



RESOLUTION 25-647

A RESOLUTION TO SET THE SEWER RATE AND CHARGES FOR THE TOWN OF MOUNT CARMEL, TN, WITH AN EFFECTIVE DATE OF APRIL 1, 2025

BEFORE THE MAYOR AND ALDERMEN OF THE TOWN OF MOUNT CARMEL,
TENNESSEE

WHEREAS, the sewer rates in effect at the present time and effective since July 1, 2015 are not adequate to provide revenues equal to the expenditures to operate and maintain the Town's wastewater plant and system, and,

WHEREAS, the Town has received a referral to the Tennessee Board of Utility Regulation, from the State of Tennessee Comptroller to address a deficit budgeting situation for the Sewer Fund with a recommendation to conduct a rate study and enact new rates, the earliest a rate study can be completed is 8 months, which is unacceptable to address this situation in a timely manner, and,

WHEREAS, in consultation with the University of Tennessee, Municipal Technical Advisory Service-Finance Consultants, a recommendation was made for an immediate increase of at least 30% to our current rate, through additional analysis by staff we recommend a 35% increase to the current rate, and,

WHEREAS, to avoid future issues of this nature the town will adopt an annual review and adoption process where the annualized inflationary rate for the water and sewage maintenance line as identified in the CPI-U (Consumer Price Index for all Urban Consumers) is considered and an annual increase is addressed from the data available, and,

WHEREAS, the provision of the sewer system and facility is essential to the preservation of the public's health and welfare, and,

WHEREAS, current budgetary requirements with respect to the operation of said facility in addition to on-going and future projects require the proposed rates to become effective on or about April 1, 2025, and on or about April 1 for all proceeding years, to enable the Town to proceed as expeditiously as possible to accomplish the objectives herein cited, and,

WHEREAS, the Mount Carmel Board of Mayor and Aldermen have determined the new sewer rate to be adequate, reasonable and just, and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AN ALDERMEN
OF THE TOWN OF MOUNT CARMEL, TENNESSEE, as follows**

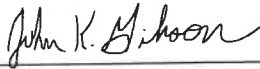
SECTION I. *The Mount Carmel Board of Mayor and Aldermen, deeming it both advisable and necessary to increase the sewer rate for all users, hereby adopts the following rate beginning April 1, 2025; and*

SECTION II. *That the minimum monthly sewer service charge of \$43.88 be established for the first 2,000 gallons of usage and a fee of \$7.08 will be charged for each additional 1,000 gallons of sewage discharged based upon a discharge rate equal to ninety (90%) percent of water consumed.*

SECTION III. *That on or about February 1, of every year staff will review the CPI-U for the water and sewage maintenance line, and present to the Board of Mayor and Aldermen a resolution to address the findings and recommended actions needed during the preceding March Board of Mayor and Aldermen meeting for any action to take effect on April 1.*

Be It Resolved, the 27th day of March 2025

This Resolution was duly considered and adopted by the Board of Mayor and Aldermen, in and for the Town of Mount Carmel, Tennessee, this 27th day of **March 2025**.



John Gibson, Mayor

Attest:



Tyler Williams, Town Recorder