

City of La Verkin

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La Verkin City Council Work Meeting Minutes Wednesday, January 21, 2026, 5:00 pm. 111 S. Main, La Verkin, Utah

Present: Mayor Kelly Wilson; Council Members: Amanda Barr, John Valenti, Scot Pectol, and Darren Prince; Staff: Kyle Gubler, Derek Imlay, and Nancy Cline, Public; Blaine Worrell, Paul Anderson.

Called to Order –Mayor Wilson called the work meeting to order at 5:00 pm.

1. Discussion regarding the La Verkin City Secondary Water Feasibility Study.

Blaine explained that this report included a lot of reports into one. It's a master plan for the city, but it's also a user rate analysis. Analyzing if the existing user rates are sufficient to cover costs of the system. It's an impact fee analysis and impact fee facilities plan. The reason that the water district contributed to this project was because it was a feasibility study. It's what led to the pond project coming to life. They did a lot of the study and initial analysis of that project as part of the setting. We're not going to really go into much of those details here. That was really more for the district's need to see where in La Verkin there was to put a pond. Obviously, we found a spot and that project's going forward, hopefully out to construction in the near future. He wanted to discuss a snapshot of the system. He showed all irrigation water rights out of the Virgin River. There are three different rights with a quantity of water. It totals about 2,640 acre feet.

Kyle added that he just received an email That water right is going to change. The total amount is going to stay the same, but that bottom 812481, I think, is down to 9.83 acre feet and the bottom number will increase.

Blaine replied he would get that changed before they finalize the report.

Councilman Pectol asked if that would change things since one is industrial and the other irrigation.

Blaine responded it shouldn't because they are in the process of changing all three of those right now to municipal. There's a change application with the state for all three of these to be changed to municipal instead of irrigation industrial. That's all part of that surplus and exchange agreement with the district to allow it to be stored.

Councilman Valenti added that the dispute is with the test site.

Blaine explained that the irrigation system was once held by an irrigation company that the city purchased. And as part of that irrigation company, there were 600 shares when that went into place. When the city bought that the existing shareholders of that company were given delivery contracts. Equivalenting 600 of those shares. And so there are 290 contract holders have 441 equivalent shares. The city's 2,640 acre feet of available water, they do have an annual duty or obligation that 1,944 of that acre feet, would be to contract holders if every contract holder used their full water. The way that's broke up is each equivalent share for those contract holders is one share that is 4.4 acre feet of water. There are the contract holders and then the leases. The share equivalencies are held by each contract holder. There are 223 contract holders that have one or less shares, or less than one share, 25 that have one to two, so on and so forth. 77% of all the contract holders have one or less share equivalents. The leases have 808 leasee connections currently in the city with 292 connections that are standby right now, meaning that they're not actively using water, but they have a connection. The table and in the graph, what we see is the average leasee user. This isn't exact because we don't have meters. Obviously, we do have some data, and we've been able to work with Derek and his team to pinpoint some areas and usages based on lot sizes, and the district's studies they've done of how much an average household in St. George uses for outdoor watering. We're able to determine that the average leasee user uses approximately 554 gallons per day per connection, whereas the average contract holder is just over 6,000 gallons a day. Part of that crazy high number is it's an average, so there's only 290 users. So that takes into account the people who have the big agricultural fields that are using 20,000 per day and others in a house using a normal amount. The high-efficiency users we will discuss later. This is for all future connections that come onto the city or some that have come recently. This is based on the water district's new standards for outdoor water usage for new houses. Those will come in and be using half as much as what a standard residential user,

