



MINUTES BOARD OF TRUSTEES PUBLIC MEETING

Meeting date: February 2, 2026
Time: 6:00 pm
Location: 533 East Water Works Drive, St. George Utah 84770
Participants: Board members Ed Bowler, Rick Rosenberg, Victor Iverson, Clark Fawcett, and Michele Randall. Adam Bowler and Kress Staheli were not present. District staff included Zach Renstrom, general manager; Mindy Mees, secretary; Jodi Richins, General Counsel; Brock Belnap, Brie Thompson, and Corey Cram, associate general managers. Other meeting attendees as noted on the attached sign-in sheet.

Update on Virgin River Program

Local Coordinator for Virgin River Program Steve Meismer provided an update on recent program developments. Mr. Meismer introduced Kevin Bunnell as the new Virgin River Program Director at the Utah Department of Wildlife Resources.

Mr. Bunnell has extensive experience with DWR, including 23 years of service in roles such as Mammals Coordinator, Wildlife Chief, and Southern Region Supervisor for the past 13 years. He holds a bachelor's and master's degree from BYU and a PhD from Utah State University. Mr. Bunnell is now Mr. Meismer's direct supervisor.

Mr. Meismer then reported on the status of the woundfin broodstock program. For nearly 20 years, broodstock have been maintained at the Southwestern Native Aquatic Resources and Recovery Center (SNARRC) in Dexter, New Mexico. This past winter, the program experienced a significant loss of approximately 13,000 fish, leaving only about two hundred woundfin remaining. The loss occurred during pond culture operations, where fish were placed in ponds over winter and expected to be recovered in the spring. Despite using three ponds, only two hundred fish were recovered, raising concerns due to low woundfin numbers observed in the river.

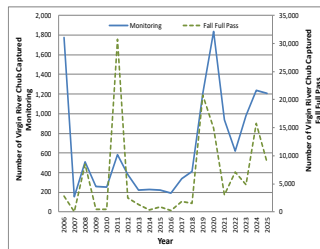
Mr. Meismer also said that the program coordinated with the Utah Division of Wildlife Resources research facility in Logan Utah. After the remaining broodstock reproduced, fifty adult fish and approximately 250 juveniles were transferred to Logan for intensive culture. This effort includes hormone-induced spawning to increase reproduction success. The woundfin broodstock are now maintained at the two facilities rather than a single location, reducing risk and improving long-term resilience of the program. Mr. Meismer expressed optimism that these changes will result in increased fish production and improved program outcomes.

Mr. Meismer also reported that Virgin River chub populations are currently performing very well, with high numbers observed in the river. He noted that the strong chub presence may be one factor contributing to the relatively low numbers of woundfin being detected. Population data from 2006 through 2025 show an overall upward trend in chub abundance, as illustrated by the provided graph.

Virgin River Chub



- Populations doing well
- Potential to downlist in the future



Genetics samples – basinwide



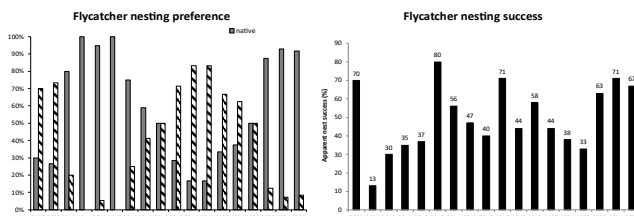
Mr. Meismer provided an update on the Virgin Gorge fish barrier project. The barrier is intended to prevent red shiner from moving upstream while allowing woundfin to remain protected above the barrier. Prior to improvements, significant erosion and structural damage had occurred, including the displacement of steel plates downstream.

To address these issues, workers installed steel plating on all vertical and horizontal surfaces of the barrier, including critical areas of the splash pad that are subject to heavy erosion. The contractor, WRX of Littlefield, developed an innovative method to divert water around the work area using a temporary trough system, allowing construction to occur in dry conditions.

Mr. Meismer said that during prior flood events, steel plates approximately ¾-inch thick and weighing roughly 2,000 pounds each had been displaced and carried up to 250 yards downstream.

Mr. Meismer provided an update on the Southwestern Willow Flycatcher, an endangered bird species within the Virgin River corridor. He explained that while the species is named for willow habitat, flycatchers frequently nest in tamarisk due to its structural suitability for nest construction and the accumulation of leaf litter (“duff”), which helps conceal nests from avian and terrestrial predators.

Southwestern Willow Flycatcher



Monitoring data presented in the first chart indicates an increase in nesting within native vegetation, particularly willows.

Mr. Meismer noted this trend suggests two positive outcomes: (1) flycatchers are successfully nesting in native willow habitat, and (2) riparian revegetation efforts implemented up to eight years ago are now maturing into suitable nesting conditions.

The second chart demonstrated strong nesting success rates in recent years, which correlate with improvements in nesting vegetation and habitat quality.

Mr. Meismer reported on a recent collaborative revegetation project at the Springdale Town River Park led by the Virgin River Program. Partners included Boy Scout troops, Utah Tech, Conserve Southwest Utah, the National Park Service, and the Department of Natural Resources. Approximately 150 willow trees were planted during the event.

Ethics presentation

General Council Jodi Richins presented the annual ethics training based on the Utah Public Officers' and Employees' Act.

Nepotism

Nepotism is defined as the employment, appointment, voting for, or recommendation of a person who would be supervised by a relative or a member of the same household. Nepotism is prohibited, subject to limited statutory exceptions. A violation constitutes a Class B misdemeanor for each day the individual remains in office or employed.

Applicability of the Ethics Act

The Ethics Act applies to both the State of Utah and its political subdivisions, including the District. It applies to public officers and public employees and governs actual or potential conflicts between public duties and private interests. The Act does *not* apply to conflicts of interest between two or more governmental positions held by the same individual.

Prohibited Conduct

The Act prohibits improper disclosure, which includes providing controlled, private, or protected information to anyone not authorized to receive it. Public officers and employees may not accept or engage in employment, business, or professional activities that could reasonably be expected to require or induce improper disclosure of such information. Controlled, private, or protected information may not be disclosed or used to further personal economic interests or to secure special privileges or exemptions for oneself or others. Using one's public position to further personal economic interests or to secure special privileges or exemptions for oneself or others is also prohibited.

Employment, Compensation, and Gifts

Public officers and employees may not accept employment or compensation that could impair the independence of judgment or interfere with the ethical performance of public duties. It is prohibited to directly or indirectly accept or solicit a substantial gift or substantial economic benefit that would tend to influence a reasonable person in the performance of public duties or that is given primarily as a reward for official action, including situations where governmental action directly affects the donor or lender. An "economic benefit tantamount to a gift" includes loans with interest rates substantially lower than commercial rates or compensation for private services at rates substantially exceeding fair market value. Exceptions include:

- Occasional non-pecuniary gifts valued at \$50 or less
- Publicly presented awards for public service in the ordinary course of business
- Political campaign contributions

Individuals may not demand or offer donations of money, property, or services to a government agency as a condition of approval or authorization. This prohibition does not apply to donations required by statute, ordinance, or agency rule; voluntary donations without conditions; or donations made as part of a consent decree, settlement agreement, or similar enforcement resolution.

