

AN ORDINANCE OF THE VERNAL CITY COUNCIL AMENDING THE VERNAL CITY WATER BILLING RATES AND RATE STRUCTURE; ESTABLISHING UPDATED BASE CHARGES AND TIERED VOLUMETRIC WATER RATES; ADDING A PASS THROUGH FOR STATE FEES ON WATER; AND ESTABLISHING AN ANNUAL INCREASE TO THE VOLUMETRIC RATES

WHEREAS, Vernal City owns, operates, and maintains a culinary water system for the benefit of its residents, businesses, and visitors; and

WHEREAS, the City Council finds that the responsible management and conservation of water resources is essential to protect the public health, safety, and welfare of the community; and

WHEREAS, the City Council recognizes the increasing importance of water conservation due to ongoing drought conditions, regional water supply concerns, seasonal demand, and the need to promote efficient water use practices; and

WHEREAS, the City Council desires to encourage responsible water consumption through a rate structure designed to promote conservation and reduce excessive water usage; and

WHEREAS, the City Council further finds that continued investment in the City's water infrastructure system is necessary to maintain reliable service, replace aging infrastructure, comply with regulatory requirements, and support future growth and development within Vernal City; and

WHEREAS, the costs associated with operating, maintaining, repairing, upgrading, and expanding the City's water system have increased and are expected to continue increasing over time; and

WHEREAS, the City Council has determined that amendments to the water billing rates and rate structure are necessary to generate sufficient revenue to adequately fund water system operations, capital improvements, infrastructure replacement, and long-term water system sustainability; and

WHEREAS, the City Council finds that a tiered water rate structure is an effective tool to encourage efficient water use by allocating higher rates to higher levels of consumption.

NOW THEREFORE, be it ordered and resolved by the Vernal City Council as follows:

SECTION 1. AMENDMENT OF WATER RATE STRUCTURE

The Vernal City Culinary Water Billing Rates and Rate Structure are hereby amended to establish meter-based base charges and tiered volumetric water rates applicable to all customer classifications.

The City shall implement the revised rates phases as follows:

2026 IMPLEMENTATION		
<u>Base Charges</u>		
Meter Size	Base Charge (no water included)	
3/4"	\$35.00	
1"	\$40.00	
1.5"	\$75.00	
2"	\$125.00	
3"	\$185.00	
4"	\$225.00	
6"	\$400.00	
No water usage is included in the monthly base charge.		
<u>Volume Rates</u>		
Tier	Volume Range (kgal)	Rate per kgal
Tier 1	0 - 8	\$2.00
Tier 2	9 - 15	\$3.00
Tier 3	16 - 50	\$3.75
Tier 4	51 +	\$4.50

SECTION 2. UNIFORM APPLICATION.

The revised rate structure shall apply uniformly to all customer classifications, including residential, commercial, and transient users, based solely upon meter size and actual water consumption.

SECTION 3. ANNUAL RATE ADJUSTMENT.

Beginning ~~July~~ January 1, 2028, and on ~~July-January 1~~ of each year thereafter, each water volume rate tier established in this Ordinance shall automatically increase by two percent (2%) over the rate in effect during the previous year. The annual increase shall apply to each tiered volumetric water rate and shall be calculated and rounded to the nearest cent. The City may update its fee schedule annually to reflect the adjusted rates.

The City Council and City staff shall review the adequacy of the annual rate adjustment at least once every four (4) years. In conducting such review, factors will be considered including, but not limited to, operating and maintenance costs, capital improvement needs, infrastructure replacement requirements, regulatory obligations, inflationary impacts, water supply conditions, conservation objectives, and the overall financial sustainability of the water system. Following such review, the City Council may amend the annual adjustment percentage by ordinance if it determines that a different percentage is necessary to meet the present and anticipated needs of the City's water utility system.

SECTION 4. STATE PASS THROUGH.

The Utah State Legislature passed SB 80, Water Fee Amendments, in the 2026 general session. This legislation established the Department of Environmental Quality (DEQ) water consumption fee schedule. The schedule charges culinary water systems, including Vernal City, a fee to fund oversight of water systems. Vernal City will collect from each customer their proportional share of the State fee through its Culinary Water Billing Rates and Rate Structure. The State may amend this fee from time to time. Such amendments shall be incorporated automatically into the Vernal City Rate Structure. The State surcharge will be listed separately on the water bill.

SECTION 5. PURPOSE AND INTENT.

The purpose of this Ordinance is to:

- Promote responsible and efficient water usage;
- Encourage water conservation practices;
- Provide a fair and usage-based billing structure;
- Be transparent with the State's culinary water surcharge;
- Ensure adequate funding for operation and maintenance of the culinary water system; and
- Support current and future water infrastructure improvements and capital projects.

SECTION 6. SEVERABILITY.

If any section, subsection, sentence, clause, or phrase of this Ordinance is determined to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 7. EFFECTIVE DATE.

This Ordinance shall take effect upon publication and as otherwise provided by law.

PASSED AND ADOPTED by the Vernal City Council this 10 day of June, 2026.

ATTEST:



Mayor Corey Foley



Sara Bell, City Recorder

