

## RESOLUTION 2024-07-002

### A RESOLUTION OF THE CITY COUNCIL OF HILDALE, UTAH, APPROVING AN INCREASE IN BILLING RATES FOR WATER USAGE IN THE CITY OF HILDALE

Page | 1

**WHEREAS**, the Hildale City Council finds it necessary and desirable for the preservation and protection of the health, safety, and welfare of the residents of Hildale; and

**WHEREAS**, a rate study was undertaken by the Rural Community Assistance Corporation to evaluate system solvency, prepare for asset replacement, ensure system covers debt service, maintain system for future generation; and

**WHEREAS**, a rate study is often required to pursue grants and loans, and

**WHEREAS**, the consequences of not raising rates enough can result in increased reliance on loans, reduction in reserves, inability to pay bills, inability to maintain systems, receiving possible violations; and

**WHEREAS**, guiding principles of this rate study sustainable, equitable, justifiable; and

**WHEREAS**, the Hildale-Colorado City Utility Advisory Board recommends increasing the Hildale-Colorado City Water Department billing rates for water usage to pay costs of water development and revenue stabilization for the Water Department identified in the Rate Study, Alternative 3.3; and

**WHEREAS**, water rates need to increase substantially to cover the anticipated upcoming expenses, asset replacement, and costs; and

**WHEREAS**, a delay in rate increases ultimately results in a greater rate increase later.

**BE IT HEREBY RESOLVED** by the City Council of Hildale, Utah adopts the Hildale-Colorado City Rate Analysis Proposed Alternative, Section 3.3, to take effect on September 1, 2024, as follows:

1. Increase first usage tier of 1" customers from 10k to 20k.
2. Reduce 2nd year base rate increase to reduce customer burden (18% to 13%).

3. Annual increases over five years.
4. Results in slight net loss of \$5,863 over five years.
5. Rates to be reviewed annually to ensure they are adequate in covering annual expenses.
6. A more thorough rate analysis should be done when additional debt is taken on and/or every five years.

**PASSED AND ADOPTED** by the Hildale City Council, Hildale, Utah, July 10, 2024.

---

Donia Jessop, Mayor

ATTEST:

---

Sirrene Barlow, Clerk/Recorder