Compensation for Transactions Involving a Public Agency

A public officer or employee may not receive compensation for assisting with a transaction involving a public agency unless a sworn written disclosure statement is filed with:

- The head of the individual's agency
- The head of the agency conducting the transaction
- The State Attorney General
- For board members, the Board Secretary

The statute sets forth timing and public posting requirements for this sworn statement. Public officers may not participate in or receive compensation for a transaction between the State or a state agency and a covered business entity unless the required disclosures have been made. This applies to individuals who are officers, directors, agents, employees, or owners of a substantial interest in a business entity subject to regulation by the District. Transactions of \$5,000 or less are not covered.

Disclosure Forms

A disclosure form is required when an individual first becomes a public officer or employee and must be updated if their position in a business entity changes significantly or if the value of the interest increases significantly. This form is distinct from the more extensive disclosure form recently required by the Legislature. The sworn disclosure statement is filed with the governing body, is a public record, and must be posted on the District's website until the public officer leaves office.

Personal investments that create a substantial conflict between private interests and public duties are prohibited. The penalty for such violations may include removal from office, termination of employment, and misdemeanor or felony charges depending on the amount involved. Contracts resulting from improper action under the Act may be voided under certain circumstances.

Annual Board Member Disclosure Requirement

In recent years, the Legislature has required an additional annual disclosure form for board members and elected officials. This

form is due each January and must be submitted to the board secretary. The District has provided the form. If a board member has already completed the disclosure for another entity, they do not need to complete it again but must provide the link so it can be posted on the District website.

Within ten days of submission, and no later than the statutory deadline, the board secretary must post the disclosure on the website. The disclosure must remain posted until the board member leaves office.

If the form is not submitted, the board secretary is required to provide notice. Failure to respond requires the secretary to report the matter to the Attorney General. This constitutes a Class B misdemeanor, and a fine must be imposed.

Consider approval of La Verkin City changing the water use threshold under the Large Water User Policy

Zach Renstrom explained that under Large Water User Policy adopted by the Board, if an entity is projected to use more than nine million gallons of water per year, the request must be presented to the ACC for review and approval. The applicant must justify the proposed water use, and the ACC may approve or deny the request. When the policy was originally adopted, Toquerville, La Verkin, and Virgin were assigned a lower threshold of five million gallons per year, while most other municipalities were set at the 9,000,000-gallon threshold.

The City of La Verkin subsequently requested that it be treated the same as other municipalities and have its threshold increased to nine million gallons per year. This request was presented to the ACC. The ACC vote was not unanimous; however, a majority approved the recommendation that La Verkin's threshold be increased to nine million gallons. Because of that action, the matter was brought back to the District Board for consideration

Discussion:

In response to a question from Trustee Michele Randall regarding why La Verkin needs the higher threshold, Trustee Clark Fawcett commented that, based on prior discussions, Toquerville appeared to take the lead on the issue and encouraged other entities to follow. Trustee Fawcett noted that there did not appear to be a clear or specific plan outlined regarding implementation or future direction. Mr. Fawcett stated that Toquerville's position was generally that it wanted to be treated the same as other jurisdictions, without articulating any distinct requirements or proposals, and that no specific actions or commitments had been identified at this time.

Trustee Victor Iverson asked for clarification on whether the proposed threshold would apply to a single large water user exceeding nine million gallons, citing examples such as an industrial facility (e.g., an ice cream factory) or a water park, and whether those types of uses were the intent of the discussion.

Mr. Renstrom responded that high-volume users, such as golf courses, would clearly fall under the proposed review process. When an entity applies for a business license and requests a large water meter, a demand calculation is performed. If the projected use exceeds nine million gallons per year, the request must be reviewed by the Administrative Advisory committee (AAC) which includes city mayors and city managers. The ACC then determines whether to approve or deny the request.

Mr. Renstrom also said that the existing threshold for La Verkin is five million gallons, and the proposed change would increase that threshold to nine million gallons to align with larger users already operating in the system, such as Hurricane, and to maintain consistency across jurisdictions.

Trustee Rick Rosenberg commented that he agrees with Mr. Fawcett's comment earlier and recalled that the initial approval included a motion by Toquerville to set the threshold at five million gallons, which Virgin and La Verkin supported at the time. He noted that La Verkin may not have fully understood the potential implications during the initial decision-making process. After further consideration, La Verkin determined it preferred to be treated consistently with the other jurisdictions, which prompted the current request to revise the threshold.

Mr. Rosenberg also said that part of Toquerville's rationale for initially supporting the 5-million-gallon threshold was related to perceived limitations in system capacity and water supply.

Mr. Renstrom commented that the district's water system, including the Cottam system (where water is pumped from the treatment plant) and the shared spring supply, does have some capacity limitations. Mr. Renstrom also said that the district strives to support the cities' water needs within those constraints. Recent and ongoing infrastructure improvements, including the installation of new pipelines, are expected to accommodate higher demand. However, he cautioned that extremely high demand uses, such as large-scale data centers, could place significant strain on the system.

Trustee Clark Fawcett made a motion to approve La Verkin city to change their usage from 5-million-gallon threshold to 9-million-gallon under the Large Water User Policy, the motion was seconded by Trustee Rick Rosenberg and all voted aye.

Discussion on Ultra Water Efficient Water Standards application process

Zach Renstrom provided an overview of the Ultra Water Efficiency Standards adopted by the district. The goal of the program is to reduce individual residential water use to 0.39 acre-feet per year. A key example of implementation is the Silver Reef development, where home builders have agreed to follow the standards. Participation in the program is voluntary, but adoption provides incentives, including reduced impact fees of approximately \$5,000.

Mr. Renstrom explained that the requirements for participation include connection to a sewer system, no private lawns, up to 2,000 square feet of drip-irrigated landscaping, and no swimming pools (although small hot tubs are allowed).

Mr. Renstrom explained that the implementation is structured differently depending on development type.

For new subdivisions, the standards are applied at the planning stage, with a plat note and recorded easements. In subdivisions with HOAs, CC&Rs committing to enforce the standards are required. In addition, the water use threshold is set at 8,000 gallons/month.

For small lots for single family homes, the lot size must be under 6,000 square feet and a conservation easement must be recorded. The water use threshold would be set at 8,000 gallons/month.

Large or existing lots homeowners may seek to participate for impact fee reductions. The implementation is more complex, particularly for secondary water systems or older lots. Further evaluation is required to determine how easements and standards would be applied

Mr. Renstrom also explained that participation requires city agreement, as cities help enforce compliance.

Mr. Renstrom also mentioned ongoing discussions with Rick Rosenberg and other stakeholders regarding the practicalities of applying the standards to existing and large-lot properties.

Trustee Rick Rosenberg commented that applying the Ultra Water Efficiency Standards to existing, vested lots is complex because these lots are not part of a new subdivision and may already have building permits or development rights. He suggested the program could work well for large lots with limited disturbance footprints, where much of the property is undevelopable and therefore low water use is realistic.

Mr. Rosenberg emphasized that applying the standards would require strict legal measures, including easements, to secure compliance and allow for reduced impact fees. He cautioned that for large lots with “mega homes,” indoor water use could easily exceed the 8,000-gallon threshold, limiting the feasibility of participation.

Chairman Ed Bowler commented that for existing lots, any participation in the Ultra Water Efficiency Standards would require a recorded deed restriction. This ensures that the restrictions remain in effect for future owners and are automatically reflected in the title policy at the time of sale.

Trustee Rick Rosenberg asked whether homeowners on existing lots could be allowed to make future modifications, such as adding a swimming pool, by paying additional impact fees.

