



Memorandum

To: Mayor, Town Council
From: Rick Wixom
Date: August 3, 2022
Re: **Town Council Meeting 8/10/22**
Draft Utility Rate Ordinance – Discussion and Direction

On June 22 the Council discussed options for an ordinance amendment that would modify the three utility rate structures; culinary water, irrigation water, and sewer services. Since that time, I've provided a draft ordinance for your review and received some comments and questions back. This report is substantially similar to what I sent you before but has been modified based on those questions and comments.

Most of the text in the attached draft ordinance amendment is taken and modified from our existing fee schedule. Concurrently with the placement of this ordinance amendment before the Council for a decision, I'll have a fee schedule amendment where the same information will be replicated. We've found that having all our fees on the consolidated fee schedule is convenient for our customers and we'll want that to continue, even if we sometimes must do a two-step with the utility rates.

This agenda item is for the Council to discuss the ordinance amendment as a group and give further direction to the staff as we move towards an action item to consider the ordinance. This discussion will also give the community time to review the ordinance and communicate concerns to the Council.

The attached draft ordinance is broken down into three sections: water user fees, irrigation user fees, and sewer user fees. Each of these sections has a portion of text about the various user rates, connection fees, etc., followed by the rate table. The rate tables are intended to provide a 5-year schedule for each rate, so we are not amending this ordinance every year to make reasonably anticipated rate changes. This ordinance should provide sufficient notice to the community on what to expect year to year.

Let's look at each section of the ordinance.

Water Rates

The water rate schedule isn't changing significantly. The usage tiers remain the same. The rate from year to year is programmed to increase 2.0% each year from January 2023 to January 2027.

Construction water and hydrant meters are covered in the ordinance as they are presently managed by the Town. Construction water will be billed at the highest rate as presently done.

Fire sprinkler accounts/meters are not charged a monthly base fee or usage fee unless the meter is used for something other than fire suppression, including annual testing of the system or maintenance. Usage on the fire sprinkler connection would be billed on the highest tier.

The year one change (effective 1/2023) has the following impacts on average residential and commercial users in each usage tier:

Residential Customers							
water	average customers	average montly	average monthly	average annual	average old	average new	
	in tier	usage	increase	increase	monthly bill	monthly bill	increase
0-5k	269	1,745	\$ 0.55	\$ 6.62	\$ 27.22	\$ 27.77	\$ 0.55
5-10k	61	6,882	\$ 1.19	\$ 14.31	\$ 59.15	\$ 60.34	\$ 1.19
10-25k	26	14,293	\$ 2.48	\$ 29.71	\$ 123.50	\$ 125.97	\$ 2.48
25-50K	5	25,288	\$ 4.80	\$ 57.58	\$ 238.97	\$ 243.77	\$ 4.80
over 50K	2	100,285	\$ 22.08	\$ 264.94	\$ 1,103.46	\$ 1,125.54	\$ 22.08

Commercial Customers							
water	average customers	average montly	average monthly	average annual	average old	average new	
	in tier	usage	increase	increase	monthly bill	monthly bill	increase
0-5k	30	1,243	0.50	\$ 5.96	24.50	25.00	\$ 0.50
5-10k	11	7,211	1.24	\$ 14.90	61.66	62.90	\$ 1.24
10-25k	31	16,724	2.94	\$ 35.25	146.49	149.43	\$ 2.94
25-50K	29	36,964	7.14	\$ 85.70	355.55	362.69	\$ 7.14
over 50K	30	120,477	26.92	\$ 323.09	1,346.57	1,373.49	\$ 26.92

The proposed rates as shown in the ordinance would generate approximately \$20,000 in new revenue in the next year.

Some questions to consider when thinking about these future increases:

Are we covering expenses adequately? We have historically increased the water user rates at about 3% every other year. When the new water treatment plant was being approved the Council committed to increasing water rates sufficient to cover the increased debt service. This resulted in three increases of 5% each in 2017, 2019, and 2021. Water fund revenue is sufficient to provide for a 5% renewal and replacement fund but is not able to fully fund depreciation related to water infrastructure.

What future expenses are we facing? The Town is moving forward on preliminary designs for a public works maintenance building and are anticipating submitting a funding request in February 2023 for that project. Our very preliminary estimates at this point indicate that the anticipated debt service on this building will be around \$60,000-75,000/year and this amount will be tuned as the preliminary design work moves along. The first year of debt service on this project would be in FY 2024-25, a year after financing is complete.

For the Council’s information, a 10% change in both the base and usage rates in the water fund would generate an estimated \$95,000 in revenue.

