



**MINUTES
BOARD OF TRUSTEES PUBLIC MEETING**

Meeting date: June 2, 2025
Time: 6:00 pm
Location: 533 East Water Works Drive, St. George Utah 84770
Participants: Board members Ed Bowler, Rick Rosenberg, Clark Fawcett, Victor Iverson, Michele Randall, and Kress Staheli. Adam Bowler was not present. District staff included Zach Renstrom, general manager; Mindy Mees, secretary; Jodi Richins, general counsel; Brie Thompson, and Corey Cram; associate general managers. Other meeting attendees as noted on the attached sign-in sheet.

Public hearing regarding proposed potable water wholesale rate increase
Public hearing regarding proposed non-potable water wholesale rate increase

Treasurer, Budget, and Finance Manager Jacob Sullivan explained that similar to the rate adjustment approved at the June board meeting last year, the district is proposing a \$0.15 per 1,000 gallons increase to both the potable and non-potable wholesale rates.

Chairman Ed Bowler opened the hearing for public comment.
There were no comments, and the public hearing was closed.

Public hearing regarding proposed non-potable water wholesale rate increase

Chairman Ed Bowler opened the hearing for public comment.
There were no comments, and the public hearing was closed.

Consider resolution approving potable water wholesale rate increase
Consider resolution approving non-potable water wholesale rate increase

Trustee Rick Rosenberg made a motion to approve the resolutions for potable water and non-potable water wholesale rate increase, the motion was seconded by Michele Randall and a roll call vote was taken as follows:

Ed Bowler	Yes
Rick Rosenberg	Yes
Clark Fawcett	Yes
Victor Iverson	Yes
Michele Randall	Yes
Kress Staheli	Yes

Public hearing to levy the annual contract assessment within the Kolob Water Service Area

Treasurer, Budget, and Finance Manager Jacob Sullivan explained the Kolob Water Service Area is unique in that it is billed through Washington County property tax rolls. Washington County collects the assessments and remits the revenue to the District annually. For 2025, total budgeted costs are approximately \$89,000. If 2024 rates were maintained, the system would only generate about \$78,000, resulting in a \$11,000 deficit. Historically, this system has operated at a loss and been subsidized by other systems within the District. The District is proposing a 15% rate increase. Under the proposed increase, the fee for standby connections will increase from \$360 (2024) to \$410 (2025) and the fee for active connections will increase from \$480 (2024) to \$550 (2025). Although the annual assessment covers the whole year, the system is operational only during the five-month irrigation season June through October. If adopted, the proposed rate increase would bring total projected revenue to just over \$89,000, making 2025 potentially the first year the system breaks even. Any surplus would be allocated to a repair and replacement reserve.

Mr. Sullivan also explained that staff is currently conducting a feasibility study on converting the Kolob area to a metered system, where water usage would be tracked monthly. While this would allow for more accurate billing based on actual consumption, it would also introduce higher costs due to increased staffing and infrastructure needs. The study will include cost estimates and a proposed rate structure and is expected to be presented to the board within the next few months.

Chairman Ed Bowler opened the hearing for public comment.

Hurricane City Mayor Nanette Billings commented that the district has been subsidizing the system because the rates have not been sufficient over the years. Last year it was mentioned that the rates were not where they needed to be, but at least now it is getting closer. Ultimately, it is better and fairer for the people using the system to be the ones paying for it.

There were no other comments, and the public hearing was closed.

Public hearing to levy contract assessments for water exchange contracts in the Kolob Area

Treasurer, Budget and Finance Manager Jacob Sullivan, explained that the district has six water exchange contracts in the Kolob Area that allow certain individuals to use the district's water rights within their own water systems. The district charges these users a fee for the right to use the water right. The fee for using the district's water rights is assessed on the property tax of the contract users.

Chair Bowler opened the hearing for public comment.

There were no comments, and the public hearing was closed.

Consider resolution authorizing the levy of assessments for 2025 within the Kolob Water Service Area

Trustee Clark Fawcett made a motion to approve the resolution authorizing the levy of assessments for 2025 within the Kolob Water service area as presented, the motion was seconded by Victor Iverson and a roll call vote was taken as follows:

Ed Bowler	Yes
Rick Rosenberg	Yes
Clark Fawcett	Yes
Victor Iverson	Yes
Michele Randall	Yes
Kress Staheli	Yes

Consider resolution authorizing the levy of contract assessments for 2025 Water Exchange Contracts in the Kolob area

Trustee Clark Fawcett made a motion to approve the resolution authorizing the levy of contract assessments for 2025 Water Exchange Contracts in the Kolob area, the motion was seconded by Victor Iverson and a roll call vote was taken as follows:

Ed Bowler	Yes
Rick Rosenberg	Yes
Clark Fawcett	Yes
Victor Iverson	Yes
Michele Randall	Yes
Kress Staheli	Yes

Consider approval of impact fee waiver for Switchpoint

Government Affairs Director for the City of Saint George, Shawn Guzman and CEO of Switchpoint, Carol Hollowell expressed thanks to the board for the forbearance of the impact fees on the existing Switchpoint homeless shelter facility.

Ms. Hollowell reported that Switchpoint's new shelter includes 16 family rooms, which can accommodate around 46 beds, depending on family size. The facility has transformed the outdoor space by removing all the grass, which used to require a lot of mowing, and replaced it with zero-scaping to conserve water. The new shelter has a fully equipped commercial kitchen, which is an upgrade from the previous three-burner kitchen. The upgraded kitchen has made a big difference since the facility currently serves over 300 meals a day. Previously, people could not eat inside the facility due to lack of space, but now they can get out of the cold and enjoy their meals comfortably. Behind the shelter is a hydroponic garden with about 160 towers that recirculate water efficiently. The garden grows roughly 100,000 plants a year, including lettuces, herbs, and kale.

Mr. Guzman explained that Studio 6 was purchased by Switchpoint and is undergoing some major changes. Right now, the building is being completely gutted. It been taken all the way down to the studs. The plan is to not only renovate and transform it into a much more attractive and welcoming facility, but also to add a brand-new expansion to increase its capacity and help house more people in need.

Ms. Hollowell said that during COVID, there were some emergency funds made available, and Switchpoint was fortunate to use those to purchase the hotel about four years ago. At that time, 50 individuals who were living in deep poverty, which is defined as making 30% or less of the area median income, moved into the facility. The program specifically focused on senior citizens over the age of 62 and veterans, two groups who are often most vulnerable. From the beginning, Switchpoint saw that the property had incredible potential, especially with the size of the lot. Switchpoint applied for a Low-Income Housing Tax Credit, and that was awarded this past December. With that funding, Switchpoint is planning to build 60 brand-new units behind the existing structure. At the same time, Switchpoint will upgrade the current building to meet code and transform it into studio apartments. There will be a total of 110 units, all designated for seniors 62 and older. That is a significant improvement in Switchpoint's ability to serve this population. If everything stays on schedule, we expect to have the project fully completed in about 11 months.

Mr. Guzman said that the plan includes adding 60 new housing units, and the water impact fee assessed by the Water Conservancy District has been calculated at \$343,777. Tonight, Switchpoint is here to formally request another forbearance on those fees. The goal is to redirect that funding back into the project itself, where it can have a more immediate and meaningful impact. This project is going to be a great addition to the community. Not only is this project meeting a real and urgent need particularly for seniors and veterans, but it is also being designed with water conservation in mind. This development will actually use significantly less water than what was previously on the site. Water-intensive features like grass and a pool have been removed and the new units and renovated building will be equipped with water-efficient fixtures throughout. Mr. Guzman said that Switchpoint is helping to meet the growing demand for transitional and affordable housing in the city. St. George has been actively looking for ways to create more housing like this because the need is so high. This is a smart, sustainable investment in the community's future.

Trustee Michele Randall commented that when Gary Esplin was the St. George City city manager, the city had the Dixie Care and Share program. At the time, Mayor Randall's father served as the LDS Church's transient bishop, a role dedicated to helping people experiencing homelessness. Individuals and families could go there to receive vouchers and other forms of support. Trustee Randall said she remembers how heartbreaking it was to see children come in with bed bug bites literally covering their entire bodies. Trustee Randall said that her mother was absolutely mortified by the suffering she saw. So, when this building became available and Gary Esplin suggested turning it into a shelter, there was a huge outpour of support from the community.

Ms. Randall also commented that she has had the opportunity to be there when Senator Mike Lee toured the facility and when Congressman Chris Stewart visited. Both of them walked away impressed, saying, 'This is exactly what a government solution should look like.' Carol Hollowell has become such a leader in this space that they keep pulling her up north to help solve homelessness issues there. Trustee Randall said that Carol Hollowell knows what she is doing, and it shows in the outcomes. This facility has become more than just a shelter it is a place of dignity and stability. Trustee Randall said that if you are an elderly individual, a retired veteran, or someone simply unable to afford traditional housing, Switchpoint gives you a real, safe option. St. George city did the same with River Walk apartments. The apartments are beautiful, yet they are designed specifically for families in need. It shows that affordable housing can be high-quality housing. Trustee Randall said that she truly believes St. George City has led with heart in these efforts. It is important to remember that Switchpoint is not just addressing homelessness in St. George it is a county-wide issue. Trustee Randall said that when the District supports projects like this, it is not just helping one group or one city. It is making a broader impact.

Trustee Victor Iverson said he agrees with Mayor Randall and that Switchpoint really carries the weight on this issue for the entire county. Trustee Iverson thanked the City of St. George for continuing to step up in such a meaningful way. Mr. Iverson also asked if there is some sort of residency requirement.

Ms. Hollowell responded that Switchpoint received approximately \$600,000 in Community Development Block Grant (CDBG) funding from the City. As a condition of that funding, a deed restriction was signed requiring that residents must have lived in Washington County for at least three years. She noted that this residency requirement applies across all of Switchpoint's housing projects, reflecting their commitment to prioritizing services for local residents.

Trustee Kress Staheli commended Mayor Randall, Shawn Guzman, and Carol Hollowell for their leadership, and said this is what local government should do, help maintain the humanity and dignity of individuals in our community. Mr. Staheli also commended Switchpoint for repurposing an existing structure.

Trustee Michele Randall made a motion to approve waiving the impact fee for SwitchPoint, the motion was seconded by Victor Iverson and all voted aye.

Presentation of 2024 Audit

McKay Hall with HintonBurdick CPAs & Advisors presented the district's 2024 audit report. Mr. Hall stated that the audit was conducted in accordance with auditing standards accepted in the United States of America. The auditor's objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatements. Misstatements are considered material if there is a substantial likelihood that individually, or in aggregate, they would influence the judgement made by reasonable user based on the financial statements. Also, since the district is a local government, the audit adhered to the standards applicable to the financial audits contained in the Governmental Auditing Standards, issued by the Comptroller General of the United States.

Mr. Hall reported that there are no material weaknesses or significant deficiencies this year.

The equity for the District was \$644,011,959. as of December 31, 2024. The district's total net position increased by \$81,941,007. Governmental activities increased by \$70.1 million and business type activities increased by \$11.9 million. The classification of net position is \$258,051,158. in capital assets, restricted is \$303,106,147. and unrestricted is \$82,854,654. The general fund shows total assets, total liabilities, and total fund equity. The general fund shows a healthy balance sheet which is reported on a modified accrual basis. The modified accrual basis does not reflect long-term debt or capital assets. The district's cash trend

increased in the last five years. The general fund cash trend shows a strong cash position. The general fund has excess revenues over expenditures. The excess funds are moved to the Capital Project Fund. The Virgin River Program has broken even over time. It is expected that there will be some years where revenues exceed expenses and some where expenses exceed revenue. The revenues in excess of expenses in 2021, 2022 and 2023 were partially used in 2024. Remaining amounts continue to be held and are restricted for use of projects and activity that fall in line with the purpose of the funds. The Capital Fund typically builds up resources over time and then expends those accumulated funds over a relatively short period of time, due to the significant costs of capital projects. The capital projects fund has had revenue in excess of expenditures in 2020 through 2022 and in 2024. In 2023 the District incurred \$54 million of expenditures due to large capital asset projects. Cash in the Capital Projects fund has built up as revenues have exceeded expenses in four of the last five years. In 2023 cash decreased due to large capital projects. The Proprietary Fund is more like a business in nature. It needs to have net income, build up a reserve and does not pay out dividends. It utilizes accrual accounting, tracking long-term assets and liabilities. It needs to build up those resources to provide services, utilities, infrastructure, and assets that over time will need to be replaced. The Proprietary Fund has \$48,928,775 restricted and \$83,849,020 unrestricted.

Zach Renstrom advised the board to anticipate shifts in project trends over the coming years. He noted that several major projects have recently been approved including Chief Toquer Reservoir, water tanks, and the water treatment plant and that these developments will significantly shape priorities and expenditures moving forward.

Mr. Hall commented that he wants to thank the District's financial team. Mr. Hall said that the team worked very hard to ensure everything was done correctly and properly, they have been great to work with, and that Mr. Hall truly appreciates their efforts.

Trustee Clark Fawcett made a motion to accept the 2024 audit, the motion was seconded by Victor Iverson and all voted aye.

Consider approval of trail agreement with Ivins City

Zach Renstrom explained that the District is updating its master plan and as a result of this planning effort, it was determined that the proposed Dry Wash Reservoir project could likely be deferred for an extended period, if not indefinitely. However, the District still intends to retain ownership of the property in case future conditions warrant reconsideration of the project. The City of Ivins has approached the District with a request to develop a non-permanent dirt trail through the property. The intent is to allow public use for hiking and biking. This proposal includes a provision that if the District needs the land in the future or decides to sell it, the city agrees to remove the trail or make other arrangements to accommodate the District's plans.

Trustee Kress Staheli made a motion to approve the trail agreement draft as explained by Zach Renstrom with Ivins City, the motion was seconded by Rick Rosenberg and all voted aye.

Consider approval of agreement with Hurricane Fire District to build a fire station on District property

Zach Renstrom explained that the Hurricane Valley Fire District wants to construct two new fire stations on District-owned property.

The first proposed site is near Sand Hollow Reservoir. The Hurricane Valley Fire District would like to build a large fire station which would also include facilities for firefighter training. The project would require approximately 5 to 10 acres of land.

Mr. Renstrom emphasized the environmental sensitivity of the area, noting that it is considered critical land due to its proximity to groundwater resources. He shared that he had a productive discussion with the Fire Marshal, who acknowledged the environmental concerns and indicated they would be willing to sign an agreement limiting the use of chemicals and types of truck maintenance allowed on-site to protect groundwater quality.

The second proposed site is near Kolob Reservoir. Currently, the district leases the land for agricultural use, with some grazing taking place. The proposed location is directly across from the small seasonal store near the reservoir.

Hurricane Valley Fire District is proposing a multi-purpose building that would serve both the Fire Department and the Sheriff's Office. In addition, the district would benefit from the inclusion of office space and a small storage area to support staff who regularly service the Kolob water system. This would allow tools and equipment to be securely stored on-site. One of the advantages of building a fire station at this location is its strategic value in protecting the Virgin River watershed, as it would enhance wildfire response capabilities in the area reducing the risk of major fires impacting the watershed.

Mr. Renstrom said that this is the request from the fire district, and they would hold off on spending money on architects or other design work until they had a sense that the board was generally supportive of the concept. If the Board is open to the idea, Mr. Renstrom will work to develop a formal agreement with the Fire District and bring it back to the board for approval.

Chairman Bowler asked how many acres would be needed for the site up at Kolob. Zach Renstrom responded that for this location, they are only considering about one acre, since they just need a basic building.

Victor Iverson commented that the Kolob location is something that has been discussed for quite some time. With all the cabin owners up there are paying non-primary residential rates to be part of the district, so it is definitely a service that is needed in that area. As for the Sand Hollow location, Trustee Iverson said that 5 to 10 acres seems like a lot.

Mr. Renstrom responded that 5 to 10 acres is just a rough estimate, not a finalized number. Mr. Renstrom would start developing a more detailed plan and bring that back to the board for review.

Trustee Kress Staheli asked what would the agreement look like? Is it similar to an arrangement with BLM, where you basically do not pay for the land?

Mr. Renstrom responded that the District would remain the owner of the land. The District would essentially provide them with a long-term lease agreement for something like 100 years. The Fire District would then be responsible for building, operating, and maintaining the facility.

Trustee Staheli also said he supports having a fire station near Sand Hollow, but it would be helpful to have a more clearly defined scope, such as a basic site plan, before moving forward. Trustee Staheli said he is supportive of the district assisting the fire district where we reasonably can, but five to ten acres is quite a bit of land.

Trustee Staheli requested that the fire district work with an engineer or someone qualified to help determine what amount of land makes sense and what is the appropriate acreage needed right now to support their operations. Trustee Staheli acknowledged that the Fire District does have a large area to cover and are likely stretched pretty thin around Sand Hollow. But the board's primary responsibility is to serve the needs of the Water District. Trustee Staheli said he wants to support Chief Decker and his goals, but the District also needs to be careful not to give away more resources than necessary.

Mr. Renstrom said that the Fire District is just at the beginning of the process. It could end up being one of those situations where the District says it will give it to them at a reduced price. There are options when it comes to price, if that is something the board wants taken back to the Fire District for consideration.

Trustee Randall said "I think 10 acres is too much. But I also look at the fact that St. George City had to purchase all the property for its own fire stations."

Chair Bowler commented that it definitely helps to have a fire station there because that whole area is growing, and a station will be needed. He suggested having the Fire District come back to the Board with a plan outlining what they think they may need. Then the Board can discuss it and decide on the best path forward.

Trustee Rosenberg said his main concern is about the limitations on what can and cannot be done at the site, particularly regarding protection of the aquifer. The District needs to ensure that training activities such as use of foam or chemicals will not introduce contaminants or harm to the water supply.

Consider resolution of revisions to the personnel policy manual related to conduct and absenteeism

Human Resources Manager Dave Buckingham provided an overview of proposed policy updates aimed at improving clarity and mutual understanding between employees and the District. The policy includes adding specific language regarding expected workplace behaviors emphasizing courtesy to the public, civility, and respect toward colleagues and others. This addition is intended to reinforce a professional and respectful work environment. Another proposed change addresses attendance expectations, specifically clarifying the consequences of multiple consecutive “no call, no show” absences. The new language will outline the District’s response in such cases, helping to ensure accountability and consistent enforcement

Trustee Michele Randall made a motion to approve the resolution of revisions to the personnel policy manual related to conduct and absenteeism, the motion was seconded by Victor Iverson, and a roll call vote was taken as follows:

Ed Bowler	Yes
Rick Rosenberg	Yes
Clark Fawcett	Yes
Victor Iverson	Yes
Michele Randall	Yes
Kress Staheli	Yes

Consider resolution adopting rules and regulations prohibiting use of district water supplies on a parcel not identified in an application

Jodi Richins, General Counsel requested that the board table this item.

Victor Iverson made a motion to table item 14, the motion was seconded by Rick Rosenberg, and all voted aye.

Consider resolution adopting rules and regulations governing delivery of district water supplies and use of district infrastructure

General Counsel Jodi Richins explained that a few changes have been made to the resolution that she wants to bring to the Board’s attention.

Ms. Richins said that at Mayor Staheli’s request, staff inserted a provision requiring a two-thirds vote of the Administrative Advisory Committee to approve any exceptions. Second, the revision replaces the word ‘limitations’ with ‘rules and regulations.’ This aligns more accurately with the authority granted to the board under state statute, which specifically empowers the board to adopt rules and regulations.

Turning to Section 3C of the resolution, Ms. Richins summarized the resolution’s structure.

- Section 1 defines key terms.
- Section 2 outlines applicability, making it clear that these provisions apply only to new development moving forward—they do not apply retroactively.
- Section 3 is where the substantive regulations are located, including those relating to large-scale water users.

Ms. Richins explained that Section 3C of the resolution focuses on how to address private residential swimming pools, artificial water bodies, and water play areas.

There are two options:

Option 1 – Maintain the current proposed provision, which has been in the draft since March. It states that private residential swimming pools, artificial water bodies, or water play areas may not exceed 600 square feet in total combined surface/wetted area per residential water parcel.

Option 2 - Remove or defer specific regulations regarding private residential pools at this time if the board is not comfortable with the 600-square-foot limitation. Ms. Richins cautioned that not addressing residential pools now could create a potential loophole that may affect the broader resolution and if this approach is taken, strongly recommends the board revisit and address residential pool provisions in a timely manner to avoid potential undermining the intent of the rules.

Discussion:

Chairman Bowler asked if the District has discussed this with SUHBA and if so what do they think?

Mr. Renstrom responded that the district has discussed this with SUHBA. They would prefer more discussion on this, and that is why there are the two options.

Chair Bowler said that his concern is that the board needs to have a broader discussion to make sure it fully understands what the resolution is doing here, because the cities will end up dealing with it more directly.

Trustee Staheli said the matter has been discussed for a while, but in order to clarify for the benefit of those attending, will the rules and regulations apply whenever the district acts as a retail or wholesale provider, and would this guideline broadly apply to all members of the Regional Water Supply Agreement? Ms. Richins responded yes.

Trustee Staheli said he also sees wisdom in having a broader conversation, not just with SUHBA, but also with individual city councils. In some cases, those councils may not appreciate regulations being passed down without having had the opportunity to weigh in. Trustee Staheli said that he thinks having a broader conversation is reasonable and wise and it should include elected officials and other relevant organizations.

Chair Bowler responded that he wants to make sure the board fully understands what it is doing when it limits things by square footage. Chair Bowler said that it is important that city councils understand what is being proposed. The board needs to make sure everyone is on the same page, especially when it comes to swimming pools and similar water use concerns.

Trustee Fawcett said that he sent a copy of the resolution to his city council and asked them to review it. He has received some comments back, but not all of them yet. He said that Hurricane City is also looking at the commercial aspect and wondering how that relates to government facilities. For example, Hurricane is talking about taking out the current pool in Hurricane and replacing it with a larger one that is already in the works. Trustee Fawcett asked how the resolution would apply to a situation where a city replaces an existing public facility with a bigger one. Ms. Richins responded that the new pool in Hurricane is probably not over 13,500 square feet. Hurricane City Mayor Billings said that the whole facility is around 25,000 square feet.

Trustee Iverson said that he remembers discussing the idea of promoting community pools over private residential pools or HOA-managed pools. Trustee Iverson said that that kind of thinking still applies to Hurricane's situation. He said that the resolution's language should reflect the intent to encourage more community style pools.

Ms. Richins responded that Section 3C (2) and (3) of the resolution addresses community associations, condominiums, multifamily dwellings, and lodging units. Under this provision, a development would be allowed a 600-square-foot pool for the first 15 dwelling or lodging units, with an additional 10 square feet permitted for each unit beyond that. To put this into perspective, consider the Luxor in Las Vegas. Despite having multiple levels of pools, it averages out to about 5 square feet of pool space per lodging unit so while the pool area may seem large, it is relatively modest per unit.

Trustee Iverson asked when it comes to government-operated pools, like the rec center in Washington or the project currently underway in Hurricane, is there a way to specifically call those out in the language and explicitly include a

process for exemptions, if needed? He said he would like to see those treated differently, because they are different from private or commercial pools.

Ms. Richins said if the board does not want any regulations on the government side such as for schools or municipal facilities, government facilities can simply be removed from Section 3C (3). That section currently includes government pools because some members of the commercial sector may feel frustrated that governments can build large pools while the private sector is restricted.

Trustee Staheli commented that there is also a provision in Section 5 that allows for an application for an exception, which can be granted with a two-thirds vote from the AAC. Ms. Richins commented that yes Section 5 allows an exception, but there are guidelines.

Trustee Fawcett expressed the view that it is reasonable to keep government owned pools in the regulations but allow for a process where they can come before this board and explain what they are planning. Trustee Fawcett stated that the district could still maintain some oversight to prevent excessive pool construction like having one on every corner but allow for practical accommodations based on community scale. If the resolution allocated five square feet of pool per person based on population size, a city with thousands of residents would justify a significantly larger pool than what would be allowed under the commercial standards.

Ms. Richins said that if the board wants to treat government or community facilities a little differently or account for various factors that are not currently addressed, she recommends the board still includes those distinctions within the resolution. Ms. Richins suggested that the board either assign staff to evaluate factors to be considered or clearly define the factors it wants considered. Ms. Richins said that the board would not want someone to come before a decision-making body without clear sideboards. If those parameters are in place, then most decisions can be made at the staff level. The formal exception process should be reserved for truly unique situations.

Ms. Richins said that based on the discussion, she understands that the board may want to do something different, not just with Section 3C(i)1 but also with (iii). Ms. Richins said that she is concerned that if the board passes this resolution without clearly addressing those issues, the resolution may create a loophole that will be difficult to close later. One of the main reasons this resolution was initially proposed was to regulate artificial water bodies. If you begin making distinctions between things like ski lakes and swimming pools, it may be difficult to distinguish a practical difference.

Trustee Staheli asked whether it would be possible to distinguish between commercial, industrial, and governmental uses in the resolution. Ms. Richins responded, "Yes," and suggested that the board could direct staff to look into additional factors or criteria to help make those distinctions more clearly.

Trustee Staheli said if the City of Hurricane wants to build a community center or recreation facility with a 22,000 square foot pool for public use, which is an appropriate and justified governmental use. However, he supports maintaining the proposed restriction of 13,500 square feet for commercial and industrial pools.

Ms. Richins asked would you then put no limit on government square footage limit, or would you do a scaling requirement? Trustee Staheli stated that he does not yet have enough information to make a firm decision on whether government-owned pools should be subject to a square footage limit or a population-based scaling requirement. However, for a city of approximately 30,000 residents, a 22,000 square foot pool serving as the community's only recreation center seems reasonable.

Trustee Victor Iverson commented that he supports the idea of allowing more flexibility for government-owned pools, especially when they serve a broad community purpose such as a recreation center. He emphasized the importance of distinguishing these from private or commercial pools and suggested that the board consider defining government use.

Chair Bowler said he gets a little nervous when the board starts assigning square footage limits. He wants to make sure the board fully understands what it is doing before going down that road. He said that he is not opposed to it but wants to be careful especially because the City Councils are going to be the ones actually dealing with this.

Trustee Rosenberg asked how close Hurricane City is to knowing what the size of their pool will be. Mayor Billings responded that she does know what that size is.

Chairman Bowler said the board needs to define a number for government use. Once the board puts a specific number on it, the board has to be certain it understands what that number actually means and what the implications are. Chairman Bowler said that he would like a little more time to make sure the board gets them right. Chair Bowler asked Ms. Richins her recommendation on how to proceed. Should the board pass the resolution now, with the understanding that those two unresolved options will be addressed later? Or would it be better to hold off on passing the resolution until the issues are fully resolved?

Ms. Richins responded that is a board decision, but she wants to make sure the board is aware of the two bookends facing it. If the board passes the resolution without addressing swimming pools, it potentially creates a loophole that may be difficult to close. On the other hand, if the board chooses not to pass the resolution, it is not explicitly prohibiting other artificial bodies of water either. So, if the board is concerned about those developments moving forward, neither option is ideal until outstanding issues are resolved.

Trustee Randall asked if the board could table it for a month.

Trustee Staheli commented that he sees the urgency in moving this resolution forward but also recognizes the importance of gathering input from city councils and the building community regarding appropriate pool sizes. He emphasized the need to establish consistent and well-defined square footage limits for commercial, industrial, and governmental uses. He suggested setting a goal of resolving those outstanding details within the next month, adding that he does not want to leave the matter open indefinitely.

Trustee Kress Staheli made a motion to table the item until the July 7th meeting, with a directive to staff to consult with the building community, local homeowners associations, and elected member bodies to gather input regarding pool square footage, as well as commercial, institutional, and governmental square footage considerations, the motion was seconded by Clark Fawcett and all voted aye.

Consider adoption of components of a water shortage contingency plan and declaration of a water shortage condition

Brie Thompson, Associate General Manager, explained that the purpose of her presentation was to review the Water Shortage Contingency Plan with the board. She noted that many board members have already seen components of the plan, as it was previously presented to the AAC Group in April. The plan has been developed collaboratively by the District, consultant AE2S, and RWSA municipal partners. It was also reviewed by the ACC, which recommended adopting the plan. However, there were concerns regarding specific measures outlined in the plan. Therefore, the request before the board tonight is to adopt the overall plan, model, and framework, without adopting the individual measures at this time.

Zach Renstrom stated that he has already communicated to some individuals that the board would be discussing the Water Shortage Contingency Plan but not adopting anything at this meeting. Therefore, he expressed his preference that the board not take any formal action or adopt the plan this evening.

Ms. Thompson said she will go over the materials previously presented to the Administrative Advisory Committee (AAC), including the specific measures outlined in the Water Shortage Contingency Plan (Plan). She explained that those measures, along with potential alternatives, would be presented again for consideration. She emphasized that the stakeholder group could be reconvened to review and provide feedback on both the original measures and the proposed alternatives.

Ms. Thompson explained that the Plan is designed to address supply disruptions resulting from various events, not just drought, although drought is currently the most pressing concern. Accumulated precipitation since October showed that January and February were record-dry, March brought increased precipitation, pushing the region above the annual accumulation. Water use from January through April revealed a 15% increase in water use per equivalent

residential connection this year largely attributed to the dry conditions early in the year, which led to significantly more outdoor watering than typical.

Ms. Thompson gave an overview of the combined storage levels at Quail Creek and Sand Hollow Reservoirs, emphasizing seasonal patterns and current conditions. The reservoirs are usually filled during spring snowmelt, allowing for river diversions in April, May, or June depending on the year. This year, storage levels peaked below full capacity, meaning the reservoirs were not completely filled due to reduced snowmelt or other limitations.

Ms. Thompson noted that 2021 was an extremely dry year, and current conditions are tracking similarly in terms of drought and water supply challenges. She emphasized that, unlike 2021, the district is now serving nearly 13,000 more equivalent residential connections, further increasing demand on the water system.

Ms. Thompson explained that the district collaborated closely with consultant AE2S to develop a customized drought model, which is a core element of the Water Shortage Contingency Plan. The model evaluates both demand-side and supply-side parameters and outputs a drought trigger numeric designation from Stage 1 to Stage 4. She clarified that this drought staging is distinct from the national U.S. Drought Monitor, as it is tailored specifically to the district's water supply system. The district applied it to 30 years of historical data showing the frequency of each drought stage under historical conditions. Under the proposed framework, the board may adopt a drought stage at any time, though typically it would require observing three consecutive months of qualifying shortage conditions to trigger a formal stage designation.

Ms. Thompson outlined the recommended water use reductions associated with each drought stage in the Water Shortage Contingency Plan. The plan sets targeted demand reduction levels as follows:

- **Stage 1:** 10% reduction
- **Stage 2:** 20% reduction
- **Stage 3:** 40% reduction
- **Stage 4:** 60% reduction

These reduction targets are intended to guide response measures depending on the severity of the drought or supply shortage, as determined by the district's tailored drought model.

Trustee Randall asked for clarification on the meaning of the percentage reductions outlined in the drought stages. Specifically, she inquired whether a "10% reduction" refers to a reduction compared to the previous year's water use, or a reduction based on an average over multiple years, and or some other baseline the district is using to define those targets.

Ms. Thompson explained that the initial version of the plan presented to the AAC aimed to reduce water use by 10%, 20%, 40%, or 60% based on typical use. So, the percentage reduction targets would be applied to current or projected water use levels for that particular year. She also noted that alternative approaches are being considered. For example, the stakeholder group might decide to use a three- or five-year average of water use per ERC as the baseline for reductions.

Trustee Staheli emphasized that for the partner cities to successfully reduce water usage by 10%, then another 10%, and possibly additional reductions they need a clearly defined baseline from which to calculate those percentages. He pointed out that since each community will implement its own measures, it is essential that they can track and measure reductions accurately. The central issue, he said, is "10% of what?"

Ms. Thompson said the compiled data focused on landscape water use, to determine how much water could be saved through various measures. Using that data, they designed the response actions to already reflect 10%, 20%, and 40% reduction targets within those specific usage categories. However, she noted that alternative approaches are also being considered such as giving cities a water budget and allowing them to decide how best to meet reduction targets. It becomes especially important to establish a clear baseline that usage level reduction are measured so cities know exactly what 10% or 20% less would mean.

Ms. Thompson explained that the model was used to evaluate potential future conditions by analyzing current reservoir storage levels (as of April) and projecting outcomes under a combination of two stressors, continued high water demand and another dry winter similar to 2021. The resulting projection showed that under this combined scenario, reservoir storage could drop to 30% by October 2026. She emphasized that this is a hypothetical worst-case scenario, not a forecast, but it illustrates the importance of preparedness and strategic planning.

Ms. Thompson continued by explaining that using the same dry scenario conditions, high demand and low snowpack, the district also evaluated the impact if the drought plan were in place and response actions were implemented at the recommended levels. . In this modeled scenario, the reservoir storage by next October would improve from the previously projected 30% with no action to approximately 43%, which adds 12,000-acre feet of water. This result demonstrates that the drought plan could provide measurable and meaningful mitigation in a worst-case supply shortage.

Ms. Thompson presented an additional set of visual aids to illustrate the physical impacts on Sand Hollow Reservoir under different drought management scenarios.

The first image shows the reservoir with three key indicators:

- Green line: represents the reservoir at full capacity.
- Red line: indicates projected water levels if no shortage restrictions are enacted.
- Yellow line: shows projected levels if Stage 1 and Stage 2 drought response measures are implemented under the plan.

Ms. Thompson then displayed a comparative aerial image highlighting how, without action, the island in Sand Hollow could become a peninsula, signaling significant water level decline. A third image illustrated that, under those same no-action conditions, the boat ramp could become inoperable, providing a clear visual of the potential recreational and operational impacts of severe water shortages.

Ms. Thompson explained the planning process of the proposed drought response measures that were presented at the ACC. The District hired a consultant to help develop the drought model and associated response framework. Then a 17-member task force was formed, comprising representatives from each of the RWSA municipal partners. The District distributed a survey to gather feedback and build consensus among municipal officials on when specific restrictions would be appropriate during drought stages. The survey showed general agreement on most restrictions. One area that lacked consensus involved the timing of lawn-watering restrictions for residents versus cities. Some survey respondents felt cities should restrict municipal use first to set an example while others emphasized that if residents lose access to lawns for recreation, city parks should remain open to provide alternative community spaces.

Ms. Thompson clarified that the proposed reductions would apply to municipal potable water, municipal secondary (non-potable) water, all district-supplied water. The reductions would not apply to canal company water, privately held water rights and water used under contracts that had different delivery requirements.

Ms. Thompson explained the planned principles of the Water Shortage Contingency Plan. Sustain Vital Services the plan is designed to ensure that essential services remain operational during a shortage. Minimize Economic Impact efforts that are made to protect jobs and reduce negative effects on the local economy. Preserve High-Value Landscape the measures are intended to prioritize the preservation of long-term landscape investments, such as mature trees, which are difficult to replace. Incremental Escalation restrictions would increase gradually. Early phases focus on voluntary or less invasive reductions in water use, while later stages would implement stricter measures. Support Post-Shortage Resiliency this plan encourages transitioning to drought-resilient landscaping to help the region better endure future shortages.

Ms. Thompson presented a chart illustrating water use by sector:

- Residential water use accounts for approximately two-thirds (66%) of the total community water use.
- While some initial drought stages may focus on commercial or institutional reductions, meaningful overall impact will require changes in residential water use.

Landscape Water Use:

- Landscape irrigation accounts for about 50% of the community's total water supply.
- Of this:
 - 40% of the total community water supply is used on lawn grass.
 - Functional grass 24% of total supply.
 - Ornamental lawn grass 16% of total supply.

Targeted Reduction Strategy:

- The plan is designed to preserve high-value, low-water uses, like trees and essential landscapes.
- It targets low-value, high-water uses, particularly ornamental grass, for reductions.
- While ornamental grass reduction can help achieve a 10% water use reduction, it is not sufficient alone to reach more aggressive targets

Ms. Thompson went over the measures.

Stage 1 – 10% Reduction

- Defer front lawn planting until after August.
- Begin public education campaigns and incentives.

Stage 2 – 20% Reduction

- New landscaping: Allowed but limited to drip-irrigated plants.
- Landscape rebate program would be increased.
- Community pool construction is still allowed.
- Lawn planting:
 - Suspended for already-permitted projects.
 - Prohibited for new permits.
- Defer new connections for top 5% use, non-essential facilities
- Car washes: Limited to once per week.
- Golf course irrigation: 20% reduction required
- Stage 2 rate structure: determined by agencies.

Stage 3 – 40% Reduction

- Outdoor irrigation is severely restricted.
- Only conversion to drip irrigation is allowed; no new turf or ornamental landscaping.
 - All new connections suspended, except for critical facilities and low water use projects
- Pools only evaporative barriers allowed and make up water only
- Splash pads and water parks: Use suspended.
- Car washes: Limited to once per month.
- Golf courses: Reduced to 60% water budget
- Stage 3 rate structure: Enacted by providers.

Stage 4 –60% Reduction

- This is a critical stage where water availability is dangerously low.
- All outdoor irrigation prohibited.
- All Stage 3 restrictions remain in place.
- Additional prohibition on all non-essential facilities.
- Water use reserved for human health, sanitation, and fire flow only

Ms. Thompson explained an alternative drought reduction strategy.

Instead of mandating specific conservation measures (e.g., lawn watering bans or car wash limits), this approach would allocate a water budget to each municipality. Each city would then be responsible for managing its own conservation strategy to meet reduction targets. Each city is responsible for staying within its water budget and encouraged to use tiered rate structures or local policy tools to incentivize conservation. Some of the pros for water budget considerations are that it will allow complete municipal autonomy, communities with the highest use will be

most impacted, and it will allocate water for new development. Some of the cons for water budget considerations are perceived inequity among residents in different communities and will make regional messaging difficult. Ms. Thompson said another option is the use of the excess water use surcharge. This option leverages the district's existing excess water use surcharge, which charges users a higher rate when they exceed a set water threshold. The idea is to enhance and tier this surcharge based on drought stage severity.

Trustee Staheli commented that he has a concern about the timing of the excess water use surcharge. He said that it seems there would be a lag because by the time someone got their water bill, two or three months would pass before it would be noticed, and he does not think that it is quick enough to get the response. He said the excess water use surcharge would be more of a longer-term tool.

Trustee Iverson said that one of the pros of allocating the cities a block of water relates to enforcement. Enforcement will have to fall to the municipalities, and they might be more comfortable enforcing it with the flexibility of managing a block of water.

Trustee Rosenberg said that he likes the flexibility. Because every city's water demands are different, they can tailor fit their reductions to their communities to meet the block. He is also concerned with the percentage reduction because if you have a lot of low water users in your community and then you get hit with a 20% reduction they have already taken all the easy reductions.

Ms. Thompson responded that you would take the regional average water use per ERC, and so if that community is already using a low amount, they would be impacted differently.

Chairman Bowler referenced back to 1960 in St. George when water rates in the summer were very high. As a result, many residents planted Bermuda grass, a drought-tolerant species that could go dormant in dry periods and bounce back. Washington County was unique in using Bermuda grass. Mr. Bowler said that raising water rates to manage demand is not new to Washington County and we may need to raise the rates.

Trustee Rosenberg commented our rates are low, it is the cheapest service we provide our residents.

Mr. Renstrom commented that this plan is not just about drought. He said that earthquakes or infrastructure failures could force the region into a Stage 4 emergency almost instantly, requiring no outdoor irrigation and other extreme conservation measures immediately. Mr. Renstrom suggested going back to the stakeholders to refine and reopen it for further deliberation, feedback, and contingency planning.

Trustee Staheli commended Ms. Thompson for the quality of her presentation. He emphasized that the drought contingency plan is a serious community-wide issue and noted that while there's general agreement on the need for a plan, the real challenge lies in building community understanding and buy-in. Mr. Staheli also said rather than placing the full burden on the AAC and the water district board, he proposed organizing a summit or joint meeting with elected officials across municipalities. This would provide an opportunity for direct communication about the drought contingency plan and related issues such as pool use and help ensure alignment and support. He emphasized that decisions made with broader participation would help foster ownership at the local level, reducing friction during implementation and enforcement.