Chairman Bowler responded that the issue of future modifications needs to be resolved, emphasizing that any new owner must be aware of existing restrictions. He noted that the recorded deed restriction ensures the new buyer understands limitations tied to the impact fee previously paid, preventing unauthorized modifications such as installing a pool.

Mr. Renstrom commented that if a homeowner wishes to add a pool or make other modifications, the cities will need to verify compliance with the Ultra Water Efficiency Standards before issuing a building permit. He suggested this process should be straightforward, such as checking to confirm whether the lot is subject to deed restrictions and prior impact fee agreements.

Trustee Fawcett stated that setting up a separate rate schedule for lots participating in the Ultra Water Efficiency Standards should be straightforward. Lots on this rate schedule would receive 8,000 gallons at the designated low rate, with automatic billing for any excess usage.

Chairman Bowler added that the system could also alert the city when a homeowner attempts to request a building permit for a pool or other modifications. The city could then verify the lot's existing restrictions, such as the 8,000-gallon limit and prior agreement not to build a pool.

Mr. Renstrom noted that there is a timing consideration with implementation of the Ultra Water Efficiency Standards. The district's new rates are scheduled to go into effect March 1, and the plan is to bring an action item to the next board meeting for formal adoption.

Trustee Fawcett commented that the challenges of applying the Ultra Water Efficiency Standards to existing, vested lots, particularly larger lots that have historically been protected or preserved by prior owners. He said that attempting to modify these lots such as splitting them or changing allowable uses can create conflicts between long-term owners and new buyers. Mr. Fawcett emphasized that the program should respect existing deed restrictions and previously established lot conditions, making it clear to owners that if they wish to pursue modifications inconsistent with those restrictions, they may need to sell the property and purchase another lot. A firm approach is necessary to maintain the integrity of the standards and enforce compliance.

Mr. Renstrom thanked the board for their input and feedback on the Ultra Water Efficiency Standards. He noted that board feedback is particularly valuable. Mr. Renstrom requested that any additional ideas or suggestions be submitted as soon as possible, so staff can incorporate them into the formal proposal for board action and provide guidance to the cities on the direction of implementation.

Mr. Renstrom also said that the District is producing a fact sheet summarizing the Ultra Water Efficiency Standards, including the requirements, purpose, and benefits. The fact sheet would serve as an easy reference for municipalities, developers, and prospective homebuyers, helping ensure clear understanding and consistent implementation across jurisdictions.

Chairman Bowler requested that it be emphasized that the Ultra Water Efficiency Standards is a voluntary program and that stakeholders including municipalities, developers, and homeowners be clearly informed of the consequences for non-compliance.

Consider a Resolution Updating the Retail Water Service Rules and Regulations to Include Time of Day Watering Restrictions

Reuse Program Manager Morgan Drake reviewed the proposed time-of-day watering restrictions for the District's retail service area. Ms. Morgan explained that outdoor watering restriction is required as a condition of a Utah State loan for the Regional Reuse System. Ms. Drake commended Jacob Sullivan for securing approval from the Board of Water Resources, which includes this requirement.

Ms. Drake said the District has worked with the state to have the restriction limited to the summer months like many of our municipal partners have done in their ordinances. The restriction provides that retail customers shall refrain from irrigating landscape between the hours of 10 am to 8 pm.

Trustee Victor Iverson made a motion to approve the resolution updating the Retail Water Service Rules and Regulations to Include Time of Day watering restrictions, the motion was seconded by Trustee Michele Randall, a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Rick Rosenberg</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Michele Randall</i>	<i>Yes</i>
<i>Clark Fawcett</i>	<i>Yes</i>

Consider a Resolution Amending Administrative Policy and Procedures Regarding the Acquisition of Real Property

Morgan Drake, Reuse Program Manager explained that this proposed resolution aligns the board approval threshold for real property acquisitions with the district's existing procurement policy by increasing the amount requiring board approval to \$250,000. However, the threshold for when an appraisal is required will remain unchanged at \$75,000, as currently stated in policy.

Ms. Drake explained that the resolution authorizes the General Manager to appoint a designee to execute closing documents. This allows flexibility if the General Manager is unavailable due to travel or other obligations, ensuring the district does not delay closings awaiting a single signature. This change will be especially helpful as the district moves forward with the Reuse Program, which anticipates a high volume of land acquisitions

Trustee Michele Randall made a motion to approve the resolution amending the Administrative Policy & Procedures regarding the acquisition of real property, the motion was seconded by Trustee Rick Rosenberg, a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Rick Rosenberg</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Michele Randall</i>	<i>Yes</i>
<i>Clark Fawcett</i>	<i>Yes</i>

Consider approval of Development and Water Service Agreement with Red Reef Villas

Staff Engineer Whit Bundy explained that the District has received a request to provide retail water service to the Red Reef Villas development, located along Old Highway 91 between Hurricane and Leeds. The proposed development would connect to the District's existing 24-inch ductile iron pipeline, which connects the Cottom Well System to the Water Treatment Plant.

The development consists of up to 123 residential units, along with a clubhouse facility that includes a swimming pool and hot tubs. The development will be required to connect to Ash Creek Special Service District for wastewater service and comply with the water efficiency standards.

Mr. Bundy said that Jared Westhoff, who is the developer, is here to answer any questions that the board might have.

In response to a question from Trustee Victor Iverson regarding whether most of the units are high density or multifamily, Mr. Westhoff responded that the development will consist of approximately fifty percent patio homes and fifty percent town homes. He noted that the project is intended to address the "missing middle" housing gap.

Mr. Westhoff also stated that the development will be annexed into the Leeds Local District, allowing the use of that district's bonding capacity to help facilitate the creation of affordable housing. The goal is for the homes to serve households earning approximately \$70,000 to \$90,000 annually.

Trustee Clark Fawcett commented that while he does not generally support providing water service outside city limits, he appreciated that Mr. Westhoff met with him to discuss the matter, he also reviewed the possibility of annexation into Hurricane or Leeds, but at this time, neither option appears to make practical sense given the property's location. Trustee Fawcett expressed appreciation for Mr. Westhoff's proactive outreach and evaluation of alternatives.

Trustee Victor Iverson made a motion to approve the Development and Water Service Agreement with Red Reef Villas, the motion was seconded by Trustee Michele Randall and all voted aye.

Consider approval of a P-Card for Brandt Klunker

Mr. Renstrom said that the district's new employees, Brandt Klunker, will need a purchasing card (P-Card). The district's policy requires board approval for the issuance of p-cards for employees. Mr. Renstrom recommended that the board approve P-Card for Brandt Klunker.

Trustee Rick Rosenberg made a motion to approve the P-Card for Brandt Klunker, the motion was seconded by Trustee Clark Fawcett and all voted aye.

Manager's report

Mr. Renstrom reported on several items related to the current Utah legislative session.

Mr. Renstrom said that there is a record number of bills this year, including numerous property tax and water-related bills. The district's primary focus is House Bill 187, sponsored by Representative Colin Jack. The bill creates a narrowly tailored provision

specific to Washington and Kane Counties, which are located in the Lower Basin of the Colorado River and operate under the framework established by the U.S. Supreme Court decision in *Arizona v. California*. Because of this unique legal structure, certain statewide water laws do not align well with local conditions.