Irrigation Rates

This section of the draft ordinance has significant proposed changes. Presently, irrigation water is billed as a flat rate annual amount, billed monthly. Most users pay every month regardless of winter conditions as the system is charged all year. The irrigation line that crosses the Canyon Springs bridge is turned off and drained each winter to prevent damage to the pipe. Our current practice has been to credit those customers their rates for the time the system is turned out. This may be a practice the Council would want to discuss. While the system is charged all year (except for a short time for Canyon Springs) irrigation is really a seasonal system but we bill it monthly year-round to be convenient for the town and the customer.

Each valve size base rate noted is what is currently in the fee schedule. These rates are shown to increase 2.0% each year, in similar fashion to our other rates. A 2.0% rate change in the irrigation valve size base rates generates a few hundred dollars in the next year.

New in this schedule is a usage or volume charge. Presently there isn’t a volume charge and no economic reason to conserve water, or just use what is needed. The proposed rate tiers are based in part on how much water is needed to irrigate an average lot in Springdale. Sunrise Engineering has calculated our average lot to be 1.25 acres or 0.375 acres of irrigated area. Applying a reasonable watering amount of 1.48-1.62 acre feet/acre of lot/year, this equates to 40-65,000 gallons of water per month for an eight-month growing season.

The proposed rates are similar to irrigation rate schedules in other communities; higher than some and lower than others. The usage tiers shown in the proposed ordinance amendment increase 15% from tier to tier. The proposed tiers are 0-50k gallons, 50-100k, 100-150k, 150-200k, and over 200k gallons. The average number of users in each tier is shown below.

The proposed rates and usage tiers would generate about \$36,000 in new revenue. Please keep in mind that this estimate is made on several assumptions as we don’t yet have a full year of metered water use to base estimates and averages on. Considering that the irrigation fund needs an annual subsidy from the general fund of over \$100k, these rates would start to make a dent in that need but not completely cover it.

Obviously, the usage rates as proposed would affect larger users more. In addition to the monthly base rate (valve size rate), irrigation users would also pay the usage rate. The following table shows the monthly financial impact on average users in each tier.

Irrigation Customers			
Secondary	average customers	average montly	average
	in tier	usage	monthly bill
0-50k	77	5,489	4.34
50-100k	7	71,786	59.33
100-150k	3	120,773	106.60
150-200K	1	168,857	159.63
over 200K	7	353,421	408.72
Hypothetical highest user		1,000,000	1,301.00

A user in the lowest tier with a 1” meter (\$21.49/month) with summer usage of 5,433 gallons per month (\$4.29/month) would pay a total of \$25.78/month. However, a user in the top tier with a 4” connection and usage of 353,421 gallons/month would pay \$556.97/month (\$148.25 + \$408.72). A hypothetical highest user with a 4” connection and usage of 1,000,000 million gallons per month would pay \$1,449.25 (\$148.25 + \$1,301.00) per month.

While the irrigation base rate would be billed monthly all year, the usage rate would of course be higher in the summer months when irrigation water is being used. For example, while the average monthly usage for the 0-50k tier is about 5,433 estimate gallons over the year, actual average usage ranges from 84 gallons per month in February and over 9,000 gallons per month in May and impacts to customers from a billing point of view would follow these trends.

Is this the only method to produce more revenue for the irrigation fund? No, of course not. Here are some other rate options the Council could consider:

Option 1: Retain Existing Rate Structure

We could keep the same rate structure as we presently have and increase the meter-based rates. To generate \$36,000 in new revenue (same as the usage rates presented), we would need to increase the current base rates by approximately 150%. In this scenario, users with a 1” meter would be billed \$52.93/month and users with a 4” meter would be billed \$370.63/month. This would still be a flat rate and do nothing to promote conservation or effective water use by connecting increasing water use with increasing fees.

To cover the entire fund subsidy (\$107,000) using the existing rate structure would require the existing rate structure to be increased by 450%. In this scenario, users with a 1” meter would be billed \$116.44/month and users with a 4” meter would be billed \$815.38/month. As with the above, this would still be a flat rate and do nothing to promote conservation or effective water use by connecting increasing water use with increasing fees.

Option 2: Usage Rate Covering Entire Fund Shortfall

Implement a usage rate, but charge enough to cover the entire subsidy, minus use on town properties. As noted above, the irrigation fund relies each year on a significant subsidy from the general fund. In the current year this subsidy is nearly \$107,000. To meet this financial need, usage rates would need to increase both in terms of cost/1000 gallons as well as increase from tier to tier. One possible solution would be to start the tiers at \$2.00/1000 gallons (compared to \$0.79/1000 gallons in the draft ordinance) and increase the tier-to-tier increase to 25%. This would result in monthly bills that look something like the chart below, again using average users in each tier plus a hypothetical highest user at 1,000,000 gallons/month:

Irrigation Customers			
Secondary	average customers in tier	average montly usage	average monthly bill
0-50k	77	5,489	10.98
50-100k	7	71,786	154.47
100-150k	3	120,773	290.02
150-200K	1	168,857	455.23
over 200K	7	353,421	1,325.69
Hypothetical highest user		1,000,000	4,481.00

As the Council has discussed before, covering the entire subsidy of this fund may not be financially possible given the small customer base.