Trustee Iverson said he is happy to coordinate with Mr. Renstrom to get something together.

Mr. Renstrom commented that the current reservoir levels are strong and that the region is expected to be in good shape for the summer. While he agreed with the importance of preparing for drought, he emphasized that developing a sound and effective plan takes time. Given current conditions, he urged the group not to rush, but rather to take the time necessary to get it right.

Trustee Iverson commented on the importance of ensuring that city councils are engaged in the drought planning conversation. To support that effort, he expressed willingness to coordinate with staff, offering to help reserve the Dixie Center and handle public notice distribution for a meeting.

Trustee Staheli suggested a two-part public engagement approach that involved first holding a forum with elected officials, followed by a community outreach meeting to gather public feedback. He emphasized the importance of transparency and proactive communication, stating that while some community members may be upset, residents need to understand the realities and potential impacts of the drought contingency plan, including possible restrictions like halting the watering of ornamental front lawns. Staheli stressed the need for buy-in from both elected leaders and the public, noting that preparing the community in advance will help reduce resistance if more stringent measures become necessary. He expressed confidence that the majority of the community will support the plan if they are well-informed.

Manager's report

General Manager Zach Renstrom explained that the District will observe the Juneteenth holiday on the third Monday of this month, in alignment with the State of Utah. While the official holiday is on June 19, the District will be closing its offices on Monday, June 16. To accommodate this change, the District removed Columbus Day from its list of observed holidays and replaced it with this new holiday.

Mr. Renstrom also reported that Chief Toquer Reservoir is an impressive construction site. A significant amount of earthwork is underway, and overall, the project is progressing very well. Mr. Renstrom invited Associate General Manager Corey Cram to comment.

Mr. Cram provided an update on the Chief Toquer Reservoir project, expressing appreciation for the progress and the work of the contractor. He noted that construction is going well and that the contractor is performing at a high level. The cutoff trench has already been completed, and the first pour of dental concrete is scheduled for June 4 at the bottom of the main dam. Dental concrete is a special mixture used to seal any fractures or cracks in the rock at the base of the trench. Mr. Cram also explained that clay is being hauled from the Bench Lake area. Some of this clay has already been used for the smaller dam near the freeway, while additional material is being stockpiled for the main dam. The contractor originally estimated the full construction timeline to be around 16 months, and while the project is already a few months in, completion is expected in approximately another year and half, likely in 2026.

Mr. Renstrom provided an update on the Warner Valley land exchange, noting that while the project was initially anticipated to be a two-year process, it is now in its ninth year. The Bureau of Land Management has signed substantial documentation related to the exchange. If all continues as expected, the District anticipates that the land exchange will be finalized this fall.

Consider approval of May 5, 2025 board meeting minutes

Trustee Kress Staheli made a motion to approve May 5, 2025 board meeting minutes, the motion was seconded by Rick Rosenberg and all voted aye.

The meeting was adjourned upon motion.

Mindy Mees

Secretary



Need for Potable and Non-Potable Water Wholesale Rate Increases

Situation

Additional funding is needed by the Washington County Water Conservancy District (district) to cover the costs of operation, maintenance, repair, and replacement of infrastructure required to deliver water to its potable and non-potable water wholesale customers.

Background

The district delivers wholesale, potable water (potable water) and secondary, untreated water (non-potable water) to municipal customers under the Revised Regional Water Supply Agreement and to other contract customers. The district currently charges \$1.77 per thousand gallons for potable water and \$1.23 per thousand gallons for non-potable water. Both rates have been increased \$0.10 - \$0.13 per thousand gallons annually since 2018.

Last year the district delivered nearly 7.7 billion gallons of potable water and 1.05 billion gallons of non-potable water. The district budgeted \$21 million in 2025 for the operation, maintenance, repair, and replacement of facilities needed to deliver potable and Non-potable water. Increased operational costs due to inflation and increased costs for anticipated repair and replacement projects were factored into the budget.

Various operations and maintenance expenses are necessary for the delivery of potable and non-potable water. Facilities require power, fuel, treatment chemicals, and other consumables as well as a high level of management from the operations and information systems departments (e.g., staff, equipment, etc.).

In addition to operation and maintenance, the repair and replacement of facilities in the near and long term is essential. In the "2022 Washington County Water Conservancy District Regional Master Plan," Bowen Collins estimated the replacement value of district facilities as approximately \$950 million and recommended \$11.5 million be reserved annually for repair and replacement. The master plan noted most of the district's facilities are relatively new, and it may be appropriate to achieve this annual amount incrementally over time.

Analysis

Budgeted expenses were separated by the facilities served and water delivery type, and delivery type cumulative expenses were divided by projected water deliveries to evaluate if proposed rates are adequate to fund operations, maintenance, repair, and replacement of

facilities.¹ Table 1 below outlines expenses budgeted for operation and maintenance, and Table 2 outlines expenses budgeted for repair and replacement, of the respective facilities needed to deliver wholesale and secondary water by delivery type. Table 3 approximates the components of the rate by expense type.

Table 1. Estimated breakdown of 2025 budgeted operations & maintenance expenses by water delivery type.

Expense	Potable & Non-Potable	Additional Potable	Additional Non-Potable
Operations department	\$1,549,700	\$2,324,550	\$0
Information systems department	\$99,680	\$149,530	\$870
Wholesale & secondary facilities	\$1,500,100	-	-
Additional wholesale facilities	-	\$5,614,810	-
Additional secondary facilities	-	-	\$84,000
TOTAL	\$3,149,480	\$8,088,890	\$84,870
Water deliveries (1,000 gallons) ²	8,714,000	7,657,000	1,057,000
Rate component (\$/1,000 gallons)	\$0.36	\$1.06	\$0.08

Table 2. Estimated breakdown of 2025 budgeted repair & replacement expenses and by water delivery type.

Expense	Potable & Non-Potable	Additional Potable	Additional Non-Potable
Operations department	\$30,930	\$172,980	-
Information systems department	\$1,990	\$11,130	-
Wholesale & secondary facilities	\$1,095,000	-	-
Additional wholesale facilities	-	\$8,717,000	-
Additional secondary facilities	-	-	-
TOTAL	\$1,127,920	\$8,901,110	\$0
Water deliveries (1,000 gallons)	8,714,000	7,657,000	1,057,000
Rate component (\$/1,000 gallons)	\$0.13	\$1.16	\$0.00

¹ Department expenses were allocated based on percentage estimates of facility resources requirements.

² Water deliveries were assumed not to increase from 2024 deliveries.

Table 3. Estimated 2025 wholesale and secondary water rate components (per 1,000 gallons).³

Expense	Potable	Non-Potable
Operations & maintenance	\$1.42	\$0.44
Repair & replacement	\$1.29	\$0.13
Available for repair & replacement	(\$0.79)	\$0.81
TOTAL	\$1.77	\$1.38

An estimated \$9.8 million is anticipated to be spent on repair and replacement of facilities in 2025. Due to the large repair and replacement expenditures budgeted for 2025, the proposed rates will not provide any additional funds to be available for future repair and replacement of facilities, as recommended in the master plan.

Recommendation

It is recommended that the board adopts resolutions to increase the potable wholesale rate, from \$1.77 to \$1.92 per thousand gallons, and the non-potable wholesale rate, from \$1.23 to \$1.38 per thousand gallons, effective July 1, 2025.

Pending comprehensive financial analysis, similar increases per thousand gallons are likely to be recommended in future years to adequately fund repair and replacement of the district's aging infrastructure.

³ Rate components will vary by year and are dependent on actual costs and water deliveries.

**A RESOLUTION OF THE WASHINGTON COUNTY WATER
CONSERVANCY DISTRICT BOARD OF TRUSTEES AUTHORIZING A
RATE INCREASE FOR WHOLESALE POTABLE WATER**

WHEREAS, Washington County Water Conservancy District provides wholesale potable water to Municipal Customers under the Revised Regional Water Supply Agreement; and

WHEREAS, a \$0.15 increase in the rate per thousand gallons of wholesale potable water, from \$1.77 to \$1.92 per thousand gallons, sold to Municipal Customers has been proposed; and

WHEREAS, notice of the proposed rate increase has been given to the Municipal Customers; and

WHEREAS, interested persons have been given an opportunity to speak for or against the proposed rate increase; and

WHEREAS, the need for the increase of the proposed fee has been demonstrated;

NOW, THEREFORE, the Board of Trustees of the Washington County Water Conservancy District hereby authorizes, to be effective July 1, 2025, a \$0.15 increase in the rate per thousand gallons of wholesale potable water, from \$1.77 to \$1.92 per thousand gallons, sold to Municipal Customers under the Revised Regional Water Supply Agreement.

DATED this 2nd day of June, 2025.



ED BOWLER, Chairman

Attest:



MINDY MEES, Secretary

VOTING:

Ed Bowler	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Adam Bowler	Yea <input type="checkbox"/>	No <input type="checkbox"/>
Clark Fawcett	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Victor Iverson	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Michele Randall	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Rick Rosenberg	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Kress Staheli	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>

**A RESOLUTION OF THE WASHINGTON COUNTY WATER
CONSERVANCY DISTRICT BOARD OF TRUSTEES AUTHORIZING A
RATE INCREASE FOR NON-POTABLE WATER**

WHEREAS, Washington County Water Conservancy District provides non-potable water to contract customers; and

WHEREAS, a \$0.15 increase in the rate per thousand gallons of non-potable water, from \$1.23 to \$1.38 per thousand gallons, sold to Municipal Customers under the Regional Water Supply Agreement and other contract customers has been proposed; and

WHEREAS, notice of the proposed rate increase has been given to the Municipal Customers and other contract customers; and

WHEREAS, interested persons have been given an opportunity to speak for or against the proposed rate increase; and

WHEREAS, the need for the increase of the proposed fee has been demonstrated;

NOW, THEREFORE, the Board of Trustees of the Washington County Water Conservancy District hereby authorizes, to be effective July 1, 2025, a \$0.15 increase in the rate per thousand gallons of non-potable water, from \$1.23 to \$1.38 per thousand gallons, sold to Municipal Customers and other contract customers.

DATED this 2nd day of June, 2025.



ED BOWLER, Chairman

Attest:



MINDY MEES, Secretary

VOTING:

Ed Bowler	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Adam Bowler	Yea <input type="checkbox"/>	No <input type="checkbox"/>
Clark Fawcett	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Victor Iverson	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Michelle Randall	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Rick Rosenberg	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Kress Staheli	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>



Need for Kolob Water Service Area Annual Assessment Increase

Situation

Additional funding is needed by the Washington County Water Conservancy District (district) to cover the costs of operation, maintenance, repair, and replacement of infrastructure required to deliver water to its seasonal, retail customers in the Kolob Water Service Area (KWSA).

Background

The district delivers retail, potable water to customers in the Kolob Water Service Area. Its water system is seasonal and typically operates from late May through October. There are 88 non-connected parcels and 97 connected parcels. The district assessed \$360 per non-connected parcel and \$480 per connected parcel in 2024. If assessments are not increased, approximately \$78,000 would be collected in revenues for the system.

The district budgeted approximately \$88,000 in 2025 for the operation, maintenance, repair, and replacement of facilities needed to deliver water to the Kolob Service Area. Operational costs and costs for anticipated repair and replacement projects were factored into the budget.

Various operations and maintenance expenses are necessary for the delivery of retail, potable water. Facilities require power, fuel, treatment chemicals, and other consumables as well as a high level of management from the operations and information systems departments (e.g., staff, equipment, etc.).

Analysis

Budgeted expenses were compared with potential revenues, and increases are necessary to fund operations, maintenance, repair, and replacement of facilities.¹ Table 1 below outlines expenses budgeted for operation and maintenance of facilities needed to deliver culinary water to in the KWSA.

¹ Department expenses were allocated based on percentage estimates of facility resources requirements.

Table 1. 2025 budgeted operations & maintenance expenses in the KWSA.

Expense	Budget
Utilities	\$2,000
Permits & Fees	\$200
Operation & Maintenance	\$10,000
SCADA	\$2,000
Water Quality Tests	\$1,000
Contingent	\$2,500
Information Systems	\$4,370
Operations	\$66,650
Total	\$88,720

Recommendation

It is recommended that the board adopts resolutions to increase the KWSA assessment, from \$360 to \$410 for non-connected parcels and \$480 to \$550 for connected parcels.

Pending comprehensive financial analysis, continued increases are likely to be recommended in future years to adequately fund operation, maintenance, repair, and replacement of the district's infrastructure in the KWSA.

**A RESOLUTION OF THE WASHINGTON COUNTY WATER
CONSERVANCY DISTRICT BOARD OF TRUSTEES AUTHORIZING
THE LEVY OF CONTRACT ASSESSMENTS FOR 2025 WITHIN THE
KOLOB WATER SERVICE AREA**

WHEREAS, Washington County Water Conservancy District provides water to the Kolob Water Service Area; and

WHEREAS, the Washington County Water Conservancy District desires to assess the water users in the Kolob Water Service Area water assessments through the 2025 tax rolls; and

WHEREAS, the annual contract assessment on the tax rolls of property owners within the Kolob Water Service Area in 2024 was \$360 for non-connected parcels and \$480 for connected parcels;

WHEREAS, due to increased operation and maintenance costs, as well as the need to fund a repair and replacement reserve account to protect the long-term functionality of the system, the annual contract assessments need to be increased.

NOW, THEREFORE, the Board of Trustees of the Washington County Water Conservancy District hereby authorizes the annual contract assessment to increase to \$410 for non-connected parcels and \$550 for connected parcels, and to be levied on the tax rolls of property owners and to otherwise bill property owners within the Kolob Water Service Area for 2025.

DATED this 2nd day of June, 2025.



ED BOWLER, Chairman

Attest:


MINDY MEES, Secretary

VOTING:

Ed Bowler	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Adam Bowler	Yea <input type="checkbox"/>	No <input type="checkbox"/>
Clark Fawcett	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Victor Iverson	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Michele Randall	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Rick Rosenberg	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Kress Staheli	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>

**A RESOLUTION OF THE WASHINGTON COUNTY WATER
CONSERVANCY DISTRICT BOARD OF TRUSTEES AUTHORIZING
THE LEVY OF CONTRACT ASSESSMENTS FOR WATER EXCHANGE
CONTRACTS IN THE KOLOB AREA FOR 2025**

WHEREAS, Washington County Water Conservancy District has granted petitions to enter into water exchange contracts in the Kolob area; and

WHEREAS, the Washington County Water Conservancy District desires to assess the petitioners of the water exchange contracts in the Kolob area through the 2025 tax rolls for petitioners subject to property taxes; and

WHEREAS, the annual contract assessment on the tax rolls of water exchange petitioners in the Kolob Area in 2024 was \$375 per $\frac{1}{4}$ acre foot for all petitioners; and

NOW, THEREFORE, the Board of Trustees of the Washington County Water Conservancy District hereby authorizes the annual contract assessment for petitioners of the water exchange contracts in the Kolob area to remain the same in an amount of \$375 per $\frac{1}{4}$ acre foot for all property owners of Parcel Nos. 102-A-1-B-A-HV, 2040-E-HV, 2040-D-HV, 1157-D-HV, 1135-4-HV, 1135-3-HV, 1135-1-TR-HV, 1155-5-HV and 1143-A-3-HV, to be levied on the tax rolls for 2025.

DATED this 2nd day of June, 2025.



ED BOWLER, Chairman

Attest:



Mindy Mees, Secretary

VOTING:

Ed Bowler	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Adam Bowler	Yea <input type="checkbox"/>	No <input type="checkbox"/>
Clark Fawcett	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Victor Iverson	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Michele Randall	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Rick Rosenberg	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Kress Staheli	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>



FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

WITH REPORT OF

CERTIFIED PUBLIC ACCOUNTANTS

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**WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
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FINANCIAL SECTION



Independent Auditors' Report

Board of Trustees
Washington County Water
Conservancy District:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Water Conservancy District (the District), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of net pension liability schedule of contributions, and notes to the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenses, and changes in fund balance and net assets – budget and actual for the capital projects and proprietary funds, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

HintonBurdick, PLLC

St. George, Utah
May 23, 2025

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WASHINGTON COUNTY WATER CONSERVANCY DISTRICT

Management's Discussion and Analysis

December 31, 2024

This section of Washington County Water Conservancy District's report presents management's discussion and analysis of the District's financial performance during the year ending December 31, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

Financial highlights

- During the year, the District's total net position increased by \$81,941,007 (14.6%).
- The District's total assets and deferred outflows of resources increased by \$107,728,299 (17.5%).
- The District's total long-term liabilities and deferred inflows of resources increased by \$25,787,292 (47.5%).
- The District's program revenue increased by \$26,367,774 (52.5%).
- The District's general revenue increased by \$2,133,140 (6.5%).
- The District's total expenses increased by \$3,856,617 (14.6%).

Overview of the financial statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements and notes to the financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business. These statements include all governmental activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other nonexchange revenue.

The *statement of net position* presents information on all of the assets and liabilities of the District, along with the deferred inflows and outflows of resources, with the differences between the two reported as net position. The *statement of activities* presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund financial statements

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Fund, the Special Revenue Fund and the Capital Projects Fund; all of which are major funds.

- **General Fund:** The General Fund is the operating fund of the District. Revenues from tax collections are received into this fund. Expenditures include administrative costs. Fund transfers are made from the General Fund to the other funds of the District.
- **Capital Projects Fund:** The Capital Projects Fund administers payments for construction and improvement of capital facilities. Revenue from impact fees are received into the Capital Projects Fund. Funds are also transferred into this fund from the General Fund.
- **Special Revenue Fund:** The Special Revenue Fund receives federal and state funds used for the maintenance and operation of the Virgin River Program (VRRMRP). The funding for the projects accounted for in this fund is partially federal and partially state funding. The District's portion of maintenance and operation of the VRRMRP is accounted for in the proprietary fund.

Proprietary funds

Proprietary funds include functions and services that are business type activities and include more detailed information than found in the government-wide financial statements. Proprietary funds can be either enterprise funds or internal service funds. The District uses an enterprise fund, the Water Fund, to account for operations where the intent of the governing body is to recover the costs of providing goods or services to the public on a continuing basis primarily through user charges.

Notes to the financial statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District.

Government-wide financial analysis

Net position may serve over time as a useful indicator of a government's financial position. The District's total assets and deferred outflows exceeded liabilities and deferred inflows by \$644,011,959 at the close of the most recent fiscal year.

The following is a summary of the District's net position as of December 31, 2024 and 2023:

	Governmental activities		Business-type activities		Combined Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Current and other assets	\$ 263,221,931	\$ 227,334,805	\$ 135,542,523	\$ 103,015,545	\$ 398,764,454	\$ 330,350,350
Capital assets	150,903,070	112,355,758	173,011,810	172,603,766	323,914,880	284,959,524
Total assets	414,125,001	339,690,563	308,554,333	275,619,311	722,679,334	615,309,874
Deferred outflows of resources	889,468	658,088	511,814	384,355	1,401,282	1,042,443
Long-term liabilities outstanding	781,007	771,373	59,589,265	41,922,242	60,370,272	42,693,615
Other liabilities	7,501,582	2,863,230	4,338,270	3,106,528	11,839,852	5,969,758
Total liabilities	8,282,589	3,634,603	63,927,535	45,028,770	72,210,124	48,663,373
Deferred inflows of resources	330,976	371,844	7,527,557	5,246,148	7,858,533	5,617,992
Net position:						
Net investment in capital assets	150,903,070	112,355,758	107,148,088	125,835,517	258,051,158	238,191,275
Restricted	254,176,372	223,218,020	48,929,775	44,984,620	303,106,147	268,202,640
Unrestricted	1,321,462	768,426	81,533,192	54,908,611	82,854,654	55,677,037
Total net position	<u>\$ 406,400,904</u>	<u>\$ 336,342,204</u>	<u>\$ 237,611,055</u>	<u>\$ 225,728,748</u>	<u>\$ 644,011,959</u>	<u>\$ 562,070,952</u>

A large portion of the District's net position (40.1%) reflects its investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment, net of accumulated depreciation), less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding.

An additional portion of the District's net position (47.1%) represents resources that are subject to external restrictions on how they may be used. The restricted balance is for capital projects and debt service reserve accounts.

An additional portion of the District's net position (12.9%) is unrestricted and will be used to meet the District's obligations to county residents, employees, and creditors.

Changes in net position for the fiscal years ended December 31, 2024 and 2023 are outlined below:

	Governmental activities		Business-type activities		Combined Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Revenues:						
Program revenues:						
Charges for services	\$ 4,110,266	\$ 2,316,315	\$ 19,179,687	\$ 15,810,263	\$ 23,289,953	\$ 18,126,578
Operating grants and contributions	2,761,416	1,266,839	-	-	2,761,416	1,266,839
Capital grants and contributions	47,500,665	27,899,190	3,005,750	2,897,403	50,506,415	30,796,593
General revenues:						
Taxes	17,008,870	16,205,520	-	-	17,008,870	16,205,520
Interest earnings	12,769,208	11,018,711	4,985,003	5,460,427	17,754,211	16,479,138
Other revenue/(expense)	(186,985)	61,077	489,804	187,025	302,819	248,102
Total revenues	<u>83,963,440</u>	<u>58,767,652</u>	<u>27,660,244</u>	<u>24,355,118</u>	<u>111,623,684</u>	<u>83,122,770</u>
Expenses:						
General government	12,536,834	11,418,783	-	-	12,536,834	11,418,783
Water and power utilities	-	-	17,145,843	14,407,277	17,145,843	14,407,277
Total expenses	<u>12,536,834</u>	<u>11,418,783</u>	<u>17,145,843</u>	<u>14,407,277</u>	<u>29,682,677</u>	<u>25,826,060</u>
Increase (Decrease) in net position before transfers	71,426,606	47,348,869	10,514,401	9,947,841	81,941,007	57,296,710
Transfers	<u>(1,367,906)</u>	<u>(10,193,289)</u>	<u>1,367,906</u>	<u>10,193,289</u>	<u>-</u>	<u>-</u>
Increase in net position	70,058,700	37,155,580	11,882,307	20,141,130	81,941,007	57,296,710
Net position, beginning	<u>336,342,204</u>	<u>299,186,624</u>	<u>225,728,748</u>	<u>205,587,618</u>	<u>562,070,952</u>	<u>504,774,242</u>
Net position, ending	<u>\$ 406,400,904</u>	<u>\$ 336,342,204</u>	<u>\$ 237,611,055</u>	<u>\$ 225,728,748</u>	<u>\$ 644,011,959</u>	<u>\$ 562,070,952</u>

Total net position increased by \$81,941,007 (14.6%) for the year ended December 31, 2024. Key elements of this increase are as follows:

- Capital grants and contributions revenue increased by \$19,709,822 (64.0%).
- Operating grants and contributions increased by \$1,494,577 (118.0%). Funds were received from federal and state sources used to fund the Virgin River Program. Grant funds are also received for water conservation programs and other projects.
- Interest earnings increased \$1,275,073 (7.7%) due to changes in interest rates and investment balances.
- Total charges for services in both governmental activities and business-type activities increased \$5,163,375 (28.5%). Charges for services were for water and power sales, water development fees, connection fees and other revenue.
- Property taxes increased \$803,350 (5.0%).
- Expenses of governmental and business type activities increased in total compared to prior year. General government expenses increased by \$1,118,051 (9.8%), but business type activities expenses increased by \$2,738,566 (19.0%).

Financial analysis of the District's funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. As the District completed the year, its governmental funds reported a combined fund balance of \$255,392,731 compared to \$224,104,593 in the prior year. Approximately 2.0% of this total amount, or \$1,172,644, constitutes unassigned fund balance which is available for spending. The remaining \$254,220,087 of fund balance is restricted and assigned for future projects and uses.

Governmental funds report the differences between their assets and liabilities as fund balance, which is characterized under the following designations: non-spendable, restricted, committed, assigned, and unassigned. Reservations within the non-spendable, restricted, committed, and assigned designations indicate the portion of the District's fund balances that is not available for appropriation. The unrestricted fund balance consists of designated and undesignated portions. Designations reflect the District's self-imposed limitation of the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the General Fund are required by state law to be appropriated in the following year's budget. Fund balances of the Special Revenue Fund and Capital Projects Fund are restricted by state law to be spent for the purposes of the fund and are not available for spending at the District's discretion.

General Fund budgetary highlights

The final appropriations for the General Fund at year-end increased the fund balance by \$13,816,567 to a fund balance of \$58,069,108. Actual revenues of the General Fund were greater than budgeted revenues by \$1,966,662. Actual expenditures were \$2,695,135 less than budgeted expenditures, which was primarily the result of spending less than expected on capital expenditures and personnel and related expenditures.

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Capital assets and debt administration

Capital assets

The Capital Projects Fund is used to account for the costs incurred in acquiring, constructing and repairing facilities within the District.

Capital assets, net of depreciation at December 31, 2024 and 2023 are outlined below:

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
Land & water rights	\$ 58,162,575	\$ 50,844,800	\$ 13,596,092	\$ 13,598,492
Buildings, improvements, furniture & fixtures	9,561,267	9,450,398	-	-
Infrastructure	-	-	258,402,713	246,967,293
Equipment	368,332	338,721	2,181,365	2,066,488
Vehicles	819,583	751,329	1,801,287	1,410,778
Right-of-use easments	-	-	42,396	41,140
Projects in progress	86,214,315	54,832,278	865,175	6,066,543
Accumulated Depreciation	(4,223,003)	(3,861,769)	(103,877,217)	(97,546,970)
Total Capital Assets, Net	<u>\$ 150,903,070</u>	<u>\$ 112,355,757</u>	<u>\$ 173,011,811</u>	<u>\$ 172,603,764</u>

The District began and completed various projects during 2023 and 2024. Highlights of projects completed in 2024 with corresponding total cost are as follows:

- Sand Hollow Well 15: \$1,288,049
- Cottam to Harrisburg Pipeline (R&R): \$9,312,560

Accumulating costs in projects in progress increased from 2023 to 2024, due to the new and continuing projects. Highlights of projects in progress as of December 31, 2024, and related costs incurred in 2024 for these projects include:

- Ash Creek Pipeline: \$5,609,309
- Ash Creek Toquer Pipeline: \$2,051,598
- Lake Powell Pipeline: \$1,290,264
- Office Building Security Upgrade: \$1,156,423
- Sand Hollow Well 7: \$573,780
- Toquer Reservoir: \$3,410,225
- Quail Creek to Cottam Pipeline and Pump Stations: \$5,884,624
- Sand Hollow 2 MG Tank B: \$795,644
- Quail Creek WTP 80 MGD Expansion: \$1,688,491

Long-term debt

At the end of the current fiscal year the District had total bonded debt outstanding of \$59,076,046 and lease liabilities of \$24,906. The following is a summary of the District's long-term debt as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ -	\$ -
Revenue bonds	59,076,046	41,498,726
Lease liabilities	24,906	26,215
	<u>\$ 59,100,952</u>	<u>\$ 41,524,941</u>

The District made \$9,218,094 of debt repayments, and \$2,565 in lease service payments. New debt was issued during the year, \$25 million for Revenue Bonds. Lease liabilities were classified as operating leases in prior years, but meet the criteria and definition of a lease with liability and related right-of-use assets being recorded, under the GASB 87 standard.

The District's financial outlook continues to remain stable. Fitch Ratings has assigned the District's GO bonds and revenue bonds an AA+ rating. Standard and Poor's rated both the GO bonds and the revenue bonds at AA. Water revenue bonds are payable from net revenues of the District's combined water and hydroelectric system. GO bonds are payable from property taxes.

Requests for information

This financial report is designed to provide a general overview of the Washington County Water Conservancy District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of the District at 533 E Waterworks Drive, St. George, UT 84770.

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FINANCIAL STATEMENTS

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT

Statement of Net Position

December 31, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 251,093,165	\$ 83,949,020	\$ 335,042,185
Investments	1,670,000	-	1,670,000
Receivables (net of allowance)	10,415,051	2,554,679	12,969,730
Prepaid items	43,715	109,049	152,764
Restricted cash and cash equivalents	-	48,929,775	48,929,775
Capital assets (net of accumulated depreciation):			
Land	58,162,575	13,596,092	71,758,667
Construction in progress	86,214,315	865,174	87,079,489
Buildings and improvements	5,671,435	-	5,671,435
Furniture & equipment	117,383	715,782	833,165
Infrastructure	-	156,380,591	156,380,591
Vehicles	671,631	1,434,398	2,106,029
Office equipment	65,731	-	65,731
Right-of-use leased easements	-	19,773	19,773
Total assets	<u>414,125,001</u>	<u>308,554,333</u>	<u>722,679,334</u>
Deferred outflows of resources			
Deferred outflows related to pensions/OPEB	<u>889,468</u>	<u>511,814</u>	<u>1,401,282</u>
Total deferred outflows of resources	<u>889,468</u>	<u>511,814</u>	<u>1,401,282</u>
Liabilities			
Accounts payable and other current liabilities	7,501,582	1,698,179	9,199,761
Unearned revenue	-	1,944,790	1,944,790
Interest payable	-	695,301	695,301
Current portion of long-term liabilities	244,988	2,868,252	3,113,240
Noncurrent liabilities:			
Due in more than one year:			
Liabilities due in more than one year	163,326	56,506,560	56,669,886
Net pension/OPEB liability	<u>372,693</u>	<u>214,453</u>	<u>587,146</u>
Total liabilities	<u>8,282,589</u>	<u>63,927,535</u>	<u>72,210,124</u>
Deferred inflows of resources			
Deferred inflows related to pensions/OPEB	3,358	1,933	5,291
Deferred inflows related to leases receivable	327,618	-	327,618
Deferred gain on refunding	-	762,854	762,854
Deferred inflows related to bond premiums	-	6,762,770	6,762,770
Total deferred inflows of resources	<u>330,976</u>	<u>7,527,557</u>	<u>7,858,533</u>
Net position			
Net investment in capital assets	150,903,070	107,148,088	258,051,158
Restricted for:			
Water conservancy projects	254,176,372	-	254,176,372
Debt service	-	48,929,775	48,929,775
Unrestricted	<u>1,321,462</u>	<u>81,533,192</u>	<u>82,854,654</u>
Total net position	<u>\$ 406,400,904</u>	<u>\$ 237,611,055</u>	<u>\$ 644,011,959</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 12,536,834	\$ 4,110,266	\$ 2,761,416	\$ 47,500,665	\$ 41,835,513	\$ -	\$ 41,835,513
Total governmental activities	12,536,834	4,110,266	2,761,416	47,500,665	41,835,513	-	41,835,513
Business-type activities:							
Water and wastewater	17,145,843	19,179,687	-	3,005,750	-	5,039,594	5,039,594
Total business-type activities	17,145,843	19,179,687	-	3,005,750	-	5,039,594	5,039,594
Total primary government	<u>\$ 29,682,677</u>	<u>\$ 23,289,953</u>	<u>\$ 2,761,416</u>	<u>\$ 50,506,415</u>			
General revenues:							
Taxes:							
Property taxes					17,008,870	-	17,008,870
Unrestricted investment earnings					12,769,208	4,985,003	17,754,211
Gain (loss) on sale of capital assets					(186,985)	404,963	217,978
Gain on debt refunding					-	84,841	84,841
Transfers					(1,367,906)	1,367,906	-
Total general revenues					28,223,187	6,842,713	35,065,900
Change in net position					70,058,700	11,882,307	81,941,007
Net position - beginning					336,342,204	225,728,748	562,070,952
Net position - ending					<u>\$ 406,400,904</u>	<u>\$ 237,611,055</u>	<u>\$ 644,011,959</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Balance Sheet
Governmental Funds
December 31, 2024

	General Fund	Virgin River Program	Capital Projects Fund	Total Governmental Funds
Assets				
Current assets:				
Cash and cash equivalents	\$ 52,618,489	\$ 628,220	\$ 197,846,456	\$ 251,093,165
Investments	1,670,000	-	-	1,670,000
Accounts receivable	615,782	12,215	5,964,766	6,592,763
Due from other government units	3,494,670	-	-	3,494,670
Leases receivable	327,618	-	-	327,618
Prepaid expenses	1,446	-	42,269	43,715
Total assets	<u>\$ 58,728,005</u>	<u>\$ 640,435</u>	<u>\$ 203,853,491</u>	<u>\$ 263,221,931</u>
Liabilities				
Accounts payable	\$ 252,174	\$ 168,257	\$ 6,007,169	\$ 6,427,600
Accrued wages and benefits	79,105	2,580	26,559	108,244
Retainage payable	-	-	964,738	964,738
Customer deposits	-	-	1,000	1,000
Total liabilities	<u>331,279</u>	<u>170,837</u>	<u>6,999,466</u>	<u>7,501,582</u>
Deferred inflows of resources				
Unearned lease revenues	327,618	-	-	327,618
Total deferred inflows of resources	<u>327,618</u>	<u>-</u>	<u>-</u>	<u>327,618</u>
Fund balances				
Nonspendable:				
Prepays	1,446	-	42,269	43,715
Restricted for:				
Capital projects - Impact Fees	-	-	88,025,362	88,025,362
Capital projects	-	-	108,786,394	108,786,394
Assigned to:				
Capital projects	56,895,018	-	-	56,895,018
Public works	-	469,598	-	469,598
Unassigned	1,172,644	-	-	1,172,644
Total fund balances	<u>58,069,108</u>	<u>469,598</u>	<u>196,854,025</u>	<u>255,392,731</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 58,728,005</u>	<u>\$ 640,435</u>	<u>\$ 203,853,491</u>	<u>\$ 263,221,931</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2024

Total fund balances governmental funds	\$ 255,392,731
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 155,126,071	
Accumulated depreciation	<u>(4,223,001)</u>	
		150,903,070

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated absences	(408,314)	
Net pension/OPEB liability	<u>(372,693)</u>	
		(781,007)

Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds:

Deferred outflows	889,468	
Deferred inflows	<u>(3,358)</u>	
		<u>886,110</u>

Net position of governmental activities	<u><u>\$ 406,400,904</u></u>
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The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General Fund	Virgin River Program	Capital Projects Fund	Total Governmental Funds
Revenues				
Property tax	\$ 16,885,257	\$ -	\$ -	\$ 16,885,257
Impact fees	-	-	34,965,347	34,965,347
Interest	2,418,997	2,598	10,347,613	12,769,208
Other revenues	4,148,618	2,964,425	12,416,948	19,529,991
Total revenues	<u>23,452,872</u>	<u>2,967,023</u>	<u>57,729,908</u>	<u>84,149,803</u>
Expenditures				
Current:				
Capital expenditures	420,411	213,786	27,301,978	27,936,175
Public education	67,228	11,764	532	79,524
Payroll & benefits	3,566,526	124,263	974,475	4,665,264
Cloud seeding	708,826	-	-	708,826
Audit & accounting	41,750	-	-	41,750
Telephone	31,867	620	7,957	40,444
Insurance & bond	1,850	-	-	1,850
Travel & training	82,974	1,708	48,558	133,240
Office	2,438,019	15,379	1,542	2,454,940
Miscellaneous	22,770	275,300	4,052,744	4,350,814
Legal	1,384,827	-	1,648,297	3,033,124
Auto expenses	21,158	-	17,780	38,938
Board expenses	7,000	-	-	7,000
RDA property taxes	123,613	-	-	123,613
Engineering & maintenance	404,599	70,402	5,179,149	5,654,150
Environmental	-	3,242,807	4,622	3,247,429
Conservation	232,341	-	-	232,341
Utilities	29,945	30,511	1,186	61,642
Building maintenance	50,601	-	-	50,601
Total expenditures	<u>9,636,305</u>	<u>3,986,540</u>	<u>39,238,820</u>	<u>52,861,665</u>
Excess of revenues over expenditures	<u>13,816,567</u>	<u>(1,019,517)</u>	<u>18,491,088</u>	<u>31,288,138</u>
Net change in fund balances	13,816,567	(1,019,517)	18,491,088	31,288,138
Fund balances, beginning of year	<u>44,252,541</u>	<u>1,489,115</u>	<u>178,362,937</u>	<u>224,104,593</u>
Fund balances, end of year	<u>\$ 58,069,108</u>	<u>\$ 469,598</u>	<u>\$ 196,854,025</u>	<u>\$ 255,392,731</u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 31,288,138
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Governmental funds report capital outlays as expenditures. However, in the

statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.

Capital outlay	40,542,673	
Depreciation expense	<u>(440,470)</u>	
		40,102,203

Governmental funds do not report transfers of capital assets to other funds as revenues or expenditures. However, in the statement of activities, the donation of capital assets is reported as a transfer.	(1,367,906)
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Governmental funds report the gross proceeds from the sale of capital assets as revenue. However, in the statement of activities, the loss on the sale of capital assets is reported net of its net book value.	(186,985)
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(44,933)
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Pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension/OPEB liability is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB liability adjusted for changes in deferred outflows and inflows of resources related to pensions/OPEB, is reported in the Statement of Activities.

Pension/OPEB contributions	557,382	
Pension/OPEB expense	<u>(289,199)</u>	
		<u>268,183</u>

Change in net position of governmental activities	<u><u>\$ 70,058,700</u></u>
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The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Statement of Net Position
Proprietary Funds
December 31, 2024

	<u>Proprietary Fund</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 83,949,020
Receivables (net of allowance)	2,554,679
Prepaid expenses	109,049
Total current assets	<u>86,612,748</u>
Restricted assets:	
Restricted cash	48,929,775
Total restricted assets	<u>48,929,775</u>
Noncurrent assets:	
Land & water rights	13,596,092
Construction in progress	865,174
Infrastructure	258,402,713
Equipment and other capital assets	2,181,365
Vehicles	1,801,287
Right-of-use leased easements	42,396
Accumulated depreciation & amortization	<u>(103,877,217)</u>
Total noncurrent assets	<u>173,011,810</u>
Total assets	<u>308,554,333</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions/OPEB	511,814
Total deferred outflows of resources	<u>511,814</u>
	(continued)

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Statement of Net Position, Continued
Proprietary Funds
December 31, 2024

	<u>Proprietary Fund</u>
Liabilities	
Current liabilities:	
Accounts payable	1,431,468
Accrued liabilities	261,611
Customer deposits	5,100
Accrued interest payable	695,301
Current portion of long-term debt	2,868,252
Total current liabilities	<u>5,261,732</u>
Noncurrent liabilities (net of current portion):	
Unearned revenue	1,944,790
Compensated absences	273,860
Bonds payable	59,076,046
Lease liabilities	24,906
Net pension/OPEB liability	214,453
Less current portion	<u>(2,868,252)</u>
Total noncurrent liabilities	<u>58,665,803</u>
Total liabilities	<u>63,927,535</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions	1,933
Debt issue premium	6,762,770
Deferred gain on refunding	762,854
Total deferred inflows of resources	<u>7,527,557</u>
Net Position	
Net investment in capital assets	107,148,088
Restricted	48,929,775
Unrestricted	<u>81,533,192</u>
Total net position	<u><u>\$ 237,611,055</u></u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	<u>Proprietary Fund</u>
Operating revenues	
Power sales	\$ 768,965
Water sales (net of rebate)	17,960,878
Water development & connection fees	16,356
Other charges and fees	429,553
Total operating revenues	<u>19,175,752</u>
Operating expenses	
Depreciation	6,537,777
Amortization	1,413
Operations & maintenance	2,054,592
Payroll & benefits	2,808,024
Insurance & bonds	211,892
Office expenses	1,350
Building maintenance	1,227,506
Utilities	1,091,812
Water fees	199,811
Telephone	29,276
Auto expenses	80,435
Service charges	321,236
Miscellaneous	414,990
Travel and training	41,070
Total operating expenses	<u>15,021,184</u>
Operating income (loss)	4,154,568
Non-operating revenues (expenses)	
Other income	3,935
Gain (loss) on sale of capital assets	404,963
Development surcharge	3,005,750
Gain on refunding	84,841
Interest income	4,985,003
Interest expense	(2,124,659)
Total non-operating revenue (expense)	<u>6,359,833</u>
Income (loss) before contributions and transfers	<u>10,514,401</u>
Contributions and transfers:	
Capital Contribution	1,367,906
Total contributions & transfers	<u>1,367,906</u>
Change in net position	11,882,307
Net position, beginning of year	225,728,748
Net position, end of year	<u><u>\$ 237,611,055</u></u>

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	<u>Proprietary Fund</u>
Cash flows from operating activities:	
Cash received from customers, service fees	\$ 17,385,645
Cash received from customers, other	429,553
Cash paid to suppliers	(4,447,948)
Cash paid to employees	(2,705,172)
Net cash flows from operating activities	<u>10,662,078</u>
Cash flows from noncapital financing activities:	
Operating grants and contributions	<u>3,935</u>
Net cash flows from noncapital financing activities	<u>3,935</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(5,916,209)
Proceeds from bond issuance	28,314,876
Principal paid on bonds	(7,987,680)
Principal paid on leases	(1,309)
Interest paid	(2,263,960)
Development surcharge	3,005,750
Net cash flows from capital and related financing activities	<u>15,151,468</u>
Cash flows from investing activities:	
Proceeds from sale of asset	743,100
Interest on investments	<u>5,039,020</u>
Net cash flows from investing activities	<u>5,782,120</u>
Net change in cash and cash equivalents	31,599,601
Cash and cash equivalents, including restricted cash, beginning of year	<u>101,279,194</u>
Cash and cash equivalents, including restricted cash, end of year	<u><u>\$ 132,878,795</u></u>
	(continued)

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Statement of Cash Flows, Continued
Proprietary Funds
For the Year Ended December 31, 2024

Reconciliation of operating income to net cash flows from operating activities:	
Net operating income (loss)	\$ 4,154,568
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:	
Depreciation/amortization	6,537,934
Employer pension/OPEB contributions	(64,342)
Changes in operating assets and liabilities:	
(Increase)/decrease in receivables	(1,220,989)
(Increase)/decrease in prepaids	293,612
Increase/(decrease) in payables	933,666
Increase/(decrease) in accrued liabilities	167,194
Increase/(decrease) in unearned revenue	(139,565)
Net cash flows from operating activities	<u>\$ 10,662,078</u>
Supplemental schedule of non-cash financing and investing activities:	
Capital asset contribution to governmental activities	\$ 1,367,906

The accompanying notes are an integral part of the financial statements.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies

The Washington County Water Conservancy District (the District) prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) for governmental entities. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies of the District are described in subsequent sections of this note.