existing user, uses. They actually will be less as the district's looking to refine that down further. He explained a chart that 2640 water right number. And then in red is the total demand based on current and past usages or your projected demand of how much water you're going to use. The inverse of that is your surplus. This is basically that same gap. Historically, the last several years have been between 700- and 1,000-acre feet a year of water that has not been used by the city. The city staff analyzed that the distribution systems have some leaks and old pipes that we're looking at as if we have about 200-acre feet of water that's just going in the ground to no one's benefit. Once the project is completed the estimate that this blue line would then jump up to an extra almost 200-acre feet. The black line is going to be growth. So, as we get new connections coming into the city we'll see a slight increase in demand with new connections. But unlike your water system, usually when you see a graph like this your water demand is going to be pretty much identical. You're going to have the same kind of growth. With irrigation however, generally speaking, when you have a development that goes in, it develops over a farmer's field or an agricultural piece that was being irrigated. So when it comes to irrigation water, generally speaking, you have something that was being 100% used for irrigation is now being a very, very small percentage, especially now with the high-efficiency houses that are going in. They will still see a pretty good increase in growth for the city with a very slight increase over time with growth. Then what we are assuming here is an assumption based on just available data and projections, is about 2038 will be where all of the standby connections come online. We're assuming all the standbys come on anywhere that doesn't currently have a connection, gets a connection, and we've developed the areas that are not fields. It's the period we're expecting the most demand of irrigation in the city. From that point forward, all future growth would be replacing agriculture, and then you'd start seeing a reduction in usage over time, long term, because we'd be swapping irrigation for culinary water, essentially. The number of delivery contract holders because the assumption there is contract holders that are using their fields when they develop it have nowhere to put that water would be selling it back to the city. Trying to get some recoupment of costs that they're not holding onto and paying for fees that they're not using. That's why there's a 20-38 surplus here, kind of what we're assuming is the worst demand year, and then from there, your surplus is projected to slowly increase over time. This being a master plan, we talked about one of the main things a master plan does is analyzes the needs for the system. What are the recommended improvements to get the system up to where the city wants it and make sure it's ready for future growth. With the city's irrigation system and the approach with this being a feasibility with the water district, it's kind of actually unique when it comes to recommended improvements. Normally we'd have a goal by this year to have this piece of pipe replaced and upsized and we'll get new pipe here and there. With the work of the water district and the pond and pipeline project for the reuse pond and the surplus agreement, the Districts agreed to replace the entire system more or less. Anything that's the aged pipe that is backlot fed connections are all being replaced. That is the list of all the improvements for this year. Those first four projects, we have the pond and pipeline, we have some transmission line improvements, which is on the northwest side of the city. It'd be new pipeline and the purpose of that is when we build the pond the water system is being flipped. Normally it operates from the south to the north. All our pipe sizes are big on the south and get smaller as we go north. But when we're putting all the water source on the north side, now we have all the small pipe up there and big pipe on the south. There need to be bigger transmission lines on the north side of town to make sure no one's negatively impacted by the project. As of right now, if we don't get those transmission lines in, there'll be some people in the city that see a reduction in pressure just because of the small pipelines feeding them. That project will clean that up. With the in-town replacements, and then replacing the 100 East transmission line, which is old pit pipe, we will be at current industry standards. The year of installation, this is anticipated happening this year with that secondary irrigation project.

Councilman Prince asked if the city had seen the 7 million dollars that pipeline will cost.

Councilman Valenti responded that is the districts project not the cities.

Blaine explained that the surplus agreement is \$13.6 million from the district. The \$7.3 million on there also includes the actual dam and the pipeline. The district is contributing to that as well. About \$21 million of projects can be installed in the next year and a half or two years for the city. Beyond that he didn't have any recommended improvements now because the city is getting almost a clean slate as it is. They recommend the plan be updated in five years. The biggest thing with that update is probably just going to be looking at user rates and budgets, especially after getting the pump station up and operating for a couple years, seeing what it takes to maintain that. After these projects go in about a quarter or half of the city won't get replaced because it's newer pipe or it's front lot. So, start to identify when those projects need to be replaced long term.

Councilman Valenti pointed out that all of these monies came about after this plan was written. Were all the fees that are outlined in this meant to pay this cost?

Blaine explained they worked side by side with that agreement and the study.

Councilman Prince asked as we get this project started, have we decided how we're going to help people get water from their backyard to be in the front yard?

Blaine explained it moves the irrigation lines to the front but how are the citizens going to move their connection to the front yard from where it currently is in the back yard.

Derek explained they are talking about 470. The back line is still live. Even though they're being fed from the front, we haven't made that transition over so we can shut the back line off. That's the one that backs off the front, or the backside of 560 West. We have discussed potentially the city paying for the materials and then the citizen could figure out how to get it back. We're going to leave a stake for them to put wherever in their yard best suits them to be able to get to the back. Because normally our standard is within three feet of the culinary water meter, one side or the other. But because they may have obstacles, like concrete, we're going to stake it, and then that's where it can get installed. He suggested the best thing to do, because we really can't figure out an amount, is have the city purchase the materials and then have the citizens figure out how to get to the front. He suggested running a one-inch connection because there coming in through a one-inch yoke. Then coming out on their side would reduce down to a three quarter but they could do the one-inch connection all the way through to carry the volume to the back.

