

## Irrigation Rate Comparisons February 2015

### Payson

\$13.58- under ½ acre

\$20.37- ½ to ¾

\$27.16- ¾ to 1

### Lindon

\$8.00- under 11,000 sq. ft.

\$10.00- 11,000-21,000

\$15.00- 21,001-28,000

\$20.00- 28,001-40,000

\$30.00- 40,001-60,000

\$40.00- 60,001-80,000

\$50.00- 80,001-87,120

\$50.00 + \$3.00 per ¼ acre- Over 2 acres

Weber/Davis area- See attachments

Hyrum City Rates				
Acres	Current	# Connections	Proposal (1)	Proposal (2)
.00 to .50 -	\$10.10	1631	\$13.10	\$13.60
.51 to 1.00-	\$12.28	271	\$16.00	\$16.63
1.01 to 1.25-	\$13.36	110	\$17.42	\$18.09
1.26 to 2.49-	\$16.20	82	\$21.15	\$21.93
2.50 to 3.74-	\$21.46	24	\$28.65	\$29.81
3.75 to 4.99-	\$27.20	4	\$36.20	\$37.73
5.00 to 9.99-	\$34.21	7	\$46.25	\$48.24
10.00 to 14.99-	\$49.56	0	\$66.90	\$69.85
15.00 to 19.99-	\$70.12	2	\$97.30	\$101.34
20.00 +	\$94.29	1	\$130.60	\$136.19
Mt. Crest	\$490	1	<u>\$550</u>	<u>\$575</u>
Yearly increased revenue-			\$86,373.36	\$101,063.40

There also probably will also need to be some adjustment to the farmers that we pump to. They each pay their own water share assessments so their impact is not as great on the city. We also may want to add some room for waivers on those that have for example a 2 acre lot but only water a small portion around their house. We could handle that with a written agreement on a case by case basis when requested by the property owner.

## NOTES:

As the auditors have indicated we are always running a deficit in the irrigation system when depreciation of roughly \$210,000 per year is added in. In seven years, when this depreciation is removed, the numbers will look good on the books but we will still need to deal with the upgrading of the system going forward. The auditors have continually been asking us to begin dealing with this situation. We have a roughly \$835,000 surplus in this account, which puts the city in good shape for dealing with emergencies and some capital improvements. The upcoming capital improvement costs are: piping the Little Feeder ditch (most of this will be covered by adjoining land owners, but the city will be responsible for a section of this), and adding a pump station on the Little Feeder. Canal company assessments have been rising as government regulations and other costs have driven up expenses. The yearly shortfall to cover the depreciation of the system has been between \$85,000 & 100,000 per year. I have added a couple of proposals for closing the gap. You may want to consider doing it in two stages, half of whichever proposal you go with now, and then another increase in a few years to cover the rest. The first proposal raises rates from roughly 30 to 38 percent and the second proposal from 35 to 44 percent. These adjustments in full are pretty big increases for one year so you may want to break this in to two. Our rates are generally very low compared to other systems in the state so that helps in comparisons. Also be aware that this budget year's gap will be a little wider than normal because of the attorney fees and the Little Feeder Project.

Hyrum City has a real treasure in its irrigation system. Past leaders have made some great decisions in putting this large and complicated project together. To have the number of water shares, etc., that the city has acquired was a huge accomplishment.