Reporting Entity

The District was organized by the 5th Judicial District for Washington County, State of Utah, and the seven board members were appointed by the Washington County Commissioners. The purpose of the District is to provide for water conservation within Washington County. Activities of the District include identification of possible future water storage sites and the purchase and construction of such facilities. The District is an independent reporting entity and is not a component unit of any other government. The Board establishes District policies, approves the budget, is responsible for fiscal matters, is authorized to issue bonds, incur debt, and to levy ad valorem taxes.

All funds, including all financial activities over which the Board has financial accountability, are included in this report. The District's financial reporting entity is comprised of all funds of the District, which constitute the primary government.

In determining the financial reporting entity, the District complies with the provisions of Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, and includes all component units of which the District is either able to impose its will on the unit or a financial benefit or burden relationship exists. The District has no component units.

Government-wide and fund financial statements

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange revenues are reported separately from business- type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for each fund category (governmental and proprietary). Major individual governmental funds are reported as separate columns in the fund financial statements. The District reports the following major governmental funds:

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies, Continued

- The *General fund* is the District's main operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- The *Capital projects fund* accounts for financial resources to be used for the acquisition and improvement of sites, construction and remodel of major capital facilities.
- The *Virgin River Program fund* is a special revenue fund and accounts for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Additionally, the District reports their power and water production, storage and distribution operations as a proprietary fund.

Measurement focus, basis of accounting, and financial statement presentation

The *government-wide and proprietary fund financial statements* are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from nonoperating revenues and expenses. Operating revenues include activities that are generated through the sales of water or power while nonoperating revenues include activities that have the characteristics of nonexchange transactions and primarily include payment by cities that are not related to sales and investment earnings. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Cash, Deposits, and Investments

Cash includes demand deposits with banks. Deposits are not collateralized nor are they required to be by State statute. State law requires that the District follow the requirements of the State Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and investment transactions. This law requires the depositing of District funds in a "qualified depository." The Act

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies, Continued

defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Utah State Commissioner of Financial Institutions as meeting the requirements of the Act. The Act also defines the type of investments allowable which include demand deposits and time certificates of deposit of "qualified" depositories of the State of Utah, repurchase agreements with "qualified" depositories, bonds or other evidence of indebtedness of the U.S. Government, investment pools with the Utah State Treasurer, and commercial paper of qualifying companies. Investments are stated at cost.

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement, and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Capital Assets

Capital assets, which include property, water rights, structures and equipment, are reported in the applicable governmental or business-type activities columns in the government wide financial statements. Capital assets are defined by the District as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized. Donated fixed assets are valued at their estimated fair value on the date donated. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	10 - 40 years
Water Systems	40 - 50 years
Hydroelectric Plants & Components	35 years
Furniture, Fixtures & Equipment	5 - 15 years

Compensated Absences

The District accrues unpaid annual time off, when earned by the employee. All accrued leave at December 31, 2024 was recorded as a long term liability in proprietary funds and in the governmental funds for the government wide statement of net position.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amounts of the debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies, Continued

Net Position Classifications

In the government-wide financial statements, net assets are displayed in three components:

Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Unrestricted net position - all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental fund equity is classified as fund balance. Fund balance is displayed in classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority (governing board); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance - amounts that are available for any purpose; these amounts are reported only in the general fund.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by Utah Retirement Systems (URS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 1. Summary of Significant Accounting Policies, Continued

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item qualifying as deferred outflows of resources, related to pensions. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has three items qualifying as deferred inflows of resources, related to pensions, bond premiums, and leases receivable.

Budgetary Data

The District adopts an annual budget for governmental and business-type funds. Once adopted, the budget can be amended by subsequent board action. Budgets are presented on the modified accrual basis of accounting for all governmental funds. The level by which expenditures may not legally exceed appropriations is the total budget of a given fund.

Property Taxes

The property taxes of the District are levied, collected, and distributed by Washington County as required by Utah State law. Utah statutes established the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1, and complete the tax rolls by May 22. By July 22, the county auditor is to mail notices of assessed value and tax changes to property owners. A taxpayer may then petition the county board of equalization between August 1, to September 15, for a revision of the assessed value. Approved changes in assessed value are made by the county auditor by November 1, who also delivers the completed assessment rolls to the county treasurer on that same date. Tax notices have a due date of November 30. Penalties for delinquent taxes is the greater of 2.5% or \$10 for each parcel. The penalty will be reduced to the greater of 1% or \$10 if all delinquent taxes are paid on or before January 31. If delinquent taxes are paid after January 31, these delinquent taxes, including penalties, are subject to an interest charge at a rate equal to the federal discount rate; the interest period is from January 1, until the date paid. If in May of the fifth year the taxes remain delinquent, the County advertises and sells the property at a tax sale. Therefore, property taxes are ultimately collectible and no allowance for doubtful accounts is considered necessary. As of December 31, 2024, all real property was assessed at \$38,472,289,061.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 17.

Explanation of differences between governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balance includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 19.

Note 3. Deposits and Investments

The District pools the cash and cash equivalents of the various funds into a number of demand and interest-bearing accounts in the custody of the District Treasurer.

Custodial Credit Risk-Deposits - The District maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits. No deposits are collateralized and collateralization is not required by state statute.

Custodial Credit Risk-Investments - All investment securities are held in a qualified depository certified by the Commissioner of Financial Institutions as adhering to the rules of the Utah Money Management Council. Investments at December 31, 2024, consisted of the following:

	<u>Carrying Amount</u>	<u>Market Value</u>
Utah Public Treasurer's Investment Fund	\$ 67,319,584	\$ 67,445,045
US Bank Investments	304,343,108	304,162,768
Governmental Bonds	1,670,000	1,670,000
Total Cash Deposits	12,489,608	13,486,854
Total Cash and Investments	<u>\$ 385,822,300</u>	<u>\$ 386,764,667</u>

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 3. Deposits and Investments, Continued

Presented by:

General Fund	\$ 54,288,489
Virgin River Program	628,220
Capital Projects Fund	197,846,455
Enterprise Fund	133,059,136
Total	<u>\$ 385,822,300</u>

The Utah State Treasurer's Office operates the Utah Public Treasurer's Investment Fund (PTIF). Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any gains or losses on investments. The PTIF is available for investment funds administrated by any Utah Public Treasurer.

Interest Rate Risk-Investments - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. In addition to demand deposits, the District holds \$1,670,000 in Governmental Bonds listed above that are held by their Trustee.

Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The District follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of The District funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for The District's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, certified investment advisors, or directly with issuers of the investment securities.

Statutes authorize The District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government-sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed-rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 3. Deposits and Investments, Continued

rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (Utah Code, Title 51, Chapter 7). The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the City can access. Since valuations are based on quoted prices that are readily and regularly available in an active market, the valuation of these securities does not entail any significant degree of judgment. Securities classified as Level 1 inputs include U.S. Government securities and other U.S. Agency and sovereign government obligations.;
- *Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include corporate and municipal bonds, and "brokered" or securitized certificates of deposit; and,
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The District's investments in the Public Treasurers Investment Fund are valued using significant other observable inputs (Level 2 inputs).

On December 31, 2024, The District had the following recurring fair value measurements for its US Bank investments:

Security Type Category	Level 1	Level 2	Level 3	Other	Total
Agency	18,992,762.50	0.00	0.00	0.00	18,992,762.50
CD	0.00	240,362.40	0.00	0.00	240,362.40
Corporate	0.00	66,058,757.00	0.00	0.00	66,058,757.00
Currency	46,480.25	0.00	0.00	0.00	46,480.25
MM Fund	115,559,850.32	0.00	0.00	0.00	115,559,850.32
US Gov	102,210,910.00	0.00	0.00	0.00	102,210,910.00
---	236,810,003.07	66,299,119.40	0.00	0.00	303,109,122.47

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 3. Deposits and Investments, Continued

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

For securities that generally have market prices from multiple sources, it can be challenging to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security. The District receives market prices for these securities from a variety of industry-standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, The District uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

- U.S. Treasuries, Money Markets, U.S. Agencies: quoted prices for identical securities in markets that are active;

Debt securities classified in Level 2 are valued using the following approaches

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices;
- Bond Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers’ Investment Fund: application of the December 30, 2024, fair value factor, as calculated by the Utah State Treasurer, to The District’s average daily balance in the fund; and,
- Donated Real Estate: recent appraisals of the real estate’s value.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed-rate negotiable certificates of deposits, and fixed-rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury, obligations issued by U.S. government-sponsored enterprises, and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate corporate note securities may not have a remaining term to final maturity exceeding three years.

As of December 31, 2024, The District’s investments had the following maturities:

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 3. Deposits and Investments, Continued

US GOV							
Final Maturity Group	Security Type	Final Maturity	Description	CUSIP	Ending Market Value + Accrued	Ending Book Value	Book Value + Accrued
3 to 5 Years	US GOV	10/18/2028	UNITED STATES TREASURY	---	18,406,977.50	18,306,855.98	18,518,373.48
1 to 3 Years	US GOV	07/23/2026	UNITED STATES TREASURY	---	19,777,081.30	19,621,802.26	19,797,733.56
0 to 1 Year	US GOV	11/30/2025	UNITED STATES TREASURY	91282CJL6	5,048,528.57	5,024,586.42	5,046,014.99
---	US GOV	06/09/2027	UNITED STATES TREASURY	---	43,232,587.37	42,953,244.66	43,362,122.03
T-BILL							
Final Maturity Group	Security Type	Final Maturity	Description	CUSIP	Ending Market Value + Accrued	Ending Book Value	Book Value + Accrued
0 to 1 Year	T-BILL	03/31/2025	UNITED STATES TREASURY	---	59,387,200.00	59,365,369.43	59,365,369.43
0 to 1 Year	T-BILL	03/31/2025	UNITED STATES TREASURY	---	59,387,200.00	59,365,369.43	59,365,369.43
MMFUND							
Final Maturity Group	Security Type	Final Maturity	Description	CUSIP	Ending Market Value + Accrued	Ending Book Value	Book Value + Accrued
0 to 1 Year	MMFUND	12/31/2024	FIRST AMER:GVT OBLG X	31846V336	115,559,850.32	115,559,850.32	115,559,850.32
0 to 1 Year	MMFUND	12/31/2024	FIRST AMER:GVT OBLG X	31846V336	115,559,850.32	115,559,850.32	115,559,850.32
CORP							
Final Maturity Group	Security Type	Final Maturity	Description	CUSIP	Ending Market Value + Accrued	Ending Book Value	Book Value + Accrued
1 to 3 Years	CORP	06/07/2027	---	---	61,850,947.84	61,361,786.84	61,855,849.68
0 to 1 Year	CORP	05/24/2025	---	---	4,772,000.19	4,717,890.45	4,788,018.64
---	CORP	04/15/2027	---	---	66,622,948.03	66,079,677.29	66,643,868.32
CD							
Final Maturity Group	Security Type	Final Maturity	Description	CUSIP	Ending Market Value + Accrued	Ending Book Value	Book Value + Accrued
3 to 5 Years	CD	12/20/2029	USF Federal Credit Union	90353EBS1	240,729.30	239,403.94	239,770.85
3 to 5 Years	CD	12/20/2029	USF Federal Credit Union	90353EBS1	240,729.30	239,403.94	239,770.85
CASH							
Final Maturity Group	Security Type	Final Maturity	Description	CUSIP	Ending Market Value + Accrued	Ending Book Value	Book Value + Accrued
0 to 1 Year	CASH	12/31/2024	Receivable	CCYUSD	46,480.25	46,480.25	46,480.25
0 to 1 Year	CASH	12/31/2024	Receivable	CCYUSD	46,480.25	46,480.25	46,480.25
AGCY BOND							
Final Maturity Group	Security Type	Final Maturity	Description	CUSIP	Ending Market Value + Accrued	Ending Book Value	Book Value + Accrued
0 to 1 Year	AGCY BONI	07/29/2025	FEDERAL NATIONAL MORTGAGE ASSOCIATION	3136G4G23	1,959,406.67	1,957,178.99	1,962,245.66
3 to 5 Years	AGCY BONI	01/13/2029	---	---	17,113,565.72	17,088,257.97	17,163,401.19
---	AGCY BONI	09/05/2028	---	---	19,072,972.39	19,045,436.96	19,125,646.85
Summary							
Final Maturity Group	Security Type	Final Maturity	Description	CUSIP	Ending Market Value + Accrued	Ending Book Value	Book Value + Accrued
---	---	02/17/2026	---	---	304,162,767.66	303,289,462.86	304,343,108.05

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 3. Deposits and Investments, Continued

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

At December 31, 2024, The District's investments had the following quality ratings:

Rating	Security Type	Description	CUSIP	Ending Book Value	Moody's Rating	DBRS Rating	Rating (CD's NA)	Ending Market Value + Accrued	Book Value + Accrued
AAA	---	---	---	180,117,520.35	Aaa	AAA	AAA	180,454,817.93	180,640,560.21
AA+	CORP	ROYAL BANK OF CANADA	78014RKV1	2,200,000.00	Aa1	AA	AA+	2,213,633.52	2,214,711.52
AA	CORP	---	---	5,005,215.91	Aa2	NA	AA	5,016,588.36	5,020,629.27
AA-	CORP	---	---	13,693,559.22	Aa3	NA	AA-	13,819,617.29	13,818,791.51
A+	CORP	---	---	10,044,490.15	A1	AA	A+	10,142,402.16	10,147,542.30
A	CORP	---	---	30,121,207.54	A2	AA	A	30,362,261.29	30,366,968.84
A-	CORP	AMERICAN HONDA FINANCE CORP	02665WFS5	2,502,696.31	A3	NA	A-	2,525,517.81	2,528,764.12
NA	CD	USF Federal Credit Union	90353EBS1	239,403.94	NA	NA	NA (CD)	240,729.30	239,770.85
A-1+	T-BILL	UNITED STATES TREASURY	---	59,365,369.43	P-1	R-1 H	A-1+	59,387,200.00	59,365,369.43
AA	---	---	---	303,289,462.86	Aa2	AAA	---	304,162,767.66	304,343,108.05

The concentration of Credit Risk

The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, The District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District does have a formal policy for custodial credit risk. All investments other than bank deposits or funds invested in the state treasurers fund are to be held by a third party with securities delivered on delivery vs. purchase basis. As of December 31, 2024, The District safe-kept all investments with custodian counterparty US Bank, and all investments which was/were held by the counterparty's trust department or agent are registered in The District's name.

Note 4. Accounts Receivable

Accounts receivable of the Enterprise Fund is from power and water sales. The Power Sales (totaling \$768,965) are to Dixie Power REA and Hurricane City, and are made under a contract dated May 10, 1984, and most recently amended with effective dates from January 1, 2019, to January 1, 2029. The contract specifies that power generated be sold at five cents per kilowatt hour. Dixie Power REA purchases all power produced by the Quail Creek Hydroelectric plant and Hurricane City purchases all

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 4. Accounts Receivable, Continued

power generated by the Hurricane Hydro plant. Pah Tempe Plant. The water sales (totaling \$17,960,878) arise from individual contracts to various municipalities and others. The Enterprise Fund accounts receivable balance at December 31, 2024 consisted of the following:

Customer	Amount	Type
Dixie Power	\$ 156,891	Power
Hurricane City	918,001	Power & Water
St. George City	88,319	Water
City of Washington	64,170	Water
Other	1,327,298	Water
Total	<u>\$ 2,554,679</u>	

Note 5. Due from Other Governmental Units

The amount due from other governmental units consists of property taxes collected for the District by Washington County but unremitted as of December 31, 2024, as well as uncollected property taxes which are also recorded as deferred revenue.

Note 6. Capital Assets

Capital asset activity as of December 31, 2024, consisted of the following:

	12/31/23 Balance	Additions	Retirement	Transfers	12/31/24 Balance
Governmental Activities:					
Nondepreciable Capital Assets:					
Land & Water Rights	\$ 50,844,800	\$ 7,317,775	\$ -	\$ -	\$ 58,162,575
Projects in Progress	54,832,278	32,749,943	-	(1,367,906)	86,214,315
Total Non-Depreciable Assets	<u>105,677,078</u>	<u>40,067,718</u>	<u>-</u>	<u>(1,367,906)</u>	<u>144,376,890</u>
Depreciable Capital Assets:					
Buildings & Improvements	8,975,367	-	-	-	8,975,367
Furniture & Fixtures	475,031	110,869	-	-	585,900
Office Equipment	338,721	29,611	-	-	368,332
Vehicles	751,329	334,475	(266,221)	-	819,583
Total Depreciable Assets	<u>10,540,448</u>	<u>474,955</u>	<u>(266,221)</u>	<u>-</u>	<u>10,749,182</u>
Accumulated Depreciation	<u>(3,861,769)</u>	<u>(440,470)</u>	<u>79,236</u>	<u>-</u>	<u>(4,223,003)</u>
Depreciable Assets, Net	<u>6,678,679</u>	<u>34,485</u>	<u>(186,985)</u>	<u>-</u>	<u>6,526,179</u>
Total Capital Assets, Net	<u>\$ 112,355,758</u>	<u>\$ 40,102,203</u>	<u>\$ (186,985)</u>	<u>\$ (1,367,906)</u>	<u>\$ 150,903,070</u>

Depreciation expense for the year ended December 31, 2024, of \$440,470 was charged to governmental activities.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 6. Capital Assets, Continued

	12/31/23 Balance	Additions	Retirement	Transfers	12/31/24 Balance
Business-Type Activities:					
Nondepreciable Capital Assets:					
Land & Water Rights	\$ 13,598,492	\$ -	\$ (2,400)	\$ -	\$ 13,596,092
Projects in Progress	6,066,543	3,605,286	(8,806,654)	-	865,175
Total Non-Depreciable Assets	19,665,035	3,605,286	(8,809,054)	-	14,461,267
Depreciable Capital Assets:					
Infrastructure	246,967,293	10,148,427	-	1,367,906	258,402,713
Other Equipment	2,066,488	114,877	-	-	2,181,365
Vehicles	1,410,778	937,588	(547,079)	-	1,801,287
Right-of-use leased easments	41,140	1,256	-	-	42,396
Total Depreciable Assets	250,485,699	11,202,148	(547,079)	1,367,906	262,427,761
Accumulated Depreciation & Amortization	(97,546,970)	(6,539,189)	208,942	-	(103,877,217)
Depreciable Assets, Net	152,938,729	4,662,959	(338,137)	1,367,906	158,550,544
Total Capital Assets, Net	\$ 172,603,766	\$ 8,268,245	\$ (9,147,191)	\$ 1,367,906	\$ 173,011,810

A detailed list of infrastructure assets in the business type activities is:

	12/31/23 Balance	Additions	Retirement	Transfers	12/31/24 Balance
Infrastructure Assets					
Anderson Jct to Harrisburg Line	\$ 2,002,928	\$ -	\$ -	\$ -	\$ 2,002,928
Cottam Well Water System	8,793,269	9,474,386	-	-	18,267,655
Dammeron Valley Waste Water Sys	926,662	-	-	-	926,662
Diversion Dam & Pipeline	18,836,898	-	-	-	18,836,898
Drought Mitigation Plan	1,461,868	-	-	-	1,461,868
Fairground Water	138,143	-	-	-	138,143
Gunlock Filter Station	526,893	-	-	-	526,893
Hurricane Valley Water System	1,271,285	-	-	-	1,271,285
Hydroplants	5,680,914	-	-	-	5,680,914
Ivins-Santa Clara Water System	7,676,300	-	-	-	7,676,300
Kayenta Ence Wells	925,466	-	-	-	925,466
Kolob Recreation	32,046	-	-	-	32,046
Kolob Reservoir	13,294,301	10,784	-	-	13,305,085
Leap Creek	323,932	-	-	-	323,932
Quail Creek By-Pass Line	1,433,249	-	-	45,453	1,478,702
Quail Creek Dams	24,783,400	-	-	-	24,783,400
Quail Creek Parallel	5,824,613	-	-	34,405	5,859,018
Quail Treatment Plant	35,186,695	484,805	-	-	35,671,500
Quail Creek Water Treatment Plant - Filter Upgrade	202,684	-	-	-	202,684
Regional Pipeline	19,820,894	-	-	-	19,820,894
Roads & Recreation	1,306,067	-	-	-	1,306,067
Sand Hollow	72,725,726	684,358	-	1,288,049	74,698,133
Sand Hollow Culinary Pipeline & 4 Wells	6,564,122	-	-	-	6,564,122
Sand Hollow Well #11	631,177	-	-	-	631,177
Sand Hollow Well #13	658,360	-	-	-	658,360
Toquerville Secondary Water System	3,473,732	-	-	-	3,473,732
Toquerville Springs Pipeline	1,080,651	-	-	-	1,080,651
Treatment Plant Maintenance Bldg	448,950	-	-	-	448,950
Virgin River Gorge Fish Barrier	923,170	-	-	-	923,170
Virgin-LaVerkin Water System	1,900,134	-	-	-	1,900,134
Warner Valley Reservoir	6,527,785	-	-	-	6,527,785
Washington City System	115,286	-	-	-	115,286
Washington Fields Fish Screen	16,605	-	-	-	16,605
Webb Hill Fish Barrier	95,584	-	-	-	95,584
Wet Sandy Project	1,357,504	-	-	-	1,357,504
	\$ 246,967,293	\$ 10,654,333	\$ -	\$ 1,367,907	\$ 258,989,532

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 7. Accounts Payable

Accounts payable at December 31, 2024, includes amounts due for various contracts and operating expenses of the District.

Note 8. Bonds Payable

During 2000 and 2001, \$6,000,000 in Water Conservancy Revenue bonds were issued by the District to the state of Utah with the proceeds being designated for the Sand Hollow Project. Each principal installment is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer, and at a Redemption Price of 100% plus unpaid interest on any past due principal installment. These bonds are non-interest-bearing bonds and mature as follows:

Year Ending December 31,	Principal	Interest	Annual Debt Service
2030	\$ 1,500,000	\$ -	\$ 1,500,000
2031	1,500,000	-	1,500,000
2032	1,500,000	-	1,500,000
2033	1,500,000	-	1,500,000
	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ 6,000,000</u>

On March 11, 2004, the Board of Water Resources agreed to purchase \$2,000,000 in District revenue bonds for the District's Gunlock to Santa Clara transmission pipeline project which will be repaid at 2% interest over 25 years. Each series principal installment is subject to repayment and redemption at any time, in whole or in part, at the election of the Issuer at the Redemption Price of 100%, plus accrued interest. The remaining debt service is as follows:

Year Ending December 31,	Principal	Interest	Annual Debt Service
2025	\$ 97,000	\$ 10,080	\$ 107,080
2026	99,000	8,140	107,140
2027	101,000	6,160	107,160
2028	103,000	4,140	107,140
2029	104,000	2,080	106,080
	<u>\$ 504,000</u>	<u>\$ 30,600</u>	<u>\$ 534,600</u>

On February 1, 2011, the District issued \$2,435,000 in Series 2011A Revenue Bonds with an interest rate of 3.25% to finance a portion of the acquisition and construction of certain facilities relating to an existing drinking water treatment plant, including a storage tank, pipeline and other related facilities. The bonds are payable in monthly installments including interest with the debt service as follows:

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 8. Bonds Payable, Continued

Year Ending December 31,	Principal	Interest	Annual Debt Service
2025	\$ 48,220	\$ 62,240	\$ 110,460
2026	49,811	60,649	110,460
2027	51,454	59,006	110,460
2028	53,151	57,309	110,460
2029	54,905	55,555	110,460
2030-2034	302,917	249,383	552,300
2035-2039	356,288	196,012	552,300
2040-2044	419,062	133,239	552,301
2045-2049	492,897	59,403	552,300
2050	108,341	1,914	110,255
	<u>\$ 1,937,046</u>	<u>\$ 934,710</u>	<u>\$ 2,871,756</u>

On June 25, 2024, the District issued \$25,565,000 in Series 2024 Revenue and Refunding Bonds which were issued with a premium of \$2,749,876 and incurred \$187,000 in issuance costs. With transfers of debt service funds of \$58,000, the net proceeds of \$5,953,165 were used to advance refund the 2015 Bonds. Bonds have an average interest rate of 4.01%. The Series 2024 Revenue Bonds are payable in semiannual installments including interest on April 1, and October 1 of each year. The debt service of the 2024 Bonds is as follows:

Year Ending December 31,	Principal	Interest	Annual Debt Service
2025	\$ 1,605,000	\$ 1,278,250	\$ 2,883,250
2026	1,690,000	1,198,000	2,888,000
2027	1,775,000	1,113,500	2,888,500
2028	1,870,000	1,024,750	2,894,750
2029	1,965,000	931,250	2,896,250
2030-2034	4,265,000	3,759,750	8,024,750
2035-2039	5,445,000	2,581,000	8,026,000
2040-2044	6,950,000	1,076,250	8,026,250
	<u>25,565,000</u>	<u>12,962,750</u>	<u>38,527,750</u>

On September 26, 2017, the District issued \$30,920,000 in Series 2017A Revenue and Refunding Bonds which were issued with a premium of \$6,279,447 and incurred \$265,898 in issuance costs. With transfers of debt service funds of \$261,363, the net proceeds of \$37,293,412 were used to advance refund \$11,925,000 of the 2007B Bonds and provide \$25,000,000 for construction costs. The Bonds have an average coupon rate of 4.7%, effective interest rate of 4.771% and mature over 20 years. The Series 2017 Revenue Bonds with interest rates ranging from 2% to 5% and are payable in semiannual installments including interest on April 1 and October 1, of each year. The debt service of the 2017 Bonds is as follows:

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 8. Bonds Payable, Continued

Year Ending December 31,	Principal	Interest	Annual Debt Service
2025	\$ 1,000,000	\$ 1,243,500	\$ 2,243,500
2026	1,210,000	1,203,500	2,413,500
2027	1,260,000	1,143,000	2,403,000
2028	1,320,000	1,080,000	2,400,000
2029	1,375,000	1,014,000	2,389,000
2030-2034	8,965,000	4,000,000	12,965,000
2035-2037	9,940,000	1,010,000	10,950,000
	<u>\$25,070,000</u>	<u>\$10,694,000</u>	<u>\$35,764,000</u>

Note 9. Long Term Liabilities

The following is a summary of long term liabilities and related transactions for the District during 2024:

	Balance 12/31/23	Additions	Retirements	Balance 12/31/24	Current Portion
Governmental activities					
Net pension/OPEB liabilities	\$ 257,563	\$ 115,130	\$ -	\$ 372,693	\$ -
Accrued compensated absences	363,381	44,933	-	408,314	244,988
Total governmental activities	<u>\$ 620,944</u>	<u>\$ 160,063</u>	<u>\$ -</u>	<u>\$ 781,007</u>	<u>\$ 244,988</u>
	Balance 12/31/23	Additions	Retirements	Balance 12/31/24	Current Portion
Business-Type activities					
Bonds payable					
2000A Series revenue bonds	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000	\$ -
2004 Revenue bonds	600,000	-	(96,000)	504,000	96,000
2011A Series bonds	1,983,726	-	(46,680)	1,937,046	46,680
2015 Refunding bonds	6,890,000	-	(6,890,000)	-	-
2017A Revenue & refunding bonds	26,025,000	-	(955,000)	25,070,000	955,000
2024 Revenue bonds	-	25,565,000	-	25,565,000	1,605,000
Bond premium	5,243,308	2,749,876	(1,230,414)	6,762,770	382,719
Net bonds payable	<u>46,742,034</u>	<u>28,314,876</u>	<u>(9,218,094)</u>	<u>65,838,816</u>	<u>3,085,399</u>
Accrued compensated absences	246,872	229,260	(99,803)	273,860	164,316
Lease Liabilities	27,471	-	(2,565)	24,906	1,256
Net pension/OPEB liabilities	150,429	-	150,429	214,453	-
Total business-type activities	<u>\$ 47,166,806</u>	<u>\$ 28,544,136</u>	<u>\$ (9,170,033)</u>	<u>\$ 66,352,035</u>	<u>\$ 3,250,971</u>
Total long-term liabilities	<u>\$ 47,787,750</u>	<u>\$ 28,704,199</u>	<u>\$ (9,170,033)</u>	<u>\$ 67,133,042</u>	<u>\$ 3,495,959</u>

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 9. Long Term Liabilities, Continued

Total remaining principal and interest debt service by year is as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 2,750,220	\$ 2,594,070	\$ 5,344,290
2026	3,048,811	2,470,289	5,519,100
2027	3,187,454	2,321,666	5,509,120
2028	3,346,151	2,166,199	5,512,350
2029	3,498,905	2,002,885	5,501,790
2030-2034	19,532,917	8,009,133	27,542,050
2035-2039	15,741,288	3,787,012	19,528,300
2040-2044	7,369,062	1,209,489	8,578,551
2045-2049	492,897	59,403	552,300
2050	108,341	1,914	110,255
	<u>\$ 59,076,046</u>	<u>\$ 24,622,060</u>	<u>\$ 83,698,106</u>

In prior years certain agreements entered into by the District were classified as operating leases or capital leases. With the implementation of GASB 87 in the year ending December 31, 2024, these agreements are now classified as lease liabilities. Beginning balances have been adjusted accordingly with any impact on net position being recorded as a restatement adjustment.

Generally, resources from the General fund are used to liquidate net pension/OPEB liabilities and compensated absences for governmental activities.

The District has no unused lines of credit as of December 31, 2024.

The District has entered into two easement lease agreements with the Bureau of Land Management for right-of-way easements. The first agreement had an initial liability of \$30,230 in 2010 and a balance of \$19,786 as of December 31, 2024. The second agreement had an initial liability of \$12,166 in 2019 and a balance of \$5,120 as of December 31, 2024. Both agreements have an effective interest rate of 4.27% and require annual payments of \$1,732 through 2040 for the first and annual payments of \$697 through 2033 for the second. The land associated with the leases will not be purchased at the end of the lease and has a non-terminating life-span. The values of the right-of-use assets were \$30,230 and \$12,166 respectively with accumulated amortization of \$13,100 and \$8,111 respectively.

The future principal and interest lease payments are as follows:

Governmental Activities		Enterprise Fund Activities	
Principal	Interest	Principal	Interest
-	-	\$ 1,365	\$ 1,064
-	-	1,424	1,005
-	-	1,485	944
-	-	1,548	881
-	-	1,615	815
-	-	8,469	2,979
-	-	7,339	1,321
-	-	1,660	71
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,905</u>	<u>\$ 9,080</u>

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 10. Tax Rate

The District, in accordance with State Law, is authorized to assess Washington County property owners a tax rate of 0.001 for the purpose of water conservancy.

Note 11. Unearned Water Payments

During 1991 the City of St. George exercised the option in its contract with the District that allowed them to prepay 46 years of project water costs for 10,000 acre feet annually of Quail Creek water for \$5,500,000. However, the city will continue to be obligated to pay operation and maintenance costs and repair and replacement fund costs consistent with the remaining terms of the original contract. The \$5,500,000 was recorded as unearned revenue and is being recognized as revenue over the 46-year period on a straight-line basis.

During 2000 the City of Ivins prepaid 50 years of project water costs for 1,000 acre feet annually of Quail Creek water for \$1,000,000 per its contract with the District. The City will be obligated to pay operation and maintenance costs and repair and replacement fund costs consistent with the remaining terms of the contract. The \$1,000,000 was recorded as unearned revenue and is being recognized as revenue over the 50-year period on a straight-line basis.

Note 12. Transfers

During 2024 there were no interfund transfers recorded in the fund financial statements. There was \$1,367,906 of capital assets transferred from the governmental activities which had no impact on the governmental fund financial statements and was recorded as contributed capital in the proprietary fund financial statements, due to the differences between full accrual and modified accrual accounting. In the government wide financial statements, where all activity is reported on the full accrual basis, the amount is reported as a transfer from the governmental funds and a transfer to the proprietary funds.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 13. Employee Retirement Benefits

Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer cost sharing public employee retirement system.
- Public Employees Contributory Retirement System (Contributory System) is a multiple-employer, cost sharing, retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple-employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employee beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined a pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing to the Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Summary of Benefits by System

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 Years	30 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year all years	Up to 2.5%

*Actuarial reductions are applied

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustment are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 13. Employee Retirement Benefits, Continued

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2024 are as follows:

	Tier 1 - DB System			Tier 2 - DB Hybrid System				Tier 2 - 401(k) Option			
	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)
Contributory System											
11 Local Government	6.00	12.96	-	111	0.70	16.95	-	211	-	6.95	10.00
Noncontributory System											
15 Local Government	-	16.97	-	111	0.70	15.19	-	211	-	5.19	10.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended December 31, 2024, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 285,514	N/A
Tier 2 Public Employees System	308,807	7,315
Tier 2 DC Only System	48,943	N/A
Total Contributions	<u>\$ 643,264</u>	<u>\$ 7,315</u>

Contributions reported are the URS Board-approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At December 31, 2024, we reported a net pension asset of \$0 and a net pension liability of \$587,146.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 13. Employee Retirement Benefits, Continued

(Measurement Date): December 31, 2023

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share Dec. 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 477,165	0.2057134%	0.2076062%	(0.0018928)%
Tier 2 Public Employees System	-	109,981	0.0565052%	0.0481360%	0.0083692%
	<u>\$ -</u>	<u>\$ 587,146</u>			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2024, we recognized pension expense of \$473,986.

At December 31, 2024, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 369,343	\$ 1,801
Changes in assumptions	206,140	87
Net difference between projected and actual earnings on pension plan investments	167,589	-
Changes in proportion and differences between contributions and proportionate share of contributions	14,946	3,403
Contributions subsequent to the measurement date	<u>643,264</u>	<u>-</u>
	<u>\$1,401,282</u>	<u>\$ 5,291</u>

\$643,264 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 13. Employee Retirement Benefits, Continued

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ 220,076
2025	211,378
2026	316,973
2027	(56,943)
2028	11,215
Thereafter	50,028

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, we recognized pension expense of \$330,457.

At December 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 334,117	\$ -
Changes in assumptions	143,187	-
Net difference between projected and actual earnings on pension plan investments	155,170	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,537	906
Contributions subsequent to the measurement date	<u>285,514</u>	<u>-</u>
	<u>\$ 919,525</u>	<u>\$ 906</u>

\$285,514 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ 209,812
2025	196,734
2026	291,730
2027	(65,172)
2028	-
Thereafter	-

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 13. Employee Retirement Benefits, Continued

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2024, we recognized pension expense of \$143,530.

At December 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences between expected and actual experience	\$ 35,226	\$ 1,801
Changes in assumptions	62,952	87
Net difference between projected and actual earnings on pension plan investments	12,419	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,409	2,497
Contributions subsequent to the measurement date	<u>357,749</u>	<u>-</u>
	<u>\$ 481,757</u>	<u>\$ 4,385</u>

\$357,749 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ 10,264
2025	14,644
2026	25,243
2027	8,229
2028	11,215
Thereafter	50,028

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.50 Percent

Salary increases 3.5 - 9.5 percent, average, including inflation

Investment rate of return 6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 13. Employee Retirement Benefits, Continued

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target Asset Allocation	<u>Expected Return Arithmetic Basis</u>	
		Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	35%	6.87%	2.40%
Debt Securities	20%	1.54%	0.31%
Real Assets	18%	5.43%	0.98%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	3.86%	0.58%
Cash and Cash Equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
			<u>Inflation</u>
			2.50%
			<u>Expected arithmetic nominal return</u>
			7.95%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 13. Employee Retirement Benefits, Continued

	1% <u>Decrease</u> <u>(5.85%)</u>	Discount <u>Rate</u> <u>(6.85%)</u>	1% <u>Increase</u> <u>(7.85%)</u>
System			
Noncontributory System	\$ 2,476,463	\$ 477,165	(\$1,197,111)
Tier 2 Public Employees System	<u>377,878</u>	<u>109,981</u>	<u>(97,774)</u>
Total	<u>\$ 2,854,341</u>	<u>\$ 587,146</u>	<u>(\$1,294,885)</u>

Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems: 401(k) Plan and Roth IRA Plan.

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31, were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
401(k) Plan			
Employer Contributions	\$545,871	\$452,258	\$390,749
Employee Contributions	\$390,180	\$297,969	\$260,615
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$20,980	\$20,310	\$19,330

Note 14. Restricted Net Assets

The District determined to set aside funds for future projects. Accordingly, as of December 31, 2024, \$196,811,756 of the Governmental Activities Restricted Net Assets is restricted to be used for new water conservancy projects and \$1,597,142 of Business-type Net Assets is restricted for debt service. In addition, \$29,728,580 of Business-type Net Assets is restricted for Rate Stabilization to be used for debt service and capital asset acquisition in case of insufficient revenues and \$17,604,054 is restricted for Renewal and Replacement required by the Regional Water Supply Agreement.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
December 31, 2024

Note 15. Litigation

During the ordinary course of its operation, the district is a party to various claims, legal actions and complaints. In the opinion of the District's management and legal counsel, it is not anticipated that these matters have a material financial impact on the District.

