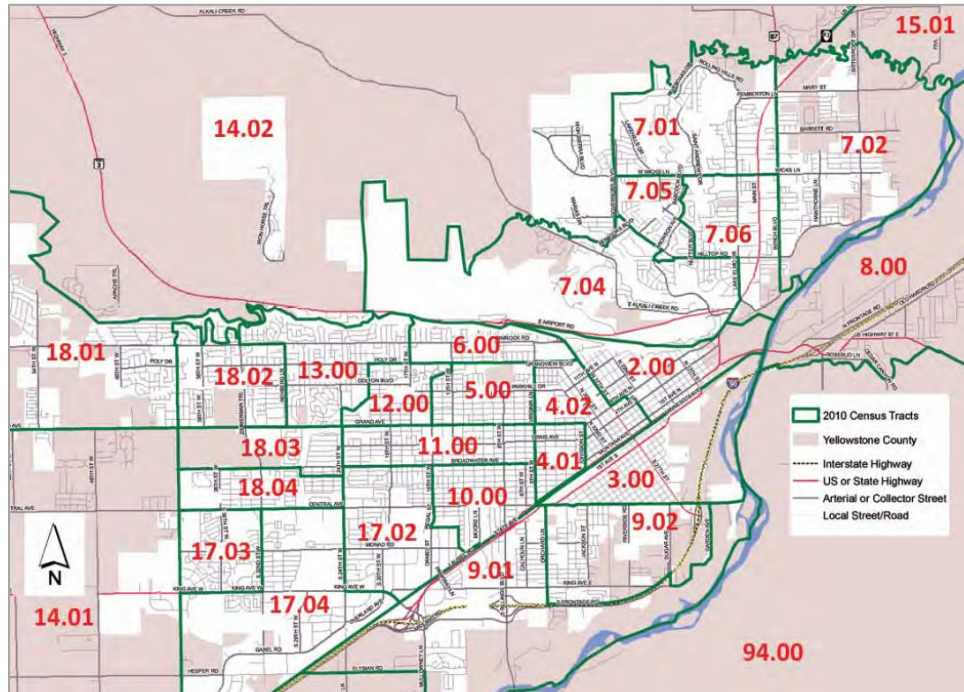
Are there any areas in the jurisdiction where racial or ethnic minorities or low income families are concentrated? (include a definition of "concentration")

The following map illustrates the concentrations of racial / ethnic households within the City of Billings limits. The term *concentration* refers to those areas in town where at least 5.5% of the households are occupied by racial / ethnic minorities. Higher numbers of racial / ethnic households are evident in the central, southwest, downtown, and central heights areas of Billings.



What are the characteristics of the market in these areas/neighborhoods?

Data from the American Community Survey has been utilized to detail neighborhood characteristics. Neighborhood graphics were constructed by Candi Millar, Planning & Community Services Department. The following map illustrates the location of the City's Census Tracts for ease of reference.



City of Billings Planning / GIS Division

North Park: Comprising a total of 3.5% of the City's population, the North Park neighborhood is located in Census Tract Two. There are 2,054 housing units in this area and the majority are renter-occupied (1,416). There are a total of 155 vacant units noted in this area of town, and the average family size is 3.07 and household median income is \$24,656.

A comparison of racial and Hispanic household compositions was conducted by utilizing U.S. Census data from the year 2000 (households) and 2010 (individuals). Most of the households in this area of town are living in poverty (over 94% as per the Best Beginnings Council [Neighborhood Analysis](#)). The neighborhood contains older, rental housing and mixed commercial / industrial areas. The Analysis of Impediments identified the possibility that minorities, American Indians in particular, are being steered to this tract and that low income non-Hispanic Whites are being steered away from this neighborhood.



The [Billings Industrial Revitalization District](#) was created in 2006 to capture tax increments to improve the North Park neighborhood. This area of town contains a very large, well developed park with playground and spray park features in addition to a community center.

South Side: This neighborhood is identified as Census Tract Three and residents comprise 3.8% of the total population in Billings. The neighborhood contains a total of 1,684 housing units, 974 of which are renter-occupied and 133 are vacant. The average family size is 2.96 members per household and the median household income is \$25,851. Many of the homes in this neighborhood were built in the early 1900s and have historic significance. Part of this neighborhood is supported by the North 27th Street Tax Increment District.



A comparison of the racial and Hispanic household compositions was conducted by utilizing U.S. Census data from the year 2000 (households) and 2010 (individuals). In 2000, the proportion of Hispanics and American Indians is much higher than what would be expected in a housing market free of discrimination for this Census tract. By 2010, nearly half of Census Tract Three were members of minority groups; indicating the beginnings of segregation.

Southwest Corridor: Census Tract 9.02 contains just over five percent of the total population in Billings. The area has 2,015 housing units, predominantly owner-occupied (1,290). Eighty-nine of the units are vacant and the average family size is 3.21. The median household income is \$40,050. This area is supported by the South Billings Boulevard Urban Renewal District and the master plan set long-term goals for land use, community design, transportation development and capital improvements through 2032.



A comparison of the racial and Hispanic household compositions was conducted by utilizing Census data from the year 2000 (households) and 2010 (individuals). In 2000, the proportion of minorities was much higher than what would be expected in a housing market free of discrimination for this Census Tract. By 2010, the proportion of Whites decreased by nearly eight percent while minorities increased nearly nine percent. American Indians were cited as nearly half of this increase.

Are there any community assets in these areas/neighborhoods?

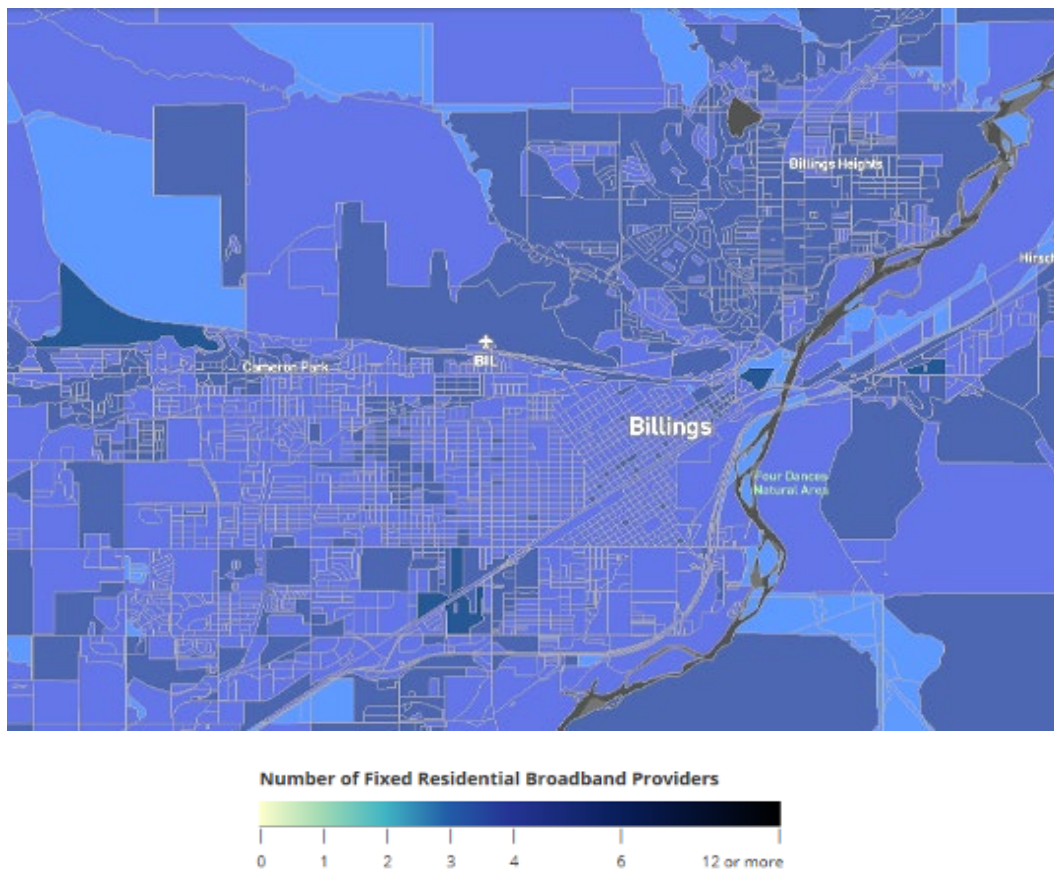
All three neighborhoods are part of established Tax Increment Districts, which should substantially contribute to meeting infrastructure, housing and other development needs. All of the areas have established City parks, affordable housing, and networks of community members who are engaged in the development and long-term success of their neighborhoods.

Are there other strategic opportunities in any of these areas?

Strategic opportunities are present in all three neighborhoods, bolstered by the availability of Tax Increment Financing through established Districts. A complete list of opportunities can be found in current Neighborhood and Urban Renewal Plans; [available online](#).

Describe the need for broadband wiring and connection for households, including low- and moderate-income households and neighborhoods.

The City must determine the broadband internet access needs of housing occupied by low / moderate income households based on analysis of data for low income neighborhoods. The National Broadband Map indicates the vast majority of Billings residents, including those residing in lower-income neighborhoods, have adequate access to internet / broadband service providers. According to the [2014-2018 ACS](#), nearly 82% of households have a broadband internet subscription.



National Broadband Map, Federal Communications Commission

Describe the need for increased competition by having more than one broadband internet service provider serve the jurisdiction.

According to [BroadbandNow](#), there are a total of seven broadband internet service providers serving residents in the City with speeds from 140 Mbps to 940 Mbps. The average location in Billings has three providers at any given address or 3.05 ISPs in each census block. Less than six percent of Billings residents has one option for residential broadband. [BusinessInternet](#) reports Billings is more competitive than 95 percent of cities in the State of Montana and 66 percent of cities nationally with 36 providers offering business services. Each business in Billings has an average of 2.2 wired internet service providers available at their location.

Describe the jurisdiction's increased natural hazard risks associated with climate change.

The City is required to describe the vulnerability of housing occupied by low / moderate income households to increased natural hazards associated with climate change based on an analysis of data, findings, and methods to analyze this vulnerability.

On July 1, 2019, Governor Bullock issued Executive Order 8-2019, creating the Montana Climate Solutions Council and joining the State of Montana to the U.S. Climate Alliance. The Council is tasked with creating a plan including recommendations and strategies aimed at preparing Montanans for climate impacts:

- Reducing greenhouse gas emissions
- Advancing the research, development and commercialization of new technologies necessary to meet these goals
- Addressing the needs of communities and workers in transitions through economic and workforce development efforts

[The Montana Climate Solutions Plan](#) indicates state temperatures are three degrees warmer on average than a few decades ago. Early spring runoff impacts water availability and causes flooding. Fire seasons are more severe and nearly 80 days longer than they were 30 years ago. The plan includes verbiage related building on the Montana Ready Communities Initiative to promote resiliency for the state's lower income communities. This initiative was sponsored by the City of Billings' AmeriCorps VISTA program and three VISTA members participated in the development of the state's strategic framework.

The Yellowstone County [Multi-Hazard Mitigation Plan](#) was updated in May 2019. The plan mentions its obligation to identify and address any disproportionately high adverse human health or environmental effects of its projects on minority or low income populations (page 511), although impact is not identified.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

The Yellowstone River is south of Billings and historic flooding events may impact the Southwest Corridor and Southside neighborhoods. Fire is a seasonal concern for the entire city, although all of the neighborhoods in Billings are serviced by the Billings Fire Department. While risk of natural hazards in Billings are low, City resources can be rerouted to meet the needs of lower income neighborhoods if impacted by natural hazards.

Section V: Strategic Plan

SP-05 Overview

Strategic Plan Overview

The Community Development Division's strategies for addressing community needs are included herein. The City's primary needs are affordable housing and poverty impact. As per findings and recommendations from the City's Analysis of Impediments to Fair Housing Choice, the investment of federal funds is not predominantly geographically distributed; funds are invested based on the needs of low income households and citizens.

SP-10 Geographic Priorities

91.215 (a)(1)

Geographic Area

The City of Billings utilizes federal funding on a citywide basis, targeting qualified low income households for investment and programs.

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

Priorities for funding are based on both the most recent Needs Assessment in this Consolidated Plan and the Analysis of Impediments to Fair Housing Choice. Citation 24 CFR 91.220(f) reads as follows, "When appropriate, jurisdictions should estimate the percentage of funds they plan to dedicate to target areas." Estimating the percentage of funds planned for dedication to target areas is not appropriate for the Billings community due to the following reasons:

- Geographic area is defined by the current City of Billings limits.
- Target areas include high concentrations of low income households, particularly those with higher concentrations of racial / minority households.
- Citywide strategies encourage the distribution of resources to support affirmatively furthering fair housing and equal opportunity to avoid segregation in Billings.
- Geographic distribution of investments description includes the focus of resources on a citywide basis to support diversity across the community.
- The City of Billings is classified as a smaller city on a national scale.
- The actual dollar amount dedicated to each program is included in the Annual Action Plan.

The City plans to focus distribution of investments on a citywide basis in order to support diversity and mixed-income development across the community. The City's performance in serving predominantly low income households is clear via Integrated Distribution Information System reporting; nearly 100%. Neighborhood Revitalization Strategy areas ***have not been established*** in Billings and there is no specific amount of funding allocated for a target area in the City's geographic distribution of resources. **Therefore, the City plans to dedicate zero percent of funding to target areas in favor of supporting a citywide approach to further fair housing, equal opportunity and anti-segregation efforts.**

#	Priority Need	Priority Level	Population	Family Types	Homeless Categories		Non-Homeless Special Needs	
1	Affordable Housing	High	Extremely Low Low Income	Large Families	Chronic Homeless	Veterans	Elderly	
				With Children	Individuals	HIV/AIDS	Frail Elderly	HIV/AIDS
				Elderly	Families w/Children Mentally Ill	Domestic Violence Victims	Disabled – All	Domestic Violence Victims
				Public Housing	Chronic Substance Abuse	Unaccompanied Youth	Addicted Persons	
				Description: The city will prioritize activities to promote affordable housing access, quality, and availability for low income citizens.				
				Basis for Relative Priority: The majority of low income renters and owners in Billings are experiencing housing cost burden as determined by the Needs Assessment, Market Analysis, and community outreach activities. Affordable housing is highlighted as a priority and continues to be a strong focus for the City's programs and funding allocation.				
2	Poverty Impact	High	Extremely Low Low Income	Large	Chronic Homeless	Veterans	Elderly	
				With Children	Individuals	HIV/AIDS	Frail Elderly	HIV/AIDS
				Elderly	Families w/Children	Domestic Violence Victims	Disabled - All	Domestic Violence Victims
				Public Housing	Mentally Ill	Unaccompanied Youth	Addicted Persons	
					Chronic Substance Abuse			
				Description: The city will support housing and community development activities specific to lower income and special needs households through poverty-impact initiatives.				
				Basis for Relative Priority: According to the Needs Assessment, Market Analysis, and community outreach activities, at least ten percent of the people in Billings are experiencing poverty. Public service organizations require support to better meet poverty / homeless needs in the community.				

HUD Table 46

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	There is great need in the Billings community for tenant housing assistance as evidenced by the Needs Assessment and Market Analysis. Those most in need may not have positive credit or rental histories to secure housing.
TBRA for Non-Homeless Special Needs	See above. The needs for special needs populations remains consistent, particularly for the disabled and elderly.
New Unit Production	The majority of rental and owner households are cost burdened. Affordable housing development, particularly smaller rental units for extremely low and low income households, is paramount to the City's success in meeting current housing needs in Billings.
Rehabilitation	Rental and owner rehabilitation greatly influences the quality of affordable housing stock in Billings. For owners, rehabilitation has been shown as an effective neighborhood stabilization tool that effectively lowers the costs to maintain housing. For renters, investment in the affordable housing stock where housing currently exists benefits both the neighborhood overall and maintains the quality of the rental market. Rehabilitation is also utilized as a tool to make accessibility improvements to sustain the affordable housing stock in order to meet the needs of those who are disabled and the elderly.
Acquisition, including preservation	Acquisition for affordable housing development, foreclosure rehabilitation, and first time homebuyer remains a high priority due to the high percentage of households experiencing housing cost burdens. Investment in the acquisition and rehabilitation of the affordable housing stock in Billings meets the needs of extremely low and low income households.

HUD Table 47 - Influence of Market Conditions

Introduction

The following table illustrates the CDBG and HOME resources expected for the first year of this Consolidated Plan. The total amount expected for the remaining four years of the Consolidated Plan are based on average allocations over the past five years. Other types of funding, including Emergency Shelter Grants, HOPWA funds, Section 8 funds, etc. are not included in the following table as the City of Billings is not a direct recipient.

CDBG administration allocations are capped at 20% of the new CDBG allocation in addition to eligible program income received during the project year. Maximum amounts for public service activities are capped at 15% of the new CDBG allocation and 15% of the previous year's program income. HOME administration activities are capped at 10% of the new HOME allocation and eligible program income received following the required affordability period. Revenue received during a project's affordability period is considered recaptured and may not be used for administration.

Expected revenues from the CDBG program include repayments for funding loaned through the Housing Rehabilitation Loan program and other revitalization efforts. The City expects to receive approximately \$75,000 in repayments for the upcoming fiscal year which will be reprogrammed for programs identified herein. The City will not receive proceeds for Section 108 loan guarantees, surplus funds from urban renewal settlements, or float-funded activities.

Revenue expected for the HOME program includes recaptured and program income funding generated by the First Time Homebuyer Loan program. The City expects to receive approximately \$150,000 in HOME funding through these venues, and the funding will be utilized to further programs identified in this Consolidated Plan. The City of Billings programs utilize 100% of CDBG and HOME funding to benefit low to moderate income households and / or areas. The City may also receive program income attributable to the Neighborhood Stabilization Program and other previously funded federal and state programs.

Routine revenues including program income, recaptured / repaid funds, and re-programmed monies will be utilized for existing and previously approved programs as it is received during each fiscal year. Routine revenues are allocated on a close- and shovel-ready basis to ensure timely commitment and expenditure. These changes are customary and facilitate funding allocations to projects and activities most in demand and do not require a substantial or minor amendment to the Consolidated Plan. The City also received \$909,126 in CARES Act CDBG-CV funding to prevent, prepare for, and respond to the coronavirus. Funding will be allocated to public service and public facility improvements.

Program	Source of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of Con Plan	Narrative Description
		Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	Public / Federal	\$657,719	\$75,000	\$0	\$732,719	\$2,520,000	Entitlement Allocation
	Uses of Funds: Administration, Homeowner Rehabilitation, Homebuyer Acquisition, New Housing Development, Public Services						
HOME	Public / Federal	\$349,053	\$150,000	\$0	\$499,053	\$1,280,000	Entitlement Allocation
	Uses of Funds: Administration, Homebuyer Acquisition, New Housing Development						
CDBG-CV	Public / Federal	\$909,126	\$0	\$0	\$909,126	Leave Blank	CDBG-CV funds to be used to prevent, prepare for and respond to the Coronavirus.
	Uses of Funds: To prevent, prepare for, and respond to coronavirus						

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The HOME program requires 25% match funding for projects be dedicated from non-federal sources. The City of Billings meets HOME matching requirements through low-interest financing available for First Time Homebuyer Loans issued through the Montana Board of Housing (MBOH) and matching funds provided for other affordable housing projects undertaken with HOME funds, such as private contributions and other local bank financing.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

City staff does not anticipate publically owned land will be utilized to address needs identified in the Consolidated Plan.

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, nonprofit organizations, and public institutions.

The City of Billings is the lead government entity responsible for Consolidated Plan activities funded through CDBG and HOME.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
City of Billings	Government	Planning Affordable Housing Ownership Affordable Housing Rental Public Services	City of Billings Jurisdiction
Housing Authority of Billings	PHA	Public Housing Affordable Housing Ownership Affordable Housing Rental	Billings Area

HUD Table 49 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

The City of Billings - Community Development Division is a small branch of the City's government with a total of 4.5 full time equivalent staff positions. Strengths of the Division include:

- **Longevity:** Staff have worked, on average, over 11 years in the Division and have over 42 years of collective experience in working with federal grant programs in the Division.
- **Advanced Training and Certifications:** Several of the staff members have HOME certifications, including: Regulations; Administration; and Rental Compliance. Staff members have also been trained in Lead-Based Paint Risk Assessment and Environmental Review.
- **Focused Goals and Programs:** When funding levels were higher, the Division was able to fund and manage many diverse programs to meet community needs. As funding levels diminished, staff has condensed program development, management and implementation on a few core programs, including: First Time Home Buyer; Home Repair programs; Foreclosure Acquisition / Rehabilitation; Affordable Housing Development; and the Billings Metro VISTA Project as the City's primary anti-poverty initiative. Streamlining programs has resulted in the development of comprehensive procedures and forms to maintain program compliance, including: Section 3, Lead-Based Paint, Subsidy Layering, Labor Standards, Environmental Review, etc.
- **Affordable Housing Partnerships:** City staff have forged strong relationships with the Housing Authority of Billings, local developers, realtors, contractors, lenders, and agencies interested in affordable housing development and preservation. City staff also maintains relationships with the staff working in HOME and CDBG programs across the state, including the Montana Department of Commerce, the Missoula Department of Grants and Community Programs, and the Great Falls Planning and Community Development Department.
- **Poverty and Homeless Services Partnerships:** Through the development and implementation of the City's anti-poverty initiative, the *Billings Metro VISTA Project*, and the City's ten-year plan to impact homelessness, *Welcome Home Billings*, City staff has created partnerships with over 50 social service

agencies, benefit providers, faith communities, philanthropic organizations and private industry leaders to expand coordination, collaboration and efficacy. Information on local Continuum of Care efforts can be found in the PR-10 Consultation section of this Consolidated Plan.

Gaps in the local institutional delivery system exist primarily due to funding limitations, particularly for administrative functions. Billings offers a great number of services to its citizens, but needs for funding, staffing, innovative programs and coordination exist. The ability to effectively relay information regarding the service array in Billings to those in need has been one of the community's greatest challenges. A comprehensive strategy for overcoming service gaps in the institutional delivery system is a priority of many organizations involved in overall community development initiatives.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Service Continuum	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X		X
Mortgage Assistance	X		X
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	X
Supportive Services			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	X
Education	X		X
Employment / Training	X		X
Healthcare	X	X	X
HIV/AIDS	X		X
Life Skills	X		X
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			
Housing First	X	X	

HUD Table 50 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

A complete listing of services to meet the needs of the homeless is located in MA-30 Homeless Facilities and Services. The services listed herein meet the needs of some who are experiencing homelessness in the Billings community. The main issue with service delivery is the lack of resources relative to the number of people seeking assistance. The greatest barrier in the coordination of the institutional delivery structure to serve the homeless is community capacity and funding sources to manage long-term efforts. Several nonprofits have greatly limited services due to overwhelming need and a greatly diminished donor pool.

Through efforts of the Community Development Division, with the support of the capacity building efforts of the Billings Metro VISTA Project, the community has benefitted from several initiatives aimed at

improving public awareness of service delivery structure including: Resource Notepads / Maps; Illuminate Homelessness; Faith Engagement; and resource development for over 50 nonprofit organizations.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The service delivery system for special needs populations and the homeless in Billings is bolstered by the vast service array available for those seeking assistance. The Community Development Division has spearheaded many initiatives based on national best practices, including the development and implementation of the State's first ten-year plan to impact homelessness. The City has funded two *housing first* projects to provide chronically homeless families and individuals *housing first* to create a solid foundation prior to enhancing support service and benefits delivery. City staff have also created the Billings Metro VISTA Project to enhance capacity building efforts to support local nonprofit organizations serving special needs and the homeless.

While Billings provides a vast array of services to persons experiencing homelessness, the majority of services are only available to individuals enrolled to receive services. For others, the basic services are adequate to meet basic human needs such as food, clothing, toiletries, and referrals.

Resources are not adequate to meet the need of the general homeless population, including housing, temporary shelter beds, dental care, vision care, and day centers. The most urgent need in the community is housing, both *long-term affordable housing* and *safe sleeping / low-barrier facility* for those not meeting eligibility requirements for other programs.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The City's goals are to: create, preserve, and expand affordable housing options; promote neighborhood revitalization through foreclosure program, and to impact poverty. The City has the comprehensive ability to address priority needs through home repair programs such as Housing Rehabilitation, and Foreclosure Acquisition / Rehabilitation. Contractors trained in lead-safe work methods are limited and staff advertises contractor opportunity through print media, on the City's website, through the Neighborhood Task Forces and holding public informational meetings when requested. Emphasis on the provision of opportunity to Section 3 and minority and women-owned businesses ensures furthering equal opportunity to low income owners / employers, racial / ethnic minorities and businesses owned by women.

The City maintains positive relations with the Housing Authority of Billings, developers, lenders, realtors and others to ensure collaboration and engagement in the implementation of First Time Home Buyer and Affordable Housing Development programs. The City has two certified Community Housing Development Organizations and is actively seeking additional organizations for the purposes of affordable housing development.

City staff maintain positive and close relationships with the staff at Montana Fair Housing, who is the primary organization in fair housing education and enforcement for the state. The City's Analysis of Impediments to Fair Housing Choice revealed the beginnings of segregated neighborhoods and for Hispanic Americans in Billings. The Analysis contained the following recommendation:

Billings should establish a housing service center, much like the Oak Park Regional Housing Center, where home seekers are introduced to housing options beyond the racial or ethnic neighborhoods to which they often feel they are limited. In Billings, the housing service center should seek to expand the housing search of minorities beyond the census tracts where the proportion of minorities is significantly greater than would be expected in a free market without discrimination. It should seek to expand the housing choices of Whites to those parts of the city where the proportion of Whites is less than would be expected in a discrimination-free housing market.

At the invitation of the City, NeighborWorks Montana researched the potential of a comprehensive housing center to serve low income renters and homeowners. All of the Billings housing organizations, including City of Billings, the Housing Authority of Billings, Rebuilding Together, District 7 HRDC, Rural Dynamics, Beartooth Resource Conservation and Development, and Homeward agreed to join together to form the Home Center of Billings. The Home Center building is located in downtown Billings, which is central to the City's low income and minority neighborhoods. The Home Center provides comprehensive housing services including fair housing information, housing education, counseling, development and revitalization.

CDBG and HOME resources are not adequate to meet the needs of the homeless and those experiencing poverty in Billings. The City's main anti-poverty initiative is the implementation of the Billings Metro VISTA Project. The City has provided full-year and summer associate support to over 50 nonprofit organizations to date and the continuance of this initiative is imperative to strengthen service delivery to those in need. The Billings Metro VISTA Project enables the City to support nonprofit organizations in a sustainable fashion since the provision of public service grants is no longer an option due to dwindling CDBG allocations.

SP-45 Goals Summary

91.215(a)(4)

Goal Summary Information for 2020-2024: Projects are funded on a close- and shovel-ready basis for core programs as described in this Plan.
An asterisk indicates *Housing development organizations housing development activities must be implemented by housing development organizations.

#	Goal Name	Category	Outcome	Objective	\$	City Program	Goal Outcome Indicator	One Year Goal
1	Create, preserve, and expand affordable housing options	Affordable Housing	Affordability	Decent Affordable Housing	CDBG \$351,256	Affordable Housing Development	Public Infrastructure: Low-Income Housing Benefit	60 Households Assisted
					Rental Units Constructed		# Housing Units*	
					Rental Units Rehabilitated		40 Housing Units*	
					Homeowner Housing Added		# Housing Units*	
					NSP TBD	Housing Rehabilitation	Homeowner Housing Rehabilitated	4 Housing Units
					First Time Home buyer	Direct Financial Assistance to Homebuyers	35 Households Assisted	
		- Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. - Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs citywide. - Provide affordable financing and support to promote homeownership opportunities citywide.						
2	Neighborhood Revitalization: Foreclosures	Affordable Housing	Affordability	Decent Affordable Housing	CDBG \$100,000	Foreclosure Acquisition Rehabilitation	Homeowner housing rehabilitated	1 Housing Unit
							Buildings Demolished	# Buildings*
		Revitalize neighborhoods through foreclosure remediation, redevelopment and infill development.						
3	Impact Poverty	Other: Poverty Impact	Availability / Accessibility	Create Suitable Living Environment	CDBG \$75,000 CNCS TBD	Billings Metro VISTA Project	Public service activity for low-income benefit	200 Persons Assisted
					Provide public service activity funding to support the Billings Metro VISTA Project to support local nonprofit organizations expand services for the homeless and special needs populations: Healthcare; Food Security; Education; Employment; Financial Literacy; and Housing.			
4	Prevent, prepare for, and respond to coronavirus	Other: Prevent, prepare for, and respond to coronavirus	Availability / Accessibility	Prevent, prepare for, and respond to coronavirus	CDBG-CV \$909,126	CDBG-CV: Public Services	Public service activity for low-income benefit	500 Low-Income Persons Assisted
						CDBG-CV: Public Facility Improvements	Public facility or infrastructure activities	500 Low-Income Persons Assisted
		- Provide public service activity and public facility improvement funding to prevent, prepare for, and respond to the coronavirus. Priority needs have been identified in the City's Community Assessment Report, including, but not limited to: Low-Income Beneficiaries: Rent, mental health care, meal distribution, mortgage payments, internet access, utility assistance, childcare, etc. Public Improvements & Facilities: Handwashing stations, additional public restrooms / cleaning, infrastructure, etc. Social Service Agencies & Public Health Support: Client remote access, vaccination activities, virtual service ability, exposure prevention - staff training, unmet hospital / public health needs, FEMA match, facility social distancing, etc.						
HOME Investment Partnerships Program(HOME), Community Development Block Grant (CDBG), Corporation for National and Community Service (CNCS), CARES Act (CDBG-CV)								
HUD Table 51 - Goals Summary								

Estimate the number of extremely low income, low income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The City expects to:

- Assist 60 households with infrastructure improvements to support long-term housing affordability.
- Develop 10 new affordable rental housing units through new construction or rehabilitation.
- Assist 20 low income households with home repair programs.
- Assist 175 low income households through the First Time Home Buyer program.
- Acquire and rehabilitate five foreclosed, vacant homes to sell to low income households citywide.
- Serve 1,000 extremely low and low income individuals through poverty impact initiatives through the Billings Metro VISTA Project.

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

The Housing Authority of Billings performed a baseline Section 504 Needs Assessment that was updated in detail for physical changes in 1992 and the assessment is reviewed annually. The Housing Authority keeps track of demand for accessible units and wait list needs to determine when more accessible units may be needed. The Housing Authority also keeps a list of accessible units in the community for the Section 8 and Shelter Plus Care participants to assist them in their search. This is completed via outreach survey to all landlords participating in the program. Outreach is facilitated throughout the year to those who may need housing in accessible units.

The Housing Authority performs outreach to many agencies several times annually and to other program lists to make sure staff are able to fill accessible units with a family or individual who may need such a unit. If staff is not able to serve households for accessible units when their application comes to the top of the waiting list, they are offered a voucher to look for housing within the community. If an accessible unit at another program managed by the Housing Authority has not been filled, applicants are allowed to transfer to that program.

The Housing Authority will continue to review 504 Assessment results to determine when additional units and bedroom sizes may be needed in the inventory and research how to best implement those needs as they arise. As part of all Housing Authority programs, the disabled and handicapped are encouraged and allowed to request reasonable accommodations using approved Fair Housing Office forms to assist with whatever physical or assistance needs they may have.

Activities to Increase Resident Involvements

Each year the Housing Authority assesses physical needs identified by tenants through their Resident Advisory Board for the Annual Plan process; comments are also solicited via Resident Council functions throughout the year. These comments, Board participation, tenant commissioners, and Public Housing Administration's daily communications with the Housing Authority's client base serve to assist in assessing client needs for physical adjustments, security issues, and needed links with the community. The physical needs improvements are implemented along with staff recommendations in the Capital Fund planning process.

Is the public housing agency designated as troubled under 24 CFR part 902?

No.

Plan to remove the 'troubled' designation

Not applicable to the Housing Authority of Billings.

Barriers to Affordable Housing

According to the City's most recent Analysis of Impediments to Fair Housing Choice, most of the typical exclusionary provisions that would hinder affordable housing development do not exist in current zoning codes. However, the following issues may act as barriers to affordable housing investment:

- Density bonuses have not been established to offset the cost of development if a project contains a certain percentage of affordable housing.
- There is currently not a way to fast-track the approval processes for affordable housing development projects. However, fast-tracking may not be as important in Billings as it is in other parts of the country. Subdivision review times are set by the Montana State Legislature. Building permit reviews for single-family homes (one to four units) are three to five days and commercial permits, including multi-family with five or more units in a structure, take four to six weeks to review. Other areas of the country, and some cities in Montana, take 30 days or longer for single-family reviews and four to six months for commercial reviews.
- The City does not currently permit a waiver or reduction of impact fees, including water and wastewater system development fees, to promote affordable housing development.
- The use of accessory dwelling units is not a widely practiced housing development strategy.

Other public policy concerns relate to a dated zoning code and inadequate funding to further affordable housing development. The City is currently in the process of revising the zoning code and one of the main goals of the project is to expand affordable housing choice across the City. The Billings City Council is expected to act on the adoption of the new zoning code in 2020. Additional information can be found online at [Project Re:Code](#).

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

The City plans on assisting with: housing affordability for renters / owners; cost of development; difficulty in paying for needed repairs; manufactured housing developments; and tax structure by implementing the following programs:

- Housing Rehabilitation
- Foreclosure Acquisition / Rehabilitation
- First Time Home Buyer
- Affordable Housing Development

Relative to the barriers identified in the City's Analysis of Impediments to Fair Housing Choice, the City plans on the following activities:

- Produce and disseminate consumer education on Fair Housing issues through ongoing publicity campaigns to make people aware they can move anywhere in the area they can afford.

- Work to expand housing choices of existing and potential new residents beyond neighborhoods identified by their own race or ethnicity.
- Continue to partner with enforcement agencies providing testing of the real estate industry practitioners to identify discriminatory practices in rental and for-sale housing.
- Support the efforts of local housing counseling agencies, especially to Latinos, before they apply for a mortgage.
- Continue to provide brochures containing information apprising potential home buyers of the availability of housing counseling and how to spot / report discriminatory lending practices.
- Continue to work toward the provision of affordable housing through Community Development programs.
- Support the efforts of the Planning Division to implement Project Re:Code.
- Support efforts to promote economic diversity in all schools to ensure every school has a majority of pupils coming from middle-class / higher-income households.
- Support the Housing Authority's efforts to expand the geographic range where holders of Housing Choice Vouchers look for housing.

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City does not directly receive Continuum of Care, Emergency Shelter Grant, or other federal funds to exclusively support efforts to impact homelessness. City staff does not provide direct services to those experiencing homelessness.

A network of over 50 local service providers in the community strive to meet the diverse needs of those experiencing homelessness, those who are at-risk of homelessness, and people experiencing poverty. The Mental Health Center manages a Projects for Assistance in Transition from Homelessness (PATH) outreach program to engage those living outside or in areas unfit for human habitation. Tumbleweed runs a Street Outreach program to seek out unaccompanied youth to engage them in services. A complete listing of services, including outreach, is included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

To the greatest extent possible, City staff will continue to provide local nonprofit organizations access to AmeriCorps VISTA members through the *Billings Metro VISTA Project* resources. VISTA members may be placed at the City to undertake objective citywide initiatives. VISTA members may also be placed at nonprofit Host Site organizations to work on specific anti-poverty initiatives.

Addressing the emergency and transitional housing needs of homeless persons

The shelter needs for people experiencing homelessness in the Billings community are primarily met by the Montana Rescue Mission as they operate a men's shelter and a shelter to serve women and their children. Montana Rescue Mission does not seek nor utilize federal funds for its operation. Several local service providers assist homeless families by providing funding for rent, mortgage, utility, and deposit assistance.

The Community Crisis Center provides crisis intervention and 23 hour stays as a technique to impact chronic homelessness. The YWCA provides transitional housing for victims of domestic violence. A complete listing of services, including emergency and transitional housing, is included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

YWCA Gateway House provides housing for female-headed households who have been victims of domestic violence. Additional services provided include case management, mental health treatment, budgeting assistance, and the facilitation of access to benefits. The organization also provides transitional housing and permanent supportive housing.

HRDC District 7 receives Emergency Shelter Grant funds and manages a rapid rehousing program to provide deposit and rent payment assistance to help families quickly regain stability into permanent housing.

A complete list of service providers offering housing, services and prevention support is located in MA-30 Homeless Facilities and Services.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Family Promise of Yellowstone Valley provides emergency shelter to several families at a time in a network of church congregations. The organization also operates a transitional housing program that provides apartments for those who have graduated from the shelter program.

YWCA Gateway House provides housing for female-headed households who have been victims of domestic violence. Additional services provided include case management, mental health treatment, budgeting assistance, and the facilitation of access to benefits. The organization also provides transitional housing and permanent supportive housing.

HRDC District 7 receives Emergency Shelter Grant funds and manages a rapid rehousing program to provide deposit and rent payment assistance to help families quickly regain stability into permanent housing.

Help low income individuals and families avoid becoming homeless, especially extremely low income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

The City does not receive McKinney-Vento Homeless Assistance Act funds and is not required to develop and implement a Discharge Coordination Policy. The Montana Continuum of Care (MT CoC) for the Homeless Coalition is the state's lead agency for addressing homeless activities, and is a statewide collaboration of diverse homeless service providers, nonprofit organizations and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. The system is established upon community and regionally based continuum of care systems, which form the statewide coalition and continuum of care process. The City supports the MT CoC in their efforts to establish a Statewide Discharge Coordination Policy.

The City does not receive Emergency Shelter Grant funds. These funds are distributed statewide by the Montana Department of Public Health and Human Services through ten HRDCs throughout the state. The local District 7 HRDC utilizes these funds to support rapid re-housing activities in conjunction with the local shelters.

Actions to address Lead-Based Paint (LBP) hazards and increase access to housing without LBP hazards

The City continues to be in compliance with HUD's lead-based paint requirements as established in September of 2000. Projects involving structures built prior to 1978 are considered to have the potential for lead-based paint and consistent procedures have been developed to ensure compliance with federal regulations.

The City will continue diligence while undertaking rehabilitation and construction activities in order to maintain the safety of households participating in federal programs. Participants in the City's housing programs are made aware of the requirements the City must follow when providing assistance. Education on the hazards of exposure to lead is provided for each rehabilitation project. The City currently offers risk assessments, through certified staff, paint inspections, clearance testing, and has access to lead-safe certified contractors to ensure compliance.

How are the actions listed above related to the extent of lead poisoning and hazards?

Unlike many larger jurisdictions, the City of Billings does not have a high prevalence of lead poisoning. The City's actions related to housing rehabilitation and development activities are preventive in nature.

How are the actions listed above integrated into housing policies and procedures?

The City's procedures contain provisions for lead-based paint compliance in all programs. A complete set of forms is currently utilized by staff for the purposes of lead-paint inspection, assessment, notification, reporting and compliance.

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

The Needs Assessment contains comprehensive information on the lower income status of local households. All of the Consolidated Plan strategies target the improvement of economic conditions of lower income households in the community, including housing development, financing home repair, continuing partnerships and funding public service activities. The City proposes to support the following specific activities in this Consolidated Plan to address economic conditions of low and moderate-income households in Billings:

- Continue to work with nonprofit organizations to help address the human service needs of lower income residents of the community in general and of our lower income neighborhoods in particular. This would be achieved primarily through supporting capacity building efforts of social service agencies through implementation of the *Billings Metro VISTA Project*.
- Continue to apply for the AmeriCorps VISTA project status in order to bring full-time and summer associate volunteers to work on poverty-impact programs.

AmeriCorps VISTA is a national anti-poverty initiative that places full-year and Summer Associate volunteers with local projects. Full-year VISTA members are recruited locally and nationally, are college graduates and commit to at least a year of service with a project. Summer Associates are at least 18 years old and commit to ten weeks of service.

<i>Focus Area</i>	<i>Objective</i>	<i>Programming Area: Specific to People Experiencing Poverty</i>
Economic Opportunity	Financial Literacy	Financial services and related programs to enhance financial literacy.
	Housing	Services to improve housing situations and access to affordable housing, including transitioning individuals into or helping them remain in safe, healthy, affordable housing.
	Employment	Efforts to train and employ low income individuals. This includes literacy, vocational training aimed at building and gaining work-related skills.
Education	School Readiness	Services for children to make gains in school readiness in the following areas: Social / Emotional Development; Literacy Skills; and Numeracy / Math Skills.
	K-12 Success	Services to improve academic performance and engagement for students, particularly for students in low-achieving schools.
	Post-Secondary Success	Services to increase enrollment and completion of post-secondary education.
Healthy Futures	Food Security	Services to gain access to food resources and access to nutritious food.
	Access to Health Care	Services to gain access to preventative and primary health care services.
Veterans & Military Families	Veterans Served	Any of the above programming areas targeting services for low income veterans, family members, members of active duty military and military service members.

The structure of the Billings Metro VISTA Project serves to assist nonprofit organizations working on poverty issues. VISTA members may serve at the City to work on initiatives with citywide benefit such as: Faith Engagement in Homelessness; Illuminate Poverty; Resource Map and Notepad; Veterans and Military Families; and Food Security. More information on citywide initiatives can be found on the [City's Poverty Impact Initiatives](http://www.BillingsMT.gov/vista) website. Information on VISTA can be found online at www.BillingsMT.gov/vista.

VISTA members may also be placed at nonprofit Host Site organizations to work on specific anti-poverty projects to benefit the organization's clients. Examples of organizations served include:

- Philanthropic organizations:
 - United Way of Yellowstone County
- Housing organizations:
 - Housing Authority of Billings
 - Rebuilding Together for Yellowstone County
 - NeighborWorks Montana
- Social service organizations:

○ Family Support Network ○ Center for Children and Families ○ Mental Health Center ○ Montana Rescue Mission ○ District 7 HRDC ○ Self Help Law Center ○ National Alliance on Mental Illness Billings ○ Tumbleweed Program, Inc.	○ Boys & Girls Club ○ Independence Hall, serving homeless veterans ○ Billings Family Service ○ Billings Head Start – Explorer's Academy ○ Friendship House ○ Family Promise of Yellowstone Valley ○ Crow Veteran's Affairs ○ YWCA Billings
- Adjacent public entities have also been served by the VISTA program, including:
 - Billings Public Library
 - Billings Public Schools
 - Downtown Billings Association
 - Billings Police Department
 - Planning & Parks Divisions

How are the Jurisdiction's poverty-reducing goals, programs, and policies coordinated with this affordable housing plan?

Poverty reduction is addressed through the Billings Metro VISTA Project and the City's affordable housing programs. Priority needs, program goals, policies and procedures are all in alignment with poverty impact and affordable housing activities.

Affordable Housing Development

- Expand access and availability of decent, affordable housing citywide.
- Improve the physical quality of affordable housing.
- Foster suitable living environment and quality of life through the improvement of physical conditions including infrastructure for housing projects and housing development.

Housing Rehabilitation

- Help current homeowners maintain their homes in safe, quality condition.
- Increase value, quality, and durability of existing affordable housing stock.

First Time Home Buyer

- Promote financial security, home equity, housing self-sufficiency, housing and neighborhood quality and stability.
- Increase minority homeownership, promote equal access and opportunity, and decrease segregation citywide.
- Improve affordable housing opportunities for the elderly, persons with disabilities, and other special populations.
- Reduce predatory lending through education and standardized procedures.

Foreclosure, Acquisition, Rehabilitation

- Mitigate the negative community impact of vacant, foreclosed properties.
- Improve affordable housing quality, condition, safety, livability, and accessibility.
- Stabilize property values in neighborhoods with existing vacant, foreclosed homes.
- Eliminate the potential for crime related to existing vacant, foreclosed properties.

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The goals to be achieved through the Consolidated Plan will be monitored on a yearly basis as required as part of the CAPER submitted to HUD for the Consolidated Plan. Monitoring consists of:

- Examination of the community's use of available HUD, state, and local resources to meet the affordable housing and community development needs as outlined in the Consolidated Plan.
- Examination of the effectiveness of the programs in place.
- Review of public comments received on the community's performance in meeting the affordable housing and community development needs described in the City's Consolidated Plan.

The City may fund a variety of organizations to carry out City-funded activities each year and would enter into a written agreement specifically describing scope of work and funding use. Organizations receiving City funds will generally be monitored on-site by Community Development staff at to ensure compliance with the terms of the agreement and applicable regulations. Site visits will include monitoring in the following areas:

- Compliance with agreement timeframe
- Rate of expenditures
- Continued eligibility of the activities under the agreement
- Adequate documentation concerning client eligibility and service delivery

Compliance with federal regulations will also be monitored, including (but not limited to) a review of the following:

- American Disabilities Act
- Fair Housing Act
- Equal Employment Opportunity
- Section 3 of the Housing and Urban Development Act of 1968
- Uniform Administrative Requirements
- Davis-Bacon Labor Standards

Community Housing Development Organizations

The City requires Community Housing Development Organizations (CHDOs) apply for recertification on an annual basis to ensure continued requirements are being met for CHDO designation, including (but not limited to) maintenance of Board composition, including at least one-third membership by residents of low income neighborhoods and no more than one-third may be public officials or local / state employees. Staff also conducts a CHDO capacity review every time a new project is funded to ensure the organization has the ability to carry out functions of the proposed project.

Affordable Housing Projects

Housing projects are monitored via desk review and / or site-visits, including inspections, on a schedule based on the number of units in the project. On-site visits include property standards compliance

inspections, tenant file review, household income verification, etc. City staff will also conduct annual desk reviews to ensure leases are in compliance with HOME regulations; rents are compliant with HOME limits; tenant incomes are reviewed annually and they are within eligibility limits; the property owner/manager is inspecting the property at least annually; that adequate project reserves have been established and annual reports are received; and the year-end profit and loss statements show the project is profitable and/or sustainable for the period of affordability.

Affordable housing projects are also scrutinized via routine Risk Assessment in order for City staff to evaluate the relative level of risk of noncompliance for each project in the assisted portfolio. Projects with higher risk assessment scores are prioritized for intensive case management efforts to bring the project into compliance and may receive multiple site visits and technical assistance from City staff.

First Time Home Buyers

Homebuyers receiving assistance are monitored for residency requirements by US Postal Service and noncompliant projects are prioritized for intervention through the City's legal office.

Section VI: Annual Action Plan

AP-15 Expected Resources

Section is duplication – SP-35

91.220(c)(1,2)

Introduction

CDBG administration allocations are capped at 20% of the new CDBG allocation in addition to eligible program income received during the project year. Maximum amounts for public service activities are capped at 15% of the new CDBG allocation and 15% of the previous year's program income. HOME administration activities are capped at 10% of the new HOME allocation and eligible program income received following the required affordability period. Revenue received during a project's affordability period is considered recaptured and may not be used for administration.

Expected revenues from the CDBG program include repayments for funding loaned through the Housing Rehabilitation Loan program and other revitalization efforts. The City expects to receive approximately \$75,000 in repayments for the upcoming fiscal year which will be reprogrammed for programs identified herein. The City will not receive proceeds for Section 108 loan guarantees, surplus funds from urban renewal settlements, or float-funded activities.

Revenue expected for the HOME program includes recaptured and program income funding generated by the First Time Homebuyer Loan program. The City expects to receive approximately \$150,000 in HOME funding through these venues, and the funding will be utilized to further programs identified in this Consolidated Plan. The City of Billings programs utilize 100% of CDBG and HOME funding to benefit low to moderate income households and / or areas. The City may also receive program income attributable to the Neighborhood Stabilization Program and other previously funded federal and state programs.

Routine revenues including program income, recaptured / repaid funds, and re-programmed monies will be utilized for existing and previously approved programs as it is received during each fiscal year. Routine revenues are allocated on a close- and shovel-ready basis to ensure timely commitment and expenditure. These changes are customary and facilitate funding allocations to projects and activities most in demand and do not require a substantial or minor amendment to the Consolidated Plan.

The City also received \$909,126 in CARES Act CDBG-CV funding to prevent, prepare for, and respond to the coronavirus. Funding will be allocated to public service and public facility improvements.

Anticipated Resources

Program	Source of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of Con Plan	Narrative Description
		Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	Public / Federal	\$657,719	\$75,000	\$0	\$732,719	\$2,520,000	Entitlement Allocation
	Uses of Funds: Administration, Homeowner Rehabilitation, Homebuyer Acquisition, New Housing Development, Public Services						
HOME	Public / Federal	\$349,053	\$150,000	\$0	\$499,053	\$1,280,000	Entitlement Allocation
	Uses of Funds: Administration, Homebuyer Acquisition, New Housing Development						
CDBG-CV	Public / Federal	\$909,126	\$0	\$0	\$909,126	Leave Blank	CARES Act
	Uses of Funds: Prevent, prepare for, and respond to coronavirus						

HUD Table 52 - Expected Resources - Priority Table, Duplicated from SP-35

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The HOME program requires 25% match funding for projects be dedicated from non-federal sources. The City of Billings meets HOME matching requirements through low-interest financing available for First Time Homebuyer Loans issued through the Montana Board of Housing and matching funds provided for other affordable housing projects undertaken with HOME funds, such as private contributions and other local bank financing.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

City staff does not anticipate publically owned land will be utilized to address needs identified in the Consolidated Plan.

AP-20 Annual Goals and Objectives, table is AP-23 in IDIS

Goal Summary Information: Projects are funded on a close- and shovel-ready basis for core programs as described in this Plan.

An asterisk indicates *Housing development organizations housing development activities must be implemented by housing development organizations.

#	Goal Name	Category	Outcome	Objective	\$	City Program	Goal Outcome Indicator	One Year Goal
1	Create, preserve, and expand affordable housing options	Affordable Housing	Affordability	Decent Affordable Housing	CDBG \$351,256	Affordable Housing Development	Public Infrastructure: Low-Income Housing Benefit	60 Households Assisted
					HOME \$314,216		Rental Units Constructed	# Housing Units*
					HOME \$314,216		Rental Units Rehabilitated	# Housing Units*
					NSP TBD	Homeowner Housing Added	# Housing Units*	
					Housing Rehabilitation	Homeowner Housing Rehabilitated	4 Housing Units	
		First Time Home buyer	Direct Financial Assistance to Homebuyers	35 Households Assisted				
		- Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. - Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs citywide. - Provide affordable financing and support to promote homeownership opportunities citywide.						
2	Neighborhood Revitalization: Foreclosures	Affordable Housing	Affordability	Decent Affordable Housing	CDBG \$100,000	Foreclosure Acquisition Rehabilitation	Homeowner housing rehabilitated	1 Housing Unit
							Buildings Demolished	# Buildings*
		Revitalize neighborhoods through foreclosure remediation, redevelopment and infill development.						
3	Impact Poverty	Other: Poverty Impact	Availability / Accessibility	Create Suitable Living Environment	CDBG \$75,000	Billings Metro VISTA Project	Public service activity for low-income benefit	200 Persons Assisted
					CNCS TBD			
Provide public service activity funding to support the Billings Metro VISTA Project to support local nonprofit organizations expand services for the homeless and special needs populations: Healthcare; Food Security; Education; Employment; Financial Literacy; and Housing.								
4	Prevent, prepare for, and respond to coronavirus	Other: (Blank - does not display SP-45 text)	Availability / Accessibility	Prevent, prepare for, and respond to coronavirus	CDBG-CV \$909,126	CDBG-CV: Public Services	Public service activity for low-income benefit (GOI 3)	500 Low-Income Persons Assisted
						CDBG-CV: Public Facility Improvements	Public facility or infrastructure activities (GOI 1)	500 Low-Income Persons Assisted
		- Provide public service activity and public facility improvement funding to prevent, prepare for, and respond to the coronavirus. Priority needs have been identified in the City's Community Assessment Report, including, but not limited to: Low-Income Beneficiaries: Rent, mental health care, meal distribution, mortgage payments, internet access, utility assistance, childcare, etc. Public Improvements & Facilities: Handwashing stations, additional public restrooms / cleaning, infrastructure, etc. Social Service Agencies & Public Health Support: Client remote access, vaccination activities, virtual service ability, exposure prevention - staff training, unmet hospital / public health needs, FEMA match, facility social distancing, etc.						
HOME Investment Partnerships Program(HOME), Community Development Block Grant (CDBG), Corporation for National and Community Service (CNCS), CARES Act (CDBG-CV)								
HUD Table 53 - Goals Summary								

Introduction

The City of Billings is recommending the following projects for CDBG and HOME funding this fiscal year. Revenues received from CDBG, HOME, and other sources will be allocated to current programs under a close- / shovel-ready basis to ensure commitment and expenditure timeliness.

#	Project Name	FY2020-2021 Allocations	
		CDBG	HOME
4 & 5	Administration	\$131,463	\$34,837
6	Affordable Housing Development <i>In addition to \$150,000 in current fiscal year repayment revenue</i>	\$235,000	-
7	Community Housing Development Organizations	-	\$52,358
8	Housing Rehabilitation	\$50,000	-
9	First Time Home Buyer	\$66,256	\$261,858
10	Foreclosure Acquisition and Rehabilitation	\$100,000	-
11	Billings Metro VISTA Project	\$75,000	-
12	CDBG-CV: Administration	\$181,825	-
13	CDBG-CV: Public Services	\$363,650	-
14	CDBG-CV: Public Facility Improvements	\$363,651	-

HUD Table 54 - Project Information, Funding Allocations do not include Program Income

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The allocation priorities were established by identifying community needs through the Needs Assessment and Market Analysis:

- **Affordable Housing:** Single- and multi-housing development, Housing Rehabilitation, and First Time Home Buyer, and Foreclosure Acquisition and Rehabilitation.
- **Poverty Impact:** Billings Metro VISTA Project.

The primary obstacle faced by the City in undertaking the activities described in its Consolidated Plan and meeting under-served needs is limited funding. The Needs Assessment identified the affordable housing needs and conditions of our community. These conditions, particularly the cost burden faced by very low income renters and homeowners, is difficult to address given existing resources.

AP-38 Project Summary

#	Project Name	Target Area	Goals / Needs	Funding – No Program Income	Target Date	Estimate # / Type Families Benefitting
4 & 5	Administration	City of Billings	Affordable Housing	CDBG \$131,463 HOME \$34,837	June 30, 2021	Not Applicable
		Description: General grant administration for CDBG and HOME programs.				
6	Affordable Housing Development	City of Billings	Affordable Housing	CDBG \$235,000 In addition to \$150,000 current repayment revenue	June 30, 2021	60 Low-Income Households Assisted
		Description: Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. Planned Activities: This funding would be utilized to facilitate the development of new affordable housing.				
7	Community Housing Development Organization	City of Billings	Affordable Housing	HOME \$52,358	June 30, 2023	# Housing Units: Rentals constructed, rehabbed, or owner housing added
		Description: Encourage the citywide development of new affordable single-family, multi-family and special needs housing in the community through private developers and nonprofit organizations. Planned Activities: This funding would be utilized to facilitate the development of new affordable housing.				
8	Housing Rehabilitation	City of Billings	Affordable Housing	CDBG \$50,000	June 30, 2021	4 Low-Income Housing Units
		Description: Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs citywide. Preserve existing affordable housing supply, particularly in older neighborhoods, to support the stability of the current affordable housing stock. Planned Activities: This program provides low-income households with zero interest, no payment financing to make needed improvements. This program revitalizes established neighborhoods and preserve the existing affordable housing stock through the completion of repairs to housing.				
9	First Time Home Buyer	City of Billings	Affordable Housing	HOME \$261,858 CDBG \$66,256	June 30, 2021	35 Low-Income Households Assisted
		Description: Provide affordable financing and support to promote homeownership opportunities citywide. Planned Activities: This program provides financial resources to support low-income first time homebuyers with down payment and closing costs.				
10	Foreclosure Acquisition & Rehabilitation	City of Billings	Affordable Housing	CDBG \$100,000	June 30, 2021	1 Housing Unit – Low-Income Household
		Description: Provide direct, affordable financing and assistance to low-income homeowners for the completion of needed repairs citywide. Revitalize low-income neighborhoods through foreclosure remediation, redevelopment and infill development. Planned Activities: Funding to support the purchase of vacant and foreclosed properties for the purpose of rehabilitation and direct homeownership assistance to income-qualified homebuyers as their primary residence. Properties may also be demolished to make way for new construction of affordable housing. The purpose of the program is to stabilize neighborhoods, stem the decline of house values of neighboring homes due to foreclosure, and to preserve decent affordable housing.				
11	Billings Metro VISTA Project	City of Billings	Poverty Impact	CDBG \$75,000	June 30, 2021	200 Low-Income Persons Assisted
		Description: Provide public service activity funding to support the Billings Metro VISTA Project to support local nonprofit organizations expand services for the homeless and special needs populations: Healthcare; Food Security; Education; Employment; Financial Literacy; and Housing. Planned Activities: AmeriCorps members work on poverty impact issues in the community including hunger, homelessness, education, and veterans / military family support. Members are placed at nonprofit organization Host Sites and the City to assist in strengthening services in the poverty-impact service continuum.				

#	Project Name	Target Area	Goals / Needs	Funding – No Program Income	Target Date	Estimate # / Type Families Benefitting
12	CDBG-CV: Administration	City of Billings	Prevent, prepare for, respond to coronavirus	CDBG-CV \$181,825	August 31, 2022	Not Applicable
		Description: General grant administration for CDBG-CV programs.				
13	CDBG-CV: Public Services	City of Billings	Prevent, prepare for, respond to coronavirus	\$363,650	August 31, 2022	500 Low-Income Persons Assisted
		Description: Provide public service activity funding to prevent, prepare for, and respond to the coronavirus. • Activities benefitting low-income beneficiaries: Rent, mental health care, meal distribution, mortgage payments, internet access, utility assistance, childcare, etc. • Social Service Agencies & Public Health Support: Client remote access, vaccination activities, virtual service ability, exposure prevention - staff training, unmet hospital / public health needs, FEMA match, etc.				
14	CDBG-CV: Public Facility Improvements	City of Billings	Prevent, prepare for, respond to coronavirus	\$363,651	August 31, 2022	500 Low-Income Persons Assisted
		Description: Provide public facility improvements funding to prevent, prepare for, and respond to the coronavirus. Priority needs have been identified in the City's Community Assessment Report , including, but not limited to: ○ Public Improvements & Facilities: Handwashing stations, additional public restrooms / cleaning, infrastructure, etc. ○ Social Service Agencies & Public Health Support: Client remote access, virtual service ability, unmet hospital / public health needs, FEMA match, facility social distancing, etc..				
Community Development Block Grant (CDBG) HOME Investment Partnerships Program (HOME) CARES Act (CDBG-CV)						

Description of the geographic areas of the entitlement (including areas of low income and minority concentration) where assistance will be directed

The geographic area served by the Consolidated Plan is defined by the current City of Billings limits. Citation 24 CFR 91.220(f) reads as follows, *“When appropriate, jurisdictions should estimate the percentage of funds they plan to dedicate to target areas.”* Estimating the percentage of funds planned for dedication to target areas is not appropriate for the Billings community due to the following reasons:

- Geographic area is defined by the current City of Billings limits.
- Target areas include high concentrations of low income households, particularly those with higher concentrations of racial / minority households.
- Citywide strategies encourage the distribution of resources support affirmatively furthering fair housing and equal opportunity to avoid segregation in Billings.
- Geographic distribution of investments description includes the focus of resources on a citywide basis to support diversity across the community.
- The City of Billings is classified as a smaller city on a national scale.
- The actual dollar amount dedicated to each program is included in this Action Plan.

The City will focus distribution of investments on a citywide basis in order to support diversity and mixed-income development across the community. Neighborhood Revitalization Strategy areas ***have not been established*** in Billings and there is no specific amount of funding allocated for a target area in the City’s geographic distribution of resources. **Therefore, the City plans to dedicate zero percent of funding to target areas in favor of supporting a citywide approach to further fair housing, equal opportunity and anti-segregation efforts.**

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

HUD Table 55 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The strategies identified in the Consolidated Plan will be addressed on a citywide basis to encourage the distribution of low income affordable housing and other assistance to lower income households throughout the community.

Introduction

Planned affordable housing for the upcoming year include Housing Rehabilitation, Foreclosure Acquisition / Rehabilitation, Affordable Housing Development, and First Time Home Buyer. While many of these programs may serve the homeless or special needs households, the programs are not designed to exclusively serve one or more of the following cohorts.

One Year Goals for the Number of Households to be Supported	
Homeless	
Non-Homeless	100
Special-Needs	
Total	100

HUD Table 56 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	
The Production of New Units	
Rehab of Existing Units	5
Acquisition of Existing Units	
Total	5

HUD Table 57 - One Year Goals for Affordable Housing by Support Type

Introduction

The Housing Authority of Billings serves extremely low income, very low income, and low income citizens. The Housing Authority plans to apply for all grants that will assist the organization in adding units to its existing programs and any programs that complement existing services and are able to be implemented. The Housing Authority will continue to assess and implement modernization funds to upgrade and restore units and complete energy efficient repairs as needed.

Actions planned during the next year to address the needs to public housing

The Housing Authority may apply for funding to develop affordable housing through the Affordable Housing Development Program. In the past, the City has granted funds to build new units through the HOME and CDBG programs in neighborhoods where Housing Authority property exists. The City has also provided funding for a variety of rehabilitation and new construction projects to neighborhoods that have public housing units in need of upgrading.

The City has helped rehabilitate properties, sold land for new businesses, and granted land to nonprofits to assist with neighborhood revitalization efforts in neighborhoods where Housing Authority complexes have been built. The City has provided funding for parks and play areas for the neighborhoods where Housing Authority families reside. In addition, the businesses that have moved into areas where Housing Authority properties are located have contributed to the economic stability of the Housing Authority clients. The City's First Time Home Buyer program assists with home ownership down payment assistance and home ownership counseling for clients considering homeownership.

The City coordinates with the Housing Authority for housing needs assessments, assists in funding new projects when appropriate, and assists with applications for supportive services when called upon for needed assistance.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Housing Authority implements the Family Self-Sufficiency program. This program links participants to community agencies to help them become self-sufficient through individual goal setting. Fifty-five families participated in the program in 2014. Three families moved into homeownership, two with continued assistance and one without. Forty-one households have achieved homeownership through this program to date. Resident councils, an Advisory Board and the Family Self-Sufficiency Panel are involved in providing input on program needs and assisting others to become actively involved in the process. Additional information is included in the five-year plan on file at the Housing Authority office.

Each year, the Housing Authority goes through a process to assess physical needs addressed by tenants through their Resident Advisory Board for the Annual Plan process; comments are also solicited via Resident Council functions throughout the year. These comments, Board participation, tenant commissioners, and Public Housing Administration's daily communications with the Housing Authority's client base serve to assist in assessing client needs for physical adjustments, security issues, and needed

links with the community. The physical needs requests are implemented along with staff recommendations in the Capital Fund planning process.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable. The Housing Authority is a High Performer for PHAS and, therefore, a review of troubled status needs is not required.

Introduction

As previously stated in the SP-60 Homelessness Strategy of this Consolidated Plan, the Community Development Division's ongoing activities include:

- Continuing to distribute the City's *Resource Map*, *Notepad*, and the *Veteran's Resource Map*. These documents include comprehensive service directories for anyone seeking assistance.
- To the greatest extent possible, City staff will continue to provide local nonprofit organizations access to AmeriCorps VISTA members through the **Billings Metro VISTA Project** resources. VISTA members may be placed at the City to undertake objective citywide initiatives. VISTA members may also be placed at nonprofit Host Site organizations to work on specific anti-poverty initiatives.

The City does not directly receive Continuum of Care, Emergency Shelter Grant, or other federal funds to exclusively support efforts to impact homelessness. City staff does not provide direct services to those experiencing homelessness.

A network of over 50 local service providers in the community strive to meet the diverse needs of those experiencing homelessness, those who are at-risk of homelessness, and people experiencing poverty. The Mental Health Center manages a Projects for Assistance in Transition from Homelessness (PATH) outreach program to engage those living outside or in areas unfit for human habitation. Tumbleweed runs a Street Outreach program to seek out unaccompanied youth to engage them in services. A complete listing of services, including outreach, is included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Mental Health Center manages the PATH outreach program to engage those living outside or in areas unfit for human habitation. Tumbleweed runs a Street Outreach program to seek out unaccompanied youth to engage them in services. Additional services for the homeless are included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

Addressing the emergency shelter and transitional housing needs of homeless persons

The shelter needs for those experiencing homelessness in the Billings community are primarily met by the Montana Rescue Mission. The organization operates men's shelter and a shelter to serve women and their children. Montana Rescue Mission does not seek nor utilize federal funds for its operation. Several local service providers assist homeless families by providing funding for rent, mortgage, utility, and deposit assistance.

The Community Crisis Center provides crisis intervention and 23 hour stays as a technique to impact chronic homelessness. The YWCA provides transitional housing for victims of domestic violence. Additional services for the homeless are included in the MA-30 Homeless Facilities and Services section of this Consolidated Plan.

For those living on the downtown streets of Billings, a new position has been created for an addiction / mental health counselor to accompany two downtown police officers when engaging people living on the streets. This initiative was undertaken as one of the many outcomes from the Community Innovations Summit, which was facilitated by the Community Development Division and the Downtown Billings Alliance. Non-federal funding through the City of Billings has been allocated to support the counselor staff position.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Family Promise of Yellowstone Valley provides emergency shelter to several families at a time in a network of church congregations. The organization also operates a transitional housing program that provides apartments for those who have graduated from the shelter program.

YWCA Gateway House provides housing for female-headed households who have been victims of domestic violence. Additional services provided include case management, mental health treatment, budgeting assistance, and the facilitation of access to benefits. The organization also provides transitional housing and permanent supportive housing.

HRDC District 7 receives Emergency Shelter Grant funds and manages a rapid rehousing program to provide deposit and rent payment assistance to help families quickly regain stability into permanent housing.

Helping low income individuals and families avoid becoming homeless, especially extremely low income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The City does not receive McKinney-Vento Homeless Assistance Act funds and is not required to develop and implement a Discharge Coordination Policy. The Montana Continuum of Care (MT CoC) for the Homeless Coalition is the state's lead agency for addressing homeless activities, and is a statewide collaboration of diverse homeless service providers, nonprofit organizations and local and state governments. The coalition was formed to address homelessness with very few resources to cover Montana's vast geographical area. The system is established upon community and regionally based continuum of care systems, which form the statewide coalition and continuum of care process. The City supports the MT CoC in their efforts to establish a Statewide Discharge Coordination Policy.

The City does not receive Emergency Shelter Grant funds. These funds are distributed statewide by the Montana Department of Public Health and Human Services through ten HRDCs throughout the state. The local District 7 HRDC utilizes these funds to support rapid re-housing activities in conjunction with the local shelters.

Introduction

Barriers to affordable housing are noted in the MA-40 and SP-55 Barriers to Affordable Housing sections of this Consolidated Plan.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City plans on assisting with housing affordability and poverty impact through the following programs:

- Housing Rehabilitation
- Foreclosure Acquisition / Rehabilitation
- First Time Home Buyer
- Affordable Housing Development
- Billings Metro VISTA Project

Introduction

The City's programs have been designed to meet priority needs in the community. However, there is very limited funding coming through the City to meet the needs of local citizens.

Actions planned to address obstacles to meeting underserved needs

The City plans on meeting underserved needs through the following programs:

- **First Time Home Buyer**
 - Promote financial security, home equity, housing self-sufficiency, housing and neighborhood quality and stability.
 - Increase minority homeownership, promote equal access and opportunity, and decrease segregation citywide.
 - Improve affordable housing opportunities for the elderly, persons with disabilities, and other special populations.
 - Reduce predatory lending through education and standardized procedures.
- **Housing Rehabilitation**
 - Help current homeowners maintain their homes in safe, quality condition.
 - Increase value, quality, and durability of existing affordable housing stock.
- **Affordable Housing Development**
 - Expand access and availability of decent, affordable housing citywide.
 - Improve the physical quality of affordable housing.
 - Foster suitable living environment and quality of life through the improvement of physical conditions including infrastructure for housing projects and housing development.
- **Foreclosure, Acquisition, Rehabilitation**
 - Mitigate the negative community impact of vacant, foreclosed properties.
 - Improve affordable housing quality, condition, safety, livability, and accessibility.
 - Stabilize property values in neighborhoods with existing vacant, foreclosed homes.
 - Eliminate the potential for crime related to existing vacant, foreclosed properties.
- **Billings Metro VISTA Project**
 - Provide resources to nonprofit organizations to undertake poverty impact activities and to support the low income individuals and families they serve.
 - Focus areas include: education, healthcare, food security, economic opportunity, housing, financial literacy, and others.

Actions planned to foster and maintain affordable housing

The City plans on maintaining affordable housing through the following:

- **Create, preserve, and expand affordable housing options:** Affordable Housing Development; Housing Rehabilitation; and First Time Home Buyer.
- **Neighborhood Revitalization – Foreclosures:** Foreclosure Acquisition Rehabilitation
- **Impact Poverty:** Billings Metro VISTA Project

Actions planned to reduce lead-based paint hazards

The City continues to be in compliance with HUD’s lead-based paint requirements as established in September of 2000. Projects involving structures built prior to 1978 are considered to have the potential for lead-based paint and consistent procedures have been developed to ensure compliance with federal regulations.

The City will continue diligence while undertaking rehabilitation and construction activities in order to maintain the safety of households participating in federal programs. Participants in the City’s housing programs are made aware of the requirements the City must follow when providing assistance. Education on the hazards of exposure to lead is provided for each rehabilitation project. The City currently offers risk assessments, through certified staff, paint inspections, clearance testing, and has access to lead-safe certified contractors to ensure compliance.

Actions planned to reduce the number of poverty-level families

As stated in the SP-70 Anti-Poverty Strategy section of the Consolidated Plan, the Needs Assessment contains comprehensive information on the lower income status of local households. All of the Consolidated Plan strategies target the improvement of economic conditions of lower income households in the community, including housing development, financing home repair, continuing partnerships and funding public service activities. The City proposes to support the following specific activities in this Consolidated Plan to address economic conditions of low and moderate-income households in Billings:

- Continue to work with nonprofit organizations to help address the human service needs of lower income residents of the community in general and of our lower income neighborhoods in particular. This would be achieved primarily through supporting capacity building efforts of social service agencies through implementation of the *Billings Metro VISTA Project*.
- Continue to apply for the AmeriCorps VISTA project status in order to bring full-time and summer associate volunteers to work on poverty-impact programs.

