Water Purchased by the City

Name	Shares	Cost		Date
Budget Amendment 2/2/2021 ($20,000)				
Norman Gates (Darren)	5	$	10,000.00	2/15/2021
Deon Gubler (Gaye Lynne Wiser)	3	$	6,000.00	2/15/2021
Kent Clayton	1	$	2,000.00	2/15/2021
Aaron Esplin	0.25	$	500.00	2/19/2021
Tom Wood	1	$	2,000.00	3/5/2021
Totals	**10.25**	**$**	**20,500.00**	
Budget Amendment 6/2/2021 ($22,000)				
Ben DeMille	3.25	$	6,500.00	3/18/2021
Deon Gubler (Gaye Lynne Wiser)	4	$	8,000.00	7/7/2021
Claire Sullivan	3	$	6,000.00	7/7/2021
Totals	**10.25**	**$**	**20,500.00**	
Budget 7/1/2021 ($22,000)				
Claire Sullivan	3	$	6,000.00	7/19/2021
Jackson Construction	8	$	16,000.00	7/19/2021
Totals	**11**	**$**	**22,000.00**	
Budge Amendment January 2022 (Amount $$$$$?????)				
Total Shares Purchased	**31.5**	**$**	**63,000.00**	

La Verkin City

Operational Budget Report
51 51 Water - 07/01/2021 to 10/27/2021
33.33% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Percent Used
Income or Expense					
Income From Operations:					
Operating income					
5140 Water Revenue	356,028.83	1,008.78	283,970.66	980,000.00	28.98%
5310 Connection Fees	1,375.00	2,125.00	8,925.00	2,000.00	446.25%
5410 Penalties & Fines	8,426.25	2,318.83	9,486.54	25,000.00	37.95%
5490 Miscellaneous	0.00	0.00	50.00	0.00	0.00%
Total Operating income	365,830.08	5,452.61	302,432.20	1,007,000.00	30.03%
Operating expense					
Administration					
6660.110 Admin SALARIES & WAGES	50,393.83	6,155.67	48,559.02	161,500.00	30.07%
6660.130 Admin EMPLOYEE BENEFITS	23,627.12	4,449.32	23,999.11	116,500.00	20.60%
6660.210 Admin BOOKS, SUBCRIPTIONS & MEMBERS	1,379.00	0.00	0.00	1,500.00	0.00%
6660.230 Admin TRAVEL & TRAINING	0.00	0.00	0.00	3,000.00	0.00%
6660.240 Admin OFFICE EXPENSE, SUPPLIES & POS	1,644.67	368.58	1,721.48	5,500.00	31.30%
6660.250 Admin OPERATING SUPPLIES & MAINTENA	0.00	382.27	876.37	0.00	0.00%
6660.280 Admin UTILITIES	2,204.72	6.25	1,274.90	2,000.00	63.75%
6660.290 Admin TELEPHONE & COMMUNICATION	1,716.70	225.17	1,645.91	4,500.00	36.58%
6660.315 Admin SOFTWARE OR INFORMATION	2,648.44	439.50	2,772.77	5,500.00	50.41%
6660.410 Admin PRODUCT OR SERVICES PURCHASE	15,314.13	0.00	12,099.54	35,500.00	34.08%
6660.440 Admin CONNECTION COSTS	26,974.80	0.00	14,836.18	81,000.00	18.32%
6660.460 Admin CONTRACTED SERVICES	0.00	0.00	0.00	2,000.00	0.00%
6660.510 Admin INSURANCE	0.00	0.00	0.00	12,000.00	0.00%
Total Administration	125,903.41	12,026.76	107,785.28	430,500.00	25.04%
Maintenance					
6340.110 O&M SALARIES & WAGES	39,085.57	3,567.68	35,811.04	149,000.00	24.03%
6340.130 O&M EMPLOYEE BENEFITS	15,610.57	4,014.71	21,336.04	120,000.00	17.78%
6340.250 O&M EQUIPMENT OPERATING SUPPLIES &	5,012.24	783.91	8,224.59	26,500.00	31.04%
6340.420 O&M PURIFICATION AND TREATMENT COS	420.00	120.00	460.00	2,000.00	23.00%
6340.440 O&M NEW SERVICES	24,482.67	450.00	6,820.31	25,200.00	27.06%
6340.450 O&M SYSTEMS MAINTENANCE	15,590.82	142.63	9,958.68	34,100.00	29.20%
6340.690 O&M DEPRECIATION	40,428.20	0.00	0.00	135,000.00	0.00%
6340.740 O&M EQUIP EXP / CAPITAL IMPR	0.00	0.00	0.00	12,000.00	0.00%
Total Maintenance	140,630.07	9,078.93	82,610.66	503,800.00	16.40%
Total Operating expense	266,533.48	21,105.69	190,395.94	934,300.00	20.38%
Total Income From Operations:	99,296.60	(15,653.08)	112,036.26	72,700.00	154.11%
Non-Operating Items:					
Non-operating income					
5520 Impact Fees	31,038.00	7,390.00	31,038.00	32,500.00	95.50%
5810 Transfer from General Fund	0.00	0.00	0.00	8,000.00	0.00%
Total Non-operating income	31,038.00	7,390.00	31,038.00	40,500.00	76.64%
Non-operating expense					
6340.820 O&M INTEREST EXPENSE	0.00	0.00	0.00	4,000.00	0.00%
6660.820 Admin INTEREST EXPENSE 1999 WATER BO	0.00	0.00	0.00	2,200.00	0.00%
6660.821 Admin INTEREST EXPENSE 2010 Water Reve	0.00	0.00	608.62	15,000.00	4.06%
9110 Transfer to General Fund	0.00	0.00	0.00	40,000.00	0.00%
9130.2 Transfer to DS CONT 2015 REFUNDING BOND	0.00	0.00	0.00	52,000.00	0.00%
Total Non-operating expense	0.00	0.00	608.62	113,200.00	0.54%
Total Non-Operating Items:	31,038.00	7,390.00	30,429.38	(72,700.00)	-41.86%
Total Income or Expense	130,334.60	(8,263.08)	142,465.64	0.00	0.00%