Blaine added that is all to be determined. They have not addressed that part of the replacement yet. The way we're approaching that project is to leave those back lots on. The project will be completed, there'll be connections, but the lines behind the lots will still be live. The city can then determine a date that they're going to be turned off. They will need to inform the public they have X amount of time to get the line connected to the front.

Kyle asked if they get through the project and have extra money left will the district allow them to use it on this? Getting connections to the citizens?

Blaine replied yes, basically it's a blank check for irrigation improvements in La Verkin. As long as they can justify it as an irrigation improvement. They are planning to be out to bid in September, and construction starts in November if it goes smoothly. The project's going to take at least a year to do. They will be working with whatever contractor ends up getting it and doing the design to see how things are phased.

Councilman Valenti was curious how much time they would go without irrigation water.

Blair replied that the pond will be active by that point, they are hoping for minimal days without irrigation. The intent is not to have the contractor go in the backyards at all. We'll do all the work within the city right away.

Councilman Valenti wondered how much culinary water they would have to use if the irrigation was shut off.

Blaine explained that the idea will be to mitigate it so that any construction will be done in pieces so that no one's shut off for more than a couple days. That is the intent.

Kyle added there will be growing pains. They will have some people cut off at some time, but they hope to keep it to a minimum.

Blaine explains the table. On the left is the existing rate structure, how that's set up with leases and contract holders. Leases and contract holders are billed very differently. Leases are billed on a monthly basis based on their lot size, where contract holders are billed either annually or biannually based on the number of contracts they hold. And then there's an annual assessment fee and then there's just the annual or biannual fee based on how many they have.

Paul explained that every share equivalent is \$25.45 a year. They pay for the first one and then for each one there after they pay twice a year.

Blaine added that the average existing leasee pays \$13 a month or \$117 a year. The contract holders pay an average an annual of \$89 a year. The city generates \$94,500 from leasees and \$26,000 from contract holders. Currently the irrigation system is supplemented, or subsidized, for lack of a better word, from the general fund. The irrigation on its own does not generate enough revenue to even fund itself.

Kyle added they have been told that by their auditor for two years in a row now.

Blaine replied that the desire was to see if there's a rate that would have the irrigation be self-sufficient. To make sure they are covering costs to handle the pump station, that's coming online, and what the associate O&M costs will be. If they were to get those costs the irrigation budget at its current rate would be short about \$118,000, \$120,000 a year. This requires an increase in user rates. It was \$21.90 across the board. Every connection in the city on average paying \$22 a month. They worked with staff to come up with a method that would increase that or target the \$22. Once you have a target there's infinite number of ways to do that. They suggested making an increase in both contract holders and leases.

Paul explained they wanted to keep the same structure that people are already being billed at which we had before the 25 dollars per share equivalent. They found if they kind of blanket increased the prices for the usage across the board to 88%, make the share equivalent cost \$47.94, and then continue to pay the delivery contract holders would continue to pay the two installments of half that cost or any above one share equivalent. Similarly, if they increase the user rate for leases by 88%, there is the cost at the end. They will get to the target number. It did require a slightly higher adjustment to the assessment fee. The contract holders have an annual assessment. It's \$50.89 if they hold contracts that would increase to \$140, which is a larger step increase, but that made up the difference. Also, it helped to balance the average cost between the lease users and contract holders. Using that approach, the costs go up by 88% for lease users, so the average leasee usage cost is \$24.53, and annually that's \$220. And for contract holders, it's a little bit cheaper. It's \$212 for the year for the average contract holder, which the average contract holder has one and a half. Some people have more, some people have less. Doing that allows them to cover the projected cost next year for next year's budget. The other interesting thing is when you compare this with the projections of people selling the delivery contracts back and gaining more lease users, that the lease users will pay the same amount no matter what. It's just based on lot size. They'll be assessed the same fees, even if we get the high-efficient usage users, they'll be billed the same for the area. And they pay slightly more per month than contract holders. As we lose contract holders, they aren't necessarily losing revenue to the city, but it's very close. They're almost at parity there, just kind of a general approach.

Councilwoman Barr was concerned that someone with 5 acres pays the same as 1 acre. Shouldn't it be a more even ratio?

