ENOCH CITY WATER BOARD
NOTICE AND AGENDA
April 9, 2026 at 4:30pm
City Council Chambers
City Offices, 900 E. Midvalley Road
Join Zoom Meeting:
https://us02web.zoom.us/j/86529727542
Meeting ID: 865 2972 7542

1. **CALL TO ORDER OF REGULAR MEETING**
   - **a. Pledge of Allegiance –**
   - b. **Invocation –Audience invited to participate.**
   - **c. Approval of agenda for April 9, 2026 –**
   - **d. Approval of minutes for February 12, 2025-**
   - **e. Conflict of Interest Declaration-**

2. **PUBLIC COMMENTS**

3. **DISCUSS AMENDING THE WATER RATE STRUCTURE AND USER FEE AND MAKE A RECOMMENDATION TO THE CITY COUNCIL**

4. **DISCUSS THE UTAH PUBLIC WATER SYSTEM FEE POLICY AND MAKE A RECOMMENDATION TO THE CITY COUNCIL**

5. **DISCUSS THE SECONDARY SYSTEM TIER**

6. **BOARD/STAFF REPORTS**

7. **ADJOURN**

In compliance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for these meetings should call the City Offices at 586-1119, giving at least 48 hours advance notice.

CERTIFICATE OF DELIVERY

I certify that a copy of the forgoing "Notice and Agenda" was delivered to each member of the Water board, posted on the Enoch City website, on the City Office door and published on the Utah Public Meeting Notice website on **4-6-2026.**

Lindsay Hildebrand 04/06/2026

Lindsay Hildebrand, Recorder **Date**

ENOCH CITY WATER BOARD
MINUTES
February 12, 2026 at 4:30pm
City Council Chambers
City Offices, 900 E. Midvalley Road

MEMBERS PRESENT: Doug Grimshaw, Alan Miller, and Christopher Daughton

STAFF PRESENT: City Manager Robinson, Council Member David Harris, City Recorder Lindsay Hildebrand, Public Works Director Hayden White

PUBLIC PRESENT: None

1. CALL TO ORDER OF REGULAR MEETING

a. **Pledge of Allegiance –** Led by Chairman Pro Tem Grimshaw

b. **Invocation –Audience invited to participate –** Given by Christopher Daughton

c. **Approval of agenda for February 12, 2026 – Alan made a motion to approve the agenda. Chris seconded and all voted in favor.**

d. **Approval of minutes for May 8, 2025- Alan had a few changes that he discussed with Lindsay. He made a motion to approve the minutes. Chris seconded and all voted in favor.**

e. **Conflict of Interest Declaration-** None stated

2. PUBLIC COMMENTS

3. PRESENTATION OF WATER RATE ANALYSIS BY ENSIGN ENGINEERING

Revenue Impact Projections

The representative from Ensign Engineering presented analysis showing that the proposed rate structure would generate an annual increase of approximately $66,000 in revenue. However, this increase would not be distributed evenly throughout the year. The analysis revealed that the proposed structure would result in decreased revenue during non-irrigated winter months, while generating significant increases during the lawn watering season when residents activate their sprinkler systems.

Proposed Tier Structure Changes

The presentation recommended expanding from the current three-tier system to a five-tier system, adding two additional tiers beyond the existing structure. The proposed tiered rate structure included:

- **Base Rate** (Tier 1): 0 to 21,000 gallons at $27.50
- Tier 2: 20,001 to 28,000 gallons at $0.75 per thousand gallons
- Tier 3: 28,001 to 35,000 gallons at $1.50 per thousand gallons

- Tier 4: 35,001 to 42,000 gallons at $3.00 per thousand gallons
- Tier 5: > 42,000 gallons at $4.00 per thousand gallons

The analysis showed that during winter months, the vast majority of Enoch residents fell within the first tier of 20,000 gallons, which was a critical consideration when evaluating how changes to the base rate versus tiered rates would affect overall revenue generation.

Conservation Recommendations

The Ensign Engineering representative provided important data on typical household water consumption patterns. The analysis indicated that average household indoor-use-only consumption ranged between 7,000 and 13,000 gallons per month.1 Based on this data, the engineering firm suggested that setting the base rate threshold at approximately 15,000 gallons would promote conservation on outdoor water use while still accommodating typical indoor consumption needs

Affordability Standards and Compliance

An important component of the analysis addressed regulatory compliance with affordability standards. The Ensign Engineering representative emphasized that when evaluating any rate changes, the city needed to ensure that the monthly average water bill remained below 1.75 percent of the area's median adjusted gross income (MAGI). The presentation indicated that Enoch City's current rates were well within compliance, with the city being "more than fine" for meeting this threshold. With the area's median adjusted gross income estimated at approximately 65,000 and the average monthly water bill around 68, the city was significantly below the 1.75 percent threshold. This affordability metric is particularly important because lending institutions and grant agencies evaluate it when considering whether municipalities have sufficient revenue-generating capacity or whether they are undercharging for services.