La Verkin City

Operational Budget Report

53 53 Irrigation - 07/01/2021 to 10/27/2021

33.33% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Percent Used
Income or Expense					
Income From Operations:					
Operating income					
5110 Irrigation Revenue	42,116.56	11.70	33,337.90	94,000.00	35.47%
5310 Irrigation CONNECTION FEES	4,568.00	700.00	2,950.00	3,000.00	98.33%
5410 Irrigation PENALTIES	167.76	45.59	192.17	1,000.00	19.22%
5530 Irrigation ASSESSMENT	5,110.43	0.00	4,668.41	30,000.00	15.56%
Total Operating income	**51,962.75**	**757.29**	**41,148.48**	**128,000.00**	**32.15%**
Operating expense					
6310.110 Irrigation SALARIES & WAGES	20,728.43	2,418.63	20,706.48	61,500.00	33.67%
6310.130 Irrigation EMPLOYEE BENEFITS	11,072.06	2,056.22	10,985.24	45,000.00	24.41%
6310.240 Irrigation OFFICE EXPENSE, SUPPLIES & PO	340.83	68.12	339.61	1,000.00	33.96%
6310.250 Irrigation EQUIPMENT OPERATING SUPPLIES	1,048.72	195.12	1,618.60	4,250.00	38.08%
6310.290 Irrigation TELEPHONE & COMMUNICATIONS	492.96	40.00	302.58	500.00	60.52%
6310.315 IrrigationCOMPUTER EQUIPMENT	862.00	134.98	903.05	500.00	180.61%
6310.450 Irrigation WATER MAIN REPAIR	1,133.67	1,289.90	6,128.10	9,000.00	68.09%
6310.510 Irrigation INSURANCE	0.00	0.00	0.00	3,000.00	0.00%
6310.690 Irrigation DEPRECIATION	6,891.11	0.00	0.00	22,500.00	0.00%
Total Operating expense	**42,569.78**	**6,202.97**	**40,983.66**	**147,250.00**	**27.83%**
Total Income From Operations:	**9,392.97**	**(5,445.68)**	**164.82**	**(19,250.00)**	**-0.86%**
Non-Operating Items:					
Non-operating income					
5490 Irrigation MISCELLANEOUS	0.00	50.00	50.00	0.00	0.00%
5520 Irrigation IMPACT FEES	12,734.00	7,030.00	21,552.00	19,250.00	111.96%
Total Non-operating income	**12,734.00**	**7,080.00**	**21,602.00**	**19,250.00**	**112.22%**
Total Non-Operating Items:	**12,734.00**	**7,080.00**	**21,602.00**	**19,250.00**	**112.22%**
Total Income or Expense	**22,126.97**	**1,634.32**	**21,766.82**	**0.00**	**0.00%**