The principal component of HB 187 would exempt the district's water rights from forfeiture. Currently, the district is required to maintain a 40-year water plan and meet other conditions to preserve its rights. The proposed exemption would clarify that water rights held by the district are not subject to forfeiture, providing greater long-term security. The bill also addresses flows in the Virgin River, specifying that the State of Utah must own or lease the relevant water rights to maintain dedicated in-stream flows. This provision would prevent private parties from transferring Virgin River water out of state.

Mr. Renstrom said that HB 187 passed unanimously in the Water Development Committee and was heard and unanimously approved in House committee. Mr. Renstrom indicated he does not anticipate issues when it goes to the House floor. Senator Ipsen has agreed to serve as the Senate floor sponsor.

Mr. Renstrom stated that one of the most significant potential impacts to the cities relates to anticipated legislation addressing water infrastructure financing. While he has not yet reviewed a specific bill, there has been discussion regarding funding mechanisms following last year's House Bill 280, which focused on generating sufficient revenue for statewide water infrastructure needs.

Mr. Renstrom said that a study conducted by Zions Public Finance concluded that Utah would need to collect more than \$1 billion in additional annual revenue to adequately fund water and wastewater infrastructure. Among the recommendations were a property tax increase and higher meter connection fees.

Mr. Renstrom said that no bill number has been assigned at this time, but he is monitoring legislative activity daily for any bill introduced on this issue.

Mr. Renstrom provided an update on the ongoing Colorado River negotiations. Mr. Renstrom explained that while this system is located in the Lower Basin and may not be directly impacted by recent discussions, the negotiations carry significant implications for the State of Utah as a whole.

Mr. Renstrom discussed Governor Cox's recent trip to Washington, D.C., where the Governor met with other basin-state governors to discuss Colorado River management and post-2026 operating guidelines. According to reports received, the meeting was productive and generally positive in tone. Most governors in attendance indicated a willingness to avoid litigation over current proposals and expressed interest in collaborative solutions.

Mr. Renstrom said that while the public messaging has been constructive, substantive disagreements may still remain. California, the largest user of Colorado River water, was not represented at the meeting, which he described as disappointing given the state's significant stake in the negotiations.

Mr. Renstrom also reported on the current conditions across the state and within the region. Along the Wasatch Front and in many areas statewide, snowpack levels are the lowest recorded since snowpack monitoring began. Locally, conditions are mixed. Pine Valley is experiencing record-low snowpack, while Kolob SNOTEL stations are performing relatively well.

Mr. Renstrom said that soil moisture levels are near average, which provides some reassurance despite low snowpack in certain areas. The reservoir storage levels are strong. Gunlock Reservoir is essentially at spill conditions, and Sand Hollow Reservoir and Quail Creek Reservoirs are at a healthy level.

Request for a closed session to discuss purchase of real property

Chair Ed Bowler noted that two-thirds of the District board members are present and stated the purpose of the closed session is to discuss purchase of real property. Mr. Bowler said that the closed session is being held at Washington County Water Conservancy District office building 533 E Waterworks Drive, St. George Utah on February 2, 2026.

Trustee Michele Randall made a motion to go into a closed session to discuss the purchase of real property, the motion was seconded by Trustee Victor Iverson, a roll call vote was taken as follows:

<i>Ed Bowler</i>	<i>Yes</i>
<i>Rick Rosenberg</i>	<i>Yes</i>
<i>Victor Iverson</i>	<i>Yes</i>
<i>Michele Randall</i>	<i>Yes</i>
<i>Clark Fawcett</i>	<i>Yes</i>

The Board returned from closed session and resumed the regular meeting.

Consider approval of January 5, 2026 board meeting minutes

Trustee Victor Iverson made a motion to approve January 5, 2026 board meeting minutes, the motion was seconded by Trustee Clark Fawcett and all voted aye.

The meeting was adjourned upon motion.

Mindy Mees

Secretary

**WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
A RESOLUTION UPDATING THE RETAIL WATER SERVICE RULES AND REGULATIONS
TO INCLUDE TIME OF DAY WATERING RESTRICTIONS**

WHEREAS, The Washington County Water Conservancy District has rules and regulations governing its retail water system;

NOW, THEREFORE, be it resolved that the following section of the Retail Water Services Rules and Regulations shall be amended to include the underlined language:

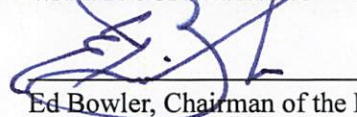
Water Efficiency

Customers shall refrain from irrigating landscape between the hours of 10 am and 8 pm during the months May through September.

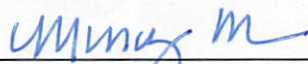
Customers shall comply with the applicable water efficiency standards adopted and amended from time to time by the district board of trustees. In the event that another entity with jurisdiction has water efficiency requirements that are stricter than the district's, customers shall comply with the stricter requirements. Failure to comply with applicable water efficiency standards may result in termination of water service pursuant to the procedures set forth in the district's retail water service rules and regulations.

DATED this 2nd day of February, 2026.

WASHINGTON COUNTY
WATER CONSERVANCY DISTRICT:


Ed Bowler, Chairman of the Board

ATTEST:


Mindy Mees, Secretary

VOTING:

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

**WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
A RESOLUTION AMENDING ADMINISTRATIVE POLICY AND PROCEDURES
REGARDING THE ACQUISITION OF REAL PROPERTY**

WHEREAS, The Washington County Water Conservancy District Administrative Policy and Procedures provides a policy related to the Acquisition of Real Property;

NOW, THEREFORE, the Board of Trustees of the Washington County Water Conservancy District hereby resolve that Section 11.1.1 of the Administrative Policy and Procedures Manual shall be amended to include the underlined language and omit the stricken language:

Acquisition of Real Property.

The District may condition connection to its infrastructure on conveyance without cost of interests in real property to the District for installation of water or wastewater lines or other District infrastructure used to service the connection.

All property to be acquired which has a purchase price of ~~\$75,000~~ \$250,000 or greater shall be approved by the Board. The General Manager or the General Manager's designee is authorized to execute options and purchase contracts for the acquisition of real property, including rights of way and easements and other interests in real property, which in his judgment are required for District purposes when the purchase price is less than ~~\$75,000~~ \$250,000. The General Manager or the General Manager's designee is also authorized to pay incidental expenses connected with the acquisition of any real property including, but not limited to escrow fees, charges for reconveyance, title insurance premiums and copies of documents referred to in title reports and other title records.

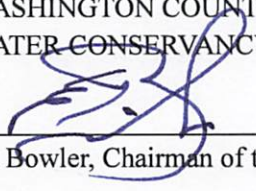
Property owners from whom real property is to be acquired by the District for a public purpose that would otherwise be purchased by the District may make a gift or donation of the real property or all or any part of the compensation that would otherwise have been paid to acquire the property. A donation cannot be accepted by the District until the General Manager or the General Manager's designee approves accepting the donation.

The property owner should be advised to consult a tax professional, tax attorney, CPA, or the Internal Revenue Service concerning donation tax implications. No District staff should offer any opinion or advice to any property owner as to the tax consequences of any transaction or donation.

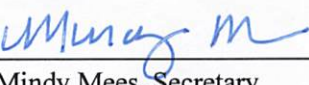
DATED this 2nd day of February, 2026.