Option 3: Usage Rate with Reduced Base Rate

A more implementable option may be to reduce base rates and use usage-based rates to primarily drive fund revenues. This would be more like our existing culinary water rates. It could be argued that the present irrigation rates include to some degree the purchase or use of water and adding a usage rate on top of existing fees would effectively charge for water twice. In this option, the new usage rates would need to be modified to include revenue removed from the base rate. For instance, if the irrigation fund used the same base rates as the water fund, \$18.14/month as of January 2023, the annual revenue from base rates would decrease by approximately \$5,500. The resulting change in the usage rates necessary to cover this reduction is estimated as a 24% or 25% change between usage tiers instead of 15% as proposed.

Irrigation user rates in this option might be enacted as in this modified Irrigation Schedule A from draft ordinance:

	Current Rates (8/10/22)	Effective 1/1/23	Effective 1/1/24	Effective 1/1/25	Effective 1/1/26	Effective 1/1/27
Base Charge	Various	\$18.14	\$18.50	\$18.87	\$19.25	\$19.63
Usage Tiers (in Gallons)	Volume Charge (per 1000 gallons)					
0 – 50,000	\$0.00	0.79	\$0.81	\$0.82	\$0.84	\$0.86
50,001 – 100,000	\$0.00	0.99	\$1.01	\$1.03	\$1.05	\$1.07
100,001 – 150,000	\$0.00	1.23	\$1.26	\$1.28	\$1.31	\$1.34
150,001 – 200,000	\$0.00	1.54	\$1.57	\$1.61	\$1.64	\$1.67
Over 200,000	\$0.00	1.93	\$1.97	\$2.01	\$2.05	\$2.09

Under this option, monthly usage billing might look like this:

Irrigation Customers			
Secondary	average customers in tier	average montly usage	average monthly bill
0-50k	77	5,489	4.34
50-100k	7	71,786	61.07
100-150k	3	120,773	114.55
150-200K	1	168,857	179.54
over 200K	7	353,421	523.60
Hypothetical highest user		1,000,000	1,771.50

Again, usage rates that utilize an increasing amount per gallon per tier affect the larger users more than the smaller users.

I've received some comments and questions from the community since the discussion with the Council on June 22nd. One question related to the amount of water necessary to irrigate a large pasture. As discussed above, the average lot size, or average irrigated lot in Springdale is relatively small. However, there are larger pasture properties that would be financially impacted more than small lots by this change in rates.

The State of Utah uses several methods to evaluate water use and water rights. Some general methods include facility design and minimum sizing of infrastructure and the general irrigation diversion duty. These methods give some general guidance for water use for irrigated acres in our area from 2.69-acre foot/acre to 5-acre feet per acre. Specific analysis, such as consumptive use for the type of crop/plant irrigated, would further refine these values.

A relatively large pasture of 4 acres would obviously use significantly more water than a 1.25-acre residential property. As described above, a small residential property might use 40-65,000 gallons per month through the growing season, where a 4-acre pasture might be more than 10 times that, from 450,000 to 800,000. Property-specific irrigation practices would help to reduce the financial impact of irrigating a larger property, but the impact would still be there because the irrigation need will always be significant and usage-based rates will impact larger properties more.

The Town is presently investigating ways to connect property owners with professional and educational resources to provide education and resources on irrigation and crop management to assist pasture and large property owners in managing their crops and property.

Sewer User Rates

The sewer rate schedule has been modified to use the same volume or usage tiers as the culinary water rates, instead of the previous more or less than 7,000 gallons schedule. The base rates and volume charges increase 2.0% year to year.

Unlike culinary water, the first usage tier is included in the base rate. This is similar to the current schedule with the "less than 7,000" tier being included in the base rate, and generally keeps the lowest users from experiencing more than the annual base rate increase. However, users in the higher tiers will pay more than they are presently paying. The year one change (1/2023), including the new tier rates, has the following impacts on average residential and commercial users in each usage tier:

Residential Sewer Customers							
	average customers	average montly	average monthly	average annual	average old	average new	
	in tier	usage	increase	increase	monthly bill	monthly bill	increase
0-5k	269	1,745	\$ 0.28	\$ 3.37	\$ 14.03	\$ 14.31	\$ 0.28
5-10k	61	6,882	\$ 7.26	\$ 87.15	\$ 14.26	\$ 21.52	\$ 7.26
10-25k	26	14,293	\$ 9.56	\$ 114.73	\$ 41.98	\$ 51.54	\$ 9.56
25-50K	5	25,288	\$ 14.98	\$ 179.73	\$ 88.54	\$ 103.52	\$ 14.98
over 50K	2	100,285	\$ 97.53	\$ 1,170.42	\$ 371.28	\$ 468.81	\$ 97.53