AmeriCorps VISTA is a national anti-poverty initiative that places full-year and Summer Associate volunteers with local projects. Full-year VISTA members are recruited locally and nationally, are college graduates and commit to at least a year of service with a project. Summer Associates are at least 18 years old and commit to ten weeks of service.

Actions planned to develop institutional structure

As described in the SP-40 Institutional Delivery Structure section of the Consolidated Plan, the City of Billings maintains strong partnerships with housing and social service agencies. The only gaps in the institutional structure relate to funding limitations and the City’s inability to dedicate time and resources to additional projects outside of the current funding structure.

Actions planned to enhance coordination between public and private housing & social service agencies

The City will continue coordinating with public, private, and social service agencies to further activities and projects identified herein, including participation in the following groups and initiatives:

- Nonprofit Organizations
- Neighborhood Task Forces
- Community Innovations Initiatives
- Resource Map and Notepad
- Veteran's Resource Map
- Billings Metro VISTA Project

Introduction

The City of Billings has programmed all available revenues in current programs identified herein.

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(l)(1)

1. Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.	\$0
2. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$0
3. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
4. The amount of surplus funds from urban renewal settlements	\$0
5. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$0
6. The amount of income from float-funded activities.	\$0
Total Program Income:	\$0

Other CDBG Requirements

1. The amount of urgent need activities.	\$0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specific the years covered that include this Annual Action Plan.	100%
Years Covered are 2020-2021	

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The above-noted regulation refers to the use of HOME funds for eligible activities. The City of Billings will not utilize HOME funds outside of the following allowable investments:

- Equity investments, interest-bearing loans or advances, non-interest-bearing loans or advances, interest subsidies consistent with the purposes of this part, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the purposes of this part. Each participating jurisdiction has the right to establish the terms of assistance, subject to the requirements of this part.
- Guarantee loans made by lenders and, if required, the participating jurisdiction may establish a loan guarantee account with HOME funds. The HOME funds may be used to guarantee the timely payment of principal and interest or payment of the outstanding principal and interest upon foreclosure of the loan. The amount of the loan guarantee account must be based on a reasonable estimate of the default rate on the guaranteed loans, but under no circumstances may the amount on deposit exceed 20% of the total outstanding principal amount guaranteed; except that the account may include a reasonable minimum balance. While loan funds guaranteed with HOME funds are subject to all HOME requirements, funds which are used to repay the guaranteed loans are not.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Recapture provisions permit the original homebuyer to sell the assisted property to any willing buyer during the period of affordability while the City is able to recapture all or a portion of the HOME assistance provided to the original homebuyer. The City utilizes recapture provisions exclusively when assisting homeowners and the provisions are enforced via a Promissory Note (not recorded), the use of a Deed Restriction Agreement and a Montana Trust Indenture that are both recorded at the Yellowstone County Clerk and Recorder's office. These written, legal documents contain language outlining the recapture provisions as established herein. The City does not use subrecipients or other grantees to carry out these activities.

Homebuyer Requirements: In order for homeownership housing to qualify as affordable housing eligible for HOME funding, it must be: single-family; considered modest housing; be acquired by a low income household for their principal residence; and meet affordability requirements for a single period of time as determined by the amount of assistance provided.

Direct HOME Subsidy: The amount of HOME assistance that enabled the homebuyer to buy the unit. The direct subsidy includes down payment and closing costs provided directly to the homebuyer, which resulted in a reduced purchase price from the fair market value of the home to an affordable price. The entire amount of HOME assistance is subject to recapture.

Net Proceeds: The sales price, less the superior loan repayment and any closing costs. The City will only recapture the net proceeds from a sale. Any loans or improvements made to the property after the time of the HOME assistance will be paid after the City is repaid the amount owed under its

recapture provisions. If the net proceeds are not sufficient to recapture the full HOME investment, the City will accept the available net proceeds as full payment.

Recapture Model - City Recaptures Entire HOME Assistance Amount: The City allows the assisted homebuyer to retain all appreciation and the City expects to recapture the entire direct HOME subsidy invested in the project. Therefore, the homeowner will retain any value of the appreciation of the property after the City's HOME assistance has been recaptured / repaid. The homeowner's down payment, principal payments, and any capital improvement investment made in the property after the HOME assistance was provided will be returned to the homeowner at closing after the City's HOME assistance is recaptured and repaid from the net proceeds as described above.

Subordination: The City does not subordinate loans in the First Time Homebuyer program and other homeowner-assisted projects without City Council approval. Therefore, if an assisted homeowner refinances the property, the City will need to be repaid the full amount of HOME assistance provided. Assisted homeowners wishing to pursue City Council approval may write a letter explaining the need for the subordination and submit it to the Community Development Division. Staff will then prepare a memo and place the subordination on the Community Development Board agenda for recommendation to the City Council.

Use of Recaptured Funds: Recaptured HOME funds will be used to assist other first time homebuyers to purchase property in Billings or other HOME-eligible activities to be determined through the City's budget allocation process in accordance with the Citizen Participation Plan. Homebuyers must be low income and must use the assisted property with the recaptured funds as their principal residence. Low income and first time homebuyer status will be determined based on HOME program regulations.

Resale: the objective of the resale provision is to continue the affordability of a property in the event of resale and applies to HOME assisted projects restricting assistance to a development subsidy; construction, infrastructure, land acquisition, etc. In the event the City provides HOME assistance as an exclusive development subsidy, the seller would be obligated to either find an income-eligible buyer (under 80% AMI) who could afford the sales price or would have to sell the property back to the City / Developer at a price that will keep the property affordable for the next low income buyer.

Housing providers may find the resale option beneficial as they may be able to retain control of the unit to ensure long-term affordability. Property sellers are entitled to a fair return on their investment; percentage of change in area median income over the period of ownership. The base price is the original homebuyer investment plus the value of any upgrades beyond maintenance. The sales price is the comparative price to the base price. In the event of a declining market, a loss on investment may constitute a fair return.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

Long Term Affordability: Under the recapture provision, there is no requirement that the original HOME-assisted homebuyer sell the unit to another low income homebuyer.

Affordability Periods: For City-assisted homebuyer units under the recapture provision, the period of affordability is based upon the direct HOME subsidy provided to the homebuyer that enabled the homebuyer to purchase the unit. Any program income used to provide direct assistance to the homebuyer is included when determining the period of affordability. Recapture provisions for the First Time Homebuyer program are either five or ten years for each assisted property beginning after

the transfer of the property to the property owner as evidenced by the Deed Restriction Agreement, Montana Trust Indenture and Promissory Note.

4. **Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:**

The City of Billings does not propose the use of HOME funds to refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.

Section VII: Appendix

Appendix A: CDBG Application for Federal Assistance (SF-424)

OMB Number: 4040-0004
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424		
* 1. Type of Submission: ☐ Preapplication ☒ Application ☐ Changed/Corrected Application	* 2. Type of Application: ☐ New ☒ Continuation ☐ Revision	* If Revision, select appropriate letter(s): * Other (Specify):
* 3. Date Received: 07/01/2020	4. Applicant Identifier: CDBG Entitlement Funding	
5a. Federal Entity Identifier: MT300066 Billings	5b. Federal Award Identifier: B-20-MC-30-0001	
State Use Only:		
6. Date Received by State:	7. State Application Identifier:	
8. APPLICANT INFORMATION:		
* a. Legal Name: City of Billings		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 81-6001237	* c. Organizational DUNS: 1947827800000	
d. Address:		
* Street1: PO Box 1178 Street2: * City: Billings County/Parish: * State: MT: Montana Province: * Country: USA: UNITED STATES * Zip / Postal Code: 59103-1178		
e. Organizational Unit:		
Department Name: Planning & Community Services		Division Name: Community Development Division
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: * First Name: Brenda Middle Name: * Last Name: Beckett Suffix: Title: Community Development Manager Organizational Affiliation: City of Billings * Telephone Number: 406-657-8286 Fax Number: * Email: beckettb@billingsmt.gov		

Application for Federal Assistance SF-424	
* 9. Type of Applicant 1: Select Applicant Type: City or Township Government	
Type of Applicant 2: Select Applicant Type: 	
Type of Applicant 3: Select Applicant Type: 	
* Other (specify): 	
* 10. Name of Federal Agency: United States Department of Housing & Urban Development	
11. Catalog of Federal Domestic Assistance Number: 14.218	
CFDA Title: CDBG Entitlement Grant	
* 12. Funding Opportunity Number: FY2020	
* Title: Community Development Block Grant Program - Entitlement	
13. Competition Identification Number: 	
Title: 	
14. Areas Affected by Project (Cities, Counties, States, etc.): Add Attachment Delete Attachment View Attachment	
* 15. Descriptive Title of Applicant's Project: City of Billings, Montana	
Activities for approved use through the CDBG program, as indicated in the FY2020-2021 Annual Action Plan. +	
Attach supporting documents as specified in agency instructions. Add Attachments Delete Attachments View Attachments	

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: MT-001	* b. Program/Project: MT-001
Attach an additional list of Program/Project Congressional Districts if needed.	
	Add Attachment Delete Attachment View Attachment
17. Proposed Project:	
* a. Start Date: 07/01/2020	* b. End Date: 06/30/2021
18. Estimated Funding (\$):	
* a. Federal	657,719.00
* b. Applicant	
* c. State	
* d. Local	
* e. Other	
* f. Program Income	
* g. TOTAL	657,719.00
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on . ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review. ☒ c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) ☐ Yes ☒ No If "Yes", provide explanation and attach Add Attachment Delete Attachment View Attachment	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) ☒ ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix:	* First Name: Chris
Middle Name: A.	
* Last Name: Kukulski	
Suffix:	
* Title: City Administrator	
* Telephone Number: 406-657-8430	Fax Number:
* Email: kukulskic@billingsmt.gov	
* Signature of Authorized Representative: 	* Date Signed: 11-10-21

Appendix B: HOME Application for Federal Assistance (SF-424)

OMB Number: 4040-0004

Expiration Date: 12/31/2022

Application for Federal Assistance SF-424		
* 1. Type of Submission: ☐ Preapplication ☒ Application ☐ Changed/Corrected Application * 2. Type of Application: ☐ New ☒ Continuation ☐ Revision * If Revision, select appropriate letter(s): * Other (Specify): 		
* 3. Date Received: 07/01/2020		4. Applicant Identifier: HOME Entitlement Funding
5a. Federal Entity Identifier: MT300066 Billings		5b. Federal Award Identifier: M-20-MC-30-0213
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
* a. Legal Name: City of Billings		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 81-6001237		* c. Organizational DUNS: 1947827800000
d. Address:		
* Street1: PO Box 1178 Street2: * City: Billings County/Parish: * State: MT: Montana Province: * Country: USA: UNITED STATES * Zip / Postal Code: 59103-1178		
e. Organizational Unit:		
Department Name: Planning & Community Services		Division Name: Community Development Division
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: * First Name: Brenda Middle Name: * Last Name: Beckett Suffix: Title: Community Development Manager Organizational Affiliation: City of Billings * Telephone Number: 406-657-8286 Fax Number: * Email: beckett@billingsmt.gov		

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*** Other (specify):**

*** 10. Name of Federal Agency:**

United States Department of Housing & Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.239

CFDA Title:

HOME Investment Partnerships Program - Entitlement

*** 12. Funding Opportunity Number:**

FY2020 HOME

*** Title:**

HOME Investment Partnerships Program - Entitlement to Cities

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

City of Billings, Montana

Activities for approved use through the HOME program, as indicated in the FY2020-2021 Annual Action Plan.



Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424**16. Congressional Districts Of:**

* a. Applicant MT-001

* b. Program/Project MT-001

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

17. Proposed Project:

* a. Start Date: 07/01/2020

* b. End Date: 06/30/2021

18. Estimated Funding (\$):

* a. Federal	349,053.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	349,053.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**☐ a. This application was made available to the State under the Executive Order 12372 Process for review on☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.☒ c. Program is not covered by E.O. 12372.*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name: Chris

Middle Name: A.

* Last Name: Kukulski

Suffix:

* Title: City Administrator

* Telephone Number: 406-657-8430

Fax Number:

* Email: kukulskic@billingsmt.gov

* Signature of Authorized Representative:



* Date Signed: 11-10-20

Appendix C: CDBG-CV Application for Federal Assistance (SF-424)

OMB Number: 4040-0004
Expiration Date: 12/31/2022

Application for Federal Assistance SF-424		
* 1. Type of Submission: ☐ Preapplication ☒ Application ☐ Changed/Corrected Application * 2. Type of Application: ☐ New ☒ Continuation ☐ Revision * If Revision, select appropriate letter(s): * Other (Specify): 		
* 3. Date Received: * 4. Applicant Identifier: CDBG Entitlement Funding		
5a. Federal Entity Identifier: MT300066 Billings		5b. Federal Award Identifier: B-20-MW-30-0001
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
*a. Legal Name: City of Billings		
*b. Employer/Taxpayer Identification Number (EIN/TIN): 81-6001237		*c. Organizational DUNS: 1947827800000
d. Address:		
* Street1: PO Box 1178 Street2: * City: Billings County/Parish: * State: MT: Montana Province: * Country: USA: UNITED STATES * Zip / Postal Code: 59103-1178		
e. Organizational Unit:		
Department Name: Planning & Community Services		Division Name: Community Development Division
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: * First Name: Brenda Middle Name: * Last Name: Beckett Suffix: Title: Community Development Manager Organizational Affiliation: * Telephone Number: 406-657-8286 Fax Number: * Email: beckett@BillingsMT.gov		

Application for Federal Assistance SF-424		
* 9. Type of Applicant 1: Select Applicant Type: C: City or Township Government		
Type of Applicant 2: Select Applicant Type: 		
Type of Applicant 3: Select Applicant Type: 		
* Other (specify): 		
* 10. Name of Federal Agency: United States Department of Housing and Urban Development		
11. Catalog of Federal Domestic Assistance Number: 14.218		
CFDA Title: Community Development Block Grants/Entitlement Grants		
* 12. Funding Opportunity Number: FY2020		
* Title: Community Development Block Grant Program - Entitlement		
13. Competition Identification Number: 		
Title: 		
14. Areas Affected by Project (Cities, Counties, States, etc.): Add Attachment Delete Attachment View Attachment		
* 15. Descriptive Title of Applicant's Project: Activities Expected To Respond to Covid19 virus with CARES Act funds.		

Application for Federal Assistance SF-424	
16. Congressional Districts Of:	
* a. Applicant: MT-001	* b. Program/Project: MT-001
Attach an additional list of Program/Project Congressional Districts if needed. Add Attachment Delete Attachment View Attachment	
17. Proposed Project:	
* a. Start Date: 07/01/2021	* b. End Date: 06/30/2024
18. Estimated Funding (\$):	
* a. Federal	909,126.00
* b. Applicant	0.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	909,126.00
* 19. Is Application Subject to Review By State Under Executive Order 12372 Process? ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on . ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review. ☒ c. Program is not covered by E.O. 12372.	
* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.) ☐ Yes ☒ No If "Yes", provide explanation and attach Add Attachment Delete Attachment View Attachment	
21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001) ☒ ** I AGREE ** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.	
Authorized Representative:	
Prefix:	* First Name: Chris
Middle Name: A.	
* Last Name: Kukulski	
Suffix:	
* Title: City Administrator	
* Telephone Number: 406-657-8430	Fax Number:
* Email: kukulskic@billingsmt.gov	
* Signature of Authorized Representative:	* Date Signed: 5-20-2021

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing --The jurisdiction will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

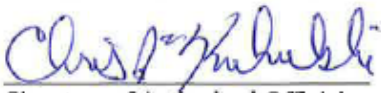
Anti-Lobbying --To the best of the jurisdiction's knowledge and belief:

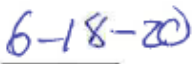
1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction --The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan --The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 135.


Signature of Authorized Official


Date


Title

Specific Community Development Block Grant Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Following a Plan -- It is following a current consolidated plan that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include CDBG-assisted activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional CDBG Certification).

2. Overall Benefit. The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) 2020 [a period specified by the grantee of one, two, or three specific consecutive program years], shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance with Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A, B, J, K and R.

Compliance with Laws -- It will comply with applicable laws.


Signature of Authorized Official


Date


Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION:

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing --The jurisdiction will affirmatively further fair housing.

Uniform Relocation Act and Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) and implementing regulations at 49 CFR Part 24. It has in effect and is following a residential anti-displacement and relocation assistance plan required under 24 CFR Part 42 in connection with any activity assisted with funding under the Community Development Block Grant or HOME programs.

Anti-Lobbying --To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction --The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan --The housing activities to be undertaken with Community Development Block Grant, HOME, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS funds are consistent with the strategic plan in the jurisdiction's consolidated plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 135.


Signature of Authorized Official

5-20-2021
Date

City Administrator
Title

Specific Community Development Block Grant Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objective of the CDBG program (i.e., the development of viable urban communities, by providing decent housing and expanding economic opportunities, primarily for persons of low and moderate income) and requirements of 24 CFR Parts 91 and 570.

Following a Plan -- It is following a current consolidated plan that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low- and moderate-income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include CDBG-assisted activities which the grantee certifies are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available (see Optional CDBG Certification).

2. Overall Benefit. The aggregate use of CDBG funds, including Section 108 guaranteed loans, during program year(s) 2020 [a period specified by the grantee of one, two, or three specific consecutive program years], shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period.

3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

In addition, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

Compliance with Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, Subparts A, B, J, K and R.

Compliance with Laws -- It will comply with applicable laws.


Signature of Authorized Official

5-20-2021
Date

City Administrator
Title

OPTIONAL Community Development Block Grant Certification

Submit the following certification only when one or more of the activities in the action plan are designed to meet other community development needs having particular urgency as specified in 24 CFR 570.208(c):

The grantee hereby certifies that the Annual Plan includes one or more specifically identified CDBG-assisted activities which are designed to meet other community development needs having particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.


Signature of Authorized Official

5-20-2021
Date

City Administrator
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING CERTIFICATION;

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Appendix F: CDBG Assurances - Construction Programs

CDBG

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

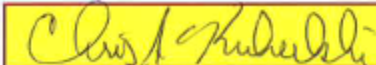
1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

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Standard Form 424D (Rev. 7-97)
Prescribed by OMB Circular A-102

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	city Administrator
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Billings	

SF-424D (Rev. 7-97) Back

Appendix G: HOME Assurances - Construction Programs

HOME

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0346-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

Previous Edition Usable

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Standard Form 424D (Rev. 7-97)
Prescribed by OMB Circular A-102

HOME

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	City Administrator
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Billings	10-26-2020

SF-424D (Rev. 7-97) Back

CDBG-CV

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 02/28/2022

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

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As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

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Standard Form 424D (Rev. 7-97)
Prescribed by OMB Circular A-102

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	City Administrator
APPLICANT ORGANIZATION	DATE SUBMITTED
City of Billings	5-20-2021

SF-424D (Rev. 7-97) Back

Appendix I: Citizen Participation Plan - Slated for Revision, FY22

Citizen participation is the foundation of housing and community development programs. The Citizen Participation Plan for the City of Billings is designed to ensure citizen involvement in the planning and reporting on the City's programs covered under the HUD Consolidated Plan requirements. The purpose of the Citizen Participation Plan is to ensure that citizens, nonprofit organizations, and other interested parties are afforded adequate opportunity to review and comment on plans, programs, activities and reports regarding the City's federally funded housing and community development programs. Citizen participation pertains to the following documents herein referred to as "plans and reports":

- Consolidated Plan
- Annual Action Plans
- Citizen Participation Plan
- Limited English Proficiency Plan
- Comprehensive Annual Performance and Evaluation Reports
- Analysis of Impediments to Fair Housing Choice

Citizen Participation Plan Objectives

The primary objectives of the City's participation plan are to:

- Encourage citizen participation in the development of the City's plans and reports with emphasis on participation from individuals and households identified as:
 - Low / moderate income
 - Residents of blighted areas
 - Minorities and all protected class members
 - Those with limited English proficiency
 - Elderly
 - Disabled
 - Those with HIV / AIDS diagnoses
 - Homeless
 - Families with children
 - Those residing in areas where funding will be utilized
- Provide citizens with reasonable and timely access to meetings, information and records relating to the City's plan for utilizing funding in addition to allowing reasonable opportunity to comment on the above-noted plans and reports. All records regarding these activities are maintained according to the City Record Retention Schedule and as required by federal regulations.
- Consult with the local Public Housing Authority (Housing Authority of Billings) on the development and implementation of the above noted plans and reports, which includes input from residents of public and assisted housing.
- The City's Planning and Community Services Department will also continue to support the activities for the Adjacent Neighborhood Committee, which is comprised of Task Force Officers who meet bi-monthly to collaborate and exchange information regarding the lower-income neighborhood task force areas. The Community Development Division staff attends meetings of lower-income task force neighborhoods when requested for specific presentations. The lower-

income neighborhoods are comprised of higher concentrations of ethnic and racial minority populations.

- Facilitate public hearings to obtain citizen views and to respond to proposals and questions at all stages in developing and implementing activities as outlined in the City's plans and reports. All hearings and meetings shall be provided in areas where accommodations for the disabled can be provided.
- Consult with public and private agencies and organizations during the development of the City's plans and reports:
 - Assisted housing
 - Health and social services
 - Regional and local government agencies
 - Public Housing Authority
 - Fair Housing education and enforcement agencies
 - Continuum of Care organizations
 - Businesses
 - Housing developers
 - Nonprofit organizations
 - Philanthropic agencies
 - Faith-based communities

HUD Data

The City of Billings will share any HUD-provided data and other supplemental information relative to the City's plans and reports. HUD-provided data is also currently provided on the City's website at www.BillingsMT.gov/HUDdata.

Public Access and Engagement

The City of Billings takes the following actions to ensure public access to drafted / proposed plans and reports are published and accessible to ensure the public has reasonable opportunities to examine content and to submit comments.

- **Public Comment Periods:**
 - The City will publish and accept public comment on drafted Consolidated Plans, Annual Action Plans, Citizen Participation Plans, Limited English Proficiency Plans, and the Analysis of Impediments to Fair Housing Choice for a period of at least 30 days. The same timeline applies to amendments to the aforementioned documents.
 - The City will publish and accept public comment on drafted Comprehensive Annual Performance Evaluation Reports (CAPER) for a period of at least 15 days. The same timeline applies to amendments to the CAPER.
 - The City may request public comment for one or more plans / reports during the same public comment period for efficiency.

- Staff will consider citizen comments and views made prior to document finalization and comment summaries will also be included or attached to the document.
- The City will strive to provide written responses to all written complaints and grievances related to the City's housing and community development programs within 15 working days of receipt of the complaint or grievance where practical.
- In the event of a pandemic or other infectious disease, the City may alter public participation to include social distancing, virtual attendance, and other forms of virtual participation in lieu of or in addition to efforts described herein. The City may also implement shorter public comment periods as allowed by HUD.
- **Public Hearings:**
 - City staff will facilitate a public hearing during a Billings City Council business meeting to accept public comment prior to adoption or approval of the City's plans and reports.
 - Public hearings will be scheduled during a routine and televised Billings City Council business meeting to ensure and promote community access and participation. The hearings are also published on social media through the community's public television channel.
 - The City may facilitate one public hearing to accept public comment on one or more plans / reports for efficiency.
 - Staff will consider public hearing comments made prior to document finalization and comment summaries will also be included or attached to the document.
 - All public hearings are accessible to disabled individuals, publicized as required by State law and allow for accommodation of individuals with hearing, visual, or mobility impairments.
- **Published Notices:**
 - City staff will issue notices via widely-circulated print press in advance of public comment periods.
 - Notices will include the purpose of the document, a summary of the document contents, and instructions on how to access documents in their entirety.
 - Statements are included in notices of public hearings and service brochures indicating that office, meeting, and public hearing locations are accessible to persons with disabilities and they include the Montana Relay phone number 711.
- **Online Access:**
 - City staff will post drafted / proposed reports and plans online for free download at www.BillingsMT.gov/CDreports.
- **Hard Copy Access:**
 - City staff will make available free hard copies of drafted / proposed documents to the public including residents, groups, and organizations upon request at the City's Community Development office.
 - City staff will provide reasonable and timely access to information and records relating to all plans and reports, including the use of assistance under the programs managed by the

Community Development Division. Those requesting records can complete a [Public Records Request](#) and submit it to the City's Legal Department.

- **Access for the Disabled and Limited English Proficiency:**
 - The City will provide accommodations for individuals with disabilities in public meetings, public hearings and in written documentation regarding programs and services available from the Division.
 - Community Development offices and City Hall are accessible to those with disabilities.
 - Statements are included in notices of public hearings and service brochures indicating that office and hearing locations are accessible to persons with disabilities. Accommodations can be made for other disabilities as well.
 - Special arrangements for participation by individuals with hearing, speech, or vision impairment may be made upon request with three business days advanced notice.
 - Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance with the City's Language Assistance Plan.

Public Decision-Making Processes

The *Community Development Board* is a citizen's advisory board consisting of nine members who are appointed by the Mayor of Billings with the consent of the City Council. Six members are appointed from lower-income neighborhoods of the City as defined by federal regulations for the Community Development Block Grant (CDBG) program and three members represent the community at large. Staff is available to provide technical assistance to the Board in all aspects of planning and reporting processes.

This board serves in an advisory capacity to the City Council for the purpose of providing citizen input on policy decisions to the City Council. The primary responsibilities of the board are to review existing and proposed City policies and to review the Community Development Division's activities to ensure policies are being implemented and carried out. As six of the nine Board positions are held by low income area representatives, board composition meets basic federal requirements for low income citizen input and engagement.

The Community Development Board makes recommendations to the City Council relative to all plans and reports. In addition, the Community Development Board reviews applications submitted for CDBG and HOME funding in order to make funding recommendations to the City Council for approval.

The *Billings City Council* is the final citizen policy body that reviews and takes action on plans and reports. The Community Development Board presents recommendations to the City Council during a scheduled work session preceding the public hearing in April in order to deliver information on decisions made regarding recommendations. After receipt and consideration of public comments, the City Council approves reports / plans and proposed funding allocations.

Public notices announcing Community Development Board and City Council meetings are published in a widely-circulated newspaper prior to the meeting date. These notices are designed to provide reasonable and timely access to local meetings consistent with accessibility and reasonable accommodation requirements.

Plans and reports on the City's housing and community development activities are made available for review by citizens, public agencies, and other interested parties. These documents are available at the Community Development Division and posted on its website at www.BillingsMT.gov.

Criteria for amending the Consolidated Plan

24 CFR part 91.105(c) of the Final Rule requires grantees of CDBG and HOME programs make public the criteria the City will use for determining what changes in planned or actual activities constitute a substantial amendment to the five-year Consolidated Plan and the Analysis of Impediments to Fair Housing Choice.

Substantial changes to the Consolidated Plan are defined as *the creation of any new program, project, or activity to be funded or carried out under the City's CDBG and / or HOME programs*. All substantial changes to the Consolidated Plan must meet demonstrated need substantiated by HUD-approved data sources. Minor amendments include the *expansion of an existing program, project, or activity funded or carried out under the City's CDBG and / or HOME programs*. Minor changes must also meet demonstrated need by HUD-approved data sources.

Prior to the submission of any substantial change in the proposed use of federal housing and community development funds or to the Analysis of Impediments to Fair Housing Choice, the City will hold a public hearing to allow citizens reasonable notice of, and opportunity to comment on, proposed amendments. Public comment periods will not be less than thirty (30) days unless otherwise allowed by HUD.

Routine revenues including program income, recaptured / repaid funds, and re-programmed monies will be utilized for existing and previously approved programs as it is received during each fiscal year. Routine revenues are allocated on a close- and shovel-ready basis to ensure timely commitment and expenditure. These changes are customary and facilitate funding allocations to projects and activities most in demand and do not require a substantial or minor amendment to the Consolidated Plan.

City staff cannot predict annual HUD entitlement allocation amounts or repayment revenues for CDBG or HOME. Therefore, five-year Consolidated Plan numerical goals are established as estimates that may fluctuate during the five-year period based on funding received and demand for the City's programs. These changes are customary and do not require a substantial or minor amendment to the Consolidated Plan.

Technical Assistance

The Community Development Division provides technical assistance, as requested and as staff time allows, to lower income groups to develop proposals for the Division's housing and community development activities in the City limits. Technical assistance is offered any time proposals for the use of funding are requested, and is offered routinely in January prior to application deadlines for CDBG / HOME funding allocations.

Nondiscrimination, Accommodations & Grievances

The Community Development Division receives federal funding to support housing acquisition, repair, development and poverty impact programs and is required to adhere to the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, the Fair Housing Act, the Montana Human Rights Act, and other equal opportunity regulations. These regulations are designed to protect individuals with disabilities with equal access to employment opportunities and the services, programs and activities the City offers.

It is essential that all individuals have equal access to the Community Development Division's communication, open meetings, programs and services including: First Time Home Buyer; Home Repair; Housing Development; and the Billings Metro VISTA Project.

- **Federally Protected Classes:** Disability, including people with HIV / AIDS and people in recovery from alcohol / drugs; Race / Color; Religion; Sex, includes protection against sexual harassment; Familial Status, includes the presence of children under the age of 18 and / or pregnancy; and National Origin.
- **HUD Protected Classes:** Sexual Orientation; Gender Identity; and Marital Status.
- **Montana's Protected Classes:** Marital Status; Creed; and Age.

Accommodations: Auxiliary aids and services are available to facilitate effective communication to individuals with disabilities to ensure equal participation. Such aids and services are free to the public and may include sign-language interpreters, large print formats, and other aids to make information and communications accessible to individuals with speech, hearing or vision impairments.

Public Notices: The City of Billings - Community Development Division encourages all members of the community to participate. Special arrangements for participation by individuals with hearing, speech, vision impairment or physical disabilities can be made upon request. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance the City's Language Assistance Plan. Fair Housing Equal Opportunity.

Grievance Procedure: If a citizen feels they have been denied equal access to Community Development programs, services or activities, they may file a written complaint including their contact information and a description of the alleged act(s) of discrimination, including the date and place of the act(s). The written complaint may be submitted to any Community Development employee or specifically directed to the Community Development Manager by phone at 406.657.8286 (Montana Relay 711), email beckettb@billingsmt.gov, in person (appointment recommended) or U.S. Postal Service at 2825 3rd Avenue North, 6th Floor, Billings, MT 59101. City staff will provide a timely, substantive written response to written citizen complaints as soon as practicable. Complaints may also be filed with the Denver HUD FHEO Office at 1670 Broadway, Denver, CO 80202.

Program Eligibility: If a citizen disagrees with a staff decision relative to program eligibility unrelated to discrimination, they may submit a written appeal to the Community Development Division. The letter must be received at least two weeks prior to the Community Development Board meeting when the appeal would be reviewed. If the Community Development Board upholds the staff decision, the citizen has the option to have the appeal reviewed during the next City Council meeting.

ADA / 504 Coordinator: The City of Billings ADA Coordinator is responsible for the City's overall Grievance Procedure and is also available to ensure compliance with the physical and general program accessibility

requirements of the ADA for other City Departments and Divisions. Please call 406.237.6294 (Montana Relay 711) with any questions.

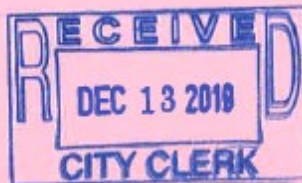
Fair Housing Complaints: Please see the City's [fair housing webpages](#) for information on how to file a fair housing complaint.

Affidavit of Publication

STATE OF MONTANA

County of Yellowstone

Jonathan McNiven



Being duly sworn, deposes and says:

That he is the Legal Advertising Clerk of Yellowstone County News, a newspaper of general circulation published weekly in the Town of Huntley, in the County of Yellowstone, State of Montana, and that the (3) folio legal **Public Notice**, a true copy of which is hereto **Included**, was published in said newspaper on the following dates:

December 6, 2019; December 13, 2019;

making in all (2) publication(s).

STATE OF MONTANA

County of Yellowstone

On this 13th day of December 2019, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Jonathan McNiven, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed same.

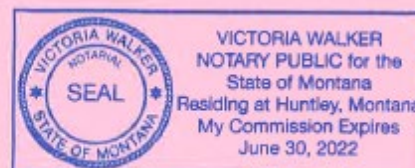
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal that day and year first above written.

Victoria Walker

Victoria Walker

NOTARY PUBLIC for the State of Montana, residing
at Huntley, MT.

My commission expires: June 30, 2022



PUBLIC NOTICE HOUSING & COMMUNITY DEVELOPMENT FUNDING REQUESTS

As a part of the City of Billings' Consolidated Planning process, the City is accepting loan applications for FY2020-2021 Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) funding. The City of Billings anticipates allocating an estimated \$850,000 in new CDBG funding for community development activities, which primarily benefit lower income neighborhoods or households. The City of Billings also anticipates allocating an estimated \$300,000 in new HOME funding for activities to preserve or increase the supply of affordable housing for lower income households in Billings. Actual allocation figures are not available as of publication date. Applications may be downloaded from the City's website at www.CityofBillings.net/allocations. Requests for funding must be submitted to the Community Development Office by 5:00 p.m., Wednesday, January 22, 2020.

For further information on eligible activities or to obtain the application materials via email, please call Brenda Beckett, Community Development Manager, at 406-657-8286 (TTY 711) or contact via email bbeckett@billingsmt.gov or write to: Community Development Division, City of Billings, P.O. Box 1178, Billings, MT 59103.

Technical assistance is available upon request to interested parties through the Community Development Office. The City of Billings encourages all members of the community to participate in the Consolidated Planning process. Special arrangements for participation by individuals with hearing, speech, vision impairment or physical disabilities can be made upon request. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance the City's Language Assistance Plan, Fair Housing Equal Opportunity.

Published on December 6 & 13, 2019.

Denise R. Bohlman
Billings City Clerk
P.O. Box 1178
Billings, MT 59103

12/06, 12/13 2019
MNAXLP

Affidavit of Publication

STATE OF MONTANA

County of Yellowstone

Jonathan McNiven

Being duly sworn, deposes and says:

That he is the Legal Advertising Clerk of Yellowstone County News, a newspaper of general circulation published weekly in the Town of Huntley, in the County of Yellowstone, State of Montana, and that the (4) folio legal **Request for Proposals**, a true copy of which is hereto **Included**, was published in said newspaper on the following dates:

December 6, 2019; December 13, 2019;

making in all (2) publication(s).

STATE OF MONTANA

County of Yellowstone

On this 13th day of December 2019, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Jonathan McNiven, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed same.

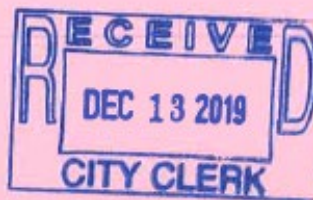
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal that day and year first above written.

Victoria Walker

Victoria Walker

NOTARY PUBLIC for the State of Montana, residing
at Huntley, MT.

My commission expires: June 30, 2022



REQUEST FOR PROPOSALS OPPORTUNITY FOR PARTNERSHIP BILLINGS METRO VISTA PROJECT FY 2020-2021

The Billings Metro VISTA Project (B-MVP) has been an AmeriCorps Volunteers In Service To America (VISTA) site since 2009. The B-MVP is sponsored by the Corporation for National and Community Service and is facilitated by the City of Billings - Community Development Division. In order to prepare an application to continue the BMVP through FY2020-2021, the Community Development Division is seeking partnerships with non-profit organizations and government agencies in acquiring Host Site status through a Request for Proposals process.

AmeriCorps VISTA is a national anti-poverty initiative placing volunteers with local projects through local and national recruitment efforts. The B-MVP supports community projects that address the following priority programming areas: Military Members, Veterans and their families; Housing; Financial Literacy; Employment; Food Security; Access to Health Care; School Readiness; Success in School; STEM Education; and Employment. Full-year VISTA members typically begin in January or July and are college graduates. Summer Associate VISTA members are at least 18 years old and commit to serving ten weeks beginning in May / June and ending in August.

More information on becoming a Host Site is available online at www.CityofBillings.net/hostsite. A Request for Proposals Guide Book and Proposal form is available by request to Carly Collins via: phone 406.247.8675 (TTY 711); email collinsc@billingsmt.gov; or in person at the Community Development Division office located at 2825 3rd Avenue North, Sixth Floor, Billings, Montana 59101 (appointment recommended).

Proposals received by 5:00 pm on January 22, 2020 will be prioritized for July member placement consideration. However, proposals will be accepted throughout the year.

Technical assistance is available, upon request, to interested parties through the Community Development Division. Special arrangements for participation by individuals with hearing, speech, vision impairment or physical disabilities can be made upon request. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance with the City's Language Assistance Plan. Fair Housing Equal Opportunity.

Published on December 6 & 13, 2019.

Denise R. Bohlman
Billings City Clerk
P.O. Box 1178
Billings, MT 59103

12/06, 12/13 2019
MNAXLP



VICTORIA WALKER
NOTARY PUBLIC for the
State of Montana
Residing at Huntley, Montana
My Commission Expires
June 30, 2022

Affidavit of Publication

STATE OF MONTANA

County of Yellowstone

Jonathan McNiven

Being duly sworn, deposes and says:

That he is the Legal Advertising Clerk of Yellowstone County News, a newspaper of general circulation published weekly in the town of Huntley, in the County of Yellowstone, State of Montana, and that the (9) folio Legal Revised Notice of Public Hearing, a true copy of which is hereto included, was published in said newspaper on the following dates:

April 17, 2020; April 24, 2020; May 1, 2020; May 8, 2020; May 15, 2020;

making in all (5) publication(s).

STATE OF MONTANA

County of Yellowstone

On this 15th day of May 2020, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Jonathan McNiven, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal that day and year first above written.

Tana McNiven

NOTARY PUBLIC for the State of Montana, residing at Huntley, MT.

My commission expires: August 23, 2020



REVISED NOTICE OF PUBLIC HEARING

City of Billings, FY2020-2024 Consolidated Plan and FY2020-2021 Annual Action Plan Community Development Block Grant (CDBG) and HOME Investment Partnership Programs (HOME)

The City of Billings will hold a PUBLIC HEARING on its FY2020-2024 Consolidated Plan and FY2020-2021 Annual Action Plan. Due to the COVID-19 health concerns, the format of the City Council meeting will be held in a virtual videoconferencing environment. In order to honor the Right of Participation and the Right to Know in Article II, sections 8 and 9, of the Montana Constitution, the City of Billings and City Council are making every effort to meet the requirements of the open meeting laws:

- The Agenda Packet is available for viewing on the City's website at: Agenda Packet
- Councilmembers will attend the meeting via a remote location, using a virtual meeting method. City Hall and the Council Chambers will be closed during the meeting.
- The Public may view the meeting on the Community 7 TV - Channel 7 or Channel 607 - Spectrum Cable. The Public may also view online at www.com7tv.com and click on the "Watch Live" icon. Community 7 also has links to their Facebook page and YouTube channel in which to view the meeting.

• Public comment will be taken only during the Public Comment periods as indicated on the agenda, and during the Public Hearings under the Regular agenda. Comments may be sent to Council via email before 3:00 PM on Monday, April 27th, at: clbillings@mt.gov or 1538/City-Council-E-mail-Messages

- Emails received after 3:00 PM and prior to 5:00 PM, may be read during the meeting.
- The Public may call in during specific Public Comment periods at 406.237.6196. All callers will be in a queued system and are asked to remain on hold and be patient. Calls will be taken in the order in which they are received. Callers will be restricted to 3 minutes of testimony as is customary.

The purpose of the public hearing is to obtain public comment on local housing and community development needs relative to proposed CDBG and HOME funding recommendations. The comments will be used along with special outreach to individuals and organizations currently involved with housing to finalize the plans for the use of CDBG and HOME resources and other housing and community development resources in Billings. The City of Billings anticipates allocating approximately \$650,000 in new CDBG and \$350,000 in new HOME funding annually over the next five years. In addition, the city anticipates receiving an additional \$386,972 in CDBG-CV funding as a result of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act, Public Law 116-136).

The FY2020-2024 Consolidated Plan is intended to be a strategic planning document which identifies housing and community development needs, evaluates available resources, and develops workable strategies to address these needs in Billings for a five-year period; July 1, 2020 to June 30, 2025. The FY2020-2021 Annual Action Plan covers projects to be undertaken from July 1, 2020 to June 30, 2021. City staff is currently coordinating with Riverstone Health to plan and undertake pandemic response activities to meet the health care needs of low-income residents in Billings. The Consolidated and Annual Action Plans will be available for public comment from March 28 through May 11, 2020. The plan will then be revised, as required, and the estimated date for submittal to the U.S. Department of Housing and Urban Development is May 15, 2020.

Proposed Consolidated / Annual Action Plans will be available on March 28, 2020 via the City's website at www.CityofBillings.net/CDReports. The public may also request hard copies of the plans by calling 406.247.6675 or 711 for TTY. Hard copies may be picked up at the front door of the Community Development office Monday through Friday 8:00am to 5:00pm 2825 3rd Avenue North, 6th Floor, Billings, MT. Hard copies can also be mailed via the U.S. Postal Service by request.

The City of Billings encourages all members of the community to participate in the Consolidated Planning process. The public hearing is accessible to individuals with physical disabilities. Special arrangements for participation in the public hearings by individuals with hearing, speech, or vision impairment may be made upon request at least three days prior to the hearing. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance with the City's Language Assistance Plan.

Due to the current Novel Coronavirus (COVID-19) pandemic, the Centers of Disease Control and Prevention recommend implementing precautionary safety measures for meetings indoors. Those choosing to attend a City Council meeting in person may be assigned seating to promote the avoidance of close contact with others. The public comment period has been extended to a 45 day period to accommodate additional efforts to encourage public involvement in the development of the Consolidated Plan during the COVID-19 pandemic.

The public is also encouraged to participate via the following:

- Email written comments to beckettb@billingsmt.gov
- Leave a voice mail message by calling 406.657.8298
- Send a written letter to Community Development, PO Box 1178, Billings, MT 59103
- Community Seven Television also provides the following options to view City Council meetings:

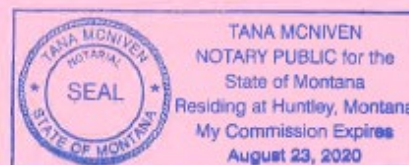
- o Streamed live or video on demand: www.com7tv.com
- o Facebook: www.facebook.com/com7tv

Additional information regarding the proposed plans or the public hearing can be obtained by contacting Carly Collins at the Community Development office; phone 406.247.6675 (711 for TTY); or email collinsc@billingsmt.gov.

Fair Housing Equal Opportunity.

04/17, 04/24, 05/01, 05/08, 05/15 2020
MMAXLP

Denise R. Bohman
Billings City Clerk
P.O. Box 1178
Billings, MT 59103



Affidavit of Publication

STATE OF MONTANA

County of Yellowstone

Jonathan McNiven

Being duly sworn, deposes and says:

That he is the Legal Advertising Clerk of Yellowstone

County News, a newspaper of general circulation published

weekly in the town of Huntley, in the County of

Yellowstone, State of Montana, and that the (7) folio Legal

Notice of Public Hearing, a true copy of which is hereto

included, was published in said newspaper on the following

dates:

March 27, 2020; April 3, 2020; April 10, 2020;

making in all (3) publication(s).

STATE OF MONTANA

County of Yellowstone

On this 17th day of April 2020, before me, the undersigned,

a Notary Public for the State of Montana, personally

appeared Jonathan McNiven, known to me to be the person

whose name is subscribed to the within instrument and acknowledged to me that he executed same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal that day and year first

above written.

Tana McNiven

Tana McNiven

NOTARY PUBLIC for the State of Montana, residing

at Huntley, MT.

My commission expires: August 23, 2020



NOTICE OF PUBLIC HEARING

City of Billings, FY2020-2024 Consolidated Plan and FY2020-2021 Annual Action Plan
Community Development Block Grant (CDBG) and HOME Investment Partnership Programs (HOME)

The City of Billings will hold a PUBLIC HEARING on its FY2020-2024 Consolidated Plan and FY2020-2021 Annual Action Plan on Monday, May 11, 2020 at 5:30 p.m. at the City Council meeting in Council Chambers at City Hall, 210 North 27th in Billings, Montana. Community Seven Television also provides the following options to view City Council meetings:

- Streamed live or video on demand: www.commtv.com
- Facebook: www.facebook.com/commtv

The purpose of the public hearing is to obtain public comment on local housing and community development needs relative to proposed CDBG and HOME funding recommendations. The comments will be used along with special outreach to individuals and organizations currently involved with housing to finalize the plans for the use of CDBG and HOME resources and other housing and community development resources in Billings. The City of Billings anticipates allocating approximately \$160,000 in new CDBG and \$350,000 in new HOME funding annually over the next five years.

The FY2020-2024 Consolidated Plan is intended to be a strategic planning document which identifies housing and community development needs, evaluates available resources, and develops workable strategies to address these needs in Billings for a five-year period: July 1, 2020 to June 30, 2025. The FY2020-2021 Annual Action Plan covers projects to be undertaken from July 1, 2020 to June 30, 2021.

The Consolidated and Annual Action Plans will be available for public comment from March 28 through May 11, 2020. The plan will then be reviewed, as required, and the estimated date for submittal to the U.S. Department of Housing and Urban Development is May 15, 2020.

Proposed Consolidated / Annual Action Plans will be available on March 26, 2020 via the City's website at www.CityofBillings.net/CDReports. The public may also request hard copies of the plans by calling 406.247.8675 or 711 for TTY. Hard copies may be picked up at the front door of the Community Development office Monday through Friday, 8:00am to 5:00pm; 2825 3rd Avenue North, 10th Floor, Billings, MT. Hard copies can also be mailed via the U.S. Postal Service by request.

The City of Billings encourages all members of the community to participate in the Consolidated Planning process. The public hearing is accessible to individuals with physical disabilities. Special arrangements for participation in the public hearings by individuals with hearing, speech, or vision impairment may be made upon request at least three days prior to the hearing. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance with the City's Language Assistance Plan.

Due to the current Novel Coronavirus (COVID-19) pandemic, the Centers of Disease Control and Prevention recommend implementing precautionary safety measures for meetings indoors. Those choosing to attend a City Council meeting in person may be assigned seating to promote the avoidance of close contact with others. The public comment period has been extended to a 45 day period to accommodate additional efforts to encourage public involvement in the development of the Consolidated Plan during the COVID-19 pandemic.

The public is also encouraged to participate via the following:

- Email written comments to bockettb@billingsmt.gov
- Leave a voice mail message by calling 406.637.6266
- Send a written letter to Community Development, PO Box 1178, Billings, MT 59103
- Community Seven Television also provides the following options to view City Council meetings: Streamed live or video on demand: www.commtv.com
- Facebook: www.facebook.com/commtv

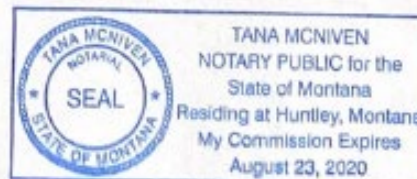
Additional information regarding the proposed plans or the public hearing can be obtained by contacting Tana McNiven at the Community Development office: phone 406.247.8675 (711 for TTY), or email collins@billingsmt.gov.

For Housing Equal Opportunity:
Published on March 27th, April 3rd, April 10th, April 17th, April 24th, May 1st, and May 8th 2020.

03/27, 04/03, 04/10,
MNAULP

2020

Denise R. Bohlin
Billings City Clerk
P.O. Box 1178
Billings, MT 59103



Affidavit of Publication

STATE OF MONTANA

County of Yellowstone

Jonathan McNiven

Being duly sworn, deposes and says:

That he is the Legal Advertising Clerk of Yellowstone County News, a newspaper of general circulation published weekly in the town of Huntley, in the County of Yellowstone, State of Montana, and that the (3) folio Legal **Public Notice**, a true copy of which is hereto **Included**, was published in said newspaper on the following dates:

April 16, 2021; April 23, 2021;

making in all (2) publication(s).


STATE OF MONTANA

County of Yellowstone

On this 23rd day of April 2021, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Jonathan McNiven, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal that day and year first above written.


Tana McNiven

NOTARY PUBLIC for the State of Montana, residing at Huntley, MT.

My commission expires: August 23, 2024



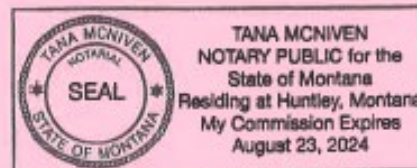
PUBLIC NOTICE COMMUNITY DEVELOPMENT BLOCK GRANT - CORONAVIRUS (CDBG-CV) Funding Requests

As a part of the City of Billings' Consolidated Planning process, the City is accepting applications for FY2021-2022 Community Development Block Grant - Coronavirus (CDBG-CV) funding. The City of Billings anticipates allocating \$808,126 in new CDBG-CV funding for activities to prepare, respond, and prevent coronavirus. Twenty percent of the total funding allocation can be used for administration activities, leaving \$727,301 to allocate to nonprofit organizations and other governmental entities. All activities must primarily benefit lower income neighborhoods or households. Applications and an application guidebook may be downloaded from the City's website at www.BillingsMT.gov/CDBG-CV. Requests for funding must be submitted to the Community Development Office by 5:00 p.m. on Friday, May 14, 2021.

For further information on eligible activities or to obtain the application materials via email, please call Tam Rodier, Community Development Coordinator, at 406-657-8284 (TTY 711) or contact via email rodier@billingsmt.gov or write to: Community Development Division, City of Billings, P.O. Box 1178, Billings, MT 59103. Technical assistance is available upon request to interested parties through the Community Development Office. The City of Billings encourages all members of the community to participate in this planning process. Special arrangements for participation by individuals with hearing, speech, vision impairment or physical disabilities can be made upon request. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance the City's Language Assistance Plan. Fair Housing Equal Opportunity.

Published April 16 and April 23, 2021.
Denise R. Bohlman
Billings City Clerk
P.O. Box 1178
Billings, MT 59103

04/16, 04/23 2021
MNAXLP



Affidavit of Publication

STATE OF MONTANA

County of Yellowstone

Jonathan McNiven

Being duly sworn, deposes and says:

That he is the Legal Advertising Clerk of Yellowstone County News, a newspaper of general circulation published weekly in the town of Huntley, in the County of Yellowstone, State of Montana, and that the (6) folio Legal Notice of Public Hearing, a true copy of which is hereto **Included**, was published in said newspaper on the following dates:

June 11, 2021; June 18, 2021; June 25, 2021;

making in all (3) publication(s).

STATE OF MONTANA

County of Yellowstone

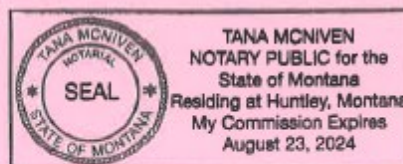
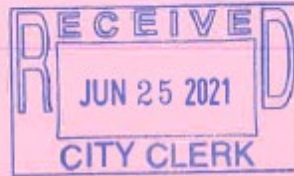
On this 25th day of June 2021, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Jonathan McNiven, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal that day and year first above written.

Tana McNiven
Tana McNiven

NOTARY PUBLIC for the State of Montana, residing
at Huntley, MT.

My commission expires: August 23, 2024



NOTICE OF PUBLIC HEARING

City of Billings FY2020-2021
Annual Action Plan
and Consolidated Plan
CARES Act - Community
Development Block Grant (CDBG-CV)
Amendment

The City of Billings will hold a PUBLIC HEARING on an amendment to its FY2020-2021 Annual Action Plan and Consolidated Plan on Monday, June 28, 2021 at 5:30 p.m. at the City Council meeting in Billings, Montana. The purpose of the public hearing is to obtain public comment on local housing and community development needs relative to proposed CDBG-CV funding recommendations.

ANNUAL ACTION PLAN AMENDMENT AND CONSOLIDATED PLAN: The City of Billings anticipates allocating \$809,126 in new CDBG-CV funding to prepare for, prevent, and respond to the coronavirus. The City's proposed amendment will be available on the City's website at www.BillingsMT.gov/CDBG-CV and open for public comment from June 12 through June 28, 2021. The amended plan will then be revised, as required, and submitted to the U.S. Department of Housing and Urban Development.

Detailed information about the rules and regulations governing CDBG-CV program, proposed projects, and the upcoming public hearing can be requested via email at erf@billingsmt.gov or calling 406-457-0264 or 711 for TTY.

PUBLIC PARTICIPATION: The City of Billings encourages all members of the community to participate in the City's decision-making process. Meetings are accessible to individuals with physical disabilities. Special arrangements for participation in meetings by individuals with hearing, speech, or vision impairment may be made upon request at least three days prior to the meeting. Non-English speaking persons wishing to participate will also be accommodated through translation and / or interpretation in accordance with the City's Language Assistance Plan.

The City Council meeting will be held in a hybrid format that includes both in-person attendance AND virtual attendance via the Zoom online platform. Councilmembers may choose to attend the meeting virtually or in person at the Billings Public Library Community Room, 510 North Broadway, Billings, Montana. In order to honor the Right of Participation and the Right to Know in Article II, sections 8 and 9, of the Montana Constitution, the City of Billings and City Council are making every effort to meet open meeting law requirements.

Citizens are invited to:

- Review the Agenda Packet on the City's website at: [City Council Agendas-Minutes](http://CityCouncilAgendas-Minutes)
- View the meeting:
 - o On Community 7 TV - Channel 7 or Channel 507 - Spectrum Cable. (On evenings when there is a conflict with School District No. 2 Board meetings, the City Council meeting will be broadcast on Channel 8 - Spectrum Cable.)
 - o Online at www.com7tv.com and click on the "Watch Live" icon. Community 7 also has links to their Facebook page and YouTube channel.
 - o Watch Live click on "Watch Meetings Online"
 - o In-Person - capacity is limited in order to practice social distancing. Mask and social distancing requirements will be enforced.

Citizens may submit public comment via the following methods:

- Mail: City Clerk, P.O. Box 1178, Billings, MT 59103
- Email Council:
 - o Emails received after 3:00 PM on the day of the meeting, may be posted on the Council's webpage the following day for public viewing.
 - o Attend the meeting in person (limited to approximately 15 spectators with overflow available in lobby). Speakers may be asked to exit after speaking to comply with social distancing protocols.
 - o Attend virtually through Zoom by registering per instructions found on the City Council webpage.

Fair Housing Equal Opportunity:
Published on June 11, 18, and 25, 2021.

Denise R. Bohleran
Billings City Clerk
P.O. Box 1178
Billings, MT 59103

06/11, 06/18, 06/25 2021
MNA/XLP

Appendix K: Public Comments - Consolidated Plan and Annual Action Plan

Public Comment Period: The City of Billings' Consolidated Plan and Annual Action Plan was open for public comment from March 28, 2020 to May 11, 2020. Staff received inquiries relative to the CARES Act funding awarded to the City in April 2020. There are many competing interests relative to accessing this funding source, although the City has not received and processed necessary HUD regulatory guidance to move forward with a funding allocation to a specific agency.

The City also received an email inquiry from Patti Webster, Executive Director, Housing Authority of Billings on April 14, 2020. She asked if there was an opportunity to utilize HOME funds for rental assistance. The comment was in reference to a forwarded HUD email regarding suspensions and waivers for the HOME program for COVID-19 response. City staff was aware of several rental and mortgage assistance programs implemented by the State of Montana in response to COVID-19. Funding for several months of rent / mortgage payments continues to be available to address immediate housing needs for low income households across the state. Therefore, the City would not be pursuing waivers or suspensions to move forward with tenant assistance to avoid duplication of services.

The City of Billings received no other comments during the public comment period.

Public Hearing: On May 11, 2020, a Public Hearing was held at the Billings City Council meeting at City Hall, 210 North 27th Street, Billings, Montana. To facilitate an open public involvement process, the public hearing was available live and remains available on demand at the www.comm7tv.com website and also on Community 7's public Facebook page at www.facebook.com/comm7tv.

Councilmember Yakawich: He has heard the City's presentation seven times and this presentation was the best ever. He was inspired by the infrastructure project planned in the [Southwest Corridor] as he has been in the area and has had a friend living in the C & C Community for a long time. The idea [of moving from rental to homeownership] is rockin'! City staff noted that the C & C Community had to incorporate and become an official organization while NeighborWorks Montana facilitated the process. Beckett noted that the staff is excited about the project and are pleased with the improvements already made in the community after it was purchased by the residents.

Councilmember Joy: Totally supports this and wanted to thank City staff and the Community Development Board for doing a fabulous job on this. Wonderful job – the C & C Community happens to be in Ward 3, wonderful, absolutely wonderful. She said she was glad that the Community Development Board wanted to take on this infrastructure project; it's going to turn out really fabulous.

Councilmember Neese: Noted a question about the data pointing to adequate affordable housing availability and how it is not available [to low income households] because people are living below their means. He said, "Why do you think that is and how can we rectify that?" Staff noted they could only offer a personal opinion; everyone learned a lot in the recession. Living below household means is something everyone talks about. People with greater incomes occupy units affordable to low and very low income households, so City staff has prioritized development of affordable housing units in the Consolidated Plan. Staff noted the very high number of households on the waiting list for the Housing Authority of Billings, particularly single-person households.

Councilmember Neese asked if we could duplicate the [C & C Community ownership] process with other trailer / mobile home parks. Staff said they really hoped so. The model of collecting lot rents is very lucrative for manufactured housing park owners, particularly if they are not making improvements to the site. They can increase the density of the park to further increase their income. There has to be an owner willing to sell a park and there has to be an organization like NeighborWorks Montana. Mary Lou Affleck facilitated the incorporation and purchasing process for the residents. There were persons living in the units for decades that never spoke to one another while they were renters. As owners, they are working together and helping one another out during the pandemic, cleaning up the properties together, etc. Staff hopes the City can fund more of these types of projects and would recommend funding any infrastructure project in any low income neighborhood in the City. Councilmember Neese also asked about the total amount of funding used for CDBG and HOME administration.

Councilmember Ronning: The Housing Authority waiting list number is over 7,000 households; staff notes that this is the largest number we have ever seen. Councilmember Ronning really appreciates the presentation and she watched staff online on the Facebook livestreaming of the Community Development Board meeting. They are a great Board and they are really participating – exciting to see.

The AmeriCorps VISTA program is very significant on many different levels. One of the areas she hopes staff adds to the list [of VISTA accomplishments] is the Indian Child Welfare Act (ICWA) Court. That is massive – not just significant in Billings. ICWA Court was developed by a Billings VISTA volunteer and it was the fourth court established nationwide. The Billings ICWA Court now travels nationwide to give presentations, trainings, and teachings and that really put Billings on the national level due to the work of the Billings VISTA member. Staff noted that the VISTA member who put the ICWA Court together is Shannen Keene and she now is working at the Seattle Indian Health Board and there is also another VISTA alum working there as well.

Councilmember Purinton: Requested a copy of the presentation and also requested a breakdown of what administration would pay for. Staff explained that administration pays for staff salaries, training costs, printers, paper, office supplies, etc. There are 15 spaces in the Miller Building and the City Council pays for the office space. We can have over 50 VISTA members per year and 15 to 30 members on board at any one time, so a lot goes on in the office.

Jim Corson – Public Hearing Call-In Hotline: Noted he is on the Community Development Board. He praised City staff; they are absolutely wonderful, the best, so helpful, and everyone is great to work with. He was going to hype the presentation but the City Council seemed to like it. He encouraged the City Council to support the Consolidated Plan and funding recommendations. Mayor Cole thanked Mr. Corson for his work on the Board and his contribution to the community.

No other comments were made during the public hearing.

Appendix L: Public Comments - CDBG-CV Substantial Amendment

Applications: City of Billings anticipated allocating \$909,126 in new CDBG-CV funding for activities to prepare, respond, and prevent coronavirus. Twenty percent of the total funding allocation was reserved for administration activities, leaving \$727,301 to allocate to nonprofit organizations and other governmental entities. All activities must primarily benefit lower income neighborhoods or households. As of April 19, 2021, applications and an application guidebook were available for download from the City's website at www.BillingsMT.gov/CDBGcv. Requests for funding had to be submitted to the Community Development Office by 5:00 p.m. on Friday, May 14, 2021. Public notices relative to CDBG-CV application availability were published on April 16 and 23, 2021 through the Yellowstone County News paper and also through several email listservs including neighborhood task forces, nonprofit organizations, City departments, the local housing authority, and other local, county, and state governmental organizations.

Adult Resource Alliance	Montana Community Services, Inc
Ag Workers Health and Services (AMHS)	Montana Department of Commerce
Alliance Yellowstone County	Montana Fair Housing
Alternatives, Inc.	Montana Healthcare Association
Angela's Piazza	Montana Legal Services Association
Big Sky Economic Development Agency	Montana Legal Services
Big Sky Senior Services	Montana Migrant Council
Billings Food Bank	Montana Native American Center
Billings Police Department	Montana Rescue Mission
Billings Public Schools	Montana State University - Billings
Billings Public Works	Montana United Indian Association
Billings Urban Indian Health and Wellness Clinic	Montana Veterans Affairs Division
Bureau of Indian Affairs - Rocky Mountain Region	Montana Youth Challenge Academy
Carbon County Commissioners	MT.gov, Adult Protective Services
Community Crisis Center	MT.gov, Billings Job Service
Community Leadership Development, Inc.	MT.gov, Blind and Low Vision Services, Job Service
Dental Lifeline Network Montana	MT.gov, Dept Health Human Services
Downtown Billings Business Improvement District	MT.gov, Job Service
Downtown Billings Alliance	MT.gov, Job Service
Dress for Success	MT.gov, Mental Health First Aid
Easter Seals Goodwill	MT.gov, MT Federation of Public Employees, Job Service
Education Foundation	MT.gov, Operations Bureau Chief
Emergency Services, YWCA	MT.gov, Public Assistance Manager
Family Promise of Yellowstone Valley	MT.gov, Vocational Rehab
Family Service, Inc.	National Alliance on Mental Health
Habitat for Humanity	Native American Development Corporation
HomeFront - Public Housing Authority	Neighborhood Task Force Chairs - Heights
Homeward - CHDO	Neighborhood Task Force Chairs - Central / Terry
Human Community Services Division	Neighborhood Task Force Chairs - Pioneer Park
Human Resource Development Council - District 7	Neighborhood Task Force Chairs - North Park
Jefferson Bus Lines - COVID-19	Neighborhood Task Force Chairs - Rimrock
Job Connection, Inc	Neighborhood Task Force Chairs - Southside
Job Corps	Neighborhood Task Force Chairs - Southwest Corridor
Job Service Billings	Neighborhood Task Force Chairs - West End
Living Independently for Today and Tomorrow	NeighborWorks Montana - CHDO
Mental Health Center	Northern News Network
MET Transit	Office of Public Assistance - Yellowstone County

Peoples Community Outreach
 Residential Support Services, INC.
 Rimrock - Addiction Treatment
 RiverStone Health - Public Health
 Rocky Mountain Tribal Leaders Council
 Rural Employment Opportunities - Billings Office
 Saint Vincent de Paul
 Social Security Administration
 South Side Neighborhood Member
 St. Vincent Healthcare
 Staff, Board Members, Council Liaison
 STEP - Disability Services
 Sweet Grass County Commissioners
 The Salvation Army
 Tumbleweed - Youth Homelessness, Crisis Counseling

United Way of Yellowstone County
 University of Montana, Missoula
 US Department of Veteran Affairs
 USDA-Food and Nutrition Service - Montana
 Department of Health and Human Services
 Veteran's Meat Locker
 Veterans Upward Bound
 VISTA Alum!
 Volunteers of America
 Walla Walla University - Billings Campus
 Yellowstone Boys & Girls Ranch
 Yellowstone Youth Services Center
 YWCA - Gateway House
 YWCA Billings

Technical assistance was available upon request to interested parties through the Community Development Office. The City of Billings encouraged all members of the community to participate in this planning process. Special arrangements for participation by individuals with hearing, speech, vision impairment or physical disabilities was available upon request. Non-English speaking persons wishing to participate could also be accommodated through translation and / or interpretation in accordance the City's Language Assistance Plan.

Applications Received: The City received two applications for CDBG-CV funding by the May 14, 2021 deadline. The Salvation Army requested \$55,000 for food delivery, food boxes, etc. The Downtown Billings Business Improvement District requested \$117,715 to install a new public restroom and handwashing facilities. Both applications can be viewed online at www.BillingsMT.gov/CDBGcv. The applications were forwarded to the City's Community Development Board on May 17, 2021 for review.

Public Meeting: The City of Billings - Community Development Board met on Tuesday, June 1, 2021 to make funding recommendations for CDBG-CV allocations. As with all Community Development Board meetings, this meeting was publicly advertised in the Yellowstone County News. This particular meeting was also available to join in Zoom and view via the City's Planning and Community Services Facebook webpage.

Public Comment Period: The City of Billings' CDBG-CV Substantial Amendment was open for public comment from June 12 through June 28, 2021.

Public Hearing: The Billings City Council held a public hearing on Monday, June 28, 2021. The purpose of the public hearing was to obtain public comment on local housing and community development needs relative to proposed CDBG-CV funding recommendations. This meeting was publicly advertised, available to join in-person, via zoom, and was featured live and archived for viewing on the Community 7 Facebook page. Various councilmembers asked questions and made comments, representatives from one applicant organization participated in-person, and another application representative participated virtually via Zoom.

Councilmember Ronning: Considering the housing crisis and the possibility for people to lose their housing, are the CDBG-CV funding available for affordable housing development? Staff explained that CDBG-CV can pay for rent and mortgage assistance. The typical project funding cycle for larger-scale

construction projects. However, the HOME-ARP funding that the City is receiving could potentially be used for longer-term funding projects including new and rehabilitation construction. Rent, mortgage, and utility assistance is readily available through the State's CARES Act and American Recovery Plan funding, so this may be a reason that the City did not receive applications for this type of assistance. Staff further noted that housing costs are increasing very quickly in Billings. This is a huge issue that will not be fixed with limited CDBG-CV and / or HOME-ARP funding. It will take a much larger initiative. CM Ronning also asked what non-congregant shelter is and staff explained that it is shelter that can accommodate individuals and or families in separate units, rather than housing lots of individuals and families in a larger room.

Lieutenant Pederson, The Salvation Army: The organization served 85,000 residents in this community last year and it costs \$100,000 to supply the food and materials needed to feed those in need.

Lieutenant Felicia Pederson, The Salvation Army: The organization's mission is to meet human need without discrimination and that's what they want to continue to do. One of those ways is through the mobile meals program and this funding would allow them to feed people six days a week. These people are low-income and in need. She thanked the City Council. There were no additional questions for The Salvation Army.

Katy Easton, Downtown Billings Business Improvement District: Apologized for not being at the meeting in person. She is in Houston meeting with Houston's homeless outreach team. She is excited to install a public restroom and handwashing facilities - and the project is like the "Portland Loo". It is one unit and can be installed downtown in the alleyway off of 29th between 2nd and 3rd. There is a construction-style porta-potty there - to manage urination and defecation in the public garages. It will be cleaned daily by the downtown team.

Councilmember Purinton: CM Purinton is seeing a lot of overlap in the service providers and what the CDBG-CV money is being offered for. Will applications be opened again for just the two applicants or for all organizations? Staff noted that the applications would be opened for all to apply. She also questioned the need for a twenty percent administration cost allocation as it seems high. Staff noted that this is the same percentage allocation used for all other CDBG programs. Mayor Cole noted that just because the government will allow it does not mean that the City will need to take it. Staff explained that a lower allocation to administration will impair the City's ability to effectively manage the CDBG-CV program long-term. CDBG-CV is an entirely new program and it doubles current staff workloads.

Councilmember Neese: He can see how The Salvation Army will be reimbursed only after reporting on beneficiaries to the food program, but how will beneficiaries be reported for the restroom? Staff explained that a public restroom will serve a specified area and census data has been utilized to determine project eligibility.

Councilmember Ronning: Recommends a better explanation on the costs for administration to help educate the City Council.

Councilmember Purington: Supports the motion and as we are serving the low-income population and taking the maximum administration costs is a lot. She would almost make amendment to change the twenty percent allocation, although she does not know what would be acceptable. Mayor Cole responded that "almost" doesn't count except in horseshoes and hand grenades and he will not treat her comment as an amendment, although he appreciates her angst. If she comes back with something more specific, they can consider an amendment.

Councilmember Joy: She is unaware of exactly how administration costs are calculated, but if anyone here has read the regulations and federal register on the information that needs to be assimilated into all of the documents that are prepared to be sent to HUD, everything has to comply with those regulations. That is not a small task. For a very long time, the [Community Development Board] was working while waiting for the CARES Act regulations to be published. You cannot appropriate, allocate or even plan or program money until those regulations come forward. The administrative side of coming to Council with federal money is very intensive.

Councilmember Neese: Are we not addressing the issue by having a porta-potty in an alleyway? Can the City address the location for the public restroom? Will they be charged a fee to access the right-of-way? Wyeth Friday, Planning and Community Services Director, noted that he has been in discussions with the Downtown folks about location and utilities. Downtown staff say that having a bathroom in one location is definitely better than what they are dealing with now all over town, in front of businesses, etc.

Councilmember Shaw: She absolutely loves the public bathroom project. The only other restroom available is the public library. The two projects proposed for CDBG-CV are critical for our community and she would like to see the City continue investing in these types of projects.

Councilmember Yakawich: He is impressed that we have so much money and said, “our nation is rich”. Giving to a lot of good causes. His hope is that people are held accountable and be successful. There are public restrooms in the courthouse, city hall, the library, and coffee shops. He hopes we can address the misuse of facilities. When we provide funding for these organizations, he wants to move the dial to be more successful rather than throwing money out there without seeing a big change. Can we feed less people by understanding what is their need and help them get on their feet and help themselves? It is a quandary that he faces when we have all this money and we almost seem to be struggling to get rid of the money. He thanked staff, Brenda Beckett, for her work in helping people be successful, holding them accountable for the money, and we can see a difference in our city.

Mayor Cole: Council has questions about administration costs and if they are not needed, we can fund these other good programs. As for the bathroom, he hopes there is a crackdown on public defecation. Regarding administration costs, staff noted that members of the Community Development team track each and every hour they work by grant program and funding is only drawn for actual time spent managing each of the programs. If there is funding left over, it is allocated to projects - this is the same way the Division manages all of their programs. The Mayor noted it is just a cap and we still have to justify each dollar that is spent.

