

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF THE TOQUERVILLE
SECONDARY WATER SYSTEM
WASHINGTON COUNTY, UTAH**

Meeting date: August 1, 2024
Time: 6:00 p.m.
Location: 212 Toquerville Blvd, Toquerville, UT 84774
Participants: Board members including Joey Campbell, Dave Jessop, Ty Bringhurst, Zach Renstrom, and Mindy Mees. Justin Sip was not present.
Other meeting attendees are noted on the attached sign-in sheet.

Presentation of proposed annual assessment rate increase.

Dave Jessop presented the annual assessment rate increase. The current fee for ½ acre or less is \$254, proposed increase is \$330, the current fee for ½ to 1 is \$372, proposed increase is \$484, the current fee for per acre for agricultural is \$118, proposed increase is \$153, and the current fee for standby is \$135, proposed increase to \$176.

Ty Bringhurst explained that the District is funding the TSWS system for Toquerville City. Toquerville Secondary Water System (TSWS) needs to financially self-sustaining by adjusting rates, preparing it for eventual transfer to Toquerville City. Increasing rates would help cover the system's operational costs, ensuring that it can stand independently when the transition happens.

Mr. Jessop also explained the O & M expenses for 2023 was \$162,771.00, and \$50,714.00 for utilities. For 2024 as of May 30, 2024 O & M expenses are \$69,921.00 for utilities \$1,540.00. The system is barely in the operation season, so the numbers will go up.

Public Hearing to levy the Annual Assessments within TSWS Service Area

Dave Jessop opened the public hearing for comment.

Anita Eaton commented that she is a residential and agricultural user. The question Anita asked is when the new reservoir comes in will all the secondary water be under the reservoir, and will the pressure be coming through gravity feed as opposed to a pump?

Mr. Jessop commented that the reservoir will be discharged into the upper pond, and that will change with a new source of water going into it. It will still be regulated pressure for the system.

Ms. Eaton also asked when was the last time rates were raised? Mr. Jessop commented last year and to his knowledge the rates have not been increased tell about three years ago. Ms. Eaton commented that she totally understand the need to be self-sufficient and not necessarily opposed to the rate increase, yet it sure hits.

Ms. Eaton asked why TSWS is imposing water restrictions and assessing penalties instead of obtaining additional water sources, which was in the original agreement.

Richard Hirschi asked why does Hurricane City and LaVerkin City not have any restrictions on their water?

Zach Renstrom commented that their systems are completely different, and they do have limitations on their system.

Mr. Hirschi also asked if there are any AG user being told that they can water in the evenings?

Mr. Jessop commented that there are two exceptions, one is allowed to run from Sunday to Tuesday, and the other one was approved due to pressure issues.

Ty Bringhurst read an email from Cody & Andrea Allred. I cannot attend tonight's meeting but wanted to express our concern. While all things have had impact from the economy a 30% increase seems astronomical. Water for culinary and secondary are slated to rise and with this being a basic need we feel the increase amount should be reevaluated. Many on fixed incomes cannot sustain the constant increases. This area is growing exponentially, and it feels like the burden is being placed back on existing residents instead of builders or those wishing to build here. Please step back and consider the needs of the current residents and adjust the increase in a way that will not hurt the current residents.

Public hearing was closed with a motion from Ty Bringhurst and seconded by Joey Campbell, and all voted aye.

Ty Bringhurst made a motion to approve the 2024 water assessment as presented, the motion was seconded by Joey Campbell, and all voted aye.

Consider resolution authorizing the levy of contract assessments for 2024 within the TSWs Service Area.

Ty Bringhurst made a motion to approve resolution authorizing the levy of contract assessments for 2024 within the TSWs service area, the motion was seconded by Joey Campbell, and all vote aye.

Discuss Water penalties

Ty Bringhurst explained the current water penalties. After a water waste complaint has been received and verified, a warning notice will be sent for the first two verified violations. If a third violation is found valid, a fine of twice the annual assessed value of the parcel will be charged. A fourth valid water abuse complaint will result in a fine three times assessed value. If this continues to a fifth water waste complaint, the water will be shut off for the rest of the season. One of the issues that came up and need more clarity is how long does the warning continue, is it for that water season or 24 months, or 36 months.

It was suggested to have Mindy Mees clarify the language and bring it back to the next board meeting.

Anita Eaton asked had there been any other fines that have gone out besides the one that she is aware of.

Mr. Jessop commented not of which he is aware. Mindy Mees said she has not sent any out. Ms. Eaton asked if the letters go out to residential users and are they verified they are on the system?

Ms. Mees commented yes, they are verified that they are on the system.

Ms. Eaton asked what happens to the violators that are not on the system.

Mr. Bringhurst said that would need to be a conversation with the city council.

Ms. Eaton also asked if there are users that are violating the rule, what can the citizens do?

