

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

NOTICE IS HEREBY GIVEN that the Board of Directors of the Toquerville Secondary Water System, Washington County, Utah will meet in session at 6 pm on Tuesday July 29, 2025, at Toquerville City offices, Toquerville Utah.

The agenda for the meeting includes the following:

1. Presentation of proposed annual assessment rate increase
2. Public Hearing to levy the Annual Assessments within the TSWS Service Area
3. Consider approval of January 16, 2025 TSWS board meeting minutes

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

Meeting date: July 29, 2025

Time: 6:00 p.m.

Location: 212 Toquerville Blvd, Toquerville, UT 84774

Participants: Board members including Justin Sip, Joey Campbell, Dave Jessop, and Zach Renstrom. Board member Ty Bringham was not present. Staff from the Washington County Water Conservancy District included Brie Thompson and Mindy Mees. Other meeting attendees are noted on the attached sign-in sheet.

Presentation of proposed annual assessment rate increase

Brie Thompson, Associate General Manager with the Washington County Water Conservancy District, presented an overview of the System's revenues and expenses, along with the proposed rate increase.

Ms. Thompson presented a chart showing the operations and maintenance expenses in 2024 compared to year-to-date expenses in 2025. Based on current trends, the System anticipates exceeding \$300,000 by the end of this year.

Ms. Thompson presented a second chart that illustrated projected revenues under both the current and proposed assessment values. With the current assessment values, the System would face a shortfall. With the proposed assessment values the System would be able to cover expenses and also set aside some funds in a repair and replacement reserve.

Ms. Thompson presented a final chart that demonstrated one way to estimate how much should be put aside each year for repair and replacement. It lists the different capital assets in the TSWS System, the year they were put into service, their estimated replacement life, and the projected 2025 replacement cost. By dividing the replacement cost by the useful life of each asset, the system can estimate the amount it should reserve annually to ensure it can cover replacements when they are needed. Altogether, those values total about \$300,000 per year

Board chair Justin Sip asked if the TSWS system has been setting aside \$300,000 annually?

Ms. Thompson responded that it has not been setting aside \$300,000 per year in the past. Ms. Thompson said that since 2021, the System has been raising rates by about 30% each year. Those increases were necessary just to bring revenues up to the level of the System's annual expenses.

Ms. Thompson explained that the proposed rate increase for half-acre connections is \$429 and for half-acre to one-acre connections the rate will be \$629. For agricultural land, the rate will be \$199 per acre and for standby connections the rate will be \$228.

Chair Sip opened the hearing for public comment.

Public Hearing to levy the Annual Assessments within the TSWS Service Area

Paul Heideman asked about the \$188,000 expense for piping replacement.

Ms. Thompson responded that these are the System's current-year expenses operations and maintenance, with utilities broken out separately. The system does not currently collect money for these costs. Instead, it shows what it would look like if the system began setting aside funds for renewal and replacement.

Mr. Heideman asked if this has not been done for years already?

Chair Sip said that the System has not been putting any money aside for long-term repairs. Chair Sip said that up until now, the Water District has just fixed things as they broke. In the past, when the city managed the water System, any extra money made each year was put back into the System so that when something needed replacing, funds were available.

At this point, however, the System has essentially zero money set aside. Historically, the Water District has always paid for replacements out of current revenues, which has meant operating in the red rather than planning ahead for these expenses.

Mr. Heideman asked why revenues were not collected earlier. Mr. Heideman said that when the District first took the System over, costs were expected to be lower. An increase of 30% makes it hard.

Board member Joey Campbell said for almost 20 years, the System operated without significant rate increases, so the effects of inflation were not reflected in the rates.

Lynn Chamberlain asked whether the majority of the System's expenses come when the System turns on.

Board member Dave Jessop responded that the expenses are spread throughout the year. A significant portion comes from natural gas usage, which varies but is ongoing. In addition, activities like blue staking require labor essentially 365 days a year. On top of that, a portion of the System's overhead costs is allocated to the TSWS System from the overall operations of the Water District. So, the annual total reflects both these direct and shared operational costs over the entire year.