4. DISCUSS AMENDING THE WATER RATE STRUCTURE AND USER FEE AND MAKE A RECOMMENDATION TO THE CITY COUNCIL

Council Member Harris expressed immediate concern about any proposal to reduce the base rate, noting that the city's financial needs suggested that decreasing rates would likely move in the wrong direction. This reaction stemmed from the city's identified need to generate approximately $80,000 to $100,000 in additional annual revenue to cover bond payments for new well development and increased operational costs.

Alan raised critical questions seeking clarification on how the proposed changes would affect revenue generation during the winter months. He expressed confusion about the claim that reducing the base rate while maintaining the first-tier structure would generate increased revenue in winter, given that elsewhere in the analysis it was indicated that the vast majority of users fell within the first tier of 20,000 gallons during those months. After clarification, it was confirmed that the proposed structure would indeed reduce revenue during winter months.

Complexity Concerns

The board members discussed concerns about increasing complexity in the rate structure. Alan emphasized the importance of keeping the tier system fairly simple, sharing his experience with other systems that had implemented as many as eight tiers,

which became complex, confusing, difficult to bill, and difficult for customers to understand. Moving from three tiers to five represented a significant increase in complexity, and the board weighed this against the potential benefits of more granular pricing to encourage conservation and shift the burden to heavy users.

Behavioral Change Considerations

Council Member Harris acknowledged that while he did not object to placing more of the financial burden on heavy water users, he recognized that such changes could potentially alter customer behavior and thereby reduce overall revenue projections. This represented an important consideration: if higher-tier rates successfully incentivized conservation among heavy users, the anticipated revenue increases might not fully materialize, potentially requiring adjustments to ensure the city met its revenue targets.

Board Member Tier Structure Proposal

Rather than fully adopting Ensign Engineering's five-tier proposal, board members explored alternative approaches that would achieve revenue goals while maintaining relative simplicity. Doug suggested keeping the existing rate amounts $1, $2, and $3 per thousand gallons, but adjusting the gallonage thresholds downward to capture more revenue from heavy users without significantly complicating the billing structure.

For example: Tier 1: 20,0001 to 30,000 gallons at $1 per thousand gallons
Tier 2: 30,0001 to 50,000 gallons at $2 per thousand gallons
Tier 3: > 50,001 gallons at $3 per thousand gallons

The board recognized that making informed decisions required sophisticated modeling of how different rate structures would affect actual revenue based on historical consumption patterns. Council Member Harris requested that staff use the Waterworth software—revenue projection software recently acquired by the city—to model the proposed tier adjustments and analyze their specific effects on revenue generation.1 This software analysis was identified as essential before the board could make a confident recommendation to the City Council.

Alan provided a valuable historical perspective, noting that Enoch's rate structure had previously been set at $29 for 30,000 gallons before being reduced by 10,000 gallons to the current structure. He expressed a strong belief in making small incremental changes implemented more frequently rather than large periodic adjustments, arguing that the customer base could usually accept incremental changes and would be comfortable with them, provided there was good justification.

This philosophy aligned with Council Member Harris's vision for annual rate reviews, examining depreciation fund allocations, infrastructure replacement needs, and water system requirements each year to determine whether small adjustments were necessary. Alan reinforced this approach, noting that regular reviews would maintain the city's ability to address inevitable increases in power costs, labor costs, and materials costs without falling behind financially.

Rather than immediately adopting Ensign Engineering's specific recommendations, the board concluded that additional analysis was needed using the city's water modeling software (Water Worth) to test how alternative tier structures would perform against actual historical consumption data.

The presentation of the water rate analysis provided essential data, context, and professional guidance that informed the board's subsequent deliberations and development of alternative approaches better suited to Enoch City's specific circumstances and goals.

5. DISCUSS THE UTAH PUBLIC WATER SYSTEM FEE POLICY AND MAKE A RECOMMENDATION TO THE CITY COUNCIL

The 1.75% MAGI Affordability Threshold

The discussion centered on the state's affordability standard. The Ensign Engineering representative informed the board that when evaluating any rate changes, the city must ensure that the monthly average water bill remains below 1.75 percent of the area's median adjusted gross income (MAGI). This represented a critical regulatory constraint that would govern the board's rate-setting authority and ensure water services remained affordable to residents across different income levels.

Understanding the Policy Application

When Doug Grimshaw requested clarification about this policy requirement, Council Member Harris explained that using Enoch City's modified adjusted gross income average as an example—supposing it was $70,000—the city should not set water rates exceeding 1.75 percent of that amount. This framework established clear parameters for maximum rate levels while protecting residents from excessive utility costs relative to their household incomes.