Staff Response - Administration Costs: On June 29, 2021 City staff forwarded federal regulations relative to standards for documentation of personnel expenses, an example of how Community Development staff track time by grant, and the City’s internal procedures on tracking and accounting for staff time and all administrative costs. Time-tracking practices and accounting methods are monitored and approved by the City’s Finance Department, external auditors, and other federal grant-making entities.

No other public comments were made during the public hearing.



City of Billings - Community Development Division

Staff Time Tracking & Grant Draw Procedures

Community Development's time-tracking practices and accounting methods are continually monitored by the U.S. Department of Housing and Urban Development, the Corporation of National and Community Service, the City's Finance Department, and the City's external auditing team.

Staff Time Tracking

Personnel Expenses - 2 CFR 200.430:

(i) *Standards for Documentation of Personnel Expenses* (1) Charges to [Federal awards](#) for salaries and wages must be based on records that accurately reflect the work performed. These records must:

(i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;

(ii) Be incorporated into the official records of the [non-Federal entity](#);

(iii) Reasonably reflect the total activity for which the employee is compensated by the [non-Federal entity](#), not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS);

(iv) Encompass federally-assisted and all other activities compensated by the [non-Federal entity](#) on an integrated basis, but may include the use of [subsidiary](#) records as defined in the [non-Federal entity](#)'s written [policy](#);

(v) Comply with the established accounting policies and practices of the [non-Federal entity](#) (See paragraph (h)(1)(ii) above for treatment of incidental work for IHEs.); and

(vi) [Reserved]

(vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Each staff member has a spreadsheet with the grant programs they may be working in. They track the number of hours they spend for every day in the week. Here is an example:

Week Beginning	Monday						Tuesday					
	HOME		CDBG			VISTA	HOME		CDBG			VISTA
	HOME Admin	Aff Hsg	COVID	Rehab	Foreclosure		HOME Admin	Aff Hsg	COVID	Rehab	Foreclosure	
7/1/2020	Last fiscal year											
7/6/2020				0.25		7.75				3.00	1.50	3.50
7/13/2020			1.25	2.50	2.25	2.00				3.50	3.25	1.25
7/20/2020				1.00	4.50					1.25	6.75	
7/27/2020				0.50	2.50	5.00			0.50	5.25	1.75	0.50
8/3/2020			1.50	2.00		4.50			2.00	3.75		2.25
8/10/2020			4.00	1.00	0.75	2.25			4.25	0.75	0.50	2.50
8/17/2020			0.50	1.75	0.75	6.00			3.00	3.25	0.50	1.25
8/24/2020			0.75	2.25	0.50	4.50			0.50	4.25	2.75	0.50
8/31/2020				0.75		7.75			1.50	4.25	0.50	1.75
9/7/2020	Holiday									0.50	1.75	5.75
9/14/2020			1.00	0.75	3.50	2.75			3.50	0.50	1.25	2.75

Every quarter, Finance sends the Community Development manager the exact amount that was spent for each staff member in the Division for wages, unemployment insurance, industrial accident, health insurance, FICA, retirement, Medicare, etc.

The average percentage of time a staff member spends in each grant program is calculated every quarter. The personnel costs are then multiplied by the percentage for each grant program and drawn accordingly.

Internal Grant Draw Procedures

The City of Billings is tracking the expenses corresponding to the HUD grant years by reserving a different fund for each grant year. Expenses are tracked within the accounting system by type of expense in each grant year.

Quarterly reports:

1. During the quarter each expense and project is tracked in a fund that corresponds to the correct origin year.
2. At the end of the quarter, a report is pulled from the City's accounting system by the Finance Department and sent to the Community Development Manager.
 - a. The report gives the quarter's budget (which matches the amount in IDIS), the amount expended year-to-date, and the amount left in the budget. This report also tracks the Revenue by Program Income or Entitlement.
 - b. This report from the accounting software is entered by the Community Development Manager into a spreadsheet "Innoprise Draw Report" tracking the budgeted amount, the current quarter's expenses (difference between prior YTD amount and current YTD amount) and any necessary changes against the IDIS balance to determine the amount of the draw.
 - c. Salaries and Benefits are tracked in a separate fund and are reallocated at the end of the quarter according to the time spent in each program per employee, not to exceed the budgeted amount in the funds.
 - i. The HR Department pulls a payroll report by employee for the quarter (by the date paid) to be sent to Finance and the Community Development Manager.
 - ii. The Community Development Manager allocates the salaries and benefits for each employee for each program by the number of hours tracked during the quarter – "Staff Allocations by Program".
 - d. Necessary changes to the expenses during the quarter including the salaries allocation will be adjusted in the City's accounting software by journal entry to match the total expenses in each fund and the spreadsheet created by the Community Development Manager "Innoprise Draw Report".
 - e. The Innoprise Draw Report also tracks the closed and pending loans by name and IDIS #.
3. A Quarter Draw Summary is created by the Community Development Manager.
 - a. The Quarter Draw summary summarizes the IDIS number, and activity, the draw expected from IDIS and which grant year(s) and amount per grant year to be drawn.
4. The Community Development Manager tracks the sum total of the programs and grant years according to the Origin Year Test and the Program Year Test within the Community Development Drawdowns spreadsheet.
 - a. The program year test is filled out per quarter to test that no more than 20% of Program Income and Entitlement shall be obligated.

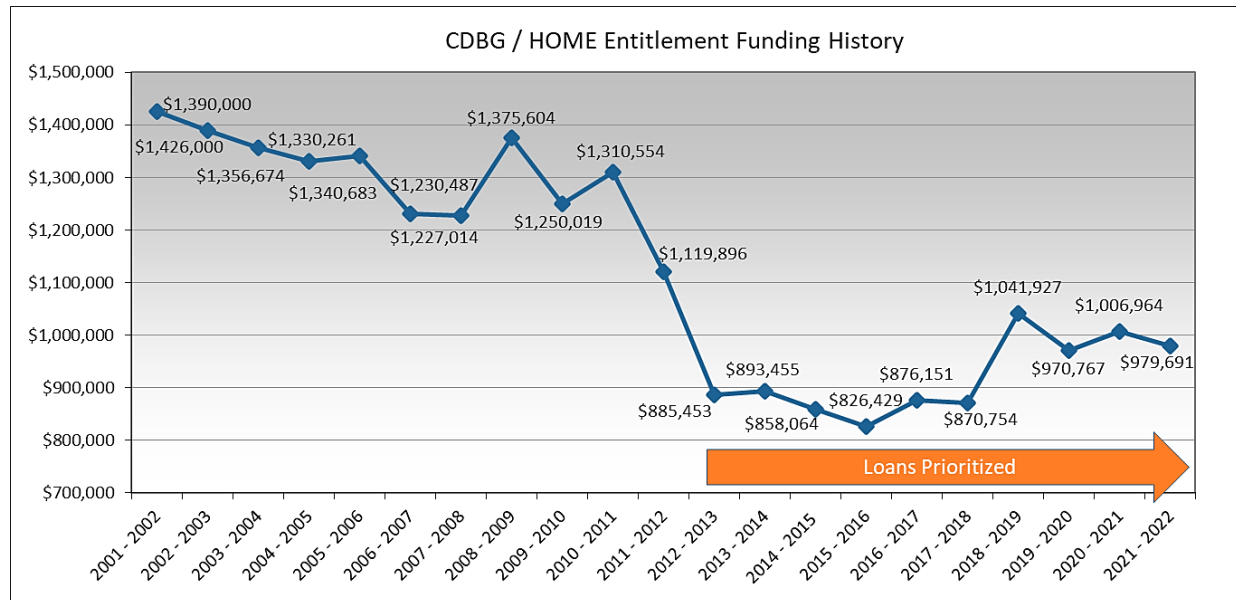
- b. The origin year test pulls the CDBG Administration amounts in the Quarter Draws Summary by Grant Origin Year and compares it to 20% of the total Entitlement funds for the origin year for Planning and Administrative Expenses. This is tracked over multiple years/quarters to compare the admin expense totals for the origin year.
- 5. The Community Development Manager also tracks the Program Income and Entitlement amounts by year in the spreadsheet entitled IDIS & Revenue Book to track which revenues are used by IDIS # and Activity.
- 6. The Innoprise Draw Report, Quarter Draw Summary, Community Development Drawdowns, and Staff Allocations by Program are returned to the Finance Department to create the journal entry for changes and compare the final amounts to the City's accounting system. After the Journal Entry, the balance of the City should match the Innoprise Draw Report. The difference between the final City balances (Budget less Actual) at the end of the quarter, less the balance of the IDIS report on the website should equal the draw amount.
- 7. Once compared, the Community Development Manager reports the projects within the IDIS system.



ALLOCATION AND FUNDING HISTORY

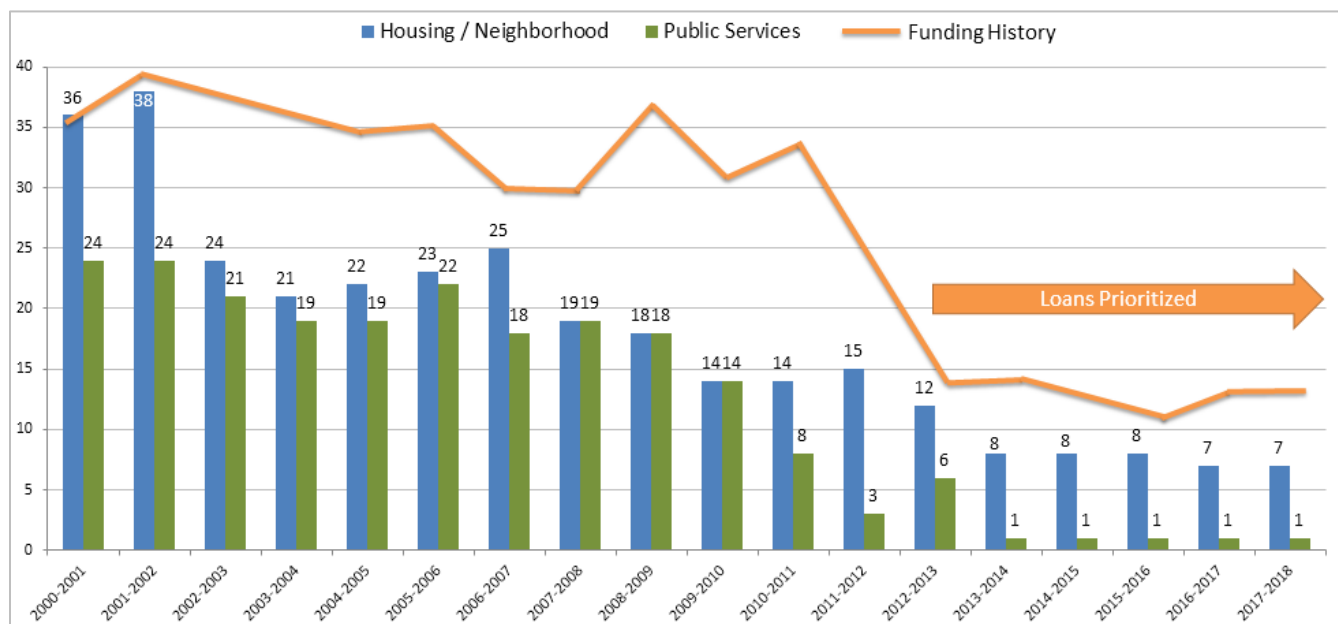
Funding Levels: HUD entitlement, annual funding levels have declined significantly in recent years and staff does not foresee these programs increasing in the future. Federal priorities are favoring competitive grant programs rather than entitlements like the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs. The Community Development Board and City Council began favoring loan programs rather than grants beginning in 2012-2013; the year funding levels significantly declined. The only deviation from this policy occurred during the coronavirus pandemic when the City received grant CDBG-CV funding to prepare for, prevent, and respond to the coronavirus. Grants were issued for pandemic impact in 2021 and 2022.

Staff note: This report illustrates a specific timeline when a shift in policy and decisions relative to funding allocations occurred and is not intended to be an annual report. Please contact Community Development staff for current funding charts.



Grant to Loan Program Transition: When funding levels dropped to critical levels in 2012, the Community Development Board and City Council both supported prioritizing loan programs from 2012 forward. The following chart illustrates the number of housing / neighborhood and public service applications the Community Development Board considered from 2000 until 2018. The chart also compares funding history to the number of applications.

Number of Applications Considered & Funding History



CDBG Public Service Grant Restrictions: In order to be eligible for CDBG funding, Public Service activities are required to be **a new or expanded service (quantifiable increase in level of a service over the past 12 months)**, as the intent of the fund is to support capacity-building. Many of the organizations applied for City funds year after year which would not be considered new or expanded services, if audited today.

Grants Awarded: Staff has records from 1994 to 2012 that can easily be reviewed for data purposes, which represents over \$2.7 million in grants awarded to over 40 non-profit organizations in Billings. Figures below do not represent additional funding for housing projects. For example, Interfaith Hospitality Network was provided with \$498,000 for housing to accommodate homeless families and the YWCA was awarded \$182,400 for the Gateway Shelter. Additional grant funding has been provided through fair housing education grants through the Fair Housing Initiatives Program (FHIP) for several organizations.

Non-Profit Organization	# Grants	Year Span	Total Grants
Big Brothers & Big Sisters	5	1997-2007	\$22,845
Big Sky Senior Services	24	1997-2010	\$316,458
Billings Health Planning Coalition	4	1997-2005	\$27,000
Billings Promise	1	1999	\$6,157
Boys & Girls Club	8	2000-2007	\$31,467
Big Sky Economic Development Authority	13	1994-2008	\$119,912
CASA	5	1997-2000	\$26,764
Community Day Care	2	1998-1999	\$11,000
Community Housing Resource Board <i>(includes FHIP funding)</i>	19	1992-2012	\$329,628
Consumer Credit Counseling	1	1999	\$1,761
Early Childhood Study	1	1996	\$10,750
Easter Seals	2	2008-2010	\$30,175
Family Service, Inc.	11	1992-2004	\$167,986
Family Tree Center	1	2000	\$3,250
Billings Food Bank	11	1996-2006	\$111,962
Forever Families	2	2007-2009	\$31,743
Friendship House	20	1996-2010	\$172,173
HRDC	16	1997-2008	\$135,118
In-Care Network	1	2000	\$2,000
Interfaith Hospitality Network <i>(does not include FHIP & housing funding)</i>	2	2005-2010	\$7,000
Kids School Program	3	2001-2003	\$19,334
Living Independently for Today & Tomorrow	13	1996-2010	\$145,269
Parents Let's Unite for Kids	5	2002-2006	\$12,167
Rebuilding Together	8	2004-2011	\$70,000
RiverStone Health – Medication Assistance Program	9	1999-2009	\$84,022
Sage Tower Community Network	1	2000	\$1,960
Scottish Rite Clinic	1	2008	\$5,000
Southgate Cop Shop	7	1999-2008	\$29,292
Southside Senior Center	1	2011	\$30,000
American Red Cross – Southside Smoke Detectors	1	1999	\$2,364
St. Vincent de Paul	1	2007	\$8,250
Task Force Enhancement	5	1999-2008	\$34,125
Temporary Teens	7	1999-2004	\$23,195
Tumbleweed	13	1996-2011	\$185,598
Vision Seekers After School Program	1	2001	\$9,000
Volunteers of America – Independence Hall	1	2009	\$30,000
Billings Board of Cooperative Housing	1	2000	\$4,438
Yellowstone AIDS Project <i>(does not include FHIP funding)</i>	1	1999	\$7,000
Yellowstone County Council on Aging	12	1996-2011	\$55,649
Young Families Early Head Start	15	1996-2009	\$249,674
YWCA <i>(does not include housing funding)</i>	13	1997-2009	\$158,575
Over 40 Organizations	268 Grants	17+ Years	\$2,735,061

In 2012, the Community Development Board asked City staff to expand research previously conducted to include total monetary value of grants issued versus loans / liens. From 1994 to 2012, the Community Development Division issued over \$6.6 million in grants, over \$9 million in loans and placed liens of over \$2 million on affordable housing projects.

Grants	Amounts	Total
Subrecipients <i>(317 activities)</i>	\$3,267,340	\$6,636,565
Infrastructure	\$708,014	
Parks	\$866,713	
Special Assessment Grants	\$493,295	
Home Repair Programs	\$1,130,494	
Affordable Housing	\$170,709	

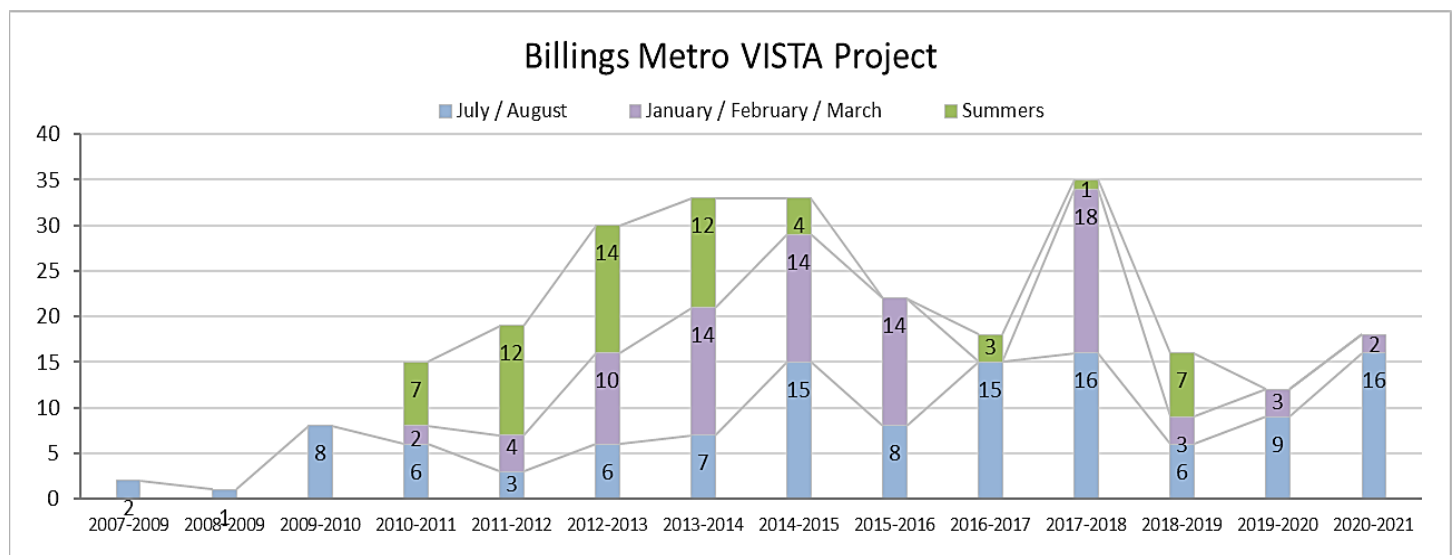
Loans	Amounts	Total
First Time Homebuyer	\$5,562,790	\$9,320,115
Home Repair Programs	\$3,261,694	
Affordable Housing	\$495,631	

Liens	Amounts	Total
Affordable Housing	\$1,854,677	\$2,172,705
Rental Rehabilitation	\$318,028	

In 2012, nine nonprofit agencies applied for grant funds and they were polled regarding the impact of not receiving funds. All of the organizations stated their agencies would remain open, but they may reduce the number of clients they could serve.

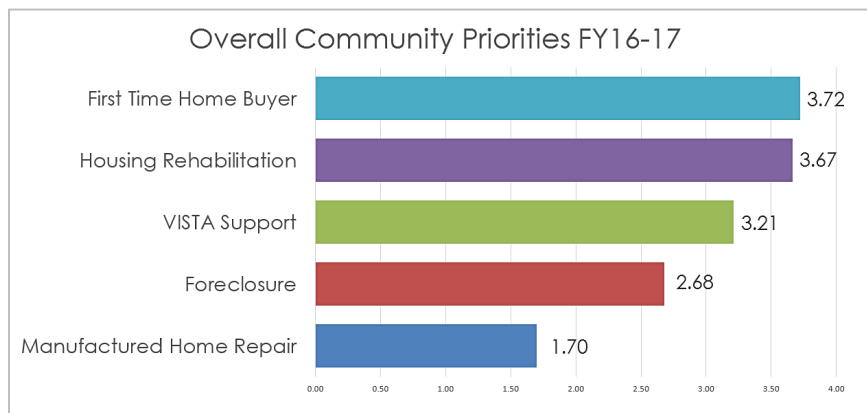
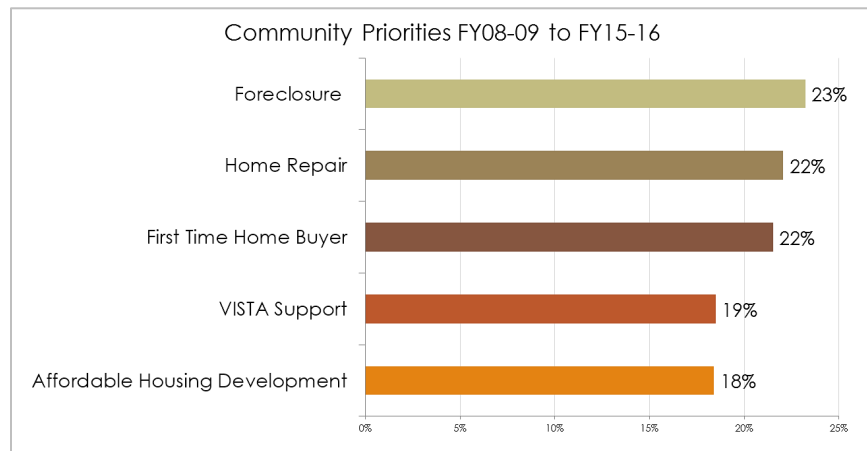
As a result, the Board made budget recommendations reflecting fiscal responsibility and sustainability, while prioritizing housing programs as per HUD requirements. The likelihood of continuing housing activities would substantially diminish if the City continued to fund grant programs not generating program income. The Board evaluated the long-term sustainability of operating loan programs rather than issuing grants. Four City programs were eliminated and substantial reductions were made in the three remaining home buyer / repair programs. Grants were not issued to nonprofit organizations for the first time since the 1970s.

AMERICORPS VISTA: As funding dwindled to support non-profit organizations, the AmeriCorps Volunteers in Service to America (VISTA) program received additional allocations in funding to expand the program. From 2012 to 2015, the City received overlapping grants and more members. The *Billings Metro VISTA Project* continues to be offered to support capacity-building activities as a resource to non-profit organizations working on poverty issues.



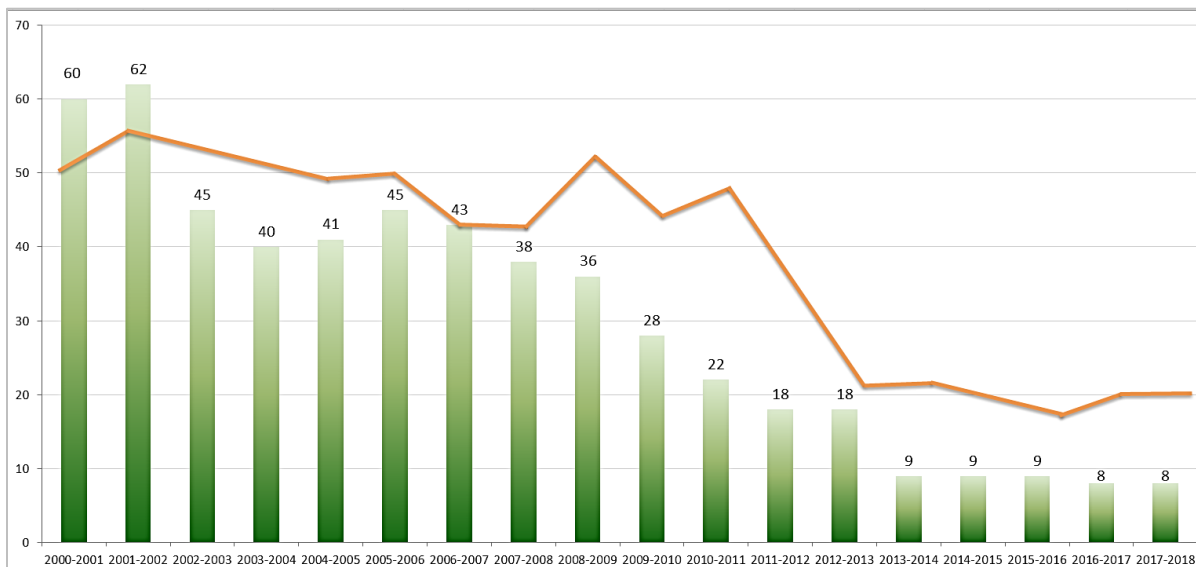
PUBLIC AND CITY COUNCIL PROGRAM PRIORITIES

Task Force Priorities: Task Force rankings from 2008-2016 favor home repair / buyer and affordable housing development programs. The following figures represent the rankings from all Task Forces combined. Calculation methodology changed in FY2016-2017 when the survey added an online, weighted calculation.



Priority-Based Budgeting: The Division's process for priority-based budgeting began in 2008 when the City Council asked the Community Development Board to examine recommendation processes. When surveyed, *the majority of Council members favored funding fewer organizations with larger amounts*. Half of the Council members asked the Board to shift funding focus to housing programs. Organizations were then given minimum and maximum application amounts shortly thereafter and the number of funding applications declined.

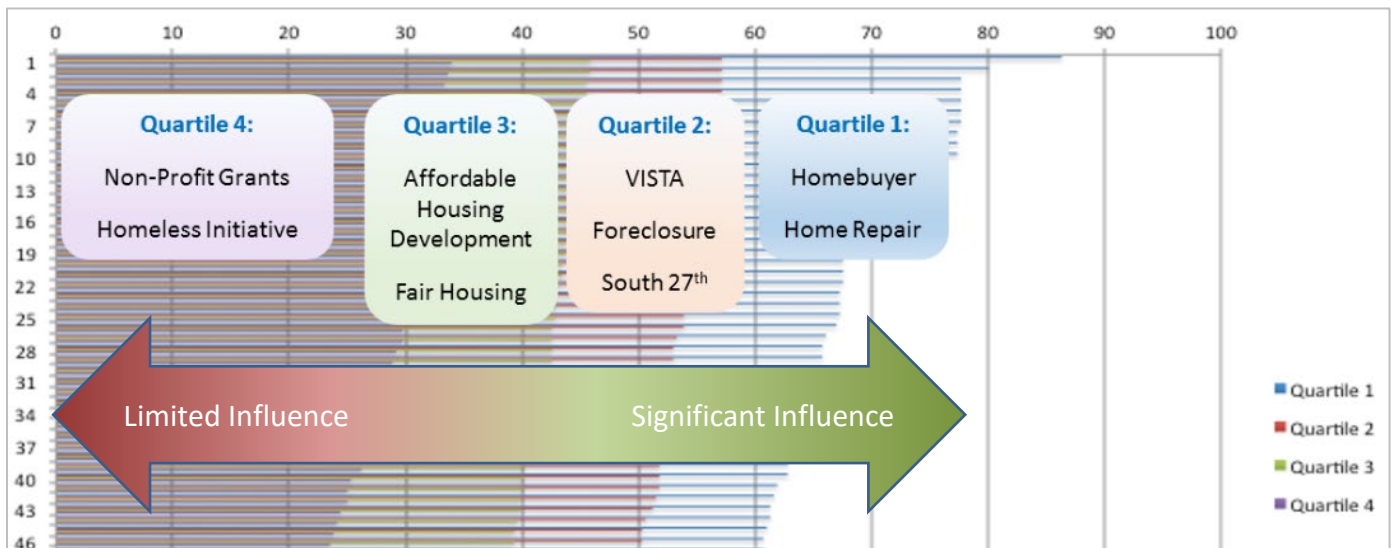
Total Number of Applications Considered & Funding History



Priority-Based Budgeting 2012: The City Council initiated an extensive process to rank programs based on how they influence the City's ability to achieve established community results, such as:

- Sustainable Economic Development
- Comprehensive, Orderly Growth and Development
- Community Resource Preservation
- Involved, Engaged and United Community

The home repair / buyer programs were ranked as having *significant influence* on the City's ability to achieve desired community results. However, grants to non-profit organizations and the homeless initiative were ranked as having limited influence.



City Council Work Session

Date: 04/17/2023
Title: Water and Wastewater Rate Study Results and Recommendations
Presented by: Jennifer Duray
Department: Public Works
Presentation: Yes
Legal Review Not Applicable

RECOMMENDATION

No formal action is expected at this work session, but staff is seeking feedback from the Council on the proposed rates.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

Public works engaged AE2S Nexus to conduct a cost of service rate study to review and recommend appropriate water and wastewater user rates, the resale rate for the County Water District of Billings Heights, and wholesale rates for Lockwood Water and Sewer District, Philips 66 Billings Refinery and ExxonMobil Refinery, as well as the System Development Fees (SDFs) for water and wastewater. Additionally, an SDF Advisory Committee was formed to review the methodology of SDFs. Staff will present the primary drivers of the rate increases, the recommended rates for each class of user, and the proposed revisions to the SDF methodology. Staff will also report on important water and wastewater pipe extensions that are not currently funded and the associated impacts to rates if Council desires that Public Works construct the extensions. The rate study reports are attached.

ALTERNATIVES

This is a work session, so no formal action may be taken at this time. However, staff is asking the City Council to provide direction on the proposed rates. Council will be asked to approve water and wastewater rates for fiscal years 2024 and 2025 at the May 22, 2023, business meeting.

FISCAL EFFECTS

There are no direct fiscal effects for the discussion.

Attachments

Water Rate Study
Wastewater Rate Study
Wholesale Wastewater Rate Study
SDF Rate Study

RETAIL/RESALE WATER RATE STUDY Fiscal Years 2024 and 2025

Billings, MT
March 31, 2023

Executive Summary

The City of Billings, Montana calculates its water rates for retail and resale customers using a cost of service rate model developed specifically for its water system. The City retained AE2S Nexus to update its water rate model and develop recommendations for FY24 and FY25 water rates. This report summarizes the results of the most recent update to the water rate model, including rate recommendations for FY24 and FY25. Detailed tables are found in the Appendices. It should be noted that volumes and costs per volume are reported relative to gallons or thousand gallons (kgal).

Based on the results of this study, the recommended monthly meter charges for FY24 and FY25 are shown in Table ES.1. To balance the overall need for a revenue increase between the fixed and volumetric rates, meter rate increases are recommended for both FY24 and FY25. Tables ES.2 and ES.3 summarize the recommendations for Fire Protection charges for Owners (inside City users) and Non-Owners (outside City users), respectively.

Meter Size	Inside City Recommended Rate FY24	Outside City Recommended Rate FY24	% Increase from FY23	Inside City Recommended Rate FY25	Outside City Recommended Rate FY25	% Increase from FY24
3/4"	\$8.60	\$9.35	2%	\$8.75	\$9.55	2%
1"	\$9.75	\$10.60	2%	\$9.95	\$10.80	2%
1-1/2"	\$11.80	\$12.80	2%	\$12.05	\$13.05	2%
2"	\$16.85	\$18.40	2%	\$17.20	\$18.75	2%
3"	\$52.55	\$57.10	2%	\$53.60	\$58.25	2%
4"	\$68.45	\$74.40	2%	\$69.80	\$75.90	2%
6"	\$102.65	\$111.60	2%	\$104.70	\$113.85	2%
8"	\$140.30	\$152.50	2%	\$143.10	\$155.55	2%
10"	\$204.40	\$226.65	2%	\$208.50	\$231.20	2%

Table ES.1: Recommended FY24 and FY25 Meter Charges for Owners and Non-Owners

Meter Size	Inside City Current Rate FY23 (\$/Year)	Inside City Recommended Rate FY24 (\$/Year)	% Increase from FY23	Inside City Recommended Rate FY25 (\$/Year)	% Increase from FY24
1-1/4"	\$30.75	\$32.60	6.0%	\$34.55	6.0%
1-1/2"	\$41.05	\$43.50		\$46.10	
2"	\$65.75	\$69.70		\$73.90	
3"	\$164.15	\$174.00		\$184.45	
4"	\$287.30	\$304.55		\$322.80	
6"	\$656.50	\$695.90		\$737.65	
8"	\$1,148.90	\$1,217.85		\$1,290.90	
10"	\$1,805.30	\$1,913.60		\$2,028.40	
12"	\$2,599.75	\$2,755.75		\$2,921.10	
14"	\$3,538.50	\$3,750.80		\$3,975.85	

Table ES.2: Recommended Annual Fire Protection Charges for Owners – FY24/FY25

Meter Size	Outside City Current Rate FY23 (\$/Year)	Outside City Recommended Rate FY24 (\$/Year)	% Increase from FY23	Outside City Recommended Rate FY25 (\$/Year)	% Increase from FY24
1-1/4"	\$31.25	\$33.15	6.0%	\$35.15	6.0%
1-1/2"	\$41.60	\$44.10		\$46.75	
2"	\$66.55	\$70.55		\$74.80	
3"	\$166.45	\$176.45		\$187.05	
4"	\$291.20	\$308.65		\$327.15	
6"	\$665.65	\$705.60		\$747.95	
8"	\$1,164.85	\$1,234.75		\$1,308.85	
10"	\$1,830.50	\$1,940.35		\$2,056.75	
12"	\$2,635.85	\$2,794.00		\$2,961.65	
14"	\$3,587.75	\$3,803.00		\$4,031.20	

Table ES.3: Recommended Annual Fire Protection Charges for Non-Owners – FY24/FY25

Table ES.4 present the recommended FY24 and FY25 volumetric rates for Single-Family Residential users. Consistent with the approach taken in the previous analysis, rate increase percentages for Non-Owner Residential users are equal to the increases recommended for the Owner Single Family Residential user class in FY24 and FY25. Table ES.5 presents the calculated FY24 and FY25 volumetric rates for Non-Owner Single Family Residential accounts.

Single Family Residential - Inside City	Tier Volume (kgal)	Current FY23 Rate (\$/kgal)	Recommended FY24 Rate (\$/kgal)	% Increase from FY23	Recommended FY25 Rate (\$/kgal)	% Increase from FY24
Tier 1	0-10	\$3.88	\$4.27	10.0%	\$4.68	9.5%
Tier 2	11-32	\$4.64	\$5.10		\$5.58	
Tier 3	33-75	\$6.04	\$6.64		\$7.27	
Tier 4	>75	\$9.06	\$9.97		\$10.92	

Table ES.4: Recommended FY24 and FY25 Volumetric Charges for Owners

Single Family Residential - Outside City	Tier Volume (kgal)	Current FY23 Rate (\$/kgal)	Recommended FY24 Rate (\$/kgal)	% Increase from FY23	Recommended FY25 Rate (\$/kgal)	% Increase from FY24
Tier 1	0-10	\$4.01	\$4.41	10.0%	\$4.83	9.5%
Tier 2	11-32	\$4.81	\$5.29		\$5.79	
Tier 3	33-75	\$6.28	\$6.91		\$7.57	
Tier 4	>75	\$9.40	\$10.34		\$11.32	

Table ES.5: Recommended FY24 and FY25 Volumetric Charges for Non-Owners

Table ES.6 summarizes the recommended multi-family residential and non-residential volumetric rates for FY24 and FY25. Adjustments to the multi-family residential user rates were set based on the single-family residential rates.

Table ES.6 also summarizes the non-residential volumetric rates for FY24 and FY25 for Owners and Non-Owners. For the Resale user class, it is recommended that the City continue its approach of charging the calculated cost of service rate, adopting the calculated FY24 and FY25 rates shown in Table ES.6. Due to the increase in the supply/treatment components of the rate base in FY25, the calculated FY25 rate for the Resale user increases significantly.

	Current FY23 Rate (\$/kgal)	Recommended FY24 Rate (\$/kgal)	% Increase from FY23	Recommended FY25 Rate (\$/kgal)	% Increase from FY24
Owners					
Multi-Family Residential	\$ 3.81	\$ 4.19	10.0%	\$ 4.59	9.5%
Non-Residential	\$ 3.29	\$ 3.62	10.0%	\$ 3.84	6.1%
Commercial Resale	\$ 4.06	\$ 4.47	10.1%	\$ 4.74	6.0%
Seasonal	\$ 5.48	\$ 6.03	10.0%	\$ 6.60	9.5%
Non-Owners					
Non-Residential	\$ 3.49	\$ 3.84	10.0%	\$ 4.07	6.0%
Resale (HWD)	\$ 2.97	\$ 2.97	0.0%	\$ 4.42	48.8%

Table ES.6: Recommended Multi-Family and Non-Residential Volumetric Rates for Owners and Non-Owners – FY24 and FY25

Table ES.7 summarizes the projected revenue adequacy of the Water Utility for FY24 and FY25 based on the recommended rates. The projected water sales and given the current cash reserve balances, the recommended rates for FY24 and FY25 will present a stable near-term approach to rate-setting, while allowing the City to step into the necessary increases to fully meet cost of service over two or more years.

	FY2024	FY2025
Rate Revenue Requirements		
O&M-Related	\$ 15,089,219	\$ 15,541,896
Less Other Operating Revenue	\$ (915,200)	\$ (915,200)
Capital-Related	\$ 16,465,946	\$ 23,411,524
Less Cash Reserves	\$ 172,665	\$ (3,409,933)
Net Rate Revenue Requirements	\$ 30,812,631	\$ 34,628,287
Projected Rate Revenues		
Owners		
Residential	\$ 15,336,272	\$ 16,657,538
Multi-Family	\$ 2,630,670	\$ 2,883,461
Non-Residential	\$ 3,721,427	\$ 3,952,607
Seasonal	\$ 2,375,882	\$ 2,610,927
Fire Protection	\$ 497,556	\$ 527,400
Non-Owners		
Residential	\$ 136,084	\$ 146,840
Non-Residential	\$ 2,763,912	\$ 2,928,854
Resale (HWD)	\$ 3,128,636	\$ 4,747,853
Fire Protection	\$ 31,409	\$ 33,294
Total Projected Rate Revenue	\$ 30,621,848	\$ 34,488,775
Projected Revenue Adequacy	\$ (190,783)	\$ (139,511)

Table ES.7: Summary of Net Cash-Based Rate Revenue Requirements – FY24 and FY25

	2023	2024	2025
Total Water Fund Balance	\$ 25,356,523	\$ 25,529,188	\$ 22,119,255
O&M Reserve	\$ 3,825,000	\$ 4,074,089	\$ 4,196,312
Debt Service Reserve	\$ 1,386,571	\$ 1,386,571	\$ 1,386,571
Capital/Rate Stabilization Reserve	\$ 20,144,952	\$ 20,068,528	\$ 16,536,372

Table ES.8: Projected Cash Reserve Balances – FY24 and FY25

Lastly, to assess the potential revenue stability risk to the City of Billings, a probabilistic revenue forecasting model was developed. The framework for the model was based on a publicly-available tool developed by the Alliance for Water Efficiency. The probabilistic revenue forecast completed was based on the stochastic evaluation of FY22 billing and weather data as compared to 20 years of historical weather data. The results of the revenue forecast resulted in the conclusions presented in Table ES.9. The percentages in Table ES.9 indicate the modeled probability of the FY24 rate revenues, excluding fire protection, exceeding the rate revenue values shown in Table ES.9. Total projected rate revenue requirements for FY24 are \$30.1 million (M).

	\$30.1M	\$29.1M	\$28.1M
Probability to Meet/Exceed	81%	96%	100%

Table ES.9: Estimated Probability of Achieving Revenue at Varying Targets (FY24)

The revenue forecasting model indicated that water sales are adequate to meet target revenue of \$30.1M at a high confidence interval. In addition, it should be noted that the City's operation and maintenance (O&M) expenditures are typically less than budgeted. For the most recent three-year period, the average for actual expenditures as compared to budget was 94.2 percent. The revenue forecasting simulation projected minimum rate revenues of \$29.35M in FY24, which is approximately three percent less than the assumed FY24 revenue requirements of \$30.1M. In summary, the model projects a low risk of falling short of necessary revenue requirements under the proposed rates.

1.0 Introduction

The City of Billings retained AE2S Nexus to update its water rate model and recommend Retail and Resale water rates for the 2024 Fiscal Year (FY24), which begins July 1, 2023 and ends June 30, 2024, as well as for FY25. The City has utilized a detailed and comprehensive rate-setting model for several years. The rate model utilized by the City of Billings was last updated by AE2S Nexus in early 2021 for the purpose of developing rates for FY22 and FY23. The FY24/FY25 rate review involved a comprehensive review of assumptions and methodology upon which the analysis is based. It should be noted that the data and results reported herein are given in terms of gallons or thousand gallons (kgal).

The County Water District of Billings Heights is a major outside/non-owner user of the City's water system and is referred to as the Resale user class throughout this analysis. Based on the current agreement between the City of Billings and this Resale customer, the established and agreed upon rate of return is based on the weighted average cost of capital (WACC). The Memorandum of Understanding between the City and the District included the following methodology for establishing the WACC, the calculation of which is detailed in Section 3.2.2.

“The WACC will be calculated for each rate study, including the current study, using the City’s then current effective interest rate on outstanding debt and a return on equity equal to the average 30-year treasury rate plus 300 basis points for the most recent twelve month period ending June 30th.”¹

At the City's request, AE2S Nexus has updated the customer billing data, operation and maintenance (O&M), capital revenue requirements, and asset inventory. To complete a comprehensive update, assumptions upon which the model calculations are based were also reviewed and verified or updated to reflect current system conditions. In general, the cost of service analysis (COSA) methodology utilized remains consistent with previous analyses, which involved three steps: 1) Functionalization, 2) Classification, and 3) Allocation. The cost of service analysis completed using the City's existing rate model and upon which rate calculations have been historically based, involved the following steps:

1. *Functionalization*: in the methodology applied by the City of Billings, this step involves the grouping of costs based on the type of customer to which the cost applies:
 - a. Joint allocation – costs allocated to all user classes
 - b. All-But-Resale allocation – costs allocated to all but the Resale user class including both Inside City (Owner) and Outside (non-Owner) City users
 - c. Owner allocation – costs allocated only to the owner user classes

¹ Memorandum of Understanding Between the City of Billings and County Water District of Billings Heights, May 8, 2013.

- d. Resale allocation – costs assigned to the Resale class
 2. *Classification*: categorization of functionalized costs based on how the cost is related to the user characteristics (related to customer account numbers, average flow, peak flow, etc.):
 - a. Fixed cost allocation
 - i. Customer-based
 - ii. Meter-based
 - b. Variable cost allocation
 - i. Base Capacity allocation
 - ii. Peak Day Capacity allocation
 - iii. Peak Hour Capacity allocation
 - c. Direct Fire allocation
 3. *Allocation*: The distribution of functionalized and classified costs to customer classes based on number of meters, equivalent meters, peak day and peak hour demands, and billed flow totals.

This report summarizes the following topics:

- Water system usage parameters assumed for FY24 and FY25 (Section 2.0);
- Projected FY24/FY25 revenue requirements and associated assumptions (Section 3.0);
- Allocation of FY24/FY25 operating and capital-related revenue requirements (Section 4.0);
- Calculated FY24/FY25 costs of service by user class and recommended FY24/FY25 water rates for Retail and Resale customer classes (Section 5.0); and
- Probabilistic revenue forecasting and rate setting risk considerations (Section 6.0).

2.0 Customers and Usage

The City of Billings provides water service to approximately 34,000 users within City limits, 343 users outside of the City, and 1 Resale customer, the County Water District of Billings Heights. Based on a review of billed flow and account data from FY19 and FY20, a Test Year representing recent water usage patterns by user class was developed. Customer classes include the following:

- Owners:
 - Single Family Residential (single family, two- and three-unit complexes)
 - Multi-Family Residential (multi-family complexes with greater than three units)
 - Commercial
 - Industrial
 - Seasonal
 - Private Fire Protection
- Non-Owners:
 - Residential (single family, two- and three- multi-family unit complexes)
 - Commercial (includes multi-family complexes with greater than three units)
 - Resale (County Water District of Billings Heights)
 - Private Fire Protection

Estimated FY24 customer accounts by meter size and equivalent meters for the owner and non-owner user classes are shown in Table 2.1 and Table 2.2, respectively. Similar values for FY25 are found in Table 2.3 and Table 2.4, respectively. The equivalent meter counts are shown on a 3/4-inch meter basis.

Meter Size	Residential	Multi-Family Residential	Commercial	Industrial	Seasonal	Total
3/4"	27,322	365	1,205	0	67	28,959
1"	338	248	341	0	62	989
1-1/2"	16	127	267	0	59	469
2"	1	54	144	0	22	221
3"	0	32	93	1	5	131
4"	0	16	19	0	2	37
6"	0	22	14	1	0	37
8"	0	4	5	0	0	9
10"	0	0	0	0	0	0
Total Accounts	27,677	868	2,088	2	217	30,852
Total Equivalent Meters	27,781	2,080	4,026	29	376	34,292

Table 2.1: Owner Customer Accounts and Equivalent Meters – Projected FY24

Meter Size	Residential	Commercial	Resale	Total
3/4"	259	45	0	304
1"	4	16	0	20
1-1/2"	0	6	0	6
2"	0	5	0	5
3"	0	5	1	6
4"	0	0	0	0
6"	0	0	0	0
8"	0	0	1	1
10"	0	1	0	1
Total Accounts	263	78	2	343
Total Equivalent Meter	264	180	36	480

Table 2.2: Non-Owner Customer Accounts and Equivalent Meters – Projected FY24

Meter Size	Residential	Residential	Commercial	Industrial	Seasonal	Total
3/4"	27,459	367	1,211	0	67	29,104
1"	340	249	343	0	62	994
1-1/2"	16	128	268	0	59	471
2"	1	54	145	0	22	222
3"	0	32	93	1	5	131
4"	0	16	19	0	2	37
6"	0	22	14	1	0	37
8"	0	4	5	0	0	9
10"	0	0	0	0	0	0
Total Accounts	27,816	872	2,098	2	217	31,005
Total Equivalent Meters	27,921	2,085	4,039	29	376	34,450

Table 2.3: Owner Customer Accounts and Equivalent Meters – Projected FY25

Meter Size	Residential	Commercial	Resale	Total
3/4"	259	45	0	304
1"	4	16	0	20
1-1/2"	0	6	0	6
2"	0	5	0	5
3"	0	5	1	6
4"	0	0	0	0
6"	0	0	0	0
8"	0	0	1	1
10"	0	1	0	1
Total Accounts	263	78	2	343
Total Equivalent Meter	264	180	36	480

Table 2.4: Non-Owner Customer Accounts and Equivalent Meters – Projected FY25

Figure 2.1 shows the recent historical trend in meter growth for all non-irrigation meter classes. As shown, meter number growth has been relatively flat. The dip in commercial accounts in FY14 correlates with identification of a Multi-Family Residential user class, which was previously accounted for in the Commercial class. Figure 2.2 shows the change in Single Family residential inside meters, which have grown at an average of one percent per year since FY13.

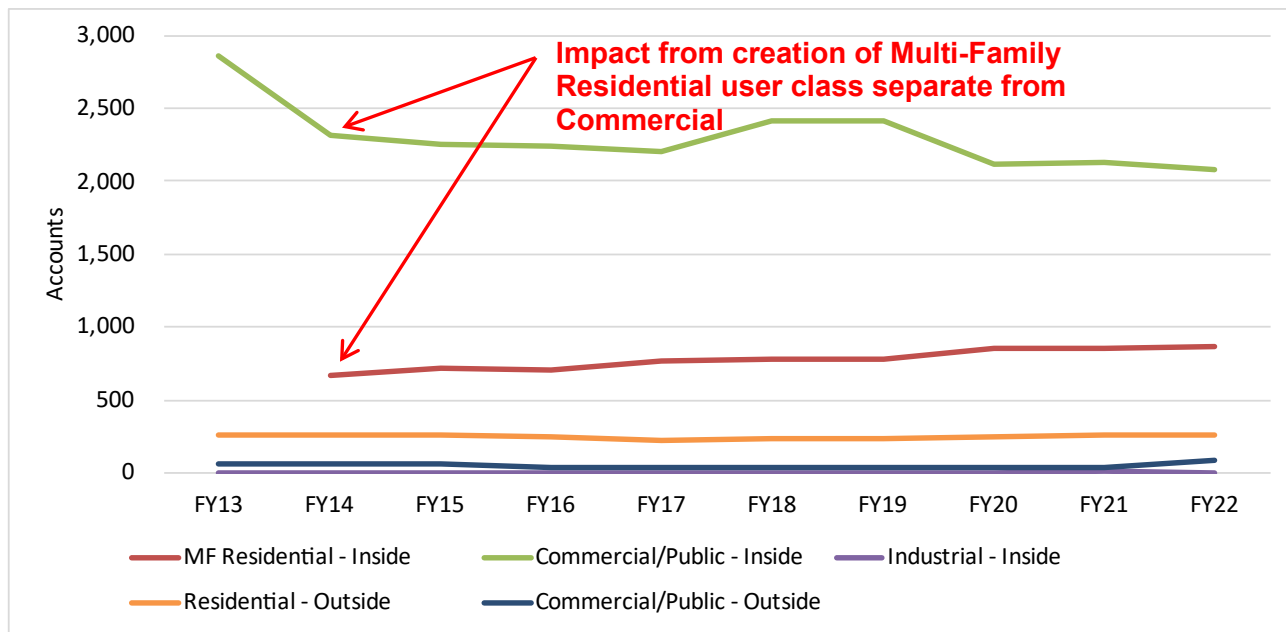


Figure 2.1: Recent Historical Meter Counts (Excluding Irrigation)

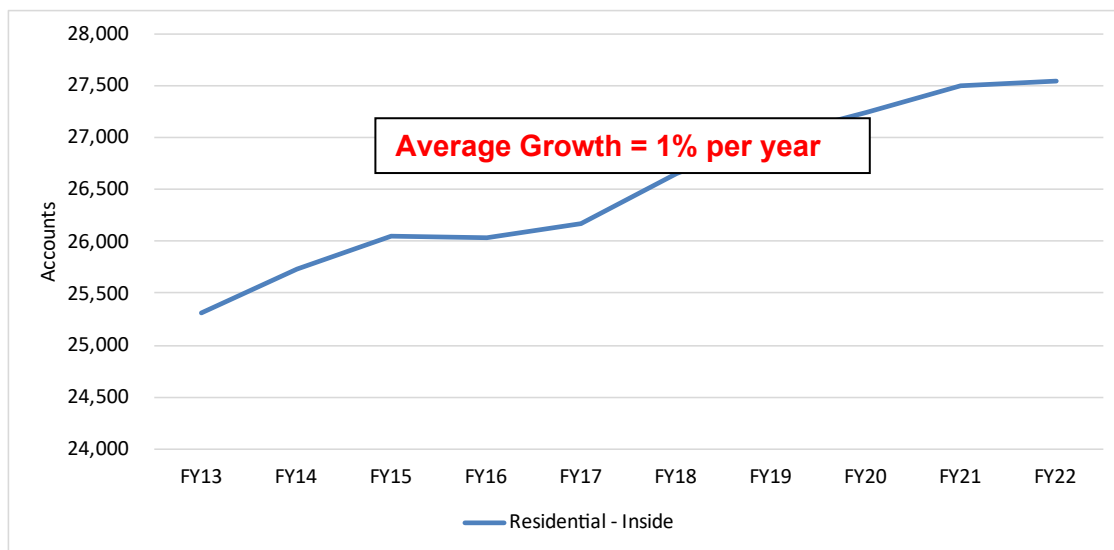


Figure 2.2: Recent Historical Single-Family Residential (Owner) Meter Counts

Despite growth in meters, water use for the Single-Family Residential class has declined, likely as a combined result of conservation-oriented rate changes, increased use of water-saving

household appliances, as well as variable weather patterns. Water use for other inside user classes has been sporadic, but the City expects to see continued growth. To avoid overestimating water sales for FY24 and FY25, account growth was projected to be 0.5 percent per year for the Single-Family Residential, Multi-Family Residential, Commercial and Irrigation Accounts. Industrial accounts numbers were projected to remain constant. Based on recent historical water use per account, all water use other than Industrial was also grown at 0.5 percent per year. Water demand projections from the County Water District of Billings Heights shows an expected increase in water use of approximately 2 percent annually. Meter and water demand projections for other outside users were not assumed to grow from projected FY24 levels.

Table 2.5 summarizes the projected FY24 and FY25 billable flow for each user class, measured in units of one thousand gallons (kgal), noting the basis for the FY24 and FY25 flow assumptions. Table 2.6 presents the peaking factors utilized in the FY24/FY25 analysis.

Customer Class	FY24 Usage (kgal)	FY25 Usage (kgal)	Basis
Owners			
Residential	1,954,578	1,964,351	Based on FY22; 0.5% annual increase
Multi-Family Residential	440,575	442,778	Based on FY22; 0.5% annual increase
Commercial	686,022	689,452	Based on FY22; 0.5% annual increase
Industrial	14,137	14,137	Based on FY22; no annual increase
Seasonal	290,779	292,233	Based on FY22; no annual increase
Subtotal	3,386,092	3,402,952	
Non-Owners			
Residential	16,286	16,286	Based on FY22; no annual increase
Commercial	535,415	535,415	Based on FY22; no annual increase
Resale	787,268	803,013	Based on FY22 and Height's projections
Subtotal	1,338,970	1,354,715	
Total	4,725,061	4,757,666	

Table 2.5: Projected FY24 and FY25 Billable Water Sales

Customer Class	Max (Peak) Day (MGD)/Average Day (MGD)	Max (Peak) Hour (MGD)/Average Day (MGD)
Owners		
Residential	2.60	4.00
Multi-Family	1.40	4.00
Commercial	1.50	3.00
Industrial	1.50	2.00
Seasonal	3.50	6.00
Non-Owners		
Residential	2.60	4.00
Commercial	1.50	3.00
Resale	2.60	3.83
System Data	2.20	3.40

Table 2.6: Peaking Factors – FY24 and FY25 Analyses

Single-Family Residential Water Use

Figure 2.3 illustrates how Single-Family Residential water use has shifted since implementation of the existing tier structure. In FY14, the first tier was sized to capture the first 3,000 gallons of water use, with the second tier capturing water use up to 12,000 gallons, with the remainder falling within the third tier. Based on an analysis of residential water use completed in FY14, in FY15 the Single-Family Residential tier structure was changed in to the four-tier structure currently in place:

- Tier 1: 0 – 10,000 gallons
- Tier 2: 11,000 – 32,000 gallons
- Tier 3: 33,000 – 75,000 gallons
- Tier 4: 75,000 gallons

The FY20 and FY21 bars in Figure 2.3 show how overall Single-Family Residential water use has fluctuated in recent years.

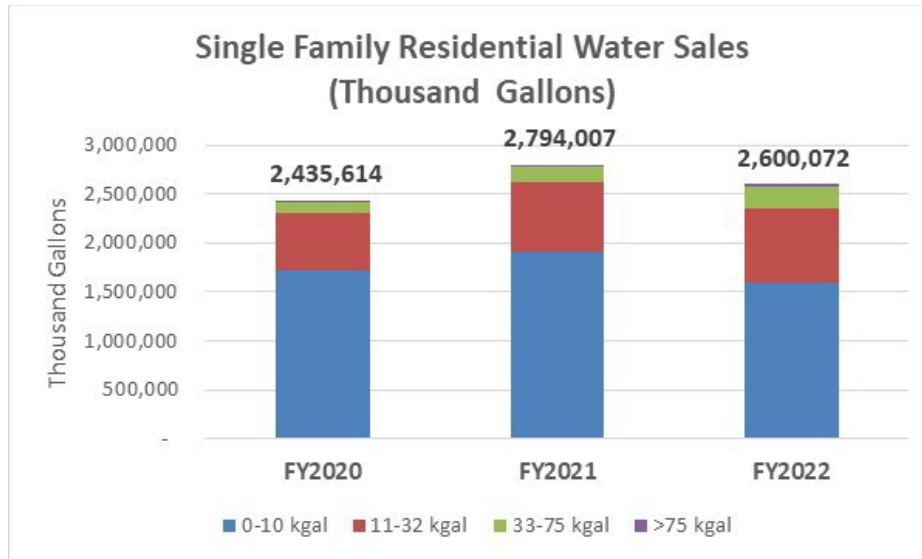


Figure 2.3: Single-Family Residential Water Sales

3.0 Revenue Requirements

Revenue requirements consist of expenses incurred for O&M of the Water Utility, as well as capital-related expenses such as debt service principal, capital outlays, and contributions to reserves.

3.1 Operation and Maintenance Costs

For the purpose of developing water rates for FY24 and FY25, the O&M component of revenue requirements was based on the preliminary FY24 Water Operating budget divisions titled Administration, Fiscal Services/Billing, Service Center, Water Treatment Plant, Distribution/Collection Maintenance, and Meter Shop. As agreed upon with the District, Joint O&M was determined based on the three-year average of the difference between budgeted and actual O&M expenses. For the FY24 and FY25 analyses, this value was 94.2 percent, updated from 92.8 percent in the FY22/FY23 study.

In determining net O&M revenue requirements, consideration is also given to non-rate operating revenue, which is applied to offset the operating costs. Tables 3.1 and 3.2 summarize total projected O&M revenue requirements, total projected O&M non-rate revenue, and net O&M revenue requirements based on ownership for FY24 and FY25, respectively.

Changes to the cost of service assumptions upon which Tables 3.1 and 3.2 are discussed in Section 4. Similar to the previous analysis, the portion of distribution cost associated with Zones 1, 2, and 4 was assumed to provide a benefit to non-owner users based on how water is managed within the system and provisions in place for alternate flow patterns in the case of emergency. In addition, it was noted that the City of Billings manages the District's storage tanks, which have a

total volume of 8 MG. The analysis includes a direct allocation of O&M expense to the District for the purpose of storage management. The directly assigned value for FY24 was derived as shown below based on the following assumptions:

- Heights storage volume = 8 MG
- City of Billings distribution storage volume = 29.91MG
- Assumed percentage of Water Treatment Plant budget division labor and expense associated with maintenance of pump station and storage reservoirs = 6 percent

$$8MG \div (29.91MG + 8 MG) \times 6\% = 1.27\%$$

$$1.27\% \times \text{Water Treatment Plant division fixed cost of } \$4,294,251 = \$54,537$$

As Owners of the system, the Owner user classes are allocated all of the O&M non-rate revenue except for the Transfer to O&M for pipe bursting. As a result of this credit to Owner-only revenue requirements, the net O&M revenue requirements for Non-Owners appears as a negative value in Tables 3.1 and 3.2.

The net revenue requirements functionalized by ownership shown in Tables 3.1 and 3.2 are further allocated to the user classes based on the fixed or variable nature of the cost (classification), and the system usage parameters associated with each user class (allocation). Table 3.3 summarizes the allocated O&M revenue requirements by owner of FY24 and FY25, noting in particular the total net O&M revenue requirements allocated to the Resale user class.

Budget Line Item		Total	Joint	All-But-Resale	Owners	Resale
Water Production						
	Chemicals	\$725,000	\$682,614	\$42,386	\$0	\$0
	All Other	\$4,005,789	\$3,771,599	\$234,190	\$0	\$0
High Service Pumping			\$0	\$0	\$0	\$0
	Utilities (80% to Base)	\$1,519,200	\$1,430,383	\$88,817	\$0	\$0
	All Other	\$43,073	\$40,555	\$2,518	\$0	\$0
System Pumping and Storage			\$0	\$0	\$0	\$0
	Utilities (80% to Base)	\$590,800	\$65,630	\$303,697	\$180,392	\$41,081
	All Other	\$258,438	\$24,343	\$112,647	\$66,911	\$54,537
Distribution System			\$0	\$0	\$0	\$0
	Fire Hydrants	\$611,026	\$0	\$611,026	\$0	\$0
	All Other	\$2,102,689	\$686,482	\$1,002,431	\$413,775	\$0
Customer Billing and Meter		\$2,111,955	\$1,988,484	\$123,471	\$0	\$0
Admin.		\$3,121,249	\$2,938,771	\$182,478	\$0	\$0
O&M - Total		\$15,089,219	\$11,628,861	\$2,703,661	\$661,078	\$95,619
Less		Non-Rate				
O&M - Related		Revenue	Joint	All-But-Resale	Owners	Resale
	Water Permits	\$65,000	\$0	\$0	\$65,000	\$0
	Misc. Revenue	\$7,700	\$0	\$0	\$7,700	\$0
	Collection of Bad Debt	\$3,000	\$0	\$0	\$3,000	\$0
	Sale of Material/Labor	\$290,000	\$0	\$0	\$290,000	\$0
	Public Water Supply	\$62,000	\$0	\$0	\$62,000	\$0
	Water Service Line Repair	\$440,000	\$0	\$0	\$440,000	\$0
	Water Service Line Admin.	\$24,500	\$0	\$0	\$24,500	\$0
	Hydrant Meter Rental Fee	\$23,000	\$0	\$0	\$23,000	\$0
	Charge for Services	\$0	\$0	\$0	\$0	\$0
	Transfer to O&M for Pipebursting Projects	\$0	\$0	\$0	\$0	\$0
	Transfers In	\$0	\$0	\$0	\$0	\$0
Total O&M-Related		\$915,200	\$0	\$0	\$915,200	\$0
		Total	Joint	All-But-Resale	Owners	Resale
Total O&M Revenue Requirement		\$14,174,019	\$11,628,861	\$2,703,661	(\$254,122)	\$95,619

Table 3.1: Summary of Projected FY24 O&M Revenue Requirements

Budget Line Item	Total	Joint	All-But-Resale	Owners	Resale
Water Production					
Chemicals	\$746,750	\$703,093	\$43,657	\$0	\$0
All Other	\$4,125,963	\$3,884,747	\$241,216	\$0	\$0
High Service Pumping	\$0	\$0	\$0	\$0	\$0
Utilities (80% to Base)	\$1,564,776	\$1,473,295	\$91,481	\$0	\$0
All Other	\$44,365	\$41,771	\$2,594	\$0	\$0
System Pumping and Storage	\$0	\$0	\$0	\$0	\$0
Utilities (80% to Base)	\$608,524	\$67,599	\$312,808	\$185,804	\$42,314
All Other	\$266,191	\$25,074	\$116,026	\$68,918	\$56,173
Distribution System	\$0	\$0	\$0	\$0	\$0
Fire Hydrants	\$629,357	\$0	\$629,357	\$0	\$0
All Other	\$2,165,769	\$707,077	\$1,032,504	\$426,189	\$0
Customer Billing and Meter	\$2,175,314	\$2,048,138	\$127,175	\$0	\$0
Admin.	\$3,214,886	\$3,026,935	\$187,952	\$0	\$0
O&M - Total	\$15,541,896	\$11,977,727	\$2,784,771	\$680,911	\$98,487
Less	Non-Rate				
O&M - Related	Revenue	Joint	All-But-Resale	Owners	Resale
Water Permits	\$65,000	\$0	\$0	\$65,000	\$0
Misc. Revenue	\$7,700	\$0	\$0	\$7,700	\$0
Collection of Bad Debt	\$3,000	\$0	\$0	\$3,000	\$0
Sale of Material/Labor	\$290,000	\$0	\$0	\$290,000	\$0
Public Water Supply	\$62,000	\$0	\$0	\$62,000	\$0
Water Service Line Repair	\$440,000	\$0	\$0	\$440,000	\$0
Water Service Line Admin.	\$24,500	\$0	\$0	\$24,500	\$0
Hydrant Meter Rental Fee	\$23,000	\$0	\$0	\$0	\$0
Charge for Services	\$0	\$0	\$0	\$0	\$0
Transfer to O&M for Pipebursting Projects	\$0	\$0	\$0	\$23,000	\$0
Transfers In	\$0	\$0	\$0	\$0	\$0
Total O&M-Related	\$915,200	\$0	\$0	\$915,200	\$0
	Total	Joint	All-But-Resale	Owners	Resale
Total O&M Revenue Requirement	\$14,626,696	\$11,977,727	\$2,784,771	(\$234,289)	\$98,487

Table 3.2: Summary of Projected FY25 O&M Revenue Requirements

Ownership		FY24 O&M	FY25 O&M
Joint			
	Owners	\$ 9,345,696	\$ 9,611,512
	Resale	\$ 1,477,153	\$ 1,541,371
	Other Non-Owners	\$ 765,497	\$ 783,188
Total Joint		\$ 11,588,345	\$ 11,936,071
All But Resale			
	Owners	\$ 2,503,231	\$ 2,579,140
	Other Non-Owners	\$ 200,429	\$ 205,630
Total All But Resale		\$ 2,703,661	\$ 2,784,771
Owners-Only		\$ (254,122)	\$ (234,289)
Resale-Only		\$ 95,619	\$ 98,487
Total		\$ 14,133,503	\$ 14,585,039
Total Resale		\$ 1,572,771	\$ 1,639,858

Table 3.3: Summary of Net O&M Revenue Requirements by Ownership

3.2 Capital Costs

Total capital-related revenue requirements were evaluated in terms of the cash-basis for the purpose of establishing the utility-basis capital requirements to be met with rate revenue. Capital costs are determined on a cash basis for owners of the system and a hybrid-utility basis for non-owners of the system. The hybrid-utility basis is determined by first taking the cash-based utility revenue requirements and then adjusting for the remaining non-owner share on a utility basis. These steps are described below.

3.2.1 Development of Cash-Basis Capital-Related Revenue Requirements

The City provided information related to existing and anticipated debt service requirements, the five-year Capital Improvement Plan (CIP), non-CIP capital outlays, and anticipated capital-related non-rate revenue for FY24. In FY24, the CIP includes \$19 million (M) in capital improvements. After accounting for reserve-funded capital, projected capital-related rate revenue requirements totaled \$16,793,612, and net capital-related revenue requirements came to \$16,638,612 after netting out capital-related non-rate revenue of \$155,000.

For FY25, the current CIP projects expenditures of \$145.6M. A large portion of this is related to the west end treatment plant and reservoir. Although these projects will be in construction beginning in FY23, for the purpose of rate-setting and establishment of the asset base in service, they have been accounted for as FY25 capital expenditures. Projected FY25 capital-related rate

revenue requirements totaled \$20,156,591, with net capital-related revenue requirements of \$20,001,591 when considering a projected capital-related non-rate revenue estimate of \$155,000. Table 3.4 summarizes the anticipated FY24 and FY25 cash-basis capital-related revenue requirements and capital-related non-rate revenues.

Line Item	Total FY24	Total FY25
Debt Service	\$ 7,179,464	\$ 10,364,302
Cash Funded CIP	\$ 8,746,068	\$ 12,730,000
Water Service Line Repair	\$ 446,325	\$ 350,000
Transfers To (from) O&M Reserve	\$ 249,089	\$ 122,223
Increase/ (Decrease) Operating Fund Balance	\$ 172,665	\$ (3,409,933)
Total Capital Revenue Requirements - Cash Basis	\$ 16,793,612	\$ 20,156,591
Less: Non-Rate Capital Revenue		
late payment interest	\$ 35,000	\$ 35,000
interest earnings	\$ 120,000	\$ 120,000
Total Non-Rate Capital -Related Revenue	\$ 155,000	\$ 155,000
Net Capital Revenue Requirements - Cash Basis	\$ 16,638,612	\$ 20,001,591

Table 3.4: Summary of Net Capital-Related Revenue Requirements – Cash Basis

3.2.2 Development of Utility-Basis Capital-Related Revenue Requirements

To fairly assign the cost of only those assets in service and utilized by non-owner user classes, the Utility-basis with cash residual methodology is utilized by the City of Billings in determining the appropriate rates to charge non-owner user classes. This methodology calculates the capital-related component of revenue requirements based on depreciation of system assets in service and a return on capital investment made by the owners of the system.

Once capital-related revenue requirements have been established, the City’s methodology then applies the utility-based approach for calculating the appropriate share of capital-related revenue requirements for users located outside of the City. The utility approach is considered a fair means to allocate the capital-related revenue requirements to non-owners of the system based on the value of the infrastructure used by the non-owner users. The utility approach is based upon the allocation of revenue requirements represented by depreciation and a rate of return on the utility’s investment. Users located within the City are then allocated the difference between the total capital-related revenue requirements established under the cash-basis methodology and the outside city allocation of the utility-based capital-related revenue requirements. This approach is consistent with past efforts and Resale contract agreements.

There are two components to the Utility-basis capital-related revenue requirements: the return on rate base as calculated by applying a rate of return percentage to the asset base or net plant in service, and the depreciation on the net plant in service. To identify the return on rate base, the total assets in service must first be identified. Once the asset base is identified, the net plant in service is calculated as the original cost less depreciation to date. The annual depreciation for the assets currently in service must also be determined. Table 3.5 summarizes the net fixed assets and depreciation for development of the FY24 utility-basis capital-related revenue requirements. The net fixed asset totals in Table 3.5 indicate that based on asset values at year-end FY22, new assets placed in service in FY23, assets that depreciated out in FY23, and assets that remained in service for FY23, the value of net plant in service for FY24 calculated as \$163.805M. Using the FY24 net asset base and the FY23 and FY24 CIP items anticipated to be placed in service by the close of FY23, the anticipated net asset base and annual depreciation for FY25 was developed and is summarized in Table 3.6.

For the FY24 and FY25 asset bases, use of the system was evaluated in terms of ownership, as was done for the evaluation of O&M revenue requirements. Tables 3.7 and 3.8 summarize the ownership allocations of net fixed asset value and depreciation for FY24 and FY25, respectively. Detailed fixed asset tables are found in Appendix A.