Mr. Chamberlain asked if the additional one-third of the cost to run the System is due to inflation.

Mr. Jessop responded that some of the portion is from unexcepted repairs.

Mr. Chamberlain asked where the System will be financially by the end of the year.

Ms. Thompson responded that for the utilities, those costs are expected to remain roughly the same, since usage tends to be higher in July and August. However, there was an unanticipated project this year that temporarily increased expenses. Overall, operations and maintenance costs for the remainder of the year will likely be lower than the first six months.

Reese Straw commented about a slide from the presentation regarding replacement costs. Mr. Straw noted that if the annual renewal and the replacement cost is multiplied by the expected year, the total is \$17 million while this slide says the System will accumulate 10 million. Mr. Straw asked what is going to happen to that extra 7 million.

Ms. Thompson responded that some of the assets have different lifespans and that she has not run the calculation in the same way. This slide is meant primarily for illustrative purposes. To date, the System has not been collecting funds specifically for renewal and replacement. The purpose here is to show that the System is now at a point where it is breaking even, and it would be wise for the Board to begin collecting funds to build a reserve for future repairs and replacements.

Mr. Straw asked whether the 30% increase is related to the very large subdivision coming online around this time and the construction of a reservoir. Chair Justin Sip responded that the new subdivision will not have irrigation water at all. The System will not provide irrigation to that subdivision, so that is not a factor. As for the reservoir, it is meant to support the System but is not related to this increase.

Chair Sip said that when Lynn Chamberlain was Toquerville mayor, the Water District started discussing whether Toquerville City should take over the System once the city's agreement with the District expires in 2027. Chair Sip said that at that time, the council decided it did not want to take over a system that was losing money. For the first 20 years, the System was operating at a loss. Over the past four years, the System has been gradually raising rates to at least break even. Calculations showed that this could require a 30% increase per year. Or, in a more extreme scenario, a one-time jump of 400%. While 30% per year does not sound gradual, applying it consistently over several years has brought the System to a point where it can break even this year.

Chair Sip said with the proposed increase, the System would generate around \$336,000. Currently, the System is at \$259,000 with last year's taxes. If this year's taxes bring in \$336,000 and costs come in at \$275,000, the System would have a surplus of about \$56,000—a reserve it has never had before. This allows the System to have money set aside to replace or repair infrastructure rather than borrowing funds when something breaks and figuring out how to pay for it later. This gradual increase over the past four years has been aimed at reaching this break-even point. Chair Sip said that as a side note, Toquerville City's secondary water pays for itself, and the District does not need to subsidize it.

Toquerville City Manager Ben Billingsly commented that he did the math on the capital facilities and replacement. The reason the numbers do not align is that the calculation assumes no money has been set aside up to this point. This is essentially a 'catch-up' scenario. For example, if an asset has a 75-year life and was installed 25 years ago, it only has 50 years remaining. If the System starts funding it from today, the math will not line up perfectly with the original projections.

Mr. Straw said a one-fifth reduction will still bring in significantly more revenue than before.

Chair Sip responded this is just an estimate. Up to this point, the System has not received any revenue above costs and has operated at a loss. The District has subsidized the total secondary water system up until maybe this year. If the Board does not pass the proposed rate increase, the System will be losing money again. The overall goal of these increases is really to prepare the System to eventually be turned over to the city.

Water District General Manager Zach Renstrom said part of the goal was to get the System at least to a break-even point. Now that it has reached that point, the System can be turned over to Toquerville, allowing the City to manage it according to its priorities.

Mr. Straw asked if the Chief Toquer Reservoir was going to be paid through System fees. Mr. Renstrom said no funds from the System are going toward the reservoir. The reservoir is being funded entirely through grants from the state or federal government, impact fees, or water user fees. In other words, none of the TSWs money has been spent on this reservoir.