The board sought to understand the source and enforceability of this policy. When asked whether the 1.75 percent requirement was mandated by lenders or the state, Council Member Harris clarified that it was a general state policy requirement. He explained that the state established this guideline to ensure municipalities did not charge rates exceeding this percentage, with particular importance for both regulatory compliance and grant eligibility considerations.

Alan Miller contributed additional nuance, suggesting that municipalities should manage their rates strategically within a range around this threshold, balancing customer benefit with financial sustainability rather than necessarily maximizing rates to the policy limit.

Impact on Grant Eligibility

If Enoch City sought grant funding for water system improvements, grant agencies would scrutinize whether the city was charging rates proportionate with state policy allowances. Council Member Harris noted that grant agencies might conclude the city lacked adequate funding, not due to genuine fiscal constraints but because of insufficient rate charges, potentially denying grant applications on the principle that municipalities should maximize their own revenue-generating capacity before seeking public assistance.

Lender Perspectives

Conversely, lending institutions evaluating Enoch's creditworthiness for bonds or loans would observe that the city was charging only approximately 0.7 percent of modified adjusted gross income on average, recognize substantial room for rate increases, and potentially view this favorably as demonstrating revenue-raising capacity to service debt obligations. However, lenders might also require rate increases as a condition for loan approval to ensure adequate and sustainable revenue streams for debt repayment.

The board conducted detailed calculations during the meeting to determine Enoch City's exact position relative to the Utah Public Water System Fee Policy threshold. The Ensign Engineering representative estimated Enoch's median adjusted gross income at approximately $65,000, with a current average monthly water bill of around $68.

Doug Grimshaw performed real-time calculations: 1.75 percent of $65,000 annually equals $1,137.50, which, when divided by 12 months, yields approximately $95 per month as the policy threshold.

Water-Specific vs. Overall Utility Threshold

An important clarification emerged regarding whether the 1.75 percent policy applied exclusively to water charges or to the entire utility bill encompassing water, sewer, drainage, and other services. Alan Miller noted that Enoch's overall utility bill averaged $81 per month. Council Member Harris sought clarification about the policy's scope.

Based on the discussion, Council Member Harris indicated his understanding that the 1.75 percent threshold applied specifically to water charges alone, meaning water service could constitute up to 1.75 percent of median income independently, while the city's combined utility bill of $81 remained well below concerning levels.

Compliance Confirmation

The Ensign Engineering representative confirmed that Enoch City was "more than fine" regarding the 1.75 percent MAGI threshold, indicating robust compliance with the Utah Public Water System Fee Policy. This assessment provided the board confidence that the proposed rate structure amendments would remain within policy parameters.

Strategic Implications for Board Recommendations Rate-Setting Flexibility

Understanding that Enoch charged rates representing only about one-third of the maximum allowed under state policy gave the board considerable strategic flexibility. This positioning meant that:

1. Revenue Enhancement Capacity: The city could implement the tier adjustments and rate increases under discussion to generate the needed $80,000 to $100,000 in additional annual revenue for well improvements without approaching problematic affordability levels or regulatory limits.
2. Regulatory Assurance: Any recommendation to the City Council would carry the confidence of full compliance with state policy, eliminating regulatory risk as a consideration in rate-setting decisions.
3. Financing Credibility: The board's understanding that rates were well below state thresholds would support future bonding or loan applications by demonstrating fiscal conservatism and revenue-raising capacity.

Balancing Multiple Utility Charges

The discussion highlighted the importance of viewing water rates not in isolation but as one component of a comprehensive utility bill. Council Member Harris acknowledged that while the city had room to increase water rates under state policy, recent sewer fee increases needed to be considered to avoid overburdening customers with cumulative utility cost increases.

Grant Application Strategy

The board recognized that while conservative rate-setting benefited current customers, it created potential complications for grant applications. Council Member

Harris noted that grant agencies examining Enoch's rates relative to the state policy might question why the city sought external funding when it had not fully utilized its own revenue-raising authority under state guidelines. This understanding would inform future decisions about balancing rate increases with external funding pursuit.

6. BOARD/STAFF REPORTS

Hayden White

- The department was running a secondary irrigation line up Midvalley Rd.
- Three people had signed up for connections to secondary.
- They will tie the little park on Enoch Rd and Rec Complex on a secondary water line as well.

Lindsay Hildebrand

- She had received a couple of GRAMA requests.
- She had been researching a software program that would help with business license renewals and applications.