Fixed Asset Type	FY22 Asset Value	Annual Depreciation	FY24 Fixed Assets	FY23 Asset Additions	FY24 Net Fixed Assets
Source of Supply	\$6,761,766	\$230,214	\$6,531,551	\$0	\$6,531,551
Water Treatment/HS Pumping	\$28,785,102	\$1,902,651	\$26,882,451	\$3,199,403	\$30,081,854
Distribution Pumping	\$8,621,703	\$345,518	\$8,276,185	\$329,564	\$8,605,748
Reservoirs and Tanks	\$17,929,616	\$587,971	\$17,345,601	\$1,185,222	\$18,530,823
Transmission and Distribution	\$83,113,879	\$2,647,043	\$80,466,836	\$15,118,637	\$95,585,473
Meters and Hydrants	\$2,100,132	\$105,450	\$1,994,683	\$0	\$1,994,683
General Plant	\$2,151,928	\$319,313	\$1,832,615	\$643,000	\$2,475,615
Net	\$149,464,126	\$6,138,160	\$143,329,921	\$20,475,826	\$163,805,747

Table 3.5: Summary of FY24 Fixed Assets and Depreciation

Fixed Asset Type	Net Fixed Assets	Allocat Depr
Source of Supply	\$6,301,300	\$808,388
Water Treatment/HS Pumping	\$160,489,973	\$383,412
Distribution Pumping	\$9,849,875	\$2,836,266
Reservoirs and Tanks	\$28,395,209	\$1,692,596
Transmission and Distribution	\$114,384,547	\$667,500
Meters and Hydrants	\$1,889,200	\$146,687
General Plant	\$3,247,450	\$589,761
Net	\$324,557,554	\$7,124,611

Table 3.6: Summary of FY25 Fixed Assets and Depreciation

Ownership	Net Fixed Asset	Depreciation
Joint		
Owners	\$128,016,243	\$4,921,993
Resale	13,108,944	661,910
Other Non-Owners	<u>13,136,314</u>	<u>505,303</u>
Subtotal Joint	\$154,261,502	\$6,089,206
Owners-Only	\$36,510,829	\$986,238
Resale-Only	<u>\$1,068,859</u>	<u>\$49,167</u>
Total	\$191,841,190	\$7,124,611
Owner Subtotal	\$164,527,073	\$5,908,231
Non-Owner Subtotal (including Resa	\$27,314,117	\$1,216,380
Resale Subtotal	\$14,177,803	\$711,077

Table 3.7: FY24 Utility-Basis Capital-Related Revenue Requirements Based on Ownership

Ownership	Net Fixed Asset	Depreciation
Joint		
Owners	\$225,569,901	\$6,657,836
Resale	36,111,563	1,066,714
Other Non-Owners	<u>23,580,301</u>	<u>689,419</u>
Subtotal Joint	\$285,261,766	\$8,413,969
Owners-Only	\$38,276,109	\$1,051,575
Resale-Only	<u>\$1,019,680</u>	<u>\$49,167</u>
Total	\$324,557,554	\$9,514,711
Owner Subtotal	\$263,846,010	\$7,709,412
Non-Owner Subtotal (including Resale)	\$60,711,545	\$1,805,300
Resale Subtotal	\$37,131,243	\$1,115,881

Table 3.8: FY25 Utility-Basis Capital-Related Revenue Requirements Based on Ownership

Per the Memorandum of Understanding between the City and its Resale customer, the rate of return is based on the WACC, calculated using the City's current effective interest rate on outstanding debt and a return on equity equal to the average 30-year treasury rate plus 300 basis points for the most recent twelve-month period ending June 30th. Based on this formula, with an average 30-year treasury rate of 3.14 percent, the calculated rate of return on equity was 6.14 percent. For FY24 the effective interest rate on water debt for the City is estimated at 2.95 percent, resulting in a FY24 WACC of 5.91 percent. Table 3.9 summarizes the WACC calculation. The average 30-year treasury rate used for FY24 was also used for FY25. Based on a projected effective interest rate on water debt of 3.85 percent, the FY25 weighted cost of capital was projected to be 5.33 percent. This is an increase from recent years and is a direct reflection of the recent interest rate environment.

Debt/Equity	FY2024	FY2025
Total Outstanding Debt	\$20,349,399	\$114,576,957
Interest on Outstanding Debt	\$600,258	\$4,407,022
Effective Interest Rate on Outstanding Debt	2.95%	3.85%
Total Fund Equity	\$268,491,791	\$209,980,597
Rate of Return on Equity	6.14%	6.14%
Total Equity and Debt	\$288,841,190	\$324,557,554
Weighted Cost of Capital	5.92%	5.33%

Table 3.9: Weighted Average Cost of Capital (WACC) Calculation

Table 3.10 shows the calculated return on rate base using Non-Owner rates of return of 5.92 percent and 5.33 percent in FY24 and FY25, respectively. Although the rate of return for Non-Owners decreases from FY24 to FY25, the substantial increase in the rate base as new infrastructure comes online results in an overall increase of 80 percent in net utility basis capital-related costs allocable to Non-Owners. Total capital revenue requirements under the utility method are equal to the capital-related revenue requirements under the cash basis and are based on actual capital revenue requirements for each year.

Line Item	FY2024	FY2025
Utility Basis Capital Costs for Non-Owners		
Return on Rate Base		
Rate Base		
Net Plant in Service	\$26,647,441	\$59,510,270
Allowance for Working Capital	\$316,091	\$327,299
Total Rate Base	\$26,963,531	\$59,837,570
Rate of Return	5.92%	5.33%
Total Rate of Return on Rate Base	\$1,594,958	\$3,189,511
Depreciation Less Amortization Expense	\$1,190,760	\$1,770,188
Net Utility Basis Capital Costs	\$2,785,718	\$4,959,698
Utility Basis Capital Costs for Owners		
Return on Rate Base		
Rate Base		
Net Plant in Service	\$164,527,073	\$263,846,010
Allowance for Working Capital	\$1,449,351	\$1,494,545
Total Rate Base	\$165,976,423	\$265,340,555
Rate of Return	4.74%	2.72%
Return on Rate Base	\$7,869,162	\$7,220,411
Depreciation Less Amortization Expense	\$5,908,231	\$7,709,412
Net Utility Basis Capital Costs	\$13,777,393	\$14,929,823
Total Utility Basis Capital Revenue Requirement	\$16,563,111	\$19,889,521

Table 3.10: Utility-Basis Capital Revenue Requirements – FY24 and FY25

The system owners are allocated the balance of the capital revenue requirements not allocated to the non-owners. This translates to a rate of return for Owners equal to 4.74 percent in FY24 and 2.72 percent in FY25. Because the return percentage is calculated based on the total rate base, the percentage decreases from FY24 to FY25 due to the \$81M increase in Owner rate base.

3.3 Total Revenue Requirements

Tables 3.11 and 3.12 summarize the total revenue requirements for FY24 and FY25, respectively, under both the Cash-Basis and Utility-Basis methodologies. Table 3.13 summarizes the total revenue requirements by ownership for both FY24 and FY25.

2024	Operating Costs	Capital Costs	Total
Cash-Basis Revenue Requirements			
O&M Expense	\$15,089,219	\$0	\$15,089,219
Debt Service Requirements		7,179,464	7,179,464
Cash Financing of Construction		8,746,068	8,746,068
Water Line Service Repair		446,325	446,325
Operating Reserve		249,089	249,089
Total	\$15,089,219	\$16,620,946	\$31,710,165
Revenue Requirements Met From Other Sources			
Other Operating Revenue	\$915,200	\$0	\$915,200
Interest Income		155,000	155,000
Change in Funds Available		(172,665)	(172,665)
Total	\$915,200	(\$17,665)	\$897,535
Net Costs to be Met From Charge:	\$14,174,019	\$16,638,612	\$30,812,631
Restatement of Net Costs - Utility-Basis Revenue Requirements			
O&M Expenses	\$14,174,019	\$0	\$14,174,019
Capital Costs			
Depreciation		7,124,611	7,124,611
Return on Rate Base		9,514,000	9,514,000
Total	\$14,174,019	\$16,638,612	\$30,812,631

Table 3.11: Summary of Total Projected FY24 Net Revenue Requirements

2025	Operating Costs	Capital Costs	Total
Cash-Basis Revenue Requirements			
O&M Expense	\$15,541,896	\$0	\$15,541,896
Debt Service Requirements		10,364,302	10,364,302
Cash Financing of Construction		12,730,000	12,730,000
Water Line Service Repair		350,000	350,000
Operating Reserve		122,223	122,223
Total	\$15,541,896	\$23,566,524	\$39,108,420
Revenue Requirements Met From Other Sources			
Other Operating Revenue	\$915,200	\$0	\$915,200
Interest Income		155,000	155,000
Change in Funds Available		3,409,933	3,409,933
Total	\$915,200	\$3,564,933	\$4,480,133
Net Costs to be Met From Charges (Rates)	\$14,626,696	\$20,001,591	\$34,628,287
Restatement of Net Costs - Utility-Basis Revenue Requirements			
O&M Expenses	\$14,626,696	\$0	\$14,626,696
Capital Costs			
Depreciation		9,514,711	9,514,711
Return on Rate Base		10,486,880	10,486,880
Total	\$14,626,696	\$20,001,591	\$34,628,287

Table 3.12: Summary of Total Projected FY25 Net Revenue Requirements

Ownership	O&M	Capital	Total
FY2024			
Owner	\$11,594,806	\$13,777,393	\$25,372,199
Non-Owners	\$2,579,213	\$2,861,219	\$5,440,432
Total	\$14,174,019	\$16,638,612	\$30,812,631
Ownership	O&M	Capital	Total
FY2025			
Owner	\$11,956,363.1	\$14,929,823	\$26,886,186
Non-Owners	\$2,670,332.5	\$5,071,768	\$7,742,101
Total	\$14,626,696	\$20,001,591	\$34,628,287

Table 3.13: Summary of Total Projected FY24 and FY25 Net Revenue Requirements by Ownership

4.0 Cost of Service Analysis

The following sub-sections summarize the cost of service assumptions and results. Detailed tables summarizing the costs by ownership, cost type, and cost allocation to the user classes are found in Appendix B.

4.1 Methodology

Following the establishment of total O&M and capital revenue requirements by customer group (joint, all-but-resale, owner, or resale), the revenue requirements were then taken through a series of steps to result in allocation to each user class. In the first step, revenue requirements were functionalized according to customer group. As noted in Section 1.0, Joint costs were allocated to all user classes, All-But-Resale were allocated to all owner user classes and non-owner user classes except for the Resale class, Owner costs were allocated only to Owner user classes, and Resale costs were allocated only to the Resale user class. In the second step, costs were classified as to how the cost is related to usage characteristics – Customer, Meter, Base, Max Day, or Peak Day applicability. Finally, in the third step, costs were allocated to the user classes based on the system usage characteristics of each class. For the allocation of customer costs, the percentage of meters or accounts determined the allocation percentage. For meter costs, the percentage of total equivalent meters in terms of 3/4-inch meter equivalents was used. For base capacity, average day billed water use determines the allocation percentage, and for peak/max day and peak/max hour allocations were calculated using the average day billed water use and the peaking factors from Table 2.6. The following subsections describe the Functionalization, Classification, and Allocation steps for the O&M and Capital-Related revenue requirements.

4.2 O&M Cost Allocations

Table 3.3 presented the O&M revenue requirements by ownership. To arrive at the final O&M cost allocation to each user class, the costs by ownership were also classified to the appropriate fixed or variable component based on the way the cost is related to user characteristics such as meter numbers and flow. Table 4.1 presents the functionalization percentages for each line item O&M revenue requirement by ownership. The same values were applied for both FY24 and FY25. Table 4.2 shows the classification of each line item. Per the agreement with the County Water District of Billings Heights, the amount of cost eligible for joint allocation to all users is adjusted based on the rolling three-year average percentage of actual expenditures over budgeted expenditures. For FY24 this value was 94.2 percent. The following bullets briefly summarize the assumptions behind the O&M functionalization percentages in Table 4.1.

- Water Production and High Service Pumping costs: Allocated to all users. Adjusted by 94.2 percent to account for agreement with Resale customer.

- System Pumping and Storage: Allocated based on value of asset base utilization of system components. Assumed Resale customer uses 75 percent of the Walter Pump Station, with the rest allocated to the Owner user class. The Joint allocation percentage assumes that the Resale customer benefits from the Willet and Leavens Reservoirs due to their role in serving Zone 1, and the Fox Reservoir due to its interconnect that allows for emergency service to the Resale customer. All-But-Resale allocation is based on the determination that Non-Owner users (other than Resale) benefit from infrastructure in Pressure Zones 1, 2, and 4.
- System Pumping and Storage: A portion of fixed Water Treatment Plant division costs were allocated directly to the Resale customer to account for reservoir management as described in Section 3.1.
- Allocation of Fire Hydrants based on information indicating the presence of public hydrants served outside of City limits.
- Allocation of all other Distribution (maintenance of pipelines) based on agreement that Resale customer can be charged for transmission greater than 12" and that Non-Owner customers (other than Resale) utilize the transmission system. In addition, it was assumed that Non-Owner customers (other than Resale) utilize 60 percent of the distribution system to receive water at their connection points based on the estimated miles of pipe in Pressure Zones 1, 2, and 4.
- Customer Billing and Meter: Allocated to all users. Adjusted by 94.2 percent to account for agreement with Resale customer.
- Administrative: Allocated to all users. Adjusted by 94.2 percent to account for agreement with Resale customer.

As shown in Table 4.2, the costs were classified as Base, Max Day, Max Hour, Customer, Meter, or Direct Fire. The revenue requirements comprising the Customer and Meter classified costs result in the calculation of the fixed meter charges, and those allocated to the Base, Max Day, and Max Hour components comprise the charges that derive the volumetric rates. The revenue requirements identified as Direct Fire costs are associated with the fixed fire protection charges.

The following bullets briefly summarize the assumptions behind the O&M classification percentages in Table 4.2.

- Water Production – Chemicals: This expense varies directly with water usage and is assigned as a 100 percent Base cost.
- Water Production – All Other, High Service Pumping – All Other, and System Pumping and Storage – All Other: These expenses are associated with meeting maximum day demands as well as average day usage are split between Base (average day) and Extra Capacity – Peak Day based on the system max day/average day design parameter of 2.2.

Item	Joint	All-But-Resale	Owners	Resale	Total
Water Production					
Chemicals	94.2%	5.8%	0.0%	0.0%	100.0%
All Other	94.2%	5.8%	0.0%	0.0%	100.0%
High Service Pumping					
Utilities (80% to Base)	94.2%	5.8%	0.0%	0.0%	100.0%
All Other	94.2%	5.8%	0.0%	0.0%	100.0%
System Pumping and Storage					
Utilities (80% to Base)	11.1%	51.4%	30.5%	7.0%	100.0%
All Other	9.4%	43.6%	25.9%	21.1%	100.0%
Distribution System					
Fire Hydrants	0.0%	100.0%	0.0%	0.0%	100.0%
All Other	32.6%	47.7%	19.7%	0.0%	100.0%
Customer Billing and Meter	94.2%	5.8%	0.0%	0.0%	100.0%
Administrative	94.2%	5.8%	0.0%	0.0%	100.0%
Total O&M-Related Non-Rate Revenues					
3121 Street Sprinkling	0.0%	0.0%	100.0%	0.0%	100.0%
3122 Sewer Flushing	0.0%	0.0%	100.0%	0.0%	100.0%
Water Permits	0.0%	0.0%	100.0%	0.0%	100.0%
Misc. Revenue	0.0%	0.0%	100.0%	0.0%	100.0%
Collection of Bad Debt	0.0%	0.0%	100.0%	0.0%	100.0%
Sale of Material/Labor	0.0%	0.0%	100.0%	0.0%	100.0%
Public Water Supply	0.0%	0.0%	100.0%	0.0%	100.0%
Water Service Line Repair	0.0%	0.0%	100.0%	0.0%	100.0%
Water Service Line Admin.	0.0%	0.0%	100.0%	0.0%	100.0%
Unused	0.0%	0.0%	100.0%	0.0%	100.0%
Late Payment Interest	0.0%	0.0%	100.0%	0.0%	100.0%
Hydrant Meter Rental Fee	0.0%	0.0%	100.0%	0.0%	100.0%
Charge for Services	0.0%	0.0%	100.0%	0.0%	100.0%
Transfer to O&M for Pipebursting Projects	32.6%	47.7%	19.7%	0.0%	100.0%
Interest Earnings - Operating Fund (502 & 505)	0.0%	0.0%	100.0%	0.0%	100.0%
Transfers In	0.0%	0.0%	100.0%	0.0%	100.0%

Table 4.1: Functionalization of FY24 and FY25 O&M Revenue Requirements by Ownership

- High Service Pumping – Utilities, and System Pumping and Storage – Utilities: These expenses are classified as 80 percent Base and 20 percent Extra Capacity – Peak Day based on a review of 2013 – 2022 daily pumping data.
- Distribution System – All Other: These are costs that are driven by peak hour, as well as peak day, and are therefore classified based on system parameters for meeting peak day and peak hour requirements, with the remainder classified as average day costs.

Item	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire	Total
Water Production							
Chemicals	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
All Other	45.5%	54.5%	0.0%	0.0%	0.0%	0.0%	100.0%
High Service Pumping							
Utilities (80% to Base)	80.0%	20.0%	0.0%	0.0%	0.0%	0.0%	100.0%
All Other	45.5%	54.5%	0.0%	0.0%	0.0%	0.0%	100.0%
System Pumping and Storage							
Utilities (80% to Base)	80.0%	20.0%	0.0%	0.0%	0.0%	0.0%	100.0%
All Other	45.5%	54.5%	0.0%	0.0%	0.0%	0.0%	100.0%
Distribution System							
Fire Hydrants	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
All Other	29.4%	35.3%	35.3%	0.0%	0.0%	0.0%	100.0%
Customer Billing and Meter	0.0%	0.0%	0.0%	40.6%	59.4%	0.0%	100.0%
Administrative	28.2%	33.9%	8.1%	9.4%	13.7%	6.7%	100.0%
Total O&M-Related Non-Rate Revenues							
Water Permits	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Misc. Revenue	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Collection of Bad Debt	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Sale of Material/Labor	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Public Water Supply	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Water Service Line Repair	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Water Service Line Admin.	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Late Payment Interest	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Hydrant Meter Rental Fee	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Charge for Services	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Transfer to O&M for Pipebursting Projects	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Interest Earnings - Operating Fund (502 & 505)	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%
Transfers In	41.7%	29.4%	6.2%	7.2%	10.5%	5.1%	100.0%

Table 4.2: Classification of FY24 and FY25 O&M Revenue Requirements

Tables 4.3 and 4.4, respectively, summarize the O&M revenue requirements by classification for FY24 and the allocated O&M revenue requirements to each user class for FY24. Similarly, Tables 4.5 and 4.6 present the O&M revenue requirements by classification and the allocated O&M revenue requirements to each user class for FY25, respectively. Detailed allocation tables are found in Appendix B.

Item	Total	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$ 725,000	\$ 725,000	\$ -	\$ -	\$ -	\$ -	\$ -
All Other	\$ 4,005,789	\$ 1,820,813	\$ 2,184,976	\$ -	\$ -	\$ -	\$ -
High Service Pumping							
Utilities (80% to Base)	\$ 1,519,200	\$ 1,215,360	\$ 303,840	\$ -	\$ -	\$ -	\$ -
All Other	\$ 43,073	\$ 19,579	\$ 23,494	\$ -	\$ -	\$ -	\$ -
System Pumping and Storage							
Utilities (80% to Base)	\$ 590,800	\$ 472,640	\$ 118,160	\$ -	\$ -	\$ -	\$ -
All Other	\$ 258,438	\$ 117,472	\$ 140,966	\$ -	\$ -	\$ -	\$ -
Distribution System							
Fire Hydrants	\$ 611,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 611,026
All Other	\$ 2,102,689	\$ 618,438	\$ 742,125	\$ 742,125	\$ -	\$ -	\$ -
Customer Billing and Meter	\$ 2,111,955	\$ -	\$ -	\$ -	\$ 857,454	\$ 1,254,501	\$ -
Administrative	\$ 3,121,249	\$ 880,467	\$ 1,056,560	\$ 253,626	\$ 293,040	\$ 428,734	\$ 208,822
Total O&M Allocations	\$ 15,089,219	\$ 5,869,768	\$4,570,122	\$ 995,751	\$1,150,494	\$1,683,235	\$ 819,848
3121 Street Sprinkling	\$ 1,700	\$ 709	\$ 499	\$ 105	\$ 122	\$ 178	\$ 87
3122 Sewer Flushing	\$ 6,000	\$ 2,501	\$ 1,761	\$ 372	\$ 430	\$ 629	\$ 306
Water Permits	\$ 65,000	\$ 27,098	\$ 19,083	\$ 4,031	\$ 4,657	\$ 6,813	\$ 3,319
Misc. Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection of Bad Debt	\$ 3,000	\$ 1,251	\$ 881	\$ 186	\$ 215	\$ 314	\$ 153
Sale of Material/Labor	\$ 290,000	\$ 120,897	\$ 85,138	\$ 17,983	\$ 20,777	\$ 30,398	\$ 14,806
Public Water Supply	\$ 62,000	\$ 25,847	\$ 18,202	\$ 3,845	\$ 4,442	\$ 6,499	\$ 3,165
Water Service Line Repair	\$ 440,000	\$ 183,431	\$ 129,175	\$ 27,284	\$ 31,524	\$ 46,121	\$ 22,464
Water Service Line Admin.	\$ 24,500	\$ 10,214	\$ 7,193	\$ 1,519	\$ 1,755	\$ 2,568	\$ 1,251
Hydrant Meter Rental Fee	\$ 23,000	\$ 9,588	\$ 6,752	\$ 1,426	\$ 1,648	\$ 2,411	\$ 1,174
Charge for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenue Requirements	\$ 14,174,019	\$ 5,488,233	\$4,301,437	\$ 939,000	\$1,084,924	\$1,587,302	\$ 773,123

Table 4.3: Classified FY24 O&M Revenue Requirements

Customer Class	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire	Total
Owners							
Residential	\$ 2,288,094	\$ 2,009,978	\$ 215,112	\$ 961,798	\$ 1,266,369	\$ -	\$ 6,741,351
Multi-Family Residential	\$ 515,752	\$ 113,266	\$ 90,049	\$ 30,164	\$ 94,811	\$ -	\$ 844,041
Commercial	\$ 803,080	\$ 220,458	\$ 80,894	\$ 72,560	\$ 183,542	\$ -	\$ 1,360,534
Industrial	\$ 16,549	\$ 4,543	\$ 556	\$ 70	\$ 1,326	\$ -	\$ 23,044
Seasonal	\$ 340,396	\$ 467,220	\$ 57,146	\$ 7,541	\$ 17,135	\$ -	\$ 889,438
Public Fire Protection	\$ -	\$ 508,412	\$ 348,610	\$ -	\$ -	\$ 678,497	\$ 1,535,518
Private Fire Protection	\$ -	\$ 66,511	\$ 45,606	\$ -	\$ -	\$ 88,762	\$ 200,879
Non-Owners							
Residential	\$ 19,475	\$ 16,995	\$ 1,601	\$ 9,698	\$ 12,777	\$ -	\$ 60,547
Commercial	\$ 640,233	\$ 174,601	\$ 56,407	\$ 2,876	\$ 8,687	\$ -	\$ 882,804
Commercial Resale	\$ 36,521	\$ 9,561	\$ 3,261	\$ 148	\$ 998	\$ -	\$ 50,489
Resale	\$ 828,133	\$ 705,690	\$ 37,222	\$ 69	\$ 1,656	\$ -	\$ 1,572,771
Private Fire Protection	\$ -	\$ 4,202	\$ 2,537	\$ -	\$ -	\$ 5,863	\$ 12,603
Total O&M Revenue Requirements	\$ 5,488,233	\$ 4,301,437	\$ 939,000	\$1,084,924	\$1,587,302	\$ 773,123	\$ 14,174,019

Table 4.4: Projected FY24 O&M Revenue Requirements by Customer Classes

Item	Total	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$ 746,750	\$ 746,750	\$ -	\$ -	\$ -	\$ -	\$ -
All Other	\$ 4,125,963	\$ 1,875,438	\$ 2,250,525	\$ -	\$ -	\$ -	\$ -
High Service Pumping							
Utilities (80% to Base)	\$ 1,564,776	\$ 1,251,821	\$ 312,955	\$ -	\$ -	\$ -	\$ -
All Other	\$ 44,365	\$ 20,166	\$ 24,199	\$ -	\$ -	\$ -	\$ -
System Pumping and Storage							
Utilities (80% to Base)	\$ 608,524	\$ 486,819	\$ 121,705	\$ -	\$ -	\$ -	\$ -
All Other	\$ 266,191	\$ 120,996	\$ 145,195	\$ -	\$ -	\$ -	\$ -
Distribution System							
Fire Hydrants	\$ 629,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 629,357
All Other	\$ 2,165,769	\$ 636,991	\$ 764,389	\$ 764,389	\$ -	\$ -	\$ -
Customer Billing and Meter	\$ 2,175,314	\$ -	\$ -	\$ -	\$ 883,177	\$ 1,292,136	\$ -
Administrative	\$ 3,214,886	\$ 906,881	\$ 1,088,257	\$ 261,235	\$ 301,831	\$ 441,596	\$ 215,087
Total Allocations	\$ 15,541,896	\$ 6,045,862	\$ 4,707,226	\$ 1,025,624	\$ 1,185,009	\$ 1,733,732	\$ 844,444
3121 Street Sprinkling	\$ 1,700	\$ 709	\$ 499	\$ 105	\$ 122	\$ 178	\$ 87
3122 Sewer Flushing	\$ 6,000	\$ 2,501	\$ 1,761	\$ 372	\$ 430	\$ 629	\$ 306
Water Permits	\$ 65,000	\$ 27,098	\$ 19,083	\$ 4,031	\$ 4,657	\$ 6,813	\$ 3,319
Misc. Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection of Bad Debt	\$ 3,000	\$ 1,251	\$ 881	\$ 186	\$ 215	\$ 314	\$ 153
Sale of Material/Labor	\$ 290,000	\$ 120,897	\$ 85,138	\$ 17,983	\$ 20,777	\$ 30,398	\$ 14,806
Public Water Supply	\$ 62,000	\$ 25,847	\$ 18,202	\$ 3,845	\$ 4,442	\$ 6,499	\$ 3,165
Water Service Line Repair	\$ 440,000	\$ 183,431	\$ 129,175	\$ 27,284	\$ 31,524	\$ 46,121	\$ 22,464
Water Service Line Admin.	\$ 24,500	\$ 10,214	\$ 7,193	\$ 1,519	\$ 1,755	\$ 2,568	\$ 1,251
Late Payment Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hydrant Meter Rental Fee	\$ 23,000	\$ 9,588	\$ 6,752	\$ 1,426	\$ 1,648	\$ 2,411	\$ 1,174
Charge for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Requirements	\$ 14,626,696	\$ 5,664,326	\$ 4,438,541	\$ 968,873	\$ 1,119,439	\$ 1,637,799	\$ 797,718

Table 4.5: Classified FY25 O&M Revenue Requirements

Customer Class	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire	Total
Owners							
Residential	\$ 2,359,958	\$ 2,072,266	\$ 222,414	\$ 992,537	\$ 1,307,350	\$ -	\$ 6,954,525
Multi-Family Residential	\$ 531,951	\$ 116,776	\$ 93,105	\$ 31,115	\$ 97,619	\$ -	\$ 870,566
Commercial	\$ 828,303	\$ 227,290	\$ 83,639	\$ 74,861	\$ 189,135	\$ -	\$ 1,403,229
Industrial	\$ 16,984	\$ 4,661	\$ 572	\$ 71	\$ 1,362	\$ -	\$ 23,650
Seasonal	\$ 351,087	\$ 481,699	\$ 59,086	\$ 7,743	\$ 17,602	\$ -	\$ 917,216
Public Fire Protection	\$ -	\$ 521,599	\$ 358,677	\$ -	\$ -	\$ 700,148	\$ 1,580,423
Private Fire Protection	\$ -	\$ 68,236	\$ 46,923	\$ -	\$ -	\$ 91,595	\$ 206,754
Non-Owners							
Residential	\$ 19,931	\$ 17,395	\$ 1,644	\$ 9,941	\$ 13,101	\$ -	\$ 62,012
Commercial	\$ 655,236	\$ 178,708	\$ 57,914	\$ 2,948	\$ 8,908	\$ -	\$ 903,715
Commercial Resale	\$ 37,564	\$ 9,835	\$ 3,364	\$ 151	\$ 1,024	\$ -	\$ 51,938
Resale	\$ 863,312	\$ 735,820	\$ 38,957	\$ 71	\$ 1,698	\$ -	\$ 1,639,858
Private Fire Protection	\$ -	\$ 4,256	\$ 2,577	\$ -	\$ -	\$ 5,976	\$ 12,809
Total O&M Revenue Requirements	\$ 5,664,326	\$ 4,438,541	\$ 968,873	\$ 1,119,439	\$ 1,637,799	\$ 797,718	\$ 14,626,696

Table 4.6: Projected FY25 O&M Revenue Requirements by Customer Classes

4.3 Fixed Asset Allocations

Table 3.5 presented the fixed assets by asset type and Tables 3.7 and 3.8 summarized total fixed assets by ownership for FY24 and FY25, respectively. Tables 4.7 and 4.8, respectively, summarize the functionalized FY24 and FY25 fixed assets by ownership and asset type, excluding contributed assets. Functionalization of fixed assets and depreciation costs, addressed later in this Section, was similar to that described for the corresponding O&M cost categories. The following bullets summarize specific assumptions behind the capital functionalization.

- Source of Supply, Water Treatment, High Service Pumping, General Plant, Meter and Service Connection facilities were functionalized as Joint costs.
- Distribution System Pump Station facilities serving Pressure Zones 1, 2, and 4 were functionalized to All-But-Resale. Based on an evaluation of the capital cost associated with the Walter Pump Station as completed by the design engineer for the facility, 40 percent of the Walter Pump Station was functionalized to the Resale class and the remainder was functionalized as an Owner cost, consistent with the previous analyses.
- Reservoirs and Tanks serving the Resale customer (Fox, Leavens, and Willet) were functionalized as Joint costs. The remaining facilities that support pressure zones 1, 2, and 4 were functionalized as All-But-Resale costs, and the remaining facilities were functionalized to Owner classes.
- Transmission pipelines greater than 12 inches in diameter were functionalized as Joint costs and transmission pipelines equal to 12 inches were functionalized as All-But-Resale due to the connection of outside users. Based on a review of miles of pipe within Pressure Zones 1, 2, and 4, 60 percent of distribution lines were allocated as All-But-Resale.
- Hydrants and Hydrant mains were functionalized as All-But-Resale.

Tables 4.9 and 4.10, respectively, summarize fixed assets by classification for FY24 and FY25. Classification of the functionalized fixed asset and depreciation costs is like the approach taken for classification of O&M costs. The following bullets summarize the key assumptions for capital classification.

- Source of Supply, Water Treatment, and High Service Pumping components were primarily classified based on peak day and average day parameters. Exceptions to this include the intake and the water treatment plant site/landscaping, which were classified as an average day cost associated with providing a baseline level of service.
- Distribution Pump stations were classified based on peak day and average day parameters, and booster stations were assumed to include a peak hour component as well as peak day and average day.
- Storage Reservoirs and Tanks and Transmission/Distribution components were classified based on peak hour, peak day, and average day.
- Meters and Service Connections were classified as customer costs.

- Hydrants and Hydrant Mains were classified to the Direct Fire classification.
- General Plant components were classified to peak hour, peak day, and average day based on the composite classification of all other direct capital.

Table 4.11 and 4.12 present the allocated fixed assets to each user class for FY24 and FY25, respectively. Detailed tables are found in Appendix B.

Fixed Asset Type	Joint	All But Resale	Owners	Resale	Total
Source of Supply	\$ 6,531,551	\$ -	\$ -	\$ -	\$ 6,531,551
Water Treatment/HS Pumping	\$ 35,737,821	\$ -	\$ -	\$ -	\$ 35,737,821
Distribution Pumping	\$ 1,680,894	\$ 3,607,748	\$ 3,871,020	\$ 1,068,859	\$ 10,228,522
Reservoirs and Tanks	\$ 3,533,037	\$ 13,019,455	\$ 5,958,144	\$ -	\$ 22,510,636
Transmission and Distribution	\$ 33,144,292	\$ 53,179,406	\$ 25,174,965	\$ -	\$ 111,498,663
Meters and Hydrants	\$ 32,343	\$ 1,962,340	\$ -	\$ -	\$ 1,994,683
General Plant	\$ 1,832,615	\$ -	\$ 1,506,700	\$ -	\$ 3,339,315
Total	\$ 82,492,553	\$ 71,768,948	\$ 36,510,829	\$ 1,068,859	\$ 191,841,190

Table 4.7: Functionalization of FY24 Fixed Assets to Ownership Category by Asset Type

Fixed Asset Type	Joint	All But Resale	Owners	Resale	Total
Source of Supply	\$ 6,301,300	\$ -	\$ -	\$ -	\$ 6,301,300
Water Treatment/HS	\$ 160,489,973	\$ -	\$ -	\$ -	\$ 160,489,973
Distribution Pumping	\$ 1,650,875	\$ 3,425,800	\$ 3,753,520	\$ 1,019,680	\$ 9,849,875
Reservoirs and Tanks	\$ 9,907,904	\$ 12,679,305	\$ 5,808,000	\$ -	\$ 28,395,209
Transmission and Distribution	\$ 31,843,000	\$ 55,539,408	\$ 27,002,139	\$ -	\$ 114,384,547
Meters and Hydrants	\$ 25,500	\$ 1,863,700	\$ -	\$ -	\$ 1,889,200
General Plant	\$ 1,535,000	\$ -	\$ 1,712,450	\$ -	\$ 3,247,450
Total	\$ 211,753,552	\$ 73,508,213	\$ 38,276,109	\$ 1,019,680	\$ 324,557,554

Table 4.8: Functionalization of FY25 Fixed Assets to Ownership Category by Asset Type

Fixed Asset Type	Base	Max Day	Max Hour	Meter	Direct Fire	Total
Source of Supply	\$ 5,690,561	\$ 840,990	\$ -	\$ -	\$ -	\$ 6,531,551
Water Treatment/HS Pumping	\$ 16,317,415	\$ 19,413,347	\$ 6,773	\$ 5	\$ 281	\$ 35,737,821
Distribution Pumping	\$ 4,648,329	\$ 5,577,994	\$ 2,199	\$ -	\$ -	\$ 10,228,522
Reservoirs and Tanks	\$ 6,620,775	\$ 7,944,930	\$ 7,944,930	\$ -	\$ -	\$ 22,510,636
Transmission and Distribution	\$ 32,793,724	\$ 39,352,469	\$ 39,352,469	\$ -	\$ -	\$ 111,498,663
Meters and Hydrants	\$ -	\$ -	\$ -	\$ 32,343	\$ 1,962,340	\$ 1,994,683
General Plant	\$ 1,211,700	\$ 1,270,853	\$ 822,093	\$ 562	\$ 34,107	\$ 3,339,315
Total	\$ 67,282,505	\$ 74,400,584	\$ 48,128,464	\$ 32,910	\$ 1,996,727	\$ 191,841,190

Table 4.9: Classification of FY24 Fixed Assets by Asset Type

Fixed Asset Type	Base	Max Day	Max Hour	Meter	Direct Fire	Total
Source of Supply	\$ 5,512,027	\$ 789,273	\$ -	\$ -	\$ -	\$ 6,301,300
Water Treatment/HS Pumping	\$ 73,012,704	\$ 87,471,334	\$ 5,695	\$ 4	\$ 236	\$ 160,489,973
Distribution Pumping	\$ 4,476,221	\$ 5,371,466	\$ 2,188	\$ -	\$ -	\$ 9,849,875
Reservoirs and Tanks	\$ 8,351,532	\$ 10,021,838	\$ 10,021,838	\$ -	\$ -	\$ 28,395,209
Transmission and Distribution	\$ 33,642,514	\$ 40,371,017	\$ 40,371,017	\$ -	\$ -	\$ 114,384,547
Meters and Hydrants	\$ -	\$ -	\$ -	\$ 25,500	\$ 1,863,700	\$ 1,889,200
General Plant	\$ 1,178,876	\$ 1,235,587	\$ 799,280	\$ 547	\$ 33,160	\$ 3,247,450
Total	\$ 126,173,874	\$ 145,260,515	\$ 51,200,018	\$ 26,050	\$ 1,897,096	\$ 324,557,554

Table 4.10: Classification of FY25 Fixed Assets by Asset Type

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Residential	\$ 31,077,473	\$ 38,171,791	\$ 11,368,585	\$ -	\$ 26,280	\$ -	\$ 80,644,129
Multi-Family Residential	\$ 7,005,075	\$ 2,151,046	\$ 4,759,034	\$ -	\$ 1,968	\$ -	\$ 13,917,122
Commercial	\$ 10,907,640	\$ 4,186,756	\$ 4,275,183	\$ -	\$ 3,809	\$ -	\$ 19,373,388
Industrial	\$ 224,779	\$ 86,279	\$ 29,367	\$ -	\$ 28	\$ -	\$ 340,452
Seasonal	\$ 4,623,339	\$ 8,873,044	\$ 3,020,150	\$ -	\$ 356	\$ -	\$ 16,516,889
Public Fire Protection	\$ -	\$ 9,655,320	\$ 18,423,846	\$ -	\$ -	\$ 1,753,203	\$ 29,832,369
Private Fire Protection	\$ -	\$ 1,263,126	\$ 2,410,240	\$ -	\$ -	\$ 229,357	\$ 3,902,723
Non-Owners							
Residential	\$ 203,902	\$ 250,464	\$ 70,415	\$ -	\$ 248	\$ -	\$ 525,029
Commercial	\$ 6,703,347	\$ 2,573,161	\$ 2,480,277	\$ -	\$ 169	\$ -	\$ 11,756,953
Commercial Resale	\$ 382,379	\$ 140,910	\$ 143,369	\$ -	\$ 19	\$ -	\$ 666,677
Resale	\$ 6,154,571	\$ 6,986,754	\$ 1,036,444	\$ -	\$ 34	\$ -	\$ 14,177,803
Private Fire Protection	\$ -	\$ 61,933	\$ 111,555	\$ -	\$ -	\$ 14,168	\$ 187,655
Total	\$ 67,282,505	\$ 74,400,584	\$ 48,128,464		\$ 32,910	\$ 1,996,727	\$ 191,841,190

Table 4.11: Allocation of FY24 Fixed Assets to Customer Classes

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Residential	\$ 55,354,823	\$ 70,611,942	\$ 12,102,211	\$ -	\$ 20,814	\$ -	\$ 138,089,790
Multi-Family Residential	\$ 12,477,355	\$ 3,979,104	\$ 5,066,139	\$ -	\$ 1,554	\$ -	\$ 21,524,152
Commercial	\$ 19,428,558	\$ 7,744,855	\$ 4,551,065	\$ -	\$ 3,011	\$ -	\$ 31,727,489
Industrial	\$ 398,382	\$ 158,808	\$ 31,106	\$ -	\$ 22	\$ -	\$ 588,318
Seasonal	\$ 8,235,037	\$ 16,413,767	\$ 3,215,043	\$ -	\$ 280	\$ -	\$ 27,864,126
Public Fire Protection	\$ -	\$ 17,773,340	\$ 19,516,654	\$ -	\$ -	\$ 1,665,866	\$ 38,955,860
Private Fire Protection	\$ -	\$ 2,325,140	\$ 2,553,203	\$ -	\$ -	\$ 217,932	\$ 5,096,275
Non-Owners							
Residential	\$ 401,716	\$ 515,130	\$ 74,718	\$ -	\$ 195	\$ -	\$ 991,760
Commercial	\$ 13,206,584	\$ 5,292,223	\$ 2,631,857	\$ -	\$ 132	\$ -	\$ 21,130,796
Commercial Resale	\$ 757,110	\$ 291,258	\$ 152,891	\$ -	\$ 15	\$ -	\$ 1,201,274
Resale	\$ 15,914,310	\$ 20,028,908	\$ 1,187,999	\$ -	\$ 27	\$ -	\$ 37,131,243
Private Fire Protection	\$ -	\$ 126,041	\$ 117,131	\$ -	\$ -	\$ 13,299	\$ 256,471
Total	\$ 126,173,874	\$ 145,260,515	\$ 51,200,018		\$ 26,050	\$ 1,897,096	\$ 324,557,554

Table 4.12: Allocation of FY25 Fixed Assets to Customer Classes

4.4 Depreciation Allocations

Tables 3.5 and 3.6 presented the depreciation by asset type and Tables 3.7 and 3.8 summarized total depreciation by ownership for FY24 and FY25, respectively. Tables 4.13 and 4.14 summarize functionalized depreciation expense by asset type and ownership for FY24 and FY25, respectively. Functionalization of depreciation expense was previously described in Sub-section 4.3.

Asset Type	Joint	All-But-Resale	Owners	Resale	Total
Source of Supply	\$ 304,766	\$ 372,038	\$ 131,584	\$ -	\$ 808,388
Water Treatment/HS Pumping	\$ 264,443	\$ 83,045	\$ 35,924	\$ -	\$ 383,412
Distribution Pumping	\$ 1,139,079	\$ 1,057,863	\$ 639,325	\$ -	\$ 2,836,266
Reservoirs and Tanks	\$ 1,692,596	\$ -	\$ -	\$ -	\$ 1,692,596
Transmission and Distribution	\$ 667,500	\$ -	\$ -	\$ -	\$ 667,500
Meters and Hydrants	\$ 634	\$ 66,753	\$ 79,300	\$ -	\$ 146,687
General Plant	\$ 59,727	\$ 380,762	\$ 100,105	\$ 49,167	\$ 589,761
Total	\$4,128,745	\$ 1,960,461	\$986,238	\$49,167	\$7,124,611

Table 4.13: FY24 Depreciation Expense by Ownership

Asset Type	Joint	All-But-Resale	Owners	Resale	Total
Source of Supply	\$ 426,899	\$ 372,038	\$ 131,584	\$ -	\$ 930,522
Water Treatment/HS Pumping	\$ 264,443	\$ 83,045	\$ 35,924	\$ -	\$ 383,412
Distribution Pumping	\$ 1,117,298	\$ 1,133,368	\$ 689,662	\$ -	\$ 2,940,328
Reservoirs and Tanks	\$ 2,770,102	\$ -	\$ -	\$ -	\$ 2,770,102
Transmission and Distribution	\$ 1,738,900	\$ -	\$ -	\$ -	\$ 1,738,900
Meters and Hydrants	\$ 634	\$ 66,753	\$ 94,300	\$ -	\$ 161,687
General Plant	\$ 59,727	\$ 380,762	\$ 100,105	\$ 49,167	\$ 589,761
Total	\$6,378,002	\$2,035,967	\$1,051,575	\$49,167	\$9,514,711

Table 4.14: FY25 Depreciation Expense by Ownership

Tables 4.15 and 4.16 summarize depreciation expense by asset type classification and Tables 4.17 and 4.18 present the allocated depreciation expense to each user class for FY24 and FY25, respectively. Classification of depreciation expense was previously described in Sub-section 4.3. Detailed tables are found in Appendix B.

Asset Type	Base	Max Day	Max Hour	Meter	Direct Fire	Total
Source of Supply	\$ 178,465	\$ 51,749	\$ -	\$ -	\$ -	\$ 230,214
Water Treatment/HS Pumping	\$ 936,630	\$ 1,100,258	\$ 1,068	\$ 1	\$ 44	\$ 2,038,000
Distribution Pumping	\$ 172,095	\$ 206,514	\$ -	\$ -	\$ -	\$ 378,609
Reservoirs and Tanks	\$ 205,839	\$ 247,007	\$ 240,534	\$ -	\$ -	\$ 693,380
Transmission and Distribution	\$ 964,808	\$ 1,157,769	\$ 1,157,769	\$ -	\$ -	\$ 3,280,346
Meters and Hydrants	\$ -	\$ -	\$ -	\$ 6,811	\$ 98,639	\$ 105,450
General Plant	\$ 140,422	\$ 154,221	\$ 99,763	\$ 68	\$ 4,139	\$ 398,613
Total	\$2,598,258	\$2,917,518	\$1,499,134	\$6,880	\$102,822	\$7,124,611

Table 4.15: FY24 Depreciation Expense by Classification

Asset Type	Base	Max Day	Max Hour	Meter	Direct Fire	Total
Source of Supply	\$ 178,465	\$ 51,749	\$ -	\$ -	\$ -	\$ 230,214
Water Treatment/HS Pumping	\$ 1,913,405	\$ 2,272,388	\$ 1,068	\$ 1	\$ 44	\$ 4,186,906
Distribution Pumping	\$ 172,095	\$ 206,514	\$ -	\$ -	\$ -	\$ 378,609
Reservoirs and Tanks	\$ 239,857	\$ 287,828	\$ 287,828	\$ -	\$ -	\$ 815,513
Transmission and Distribution	\$ 1,001,820	\$ 1,202,184	\$ 1,202,184	\$ -	\$ -	\$ 3,406,188
Meters and Hydrants	\$ -	\$ -	\$ -	\$ 6,811	\$ 98,639	\$ 105,450
General Plant	\$ 138,043	\$ 151,591	\$ 98,062	\$ 67	\$ 4,068	\$ 391,832
Total	\$3,643,685	\$4,172,254	\$1,589,142	\$6,878	\$102,752	\$ 9,514,711

Table 4.16: FY25 Depreciation Expense by Classification

Customer Class	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire	Total
Owners							
Residential	\$ 1,157,840	\$ 1,441,804	\$ 349,511	\$ -	\$ 5,493	\$ -	\$ 2,954,648
Multi-Family Residential	\$ 260,985	\$ 81,248	\$ 146,310	\$ -	\$ 411	\$ -	\$ 488,954
Commercial	\$ 406,381	\$ 158,140	\$ 131,434	\$ -	\$ 796	\$ -	\$ 696,752
Industrial	\$ 8,374	\$ 3,259	\$ 903	\$ -	\$ 6	\$ -	\$ 12,542
Seasonal	\$ 172,250	\$ 335,148	\$ 92,850	\$ -	\$ 74	\$ -	\$ 600,322
Public Fire Protection	\$ -	\$ 364,696	\$ 566,415	\$ -	\$ -	\$ 90,282	\$ 1,021,393
Private Fire Protection	\$ -	\$ 47,710	\$ 74,099	\$ -	\$ -	\$ 11,811	\$ 133,620
Non-Owners							
Residential	\$ 8,140	\$ 10,169	\$ 2,274	\$ -	\$ 52	\$ -	\$ 20,635
Commercial	\$ 267,610	\$ 104,469	\$ 80,088	\$ -	\$ 35	\$ -	\$ 452,202
Commercial Resale	\$ 15,265	\$ 5,721	\$ 4,629	\$ -	\$ 4	\$ -	\$ 25,620
Resale	\$ 301,413	\$ 362,639	\$ 47,018	\$ -	\$ 7	\$ -	\$ 711,077
Private Fire Protection	\$ -	\$ 2,514	\$ 3,602	\$ -	\$ -	\$ 729	\$ 6,846
Total	\$ 2,598,258	\$ 2,917,518	\$ 1,499,134	\$ -	\$ 6,880	\$ 102,822	\$ 7,124,611

Table 4.17: Allocated FY24 Depreciation Expense by User Class

Customer Class	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire	Total
Owners							
Residential	\$ 1,590,803	\$ 2,018,607	\$ 371,200	\$ -	\$ 5,495	\$ -	\$ 3,986,105
Multi-Family Residential	\$ 358,578	\$ 113,752	\$ 155,389	\$ -	\$ 410	\$ -	\$ 628,129
Commercial	\$ 558,344	\$ 221,405	\$ 139,591	\$ -	\$ 795	\$ -	\$ 920,134
Industrial	\$ 11,449	\$ 4,540	\$ 954	\$ -	\$ 6	\$ -	\$ 16,949
Seasonal	\$ 236,661	\$ 469,226	\$ 98,612	\$ -	\$ 74	\$ -	\$ 804,573
Public Fire Protection	\$ -	\$ 508,092	\$ 598,616	\$ -	\$ -	\$ 90,228	\$ 1,196,936
Private Fire Protection	\$ -	\$ 66,470	\$ 78,312	\$ -	\$ -	\$ 11,804	\$ 156,585
Non-Owners							
Residential	\$ 11,593	\$ 14,783	\$ 2,395	\$ -	\$ 52	\$ -	\$ 28,823
Commercial	\$ 381,131	\$ 151,872	\$ 84,354	\$ -	\$ 35	\$ -	\$ 617,393
Commercial Resale	\$ 21,850	\$ 8,358	\$ 4,900	\$ -	\$ 4	\$ -	\$ 35,112
Resale	\$ 473,277	\$ 591,532	\$ 51,065	\$ -	\$ 7	\$ -	\$ 1,115,881
Private Fire Protection	\$ -	\$ 3,617	\$ 3,754	\$ -	\$ -	\$ 720	\$ 8,091
Total	\$ 3,643,685	\$ 4,172,254	\$ 1,589,142	\$ -	\$ 6,878	\$ 102,752	\$ 9,514,711

Table 4.18: Allocated FY25 Depreciation Expense by User Class

4.5 Capital Cost Allocations

The capital-related revenue requirements were introduced in Table 3.4. Tables 4.19 and 4.20, respectively, show the capital-related revenue requirements allocated to each user class for FY24 and FY25.

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Residential	\$ 2,602,408	\$ 3,196,482	\$ 951,998	\$ -	\$ 2,201	\$ -	\$ 6,753,088
Multi-Family Residential	\$ 586,601	\$ 180,127	\$ 398,518	\$ -	\$ 165	\$ -	\$ 1,165,411
Commercial	\$ 913,399	\$ 350,596	\$ 358,001	\$ -	\$ 319	\$ -	\$ 1,622,315
Industrial	\$ 18,823	\$ 7,225	\$ 2,459	\$ -	\$ 2	\$ -	\$ 28,509
Seasonal	\$ 387,156	\$ 743,023	\$ 252,905	\$ -	\$ 30	\$ -	\$ 1,383,114
Public Fire Protection	\$ -	\$ 808,530	\$ 1,542,801	\$ -	\$ -	\$ 146,812	\$ 2,498,144
Private Fire Protection	\$ -	\$ 105,773	\$ 201,832	\$ -	\$ -	\$ 19,206	\$ 326,812
Non-Owners							
Residential	\$ 20,344	\$ 25,160	\$ 6,488	\$ -	\$ 67	\$ -	\$ 52,060
Commercial	\$ 668,832	\$ 258,484	\$ 228,543	\$ -	\$ 46	\$ -	\$ 1,155,904
Resale	\$ 677,054	\$ 768,601	\$ 114,017	\$ -	\$ 4	\$ -	\$ 1,559,677
Private Fire Protection	\$ -	\$ 6,221	\$ 10,279	\$ -	\$ -	\$ 1,577	\$ 18,078
Total	\$ 5,874,617	\$ 6,450,223	\$ 4,067,843		\$ 2,833	\$ 167,596	\$ 16,563,111

Table 4.19: Summary of FY24 Allocated Capital-Related Revenue Requirements

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Residential	\$ 3,132,273	\$ 3,995,602	\$ 684,808	\$ -	\$ 1,178	\$ -	\$ 7,813,861
Multi-Family Residential	\$ 706,036	\$ 225,159	\$ 286,669	\$ -	\$ 88	\$ -	\$ 1,217,952
Commercial	\$ 1,099,372	\$ 438,245	\$ 257,524	\$ -	\$ 170	\$ -	\$ 1,795,312
Industrial	\$ 22,543	\$ 8,986	\$ 1,760	\$ -	\$ 1	\$ -	\$ 33,290
Seasonal	\$ 465,983	\$ 928,779	\$ 181,924	\$ -	\$ 16	\$ -	\$ 1,576,702
Public Fire Protection	\$ -	\$ 1,005,711	\$ 1,104,357	\$ -	\$ -	\$ 94,264	\$ 2,204,332
Private Fire Protection	\$ -	\$ 131,569	\$ 144,474	\$ -	\$ -	\$ 12,332	\$ 288,375
Non-Owners							
Residential	\$ 33,124	\$ 42,392	\$ 6,399	\$ -	\$ 62	\$ -	\$ 81,977
Commercial	\$ 1,088,951	\$ 435,514	\$ 225,411	\$ -	\$ 42	\$ -	\$ 1,749,918
Resale	\$ 1,331,205	\$ 1,675,384	\$ 99,374	\$ -	\$ 2	\$ -	\$ 3,105,966
Private Fire Protection	\$ -	\$ 10,372	\$ 10,032	\$ -	\$ -	\$ 1,433	\$ 21,837
Total	\$ 7,879,485	\$ 8,897,714	\$ 3,002,733		\$ 1,560	\$ 108,028	\$ 19,889,521

Table 4.20: Summary of FY25 Allocated Capital-Related Revenue Requirements

5.0 Results and Proposed Rates

5.1 Cost of Service Results

For FY24, the total revenue requirements to be recovered through rates or use of cash reserves total \$30,122,831. Tables 5.1 and 5.2 summarize the allocated revenue requirements by user class for FY24 and FY25, respectively. Note that the Max Day and Max Hour revenue requirements allocated to Owner and Non-Owner Residential, Commercial, and Industrial user classes include public fire protection costs. The Resale user class is not allocated fire protection charges as the Resale system provides its own fire protection. Tables 5.3 and 5.4, respectively, present the calculated unit costs of service for each user class for FY24 and FY25.

Customer Class	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire	Total
Owners Cost Allocation							
Residential	\$4,890,502	\$5,206,460	\$1,167,111	\$961,798	\$1,268,570	\$0	\$13,494,440
Multi-Family Residential	\$1,102,353	\$293,393	\$488,567	\$30,164	\$94,975	\$0	\$2,009,452
Commercial	\$1,716,479	\$571,055	\$438,895	\$72,560	\$183,861	\$0	\$2,982,849
Industrial	\$35,372	\$11,768	\$3,015	\$70	\$1,328	\$0	\$51,553
Seasonal	\$727,551	\$1,210,243	\$310,052	\$7,541	\$17,165	\$0	\$2,272,552
Public Fire Protection	\$0	\$1,316,942	\$1,891,411	\$0	\$0	\$825,309	\$4,033,662
Private Fire Protection	\$0	\$172,285	\$247,438	\$0	\$0	\$107,968	\$527,691
Non-Owners							
Residential	\$39,819	\$42,155	\$8,090	\$9,698	\$12,844	\$0	\$112,606
Commercial	\$1,309,065	\$433,084	\$284,950	\$2,876	\$8,733	\$0	\$2,038,708
Commercial Resale	\$79,825	\$25,519	\$19,497	\$148	\$1,001	\$0	\$125,989
Resale	\$1,505,188	\$1,474,291	\$151,239	\$69	\$1,660	\$0	\$3,132,448
Private Fire Protection	\$0	\$10,424	\$12,816	\$0	\$0	\$7,441	\$30,681
Subtotal Owner and Non-Owner Cost Allocation							\$30,812,631
Public Fire Protection Adjustment							
Owners							
Residential	\$0	\$1,309,405	\$1,151,532	\$0	\$0	\$0	\$2,460,937
Multi-Family Residential	\$0	\$73,787	\$482,046	\$0	\$0	\$0	\$555,833
Commercial	\$0	\$143,618	\$433,036	\$0	\$0	\$0	\$576,654
Industrial	\$0	\$2,960	\$2,975	\$0	\$0	\$0	\$5,934
Public Fire Protection	\$0	-\$1,655,709	-\$2,377,953	\$0	\$0	\$0	(\$4,033,662)
Non-Owners							
Residential	\$0	\$10,602	\$7,982	\$0	\$0	\$0	\$18,584
Commercial	\$0	\$108,919	\$281,146	\$0	\$0	\$0	\$390,066
Subtotal Fire Protection Adjustment							(\$25,655)
Adjusted Cost Allocation							
Owners							
Residential	\$4,890,502	\$6,515,865	\$2,318,642	\$961,798	\$1,268,570	\$0	\$15,955,377
Multi-Family Residential	\$1,102,353	\$367,180	\$970,613	\$30,164	\$94,975	\$0	\$2,565,285
Commercial	\$1,716,479	\$714,673	\$871,931	\$72,560	\$183,861	\$0	\$3,559,503
Industrial	\$35,372	\$14,728	\$5,989	\$70	\$1,328	\$0	\$57,487
Seasonal	\$727,551	\$1,210,243	\$310,052	\$7,541	\$17,165	\$0	\$2,272,552
Public Fire Protection	\$0	-\$338,767	-\$486,542	\$0	\$0	\$825,309	\$0
Private Fire Protection	\$0	\$172,285	\$247,438	\$0	\$0	\$107,968	\$527,691
Non-Owners							
Residential	\$39,819	\$52,757	\$16,071	\$9,698	\$12,844	\$0	\$131,190
Commercial	\$1,309,065	\$542,003	\$566,096	\$2,876	\$8,733	\$0	\$2,428,774
Commercial Resale	\$79,825	\$31,937	\$38,733	\$148	\$1,001	\$0	\$151,643
Resale	\$1,505,188	\$1,474,291	\$151,239	\$69	\$1,660	\$0	\$3,132,448
Private Fire Protection	\$0	\$10,424	\$12,816	\$0	\$0	\$7,441	\$30,681
Total Adjusted Cost Allocation							\$30,812,631

Table 5.1: Summary of FY24 Cost of Service Results

Customer Class	Base	Max Day	Max Hr.	Customer	Meter	Direct Fire	Total
Owners Cost Allocation							
Residential	\$5,492,231	\$6,067,868	\$907,222	\$992,537	\$1,308,528	\$0	\$14,768,386
Multi-Family Residential	\$1,237,986	\$341,935	\$379,775	\$31,115	\$97,707	\$0	\$2,088,518
Commercial	\$1,927,675	\$665,536	\$341,163	\$74,861	\$189,305	\$0	\$3,198,540
Industrial	\$39,527	\$13,647	\$2,332	\$71	\$1,363	\$0	\$56,940
Seasonal	\$817,069	\$1,410,478	\$241,010	\$7,743	\$17,617	\$0	\$2,493,918
Public Fire Protection	\$0	\$1,527,309	\$1,463,033	\$0	\$0	\$794,411	\$3,784,754
Private Fire Protection	\$0	\$199,805	\$191,397	\$0	\$0	\$103,926	\$495,128
Non-Owners							
Residential	\$53,054	\$59,787	\$8,044	\$9,941	\$13,163	\$0	\$143,989
Commercial	\$1,744,187	\$614,222	\$283,325	\$2,948	\$8,950	\$0	\$2,653,633
Commercial Resale	\$108,196	\$37,007	\$17,628	\$151	\$1,025	\$0	\$164,008
Resale	\$2,194,517	\$2,411,205	\$138,331	\$71	\$1,701	\$0	\$4,745,824
Private Fire Protection	\$0	\$14,628	\$12,609	\$0	\$0	\$7,409	\$34,647
Subtotal Owner and Non-Owner Cost Allocation							\$34,628,287
Public Fire Protection Adjustment							
Owners							
Residential	\$0	\$1,503,783	\$866,159	\$0	\$0	\$0	\$2,369,942
Multi-Family Residential	\$0	\$84,741	\$362,585	\$0	\$0	\$0	\$447,326
Commercial	\$0	\$164,938	\$325,721	\$0	\$0	\$0	\$490,659
Industrial	\$0	\$3,382	\$2,226	\$0	\$0	\$0	\$5,608
Public Fire Protection	\$0	-\$1,933,053	-\$1,851,701	\$0	\$0	\$0	(\$3,784,754)
Non-Owners							
Residential	\$0	\$14,817	\$7,680	\$0	\$0	\$0	\$22,496
Commercial	\$0	\$152,221	\$270,501	\$0	\$0	\$0	\$422,722
Subtotal Fire Protection Adjustment							(\$26,002)
Adjusted Cost Allocation							
Owners							
Residential	\$5,492,231	\$7,571,651	\$1,773,381	\$992,537	\$1,308,528	\$0	\$17,138,328
Multi-Family Residential	\$1,237,986	\$426,675	\$742,360	\$31,115	\$97,707	\$0	\$2,535,844
Commercial	\$1,927,675	\$830,473	\$666,884	\$74,861	\$189,305	\$0	\$3,689,199
Industrial	\$39,527	\$17,029	\$4,558	\$71	\$1,363	\$0	\$62,549
Seasonal	\$817,069	\$1,410,478	\$241,010	\$7,743	\$17,617	\$0	\$2,493,918
Public Fire Protection	\$0	-\$405,743	-\$388,668	\$0	\$0	\$794,411	\$0
Private Fire Protection	\$0	\$199,805	\$191,397	\$0	\$0	\$103,926	\$495,128
Non-Owners							
Residential	\$53,054	\$74,603	\$15,723	\$9,941	\$13,163	\$0	\$166,485
Commercial	\$1,744,187	\$766,443	\$553,826	\$2,948	\$8,950	\$0	\$3,076,355
Commercial Resale	\$108,196	\$46,179	\$34,458	\$151	\$1,025	\$0	\$190,010
Resale	\$2,194,517	\$2,411,205	\$138,331	\$71	\$1,701	\$0	\$4,745,824
Private Fire Protection	\$0	\$14,628	\$12,609	\$0	\$0	\$7,409	\$34,647
Total Adjusted Cost Allocation	\$13,614,444	\$13,363,428	\$3,985,869	\$1,119,439	\$1,639,361	\$198,026	\$34,628,287

Table 5.2: Summary of FY25 Cost of Service Results

Customer Class	Base (\$/kgal)	Max Day (\$/kgal)	Max Hour (\$/kgal)	Customer (\$/month)	Meter (\$/month for 3/4-inch Meter)	Direct Fire (\$/month for 6-inch Meter)
Owners						
Residential	\$2.50	\$3.33	\$1.19	\$2.90	\$3.81	\$0.00
Multi-Family Residential	\$2.50	\$0.83	\$2.17	\$2.90	\$3.81	\$0.00
Commercial	\$2.50	\$1.04	\$1.27	\$2.90	\$3.81	0.00
Industrial	\$2.50	\$1.04	\$0.42	\$2.90	\$3.81	0.00
Seasonal	\$2.44	\$4.02	\$1.05	\$2.90	\$3.81	0.00
Public Fire Protection	N/A	N/A	N/A	0.00	0.00	0.00
Private Fire Protection	N/A	N/A	N/A	0.00	0.00	61.51
Non-Owners						
Residential	\$2.44	\$3.24	\$0.99	\$3.07	\$4.05	\$0.00
Commercial	\$2.44	\$1.01	\$1.06	\$3.07	\$4.05	0.00
Commercial Resale	\$2.61	\$1.05	\$1.27	\$3.07	\$4.04	0.00
Resale	\$1.91	\$1.87	\$0.19	\$2.89	\$3.80	0.00
Private Fire Protection	N/A	N/A	N/A	0.00	0.00	57.43

Table 5.3: Summary of FY24 Cost of Service Results – Unit Results

Customer Class	Base (\$/kgal)	Max Day (\$/kgal)	Max Hour (\$/kgal)	Customer (\$/month)	Meter (\$/month for 3/4-inch Meter)	Direct Fire (\$/month for 6-inch Meter)
Owners						
Residential	\$2.80	\$3.85	\$0.90	\$2.97	\$3.91	\$0.00
Multi-Family Residential	\$2.80	\$0.95	\$1.64	\$2.97	\$3.91	\$0.00
Commercial	\$2.80	\$1.20	\$0.96	2.97	3.91	0.00
Industrial	\$2.80	\$1.20	\$0.32	2.97	3.91	0.00
Seasonal	\$2.74	\$4.68	\$0.82	2.97	3.91	0.00
Public Fire Protection	N/A	N/A	N/A	0.00	0.00	0.00
Private Fire Protection	N/A	N/A	N/A	0.00	0.00	57.42
Non-Owners						
Residential	\$3.26	\$4.58	\$0.97	\$3.15	\$4.15	\$0.00
Commercial	3.26	1.43	1.03	3.15	4.15	0.00
Commercial Resale	3.52	1.50	1.12	3.15	4.14	0.00
Resale	2.73	3.00	0.17	2.97	3.90	0.00
Private Fire Protection	N/A	N/A	N/A	0.00	0.00	0.00

Table 5.4: Summary of FY25 Cost of Service Results – Unit Results

5.2 Resale Water Rate

Based on parameters outlined in the 2009 Memorandum of Agreement between the City of Billings and the County Water District of Billings Heights, the City's rate model applies the utility basis cost of service approach to establish the water rate for the Resale user class. As part of this study, the functionalization, classification, and allocation assumptions upon which the analysis is based were reviewed and updated, where applicable, to reflect the current configuration and operation of the system, as well as recent historical demands on the system. Table 5.5 summarizes the FY24 and FY25 Resale rate calculations.

Resale Water Rate Summary		FY2024	FY2025
Projected Water Purchase (kgal)		1,052,497	1,073,547
Actual Water Sales (kgal)			
Peaking Factor - Peak Day		2.60	2.60
Peaking Factor - Peak Hour		3.83	3.83
Allocated O&M Revenue Requirements - Resale		FY2024	FY2025
Base	\$	828,133	\$ 863,312
Max Day	\$	705,690	\$ 735,820
Max Hr.	\$	37,222	\$ 38,957
Customer	\$	69	\$ 71
Meter	\$	1,656	\$ 1,698
Direct Fire	\$	-	\$ -
Total Resale O&M Revenue Requirements	\$	1,572,771	\$ 1,639,858
Debt/Equity		FY2024	FY2025
Total Outstanding Debt	\$	20,349,399	\$ 114,576,957
Interest on Outstanding Debt	\$	600,258	\$ 4,407,022
Effective Interest Rate on Outstanding Debt		2.95%	3.85%
Total Fund Equity	\$	268,491,791	\$ 209,980,597
Rate of Return on Equity		6.14%	6.14%
Total Equity and Debt	\$	288,841,190	\$ 324,557,554
Weighted Cost of Capital		5.92%	5.33%
Summary of Capital Revenue Requirements - Non-Owners		FY2024	FY2025
Net Plant in Service for Non-Owners	\$	27,314,117	\$ 60,711,545
Share of Working Capital for Non-Owners	\$	322,402	\$ 333,792
Total Rate Base for Non-Owners	\$	27,636,519	\$ 61,045,336
Return on Rate Base for Non-Owners	\$	1,644,839	\$ 3,266,469
Depreciation Less Amortization for Non-Owners	\$	1,216,380	\$ 1,805,300
Total Capital-Based Revenue Requirements for Non-Owners	\$	2,861,219	\$ 5,071,768
Allocated Capital Revenue Requirements - Resale		FY2024	FY2025
Base	\$	677,054	\$ 1,331,205
Max Day	\$	768,601	\$ 1,675,384
Max Hr.	\$	114,017	\$ 99,374
Customer	\$	-	\$ -
Meter	\$	4	\$ 2
Direct Fire	\$	-	\$ -
Total Resale Capital Revenue Requirements	\$	1,559,677	\$ 3,105,966
Total Resale Revenue Requirements	\$	3,132,448	\$ 4,745,824
Calculated Rate - Resale (\$/kgal)	\$	2.97	\$ 4.43

Table 5.5: Summary of Resale Water Rate Calculations – FY24-FY25

The increase in allocated cost to the Resale user was barely inflationary from FY23 to FY24 primarily due to the reduction in the calculated cost of capital, which is used to calculate the allocable return on rate base. Based on the capital expenditures currently planned for the remainder of FY23 and FY24, the Source of Supply and Treatment components of the asset base as anticipated increase significantly by FY25. Specifically, improvements to the intake and the West End Water Treatment Plant are currently anticipated to come onto the rate base in FY25. Additionally, the West End Reservoir project is anticipated to come onto the rate based in FY25. Because these supply and treatment components of the asset base are jointly allocated to all user classes, the Resale customer will see an increase in its applicable rate base and a corresponding increase in the capital-related revenue requirements.

5.4 Recommended FY24 and FY25 Water Rates

Based on the results of this study, the recommended monthly meter rates for FY24 and FY25 are shown in Table 5.7. To balance the overall need for a revenue increase between the fixed and volumetric rates, meter rate increases are recommended for both FY24 and FY25. Tables 5.8 and 5.9 summarize the cost of service-based recommendations for Fire Protection charges for Owners and Non-Owners, respectively.

Meter Size	Inside City Recommended Rate FY24	Outside City Recommended Rate FY24	% Increase from FY23	Inside City Recommended Rate FY25	Outside City Recommended Rate FY25	% Increase from FY24
3/4"	\$8.60	\$9.35	2%	\$8.75	\$9.55	2%
1"	\$9.75	\$10.60	2%	\$9.95	\$10.80	2%
1-1/2"	\$11.80	\$12.80	2%	\$12.05	\$13.05	2%
2"	\$16.85	\$18.40	2%	\$17.20	\$18.75	2%
3"	\$52.55	\$57.10	2%	\$53.60	\$58.25	2%
4"	\$68.45	\$74.40	2%	\$69.80	\$75.90	2%
6"	\$102.65	\$111.60	2%	\$104.70	\$113.85	2%
8"	\$140.30	\$152.50	2%	\$143.10	\$155.55	2%
10"	\$204.40	\$226.65	2%	\$208.50	\$231.20	2%

Table 5.7: Recommended FY24 and FY25 Meter Charges for Owners and Non-Owners

Meter Size	Inside City Current Rate FY23 (\$/Year)	Inside City Recommended Rate FY24 (\$/Year)	% Increase from FY23	Inside City Recommended Rate FY25 (\$/Year)	% Increase from FY24
1-1/4"	\$30.75	\$32.60	6.0%	\$34.55	6.0%
1-1/2"	\$41.05	\$43.50		\$46.10	
2"	\$65.75	\$69.70		\$73.90	
3"	\$164.15	\$174.00		\$184.45	
4"	\$287.30	\$304.55		\$322.80	
6"	\$656.50	\$695.90		\$737.65	
8"	\$1,148.90	\$1,217.85		\$1,290.90	
10"	\$1,805.30	\$1,913.60		\$2,028.40	
12"	\$2,599.75	\$2,755.75		\$2,921.10	
14"	\$3,538.50	\$3,750.80		\$3,975.85	

Table 5.8: Recommended Annual Fire Protection Charges for Owners – FY24/FY25

Meter Size	Outside City Current Rate FY23 (\$/Year)	Outside City Recommended Rate FY24 (\$/Year)	% Increase from FY23	Outside City Recommended Rate FY25 (\$/Year)	% Increase from FY24
1-1/4"	\$31.25	\$33.15	6.0%	\$35.15	6.0%
1-1/2"	\$41.60	\$44.10		\$46.75	
2"	\$66.55	\$70.55		\$74.80	
3"	\$166.45	\$176.45		\$187.05	
4"	\$291.20	\$308.65		\$327.15	
6"	\$665.65	\$705.60		\$747.95	
8"	\$1,164.85	\$1,234.75		\$1,308.85	
10"	\$1,830.50	\$1,940.35		\$2,056.75	
12"	\$2,635.85	\$2,794.00		\$2,961.65	
14"	\$3,587.75	\$3,803.00		\$4,031.20	

Table 5.9: Calculated Annual Fire Protection Charges for Non-Owners – FY24/FY25

Table 5.10 presents the recommended FY24 and FY25 volumetric rates for Single-Family Residential users that are Owners (within City limits) of the system. Consistent with the approach taken in the previous analysis, rate increase percentages for Non-Owner Residential users are equal to the increases recommended for the Owner Single Family Residential user class in FY24 and FY25. Table 5.11 presents the calculated FY24 and FY25 volumetric rates for Non-Owner Single Family Residential accounts.