Commercial Sewer Customers							
	average customers	average monthly	average monthly	average annual		average old	average new
	in tier	usage	increase	increase		monthly bill	monthly bill
							increase
0-5k	30	1,243	0.28	\$ 3.37		14.03	14.31 \$ 0.28
5-10k	11	7,211	7.67	\$ 92.04		15.11	22.78 \$ 7.67
10-25k	31	16,724	10.49	\$ 125.91		51.28	61.77 \$ 10.49
25-50K	29	36,964	23.21	\$ 278.54		128.79	152.00 \$ 23.21
over 50K	30	120,477	123.15	\$ 1,477.75		448.65	571.79 \$ 123.15

The second tier (5-10k gallons) uses the same usage rate, \$3.83/1000 gallons, as presently billed for above 7,000 gallons. The rates between the tiers increase 10% from tier to tier.

The new rate structure is estimated to generate \$56-60,000 in new revenue between the base rate increase and the new usage tier rates.

Rockville sewer rates are proposed to increase 2.0% from year to year and will produce a few hundred dollars per year in new income.

Canyon Springs grinder maintenance fees are the same as previously approved in the settlement agreement. These fees increase annually in July per the agreement.

Our existing agreement with Zion National Park established a monthly payment based on a ratio of the Park's annual sewer flow compared to our annual operations and maintenance costs for the previous year. As with our town fees, the Park fees have not been updated for many years. They currently pay about \$38,000 per year.

Based on 2021 numbers, the Parks proportionate share of the total flow volume into the lagoon system has not significantly changed, about 38% of the flow into the lagoons. But the O&M costs have increased over the last decade. Their proportionate share of the 2021 costs would be approximately \$141,000. I've met with the Park Superintendent, Facilities Manager, and Financial Administrator. They are preparing for this significant rate increase next year when the agreement says we need to inform them of new rates being assessed.

The Park is also responsible for its proportionate share of any new significant upgrades or repairs. This will include the new treatment processes at the lagoon or the expansion of main sewer lines through town. I've briefed the Park on the proposed plan for the filtration/headworks project and they are aware of the potential costs. However, until we know what the funding package will be, we are only able to estimate what either the debt service or their share will be.

As we talked in June, the Council asked us to look at several points related to sewer rates: change the rate structure to match the culinary water fund, provide revenue to meet the new debt service related to the sewer effluent filtration/headworks project, provide for a renewal and replacement fund for the sewer system, and cover our net income loss identified on the last audit.

Here's how that all works out with new rates, modified schedules, and the Park's proportionate share:

Revenue Needs:	
Renewal and Replacement Fund	\$47,400
Negative Net Income (2001)	\$46,500
New Debt Service	\$104,000
Total	\$197,900
New Revenue	
Zion Usage Increase (difference from current to 2022)	\$103,000
Zion Project Debt Share (annually)	\$39,520
Town rate change (new tiers, base increase)	\$56,000
	\$198,520

Like the culinary water rates, these numbers do not include other future projects such as the public works maintenance building or other future infrastructure needs. For the Council’s information, modifying the proposed usage rate schedule from 10% between usage tiers to 20% between tiers, would produce an additional \$65,000 in revenue, which is very close to the anticipated debt service that would be applied to the sewer fund for the new maintenance building as noted above.

Implementation

The draft ordinance has a user rate implementation/effective date of January 1, 2023. The Council should discuss and determine if this date is appropriate. The time between now and then could be used to further communicate with the community on the upcoming changes so they can plan for them. The Council may want to discuss what, if any, public engagement should be done during this time.

Questions

Okay, so that’s a lot of info. Some questions have already been asked and are either responded to in the text above or in the questions below.

Why are the rates using a 2.0% annual increase?

When reviewing the CPI (Bureau of Labor Statistics) for the past 10 years (sorry for the small chart), the 5-year average (the calculated average of any given year and the preceding 4 years), when viewed from year to year is close to 2.0% (1.770%). Using 2.0% is a predictable number and accounts for both good and not-so-good years over the last decade. Of course, CPI changes in both 2021 and 2022 are going to well exceed this amount and the Council could consider those years when evaluating the proposed increase.