(Signature Page to Follow)

WASHINGTON COUNTY
WATER CONSERVANCY DISTRICT:


Ed Bowler, Chairman of the Board

ATTEST:


Mindy Mees, Secretary

VOTING:

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

WHEN RECORDED MAIL TO:

Washington County Water Cons. Dist.

Attn: Nick Stokes

533 East Waterworks Drive

St. George, Utah 84770

Space above for County Recorder's use

PARCEL NO. QCRV-1-HV; QCRV-2-HV; QCRV-3-HV; QCRV-4-HV; QCRV-5-HV; QCRV-6-HV; QCRV-7-HV; QCRV-8-HV; QCRV-9-HV; QCRV-10-HV; QCRV-11-HV; QCRV-12-HV; QCRV-13-HV; QCRV-14-HV; QCRV-15-HV; QCRV-16-HV; QCRV-17-HV; QCRV-18-HV; QCRV-19-HV; QCRV-20-HV; QCRV-21-HV; QCRV-22-HV; QCRV-23-HV; QCRV-24-HV; QCRV-25-HV; QCRV-26-HV; QCRV-27-HV; QCRV-28-HV; QCRV-29-HV; QCRV-30-HV; QCRV-31-HV; QCRV-32-HV; QCRV-33-HV; QCRV-34-HV; QCRV-35-HV; QCRV-36-HV; QCRV-37-HV; QCRV-38-HV; QCRV-39-HV; QCRV-40-HV; QCRV-41-HV; QCRV-42-HV; QCRV-43-HV; QCRV-44-HV; QCRV-45-HV; QCRV-46-HV; QCRV-47-HV; QCRV-48-HV; QCRV-49-HV; QCRV-50-HV; QCRV-51-HV; QCRV-52-HV; QCRV-53-HV; QCRV-54-HV; QCRV-55-HV; QCRV-56-HV; QCRV-57-HV; QCRV-58-HV; QCRV-59-HV; QCRV-60-HV; QCRV-61-HV; QCRV-62-HV; QCRV-63-HV; QCRV-64-HV; QCRV-65-HV; QCRV-66-HV; QCRV-67-HV; QCRV-68-HV; QCRV-69-HV; QCRV-70-HV; QCRV-71-HV; QCRV-72-HV; QCRV-73-HV; QCRV-74-HV; QCRV-75-HV; 4044-A-21-HV; 4044-A-12-HV; 4044-A-20-HV; 4044-A-4-HV.

DEVELOPMENT AND SERVICE AGREEMENT
[Red Reef Villas Subdivision]

THIS DEVELOPMENT AND SERVICE AGREEMENT (“**Development Agreement**”) is made and entered into as of the 2nd day of February, 2026 (“**Effective Date**”) by and between the **WASHINGTON COUNTY WATER CONSERVANCY DISTRICT**, a political subdivision of the State of Utah (“**WCWCD**”), and **SILVER REEF RESORT, L.L.C.**, a Utah limited liability company (“**Developer**”). WCWCD and Developer may be referred to herein individually as a “**Party**,” or collectively as the “**Parties**.”

RECITALS

- A. Developer desires to construct a residential subdivision, named “Red Reef Villas,” on Property (defined below) that is owned by Developer. The Property is approximately 19.739 acres in size and located on Old Highway 91, southwest of Leeds, Utah.
- B. Developer plans to construct up to 123 residential units on residential lots (comprised of up to 57 patio homes and up to 66 attached townhomes); storage units; landscaped common areas; and amenities (including a club house, swimming pool, hot tub, etc.) on the Property

Development and Service Agreement
Red Reef Villas Subdivision
Page 1 of 14

(collectively the “**Project**”). Residential lots, commercial lots, common areas, and amenity areas are collectively referred to as “**Lots**.”

- C. To provide culinary water service to the Project, Developer is designing, and will construct, the Water System (defined below). The Water System may be required to include a pump station and/or storage tank, together with all related equipment and facilities, within the Property.
- D. Developer requested that, after its construction, WCWCD accept dedication of the Water System; own and operate the Water System; and supply water to the Water System.
- E. WCWCD is willing to accept dedication, and own and operate the Water System, for the purpose of providing water service to the Project, subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained in this Development Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Party), it is hereby agreed as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

In addition to the definitions found elsewhere in this Development Agreement, the following definitions shall apply:

“**Applicable Law(s)**” mean applicable local, state, and federal laws, regulations, rules and orders of any public authority, as the same may be amended from time to time.

“**Environmental Law**” means all applicable federal, state and local laws, orders, rules, regulations and requirements of every duly constituted government authority, agency or instrumentality, now existing or hereafter promulgated that relate in each case to the protection of the environment including, without limitation, environmental, health or safety laws, regulations, governmental authorizations, ordinances, rules, orders, and the common law relating to the use, refinement, recycling, handling, treatment, removal, storage, production, manufacture, transportation, disposal, emission, discharge, release or threatened release of Hazardous Substances, or otherwise relating to pollution or protection of human health or the environment or to emission, discharge, release or threatened release of pollutants, contaminants, chemicals or industrial, toxic or Hazardous Substances or wastes into the environment (including, without limitation, ambient air, soil, surface water, ground water, wetlands, natural resources, land surface or subsurface strata), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or

industrial, toxic or Hazardous Substances or wastes, as the same may be amended or modified, and as now existing or hereafter adopted.

“Final Plat” means a map of the Project recorded with the Washington County Recorder’s Office and prepared by a licensed professional land surveyor subdividing the Property into Lots and dedicating property interests to governmental entities, including for public utilities and rights of way.

“Hazardous Substances” means, and will be interpreted broadly to include, any material or substance that is defined, regulated or classified under Environmental Laws, including without limitation, as: (i) a “hazardous substance” pursuant to section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601(14) or section 311 of the Federal Water Pollution Control Act, 33 U.S.C. § 1321, as now existing or hereafter amended; (ii) a “hazardous waste” pursuant to section 1004 or section 3001 of the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6903, 6921, as now existing or hereafter amended; (iii) a toxic pollutant under section 307(a)(1) of the Federal Water Pollution Control Act, 33 U.S.C. § 1317(a)(1), as now existing or hereafter amended; (iv) a “hazardous air pollutant” under section 112 of the Clean Air Act, 42 U.S.C. § 7412, as now existing or hereafter amended; (v) a “hazardous material” under the Hazardous Materials Transportation Uniform Safety Act of 1990, 49 U.S.C. App. § 1802(4), as now existing or hereafter amended; (vi) an “extremely hazardous waste,” “restricted hazardous waste,” “pollutant,” “contaminant,” “infectious waste,” or “hazardous chemical” under any Environmental Law; (vii) a toxic or hazardous material or substance pursuant to regulations now existing or hereafter adopted under the aforementioned laws or any state or local counterpart to any of the aforementioned laws; or (viii) presenting a risk to human health or the environment under other applicable federal, state or local laws, ordinances, or regulations, as now existing or as may be passed or promulgated in the future. Hazardous Substances shall also mean any substance that after release into the environment and upon exposure, ingestion, inhalation, or assimilation, either directly from the environment or directly by ingestion through food chains, will or may reasonably be anticipated to cause death, disease, behavior abnormalities, cancer, or genetic abnormalities. Hazardous Substances specifically include, but are not limited to, asbestos, mold, mildew, polychlorinated biphenyls (“PCBs”), radioactive materials including naturally occurring radionuclides, petroleum and petroleum-based derivatives, urea formaldehyde, and perfluoroalkyl acids and related synthetic amphiphilic compounds.