Single Family Residential - Inside City	Tier Volume (kgal)	Current FY23 Rate (\$/kgal)	Recommended FY24 Rate (\$/kgal)	% Increase from FY23	Recommended FY25 Rate (\$/kgal)	% Increase from FY24
Tier 1	0-10	\$3.88	\$4.27	10.0%	\$4.68	9.5%
Tier 2	11-32	\$4.64	\$5.10		\$5.58	
Tier 3	33-75	\$6.04	\$6.64		\$7.27	
Tier 4	>75	\$9.06	\$9.97		\$10.92	

Table 5.10: Recommended FY24 and FY25 Volumetric Charges for Owners

Single Family Residential - Outside City	Tier Volume (kgal)	Current FY23 Rate (\$/kgal)	Recommended FY24 Rate (\$/kgal)	% Increase from FY23	Recommended FY25 Rate (\$/kgal)	% Increase from FY24
Tier 1	0-10	\$4.01	\$4.41	10.0%	\$4.83	9.5%
Tier 2	11-32	\$4.81	\$5.29		\$5.79	
Tier 3	33-75	\$6.28	\$6.91		\$7.57	
Tier 4	>75	\$9.40	\$10.34		\$11.32	

Table 5.11: Recommended FY24 and FY25 Volumetric Charges for Non-Owners

Table 5.12 presents the recommended non-residential volumetric rates for FY24 and FY25 for Owner and Non-Owner user classes.

	Current FY23 Rate (\$/kgal)	Recommended FY24 Rate (\$/kgal)	% Increase from FY23	Recommended FY25 Rate (\$/kgal)	% Increase from FY24
Owners					
Multi-Family Residential	\$ 3.81	\$ 4.19	10.0%	\$ 4.59	9.5%
Non-Residential	\$ 3.29	\$ 3.62	10.0%	\$ 3.84	6.1%
Commercial Resale	\$ 4.06	\$ 4.47	10.1%	\$ 4.74	6.0%
Seasonal	\$ 5.48	\$ 6.03	10.0%	\$ 6.60	9.5%
Non-Owners					
Non-Residential	\$ 3.49	\$ 3.84	10.0%	\$ 4.07	6.0%
Resale (HWD)	\$ 2.97	\$ 2.97	0.0%	\$ 4.42	48.8%

Table 5.12: Recommended Multi-Family and Non-Residential Volumetric Rates for Owners and Non-Owners – FY24 and FY25

Table 5.13 summarizes the projected revenue adequacy of the Water Utility for FY24 and FY25 based on the recommended rates. As shown in Table 5.14, the adoption of rates for FY24 that are less than the calculated cost of service results in a projected revenue deficiency for FY24 and FY25; however, as shown in Table 5.14, even with significant investment of reserve funds in those years, it is anticipated that utility reserves would be adequate to adsorb the projected revenue deficiency. In summary, under the projected water sales and given the current cash reserve balances, the recommended rates for FY24 and FY25 will present a stable near-term approach to rate-setting approach without significantly impacting overall revenue adequacy.

	FY2024	FY2025
Rate Revenue Requirements		
O&M-Related	\$ 15,089,219	\$ 15,541,896
Less Other Operating Revenue	\$ (915,200)	\$ (915,200)
Capital-Related	\$ 16,465,946	\$ 23,411,524
Less Cash Reserves	\$ 172,665	\$ (3,409,933)
Net Rate Revenue Requirements	\$ 30,812,631	\$ 34,628,287
Projected Rate Revenues		
Owners		
Residential	\$ 15,336,272	\$ 16,657,538
Multi-Family	\$ 2,630,670	\$ 2,883,461
Non-Residential	\$ 3,721,427	\$ 3,952,607
Seasonal	\$ 2,375,882	\$ 2,610,927
Fire Protection	\$ 497,556	\$ 527,400
Non-Owners		
Residential	\$ 136,084	\$ 146,840
Non-Residential	\$ 2,763,912	\$ 2,928,854
Resale (HWD)	\$ 3,128,636	\$ 4,747,853
Fire Protection	\$ 31,409	\$ 33,294
Total Projected Rate Revenue	\$ 30,621,848	\$ 34,488,775
Projected Revenue Adequacy	\$ (190,783)	\$ (139,511)

Table 5.13: Net Cash-Based Rate Revenue Requirements – FY24 and FY25

	2023	2024	2025
Total Water Fund Balance	\$ 25,356,523	\$ 25,529,188	\$ 22,119,255
O&M Reserve	\$ 3,825,000	\$ 4,074,089	\$ 4,196,312
Debt Service Reserve	\$ 1,386,571	\$ 1,386,571	\$ 1,386,571
Capital/Rate Stabilization Reserve	\$ 20,144,952	\$ 20,068,528	\$ 16,536,372

Table 5.14: Projected Cash Reserve Balances – FY24 and FY25

6.0 Revenue Forecasting

The recommended rates presented in Section 5.4 are based on several assumptions outlined in this report, primarily: O&M revenue requirements, capital revenue requirements, number of users, and water sales. While actual expenditures rarely are exactly equal to the budget, utilities are very good at forecasting and managing expenditures. The most volatile variable in the forecasting model is water sales, which can be attributed to factors outside the control of the utility – primarily weather.

Rate-setting approaches generally involve making a realistic but conservative estimate of future water sales. If sales are overestimated, rates can be set too low to obtain the required revenue, while taking an overly conservative approach and greatly underestimating sales can result in rate increases that place an undue burden on the users. In the end, projecting water sales involves determining the amount of risk that can be reasonably accepted by the utility.

To assess the potential risk to the City of Billings posed by lower water sales, a probabilistic revenue forecasting model developed by the Alliance for Water Efficiency was utilized. The model evaluates the probability of varying levels of water sales and revenue based on a minimum of 15 years of monthly maximum temperature and total rainfall values and a recent year of billed water sales.

For the purpose of this analysis, actual meter and flow data (existing fire services) from FY22 was evaluated based on 20 years of weather data. Table 6.1 summarizes the total precipitation by (fiscal) year for the City of Billings and indicates that the 20-year average is 14.44 inches.

Year	Total Precipitation (Inches)	Year	Total Precipitation (Inches)
2022	15.28	2012	7.13
2021	10.13	2011	19.54
2020	13.24	2010	18.75
2019	19.10	2009	10.91
2018	19.01	2008	13.89
2017	17.63	2007	16.46
2016	14.89	2006	13.11
2015	12.96	2005	15.27
2014	14.03	2004	11.08
2013	16.70	2003	9.74

Table 6.1: Precipitation Data, City of Billings (National Oceanic and Atmospheric Administration)

A review of recent annual residential water sales as compared to precipitation found that the City of Billings' water use patterns followed a predictable pattern – there is a general inverse relationship between water use and precipitation, as show in Figure 6.1.

Other factors considered in the revenue forecasting model included existing and projected water rates, growth factors, and demand elasticity factors. Once all data was entered, the model ran through 1,000 simulations to project the average, maximum, and minimum water sales and revenue values. The model results are shown in Figure 6.2 and Table 6.2.

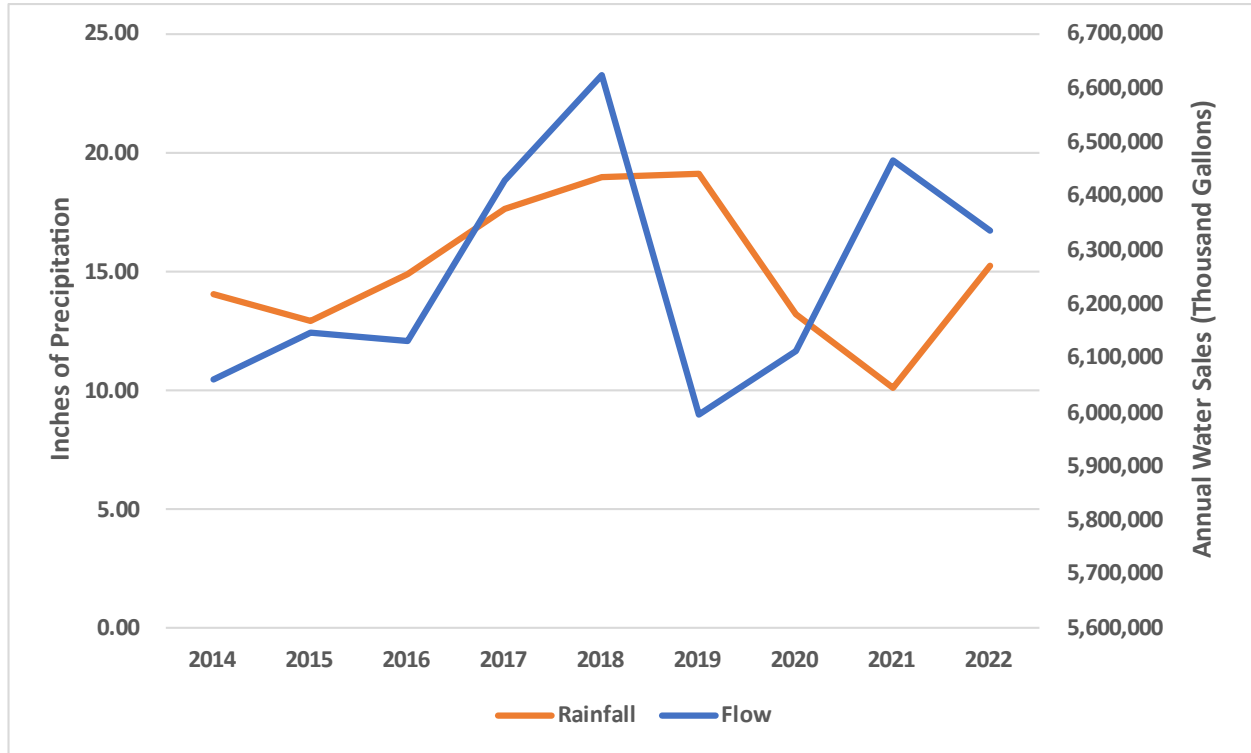


Figure 6.1: Precipitation Data vs Residential Water Sales, City of Billings

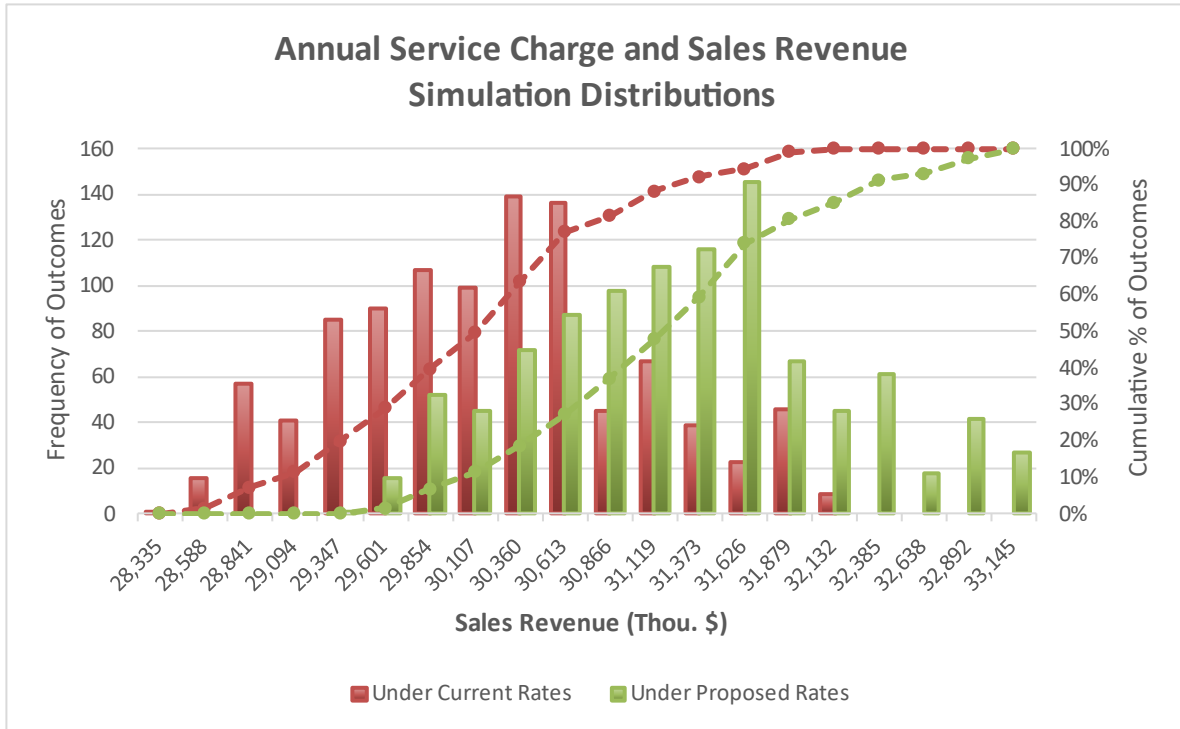


Figure 6.2: Probabilistic Revenue Forecast for FY24

	\$30.1M	\$29.1M	\$28.1M
Probability to Meet/Exceed	81%	96%	100%

Table 6.2: Estimated Probability of Achieving Revenue at Varying Targets (FY24)

Figure 6.2 and Table 6.2 give an illustration of the risk associated with adoption of the FY24 rates. Total FY24 rate revenues, excluding fire protection, from Table 5.12, are projected at \$30.1M. Figure 6.2 would suggest that the probability of obtaining revenues at that level is high.

It is recommended that the City continues its practice of evaluating rates at least once every two years and maintaining a healthy cash position, it appears that the maximum revenue shortfall as predicted by the forecasting model could be readily offset using existing cash reserves should a shortfall materialize.

Appendix A: Fixed Asset Tables

Fixed Asset	Original Cost	Annual Depreciation	Accumulated Depreciation Through FY2020	Net Fixed Assets (Book Value FY2024)	Allocated Depreciation Expense FY2024	Net Fixed Assets (Book Value FY2025)	Allocated Depreciation Expense FY2025
Booster Station - 12th Ave N & 27th	\$6,230	\$0	\$0	\$6,230	\$0	\$6,200	0
Chapple Pump Station	\$1,238,738	\$18,194	\$1,037,431	\$183,112	\$18,194	\$164,900	18,194
Christensen Pump Station	\$3,403,350	\$0	\$3,249,148	\$154,202	\$0	\$154,200	0
Fox Pump Station	\$2,420,426	\$80,681	\$248,766	\$2,090,979	\$80,681	\$2,010,300	80,681
Leavens Pump Station	\$995,805	\$8,268	\$857,234	\$130,303	\$8,268	\$122,000	8,268
Staples Pump Station #1	\$2,702,665	\$81,088	\$1,317,630	\$1,303,946	\$81,088	\$1,222,900	81,088
Staples Pump Station #2	\$39,135	\$1,957	\$13,697	\$23,481	\$1,957	\$21,500	1,957
Terrace Estates Pump Station	\$255,748	\$8,525	\$93,769	\$153,454	\$8,525	\$144,900	8,525
Thomas Pump Station	\$79,522	\$71	\$1,328	\$78,123	\$71	\$78,100	71
Voelker Pump Station	\$1,880,611	\$14,060	\$655,400	\$1,506,151	\$14,060	\$1,487,100	19,060
Waldo Pump Station	\$452,109	\$7,794	\$198,817	\$245,498	\$7,794	\$237,700	7,794
Walter Pumping Station	\$4,464,583	\$122,918	\$1,669,517	\$2,672,148	\$122,918	\$2,549,200	122,918
Willet Pumping St #1	\$842,465	\$0	\$842,465	\$0	\$0	\$0	0
Willet Pumping St #4	\$39,262	\$1,963	\$13,742	\$1,680,894	\$7,456	\$1,650,875	30,054
Cold Storage Building	\$188,305	\$3,206	\$142,354	\$42,745	\$3,206	\$39,500	3,206
Communication Equipment	\$516,235	\$37,738	\$462,540	\$15,957	\$37,738	\$0	15,957
Construction Equipment	\$1,076,164	\$19,307	\$1,033,708	\$23,148	\$19,307	\$3,800	19,307
Gas Pumps	\$18,617	\$931	\$5,507	\$12,179	\$931	\$11,200	931
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	0
Office Furniture & Equipment	\$472,881	\$16,373	\$391,888	\$64,619	\$16,373	\$48,200	16,373
Rights & Licenses	\$68,101	\$0	\$68,101	\$1,506,700	\$32,150	\$1,712,450	94,300
Site Work & Landscaping	\$182,422	\$955	\$119,035	\$62,432	\$955	\$61,500	955
Tools & Working Equipment	\$524,649	\$25,577	\$436,617	\$62,454	\$25,577	\$36,900	25,577
Transportation Equipment	\$2,086,068	\$191,639	\$1,390,416	\$504,013	\$191,639	\$312,400	191,639
Utilities Service Center	\$1,800,773	\$23,588	\$732,118	\$1,045,068	\$23,588	\$1,021,500	23,588
Hydrants	\$4,206,813	\$98,639	\$2,145,834	\$1,962,340	\$98,639	\$1,863,700	98,639
Meters	\$2,408,835	\$6,811	\$2,369,681	\$32,343	\$6,811	\$25,500	6,811
Service Connections	\$29,182	\$0	\$29,182	\$0	\$0	\$0	0
Fox Reservoir	\$3,746,659	\$157,266	\$1,719,862	\$1,869,531	\$157,266	\$1,712,300	157,266
Leavens Reservoir	\$80,527	\$0	\$80,527	\$1,663,505	\$16,975	\$8,195,604	167,949
Logan Reservoir	\$330,763	\$0	\$330,763	\$0	\$0	\$0	0
Staples Reservoir #1	\$21,856	\$0	\$0	\$21,856	\$0	\$21,900	0
Staples Reservoir #2	\$1,804,940	\$53,294	\$1,174,300	\$1,236,876	\$60,023	\$1,170,105	66,753
Staples Reservoir #3	\$663,177	\$18,561	\$344,595	\$300,021	\$18,561	\$281,500	18,561
Staples Reservoir #4	\$33,544	\$0	\$33,544	\$0	\$0	\$0	0
Staples Reservoir #5	\$33,057	\$0	\$33,057	\$0	\$0	\$0	0
Staples Reservoir #6	\$568,098	\$0	\$568,098	\$0	\$0	\$0	0
Staples Reservoir #7	\$105,782	\$0	\$0	\$105,782	\$0	\$105,800	0
Staples Reservoir #8	\$53,163	\$0	\$53,163	\$0	\$0	\$0	0
Waldo Reservoir	\$3,555,572	\$70,301	\$468,175	\$3,017,096	\$70,301	\$2,946,800	70,301
Willet Pumping St #2	\$237,334	\$11,867	\$229,422	\$0	\$11,867	\$0	0
Willet Pumping St #3	\$505,359	\$0	\$505,359	\$0	\$0	\$0	0
Zone 3 Chapple Reservoir	\$6,579,214	\$131,584	\$789,506	\$5,658,124	\$131,584	\$5,526,500	131,584

Fixed Asset	Original Cost	Annual Depreciation	Accumulated Depreciation Through FY2020	Net Fixed Assets (Book Value FY2024)	Allocated Depreciation Expense FY2024	Net Fixed Assets (Book Value FY2025)	Allocated Depreciation Expense FY2025
Zone 4 Reservoir	\$7,478,484	\$145,098	\$1,537,542	\$8,637,844	\$145,098	\$8,434,700	203,098
Low Duty Pumping St #1	\$10,271	\$0	\$10,271	\$0	\$0	\$0	0
Low Duty Pumping St #2	\$86,793	\$0	\$86,793	\$0	\$0	\$0	0
Low Duty Pumping St #3	\$2,402,292	\$72,121	\$959,880	\$1,370,292	\$72,121	\$1,298,200	72,121
Low Duty Pumping St #4	\$118,525	\$2,777	\$62,759	\$52,989	\$2,777	\$50,200	2,777
Low Duty Pumping St #5	\$256,827	\$16,667	\$170,716	\$69,444	\$16,667	\$52,800	16,667
Low Duty Pumping St #6	\$138,233	\$3,309	\$85,834	\$49,090	\$3,309	\$45,800	3,309
River Intake #1	\$51,785	\$0	\$46,804	\$4,980	\$0	\$5,000	0
River Intake #10	\$63,356	\$634	\$11,299	\$51,423	\$634	\$50,800	634
River Intake #12	\$140,000	\$0	\$0	\$140,000	\$0	\$140,000	0
River Intake #13	\$66,188	\$3,309	\$13,789	\$49,090	\$3,309	\$45,800	3,309
River Intake #15	\$165,652	\$8,283	\$25,538	\$131,831	\$8,283	\$123,500	8,283
River Intake #2	\$199,365	\$0	\$199,365	\$0	\$0	\$0	0
River Intake #3	\$184,281	\$0	\$178,646	\$5,635	\$0	\$5,600	0
River Intake #4	\$89,140	\$0	\$89,140	\$0	\$0	\$0	0
River Intake #5	\$286,956	\$0	\$286,956	\$0	\$0	\$0	0
River Intake #6	\$1,466,906	\$48,653	\$603,307	\$814,945	\$48,653	\$766,300	48,653
River Intake #7	\$1,106,430	\$36,594	\$316,600	\$753,236	\$36,594	\$716,600	36,594
River Intake #8	\$21,827	\$0	\$0	\$21,827	\$0	\$21,800	0
River Intake #9	\$3,786,740	\$37,867	\$732,103	\$3,016,769	\$37,867	\$2,978,900	37,867
Distribution Mains < 12"	\$55,493,612	\$965,010	\$22,623,017	\$62,937,412	\$1,267,383	\$67,505,347	1,724,155
Transmission main 12" & Up-	\$41,653,320	\$906,438	\$24,387,439	\$16,359,442	\$906,438	\$15,453,000	906,438
Transmission Mains = 12"	\$19,038,107	\$380,762	\$3,240,387	\$15,416,959	\$380,762	\$15,036,200	380,762
Transmission Mains > 12"	\$19,741,645	\$394,833	\$2,561,962	\$16,784,850	\$394,833	\$16,390,000	394,833
Chemical Bldg & Treatment Basin	\$5,237,710	\$186,483	\$3,208,685	\$5,715,554	\$202,864	\$79,399,547	1,314,014
Clear Well Standpipe #1	\$641,250	\$0	\$641,250	\$0	\$0	\$0	0
Clear Well Standpipe #2	\$35,843	\$0	\$35,843	\$0	\$0	\$0	0
Clear Well Standpipe #3	\$127,594	\$0	\$127,594	\$0	\$0	\$0	0
Clear Well Standpipe #4	\$2,597,191	\$77,924	\$1,681,335	\$837,933	\$77,924	\$760,000	77,924
Clear Well Standpipe #5	\$2,425,638	\$121,282	\$1,061,217	\$1,243,139	\$121,282	\$1,121,900	121,282
Clear Well Standpipe #7	\$628,231	\$12,565	\$54,447	\$561,220	\$12,565	\$548,700	12,565
Filter Bldg,Clr Basin, and PS	\$29,870,635	\$993,290	\$15,823,065	\$15,182,781	\$1,001,885	\$14,385,388	1,027,424
Heated Storage Bldg & Yrd Storage	\$110,224	\$4,255	\$78,972	\$26,997	\$4,255	\$22,700	4,255
High Service Pumping Station	\$9,872,001	\$243,800	\$7,524,590	\$4,957,468	\$267,985	\$4,665,258	292,170
Laboratory & Test Equipment	\$425,593	\$19,631	\$267,079	\$138,883	\$19,631	\$119,300	19,631
Maint & Personnel Bldg	\$68,310	\$0	\$68,310	\$0	\$0	\$0	0
Plant Electrical Shop	\$559,167	\$18,639	\$271,817	\$268,711	\$18,639	\$250,100	18,639
Plant Maintenance Whse	\$17,990	\$0	\$17,990	\$0	\$0	\$0	0
UV Building	\$3,319,730	\$165,986	\$967,922	\$2,185,822	\$165,986	\$2,019,800	165,986
West End Reservoir	\$2,076,289	\$0	\$0	\$2,076,289	\$0	\$54,713,080	1,074,220
Yard Piping & Flumes	\$5,989,334	\$58,796	\$3,387,514	\$2,543,024	\$58,796	\$2,484,200	58,796
Net Fixed Assets & Depreciation	\$268,768,200	\$6,138,160	\$119,304,074	\$191,841,190	\$6,551,041	\$324,557,554	\$9,514,711

Appendix B: Detailed Allocation Tables

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Owners						
Single Family Residential	41.3%	45.7%	21.9%	88.7%	79.9%	0.0%
Multi-Family Residential	9.3%	2.6%	9.2%	2.8%	6.0%	0.0%
Commercial	14.5%	5.0%	8.2%	6.7%	11.6%	0.0%
Industrial	0.3%	0.1%	0.1%	0.0%	0.1%	0.0%
Seasonal	6.1%	10.6%	5.8%	0.7%	1.1%	0.0%
Public Fire Protection	0.0%	11.5%	35.4%	0.0%	0.0%	87.8%
Private Fire Protection	0.0%	1.5%	4.6%	0.0%	0.0%	11.5%
Non-Owners	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Residential	0.3%	0.4%	0.2%	0.8%	0.8%	0.0%
Commercial	11.3%	3.9%	6.4%	0.2%	0.5%	0.0%
Resale	16.9%	18.7%	7.9%	0.0%	0.1%	0.0%
Private Fire Protection	0.0%	0.1%	0.3%	0.0%	0.0%	0.7%
Total - Joint	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table B.1: Summary of Customer Service Characteristics - Joint

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Owners						
Single Family Residential	49.7%	56.2%	23.8%	88.7%	80.0%	0.0%
Multi-Family Residential	11.2%	3.2%	10.0%	2.8%	6.0%	0.0%
Commercial	17.4%	6.2%	9.0%	6.7%	11.6%	0.0%
Industrial	0.4%	0.1%	0.1%	0.0%	0.1%	0.0%
Seasonal	7.4%	13.1%	6.3%	0.7%	1.1%	0.0%
Public Fire Protection	0.0%	14.1%	38.4%	0.0%	0.0%	87.8%
Private Fire Protection	0.0%	1.8%	5.0%	0.0%	0.0%	11.5%
Non-Owners	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Residential	0.4%	0.5%	0.2%	0.8%	0.8%	0.0%
Commercial	13.5%	4.8%	7.0%	0.2%	0.5%	0.0%
Resale	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Fire Protection	0.0%	0.1%	0.3%	0.0%	0.0%	0.7%
Total - All-But-Resale	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table B.2: Summary of Customer Service Characteristics – All-But-Resale

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Owners						
Single Family Residential	57.7%	59.3%	25.7%	89.7%	81.0%	0.0%
Multi-Family Residential	13.0%	3.3%	10.7%	2.8%	6.1%	0.0%
Commercial	20.3%	6.5%	9.7%	6.8%	11.7%	0.0%
Industrial	0.4%	0.1%	0.1%	0.0%	0.1%	0.0%
Seasonal	8.6%	13.8%	6.8%	0.7%	1.1%	0.0%
Public Fire Protection	0.0%	15.0%	41.6%	0.0%	0.0%	88.4%
Private Fire Protection	0.0%	2.0%	5.4%	0.0%	0.0%	11.6%
Total - Owner	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table B.3: Summary of Customer Service Characteristics – Owner

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Non-Owners						
Residential	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Resale	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private Fire Protection	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total - Resale	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table B.4: Summary of Customer Service Characteristics – Resale

Line Item	Total	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$682,614	\$682,614	\$0	\$0	\$0	\$0	\$0
All Other	3,771,599	1,714,363	2,057,236	0	0	0	0
High Service Pumping							
Utilities	1,430,383	1,144,306	286,077	0	0	0	0
All Other	40,555	18,434	22,121	0	0	0	0
System Pumping & Storage							
Utilities	65,630	52,504	13,126	0	0	0	0
All Other	24,343	11,065	13,278	0	0	0	0
Distribution System							
Fire Hydrants	0	0	0	0	0	0	0
All Other	686,482	201,907	242,288	242,288	0	0	0
Customer Billing & Meter	1,988,484	0	0	0	807,324	1,181,159	0
Admin.	2,938,771	828,992	994,791	238,798	275,908	403,669	196,614
O&M - Total	\$11,628,861	\$4,654,186	\$3,628,916	\$481,086	\$1,083,233	\$1,584,828	\$196,614
Less: O&M Non-Rate Rev							
Water Permits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Misc. Revenue	0	0	0	0	0	0	0
Collection of Bad Debt	0	0	0	0	0	0	0
Sale of Material/Labor	0	0	0	0	0	0	0
Public Water Supply	0	0	0	0	0	0	0
Water Srvs Line Repair	0	0	0	0	0	0	0
Water Srvs Line Admin.	0	0	0	0	0	0	0
Hydrant Mtr Rental Fee	0	0	0	0	0	0	0
Charge for Services	0	0	0	0	0	0	0
Total O&M Non-Rate Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Joint O&M Rev Req.	\$11,628,861	\$4,654,186	\$3,628,916	\$481,086	\$1,083,233	\$1,584,828	\$196,614

Table B.5: Joint O&M Costs by Functional Cost Component – FY24

Line Item	Total	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$42,386	\$42,386	\$0	\$0	\$0	\$0	\$0
All Other	234,190	106,450	127,740	0	0	0	0
High Service Pumping							
Utilities	88,817	71,054	17,763	0	0	0	0
All Other	2,518	1,145	1,374	0	0	0	0
System Pumping & Storage							
Utilities	303,697	242,957	60,739	0	0	0	0
All Other	112,647	51,203	61,444	0	0	0	0
Distribution System							
Fire Hydrants	611,026	0	0	0	0	0	611,026
All Other	1,002,431	294,833	353,799	353,799	0	0	0
Customer Billing & Meter	123,471	0	0	0	50,129	73,342	0
Admin.	182,478	51,475	61,770	14,828	17,132	25,065	12,208
O&M - Total	\$2,703,661	\$861,502	\$684,629	\$368,627	\$67,261	\$98,407	\$623,235
Less: O&M Non-Rate Rev							
Water Permits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Misc. Revenue	0	0	0	0	0	0	0
Collection of Bad Debt	0	0	0	0	0	0	0
Sale of Material/Labor	0	0	0	0	0	0	0
Public Water Supply	0	0	0	0	0	0	0
Water Srvc Line Repair	0	0	0	0	0	0	0
Water Srvc Line Admin.	0	0	0	0	0	0	0
Hydrant Mtr Rental Fee	0	0	0	0	0	0	0
Charge for Services	0	0	0	0	0	0	0
Total O&M Non-Rate Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total All-But-Resale O&M Rev Req.	\$2,703,661	\$861,502	\$684,629	\$368,627	\$67,261	\$98,407	\$623,235

Table B.6: All-But-Resale O&M Costs by Functional Cost Component – FY24

Line Item	Total	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	0	0	0	0	0	0	0
High Service Pumping							
Utilities	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
System Pumping & Storage							
Utilities	180,392	144,314	36,078	0	0	0	0
All Other	66,911	30,414	36,497	0	0	0	0
Distribution System							
Fire Hydrants	0	0	0	0	0	0	0
All Other	413,775	121,699	146,038	146,038	0	0	0
Customer Billing & Meter	0	0	0	0	0	0	0
Admin.	0	0	0	0	0	0	0
O&M - Total	\$661,078	\$296,426	\$218,614	\$146,038	\$0	\$0	\$0
Less: O&M Non-Rate Rev							
3121 Street Sprinkling	\$1,700	\$709	\$499	\$105	\$122	\$178	\$87
3122 Sewer Flushing	\$6,000	\$2,501	\$1,761	\$372	\$430	\$629	\$306
Water Permits	\$65,000	\$27,098	\$19,083	\$4,031	\$4,657	\$6,813	\$3,319
Misc. Revenue	0	0	0	0	0	0	0
Collection of Bad Debt	3,000	1,251	881	186	215	314	153
Sale of Material/Labor	290,000	120,897	85,138	17,983	20,777	30,398	14,806
Public Water Supply	62,000	25,847	18,202	3,845	4,442	6,499	3,165
Water Srvs Line Repair	440,000	183,431	129,175	27,284	31,524	46,121	22,464
Water Srvs Line Admin.	24,500	10,214	7,193	1,519	1,755	2,568	1,251
Hydrant Mtr Rental Fee	23,000	9,588	6,752	1,426	1,648	2,411	1,174
Charge for Services	0	0	0	0	0	0	0
Total O&M Non-Rate Rev	\$915,200	\$381,536	\$268,685	\$56,751	\$65,570	\$95,933	\$46,726
Total Owner O&M Rev Req.	(\$254,122)	(\$85,109)	(\$50,071)	\$89,287	(\$65,570)	(\$95,933)	(\$46,726)

Table B.7: Owner O&M Costs by Functional Cost Component – FY24

Line Item	Total	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	0	0	0	0	0	0	0
High Service Pumping							
Utilities	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
System Pumping & Storage							
Utilities	41,081	32,865	8,216	0	0	0	0
All Other	54,537	24,790	29,748	0	0	0	0
Distribution System							
Fire Hydrants	0	0	0	0	0	0	0
All Other	0	0	0	0	0	0	0
Customer Billing & Meter	0	0	0	0	0	0	0
Admin.	0	0	0	0	0	0	0
O&M - Total	\$95,619	\$57,655	\$37,964	\$0	\$0	\$0	\$0
Less: O&M Non-Rate Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Resale O&M Rev Req.	\$95,619	\$57,655	\$37,964	\$0	\$0	\$0	\$0

Table B.8: Resale O&M Costs by Functional Cost Component – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$1,912,895	\$1,656,645	\$104,994	\$960,948	\$1,265,430	\$0	\$5,900,912
Multi-Family Residential	\$431,180	\$93,355	\$43,952	\$30,137	\$94,740	\$0	\$693,364
Commercial	671,392	181,704	39,483	72,496	183,406	0	1,148,481
Industrial	13,836	3,744	271	69	1,325	0	19,246
Seasonal	284,578	385,088	27,893	7,534	17,123	0	722,215
Public Fire Protection	0	419,038	170,153	0	0	172,625	761,816
Private Fire Protection	0	54,819	22,260	0	0	22,583	99,662
Non-Owners							
Residential	\$15,939	\$13,804	\$875	\$9,131	\$12,029	\$0	\$51,778
Commercial	523,997	141,813	30,815	2,708	8,179	0	707,513
Resale	770,479	667,726	37,222	69	1,656	0	1,477,153
Private Fire Protection	0	3,413	1,386	0	0	1,406	6,205
Total - Joint	\$4,624,295	\$3,621,150	\$479,305	\$1,083,094	\$1,583,888	\$196,614	\$11,588,345

Table B.9: Allocation of Joint O&M Costs to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$424,327	\$383,017	\$87,197	\$59,672	\$78,657	\$0	\$1,032,871
Multi-Family Residential	\$95,646	\$21,584	\$36,502	\$1,871	\$5,889	\$0	\$161,492
Commercial	148,931	42,010	32,791	4,502	11,400	0	239,634
Industrial	3,069	866	225	4	82	0	4,247
Seasonal	63,126	89,033	23,165	468	1,064	0	176,856
Public Fire Protection	0	96,882	141,311	0	0	547,193	785,386
Private Fire Protection	0	12,674	18,487	0	0	71,585	102,746
Non-Owners							
Residential	\$3,536	\$3,191	\$727	\$567	\$748	\$0	\$8,768
Commercial	116,235	32,787	25,592	168	508	0	175,291
Resale	0	0	0	0	0	0	0
Private Fire Protection	0	789	1,151	0	0	4,457	6,397
Total - All-But-Resale	\$854,871	\$682,834	\$367,148	\$67,253	\$98,348	\$623,235	\$2,693,688

Table B.10: Allocation of All-But-Resale O&M Costs to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	(\$49,128)	(\$29,685)	\$22,921	(\$58,822)	(\$77,717)	\$0	(\$192,432)
Multi-Family Residential	(\$11,074)	(\$1,673)	\$9,595	(\$1,845)	(\$5,819)	\$0	(\$10,815)
Commercial	(17,243)	(3,256)	8,619	(4,438)	(11,264)	0	(27,581)
Industrial	(355)	(67)	59	(4)	(81)	0	(449)
Seasonal	(7,309)	(6,900)	6,089	(461)	(1,052)	0	(9,633)
Public Fire Protection	0	(7,509)	37,145	0	0	(41,320)	(11,684)
Private Fire Protection	0	(982)	4,859	0	0	(5,406)	(1,528)
Total - Owner	(\$85,109)	(\$50,071)	\$89,287	(\$65,570)	(\$95,933)	(\$46,726)	(\$254,122)

Table B.11: Allocation of Owner O&M Costs to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Non-Owners							
Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial	0	0	0	0	0	0	0
Resale	57,655	37,964	0	0	0	0	95,619
Private Fire Protection	0	0	0	0	0	0	0
Total - Resale	\$57,655	\$37,964	\$0	\$0	\$0	\$0	\$95,619

Table B.12: Allocation of Resale O&M Costs to Customer Class – FY24

Line Item	Total	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$703,093	\$703,093	\$0	\$0	\$0	\$0	\$0
All Other	\$3,884,747	\$1,765,794	\$2,118,953	\$0	\$0	\$0	\$0
High Service Pumping							
Utilities	\$1,473,295	\$1,178,636	\$294,659	\$0	\$0	\$0	\$0
All Other	\$41,771	\$18,987	\$22,784	\$0	\$0	\$0	\$0
System Pumping & Storage							
Utilities	\$67,599	\$54,079	\$13,520	\$0	\$0	\$0	\$0
All Other	\$25,074	\$11,397	\$13,677	\$0	\$0	\$0	\$0
Distribution System							
Fire Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	\$707,077	\$207,964	\$249,556	\$249,556	\$0	\$0	\$0
Customer Billing & Meter	\$2,048,138	\$0	\$0	\$0	\$831,544	\$1,216,594	\$0
Admin.	\$3,026,935	\$853,862	\$1,024,634	\$245,962	\$284,185	\$415,779	\$202,512
O&M - Total	\$11,977,727	\$4,793,811	\$3,737,783	\$495,519	\$1,115,730	\$1,632,373	\$202,512
Less: O&M Non-Rate Rev							
Water Permits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Misc. Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Collection of Bad Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Material/Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Water Supply	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Srvs Line Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Srvs Line Admin.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hydrant Mtr Rental Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Charge for Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M Non-Rate Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Joint O&M Rev Req.	\$11,977,727	\$4,793,811	\$3,737,783	\$495,519	\$1,115,730	\$1,632,373	\$202,512

Table B.13: Joint O&M Costs by Functional Cost Component – FY25

Line Item	Total	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$43,657	\$43,657	\$0	\$0	\$0	\$0	\$0
All Other	\$241,216	\$109,644	\$131,572	\$0	\$0	\$0	\$0
High Service Pumping							
Utilities	\$91,481	\$73,185	\$18,296	\$0	\$0	\$0	\$0
All Other	\$2,594	\$1,179	\$1,415	\$0	\$0	\$0	\$0
System Pumping & Storage							
Utilities	\$312,808	\$250,246	\$62,562	\$0	\$0	\$0	\$0
All Other	\$116,026	\$52,739	\$63,287	\$0	\$0	\$0	\$0
Distribution System							
Fire Hydrants	\$629,357	\$0	\$0	\$0	\$0	\$0	\$629,357
All Other	\$1,032,504	\$303,678	\$364,413	\$364,413	\$0	\$0	\$0
Customer Billing & Meter	\$127,175	\$0	\$0	\$0	\$51,633	\$75,542	\$0
Admin.	\$187,952	\$53,019	\$63,623	\$15,273	\$17,646	\$25,817	\$12,575
O&M - Total	\$2,784,771	\$887,347	\$705,168	\$379,686	\$69,279	\$101,359	\$641,932
Less: O&M Non-Rate Rev							
Water Permits	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Misc. Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Collection of Bad Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sale of Material/Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Water Supply	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Srvs Line Repair	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Srvs Line Admin.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hydrant Mtr Rental Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Charge for Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M Non-Rate Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total All-But-Resale O&M Rev Req.	\$2,784,771	\$887,347	\$705,168	\$379,686	\$69,279	\$101,359	\$641,932

Table B.14: All-But-Resale O&M Costs by Functional Cost Component – FY25

Line Item	Total	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Service Pumping							
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
System Pumping & Storage							
Utilities	\$185,804	\$148,643	\$37,161	\$0	\$0	\$0	\$0
All Other	\$68,918	\$31,326	\$37,592	\$0	\$0	\$0	\$0
Distribution System							
Fire Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	\$426,189	\$125,350	\$150,420	\$150,420	\$0	\$0	\$0
Customer Billing & Meter	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M - Total	\$680,911	\$305,319	\$225,172	\$150,420	\$0	\$0	\$0
Less: O&M Non-Rate Rev							
3121 Street Sprinkling	\$1,700	\$709	\$499	\$105	\$122	\$178	\$87
3122 Sewer Flushing	\$6,000	\$2,501	\$1,761	\$372	\$430	\$629	\$306
Water Permits	\$65,000	\$27,098	\$19,083	\$4,031	\$4,657	\$6,813	\$3,319
Misc. Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Collection of Bad Debt	\$3,000	\$1,251	\$881	\$186	\$215	\$314	\$153
Sale of Material/Labor	\$290,000	\$120,897	\$85,138	\$17,983	\$20,777	\$30,398	\$14,806
Public Water Supply	\$62,000	\$25,847	\$18,202	\$3,845	\$4,442	\$6,499	\$3,165
Water Srvs Line Repair	\$440,000	\$183,431	\$129,175	\$27,284	\$31,524	\$46,121	\$22,464
Water Srvs Line Admin.	\$24,500	\$10,214	\$7,193	\$1,519	\$1,755	\$2,568	\$1,251
Hydrant Mtr Rental Fee	\$23,000	\$9,588	\$6,752	\$1,426	\$1,648	\$2,411	\$1,174
Charge for Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total O&M Non-Rate Rev	\$915,200	\$381,536	\$268,685	\$56,751	\$65,570	\$95,933	\$46,726
Total Owner O&M Rev Req.	(\$234,289)	(\$76,217)	(\$43,513)	\$93,669	(\$65,570)	(\$95,933)	(\$46,726)

Table B.15: Owner O&M Costs by Functional Cost Component – FY25

Line Item	Total	Base	Max Day	Max Hour	Customer	Meter	Direct Fire
Water Production							
Chemicals	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Service Pumping							
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
System Pumping & Storage							
Utilities	\$42,314	\$33,851	\$8,463	\$0	\$0	\$0	\$0
All Other	\$56,173	\$25,533	\$30,640	\$0	\$0	\$0	\$0
Distribution System							
Fire Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Customer Billing & Meter	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Admin.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
O&M - Total	\$98,487	\$59,384	\$39,103	\$0	\$0	\$0	\$0
Less: O&M Non-Rate Rev	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Resale O&M Rev Req.	\$98,487	\$59,384	\$39,103	\$0	\$0	\$0	\$0

Table B.16: Resale O&M Costs by Functional Cost Component – FY25

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	1,966,587	1,703,153	108,272	989,893	1,304,045	0	6,071,950
Multi-Family Residential	443,282	95,976	45,324	31,032	97,373	0	712,986
Commercial	690,237	186,805	40,716	74,662	188,657	0	1,181,077
Industrial	14,153	3,830	278	71	1,359	0	19,692
Seasonal	292,566	395,899	28,763	7,722	17,557	0	742,507
Public Fire Protection	0	428,691	174,605	0	0	177,817	781,113
Private Fire Protection	0	56,082	22,842	0	0	23,262	102,187
Non-Owners							
Residential	\$16,305	\$14,121	\$898	\$9,359	\$12,335	\$0	\$53,017
Commercial	\$536,025	\$145,069	\$31,619	\$2,776	\$8,386	\$0	\$723,875
Resale	\$803,927	\$696,718	\$38,957	\$71	\$1,698	\$0	\$1,541,371
Private Fire Protection	\$0	\$3,455	\$1,407	\$0	\$0	\$1,433	\$6,295
Total - Joint	\$4,763,082	\$3,729,799	\$493,682	\$1,115,587	\$1,631,409	\$202,512	\$11,936,071

Table B.17: Allocation of Joint O&M Costs to Customer Class – FY25

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$437,367	\$394,930	\$90,041	\$61,469	\$81,057	\$0	\$1,064,865
Multi-Family Residential	\$98,586	\$22,255	\$37,692	\$1,927	\$6,052	\$0	\$166,512
Commercial	\$153,508	\$43,317	\$33,860	\$4,636	\$11,726	\$0	\$247,048
Industrial	\$3,148	\$888	\$231	\$4	\$84	\$0	\$4,356
Seasonal	\$65,066	\$91,802	\$23,920	\$480	\$1,091	\$0	\$182,359
Public Fire Protection	\$0	\$99,406	\$145,205	\$0	\$0	\$563,651	\$808,262
Private Fire Protection	\$0	\$13,004	\$18,996	\$0	\$0	\$73,738	\$105,738
Non-Owners							
Residential	\$3,626	\$3,274	\$747	\$581	\$767	\$0	\$8,995
Commercial	\$119,211	\$33,639	\$26,295	\$172	\$521	\$0	\$179,839
Resale	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private Fire Protection	\$0	\$801	\$1,170	\$0	\$0	\$4,543	\$6,514
Total - All But Resale	\$880,513	\$703,317	\$378,158	\$69,270	\$101,299	\$641,932	\$2,774,489

Table B.18: Allocation of All-But-Resale O&M Costs to Customer Class – FY25

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	(\$43,996)	(\$25,818)	\$24,101	(\$58,826)	(\$77,751)	\$0	(\$182,290)
Multi-Family Residential	(\$9,917)	(\$1,455)	\$10,089	(\$1,844)	(\$5,806)	\$0	(\$8,933)
Commercial	(\$15,442)	(\$2,832)	\$9,063	(\$4,437)	(\$11,248)	\$0	(\$24,896)
Industrial	(\$317)	(\$58)	\$62	(\$4)	(\$81)	\$0	(\$398)
Seasonal	(\$6,545)	(\$6,001)	\$6,403	(\$459)	(\$1,047)	\$0	(\$7,650)
Public Fire Protection	\$0	(\$6,499)	\$38,866	\$0	\$0	(\$41,320)	(\$8,952)
Private Fire Protection	\$0	(\$850)	\$5,085	\$0	\$0	(\$5,406)	(\$1,171)
Total - Owner	(\$76,217)	(\$43,513)	\$93,669	(\$65,570)	(\$95,933)	(\$46,726)	(\$234,289)

Table B.19: Allocation of Owner O&M Costs to Customer Class – FY25

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Non-Owners							
Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Resale	\$59,384	\$39,103	\$0	\$0	\$0	\$0	\$98,487
Private Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total - Resale	\$59,384	\$39,103	\$0	\$0	\$0	\$0	\$98,487

Table B.20: Allocation of Resale O&M Costs to Customer Class – FY25

Fixed Asset	Joint	All But Resale	Owners	Resale	Total
Booster Station - 12th Ave N & 27th	\$0	\$6,230	\$0	\$0	\$6,230
Chapple Pump Station	\$0	\$183,112	\$0	\$0	\$183,112
Christensen Pump Station	\$0	\$0	\$154,202	\$0	\$154,202
Fox Pump Station	\$0	\$2,090,979	\$0	\$0	\$2,090,979
Leavens Pump Station	\$0	\$0	\$130,303	\$0	\$130,303
Staples Pump Station #1	\$0	\$1,303,946	\$0	\$0	\$1,303,946
Staples Pump Station #2	\$0	\$23,481	\$0	\$0	\$23,481
Terrace Estates Pump Station	\$0	\$0	\$153,454	\$0	\$153,454
Thomas Pump Station	\$0	\$0	\$78,123	\$0	\$78,123
Voelker Pump Station	\$0	\$0	\$1,506,151	\$0	\$1,506,151
Waldo Pump Station	\$0	\$0	\$245,498	\$0	\$245,498
Walter Pumping Station	\$0	\$0	\$1,603,289	\$1,068,859	\$2,672,148
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$1,680,894	\$0	\$0	\$0	\$1,680,894
Cold Storage Building	\$42,745	\$0	\$0	\$0	\$42,745
Communication Equipment	\$15,957	\$0	\$0	\$0	\$15,957
Construction Equipment	\$23,148	\$0	\$0	\$0	\$23,148
Gas Pumps	\$12,179	\$0	\$0	\$0	\$12,179
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$64,619	\$0	\$0	\$0	\$64,619
Rights & Licenses	\$0	\$0	\$1,506,700	\$0	\$1,506,700
Site Work & Landscaping	\$62,432	\$0	\$0	\$0	\$62,432
Tools & Working Equipment	\$62,454	\$0	\$0	\$0	\$62,454
Transportation Equipment	\$504,013	\$0	\$0	\$0	\$504,013
Utilities Service Center	\$1,045,068	\$0	\$0	\$0	\$1,045,068
Hydrants	\$0	\$1,962,340	\$0	\$0	\$1,962,340
Meters	\$32,343	\$0	\$0	\$0	\$32,343
Service Connections	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$1,869,531	\$0	\$0	\$0	\$1,869,531
Leavens Reservoir	\$1,663,505	\$0	\$0	\$0	\$1,663,505
Logan Reservoir	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$21,856	\$0	\$0	\$21,856
Staples Reservoir #2	\$0	\$1,236,876	\$0	\$0	\$1,236,876
Staples Reservoir #3	\$0	\$0	\$300,021	\$0	\$300,021
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$105,782	\$0	\$0	\$105,782
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$0	\$3,017,096	\$0	\$0	\$3,017,096
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$0	\$0	\$5,658,124	\$0	\$5,658,124
Zone 4 Reservoir	\$0	\$8,637,844	\$0	\$0	\$8,637,844
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Joint	All But Resale	Owners	Resale	Total
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$1,370,292	\$0	\$0	\$0	\$1,370,292
Low Duty Pumping St #4	\$52,989	\$0	\$0	\$0	\$52,989
Low Duty Pumping St #5	\$69,444	\$0	\$0	\$0	\$69,444
Low Duty Pumping St #6	\$49,090	\$0	\$0	\$0	\$49,090
River Intake #1	\$4,980	\$0	\$0	\$0	\$4,980
River Intake #10	\$51,423	\$0	\$0	\$0	\$51,423
River Intake #12	\$140,000	\$0	\$0	\$0	\$140,000
River Intake #13	\$49,090	\$0	\$0	\$0	\$49,090
River Intake #15	\$131,831	\$0	\$0	\$0	\$131,831
River Intake #2	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$5,635	\$0	\$0	\$0	\$5,635
River Intake #4	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$814,945	\$0	\$0	\$0	\$814,945
River Intake #7	\$753,236	\$0	\$0	\$0	\$753,236
River Intake #8	\$21,827	\$0	\$0	\$0	\$21,827
River Intake #9	\$3,016,769	\$0	\$0	\$0	\$3,016,769
Distribution Mains < 12"	\$0	\$37,762,447	\$25,174,965	\$0	\$62,937,412
Transmission main 12" & Up- don't use	\$16,359,442	\$0	\$0	\$0	\$16,359,442
Transmission Mains = 12"	\$0	\$15,416,959	\$0	\$0	\$15,416,959
Transmission Mains > 12"	\$16,784,850	\$0	\$0	\$0	\$16,784,850
Chemical Bldg & Treatment Basin	\$5,715,554	\$0	\$0	\$0	\$5,715,554
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$837,933	\$0	\$0	\$0	\$837,933
Clear Well Standpipe #5	\$1,243,139	\$0	\$0	\$0	\$1,243,139
Clear Well Standpipe #7	\$561,220	\$0	\$0	\$0	\$561,220
Filter Bldg, Clr Basin, and PS	\$15,182,781	\$0	\$0	\$0	\$15,182,781
Heated Storage Bldg & Yrd Storage	\$26,997	\$0	\$0	\$0	\$26,997
High Service Pumping Station	\$4,957,468	\$0	\$0	\$0	\$4,957,468
Laboratory & Test Equipment	\$138,883	\$0	\$0	\$0	\$138,883
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$268,711	\$0	\$0	\$0	\$268,711
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0
UV Building	\$2,185,822	\$0	\$0	\$0	\$2,185,822
West End Reservoir	\$2,076,289	\$0	\$0	\$0	\$2,076,289
Yard Piping & Flumes	\$2,543,024	\$0	\$0	\$0	\$2,543,024
Grand Total	\$82,492,553	\$71,768,948	\$36,510,829	\$1,068,859	\$191,841,190

Table B.21: Allocation of Net Fixed Assets to Ownership Categories – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$1,832	\$2,199	\$2,199	\$0	\$0	\$0	\$6,230
Chapple Pump Station	\$83,233	\$99,879	\$0	\$0	\$0	\$0	\$183,112
Christensen Pump Station	\$70,092	\$84,110	\$0	\$0	\$0	\$0	\$154,202
Fox Pump Station	\$950,445	\$1,140,534	\$0	\$0	\$0	\$0	\$2,090,979
Leavens Pump Station	\$59,229	\$71,074	\$0	\$0	\$0	\$0	\$130,303
Staples Pump Station #1	\$592,703	\$711,243	\$0	\$0	\$0	\$0	\$1,303,946
Staples Pump Station #2	\$10,673	\$12,808	\$0	\$0	\$0	\$0	\$23,481
Terrace Estates Pump Station	\$69,752	\$83,702	\$0	\$0	\$0	\$0	\$153,454
Thomas Pump Station	\$35,510	\$42,612	\$0	\$0	\$0	\$0	\$78,123
Voelker Pump Station	\$684,614	\$821,537	\$0	\$0	\$0	\$0	\$1,506,151
Waldo Pump Station	\$111,590	\$133,908	\$0	\$0	\$0	\$0	\$245,498
Walter Pumping Station	\$1,214,613	\$1,457,535	\$0	\$0	\$0	\$0	\$2,672,148
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$764,043	\$916,851	\$0	\$0	\$0	\$0	\$1,680,894
Cold Storage Building	\$14,991	\$16,577	\$10,724	\$0	\$7	\$445	\$42,745
Communication Equipment	\$5,596	\$6,188	\$4,003	\$0	\$3	\$166	\$15,957
Construction Equipment	\$8,119	\$8,977	\$5,807	\$0	\$4	\$241	\$23,148
Gas Pumps	\$4,271	\$4,723	\$3,055	\$0	\$2	\$127	\$12,179
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$22,663	\$25,061	\$16,212	\$0	\$11	\$673	\$64,619
Rights & Licenses	\$528,430	\$584,334	\$377,996	\$0	\$258	\$15,682	\$1,506,700
Site Work & Landscaping	\$62,432	\$0	\$0	\$0	\$0	\$0	\$62,432
Tools & Working Equipment	\$21,904	\$24,221	\$15,668	\$0	\$11	\$650	\$62,454
Transportation Equipment	\$176,767	\$195,468	\$126,445	\$0	\$86	\$5,246	\$504,013
Utilities Service Center	\$366,526	\$405,302	\$262,183	\$0	\$179	\$10,877	\$1,045,068
Hydrants	\$0	\$0	\$0	\$0	\$0	\$1,962,340	\$1,962,340
Meters	\$0	\$0	\$0	\$0	\$32,343	\$0	\$32,343
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$549,862	\$659,835	\$659,835	\$0	\$0	\$0	\$1,869,531
Leavens Reservoir	\$489,266	\$587,120	\$587,120	\$0	\$0	\$0	\$1,663,505
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$6,428	\$7,714	\$7,714	\$0	\$0	\$0	\$21,856
Staples Reservoir #2	\$363,787	\$436,544	\$436,544	\$0	\$0	\$0	\$1,236,876
Staples Reservoir #3	\$88,241	\$105,890	\$105,890	\$0	\$0	\$0	\$300,021
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$31,112	\$37,335	\$37,335	\$0	\$0	\$0	\$105,782
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$887,381	\$1,064,858	\$1,064,858	\$0	\$0	\$0	\$3,017,096
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$1,664,154	\$1,996,985	\$1,996,985	\$0	\$0	\$0	\$5,658,124
Zone 4 Reservoir	\$2,540,542	\$3,048,651	\$3,048,651	\$0	\$0	\$0	\$8,637,844

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$622,860	\$747,432	\$0	\$0	\$0	\$0	\$1,370,292
Low Duty Pumping St #4	\$24,086	\$28,903	\$0	\$0	\$0	\$0	\$52,989
Low Duty Pumping St #5	\$31,566	\$37,879	\$0	\$0	\$0	\$0	\$69,444
Low Duty Pumping St #6	\$22,314	\$26,776	\$0	\$0	\$0	\$0	\$49,090
River Intake #1	\$4,980	\$0	\$0	\$0	\$0	\$0	\$4,980
River Intake #10	\$51,423	\$0	\$0	\$0	\$0	\$0	\$51,423
River Intake #12	\$140,000	\$0	\$0	\$0	\$0	\$0	\$140,000
River Intake #13	\$49,090	\$0	\$0	\$0	\$0	\$0	\$49,090
River Intake #15	\$131,831	\$0	\$0	\$0	\$0	\$0	\$131,831
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$5,635	\$0	\$0	\$0	\$0	\$0	\$5,635
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$814,945	\$0	\$0	\$0	\$0	\$0	\$814,945
River Intake #7	\$753,236	\$0	\$0	\$0	\$0	\$0	\$753,236
River Intake #8	\$21,827	\$0	\$0	\$0	\$0	\$0	\$21,827
River Intake #9	\$3,016,769	\$0	\$0	\$0	\$0	\$0	\$3,016,769
Distribution Mains < 12"	\$18,511,004	\$22,213,204	\$22,213,204	\$0	\$0	\$0	\$62,937,412
Transmission main 12" & Up- don't use	\$4,811,601	\$5,773,921	\$5,773,921	\$0	\$0	\$0	\$16,359,442
Transmission Mains = 12"	\$4,534,400	\$5,441,280	\$5,441,280	\$0	\$0	\$0	\$15,416,959
Transmission Mains > 12"	\$4,936,721	\$5,924,065	\$5,924,065	\$0	\$0	\$0	\$16,784,850
Chemical Bldg & Treatment Basin	\$2,597,979	\$3,117,575	\$0	\$0	\$0	\$0	\$5,715,554
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$380,879	\$457,054	\$0	\$0	\$0	\$0	\$837,933
Clear Well Standpipe #5	\$565,063	\$678,076	\$0	\$0	\$0	\$0	\$1,243,139
Clear Well Standpipe #7	\$255,100	\$306,120	\$0	\$0	\$0	\$0	\$561,220
Filter Bldg, Clr Basin, and PS	\$6,901,264	\$8,281,517	\$0	\$0	\$0	\$0	\$15,182,781
Heated Storage Bldg & Yrd Storage	\$9,468	\$10,470	\$6,773	\$0	\$5	\$281	\$26,997
High Service Pumping Station	\$2,253,395	\$2,704,074	\$0	\$0	\$0	\$0	\$4,957,468
Laboratory & Test Equipment	\$138,883	\$0	\$0	\$0	\$0	\$0	\$138,883
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$122,141	\$146,570	\$0	\$0	\$0	\$0	\$268,711
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$993,555	\$1,192,266	\$0	\$0	\$0	\$0	\$2,185,822
West End Reservoir	\$943,768	\$1,132,521	\$0	\$0	\$0	\$0	\$2,076,289
Yard Piping & Flumes	\$1,155,920	\$1,387,104	\$0	\$0	\$0	\$0	\$2,543,024
Net Fixed Assets	67,282,505	74,400,584	48,128,464	0	32,910	1,996,727	191,841,190

Table B.22: Allocation of Net Fixed Assets to Functional Cost Component – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Terrace Estates Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Thomas Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Voelker Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Walter Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$764,043	\$916,851	\$0	\$0	\$0	\$0	\$1,680,894
Cold Storage Building	\$14,991	\$16,577	\$10,724	\$0	\$7	\$445	\$42,745
Communication Equipment	\$5,596	\$6,188	\$4,003	\$0	\$3	\$166	\$15,957
Construction Equipment	\$8,119	\$8,977	\$5,807	\$0	\$4	\$241	\$23,148
Gas Pumps	\$4,271	\$4,723	\$3,055	\$0	\$2	\$127	\$12,179
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$22,663	\$25,061	\$16,212	\$0	\$11	\$673	\$64,619
Rights & Licenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Work & Landscaping	\$62,432	\$0	\$0	\$0	\$0	\$0	\$62,432
Tools & Working Equipment	\$21,904	\$24,221	\$15,668	\$0	\$11	\$650	\$62,454
Transportation Equipment	\$176,767	\$195,468	\$126,445	\$0	\$86	\$5,246	\$504,013
Utilities Service Center	\$366,526	\$405,302	\$262,183	\$0	\$179	\$10,877	\$1,045,068
Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meters	\$0	\$0	\$0	\$0	\$32,343	\$0	\$32,343
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$549,862	\$659,835	\$659,835	\$0	\$0	\$0	\$1,869,531
Leavens Reservoir	\$489,266	\$587,120	\$587,120	\$0	\$0	\$0	\$1,663,505
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 4 Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$622,860	\$747,432	\$0	\$0	\$0	\$0	\$1,370,292
Low Duty Pumping St #4	\$24,086	\$28,903	\$0	\$0	\$0	\$0	\$52,989
Low Duty Pumping St #5	\$31,566	\$37,879	\$0	\$0	\$0	\$0	\$69,444
Low Duty Pumping St #6	\$22,314	\$26,776	\$0	\$0	\$0	\$0	\$49,090
River Intake #1	\$4,980	\$0	\$0	\$0	\$0	\$0	\$4,980
River Intake #10	\$51,423	\$0	\$0	\$0	\$0	\$0	\$51,423
River Intake #12	\$140,000	\$0	\$0	\$0	\$0	\$0	\$140,000
River Intake #13	\$49,090	\$0	\$0	\$0	\$0	\$0	\$49,090
River Intake #15	\$131,831	\$0	\$0	\$0	\$0	\$0	\$131,831
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$5,635	\$0	\$0	\$0	\$0	\$0	\$5,635
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$814,945	\$0	\$0	\$0	\$0	\$0	\$814,945
River Intake #7	\$753,236	\$0	\$0	\$0	\$0	\$0	\$753,236
River Intake #8	\$21,827	\$0	\$0	\$0	\$0	\$0	\$21,827
River Intake #9	\$3,016,769	\$0	\$0	\$0	\$0	\$0	\$3,016,769
Distribution Mains < 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission main 12" & Up- don't use	\$4,811,601	\$5,773,921	\$5,773,921	\$0	\$0	\$0	\$16,359,442
Transmission Mains = 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains > 12"	\$4,936,721	\$5,924,065	\$5,924,065	\$0	\$0	\$0	\$16,784,850
Chemical Bldg & Treatment Basin	\$2,597,979	\$3,117,575	\$0	\$0	\$0	\$0	\$5,715,554
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$380,879	\$457,054	\$0	\$0	\$0	\$0	\$837,933
Clear Well Standpipe #5	\$565,063	\$678,076	\$0	\$0	\$0	\$0	\$1,243,139
Clear Well Standpipe #7	\$255,100	\$306,120	\$0	\$0	\$0	\$0	\$561,220
Filter Bldg, Clr Basin, and PS	\$6,901,264	\$8,281,517	\$0	\$0	\$0	\$0	\$15,182,781
Heated Storage Bldg & Yrd Storage	\$9,468	\$10,470	\$6,773	\$0	\$5	\$281	\$26,997
High Service Pumping Station	\$2,253,395	\$2,704,074	\$0	\$0	\$0	\$0	\$4,957,468
Laboratory & Test Equipment	\$138,883	\$0	\$0	\$0	\$0	\$0	\$138,883
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$122,141	\$146,570	\$0	\$0	\$0	\$0	\$268,711
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$993,555	\$1,192,266	\$0	\$0	\$0	\$0	\$2,185,822
West End Reservoir	\$943,768	\$1,132,521	\$0	\$0	\$0	\$0	\$2,076,289
Yard Piping & Flumes	\$1,155,920	\$1,387,104	\$0	\$0	\$0	\$0	\$2,543,024
Net Fixed Assets	34,242,740	34,802,647	13,395,810	0	32,651	18,705	82,492,553

Table B.23: Allocation of Net Fixed Assets to Functional Cost Component – Joint – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$1,832	\$2,199	\$2,199	\$0	\$0	\$0	\$6,230
Chapple Pump Station	\$83,233	\$99,879	\$0	\$0	\$0	\$0	\$183,112
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$950,445	\$1,140,534	\$0	\$0	\$0	\$0	\$2,090,979
Leavens Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #1	\$592,703	\$711,243	\$0	\$0	\$0	\$0	\$1,303,946
Staples Pump Station #2	\$10,673	\$12,808	\$0	\$0	\$0	\$0	\$23,481
Terrace Estates Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Thomas Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Voelker Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Walter Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cold Storage Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Pumps	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rights & Licenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Work & Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tools & Working Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Service Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hydrants	\$0	\$0	\$0	\$0	\$0	\$1,962,340	\$1,962,340
Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$6,428	\$7,714	\$7,714	\$0	\$0	\$0	\$21,856
Staples Reservoir #2	\$363,787	\$436,544	\$436,544	\$0	\$0	\$0	\$1,236,876
Staples Reservoir #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$31,112	\$37,335	\$37,335	\$0	\$0	\$0	\$105,782
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$887,381	\$1,064,858	\$1,064,858	\$0	\$0	\$0	\$3,017,096
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 4 Reservoir	\$2,540,542	\$3,048,651	\$3,048,651	\$0	\$0	\$0	\$8,637,844
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Mains < 12"	\$11,106,602	\$13,327,923	\$13,327,923	\$0	\$0	\$0	\$37,762,447
Transmission main 12" & Up	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains = 12"	\$4,534,400	\$5,441,280	\$5,441,280	\$0	\$0	\$0	\$15,416,959
Transmission Mains > 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chemical Bldg & Treatment Basin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Bldg, Clr Basin, and PS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heated Storage Bldg & Yrd Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Service Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory & Test Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West End Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Fixed Assets	21,109,139	25,330,967	23,366,502	0	0	1,962,340	71,768,948

Table B.24: Allocation of Net Fixed Assets to Functional Cost Component – All-But-Resale – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Christensen Pump Station	\$70,092	\$84,110	\$0	\$0	\$0	\$0	\$154,202
Fox Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Pump Station	\$59,229	\$71,074	\$0	\$0	\$0	\$0	\$130,303
Staples Pump Station #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Terrace Estates Pump Station	\$69,752	\$83,702	\$0	\$0	\$0	\$0	\$153,454
Thomas Pump Station	\$35,510	\$42,612	\$0	\$0	\$0	\$0	\$78,123
Voelker Pump Station	\$684,614	\$821,537	\$0	\$0	\$0	\$0	\$1,506,151
Waldo Pump Station	\$111,590	\$133,908	\$0	\$0	\$0	\$0	\$245,498
Walter Pumping Station	\$728,768	\$874,521	\$0	\$0	\$0	\$0	\$1,603,289
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cold Storage Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Pumps	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rights & Licenses	\$527,500	\$582,923	\$380,242	\$0	\$260	\$15,775	\$1,506,700
Site Work & Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tools & Working Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Service Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #3	\$88,241	\$105,890	\$105,890	\$0	\$0	\$0	\$300,021
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$1,664,154	\$1,996,985	\$1,996,985	\$0	\$0	\$0	\$5,658,124
Zone 4 Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Low Duty Pumping St #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Mains < 12"	\$7,404,401	\$8,885,282	\$8,885,282	\$0	\$0	\$0	\$25,174,965
Transmission main 12" & Up- don't use	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains = 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains > 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chemical Bldg & Treatment Basin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Bldg, Clr Basin, and PS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heated Storage Bldg & Yrd Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Service Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory & Test Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West End Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Fixed Assets	11,443,851	13,682,544	11,368,398	0	260	15,775	36,510,829

Table B.25: Allocation of Net Fixed Assets to Functional Cost Component – Owner – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Terrace Estates Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Thomas Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Voelker Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Walter Pumping Station	\$485,845	\$583,014	\$0	\$0	\$0	\$0	\$1,068,859
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cold Storage Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Pumps	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rights & Licenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Work & Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tools & Working Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Service Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 4 Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
River Intake #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Mains < 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission main 12" & Up- don't use	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains = 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains > 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chemical Bldg & Treatment Basin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Bldg, Clr Basin, and PS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heated Storage Bldg & Yrd Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Service Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory & Test Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West End Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Fixed Assets	485,845	583,014	0	0	0	0	1,068,859

Table B.26: Allocation of Net Fixed Assets to Functional Cost Component – Resale – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$14,073,948	\$15,887,840	\$2,923,564	\$0	\$26,071	\$0	\$32,911,422
Multi-Family Residential	\$3,172,364	\$895,307	\$1,223,841	\$0	\$1,952	\$0	\$5,293,464
Commercial	4,939,705	1,742,609	1,099,413	0	3,779	0	7,785,506
Industrial	101,795	35,911	7,552	0	27	0	145,285
Seasonal	2,093,756	3,693,133	776,667	0	353	0	6,563,908
Public Fire Protection	0	4,018,732	4,737,906	0	0	16,423	8,773,061
Private Fire Protection	0	525,738	619,821	0	0	2,149	1,147,707
Non-Owners							
Residential	\$117,269	\$132,383	\$24,360	\$0	\$248	\$0	\$274,260
Commercial	3,855,261	1,360,043	858,052	0	169	0	6,073,525
Resale	5,668,726	6,403,740	1,036,444	0	34	0	13,108,944
Private Fire Protection	0	32,734	38,592	0	0	134	71,461
Total - Joint	\$34,022,824	\$34,728,169	\$13,346,212	\$0	\$32,632	\$18,705	\$82,148,542