Mr. Jessop commented that the District has staff on the TSWs system, but they do not have time to police the water. Ms. Eaton asked if the citizens send in photos of violators. The answer was yes with a time stamp and address.

Richard Hirschi commented that he will not send pictures in because it is BS. He explained that when he lived in Toquerville somebody threatened to turn him in, so he called in and explained that he waters the front eight minutes twice a day, and if he runs it more than that it runs down the ditch. Mr. Hirschi said let's be careful with this and not throw out fines, let us use wisdom with this and not govern the people.

Discussion and consideration for approval of May 7, 2024 TSWs Board Minutes

Ty Bringhurst made a motion to approve May 7, 2024 board meeting minutes, the motion was seconded by Joey Campbell, and all voted aye.

The meeting was adjourned.

Secretary

Toquerville Secondary Water System

FEE SCHEDULE 2025

Water Availability Fee for 10,000 sf residential lot	\$5,193
Water Availability Fee for every sf over 10,000 sf	\$1.0386
Residential Water Service (up to one acre)	$\frac{1}{2}$ acre or less: \$330 $\frac{1}{2}$ to one acre: \$484
Agricultural Water Service (more than one acre)	\$153 per acre
Annual Standby Fee	\$176.00
Late fee	Twenty-five percent (25%)
Interest rate	One and one-half percent (1½%) per month

*Service shall be supplied through a 1-inch connection for 1/2 acre or less; 1-inch for one acre or less; and 2 inches for 1-5 acres and 4-inches for 5 or more acres.



Need for Annual Assessment Increase

Situation

Additional funding is needed by the Toquerville Secondary Water System (TSWS) for the operation, maintenance, repair, and replacement of infrastructure required to deliver secondary irrigation water to retail customers in its service area.

Background

TSWS delivers secondary water to retail customers in its service area. If annual assessments are not increased, approximately \$185,000 would be collected in revenues for the system this year.

Analysis

Table 1 summarizes 2023 and 2024 year-to-date system expenses. Department operation and maintenance expenses are allocated based on estimated resources requirements of system facilities. Last year, the district had approximately \$213,000 in expenses in TSWS and collected over \$202,000 in revenues. It is estimated that system expenses will approach \$272,000 in 2024 due to inflation of all costs and continued maintenance of the system.

Table 1. TSWS expenses by year.

Expense	2023	2024 (May 30)
Operations & maintenance	\$162,771	\$69,921
Utilities	\$50,714	\$1,540
TOTAL	\$213,485	\$71,461

Increasing the annual assessments by 30% will increase the anticipated annual revenues to approximately \$241,000 per year. Additional increases will be needed in the future to fund operation and maintenance expenses and future repair and replacement projects.

Recommendation

It is recommended that the board adopts a resolution to increase annual assessments by 30% from current fees, as shown in Table 2.

Table 2. Fees by connection type.

Connection type	Current fee	Proposed fee
<1/2 acre	\$254	\$330
>1/2 to 1 acre	\$372	\$484
Agricultural (acres)	\$118	\$153
Standby	\$135	\$176

Pending subsequent financial analysis, regular increases are likely to be recommended in future years to cover inflation and adequately fund operation, maintenance, repair, and replacement of infrastructure in TSWS.

**A RESOLUTION OF THE TOQUERVILLE SECONDARY WATER
SYSTEM BOARD AUTHORIZING THE LEVY OF CONTRACT
ASSESSMENTS FOR 2024 WITHIN THE
TSWS SERVICE AREA**

WHEREAS, the Toquerville Secondary Water System (TSWS) Board administers the provision of water to the TSWS Service Area; and

WHEREAS, the TSWS board desires to assess the water users in the TSWS Service Area water contract assessments through the 2024 tax rolls; and

WHEREAS, the annual contract assessment on the tax rolls of property owners within the Toquerville Water Service Area in 2024 was as follows:

Current Annual Assessment

Lot size or User Classification	Annual Assessment
Less than a ½ acre lot	\$254
½ to 1 acre lot	\$372
Agriculture	\$118
Standby	\$135

WHEREAS, due to increased operation and maintenance costs, the annual contract assessments need to be increased;

NOW, THEREFORE, the Toquerville Secondary Water System Board hereby authorizes the annual contract assessment to increase as follows:

Proposed Annual Assessment Increase

Lot size or User Classification	Annual Assessment
Less than a ½ acre lot	\$330
½ to 1 acre lot	\$484
Agriculture	\$153
Standby	\$176

DATED this 1st Day of August, 2024.

Dave Jessop, Vice Chairman

Attest:

MINDY MEES, Secretary

VOTING:

Ty Bringhurst	Yea	<u> x </u>	No	<u> </u>
Zach Renstrom	Yea	<u> x </u>	No	<u> </u>
Joey Campbell	Yea	<u> x </u>	No	<u> </u>
Dave Jessop	Yea	<u> x </u>	No	<u> </u>