“Property” means the land owned by the Developer that is further described in Exhibit A.

“Regional Impact Fee” means the regional culinary water impact fees charged by WCWCD as a condition of development approval pursuant to its most recently adopted regional water impact fee facilities plan & analysis. The regional culinary water impact fees are used to mitigate the impact of new development on public infrastructure necessary for supplying water.

“Representative(s)” means a Board member, director, officer, member, manager, employee, or authorized agent, contractor or sub-contractor of a Party.

“Standards” means WCWCD’s Design and Construction Standards and Specifications, Standard Drawings, Rules and Regulations, Terms of Service, and all Applicable Law, as they

may be amended from time to time. In the event of a conflict between this Development Agreement and the Standards, the terms most protective of WCWCD, as determined by WCWCD, shall apply.

“Water System” which may also be referred to as a potable water system, drinking water system, culinary water system, or other similar term, means all pumps and pump stations, water tanks, culinary water transmission and distribution lines, water meters and meter boxes, valves and valve boxes, pressure reducing valves, fire hydrants, culinary water system manholes, wells and any other pipes, fittings, equipment and facilities necessary to enable WCWCD to provide culinary water service within the Project.

The Water System does not include any pipes, valves, fittings, or other related equipment after WCWCD’s retail water meter because this equipment is owned and maintained by the owner of each Lot

ARTICLE 2 WATER SYSTEM AND ACCESS

2.1 Design and Construction of Water System

Developer shall design, construct, and install the Water System in strict conformance with the requirements of this Development Agreement, the Standards, and Applicable Law. The Water System shall be designed, constructed, and installed by Developer at its sole cost and expense.

2.2 Final Plan

Developer shall prepare and submit a final set of construction drawings, plans, and profiles (**“Final Plan”**) in conformance with the Standards for review and approval by WCWCD. Developer must obtain WCWCD’s approval of the Final Plan before WCWCD will execute the Final Plat.

As of the Effective Date, Developer has not delivered to WCWCD a water utility plan or similar drawing to allow WCWCD’s Representatives to evaluate the Water System and real property interests needed for ownership and operation of the Water System. If, after receipt of a water utility plan, final construction drawings, or similar information, WCWCD determines that modifications to this Development Agreement are needed, the Parties will negotiate an amendment to this Development Agreement. The Parties must execute the amendment before WCWCD will sign the Final Plat.

2.3 Project System Extensions

Developer will, at its sole cost, connect the Water System to WCWCD’s existing, 24” ductile iron water transmission pipeline in Old Highway 91 at two locations approved by WCWCD’s Representatives. Developer may be required to construct additional connections to WCWCD’s regional system. Developer will be responsible to construct these additional connections, which may include pump stations, pipelines, and related infrastructure, at its sole cost. To maintain contiguity of WCWCD’s culinary water infrastructure and to ensure the Project

meets the requirements of the Standards and Applicable Law, Developer may be required to install infrastructure located outside the Project or Property.

2.4 Rights of Way

The Water System shall be installed in public streets, public utility easements, other easements, or on land dedicated to WCWCD by Developer, as further specified in the Standards. If any portion of the Water System is installed on property that is not part of the Project or Property, Developer shall acquire and grant easements, or dedicate land, to WCWCD for the applicable portions of the Water System. All property interests conveyed to WCWCD must be acceptable in both form and substance to WCWCD, in its sole discretion. In limited circumstances WCWCD may allow a portion of the Water System to be installed in existing easements that have been granted to WCWCD.

2.5 24-Hour Access

Developer acknowledges and agrees that WCWCD and its personnel need to be able to access the Water System and Property at any time in order to respond to emergency situations. Developer shall ensure that WCWCD has 24-hour access to the Water System and Property. If any portion of the Water System is located within a locked area not accessible to the general public, like a gated community, the Developer shall provide WCWCD with keys, access codes, or other means of access so as to ensure that WCWCD can access the Water System at all times.

2.6 Development Review Fees

Developer will pay the Development Review Fees established by WCWCD.

ARTICLE 3 WATER SERVICE

3.1 Water Supply

The Developer acknowledges that WCWCD has a limited water supply available for new development. WCWCD does not guarantee water availability for the completion of the Project. Nothing in this Development Agreement reserves or guarantees water for the Project. Until an individual building permit is granted and the Regional Impact Fee is paid for a Lot, water service is not guaranteed. No reliance should be placed on water service availability until all required fees have been paid in full and all required permits have been granted. WCWCD shall not be held liable in the event of water shortages and the Developer assumes the risk of any water shortage.

3.2 Ultra Water Efficiency Standards

The Project is subject to WCWCD's Ultra Water Efficiency Standards. Developer agrees to do such further acts, take such action, and to execute and deliver to WCWCD such additional agreements and documents as necessary to ensure the enforceability of the Ultra Water Efficiency Standards and provide notice thereof to the grantees of the Lots including, but not limited to, adding notes regarding the Ultra Water Efficiency Standards on the Final Plat; conveying

conservation easements to WCWCD for the Property, in a form approved by WCWCD; and enacting provisions requiring compliance with the Ultra Water Efficiency Standards in any declarations of covenants, conditions and restrictions for the Property.

3.3 Reuse Water

The Project is subject to WCWCD's requirement that wastewater treatment must be provided by an Ash Creek Special Service District water reclamation facility that treats wastewater to Type 1 effluent, as defined in the Utah Administrative Code, or Developer shall construct or contract with an entity to provide a wastewater system that treats wastewater to Type 1 effluent. This is so that WCWCD water used at the Project may be reclaimed by WCWCD and used in WCWCD's regional reuse system. Developer acknowledges this requirement and warrants that all wastewater and effluent produced by the Project will comply with this requirement and be returned to WCWCD.

3.4 Impact Fees

For each Lot, including common areas and amenities, the Developer agrees to pay, or cause the builder who obtains a building permit to pay, the Regional Impact Fee established by WCWCD. If Developer does not construct a water storage tank for the Project, Developer agrees to pay, or cause the builder who obtains a building permit to pay, for each Lot, including common areas and amenities, an impact fee for use of regional water storage facilities owned or operated by the WCWCD. The water storage impact fee, if required, will be in addition to the Regional Impact Fee. WCWCD will calculate the water storage impact fee in accordance with Applicable Law.

3.5 Rules and Regulations and Terms of Service

As a condition to obtaining water service from WCWCD, the Developer and any subsequent owner of a Lot, shall comply with WCWCD's Standards, including its Terms of Service and Rules and Regulations, in effect at the time of service.

ARTICLE 4 CONSTRUCTION OF WATER SYSTEM AND FINAL ACCEPTANCE

4.1 Governmental Agency Permits

Developer shall, at its sole cost and expense, secure, or cause to be secured, any and all permits which may be required under Applicable Laws by any governmental agency in connection with construction of the Water System. Developer's design and construction of the Water System shall comply with the Standards, including Applicable Laws.

4.2 Construction

(a) Materials and Equipment

Developer shall furnish all materials and equipment as shall be necessary for the construction and installation of the Water System.

(b) Responsibility for Costs

The Water System shall be constructed and installed by Developer, at Developer's sole cost and expense, in accordance with the Final Plan and the Standards.

(c) Workmanship

Developer shall perform all work in connection with the construction and installation of the Water System in a safe, good and workmanlike manner.