Year	January	February	March	April	May	June	July	August	September	October	November	December	Annual Avg.	Percent	Change	5 Year Average	
														Dec-Dec	Avg-Avg	Dec-Dec	Avg-Avg
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	1.7%	2.1%	1.8024%	2.100000%
2013	230.28	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	1.5%	1.5%	2.0844%	1.600000%
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.25	237.852	238.031	237.433	236.151	234.812	236.736	0.8%	1.6%	1.6915%	2.000000%
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	237.017	0.7%	0.12%	1.5382%	1.700000%
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	240.007	2.1%	1.26%	1.3607%	1.400000%
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524	245.120	2.1%	2.13%	1.4343%	1.400000%
2018	247.867	248.991	249.554	250.546	251.588	251.989	252.006	252.146	252.439	252.885	252.038	251.233	251.107	1.9%	2.44%	1.5160%	1.600000%
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974	255.657	2.3%	1.81%	1.8217%	1.600000%
2020	257.971	258.678	258.115	256.389	256.394	257.797	259.101	259.918	260.28	260.388	260.229	260.474	258.811	1.4%	1.23%	1.9482%	1.800000%
2021	261.582	263.014	264.877	267.054	269.195	271.696	273.003	273.567	274.31	276.589	277.948	278.802	270.970	7.0%	4.70%	2.9406%	2.500000%

Why should the Council approve a structure that includes automatic increases?

Due to the State requiring water rates to be adopted by ordinance, it makes sense to have a predictable rate schedule that covers several years. This way the public is aware of future increases, the Council is not modifying this ordinance frequently, and unless something goes wrong, there is no need to worry about the rates for several years. However, if something needs to change, the Council can always modify the ordinance to correct it.

How much water do our residential users and commercial users use compared to each other?

This question came from the community. Culinary water (and sewer) users are categorized into various user categories, including residential and commercial. A question was asked about how much culinary water is used by either category. While not directly related to the proposed ordinance, I wanted to get this answered.

In FY2021 (July 2020-June 2021) residential properties used approximately 19,419,648 gallons of culinary water. During the same period, commercial properties used approximately 69,003,431 gallons of culinary water. Other categories (construction water, community/institutional, wholesale) accounted for 7,896,789 gallons.

So how do I know how much water I'm using?

Our new culinary and irrigation water meters can communicate with the billing system remotely. They also communicate with a system called Eye-on-Water through Badger meters. If you are a water customer, you can create a eye-on-water account and monitor your own usage.

Instructions on setting up an account are on the Town's website at <https://www.springdaletown.com/DocumentCenter/View/1129/Eye-On-Water-Login-Instructions-PDF>. If you have any questions, please contact Kyndal at the Town Hall at 435-522-4116.

If you have any additional questions during your review of this material, please do not hesitate to contact me.



ORDINANCE 2022-___

AN ORDINANCE AMENDING SECTIONS 8-1-4, 8-2-5, AND 8-4-5 OF THE TOWN CODE MODIFYING USER FEES AND CHARGES FOR CULINARY WATER SERVICE, SECONDARY WATER SERVICE, AND SEWER SERVICE AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Town of Springdale recognizes the need to modify utility user fees to time in order to cover the costs of the operation and maintenance of the utility systems and other expenses related to providing utility services, including debt service payments and replacement of infrastructure and equipment; and

WHEREAS, the Town Council has reviewed existing rate schedules for the utility systems, including water, irrigation, and sewer, and has determined that changes in the utility rate schedules are necessary, including modifying the sewer and irrigation rate structures to provide additional tiers based on usage volume; and

WHEREAS, the Town Council has determined that changes to the utility rate schedules are necessary in order to provide sufficient revenue to meet debt service costs for infrastructure improvements, as well as establishing renewal and replacement funds to provide for replacement of facilities and equipment as necessary; and

WHEREAS, as of 1/1/2021, Utah State Code section 10-8-22 (4) requires that water rates be established by ordinance;

NOW THEREFORE BE IT ORDAINED by the Springdale Town Council that the following sections 8-1-4, 8-2-5, and 8-4-5 of the Springdale Town Code are amended as follows:

Section 1: Culinary Water User Fees

8-1-4: FEES:

- A. *Service rates and connection fees:* The rates, penalty fee for delinquency in payment, connection fee, reservoir fee, inspection fee, and other charges incidental to connection and services from the Town water system shall be fixed from time to time by resolution or ordinance enacted by the Town Council pursuant to State Code. The Town Council may from time to time promulgate rules for levying, billing, guaranteeing, and collecting

charges for water services and all other rules necessary for the management and control of the water system. Rates for services furnished shall be uniform with respect to each class or classes of service established or that may hereafter be established.

- B. *Special rates:* The Town Council may from time-to-time fix by agreement or resolution special rates and conditions for users making use of the water system under exceptional circumstances, upon such terms and conditions as they may deem proper.
- C. *Complaints; corrections; indigents:* The Town Council is hereby constituted a board of equalization of water rates to hear complaints and make corrections of any assessments deemed to be illegal, unequal, or unjust. They may, if they see fit, rebate all or any part of the water bill of any indigent person.