Note 16. Other Commitments

The District is obligated at December 31, 2024, under various uncompleted construction contracts as follows:

	Project Authorized Amounts	Costs to Date	Costs to Complete
Cottam to Harrisburg Pipeline	\$ 3,845,791	\$ 3,450,685	\$ 395,106
Ash Creek Pipeline	10,070,656	9,282,572	788,084
Toquer Reservoir	5,090,888	3,166,701	1,924,187
Quail Creek to Cottam Pipeline and Booster Pump Stations	4,418,784	2,813,372	1,605,412
Cottam Well 3	3,175,718	2,597,606	578,112
Sand Hollow 2MG Tank B	7,398,588	95,586	7,303,002
Sand Hollow Well 7	610,731	452,964	157,767
Quail Creek 10 MG Tank B	1,348,075	76,154	1,271,921
Quail Creek 80 MGD Expansion	13,619,102	1,212,802	12,406,300
Kolob Reservoir	1,638,807	11,710	1,627,097
Dry Wash Reservoir	1,773,879	734,985	1,038,894
Warner Valley	357,506	273,895	83,611
Total	<u>\$ 53,348,525</u>	<u>\$ 24,169,032</u>	<u>\$ 29,179,493</u>

Note 17. Water Treatment Plant

Effective April 23, 2006, the District assumed the Operational Management of the St. George Treatment Facilities for the benefit of St. George and the District's other Municipal Customers per the agreement with St. George City. The District's Operational Management will include the management, operation, maintenance, repair and replacement of the Treatment Facilities.

The costs associated with the District's Operational Management of the Treatment Facilities shall be paid for by the District. However, the District shall be entitled to fully recover of its costs from St. George and the other Municipal Customers. During 2012, as part of the agreement, the District obtained \$16,530,000 in 2012 Water Revenue Refunding Bonds (see Note 7) to refund St. George's Bonds originally obtained to construct the Treatment Facilities. This agreement along with the payoff of the remaining debt service of St. George City's Bonds, the District determined to record the acquisition of the Treatment Plant as it is very unlikely that either party would withdraw from the agreement at this point.

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REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Property tax	\$ 14,800,000	\$ 16,885,257	\$ 2,085,257
Impact fees	130,500	-	(130,500)
Interest	700,000	2,418,997	1,718,997
Other income	5,855,710	4,148,618	(1,707,092)
Total revenues	<u>21,486,210</u>	<u>23,452,872</u>	<u>1,966,662</u>
EXPENDITURES:			
Capital expenditures	225,000	420,411	(195,411)
Public education	116,500	67,228	49,272
Payroll & benefits	4,326,908	3,566,526	760,382
Cloud seeding	545,000	708,826	(163,826)
Audit & accounting	50,000	41,750	8,250
Telephone	46,540	31,867	14,673
Insurance & bond	6,500	1,850	4,650
Travel & training	157,100	82,974	74,126
Office	3,436,792	2,438,019	998,773
Miscellaneous	183,000	22,770	160,230
Legal	2,200,950	1,384,827	816,123
Auto expenses	27,500	21,158	6,342
Board expenses	8,000	7,000	1,000
RDA property taxes	100,000	123,613	(23,613)
Engineering & maintenance	825,150	404,599	420,551
Environmental	1,500	-	1,500
Conservation	-	232,341	(232,341)
Utilities	35,000	29,945	5,055
Building maintenance	40,000	50,601	(10,601)
Total expenditures	<u>12,331,440</u>	<u>9,636,305</u>	<u>2,695,135</u>
Net change in fund balance	9,154,770	13,816,567	(728,473)
Fund balance, beginning of year	<u>44,252,541</u>	<u>44,252,541</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 53,407,311</u></u>	<u><u>\$ 58,069,108</u></u>	<u><u>\$ (728,473)</u></u>

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Virgin River Program
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Interest	\$ 6,000	\$ 6,000	\$ 2,598	\$ (3,402)
Other income	3,009,000	3,009,000	2,964,425	(44,575)
Total revenues	<u>3,015,000</u>	<u>3,015,000</u>	<u>2,967,023</u>	<u>(47,977)</u>
EXPENDITURES:				
Capital expenditures	126,800	126,800	213,786	(86,986)
Public education	60,000	60,000	11,764	48,236
Payroll & benefits	141,747	141,747	124,263	17,484
Telephone	1,000	1,000	620	380
Travel & training	2,500	2,500	1,708	792
Office	22,700	22,700	15,379	7,321
Miscellaneous	171,100	171,100	275,300	(104,200)
Operations & maintenance	101,490	101,490	70,402	31,088
Environmental	2,490,000	3,400,500	3,242,807	157,693
Utilities	5,000	5,000	30,511	(25,511)
Total expenditures	<u>3,122,337</u>	<u>4,032,837</u>	<u>3,986,540</u>	<u>46,297</u>
Net change in fund balance	(107,337)	(1,017,837)	(1,019,517)	(94,274)
Fund balance, beginning of year	<u>1,489,115</u>	<u>1,489,115</u>	<u>1,489,115</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,381,778</u>	<u>\$ 471,278</u>	<u>\$ 469,598</u>	<u>\$ (94,274)</u>

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended December 31, 2024

As of fiscal year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Noncontributory System					
2015	0.0000000%	\$ -	\$ -	0.00%	0.0%
2016	0.0188787%	106,825	155,045	68.90%	87.8%
2017	0.1891976%	1,214,880	1,623,841	74.82%	87.3%
2018	0.1935960%	848,203	1,602,088	52.94%	91.9%
2019	0.1861890%	1,370,970	1,510,243	90.78%	87.0%
2020	0.2060508%	776,587	1,671,550	46.46%	93.7%
2021	0.2029089%	104,081	1,599,453	6.51%	99.2%
2022	(0.2052249%)	(1,175,345)	1,650,572	-71.21%	108.7%
2023	0.2076060%	355,577	1,672,968	21.25%	97.5%
2024	0.2057134%	477,165	1,643,021	29.04%	96.9%
Contributory System					
2015	3.0997511%	\$ 894,103	\$ 1,565,148	57.13%	94.0%
2016	3.5114195%	2,468,017	1,397,688	176.58%	85.7%
2017	0.7795726%	26,109	19,093	136.75%	92.9%
2018	0.0000000%	-	9,156	0.00%	0.0%
2019	0.0000000%	-	2,776	0.00%	0.0%
2020	0.0000000%	-	-	0.00%	0.0%
2021	0.0000000%	-	-	0.00%	0.0%
2022	0.0000000%	-	-	0.00%	0.0%
2023	0.0000000%	-	-	0.00%	0.0%
2024	0.0000000%	-	-	0.00%	0.0%
Tier 2 Public Employees System					
2015	0.0337495%	\$ (1,023)	\$ 165,582	-0.62%	103.5%
2016	0.0279640%	(61)	180,667	-0.03%	100.2%
2017	0.0387790%	4,326	318,019	1.36%	95.1%
2018	0.0445760%	3,930	436,689	0.90%	97.4%
2019	0.0482960%	20,684	563,442	3.67%	90.8%
2020	0.0565940%	12,728	786,286	1.62%	96.5%
2021	0.0552146%	7,941	883,676	0.90%	98.3%
2022	(0.046762%)	(19,791)	867,979	-2.28%	103.8%
2023	0.0481360%	52,415	1,048,684	5.00%	92.3%
2024	0.0565052%	109,981	1,460,856	7.53%	89.6%

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Schedule of Contributions
December 31, 2024

As of fiscal year ended December 31,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System					
2015	\$ 28,637	\$ 28,637	\$ -	\$ 155,045	18.47%
2016	299,924	299,924	-	1,623,841	18.47%
2017	295,906	295,906	-	1,602,088	18.47%
2018	278,942	278,942	-	1,510,243	18.47%
2019	312,932	312,932	-	1,694,274	18.47%
2020	298,386	298,386	-	1,631,848	18.29%
2021	300,638	300,638	-	1,649,522	18.23%
2022	302,386	302,386	-	1,664,672	18.16%
2023	289,820	289,820	-	1,643,111	17.64%
2024	285,514	285,514	-	1,679,079	17.00%
Tier 2 Public Employees System*					
2015	\$ 29,897	\$ 29,897	\$ -	\$ 182,633	16.37%
2016	47,856	47,856	-	320,966	14.91%
2017	66,509	66,509	-	443,143	15.01%
2018	86,449	86,449	-	563,442	15.34%
2019	122,703	122,703	-	786,286	15.61%
2020	139,633	139,633	-	888,101	15.72%
2021	138,372	138,372	-	867,979	15.94%
2022	169,562	169,562	-	1,059,316	16.01%
2023	230,727	230,727	-	1,467,095	15.73%
2024	308,807	308,807	-	1,980,547	15.59%
Tier 2 Public Employees DC Only System*					
2015	\$ 1,973	\$ 1,973	\$ -	\$ 24,154	8.17%
2016	1,866	1,866	-	27,898	6.69%
2017	6,765	6,765	-	101,119	6.69%
2018	9,806	9,806	-	146,575	6.69%
2019	10,660	10,660	-	159,339	6.69%
2020	21,731	21,731	-	324,823	6.69%
2021	28,004	28,004	-	426,376	6.57%
2022	35,063	35,063	-	627,846	5.58%
2023	36,835	36,835	-	708,235	5.20%
2024	48,943	48,943	-	961,124	5.09%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Notes to Required Supplementary Information
For the Year Ended December 31, 2024

Note 1. Changes in Assumptions

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

OTHER SUPPLEMENTARY INFORMATION

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Impact fees	\$ 15,000,000	\$ 15,000,000	\$ 34,965,347	\$ 19,965,347
Interest	6,500,000	6,500,000	10,347,613	3,847,613
Other income	80,187,290	22,810,000	12,416,948	(10,393,052)
Total revenues	<u>101,687,290</u>	<u>44,310,000</u>	<u>57,729,908</u>	<u>13,419,908</u>
EXPENDITURES:				
Capital expenditures	12,978,000	58,671,400	27,301,978	31,369,422
Public education	3,875	3,875	532	3,343
Payroll & benefits	1,554,969	1,554,969	974,475	580,494
Telephone	12,000	12,000	7,957	4,043
Travel & training	12,500	15,625	48,558	(32,933)
Office	-	-	1,542	(1,542)
Miscellaneous	87,500	703,750	4,052,744	(3,348,994)
Legal	1,356,000	1,356,000	1,648,297	(292,297)
Auto expenses	30,000	30,000	17,780	12,220
Engineering & maintenance	86,794,548	25,520,983	5,179,149	20,341,834
Environmental	965,000	70,000	4,622	65,378
Utilities	-	835,000	1,186	833,814
Total expenditures	<u>103,794,392</u>	<u>88,773,602</u>	<u>39,238,820</u>	<u>49,534,782</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,107,102	2,107,102	-	(2,107,102)
Total other financing sources (uses)	<u>2,107,102</u>	<u>2,107,102</u>	<u>-</u>	<u>(2,107,102)</u>
Net change in fund balance	-	(42,356,500)	18,491,088	(38,221,976)
Fund balance, beginning of year	<u>178,362,937</u>	<u>178,362,937</u>	<u>178,362,937</u>	<u>-</u>
Fund balance, end of year	<u>\$ 178,362,937</u>	<u>\$ 136,006,437</u>	<u>\$ 196,854,025</u>	<u>\$ (38,221,976)</u>

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
Proprietary Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2024

	<u>Original</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Power sales	\$ 558,617	\$ 558,617	\$ 768,965	\$ 210,348
Water sales (net of rebate)	13,738,700	12,921,600	17,960,878	5,039,278
Water development & connection fees	52,400	52,400	16,356	(36,044)
Other charges and fees	243,599	6,766,482	429,553	(6,336,929)
Total revenues	<u>14,593,316</u>	<u>20,299,099</u>	<u>19,175,752</u>	<u>(1,123,347)</u>
EXPENSES:				
Depreciation	-	6,500,000	6,537,777	(37,777)
Amortization	-	-	1,413	(1,413)
Operations & maintenance	3,727,400	3,727,400	2,054,592	1,672,808
Payroll & benefits	3,195,792	3,195,792	2,808,024	387,768
Insurance & bonds	330,000	330,000	211,892	118,108
Office expenses	3,000	3,000	1,350	1,650
Building maintenance	4,691,500	4,691,500	1,227,506	3,463,994
Utilities	1,282,800	1,282,800	1,091,812	190,988
Water fees	162,500	162,500	199,811	(37,311)
Telephone	33,800	33,800	29,276	4,524
Auto expenses	130,000	130,000	80,435	49,565
Service charges	371,386	371,386	321,236	50,150
Miscellaneous	5,788,318	1,513,098	414,990	1,098,108
Travel and training	60,000	60,000	41,070	18,930
Total operating expenses	<u>19,776,496</u>	<u>22,001,276</u>	<u>15,021,184</u>	<u>6,980,092</u>
Operating income (loss)	(5,183,180)	(1,702,177)	4,154,568	(8,103,439)
OTHER INCOME (EXPENSES):				
Other income	1,071,000	1,071,000	3,935	(1,067,065)
Gain (loss) on sale of capital assets	-	-	404,963	404,963
Special assessment	1,000,000	1,000,000	-	(1,000,000)
Impact fees	1,684,500	1,684,500	3,005,750	1,321,250
Gain on refunding	-	-	84,841	84,841
Interest income	3,091,210	3,091,210	5,069,844	1,978,634
Interest expense	(1,663,530)	(1,951,136)	(2,124,659)	(173,523)
Capital Contribution	-	-	1,367,906	1,367,906
Transfers in	-	3,162,164	-	(3,162,164)
Total other financing sources (uses)	<u>5,183,180</u>	<u>8,057,738</u>	<u>7,812,580</u>	<u>(245,158)</u>
Net change in fund balance	-	6,355,561	11,967,148	(8,348,597)
Fund balance, beginning of year	<u>225,728,748</u>	<u>225,728,748</u>	<u>225,728,748</u>	<u>-</u>
Fund balance, end of year	<u>\$ 225,728,748</u>	<u>\$ 232,084,309</u>	<u>\$ 237,695,896</u>	<u>\$ (8,348,597)</u>

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FEDERAL AND STATE AUDITOR'S REPORTS

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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Board of Trustees
Washington County Water Conservancy District
St. George, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington County Water Conservancy District (the District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Washington County Water Conservancy District's basic financial statements, and have issued our report thereon dated May 23, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Washington County Water Conservancy District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Washington County Water Conservancy District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Washington County Water Conservancy District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

St. George, Utah
May 23, 2025



**Independent Auditors' Report on Compliance and
Report on Internal Control over Compliance
As Required by the *State Compliance Audit Guide***

To the Board of Trustees
Washington County Water Conservancy District
St. George, Utah

Report on Compliance

We have audited the Washington County Water Conservancy District's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, which could have a direct and material effect on the Washington County Water Conservancy District for the year ended December 31, 2024.

State compliance requirements were tested for the year ended December 31, 2024, in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Restricted Revenues
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Impact Fees
- Special Districts and Special Service District Board Members
- Utah Retirement Systems
- Public Treasurer's Bond

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the State Compliance Audit Guide. Those standards and the State Compliance Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of District's compliance with those requirements.

Opinion on Compliance

In our opinion, the Washington County Water Conservancy District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2024.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Guide*. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

St. George, Utah
May 23, 2025



WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
SINGLE AUDIT ACT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, UTAH

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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Basic Financial Statements Performed
in Accordance with *Government Auditing Standards***

Board of Trustees
Washington County Water
Conservancy District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County Water Conservancy District, Utah, (District) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Washington County Water Conservancy District's basic financial statements and have issued our report thereon dated May 23, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

St. George, Utah

May 23, 2025



**Independent Auditors' Report on Compliance
for Each Major Program and on Internal Control over Compliance
Required by the Uniform Guidance**

Board of Trustees
Washington County Water
Conservancy District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Washington County Water Conservancy District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Washington County Water Conservancy District's major federal programs for the year ended December 31, 2024. Washington County Water Conservancy District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Washington County Water Conservancy District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Washington County Water Conservancy District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Washington County Water Conservancy District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Washington County Water Conservancy District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Washington County Water Conservancy District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Washington County Water Conservancy District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Washington County Water Conservancy District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Washington County Water Conservancy District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Washington County Water Conservancy District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington County Water Conservancy District, Utah, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Washington County Water Conservancy District's basic financial statements. We issued our report thereon dated May 23, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

St. George, Utah

May 23, 2025

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WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, UTAH
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? ☐ yes ☒ no
- Significant Deficiency (ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted?

☐ yes ☒ no

Federal Awards

Internal Control over major programs:

- Material weakness (es) identified? ☐ yes ☒ no
- Significant Deficiency (ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)?

☐ yes ☒ no

Identification of major programs.

CFDA Number(s)

Name of Federal Program or Cluster

21.027

Coronavirus State and Local Fiscal Recovery Funds

15.074

Small Surface Water and Groundwater Storage Projects (SSWGSP)

Dollar threshold used to distinguish between type
A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☐ yes ☒ no

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, UTAH
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

Section II - Financial Statement Findings

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

None noted

Significant Deficiencies:

None noted

COMPLIANCE AND OTHER MATTERS:

State Compliance Findings:

None noted

Section III - Federal Award Findings and Questioned Costs

None noted.

Section IV - Summary Schedule of Prior Audit Findings

None noted.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, UTAH
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>US Department of the Interior</u>				
Water Smart (Sustain and Manage America's Resources for Tomorrow)	15.507		\$ -	\$ 81,767
Small Surface Water and Groundwater Storage Projects (SSWGSP)	15.074		-	3,381,646
Applied Science Grants	15.557		-	18,370
Water Recycling and Desalination Construction Programs	15.504			172,310
Total US Department of the Interior			-	3,654,093
<u>US Department of Treasury</u>				
Passed through State of Utah				
Coronavirus State Fiscal Recovery Funds - COVID 19	21.027	250868	\$ -	\$ 2,000,000
Passed through Washington County				
Coronavirus State Fiscal Recovery Funds - COVID 19	21.027	277	\$ -	\$ 5,000,000
Total Department of Treasury			-	7,000,000
Total Expenditures of Federal Awards			\$ -	\$ 10,654,093

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, UTAH
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Reporting Entity:

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Washington County Water Conservancy District, Utah (District). The District's reporting entity is defined in Note 1 of the basic financial statements. All expenditure of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Basis of Accounting:

This accompanying schedule of expenditures of federal awards has been prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Subrecipients:

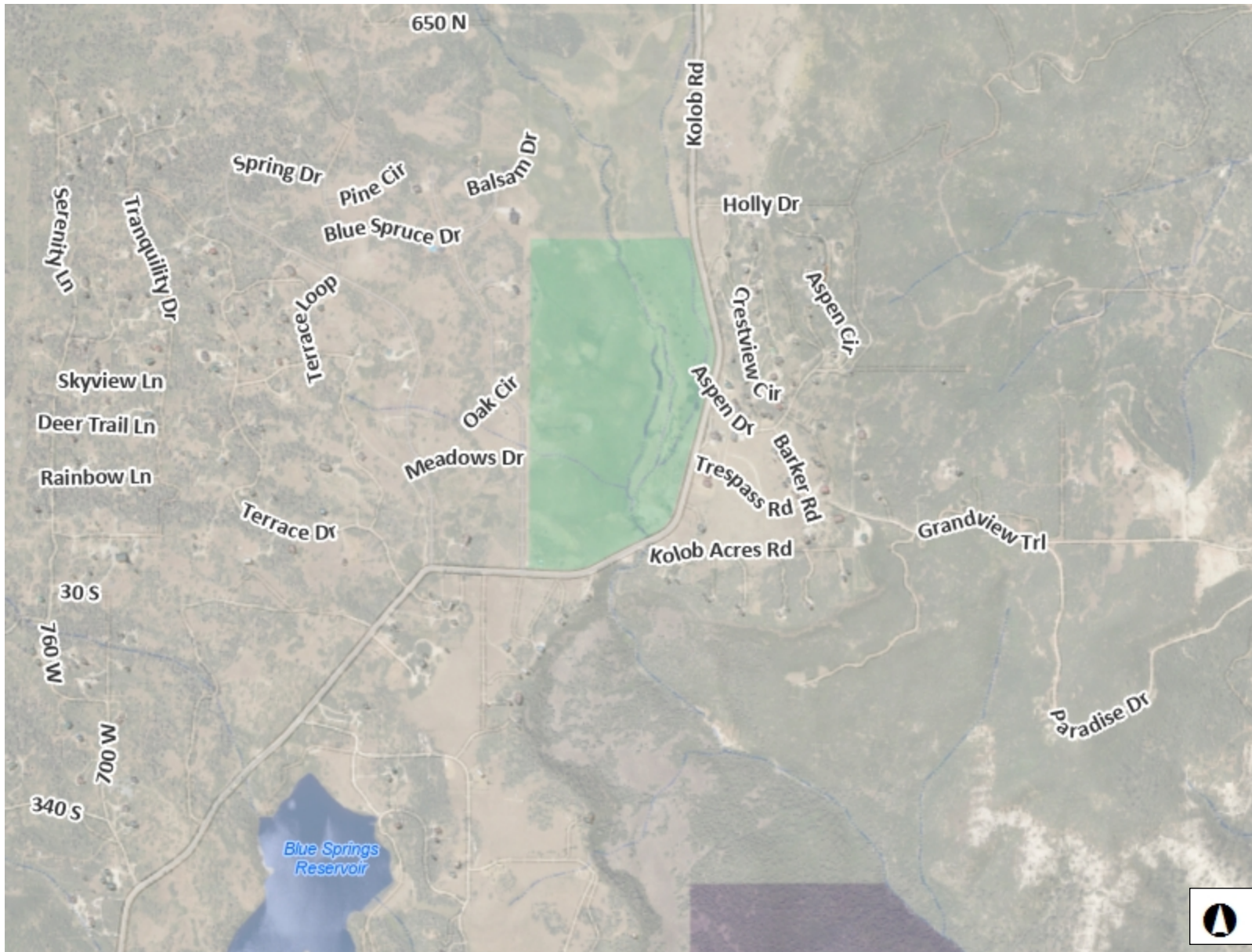
There are no subrecipients.

Indirect Cost Rate:

District did not elected to use the 10 percent de minimis indirect cost rate for fiscal year 2024.

Federal Loans Outstanding:

There are no outstanding balances for federal loan or loan guarantee programs at December 31, 2024.



Legend

Ownership

- U.S. Forest Service
- U.S. Forest Service Wilderness
- Bureau of Land Management
- Bureau of Land Management Wilde
- National Park Service
- Shivwits Reservation
- Utah Division of Wildlife Resources
- Utah Division of Transportation
- State Park
- State of Utah
- Washington County
- Municipally Owned
- School District
- Privately Owned
- Water
- Water Conservancy District
- State Assessed Oil and Gas
- Mining Claim

Notes

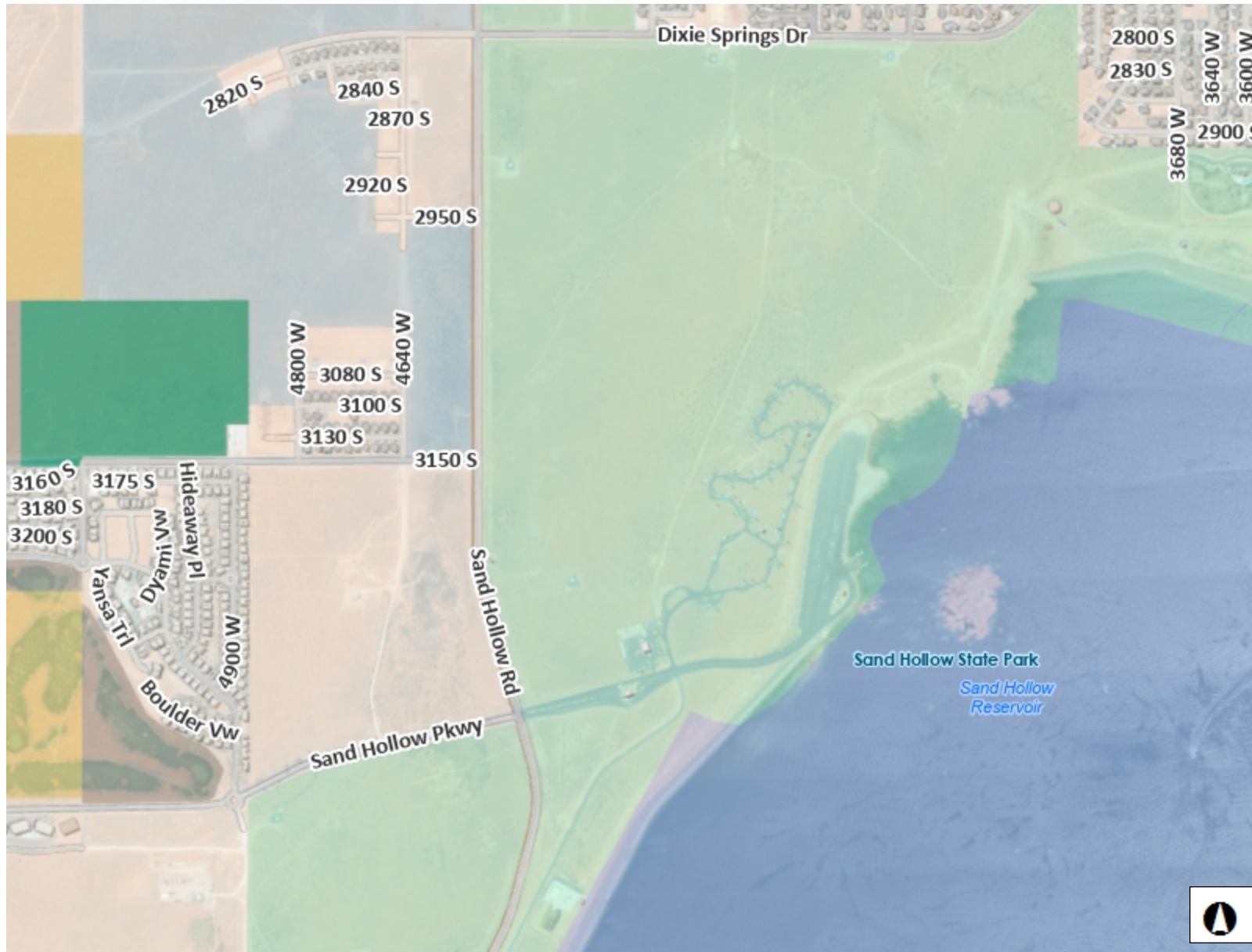
3,009.3 0 1,504.66 3,009.3 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Washington County, Utah will not be held responsible for any claims, losses or damages resulting from the use of this map.



Title



Legend

Ownership

- U.S. Forest Service
- U.S. Forest Service Wilderness
- Bureau of Land Management
- Bureau of Land Management Wilde
- National Park Service
- Shivwits Reservation
- Utah Division of Wildlife Resources
- Utah Division of Transportation
- State Park
- State of Utah
- Washington County
- Municipally Owned
- School District
- Privately Owned
- Water
- Water Conservancy District
- State Assessed Oil and Gas
- Mining Claim

Notes

3,009.3 0 1,504.66 3,009.3 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Washington County, Utah will not be held responsible for any claims, losses or damages resulting from the use of this map.

**WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
A RESOLUTION UPDATING PERSONNEL POLICY & PROCEDURES
REGARDING CONDUCT AND ABSENTEEISM AND TARDINESS**

WHEREAS, Washington County Water Conservancy District Personnel Policy & Procedures provides a policy regarding Employee Conduct and Absenteeism and Tardiness;

NOW THEREFORE, be it resolved that the following section of the Personnel Policy & Procedures shall be amended to include the underlined language and omit the stricken language:

8.2 Guidelines for Appropriate Conduct

As an integral member of the District team, you are expected to accept certain responsibilities, adhere to acceptable principles in matters of personal conduct, and exhibit a high degree of personal integrity at all times. Staff are expected to be courteous, civil, respectful, and professional in all interactions.

You are expected to:

1. Observe the highest standards of professionalism
2. Refrain from behavior that might be viewed unfavorably by the public
3. Refrain from behavior that is harmful to you, your colleagues, and/or the District.
4. Communicate respectfully.

~~This not only involves sincere respect for the rights and feelings of others, but also requires that both in your business and in your personal life, you refrain from any behavior that might be harmful to you, your co-workers, and/or the District or that might be viewed unfavorably by the public at large.~~

~~Whether you are on duty or off, your conduct reflects on the District. You are, consequently, encouraged to observe the highest standards of professionalism at all times.~~

Types of behavior and conduct that the District considers inappropriate include, but are not limited to, the following:

1. Falsifying employment or other District records;
2. Violating District policies including but not limited to the policies set forth in this manual;
3. Soliciting or accepting gratuities from contractors or vendors
4. Fighting or using obscene, abusive, or threatening language or gestures;

5. Theft of property from co-workers, property owners, or the District;
6. Unauthorized use of firearms on District premises or while on District business;
7. Disregarding safety or security policies, procedures or regulations;
8. Discourtesy, incivility, disrespect, or failure to maintain professionalism with co-workers, supervisors, contractors, officials, members of the public, or in other work-related interactions;
8. 9. Insubordination

8.8 Absenteeism and Tardiness

The District expects all employees to assume diligent responsibility for their attendance and promptness. ~~Should you be unable to timely report to work, you must notify your supervisor by the time your shift starts.~~ Except in the event of an emergency, no employee may be absent from or late to duty without permission of the supervisor. In an emergency situation where prior notification is not possible, the employee must notify their supervisor as soon as possible. Failure to obtain prior permission or properly notify the District results in an unexcused tardy or absence. A pattern (2 or more) of unexcused ~~Absenteeism~~ absences or tardiness ~~that is unexcused or excessive in the judgment of the District~~ is grounds for disciplinary action, up to and including dismissal. An employee who has three (3) consecutive unexcused or unexplained absences will be assumed to have resigned voluntarily, and will be terminated accordingly.


ADOPTED by the Board of Trustees this 6th day of June, 2025.

WASHINGTON COUNTY
WATER CONSERVANCY DISTRICT:



Ed Bowler, Chairman of the Board

ATTEST:


Mindy Mees, Secretary

VOTING:

Ed Bowler	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Adam Bowler	Yea <input type="checkbox"/>	No <input type="checkbox"/>
Kress Staheli	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Victor Iverson	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Michele Randall	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Rick Rosenberg	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Clark Fawcett	Yea <input checked="" type="checkbox"/>	No <input type="checkbox"/>

A RESOLUTION OF THE WASHINGTON COUNTY WATER CONSERVANCY DISTRICT ADOPTING RULES AND REGULATIONS GOVERNING DELIVERY OF DISTRICT WATER SUPPLIES AND USE OF DISTRICT INFRASTRUCTURE

WHEREAS, Washington County Water Conservancy District is a wholesale water provider with a service area encompassing Washington County, Utah, and also serves some retail water service customers;

WHEREAS, the District owns water rights, water shares, and other water interests (collectively or individually “water interests”), and owns or operates water facilities and supplies water (collectively or individually “water infrastructure”) throughout its service area;

WHEREAS, the Utah Water Conservancy District Act (Utah Code Annotated Sections 17B-2a-1001, *et seq.*) provides that the district board of trustees may, among other things:

- Make and enforce all reasonable rules and regulations for the management, control, delivery, use, and distribution of water,
- Allocate and reallocate the use of water to lands within the district,
- Provide for and declare a forfeiture of the right to the use of water upon the failure to comply with an order, contract, or agreement for the purchase, lease, or use of water, and
- Resell, lease or otherwise dispose of water with respect to which such forfeiture has been declared

UCA §17B-2a-1005(8)(a).

WHEREAS, the Utah Legislature set forth its intent in enacting the Water Conservancy District Act, including to “provide for the conservation and development of the water and land resources of the state,” “provide for the greatest beneficial use of water within the state,” and to “promote the greater prosperity and general welfare of the people by encouraging the organization of water conservancy districts,” and found that water conservancy districts help accomplish this intent because they directly or indirectly benefit the state, its people, industries, taxable property, irrigated lands, and municipalities (by providing an adequate water supply), and irrigated lands; and promote the comfort, safety, and welfare of the people of the state (UCA §17B-2a-1002);

WHEREAS, like much of the Southwest United States, Washington County has been experiencing the worst mega-drought in recorded history lasting multiple decades with few reprieves;

WHEREAS, the district’s service area is in an arid region and is the hottest, driest area in the State of Utah; the service area is largely dependent on one fragile source of water (the Virgin River Watershed) supplemented by some groundwater to supply all of its domestic, agricultural, industrial and commercial water needs;

WHEREAS, an adequate water supply is essential to the comfort, safety and welfare of the people and to the future economic development in the county;

WHEREAS, water is a naturally finite resource, and local supplies in Washington County have been largely developed, leaving scarce options for developing additional water facilities and supplies to meet the demands of new development;

WHEREAS, the district is engaging in a broad range of activities to help existing users conserve water including implementation of an excess water use surcharges to discourage excessive water use that apply to existing users, a landscape conversion program for existing users, adoption of a water conservation plan, and public outreach programs to further water conservation;

WHEREAS, the rules and regulations set forth herein are intended to apply to new development activity so that the private infrastructure and facilities constructed by new development activity can be planned and designed to conform with the rules and regulations and avoid retrofitting or redesigning at a later date;

WHEREAS, the board of trustees adopts as findings the information regarding water resources in Washington County and highly consumptive water uses set forth in Exhibit A;

WHEREAS, highly consumptive water uses impede the district's ability to provide an adequate supply of water to existing and new development and, if not regulated, threaten the district's ability to provide an adequate water supply to support the health, safety and welfare of the people of Washington County, State of Utah;

WHEREAS, to help provide an adequate supply of water for existing and new development, and to extend available water supplies and infrastructure to meet the demands of new development, the board of trustees finds it necessary to adopt rules and regulations governing use of district water supplies and district infrastructure as specified herein;

WHEREAS, the board of trustees finds that the rules and regulations set forth herein will help provide for the conservation and development of water and land resources, provide for the greatest beneficial use of water, and promote the greater prosperity and general welfare of the people of Washington County, State of Utah;

NOW THEREFORE, be it resolved that the following rules and regulations are adopted:

1. DEFINITIONS. The following terms have the following meanings:
 - a. "Artificial Swimming Lagoon" has the same meaning as set forth in Utah Administrative Code R392-304-3.

- b. “District Water Infrastructure” means water facilities owned or operated by the Washington County Water Conservancy District and water supplies owned or administered by the Washington County Water Conservancy District.
- c. “District Water Interests” means water rights, water shares, contractual rights to the use of water, or other water interests owned or administered by the Washington County Water Conservancy District.
- d. “Golf Course” means an area of irrigated turf or other irrigated vegetation for golf including any or all of the following: tee, fairway, putting green, driving range, or incidental irrigated landscape associated with the golf course.
- e. “Ornamental Water Feature” means any artificially constructed stream, pond, fountain, waterfall, or other artificially constructed water feature.
- f. “Swimming Pool” includes pools as defined in Utah Administrative Code R392-302-3(21)(“Instructional Pool”), R392-302-3(40)(“Pool”), R392-302-3(55)(“Swimming pool”), R392-302-3 (“Spa pool”), R392-302-3(57)(“Therapy Pool”), and R392-303-3(5)(“Geothermal pool”).
- g. “Artificial Water Body” means an artificially constructed body of water that is filled, or refilled, with potable or non-potable water from any source. The term includes but is not limited to artificially constructed lakes, ponds, artificial swimming lagoons, water basins, reservoirs, and artificially constructed water areas for fishing, boating, waterskiing, surfing, bodyboarding, boogie boarding, skim boarding, or other similar activity. The term does not include reservoirs or other bodies of water constructed by a public water supplier for the provision of public water supply within the public water supplier’s service area consistent with these rules and regulations even though incidental recreational activities may be permitted.
- h. “Water Play Area” means a constructed area that uses permanent plumbing fixtures to provide water for recreational purposes, including but not limited to water slides, splash pools, lazy rivers, wave pools, wading pools, splash or spray pads, surf pools, wet decks, water playgrounds, or similar water features.
- i. “Top 1% User” means any commercial, institutional, or non-residential facility with a projected annual demand (reviewed and confirmed by the Washington County Water Conservancy District) of 9 million gallons or more per year.

- j. “Water Park” means an artificially constructed facility that features water-based attractions such as swimming pools, artificial water bodies, water play areas or water facilities for floating, wading, or swimming.
2. **APPLICABILITY.** These provisions shall be effective as of the date of adoption of this resolution (May 5, 2025) and shall be applicable to development activity applying directly or indirectly for use of district water supplies or district infrastructure after adoption.
- a. These provisions do not apply to development activity receiving water supplies from non-district sources, provided that no district infrastructure is used in the provision of the non-district water supply.
 - b. These provisions do not apply to that portion of a development activity that is in conformance with these rules and regulations. For example, if a development activity includes a residential subdivision and a private water park, district water supplies and infrastructure may be used to service the residential subdivision, but they shall not be used to service the private water park.
 - c. These provisions do not apply to existing water users that are already connected to district infrastructure or receiving district water supplies.
3. **DELIVERY OF DISTRICT WATER SUPPLIES AND DISTRICT INFRASTRUCTURE.** Delivery of district water supplies to and use of district infrastructure for the following types of uses shall conform with the rules and regulations set forth below. Any delivery of district water supplies or use of district infrastructure by the district or its municipal, retail or other customers for the following types of uses that do not conform with the rules and regulations set forth below is prohibited. Legally separate entities that attempt to combine participant or customer patronage to avoid these rules and regulations will be treated as a single entity in enforcing the rules and regulations set forth herein.
- a. Golf Courses. The total irrigated area of a golf course may not exceed four (4) acres of irrigated turf or other irrigated vegetation.
 - b. Ornamental Water Features. Any artificially constructed stream, pond, fountain, waterfall, or other artificially constructed water feature may not exceed 25 square feet of water surface or wetted area. Only one ornamental water feature per residential lot or parcel, multi-family dwelling facility, multi-unit lodging facility,

or commercial institutional, governmental, or other non-residential or non-lodging development is permitted.

c. Swimming Pools, Artificial Bodies of Water, and Water Play Areas.

i. **OPTIONS**

Private Residential. Private residential swimming pools, artificial water bodies, or water play areas may not exceed 600 square feet in total water surface or wetted area combined, per residential lot or parcel.

Private Residential. Private residential artificial water bodies or water play areas may not exceed 600 square feet in total water surface or wetted area combined, per residential lot or parcel. NOTE, this option excludes swimming pools and would need to be revisited.

ii. Community Associations, Condominiums, Multi-Person Dwellings or Lodging Units. Swimming pools, artificial water bodies, or water play areas at community associations, condominiums, multi-person dwelling facilities or multi-unit lodging facilities may not exceed:

1. For facilities of 15 dwelling or lodging units or less, 600 square feet in total water surface or wetted area per development.
2. For facilities of more than 15 dwelling or lodging units, 600 square feet of total water surface or wetted area combined, per development, plus an additional 10 square feet per dwelling or lodging unit in excess of 15 in the development, up to a maximum of 13,500 total square feet combined, per development.

iii. Commercial, Institutional, Governmental, Etc. Commercial, institutional, governmental, or other non-residential or non-lodging development swimming pools, artificial water bodies, or water play areas may not exceed 13,500 total square feet combined, per development.

d. Top 1% Users. Use of district water supplies or district infrastructure for top 1% users is prohibited except where the Administration Advisory Committee determines that the related development activity substantially furthers a critical public interest as determined pursuant to section 5(a) (Application for Exception – Critical Public Need).

e. Water Parks. Water parks constructed by commercial, institutional, governmental entities, and lodging facilities may not exceed 30,000 square feet of total water surface or wetted area combined, per development. No other water parks are permitted, including but not limited to residential or private water parks.

4. ENFORCEMENT. The municipal, retail, and other customers of the district shall ensure that the rules and regulations governing use of district water supplies or district infrastructure as set forth

herein are observed, and that any facility that does not comply with the rules and regulations set forth herein is in no way physically connected to district infrastructure, directly or indirectly, and does not receive any delivery of district water supplies. The district reserves all legal and equitable rights and remedies against any person or entity that violates these rules and regulations, including but not limited to the right to curtail water service for the duration of the violation, collect damages, seek injunctive relief and impose monetary penalties through service fees or other mechanisms. The district's rights and remedies shall not be mutually exclusive, and the exercise of one or more rights and remedies shall not preclude the exercise of any other rights and remedies.