Gary Lunt said there appears to be some inequities in how the billing for irrigation water is calculated, in that the more land you have, the less you pay per acre. Chair Sip responded that the cost of delivering water to a property is essentially the same regardless of the size of a parcel. The pipeline, infrastructure, and delivery costs do not change. So, if you have more land, the fixed cost is spread over a larger area, which can make it appear that larger parcels pay less per acre.

Mr. Lunt said that something has changed in his water and asked about the pH reading of the Cottam well. Mr. Lunt said he is having issues with growing cucumbers, not producing what he has in the past. Chair Sip said that Mr. Lunt check his soil because the water source has been the same since Toquerville was settled in 1888.

Sarah Walsh commented for the past fifteen years since their meters were installed, they have struggled to get them working properly and read accurately. They have never been able to monitor their water usage reliably. Despite speaking with numerous staff members, they have received conflicting information with little resolution. Ms. Walsh said that the proposed rate increase is extremely frustrating because they are being charged heavily for water they cannot effectively use. She said her three-acre property is becoming a fire hazard because they cannot irrigate properly. She said her family is seriously considering moving out of Toquerville because they simply cannot afford these costs. Since her father passed away in 2021, their income has decreased significantly, making it difficult to pay property taxes, let alone an additional \$1,000 or more for water fees across two lots.

Ms. Walsh said while her family understands the need to cover costs, she wondered whether there had been any consideration of the fact that incomes have not kept pace with inflation, and whether people can realistically afford these increases. Many residents are already discussing leaving Toquerville because of these financial pressures.

Mr. Jessop commented that the District staff members have visited Ms. Walsh's property a few times already but will come over again to try to figure out the issues. Ms. Walsh said that the meters are not being read properly, and one of them does not appear in Eye on Water app. She said that they are supposed to be monitoring their usage, but how can they do that if the readings are not accurate.

Mr. Jessop said that phone calls and letters from the System are not about monitoring usage but are warnings about watering outside of the watering schedule. Ms. Walsh responded that the irrigation schedule is causing major problems. Ms. Walsh said that they are forced to water during the hottest part of the day, when most of water evaporates. As a result, their orchard and other plantings are dying because the water supply is not sufficient. The schedule says they are supposed to water from 5:00 AM to noon but noon is the hottest part of the day.

Anita Eaton commented that she appreciates having secondary water. Ms. Eaton said she "is glad our pioneer heritage organized irrigation companies so that we could have this System. For those of us who have come from areas where watering your yard came out of your culinary water line, this is a real blessing."

Ms. Eaton said on a half-acre lot, paying \$630 a year works out to about \$50 a month. That is a small amount compared to what people would pay if they had to use culinary water for irrigation. Ms. Eaton said that her sister, who lives in West Valley City, pays \$175 a month for her home and yard.

Ms. Eaton said that she thinks many of the frustrations people have stem from a lack of understanding about the history of the secondary system. The reason there is a secondary system is largely for agricultural users. Those who move into Toquerville and connect to secondary water may not realize that agricultural rates are lower because of historical usage. People cannot just decide today to grow alfalfa on property that has never been historically irrigated. Agriculture here has defined boundaries that cannot

simply move elsewhere. Ms. Eaton also said that \$629 a year for her lot feels significant. Rates differ depending on whether the property is residential or agricultural, and that explains some of the apparent discrepancies.

In response to a question from Ms. Eaton regarding what qualifies as an agricultural user, Mr. Jessop responded that the definition applies to 2-inch meters and above. The categorization is based solely within the TSWS System and does not take into account County Greenbelt or any other classifications.

Paul Heideman commented that it would be nice to get notification of the meeting. Mindy Mees responded that the meeting was posted on the District's website, Utah's public notice website, and at Toquerville City. Notice was also provided to customers through Yoppify. Anita Eaton said she posted it on the Toquerville Facebook page.

Mr. Heideman noted that while the proposed assessment for a half-acre is \$429 and the proposed half-to-one-acre is \$629, both have a one-inch line and the same allotted watering time. Mr. Heideman asked if a person with a half-acre could use all the water they need within the allotted time. Chair Sip responded that the allocation is based on the property's square footage and a gallons-per-acre ratio. There is a maximum amount of water allowed for half an acre. Mr. Jessop added that the guideline set at the state level is roughly six acre-feet per acre per year, but that does not mean that amount is actually available to users because the System does not have that much water.