Table B.27: Allocation of Joint Related Net Fixed Assets to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$10,397,172	\$14,171,473	\$5,527,262	\$0	\$0	\$0	\$30,095,907
Multi-Family Residential	\$2,343,594	\$798,587	\$2,313,782	\$0	\$0	\$0	\$5,455,962
Commercial	\$3,649,222	\$1,554,355	\$2,078,540	\$0	\$0	\$0	\$7,282,117
Industrial	\$75,201	\$32,031	\$14,278	\$0	\$0	\$0	\$121,511
Seasonal	\$1,546,768	\$3,294,163	\$1,468,358	\$0	\$0	\$0	\$6,309,290
Public Fire Protection	\$0	\$3,584,587	\$8,957,441	\$0	\$0	\$1,722,912	\$14,264,939
Private Fire Protection	\$0	\$468,942	\$1,171,828	\$0	\$0	\$225,394	\$1,866,165
Non-Owners							
Residential	\$86,633	\$118,081	\$46,055	\$0	\$0	\$0	\$250,769
Commercial	\$2,848,086	\$1,213,117	\$1,622,225	\$0	\$0	\$0	\$5,683,428
Resale	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private Fire Protection	\$0	\$29,198	\$72,963	\$0	\$0	\$14,034	\$116,195
Total - All-But-Resale	\$20,946,676	\$25,264,535	\$23,272,732	\$0	\$0	\$1,962,340	\$71,446,283

Table B.28: Allocation of All-But-Resale Related Net Fixed Assets to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$6,606,353	\$8,112,479	\$2,917,759	\$0	\$209	\$0	\$17,636,800
Multi-Family Residential	\$1,489,117	\$457,152	\$1,221,411	\$0	\$16	\$0	\$3,167,696
Commercial	2,318,712	889,792	1,097,230	0	30	0	4,305,765
Industrial	47,783	18,336	7,537	0	0	0	73,657
Seasonal	982,815	1,885,748	775,125	0	3	0	3,643,691
Public Fire Protection	0	2,052,002	4,728,499	0	0	13,868	6,794,369
Private Fire Protection	0	268,447	618,591	0	0	1,814	888,851
Total - Owner	\$11,444,781	\$13,683,956	\$11,366,152	\$0	\$258	\$15,682	\$36,510,829

Table B.29: Allocation of Owner Related Net Fixed Assets to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Non-Owners							
Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial	0	0	0	0	0	0	0
Resale	485,845	583,014	0	0	0	0	1,068,859
Private Fire Protection	0	0	0	0	0	0	0
Total - Resale	\$485,845	\$583,014	\$0	\$0	\$0	\$0	\$1,068,859

Table B.30: Allocation of Resale Related Net Fixed Assets to Customer Class – FY24

Fixed Asset	Joint	All But Resale	Owners	Resale	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$0	\$18,194	\$0	\$0	\$18,194
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$0	\$80,681	\$0	\$0	\$80,681
Leavens Pump Station	\$0	\$0	\$8,268	\$0	\$8,268
Staples Pump Station #1	\$0	\$81,088	\$0	\$0	\$81,088
Staples Pump Station #2	\$0	\$1,957	\$0	\$0	\$1,957
Terrace Estates Pump Station	\$0	\$0	\$8,525	\$0	\$8,525
Thomas Pump Station	\$0	\$0	\$71	\$0	\$71
Voelker Pump Station	\$0	\$0	\$19,060	\$0	\$19,060
Waldo Pump Station	\$0	\$0	\$7,794	\$0	\$7,794
Walter Pumping Station	\$0	\$0	\$73,751	\$49,167	\$122,918
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$30,054	\$0	\$0	\$0	\$30,054
Cold Storage Building	\$3,206	\$0	\$0	\$0	\$3,206
Communication Equipment	\$37,738	\$0	\$0	\$0	\$37,738
Construction Equipment	\$19,307	\$0	\$0	\$0	\$19,307
Gas Pumps	\$931	\$0	\$0	\$0	\$931
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$16,373	\$0	\$0	\$0	\$16,373
Rights & Licenses	\$0	\$0	\$79,300	\$0	\$79,300
Site Work & Landscaping	\$955	\$0	\$0	\$0	\$955
Tools & Working Equipment	\$25,577	\$0	\$0	\$0	\$25,577
Transportation Equipment	\$191,639	\$0	\$0	\$0	\$191,639
Utilities Service Center	\$23,588	\$0	\$0	\$0	\$23,588
Hydrants	\$0	\$98,639	\$0	\$0	\$98,639
Meters	\$6,811	\$0	\$0	\$0	\$6,811
Service Connections	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$157,266	\$0	\$0	\$0	\$157,266
Leavens Reservoir	\$33,949	\$0	\$0	\$0	\$33,949
Logan Reservoir	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$0	\$66,753	\$0	\$0	\$66,753
Staples Reservoir #3	\$0	\$0	\$18,561	\$0	\$18,561
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$0	\$70,301	\$0	\$0	\$70,301
Willet Pumping St #2	\$11,867	\$0	\$0	\$0	\$11,867
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$0	\$0	\$131,584	\$0	\$131,584
Zone 4 Reservoir	\$0	\$203,098	\$0	\$0	\$203,098
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Joint	All But Resale	Owners	Resale	Total
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$72,121	\$0	\$0	\$0	\$72,121
Low Duty Pumping St #4	\$2,777	\$0	\$0	\$0	\$2,777
Low Duty Pumping St #5	\$16,667	\$0	\$0	\$0	\$16,667
Low Duty Pumping St #6	\$3,309	\$0	\$0	\$0	\$3,309
River Intake #1	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$634	\$0	\$0	\$0	\$634
River Intake #12	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$3,309	\$0	\$0	\$0	\$3,309
River Intake #15	\$8,283	\$0	\$0	\$0	\$8,283
River Intake #2	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$48,653	\$0	\$0	\$0	\$48,653
River Intake #7	\$36,594	\$0	\$0	\$0	\$36,594
River Intake #8	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$37,867	\$0	\$0	\$0	\$37,867
Distribution Mains < 12"	\$0	\$958,987	\$639,325	\$0	\$1,598,312
Transmission main 12" & Up- don't use	\$906,438	\$0	\$0	\$0	\$906,438
Transmission Mains = 12"	\$0	\$380,762	\$0	\$0	\$380,762
Transmission Mains > 12"	\$394,833	\$0	\$0	\$0	\$394,833
Chemical Bldg & Treatment Basin	\$242,614	\$0	\$0	\$0	\$242,614
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$77,924	\$0	\$0	\$0	\$77,924
Clear Well Standpipe #5	\$121,282	\$0	\$0	\$0	\$121,282
Clear Well Standpipe #7	\$12,565	\$0	\$0	\$0	\$12,565
Filter Bldg, Clr Basin, and PS	\$1,024,138	\$0	\$0	\$0	\$1,024,138
Heated Storage Bldg & Yrd Storage	\$4,255	\$0	\$0	\$0	\$4,255
High Service Pumping Station	\$292,170	\$0	\$0	\$0	\$292,170
Laboratory & Test Equipment	\$19,631	\$0	\$0	\$0	\$19,631
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$18,639	\$0	\$0	\$0	\$18,639
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0
UV Building	\$165,986	\$0	\$0	\$0	\$165,986
West End Reservoir	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$58,796	\$0	\$0	\$0	\$58,796
Net Depreciation	\$4,128,745	\$1,960,461	\$986,238	\$49,167	\$7,124,611

Table B.31: Allocation of Depreciation Expense to Ownership Categories – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$8,270	\$9,924	\$0	\$0	\$0	\$0	\$18,194
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$36,673	\$44,008	\$0	\$0	\$0	\$0	\$80,681
Leavens Pump Station	\$3,758	\$4,510	\$0	\$0	\$0	\$0	\$8,268
Staples Pump Station #1	\$36,858	\$44,230	\$0	\$0	\$0	\$0	\$81,088
Staples Pump Station #2	\$889	\$1,067	\$0	\$0	\$0	\$0	\$1,957
Terrace Estates Pump Station	\$3,875	\$4,650	\$0	\$0	\$0	\$0	\$8,525
Thomas Pump Station	\$32	\$39	\$0	\$0	\$0	\$0	\$71
Voelker Pump Station	\$8,663	\$10,396	\$0	\$0	\$0	\$0	\$19,060
Waldo Pump Station	\$3,543	\$4,251	\$0	\$0	\$0	\$0	\$7,794
Walter Pumping Station	\$55,872	\$67,046	\$0	\$0	\$0	\$0	\$122,918
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$13,661	\$16,393	\$0	\$0	\$0	\$0	\$30,054
Cold Storage Building	\$1,124	\$1,243	\$804	\$0	\$1	\$33	\$3,206
Communication Equipment	\$13,235	\$14,636	\$9,468	\$0	\$6	\$393	\$37,738
Construction Equipment	\$6,771	\$7,488	\$4,844	\$0	\$3	\$201	\$19,307
Gas Pumps	\$326	\$361	\$234	\$0	\$0	\$10	\$931
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$5,742	\$6,350	\$4,107	\$0	\$3	\$170	\$16,373
Rights & Licenses	\$27,812	\$30,754	\$19,895	\$0	\$14	\$825	\$79,300
Site Work & Landscaping	\$955	\$0	\$0	\$0	\$0	\$0	\$955
Tools & Working Equipment	\$8,970	\$9,919	\$6,417	\$0	\$4	\$266	\$25,577
Transportation Equipment	\$67,212	\$74,322	\$48,078	\$0	\$33	\$1,995	\$191,639
Utilities Service Center	\$8,273	\$9,148	\$5,918	\$0	\$4	\$246	\$23,588
Hydrants	\$0	\$0	\$0	\$0	\$0	\$98,639	\$98,639
Meters	\$0	\$0	\$0	\$0	\$6,811	\$0	\$6,811
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$46,255	\$55,506	\$55,506	\$0	\$0	\$0	\$157,266
Leavens Reservoir	\$9,985	\$11,982	\$11,982	\$0	\$0	\$0	\$33,949
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$19,633	\$23,560	\$23,560	\$0	\$0	\$0	\$66,753
Staples Reservoir #3	\$5,459	\$6,551	\$6,551	\$0	\$0	\$0	\$18,561
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$20,677	\$24,812	\$24,812	\$0	\$0	\$0	\$70,301
Willet Pumping St #2	\$5,394	\$6,473	\$0	\$0	\$0	\$0	\$11,867
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$38,701	\$46,442	\$46,442	\$0	\$0	\$0	\$131,584

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Zone 4 Reservoir	\$59,735	\$71,682	\$71,682	\$0	\$0	\$0	\$203,098
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$32,782	\$39,339	\$0	\$0	\$0	\$0	\$72,121
Low Duty Pumping St #4	\$1,262	\$1,515	\$0	\$0	\$0	\$0	\$2,777
Low Duty Pumping St #5	\$7,576	\$9,091	\$0	\$0	\$0	\$0	\$16,667
Low Duty Pumping St #6	\$1,504	\$1,805	\$0	\$0	\$0	\$0	\$3,309
River Intake #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$634	\$0	\$0	\$0	\$0	\$0	\$634
River Intake #12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$3,309	\$0	\$0	\$0	\$0	\$0	\$3,309
River Intake #15	\$8,283	\$0	\$0	\$0	\$0	\$0	\$8,283
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$48,653	\$0	\$0	\$0	\$0	\$0	\$48,653
River Intake #7	\$36,594	\$0	\$0	\$0	\$0	\$0	\$36,594
River Intake #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$37,867	\$0	\$0	\$0	\$0	\$0	\$37,867
Distribution Mains < 12"	\$470,092	\$564,110	\$564,110	\$0	\$0	\$0	\$1,598,312
Transmission main 12" & Up-	\$266,599	\$319,919	\$319,919	\$0	\$0	\$0	\$906,438
Transmission Mains = 12"	\$111,989	\$134,387	\$134,387	\$0	\$0	\$0	\$380,762
Transmission Mains > 12"	\$116,127	\$139,353	\$139,353	\$0	\$0	\$0	\$394,833
Chemical Bldg & Treatment Basin	\$110,279	\$132,335	\$0	\$0	\$0	\$0	\$242,614
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$35,420	\$42,504	\$0	\$0	\$0	\$0	\$77,924
Clear Well Standpipe #5	\$55,128	\$66,154	\$0	\$0	\$0	\$0	\$121,282
Clear Well Standpipe #7	\$5,711	\$6,853	\$0	\$0	\$0	\$0	\$12,565
Filter Bldg, Clr Basin, and PS	\$465,517	\$558,621	\$0	\$0	\$0	\$0	\$1,024,138
Heated Storage Bldg & Yrd Storage	\$1,492	\$1,650	\$1,068	\$0	\$1	\$44	\$4,255
High Service Pumping Station	\$132,805	\$159,365	\$0	\$0	\$0	\$0	\$292,170
Laboratory & Test Equipment	\$19,631	\$0	\$0	\$0	\$0	\$0	\$19,631
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$8,472	\$10,167	\$0	\$0	\$0	\$0	\$18,639
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$75,448	\$90,538	\$0	\$0	\$0	\$0	\$165,986
West End Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$26,725	\$32,070	\$0	\$0	\$0	\$0	\$58,796
Net Depreciation	\$2,598,258	\$2,917,518	\$1,499,134	\$0	\$6,880	\$102,822	\$7,124,611

Table B.32: Allocation of Depreciation Expense to Functional Cost Component – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Terrace Estates Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Thomas Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Voelker Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Walter Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$13,661	\$16,393	\$0	\$0	\$0	\$0	\$30,054
Cold Storage Building	\$1,124	\$1,243	\$804	\$0	\$1	\$33	\$3,206
Communication Equipment	\$13,235	\$14,636	\$9,468	\$0	\$6	\$393	\$37,738
Construction Equipment	\$6,771	\$7,488	\$4,844	\$0	\$3	\$201	\$19,307
Gas Pumps	\$326	\$361	\$234	\$0	\$0	\$10	\$931
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$5,742	\$6,350	\$4,107	\$0	\$3	\$170	\$16,373
Rights & Licenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Work & Landscaping	\$955	\$0	\$0	\$0	\$0	\$0	\$955
Tools & Working Equipment	\$8,970	\$9,919	\$6,417	\$0	\$4	\$266	\$25,577
Transportation Equipment	\$67,212	\$74,322	\$48,078	\$0	\$33	\$1,995	\$191,639
Utilities Service Center	\$8,273	\$9,148	\$5,918	\$0	\$4	\$246	\$23,588
Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meters	\$0	\$0	\$0	\$0	\$6,811	\$0	\$6,811
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$46,255	\$55,506	\$55,506	\$0	\$0	\$0	\$157,266
Leavens Reservoir	\$9,985	\$11,982	\$11,982	\$0	\$0	\$0	\$33,949
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #2	\$5,394	\$6,473	\$0	\$0	\$0	\$0	\$11,867
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Zone 4 Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$32,782	\$39,339	\$0	\$0	\$0	\$0	\$72,121
Low Duty Pumping St #4	\$1,262	\$1,515	\$0	\$0	\$0	\$0	\$2,777
Low Duty Pumping St #5	\$7,576	\$9,091	\$0	\$0	\$0	\$0	\$16,667
Low Duty Pumping St #6	\$1,504	\$1,805	\$0	\$0	\$0	\$0	\$3,309
River Intake #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$634	\$0	\$0	\$0	\$0	\$0	\$634
River Intake #12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$3,309	\$0	\$0	\$0	\$0	\$0	\$3,309
River Intake #15	\$8,283	\$0	\$0	\$0	\$0	\$0	\$8,283
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$48,653	\$0	\$0	\$0	\$0	\$0	\$48,653
River Intake #7	\$36,594	\$0	\$0	\$0	\$0	\$0	\$36,594
River Intake #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$37,867	\$0	\$0	\$0	\$0	\$0	\$37,867
Distribution Mains < 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission main 12" & Up	\$266,599	\$319,919	\$319,919	\$0	\$0	\$0	\$906,438
Transmission Mains = 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains > 12"	\$116,127	\$139,353	\$139,353	\$0	\$0	\$0	\$394,833
Chemical Bldg & Treatment Basin	\$110,279	\$132,335	\$0	\$0	\$0	\$0	\$242,614
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$35,420	\$42,504	\$0	\$0	\$0	\$0	\$77,924
Clear Well Standpipe #5	\$55,128	\$66,154	\$0	\$0	\$0	\$0	\$121,282
Clear Well Standpipe #7	\$5,711	\$6,853	\$0	\$0	\$0	\$0	\$12,565
Filter Bldg, Clr Basin, and PS	\$465,517	\$558,621	\$0	\$0	\$0	\$0	\$1,024,138
Heated Storage Bldg & Yrd Storage	\$1,492	\$1,650	\$1,068	\$0	\$1	\$44	\$4,255
High Service Pumping Station	\$132,805	\$159,365	\$0	\$0	\$0	\$0	\$292,170
Laboratory & Test Equipment	\$19,631	\$0	\$0	\$0	\$0	\$0	\$19,631
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$8,472	\$10,167	\$0	\$0	\$0	\$0	\$18,639
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$75,448	\$90,538	\$0	\$0	\$0	\$0	\$165,986
West End Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$26,725	\$32,070	\$0	\$0	\$0	\$0	\$58,796
Net Depreciation	1,685,726	1,825,099	607,696	0	6,866	3,358	4,128,745

Table B.33: Allocation of Joint Related Depreciation Expense to Functional Cost Component – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$8,270	\$9,924	\$0	\$0	\$0	\$0	\$18,194
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$36,673	\$44,008	\$0	\$0	\$0	\$0	\$80,681
Leavens Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #1	\$36,858	\$44,230	\$0	\$0	\$0	\$0	\$81,088
Staples Pump Station #2	\$889	\$1,067	\$0	\$0	\$0	\$0	\$1,957
Terrace Estates Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Thomas Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Voelker Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Walter Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cold Storage Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Pumps	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rights & Licenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Work & Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tools & Working Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Service Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hydrants	\$0	\$0	\$0	\$0	\$0	\$98,639	\$98,639
Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$19,633	\$23,560	\$23,560	\$0	\$0	\$0	\$66,753
Staples Reservoir #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$20,677	\$24,812	\$24,812	\$0	\$0	\$0	\$70,301
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Zone 4 Reservoir	\$59,735	\$71,682	\$71,682	\$0	\$0	\$0	\$203,098
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Mains < 12"	\$282,055	\$338,466	\$338,466	\$0	\$0	\$0	\$958,987
Transmission main 12" & Up- don't use	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains = 12"	\$111,989	\$134,387	\$134,387	\$0	\$0	\$0	\$380,762
Transmission Mains > 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chemical Bldg & Treatment Basin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Bldg, Clr Basin, and PS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heated Storage Bldg & Yrd Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Service Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory & Test Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West End Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Depreciation	576,780	692,136	592,907	0	0	98,639	1,960,461

Table B.34: Allocation of All-But-Resale Related Depreciation Expense to Functional Cost Component - FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Pump Station	\$3,758	\$4,510	\$0	\$0	\$0	\$0	\$8,268
Staples Pump Station #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Terrace Estates Pump Station	\$3,875	\$4,650	\$0	\$0	\$0	\$0	\$8,525
Thomas Pump Station	\$32	\$39	\$0	\$0	\$0	\$0	\$71
Voelker Pump Station	\$8,663	\$10,396	\$0	\$0	\$0	\$0	\$19,060
Waldo Pump Station	\$3,543	\$4,251	\$0	\$0	\$0	\$0	\$7,794
Walter Pumping Station	\$33,523	\$40,228	\$0	\$0	\$0	\$0	\$73,751
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cold Storage Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Pumps	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rights & Licenses	\$27,812	\$30,754	\$19,895	\$0	\$14	\$825	\$79,300
Site Work & Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tools & Working Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Service Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #3	\$5,459	\$6,551	\$6,551	\$0	\$0	\$0	\$18,561
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$38,701	\$46,442	\$46,442	\$0	\$0	\$0	\$131,584
Zone 4 Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
River Intake #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Mains < 12"	\$188,037	\$225,644	\$225,644	\$0	\$0	\$0	\$639,325
Transmission main 12" & Up- don't use	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains = 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains > 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chemical Bldg & Treatment Basin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Bldg, Clr Basin, and PS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heated Storage Bldg & Yrd Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Service Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory & Test Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West End Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net	313,404	373,464	298,531	0	14	825	986,238

Table B.35: Allocation of Owner Related Depreciation Expense to Functional Cost Component – FY24

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Booster Station - 12th Ave N & 27th	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chapple Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Christensen Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Pump Station #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Terrace Estates Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Thomas Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Voelker Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Pump Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Walter Pumping Station	\$22,349	\$26,818	\$0	\$0	\$0	\$0	\$49,167
Willet Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cold Storage Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gas Pumps	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equip	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Furniture & Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rights & Licenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Work & Landscaping	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tools & Working Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Utilities Service Center	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hydrants	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meters	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Service Connections	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fox Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Leavens Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Logan Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Staples Reservoir #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waldo Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Willet Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 3 Chapple Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Zone 4 Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fixed Asset	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Low Duty Pumping St #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Low Duty Pumping St #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #10	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #6	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #8	\$0	\$0	\$0	\$0	\$0	\$0	\$0
River Intake #9	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Distribution Mains < 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission main 12" & Up- don't use	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains = 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transmission Mains > 12"	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Chemical Bldg & Treatment Basin	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #4	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Clear Well Standpipe #7	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Filter Bldg, Clr Basin, and PS	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Heated Storage Bldg & Yrd Storage	\$0	\$0	\$0	\$0	\$0	\$0	\$0
High Service Pumping Station	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Laboratory & Test Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Maint & Personnel Bldg	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Electrical Shop	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plant Maintenance Whse	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UV Building	\$0	\$0	\$0	\$0	\$0	\$0	\$0
West End Reservoir	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yard Piping & Flumes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net	22,349	26,818	0	0	0	0	49,167

Table B.36: Allocation of Resale Related Depreciation Expense to Functional Cost Component – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$692,842	\$833,180	\$132,626	\$0	\$5,482	\$0	\$1,664,131
Multi-Family Residential	\$156,171	\$46,951	\$55,519	\$0	\$410	\$0	\$259,052
Commercial	243,175	91,385	49,874	0	795	0	\$385,229
Industrial	5,011	1,883	343	0	6	0	\$7,243
Seasonal	103,073	193,673	35,233	0	74	0	\$332,053
Public Fire Protection	0	210,748	214,933	0	0	2,948	\$428,629
Private Fire Protection	0	27,570	28,118	0	0	386	\$56,074
Non-Owners							\$0
Residential	\$5,773	\$6,942	\$1,105	\$0	\$52	\$0	\$13,873
Commercial	189,790	71,323	38,925	0	35	0	\$300,073
Resale	279,064	335,821	47,018	0	7	0	\$661,910
Private Fire Protection	0	1,717	1,751	0	0	24	\$3,491
Total - Joint	\$1,674,900	\$1,821,193	\$605,446	\$0	\$6,862	\$3,358	\$4,111,759

Table B.37: Allocation of Joint Depreciation Expense to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$284,089	\$387,217	\$140,250	\$0	\$0	\$0	\$811,556
Multi-Family Residential	\$64,036	\$21,820	\$58,710	\$0	\$0	\$0	\$144,566
Commercial	\$99,710	\$42,471	\$52,741	\$0	\$0	\$0	\$194,922
Industrial	\$2,055	\$875	\$362	\$0	\$0	\$0	\$3,292
Seasonal	\$42,263	\$90,009	\$37,258	\$0	\$0	\$0	\$169,531
Public Fire Protection	\$0	\$97,944	\$227,288	\$0	\$0	\$86,604	\$411,836
Private Fire Protection	\$0	\$12,813	\$29,734	\$0	\$0	\$11,330	\$53,877
Non-Owners							\$0
Residential	\$2,367	\$3,226	\$1,169	\$0	\$0	\$0	\$6,762
Commercial	\$77,820	\$33,147	\$41,163	\$0	\$0	\$0	\$152,130
-Resale	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private Fire Protection	\$0	\$798	\$1,851	\$0	\$0	\$705	\$3,355
Total - All-But-Resale	\$572,341	\$690,321	\$590,527	\$0	\$0	\$98,639	\$1,951,827

Table B.38: Allocation of All-But-Resale Depreciation Expense to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$180,880	\$221,363	\$76,665	\$0	\$11	\$0	\$478,919
Multi-Family Residential	\$40,772	\$12,474	\$32,093	\$0	\$1	\$0	\$85,340
Commercial	63,486	24,280	28,830	0	2	0	116,597
Industrial	1,308	500	198	0	0	0	2,007
Seasonal	26,909	51,456	20,367	0	0	0	98,732
Public Fire Protection	0	55,992	124,243	0	0	734	180,969
Private Fire Protection	0	7,325	16,254	0	0	96	23,675
Total - Owner	\$313,355	\$373,390	\$298,649	\$0	\$14	\$830	\$986,238

Table B.39: Allocation of Owner Depreciation Expense to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Non-Owners							
Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial	0	0	0	0	0	0	0
-Resale	22,349	26,818	0	0	0	0	49,167
Private Fire Protection	0	0	0	0	0	0	0
Total - Resale	\$22,349	\$26,818	\$0	\$0	\$0	\$0	\$49,167

Table B.40: Allocation of Resale Depreciation Expense to Customer Class – FY24

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$1,103,071	\$1,380,465	\$141,923	\$0	\$5,482	\$0	\$2,630,942
Multi-Family Residential	\$248,640	\$77,792	\$59,411	\$0	\$409	\$0	\$386,251
Commercial	\$387,158	\$151,412	\$53,370	\$0	\$793	\$0	\$592,734
Industrial	\$7,939	\$3,105	\$365	\$0	\$6	\$0	\$11,414
Seasonal	\$164,102	\$320,890	\$37,703	\$0	\$74	\$0	\$522,768
Public Fire Protection	\$0	\$347,469	\$228,872	\$0	\$0	\$2,749	\$579,091
Private Fire Protection	\$0	\$45,457	\$29,941	\$0	\$0	\$360	\$75,758
Non-Owners							\$0
Residential	\$9,145	\$11,445	\$1,177	\$0	\$52	\$0	\$21,819
Commercial	\$300,660	\$117,584	\$41,446	\$0	\$35	\$0	\$459,725
-Resale	\$450,928	\$564,714	\$51,065	\$0	\$7	\$0	\$1,066,714
Private Fire Protection	\$0	\$2,800	\$1,845	\$0	\$0	\$22	\$4,667
Total - Joint	\$2,671,643	\$3,023,132	\$647,118	\$0	\$6,858	\$3,131	\$6,351,883

Table B.41: Allocation of Joint Depreciation Expense to Customer Class – FY25

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$295,237	\$402,556	\$146,925	\$0	\$0	\$0	\$844,719
Multi-Family Residential	\$66,548	\$22,685	\$61,505	\$0	\$0	\$0	\$150,738
Commercial	\$103,623	\$44,153	\$55,252	\$0	\$0	\$0	\$203,028
Industrial	\$2,125	\$905	\$378	\$0	\$0	\$0	\$3,408
Seasonal	\$43,922	\$93,574	\$39,032	\$0	\$0	\$0	\$176,528
Public Fire Protection	\$0	\$101,325	\$236,940	\$0	\$0	\$86,610	\$424,875
Private Fire Protection	\$0	\$13,256	\$30,997	\$0	\$0	\$11,331	\$55,583
Non-Owners							\$0
Residential	\$2,448	\$3,338	\$1,218	\$0	\$0	\$0	\$7,003
Commercial	\$80,472	\$34,289	\$42,907	\$0	\$0	\$0	\$157,667
-Resale	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Private Fire Protection	\$0	\$817	\$1,910	\$0	\$0	\$698	\$3,424
Total - All-But-Resale	\$594,374	\$716,898	\$617,063	\$0	\$0	\$98,639	\$2,026,974

Table B.42: Allocation of All-But-Resale Depreciation Expense to Customer Class – FY25

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Owners							
Single Family Residential	\$192,495	\$235,586	\$82,351	\$0	\$13	\$0	\$510,445
Multi-Family Residential	\$43,390	\$13,276	\$34,473	\$0	\$1	\$0	\$91,140
Commercial	\$67,562	\$25,839	\$30,968	\$0	\$2	\$0	\$124,372
Industrial	\$1,385	\$530	\$212	\$0	\$0	\$0	\$2,127
Seasonal	\$28,637	\$54,762	\$21,877	\$0	\$0	\$0	\$105,277
Public Fire Protection	\$0	\$59,298	\$132,804	\$0	\$0	\$868	\$192,970
Private Fire Protection	\$0	\$7,757	\$17,374	\$0	\$0	\$114	\$25,245
Total - Owner	\$333,470	\$397,048	\$320,060	\$0	\$16	\$981	\$1,051,575

Table B.43: Allocation of Owner Depreciation Expense to Customer Class – FY25

Customer Class	Base	Max Day	Max Hour	Customer	Meter	Direct Fire	Total
Non-Owners							
Residential	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commercial	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-Resale	\$22,349	\$26,818	\$0	\$0	\$0	\$0	\$49,167
Private Fire Protection	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total - Resale	\$22,349	\$26,818	\$0	\$0	\$0	\$0	\$49,167

Table B.44: Allocation of Resale Depreciation Expense to Customer Class – FY25

RETAIL WASTEWATER RATE STUDY FY24 and FY25

Billings, MT

April 3, 2023

Executive Summary

The City of Billings, Montana (City) calculates its retail wastewater rates using a cost of service rate model developed specifically for its wastewater treatment and collection system. The last rate analysis was completed in April 2021, at which time rates for FY22 and FY23 were set. This report summarizes the results of the most recent update to the wastewater rate model, including rate recommendations for FY24 and FY25. Detailed asset tables are found in the Appendices.

The City currently maintains two rate models for the Wastewater System – a cash-based model used to calculate retail rates and a utility-based model used to calculate the rates for wholesale users. The retail rate model utilizes the cash-basis approach for determining capital costs and therefore does not readily provide a mechanism for differentiating between retail and wholesale users in terms of cost allocation. The wholesale model utilizes the utility-method to better differentiate between retail and wholesale users. This model, discussed in detail in the Wastewater Wholesale Rate Study, applies a 15 percent rate of return on the asset base, which includes 12.5 percent working capital, to calculate capital costs for wholesale users. The rate of return plus depreciation forms the basis for the capital component of the revenue requirements for wholesale users.

Based on the results of this study, the recommended fixed monthly meter rates for retail users for the study period are shown in Tables ES.1 and ES.2 for Inside City Users and Outside City Users, respectively. Due to the City's practice of rounding the wastewater fixed charge to the nearest \$0.05, the calculated cost of service-based rate changes vary slightly for some of the meters in FY24 and FY25. Overall, the projected fixed monthly rates increase roughly three and a half (3.5) percent annually over the two-year period.

The recommended retail volumetric rates are shown in Table ES.3. Based on projected expenditures and wastewater flows, the cost of service model indicated the need for rate increases in both FY24 and FY25. Over the last few years, the rate strategy has been to gradually step into rate increases needed to operate the wastewater treatment facility while keeping rate adjustments at a moderate level.

Meter Size	Inside City Current FY23 Rate (\$/Month)	Recommended Inside City FY24 Rate (\$/Month)	% Increase	Recommended Inside City FY25 Rate (\$/Month)	% Increase
3/4"	\$7.05	\$7.30	3.5%	\$7.55	3.4%
1"	\$9.00	\$9.25	2.8%	\$9.65	4.3%
1-1/2"	\$11.05	\$11.40	3.2%	\$11.80	3.5%
2"	\$11.55	\$11.90	3.0%	\$12.40	4.2%
3"	\$18.65	\$19.20	2.9%	\$19.95	3.9%
4"	\$70.65	\$72.85	3.1%	\$75.65	3.8%
6"	\$89.95	\$92.70	3.1%	\$96.25	3.8%
8"	\$134.90	\$139.05	3.1%	\$144.40	3.8%
10"	\$186.30	\$192.05	3.1%	\$199.40	3.8%

Table ES.1: FY24 and FY25 Recommended Monthly Minimum Wastewater Charges – Inside City Retail Users

Meter Size	Outside City Current FY23 Rate (\$/Month)	Recommended Outside City FY24 Rate (\$/Month)	% Increase	Recommended Outside City FY25 Rate (\$/Month)	% Increase
3/4"	\$7.75	\$8.05	3.9%	\$8.30	3.1%
1"	\$9.90	\$10.15	2.5%	\$10.60	4.4%
1-1/2"	\$12.15	\$12.50	2.9%	\$12.95	3.6%
2"	\$12.70	\$13.05	2.8%	\$13.60	4.2%
3"	\$20.50	\$21.05	2.7%	\$21.90	4.0%
4"	\$77.70	\$80.15	3.2%	\$83.20	3.8%
6"	\$98.95	\$101.95	3.0%	\$105.90	3.9%
8"	\$148.40	\$152.95	3.1%	\$158.85	3.9%
10"	\$204.95	\$211.25	3.1%	\$219.35	3.8%

Table ES.2: FY24 and FY25 Recommended Monthly Minimum Wastewater Charges – Outside City Retail Users

User Class	Current FY23 Rate (\$/kgal)	Recommended FY24 Rate (\$/kgal)	% Increase	Recommended FY25 Rate (\$/kgal)	% Increase
Residential	\$5.08	\$5.21	2.6%	\$5.35	2.6%
Large Residential	\$5.08	\$5.21	2.6%	\$5.35	2.6%
Commercial	\$5.08	\$5.21	2.6%	\$5.35	2.6%
Public Buildings	\$5.08	\$5.21	2.6%	\$5.35	2.6%
Outside Retail Users	\$5.08	\$5.21	2.6%	\$5.35	2.6%

Table ES.3: FY24 and FY25 Recommended Wastewater Volumetric Rates

Lastly, strength surcharge rates are shown in Table ES.4.

	Current FY23 Rate (\$/Pound)	Calculated FY24 Rate (\$/Pound)	% Increase	Calculated FY25 Rate (\$/Pound)	% Increase
BOD	\$0.9019	\$0.9019	0.0%	\$0.9019	0.0%
TSS	\$0.5811	\$0.5811	0.0%	\$0.5811	0.0%
TKN	\$1.7217	\$1.7217	NA	\$1.7217	0.0%
	Current FY23 Rate (\$/kgal)	Calculated FY24 Rate (\$/kgal)	% Increase	Calculated FY25 Rate (\$/kgal)	% Increase
Septage	\$61.12	\$61.12	0.0%	\$61.12	0.0%

Table ES.4: Recommended FY24 and FY25 Strength Surcharge Rates

1.0 Introduction

The City of Billings (City) retained AE2S Nexus to update its wastewater rate model and recommend retail wastewater rates for the 2024 Fiscal Year (FY24), which begins July 1, 2023 and ends June 30, 2024, as well as for FY25, which begins July 1, 2024 and ends June 30, 2025. The rate model utilized by the City of Billings was last updated by AE2S Nexus in early 2021 for the purpose of developing rates for FY22 and FY23. The FY24/FY25 rate review involved a comprehensive review of assumptions and methodology upon which the analysis is based. The results of that review are described herein.

The City's cost of service wastewater rate model utilizes a cash-based approach in calculating retail rates. This approach is designed to meet all legal requirements for rate setting under Montana law (specifically, clearly tying the benefit of service received to the cost paid). Revenue requirements are functionalized to the categories of flow, biochemical oxygen demand (BOD), total suspended solids (TSS), total Kjeldahl nitrogen (TKN), and customer costs. The flow, BOD, TSS, and TKN costs are allocated to the user classes based on user-specific characteristics and respective usage of the system and form the basis for the volumetric and strength components of the user charges. Customer costs are then allocated to the user classes and form the basis for the monthly minimum component of the rate.

At the City's request, AE2S Nexus has updated the customer billing data, operating and maintenance (O&M) budget, and capital revenue requirements. To complete a comprehensive update, assumptions upon which the model calculations are based were also reviewed and verified or updated to reflect current system conditions. This report summarizes the following topics:

- Wastewater system usage parameters assumed for FY24 and FY25 (Section 2.0);
- Projected FY24 and FY25 revenue requirements and associated assumptions (Section 3.0);
- Allocation of FY24 and FY25 operating and capital-related revenue requirements (Section 4.0); and
- Calculated FY24 and FY25 costs of service by user class and recommended FY24/FY25 wastewater rates for the Retail customer classes (Section 5.0).

2.0 Customers and Usage

The City of Billings provides wastewater service to approximately 35,858 users within City limits, 60 users outside of the City, and to the wholesale customers, Lockwood, ExxonMobil, and Phillips 66. Projected FY24 and FY25 accounts and meters are based on actual meter and account data from FY22, adjusted by one percent annually for Residential accounts. As shown in Table 2.1, a growth factor zero percent per year is used to project flows for FY24 and FY25. Flows were held constant due to recent flows fluctuating around existing levels.

Customer Class	Description	Flow Growth Factor
Residential	single family, two- and three- multi-family unit complexes	0.0%
Commercial		0.0%
Residential - Large	includes multi-family complexes with greater than three units	0.0%
Public Buildings	Includes governments and schools	0.0%
Outside City – Domestic Strength		0.0%

Table 2.1 : Flow Growth Factors

Rates for the wholesale users (Lockwood Water and Sewer District, ExxonMobil and Phillips 66) are calculated in separate rate models that apply the utility basis cost of service methodology rather than the cash-based methodology employed for retail rate analysis. For the purpose of calculating rates for the retail customers, revenue associated with the wholesale users was treated as non-rate revenue, reducing the net revenue requirements. Estimated FY24 and FY25 retail customer accounts by meter size and equivalent meters are shown in Tables 2.2 and 2.3, respectively. The equivalent meter counts are shown on a 3/4-inch meter basis. Table 2.4 summarizes the projected FY24 and FY25 billable retail flow for each user class, measured in units of million gallons (MG).

Meter Size	Residential	Commercial	Residential- Large	Public Buildings- Domestic	Outside City	Total
3/4"	32,847	1,285	435	12	36	34,615
1"	375	368	303	5	10	1,061
1-1/2"	24	272	144	15	5	460
2"	-	140	64	22	5	231
3"	1	72	36	23	2	134
4"	1	18	19	4	1	43
6"	-	9	26	4	-	39
8"	-	3	4	2	1	10
10"	-	-	-	-	-	-
12"	-	-	1	-	-	1
Total	33,249	2,167	1,031	87	60	36,594
Equivalent Meters	33,376	2,949	1,840	268	99	38,532

Table 2.2: Projected FY24 Wastewater Customer Accounts and Equivalent Meters

Meter Size	Residential	Commercial	Residential- Large	Public Buildings- Domestic	Outside City	Total
3/4"	33,176	1,285	439	12	36	34,948
1"	379	368	306	5	10	1,068
1-1/2"	25	272	145	15	5	462
2"	-	140	65	22	5	232
3"	1	72	36	23	2	134
4"	1	18	20	4	1	44
6"	-	9	26	4	-	39
8"	-	3	4	2	1	10
10"	-	-	-	-	-	-
12"	-	-	-	-	-	-
Total	33,582	2,167	1,041	87	60	36,937
Equivalent Meters	33,710	2,949	1,864	268	99	38,889

Table 2.3: Projected FY25 Wastewater Customer Accounts and Equivalent Meters

Customer Class	FY2024 Flow (MG)	FY2025 Flow (MG)
Residential	1,447.66	1,447.66
Large Residential	559.34	559.34
Commercial - Domestic	904.77	904.77
Public Buildings - Domestic	66.84	66.84
Outside City	41.67	41.67
Total	3,020.28	3,020.28

Table 2.4: Projected FY24 and FY25 Retail Customer Flows

Tables 2.5 and 2.6 present projected retail customer strength concentrations and loadings for FY24 and FY25, respectively. Consistent with previous analyses, BOD and TSS strengths of 200 milligrams per liter (mg/L) (the current domestic limit) were assumed for all user classes, and beginning in FY24, a TKN strength of 45 milligrams per liter (mg/L) was assumed.

Customer Class	BOD (mg/L)	TSS (mg/L)	TKN (mg/L)	BOD (pounds)	TSS (pounds)	TKN (pounds)
Residential	200	200	45	2,416,341	2,416,341	543,677
Large Residential	200	200	45	933,617	933,617	210,064
Commercial - Domestic	200	200	45	1,510,177	1,510,177	339,790
Public Buildings - Domestic	200	200	45	111,568	111,568	25,103
Outside City	200	200	45	69,558	69,558	15,651
Total				5,041,261	5,041,261	1,134,284

Table 2.5: Estimated FY24 Retail Concentrations and Loadings

Customer Class	BOD (mg/L)	TSS (mg/L)	TKN (mg/L)	BOD (pounds)	TSS (pounds)	TKN (pounds)
Residential	200	200	45	2,416,341	2,416,341	543,677
Large Residential	200	200	45	933,617	933,617	210,064
Commercial - Domestic	200	200	45	1,510,177	1,510,177	339,790
Public Buildings - Domestic	200	200	45	111,568	111,568	25,103
Outside City	200	200	45	69,558	69,558	15,651
Total				5,041,261	5,041,261	1,134,284

Table 2.6: Estimated FY25 Retail Concentrations and Loadings

3.0 Revenue Requirements

Revenue requirements consist of expenses incurred for O&M of the Wastewater Utility, as well capital-related expenses such as debt service principal, capital outlays, and contributions to reserves. These revenue requirements form the basis of costs recouped through calculated rates.

3.1 Operation and Maintenance Costs

For the purpose of developing wastewater rates for FY24 and FY25, the O&M component of revenue requirements was based on the preliminary FY24 Wastewater Operating budget. To maintain consistency with previous reports for historic tracking, the analysis grouped divisions according to the following naming system: Administration, Fiscal Services – Service Center, Wastewater Treatment Plant, Distribution and Collection, and Environmental Affairs.

The utility also generates non-rate operating revenue, which is applied to offset operating costs. For the purpose of calculating the retail rates, revenues from existing wholesale users Lockwood, ExxonMobil, and Phillips 66 are accounted for as non-rate O&M revenue. Table 3.1 summarizes total projected O&M revenue requirements for FY24 and FY25, total projected O&M non-rate revenue, and net O&M revenue requirements.

Line Item	FY2024 Total	FY2025 Total
Administrative	\$ 2,022,343	\$ 2,093,125
Utility Commercial & Meter	\$ 75,933	\$ 78,591
Wastewater Treatment	\$ 6,460,846	\$ 6,686,976
Distribution & Collection	\$ 1,702,422	\$ 1,762,006
Environmental Affairs	\$ 503,889	\$ 521,525
O&M – Total	\$ 10,765,433	\$ 11,142,223
Less: Non-Rate O&M Revenue		
Sewer Permits	\$ 65,650	\$ 66,307
Sale of Material/ Labor	\$ 6,000	\$ 6,000
Collection of Bad Debt	\$ 600	\$ 600
Wastewater Supply	\$ 50,000	\$ 50,000
Phillips 66	\$ 699,148	\$ 454,790
Lockwood	\$ 436,188	\$ 726,273
Exxon	\$ 782,150	\$ 812,363
Misc & Surcharge Revenue	\$ 115,049	\$ 119,606
Charge for Services	\$ -	\$ -
Total Non-Rate O&M Revenue	\$ 2,154,784	\$ 2,235,938
Net O&M Revenue Requirements	\$ 8,610,649	\$ 8,906,285

Table 3.1: Summary of FY24 and FY25 Wastewater O&M Revenue Requirements

3.2 Capital Costs

The City provided information related to existing and anticipated debt service requirements, the five-year Capital Improvement Plan (CIP), non-CIP capital outlays, and anticipated capital-related non-rate revenue for FY24 and FY25. Capital projects planned for FY23 total approximately \$41.8 million (M). The CIP includes \$14.1M in capital projects for FY24 and \$8.7M in FY25. The City plans to use cash reserves totaling \$13.1M, in addition to anticipated System Development Fee revenue, to complete capital projects in FY24 and FY25. Table 3.2 summarizes net capital revenue requirements for FY24 and FY25.

Line Item	FY2024 Total	FY2025 Total
Debt Service	\$ 5,374,653	\$ 5,375,000
Cash Funded CIP	\$ 13,075,208	\$ 5,863,600
Transfers To (from) O&M Reserve	\$ 425,720	\$ 32,505
Increase (Decrease) Operating Fund	\$ (8,012,324)	\$ (458,712)
Capital – Total	\$ 10,863,258	\$ 10,812,393
Less: Non-Rate Capital Revenue		
Late Payment Interest	\$ 35,000	\$ 35,000
Interest Earnings	\$ 245,000	\$ 170,764
Total Non-Rate O&M Revenue	\$ 280,000	\$ 205,764
Net Capital Revenue Requirements	\$ 10,583,258	\$ 10,606,629
Net Capital Revenue Requirements	\$ 10,583,258	\$ 10,606,629

Table 3.2: Summary of Net Capital-Related Revenue Requirements

3.3 Total Revenue Requirements

Table 3.3 summarizes the total net revenue requirements for FY24 and FY25, which total approximately \$19.19M and \$19.51M, respectively.

Revenue Requirement	Projected FY23	Projected FY24
Net O&M	\$ 8,610,649	\$ 8,906,285
Net Capital	\$ 10,583,258	\$ 10,606,629
Total	\$ 19,193,906	\$ 19,512,914

Table 3.3: Summary of Total Projected FY24 and FY25 Wastewater Net Revenue Requirements

4.0 Cost of Service Analysis

4.1 Methodology

Following the establishment of net O&M and capital revenue requirements, costs must be allocated to each user class. To arrive at the final cost allocation to each user class, the revenue requirements were classified based on the manner in which the cost is related to user characteristics such as equivalent meters, flow, BOD, TSS, and TKN. The methodology employed for this analysis utilized the following classifications:

- Flow;
- BOD;
- TSS;
- TKN; and
- Customer.

Once classified, the costs were allocated to the user classes based on the service characteristics associated with each user class for each classification. The revenue requirements comprising the Customer classified costs result in the calculation of the fixed monthly meter charges, and those allocated to the Flow, BOD, TSS, and TKN components comprise the charges that derive the volumetric rates. The following subsections illustrate the classification and allocation of O&M and Capital-related revenue requirements.

4.2 Classification of O&M Revenue Requirements

Previously, Section 3.1 and Table 3.1 summarized the O&M net revenue requirements. Table 4.1 summarizes the O&M revenue classification percentages used for both FY24 and FY25. Tables 4.2 and 4.3, respectively, summarize the classified O&M net revenue requirements for FY24 and FY25.

Item	Flow	BOD	TSS	TKN	Customer	Total
Revenue Requirements						
Administrative	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
Commercial & Meter	0.0%	0.0%	0.0%	0.0%	100.0%	100.0%
Wastewater Treatment	22.8%	37.6%	21.8%	17.9%	0.0%	100.0%
Distribution and Collection	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Environmental Affairs	0.0%	33.3%	33.3%	33.3%	0.0%	100.0%
Non-Rate Revenues						
Sewer Permits	29.9%	33.4%	19.4%	16.0%	1.2%	100.0%
Sale of Material/Labor	29.9%	33.4%	19.4%	16.0%	1.2%	100.0%
Misc Revenue	29.9%	33.4%	19.4%	16.0%	1.2%	100.0%
Collection Bad Debt	29.9%	33.4%	19.4%	16.0%	1.2%	100.0%
Wastewater Supply	29.9%	33.4%	19.4%	16.0%	1.2%	100.0%
Franchise Fee	29.9%	33.4%	19.4%	16.0%	1.2%	100.0%
Phillips 66	22.5%	37.1%	21.5%	17.6%	1.2%	100.0%
Lockwood	22.5%	37.1%	21.5%	17.6%	1.2%	100.0%
P66 Surcharge	22.5%	37.1%	21.5%	17.6%	1.2%	100.0%
Charge for Service	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Transfer to O&M for Pipebursting Projects	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Table 4.1: FY24-FY25 Wastewater Classification Percentages for O&M and Non-Rate Revenue

Line Item	FY2024 Total	Flow	BOD	TSS	TKN	Customer
Administrative	\$ 2,022,343	\$ -	\$ -	\$ -	\$ -	\$ 2,022,343
Utility Commercial & Meter	\$ 75,933	\$ -	\$ -	\$ -	\$ -	\$ 75,933
Wastewater Treatment	\$ 6,460,846	\$ 1,473,073	\$ 2,427,728	\$ 1,406,397	\$ 1,153,649	\$ -
Distribution & Collection	\$ 1,702,422	\$ 1,702,422	\$ -	\$ -	\$ -	\$ -
Environmental Affairs	\$ 503,889	\$ -	\$ 167,963	\$ 167,963	\$ 167,963	\$ -
O&M – Total	\$ 10,765,433	\$ 3,175,495	\$ 2,595,691	\$ 1,574,360	\$ 1,321,612	\$ 2,098,276
Less: Non-Rate O&M Revenue						
Sewer Permits	\$ 65,650	\$ 19,659	\$ 21,938	\$ 12,768	\$ 10,499	\$ 786
Sale of Material/ Labor	\$ 6,000	\$ 1,797	\$ 2,005	\$ 1,167	\$ 960	\$ 72
Collection of Bad Debt	\$ 600	\$ 180	\$ 200	\$ 117	\$ 96	\$ 7
Wastewater Supply	\$ 50,000	\$ 14,973	\$ 16,708	\$ 9,724	\$ 7,996	\$ 599
Phillips 66	\$ 699,148	\$ 699,148				\$ -
Lockwood	\$ 436,188	\$ 98,296	\$ 161,998	\$ 93,846	\$ 76,981	\$ 5,067
Exxon	\$ 782,150	\$ 176,259	\$ 290,487	\$ 168,281	\$ 138,038	\$ 9,086
Misc & Surcharge Revenue	\$ 115,049	\$ 115,049	\$ -	\$ -	\$ -	\$ -
Charge for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Rate O&M Revenue	\$ 2,154,784	\$ 1,125,359	\$ 493,336	\$ 285,903	\$ 234,570	\$ 15,616
Net O&M Revenue Requirements	\$ 8,610,649	\$ 2,050,135	\$ 2,102,355	\$ 1,288,457	\$ 1,087,042	\$ 2,082,660

Table 4.2: Classified FY24 O&M Net Revenue Requirements

Line Item	FY2025 Total	Flow	BOD	TSS	TKN	Customer
Administrative	\$ 2,093,125	\$ -	\$ -	\$ -	\$ -	\$ 2,093,125
Utility Commercial & Meter	\$ 78,591	\$ -	\$ -	\$ -	\$ -	\$ 78,591
Wastewater Treatment	\$ 6,686,976	\$ 1,524,631	\$ 2,512,698	\$ 1,455,621	\$ 1,194,026	\$ -
Distribution & Collection	\$ 1,762,006	\$ 1,762,006	\$ -	\$ -	\$ -	\$ -
Environmental Affairs	\$ 521,525	\$ -	\$ 173,842	\$ 173,842	\$ 173,842	\$ -
O&M – Total	\$ 11,142,223	\$ 3,286,637	\$ 2,686,540	\$ 1,629,463	\$ 1,367,868	\$ 2,171,716
Less: Non-Rate O&M Revenue						
Sewer Permits	\$ 66,307	\$ 19,856	\$ 22,157	\$ 12,896	\$ 10,604	\$ 794
Sale of Material/ Labor	\$ 6,000	\$ 1,797	\$ 2,005	\$ 1,167	\$ 960	\$ 72
Collection of Bad Debt	\$ 600	\$ 180	\$ 200	\$ 117	\$ 96	\$ 7
Wastewater Supply	\$ 50,000	\$ 14,973	\$ 16,708	\$ 9,724	\$ 7,996	\$ 599
Phillips 66	\$ 454,790	\$ 102,488	\$ 168,907	\$ 97,849	\$ 80,264	\$ 5,283
Lockwood	\$ 726,273	\$ 163,667	\$ 269,734	\$ 156,259	\$ 128,177	\$ 8,437
Exxon	\$ 812,363	\$ 183,067	\$ 301,708	\$ 174,781	\$ 143,371	\$ 9,437
Misc & Surcharge Revenue	\$ 119,606	\$ 119,606	\$ -	\$ -	\$ -	\$ -
Charge for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Rate O&M Revenue	\$ 2,235,938	\$ 605,632	\$ 781,419	\$ 452,792	\$ 371,467	\$ 24,628
Net O&M Revenue Requirements	\$ 8,906,285	\$ 2,681,005	\$ 1,905,120	\$ 1,176,671	\$ 996,401	\$ 2,147,088

Table 4.3: Classified FY25 O&M Net Revenue Requirements

4.3 Classification of Capital Cost Revenue Requirements

The capital-related revenue requirements are shown in Table 3.2. In general, capital-related revenue requirements were classified in accordance with the composite makeup of the fixed asset base according to asset type.

Fixed assets and classification of such are summarized in detail in Appendix A. Table 4.4 summarizes FY24 and FY25 net fixed assets for the wastewater system by asset type. Tables 4.5 and 4.6 summarize fixed assets by classification, as well as capital-related revenue requirements associated with capital outlays and debt for FY24 and FY25, respectively.

Fixed Asset Type	Original Cost	Annual Depreciation	Estimated Accumulated Depreciation Through 2022	FY2023 CWIP Net Fixed Assets	Net Fixed Assets 2024	Net Fixed Assets 2025
Wastewater Treatment	\$ 15,022,138	\$ 534,201	\$ 6,490,015	\$ 506,205	\$ 8,642,778	\$ 9,223,315
Pumping & Lift Stations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection & Distribution	\$ 6,383,835	\$ 125,073	\$ 4,654,566	\$ -	\$ 1,604,197	\$ 1,479,100
General Plant	\$ 2,531,374	\$ 202,328	\$ 1,641,123	\$ 37,920	\$ 734,104	\$ 2,228,770
Total	\$ 23,937,347	\$ 861,601	\$ 12,785,703	\$ 544,125	\$ 10,981,079	\$ 12,931,185

Table 4.4: Summary of FY24 and FY25 Net Fixed Assets by Asset Type

Fixed Asset Type	Flow	BOD	TSS	TKN	Customer	Total
Wastewater Treatment	\$ 4,076,505	\$ 7,159,951	\$ 3,552,103	\$ 657,400	\$ 8,832	\$ 15,454,792
Pumping & Lift Stations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection & Distribution	\$ 1,604,197	\$ -	\$ -	\$ -	\$ -	\$ 1,604,197
General Plant	\$ 502,430	\$ 99,809	\$ 80,243	\$ 50,938	\$ 684	\$ 734,104
Total - Fixed Assets	\$ 6,183,132	\$ 7,259,759	\$ 3,632,346	\$ 708,338	\$ 9,516	\$ 17,793,092
Percent Allocation - Net Plant In Service	34.8%	40.8%	20.4%	4.0%	0.1%	100.0%
Capital Outlay-Related Revenue Requirements	\$ 2,328,491	\$ 2,733,935	\$ 1,367,897	\$ 266,751	\$ 3,584	\$ 6,700,658
Treatment-Related Assets	\$ 67,860,033	\$ 3,736,152	\$ 4,906,112	\$ 2,241,514	\$ 9,998	\$ 78,753,808
Percent Allocation - Treatment Plant	86.2%	4.7%	6.2%	2.8%	0.0%	100.0%
Treatment Plant Debt-Related Revenue Requirements	\$ 3,345,532	\$ 184,194	\$ 241,874	\$ 110,508	\$ 493	\$ 3,882,600
Total Capital-Related Revenue Requirements (Capital Outlay + Treatment Debt)	\$ 5,674,022	\$ 2,918,129	\$ 1,609,770	\$ 377,259	\$ 4,077	\$ 10,583,258

Table 4.5: Classification of FY24 Net Fixed Assets

Fixed Asset Type	Flow	BOD	TSS	TKN	Customer	Total
Wastewater Treatment	\$ 4,459,298	\$ 2,452,618	\$ 1,581,684	\$ 720,057	\$ 9,659	\$ 9,223,315
Pumping & Lift Stations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection & Distribution	\$ 1,479,100	\$ -	\$ -	\$ -	\$ -	\$ 1,479,100
General Plant	\$ 2,017,562	\$ 90,992	\$ 73,154	\$ 46,438	\$ 624	\$ 2,228,770
Total - Fixed Assets	\$ 7,955,959	\$ 2,543,609	\$ 1,654,839	\$ 766,495	\$ 10,283	\$ 12,931,185
Percent Allocation - Net Plant In Service	61.5%	19.7%	12.8%	5.9%	0.1%	100.0%
Capital Outlay-Related Revenue Requirements	\$ 4,134,646	\$ 1,321,892	\$ 860,006	\$ 398,341	\$ 5,344	\$ 6,720,229
Treatment-Related Assets	\$ 91,670,035	\$ 3,970,173	\$ 4,934,870	\$ 2,244,850	\$ 10,721	\$102,830,649
Percent Allocation - Treatment Plant	89.2%	3.9%	4.8%	2.2%	0.0%	100.0%
Treatment Plant Debt-Related Revenue Requirements	\$ 3,464,955	\$ 150,065	\$ 186,529	\$ 84,851	\$ 405	\$ 3,886,400
Total Capital-Related Revenue Requirements (Capital Outlay + Treatment Debt)	\$ 7,599,601	\$ 1,471,958	\$ 1,046,535	\$ 483,192	\$ 5,749	\$ 10,607,034

Table 4.6: Classification of FY25 Net Fixed Assets

4.4 Summary of Total Classified Net Revenue Requirements

Table 4.7 summarizes the net O&M and Capital-related revenue requirements by classification. Flow, BOD, TSS, and TKN costs were all tied to actual billed discharged flow from those individual user classes as opposed to customer costs, which were considered to be related to total and sizes of meters in service. As a result, the majority of costs are flow-related.

Wastewater rate-setting analyses in previous years established a method for gradually bringing fixed charges in line with the cost of service by allocating a percentage of fixed cost to a fixed demand component. To remain consistent with this approach, a portion of the flow costs were reallocated to the fixed demand component in FY24. Table 4.8 shows the FY24 net revenue requirements reflecting this adjustment. Similarly, a portion of flow costs were reallocated to the fixed demand component in the FY25 rate calculation. Net O&M and Capital-related revenue requirements for FY25 are shown in Table 4.9, with adjusted net revenue requirements in Table 4.10.

The final step in calculating the cost of service is to allocate the classified costs to the user classes. Table 4.11 summarizes the allocation factors, derived based on customer usage characteristics, for each classified component of the revenue requirements. The allocation of revenue requirements to each user class is summarized in Section 5.0.

Line Item	Flow	BOD	TSS	TKN	Volume - Total	Customer	Total
Revenue Requirements							
O&M	\$ 2,050,135	\$ 2,102,355	\$ 1,288,457	\$ 1,087,042	\$ 6,527,989	\$ 2,082,660	\$ 8,610,649
Capital	\$ 5,674,022	\$ 2,918,129	\$ 1,609,770	\$ 377,259	\$ 10,579,181	\$ 4,077	\$ 10,583,258
Total	\$ 7,724,158	\$ 5,020,484	\$ 2,898,227	\$ 1,464,301	\$ 17,107,170	\$ 2,086,736	\$ 19,193,906

Table 4.7: Summary of FY24 Classified Net Revenue Requirements

Line Item	Flow	BOD	TSS	TKN	Volume - Total	Customer	Total
Revenue Requirements							
O&M	\$1,804,119	\$2,102,355	\$1,288,457	\$1,087,042	\$6,281,973	\$2,328,676	\$8,610,649
Capital	\$4,993,140	\$2,918,129	\$1,609,770	\$377,259	\$9,898,298	\$684,959	\$10,583,258
Total	\$6,797,259	\$5,020,484	\$2,898,227	\$1,464,301	\$16,180,271	\$3,013,635	\$19,193,906

Table 4.8: Summary of Adjusted FY24 Classified Net Revenue Requirements

Line Item	Flow	BOD	TSS	TKN	Volume - Total	Customer	Total
Revenue Requirements							
O&M	\$2,681,005	\$1,905,120	\$1,176,671	\$996,401	\$6,759,197	\$2,147,088	\$8,906,285
Capital	\$7,599,601	\$1,471,958	\$1,046,535	\$483,192	\$10,601,285	\$5,749	\$10,607,034
Total	\$10,280,605	\$3,377,078	\$2,223,205	\$1,479,594	\$17,360,482	\$2,152,837	\$19,513,319

Table 4.9: Summary of FY25 Classified Net Revenue Requirements

Line Item	Flow	BOD	TSS	TKN	Volume - Total	Customer	Total
Revenue Requirements							
O&M	\$2,359,284	\$1,905,120	\$1,176,671	\$996,401	\$6,437,476	\$2,468,808	\$8,906,285
Capital	\$6,687,649	\$1,471,958	\$1,046,535	\$483,192	\$9,689,333	\$917,701	\$10,607,034
Total	\$9,046,933	\$3,377,078	\$2,223,205	\$1,479,594	\$16,126,809	\$3,386,509	\$19,513,319

Table 4.10: Summary of Adjusted FY25 Classified Net Revenue Requirements

Customer Class	Flow	BOD	TSS	TKN	Customer (Equivalent Meters)
Residential	48%	48%	47.9%	47.9%	87%
Large Residential	19%	19%	18.5%	18.5%	5%
Commercial	30%	30%	30.0%	30.0%	8%
Public Buildings	2%	2%	2.2%	2.2%	1%
Outside City	1%	1%	1.4%	1.4%	0%
Total	100%	100%	100%	100%	100%

Table 4.11: Summary of Retail Customer Service Characteristics

5.0 Results and Proposed Rates

5.1 Cost of Service Results

The total revenue requirements to be recovered through rates for FY24 and FY25 were projected to total \$19,193,906 and \$19,513,388, respectively. Tables 5.1 and 5.2 summarize the allocated revenue requirements by user class for these respective years.

User Class	Total Meter	Total Volume	Total
Residential	\$ 1,797,035	\$ 8,205,476	\$ 10,002,511
Large Residential	\$ 99,095	\$ 3,170,402	\$ 3,269,498
Commercial	\$ 158,785	\$ 5,128,301	\$ 5,287,086
Public Buildings	\$ 14,404	\$ 378,864	\$ 393,268
Outside City	\$ 5,335	\$ 236,208	\$ 241,543
Total	\$ 2,074,654	\$ 17,119,252	\$ 19,193,906

Table 5.1: Summary of FY24 Wastewater Cost of Service Results

User Class	Total Meter	Total Volume	Total
Residential	\$ 1,860,919	\$ 8,323,978	\$ 10,184,897
Large Residential	\$ 102,875	\$ 3,216,189	\$ 3,319,064
Commercial	\$ 162,801	\$ 5,202,363	\$ 5,365,164
Public Buildings	\$ 14,769	\$ 384,336	\$ 399,104
Outside City	\$ 5,470	\$ 239,620	\$ 245,090
Total	\$ 2,146,833	\$ 17,366,486	\$ 19,513,319

Table 5.2: Summary of FY25 Wastewater Cost of Service Results

5.2 Recommended FY24 and FY25 Wastewater Rates

Based on the results of this study, the recommended rates for inside and outside City Users are shown in Tables 5.3 and 5.4, respectively. Due to the City's practice of rounding the wastewater fixed charge to the nearest \$0.05, the cost of service-based rate increases vary slightly for some of the meters in FY24 and FY25.

Based on projected expenditures and wastewater flows, the cost of service model indicated a rate increase is necessary in FY24 and FY25. Over the last few years, the rate strategy has been to smooth into rate increases needed to operate the expansion of the wastewater treatment facility while keeping rates adjustments at a moderate level. Rate increases in FY24 and FY25 are part of the strategy to replenish those cash reserves in a fair and equitable manner for all customers. Table 5.5 outlines recommended volumetric rates based on this approach. Calculated cost of service-based rates for the outside users Lockwood, ExxonMobil, and Phillips 66 were evaluated as part of this study but are reported under separate cover.

Meter Size	Inside City Current FY23 Rate (\$/Month)	Recommended Inside City FY24 Rate (\$/Month)	% Increase	Recommended Inside City FY25 Rate (\$/Month)	% Increase
3/4"	\$7.05	\$7.30	3.5%	\$7.55	3.4%
1"	\$9.00	\$9.25	2.8%	\$9.65	4.3%
1-1/2"	\$11.05	\$11.40	3.2%	\$11.80	3.5%
2"	\$11.55	\$11.90	3.0%	\$12.40	4.2%
3"	\$18.65	\$19.20	2.9%	\$19.95	3.9%
4"	\$70.65	\$72.85	3.1%	\$75.65	3.8%
6"	\$89.95	\$92.70	3.1%	\$96.25	3.8%
8"	\$134.90	\$139.05	3.1%	\$144.40	3.8%
10"	\$186.30	\$192.05	3.1%	\$199.40	3.8%

Table 5.3: FY24 and FY25 Recommended Monthly Minimum Wastewater Charges – Inside City Retail Users

Meter Size	Outside City Current FY23 Rate (\$/Month)	Recommended Outside City FY24 Rate (\$/Month)	% Increase	Recommended Outside City FY25 Rate (\$/Month)	% Increase
3/4"	\$7.75	\$8.05	3.9%	\$8.30	3.1%
1"	\$9.90	\$10.15	2.5%	\$10.60	4.4%
1-1/2"	\$12.15	\$12.50	2.9%	\$12.95	3.6%
2"	\$12.70	\$13.05	2.8%	\$13.60	4.2%
3"	\$20.50	\$21.05	2.7%	\$21.90	4.0%
4"	\$77.70	\$80.15	3.2%	\$83.20	3.8%
6"	\$98.95	\$101.95	3.0%	\$105.90	3.9%
8"	\$148.40	\$152.95	3.1%	\$158.85	3.9%
10"	\$204.95	\$211.25	3.1%	\$219.35	3.8%

Table 5.4: FY24 and FY25 Recommended Monthly Minimum Wastewater Charges – Outside City Retail Users

User Class	Current FY23 Rate (\$/kgal)	Recommended FY24 Rate (\$/kgal)	% Increase	Recommend ed FY25 Rate (\$/kgal)	% Increase
Residential	\$5.08	\$5.21	2.6%	\$5.35	2.6%
Large Residential	\$5.08	\$5.21	2.6%	\$5.35	2.6%
Commercial	\$5.08	\$5.21	2.6%	\$5.35	2.6%
Public Buildings	\$5.08	\$5.21	2.6%	\$5.35	2.6%
Outside Retail Users	\$5.08	\$5.21	2.6%	\$5.35	2.6%

Table 5.5: FY24 and FY25 Recommended Wastewater Volumetric Rates

5.3 Strength Surcharge Recommendations

As shown in Tables 2.4 and 2.5, a TKN strength of 45 mg/L was assumed as the concentration for all user classes.

Table 5.6 presents the recommended BOD, TSS, and TKN surcharge rates for FY24 and FY25. Based on the asset base and review of retail functionalization, no changes are recommended to strength charges.

	Current FY23 Rate (\$/Pound)	Calculated FY24 Rate (\$/Pound)	% Increase	Calculated FY25 Rate (\$/Pound)	% Increase
BOD	\$0.9019	\$0.9019	0.0%	\$0.9019	0.0%
TSS	\$0.5811	\$0.5811	0.0%	\$0.5811	0.0%
TKN	\$1.7217	\$1.7217	NA	\$1.7217	0.0%
	Current FY23 Rate (\$/kgal)	Calculated FY24 Rate (\$/kgal)	% Increase	Calculated FY25 Rate (\$/kgal)	% Increase
Septage	\$61.12	\$61.12	0.0%	\$61.12	0.0%

Table 5.6: Recommended FY24 and FY25 Strength Surcharge Rates

5.4 FY24 Bill Comparison

Finally, for the purpose of illustrating the effect of the recommended FY24 rates on varying levels of usage, Table 5.7 provides a bill comparison.