Council Member Harris

- He reported on the regional water cooperation efforts. Discussions are ongoing regarding the regionalization of water systems among Cedar City, Enoch City, the Water Conservancy District, and the county.
- Plans were moving forward to ensure the various entities worked together to develop water sources and interconnect systems rather than competing with each other, enabling them to buy and sell water wholesale from one another and help solve each other's problems.
- He noted that the city was looking at establishing several additional interconnection areas in the near future, with meters installed so water could be passed back and forth between systems as needed. He characterized these as fairly high-level discussions, noting that much of the conversation at meetings he attended involved technical engineering matters to which he had not yet contributed extensively.

7. ADJOURN – Alan made a motion to adjourn. Chris seconded and all voted in favor.

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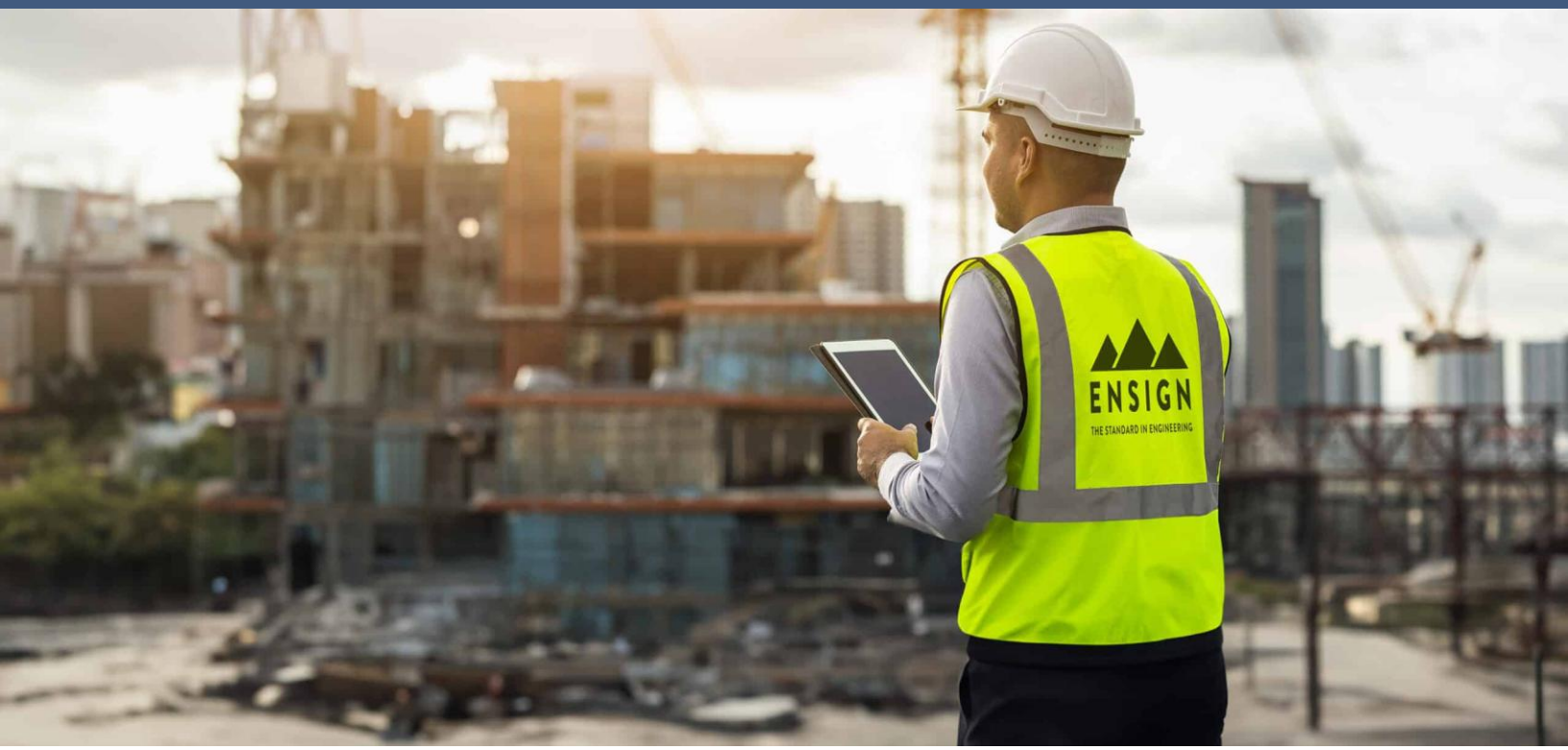
Lindsay Hildebrand, Recorder Date

Water Rate Analysis



February 2026

Prepared For:

Enoch City
900 east Midvalley Road
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Prepared By:

Ryker Ogden, EIT

Reviewed By:

Curtis Nielson, LEED AP, PE

[Insert Client Logo]

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Executive Summary

This Water Rate Analysis was prepared to evaluate the Enoch City's existing culinary water rate structure using detailed 2025 per-customer monthly usage data and to document observed systemwide water use patterns. The purpose of the analysis is informational and policy-supportive, providing City Council with a clear, data-driven understanding of how current and proposed rate structures align with actual customer water use behavior. This document is not a cost-of-service study and does not evaluate revenue sufficiency or establish required utility funding levels.