Blaine asked if she meant right now it's 88% for everyone, was she saying that under half an acre was 50% increase, the half to one acre would be 100% increase, and then over an acre would be like 150% increase.

Councilwoman Barr suggested expanding the rate of pay. Someone who has five acres of land is paying the same as someone who has one acre of land, or an acre and a half. That doesn't make a lot of sense.

Blaine replied that the one thing about that is because there's so few of them, that's not going to move the needle much.

Councilman Valenti added that all of those rates were established by the old agreement, the old exchange agreement with the canal company. They set a premium rate or a Schedule. That's what equivocated that monthly rate to the annual rate for contract holders. That's why that's expressed that way. He didn't know if there was any language about share equivalent lease fees. It was meant to reward the contract holders by establishing that water right. That's in the city code.

Blaine added that there's a clause in those contracts that the city has the right to increase the fees as needed as long as it goes through the proper processes.

Councilman Prince asked if he was trying to get them burned at the stake.

Blaine explained he talked a lot with the Mayor and Derek about the increase because when they increased the culinary water rates the citizens were upset and not prepared for it. His suggestion was to postpone implementing any of these rate increases, but they could adopt it now. Postponing it until the pond project was completed that way there is some tangible quality of improvement with the cost increase because we'll be getting better water with with that project

Councilman Valenti added they could end up with a surplus. With the improvements being made they have a brand-new system, then all of those functions, maintenance, are all going to go down. There won't be breaks like we have all season. There are not going to be any replacements in a new system.

Kyle replied that the maintenance would go down. However, due to the pumping costs, we have never been able to put anything aside for replacement of future maintenance. And that's the state requiring that. Could we get any grants? They have got to be able to show them that we're setting money aside for future repairs or replacements.

Blaine added that goes back to our recommendation, this gets updated in five years or less. He recommends no more than five years. Usually, if a significant change occurs or there's a reason for one or at least five years because then it gives the city a chance to go and look to see if there is a big surplus. Could rates actually be lower? It doesn't happen very often.

Councilman Valenti pointed out they you're predicting now is that every year under the new rates, you're going to bring in \$241,136. They are going to bring in a quarter of million every year.

Blaine replied yes but they project to spend a quarter of a million per year.

Councilman Valenti asked what they would be spending that on. He didn't feel like it was explained in the study. He asked what our current expenditures are.

Kyle explained that general fund supplements it, hopefully that stops. There are wages and salaries that we take out of the irrigation fund which are far lower than what they should be based on what actual manpower hours.

Blaine added that right now \$133,000 based on fiscal year 26 was in the budget. \$133,000 for salaries, there's 21,000 for repairs, which doesn't actually get very far. He thought some of the repairs have been doing 11,000 for just miscellaneous equipment and office materials.

Councilman Valenti commented that most of the salaries are based on repairs.

Blaine explained that the way the city operates is because some of their salaries come out of different categories.

Kyle explained that the way it works is that we take a percentage of the fund, and it doesn't pay its way as far as salaries go. That gets absorbed into the general fund. The general fund pays the crew members and others a higher percentage than it probably should based on where they're actually working.

Blaine continued to explain that there's also \$11,000 that's going to an old bond, and then we're assuming about \$50,000 for the bond on the filter station.

Kyle added that the bond was for a filter station that is going to go offline. However, they still have to pay it. It's 0% interest, and we've got about 10 more years on that.

Blaine explained that the pump we're assuming based on the pumping rates and power, as of right now, will be around \$50,000 a year for maintenance on that. The next one is impact fees. This is where it gets interesting with this master plan because of the dynamic with the district, paying for this project and getting basically an all-new system next year there are no improvements after next year. The way impact fees are set by law is they're going to pay for improvements that are caused by growth and right now we're saying well growth doesn't cause new improvements for irrigation there's no upcoming projects. They don't have anything to put impact fees towards. What the city's charging for impact fees, and it's collecting, and the way the law states is, you collect impact fee, the day you collect an impact fee, the city has six years to spend that money on an approved project that's impact fee eligible and on the city's impact fee facilities plan.

Councilman Valenti asked if the impact fees will go away.

Blaine explained that we don't have projects, but the one thing that the impact fee law does say is you can do studies, those are impact fee eligible, so updating this plan is impact fee eligible. Basically, they can pay for this plan to be updated. Based on that study, the max allowable impact fee per connection that the city will be able to charge is \$242 per new connection. Per an equivalent, like, one ERU, so a one-inch connection. That can be increased based on size. The culinary water meter, so two inches has a proportion of area, to get up to the different sizes. Also, currently the city does not charge an impact fee for irrigation to commercial connections, so no commercial connections. For example, when the hot springs came in, they did not pay an irrigation impact fee.