Description	Meter Size	Consumption (kgal)	Current (FY23)	Proposed (FY24)	Difference	Percent Change
Residential	3/4"	0	\$7.05	\$7.30	\$0.25	3.5%
		2	\$17.21	\$17.73	\$0.52	3.0%
		6	\$37.53	\$38.58	\$1.05	2.8%
		15	\$83.25	\$85.51	\$2.26	2.7%
Commercial/ Other	3/4"	0	\$7.05	\$7.30	\$0.25	3.5%
		6	\$37.53	\$38.58	\$1.05	2.8%
		20	\$108.65	\$111.58	\$2.93	2.7%
		75	\$388.05	\$398.34	\$10.29	2.7%
	1"	0	\$9.00	\$9.25	\$0.25	2.8%
		15	\$85.20	\$87.46	\$2.26	2.7%
		75	\$390.00	\$400.29	\$10.29	2.6%
		200	\$1,025.00	\$1,052.03	\$27.03	2.6%
	2"	0	\$11.55	\$11.90	\$0.35	3.0%
		50	\$265.55	\$272.60	\$7.05	2.7%
		200	\$1,027.55	\$1,054.68	\$27.13	2.6%
		500	\$2,551.55	\$2,618.85	\$67.30	2.6%
	3"	0	\$18.65	\$19.20	\$0.55	2.9%
		100	\$526.65	\$540.59	\$13.94	2.6%
		300	\$1,542.65	\$1,583.37	\$40.72	2.6%
		800	\$4,082.65	\$4,190.32	\$107.67	2.6%
Outside City	3/4"	0	\$7.55	\$7.55	\$0.00	0.0%
		2	\$17.71	\$17.98	\$0.27	1.5%
		6	\$38.03	\$38.83	\$0.80	2.1%
		15	\$83.75	\$85.76	\$2.01	2.4%

Table 5.7: Wastewater Bill Comparison – FY23 to FY24

Appendix A: Fixed Asset Tables

Asset and Asset Group	Original Cost	Annual Depreciation	FY2025 CWIP	FY2024Net Fixed Assets	Estimated FY2025 Net Fixed Assets
Administration Building-Building	\$1,375,814	\$46,968	\$0	\$81,396	\$34,400
Administration Building-Equipment	\$695,300	\$36,164	\$0	\$0	\$0
Administration Building-Infrastructure	\$225,075	\$17,482	\$0	\$0	\$0
Administration Building-Non Building	\$248,184	\$7,446	\$0	\$0	\$0
Air Flotation Thickener-Infrastructure	\$654,469	\$19,832	\$0	\$605,341	\$585,500
Black Otter Trail Land-Infrastructure	\$3,100	\$44	\$0	\$2,469	\$2,400
Chlorine Contact 1 - 10-Infrastructure	\$42,187	\$1,406	\$0	\$26,718	\$25,300
Chlorine Contact 1 - 11-Infrastructure	\$8,046	\$402	\$0	\$3,654	\$3,300
Chlorine Contact 1 - 5-Building	\$50,000	\$1,500	\$0	\$0	\$0
Chlorine Contact 1 - 6-Infrastructure	\$97,290	\$2,919	\$0	\$0	\$0
Chlorine Contact 1 - 9-Infrastructure	\$3,203,431	\$106,781	\$0	\$1,913,161	\$1,806,400
Cold Storage Building-Building	\$17,841	\$535	\$0	\$0	\$0
Cold Storage Building-Non Building	\$78,446	\$7,845	\$0	(\$1)	\$0
Communications Equip-Equipment	\$91,803	\$19,117	\$0	\$0	\$0
Construction Equipment-Equipment	\$1,020,442	\$112,975	\$0	\$175,977	\$63,000
Decant Pump Bldg & Tanks-Building	\$831,496	\$24,947	\$0	\$0	\$0
Decant Pump Bldg & Tanks-Equipment	\$89,529	\$4,476	\$0	\$0	\$0
Decant Pump Bldg & Tanks-Infrastructure	\$104,674	\$3,141	\$0	(\$1)	\$0
Electrical Shop-Building	\$751,292	\$33,547	\$0	\$126,770	\$93,200
Electrical Shop-Equipment	\$468,798	\$46,880	\$37,920	\$420,769	\$405,970
Engine Generator-Building	\$518,846	\$10,610	\$0	\$361,050	\$350,400
Engine Generator-Equipment	\$536,310	\$38,631	\$0	\$0	\$0
Engine Generator-Non Building	\$507,688	\$15,232	\$0	\$0	\$0
Five Mile Lift Station-Building	\$1,943,216	\$38,864	\$0	\$1,574,005	\$1,535,100

Asset and Asset Group	Original Cost	Annual Depreciation	FY2025 CWIP	FY2024Net Fixed Assets	Estimated FY2025 Net Fixed Assets
Five Mile Lift Station-Infrastructure	\$993,004	\$49,650	\$0	\$531,448	\$481,800
Gas Pumps-Equipment	\$12,412	\$621	\$0	\$8,119	\$1,664,200
Gravity Thickening Building-Infrastructure	\$39,839	\$1,207	\$0	\$36,128	\$34,900
Grit Building-Building	\$59,625	\$2,981	\$0	\$17,901	\$14,900
Grit Building-Equipment	\$294,047	\$29,405	\$0	\$0	\$0
Grit Building-Infrastructure	\$42,000	\$2,100	\$0	\$25,375	\$23,300
Headworks Building-Building	\$6,211,360	\$124,227	\$0	\$4,223,728	\$4,099,500
Headworks Building-Equipment	\$36,052	\$3,605	\$0	\$21,030	\$17,400
Headworks Building-Infrastructure	\$3,600,881	\$114,427	\$0	\$3,191,674	\$3,077,200
Heated Storage Building-Building	\$81,270	\$4,231	\$0	\$13,729	\$9,500
Interceptor Lines-Infrastructure	\$6,383,835	\$125,073	\$0	\$1,604,197	\$1,479,100
Ironwood Lift Station-Building	\$103,455	\$14,779	\$0	\$43,106	\$28,300
Laboratory Test Equip-Equipment	\$127,653	\$15,236	\$0	\$25,061	\$9,800
Lake Hills Lift Staion-Equipment	\$269,400	\$13,470	\$0	\$0	\$0
Lateral Lines - Below 15"-Infrastructure	\$56,460,667	\$1,089,656	\$17,488,383	\$56,402,636	\$77,392,120
Lloyd Mangrum Lift Station-Building	\$51,728	\$7,390	\$1,109,840	\$1,131,393	\$2,063,659
Maintenance Building-Building	\$275,329	\$8,261	\$0	\$0	\$0
Non-Potable Waterline-Infrastructure	\$42,656	\$853	\$0	\$40,026	\$39,200
Odor Control-Building	\$181,900	\$3,638	\$500,000	\$537,289	\$1,417,000
Odor Control-Infrastructure	\$7,195,069	\$218,032	\$0	\$6,529,168	\$6,311,100
Office Furniture & Equip-Equipment	\$230,095	\$35,718	\$0	\$24,027	\$0
Outfall-Infrastructure	\$212,945	\$6,453	\$0	\$193,113	\$186,700
Primary Clarifiers 1 - 10-Infrastructure	\$601,502	\$18,047	\$0	\$405,993	\$387,900
Primary Clarifiers 1 - 11-Infrastructure	\$338,315	\$10,252	\$0	\$306,713	\$296,500
Primary Clarifiers 1 - 5-Infrastructure	\$11,859	\$593	\$0	\$0	\$0
Primary Clarifiers 1 - 6-Infrastructure	\$152,130	\$7,607	\$0	\$0	\$0
Primary Clarifiers 1 - 7-Infrastructure	\$565,964	\$16,981	\$0	\$0	\$0
Primary Clarifiers 1 - 8-Infrastructure	\$533,950	\$16,020	\$0	\$85,499	\$69,500
Primary Clarifiers 1 - 9-Infrastructure	\$862,138	\$43,107	\$0	\$290,972	\$247,900

Asset and Asset Group	Original Cost	Annual Depreciation	FY2025 CWIP	FY2024Net Fixed Assets	Estimated FY2025 Net Fixed Assets
Primary Digesters-Building	\$1,000,203	\$30,009	\$0	\$0	\$0
Primary Digesters-Equipment	\$837,355	\$43,807	\$0	\$44,582	\$800
Primary Digesters-Infrastructure	\$1,288,348	\$61,090	\$0	\$327,632	\$266,500
Rehberg Ranch Lagoons-Infrastructure	\$102,267	\$10,227	\$0	\$1,704	\$0
Scum Pumping Station-Building	\$167,442	\$5,024	\$0	\$7,048	\$2,000
Scum Pumping Station-Equipment	\$55,669	\$4,926	\$0	\$0	\$0
Scum Pumping Station-Infrastructure	\$9,262	\$278	\$0	\$0	\$0
Secondary Aerator 1 - 11-Infrastructure	\$497,790	\$14,935	\$0	\$0	\$0
Secondary Aerator 1 - 12-Infrastructure	\$47,135	\$1,414	\$0	\$234	\$0
Secondary Aerator 1 - 13-Infrastructure	\$638,530	\$19,158	\$0	\$102,143	\$83,000
Secondary Aerator 1 - 14-Infrastructure	\$1,702,429	\$51,078	\$0	\$485,649	\$434,600
Secondary Aerator 1 - 15-Infrastructure	\$149,152	\$7,458	\$0	\$97,570	\$90,100
Secondary Aerator 1 - 19-Infrastructure	\$24,634,063	\$746,487	\$0	\$22,332,992	\$21,586,500
Secondary Aerator 1 - 4-Building	\$50,000	\$1,500	\$0	\$0	\$0
Secondary Aerator 1 - 6-Equipment	\$450,000	\$45,000	\$0	\$0	\$0
Secondary Aerator 1 - 8-Equipment	\$83,071	\$4,154	\$0	\$0	\$0
Secondary Aerator 1 - 9-Equipment	\$34,499	\$3,450	\$0	\$0	\$0
Secondary Digester-Equipment	\$800,000	\$40,000	\$0	\$0	\$0
Secondary Digester-Infrastructure	\$2,583,521	\$80,396	\$0	\$1,570,116	\$1,489,700
Secondary Final Clarifier 1-4-Equipment	\$31,250	\$1,563	\$0	\$0	\$0
Secondary Final Clarifier 1-6-Infrastructure	\$432,374	\$12,973	\$0	(\$1)	\$0
Secondary Final Clarifier 1-8-Infrastructure	\$20,161,313	\$610,949	\$0	\$18,278,043	\$17,667,100
Secondary Flotation Thickener-Building	\$444,107	\$17,733	\$0	\$37,712	\$20,000
Secondary Flotation Thickener-Equipment	\$32,500	\$1,625	\$0	\$0	\$0
Secondary Flotation Thickener-Infrastructure	\$94,166	\$2,825	\$0	\$0	\$0

Asset and Asset Group	Original Cost	Annual Depreciation	FY2025 CWIP	FY2024Net Fixed Assets	Estimated FY2025 Net Fixed Assets
Secondary Pumping Station-Building	\$125,000	\$3,750	\$0	\$0	\$0
Secondary Pumping Station-Equipment	\$3,084,022	\$154,712	\$0	\$0	\$0
Secondary Pumping Station-Infrastructure	\$1,407,751	\$40,500	\$0	\$1,184,902	\$1,144,400
Sewage Lift Station #003 Bldg 517-Infrastructure	\$31,825	\$3,182	\$0	\$6,365	\$3,200
Site Work, Landscaping/Yrd-Equipment	\$9,200	\$920	\$0	\$0	\$0
Site Work, Landscaping/Yrd-Infrastructure	\$1,899,442	\$63,320	\$0	\$1,517,771	\$1,454,500
Site Work, Landscaping/Yrd-Non Building	\$1,880,157	\$37,603	\$0	\$224,350	\$186,700
Sludge Control Building-Building	\$57,200	\$2,860	\$0	\$0	\$0
Sludge Control Building-Equipment	\$12,500	\$625	\$0	\$0	\$0
Sludge Control Building-Infrastructure	\$6,486	\$195	\$0	\$0	\$0
Sludge Pumping House-Building	\$227,596	\$8,216	\$0	\$16,087	\$7,900
Sludge Pumping House-Infrastructure	\$549,929	\$5,766	\$0	\$435,910	\$430,100
Solids Processing Building-Building	\$1,964,573	\$66,780	\$0	\$0	\$0
Solids Processing Building-Equipment	\$2,297,075	\$125,354	\$6,205	\$6,205	\$5,515
	\$169,413,558	\$4,913,207	\$19,142,348	\$127,656,648	\$149,129,065

Table A.1: Net Fixed Assets

Item	Flow	BOD	TSS	TKN	Customer	Total
Administration Building-Building	\$37,612	\$11,885	\$9,555	\$6,065	\$16,279	\$81,396
Administration Building-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Administration Building-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Administration Building-Non Building	\$0	\$0	\$0	\$0	\$0	\$0
Air Flotation Thickener-Infrastructure	\$121,068	\$151,335	\$181,602	\$151,335	\$0	\$605,341
Black Otter Trail Land-Infrastructure	\$2,469	\$0	\$0	\$0	\$0	\$2,469
Chlorine Contact 1 - 10-Infrastructure	\$26,718	\$0	\$0	\$0	\$0	\$26,718
Chlorine Contact 1 - 11-Infrastructure	\$3,654	\$0	\$0	\$0	\$0	\$3,654
Chlorine Contact 1 - 5-Building	\$0	\$0	\$0	\$0	\$0	\$0
Chlorine Contact 1 - 6-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Chlorine Contact 1 - 9-Infrastructure	\$1,913,161	\$0	\$0	\$0	\$0	\$1,913,161
Cold Storage Building-Building	\$0	\$0	\$0	\$0	\$0	\$0
Cold Storage Building-Non Building	\$0	\$0	\$0	\$0	\$0	\$0
Communications Equip-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Construction Equipment-Equipment	\$175,977	\$0	\$0	\$0	\$0	\$175,977
Decant Pump Bldg & Tanks-Building	\$0	\$0	\$0	\$0	\$0	\$0
Decant Pump Bldg & Tanks-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Decant Pump Bldg & Tanks-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Electrical Shop-Building	\$73,131	\$23,108	\$18,578	\$11,794	\$158	\$126,770
Electrical Shop-Equipment	\$242,733	\$76,700	\$61,664	\$39,145	\$526	\$420,769
Engine Generator-Building	\$208,283	\$65,814	\$52,913	\$33,589	\$451	\$361,050
Engine Generator-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Engine Generator-Non Building	\$0	\$0	\$0	\$0	\$0	\$0

Item	Flow	BOD	TSS	TKN	Customer	Total
Five Mile Lift Station-Building	\$1,574,005	\$0	\$0	\$0	\$0	\$1,574,005
Five Mile Lift Station-Infrastructure	\$531,448	\$0	\$0	\$0	\$0	\$531,448
Gas Pumps-Equipment	\$8,119	\$0	\$0	\$0	\$0	\$8,119
Gravity Thickening Building-Infrastructure	\$0	\$25,290	\$10,839	\$0	\$0	\$36,128
Grit Building-Building	\$3,580	\$3,580	\$7,160	\$3,580	\$0	\$17,901
Grit Building-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Grit Building-Infrastructure	\$5,075	\$5,075	\$10,150	\$5,075	\$0	\$25,375
Headworks Building-Building	\$844,746	\$844,746	\$1,689,491	\$844,746	\$0	\$4,223,728
Headworks Building-Equipment	\$4,206	\$4,206	\$8,412	\$4,206	\$0	\$21,030
Headworks Building-Infrastructure	\$638,335	\$638,335	\$1,276,670	\$638,335	\$0	\$3,191,674
Heated Storage Building-Building	\$13,729	\$0	\$0	\$0	\$0	\$13,729
Interceptor Lines-Infrastructure	\$1,604,197	\$0	\$0	\$0	\$0	\$1,604,197
Ironwood Lift Station-Building	\$43,106	\$0	\$0	\$0	\$0	\$43,106
Laboratory Test Equip-Equipment	\$25,061	\$0	\$0	\$0	\$0	\$25,061
Lake Hills Lift Station-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Lateral Lines - Below 15"-Infrastructure	\$56,402,636	\$0	\$0	\$0	\$0	\$56,402,636
Lloyd Mangrum Lift Station-Building	\$1,131,393	\$0	\$0	\$0	\$0	\$1,131,393
Maintenance Building-Building	\$0	\$0	\$0	\$0	\$0	\$0
Non-Potable Waterline-Infrastructure	\$40,026	\$0	\$0	\$0	\$0	\$40,026
Odor Control-Building	\$309,952	\$97,940	\$78,741	\$49,985	\$672	\$537,289
Odor Control-Infrastructure	\$3,766,554	\$1,190,176	\$956,862	\$607,416	\$8,160	\$6,529,168
Office Furniture & Equip-Equipment	\$13,861	\$4,380	\$3,521	\$2,235	\$30	\$24,027
Outfall-Infrastructure	\$193,113	\$0	\$0	\$0	\$0	\$193,113
Primary Clarifiers 1 - 10-Infrastructure	\$0	\$178,637	\$227,356	\$0	\$0	\$405,993
Primary Clarifiers 1 - 11-Infrastructure	\$0	\$134,954	\$171,759	\$0	\$0	\$306,713
Primary Clarifiers 1 - 5-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0

Item	Flow	BOD	TSS	TKN	Customer	Total
Primary Clarifiers 1 - 6-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Primary Clarifiers 1 - 7-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Primary Clarifiers 1 - 8-Infrastructure	\$0	\$37,620	\$47,880	\$0	\$0	\$85,499
Primary Clarifiers 1 - 9-Infrastructure	\$0	\$128,028	\$162,944	\$0	\$0	\$290,972
Primary Digesters-Building	\$0	\$0	\$0	\$0	\$0	\$0
Primary Digesters-Equipment	\$0	\$31,207	\$13,375	\$0	\$0	\$44,582
Primary Digesters-Infrastructure	\$0	\$229,343	\$98,290	\$0	\$0	\$327,632
Rehberg Ranch Lagoons-Infrastructure	\$1,704	\$0	\$0	\$0	\$0	\$1,704
Scum Pumping Station-Building	\$1,410	\$1,410	\$2,819	\$1,410	\$0	\$7,048
Scum Pumping Station-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Scum Pumping Station-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 11-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 12-Infrastructure	\$47	\$59	\$70	\$59	\$0	\$234
Secondary Aerator 1 - 13-Infrastructure	\$20,429	\$25,536	\$30,643	\$25,536	\$0	\$102,143
Secondary Aerator 1 - 14-Infrastructure	\$97,130	\$121,412	\$145,695	\$121,412	\$0	\$485,649
Secondary Aerator 1 - 15-Infrastructure	\$19,514	\$24,392	\$29,271	\$24,392	\$0	\$97,570
Secondary Aerator 1 - 19-Infrastructure	\$4,466,598	\$5,583,248	\$6,699,898	\$5,583,248	\$0	\$22,332,992
Secondary Aerator 1 - 4-Building	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 6-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 8-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Digester-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Digester-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Final Clarifier 1-11-Infrastrucutre	\$0	\$1,099,082	\$471,035	\$0	\$0	\$1,570,116

Item	Flow	BOD	TSS	TKN	Customer	Total
Secondary Final Clarifier 1-14-Infrastrucutre	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Final Clarifier 1-4-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Final Clarifier 1-6-Infrastructure	\$3,655,609	\$4,569,511	\$5,483,413	\$4,569,511	\$0	\$18,278,043
Secondary Final Clarifier 1-8-Infrastructure	\$7,542	\$9,428	\$11,314	\$9,428	\$0	\$37,712
Secondary Flotation Thickener-Building	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Flotation Thickener-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Flotation Thickener-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Pumping Station-Building	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Pumping Station-Equipment	\$1,184,902	\$0	\$0	\$0	\$0	\$1,184,902
Secondary Pumping Station-Infrastructure	\$6,365	\$0	\$0	\$0	\$0	\$6,365
Site Work, Landscaping/Yrd-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Site Work, Landscaping/Yrd-Infrastructure	\$1,517,771	\$0	\$0	\$0	\$0	\$1,517,771
Site Work, Landscaping/Yrd-Non Building	\$224,350	\$0	\$0	\$0	\$0	\$224,350
Sludge Control Building-Building	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Control Building-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Control Building-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Pumping House-Building	\$0	\$11,261	\$4,826	\$0	\$0	\$16,087
Sludge Pumping House-Infrastructure	\$0	\$305,137	\$130,773	\$0	\$0	\$435,910
Grant Total - Net Fixed Assets	\$81,161,317	\$15,632,833	\$18,097,518	\$12,732,500	\$26,277	\$127,650,445
Percent Allocation	63.58%	12.25%	14.18%	9.97%	0.02%	100.00%
Capital Outlay-Related Costs	\$4,260,339	\$820,602	\$949,979	\$668,357	\$1,379	\$6,700,658
Debt -Related Costs	\$3,345,532	\$184,194	\$241,874	\$110,508	\$493	\$3,882,600
Total Capital-Related Costs	\$7,605,871	\$1,004,796	\$1,191,853	\$778,865	\$1,872	\$10,583,258

Table A.2: Classification of Net Fixed Assets – FY24

Item	Flow	BOD	TSS	TKN	Customer	Total
Administration Building-Building	\$15,896	\$5,023	\$4,038	\$2,563	\$6,880	\$34,400
Administration Building-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Administration Building-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Administration Building-Non Building	\$0	\$0	\$0	\$0	\$0	\$0
Air Flotation Thickener-Infrastructure	\$117,100	\$146,375	\$175,650	\$146,375	\$0	\$585,500
Black Otter Trail Land-Infrastructure	\$2,400	\$0	\$0	\$0	\$0	\$2,400
Chlorine Contact 1 - 10-Infrastructure	\$25,300	\$0	\$0	\$0	\$0	\$25,300
Chlorine Contact 1 - 11-Infrastructure	\$3,300	\$0	\$0	\$0	\$0	\$3,300
Chlorine Contact 1 - 5-Building	\$0	\$0	\$0	\$0	\$0	\$0
Chlorine Contact 1 - 6-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Chlorine Contact 1 - 9-Infrastructure	\$1,806,400	\$0	\$0	\$0	\$0	\$1,806,400
Cold Storage Building-Building	\$0	\$0	\$0	\$0	\$0	\$0
Cold Storage Building-Non Building	\$0	\$0	\$0	\$0	\$0	\$0
Communications Equip-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Construction Equipment-Equipment	\$63,000	\$0	\$0	\$0	\$0	\$63,000
Decant Pump Bldg & Tanks-Building	\$0	\$0	\$0	\$0	\$0	\$0
Decant Pump Bldg & Tanks-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Decant Pump Bldg & Tanks-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Electrical Shop-Building	\$53,765	\$16,989	\$13,659	\$8,670	\$116	\$93,200
Electrical Shop-Equipment	\$234,196	\$74,003	\$59,496	\$37,768	\$507	\$405,970
Engine Generator-Building	\$202,139	\$63,873	\$51,352	\$32,598	\$438	\$350,400
Engine Generator-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Engine Generator-Non Building	\$0	\$0	\$0	\$0	\$0	\$0

Item	Flow	BOD	TSS	TKN	Customer	Total
Five Mile Lift Station-Building	\$1,535,100	\$0	\$0	\$0	\$0	\$1,535,100
Five Mile Lift Station-Infrastructure	\$481,800	\$0	\$0	\$0	\$0	\$481,800
Gas Pumps-Equipment	\$1,664,200	\$0	\$0	\$0	\$0	\$1,664,200
Gravity Thickening Building-Infrastructure	\$0	\$24,430	\$10,470	\$0	\$0	\$34,900
Grit Building-Building	\$2,980	\$2,980	\$5,960	\$2,980	\$0	\$14,900
Grit Building-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Grit Building-Infrastructure	\$4,660	\$4,660	\$9,320	\$4,660	\$0	\$23,300
Headworks Building-Building	\$819,900	\$819,900	\$1,639,800	\$819,900	\$0	\$4,099,500
Headworks Building-Equipment	\$3,480	\$3,480	\$6,960	\$3,480	\$0	\$17,400
Headworks Building-Infrastructure	\$615,440	\$615,440	\$1,230,880	\$615,440	\$0	\$3,077,200
Heated Storage Building-Building	\$9,500	\$0	\$0	\$0	\$0	\$9,500
Interceptor Lines-Infrastructure	\$1,479,100	\$0	\$0	\$0	\$0	\$1,479,100
Ironwood Lift Station-Building	\$28,300	\$0	\$0	\$0	\$0	\$28,300
Laboratory Test Equip-Equipment	\$9,800	\$0	\$0	\$0	\$0	\$9,800
Lake Hills Lift Station-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Lateral Lines - Below 15"-Infrastructure	\$77,392,120	\$0	\$0	\$0	\$0	\$77,392,120
Lloyd Mangrum Lift Station-Building	\$2,063,659	\$0	\$0	\$0	\$0	\$2,063,659
Maintenance Building-Building	\$0	\$0	\$0	\$0	\$0	\$0
Non-Potable Waterline-Infrastructure	\$39,200	\$0	\$0	\$0	\$0	\$39,200
Odor Control-Building	\$817,440	\$258,299	\$207,664	\$131,825	\$1,771	\$1,417,000
Odor Control-Infrastructure	\$3,640,754	\$1,150,425	\$924,904	\$587,129	\$7,888	\$6,311,100
Office Furniture & Equip-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Outfall-Infrastructure	\$186,700	\$0	\$0	\$0	\$0	\$186,700
Primary Clarifiers 1 - 10-Infrastructure	\$0	\$170,676	\$217,224	\$0	\$0	\$387,900
Primary Clarifiers 1 - 11-Infrastructure	\$0	\$130,460	\$166,040	\$0	\$0	\$296,500
Primary Clarifiers 1 - 5-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Primary Clarifiers 1 - 6-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0

Item	Flow	BOD	TSS	TKN	Customer	Total
Primary Clarifiers 1 - 7-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Primary Clarifiers 1 - 8-Infrastructure	\$0	\$30,580	\$38,920	\$0	\$0	\$69,500
Primary Clarifiers 1 - 9-Infrastructure	\$0	\$109,076	\$138,824	\$0	\$0	\$247,900
Primary Digesters-Building	\$0	\$0	\$0	\$0	\$0	\$0
Primary Digesters-Equipment	\$0	\$560	\$240	\$0	\$0	\$800
Primary Digesters-Infrastructure	\$0	\$186,550	\$79,950	\$0	\$0	\$266,500
Rehberg Ranch Lagoons-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Scum Pumping Station-Building	\$400	\$400	\$800	\$400	\$0	\$2,000
Scum Pumping Station-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Scum Pumping Station-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 11-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 12-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 13-Infrastructure	\$16,600	\$20,750	\$24,900	\$20,750	\$0	\$83,000
Secondary Aerator 1 - 14-Infrastructure	\$86,920	\$108,650	\$130,380	\$108,650	\$0	\$434,600
Secondary Aerator 1 - 15-Infrastructure	\$18,020	\$22,525	\$27,030	\$22,525	\$0	\$90,100
Secondary Aerator 1 - 19-Infrastructure	\$4,317,300	\$5,396,625	\$6,475,950	\$5,396,625	\$0	\$21,586,500
Secondary Aerator 1 - 4-Building	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 6-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 8-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Aerator 1 - 9-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Digester-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Digester-Infrastructure	\$0	\$1,042,790	\$446,910	\$0	\$0	\$1,489,700
Secondary Final Clarifier 1-11-Infrastrucutre	\$6,440	\$8,050	\$9,660	\$8,050	\$0	\$32,200

Item	Flow	BOD	TSS	TKN	Customer	Total
Secondary Final Clarifier 1-14- Infrastrucutre	\$15,700	\$19,625	\$23,550	\$19,625	\$0	\$78,500
Secondary Final Clarifier 1-4- Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Final Clarifier 1-6- Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Final Clarifier 1-8- Infrastructure	\$3,533,420	\$4,416,775	\$5,300,130	\$4,416,775	\$0	\$17,667,100
Secondary Flotation Thickener-Building	\$4,000	\$5,000	\$6,000	\$5,000	\$0	\$20,000
Secondary Flotation Thickener-Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Flotation Thickener-Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Pumping Station- Building	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Pumping Station- Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Secondary Pumping Station- Infrastructure	\$1,144,400	\$0	\$0	\$0	\$0	\$1,144,400
Sewage Lift Station #003 Bldg 517-Infrastructure	\$3,200	\$0	\$0	\$0	\$0	\$3,200
Site Work, Landscaping/Yrd- Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Site Work, Landscaping/Yrd- Infrastructure	\$0	\$1,018,150	\$436,350	\$0	\$0	\$1,454,500
Site Work, Landscaping/Yrd- Non Building	\$0	\$130,690	\$56,010	\$0	\$0	\$186,700
Sludge Control Building- Building	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Control Building- Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Control Building- Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0
Sludge Pumping House- Building	\$0	\$5,530	\$2,370	\$0	\$0	\$7,900
Sludge Pumping House- Infrastructure	\$0	\$301,070	\$129,030	\$0	\$0	\$430,100
Grant Total - Net Fixed Assets	\$102,464,031	\$16,310,409	\$18,050,421	\$12,391,789	\$17,601	\$149,234,249
Percent Allocation	68.66%	10.93%	12.10%	8.30%	0.01%	100.00%
Capital Outlay-Related Costs	\$4,614,100	\$734,481	\$812,836	\$558,020	\$793	\$6,720,229
Debt -Related Costs	\$3,464,955	\$150,065	\$186,529	\$84,851	\$405	\$3,886,805
Total Capital-Related Costs	\$8,079,055	\$884,546	\$999,365	\$642,871	\$1,198	\$10,607,034

Table A.3: Classification of Net Fixed Assets – FY25

WASTEWATER WHOLESALE RATE STUDY FY24 and FY25

Billings, MT

April 4, 2023

Executive Summary

The City of Billings, Montana (City) provides municipal wastewater service to its citizens, businesses, and industries. In addition to this retail wastewater service, the City provides wholesale wastewater service to the Phillips 66 Refinery (P66), ExxonMobil Refinery (Exxon), and the Lockwood Water and Sewer District (Lockwood). AE2S Nexus was retained to update the City's wholesale rate model. Consistent with the contractual provisions for the individual users, a utility-basis cost of service model is used to identify cost of service based rates for Fiscal Year 2024 (FY24) as well as Fiscal Year 2025 (FY25) for P66, Exxon, and Lockwood.

The analysis resulted in the recommended cost of service rates as outlined in Tables ES.1, ES.2, and ES.3. In general, the variability in rate changes between the wholesale users is due to changes in discharges. Following the previous update, max month discharges are used to calculate capital costs associated with treatment correlating to capacity at the plant. The model continues to use average day for the actual use portion of rate setting.¹ P66 saw large increases in strength discharges which drove up their fixed rate. Other changes to total revenue requirements result from the final capitalization of assets into the asset base.

Table ES.1:
Proposed ExxonMobil Wastewater Rate

	Current	FY24	FY25
Fixed, \$/mo	\$29,741	\$30,055	\$31,346
Variable, \$/kgal	\$0.597	\$0.626	\$0.648

Table ES.2:
Proposed Lockwood Wastewater Rate

	Current	FY24	FY25
Fixed, \$/mo	\$25,239	\$28,789	\$30,036
Variable, \$/ kgal	\$1.513	\$1.425	\$1.475

¹ The Lockwood Reserve portion continues to use average day for their cost allocation.

**Table ES.3:
Proposed Phillips 66 Wastewater Rate**

	Current	FY24	FY25
Fixed, \$/mo	\$14,032	\$33,837	\$35,244
Variable, \$/ kgal	\$0.625	\$0.865	\$0.895

1.0 Introduction

AE2S Nexus was retained by the City of Billings (City) to calculate wholesale wastewater rates for wholesale customers of the City's wastewater system for Fiscal Year 2024 (FY24) and Fiscal Year 2025 (FY25), which begins July 1 and ends June 30. The three wholesale customers connected to the City's wastewater system are Lockwood Water and Sewer District (Lockwood), ExxonMobil (Exxon), and Phillips 66 Refinery (P66).

The City's wholesale rates are set by a comprehensive rate model based on standard industry rate setting methodology and practices using a Utility-Basis approach for calculating cost of service rates. The overall process is generally dictated by the contractual agreements between the City and wholesale wastewater customers with an established minimum return on equity of 15 percent. Consistent with these agreements, a 15 percent rate of return was utilized in the FY24 and FY25 rate model update for the establishment of capital related revenue requirements.

This report provides additional details on the methodology used in determining the rate for wholesale wastewater customers and summarizes the following topics:

- Wastewater system usage parameters (Section 2.0);
- Projected revenue requirements and associated assumptions (Section 3.0);
- Allocation of operating and capital-related revenue requirements (Section 4.0); and
- Calculated costs of service by user class and recommended FY24 and FY25 wastewater rates (Section 5.0).

2.0 Customers and Usage

The City owns and operates its wastewater treatment and conveyance facilities serving nearly 35,000 retail utility accounts across the City and outside city users. In addition to retail accounts, the City has contractual relationships with three wholesale users, P66, Exxon, and Lockwood, to provide wastewater service. The customer makeup, volume of wastewater flow, and strength characteristics of the wastewater for these utility accounts in large part determines how costs are allocated across different user classes. Tables 2.1 and 2.2 show the projected utility accounts across the varying customer types and the associated equivalent meters for FY24 and FY25, respectively. Growth rates are held consistent with the retail wastewater model. The equivalent meter counts provided are on a 3/4-inch meter basis as the City's standard residential meter size is 3/4".

Table 2.1:
FY24 Customer Accounts

Meter Size	Residential	Residential - Large	Commercial - Domestic	Public Buildings - Domestic	Outside City	Industrial	Total
3/4-Inch	32,847	435	1,285	12	36	0	34,615
1-Inch	375	303	368	5	10	0	1,061
1-1/2-Inch	24	144	272	15	5	0	460
2-Inch	0	64	140	22	5	0	231
3-Inch	1	36	72	23	2	0	134
4-Inch	1	19	18	4	1	0	43
6-Inch	-	26	9	4	-	0	39
8-Inch	-	4	3	2	1	0	10
10-Inch	-	-	-	-	-	0	0
12-Inch	-	1	-	-	-	0	0
Total	33,249	1,030	2,167	87	60	0	36,593
Equivalent Meters	33,376	1,840	2,949	268	99	0	38,532

**Table 2.2:
FY25 Customer Accounts**

Meter Size	Residential	Residential - Large	Commercial - Domestic	Public Buildings - Domestic	Outside City	Industrial	Total
3/4-Inch	33,176	439	1,285	12	36	0	34,948
1-Inch	379	306	368	5	10	0	1,068
1-1/2-Inch	25	145	272	15	5	0	462
2-Inch	0	65	140	22	5	0	232
3-Inch	1	36	72	23	2	0	134
4-Inch	1	20	18	4	1	0	44
6-Inch	0	26	9	4	0	0	39
8-Inch	0	4	3	2	1	0	10
10-Inch	0	0	0	0	0	0	0
12-Inch	0	0	0	0	0	0	0
Total	33,582	1,041	2,167	87	60	0	36,937
Equivalent Meters	33,710	1,864	2,949	268	99	0	38,889

FY24 and FY25 flows by customer class are shown in Table 2.3 including allocation of Inflow/Infiltration (I/I) by customer class. Minimal BOD, TSS, or TKN is presumed for I/I. In calculating these flows, reserve capacity was established for Lockwood based on their agreement and no reserve capacity was set aside for P66 or Exxon. Baseline flow contributions for Lockwood are set at 0.18 MGD based on billing history. P66 is set at 0.98 MGD based on billing history. Exxon is set at 1.94 MGD based on actual billings since the last update.

Modeled loadings for each wholesale user are derived from sampling reports, using historical average and max values in the model. Capacity discharge values are set equal to max month discharges and use discharge values are set to average day discharges.² Concentrations and loadings by customer class are shown in Table 2.4 and Table 2.5. Contributed TKN for retail users was adjusted to 45 mg/L based on updated loading information. Wholesale user flows are kept constant between FY24 and FY25 while retail customer flows included estimated growth. All customer account, customer flow, concentrations, and loadings are consistent with the Test Year assumptions made for the FY24-FY25 Wastewater Retail Rate model.

Table 2.3:
Annual Customer Flows

	Fiscal Year 2024			Fiscal Year 2025		
Customer Class	Contributed Flow (MG)	I/I (MG)	Total (MG)	Contributed Flow (MG)	I/I (MG)	Total (MG)
Residential	1,448	1,613	3,060	1,448	1,613	3,060
Residential - Large	559	623	1,182	559	623	1,182
Commercial - Domestic	905	1,008	1,913	905	1,008	1,913
Public Buildings - Domestic	67	74	141	67	74	141
Outside City	42	46	88	42	46	88
Lockwood	67	0	67	68	0	68
Lockwood Reserve	199	0	199	198	0	198
Retail Reserve Capacity	6,367	0	6,367	6,367	0	6,367
Phillips 66	357	0	357	357	0	357
ExxonMobil	710	0	710	710	0	710
Total	10,720	3,365	14,085	10,720	3,365	14,085

² Lockwood Reserve continues to use average day to calculate their capacity costs.

Table 2.4:
FY24 Average Daily Concentrations (mg/L) and Calculated Annual Loadings (lbs)

Customer Class	BOD – Capacity (mg/L)	TSS – Capacity (mg/L)	TKN – Capacity (mg/L)	lbs. of BOD	lbs. of TSS	lbs. of TKN
Residential	200	200	45	2,618,227	2,618,227	745,563
Residential – Large	200	200	45	1,011,621	1,011,621	288,068
Commercial - Domestic	200	200	45	1,636,354	1,636,354	465,966
Public Buildings - Domestic	200	200	45	120,889	120,889	34,424
Outside City	200	200	45	75,370	75,370	21,462
Lockwood	250	152	77	140,190	85,236	43,067
Lockwood Reserve	158.7	72.4	52.7	262,992	119,890	87,333
Retail Reserve Capacity	200	200	45	10,627,533	10,627,533	2,391,195
Phillips 66	108	195	25	321,886	580,497	74,301
ExxonMobil	39	25	14	230,705	147,799	81,675
Total				17,045,768	17,023,415	4,233,053

Table 2.5:
FY25 Average Daily Concentrations (mg/L) and Calculated Annual Loadings (lbs)

Customer Class	BOD - Capacity	TSS - Capacity	TKN – Capacity	lbs. of BOD	lbs. of TSS	lbs. of TKN
Residential	200	200	45	2,618,207	2,618,207	745,543
Residential – Large	200	200	45	1,011,614	1,011,614	288,060
Commercial - Domestic	200	200	45	1,636,341	1,636,341	465,953
Public Buildings - Domestic	200	200	45	120,888	120,888	34,423
Outside City	500	500	45	75,369	75,369	21,462
Lockwood	200	200	45	140,891	85,662	43,282
Lockwood Reserve	250	152	77	262,547	119,687	87,185
Retail Reserve Capacity	159	72	53	10,627,533	10,627,533	2,391,195
Phillips 66	200	200	45	321,886	580,497	74,301
ExxonMobil	108	195	25	230,705	147,799	81,675
Total				17,045,982	17,023,597	4,233,079

3.0 Revenue Requirements

The next portion of the cost of service looks at revenue requirements, which are defined as the amount of revenues required to fully fund operations and maintenance (O&M) requirements as well as capital-related expenses. For a financially sustainable utility, it's important to ensure that all revenue requirements are met through non-rate revenues or user charges. Capital revenue requirements can be calculated using either the cash-basis or utility-basis approach, O&M are generally based on budgeted or planned expenditures for the given rate year. The contractually agreed upon method for calculating wholesale user capital requirements is the utility-basis approach. Using the utility-basis for rate setting, capital-related expenses are calculated based on asset depreciation and on the established rate of return on capital assets.

3.1 Operations and Maintenance

O&M is considered all expenses associated with the actual running of the wastewater collection and treatment system. O&M expenses include costs with operating the system as well as maintaining the collection and treatment system in good working order. Specific costs include administrative, billing and collections, electricity and chemical, compliance costs, and others.

While O&M expenses are a portion of total revenue requirements, all O&M expenses are not applied to revenue requirements. Non-rate revenue is subtracted from O&M expenses to result in the use of net revenue requirements for the purpose of rate-setting. Non-rate revenues include sewer permits, sale of material/labor, miscellaneous revenue, collection of bad debt, wastewater supply, and charge for services. Table 3.1 summarizes O&M expenses, non-rate revenues applied, and the resulting net O&M related revenue requirements. Consistent with previous analyses, wastewater treatment, and collection system costs are allocated on a fully variable basis using contributed flows to apportion these costs. Collection system costs are primarily allocated to non-wholesale users. Environmental affairs costs were allocated evenly on a variable (flow) basis and a fixed (meter) basis. Customer costs are allocated on a fully fixed (meter) basis.

FY24 O&M expenses are based on FY23 budget projections and inflated at 3.5% with FY25 inflated at approximately 3.5 percent from FY24 baseline costs (less one-time budgetary requests).

**Table 3.1:
O&M Related Revenue Requirements**

	Fiscal Year 2024			Fiscal Year 2025		
Line Item	Total	Fixed	Variable	Total	Fixed	Variable
Administrative	\$1,766,980	\$1,766,980	\$0	\$1,828,824	\$1,828,824	\$0
Utility Commercial & Meter	\$78,591	\$78,591	\$0	\$81,341	\$81,341	\$0
Wastewater Treatment	\$6,164,068	\$0	\$6,164,068	\$6,379,810	\$0	\$6,379,810
Distribution & Collection	\$1,811,686	\$0	\$1,811,686	\$1,875,095	\$0	\$1,875,095
Environmental Affairs	\$521,525	\$260,762	\$260,762	\$539,778	\$269,889	\$269,889
O&M Total	\$10,342,850	\$2,106,333	\$8,236,517	\$10,704,849	\$2,180,055	\$8,524,795
Less: Non-Rate O&M Revenue	-\$431,350	-\$431,350	\$0	-\$431,350	-\$431,350	\$0
Total O&M Revenue Requirement	\$9,911,500	\$1,674,983	\$8,236,517	\$10,273,499	\$1,748,705	\$8,524,795

3.2 Capital Costs

Consistent with the negotiated wholesale user agreements, this wholesale rate analysis uses the utility-basis for calculating capital costs. Under this approach, capital costs for wholesale users are calculated by identifying the rate of return and then applying that rate of return to the net assets of the system (i.e., the undepreciated value of the system). Owner capital costs are simply the difference between the identified cash-based net capital costs and the identified wholesale user specific capital costs (arrived at through the utility method). As the Owner rates are not calculated through this model, the capital costs attributable to those user classes have little to no bearing on the resulting wholesale capital costs.

Before any rate of return can be applied to the net assets of the system (or net system value), net system value must be calculated. Often referred to as net plant in service (NPIS), the system value is determined by identifying the assets in service by the end of FY22 and then adding the assets expected to be placed in service by the end of FY23. The calculated FY24 NPIS totals \$169 Million. The calculated FY25 NPIS totals \$178 Million. Table 3.2 outlines the fixed assets and depreciation resulting in the current NPIS. FY25 depreciation increases based on the addition of new assets into the model.

Table 3.2:
Fixed Assets and Depreciation by Functional Category

	FY24 Ratebase	FY24 Depreciation	FY25 Ratebase	FY25 Depreciation
Collection	\$47,110,886	\$1,311,199	\$49,765,180	\$1,439,909
Trunks/ Interceptors	\$33,151,094	\$889,773	\$35,073,190	\$966,901
Lift Stations	\$2,668,843	\$111,933	\$2,769,644	\$120,533
Common Conveyance	\$675	\$158	\$549	\$138
Preliminary Treatment	\$8,907,117	\$266,527	\$9,397,131	\$283,916
Lab	\$461,620	\$28,845	\$474,867	\$24,183
Primary Treatment	\$4,653,581	\$196,044	\$4,830,592	\$207,823
Secondary Treatment	\$5,761,265	\$401,779	\$5,968,334	\$269,450
Residuals	\$1,423,088	\$83,157	\$1,471,855	\$69,772
Disinfection/Outfall	\$6,016,927	\$227,259	\$6,278,622	\$244,490
Secondary Treatment – Nutrient Removal	\$59,220,192	\$1,911,175	\$62,274,702	\$2,049,696
Customer	\$1,325	\$63	\$1,370	\$65
Exclude From Ratebase	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0
	\$169,376,613	\$5,427,912	\$178,306,035	\$5,676,878

Once identified, NPIS is then allocated across customer classes based on ownership and functional cost component. The methodology used to allocate ownership remains consistent with previous wholesale rate analyses for the City. P66 was allocated a portion of the treatment system assets consistent with P66's proportional share of the overall flow and strength loading of the treatment system. Similarly, P66 was allocated a proportional share of the collection system consistent with the assets used to convey wastewater through City trunk lines from P66 to the WWTP. P66's allocated share of the collection system is limited to the infrastructure utilized for conveyance of wastewater.

For Lockwood and Exxon, no sole proportion of the NPIS was identified, nor were any collection system related costs as they connect directly to the WWTP (near the headworks of the facility) through non-City assets. Exxon is allocated their proportionate share of treatment assets consistent with Exxon's proportional share of flow, strength loading, and conveyance in each portion of the system. The allocation of capital requirements for Lockwood, Exxon, and P66 are shown in Table 3.3. The allocation of NPIS and depreciation is then used to calculate the utility-basis of capital costs for all wholesale users. For this analysis, the rate of return is set at the established minimum of 15 percent for P66, Exxon, and Lockwood. Table 3.4 identifies the calculated capital costs.

Table 3.3:
Allocation of Net Plant in Service and Depreciation Expenses

Ownership	FY24 Net Fixed Assets	FY24 Depreciation Expense	FY25 Net Fixed Assets	FY25 Depreciation Expense
Joint				
Retail	\$80,799,910	\$2,911,771	\$84,774,031	\$2,943,344
Lockwood	\$1,790,529	\$64,017	\$1,880,012	\$64,992
Exxon	\$1,836,688	\$66,253	\$1,926,183	\$67,540
P66	\$2,017,338	\$72,902	\$2,116,425	\$73,594
Subtotal- Joint	\$86,444,465	\$3,114,944	\$90,696,651	\$3,149,469
Retail Only	\$82,920,181	\$2,312,647	\$87,596,722	\$2,527,060
Lockwood Only	\$0	\$0	\$0	\$0
P66 Only	\$11,968	\$321	\$12,661	\$349
Total	\$169,376,613	\$5,427,912	\$178,306,035	\$5,676,878
Retail Subtotal	\$163,720,091	\$5,224,418	\$172,370,753	\$5,470,404
Lockwood Subtotal	\$1,790,529	\$64,017	\$1,880,012	\$64,992
Exxon Subtotal	\$1,836,688	\$66,253	\$1,926,183	\$67,540
P66 Subtotal	\$2,029,306	\$73,223	\$2,129,087	\$73,943

Table 3.4:
FY24 Utility Basis Capital Costs

	P66	Lockwood	Exxon
Total NPIS	\$2,029,306	\$1,790,529	\$1,836,688
Additional Allowance for Working Capital	\$40,030	\$35,319	\$36,230
Total Rate Base	\$2,069,335	\$1,825,848	\$1,872,918
Rate of Return	15%		
Rate Base Capital Costs	\$310,400	\$273,877	\$280,938
Depreciation Costs	\$73,223	\$64,017	\$66,253
Total Wholesale Capital Costs	\$383,623	\$337,895	\$347,191
Residual Owner Capital Costs	\$9,621,645		

Table 3.5:
FY25 Utility Basis Capital Costs

	P66	Lockwood	Exxon
Total NPIS	\$2,129,087	\$1,880,012	\$1,926,183
Additional Allowance for Working Capital	\$41,464	\$36,613	\$37,513
Total Rate Base	\$2,170,551	\$1,916,625	\$1,963,696
Rate of Return	15%		
Rate Base Capital Costs	\$325,583	\$287,494	\$294,554
Depreciation Costs	\$73,943	\$64,992	\$67,540
Total Wholesale Capital Costs	\$399,525	\$352,486	\$362,094
Residual Owner Capital Costs	\$9,604,361		

3.3 Total Revenue Requirements

Total revenue requirements are the combination of O&M related expenses and capital related expenses. Table 3.6 and Table 3.7 detail the total revenue requirements by wholesale user and retail user. The detailed steps to arrive at these total calculations can be found in the following sections.

Table 3.6:
FY24 Revenue Requirements

Ownership	Operating Costs	Capital Costs	Total
Retail	\$9,018,868	\$9,621,645	\$18,640,513
Lockwood & Lockwood Reserve	\$103,357	\$337,895	\$441,252
P66	\$331,371	\$383,623	\$714,994
Exxon	\$457,904	\$347,191	\$805,094
Total	\$9,911,500	\$10,690,354	\$20,601,854

Table 3.7:
FY25 Revenue Requirements

Ownership	Operating Costs	Capital Costs	Total
Retail	\$9,348,776	\$9,604,361	\$18,953,137
Lockwood & Lockwood Reserve	\$107,568	\$352,486	\$460,054
P66	\$343,143	\$399,525	\$742,668
Exxon	\$474,012	\$362,094	\$836,106
Total	\$10,273,499	\$10,718,466	\$20,991,965

4.0 Allocations

4.1 Customer Class Allocations

To identify the cost of service for customer classes, the revenue requirements in Section 3 must first be allocated to the customer classes themselves. This analysis identifies three sets of customer service allocations: fixed O&M, variable O&M, and capital (to include depreciation and NPIS). The resulting allocations are based on, in part, how reserve capacity and I/I for the various user classes are allocated to overall costs. P66 and Exxon are not allocated any reserve capacity or I/I. Lockwood is allocated reserve capacity, but not I/I. Flow percentages are based on the projected customer class wastewater flow compared to total projected flow & retail reserve capacity. BOD, TSS, and TKN percentages are based on the projected customer class specific loadings compared to the total projected loadings & the excess capacity reserved for retail.

4.2 O&M Allocations

In addition to allocating revenue requirements among customer class, O&M expenses must also be allocated along functional cost components. O&M costs are spread based on how flow-, BOD-, TSS-, and TKN-related costs are incurred throughout the system. Table 4.1 and Table 4.2 outline the breakdown in allocation across these functional categories.

**Table 4.1:
FY24 O&M Cost by Functional Category**

Line Item	Total	Flow-Use	BOD-Use	TSS-Use	TKN-Use
Collection	\$905,843	\$905,843	\$0	\$0	\$0
Trunks/ Interceptors/ Common Conveyance	\$545,318	\$545,318	\$0	\$0	\$0
Lift Stations	\$360,526	\$360,526	\$0	\$0	\$0
Preliminary Treatment	\$493,125	\$493,125	\$0	\$0	\$0
Lab	\$65,191	\$0	\$21,730	\$21,730	\$21,730
Primary / Secondary Treatment	\$1,232,814	\$246,563	\$616,407	\$369,844	\$0
Secondary / Strength Components	\$4,438,129	\$665,269	\$1,700,734	\$972,603	\$1,099,523
Customer	\$195,572	\$78,235	\$56,886	\$33,180	\$27,271
Indirect	\$0	\$0	\$0	\$0	\$0
Total O&M Revenue Requirement	\$8,236,517	\$3,294,878	\$2,395,757	\$1,397,357	\$1,148,525

**Table 4.2:
FY25 O&M Cost by Functional Category**

Line Item	Total	Flow-Use	BOD-Use	TSS-Use	TKN-Use
Collection	\$937,548	\$937,548	\$0	\$0	\$0
Trunks/ Interceptors/ Common Conveyance	\$564,404	\$564,404	\$0	\$0	\$0
Lift Stations	\$373,144	\$373,144	\$0	\$0	\$0
Preliminary Treatment	\$510,385	\$510,385	\$0	\$0	\$0
Lab	\$67,472	\$0	\$22,491	\$22,491	\$22,491
Primary / Secondary Treatment	\$1,275,962	\$255,192	\$637,981	\$382,789	\$0
Secondary / Strength Components	\$4,593,463	\$688,553	\$1,760,260	\$1,006,644	\$1,138,007
Customer	\$202,417	\$80,973	\$58,877	\$34,341	\$28,226
Indirect	\$0	\$0	\$0	\$0	\$0
Total O&M Revenue Requirement	\$8,524,795	\$3,410,199	\$2,479,608	\$1,446,264	\$1,188,723

4.3 Capital Cost Allocations

Like the allocation of O&M costs, NPIS capital costs must be allocated across the various cost components and the functional categories as they relate to flow and strength. Table 4.3 and Table 4.4 outline the allocation of NPIS based on the functional components.

Table 4.3:
FY24 Allocation of Net Plant in Service by Functional Category

Category	Total	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity
Collection	\$47,110,887	\$47,110,887	\$0	\$0	\$0
Trunks/ Interceptors/Common Conveyance	\$33,151,770	\$33,151,770	\$0	\$0	\$0
Lift Stations	\$2,668,843	\$2,668,843	\$0	\$0	\$0
Preliminary Treatment	\$8,907,117	\$1,781,424	\$1,781,423	\$5,344,270	\$0
Lab	\$461,619	\$0	\$153,873	\$153,873	\$153,873
Primary Treatment	\$4,653,581	\$930,717	\$930,716	\$2,792,148	\$0
Secondary Treatment	\$5,761,264	\$1,152,253	\$2,880,632	\$1,728,379	\$0
Residuals	\$1,423,087	\$0	\$996,161	\$426,926	\$0
Effluent/ Outfall	\$6,016,927	\$6,016,927	\$0	\$0	\$0
Secondary Treatment – Nutrient Removal	\$59,220,193	\$8,877,015	\$22,693,750	\$12,977,935	\$14,671,493
Customer	\$1,325	\$796	\$230	\$183	\$116
Indirect	\$0	\$0	\$0	\$0	\$0
Total Fixed Asset	\$169,376,613	\$101,690,632	\$29,436,785	\$23,423,714	\$14,825,482

Table 4.4:
FY25 Allocation of Net Plant in Service by Functional Category

Category	Total	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity
Collection	\$49,765,180	\$49,765,180	\$0	\$0	\$0
Trunks/ Interceptors/Common Conveyance	\$35,073,738	\$35,073,738	\$0	\$0	\$0
Lift Stations	\$2,769,644	\$2,769,644	\$0	\$0	\$0
Preliminary Treatment	\$9,397,130	\$1,879,426	\$1,879,426	\$5,638,278	\$0
Lab	\$474,867	\$0	\$158,289	\$158,289	\$158,289
Primary Treatment	\$4,830,591	\$966,118	\$966,118	\$2,898,355	\$0
Secondary Treatment	\$5,968,334	\$1,193,667	\$2,984,167	\$1,790,500	\$0
Residuals	\$1,471,856	\$0	\$1,030,299	\$441,557	\$0
Effluent/ Outfall	\$6,278,622	\$6,278,622	\$0	\$0	\$0
Nitrification	\$62,274,702	\$9,334,881	\$23,864,267	\$13,647,322	\$15,428,232
Customer	\$1,371	\$825	\$237	\$189	\$120
Indirect	\$0	\$0	\$0	\$0	\$0
Total Fixed Asset	\$178,306,035	\$107,262,101	\$30,882,803	\$24,574,490	\$15,586,641

Applying the rate of return to the NPIS results in capital costs associated with the current rate base. Table 4.5 and Table 4.6 outline these rate base capital costs (excluding depreciation) allocated across the same functional categories for FY24 and FY25, respectively.

Table 4.5:
FY24 Rate Base Capital Costs by Functional Category

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Total
Collection	\$1,265,314	\$0	\$0	\$0	\$1,265,314
Trunks / Interceptors / Common Conveyance	\$891,914	\$0	\$0	\$0	\$891,914
Lift Stations	\$71,680	\$0	\$0	\$0	\$71,680
Preliminary Treatment	\$68,284	\$60,442	\$180,489	\$0	\$309,214
Lab	\$0	\$5,221	\$5,197	\$5,445	\$15,863
Primary Treatment	\$35,675	\$31,578	\$94,298	\$0	\$161,551
Secondary Treatment	\$44,167	\$97,736	\$58,372	\$0	\$200,275
Residuals	\$0	\$33,799	\$14,418	\$0	\$48,217
Effluent/ Outfall	\$230,634	\$0	\$0	\$0	\$230,634
Nitrification	\$340,264	\$769,972	\$438,297	\$519,212	\$2,067,745
Customer	\$21	\$6	\$5	\$3	\$36
Indirect	\$0	\$0	\$0	\$0	\$0
Total	\$2,947,952	\$998,753	\$791,076	\$524,661	\$5,262,442

**Table 4.6:
FY25 Rate Base Capital Costs by Functional Category**

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Total
Collection	\$1,193,515	\$0	\$0	\$0	\$1,193,515
Trunks / Interceptors / Common Conveyance	\$842,810	\$0	\$0	\$0	\$842,810
Lift Stations	\$66,424	\$0	\$0	\$0	\$66,424
Preliminary Treatment	\$67,122	\$58,665	\$175,094	\$0	\$300,881
Lab	\$0	\$4,941	\$4,916	\$5,177	\$15,034
Primary Treatment	\$34,504	\$30,157	\$90,007	\$0	\$154,668
Secondary Treatment	\$42,631	\$93,149	\$55,603	\$0	\$191,383
Residuals	\$0	\$32,160	\$13,712	\$0	\$45,873
Effluent/ Outfall	\$224,235	\$0	\$0	\$0	\$224,235
Nitrification	\$333,386	\$744,911	\$423,810	\$504,625	\$2,006,732
Customer	\$20	\$6	\$5	\$3	\$33
Indirect	\$0	\$0	\$0	\$0	\$0
Total	\$2,804,648	\$963,989	\$763,146	\$509,805	\$5,041,588

Prior to arriving at total revenue requirements for wholesale users, depreciation is added into capital costs after the rate of return and allowance for working capital is applied to the asset base. Table 4.7 and Table 4.8 outline the depreciation capital costs by functional category that are included into overall capital costs.

Table 4.7:
FY24 Depreciation Capital Costs by Functional Category

	Flow – Capacity	BOD - Capacity	TSS – Capacity	TKN - Capacity	Total
Collection	\$1,311,199	\$0	\$0	\$0	\$1,311,199
Trunks / Interceptors / Common Conveyance	\$889,931	\$0	\$0	\$0	\$889,931
Lift Stations	\$111,933	\$0	\$0	\$0	\$111,933
Preliminary Treatment	\$53,305	\$53,305	\$159,916	\$0	\$266,526
Lab	\$0	\$9,615	\$9,615	\$9,615	\$28,845
Primary Treatment	\$39,209	\$39,209	\$117,626	\$0	\$196,044
Secondary Treatment	\$80,356	\$200,889	\$120,534	\$0	\$401,779
Residuals	\$0	\$58,210	\$24,947	\$0	\$83,157
Effluent/ Outfall	\$227,259	\$0	\$0	\$0	\$227,259
Nitrification	\$286,482	\$732,381	\$418,828	\$473,484	\$1,911,175
Customer	\$38	\$11	\$9	\$6	\$64
Indirect	\$0	\$0	\$0	\$0	\$0
Total	\$2,999,712	\$1,093,620	\$851,475	\$483,105	\$5,427,912

Table 4.8:
FY25 Depreciation Capital Costs by Functional Category

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Total
Collection	\$1,439,909	\$0	\$0	\$0	\$1,439,909
Trunks / Interceptors / Common Conveyance	\$967,040	\$0	\$0	\$0	\$967,040
Lift Stations	\$120,533	\$0	\$0	\$0	\$120,533
Preliminary Treatment	\$56,783	\$56,783	\$170,350	\$0	\$283,916
Lab	\$0	\$8,061	\$8,061	\$8,061	\$24,183
Primary Treatment	\$41,565	\$41,565	\$124,694	\$0	\$207,824
Secondary Treatment	\$53,890	\$134,725	\$80,835	\$0	\$269,450
Residuals	\$0	\$48,840	\$20,932	\$0	\$69,772
Effluent/ Outfall	\$244,490	\$0	\$0	\$0	\$244,490
Nitrification	\$307,246	\$785,463	\$449,185	\$507,802	\$2,049,696
Customer	\$39	\$11	\$9	\$6	\$65
Indirect	\$0	\$0	\$0	\$0	\$0
Total	\$3,231,495	\$1,075,448	\$854,066	\$515,869	\$5,676,878

As each wholesale user is allocated their attributable portion of the overall O&M, Capital, and Depreciation, the rate modeling further breaks down these costs into the various flow and strength based categories across both capacity (fixed) and use (variable) categories. The total costs as they relate to Lockwood specifically are shown in Table 4.9 and Table 4.10 for FY24 and FY25, respectively.

Table 4.9:
FY24 Lockwood Specific Costs by Functional Category

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use	Total
Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trunks / Interceptors / Common Conveyance	\$5	\$0	\$0	\$0	\$29	\$0	\$0	\$0	\$34
Lift Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preliminary Treatment	\$6,171	\$7,706	\$11,777	\$0	\$7,976	\$0	\$0	\$0	\$33,630
Lab	\$0	\$3,382	\$1,946	\$4,453	\$0	\$352	\$160	\$486	\$10,779
Primary Treatment	\$3,439	\$4,295	\$6,564	\$0	\$0	\$0	\$0	\$0	\$14,298
Secondary Treatment	\$4,861	\$15,174	\$4,638	\$0	\$3,988	\$9,986	\$2,731	\$0	\$41,378
Residuals	\$0	\$4,981	\$1,087	\$0	\$0	\$0	\$0	\$0	\$6,068
Effluent/ Outfall	\$21,738	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,738
Secondary Treatment – Nutrient Removal	\$31,146	\$99,427	\$28,966	\$83,716	\$10,760	\$27,551	\$7,182	\$24,581	\$313,329
Customer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$67,360	\$134,965	\$54,978	\$88,169	\$22,753	\$37,889	\$10,073	\$25,067	\$441,251

Table 4.10:
FY25 Lockwood Specific Costs by Functional Category

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use	Total
Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trunks / Interceptors / Common Conveyance	\$4	\$0	\$0	\$0	\$30	\$0	\$0	\$0	\$34
Lift Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preliminary Treatment	\$6,520	\$8,146	\$12,455	\$0	\$8,295	\$0	\$0	\$0	\$35,416
Lab	\$0	\$3,489	\$2,012	\$4,594	\$0	\$366	\$167	\$505	\$11,133
Primary Treatment	\$3,586	\$4,480	\$6,851	\$0	\$0	\$0	\$0	\$0	\$14,917
Secondary Treatment	\$4,478	\$13,989	\$4,278	\$0	\$4,148	\$10,386	\$2,841	\$0	\$40,120
Residuals	\$0	\$4,885	\$1,067	\$0	\$0	\$0	\$0	\$0	\$5,952
Effluent/ Outfall	\$22,818	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22,818
Secondary Treatment – Nutrient Removal	\$32,860	\$104,962	\$30,593	\$88,366	\$11,191	\$28,656	\$7,470	\$25,565	\$329,663
Customer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$70,266	\$139,951	\$57,256	\$92,960	\$23,664	\$39,408	\$10,478	\$26,070	\$460,055

The O&M, Capital, and Depreciation costs as they relate to Exxon specifically are shown in Table 4.11 and Table 4.12 for FY24 and FY25, respectively.

Table 4.11:
FY24 Exxon Specific Costs by Functional Category

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use	Total
Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trunks / Interceptors / Common Conveyance	\$13	\$0	\$0	\$0	\$309	\$0	\$0	\$0	\$322
Lift Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preliminary Treatment	\$16,479	\$4,409	\$8,486	\$0	\$84,227	\$0	\$0	\$0	\$113,601
Lab	\$0	\$4,723	\$2,970	\$7,148	\$0	\$912	\$584	\$1,342	\$17,679
Primary Treatment	\$9,184	\$2,457	\$4,729	\$0	\$0	\$0	\$0	\$0	\$16,370
Secondary Treatment	\$12,979	\$8,682	\$3,342	\$0	\$42,113	\$25,882	\$9,948	\$0	\$102,946
Residuals	\$0	\$2,850	\$784	\$0	\$0	\$0	\$0	\$0	\$3,634
Effluent/ Outfall	\$58,048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58,048
Secondary Treatment – Nutrient Removal	\$83,172	\$56,893	\$20,871	\$52,435	\$113,629	\$71,410	\$26,160	\$67,922	\$492,492
Customer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$179,875	\$80,014	\$41,182	\$59,583	\$240,278	\$98,204	\$36,692	\$69,264	\$805,095

Table 4.12:
FY25 Exxon Specific Costs by Functional Category

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use	Total
Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trunks / Interceptors / Common Conveyance	\$11	\$0	\$0	\$0	\$320	\$0	\$0	\$0	\$331
Lift Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preliminary Treatment	\$17,410	\$4,658	\$8,965	\$0	\$87,168	\$0	\$0	\$0	\$118,201
Lab	\$0	\$4,899	\$3,080	\$7,416	\$0	\$944	\$605	\$1,389	\$18,333
Primary Treatment	\$9,576	\$2,562	\$4,931	\$0	\$0	\$0	\$0	\$0	\$17,069
Secondary Treatment	\$11,959	\$8,000	\$3,079	\$0	\$43,584	\$26,785	\$10,295	\$0	\$103,702
Residuals	\$0	\$2,793	\$768	\$0	\$0	\$0	\$0	\$0	\$3,561
Effluent/ Outfall	\$60,934	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,934
Secondary Treatment – Nutrient Removal	\$87,749	\$60,022	\$22,019	\$55,319	\$117,597	\$73,903	\$27,074	\$70,291	\$513,974
Customer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$187,639	\$82,934	\$42,842	\$62,735	\$248,669	\$101,632	\$37,974	\$71,680	\$836,106

Finally, the O&M, Capital, and Depreciation costs as they relate to P66 specifically are shown in Table 4.13 and Table 4.14 for FY24 and FY25, respectively.

Table 4.13:
FY24 P66 Specific Costs by Functional Category

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use	Total
Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trunks / Interceptors / Common Conveyance	\$2,157	\$0	\$0	\$0	\$352	\$0	\$0	\$0	\$2,509
Lift Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preliminary Treatment	\$6,990	\$6,152	\$33,328	\$0	\$42,415	\$0	\$0	\$0	\$88,885
Lab	\$0	\$6,590	\$11,664	\$6,502	\$0	\$528	\$1,050	\$1,260	\$27,594
Primary Treatment	\$3,896	\$3,429	\$18,575	\$0	\$0	\$0	\$0	\$0	\$25,900
Secondary Treatment	\$5,506	\$12,114	\$13,125	\$0	\$21,208	\$14,988	\$17,864	\$0	\$84,805
Residuals	\$0	\$3,977	\$3,077	\$0	\$0	\$0	\$0	\$0	\$7,054
Effluent/ Outfall	\$24,624	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$24,624
Nitrification	\$35,281	\$79,379	\$81,973	\$47,701	\$57,222	\$41,354	\$46,977	\$63,736	\$453,623
Customer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$78,454	\$111,641	\$161,742	\$54,203	\$121,197	\$56,870	\$65,891	\$64,996	\$714,994

Table 4.14:
FY25 P66 Specific Costs by Functional Category

	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use	Total
Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trunks / Interceptors / Common Conveyance	\$2,290	\$0	\$0	\$0	\$364	\$0	\$0	\$0	\$2,654
Lift Stations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Preliminary Treatment	\$7,385	\$6,499	\$35,210	\$0	\$43,896	\$0	\$0	\$0	\$92,990
Lab	\$0	\$6,835	\$12,097	\$6,746	\$0	\$547	\$1,086	\$1,304	\$28,615
Primary Treatment	\$4,062	\$3,575	\$19,366	\$0	\$0	\$0	\$0	\$0	\$27,003
Secondary Treatment	\$5,073	\$11,161	\$12,093	\$0	\$21,948	\$15,511	\$18,488	\$0	\$84,274
Residuals	\$0	\$3,897	\$3,016	\$0	\$0	\$0	\$0	\$0	\$6,913
Effluent/ Outfall	\$25,848	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,848
Secondary Treatment – Nutrient Removal	\$37,223	\$83,745	\$86,482	\$50,325	\$59,220	\$42,797	\$48,620	\$65,960	\$474,372
Customer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Indirect	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$81,881	\$115,712	\$168,264	\$57,071	\$125,428	\$58,855	\$68,194	\$67,264	\$742,669

4.4 Allocation of Total Revenue Requirements

Wholesale rates are based on the total allocation of both O&M costs and capital costs. Table 4.15 and Table 4.16 outline this total allocation of revenue requirements. As not all customer classes incur these costs equally, Table 4.17 and Table 4.18 outline each customer classes' share of functional cost components.

Table 4.15:
FY24 Allocation of Total Revenue Requirements

Line Item	Total	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use
Revenue Requirements									
O&M	\$9,911,500	\$325,371	\$603,462	\$396,876	\$349,274	\$3,294,878	\$2,395,757	\$1,397,357	\$1,148,525
Capital	\$10,690,354	\$5,947,664	\$2,092,373	\$1,642,552	\$1,007,765	\$0	\$0	\$0	\$0
Total	\$20,601,854	\$6,273,035	\$2,695,835	\$2,039,428	\$1,357,039	\$3,294,878	\$2,395,757	\$1,397,357	\$1,148,525

Table 4.16:
FY25 Allocation of Total Revenue Requirements

Line Item	Total	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use
Revenue Requirements									
O&M	\$10,273,499	\$339,694	\$630,023	\$414,343	\$364,645	\$3,410,199	\$2,479,608	\$1,446,264	\$1,188,723
Capital	\$10,718,466	\$6,036,143	\$2,039,438	\$1,617,211	\$1,025,673	\$0	\$0	\$0	\$0
Total	\$20,991,965	\$6,375,837	\$2,669,461	\$2,031,554	\$1,390,318	\$3,410,199	\$2,479,608	\$1,446,264	\$1,188,723

Table 4.17:
FY24 Allocation of Functional Revenue Requirements to Customer Class

Customer Class	Total	Flow - Capacity	BOD – Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use
Residential	\$6,344,441	\$1,505,179	\$572,514	\$410,870	\$315,030	\$1,395,112	\$1,055,827	\$615,774	\$474,135
Residential – Large	\$2,451,342	\$581,566	\$221,206	\$158,750	\$121,720	\$539,038	\$407,947	\$237,920	\$183,195
Commercial – High	\$3,965,182	\$940,715	\$357,813	\$256,787	\$196,889	\$871,924	\$659,876	\$384,850	\$296,328
Public Buildings – Domestic	\$292,937	\$69,497	\$26,434	\$18,971	\$14,546	\$64,415	\$48,750	\$28,432	\$21,892
Outside City	\$182,637	\$43,329	\$16,481	\$11,828	\$9,069	\$40,161	\$30,394	\$17,726	\$13,649
Lockwood	\$216,604	\$17,033	\$48,623	\$23,749	\$31,418	\$22,753	\$37,889	\$10,073	\$25,066
Lockwood Reserve	\$224,647	\$50,326	\$86,341	\$31,229	\$56,751	\$0	\$0	\$0	\$0
Retail Reserve Capacity	\$5,403,977	\$2,807,061	\$1,174,768	\$924,319	\$497,829	\$0	\$0	\$0	\$0
Phillips 66	\$714,994	\$78,454	\$111,641	\$161,743	\$54,203	\$121,197	\$56,870	\$65,890	\$64,996
ExxonMobil	\$805,094	\$179,875	\$80,016	\$41,181	\$59,583	\$240,279	\$98,204	\$36,692	\$69,264
Total Revenue Requirement	\$20,601,855	\$6,273,035	\$2,695,837	\$2,039,427	\$1,357,038	\$3,294,879	\$2,395,757	\$1,397,357	\$1,148,525

Table 4.18:
FY25 Allocation of Functional Revenue Requirements to Customer Class

Customer Class	Total	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS – Use	TKN - Use
Residential	\$6,505,669	\$1,529,859	\$574,498	\$413,208	\$323,529	\$1,443,900	\$1,092,695	\$637,303	\$490,677
Residential – Large	\$2,513,637	\$591,101	\$221,972	\$159,654	\$125,004	\$557,889	\$422,192	\$246,239	\$189,586
Commercial – Domestic	\$4,065,947	\$956,139	\$359,053	\$258,249	\$202,201	\$902,416	\$682,918	\$398,305	\$306,666
Public Buildings – Domestic	\$300,382	\$70,637	\$26,526	\$19,079	\$14,938	\$66,668	\$50,452	\$29,426	\$22,656
Outside City	\$187,277	\$44,040	\$16,538	\$11,895	\$9,313	\$41,565	\$31,455	\$18,346	\$14,125
Lockwood	\$226,202	\$17,857	\$50,648	\$24,830	\$33,245	\$23,665	\$39,408	\$10,478	\$26,071
Lockwood Reserve	\$233,853	\$52,409	\$89,303	\$32,425	\$59,716	\$0	\$0	\$0	\$0
Retail Reserve Capacity	\$5,380,230	\$2,844,275	\$1,132,277	\$901,111	\$502,567	\$0	\$0	\$0	\$0
Phillips 66	\$742,668	\$81,881	\$115,712	\$168,263	\$57,071	\$125,428	\$58,856	\$68,194	\$67,263
ExxonMobil	\$836,106	\$187,639	\$82,934	\$42,841	\$62,735	\$248,669	\$101,633	\$37,975	\$71,680
Total Revenue Requirement	\$20,991,971	\$6,375,837	\$2,669,461	\$2,031,555	\$1,390,319	\$3,410,200	\$2,479,609	\$1,446,266	\$1,188,724

5.0 Costs by Class and Proposed Rates

For FY24, the total revenue requirements attributable to wholesale users to be recovered through rates are \$1,961,340. P66 is allocated \$714,994 of these costs, Exxon is allocated \$805,059, and Lockwood is allocated \$441,251 of these. Table 5.1 shows these costs across the categories of fixed O&M, variable O&M, depreciation, and return on NPIS. For FY25, the total revenue requirements attributable to wholesale users to be recovered through rates are \$2,038,828. P66 is allocated \$742,669 of these costs, Exxon is allocated \$836,106 and Lockwood is allocated \$460,055. Table 5.2 shows these costs across the categories of fixed O&M, variable O&M, depreciation, and return on NPIS for FY25. Wholesale rates are set as a function of the total cost of serving these users with wastewater service. The rate is broken into both a fixed and variable component. Table 5.3 and Table 5.4 outline the proposed rates.