The analysis is based on monthly billing and usage records from January through December 2025 at the individual customer account level. Customer accounts associated with Enoch City were excluded from all calculations, and zero-use data points were removed from usage distribution statistics to avoid distortion from inactive or non-consuming accounts. Following these screening steps, the analysis evaluated approximately 2,540 to 2,648 billed accounts per month, providing a consistent snapshot of customer water use behavior over a full annual cycle.

Observed water use patterns demonstrate pronounced seasonal variability. Winter months exhibit relatively low and stable per-account usage reflective of baseline indoor demand, while late spring through summer months show sharply increased usage driven by discretionary outdoor water use. Higher seasonal demand is concentrated among a smaller subset of accounts, as evidenced by increased upper-quartile and maximum usage values during peak months, while most customers remain within lower usage ranges for much of the year.

Evaluation of the existing rate structure indicates that approximately 76.7 percent of monthly usage observations fall below the first volumetric tier threshold of 20,001 gallons. Higher tiers are primarily activated during summer irrigation months and affect a comparatively limited portion of customers. A proposed alternative rate structure included for reference reduces the fixed base charge and introduces additional volumetric tiers to provide greater differentiation across usage levels and strengthen usage-based pricing signals during periods of elevated demand.

Overall, the findings confirm that water demand within the Town is highly seasonal and unevenly distributed across the customer base. These documented usage characteristics provide useful context for future discussions regarding tier thresholds, conservation-oriented pricing, and equity considerations between low-, typical-, and high-use customers. If additional evaluation of long-term revenue stability or financial sufficiency is desired, a follow-on analysis incorporating multiple years of data and utility cost information could be considered.

Section 1 Purpose and Limitations

This section describes the purpose, scope, and limitations of the Water Rate Analysis. It establishes the intent of the document, summarizes the data used, and clearly defines how the information should be interpreted. These statements are provided to ensure transparency regarding the analytical approach and to appropriately frame the findings presented in subsequent sections.

1.1 Purpose of the Analysis

This Water Rate Analysis was prepared to evaluate the Town's existing culinary water rate structure using **2025 per-customer monthly usage data** and to document observed systemwide usage patterns that can inform rate structure decisions. The intent of this document is **informational** and suitable for **City Council adoption of findings**. The analysis focuses on understanding how current and proposed rate structures align with actual customer water use behavior rather than establishing required revenues or utility cost recovery targets.

1.2 Data Limitations

This analysis is limited to a single calendar year (2025) of customer billing and usage information. As a result, long-term demand forecasting and multi-year trend analysis were not performed. The findings presented herein are best interpreted as a **snapshot of observed 2025 usage patterns**, including seasonal variation. This document evaluates the relationship between rate structure design and customer water use behavior; it does **not** constitute a cost-of-service study and should not be interpreted as a determination of overall revenue sufficiency.

1.3 Data Exclusions and Screening

To ensure consistent and representative results, specific data exclusions and screening criteria were applied prior to analysis. Customer accounts associated with **Enoch City** were excluded from the dataset and all calculations to focus the evaluation on the Town's system only. In addition, **zero-use data points were excluded** from usage distribution statistics, including minimum values, quartiles, median, and average usage, to avoid skewing results due to inactive accounts or non-consuming periods. These exclusions were applied consistently across all sections of the analysis.

Section 2 Data Summary and Methodology

This section describes the data sources used in the analysis, the screening and preparation steps applied prior to evaluation, and a high-level summary of the resulting dataset. The purpose of this section is to document the analytical methodology in a transparent manner and to establish confidence in the consistency and representativeness of the data used to support subsequent findings.

2.1 Data Sources

The analysis used monthly billing records from **January 2025 through December 2025** at the individual customer account level. The dataset includes monthly water usage and calculated bills under both the **existing ("current") water rate structure** and the **proposed rate structure** included in the analysis workbook. These records form the basis for all usage distribution statistics and rate structure comparisons presented in this report.

2.1.1 Account Screening

Accounts with **Enoch City** usages were removed from the dataset prior to analysis. The remaining records were evaluated on a month-by-month basis to ensure consistency across the study period and to focus the analysis exclusively on accounts served by the Town's system.

2.1.2 Treatment of Zero-Use Values

For purposes of evaluating usage distributions, monthly usage values equal to zero were excluded from calculation of minimum values, quartiles, median, and average usage. This approach avoids skewing results due to inactive accounts, vacant properties, or non-consuming billing periods, while still allowing all applicable accounts to be represented in overall billing records.