Mr. Heidman asked who is responsible for paying to pump water from the water treatment plant up to the reservoir. Joey Campbell responded that they are not pumping specifically for the System. The water being pumped from the treatment plant to the reservoir is managed by the city for general reuse, primarily for irrigation. The cost of that pumping is managed through the city, not the System or the water district, as it falls under a separate agreement.

Mr. Heideman replied that means the city of Toquerville is going to pay for it and charge the citizens so that he will be charged for pumping when he does not need it.

Mr. Campbell responded there are two ways to look at it. If the city sends the water directly down the line it does not have to be reclaimed for reuse. But if the city chooses to reclaim it, the water can potentially be treated and used as drinking water. If it is not reclaimed, it is simply sent away.

Mr. Renstrom said that the Water District is trying to account for new growth. The current impact fee for a new home is \$13,500, which will increase. This fee covers the cost of building the pipeline and associated infrastructure, but it does not cover ongoing pumping costs. The pumping costs are part of the overall System operation.

Chair Sip said that the reclaimed water does not belong to the Toquerville Secondary Water System.

Todd Sands said that he appreciates being on the Toquerville Secondary Water System as it works well for his situation. His family are residential customers with less than half an acre, so for them, the cost works out to about \$8 a month. That seems very reasonable. Compared other systems, even with a proposed 30% increase, it is still quite a bargain.

Mr. Sands also said that the current rate structure has no real incentive to conserve. Whether landscape is desert or fully grassed, the cost is the same. Mr. Sands said he would like to hear discussion on changing the incentives. For example, if the System charged based on every gallon used, then conserving water could also save money, providing a financial incentive for conservation.

Chair Sip responded that he is not sure that metering secondary water is the right way to go. By metering every gallon on the secondary water, users could save money by conserving water. But for those with gardens or orchards, they might not want to pay for every gallon used. For example, Chair Sip said that he has a large orchard and garden and a 2-inch water line. He said that he would not want that kind of metering and does not think many people here would want it either.

Mr. Sands responded it feels like he is paying for others to have large yards and grass while he is trying to conserve water.

Ms. Eaton commented made a comment about parasitic drag on water delivery relating the size of a pipe, water pressure, and flows.

Kay Chamberlain raised a point about rates. Ms. Chamberlain said that years ago, when Ron Thompson presented this System to the city, he promised that everyone would have all the water they wanted, anytime they wanted. Ms. Chamberlain said that she understands given population growth that the System does not do that now. But the 30% increase is very steep and people are

starting to let their lawns go. If homeowners switch entirely to desert landscaping, houses get hotter, use more electricity, and the town does not look nice. Trees and lawns help keep our community cooler and more attractive.

Ms. Chamberlain said that residents want a beautiful community and suggested that the rate increase could be scaled back slightly rather than a full 30% at once. This would allow residents to maintain their yards and community aesthetics without causing financial hardship. Ms. Chamberlain said there is a reason residents want more local control when the district manages the System. Ms. Chamberlain said, “We have to follow their goals, such as limiting landscaping options and allowing as many developers as they want.” She said that a modest rate adjustment could help residents maintain a cooler, more beautiful community.

Mr. Renstrom said that the Water District does not promote or encourage growth. Ms. Chamberlain said that the district allows the building permits. Mr. Renstrom responded that growth determinations are made by the cities, and the District simply responds to what the cities decide. Ms. Chamberlain asked, “Why then are you trying to get us to use less water.” Mr. Renstrom said the goal is to be good stewards of this precious resource, and the concept of using less water has been a guiding principle in Toquerville City since its early days. Mr. Renstrom said that while incentives are offered to those who wish to change their landscaping from grass to lower-water alternatives, there are no mandates requiring residents to do so. However, new homes are subject to different standards.