D. Water Use Rates: The following rates and fees are imposed on the use of culinary water within the Town of Springdale:

1. Application Fee: \$25

2. Inspection Fee: \$25 for new installations.

3. Connected Services: There shall be a monthly base charge plus a volume charge based on water used according to schedule A below.

4. Unconnected and reserve connections: There shall be a monthly base charge according to schedule A below.

5. Construction water: Water usage during the construction of any building, excavation or grading shall be billed a monthly base charge plus a volume charge based on water used using the highest applicable user rate in schedule A below. Construction water is any water used prior to the issuance of a Certificate of Occupancy and Zoning Compliance. Construction water will be provided via a hydrant meter per section 8-1-12.

6. Hydrant meter rental: \$2,000 refundable deposit.

7. Residential Fire Sprinkler Connections: When the Fire Marshall requires a residential structure to be equipped with fire sprinklers, the fire sprinkler system must have a dedicated and metered connection to the town's culinary water system. The fire sprinkler connection may not be used for any purpose other than fire suppression. Costs related to the installation of the water meter and connection to the town's system are the responsibility of the property owner.

Fire sprinkler connections will not be charged a culinary water impact fee.

Fire sprinkler connections will not be charged a monthly base charge provided there is no water use on the connection. If there is use on the connection due to operation of the fire sprinkler system for fire suppression, the connection will not be charged a monthly base charge or any use charges.

If there is use on the connection for any purpose other than fire suppression such as maintenance, testing, or unauthorized use, the connection will be charged a monthly base charge for each month in which the use occurred. The connection will also be charged use charges according to the highest rate in Schedule A below for all such use.

Schedule A

	<u>Current Rates</u> <u>(8/10/22)</u>	<u>Effective</u> <u>1/1/23</u>	<u>Effective</u> <u>1/1/24</u>	<u>Effective</u> <u>1/1/25</u>	<u>Effective</u> <u>1/1/26</u>	<u>Effective</u> <u>1/1/27</u>
<u>Base Charge</u>	<u>\$17.78</u>	<u>\$18.14</u>	<u>\$18.50</u>	<u>\$18.87</u>	<u>\$19.25</u>	<u>\$19.63</u>
<u>Usage Tiers</u> <u>(in Gallons)</u>	<u>Volume Charge</u> <u>(per 1000 gallons)</u>					
<u>0 – 5,000</u>	<u>\$5.41</u>	<u>\$5.52</u>	<u>\$5.63</u>	<u>\$5.74</u>	<u>\$5.86</u>	<u>\$5.97</u>
<u>5,001 – 10,000</u>	<u>\$7.61</u>	<u>\$7.76</u>	<u>\$7.92</u>	<u>\$8.08</u>	<u>\$8.24</u>	<u>\$8.40</u>
<u>10,001 – 25,000</u>	<u>\$9.46</u>	<u>\$9.65</u>	<u>\$9.84</u>	<u>\$10.04</u>	<u>\$10.24</u>	<u>\$10.44</u>
<u>25,001 – 50,000</u>	<u>\$10.93</u>	<u>\$11.15</u>	<u>\$11.37</u>	<u>\$11.60</u>	<u>\$11.83</u>	<u>\$12.07</u>
<u>Over 50,000</u>	<u>\$12.04</u>	<u>\$12.28</u>	<u>\$12.53</u>	<u>\$12.78</u>	<u>\$13.03</u>	<u>\$13.29</u>

Section 2: Secondary Water User Fees

8-2-5: FEES:

- A. *Service rates and connection fees:* The rates, penalty fee for delinquency in payment, connection fee, inspection fee and other charges incidental to connection and services from the secondary water system shall be fixed from time to time by resolution or ordinance enacted by the Town Council pursuant to State Code.~~after receiving the recommendation of the board.~~ The Town Council may from time to time establish rules for levying, billing, guaranteeing and collecting charges for secondary water services and all other rules necessary for the management and control of the secondary water system ~~after receiving the recommendation of the board.~~ Rates for services furnished shall be uniform with respect to each class or classes of service established or that may hereafter be established, ~~except that existing shareholders of the Springdale Irrigation Company shall be entitled to the class 1 rate structure contemplated by the agreement with Springdale Consolidated Irrigation Company.~~
- B. *Special rates:* The Town Council may from ~~time to time~~time-to-time fix by agreement or resolution special rates and conditions for users using exceptionally large amounts of water service or making use of the secondary water system under exceptional circumstances, upon such terms and conditions as they deem proper. ~~Any such agreement or resolution shall be first reviewed by the board and recommendation given to the Town Council.~~

C. *Complaints; corrections; indigents:* The Town Council is hereby constituted a board of equalization of secondary water rates to hear complaints and make corrections of any assessments deemed to be illegal, ~~unequal~~ unequal, or unjust. They may, if they see fit, rebate all or any part of the secondary water bill of any indigent person.