SUNRISE ENGINEERING
11 North 300 West, Washington, Utah 84780
TEL 435.652.8450 | **FAX** 435 652 8416

September 21, 2021

LaVerkin City
Derek Imlay
435 North Main Street
LaVerkin, Utah 84745

Subject: Culinary Water User Rate Analysis

Dear Derek,

Sunrise Engineering, Inc. (Sunrise) is pleased to submit this Summary Report for the water rate structure analysis for the City of LaVerkin's water system. The City desired this analysis to better assess the culinary water usage of vacation rentals and bed and breakfast businesses. Because of this, our analysis focuses on the 5/8"-1" meters under the assumption these vacation businesses would not have larger meter sizes. It was determined that 3/4" and 1" meters could not be used for comparison purposes since the 3/4" meters are only used for residential meters and the 1" meters are only used for commercial meters. Because of this, the average annual usage and monthly water bill for both residential and commercial 5/8" meters from 2017-2021 was analyzed. It should be noted that data for 2021 was only available until June. To estimate the usage for the rest of the year the average increase from prior years was evaluated. This can be seen in Figure 1 below.

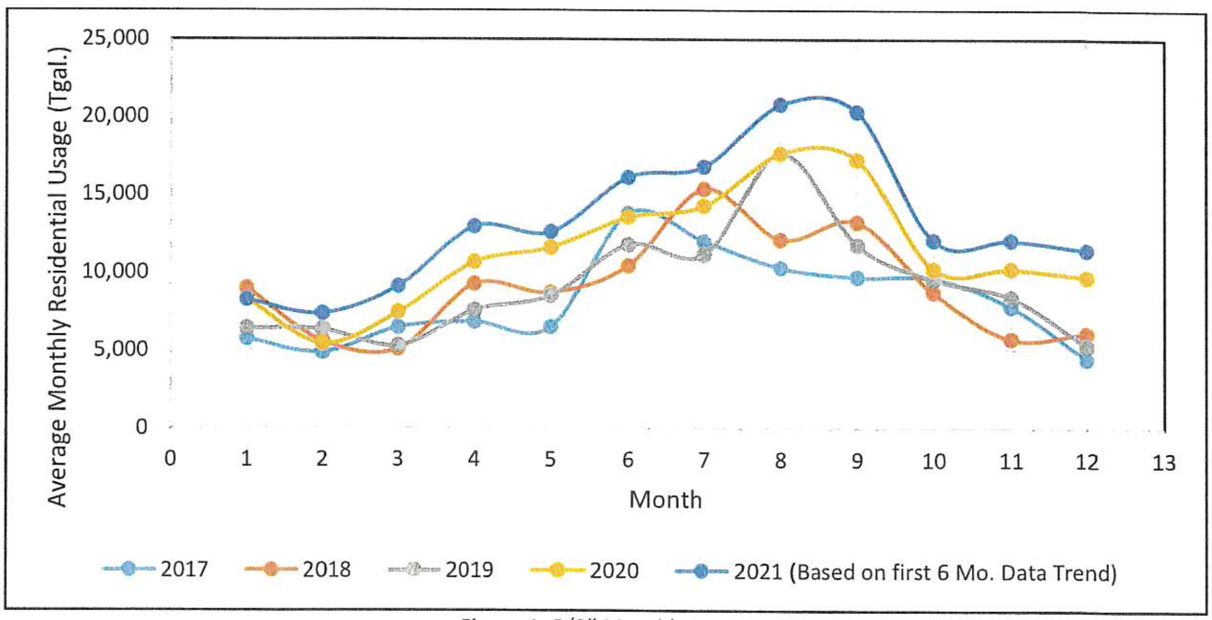

Figure 1: 5/8" Monthly Usage

The total number of installed residential and commercial meters is shown in Figure 2. The figure demonstrates that there has been significant growth in the number of installed meters in the past four years.

