



To: Mayor and Town Council Members

From: Mark C. Meyers, Town Manager

Date: June 4, 2026

Subject: WCWCD Wholesale Rate Increase and Proposed Retail Rate Adjustment

Background

Virgin Town purchases culinary water from the Washington County Water Conservancy District (WCWCD). The District recently approved a wholesale water rate increase to member local governments effective July 1, 2026. The increase is \$0.11 per 1000 gallons. The Town should increase its retail water rates a like amount so that it is not subsidizing the rate and utilizing fund balance necessary for operation and maintenance of our distribution system as well as future infrastructure improvements. Attached are our current rates. An increase can be approved by Council resolution.

This matter was discussed at the May 13, 2026, council work meeting and the consensus of Council was to hold a public hearing at the June 20, 2026, regular meeting and consider increasing rates effective July 1st.

Recommendation

Staff recommends Town Council discuss and consider increasing culinary water rates following the wholesale rate increase by the Washington County Water Conservancy District and holding a public hearing on said increase at the June 20, 2026, regular meeting.



Virgin Town Water Rates

Residential

Base rate is \$60-zero gallons

(Charged per every thousand gallons)

Amount	Usage
\$1.11	0-15,000
\$2.11	15,001-25,000
\$3.61	25,001-40,000
\$4.61	40,001-and beyond

Commercial

Base rate \$120 -includes up to 15,000 gal (per each ERC)

(Charged per every thousand gallons)

Amount	Usage
\$2.11	15,001-25,000
\$3.51	25,001-40,000
\$4.61	40,001-and beyond

Meter Fee (per meter)

Meter Size	Amount per month
3/4"	\$1.75
1"	\$3.78
1.5"	\$12.55
2"	\$20.20
3"	\$45.48
4"	\$80.85
6"	\$181.91

Tier 1

The Water Development Surcharge Fee for both residential and non-residential water connections existing prior to January 1, 2023 shall be an initial fixed fee of One Dollar (\$1.00) per each thousand gallons of water used that exceeds the designated monthly demand threshold for volume of water per meter sizes shown in the table below.

Meter Size	Monthly Demand Threshold (gal)
<u>3/4"</u>	<u>36,000</u>
<u>1"</u>	<u>80,000</u>
<u>1.5"</u>	<u>260,000</u>
<u>2"</u>	<u>420,000</u>
<u>3"</u>	<u>850,000</u>
<u>4"</u>	<u>1,400,000</u>
<u>6"</u>	<u>2,600,000</u>
<u>8"</u>	<u>4,200,000</u>

Tier 2

The Water Development Surcharge Fee for both residential and non-residential water connections on or after January 1, 2023, shall be an initial fixed fee of Ten Dollars (\$10.00) per each thousand gallons of water used that exceeds the designated monthly demand threshold for volume of water per meter sizes shown in the table below.

Season	Winter December, January, February	Spring March, April	Summer May, June, July, August, September	Fall October, November
Potable Only Residential Connection	8,000 gallons per month	15,000 gallons per month	20,000 gallons per month	15,000 gallons per month
Potable and Non-Potable Residential Connection	8,000 gallons per month	8,000 gallons per month	8,000 gallons per month	8,000 gallons per month

For New Non-Residential Connections after January 1, 2023:

Meter Size	Monthly Demand Threshold (gal)
3/4"	36,000
1"	80,000
1.5"	260,000
2"	420,000
3"	850,000
4"	1,400,000
6"	2,600,000
8"	4,200,000

VIRGIN, UTAH
Resolution No. R2026-A

**A RESOLUTION OF THE TOWN COUNCIL OF VIRGIN TOWN, UTAH, AMENDING THE
MUNICIPAL WATER RATE SCHEDULE TO INCORPORATE A WHOLESALE WATER COST
INCREASE FROM THE WASHINGTON COUNTY WATER CONSERVANCY DISTRICT AND
ESTABLISHING AN EFFECTIVE DATE OF JULY 1, 2026**

WHEREAS, Virgin Town provides culinary water service to residents and businesses within the Town; and

WHEREAS, the Town purchases wholesale water from the Washington County Water Conservancy District; and

WHEREAS, the Washington County Water Conservancy District has approved an increase of \$0.11 per 1,000 gallons in its wholesale potable water rate, effective July 1, 2026; and

WHEREAS, the Town Council finds it necessary and in the public interest to adjust the Town's water rates to recover the increased wholesale water costs incurred by the Town; and

WHEREAS, the Town Council has determined that passing through the wholesale water rate increase will help maintain the financial stability of the Town's water utility enterprise fund.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF VIRGIN, UTAH, THAT:.

Section 1. Water Rate Adjustment

Effective July 1, 2026, the Town's water consumption rates shall be increased by Eleven Cents (\$0.11) per 1,000 gallons of water used for all customer classes.

Section 2. Purpose

This rate adjustment is adopted solely to offset the increase in wholesale water costs imposed by the Washington County Water Conservancy District and to ensure continued operation, maintenance, and financial sustainability of the Town's water system.

Section 3. Effective Date

This Resolution shall take effect on July 1, 2026.

Section 4. Severability

If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution.

PASSED AND ADOPTED by the Town Council of Virgin, Utah, this June Day of 16, 2026.

Resolution R2026-
Adopted: June 16, 2026