Councilwoman Barr asked why they weren't charged.

Kyle explained it was meant to entice commercial businesses to come into La Verkin a few decades ago.

Derek added that's why this is so important. We need to update all of this. Adopting at least the impact study the residential impact would drop immensely. The commercial will start paying for their part of the drainage.

Kyle added that these big businesses need to pay drainage. They have these big parking lots that don't soak up any water, they create drainage issues.

Blaine explained they needed this study to go to CIB and get some grant money to complete it but with this impact fee in the five-year window with the same assumptions on growth we get enough connections the city would be able to just pay this project outright and not have to seek any funding.

Mayor Wilson asked if the chart was the proposed impact fees and what about commercial rates.

Blaine explained this is based on connection size. Whether you're residential or commercial. And that's generally the standard way to do it. This way it doesn't matter what type of zone it is because its based off of size. If they get an irrigation connection, they pay an impact fee. They will be across the board the same.

Councilman Valenti didn't think the rates needed to be so high. His opinion was they could be lowered.

Councilwoman Barr added it would almost double her small quarter acre property.

Blaine explained the cost of irrigation is up to the council to set. He only looks at the numbers and informs them.

Mayor Wilson said they need to discuss it, set a public hearing, and adopt it or not.

Councilman Valenti suggested if we could get one session in between, take the public hearing, not make a decision that evening.

Mayor Wilson agreed they could do that.

Kyle added that they could adopt it but make the effective date later in the year.

Mayor Wilson agreed and added that they should set the date when the rates go in, but impact fees could go in effect now. There's a 90-day period anyway before they go into effect.

Councilman Valenti thought that was a good idea to break it up.

Councilman Prince commented that the communication needs to be better than the way it happened with the culinary water rate hike. He suggested that the engineers and Mayor make a video explaining the numbers, and deficit and what the plan is, and they put it on social media, so the citizens are more informed.

Kyle agreed and thought about getting as much information as possible but people will still say they didn't know.

Councilman Prince agreed but suggested they direct them toward the video that is out explaining the rate hike.

Kyle replied with the culinary water rate increase they didn't have a video, but a presentation and people still said they didn't see it.

Councilwoman Barr agreed and added that people only see what they want to see sometimes.

Councilman Valenti asked when the last time they raised the secondary water and for how much.

They discussed it was raised in 2010 or 2011. They agreed if they had raised it one dollar a year it wouldn't be so drastic at all at once. It was raised a couple dollars.

Councilman Prince was concerned about the increase because they raised the culinary rates in 2025.

Councilman Valenti agreed. It an 88% increase. He agreed that more information that they can put out there explaining why its happening would help the citizen understand.

Mayor Wilson agreed that the more education they get out there to the people, so they understand that we have a deficit. They've got to come up with some money to cover that. There's going to be increased costs of pumping now that we're coming out of a pond. Yes, we're going to have a new system, and probably the maintenance and repair is going to go down. But you still have to cover the city crews for their portion of that.

Kyle agreed and suggested they wait on the increase until the pond is done, and they have cleaner irrigation water so the public can see why the rates increased and the water can stay on longer.

Councilwoman Barr agreed and commented the public is always talking about the irrigation water being off and muddy.

Councilman Prince added a lot of people don't even use it now because its too dirty. When he lived in Toquerville the irrigation was clean.

Mayor Wilson suggested next council meeting, they set a public hearing date. Get some public input and then at that point set that for the second meeting in February. At the end of March they would pass it. That's going to put the impact fee off. If we don't put the rate increase into effect until we get on the pond that will be another year.

Blaine explained on the corner of 740 and State Street, there's going to be a demonstration facility and a mini version of the botanical gardens, where they're going to use the reuse water to water different plants and stuff. They are doing an advanced treatment center. They are also having a drinking fountain that you can drink from.

Mayor Wilson closed the meeting at 5:52 p.m.

B. Adjourn:

The meeting adjourned at 5:55 p.m.

February 4, 2026
Date Approved

ATTEST: Nancy Cline
Nancy Cline
City Recorder

Kelly B. Wilson
Mayor Kelly B. Wilson