2.1.3 Units

Monthly usage values and tier thresholds in the billing records indicate that water consumption is tracked in **gallons per month per account**, with volumetric rates applied on a **per-1,000-gallon** basis. All usage statistics and rate evaluations presented in this analysis are consistent with this unit convention.

2.2 Data Summary

Table 2-1 provides a high-level summary of the dataset used in this analysis following the screening and exclusion steps described above. The table confirms the temporal scope, geographic coverage, usage basis, and treatment of zero-use values, and documents the approximate number of accounts evaluated in a typical month.

Table 2-1 Data Set Assumptions

Item	Value
Year of data	2025
Geographic scope	Excludes Enoch City accounts
Usage basis	Monthly per-account usage
Zero-use handling	Excluded from usage distribution statistics
Typical billed accounts per month	~2,540 to ~2,648

The summary indicates that the analysis is based on a consistent set of approximately **2,540 to 2,648 billed accounts per month**, excluding Enoch City. This level of consistency supports comparison of monthly usage patterns throughout 2025 and provides a reliable basis for evaluating how existing and proposed rate structures align with observed customer water use behavior.

Section 3 Water Use Characteristics

This section summarizes observed water use characteristics based on the 2025 per-customer monthly usage data. The intent of this section is to describe how water use varies across customers and throughout the year, and to identify key seasonal and distributional patterns that are relevant to evaluation of the Town's water rate structure. All statistics presented reflect the data screening and exclusions described in Section 2.

3.1 Monthly Usage Distribution (per Account)

Monthly per-account water use exhibits strong seasonal variability, with substantially higher usage occurring during the late spring and summer months. Usage distributions summarized in Table 3-1 reflect **non-zero monthly usage values only**, consistent with the data screening methodology described in Section 2. This approach provides a clearer representation of active customer demand and avoids distortion from inactive or non-consuming billing periods.

Table 3-1 presents monthly summary statistics for per-account usage, including minimum non-zero values, lower quartile (Q1), median, mean, upper quartile (Q3), maximum observed usage, and the number of non-zero observations. During winter months, median usage remains relatively low and tightly clustered, indicating stable baseline demand across most customers. In contrast, summer months show a marked increase in both median and upper-quartile usage, as well as greater spread between Q1 and Q3 values, reflecting increased discretionary and outdoor water use among a portion of the customer base.

The presence of high maximum usage values during peak months further illustrates that elevated demand is concentrated among a smaller subset of accounts rather than being uniformly distributed across all customers.

Table 3-1 Statistical Water Usage Numbers

Month	Min (non-zero)	Lower Quartile	Median	Mean	Upper Quartile	Max	Accounts (non-zero)
Jan	10	3,070	5,030	6,539	7,270	120,970	2,445
Feb	10	2,330	4,140	5,371	5,760	155,965	2,457
Mar	10	2,470	4,530	5,818	6,060	599,660	2,494
Apr	10	2,658	4,835	6,427	6,898	600,030	2,496
May	10	4,725	10,210	15,087	19,735	253,200	2,527
Jun	10	5,800	15,120	19,756	28,350	250,020	2,542

Month	Min (non-zero)	Lower Quartile	Median	Mean	Upper Quartile	Max	Accounts (non-zero)
Jul	10	8,140	22,060	29,383	43,595	292,780	2,556
Aug	10	8,780	24,090	33,444	50,120	193,360	2,760
Sep	10	6,480	16,980	22,016	32,630	210,210	2,580
Oct	10	6,170	16,090	20,990	30,900	241,830	2,593
Nov	10	3,440	5,670	6,986	7,940	205,990	2,582
Dec	10	2,470	4,350	5,201	5,980	131,940	2,582

3.2 Seasonal Pattern (Average Monthly Use per Account)

Average per-account water use follows a pronounced seasonal pattern, increasing rapidly in late spring and remaining elevated through the summer before declining in the fall. This pattern is summarized in Table 3-2, which presents the average monthly usage per account for each month of 2025 based on non-zero observations.

Table 3-2 Average Usages By Month

Month	Avg Usage
Jan	6,539
Feb	5,371
Mar	5,818
Apr	6,427
May	15,087
Jun	19,756
Jul	29,383
Aug	33,444
Sep	22,016
Oct	20,990
Nov	6,986
Dec	5,201

As shown in the table, average usage during winter months is relatively consistent and significantly lower than summer averages. Beginning in May, average per-account usage increases sharply, reaching peak levels in July and August before tapering off in September and October. This seasonal trend is consistent with outdoor irrigation demand and other discretionary water uses that occur during warmer months.

The clear seasonal differentiation between baseline and peak-period demand provides important context for evaluating tier thresholds and conservation-oriented pricing within the Town's rate structure.