5. **APPLICATION FOR AN EXCEPTION.** An application for an exception to these rules and regulations may be made to the Administration Advisory Committee by completing and submitting forms provided by the district that include detailed information about the project and projected water use. After the required forms are submitted, the applicant may speak to its application at a regularly scheduled meeting of the AAC. District staff will review the submitted forms and information and prepare an independent analysis for the AAC. The AAC shall consider the following factors in determining whether to grant an exception to these rules and regulations and may only grant an exception when two-thirds of its members determine that a balancing of the following factors warrants an exception:

- a. Critical public interest. Does the proposed development activity substantially further a critical public interest such as health, safety or welfare?
 - i. The critical public interest must be clearly identified.
 - ii. The critical public interest must be applicable to the population at large or a significant number of the population.
 - iii. The proponent of the development activity must provide reliable evidence and data that the methods for furthering the critical public interest are effective in furthering that interest.
- b. Reduction in water consumption. Has the proponent of the development activity proposed a plan for reducing water consumption to within the limits of development activity that is permitted under these rules and regulations?
 - i. The proponent must provide reliable evidence and data that the proposed plan to reduce water consumption is effective in reducing water consumption of the development activity to within the limits of development activity permitted under these rules and regulations.
 - ii. The proponent must agree in writing to penalties for underestimating the reduction in water consumption of the development activity.

- c. Economic productivity. Will the proposed development activity significantly increase the economic productivity of the use of district water supplies or district infrastructure?
- i. This factor may be considered in balancing the other factors, but may not be used as the sole basis for granting an exception to these rules and regulations.
 - ii. The proponent must provide reliable evidence and data that proposed development activity will significantly increase the economic productivity of the use of district water supplies or district infrastructure.

ADOPTED by the Board of Trustees and effective this 5th day of May, 2025.

WASHINGTON COUNTY
WATER CONSERVANCY DISTRICT:

Ed Bowler, Chairman of the Board

ATTEST:

Mindy Mees, Secretary

VOTING:

Ed Bowler	Yea	___	No	___
Adam Bowler	Yea	___	No	___
Kress Staheli	Yea	___	No	___
Victor Iverson	Yea	___	No	___
Michele Randall	Yea	___	No	___
Rick Rosenberg	Yea	___	No	___
Clark Fawcett	Yea	___	No	___

Exhibit A

Water Resources in Washington County

- Eight municipalities rely upon the Washington County Water Conservancy District for some or all of their water supplies. All eight communities rely almost exclusively upon WCWCD for their future water supplies.
- The principal source of water in the region is the Virgin River. The Virgin River watershed is geographically small and highly susceptible to drought.
- The region is experiencing severe drought conditions and the lowest winter precipitation in the more than 130 years of record.
- The region's current and future water supplies are highly dependent upon conservation of existing supplies and the development of a purification reuse system.
- The scarcity of water is a limiting factor on development in the region. Decisions regarding investment of the region's limited water resources should consider the most critical needs of its citizenry. Large uses for discretionary purposes should be carefully considered because they significantly restrict the region's ability to plan for and provide future water supplies.

Highly Consumptive Water Uses

Golf Courses

- Washington County has a high density of golf courses per capita with 14 public and private golf courses.
- Golf courses are among the top 1/10th of 1% of the largest water users in the region. About one of every ten gallons of water served in the region supports existing golf courses. Golf accounts for almost 20 percent of the region's consumptive use.
- A typical golf course uses more than 200 million gallons annually, which is equivalent to serving more than 2,200 water-efficient homes.
- Collectively, the region's existing golf courses have an estimated water demand of almost 3 billion gallons annually.
- Adding a single golf course shortens the district's future supply planning by one year.
- The Greater Zion Convention and Tourism Office estimated golf's direct and indirect economic benefit at approximately \$150 million in 2023. This is approximately 1.4 percent of the region's gross domestic product (GDP).

- According to a 2012 report by Golf Alliance Utah, a golf course employs approximately 42 people at an average salary of \$32,000 per year.¹
- One acre of private golf course land produces about \$100 in property tax revenue. Many golf courses produce no property tax revenue due to public ownership. One acre of residential housing (7 units/acre) produces approximately \$16,000 of property tax revenue. Golf uses about 235,000 gallons of water per \$1 of tax revenue paid by the course. Homes use about 28 gallons per \$1 of property tax revenue.
- Golf courses have an inverse relationship between golfing demand and water use: economic benefit is lowest when seasonal water use is highest.
- Water use on a golf course is predominantly consumptive, meaning the water is lost from the system and cannot be recovered for reuse.
- Golf courses have marginal drought resilience and require more water to maintain during hot, dry conditions.

Swimming Pools, Artificial Water Bodies, Water Play Areas, Ornamental Water Features

- A typical residential swimming pool has a surface area of about 425 square feet, which is about 140 square feet per household occupant.
- There are currently no consistent regional guidelines for the scale of multi-user swimming facilities. This resolution would provide consistent scaling requirements for community associations, condominiums, multi-family dwellings and lodging facilities. The scaling requirements are formulated to strike a balance between allowing for larger facilities where there are more potential users and capitalizing on economies of scale where more users can effectively share facilities.
- A typical home swimming pool requires about 20,000 gallons each year to maintain and provides benefit for approximately five months of each year. Collectively pools across the region constitute a significant consumptive use of water.
- Surveys have shown homeowners in the southwest use their pool between 10 and 15 times annually. This means most home swimming pools are unused nine of every ten days during the swimming season (May-September)
- All jurisdictions have restricted new ornamental water features to 25 square feet per parcel, but there are no size restrictions upon swimming pools, which are a more substantial water demand.

¹ Average wage adjusted for inflation from 2012 to 2024.

- The development of residential "super pools," where ornamental and recreational water features are combined on a large scale, are expanding significantly in the region. These designs circumvent municipal regulations on ornamental water features by integrating them into the pool system.

Water Parks and Artificial Water Bodies

- Large-scale water parks are among the top 1% of the largest water users in our region.
- A commercial water park requires 15 to 30 million gallons of water annually and provides public benefit for five months each year.
- The water used by a single commercial water park is equivalent to serving up to 70 acres of residential parcels.
- Water use for a commercial water park is predominantly consumptive, meaning the water is lost from the system and cannot be recovered for reuse.
- Water recreation is adequately served in the region, with various public pools, reservoirs that allow for recreation, and water play areas.
- Artificial water bodies for the purpose of water skiing, surfing or other related activities have similar water use characteristics to commercial water parks but serve smaller populations with limited or no public access.

**A RESOLUTION OF THE WASHINGTON COUNTY WATER CONSERVANCY
DISTRICT ADOPTING A WATER SHORTAGE CONTINGENCY PLAN
FRAMEWORK**

WHEREAS, Washington County Water Conservancy District is a wholesale water provider with a service area encompassing Washington County, Utah, and also serves some retail water service customers;

WHEREAS, the district's service area is in an arid region and is the hottest, driest area in the State of Utah; the service area is largely dependent on one fragile source of water (the Virgin River Watershed) supplemented by some groundwater to supply all of its domestic, agricultural, industrial and commercial water needs;

WHEREAS, the District is responsible for meeting water demands within eight municipal entities through the Regional Water Supply Agreement (RWSA);

WHEREAS, the RWSA prescribes a process and responsibility for addressing water shortage conditions;

WHEREAS, Washington County has just experienced the driest winter in 132 years of recorded precipitation data;

WHEREAS, winter snowpack is a critical source of supply for the Virgin River Basin, the region's sole source of supply;

WHEREAS, the major reservoirs of the District were unable to reach peak capacity in spring of 2025 due to low snowpack and are projected to further diminish as water is withdrawn to meet community needs;

WHEREAS, maintaining reserve reservoir storage is necessary to ensure community needs may be met in consecutive years of low precipitation;

WHEREAS, an adequate, reliable water supply is essential to the comfort, safety and welfare of the people and to the future economic development in the county and a severe supply shortage could threaten the economic security, health and welfare of the citizens;

WHEREAS, the board of trustees acknowledges the need for a regional plan to address current and future water shortage conditions, which may be caused by drought, infrastructure disruptions, or other circumstances;

WHEREAS, the staff of the District, working in close partnership with RWSA partners has developed a draft Water Shortage Contingency Plan that describes tools and objectives for monitoring and addressing water shortage, attached as Exhibit A;

WHEREAS, the District's Administrative Advisory Committee has recommended to the Board of Trustees that the plan framework be adopted without the proposed measures, and that RWSA members be afforded more time to refine the proposed measures;

WHEREAS, the board finds it productive to adopt those portions of the plan which are finalized to advance public awareness and afford communities additional opportunity to develop an effective shortage sharing plan;

NOW THEREFORE, the Board of Trustees of the Washington County Water Conservancy District hereby resolves that;

- The proposed Water Shortage Contingency Plan is hereby adopted without the described measures for each stage;
- The board declares the region to be in a Stage One water shortage with a goal to reduce demand by 10 percent;
- A public information campaign shall be initiated to increase awareness of water shortage and methods for reducing water demand;
- Staff shall reconvene RWSA members to finalize measures, including considering alternatives such as water budgeting and/or water shortage pricing, and report progress at the board's July meeting.

ADOPTED by the Board of Trustees this 2nd day of June, 2025.

WASHINGTON COUNTY
WATER CONSERVANCY DISTRICT:

Ed Bowler, Chairman of the Board

ATTEST:

Mindy Mees, Secretary

VOTING:

Ed Bowler	Yea	___	No	___
Adam Bowler	Yea	___	No	___
Kress Staheli	Yea	___	No	___
Victor Iverson	Yea	___	No	___
Michele Randall	Yea	___	No	___
Rick Rosenberg	Yea	___	No	___
Clark Fawcett	Yea	___	No	___

Exhibit A

2025 Water Shortage Contingency Plan

Discussion Draft

This plan identifies actions to reduce water demand incrementally in response to conditions that range from routine conservation to catastrophic deficiencies. Disasters – earthquakes, wildfires, critical infrastructure failure, prolonged drought or supply contamination – can occur unexpectedly. Having a uniform plan helps to ensure all community members can stay safe, healthy and resilient during disasters or disruptions to the water supply.

Executive Summary

As one of Utah's hottest and driest regions, and one of the nation's fastest growing metropolitan areas, Washington County is vulnerable to impacts of reduced water supply and shortage. To prepare for emergency water shortage conditions, the Washington County Water Conservancy District (district) developed this Water Shortage Contingency Plan (plan). The plan was developed in partnership with its municipal partners to provide a collaborative system for prioritizing drinking water under circumstances of diminishing supply. The district's municipal partners are the cities of St. George, Washington, Hurricane, Santa Clara, Ivins, Toquerville, La Verkin, and the town of Virgin.

Additional stakeholders and an established task force (see Appendix A) were involved to help guide and inform the planning process. In addition, guidance was sought from more than 60 elected officials and technical experts through a survey instrument. The plan includes mitigation measures, drought monitoring, identification of shortage stages, response actions, a vulnerability assessment, operational framework, and an update process.

While drought is an ever-present threat in the region, other circumstances can result in water shortages, earthquakes, power interruptions or necessary infrastructure repairs can interfere with the ability to deliver water. The measures in this plan may be used to curtail demand in any scenario that diminishes the supply or distribution of water.

Mitigation Measures

The district and municipal partners have invested over \$60 million in conservation measures and programs to reduce water demand, successfully reducing per capita usage by nearly 40% from the year 2000. The county's ongoing conservation efforts serve to increase shortage resiliency and mitigate impacts of water supply issues.

Drought Monitoring

The district developed a drought monitoring tool for identifying drought, quantifying conditions, and assessing severity. The monitoring tool consists of a drought model and dashboard. The drought model processes historical and current data to categorize water supply conditions into five numerical categories of increasing drought severity. These categories, or drought stages, will be directly linked to response actions. As this region moves from one stage to another, as defined in this report, the drought monitoring tool will update the drought dashboard and identify needed responses.

Water Shortage Stages

The five shortage stages range from “0” (normal conditions) to “4” (extreme shortage). The descriptors for each stage were carefully selected with consideration of public perception, and response actions were set to best communicate desired responses to varying shortage conditions. The response actions describe, in one word, how the district, its municipal partners, and the public should respond to the shortage stage.

WATER AVAILABILITY AND RESPONSE STAGES					
	Stage 0	Stage 1	Stage 2	Stage 3	Stage 4
	Normal	Dry	Prolonged Shortage	Escalated Shortage	Extreme Shortage
Response Stage	Conserve	Caution	Concern	Alarm	Crisis

Response Action Plans

Shortage response actions (actions) are directly linked to the stages, prioritized by severity. The actions align with necessary reductions in water consumption at each stage and are detailed for each response group.

Vulnerability Assessment

This assessment identifies areas of vulnerability in existing facilities, system capabilities, and water practices of the district and its customers. Additionally, the vulnerability assessment factors in climate, Utah state policy, supply, demand, and climate change.

Communication Plan

The task force will meet periodically to review technical information and make recommendations to the district’s Board of Trustees, who will decide whether to announce a shortage stage change.

The district will coordinate with its municipal partners to provide information to the public via websites, social media and newsletters. Public outreach will extend to include press announcements, advertising, signage, and enhanced collaboration as necessary.

Plan Maintenance and Updates

The district will evaluate and update the plan every five years. Evaluation of the plan will focus on the accuracy of the shortage model and associated dashboard, response actions, and the communication plan.

Chapter 1 Plan Introduction and Background

Introduction

Washington County is Utah's hottest and driest region and one of the nation's fastest growing metropolitan areas. Population projections estimate a 155% increase in the county by the year 2060. The sole water source for Washington County's population centers, the Virgin River basin, is a small desert tributary prone to drought and climate variability that is fully appropriated. As the county approaches full utilization of its annual reliable water supply, the need for more stringent water resource management increases. Local municipal partners depend on the district to manage water supplies and provide for current and future use.

Background

To prepare for emergency shortage conditions and comply with Utah's water conservation requirements, the Washington County Water Conservancy District (district) developed this Water Shortage Contingency Plan (plan) in partnership with municipal partners that include the cities of St. George, Washington, Hurricane, Santa Clara, Ivins, Toquerville, La Verkin, and the town of Virgin.

This collaborative process designed a system for prioritizing drinking water under circumstances of diminishing water supply. A task force was developed to help guide this system, which included 18 technical experts from the district and its municipal partners (see Appendix A).

In developing the response actions described in Chapter 7, the district surveyed more than 60 stakeholders, including the elected council members, mayors and city managers of all municipal partners.

Elements

The plan was developed to include six elements: drought monitoring, vulnerability assessment, mitigation actions, response actions, operational and administrative framework, and plan development and update process.

Implementation

The task force reviews technical information and makes recommendations to the district's Board of Trustees. The board serves as the policy arm of the district and determines plan implementation.

The task force membership is comprised of representatives well-versed in water management and technical resources. The board is comprised of appointed officials who are policy and political decision makers.

Chapter 2 Vulnerability Assessment

The goal of the vulnerability assessment is to identify areas in which the district and its municipal

partners are vulnerable to shortage. The assessment quantifies the impacts of climate change, drought, and water demand on supply.

Climate

The district is in an arid region subject to frequent and prolonged dry periods and is one of the fastest growing areas in the US. These environmental and demographic dynamics make it challenging to plan for, manage, and operate a water system. Climate uncertainty further compounds this challenge and presents additional vulnerabilities. Washington County is extremely vulnerable to shortage for the following primary reasons:

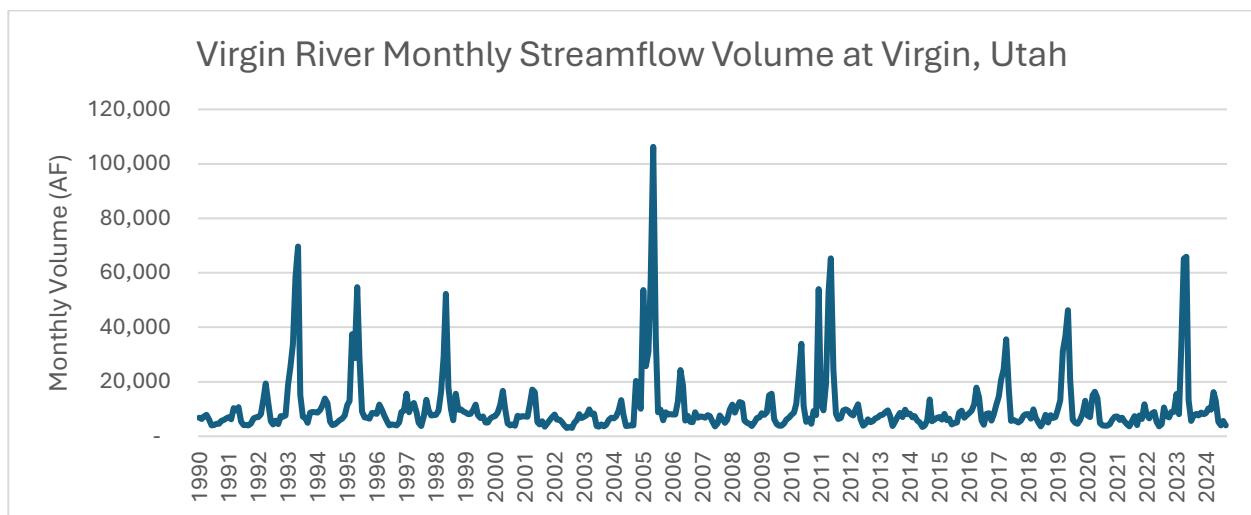
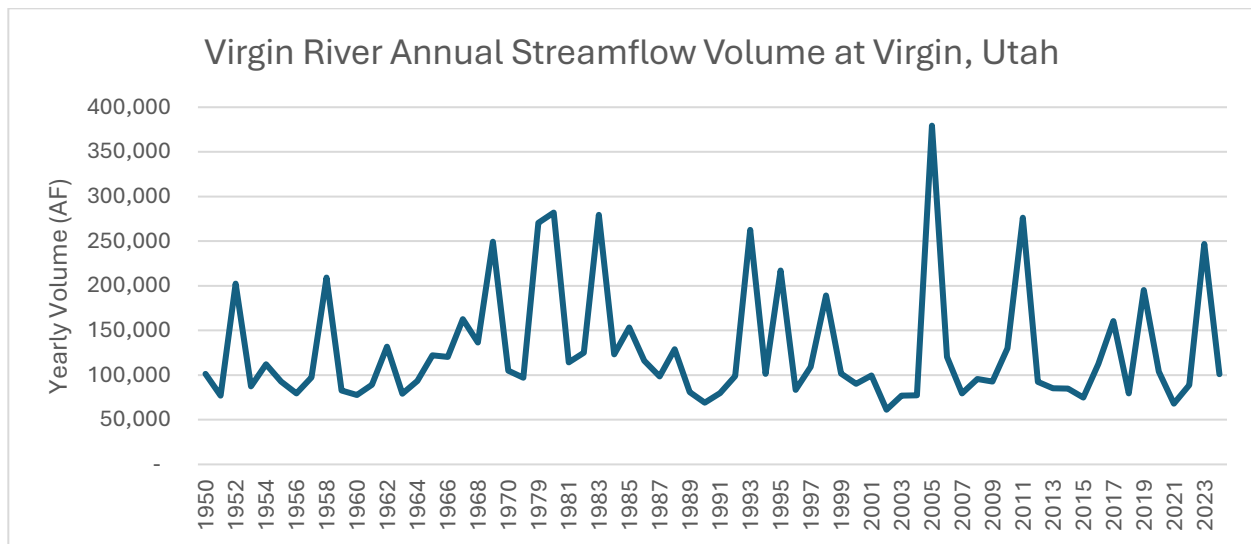
- Exclusive reliance on the Virgin River basin for its supply
- Prone to meteorological drought with long periods of drier than normal conditions
- Virgin River May-July streamflow is predicted to decline 20% based on the Bureau of Reclamation's 2014 climate change analysis
- County population growth has averaged nearly 3.5% per year over the past 10 years. Over that same period, Utah's growth was 2% annually
- Current annual water demand is approaching the annual reliable system supply

The district and the Utah Department of Natural Resources have taken a proactive approach to these challenges by frequently assessing water supplies, demand dynamics, and developing plans to improve resiliency. Visit wcwcd.gov for previous studies and reports related to this issue.

Water Supply

The district's water supply is approximately 80% surface water and 20% groundwater in the Virgin River watershed.

Surface water storage is highly dependent on annual flow in the Virgin River. Streamflow gage data for the Virgin River has shown a gradual decline over the past 100 years. While the precipitation, snowmelt and soil moisture that determine the amount of surface flow in the Virgin River are variable, there has been a demonstratable drop in available yield from this source over the last century.



Water Demand

The district is a wholesale water provider to its municipal partners. Based on the 2020-2024 five-year average, the current monthly demand for district water is 664 AF December through February and 3,562 AF June through September. The combined volume of water deliveries as reported by the district's municipal partners is 1,465 AF for the winter months and 2,503 AF for the summer months.

Drought History

Washington County is within a naturally drought-prone climate. The district's reservoir and groundwater supplies provide drought resilience; however, future climate models predict more extreme drought conditions in both magnitude and duration. Prolonged drought could result in

water shortages without careful management of supply and demand.

Climate Change

Recent climate change studies have shown the Colorado River Basin will likely see hotter and drier patterns in the future. Climate change models for the Virgin River predict a reduction in streamflow of 20% from May through July – coinciding with peak water demand.

In addition, climate change is predicted to cause the runoff season to arrive one month earlier in the year. With temperatures in the Virgin River Basin anticipated to be 4.5 to 5°F warmer from 2050 to 2079 compared to the 1950 to 1979 historical mean, precipitation in Washington County will shift from snow to rain. Intense rainstorms could exceed the Quail Creek diversion pipeline capacity and result in precipitation not being captured in the district's reservoirs. This issue cannot be resolved by increasing water storage.

Chapter 3 Mitigation Measures

Drought mitigation refers to actions and strategies outside of regular water management activities that a supplier can implement to reduce the risks and impacts associated with a shortage.

Proactive mitigation efforts are more efficient than reactive strategies: the Federal Emergency Management Agency (FEMA) estimates for every \$1 spent to avoid known impacts of a natural disaster \$4 may be saved. The mitigation strategies outlined here are intended to reduce the risk of a water shortage caused by drought and increase the shortage preparedness of the district's water systems. The current and planned mitigation measures were established to support the plan's primary goals to:

- Protect and extend the district's limited water resources
- Prepare for a rapidly expanding population
- Provide regional economic resiliency
- Preserve the natural environment
- Prolong the longevity of water infrastructure

All mitigation measures described are generally compatible with the district's Water Conservation Plan and Best Management Practices suggested by the Utah Division of Water Resources. These include current, in-progress, and future or planned mitigation strategies, which are broken down into two general categories:

Institutional Strategies: These are non-engineered, administrative or legal strategies that include economic incentives, education and outreach, and development standards. Mitigation measures in this category address water use.

Water Supply Augmentation Strategies: These are engineered strategies that address water supply by increasing the district's water supply resiliency to drought and water shortages. These

may include the addition of new water sources, increased storage capacity, and expanded distribution systems for both potable and secondary supplies.

Current and planned institutional and watery supply augmentation mitigation strategies are highlighted below and described in more detail in the district’s Water Conservation Plan, available on wcwcd.gov.

Summary of Current Shortage Mitigation Measures

Mitigation Measures		Description
Institutional Strategies		
CURRENT	Tiered Water Conservation Rate	Increased charges for higher use customers to incentivize conservation
	Excess Water Use Surcharge	Accounts with excess water use are assessed substantial surcharges of up to \$10/1,000 gallons
	Financial Incentives for Conservation Efforts	Includes incentive to install weather-based irrigation controllers, high-efficiency appliances, water-wise landscaping
	Education and Outreach	Provide education on outdoor water use to all citizens
	Water Loss reduction	Establish a Water Loss Management Committee to identify projects that will reduce non-revenue water throughout the system.
	New Development Standards	Coordinate with municipalities to enact new construction standards requiring water efficient fixtures and landscapes
	Advanced Metering Infrastructure (AMI)	Provide automated meter reading and data collection to inform property owner of use and mitigate loss to leaks; most municipal connections have AMI meters
Planned	Advanced Water Modeling	Refinement of the Virgin River Daily Simulation Model for increased real-time data on the impact of river changes on the overall water supply
Water Supply Augmentation Strategies		
Current	Aquifer Recharge at Sand Hollow Reservoir	Recharge of the Navajo Sandstone Aquifer by the Sand Hollow Reservoir to be stored and reserved for dry periods to supplement supply
	Reuse Facility at St. George Regional Water Reclamation Facility (SGRWRF)	The reuse facility filters and chlorinates effluent from the SGRWRF to Type I reuse for agricultural, commercial, and residential irrigation. Currently treats 7 MGD but can be expanded to 10.5 MGD
Planned	Additional storage, wells, and pipelines	Addition of several new wells, pipeline, and water storage to increase distribution system flexibility

	Treatment Plant Expansion	Expanding treatment plant capacity to capitalize on high flows to offset periods of drought
	Gunlock Groundwater Optimization Study	Study the Gunlock aquifer recharge and define the actual sustainable yield for water supply optimization
	Regional Reuse Purification System	Expand non-potable reuse so additional irrigation water can free up quality drinking water for potable use. Future treatment will purify reuse water for potable use
	System Connectivity Strategies	New system connections to add redundancy and reliability
	Lake Powell Pipeline Project	Utilize a small portion of Utah's water right on the Colorado River

Water Supply Augmentation Strategies

The district and its municipal partners have several projects underway that are intended to increase the resiliency of their water supply. These projects encompass both potable and secondary water supplies or distribution improvements including:

- Recharging the Sand Hollow Aquifer, adding 5,000 to 18,000 AF per year depending on available supply
- Adding additional groundwater storage tanks for the Cottam, Sand Hollow, Quail Creek and Sullivan wells
- Expanding well fields in the Cottam, Sullivan and Sand Hollow regions
- Creating additional surface water storage in reservoirs including Graveyard Wash, Chief Toquer and Kolob
- Expanding the Quail Creek Water Treatment Plant from 60 to 90 million gallon per day (MGD) plant
- Performing groundwater studies in the Gunlock region
- Developing a regional reuse purification system that will produce about 24,000 AF per year of additional supply
- Enhancing system connectivity between Toquerville Springs and the town of Virgin, and wells in the Sand Hollow region
- Constructing the Lake Powell Pipeline

Additional project information is available in the district's 2023 10-Year Capital Improvement and System Replacement Recommendations.

Planned Mitigation Measure Prioritization

Mitigation measures are prioritized based on three evaluation criteria: water savings/addition, ease of implementation, and drought tolerance. The criteria for each mitigation measure were

scored on a scale of 1-5 with 1 being the least and 5 being the greatest. The sum of criterion scores for each strategy determined overall priority. Scores of 10 and above are considered high priority, 8-9 are medium priority, and a score of 7 or below are low priority. The results are displayed below.

Mitigation Measure Prioritization Matrix

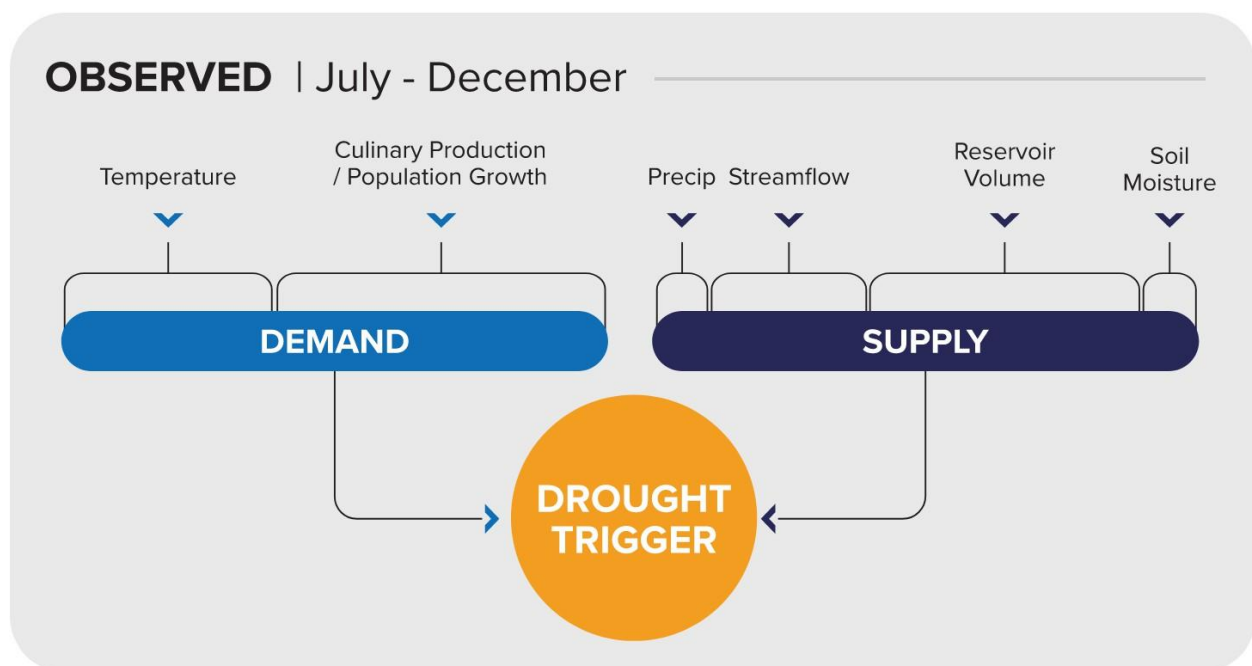
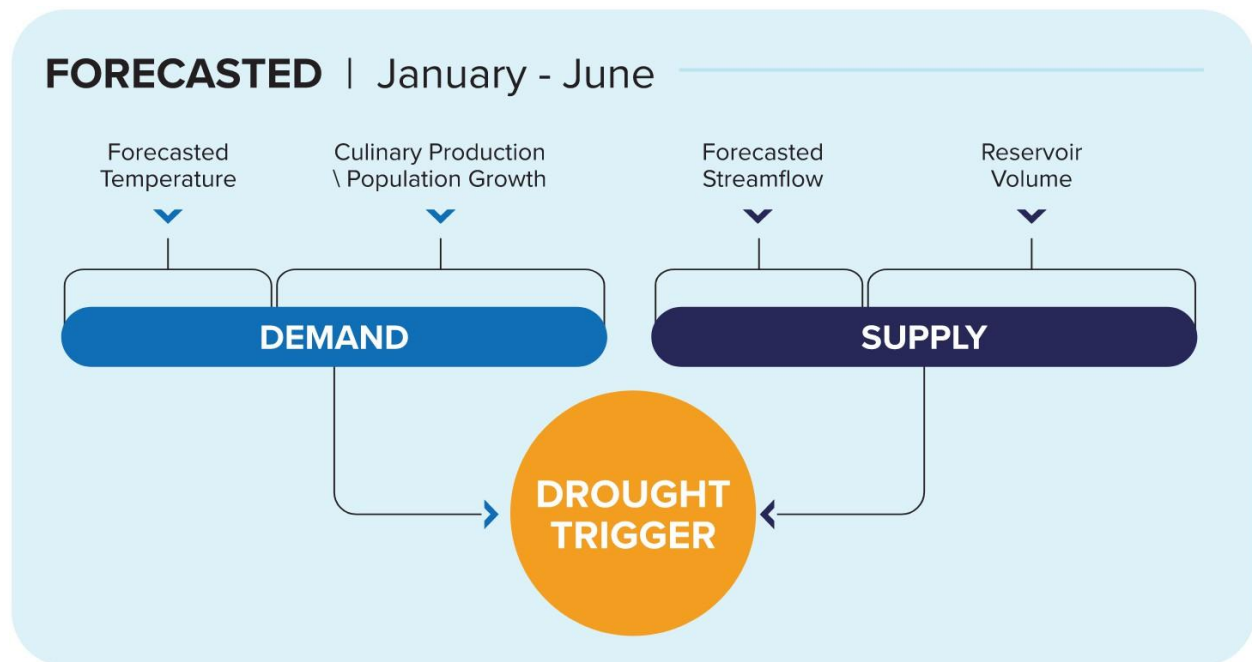
Mitigation Measures					
	Water Savings/Addition	Ease of implementation	Drought Tolerance	Total Score	Priority
Institutional Strategies					
Water Loss Savings	4	3	4	11	High
New Development Standards	3	3	3	9	Medium
Advanced Water Modeling	2	3	3	8	Medium
Advanced Metering Infrastructure (AMI)	3	2	2	7	Low
Water Supply Augmentation Strategies					
Regional Reuse Purification System	5	3	4	12	High
Groundwater Optimization Studies	4	3	4	11	High
System Connectivity Strategies	3	3	4	10	High
Additional storage, wells, and pipelines	3	3	4	10	High
Lake Powell Pipeline Project	5	1	3	9	Medium
Quail Creek Water Treatment Plant Expansion	2	2	3	7	Low

Chapter 4 Drought Monitoring

Drought is likely to be the most common cause of a water supply shortage. The district developed a monitoring tool, which quantifies current conditions to help recognize drought in its early stages and assess its severity. The monitoring tool consists of both a dashboard and model. The purpose of the dashboard is to convey the results of the drought model in a comprehensible manner. The drought model processes historical and current data to characterize the state of the water system

into five numerical categories of increasing drought severity (see shortage stages). These categories will be directly linked to drought response actions (see action plans). The drought model is programmed to automatically communicate with existing data sources to minimize the need for manual data upload; however, some datasets will still need to be routinely updated by the district.

The forecasted drought trigger components are illustrated in the following figures showing the observed components.



Water Supply Data Sources

Precipitation, reservoir volumes, streamflow, and soil moisture are used to calculate the supply component of the drought trigger.

Precipitation

The precipitation record used consist of measurements taken from nearly 13,000 stations owned by COOP, SNOTEL, Snowcourse, RAWS, CDEC, Agrimet, and EC (Canada). The data period of record ranges from January 1895 to the present.

Reservoir Volumes

The reservoirs considered for use in the model include Gunlock, Ivins, Kolob, Quail Creek, and Sand Hollow. Quail Creek and Sand Hollow Reservoirs were used in the drought monitoring model as a combined indicator in terms of percent capacity; together they constitute 86% of the district's current reservoir storage capacity.

Observed Streamflow

Monthly streamflow volumes were calculated from daily average flow and then ranked against the period of record.

Forecasted Streamflow

Streamflow forecasts in the winter are used to help predict water supply in the spring. Forecasts for the Santa Clara River near Pine Valley (USGS 09408400) and Virgin River at Virgin, UT (USGS gage 09406000) stations are available through the Natural Resources Conservation Service (NRCS) Web Service tool. The NRCS uses statistical models to produce streamflow forecasts. These statistical models are equations expressing a fitted mathematical relationship between the target streamflow volume and predictor variables, including snow water equivalent, precipitation, and antecedent streamflow.

Soil Moisture

Modeled soil moisture information was obtained from NASA's North American Land Data Assimilation System (NLDAS). Soil moisture content is available at different levels; the model uses, the moisture content from ground level down 100 cm using the VIC model configuration.

Water Demand Data Sources

Air Temperature

Air temperature measurements are used to calculate the irrigation-driven component of the demand score due to its cause-and-effect relationship. Records for air temperature over the Washington County area will be accessed using the same methodology as the precipitation data. The period of record covers January 1895 to the present day on a monthly timestep. The county-wide monthly average temperature can be calculated by taking the average of all grid cells within Washington County.

Forecasted Air Temperature

Forecasted air temperatures in winter are used to predict irrigation-driven demand in spring. Seasonal temperature forecasts are available in 3-month increments and provided by the National Weather Service's Climate Prediction Center. Forecasts are given in terms of percentages above and below normal. Seasonal temperature forecasts are based on climate and weather models, recent trends, and historical records showing what temperature conditions resulted from similar patterns in the past.

Population

Annual Washington County population estimates are used to calculate the component of the demand score until 2020. Historical population data from 1900-1940 were linearly interpolated from available U.S. Census Bureau decennial census data. Population estimates from 1941-2020 were collected from the Kem C. Gardener Policy Institute of the University of Utah. For use in the drought monitoring model, a percentage change from the rolling 3-year average was used as the population indicator.

Production

Production data refers to all groundwater and surface water pumped and diverted into the water system by the district and its municipal partners. The historical record for production data consists of monthly volumes from 2017-2021. Monthly production volumes will be uploaded each month by the district. For use in the drought monitoring model, a percentage change from the rolling 3-year average is used as the production indicator. Production data is used to estimate the component of the demand score after 2020.

Data Server

For automated monthly updates, most of the datasets discussed in this plan will be retrieved directly from their respective sources; however, some data will come directly from the district. The district will need to upload two datasets to an FTP Server:

- Reservoir volumes (weekly)
- Production data (monthly)

The model will be programmed to automatically search for and retrieve these datasets from the FTP server.

Future Model Improvements and Ongoing Calibration

The drought monitoring model will require ongoing calibration as changes to existing data sources occur. It is recommended the task force convenes monthly to review, discuss, and confirm the district's current drought status.

Additionally, whenever a new major supply or demand data source is added to the model, or software is updated, a model revision will be required.

Without the addition of new or major changes to existing supply or demand data sources, the rate of recalibration and updates to the model are left at the discretion of the district. However, it is recommended that the model be updated at a maximum of every five years to evaluate accuracy and efficiency, account for changes in production growth rates, reservoir operation, and a longer period of record on all data sources affecting probability distributions.

Chapter 5 Shortage Stages

The shortage model applies the variables described in Chapter 4 to generate a value that corresponds to one of five shortage stages (stages). Stages range from “0” for abnormally wet to normal conditions up to “4” for extreme shortage. These stages communicate the severity of shortage and water supply conditions to district partners and the public. Each of the five stages were assigned meaning, descriptions and associated actions that will help communicate the plan and necessary response actions (actions). The actions are discussed in more detail in Chapter 6.

To make a declaration of a particular stage, or to transition from one declared stage to another, the condition must persist for at least three calendar months, or ninety days. This measure was implemented by the task force to provide continuity of messaging and policy. Once declared, it would require three consecutive months of stage conditions to transition into a declaration of another stage. The district board, however, may advance or repeal a stage declaration at any time and for any duration if conditions merit such action.

Each stage is intended to produce enough water savings to abate the shortage and decrease the likelihood of experiencing advanced conditions.

Stage 0 – Normal

Stage “0” occurs when water supply meets current demands and is adequate to maintain or increase stored supplies. This stage reflects the region’s typically dry and arid conditions with seasonal monsoon rains. This will be the stage when the district wants to communicate that regular conservation efforts are sufficient to support the water demands being placed on the system for the foreseeable future.

Stage 1 – Dry

Stage “1” describes meteorological conditions when water demands tap into stored supplies faster than they can be replenished. When stored supplies are dropping, additional actions will need to be taken to slow drawdown and bring the demand back in line with sustainable supplies.

Stage 2 – Prolonged Shortage

Stage “2” is established when water supply has been diminished (e.g. reservoir levels are low) and the meteorological conditions have failed to replenish the supply. This can occur if the actions of stage 1 were ineffective in reducing the demand to match supply, or when there is lower than normal precipitation over an extended time. In this stage, responses become more intrusive and

aggressive to conserve available water in case the dry meteorological conditions persist.

Stage 3 – Escalated Shortage

Stage “3” identifies a significant deterioration in available water supply, approaching critical levels. This stage will likely occur when there have been abnormally dry meteorological conditions for an extended time, or the precipitation levels continue to decrease from previous shortage conditions. Response actions in this stage command a prioritization of water uses. At this stage, water will be rationed and redistributed to maintain life sustaining uses and fire protection. Due to sufficient storage and quality infrastructure, a period of escalated shortage has yet to occur within the county’s recent history.