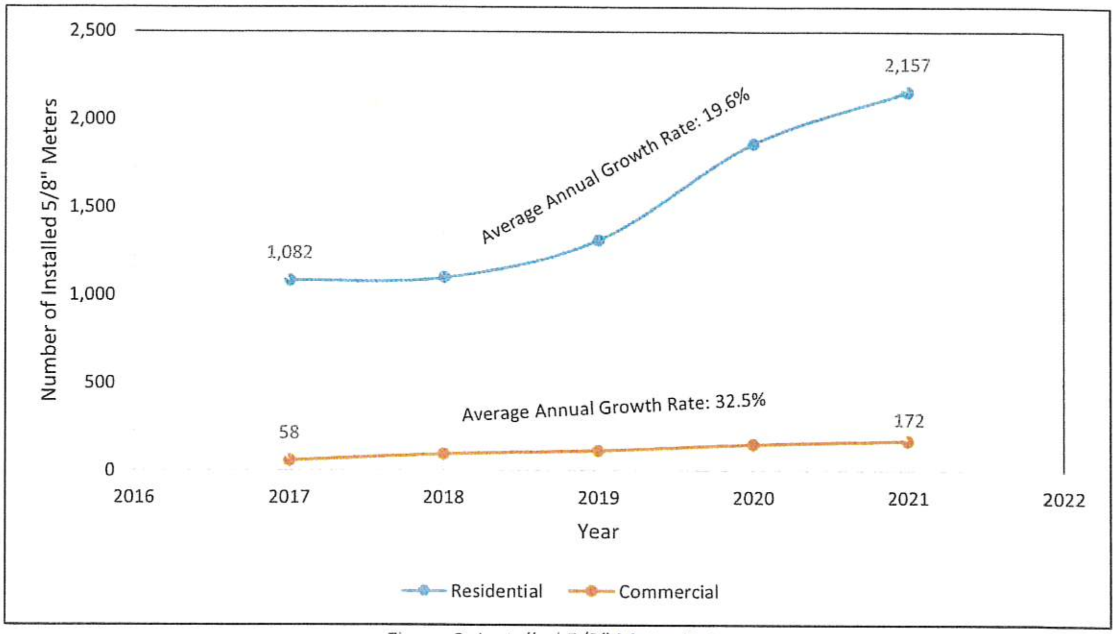

Figure 2: Installed 5/8" Meter Data

Dividing the average annual usage by the amount of 5/8" meters is shown in Figure 3. This was done to determine what a single user's average usage is in a year.