D. Irrigation Use Rates: The following rates and fees are imposed on the use of the Town's secondary water service system:

1. Application Fee: \$25

2. Inspection Fee: \$25 for new installations.

3. Town Irrigation Customers: There shall be a monthly base charge based on installed valve size plus a volume charge based on water used according to schedule A below. All irrigation connections installed after 10/9/2019 are limited to a 1-inch connection per Ord 2019-11.

Schedule A

	<u>Current Rates (8/10/22)</u>	<u>Effective 1/1/23</u>	<u>Effective 1/1/24</u>	<u>Effective 1/1/25</u>	<u>Effective 1/1/26</u>	<u>Effective 1/1/27</u>
<u>Valve Size</u>						
<u>Base Charge</u>						
<u>1 Inch</u>	<u>\$21.17</u>	<u>\$21.59</u>	<u>\$22.03</u>	<u>\$22.47</u>	<u>\$22.92</u>	<u>\$23.37</u>
<u>1 ½ Inch</u>	<u>\$42.34</u>	<u>\$43.18</u>	<u>\$44.04</u>	<u>\$44.92</u>	<u>\$45.82</u>	<u>\$46.74</u>
<u>2 Inch</u>	<u>\$63.50</u>	<u>\$64.77</u>	<u>\$66.07</u>	<u>\$67.39</u>	<u>\$68.73</u>	<u>\$70.11</u>
<u>3 Inch</u>	<u>\$105.83</u>	<u>\$107.95</u>	<u>\$110.11</u>	<u>\$112.31</u>	<u>\$114.55</u>	<u>\$116.84</u>
<u>4 Inch</u>	<u>\$148.25</u>	<u>\$151.22</u>	<u>\$154.24</u>	<u>\$157.32</u>	<u>\$160.47</u>	<u>\$163.68</u>
<u>Usage Tiers (in Gallons)</u>	<u>Volume Charge (per 1000 gallons)</u>					
<u>0 – 50,000</u>	<u>\$0.00</u>	<u>0.79</u>	<u>\$0.81</u>	<u>\$0.82</u>	<u>\$0.84</u>	<u>\$0.86</u>
<u>50,001 – 100,000</u>	<u>\$0.00</u>	<u>0.91</u>	<u>\$0.93</u>	<u>\$0.95</u>	<u>\$0.96</u>	<u>\$0.98</u>
<u>100,001 – 150,000</u>	<u>\$0.00</u>	<u>1.04</u>	<u>\$1.07</u>	<u>\$1.09</u>	<u>\$1.11</u>	<u>\$1.13</u>
<u>150,001 – 200,000</u>	<u>\$0.00</u>	<u>1.20</u>	<u>\$1.23</u>	<u>\$1.25</u>	<u>\$1.28</u>	<u>\$1.30</u>
<u>Over 200,000</u>	<u>\$0.00</u>	<u>1.38</u>	<u>\$1.41</u>	<u>\$1.44</u>	<u>\$1.47</u>	<u>\$1.50</u>

4. Springdale Consolidated Irrigation Company (SCIC): The SCIC will be assessed a share of the operations and maintenance costs of the irrigation system in accordance with an agreement between the Town and the SCIC, to be billed annually, or as otherwise provided for by agreement.

Section 3: Sewer User Fees

8-4-5: FEES:

- A. *Service rates and connection fees:* The rates, penalty fee for delinquency in payment and connection fees for sewer services from the Town sewer system shall be fixed from time to time by resolution or ordinance of the Town Council pursuant to State Code. The Town Council may from time to time enact rules for levying, billing, guaranteeing and collecting charges for sewer services and all other rules necessary for the management and control of the sewer system.
- B. *Special rates:* The Town Council may from ~~time to time~~ time-to-time fix by agreement or resolution special rates and conditions upon such terms as they may deem proper for users of the sewer service discharging wastes of unusual characteristics or making use thereof under exceptional circumstances.
- C. *Complaints; corrections:* The Town Council is hereby constituted as a board of equalization of sewer rates to hear complaints and make corrections of any assessments or charges deemed to be illegal, unequal, or unjust.
- D. Sewer Use Rates: The following rates and fees are imposed on the use of Town's sewer system:
 - 1. Application Fee: \$25
 - 2. Inspection Fee: \$25 for new installations.
 - 3. Springdale Connected Services: There shall be a monthly base charge plus a volume charge for water used, as measured through the water meter, according to schedule A below.
 - 4. Springdale Unconnected and reserve connections: There shall be a monthly base charge according to schedule A below.