Chair Sip emphasized that Toquerville City and Toquerville Secondary Water simply do not have extra water. As a community, residents are protecting and conserving the water they currently have, and new development will not be allowed to access or draw from the existing TSWS irrigation system.

Ms. Chamberlain said that the culinary water rates are already high. Chair Sip responded that the new residents water rates will be a lot higher.

Ms. Chamberlain commented that the District does not want them to have lawns. She said, “the district’s goals are for all of them to have rock landscaping.”

Mr. Renstrom responded that the cities determine how many homes they want to approve, and the District’s role is to make clear that only a limited amount of water is available to support that growth.

Ms. Chamberlain said she feels like the District is pushing residents toward its own goals, rather than encouraging them to maintain trees or greenery. It seems like residents are constantly being told to cut back and it feels like the residents’ priorities are being overlooked.

Chair Sip commented that the District encourages planting trees and shrubs, as they shade and cool the ground more effectively than grass. While the District does not promote lawns, it strongly supports the use of trees and shrubs to improve cooling and landscaping.

Mr. Renstrom said that the District has a program that provides \$30 certificates for trees. Planting trees is considered one of the best ways to improve cooling, as trees are more effective than grass at reducing the heat index.

Larry Bennett where the water will come from for everybody in the county, not just Toquerville, asked if the drought continues. Mr. Bennett said that this area has always been a desert and was a desert before people started moving here in such large numbers. Mr. Bennett asked “What is the overall plan? We are being charged for things that you cannot even produce.”

Mr. Renstrom said the District’s 20-year plan is posted on the District’s website and outlines the individual projects the District is pursuing. The plan includes things like drilling wells and developing other local sources. But the biggest piece of the plan is reuse water. Right now, when residents use their water, it goes down the river to Nevada, and then Nevada takes that water and reuses it. The District’s plan is to start capturing that water, recycling it, and put it back into the local system.

Mr. Bennett said the District does not have access to water to bring to Toquerville or anyone in the county. Mr. Renstrom responded that is why Chief Toquer Reservoir is being built. The new reservoir will store additional water. There are a couple of ways the District will fill the reservoir. The older Ash Creek Reservoir built years ago was never a good geological site to store water. So, the District built a pipeline to bring that water down to Chief Toquer where it be held and used. And at certain times of the year, if Toquer Springs water is not being used by another city, the system will have the ability to capture it, move it into Chief Toquer, and store it. That means the winter water lost in the past can now be stored for later.

In addition, Ash Creek Special Service District is building a new system that will allow water to be released and pumped up to Chief Toquer, while also letting some flow over the top to Hurricane for their secondary system. The district is in the process of building a new line from the Quail water treatment plant through Leeds. The district is also constructing pump stations to take drinking water from the treatment plant, pump it all the way up to the new tank, and deliver water into the city. It is a very dynamic system with several moving parts designed to increase both storage and delivery capacity.

Mr. Bennett also asked what happens if the drought does not break and these projects are not completed. Mr. Bennett said residents were promised they would always have water because of Toquerville Springs. Those springs have supplied Toquerville from the very beginning and were turned over to the District.

Chair Sip responded that if you go back in history, Toquerville used to have a lot of water. Then the state came in and re-adjudicated the rights with Hurricane before anyone here today was around. At the time, Toquerville did not need all the water, so those rights were given over to Hurricane. Later, the secondary water company here in Toquerville was taken over by the District to build a better system. Chair Sip said that "I can tell you from experience I dug the high ditch, the low ditch, and all around the cemetery. I know every ditch in town, and they leaked badly. Cottonwood trees were growing in them, and it was not a good system." Chair Sip said, "What we have now is far better than what we had then. And the only reason we have it today is because the Water District put that system in years ago. I understand when people say we used to have all the water we needed and for years, we did. But if the District had not stepped in, we would have lost that water a hundred times over. Toquerville could never have afforded to put in the tank and the system we rely on today." Chair Sip continued by saying that the District does not want to stay in the business of being a direct water provider. Their goal is to turn this system over to the city, at a value of about \$20 million.

