

**Moab City Council Agenda Item**  
Meeting Date: March 9, 2021

**Title:** Sewer Rate Change for Institutions.

**Presenter:** Joel Linares

**Attachment(s):**

- Zions Public Finance Letter

**Suggested Motion:** There is not a suggested motion as this item is for discussion and direction only.

**Background/Summary:**

In the spring of 2019, religious institutions approached the City of Moab to have their sewer rates reconsidered. These institutions were having their sewer rate calculated based on a commercial user rate. Commercial users have their sewer rate calculated based on their water use on a month-to-month basis. Residential users have their sewer rate calculated by taking their winter water use and apply this average throughout the year. The religious institutions wished to use the residential calculation as they felt they were being billed for sewer which included summer water use that was being used to irrigate landscaping which therefore never entered the sewer system.

The City of Moab has been working with Zions Public Finance (Zions) to determine the economical impact of the requested change to include religious and educational institutions. This analysis includes possible remedies to this issue presented. Zions performed an analysis of the proposed change and determined that it would cause a reduction in approximately \$17,345.00 in collected sewer rates.

There are three possible options for moving forward with this request:

Option 1: Do not adjust the rate and continue to calculate institutions under a commercial rate structure.

Option 2: Change the institutions to a similar standard of the winter residential calculation and adjust the rates of all other users throughout the system as outlined in the letter provided by Zions to recoup the lost revenue.

Option 3: Change the institutions to a similar standard of the winter residential calculation and do not adjust the rates of all other users through the system to recoup this lost revenue. In 2019-2020, sewer's revenue was \$288,591. This revenue was budgeted to be spent in its entirety in capital sewer projects.