(d) SCADA

WCWCD shall install Supervisory Control and Data Acquisition ("SCADA") equipment necessary for it to operate the Water System. Developer shall reimburse WCWCD for all labor and material costs incurred in connection with the installation of SCADA equipment.

(e) Tank Improvements

The Developer acknowledges and agrees that, based on its engineering design and WCWCD's engineering review for the Project, Developer may be required to design and construct at least one water tank for the Project. All water tanks must be built in accordance with the Standards.

(f) Other Improvements

The Developer acknowledges that, based on its engineering design and WCWCD's engineering review for the Project, Developer may be required to design and construct other system improvements including, but not limited to, a pump station. All system improvements must be built in accordance with the Standards.

4.3 Periodic Inspections, Testing and Approvals

WCWCD's staff and consultants shall have the right of access to the Project and any portion thereof during construction and during the Warranty Period (defined below), to inspect, test, and observe the Water System, and any work thereon, and for all other necessary purposes.

4.4 Corrections to Construction

Developer, at its sole cost and expense, shall promptly repair and/or replace any work and/or materials that are defective, or which are otherwise not in conformity with the Standards or Final Plan.

4.5 Final Plat

(a) Once the Water System is either installed and accepted by WCWCD and the Utah Division of Drinking Water, or the Developer has bonded for completion of the Water System in a form acceptable to WCWCD, the Developer shall provide the proposed Final Plat to WCWCD for review. Once the Developer has addressed WCWCD's comments to the proposed Final Plat,

and provided that the Developer has complied with all the terms of this Development Agreement, the Standards, and Applicable Laws, WCWCD shall execute the Final Plat for the Project.

(b) When the Developer records this Development Agreement (see Section 8.8), the Washington County Recorder will likely not record and abstract it against the following areas identified in the Quail Creek RV Park Subdivision Plat, recorded on August 8, 1985, as Entry No. 279863 at Book 384 and Page 718: public roads; social & recreation areas; common areas; and an unnumbered lot adjacent to Lot Nos. 27 and 37 (“**RV Park Public Areas**”). After it records the Final Plat, Developer shall work with the County Recorder to record this Development Agreement against any private lands, including Lots, within the Property that were previously located partially or wholly within RV Park Public Areas. Developer shall provide written notice to WCWCD when it has complied with the requirements of this Section 4.5(b).

4.6 Division of Drinking Water Permits and Approvals

(a) If Developer constructs a water storage tank and/or a pump station as part of the Water System and constructs the entire Water System prior to recording the Final Plat, Developer will be required to obtain an Operating Permit from the Utah Division of Drinking Water for all components of the Water System before WCWCD executes the Final Plat.

(b) If Developer will construct a water storage tank and/or a pump station as part of the Water System and bonds to allow it to complete construction of the Water System after the Final Plat is recorded, Developer shall be required to obtain an Operating Permit from the Utah Division of Drinking Water for all components of the Water System before WCWCD issues its Notice of Final Acceptance (defined below).

ARTICLE 5

FINAL ACCEPTANCE; TITLE TRANSFER; SERVICE

5.1 Developer’s Conveyances

When it conveys any portion of the Property to a third party (including a homeowners’ association), Developer shall, in the instrument of conveyance, expressly reserve and retain the Water System, including any fixtures associated with the Water System.

5.2 Final Acceptance of the Water System

WCWCD will issue its notice of final acceptance of the Water System (“**Notice of Final Acceptance**”), upon satisfaction of all requirements in this Development Agreement, the Standards, and Applicable Laws.

5.3 Transfer of Water System to WCWCD

When WCWCD delivers the Notice of Final Acceptance, Developer shall immediately deliver to WCWCD a bill of sale and deed for the Water System and an assignment of all Utah Division of Drinking Water permits that Developer has obtained, each in a form approved by WCWCD. When WCWCD has received and accepted the assignment and the bill of sale and deed,

(a) it shall assume the obligation of operation, maintenance, repair, and replacement of the Water System and (b) the Lots shall be subject to WCWCD's retail water rates, as they may be amended from time to time, including standby and connection fees. Title transfer and the resulting obligations of WCWCD as set forth herein are expressly conditioned on compliance with the terms and conditions of this Development Agreement.

ARTICLE 6 INSURANCE AND WARRANTY

6.1 Construction Insurance

During the period beginning with the Effective Date and ending on the date that is the end of the Warranty Period (defined below), Developer shall furnish, or cause to be furnished, to WCWCD satisfactory certificates of insurance from reputable insurance companies evidencing death, bodily injury and property damage insurance policies in the amount of Two Million Dollars (\$2,000,000) single limit, naming WCWCD as an additional insured. Certificates of insurance shall be promptly submitted to WCWCD. Developer shall require all contractors performing work in connection with the Water System to maintain adequate worker's compensation insurance and public liability coverage.

6.2 Warranty Period

Developer shall warrant and guaranty that the Water System shall be free of defects in materials or workmanship for a period of one (1) year, commencing upon the issuance by WCWCD of the Notice of Final Acceptance ("**Warranty Period**").

(a) If at any time during the Warranty Period any materials or workmanship furnished by the Developer shall prove defective or be found in disrepair, Developer shall, upon written notice from WCWCD, promptly repair or replace the defective materials and/or work to the satisfaction of WCWCD.

(b) During the Warranty Period, the Developer shall be required to keep all manholes, valve and meter boxes, drains, and similar infrastructure free from all rock, dirt and other debris in order to assure WCWCD has unobstructed access for periodic inspections.

(c) Developer's warranty obligation hereunder shall be secured by the posting of required bonds with WCWCD. Notwithstanding any law or ordinance to the contrary, Developer acknowledges and agrees that WCWCD is an intended third party beneficiary of all performance, payment, warranty, and other bonds posted with Washington County, or any municipality within Washington County, in connection with the Project.

(d) Prior to the end of the Warranty Period, WCWCD shall perform a final inspection of the Water System (the "**Final Warranty Inspection**"). Developer shall be required to repair or replace any defective materials and/or work then existing and related to the Water System, to the satisfaction of WCWCD. Upon completion of the Final Warranty Inspection and final approval by WCWCD, WCWCD shall approve the release of bonds obtained by the Developer.

ARTICLE 7 INDEMNIFICATION

Developer hereby agrees to indemnify, defend, and hold harmless WCWCD and its Representatives from and against any and all liability, judgment, loss, damage, costs, or expenses, including reasonable attorney's fees and court costs, arising from or as a result of (a) the construction activities of Developer and its Representatives; (b) any bodily injury, death of any person, or damage to real or tangible personal property caused by Developer or its Representatives; (c) any notice or claim by a contractor, subcontractor, or other person for any amounts due and owing by the Developer; (c) breach of any of the representations, warranties, or covenants under the Development Agreement by Developer; or (d) a negligent or more culpable act or omission of the Developer in the performance of its obligations under this Development Agreement. The Developer shall not be responsible for, and this indemnity shall not apply to, claims that arise as a result of negligent or more culpable acts or omissions of WCWCD, or of WCWCD's agents, employees or contractors.