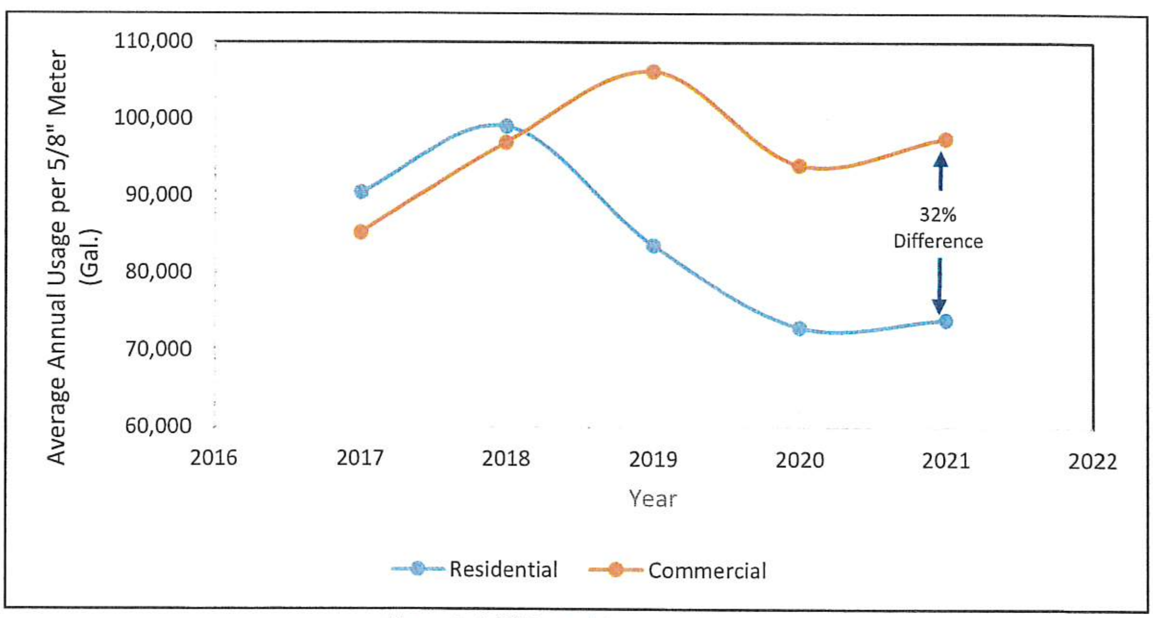

Figure 3: 5/8" Annual Usage per Meter

Comparing Figures 2 and 3, we see that historically there are substantially more 5/8" residential meters than commercial, but the commercial meters have more usage. Since 2019, the 5/8" commercial meters have had up to 32% more usage than the residential meters.

Table 1: 5/8" Meter Annual Usage (gal/meter)

Year	Avg. Res. Usage	Avg. Com. Usage	% Difference
2017	90,399	85,138	-6%
2018	99,015	96,853	-2%
2019	83,537	106,130	27%
2020	72,911	93,921	29%
2021	73,907	97,447	32%

This would suggest that the commercial users should pay approximately 32% more than the residential users should for usage. With the current rate structure, as shown in Figure 4 and Table 2 below, the average annual water bill is only 5% greater than the residential. If adjusted by a rate change ordinance, commercial rates on 5/8" meters could be as illustrated in Figure 4.