Section 4 Evaluation of Existing Rate Structure

This section evaluates the Town's existing water rate structure in the context of observed 2025 customer water use patterns. The purpose of this section is to document the components of the current and proposed rate structures and to examine how existing tier thresholds align with actual customer usage behavior throughout the year. The analysis presented in this section is descriptive and is intended to support understanding of rate structure performance rather than to recommend specific rate changes.

4.1 Current Rate Components

The current water rate structure consists of a fixed monthly base charge combined with increasing volumetric rates applied through defined usage tiers. This structure is intended to recover a portion of fixed system costs through the base charge while applying higher marginal costs to higher levels of water consumption.

Table 4-1 summarizes the components of the current rate structure, including the base charge, volumetric tier ranges, and applicable rates.

Table 4-1 Current Rate Structure

Component	Usage Range (gal/month)	Rate (per 1,000 gal)
Base charge	N/A	**$30.00**
Tier 1	20,001 – 40,000	$1.00
Tier 2	40,001 – 60,000	$2.00
Tier 3	> 60,000	$3.00

4.1.1 Base Charges

Under the current rate structure, all customer accounts are assessed a fixed monthly base charge of **$30.00**, regardless of water consumption. This base charge contributes to recovery of costs that are largely independent of usage, such as system maintenance, administration, and availability of service.

4.1.2 Volumetric Charges

In addition to the base charge, water usage is billed through increasing volumetric tiers. The current structure includes three usage tiers above the base charge, with rates increasing as monthly consumption exceeds defined thresholds. Higher tiers are primarily activated during periods of elevated seasonal demand, such as summer irrigation months.

4.2 Proposed Rate Structure

For reference, the proposed rate structure included in the analysis workbook modifies both the base charge and the volumetric tier framework. Specifically, the proposed structure lowers the fixed base charge and introduces additional usage tiers intended to provide greater differentiation between typical and higher-volume seasonal water use.

Table 4-2 summarizes the proposed rate structure, including revised tier ranges and volumetric rates.

Table 4-2 Proposed Rate Structure

Component	Usage Range (gal/month)	Rate (per 1,000 gal)
Base charge	N/A	**$27.50**
Tier 1	0 – 21,000	$0.00
Tier 2	21,001 – 28,000	$0.75
Tier 3	28,001 – 35,000	$1.50
Tier 4	35,001 – 42,000	$3.00
Tier 5	> 42,000	$4.00

The proposed structure reflects a policy approach that places a greater emphasis on usage-based charges while reducing the proportion of revenue recovered through the fixed base charge. This structure is presented for comparative and informational purposes only within the context of this analysis.

4.3 Alignment of Tier Thresholds with Observed 2025 Usage

To evaluate how the current rate structure aligns with observed customer water use, all monthly usage observations for 2025 were evaluated, excluding Enoch City accounts. Each monthly observation was categorized based on the applicable current-rate usage tier.

Table 4-3 summarizes the share of monthly observations falling within each current tier. As shown, the majority of monthly observations remain below the first tier threshold, particularly during winter months. Higher tiers are activated primarily during peak irrigation periods, reflecting seasonal outdoor demand rather than baseline indoor use.

Table 4-3 Monthly Consumption Distribution by Existing Rate Tier

Current Tier	Share of Monthly Observations
< 20,001	76.71%

Current Tier	Share of Monthly Observations
20,001 – 40,000	13.67%
40,001 – 60,000	5.69%
> 60,000	3.93%

The concentration of usage in lower tiers for much of the year, combined with relatively limited activation of the highest tiers, provides important context for understanding how the current structure allocates costs across customers and seasons.

Source:

Section 5 Rate Structure Adjustment Considerations

This section summarizes key considerations related to potential refinement of the Town's water rate structure based on observed 2025 customer usage patterns. The discussion in this section builds on the usage characteristics and rate structure evaluation presented in previous sections and is intended to describe how tier thresholds, pricing signals, and equity considerations interact with customer water use behavior. This section does not recommend adoption of a specific rate change, but instead provides context to inform future policy decisions.

5.1 Tier Threshold Refinement

Tier thresholds play a central role in aligning customer water bills with observed demand behavior. The 2025 usage data demonstrate clear seasonal increases in water use, with typical winter usage remaining well below the first tier threshold and peak summer usage pushing a meaningful share of accounts into higher tiers. As a result, tier design primarily influences customer bills during periods of elevated seasonal demand rather than during baseline indoor use.

Refining tier thresholds can improve alignment between rate structure and observed consumption by ensuring that customers with higher usage during peak periods contribute proportionally more, while typical indoor users remain largely within lower tiers for most of the year. Careful threshold placement also improves transparency by aligning tier breaks with actual usage patterns rather than arbitrary consumption levels.