Stage 4 – Extreme Shortage

Stage “4” is the most extreme stage and occurs when the region is in a declared state of emergency. Storage supplies have been depleted and water use will be limited to what becomes available in each season. Infrastructure will be unable to capture and store what precipitation may fall. All non-essential water use will be terminated and human health and safety will be the highest priority with water primarily allocated to health, sanitation and fire protection. A period of extreme shortage as defined here has yet to occur within the 53-year period for which modeling occurred.

The descriptors for each stage were selected to communicate the desired response and public perception of the shortage conditions. The descriptors escalate in severity and, in one word, describe how the district, its municipal partners, and the public should respond to the shortage condition.

Even though the model incorporates weather conditions, the stages refer to the water availability status. This was done intentionally to reinforce the message that not all precipitation is available for public consumption. The weather conditions impact how much water is recharging the system and how much of that water will become available to store for use; but are not direct drivers of the demand versus supply equation. This plan strives to connect the public’s effectiveness in conservation actions directly to how much water can be left in the existing reservoir storage system and therefore available for future use.

The following table shows the results of applying the shortage model to 30 years of past conditions in Washington County. A historic review of the model for a period of more than 50 years showed the region would have been in stage 0 (normal) conditions 62% of the time, stage 1 conditions 29 percent of the time, and stage 2 conditions 9 percent of the time.

Historical Frequency of Shortage Conditions

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	DROUGHT DECLARATION
1993	0	0	0	0	0	0	0	0	0	0	0	1	NO
1994	2	1	1	1	1	1	1	1	1	1	1	2	YES
1995	0	0	0	0	0	0	0	0	0	0	0	0	NO
1996	1	1	1	2	2	3	2	3	0	0	0	0	YES
1997	0	1	1	0	1	0	0	0	0	0	0	0	NO
1998	0	0	0	0	0	0	0	0	0	0	0	0	NO
1999	0	0	0	0	0	0	0	0	0	1	1	1	YES
2000	1	0	0	0	0	1	1	1	1	0	0	1	YES
2001	0	0	0	0	0	0	0	0	1	1	0	0	NO
2002	1	1	2	2	2	2	2	2	1	1	1	1	YES
2003	1	1	1	1	2	2	2	2	2	2	1	1	YES
2004	2	2	2	2	2	2	2	1	1	0	0	1	YES
2005	0	0	0	0	1	0	1	0	0	0	0	0	NO
2006	0	0	0	0	0	0	0	0	0	0	0	0	NO
2007	1	2	2	2	2	2	2	1	1	1	2	0	YES
2008	1	1	1	1	1	1	1	1	1	1	1	0	YES
2009	0	0	0	0	0	0	0	0	1	0	1	0	NO
2010	0	0	0	0	0	0	0	0	0	0	0	0	NO
2011	0	0	0	0	0	0	0	0	0	0	0	0	NO
2012	0	0	0	0	0	0	0	0	0	0	1	0	NO
2013	1	1	1	1	1	1	0	0	0	0	0	0	YES
2014	1	1	1	1	1	1	1	0	0	1	1	0	YES
2015	0	0	0	1	0	1	0	1	1	0	0	0	NO
2016	0	0	0	0	0	0	0	0	0	0	0	0	NO
2017	0	0	0	0	0	0	1	0	0	0	0	0	NO
2018	0	0	0	1	1	1	1	1	1	0	0	0	YES
2019	0	0	0	0	0	0	0	0	0	0	0	0	NO
2020	0	0	0	0	0	0	0	0	0	0	0	0	NO
2021	1	1	2	1	1	1	1	1	1	0	1	0	YES
2022	1	1	1	1	1	1	1	0	0	0	0	0	YES

Chapter 6 Response Action Plans

Shortage Response Actions (actions) correspond to each of the five stages discussed in Chapter 5. The actions prioritize the response based on the level of the shortage's severity.

Principles of the Response Plan

Whereas water is critical to the region's economy, this plan seeks to protect core economic functions to the extent possible. This plan focuses heavily upon discretionary, consumptive and large water uses. The plan uses incremental measures that are intended to moderate user impacts and negative economic consequences.

The plan calls for water use reductions across every sector: residential, commercial, industrial and institutional. Despite that, some sectors may be more impacted than others due to the nature of water use (landscape vs. domestic), the relative value of the use (ornamental lawns vs. active spaces), or the enormity of the demand (top tier water users).

Landscape

Seventy percent of urban water in the region is used consumptively. Consumptive uses include, but are not limited to, landscape irrigation, evaporation from water surfaces, mist cooling systems, water system leakage and evaporative cooling systems. Collectively, consumptive uses are estimated at about 12 billion gallons each year. Irrigated landscape is estimated to account for 75% of consumptive use, or 9.4 billion gallons.

Type of Landscape	Estimated Annual Water Use	Percent of total water supply (2023)
All landscape types	9.4 billion gallons	54%
All lawn grass	7.0 billion gallons	40%
Functional lawn grass	4.2 billion gallons	24%
Ornamental lawn grass	2.8 billion gallons	16%
Other landscape types	2.4 billion gallons	14%

A 2023 analysis conducted by the district estimated there are 180 million square feet of lawn in the region and as much as 70 million square feet that are primarily ornamental.

Ornamental lawns are those that provide no recreational function, either because of their size, shape or accessibility. Whereas irrigated lawns use about four times as much water as drip irrigated plantings, this plan calls for restrictions on the use of spray irrigation and ornamental lawns before prohibiting drip irrigated plantings. Where development has been allowed, the installation of irrigated lawn areas may be deferred or prohibited, depending upon shortage stage.

Prohibiting irrigation of ornamental lawns could yield up to a 16% reduction in water demand without sacrificing active lawn areas or risking loss of mature trees and shrubs. In combination with such a measure, the district would provide an increased incentive for the permanent conversion of ornamental lawns to drip irrigated plants.

For purposes of shortage response, ornamental lawns would include, but not be limited to, decorative lawn areas at businesses and homeowners' associations and front lawns of residential homes. Areas that don't meet a municipality's definition of an active recreation area are also ornamental.

Allowing drip irrigated landscape to be installed and sustained will be critical to sustaining the region's tree canopy and mature plants and will help sustain economic activity in the landscape industry. By converting lawn areas to drip irrigated plantings during water shortage, the region will also improve long-term shortage resilience.

Water Recreation

Water recreation is a discretionary use. Home swimming pools are usually about 425 square feet in surface area and require 20,000 gallons annually to maintain. Homes with pools may use 20% more water than those without. Most of a pool's water demand is attributable to evaporation, however, some estimates suggest up to 30% of pools have leaking shells that lose water into the surrounding soil.

This plan calls for improved management practices on existing pools and a reduction of new pools during a declared drought condition. Because swimming pools may not be left empty without damage to the shell, and unmanaged pools can pose health and safety hazards, this plan allows the water level to be maintained in existing pools but calls for more efficient operational practices, such as the use of a vapor barrier (cover) to reduce evaporation and a prohibition on draining and refilling.

Community swimming pools provide recreation for hundreds or even thousands of people. In areas where a community pool exists, homeowners are less likely to install private swimming pools. Due to the economy of scale, this plan allows community swimming pools to continue to be constructed to a conservation standard during stage 1 and 2 conditions. This allows community pools to serve as a viable option to private swimming pools and also helps sustain employment.

Commercial water parks use 15 to 30 million gallons annually, which places them among the top

What is an Active Recreation Area?

Dedicated active play areas where irrigated lawn is used as the playing surface, such as a sports field or park designed for public use.

Minimum requirements:

- 1,500 contiguous square feet of lawn area
- not less than 30 feet in any dimension
- not less than 10 feet from vehicular traffic
- accessible to large populations
- co-located with amenities, such as benches, tables, walking paths, drinking water and play equipment.

one percent of commercial and industrial users in the region. Water parks typically operate for just 4-5 months each year and cater to a limited sector of the population. Where not already prohibited, permits for construction of these projects are suspended in stage 1 and operation of existing facilities is suspended in stage 3.

Splash pads are water-play areas without a ponded water surface, most of which are associated with municipal parks. These facilities use about 300 gallons per square foot of play area annually and typically operate 5 months of the year. Most splash pads operate as single-pass water use, where water delivered through nozzles sprays onto bathers and then directly flows to the wastewater collection system where it may be recovered for reuse. Some splashpads may recirculate water through a swimming pool filtration system or recover the water for landscape irrigation on-site. Seventy percent of splashpad use is estimated to be captured to the drain, while the remaining 30% is lost to evaporation from the play surface and bathers. Operations of these facilities can be curtailed or suspended with little or no concern about damaging the infrastructure.

New Development

Increasing water demand during a water shortage is precarious. New permits for non-critical facilities are restricted at various stages of shortage, but projects with existing water commitments and appropriate permits that have already initiated construction may have a legal basis to proceed. Allowing previously permitted projects to advance while simultaneously restricting certain types of new permits creates a “glide path” for reduction of activity in the construction and development industries. This approach will soften economic impacts as compared to a sudden and absolute prohibition.

In some cases, the shortage plan requires the district or municipalities to refuse new service for certain types of water intensive facilities, such as, but not limited to, golf courses, water parks and data centers.

Even in a declared drought, the district foresees the need to construct facilities that meet a critical need for the community. There are also benefits in approving the construction of facilities that have nominal water demands during and after construction. Municipalities will determine what constitutes a critical facility, a low water use project, or a project that merits additional permits to reach completion. The district will honor these determinations where reasonable.

The district has adopted the following guidelines for determining whether a project merits designation as a critical facility:

- A critical facility is one that meets a pressing need for the general population, such as health care facilities or utility infrastructure.
- Depending upon supply conditions, housing may be deemed a critical facility, but preference should be given to multi-family dwellings and ultra-water efficient (UWE)

communities intended to serve as primary residences.

- Where UWE housing development is occurring, communities should be given consideration to develop community parks or swimming pools subject to the UWE design standard.
- Construction already permitted may proceed, subject to specific direction or intervention by a municipality. For example, if building lots have been prepared and transportation and utility infrastructure installed, construction of homes may be a nominal part of the total water demands of the project. However, if a permitted project has substantial water demands, a municipality may determine water shortage is a compelling reason to suspend or defer the project, within the scope of the jurisdiction's powers.
- Permits for facilities that require nominal water to construct or operate may be approved, even if they are not critical facilities.
- Permits issued should include clear stipulations that allow the municipality to suspend construction in water supply shortage conditions.

Drought Stage and Action Summary

Shortage Stage 0: Conserve

Water availability is at normal supply

- Implement Conservation Plan

Shortage Stage 1: Caution

Water availability is abnormally dry or decreasing supply

Target 10% reduction in water use

- Deploy stage 1 communications
- Promote stage 1 watering guidelines
- Reduce irrigation of public facilities by 10%
- Stage 0 actions plus:
 - Leverage smart metering systems to strengthen messaging
 - Monitor and report reservoir levels as a percentage of total surface water storage
 - Prevent lawn installations May through September
 - Limit residential swimming pool permits to 500 square feet or less surface area
 - Reject new connections for non-critical facilities with demands over 9 million gallons/year (MGY)
 - Implement stage 1 water rate structure
 - Increase enforcement of municipal water waste policies

Shortage Stage 2: Concern

Water availability is at prolonged shortage, or diminished supply

Target 20% reduction in water use

- Deploy stage 2 communications
- Promote stage 2 watering guidelines
- Reduce irrigation of public facilities by 20%

- Implement stage 2 rate structure
- Stage 1 actions plus:
 - Defer new grass installation. Drip irrigated, water-efficient plants only
 - Prohibit irrigation of ornamental lawns in all sectors
 - Defer new private swimming pool permits
 - Require new housing to meet Ultra-Water-Efficient standard
 - Reduce operation hours of public splashpads
 - Reject new connections for non-critical facilities with demands over 3 MGY
 - Restrict car washing frequency to 1x per week
 - Prohibit ornamental fountain operation
 - Prohibit comfort mist cooling systems
 - Implement golf water budgets for 20% reduction
 - Increase incentives for water efficient landscape 50%

Shortage Stage 3: Alarm

Water availability is at escalated shortage, or deteriorated supply

This is a critical stage to minimize the likelihood of reaching stage 4 conditions

Target 40% reduction in water use

- Deploy stage 3 communications
- Promote stage 3 watering guidelines
- Reduce irrigation of public facilities by an additional 10% (40% total)
- Turn off outdoor water features, including splash pads
- Implement stage 3 rate structure
- Stage 2 actions plus:
 - Spray irrigation prohibited except for communal active recreation areas
 - Watering limited to drip irrigation or hose with positive shut-off nozzle
 - Implement water budgets for golf courses to reduce demand 40%
 - Planting only allowed for conversion of lawn areas to water-efficient landscape
 - No new connections approved except critical facilities or low-water demand facilities
 - Swimming pools must be covered when not in use (where swimming pools are allowed). Only make up water is allowed, no draining and refill.
 - Recreational water parks and splash pad operations suspended

Shortage Stage 4: Crisis

Water availability is at extreme shortage, or depleted supply. Health, sanitation and fire protection are primary objectives

Target 60% reduction in water use

- Deploy stage 4 communications
- Deploy stage 4 watering guidelines
 - Irrigation prohibited
 - Implement stage 4 rate structure
 - Stage 3 actions plus:

- All outdoor water recreation suspended
- Car washing prohibited, except dry wash products

MEASURES	Stage 1 - CAUTION	Stage 2 - CONCERN	Stage 3 - ALARM	Stage 4 - CRISIS
Landscape	<p>Municipalities target 10% reduction</p> <p>Increase enforcement of municipal water waste policies</p> <p>Planting lawn grass prohibited May through September</p> <p>Spray irrigation prohibited 11A to 7P May through September</p>	<p>Municipalities target 20% reduction</p> <p>Drip irrigated plant installs only.</p> <p>Ornamental lawn irrigation prohibited</p> <p>Operation of ornamental fountains over 25 square feet prohibited</p>	<p>Municipalities target 40% reduction.</p> <p>Outdoor irrigation limited to 1x per week using a handheld hose or drip irrigation system.</p> <p>Conversion from lawn to drip irrigated landscape allowed</p>	Irrigation prohibited.
Water recreation	<p>Private residential pool permits limited to 600 square feet surface area</p> <p>Public/semi-public facilities scaled based upon number of eligible users</p>	<p>No permits for new private residential pools.</p> <p>Public or multi-family pool facilities permitted.</p> <p>Municipal splash pad operation hours reduced or suspended</p>	<p>Pool evaporation barriers required when not in use (where allowed). Drain/refill prohibited. Make up water only.</p> <p>Water park and splash pad operations suspended.</p>	All outdoor water recreation facilities suspended.
New Development	<p>Water efficiency standard applies, but allowable lawn may not be planted May through September</p> <p>District defers</p>	<p>New residential construction permits subject to ultra-water efficiency standards.</p> <p>District defers connections for</p>	District defers all connections except critical facilities or low-water demand projects (see guidance).	

	connections for new non-critical facilities with demand greater than 9 MGY Permits with water commitment may proceed using approved design	new non-critical facilities with demand greater than 3 MGY		
Incentives		Water Efficient Landscape incentives increase 50%		
Golf Courses	Stage 1 golf water budget applied	Stage 2 golf water budget applied	Stage 3 golf water budget applied	Irrigation prohibited
Car washing	Caution advised	Limited to 1x per vehicle per week using a commercial facility or hand wash with bucket and positive shut off Mobile wash limited to 10 gal per vehicle	Stage two techniques, but 1x per vehicle per month.	Car washing prohibited
Rates	Stage 1 rates may apply	Stage 2 rates may apply	Stage 3 rates may apply	Stage 4 rates may apply
Other		Comfort mist-cooling systems prohibited		

Chapter 7 Communication Plan

The district has developed a toolbox of resources to reflect conditions for each stage so any changes can be accomplished easily once a board decision is made. The district will encourage each municipal partner to publish the current stage and link to the district's water shortage page on wcwcd.gov.

Outreach and Communication Plan

Public awareness and adoption are vital to the plan's success. The district will coordinate with its municipal partners to provide information regarding water supply availability and response stages to the public via the following sources:

- **Website** – the district will have dedicated pages on wcwcd.gov with information; the district will encourage the county and all municipal customers to link their respective websites to this page
- **Social media** – the district will post information on its various social media platforms and encourage the county and all municipal partners to do the same
- **E-newsletter** – the district will draft and distribute information in its electronic newsletter and share this content with the county and all municipal partners for distribution to their respective subscribers

Public Outreach

When needed, the district may enhance outreach to include:

- **Press announcement and/or press conference** – the district will prepare and distribute information to media representatives with the intent of generating news coverage
- **Advertising** – the district has a robust media campaign that includes online, social media, broadcast production and billboard advertisements that may be used to communicate messaging
- **Speakers' bureau** – District representatives will speak at events hosted by community and civic organizations
- **Signage** – the district will work with the county and cities to post educational materials at public facilities including libraries, community centers, recreational facilities, and other centralized public locations.
- **Enhanced collaboration** – the district will request the use of county and/or city resources to communicate information. Potential resources include newsletters, utility bill inserts, direct mail pieces, marquees/signs, and any other available means for reaching a broad, diverse audience.

Chapter 8 Plan Maintenance and Updates

The district will update the plan as needed and once approximately every five years. As the district begins the update process, it will ensure the new plan incorporates any changes recommended by the task force, as well as any new federal or state requirements.

The task force will meet monthly during active periods of declared shortage conditions. Evaluation of the plan will center around three main topics to assure it is working effectively. These topics include:

- Shortage monitoring (the model)
- Shortage response actions
- Communications

The Model

The model output will be vetted based on actual experiences. The model factors in weather conditions along with system demand and storage and was built to be sensitive to these inputs. Comparisons with actual conditions and system demand and storage will be evaluated to determine the model's effectiveness and to identify any concerns with accuracy or sensitivity.

Response Actions

While technical issues will be handled by the model and recommendations, the municipal partners will be responsible for enforcing the response actions. Task force evaluation will determine if actions are being implemented and are effective.

Communications

Successful implementation of the plan relies on effective communication with municipal partners and their respective constituents. Ongoing evaluation will allow for the task force to revise or implement additional strategies to communicate more effectively.

Appendix A – Task Force Members

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Ryan White
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Board of Trustees Meeting

June 2, 2025

Agenda

1. Public hearing regarding proposed potable water wholesale rate increase
2. Public hearing regarding proposed non-potable water wholesale rate increase
3. Consider resolution approving potable water wholesale rate increase
4. Consider resolution approving non-potable water wholesale rate increase
5. Public hearing to levy the annual contract assessment within the Kolob Water Service Area
6. Public hearing to levy contract assessments for water exchange contracts in the Kolob Area
7. Consider resolution authorizing the levy of assessments for 2025 within the Kolob Water Service Area
8. Consider resolution authorizing the levy of contract assessments for 2025 Water Exchange Contracts in the Kolob area
9. Consider approval of impact fee waiver for Switchpoint
10. Presentation of 2024 Audit
11. Consider approval of trail agreement with Ivins City
12. Consider approval of agreement with Hurricane Fire District to build a fire station on District property
13. Consider resolution of revisions to the personnel policy manual related to conduct and absenteeism
14. Consider resolution adopting rules and regulations prohibiting use of district water supplies on a parcel not identified in an application
15. Consider resolution adopting rules and regulations governing delivery of district water supplies and use of district infrastructure
16. Consider adoption of components of a water shortage contingency plan and declaration of a water shortage condition
17. Manager's report
18. Consider approval of May 5, 2025, board meeting minutes



1. Public hearing regarding proposed potable water wholesale rate increase

- Jacob Sullivan, WCWCD Finance Manager
- For Action



Operating Costs

	<u>2025 Budget</u>
General Operations	\$ 4,078,151
Sand Hollow System & Pipelines	4,556,200
Water Treatment Plant	3,448,300
Quail Creek System & Reservoir	614,500
Regional Pipeline System	282,000
Other Costs	<u>17,239</u>
Total Operating Costs:	\$ 12,996,390



Repair & Replacement Costs

	<u>2025 Budget</u>
Sand Hollow Wells	\$ 125,000
Pipelines	7,010,000
Reservoirs	935,000
Water Treatment Plant	350,000
Miscellaneous	<u>1,392,000</u>
Total R&R Costs:	\$ 9,812,000



Total Costs

	<u>2025 Budget</u>
Operating costs:	\$ 12,996,390
Repair and replacement:	<u>9,812,000</u>
Total budgeted 2025 costs:	\$ 21,352,260

2025 Projected Water Deliveries (gallons):

Potable:	7,657,000,000
Non-Potable:	<u>1,057,000,000</u>
Total Deliveries:	8,714,000,000



Proposed 2025 Rates

The District is proposing a rate increase of \$0.15 per 1,000 gallons for both potable and non-potable water purchases.

Proposed 2025 Rates

Expense	Potable	Non-Potable
Operations	\$ 1.42	\$ 0.44
Repair & Replacement	1.29	0.13
R&R Reserve	(0.79)	0.81
TOTAL	\$ 1.92	\$ 1.38

2024 Rates

Expense	Potable	Non-Potable
Operations	\$ 1.05	\$ 0.37
Repair & Replacement	0.69	0.13
R&R Reserve	0.03	0.73
TOTAL	\$ 1.77	\$ 1.23

Summary

The proposed rate increase of \$0.15 per 1,000 gallons of water results in the following:

Projected Potable Revenue	\$ 14,701,440
Projected Non-Potable Revenue	<u>1,458,660</u>
Total Projected Revenue	16,160,100
Less 2025 Budgeted Costs	<u>(21,352,260)</u>
Use of R&R Reserves	(5,192,160)

Fortunately, a little over \$3 million of budgeted R&R is likely to not occur in 2025.



2. Public hearing regarding proposed non-potable water wholesale rate increase

- Jacob Sullivan, WCWCD Finance Manager
- For Action



3. Consider resolution approving potable water wholesale rate increase

- Jacob Sullivan, WCWCD Finance Manager
- For Action



Item 3 - Recommendation

- Move to approve the resolution authorizing a \$0.15 per 1,000 gallons rate increase for wholesale potable water from \$1.77 to \$1.92 effective July 1, 2025.



4. Consider resolution approving non-potable water wholesale rate increase

- Jacob Sullivan, WCWCD Finance Manager
- For Action



Item 4 - Recommendation

- Move to approve the resolution authorizing a \$0.15 per 1,000 gallons rate increase for wholesale non-potable water from \$1.23 to \$1.38 effective July 1, 2025.



5. Public hearing to levy the annual contract assessment within the Kolob Water Service Area

- Jacob Sullivan, WCWCD Finance Manager
- For Action



Operating Costs

	<u>2025 Budget</u>
Operations & Maintenance	\$ 81,020
Utilities	2,000
Miscellaneous Expenses	<u>5,700</u>
Total Budgeted Costs:	\$ 88,720

If rates are not increased, approximately \$78,000 would be collected in revenues for the system.



Proposed 2025 Assessment

The District is proposing a 15% increase to the annual assessment:

Proposed 2025 Assessment

Type of Connection	Number	Annual Assessment	Rate per Month
Standby	87	\$ 410	\$82
Active	98	\$ 550	\$110
TOTAL	185		

2024 Assessment

Type of Connection	Number	Annual Assessment	Rate per Month
Standby	88	\$ 360	\$72
Active	97	\$ 480	\$96
TOTAL	185		

The rate per month is for the five months that the system is online during the year.

Summary

The proposed assessment results in the following:

Revenue from Standby Connections	\$ 35,670
Revenue from Active Connections	<u>53,990</u>
Total Projected Revenue	\$ 89,570
Less 2025 Budgeted Costs	<u>(88,720)</u>
Addition to R&R Reserves	\$ 850



6. Public hearing to levy contract assessments for water exchange contracts in the Kolob Area

- Jacob Sullivan, WCWCD Finance Manager
- For Action



Water Exchange Contracts

The District has six water exchange contracts in the Kolob Area.

Proposed rate of \$375 per $\frac{1}{4}$ acre foot of water which matches the rate from 2024.



7. Consider resolution authorizing the levy of assessments for 2025 within the Kolob Water Service Area

- Jacob Sullivan, WCWCD Finance Manager
- For Action



Item 7 - Recommendation

- Move to approve the resolution authorizing the levy of contract assessments for 2025 within the Kolob Water Service Area in the amount of \$410 for non-connected parcels and \$550 for connected parcels, to be levied on the tax rolls of property owners.



8. Consider resolution authorizing the levy of contract assessments for 2025 Water Exchange Contracts in the Kolob Area

- Jacob Sullivan, WCWCD Finance Manager
- For Action



Item 8 - Recommendation

- Move to approve the resolution authorizing the levy of contract assessments for Water Exchange Contracts in the Kolob Area for 2025 in the amount of \$375 per $\frac{1}{4}$ acre foot of water.



9. Consider approval of impact fee waiver for Switchpoint

- Shawn Guzman, St. George City, Government Affairs
- For Action





Switchpoint happenings

- Added commercial kitchen.
- Waterwise facility; very little outdoor watering needed after removal of grass.
- Accomplished with the assistance of the Washington County Water Conservancy District and the City of St. George's forbearance of impact fees.





What's going on at The Point?

- Serving literal homeless individuals living at or below 50% AMI.
- Residents include military veterans and senior citizens.
- Very little outdoor watering needed after removal of grass and pool.





The Point is expanding

- The Point currently has 50 studio units.
- Phase 2 includes renovating existing studio units and adding 60 one-bedroom units.
- We hope to accomplish this again with the help of the Washington County Water Conservancy District and the City of St. George's forbearance of impact fees.



How Switchpoint conserves water

Newly built family shelter expansion **replaced all outdoor grass** with desert landscaping.

Switchpoint's Aeroponics Tower Garden uses cutting-edge farming method that grows plants without soil and **utilizes 90 percent less water** than traditional farming.

Countywide, there is more water used outdoors than indoors. However, **Switchpoint's outdoor water use is less than its indoor use** — a testament to water conservation.



Item 9 - Recommendation

Move to approve waiving the impact fee for Switchpoint



10. Presentation of 2024 Audit

- McKay Hall, HintonBurdick CPA's & Advisors, CPA, CISA, CITP, CFE
- For Action



Item 10 - Recommendation

Move to approve the 2024 audit presented by HintonBurkdick CPA's and advisors



11. Consider approval of Trail agreement with Ivins City

- Zach Renstrom WCWCD General Manager
- Action



Item 11 - Recommendation

Move to approve the Trail agreement with Ivins City



12. Consider approval of agreement with Hurricane Valley Fire Special Services District to build a fire station on District property

- Zach Renstrom, WCWCD General Manager
- Action





Title



Legend

Ownership

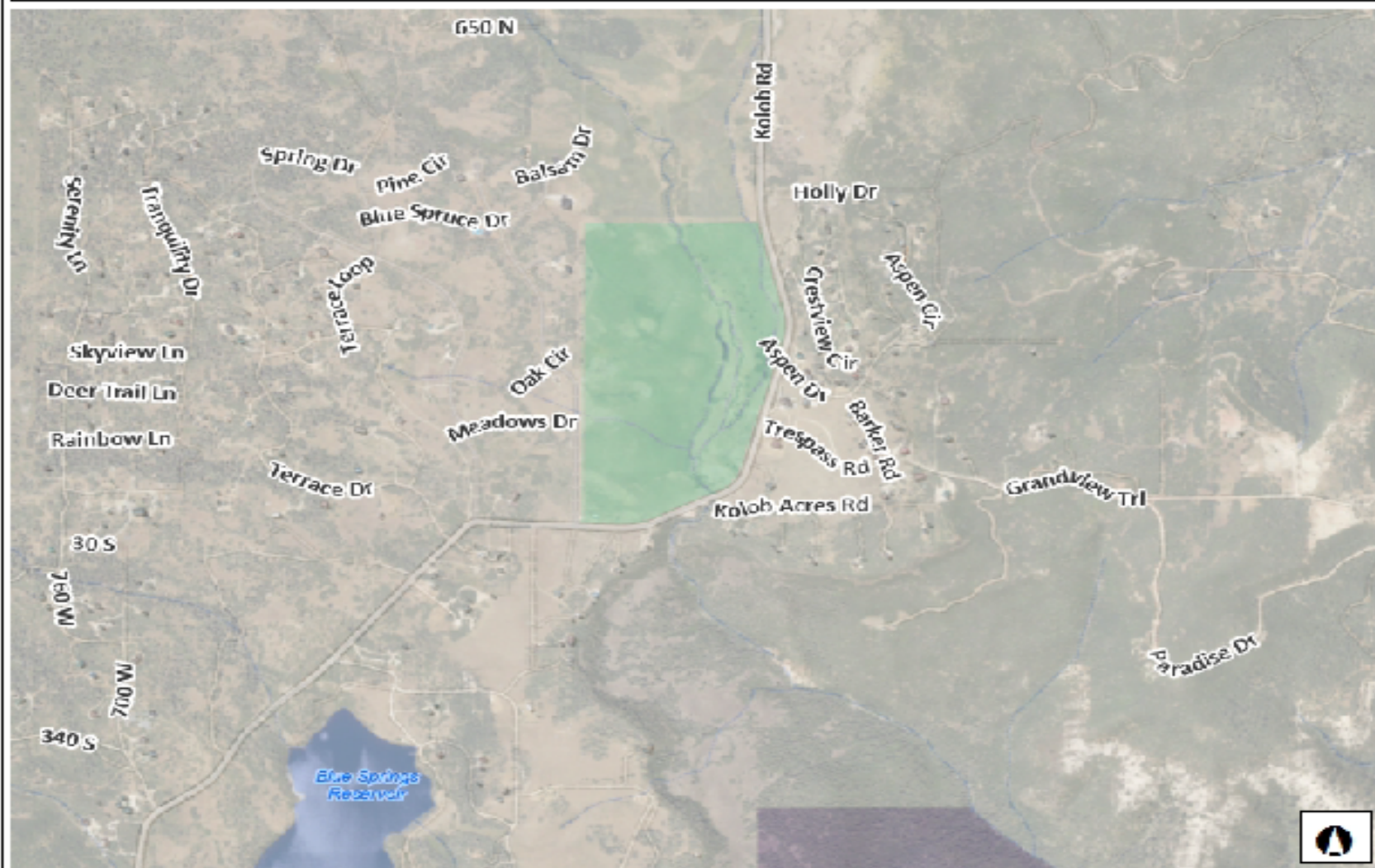
- U.S. Forest Service
- U.S. Forest Service Wilderness
- Bureau of Land Management
- Bureau of Land Management Wild
- National Park Service
- Shivwits Reservation
- Utah Division of Wildlife Resources
- Utah Division of Transportation
- State Park
- State of Utah
- Washington County
- Municipally Owned
- School District
- Privately Owned
- Water
- Water Conservancy District
- State Assessed Oil and Gas
- Mining Claim

Notes

3,009.3 0 1,504.66 3,009.3 Feet

WGS_1984_Web_Mercator_Auxiliary_Sphere

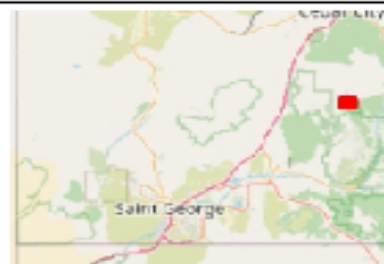
DISCLAIMER: The information shown on this map was compiled from different GIS sources. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Washington County, Utah will not be held responsible for any claims, losses or damages resulting from the use of this map.



3,009.3 0 1,504.66 3,009.3 Feet

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Legend

Ownership

- U.S. Forest Service
- U.S. Forest Service Wilderness
- Bureau of Land Management
- Bureau of Land Management Wild
- National Park Service
- Shivells Reservation
- Utah Division of Wildlife Resources
- Utah Division of Transportation
- State Park
- State of Utah
- Washington County
- Municipally Owned
- School District
- Privately Owned
- Water
- Water Conservancy District
- State Assessed Oil and Gas
- Mining Claim

Notes

Item 12 - Recommendation

Move to approve the agreement with Hurricane Valley Fire Special Services District to build a fire station on District property



13. Consider resolution of revisions to the personal policy manual related to conduct and absenteeism

- Dave Buckingham, WCWCD Human Resources Manager
- Action



Item 13 - Recommendation

Move to approve resolution of revisions to the personnel policy manual related to conduct and absenteeism



14. Consider resolution adopting rules and regulations prohibiting use of district water supplies on a parcel not identified in an application

- Jodi Richins, WCWCD General Counsel
- Action



Item 14 - Recommendation

Move to approve resolution adopting rules and regulations prohibiting use of district water supplies on a parcel not identified in an application



15. Consider resolution adopting rules and regulations governing delivery of district water supplies and use of district infrastructure

- Jodi Richins WCWCD General Counsel
- Action



\$939K Home
3,839 SF Living Area
11,300 SF Lot



\$939K Home
3,839 SF Living Area
11,300 SF Lot



1912 E 1060 N St

550 SF

49

Item 15 - Recommendation

Move to approve resolution adopting rules and regulations governing delivery of district water supplies and use of district infrastructure



16. Consider adoption of components of water shortage contingency plan and declaration of a water shortage condition

- Brie Thompson, WCWCD Associate General Manager
- Action



Purpose

Ensure community members stay safe, healthy and resilient in the event of a water supply disruption.





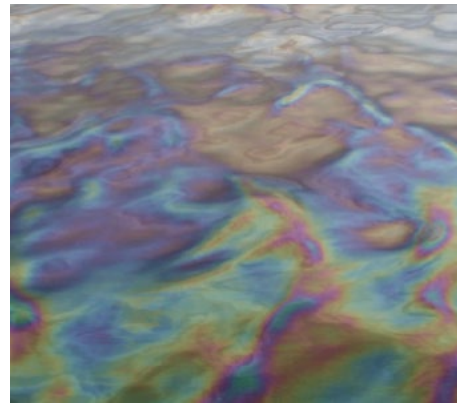
Potential Water Supply Disruptions...



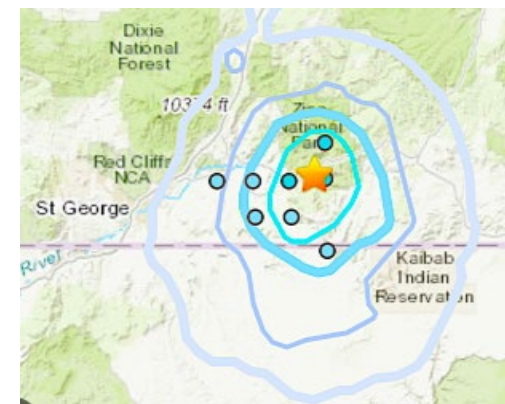
Infrastructure failure



Wildfire



Supply contamination



Earthquake

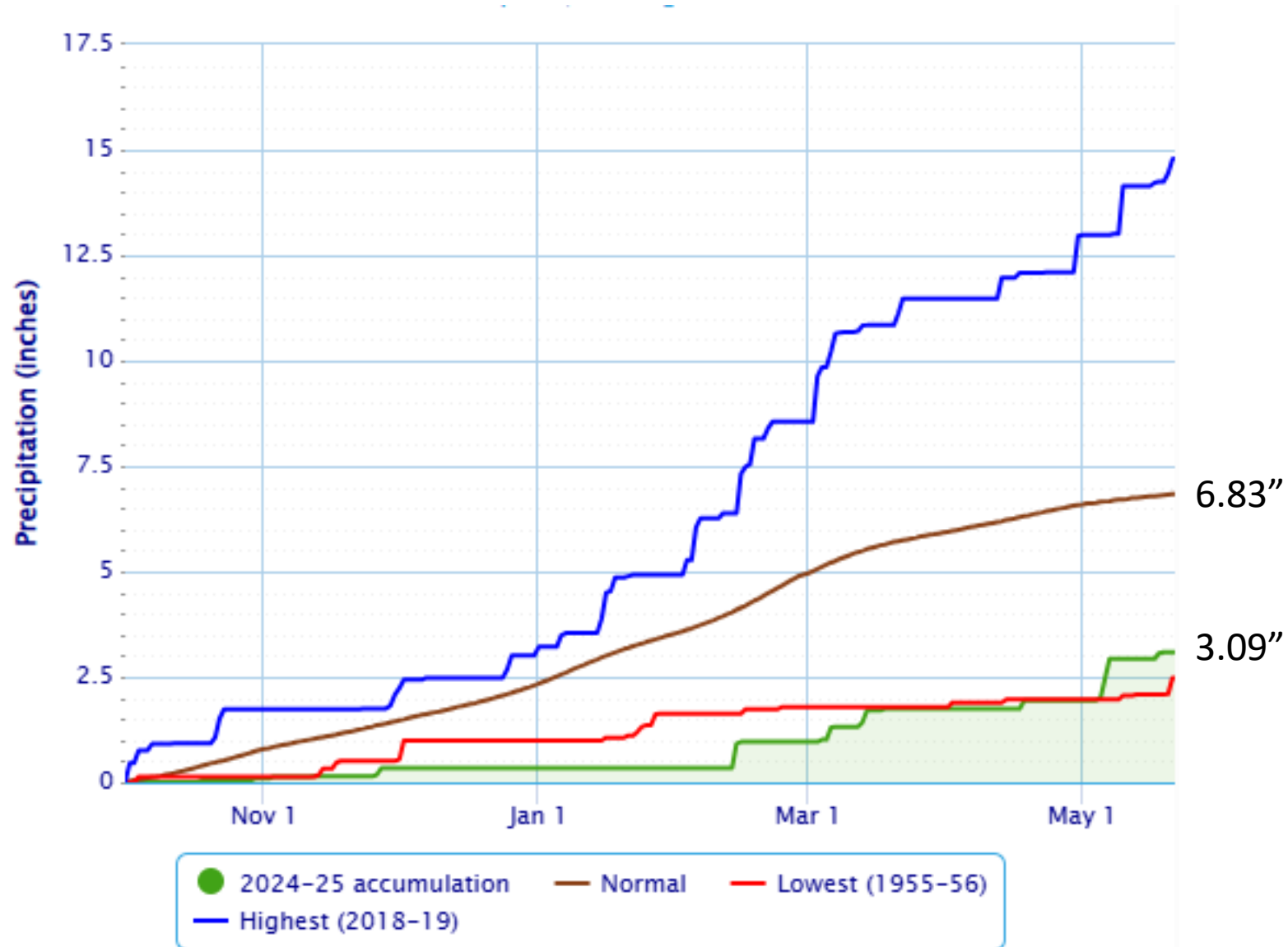


Drought



Current Conditions

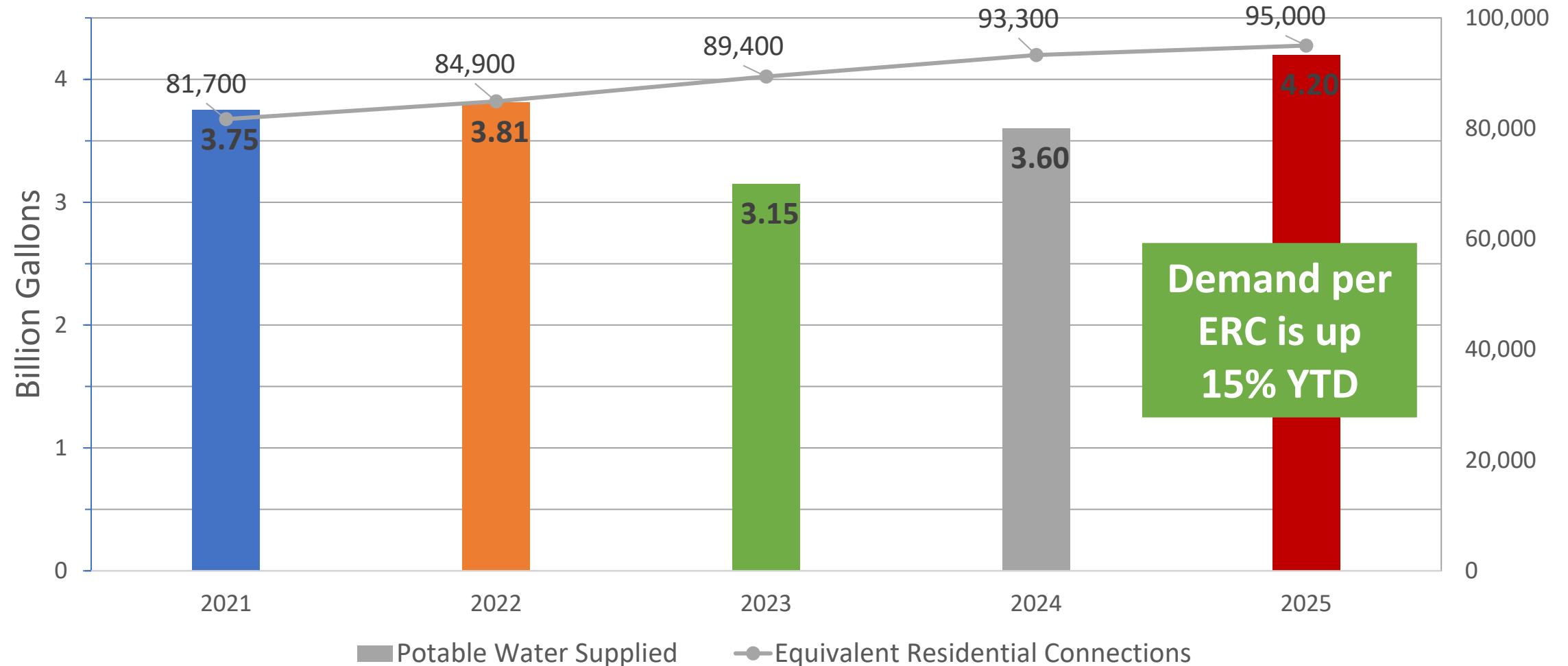
ACCUMULATED PRECIPITATION – St. George, UT