Schedule A

	<u>Current Rates</u> <u>(8/10/22)</u>	<u>Effective</u> <u>1/1/23</u>	<u>Effective</u> <u>1/1/24</u>	<u>Effective</u> <u>1/1/25</u>	<u>Effective</u> <u>1/1/26</u>	<u>Effective</u> <u>1/1/27</u>
<u>Base Charge</u>	<u>\$14.03</u>	<u>\$14.31</u>	<u>\$14.60</u>	<u>\$14.89</u>	<u>\$15.19</u>	<u>\$15.49</u>
<u>Usage Tiers</u> <u>(in Gallons)</u>	<u>Volume Charge</u> <u>(per 1000 gallons)</u>					
<u>0 – 5,000</u>	<u>included in base rate</u>					
<u>5,001 – 10,000</u>	<u>\$3.83</u>	<u>\$3.83</u>	<u>\$3.91</u>	<u>\$3.98</u>	<u>\$4.06</u>	<u>\$4.15</u>
<u>10,001 – 25,000</u>		<u>\$4.21</u>	<u>\$4.30</u>	<u>\$4.38</u>	<u>\$4.47</u>	<u>\$4.56</u>
<u>25,001 – 50,000</u>		<u>\$4.63</u>	<u>\$4.73</u>	<u>\$4.82</u>	<u>\$4.92</u>	<u>\$5.02</u>
<u>Over 50,000</u>		<u>\$5.10</u>	<u>\$5.20</u>	<u>\$5.30</u>	<u>\$5.41</u>	<u>\$5.52</u>

5. Sewer Services in Rockville: There shall be a monthly charge on the various connection types in the Town of Rockville according to schedule B below.

Schedule B

	<u>Current Rates</u> <u>(8/10/22)</u>	<u>Effective</u> <u>1/1/23</u>	<u>Effective</u> <u>1/1/24</u>	<u>Effective</u> <u>1/1/25</u>	<u>Effective</u> <u>1/1/26</u>	<u>Effective</u> <u>1/1/27</u>
<u>Connection Type</u>	<u>Cost</u>					
<u>Connected Residential</u>	<u>\$21.56</u>	<u>\$21.99</u>	<u>\$22.43</u>	<u>\$22.88</u>	<u>\$23.34</u>	<u>\$23.80</u>
<u>Unconnected Residential</u>	<u>\$14.03</u>	<u>\$14.31</u>	<u>\$14.60</u>	<u>\$14.89</u>	<u>\$15.19</u>	<u>\$15.49</u>
<u>Bed and Breakfast</u> <u>(2.5 x residential)</u>	<u>\$53.91</u>	<u>\$54.99</u>	<u>\$56.09</u>	<u>\$57.21</u>	<u>\$58.35</u>	<u>\$59.52</u>
<u>Community Center</u> <u>(2.5 x residential)</u>	<u>\$53.91</u>	<u>\$54.99</u>	<u>\$56.09</u>	<u>\$57.21</u>	<u>\$58.35</u>	<u>\$59.52</u>

6. Canyon Springs Estates Subdivision Sewer Grinder Maintenance: In addition to the base and volume charges in 3 above, there shall be a monthly rate of \$20.29 for connected properties in the Canyon Springs Estates Subdivision. Rate shall increase by five percent

(5%) annually each July according to schedule C below. Rate shall be evaluated in 2025 to analyze and compare five-year fees and grinder maintenance costs.

Schedule C

<u>Year</u>	<u>Rate</u>
<u>2021</u>	<u>20.29</u>
<u>2022</u>	<u>21.30</u>
<u>2023</u>	<u>22.37</u>
<u>2024</u>	<u>23.49</u>
<u>2025</u>	<u>24.66</u>

7. Zion National Park: The National Park Service will be assessed a proportionate share of the operational and maintenance costs per agreement between the Town and the National Park Service, as determined by annual proportionate flow, to be billed as a monthly fee.

Section 4: Effective Date

This ordinance will be effective upon publishing and posting. Culinary water, irrigation water, and sewer rates and fees will be effective January 1, 2023, and increase annually from 2023 to 2027 as shown herein.

ADOPTED by the Springdale Town Council this 10th day of August 2022.

Barbara Bruno, Mayor

Attest:

Darci Carlson, Town Clerk

ROLL CALL VOTE		
R. Aton	Yes	No
B. Bruno	Yes	No
J. Burns	Yes	No
S. Elger	Yes	No
L. Zumpft	Yes	No

CERTIFICATE OF POSTING

I, Darci Carlson, acting on behalf of the Town of Springdale, hereby certify that accurate copies of Ordinance 2022-_____, were posted at three places within the municipality: Springdale Town Hall, Springdale Post Office, and the Canyon Community Center on the _____ day of _____, 2022.