5.1.1 Usage-Based Tier Breakpoints

A defensible, usage-based approach to establishing tier breakpoints is to anchor thresholds to observed distribution statistics, such as quartiles and median usage values during peak-use months. This approach allows tier thresholds to reflect real customer behavior while maintaining protection for typical indoor use.

The proposed rate structure's additional tiers introduce greater resolution between moderate seasonal use and high seasonal use. This added granularity can reduce "cliff effects," where a large share of customers cluster near a single breakpoint and experience disproportionate bill impacts from relatively small increases in usage.

5.1.2 Tier Purpose Definition

Clearly defining the intended purpose of each tier helps ensure consistency between rate design and policy objectives. Lower tiers are generally intended to capture essential indoor use and modest discretionary use, while higher tiers are designed to reflect elevated seasonal demand

and discretionary outdoor water use. Establishing this distinction supports clearer communication with customers and improves the interpretability of billing outcomes.

5.2 Conservation Pricing

The observed seasonal demand pattern supports a rate design that places stronger price signals on higher-volume usage during peak periods. Increasing block rate structures are commonly used to encourage efficient water use by applying progressively higher marginal costs as consumption increases.

By placing greater emphasis on usage-based charges during periods of elevated demand, conservation-oriented pricing can help moderate discretionary water use that contributes to peak system stress, while limiting impacts on lower-use customers.

5.2.1 Equity Considerations

Because most customers remain below 20,001 gallons for much of the year, care should be taken to ensure that tier thresholds and rates do not unintentionally shift typical indoor users into higher tiers. Rate structures that lower the fixed base charge while increasing granularity in volumetric tiers reflect a policy choice to reduce fixed costs and more directly associate higher bills with higher usage.

Consideration of equity between low-, typical-, and high-use customers is an important component of any rate structure discussion and provides necessary context for future decision-making.

Section 6 Conclusion

This section summarizes the key findings of the Water Rate Analysis and identifies potential next steps for consideration by City Council. The conclusions presented are based directly on observed 2025 customer usage data and the rate structure evaluation described in previous sections. This section is intended to provide closure to the analysis and to clearly document how the findings may be used to inform future discussions and policy decisions.

6.1 Summary of Findings

Analysis of the 2025 per-customer usage data demonstrates that water use within the Town exhibits pronounced seasonal variation. Average per-account usage increases substantially from May through October, with peak demand occurring in August. This pattern is consistent with discretionary outdoor water use and is clearly reflected in the monthly usage distributions presented earlier in the report.

The analysis further indicates that the majority of monthly usage observations remain below the current Tier 1 threshold. Approximately 76.7 percent of monthly observations fall below 20,001 gallons, indicating that most customers remain within lower tiers for much of the year. Higher tiers are primarily activated during peak irrigation months and affect a smaller subset of high-use customers. Collectively, these findings indicate that elevated water demand is concentrated during specific periods and among a limited portion of accounts rather than being uniformly distributed across the customer base.

6.2 Documented Rate Schedules

For transparency and reference, the Town's current and proposed water rate schedules are documented in Table 4-1 and Table 4-2. Inclusion of both schedules provides a clear basis for public discussion and allows comparison of how different rate structures allocate charges across usage levels and seasonal demand conditions.

6.3 Use of Findings

The findings presented in this report are intended to inform City Council and the public regarding observed customer water use patterns and how those patterns interact with the Town's existing and proposed rate structures. The analysis provides context for future discussions related to rate design, tier thresholds, and usage-based pricing, without establishing required revenues or recommending specific rate changes.

Any future consideration of rate adjustments, financial planning, or long-term revenue evaluation would require additional analysis beyond the scope of this study and is not addressed he

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Park City

Meter Size	Monthly Base Rate/ Demand Charge	Meter Price
5/8"x 3/4'	$55.24	$876.30
1"	$74.57	$1,007.15
1 1/2'	$88.44	$1,432.86

Type	Block 1 - $6.88/k-gal	Block 2 - $11.03/k-gal	Block 3 - $11.61/k-gal	Block 4 - $15.04/k-gal	Block 5 - $17.93/k-gal	Block 6 - $31.34/k-gal
Single-Family	0-5,000	5,001-15,000	15,001-25,000	25,001-35,000	35,001 - 55,000	Over 55,000

Riverton

Base Rate (each meter)	$3.50
Tier 1 | 0-5,000 Gallons (each 1,000 gallons)	$3.76
Tier 2 | 5,001 - 10,000 Gallons	$3.91
Tier 3 | 10,001 - 15,000 Gallons	$4.11
Tier 4 | 15,001 - 20,000 Gallons	$4.43
Tier 2 | >20,000 Gallons	$4.95