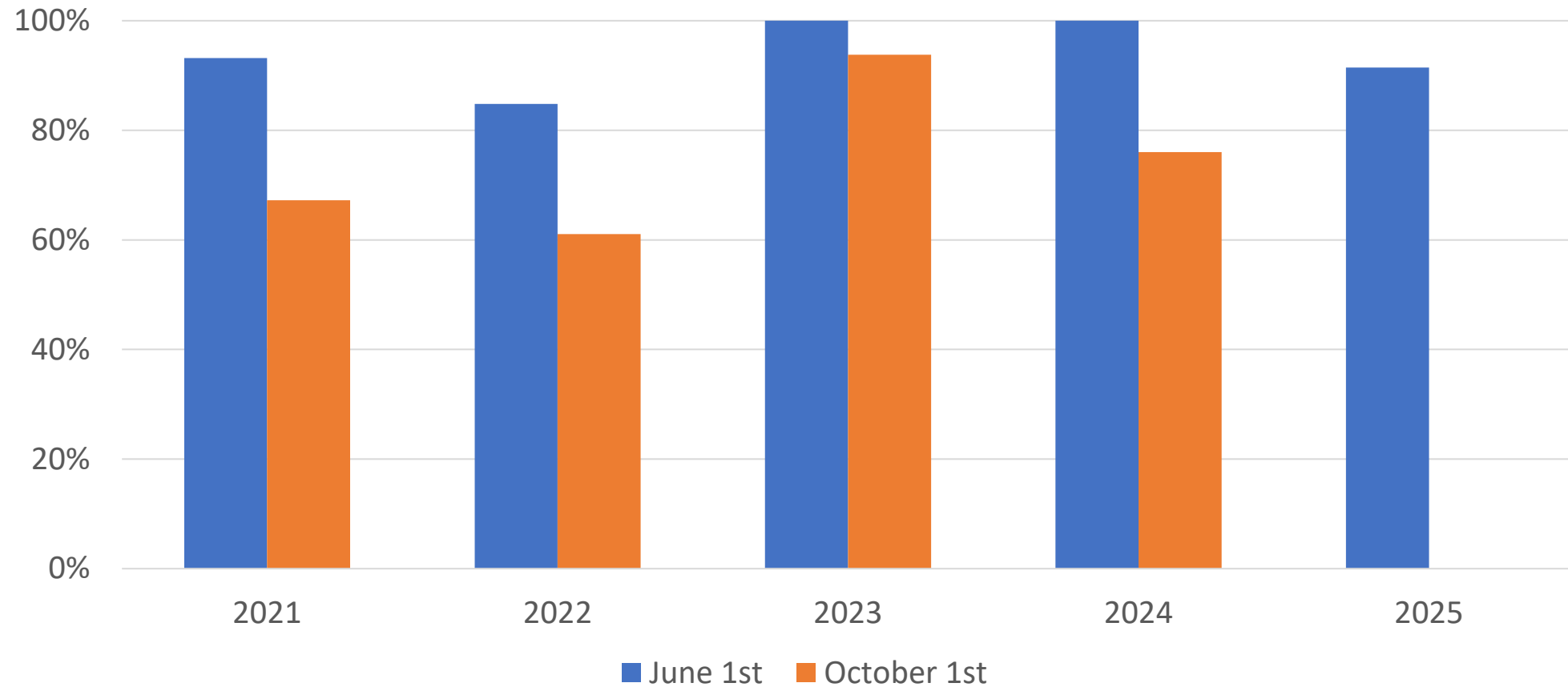
Driest winter in
132 years of
record

Since October
precipitation is
45 percent of
average

RWSA Water Production (June through April)



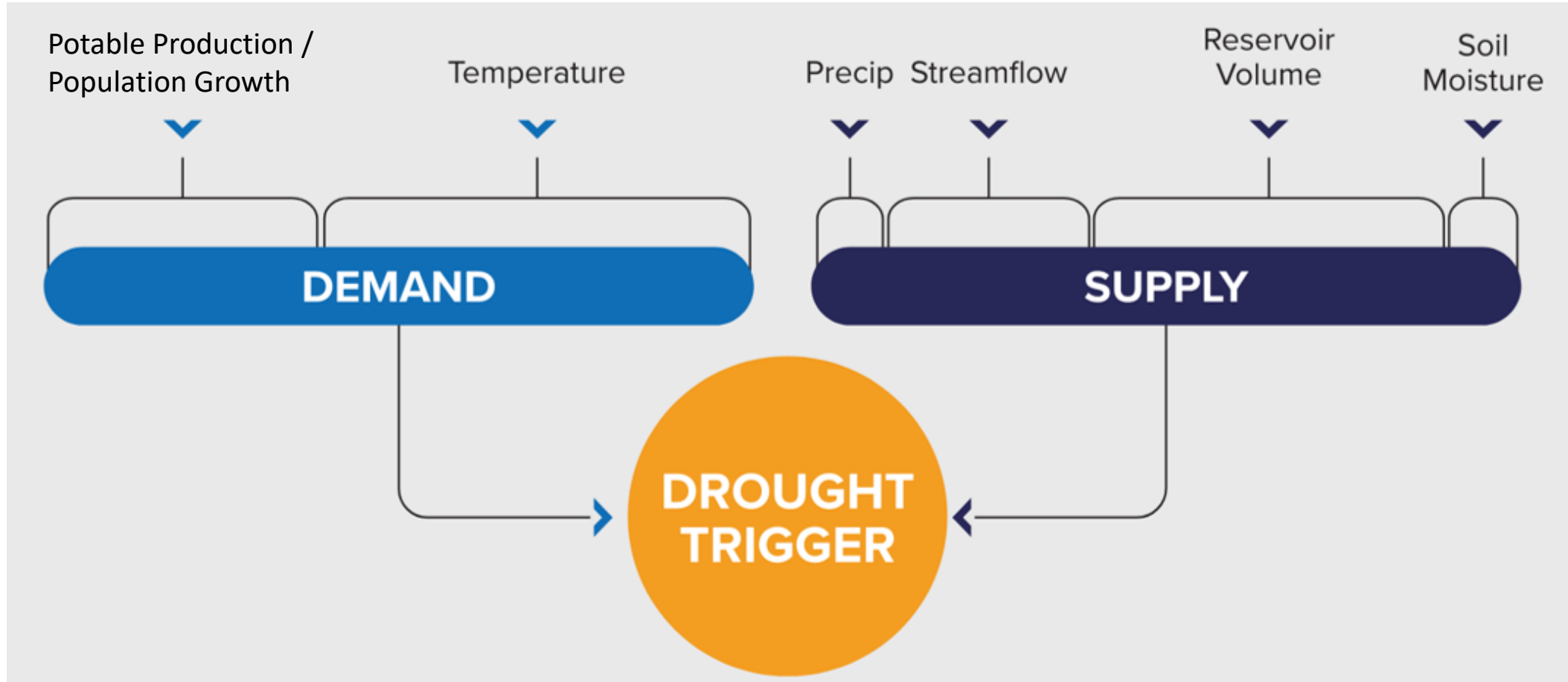
Quail Creek & Sand Hollow Reservoir Storage



Water Supply Modeling



Model Inputs



Historic Retrospective

Three consecutive months of a shortage condition required for stage declaration.

- **Stage 1** - 24% of time (in 14 out of 30 years)
- **Stage 2** - 9% of time (in 5 out of 30 years)
- **Stage 3 and 4** would not have been declared

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Drought Declaration
1996	1	1	1	2	2	3	2	3	0	0	0	0	YES
1997	0	1	1	0	1	0	0	0	0	0	0	0	NO
1998	0	0	0	0	0	0	0	0	0	0	0	0	NO
1999	0	0	0	0	0	0	0	0	0	1	1	1	YES
2000	1	0	0	0	0	1	1	1	1	0	0	1	YES
2001	0	0	0	0	0	0	0	0	1	1	0	0	NO
2002	1	1	2	2	2	2	2	2	1	1	1	1	YES
2003	1	1	1	1	2	2	2	2	2	2	1	1	YES
2004	2	2	2	2	2	2	2	1	1	0	0	1	YES
2005	0	0	0	0	1	0	1	0	0	0	0	0	NO
2006	0	0	0	0	0	0	0	0	0	0	0	0	NO
2007	1	2	2	2	2	2	2	1	1	1	2	0	YES
2008	1	1	1	1	1	1	1	1	1	1	1	0	YES
2009	0	0	0	0	0	0	0	0	1	0	1	0	NO
2010	0	0	0	0	0	0	0	0	0	0	0	0	NO
2011	0	0	0	0	0	0	0	0	0	0	0	0	NO
2012	0	0	0	0	0	0	0	0	0	0	1	0	NO
2013	1	1	1	1	1	1	0	0	0	0	0	0	YES
2014	1	1	1	1	1	1	1	0	0	1	1	0	YES
2015	0	0	0	1	0	1	0	1	1	0	0	0	NO
2016	0	0	0	0	0	0	0	0	0	0	0	0	NO
2017	0	0	0	0	0	0	1	0	0	0	0	0	NO
2018	0	0	0	1	1	1	1	1	1	0	0	0	YES
2019	0	0	0	0	0	0	0	0	0	0	0	0	NO
2020	0	0	0	0	0	0	0	1	0	0	0	0	NO
2021	1	1	2	1	1	1	1	1	1	0	1	0	YES
2022	1	1	1	1	1	1	1	0	0	0	0	0	YES
2023	0	0	0	0	0	0	0	0	0	0	0	0	NO
2024	0	0	0	0	0	0	0	0	0	1	0	1	NO
2025	1	1	1	2	TBD								YES

Recommended Reductions



10%

Stage 1



20%

Stage 2



40%

Stage 3

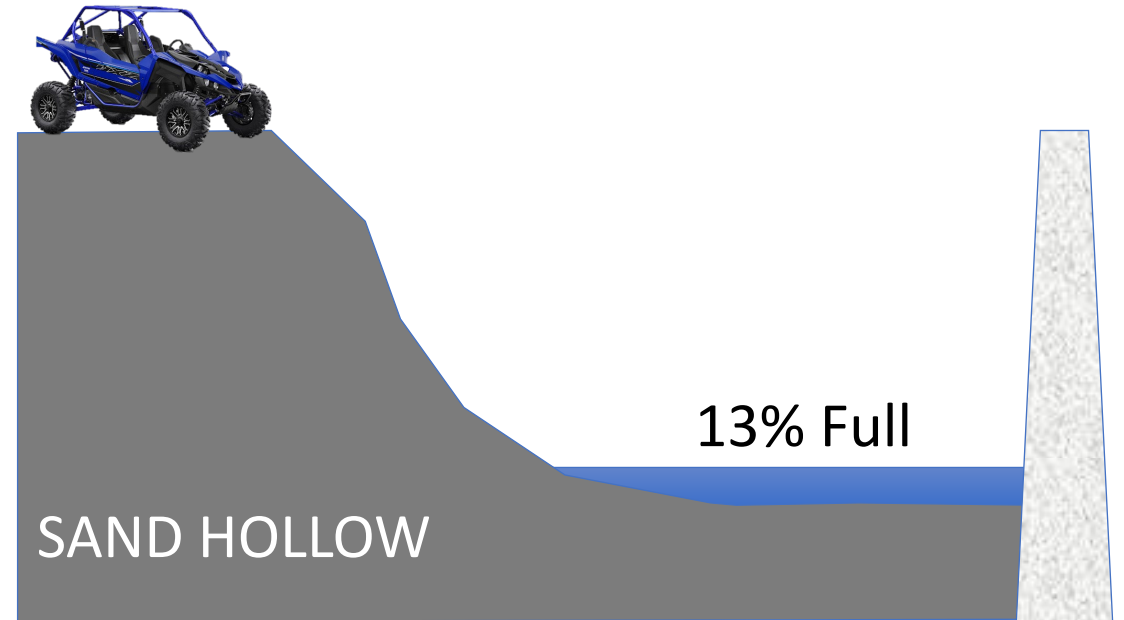
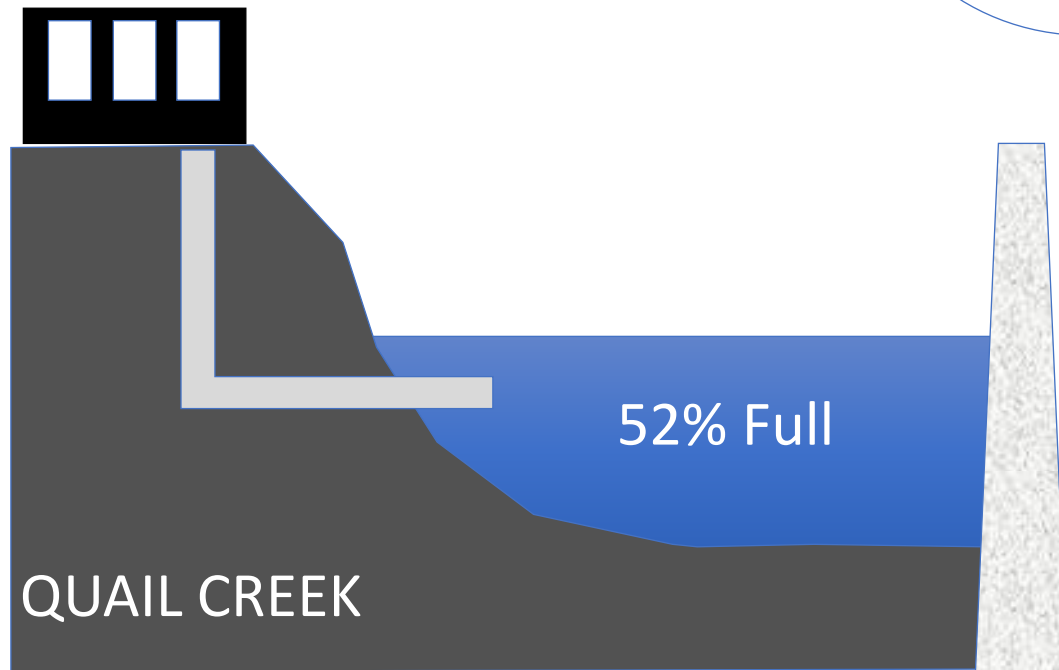


60%

Stage 4

Dry Projection - October 2026

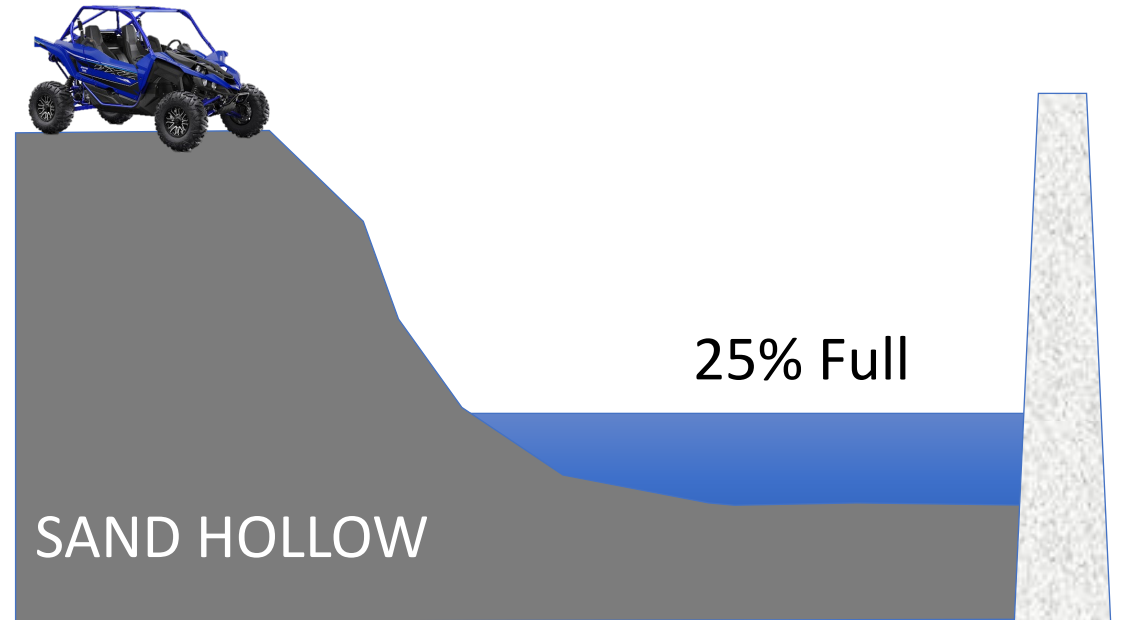
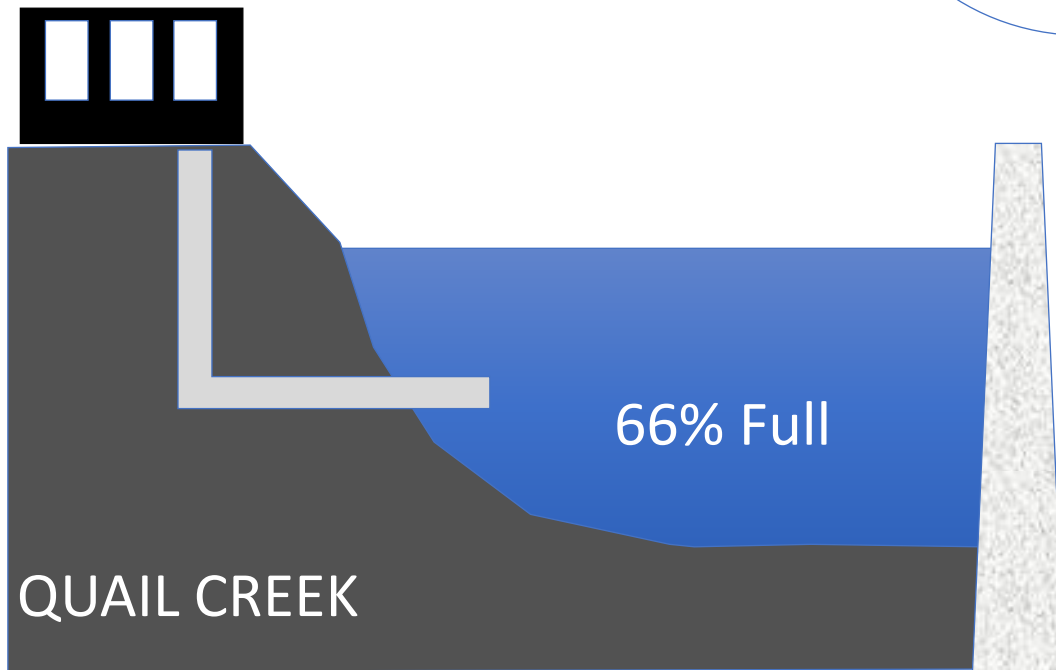
30%
Combined
storage
without plan



Dry Projection - October 2026

43%

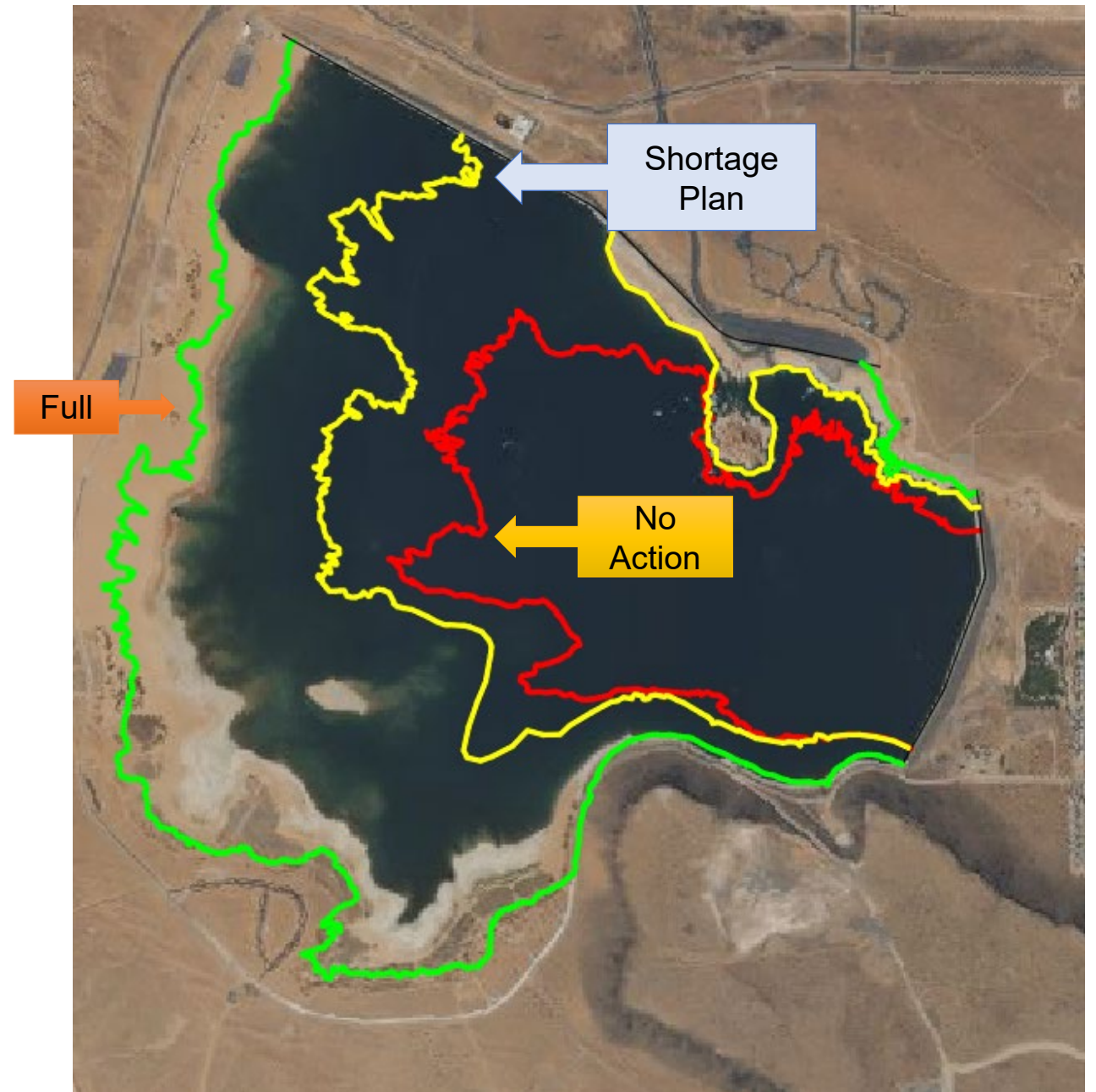
Combined
storage **with**
plan





Dry Projection

October 2026







Plan Principles



The Planning Process

- Consultant-guided model development
- 17-member task force with representatives from each RWSA partner
- Consensus survey of more than 60 municipal officials



Recommended Reductions

Apply to

- Municipal, potable water
- Municipal, non-potable (secondary) water
- District-supplied water

Do not apply to

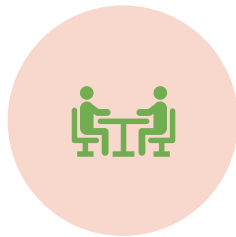
- Canal company water
- Private water rights
- Contracted water if terms compel delivery
- Reuse water that would otherwise be lost
- Sovereign entities



Plan Principles



SUSTAIN VITAL
SERVICES



PROTECT JOBS



PRESERVE HIGH-VALUE
LANDSCAPE



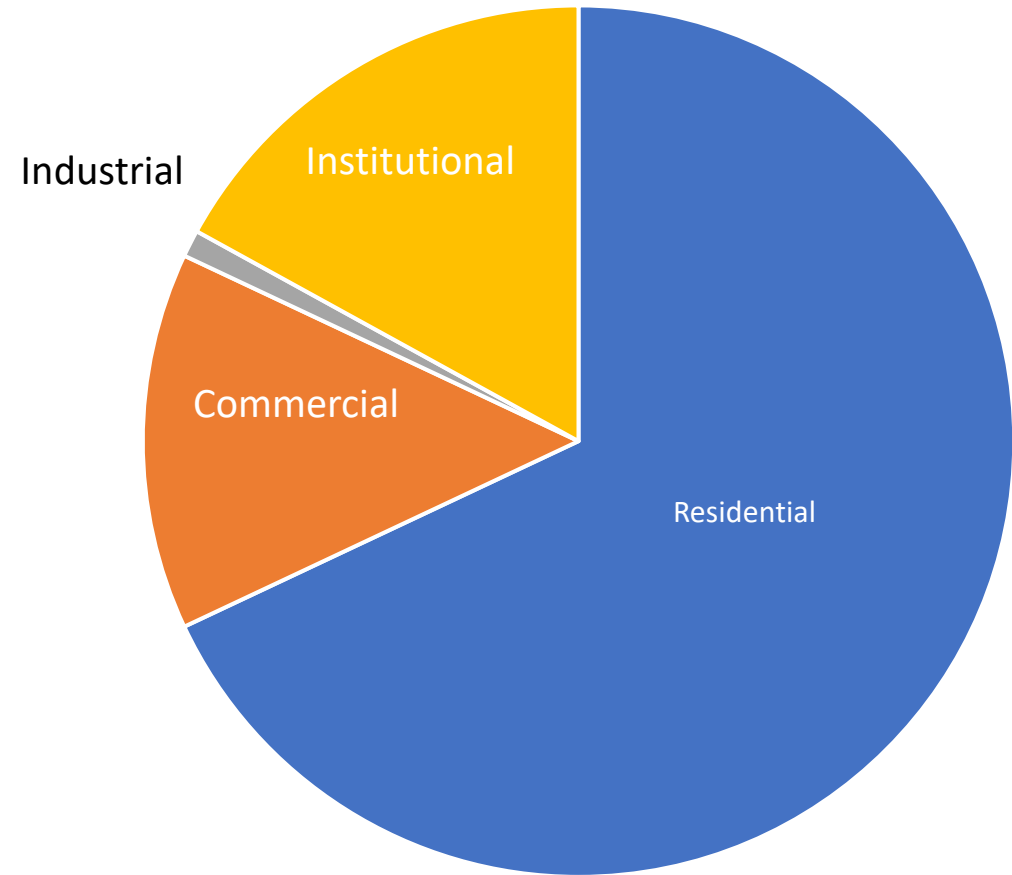
ESCALATE
INCREMENTALLY



OPTIMIZE POST
SHORTAGE RESILIENCY

Plan Principles

- Shortages must be shared
- All customer sectors contribute
- Cities that opt out will receive reduced deliveries



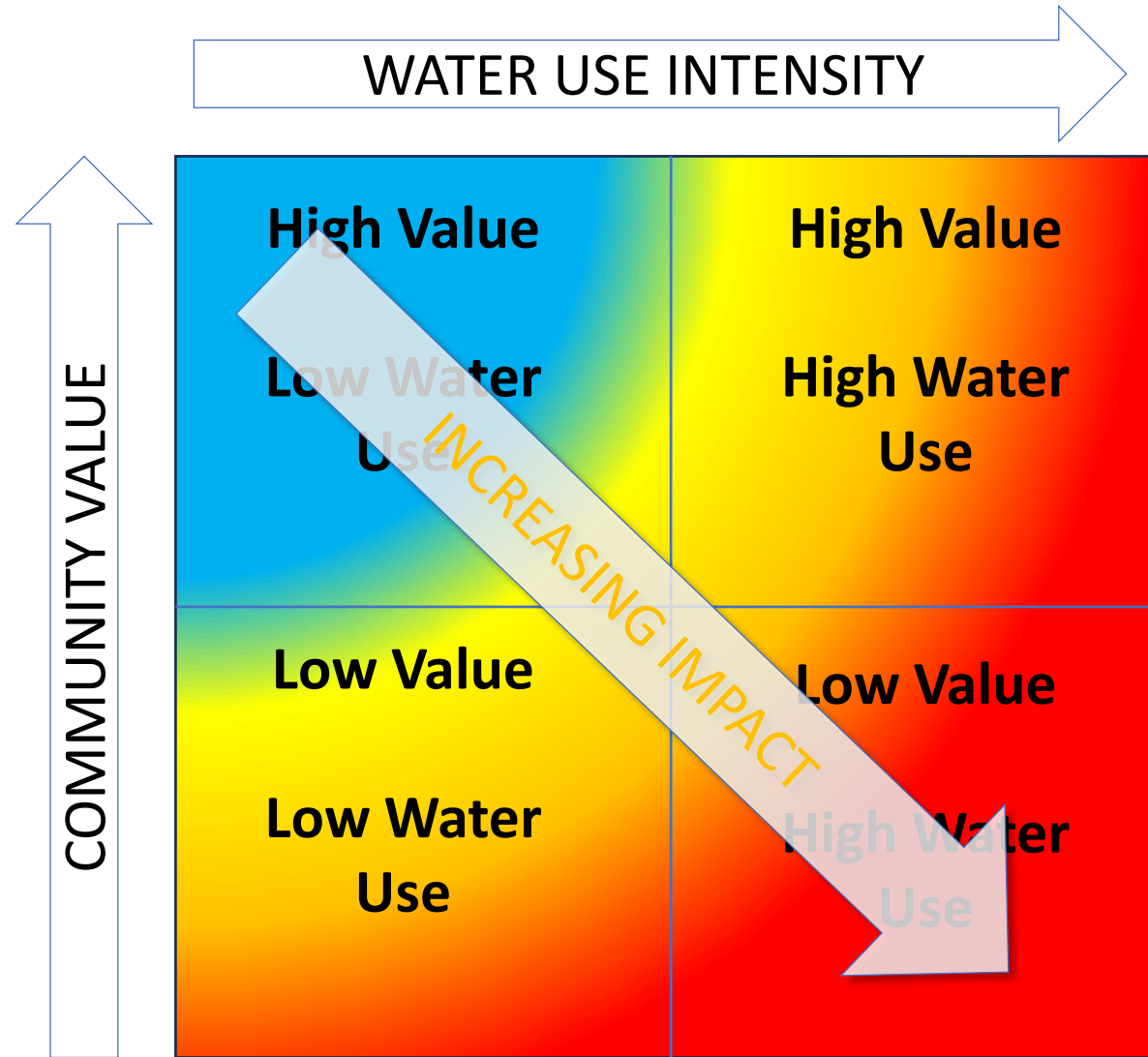
Use by Sector

Landscapes

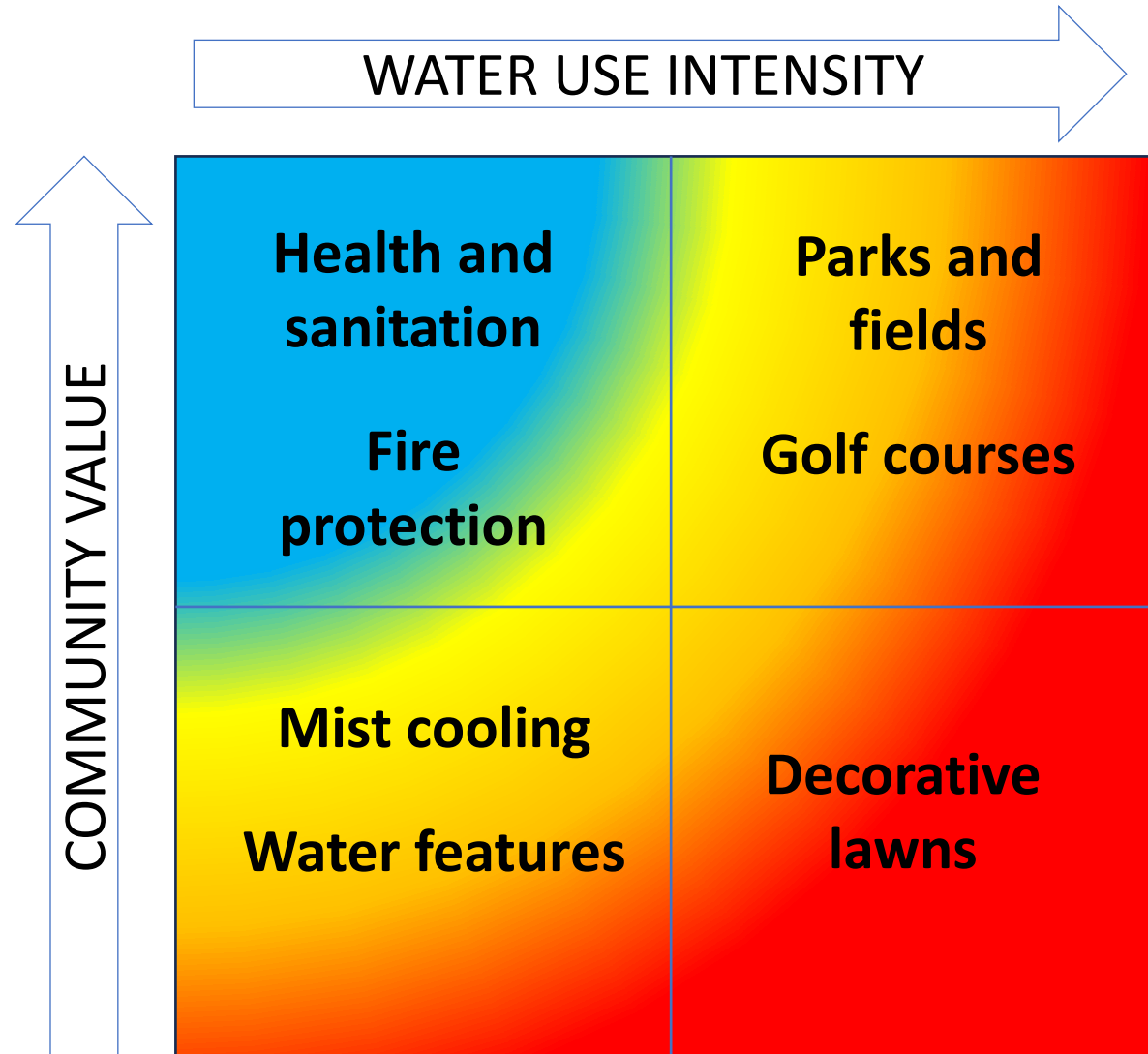
- Use more than half of the community supply
- Lawns are estimated to comprise 75% of all landscape water demand

Type of Landscape	Estimated Annual Water Use	Percent total water supply (2023)
All landscape types	9.4 billion gallons	54 percent
All lawn grass	7.0 billion gallons	40 percent
Functional lawn grass	4.2 billion gallons	24 percent
Ornamental lawn grass	2.8 billion gallons	16 percent
Tree & shrub	2.4 billion gallons	14 percent

Plan Principles



Plan Principles



Stage 1 Measures – 10% Reduction



LANDSCAPE

Defer lawn planting May through August



DEVELOPMENT

Limit single family residential pools to 600 SF

Prohibit new connections for high-use, non-essential facilities (top 1% users; > 9 MG/yr)



OTHER

Strengthen enforcement of existing water use codes

Stage 1 golf water budget (90%)

Stage 1 rate structure (determined by agencies)



Stage 2 Measures – 20% Reduction



LANDSCAPE

Installation of drip irrigated plants only

Prohibit irrigation of ornamental lawn
Prohibit use of fountain & mist systems

Increase Water Efficient Landscapes
Program rebate



DEVELOPMENT

Community pools only

Lawn planting suspended on permitted
projects, prohibited for new permits

Defer new connections for top 5% use,
non-essential facilities (>3MG/yr)



OTHER

Limit car washes to 1x per week

Stage 2 golf water budget (80%)

Stage 2 rate structure (determined by
agencies)



Stage 3 Measures – 40% Reduction



LANDSCAPE

Outdoor irrigation by hose or drip system
1x per week

Lawn conversion to drip irrigated plants
allowed



DEVELOPMENT

Defer all new connections, except critical
facilities & low water use projects



OTHER

Require pool evaporation barriers. Make up
water only.