Mr. Renstrom said that a lot of the questions that came up today will ultimately be decided by the elected leaders in Toquerville, not by the District.

Belinda Jaggi said that the 30% increase started in 2021 and asked why that was not proposed to the residents, it just appeared as an increase. Chair Sip responded that this meeting happens every year. Ms. Jaggi asked if this is something that happens every year or is the purpose of today's meeting to avoid having to address it annually. Chair Sip responded that next year, the Board will come back and do it again if it needs to increase the rate. This could happen every year if necessary. Right now, the system is at break-even, so there is no immediate change, but the process is in place if future adjustments are needed.

Gary Lunt asked what state hydrologist says about Washington County, especially in terms of its growth. Mr. Renstrom responded that there is not a state hydrologist position. There is a state engineer who oversees water rights, a director of water resources, and the Division of Drinking Water. The Division of Drinking Water sets the standards for both water purity and reliability. The District works closely with that division. The division review all the water rights, supplies, and system. Essentially, the division ensure that both the water quality and the volumes are sufficient.

Mr. Lunt also asked what is being done to manage salt in reclaimed water from houses with reverse osmosis systems. Mr. Renstrom responded that the District has total dissolved solids (TDS) limits that must be followed according to state regulations. The District monitors it very closely. Fortunately, the TDS levels in this area are low.

Ms. Walsh asked why construction is still going on if there is a water shortage. Mr. Renstrom responded that Washington County has a long history of water shortages. If you look back at old records for example, in St. George City in the 1890s they were having the same discussions about growth and water. Historically, the county has always done two things. First, it has treated and used water more efficiently sometimes through technology, sometimes through common-sense conservation. Second, it builds projects to expand supply. For those who have moved here in the last 20 years, much of that growth was only possible because of projects like Sand Hollow Reservoir. St. George, for instance, had building moratoriums in the 1980s because the water system could not support more homes. By building new infrastructure, the community was able to provide water and continue development, while also ensuring responsible water use.

Hearing no more public comments, Chair Sip closed the public hearing.

Consider approval of resolution authorizing the levy of contract assessment for 2025 within the TSWs Service Area

Mr. Renstrom said he would like to hear the city's perspective on this. His understanding is that the process is about starting to build reserves, and he would like to ensure a reserve exists for when the system is transferred to the city.

Mr. Campbell responded that the system does have a major reserve. They are currently breaking even, but they are setting aside about \$300,000 for renewal and replacement. The real issue, he noted, is that once the system transfers to the city, there will be \$0 left to fix or replace anything. Protecting the city's future assets is the main concern.

Chair Sip said he would like to consider a rate decrease, but this year the system will barely have maybe \$30,000 left over. If the Board wants the city to take over the system and if the citizens want the city to run the water system, the Board needs to keep the water rates at break-even. That way, there will be a little bit of reserve to cover unexpected issues.

Joey Campbell made a motion to adopt the resolution to increase the assessment as presented, the motion was seconded by Dave Jessop, and a roll call vote was taken as follows:

<i>Justin Sip</i>	<i>Yes</i>
<i>Zach Renstrom</i>	<i>Yes</i>
<i>Joey Campbell</i>	<i>Yes</i>
<i>Dave Jessop</i>	<i>Yes</i>

Consider approval of January 16, 2025 TSWs Board meeting minutes

Zach Renstrom made a motion to approve the January 16, 2025 Board meeting minutes, the motion was seconded by Dave Jessop and all voted aye.

The meeting adjourned at. 7:33 pm



Need for Annual Assessment Increase

Situation

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

Background

TSWS delivers secondary water to retail customers in its service area. If annual assessments are not increased, approximately \$260,000 would be collected in revenues for the system this year.

Assessment

Table 1 summarizes 2024 and 2025 year-to-date system expenses. Department operation and maintenance expenses are allocated based on estimated resources requirements of system facilities. Last year, the district had approximately \$211,000 in expenses in TSWS and collected over \$234,000 in revenues. It is estimated that system expenses will surpass \$300,000 in 2025 due to inflation of all costs and continued maintenance of the system.