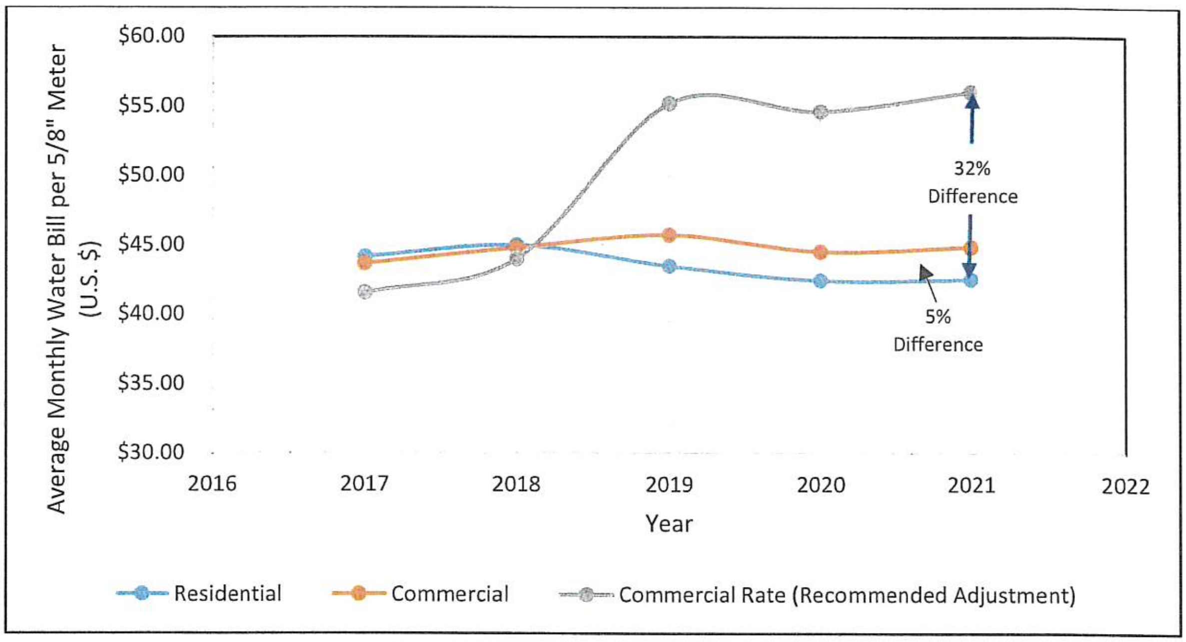

Figure 4: 5/8" Average Monthly Water Bill

Table 2: 5/8" Meter Average Monthly Water Bill

Year	Avg. Res. Bill	Avg. Com. Bill	% Difference
2017	$ 44.14	$ 43.62	-1%
2018	$ 44.99	$ 44.77	0%
2019	$ 43.46	$ 45.69	5%
2020	$ 42.42	$ 44.49	5%
2021	$ 42.52	$ 44.83	5%

To more accurately account for the usage commercial units are contributing, it is suggested that commercial meters receive a different water rate structure. Table 3 below shows an example of what the commercial meter average monthly bill would be if it reflected the same increase in usage (see Figure 4). It is recommended this be accomplished by increasing the tiered overage rates while keeping the current base rates the same. If the changes result in an average 5/8" commercial bill of $56.06 a month, LaVerkin city would see approximately $23,000 in additional revenue per year from 5/8" commercial meters. If the City is inclined to adjust a rate structure for 5/8" commercial meters, we could help with a set of alternative rate structures for consideration by the city.

Table 3: Adjusted 5/8" Commercial Meter Average Monthly Bill

Year	Avg. Res. Bill	Avg. Com. Bill	% Difference
2017	$ 44.14	$ 41.57	-6%
2018	$ 44.99	$ 44.01	-2%
2019	$ 43.46	$ 55.22	27%
2020	$ 42.42	$ 54.64	29%
2021	$ 42.52	$ 56.06	32%

Please call our office with any questions, 435.652.8450. Thank you for allowing us to assist with this analysis.

Sincerely,

Mori Gross, E.I.T.
Project Manager
Sunrise Engineering, Inc.

SUNRISE ENGINEERING
11 North 300 West, Washington, Utah 84780
TEL 435.652.8450 | FAX 435.652.8416

October 7, 2021

LaVerkin City
Derek Imlay
435 North Main Street
LaVerkin, Utah 84745

Subject: Culinary Water User Rate Analysis

Dear Derek,

Per your request, the City water rate structure has been analyzed and revised. After your review of the previous analysis summary, the 2021 meter value of 2,157 was changed to the more accurate value of 1,611. This resulted in a slight variation of results. Previously it was determined that the commercial 5/8" meters had 32% more usage than the 5/8" residential meters. With the decrease in meters this difference increased to 33%. This has been considered for the new water rate structure. Table 1 shows what the average bills for 5/8" residential and commercial meters are with the existing rate structure. Table 2 shows what it should be to cover the difference in usage commercial units are producing.

Table 1: 5/8" Meter Average Monthly Water Bill

Year	Avg. Res. Bill	Avg. Com. Bill	% Difference
2017	$ 44.14	$ 43.62	-1%
2018	$ 44.99	$ 44.77	0%
2019	$ 43.46	$ 45.69	5%
2020	$ 42.42	$ 44.49	5%
2021	$ 44.98	$ 48.15	7%

Table 2: Proposed 5/8" Meter Average Monthly Water Bill

Year	Avg. Res. Bill	Avg. Com. Bill	% Difference
2017	$ 44.14	$ 41.57	-6%
2018	$ 44.99	$ 44.01	-2%
2019	$ 43.46	$ 55.22	27%
2020	$ 42.42	$ 54.64	29%
2021	$ 44.98	$ 59.65	33%

There are many ways to change the rate structure to reach an average monthly water bill of $59.65 for 5/8" commercial meter. This report contains two recommended options that will ensure the City's desired revenue is met and that vacation rentals are paying appropriately for their usage.

Option 1:

This option separates residential and commercial use. The residential rate structure will only consist of meters 5/8"-1" in size and will have the same base and tier rates as the current structure adopted by the City.

