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Public Hearing for Torrey Water System and Future Needs

May 11, 2023

6:30 PM – Torrey Town Park Pavilion

VIA Zoom – <https://us02web.zoom.us/j/82754704543?pwd=am52Ym9zZ0VvUUw0dDNGZDBuQzE1QT09>

Comments may be given in person at the Public Hearing or emailed to towncouncil@torreyutah.gov
by **6:30 PM May 11, 2023**

This hearing is to provide information and suggested alternatives to keep our water system solvent and to provide adequate water for future growth.

Background: The Torrey water system has a history of water delivery problems over the years. In order to avoid future crises, we have been working with the town's engineering firm to study our needs. Torrey water supply will be below the State-required minimum by 2027 with our current growth rates. The State of Utah requires this for fire protection and public health.

Expected Growth: Torrey's water district currently has 446 residential water connections and is expected to grow 3.5% per year. After five years there will be 510 residential water connections. This is approximately 15 new connections a year. The average residential usage is 8,000 gallons per month with 19% of residents using more than 20,000 gallons, and 14% using more than 30,000 gallons.

Reasons for Water Rate Increases: There are two reasons for increasing water rates.

1 - ***The current in-town rate of \$32 was set in 2016.*** To have the same purchasing power today would require a rate of \$42.63. This money is used to pay for maintenance and any required repairs. Recently repairs were made to a broken water line and the repair bill is over \$66,000.

2 - ***The expected growth in Torrey will require the town to increase its available water supplies*** – both for uninterrupted delivery and as required by the State. Thousand Lake Mountain no longer has any available water, therefore Torrey will have to obtain water south of Torrey within five to six years. This will require transferring existing water rights, purchasing land, drilling a well, and running water lines from the well site to Torrey. The current estimated cost is \$3-5 million. Most of this will be funded by grants though federal, state and local agencies; however, to obtain any of these grants Torrey will be required to pay ten to twenty percent of the total cost, which is \$300,000 to \$1 million.

Revenue Options: We are looking at options to increase water revenue.

1- **Significantly increase new water connection costs.** This would require people building new homes to pay the most for the costs associated with new growth. There are issues with such a strategy that would affect low- and moderate-income people (i.e., restaurant and hotel staff) that support the businesses in Torrey.

2 – **Increase Water Rates:** In comparing Torrey water rates we are below most towns of our size.

For comparison Bicknell charges a monthly fee of \$35 and their usage tiers begin at 0 gallons. They are proposing to increase the monthly fee to \$50.

Teasdale’s base rate is \$30, and the first tier begins at 30,000 gallons.

Loa’s base rate is \$40, and the first tier begins at 6,000 gallons.

The table below compares these rates if a resident uses 30,000 gallons for water.

Town	Cost/30,000 gallons
Loa	\$89.08
Bicknell*	\$163
Teasdale	\$30
*Bicknell has a secondary water system	

Please refer to the handout “Wayne County Town Water Rates” for additional details.

Fee Structure Alternatives: Three possible alternative fee structures have been recommended by our engineering firm, Ensign Engineering. The town council may choose one of these alternatives, some combination of the three, or some other alternative.

1 - **Increase the base residential rate by \$12 with no changes to the water usage.** This increases the in-town base rate to \$44, and the out-of-town rate to \$56. The commercial connection’s base rate increases by \$20. This would result in an estimated increase in revenue of \$74,472/yr.

2- **A \$5 dollar increase in the base rate and all tiers decrease by 10,000 gallons.** Increase the in-town base rate to \$37, and the out-of-town rate to \$49. Increase the commercial connection tier rates by \$2. This would result in an estimated increase in revenue of \$86,726/yr.

3 - **A \$5 dollar increase in the base rate.** The in-town base rate would be increased to \$37, and the out-of-town rate would increase to \$49. All commercial connection’s tier rates would increase by \$4. The tiers for both residential and commercial would be changed to:

- 0 – 15,000: \$37
- 15,000 – 25,000: \$6/1000 gal
- 25,000 – 40,000: \$8/1000 gal
- 40,000 – 50,000; \$12/1000 gal

This would result in an estimated increase in revenue of \$127,219.

For further information see the handout “Water Usage & Recommended Billing Alternatives”