Table 1. TSWS expenses by year.

Expense	2024	2025 (June 30)
Operations & maintenance	\$168,860	\$144,587
Utilities	\$42,461	\$10,094
TOTAL	\$211,321	\$154,681

Increasing the annual assessments by 30% will increase the anticipated annual revenues to approximately \$340,000 per year and will allow TSWS to the ability to fund system repair and replacement in the future. Table 2 displays the recommended annual renewal and replacement budget recommendation based on the estimated replacement values of TSWS capital assets.

Table 2. Annual renewal & replacement budget recommendations.

Capital Asset	Year in Service	Estimated Replacement Life	2025 Estimated Replacement Cost	Annual Renewal & Replacement Budget Recommendation
TSWS Upper Pond	2000	75	\$1,980,148	\$37,361
TSWS Lower Pond	2000	75	\$1,203,930	\$22,716
Toquerville Spring*	2014	50	\$920,340	\$21,913
TSWS Pump Station	2000	75	\$1,478,510	\$27,896
TSWS Pipelines	2000	50	\$5,280,394	\$188,586
Total			\$10,863,322	\$298,472

*44% of estimated replacement cost of Toquerville Spring is allocated to TSWS.

Recommendation

It is recommended that the board adopts a resolution to increase annual assessments by 30% from current fees, as shown in Table 3.

Table 3. Assessment by connection type.

Connection type	Current assessment	Proposed assessment
<1/2 acre	\$330	\$429
>1/2 to 1 acre	\$484	\$629
Agricultural (per acre)	\$153	\$199
Standby	\$176	\$228

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

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

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

WHEREAS, the TSWS board desires to assess the water users in the TSWS Service Area water contract assessments through the 2025 tax rolls; and

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

Current Annual Assessment

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

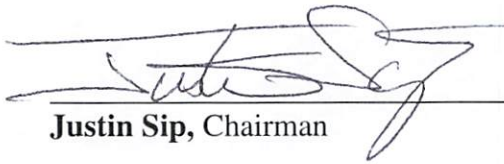
WHEREAS, due to increased operation and maintenance costs, the annual contract assessments need to be increased;

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

Proposed Annual Assessment Increase

Lot size or User Classification	Annual Assessment
Less than a ½ acre lot	\$429
½ to 1 acre lot	\$629
Agriculture	\$199
Standby	\$228

DATED this 29th day of July, 2025.


Justin Sip, Chairman

Attest:


MINDY MEES, Secretary

VOTING:

Ty Bringhurst	Yea	☐	No	☐
Zach Renstrom	Yea	☒	No	☐
Joey Campbell	Yea	☒	No	☐
Dave Jessop	Yea	☒	No	☐



BOARD MEETING

JULY 29, 2025

TSWS EXPENSES

Expense	2024	2025 (June 30)
Operations & maintenance	\$168,860	\$144,587
Utilities	\$42,461	\$10,094
TOTAL	\$211,321	\$154,681

TSWS PROJECTED REVENUES

Revenue	Current Assessment	Proposed Assessment
Assessments	\$256,674	\$333,677
Connection fees	\$2,400	\$2,400
TOTAL	\$259,074	\$336,077

TARGET ANNUAL RENEWAL & REPLACEMENT BUDGET

Capital Asset	Year in Service	Estimated Replacement Life	2025 Estimated Replacement Cost	Annual Renewal & Replacement Budget Recommendation
TSWS Upper Pond	2000	75	\$1,980,148	\$37,361
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Toquerville Spring*	2014	50	\$920,340	\$21,913
TSWS Pump Station	2000	75	\$1,478,510	\$27,896
TSWS Pipelines	2000	50	\$5,280,394	\$188,586
Total			\$10,863,322	\$298,472

RECOMMENDATION

Move to approve the resolution adopting the proposed annual assessment schedule.

Connection type	Current assessment	Proposed assessment
<1/2 acre	\$330	\$429
>1/2 to 1 acre	\$484	\$629
Agricultural	\$153 per acre	\$199 per acre
Standby	\$176	\$228