Table 5.1:
FY24 Wholesale Cost of Service

Line Item	Fixed O&M	Variable O&M	Depreciation	Return	Total
Lockwood & Lockwood Reserve	\$7,576	\$95,781	\$64,017	\$273,877	\$441,251
Phillips 66	\$22,418	\$308,953	\$73,223	\$310,400	\$714,994
ExxonMobil	\$13,465	\$444,439	\$66,253	\$280,938	\$805,095

Table 5.2:
FY25 Wholesale Cost of Service

Line Item	Fixed O&M	Variable O&M	Depreciation	Return	Total
Lockwood & Lockwood Reserve	\$7,948	\$99,621	\$64,992	\$287,494	\$460,055
Phillips 66	\$23,402	\$319,741	\$73,943	\$325,583	\$742,669
ExxonMobil	\$14,055	\$459,957	\$67,540	\$294,554	\$836,106

**Table 5.3:
Proposed ExxonMobil Wastewater Rates**

	Current	FY24	FY25
Fixed, \$/mo	\$29,741	\$30,055	\$31,346
Variable, \$/kgal	\$0.597	\$0.626	\$0.648

**Table 5.4:
Proposed Lockwood Wastewater Rates**

	Current	FY24	FY25
Fixed, \$/mo	\$25,239	\$28,789	\$30,036
Variable, \$/kgal	\$1.513	\$1.425	\$1.475

**Table 5.5:
Proposed Phillips 66 Wastewater Rates**

	Current	FY24	FY25
Fixed, \$/mo	\$14,032	\$33,837	\$35,244
Variable, \$/kgal	\$0.625	\$0.865	\$0.895

Appendix A: Customer Class Allocations

Table A.1 & A.2 outline FY24 & FY25 Fixed O&M Cost of Service Characteristics by Owner/Non-Owner class. Split of Flow, BOD, TSS, and TKN are for O&M purposes are based on actual average annual flows and loadings. Retail reserve capacity is not used in O&M breakdowns.

Table A.1:
FY24 Summary of Customer Service Characteristics, Fixed O&M

Customer Class	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use
Owners	80.59%	87.92%	86.10%	85.07%	80.59%	91.90%	90.62%	91.57%
ExxonMobil	12.14%	4.02%	2.52%	6.13%	12.14%	2.70%	1.70%	3.46%
Lockwood	1.15%	2.44%	1.46%	3.23%	1.15%	1.64%	0.98%	1.82%
Phillips 66	6.11%	5.61%	9.91%	5.57%	6.11%	3.76%	6.69%	3.15%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Table A.2:
FY25 Summary of Customer Service Characteristics, Fixed O&M

Customer Class	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Capacity
Owners	80.59%	87.91%	86.10%	85.06%	80.59%	91.89%	90.62%	91.56%
ExxonMobil	12.14%	4.02%	2.52%	6.12%	12.14%	2.70%	1.70%	3.46%
Lockwood	1.16%	2.46%	1.46%	3.25%	1.16%	1.65%	0.99%	1.83%
Phillips 66	6.11%	5.61%	9.91%	5.57%	6.11%	3.76%	6.69%	3.15%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Table A.3 and A.4 present FY24 & FY25 Variable Capital Cost of Service Characteristics by Owner/Non-Owner class. Split of Flow, BOD, TSS, and TKN are for O&M purposes are based on actual average annual flows and loadings.

Table A.3:
FY24 Summary of Customer Service Characteristics, Variable O&M

Customer Class	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use
Owner	72.70%	93.54%	92.75%	87.17%	72.70%	91.75%	91.74%	85.79%
ExxonMobil	17.08%	2.33%	1.62%	4.67%	17.08%	4.20%	2.69%	6.18%
Lockwood	1.62%	1.65%	0.75%	2.27%	1.62%	1.62%	0.74%	2.24%
Phillips 66	8.60%	2.48%	4.88%	5.89%	8.60%	2.43%	4.83%	5.80%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Table A.4:
FY25 Summary of Customer Service Characteristics, Variable O&M

Customer Class	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS - Use	TKN - Use
Owner	72.70%	93.53%	92.74%	87.16%	72.70%	91.74%	91.74%	85.78%
ExxonMobil	17.08%	2.33%	1.62%	4.67%	17.08%	4.20%	2.69%	6.18%
Lockwood	1.63%	1.66%	0.75%	2.28%	1.63%	1.63%	0.74%	2.25%
Phillips 66	8.60%	2.48%	4.88%	5.89%	8.60%	2.43%	4.83%	5.80%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Table A.5 and A.6 present FY24 & FY25 Fixed Capital Cost of Service Characteristics by Owner/Non-Owner class. Split of Flow, BOD, TSS, and TKN are for O&M purposes are based on actual average annual flows and loadings. Reserve capacity are included in these capital allocations.

Table A.5:

FY24 Summary of Customer Service Characteristics, Depreciation & Rate Base

Customer Class	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS – Use	TKN - Capacity
Owner	90.90%	94.39%	94.52%	93.23%	90.54%	97.07%	96.72%	96.90%
ExxonMobil	5.06%	1.35%	0.87%	1.93%	5.04%	1.05%	0.67%	1.35%
Lockwood & Lockwood Reserve	0.48%	0.82%	0.50%	1.02%	0.48%	0.64%	0.39%	0.71%
Phillips 66	2.15%	1.89%	3.41%	1.76%	2.54%	1.24%	2.22%	1.04%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Table A.6:

FY25 Summary of Customer Service Characteristics, Depreciation & Rate Base

Customer Class	Flow - Capacity	BOD - Capacity	TSS - Capacity	TKN - Capacity	Flow - Use	BOD - Use	TSS – Use	TKN - Use
Owner	90.90%	94.39%	94.52%	93.23%	90.54%	97.07%	96.72%	96.90%
ExxonMobil	5.06%	1.35%	0.87%	1.93%	5.04%	1.05%	0.67%	1.35%
Lockwood & Lockwood Reserve	0.48%	0.83%	0.50%	1.02%	0.48%	0.64%	0.39%	0.72%
Phillips 66	2.15%	1.89%	3.41%	1.76%	2.54%	1.24%	2.22%	1.04%
Total	100%	100%	100%	100%	100%	100%	100%	100%

System Development Fees FY24 and FY25

Billings, MT

April 3, 2023

Executive Summary

The City of Billings (City) charges a System Development Fee (SDF) designed to recoup, in part, the costs of building and holding excess system capacity to serve future growth. This SDF is based on the value of existing infrastructure and reasonable expectations of costs for future infrastructure. These costs are then apportioned by anticipated demand placed on the system in conjunction with the benefits provided to new development.

Using information provided by the City, AE2S Nexus performed a multi-step analysis for each utility to:

1. Identify the area served by the utility on which to levy an SDF,
2. evaluate the existing system and determine available capacity based on level of service determinants,
3. forecast future demand for system growth,
4. allocate capital costs to either existing or future capacity,
5. calculate the value of the applicable system assets,
6. assign system values equitably based on capacity and standard system service profiles, and
7. ultimately, determine the final SDF charge.

In conjunction with this annual update, the overall SDF methodology was reviewed with the assistance of the SDF Advisory Committee to determine if any modifications to the fee itself would be warranted, with specific attention given to the Water SDF. Overall, the committee reviewed the existing use of zones within the City's SDF, the potential for breaking out fireline charges, how residential lot size was accounted for in the level of service, and whether the approach to residential units should be adjusted.

The results of this review included recommendations to the residential level of service standards for lot size as well as adjustments to charges for multiple residential units. The residential Water SDF recommendations are reflected in the Water SDF fees in Table ES-1 with a detailed fee schedule provided in Table ES-2. Remaining water SDF are provided in table ES-3 with multi family greater than 4 units being treated under the standard commercial schedule. The maximum supportable SDF charges for the Water and Wastewater systems for the FY24-FY25 period from the above analysis are presented in Tables ES-3 and ES-4, respectively, each service area identified.

Table ES-1
Maximum Supportable Residential SDF Water Framework FY24 – FY25

Current		Proposed	
All Meter Sizes	Tier by Lot Size (sq ft)	Outdoor Component	Indoor Per Unit (Up to 4 Units)
\$2,950	< 5,400	\$630	\$1,390
	5,400 to 8,600	\$1,270	
	8,601 to 11,800	\$1,865	
	> 11,800	\$4,895	
With 4% Administration Charge			

Table ES-2
Detailed Residential Water SDF

	1 Unit	2 Unit	3 Unit	4 Unit
Tier 1	\$2,020	\$3,410	\$4,800	\$6,190
Tier 2	\$2,660	\$4,050	\$5,440	\$6,830
Tier 3	\$3,255	\$4,645	\$6,035	\$7,425
Tier 4	\$6,285	\$7,675	\$9,065	\$10,455

Table ES-3
Maximum Supportable SDF Water Charge FY24 – FY25

Meter Size	Non-Residential (Including Multi-Family Above 4 Units)		Seasonal Irrigation	
	Current	Updated	Current	Updated
3/4" or less	\$8,925	\$8,925	\$11,030	\$11,075
1"	\$15,140	\$15,140	\$18,705	\$18,775
1 1/2"	\$30,270	\$30,270	\$37,415	\$37,550
2"	\$48,435	\$48,435	\$59,875	\$60,090
3"	\$96,875	\$96,875	\$119,720	\$120,175
4"	\$151,370	\$151,370	\$187,075	\$187,780
With 4% Administration Charge				

Table ES-4
Maximum Supportable SDF Wastewater Charge FY24 – FY25

Wastewater				
Meter Size	City Service Area		Lockwood Service Area	
	Current	Updated	Current	Updated
3/4" or less	\$3,120	\$2,800	\$1,430	\$1,270
1"	\$9,575	\$8,600	\$4,385	\$3,895
1 1/2"	\$27,795	\$24,970	\$12,740	\$11,315
2"	\$47,985	\$43,100	\$21,990	\$19,530
3"	\$124,485	\$111,830	\$57,050	\$50,670
4"	\$291,435	\$261,800	\$133,570	\$118,630
With 4% Administration Charge				

1.0 Introduction

The City of Billings, Montana (City) retained AE2S Nexus to conduct a water and wastewater system utility rate study to include an evaluation and update to the System Development Fees (SDF) charged by the City for new connections. This analysis evaluated and updated the SDF to ensure the revised SDF continues to be equitable and proportionate to benefits received based on the City's existing assets, planned infrastructure, and changes in usage.

The City provides water and wastewater service to over 35,000 retail and wholesale customers throughout the region. Access to water and wastewater service is a critical factor for ongoing development and growth within the community and the region. Cities generally build and hold excess capacity within their treatment systems so they have the ability to serve new residents and businesses as they look to build and grow within their community. The City of Billings is no exception and takes proactive steps to have capacity ready for new connections. Building and holding this excess capacity comes with a cost that is borne by existing customers of the system. To recoup a portion of these costs, the City has historically charged an SDF to new connections based on the additional service capacity required to serve that new connection with water or wastewater service.

An SDF is a charge directly tied to the cost of building excess capacity to serve new growth. This direct linkage is important to the legal basis for such fees and is called the rational nexus. The three major components to the rational nexus test are 1) the connection between the need for a facility and the development being charged, 2) a demonstrable benefit to the new growth, and 3) that the charge is proportionate to the benefit received. This analysis is designed to demonstrate compliance with the rational nexus as well as all other requirements under Montana law.

Impact Fees (or SDFs as in the case of Billings) are developed based on the requirements set forth in Title 7, Chapter 6, Part 16 of the Montana Code. Per subsection 7, an impact fee must meet the following requirements:

- “The amount of the impact fee must be reasonably related to and reasonably attributable to the development’s share of the cost of infrastructure improvements made necessary by the new development.
- The impact fees imposed may not exceed a proportionate share of the costs incurred or to be incurred by the governmental entity in accommodating the development. The following factors must be considered in determining a proportionate share of public facilities capital improvements costs:
 - the need for public facilities capital improvements required to serve new development; and
 - consideration of payments for system improvements reasonably anticipated to be made by or as a result of development in the form of user fees, debt service payments, taxes, and other available sources of funding the system improvements.

- Costs for correction of existing deficiencies in a public facility may not be included in the impact fee.
- New development may not be held to a higher level of service than existing users unless there is a mechanism in place for the existing users to make improvements to the existing system to match the higher level of service.
- Impact fees may not include expenses for operations and maintenance of the facility.”

In order to ensure the analysis does meet all of Montana’s legal requirements for impact fees, the following basic outline was used to calculate the water and wastewater system development charges:

1. Identify service area;
2. Evaluate existing facility conditions;
3. Forecast growth-related demands;
4. Determine capital improvements needed to serve both existing and future capacity;
5. Calculate value of existing assets and capital improvements;
6. Determine unit value for capacity;
7. Establish level of service standards for each user class; and
8. Assign the proportionate share of costs based on established level of service.

The specifics of how this outline was applied to each system is described in more detail within the individual system analyses described herein. The final SDF arrived at through this process is a combination of the value of existing system assets, credited for the component of debt and equity in the system, along with the value of planned improvements that benefit growth.

Additional Review of SDF Methodology

In conjunction with this annual update, the overall SDF methodology was reviewed with the assistance of the SDF Advisory Committee¹ to determine if any modifications to the fee itself would be warranted, with specific attention given to the Water SDF. This review started with a listening session for committee members to identify specific items about the SDF they wanted more information on or that they would like to explore changing. The items identified included the use of zones within the City’s SDF, the potential for breaking out fireline charges, how residential lot size was accounted for in the level of service, and whether the approach to residential units should be adjusted.

The detailed review of these items included a summary of the existing practice, potential issue identified, a potential solution, and then the impacts of that solution. With the solution and the potential impacts identified, the Committee provided input on whether they felt the issue warranted modifications to the SDF approach. For the first two items, how the City approached the Zone for the SDF and the Fireline charges, the Committee recommended that no

¹ Committee membership included Greg McCall, Landy Leep, Max Griffin, Roy Neese, Taylor Kasperick, Travis Jones, Debi Meling, and Jennfer Duray.

modifications be made. For the other two items, residential lot size and unit approach, the Committee recommended changes to those items. The detailed information evaluated is provided as part of this section.

Review of City's Service Area Zones for Water SDF

The existing practice at the City is a single zone for the entire community. This single Zone reflects how both the City manages pressure within the overall distribution system as well as the benefit from combined water treatment to the City as a whole. All of the City's water system is interconnected and functions as a single system. Even with the planned expansion of treatment capacity through a West End water treatment plant, the City's water system will function as an integrated entity.

The original concern was related to the potential impact of future large investments of capital within the City's distribution and trunk transmission system to serve areas such as the Inner Belt Loop (IBL). With additional research, this investment raised the potential that some areas would have larger infrastructure costs associated with serving that would not reflect the broader demands of the City.

The analysis looked at both the quantitative impacts of creating a specific zone for the IBL area on the SDF as well as potential qualitative reasons that it may or may not make sense. To identify the quantitative impacts, the costs associated with serving the area with specific infrastructure were pulled from the existing CIP. The Zone 6 reservoir and the Zone 4W storage were the primary projects that contributed to the SDF and benefitted the IBL area. These projects totaled approximately \$16 million in costs with approximately \$11 million attributable to growth during the last SDF update. Removal of these costs from the water SDF to attribute them directly to the IBL zone reduces the residential water SDF by approximately \$135, corresponding reductions would occur to commercial connections as well. To calculate the amount specific to the IBL service area we assumed a total service area of 2,300 acres with a residential density within that area of 3 units per acre. The resulting fee specific to the IBL service area would be \$1,600. However, new development within that IBL service area would also be subject to the general City water SDF for a total projected residential water SDF of \$4,500, an increase from the existing estimate of \$2,950.

The Committee reviewed this increase and had initial concerns with the unintended consequences this could have to development throughout the region with the overall idea that it could push development from the IBL into areas further outside of the City. The resulting concern from this sort of shift in development was that if they needed City services in the future there would be an increased cost and inefficiency to extend City services to them after an extended period of time between original development and connection to City services. In addition, while the infrastructure itself may be primarily to service the IBL, the interconnectedness of the City's distribution system and the holistic management approach means that the existing City residents throughout the entire service area will still receive a benefit. As a result, the Committee **recommended no change** to the existing Service Area approach.

Specific Fireline SDF Charge

The existing practice of the City is to not maintain a separate charge for firelines that are designed to service sprinkler systems within buildings throughout the community. These firelines provide on demand water in the event that a building's sprinkler system is triggered. The City's overall distribution system is designed to provide peak demand needs of firelines in addition to the standard firefighting needs provided through hydrants throughout the City. Currently, the cost of sizing the City's fire protection system is seen as a general benefit to the system as a whole and is spread throughout the existing SDF.

The Committee's initial concern was whether the existing approach was the most equitable way to incorporate the sizing of firelines throughout the community.

To help the Committee consider the impacts, the analysis looked at sizing firelines based on a peak hour demand factor for fireflow from the distribution and storage infrastructure. The initial review looked at the potential capital cost of providing 1,500 gallons per minute (gpm) of fireflow for residential needs as well as 2,500 gpm for commercial needs. Additional sizing factors were considered and the infrastructure used to evaluate these costs was limited to storage and distribution. The initial review identified an SDF of approximately \$2,900 for residential use and \$4,800 for commercial. The initial analysis did not identify any potential offset to the existing SDF if the fireline SDF were to be adopted.

After review of the costs and a discussion on the other benefits of having fire protection, the Committee recommended that the City not adopt an additional fireline SDF. The overall benefits of the use of firelines were considered to extend beyond just the connecting development with the idea that firelines generally helped suppress the spread of fires to other neighboring buildings. In addition, a portion of the peak demand sizing is also there to serve hydrants which cannot be specifically attributable to the individual homes. As a result, the costs are more appropriately absorbed into the general water SDF as is current practice.

Lot Sizing Considerations

The City's existing practice is to charge a single SDF for all residential connections within the City, regardless of meter size. This is determined through the City's definition of residential being 3 units or less. The SDF is applied on a per meter basis. As a result, the level of service is a consistent residential level of service based on aggregate demands for that user class.

The Committee's initial concern was that this approach may not respond to the current market demands of both smaller lots as well as larger lots and that additional factors should be taken into account to allow for more efficient use of water.

The analysis for lot sizing considerations was a multi-step approach that included identifying how best to consider levels of service for the various lots. The first step was to determine how much of the overall water use could be attributable to outdoor water use. Through reviewing national statistics and then statistics more appropriately refined to the climate of the City, it was determined that approximately 53 percent of the level of service could be attributable to outdoor water use. This would be the equivalent of irrigating a 2,900 sq ft area to 1" deep over the course

of a 16-week irrigation period. This is a generalized assumption given that both weather patterns and personal preference can greatly impact how much water demand is needed for outdoor use in any given year. The proportion of the existing SDF would be proportionate to the share of outdoor water demand resulting in a baseline SDF of \$1,560 attributable to outdoor water use.²

The review then evaluated the recent building permit data to determine the size of lots that were being developed in the City since 2018. This included approximately 2,000 residential developments ranging in size from approximately 1,400 sq ft to over 1 million sq ft. For the purpose of this analysis the larger outliers were removed. An average lot size of 8,600 was identified with a standard deviation in lot sizes of approximately 4,700. A tier structure was developed around this information to create a four-tier approach to separating lot sizes. This resulted in the tiers of lot sizes of: less than 5,400 sq ft, between 5,400 and 8,600 sq ft, between 8,600 and 11,800 sq ft, and greater than 11,800 sq ft. Estimating that approximately 33 percent of the lot is irrigable, modifiers were created to adjust the base fee based on projected irrigable lot square footage. The midpoint of the tiers was used as the applicable lot sizing.

The result was the following distribution and modified cost associated with the \$1,560 base cost.

Table 1.1
Residential Lot Sizing Tiers and Estimated SDF

Tier 1	Tier 2	Tier 3	Tier 4
<5,400	5,400 to 8,600	8,600 to 11,800	>11,800
\$630	\$1,270	\$1,865	\$4,895

Because the jump from Tier 3 to Tier 4 was considerable, we evaluated water usage in the various tiers. Residential properties that are from 7,501 SF to 10,999 SF use an average of 89,000 gallons of water per year. Residential properties that are 11,000 SF use significantly more. The average use for these properties is 191,000 gallons of water per year, more than double the consumption of smaller properties. As a result, the approach was confirmed as being reasonable.

Based on information provided, the Committee recommended that the City adopt changes to the residential water SDF that reflect a 4-tier approach to outdoor water use based on lot sizing. This was considered to better reflect the changing development patterns within the City, address potential for both smaller irrigation use at smaller properties, but also more fairly attribute the cost of larger irrigation use to larger properties. The updated SDF calculations for FY24-FY25 have been structured around this committee recommendation.

Unit Multiplier

The City's existing practice is to treat all multi-family properties with three units or less as regular residential. Properties with four or more units are treated as commercial properties. This subjects four-unit properties to the commercial SDF schedule if using a single meter. In some instances, the choice is made to individually meter the units within multi-unit properties to ensure they are treated as individual residential units.

² This baseline fee is calculated from the existing SDF

Due to how the lot sizing discussion resulted in an indoor water use component, the Committee was curious on whether that would be an appropriate multiplier to apply to multi-family residential and if there was an appropriate unit threshold.

The review did acknowledge that with a separate indoor and outdoor use component, it would be appropriate to use the indoor component and apply that for the number of residential units on a property when those units shared a physical structure. The indoor use component would then assume that the outdoor use would apply to the aggregate lot sizing. The analysis then reviewed the usage for a sample of 50 multi-family housing units ranging from 3 unit complexes to over 100 unit complexes. The usage for a three-year period was reviewed to identify the average water use. There was a clear distinction between how three- and four-unit buildings used water compared to those greater than four units. The overall average was approximately 89,000 gallons per unit per year, with three- and four-unit developments using an average of 115,000 gallons per unit per year, and developments greater than four units using an average of 71,000 gallons per unit per year. As a result, it was determined that three- and four-unit developments, on a per unit basis, were much closer to the existing residential demand of 120,000 gallons per year. Therefore, the per unit allotment of level of service could be used to derive per unit SDF charge.

The Committee recommended that the residential water SDF for multi-family housing of four units and less be charged on a per unit basis at the indoor demand SDF rate. For example, if the indoor demand portion of the SDF is calculated to be \$1,200 a residential connection serving a duplex with a single meter would pay \$2,400 plus the amount related to lot sizing to arrive at their final water SDF.

2.0 Water System Development Fee

1. Service Area

While the City of Billings' water system is designed with a number of zones within the system itself, the service area of the system as a whole is considered to be the entire City area (including areas to be annexed with planned provision for water service) and is not divided down to the pressure zones. All new customers to the City's system are included in this service area.

2. Existing Facility Conditions

Existing water assets are currently estimated at 86.2 percent capacity. The available capacity was calculated based on the peak day usage for the water treatment plant from 2009 through 2022. As the capacity used can fluctuate in any given year due to a number of factors, historic peak day usage was used to represent the maximum amount of capacity needed to serve the user base. The resultant peak capacity utilization is 51.7 million gallon per day output from fiscal year 2012. All other facility conditions are outlined in the most recent facility plan on file with the City.

3. Growth-Related Demands

Growth-related demands are forecast based on the 2017 Integrated Water Plan adjusted for growth realized since the adoption of the facility plan. Additional capacity will be brought on when the West End Treatment Plant is online with anticipated overall system capacity of 23 percent available by the end of the 10-year timeframe.

4. Capital Improvements

The City maintains an extensive capital improvements plan (CIP) to identify the investments needed to both expand the water system as well as increase the capacity to serve growth over a 10-year period. The analysis evaluated this CIP in conjunction with City staff to determine which projects contribute to expanding system capacity and to what level those projects contribute to system expansion. Projects designed to increase the overall treatment capacity, the trunk transmission system, and improve operations at the plant in a way that still benefits excess capacity were included and assigned a value applicable to growth to weight the overall cost of the project. The overall SDF charge is calculated to coincide with this same 10-year CIP planning period. The CIP used in the analysis is included in Appendix A.

5. Facility Valuations

Future Facilities

The CIP identifies nearly \$297 million in capital improvements from FY23 – FY33, including \$28.6 million in construction work in progress in FY23. The facility determination and growth percentages identified during the CIP process were used to adjust the overall CIP valuation and ensure that it accounts solely for projects that benefit future connections. This adjustment for

growth results in approximately \$156,321,648 million in growth-related capital projects over the time horizon.

Existing Facilities

The existing system value is based on the Replacement Cost New less Depreciation (RCNLD) for all applicable assets. The starting point for this calculation is the City’s existing listing of all current assets for the system. The process then reviews the existing asset information listing and excludes all assets that were classified as contributed capital, i.e. not paid for with ratepayer funds. Once the asset list was defined, the original cost was adjusted to 2023 dollars using the *Engineering News Record Construction Cost Index (CCI)* for Denver to determine the replacement cost new of the assets. Accumulated depreciation percentage was then netted off the replacement cost new to identify the final RCNLD. For the existing water system value, this calculation resulted in an applicable existing water system value of \$178,529,136.

Cash Equity

The third piece of identifying the overall facility valuation is accounting for the value of cash that ratepayers have contributed to the system over the years, the outstanding debt on existing assets, and the SDF’s currently available to buy-down future assets. Cash values are estimated based on current utility budgeting data and cash-flow trends through the end of FY23. Projected cash on hand is equal to \$26,004,994. Both the value of existing debt and the outstanding SDF fund balance are then netted off the value of cash on hand to arrive at the cash equity value. Outstanding debt is calculated to be \$19,917,000 based on current debt issuances and FY23 principal payments. SDF values are set at \$0 based on budgeted expenditures. Total cash equity portion is \$6,087,994.

6. Determine unit value for capacity

To arrive at a single unit value for capacity, the analysis looks at existing facilities (less cash equity) and future facilities separately and then combines them into a single unit value. The total treatment capacity was used as the capacity basis for existing system and is set at 60 MGD. The value for planned capital improvements is divided by the currently available capacity of 8.3 MGD plus the new capacity additions in the CIP of 20 MGD to determine that unit value. Facility valuations are divided by these unit values to calculate the unit capacity values on a gallon per day basis. Table 2-1 provides the resulting unit capacity values.

Table 2-1
Water Unit Capacity Values

Component	Facility Value	Capacity	Value*
Existing Capital	\$172,441,142	60 MGD	\$2.87 / gpd
Cash Equity	\$6,087,994	60 MGD	\$0.10 / gpd
Planned Capital	\$157,027,172	28.3 MGD	\$5.55/ gpd
Total			\$8.52 / gpd
*Values rounded to the nearest whole cent			

7. Level of Service Standards

Level of service standards are identified for three separate user classes: residential, non-residential, and seasonal irrigation. The overall level of service is determined by the demands placed on the system from each user class. These various user classes have dramatically different usage profiles and as such are separated accordingly. To determine the overall demand from each user class, recent historical usage from 2010 through 2022 was evaluated. Since many factors contribute to the variation in usage of system capacity from year to year, the peak annual average usage from this data set (FY 2013) was selected for inclusion to the analysis to represent peak capacity utilization, consistent with prior years. Table 2-2 outlines identified level of service standards for the user classes. Residential indoor and outdoor demand was based on estimated lawn watering values and should be reviewed during each subsequent update.

Table 2-2
Water Level of Service Standards

User Class	Usage (gpd)	Standard Meter Size
Residential - Outdoor	178	¾"
Residential - Indoor	157	¾"
Non-Residential	1,715	1"
Seasonal Irrigation	6,782	2"

8. Proportionate Share of Costs

To fairly assign a proportionate share of costs to the various user classes, the level of service standard set by those classes was multiplied by the unit cost per gpd capacity to arrive at a standard SDF per user class. The resulting residential indoor SDF is a per unit basis for service at four unit and lower developments. The residential outdoor standard SDF is then scaled based on the tier factors developed. Those factors are provided in table 2-3. For commercial and seasonal user classes, industry standard equivalent meter factors are applied to the standard SDF to adjust these costs into charges across the variety of meter sizes that those user classes could have.

By breaking down the system values into the unit cost and assigning it proportionately based water service standards, it provides a total cost associated with the proportionate share of growth and growth-related costs by new users. This calculated total cost was rounded down to the nearest \$5 equivalent to ensure that the recommended maximum supportable impact fee to ensure the final adopted impact fee does not exceed the maximum supportable. After the proportionate share of costs were calculated, a 4.0 percent administrative charge was added to reflect the ongoing costs associated with managing an SDF program. The resulting final SDF charges are outlined in Table 2-3.

Table 2-3
Maximum Supportable SDF Residential Water Charge FY24 – FY25

Current		Proposed		
All Meter Sizes	Tier by Lot Size (sq ft)	Tier Modifier	Outdoor Component	Per Unit (Up to 4 Units)
\$2,950	< 5,400	0.40	\$630	\$1,390
	5,400 to 8,600	0.81	\$1,270	
	8,601 to 11,800	1.19	\$1,865	
	> 11,800	3.12	\$4,895	
With 4% Administration Charge				

Table 2-5
Maximum Supportable SDF Water Charge FY24– FY25

Water System SDF				
Meter Size	Non-Residential		Seasonal Irrigation	
	Current	Updated	Current	Updated
3/4" or less	\$8,925	\$8,925	\$11,030	\$11,075
1"	\$15,140	\$15,140	\$18,705	\$18,775
1 1/2"	\$30,270	\$30,270	\$37,415	\$37,550
2"	\$48,435	\$48,435	\$59,875	\$60,090
3"	\$96,875	\$96,875	\$119,720	\$120,175
4"	\$151,370	\$151,370	\$187,075	\$187,780

In instances where the meter size needed to service a new connection is greater than 4" or when the unique characteristics of a larger water user may require, the SDF should be calculated by multiplying the anticipated average daily demand of the user by the unit rate of \$8.52 per gallon. An additional 4.0 percent administrative fee should then be added to the resulting SDF. In instances where the characteristics of the user may result in a change in capital use patterns, a special study may be required to calculate the charge.

3.0 Wastewater System Development Fee

While the water system SDF was reviewed for methodological changes, the wastewater system SDF was determined to not need any updates. The approach used herein is consistent with the most recently used update to the wastewater SDF.

1. Service Area

The wastewater system has two separate service areas resulting in two distinct SDF calculations. These service areas are: the City of Billings and Lockwood Water & Sewer District. Lockwood Water & Sewer District connects at the plant and does not use any of the City's collection system, necessitating modifications to the baseline SDF for this benefit of use of a smaller overall asset base.

2. Existing Facility Conditions

The capacity of the wastewater system is currently set at 34 MGD based on average day treatment capacity. The available capacity was calculated based on the average day usage for the wastewater treatment plant from 2009 through 2022. As the capacity used can fluctuate in any given year due to a number of factors, historic plant influent average day recordings were used to represent the maximum amount of capacity needed to serve the in-place user base. For these reasons, a maximum average day usage of 24.4 million gallon per day of plant influent from FY12 was incorporated into the analysis. This existing system capacity is applicable to both service areas. All other facility conditions are outlined in the most recent facility plan on file with the City.

3. Growth-Related Demands

The City evaluates the existing plant capacity and the demands placed on it by new connections on an ongoing basis. The most recent comprehensive engineering study on current treatment facilities, including an evaluation of in-place capacity and the demands of growth, was the 2016 study (updated January 2017) done in conjunction with the ongoing nutrient upgrade, expansion, and plant improvement work. The overall capacity and the demands growth continues to place on available capacity is derived from this report.

4. Capital Improvements

The City maintains an extensive capital improvements plan (CIP) to identify the investments needed to both expand the system treatment and collection system as well as increase the capacity to serve growth over a 10-year period. The analysis evaluated the currently adopted CIP in conjunction with City staff to determine which projects contribute to expanding system capacity and to what level those projects contribute to system expansion. Particular care is taken to adjust out projects that do not affect overall system capacity such as the local collection system. The SDF charge is calculated to coincide with this same 10-year CIP planning period.

5. Facility Valuations

Future Facilities

The CIP identifies over \$144 million in capital improvements from FY23 – FY33, including \$41.8 million in construction work in progress in FY23. As part of the process to identify which projects expand system capacity, all small line collection system projects are removed from the system growth value calculation due to assessment policy. The remaining project costs are weighted based on the proportion of the project benefiting growth-related capacity as estimated at the time of improvement (based on growth-related demand calculations). This results in \$18,980,124 million in growth-related capital projects identified for the City service area. Further reductions are necessary for the Lockwood service area since it does not share in any of the large, trunk collection infrastructure. While there is a reduction, the majority of the City's investment for growth throughout the system is targeting capacity at the plant. As a result, these reductions reflect the limited use of the overall system by Lockwood and are equal to growth related capital of \$13,523,442 million for Lockwood.

Existing Facilities

The existing system value is based on the Replacement Cost New less Depreciation (RCNLD) for all applicable assets. The starting point for this calculation is the City's existing listing of all current assets for the system. The process then reviews the existing asset information listing and excludes all assets that were classified as contributed capital, i.e. not paid for with ratepayer funds. Once the asset list was defined, the original cost was adjusted to 2023 dollars using the *Engineering News Record Construction Cost Index (CCI)* for Denver to determine the replacement cost new of the assets. Accumulated depreciation percentage was then netted off the replacement cost new to identify the final RCNLD. For the existing water system value, this calculation resulted in an applicable existing system value of \$165,006,135. Further reductions are necessary to reflect the limited use of the system by the second service area, Lockwood. These reductions result in an existing system value of \$61,789,549 for Lockwood.

Cash Equity

The third piece of identifying the overall facility valuation is accounting for the value of cash that ratepayers have contributed to the system over the years, the outstanding debt on existing assets, and the SDF's currently available to buy-down future assets. Cash values are estimated based on current utility budgeting data and cash-flow trends through the end of FY23. Projected cash on hand is equal to \$16,875,656. Both the value of existing debt and the outstanding SDF fund balance are then netted off the value of cash on hand to arrive at the cash equity value. Outstanding debt is calculated to be \$59,282,000 based on current debt issuances and FY23 principal payments. SDF values are set at \$0 based on FY23 collections to date as they exceed budgeted amounts. Total cash equity portion is \$(42,406,344). Lockwood's adjustment nets off items not applicable to the SDF and results in a total cash equity of \$(37,263,818).

6. Determine unit value for capacity

To arrive at a single unit value for capacity, the analysis looks at existing facilities (less cash equity) and future facilities separately and then combines them into a single unit value. In this instance, the total treatment capacity was used as our capacity factor for existing system and is set at 34 MGD. Average day flows are set to recent historical maximums of 24 MGD, resulting in the capacity value for existing system components of 9.6 MGD. The capacity value for planned capital is based on the currently available capacity for growth plus direct new treatment capacity added by capital improvements of 0 MGD. The resulting available capacity value is 9.6 MGD for planned capital improvements. Tables 3-1 and 3-2 provide the resulting unit capacity values. Both service areas share in the capacity equally without any adjustments.

Table 3-1
Wastewater Unit Capacity Values (City Service Area)

Component	Facility Value	Capacity	Value for City Service Area*
Existing Capital	\$165,006,135	34 MGD	\$6.10 / gpd
Cash Equity	\$(42,406,344)	34 MGD	\$(1.25) / gpd
Planned Capital	\$21,875,853	12.5 MGD	\$1.98 / gpd
Total			\$6.83 / gpd
<i>*Values rounded to the nearest whole cent</i>			

Table 3-2
Wastewater Unit Capacity Values (Lockwood Service Area)

Component	Facility Value	Capacity	Value for Lockwood Service Area*
Existing Capital	\$61,789,595	34 MGD	\$2.91 / gpd
Cash Equity	\$(37,263,818)	34 MGD	\$(1.10) / gpd
Planned Capital	\$16,039,549	12.5 MGD	\$1.41 / gpd
Total			\$3.22 / gpd
<i>*Values rounded to the nearest whole cent</i>			

7. Level of Service Standards

One level of service standard has been identified for the wastewater system. The overall level of service is determined by the demands placed on the system by the contributing users. To determine the overall demand, total equivalent dwelling units (EDUs) contributing to the system were analyzed. Total capacity and EDUs were used to identify an average gallon capacity use per EDU per day. This established a level of service of 406 gallons per day per EDU.

8. Proportionate Share of Costs

Proportionate share of costs were determined by taking the calculated unit value by the level of service standard. As the standard units associated with the level of service standard are provided in an EDU meter size of ¾", industry standard equivalent meter factors are applied to translate these costs into charges for the appropriate meter size. This provides a total cost associated with the proportionate share of growth and growth-related costs by new users. The total cost is rounded down to the nearest \$5 to ensure the actual charge is at or just less than the maximum supportable. After the proportionate share of costs were determined, a 4.0 percent administrative charge was added, under the state maximum allowance of 5 percent. The resulting final SDF charges are outlined in the Table 3-3.

Table 3-3
Maximum Supportable SDF Wastewater Charge FY24– FY25

Meter Size	Wastewater			
	City Service Area		Lockwood Service Area	
	Current	Updated	Current	Updated
¾" or less	\$3,120	\$2,800	\$1,430	\$1,270
1"	\$9,575	\$8,600	\$4,385	\$3,895
1 ½"	\$27,795	\$24,970	\$12,740	\$11,315
2"	\$47,985	\$43,100	\$21,990	\$19,530
3"	\$124,485	\$111,830	\$57,050	\$50,670
4"	\$291,435	\$261,800	\$133,570	\$118,630

In instances where the meter size needed to service a new connection within the City service area is greater than 4" or when the unique characteristics of a larger wastewater user may require a more in-depth review, the SDF should be calculated by identifying the key usage characteristics of flow, Biochemical Oxygen Demand (BOD) loading, Total Suspended Solids (TSS), and Total Kjeldahl Nitrogen (TKN) loading and using the formula below.

$$(\$6.83 * \text{Flow} * (0.596 + (\text{BOD} * 0.1538/200) + (\text{TSS} * 0.153/200) + (\text{TKN} * 0.972/55))) * 1.04$$

Where \$6.83 is the total unit cost identified through the analysis, 0.596 is the weighted capital allocation (across all assets) from the cost of service model applicable to flow, 0.1538 is the weighted capital allocation applicable to BOD, 0.153 is the weighted capital allocation to TSS, 0.972 is the weighted capital allocation applicable to TKN, and 1.04 represents the administrative charge. These weighted capital allocations are available from the 2024 capital allocations in the retail rate model.

In instances where the user requesting connection to the system presents a demand that may result in different allocation factors used above, a special study may be required to calculate the charge.

4.0 Summary

The SDFs calculated in this analysis are based on the value of the in-place assets and the reasonably expected costs of future capital to expand and improve the City's water and wastewater systems. The fees calculated are based on the proportionate share of the capital costs tied to the demand placed by new development. Tables 4-1, 4-2, 4-3, and 4-4 present the SDF fee schedule in its entirety for the water system and the wastewater service areas, respectively.

Table 4-1
Maximum Supportable SDF Residential Water Charge FY24 – FY25

Current		Proposed	
All Meter Sizes	Tier by Lot Size (sq ft)	Outdoor Component	Per Unit (Up to 4 Units)
\$2,950	< 5,400	\$630	\$1,390
	5,400 to 8,600	\$1,270	
	8,601 to 11,800	\$1,865	
	> 11,800	\$4,895	
With 4% Administration Charge			

Table 4-2
Detailed Residential Water SDF

	1 Unit	2 Unit	3 Unit	4 Unit
Tier 1	\$2,020	\$3,410	\$4,800	\$6,190
Tier 2	\$2,660	\$4,050	\$5,440	\$6,830
Tier 3	\$3,255	\$4,645	\$6,035	\$7,425
Tier 4	\$6,285	\$7,675	\$9,065	\$10,455

Table 4-3
Maximum Supportable SDF Water Charge FY24– FY25

Meter Size	Non-Residential (Including Multi-Family Above 4 Units)		Seasonal Irrigation	
	Current	Updated	Current	Updated
3/4" or less	\$8,925	\$8,925	\$11,030	\$11,075
1"	\$15,140	\$15,140	\$18,705	\$18,775
1 1/2"	\$30,270	\$30,270	\$37,415	\$37,550
2"	\$48,435	\$48,435	\$59,875	\$60,090
3"	\$96,875	\$96,875	\$119,720	\$120,175
4"	\$151,370	\$151,370	\$187,075	\$187,780
With 4% Administration Charge				

Table 4-3
Maximum Supportable SDF Wastewater Charge FY24– FY25

Meter Size	Wastewater			
	City Service Area		Lockwood Service Area	
	Current	Updated	Current	Updated
3/4" or less	\$3,120	\$2,800	\$1,430	\$1,270
1"	\$9,575	\$8,600	\$4,385	\$3,895
1 1/2"	\$27,795	\$24,970	\$12,740	\$11,315
2"	\$47,985	\$43,100	\$21,990	\$19,530
3"	\$124,485	\$111,830	\$57,050	\$50,670
4"	\$291,435	\$261,800	\$133,570	\$118,630

Appendix A

Water Capital Improvement Plan

														Adj.	
D? Project	Percent Growth	Current FY 23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	Total Cost	Percent Growth	Growth Total
Christensen PS VFD	0%	-	-	-	-	-	-	-	-	-	-	-	-		
High Service PS HVAC Improvements	25%	1,288,380	-	-	-	-	-	-	-	-	-	-	1,288,380	25%	322,095
South Frontage Road Water Line Extension	50%	422,000	-	-	-	-	-	-	-	-	-	-	422,000	0%	0
West End Reservoir*	100%	-	-	53,711,000	-	-	-	-	-	-	-	-	53,711,000	100%	53,711,000
West End Treatment Plant*	100%	-	-	43,289,000	-	-	-	-	-	-	-	-	43,289,000	100%	43,289,000
West End Treatment Plant*	100%	-	-	32,139,000	-	-	-	-	-	-	-	-	32,139,000	100%	32,139,000
West End Treatment Plant*	0%	-	-	2,000,000	-	-	-	-	-	-	-	-	2,000,000	0%	0
West End Intake and PS*	0%	-	-	-	-	-	-	-	-	-	-	-	-		
West End Intake and PS*	0%	-	-	-	-	-	-	-	-	-	-	-	-		
Alkali Creel Water Extension	0%	1,263,000	-	-	-	-	-	-	-	-	-	-	1,263,000	0%	0
West End Distribution	100%	-	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000	0%	0
West End Distribution	50%	-	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000	0%	0
Water Main Replacements	100%	770,046	1,127,855	5,800,000	6,400,000	7,040,000	7,740,000	8,514,000	8,770,000	9,033,000	9,304,000	9,583,000	74,081,901	0%	0
Water Main Replacements	0%	8,146,454	4,447,145	-	-	-	-	-	-	-	-	-	12,593,599	0%	0
Water Compensation Agreements	0%	643,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,643,000	22%	817,598
Equipment Replacement	0%	1,146,615	505,913	700,000	735,000	770,000	810,000	850,000	890,000	935,000	980,000	1,030,000	9,352,528	23%	2,194,110
New Equipment	0%	28,375	56,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	804,375	24%	195,244
Water Treatment Plant Electrical Improvements	0%	-	900,000	150,000	200,000	500,000	315,000	425,000	430,000	440,000	450,000	465,000	4,275,000	23%	999,242
Zone 4 PS Improvements	0%	-	2,900,000	-	-	-	-	-	-	-	-	-	2,900,000	12%	361,050
Zone 4 PS Improvements	0%	-	3,300,000	-	-	-	-	-	-	-	-	-	3,300,000	12%	410,850
Willett Reservoir and PS Improvements	0%	-	1,026,300	-	-	-	-	-	-	-	-	-	1,026,300	12%	127,774
Briarwood Line Replacement	100%	-	300,000	-	-	-	-	-	-	-	-	-	300,000	0%	0
Voelker Pump Station PRV	0%	-	300,000	-	-	-	-	-	-	0	-	-	300,000	12%	37,350
D&C Heated Shop and Breakroom Addition	0%	-	-	-	-	-	-	810,000	-	-	-	-	810,000	28%	227,711
Water - Storage Improvements (Zone 1)	100%	-	-	6,700,000	-	-	-	-	-	-	-	-	6,700,000	100%	6,700,000
Central Water Extension	0%	-	-	800,000	-	-	-	-	-	-	-	-	800,000	0%	0
Grand Water Lines	0%	-	-	-	320,000	-	-	-	-	-	-	-	320,000	0%	0
Water Treatment Plant Facility Plan	0%	-	-	-	300,000	-	-	-	-	-	-	-	300,000	32%	96,788
Land and Easements for Zone 6 Storage	0%	-	-	-	200,000	-	-	-	-	-	-	-	200,000	32%	64,525
Zone 6 Reservoir and redundant line	100%	-	-	-	-	5,000,000	-	-	-	-	-	-	5,000,000	100%	5,000,000
South 32nd St W/I-90/S Frontage Loop	0%	-	-	-	-	1,000,000	-	-	-	-	-	-	1,000,000	0%	0
Skyway Drive Water Line Loop	100%	-	-	-	-	-	2,800,000	-	-	-	-	-	2,800,000	0%	0
Intake 2 Screening Improvements	100%	-	-	-	-	-	1,750,000	-	-	-	-	-	1,750,000	100%	1,750,000
Water - Fox Reservoir #1 Replacement	50%	-	-	-	-	-	-	-	-	4,040,000	-	-	4,040,000		
Staples	100%	-	-	-	-	-	-	-	-	-	-	7,210,000	7,210,000	100%	7,210,000
Zone 4W Additional Storage	100%	-	-	-	-	-	-	-	-	-	-	-	-		
N 19th St from Montana Ave to 4th Ave N	100%	106,237	-	-	-	-	-	-	-	-	-	-	106,237	0%	0
Water Master Plan Update	50%	427,131	-	-	-	-	-	-	-	-	-	-	427,131	50%	213,566
West End Reservoir	0%	-	-	-	-	-	-	-	-	-	-	-	-		
WTP Drought & Flood Control Plan	0%	146,168	-	-	-	-	-	-	-	-	-	-	146,168	14%	20,220
WO 19-42 West End Water Treatment Plant Project	100%	-	-	-	-	-	-	-	-	-	-	-	-		
S 32nd St W (King Ave W to Gabel)	0%	166,097	-	-	-	-	-	-	-	-	-	-	166,097	0%	0
Hallowell Lane Improvement	0%	1,615,004	-	-	-	-	-	-	-	-	-	-	1,615,004	0%	0
Water/Sewer Replacement Project Pioneer Park	50%	4,521,613	-	-	-	-	-	-	-	-	-	-	4,521,613	0%	0
Highwood Drive Pavement	0%	345,908	-	-	-	-	-	-	-	-	-	-	345,908	0%	0
Harrow Dr. Reconstruction	0%	286,929	-	-	-	-	-	-	-	-	-	-	286,929	0%	0
Schedules 1 & 2 Water & Sewer Main Replacement	0%	2,981,119	-	-	-	-	-	-	-	-	-	-	2,981,119	0%	0
Alkali Creek Water Extension	0%	1,362,569	-	-	-	-	-	-	-	-	-	-	1,362,569	0%	0
Staples Reservoir Evaluation/Design	50%	336,495	-	-	-	-	-	-	-	-	-	-	336,495	50%	168,247
West End Water Intake & Pump Station	100%	-	-	-	-	-	-	-	-	-	-	-	-		
WTP High Service Pump Station: Cooling Units	25%	151,712	-	-	-	-	-	-	-	-	-	-	151,712	25%	37,928
Water Main Extension - Arlington Ave to Grey Eagle	100%	758,596	-	-	-	-	-	-	-	-	-	-	758,596	0%	0
Zone 1 Water Storage Improvements	100%	848,727	-	-	-	-	-	-	-	-	-	-	848,727	100%	848,727
Willett & Christensen Pump Station Improvements	25%	329,564	-	-	-	-	-	-	-	-	-	-	329,564	25%	82,391
Water/Sewer Main Replacement	100%	193,490	-	-	-	-	-	-	-	-	-	-	193,490	0%	0
P776 Development 55 water/Sewer Main Extension	0%	326,030	-	-	-	-	-	-	-	-	-	-	326,030	0%	0
High Service Pump Station Piping Modifications	25%	11,022	-	-	-	-	-	-	-	-	-	-	11,022	25%	2,755
	0%	-	-	-	-	-	-	-	-	-	-	-	-		
	0%	-	-	-	-	-	-	-	-	-	-	-	-		
Total		28,622,280	19,163,213	145,669,000	8,535,000	14,690,000	13,795,000	10,979,000	10,470,000	14,828,000	11,114,000	18,668,000	296,533,493		157,027,172

Wastewater Capital Improvement Plan

Percent														Adj.		Growth Total	Lockwood Total
C? I/E	Project	Growth	Current FY 23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	10-Yr Total	Percent Growth		
	1 Wastewater Treatment Plant Intercom	0%	-								370,000			370,000	8%	31,341	31,341
	1 Service Center Reconstruction	20%	-	800,000										800,000	20%	160,000	160,000
	1 Influent Lift Station	20%	1,282,000											1,282,000	20%	256,400	256,400
	1 WWTP Nutrient Improvement Project	50%	4,425,000											4,425,000	50%	2,212,500	2,212,500
C	0 Wastewater Compensation Agreements	0%	412,000	488,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,600,000	0%	0	0
C	0 Wastewater Main Replacements	0%	7,054,652	5,300,000	5,800,000	4,000,000	5,800,000	6,200,000	6,800,000	8,770,000	9,033,000	9,304,000	9,583,000	77,644,652	0%	0	0
	1 Wastewater Treatment Plant Electrical	0%		300,000	300,000	300,000	300,000	300,000	350,000	350,000	350,000	350,000	350,000	3,250,000	15%	478,588	478,588
	1 Equipment Replacements	0%	606,540	845,208	649,000	685,000	682,000	699,000	717,000	735,000	756,000	773,000	793,000	7,940,748	16%	1,273,222	1,273,222
	1 New Equipment	0%	42,950	56,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	818,950	16%	128,005	128,005
	0 Sewer Interceptor	0%	654,000											654,000	28%	184,659	0
	1 Wastewater - Replace Heat Exchangers #1, 2, and 3	0%	507,671											507,671	28%	143,342	143,342
	0 Wastewater - Sahara Sands Lift Station Rehabilitation	0%	150,000											150,000	28%	42,353	0
	1 Wastewater Treatment Plant Campus Electrical	0%	500,000											500,000	28%	141,176	141,176
	1 Alkali Creek Road Sewer Extension	0%	2,290,654											2,290,654	28%	646,773	646,773
	1 Hesper Sewer Extension (Gabel to Shiloh)	0%	750,000											750,000	28%	211,765	211,765
	1 Hydrogen Sulfide Mitigation (Phase 2 and 3)	0%	500,000	500,000										1,000,000	27%	268,235	268,235
	1 Monad Sewer	0%		4,606,000										4,606,000	25%	1,170,466	1,170,466
	1 Digester Gas Interior Piping Display	0%		1,200,000										1,200,000	25%	304,941	304,941
	1 Laboratory Remodel	0%							120,000					120,000	14%	16,941	16,941
	0 Hesper Sewer Extension (Sholoh to 48th)	100%				4,200,000								4,200,000	100%	4,200,000	0
	1 Central Avenue Sewer Extension (Shiloh to 44th)	0%			1,060,000									1,060,000	25%	269,365	269,365
	0 D&C Heated Shop and Breakroom Addition	0%							540,000					540,000	14%	76,235	0
	1 Digester Gas and Sludge Pump Replacement	0%			515,000									515,000	25%	130,871	130,871
	1 Grand Avenue Sewer Extension (60th to 62nd)	0%					400,000							400,000	20%	79,059	79,059
	1 Rehberg Ranch Lift Station	0%						1,640,000						1,640,000	17%	277,835	277,835
	1 Highway 3 Sanitary Sewer Extension	0%							1,600,000					1,600,000	14%	225,882	225,882
	1 Lower Mountain View Sewer	0%	16,310											16,310	28%	4,605	4,605
	1 Alley b/t N23rd St & N24th St b/t 1st & 2nd Ave N	0%	11,510											11,510	28%	3,250	3,250
	1 WRF Nutrient Recovery & Biosolids Facilities Plan	0%	203,306											203,306	28%	57,404	57,404
	1 WRF Influent Lift Station	20%	6,173,992											6,173,992	20%	1,234,798	1,234,798
	1 WRF Headworks Grit Unit	0%	87,354											87,354	28%	24,665	24,665
	1 Water/Sewer Replacement Project	0%	7,860,681											7,860,681	28%	2,219,487	2,219,487
	0 Lloyd Mangrum & Lake Hills Lift Station Rehab	0%	959,840											959,840	28%	271,014	0
	1 S 32nd St W (King Ave W to Gabel)	0%	112,163											112,163	28%	31,669	31,669
	1 Wastewater Master Plan	100%	233,551											233,551	100%	233,551	233,551
	1 WRF Solids Handling Modifications	0%	6,205											6,205	28%	1,752	1,752
	1 WRF Nutrient Recover Improvements Project	0%	280,720											280,720	28%	79,262	79,262
	1 Sewer Replacement Project Pioneer Park	0%	-											-	0%	0	0
	1 Highwood Drive Pavement	0%	29,462											29,462	28%	8,319	8,319
	1 Harrow Dr. Reconstruction	0%	52,484											52,484	28%	14,819	14,819
	1 WRF Electrical Improvements	50%	37,920											37,920	50%	18,960	18,960
	1 Schedules 1 & 2: Water & Sewer Main Replace	0%	3,192,019											3,192,019	28%	901,276	901,276
	0 Alkali Creek Water & Sewer Extension	0%	2,416,906											2,416,906	28%	682,420	0
	1 Heights Trunk Sewer Repair	0%	379,103											379,103	28%	107,041	107,041
	1 WRF Bioreactor Flowmeter	0%	109,614											109,614	28%	30,950	30,950
	1 Water/Sewer Replacement Project	0%	183,838											183,838	28%	51,907	51,907
	1 Monad Road Sewer Extension	0%	61,894											61,894	28%	17,476	17,476
	1 Orchard Lane Sewer Extension	0%	34,981											34,981	28%	9,877	9,877
	1 P766 Development 55 Water/Sewer Main Extension	0%	161,737											161,737	28%	45,667	45,667
	Total		41,781,058	14,095,208	8,704,000	9,565,000	7,562,000	9,219,000	10,507,000	10,235,000	10,889,000	10,807,000	11,106,000	144,470,266		18,980,124	13,523,442

City Council Work Session

Date: 04/17/2023
Title: 2023/24 City Council Priorities Discussion
Presented by: Chris Kukulski, City Administrator
Department: City Hall Administration
Presentation: No
Legal Review Not Applicable

RECOMMENDATION

Continue dialogue from the City's 2023 retreat to refine our priorities for the next 12 - 24 months.

BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

Enclosed are the 2022/23 priorities adopted in May 2022 and the summary of our March 31, April 1, 2023 council retreat. During Monday's council work session we will discuss how to best integrate this year's retreat discussion to update the adopted strategies and priorities for the city.

ALTERNATIVES

N/A

FISCAL EFFECTS

The identified priorities help to focus our limited resources.

Attachments

Current Adopted Priorities
2023 Council Retreat Summary

Adopted 2022/2023 City Council Strategies and Priorities

May 9, 2022

Vision: The Magic City - A diverse welcoming community where people prosper, and business succeeds.

Core Values:

- ❖ Collaboration: We commit to provide opportunities to achieve common goals through positive communications and interaction with individuals, and with public and private organizations.
- ❖ Integrity: Through accessibility and transparency, we earn the trust of the community to which we are responsible.
- ❖ Service: We deliver services with courtesy and respect while meeting our customers' needs.
- ❖ Stewardship: We plan and manage resources effectively, responsibly, and efficiently.

Mission: To deliver cost effective public services that enhance our community's quality of life.

Improve the safety of Billings.

- Complete implementation of the Center for Public Safety Management (CPSM) police and fire operations analysis recommendations. 2022.
- Implement code enforcement, legal, municipal court, mental health and substance abuse strategies as described during the 2021 public safety levy. 2022/2023.
- Report data measuring the effectiveness of the 2021 public safety mill levy and the criminal justice system at the city, county, and state levels. 2022/2023
- Collect data and pursue legislation and local regulations to limit the number, and improve the effectiveness of, sober living housing and their impacts on neighborhoods. (Green - council approved initiatives) 2022/2023
- Collect data and pursue legislation and work with the Department of Corrections (DOC) to limit the number of probationers, parolees released into Billings and the number of inmates held in the jail. 2022/2023

Invest in core infrastructure.

- Complete airport terminal reconstruction project, building Montana's greatest airport. 2023
- Complete City Hall/Law and Justice Center project to include a COVID 19 memorial. 2023
- Break ground and complete construction of inner-belt loop and Skyline trail projects. 2022/2023
- Break ground on water treatment plant and reservoir projects and determine funding for the park components of the reservoir. 2022/2024
- Analyze and determine land use and infrastructure policies to serve the inner beltloop and new interchange areas. 2022 (funding does not exist beyond the corridor studies ~\$100k)
- Determine 21st Street underpass upgrades to improve downtown transportation system. 2023

Increase parks, trails, recreation, and cultural investments.

- Determine level of capital investment to be proposed to voters in 2023 for the multi-generational recreation center and a corresponding strategy for executing on those capital investments.
- Determine level of capital investment to be proposed to voters in 2023 for additional park and trail development and a corresponding strategy for executing on those capital investments.
- Determine level of maintenance and operation expenses for parks, trails, and recreation facilities to be proposed to voters in 2023 to meet the needs of our community long term.

 Improve the built environment through quality design.

- Develop strategies to stimulate infill and redevelopment throughout the city's business and residential districts. 2022/2023
- Implement the downtown transportation plan/one way street conversions and road diets. 2022/2023
- Develop a housing strategy in partnership with HomeFront and facilitate 1,000 housing units being added to the city's core. 2022/2023
- Complete a review of the 2016 growth policy. 2022
- Update 1 neighborhood plan annually updating all 8 plans over the next decade.
- Update subdivision regulations. 2022/2023

 Build a high-performance organization (HPO) principled in our core values.

- Complete organizational review of the city's vision, mission, and core values. 2022
- Complete staff analysis of how to determine the scope and cost to conduct cost of services studies to better understand cost of delivering police, fire, parks, recreation, trails, storm water, water, wastewater and transportation services and infrastructure to make more informed decisions. 2022
- Adopt legislative priorities for the 2023 session focused on improving the safety and economic stability of Billings.
- Create Council sub-committees to focus attention on state legislation and improve collaboration with Yellowstone County. 2022
- Improve the effectiveness of council work sessions, policy implementation and communications. 2022
- Digitize all essential records for proper storage and access by citizens and staff. 2022/2023
- Improve public engagement.
- Systematize a regular review of all ordinances by each department, on a schedule to be determined by administration. 2023
- Establish a City Charter Review Committee. 2022



K S C O P E - G R O U P . C O M

City of Billings Retreat Notes

Outcomes of City of Billings 2023 Retreat

Kaleidoscope Group was hired by the City of Billings to design and facilitate two sessions for the following outcomes:

- < Outstanding decisions on what the capital “asks” should be to voters in 2023 regarding Investments in Parks, Trails and Cultural Amenities.
- < An agreed upon strategy for Improving the Safety of Billings ready for approval on April 17th 2023.
- < Increased alignment and consensus on action plans for both strategic priorities: investing in Parks, Trails and Cultural Amenities and Improving the Safety of Billings.

The City of Billings staff and Council members achieved all three outcomes which are captured in the notes below.

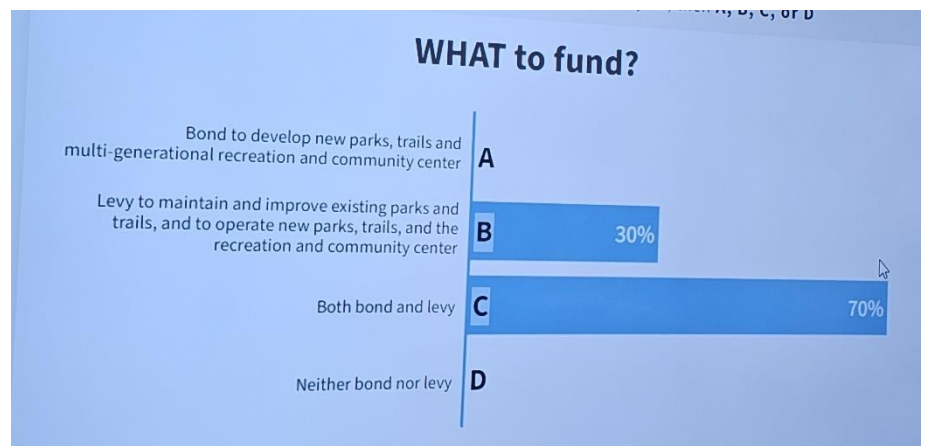
Outstanding decisions on Parks, Trails and Cultural Amenities:

- < 7 Council Members want to invest in both the Levy and the Bond and put this to voters in 2023
- < 3 Council Members want to invest in just the Levy and put this to the voters in 2023
- < 1 Council Member, Ed Gulick, was unable to attend and still needs to weigh in
- < The Net Amount to pose to voters was decided to be somewhere between \$150–175

Additional insights:

The projects that would be included in both/either levy and/or bond still need to be determined as there was a lot of concern over what was and wasn't in the recommendation from the working committee.

Participants wanting just the Levy believed it was an easier ask as it appeared to be the more popular choice based on the survey conducted by The Chamber. The projects within the Levy also were among those more aligned with what the community stated were “important” in the survey. Finally, it was stated that asking for both the Levy and the Bond would kill both.



Participants wanting to put both the Levy and the Bond indicated it's motivational for the public to see projects being built rather than just updates, maintenance and operations. They also thought our community needs both to fund projects within each.



Strategy for Improving the Safety of Billings:

After much dialogue, the following 5 areas of focus cover the areas Council and Staff determined with either large barriers to Billings being a safe and healthy community or new territory the city should enter and attacked our crime challenge from immediate, urgent, important, short and long game approaches.

Crime Prevention Areas of Focus:

- < Lack of Stick (a full jail results in no consequences for criminal behavior)
- < Domestic/Family Violence
- < Investments in Parks and Recreational Activity (Levy and Bond)
- < Adverse Childhood Experiences (ACE Scores)
- < Segregation of the Native American Community

Crime Prevention Strategy:

Lack of Stick:

- < What: Take the role of organizer to bring different partners together to help strategize how we can partner with Yellowstone County to conduct a study to determine jail capacity needed.
- < When: As soon as possible
- < How: We (Legislative Committee) will partner with The Billings Chamber, Big Sky Economic Development, the Business Community, etc. to have conversations with Yellowstone County.
- < Why: Decrease repeat offenders, decrease failures to appear in court, decrease state prison population, decrease OFC and increase retention of police force/staff

Domestic/Family Violence:

- < What: Awareness of impact to community. Awareness of a baseline to set a measurable improvement percentage. City provides/invests in funding to double resources for Nurse Family Partnership (NFP)
- < When:
- < How: Tie City and District Court. Extend education for those involved and Awareness of Healthy Relationships

- < Why: NFP lowers domestic violence by 60% for those involved and decreasing domestic violence also supports lower ACE scores in our children.

Investments in Parks and Recreational Activities (Levy and Bond)

- < What: Hawthorne/Highland Traveling Road Show
- < When: Pilot 2023, June through August
- < How: 20K, partnerships with SD2, Lunch Programs, Substance Abuse Connect, Local Business, and all city departments.
- < Why: Improve the safety in Billings and enhance prevention.

Adverse Childhood Experiences (ACEs)

- < What: Lower Billings youth ACE scores for 1st graders less than 2, 18-year-olds less than 4
- < When: 3 years after baseline has been established. Measure every 3 years
- < How: Leadership creates ACE policy and City of Billings ACE training for all employees. Partners will be SD2, Riverstone Health, Healthy by Design and Professional Trainers.
- < Why: High ACE scores are associated with higher substance abuse, criminal behavior. To improve the health and safety of Billings

Segregation of the Native American Community:

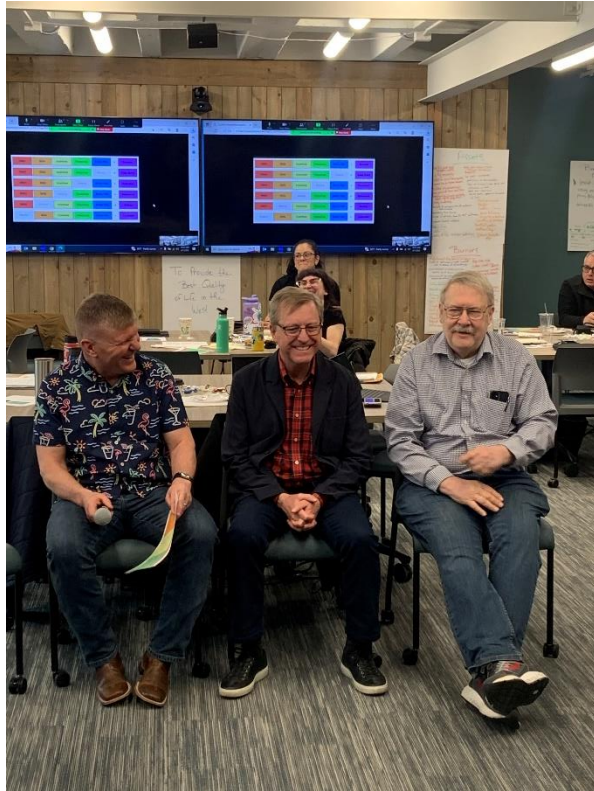
- < What: Crime Prevention through engagement and partnership with communities with the Native American population
- < When: One year to education ourselves
- < How: Council Local Issues subcommittee takes the lead in reaching out to the communities and partners
- < Why: Building relationships and trust to engage the Native American Community to improve the Health and Safety for all.



Additional insights:
It was discussed that Domestic/Family Violence and ACEs areas of focus could work together to support movement within both. The current goal/"what" for Investments in Parks and Recreational Activity could be more aggressive.

Increased alignment and consensus for both Strategic Priorities (Safety and Parks/Rec):

While there is still work to be done and final decisions to be made, participants made good strides in reaching greater consensus on both strategic priorities. A majority was reached to



pose both the Levy and Bond on the 2023 ballot and to put the Net Amount somewhere between \$150–175. 5 areas of focus were mined for Improving the Safety of Billings from a crime preventative approach: Lack of Stick, Domestic/Family Violence, Investments in Parks and Recreational Activities (Levy and Bond), Adverse Childhood Experiences (ACEs), and Segregation of the Native American Community.

Overall, the City of Billings embraced Improving the Safety of Billings from a Crime Preventative Strategy and will have additional conversation to affirm what (Bond and Levy or just Levy) they will put on the ballot to Increase Investments in Parks, Trails, Recreational Activities and Cultural Amenities.

Additional Meaningful Insights/Notes:

Session 1 kicked off with an “Assets and Barriers” battle. The Barriers Team selected “Lack of capacity in criminal justice system” as the largest barrier Billings faces when it comes to being a Healthy and Safe Community. It took “Education System,” “Great Place to Raise a Family,” “High Quality of Life,” and “a Lot of Non-Profits” to tackle “Lack of capacity in criminal justice system.” The second largest barrier was “Only Property Tax [as a means to fund efforts].” The assets that went up against this barrier were: “A Great Place to Raise a Family,” “High Quality of Life,” “Good Retail and Commerce,” and “1 Persona can Make a Difference.” The third and final largest barrier was “Segregation of the Native American Community.” The assets that, combined, impacted this barrier were: “Pride of Place,” “Innovative Leadership,” and “Strong Leadership.”

During the debrief conversation of “Assets and Barriers,” comments included: The barriers were much easier to defend and it was easy to just say “no, that isn’t enough/won’t work,” to the assets’ arguments. All three of the largest barriers were layered and require additional

partners and resources to overcome. We needed to utilize more than one asset to battle a barrier. It often took 3-4. More long-term solutions were discussed, not just what will help immediately. We can do some of the solutions but we need the entire city to help. Two barriers, lack of capacity in criminal justice system and segregation of the Native American community were addressed and included in the crime prevention strategy to improve the safety of Billings.



Session 2 focused on creating a crime prevention strategy to improve the safety of Billings. Council and COB staff were asked to create “Headlines” within 6 areas of focus:

- < Lack of Stick (a full jail results in no consequences for criminal behavior)
- < Domestic/Family Violence
- < Investments in Parks and Recreational Activity (Levy)
- < Investments in Parks and Recreational Activity (Bond)
- < Adverse Childhood Experiences (ACE Scores)
- < Segregation of the Native American Community

The Headlines needed to be a “win” with a measurable outcome within their area of focus. These are “goals” and were presented to “Council” (made up of crime prevention experts). “Council” included Mayor Greg Upham, Zack Terakedis, Karen Sylvester, Jennifer Owen, Tom Rupis, John Felton, Lenette Kosovich, Judge Harada, Jude Kolar, Chief St. John, and Melissa Henderson.

The group asked questions of each group to ensure their headline/goal was achievable, relevant, and timely.



The headlines were:

- < Yellowstone County breaks ground on 400 bed jail expansion
- < Reduce those who have experienced family violence from 23.5% to 20% in three years/City provides/invests in funding to double resources for Nurse Family Partnership (NFP)
- < Increase number of high-risk children in rec. programs by X% and expand the scope of the programs to include: life skills, mentorship, etc.
- < Invest in infrastructure using evidence-based design principles to create safe, accessible, and active public spaces.
- < Lower Billings youth ACE scores for 1st graders to less than 2 and for 18-year-olds to less than 4.
- < Better engage and build partnership with Native American Community
 - o Meet people where they are (physically)
 - o MOU with Native American Development Corporation (NADC)