Table 3: Proposed Residential Culinary Water Rate Structure

Meter Size	Base Rate	Tiered Rate above Base (per 1,000 gal)	Gallon Range for Tiered Rate Increase
5/8"	$35.25	$1.18	0 - 20,000 gallons
		$1.47	20,001 - 35,000 gallons
		$1.76	35,001 - Over gallons
3/4"	$50.25	$1.18	0 - 20,000 gallons
		$1.47	20,001 - 35,000 gallons
		$1.76	35,001 - Over gallons
1"	$88.45	$1.18	0 - 26,000 gallons
		$1.47	26,001 - 52,000 gallons
		$1.76	52,001 - Over gallons

The commercial rate structure will consist of all meter sizes and will have the same base rates as the current structure adopted by the City, but will have an increase of $1.05 for the tier rates to ensure the 33% difference in usage is addressed.

Table 4: Option 1 Proposed Commercial Culinary Water Rate Structure

Meter Size	Base Rate	Tiered Rate above Base (per 1,000 gal)	Gallon Range for Tiered Rate Increase
5/8"	$35.25	$2.23	0 - 20,000 gallons
		$2.52	20,001 - 35,000 gallons
		$2.81	35,001 - Over gallons
3/4"	$50.25	$2.23	0 - 20,000 gallons
		$2.52	20,001 - 35,000 gallons
		$2.81	35,001 - Over gallons
1"	$88.45	$2.23	0 - 26,000 gallons
		$2.52	26,001 - 52,000 gallons
		$2.81	52,001 - Over gallons
1-1/2"	$197.57	$2.23	0 - 58,000 gallons
		$2.52	58,001 - 116,000 gallons
		$2.81	116,001 - Over gallons
2"	$350.34	$2.23	0 - 102,000 gallons
		$2.52	102,001 - 204,000 gallons
		$2.81	204,001 - Over gallons
3"	$786.83	$2.23	0 - 230,000 gallons
		$2.52	230,001 - 460,000 gallons
		$2.81	460,001 - Over gallons
4"	$1,397.91	$2.23	0 - 410,000 gallons
		$2.52	410,001 - 820,000 gallons
		$2.81	820,001 - Over gallons
6"	$3,143.86	$2.23	0 - 922,000 gallons
		$2.52	922,001 - 1,844,000 gallons
		$2.81	1,844,001 - Over gallons

Option 2

This option uses the same residential rate structure presented in Option 1. The difference lies in the commercial rate structure. Instead of changing the tier rates, the base rates for the 5/8"-1" meters has been increased by $11.50. This ensures the 33% difference in usage is addressed.

Table 5: Option 2 Proposed Commercial Culinary Water Rate Structure

Meter Size	Base Rate	Tiered Rate above Base (per 1,000 gal)	Gallon Range for Tiered Rate Increase
5/8"	$46.75	$1.18	0 - 20,000 gallons
		$1.47	20,001 - 35,000 gallons
		$1.76	35,001 - Over gallons
3/4"	$66.64	$1.18	0 - 20,000 gallons
		$1.47	20,001 - 35,000 gallons
		$1.76	35,001 - Over gallons
1"	$117.31	$1.18	0 - 26,000 gallons
		$1.47	26,001 - 52,000 gallons
		$1.76	52,001 - Over gallons
1-1/2"	$197.57	$1.18	0 - 58,000 gallons
		$1.47	58,001 - 116,000 gallons
		$1.76	116,001 - Over gallons
2"	$350.34	$1.18	0 - 102,000 gallons
		$1.47	102,001 - 204,000 gallons
		$1.76	204,001 - Over gallons
3"	$786.83	$1.18	0 - 230,000 gallons
		$1.47	230,001 - 460,000 gallons
		$1.76	460,001 - Over gallons
4"	$1,397.91	$1.18	0 - 410,000 gallons
		$1.47	410,001 - 820,000 gallons
		$1.76	820,001 - Over gallons
6"	$3,143.86	$1.18	0 - 922,000 gallons
		$1.47	922,001 - 1,844,000 gallons
		$1.76	1,844,001 - Over gallons

Both of these options change the average monthly water bill be 5/8" commercial meters from $48.15 to $59.65. This should ensure vacation rentals have a more accurate fee, while other users are not affected.

Please call our office with any questions, 435.652.8450. Thank you for allowing us to assist with this analysis.

Sincerely,

Mori Gross, E.I.T.
Project Manager
Sunrise Engineering, Inc.