Suspend splash pads and water park operations

Limit car washes to 1/month

Stage 3 golf water budget (60%)

Stage 3 rate structure (determined by agencies)



Stage 4 Measures – 60% Reduction



LANDSCAPE

All outdoor irrigation prohibited



DEVELOPMENT

Continue Stage 3 strategies

All non-essential facilities prohibited



OTHER

Use limited to:

- Human health
 - Sanitation
- Fire protection



Alternative Reduction Strategies



Water Budget

- Each municipality allocated fixed amount of water per ERC
- Conservation measures determined by each municipality

$$\begin{array}{ccccccc} \text{Annual Municipal Budget} & = & \text{Regional Average Use per ERC 2022-2024} & \times & \text{Total active ERC in municipality (updated monthly)} & \times & \text{Shortage Stage Coefficient} \end{array}$$

Water Budget Considerations

PROS

- Allows complete municipal autonomy
- Communities with the highest use will be most impacted
- Allocates water for new development

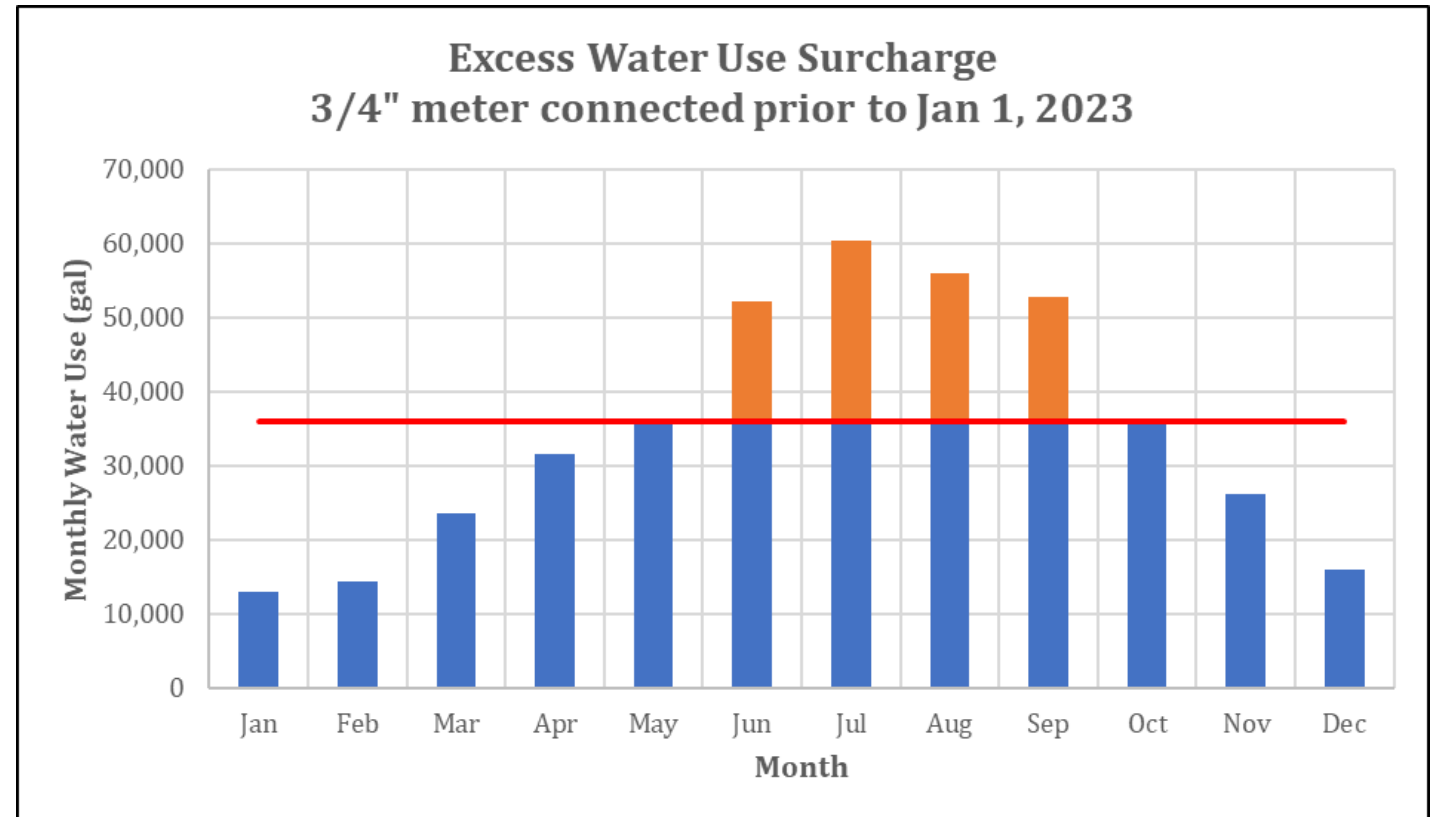
CONS

- Perceived inequity among residents in different communities
- Makes regional messaging difficult



Excess Water Use Surcharge

- District to apply EWUS to obtain targeted response
- Municipalities not required to implement any measures
- Little or no impact on low water users, substantial impact upon high water users



EWUS Considerations

PROS

- Procedure already exists
- No municipal code or enforcement required
- Leaves most customers unaffected
- Avoids economic impact to specific sectors
- Influences outdoor (consumptive) use, promotes landscape conversion

CONS

- Increased customer inquiries
- Single-faceted strategy
- Cost-insensitive users may not produce water savings



Item 16 - Recommendation

Move to adopt resolution which

- Adopts Water Shortage Contingency Plan, without described measures for each stage;
- Declares a Stage 1 water shortage condition with a goal to reduce usage 10 percent;
- Initiates a public information campaign to increase awareness of water shortage and methods for reducing water demand; and
- Directs staff to reconvene RWSA members to finalize measures, including considering alternatives such as water budgeting and/or water shortage pricing, and report progress at the board's July meeting.



17. Manager's report

- Zach Renstrom, WCWCD General Manager
- discussion



18. Consider approval of May 5, 2025, board meeting minutes

- Ed Bowler, WCWCD Board Chairman
- Action item



Item 18 - Recommendation

Move to approve the May 5, 2025, board meeting minutes



Thank you for participating in this board meeting



wcwcd.gov



info@wcwcd.gov





HINTONBURDICK
CPAs & ADVISORS

Washington County Water Conservancy District 2024 Audit Presentation

Presented June 2, 2025

By HintonBurdick CPAs & Advisors

Financial Audit

- “Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, ... Misstatements are considered material if there is a substantial likelihood that, individually, or in aggregate, they would influence the judgement made by a reasonable user based on the financial statements.”
- We conducted our audit in accordance with
 - auditing standards generally accepted in the United States of America
 - and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

Financial Audit

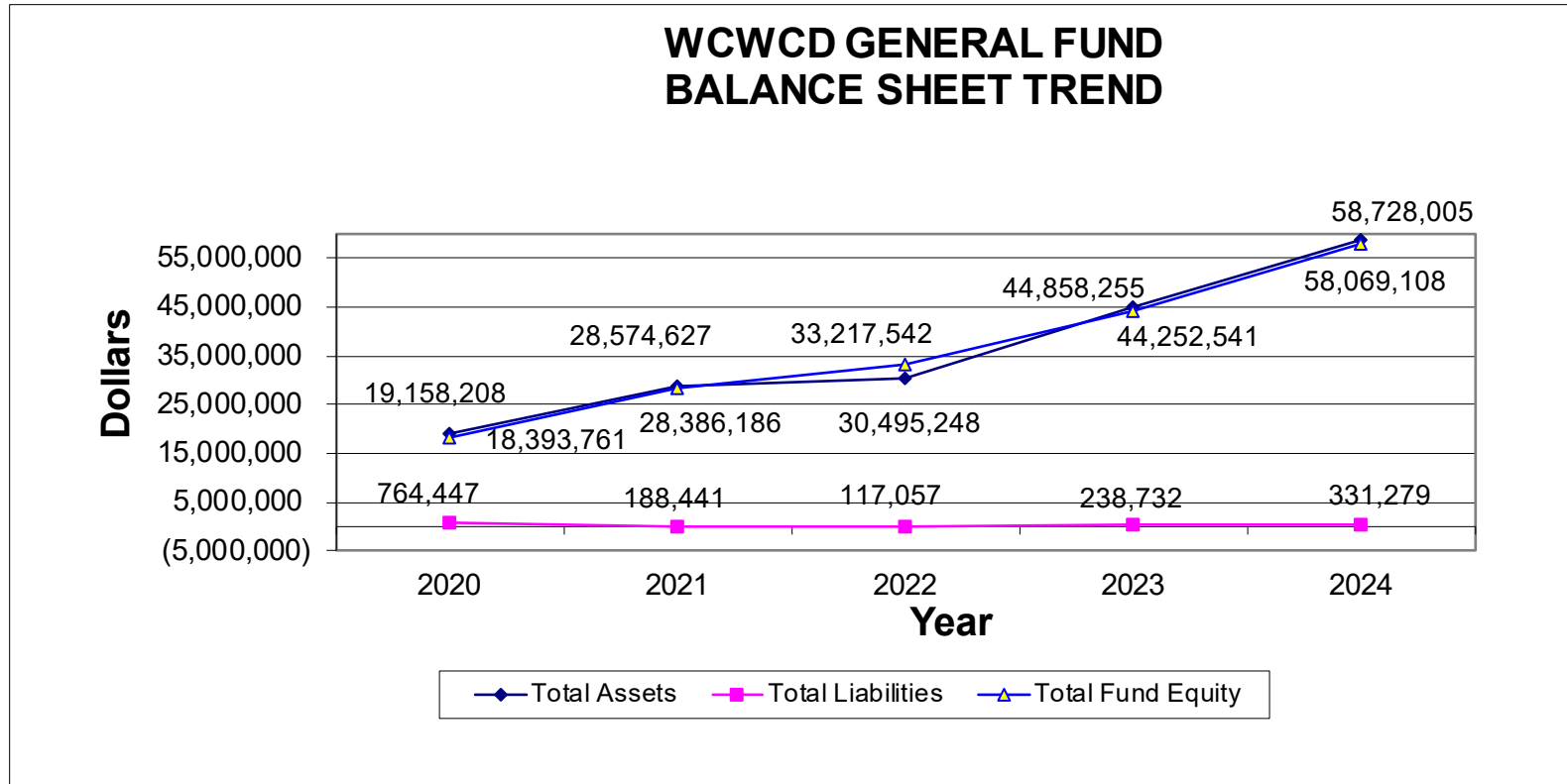
- **Internal Controls**
 - Understanding
 - Operating effectiveness
- **Financial Statements**
 - Testing
 - Confirmations
 - Supporting Documentation
 - Analytics
- **Findings**
 - Communicated to management and to those charged with governance.
 - Material weaknesses and significant deficiencies
 - Other items

Audit Reports

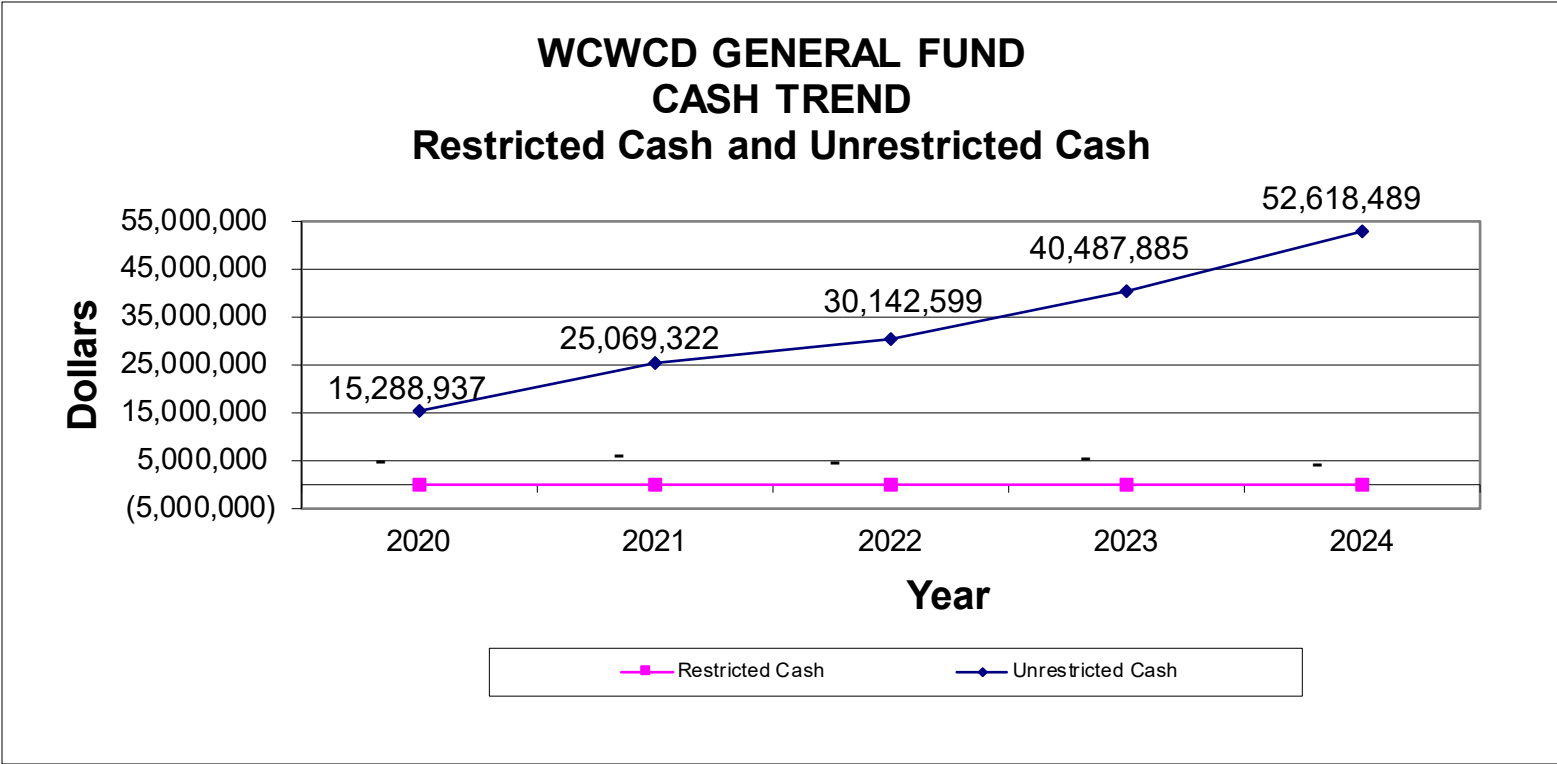
- **Independent Auditors Report (pg. 1-3).**
 - Unmodified or “clean opinion”
- **Report on Compliance and on Internal Control over Financial Reporting (pg. 64-65).**
 - Any material weaknesses and significant deficiencies noted during the audit are listed in this report.
 - no material findings
- **State Compliance Report (pg. 66-67).**
 - Unmodified or “clean opinion”
 - no material findings

Government Wide Financial Highlights

- Total net position (equity) was \$644,011,959 at December 31, 2024, (pg. 14).
- Total net position increased by \$81,941,007 (pg. 15).
 - Governmental activities increased by \$70.1 million and Business-Type activities increased by \$11.9 million.
- **Classification of Net Position**
 - Net invested in Capital Assets \$258,051,158
 - Restricted \$303,106,147
 - Unrestricted \$82,854,654
- Over time, increases or decreases in net position are an indicator of whether the financial health of the District is improving or deteriorating.

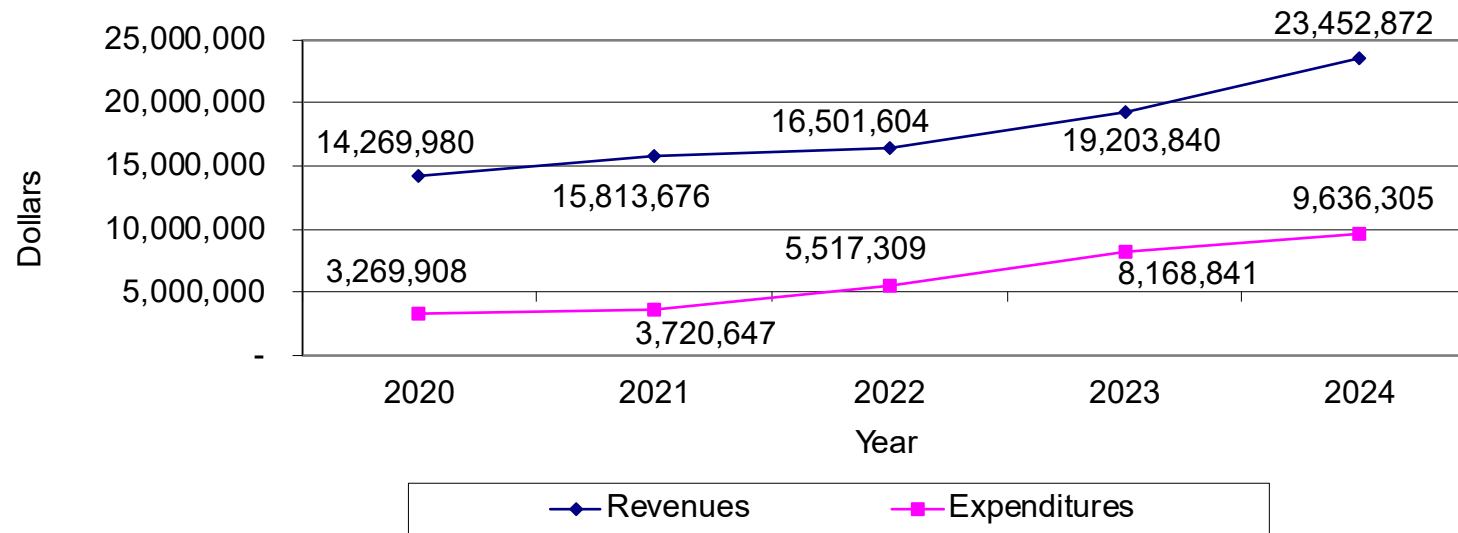


The General Fund shows a healthy balance sheet which is reported on the modified accrual basis. The modified accrual basis does not reflect long-term debt or capital assets.



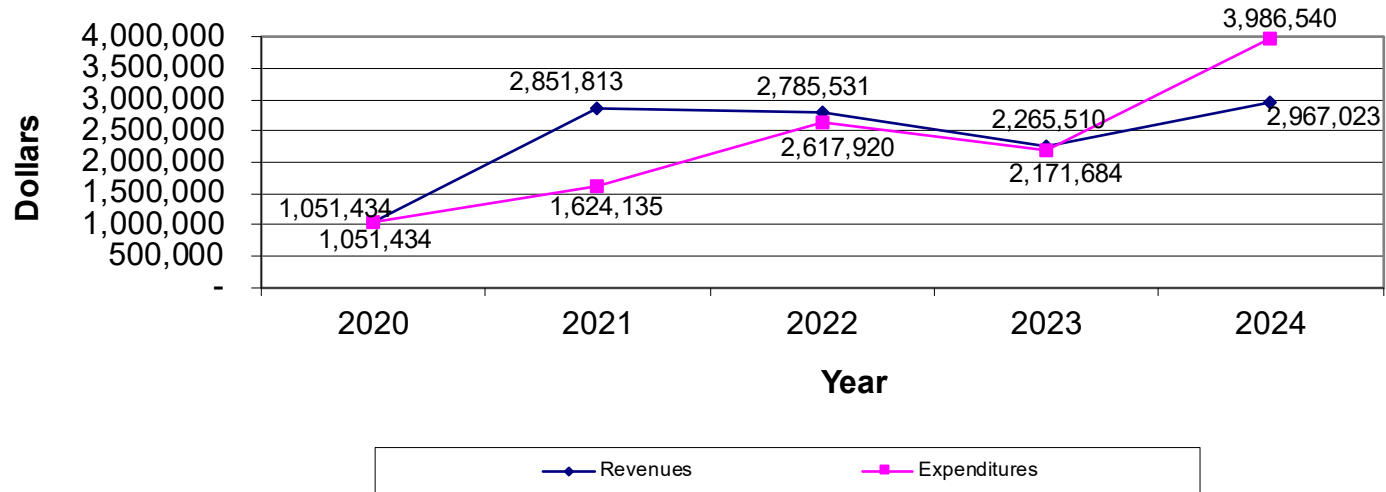
The cash has increased in each of the last five years The General Fund continues to show a strong cash position.

**WCWCD
GENERAL FUND
Revenue and Expenditure Trend**

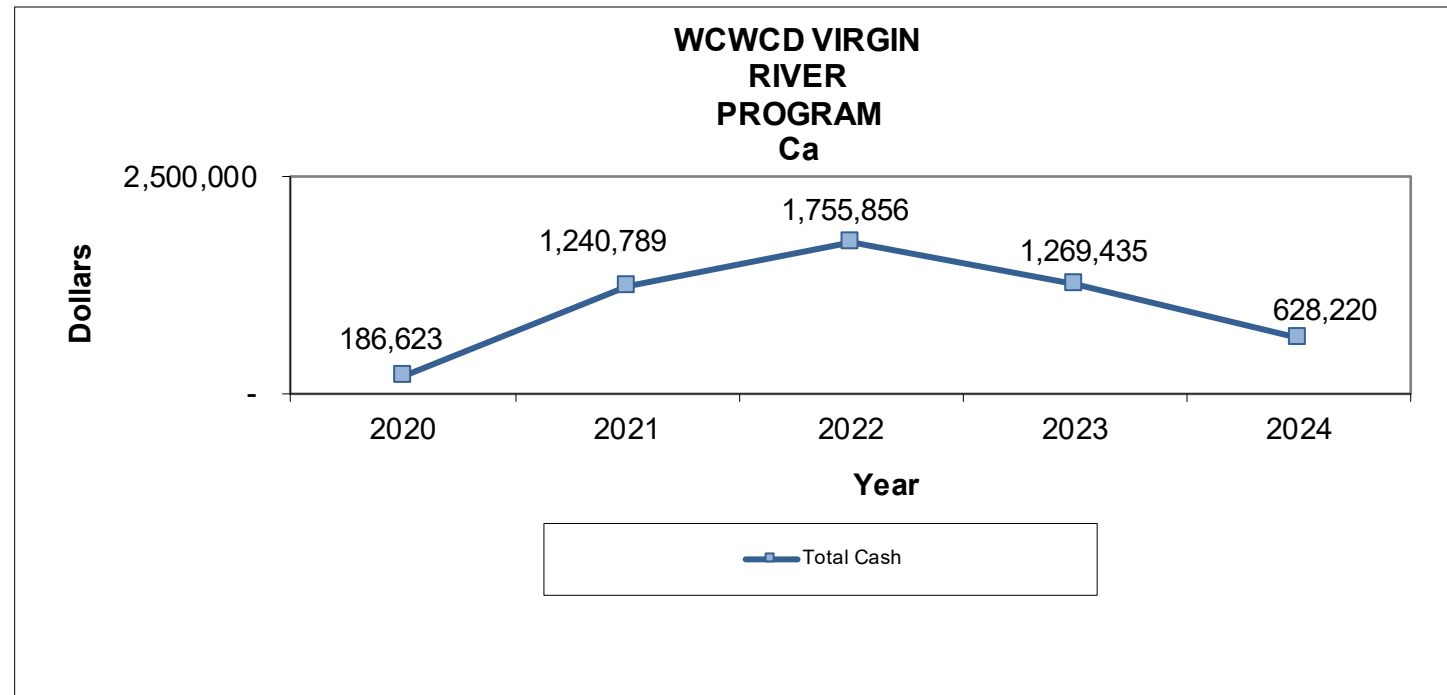


The General Fund is normally expected to break even over time. The District's General Fund has reported revenues over expenditures for the last five years. Excess funds are being moved to the Capital Projects Fund or otherwise restricted to finance water projects which are expected to increase in number and cost as population continues to grow and water scarcity continues to be a challenge.

WCWCD VIRGIN RIVER PROGRAM Total Revenues and Total Expenses

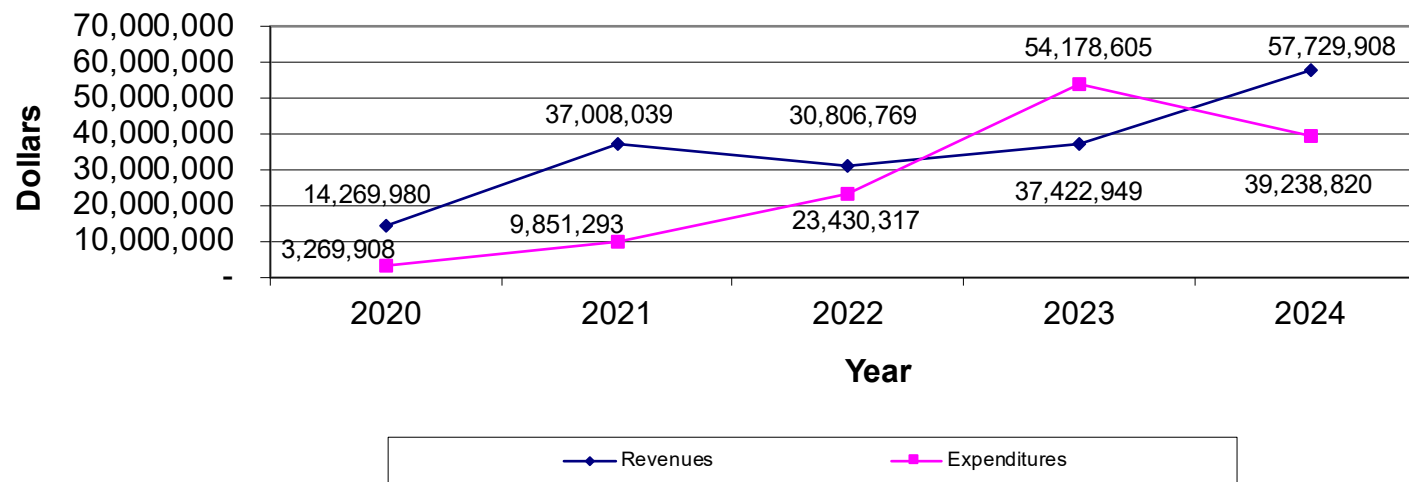


Special revenue funds are expected to break even over time. It is expected that there will be some years where revenues exceed expenses and some where expenses exceed revenue. The revenues in excess of expenses in 2021, 2022 and 2023 were partially used in 2024. Remaining amounts continue to be held in the Virgin River Program Fund and are restricted for use of projects and activity that fall in line with the purpose of the fund.



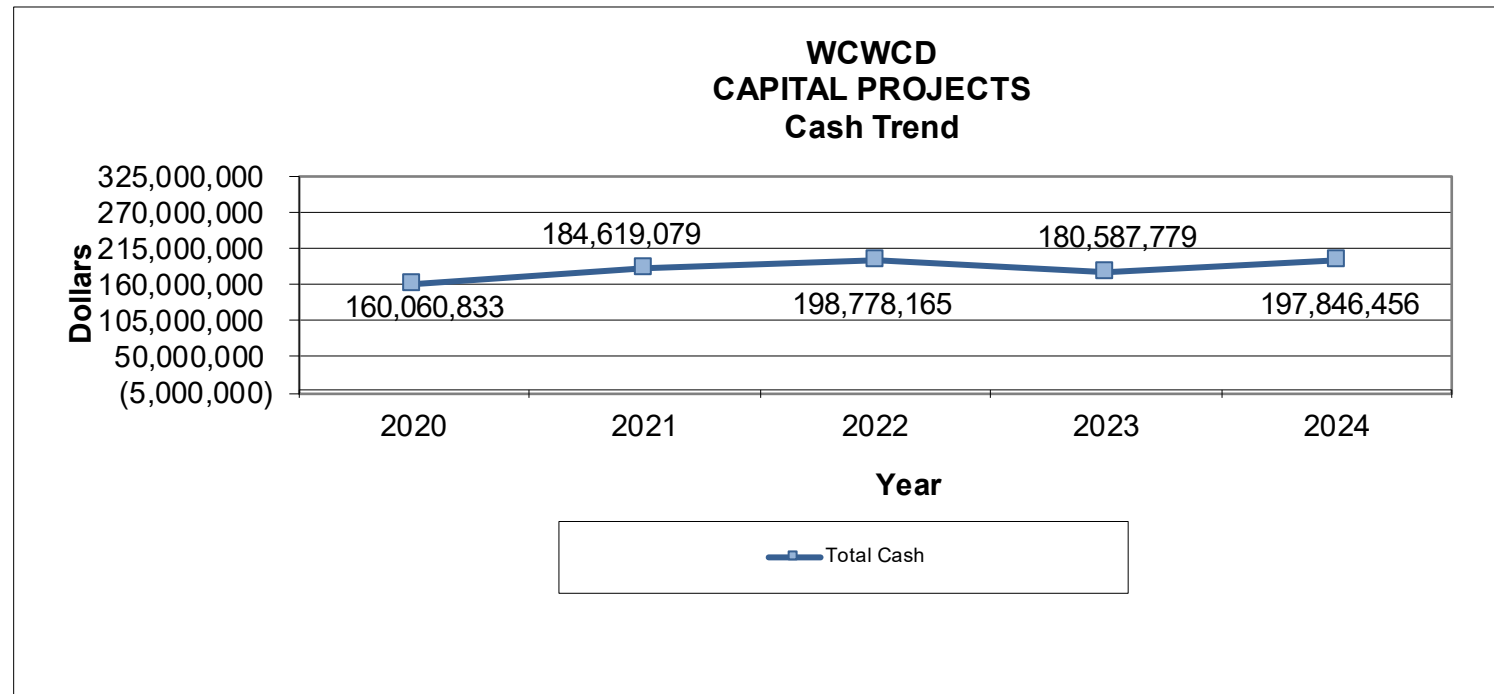
Cash can increase or decrease not only due to activity but also due to timing of receipts and liabilities, and from transfers in or out of the Fund as appropriate.

WCWCD CAPITAL PROJECTS Total Revenues and Total Expenses

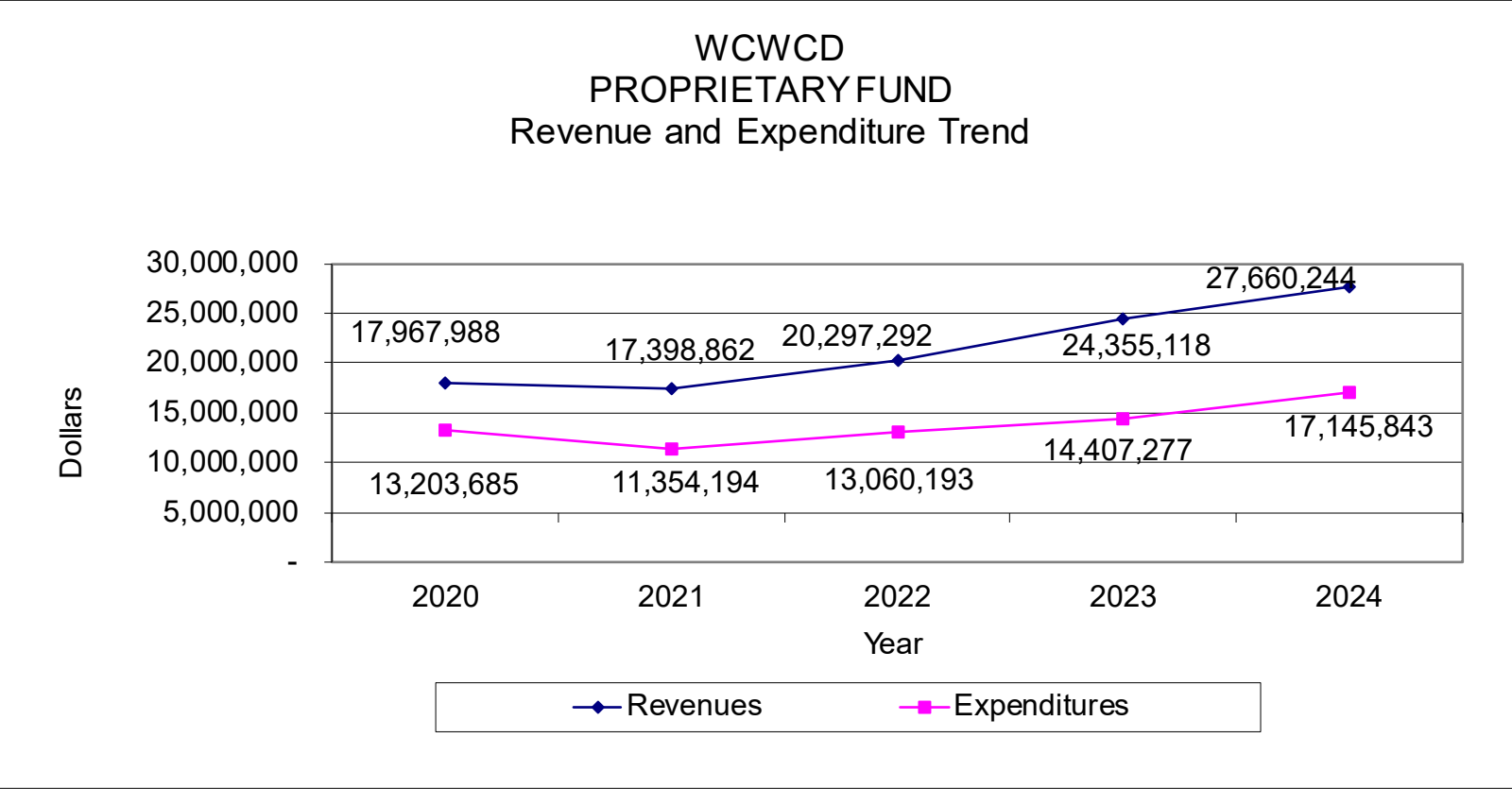


Governmental funds are expected to break even over time. A capital project fund typically builds up resources over time and then expends those accumulated funds over a relatively short period of time, due to the significant costs of capital projects. The capital projects fund has had revenue in excess of expenditures in 2020 through 2022 and in 2024. In 2023 the District incurred 54M of expenditures due to large capital asset projects.

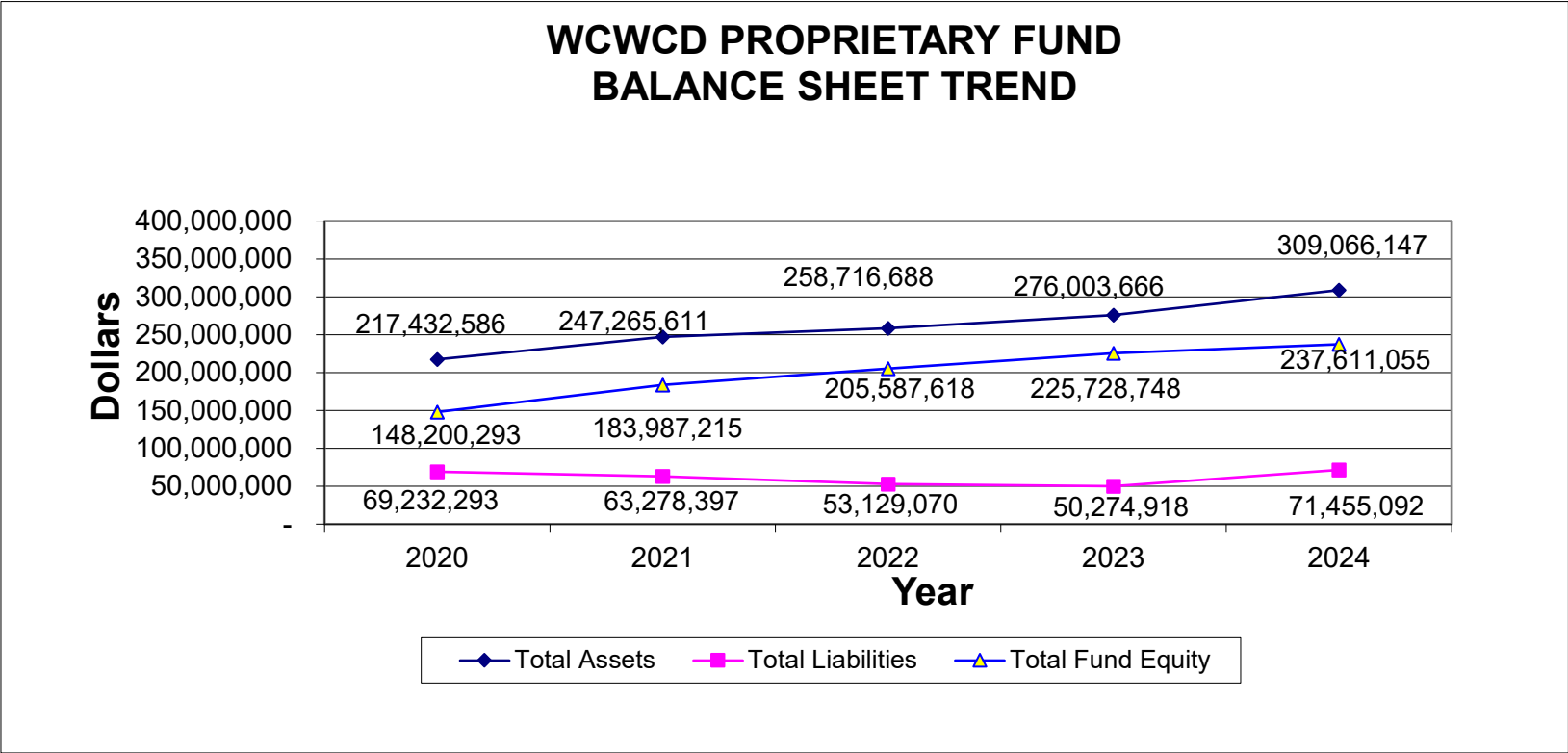




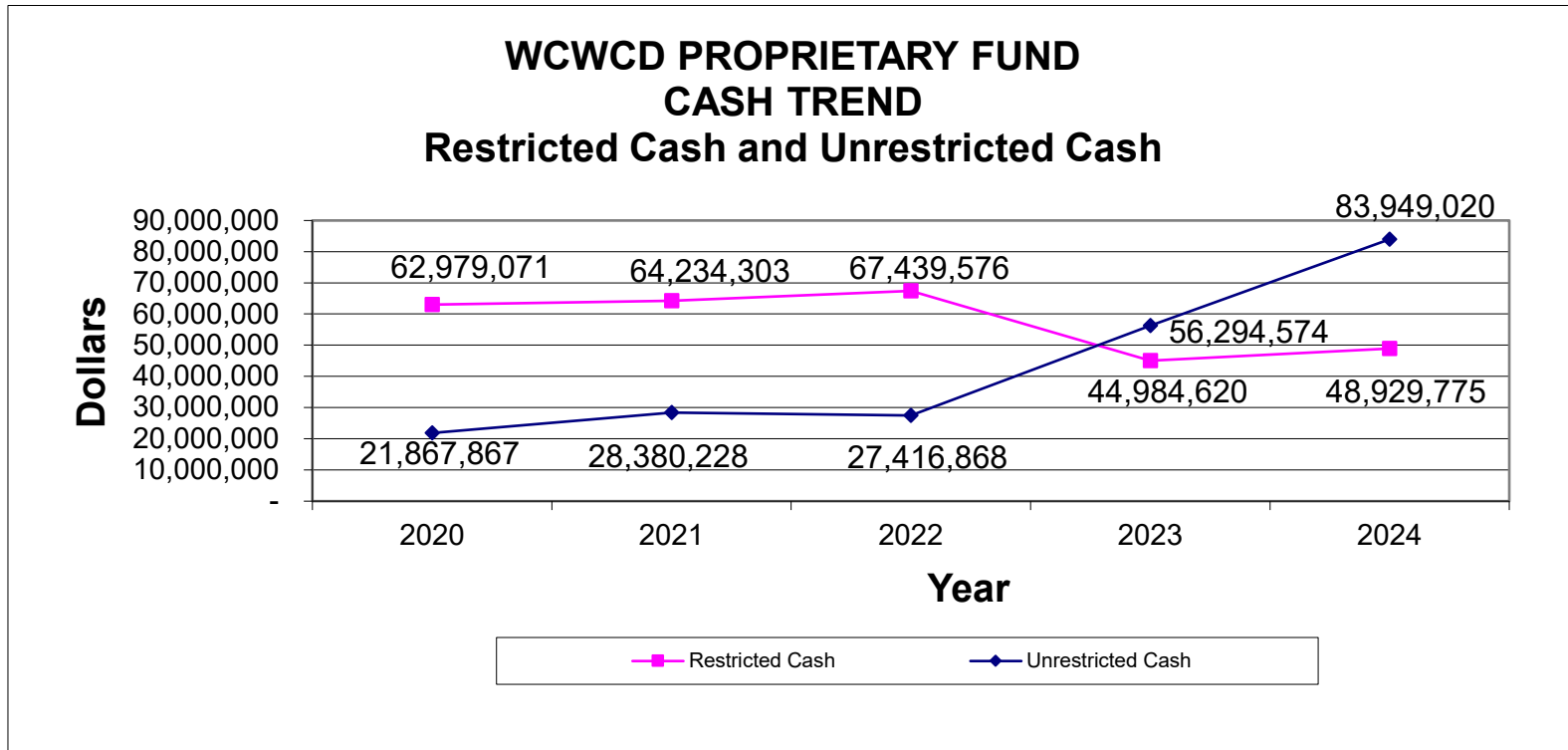
Cash in the Capital Projects Fund has built up as revenues have been more than expenses in four of the last five years, and any transfers into the Fund. In 2023 cash decreased due to large capital projects and related expenditures.



Unlike governmental funds, proprietary funds are more business like in nature. They utilize full accrual accounting, tracking long term assets and liability, and should build resources over time to address long term debt and replace long term assets as they age and deteriorate. The proprietary fund has had net income in each of the last five years, helping the District to build those resources.



The five year trend for the proprietary fund has been a reasonable one with liabilities fluctuating up and down, but remaining relatively consistent while assets and equity have trended up in each of the last five years.



43% of the District's assets in the Proprietary Fund are cash. Of those amounts, 37% is restricted and the remaining 63% are unrestricted for use however and whenever is best to meet the District's/Proprietary Fund's needs.

Questions?

- Please contact R. McKay Hall
 - Phone: 888-566-1277 x272
- Email: mhall@hintonburdick.com

Thank You!

- Thank you for the opportunity to work with the District.
- An audit can take additional time and effort above and beyond the normal work load, and we want to thank all those who assisted us with this year's audit.