ARTICLE 8 GENERAL TERMS AND CONDITIONS

8.1 Developer's Representations and Warranties

The Developer represents and warrants that, as of the Effective Date, and at the time WCWCD issues its Notice of Final Acceptance:

- (a) it is the owner of the Property upon which the Project is being developed and for which it requests services from WCWCD;
- (b) the individual executing this Development Agreement and related agreements on behalf of Developer has the requisite authority to do so and Developer has agreed to be and is bound by this Development Agreement;
- (c) it has not received from any governmental entity or agency having jurisdiction over or with respect to any of the Project or Water System, or from any other person or entity, any notice alleging or finding that all or any portion of the Project or Water System are in violation of any Applicable Laws;
- (d) there are no agreements presently in force and effect whereby the Developer has granted to any other person or entity the right or option to purchase, lease or otherwise use the Water System or any real property that will be conveyed in fee to WCWCD in connection with this Development Agreement. ; and
- (e) to its knowledge and unless otherwise disclosed to WCWCD in writing, (i) the land that will be dedicated as public streets in connection with the Project and (ii) all real property interests that Developer will convey to WCWCD in connection with this Development Agreement have not been, and are not currently, in violation of any Environmental Law and are free from Hazardous Substances.

8.2 Default

In the event Developer fails to perform its obligations hereunder or comply with the terms and provisions hereof, and such failure remains uncured for a period of thirty (30) days (the “**Cure Period**”), after receiving written notice of default from WCWCD, WCWCD may, at its discretion, pursue all rights and remedies which it may have at law and in equity, including but not limited to injunctive relief, specific performance and/or damages, and termination of the Development Agreement; provided, however, that if a default cannot reasonably be cured within the Cure Period, and the Developer has commenced to cure such default within the Cure Period and thereafter uses reasonable efforts to cure the default, then the Cure Period shall be extended for one hundred twenty (120) days (including the original period of thirty (30) days) so long as the Developer is diligently pursuing cure of the default. If, however, the default remains uncured for a period of one hundred twenty (120) days in the aggregate, then WCWCD may, at its election, pursue all rights and remedies which it may have at law and in equity, including but not limited to injunctive relief, specific performance and/or damages, and termination of the Development Agreement.

8.3 Entire Agreement

This Development Agreement, together with the Exhibits attached hereto, contains the entire agreement by and between the Parties with respect to the subject matter hereof, and supersedes any prior promises, representations, warranties, inducements or understanding between the Parties which are not contained herein.

8.4 Non-liability of WCWCD Officials

No Representative of WCWCD shall be personally liable to the Developer or any successor-in-interest or assignee of the Developer, in the event of any default or breach by WCWCD, or for any amount which may become due to Developer, or its successors-in-interest or assignees, or for any obligation arising under the terms of this Development Agreement.

8.5 No Third-Party Rights

The obligations of Developer and WCWCD set forth in this Development Agreement shall not create any rights in or obligations to any other persons or parties except to the extent expressly provided herein.

8.6 Binding Effect; Covenants Run with the Land

This Development Agreement shall be binding upon and inure to the benefit of the Parties hereto and upon their respective affiliates and assigns (where assignment has been permitted), including, without limitation, any separate affiliated entity of Developer which is involved with, assumes or undertakes to fulfill any responsibility or obligation imposed upon Developer pursuant to this Development Agreement. All of the covenants, warranties, representations, and agreements contained in this Development Agreement shall survive recording of the Final Plat; execution and recording of any deed conveying real property from Developer to WCWCD; and execution of the bill of sale and deed and shall be deemed to run with the Property. All of the terms and conditions

of this Development Agreement shall extend to and be binding upon the successors and assigns of the Parties (where assignment has been permitted).

8.7 Termination

Both WCWCD and Developer shall have the right, but not the obligation, at the sole discretion of the applicable Party, to terminate this Development Agreement, in whole or in part, in the event (i) Developer has not obtained Final Plat approval from Washington County for the Project within one (1) year from the Effective Date, (ii) Developer has not started construction of the Water System within two (2) years from the Effective Date, (iii) Developer commenced construction but has not undertaken significant work towards completion of the Water System for two (2) or more years, or (iv) Developer remains in default under the material provisions of this Development Agreement after expiration of the Cure Period. Any termination of this Development Agreement pursuant hereto may be affected by giving written notice of intent to terminate to the other Party pursuant to the notice provisions set forth in Section 8.14. Unless terminated pursuant to this Section, or by separate agreement signed by the Parties, this Development Agreement shall continue in full force and effect.

8.8 Recordation

Once this Development Agreement is fully executed, Developer shall record it with the Washington County Recorder's Office and provide a copy of the recorded document to WCWCD.

8.9 No Waiver

Any Party's failure to enforce any of the provisions of this Development Agreement shall not constitute a waiver of the right to enforce such provision. The provisions of this Development Agreement may be waived only in writing by the Party intended to be benefitted by the provision, and a waiver by a Party of a breach hereunder by the other Party shall not be construed as a waiver of any succeeding breach of the same or other provision.

8.10 Severability

If any provision of this Development Agreement is held to be unenforceable, any enforceable portion thereof, and the remaining provisions of this Development Agreement, shall continue in full force and effect.

8.11 Time is of the Essence

Time is expressly made of the essence with respect to the performance of each and every obligation hereunder.

8.12 Cumulative Rights

The warranties, assurances, covenants and remedies provided for in this Development Agreement are not the exclusive rights and remedies of the Parties but will be in addition to any other rights and remedies available under this Development Agreement, under any other

instrument, at law, in equity, or otherwise, and such rights and remedies may be exercised singularly or concurrently.

8.13 Governing Law and Venue

The laws of the State of Utah shall govern this Development Agreement and the transactions contemplated by this Development Agreement, without giving effect to the choice of law rules thereof. The Parties agree that any judicial action associated with this Development Agreement shall be taken in the St. George District Court of the Fifth Judicial District of the State of Utah.

8.14 Notices

All notices and other communications required or permitted under this Development Agreement must be in writing and will be deemed delivered (i) when delivered in person to the Party, (ii) when sent by facsimile with delivery confirmed, provided that delivery is confirmed during Party's regular business hours, or if delivered after Party's regular business hours on the next regular business day, (iii) when receipt is acknowledged, if sent by e-mail, provided that receipt is acknowledged during Party's regular business hours, or if delivered after Party's regular business hours on the next regular business day or (iv) upon delivery confirmation if sent by a recognized commercial express courier. All communications must be sent to the receiving Party at the address set forth below or to such address that the receiving Party may designate pursuant to this Section.

If to WCWCD:

Washington County Water Conservancy District
Attention: Brie Thompson, Associate General Manager
533 East Waterworks Drive
St. George, Utah 84770
Email: brie@wcwcd.gov

If to Developer:

Silver Reef Resort, L.L.C.
Attention: Jared Westhoff
321 N Mall Dr. #0-202
St. George, Utah 84790
Email: jared@egirealestate.com

8.15 Assignment and Subcontracting

Subject to the written approval of WCWCD, the Developer may assign its rights and delegate its duties hereunder to a third party purchaser of all or a portion of the Project, subject to the terms and provisions of this Development Agreement. In the event of an assignment, the assignee shall be jointly and severally liable with the Developer for the performance of each and

**Development and Service Agreement
Red Reef Villas Subdivision
Page 13 of 14**

every obligation of the Developer contained in this Development Agreement, unless, prior to the assignment, an agreement satisfactory to WCWCD delineating and allocating between the Developer and the assignee the various rights and obligations of the Developer hereunder has been approved by WCWCD. Prior to any assignment, the Developer shall obtain and deliver to WCWCD a written statement executed by the assignee, duly acknowledged by a notary public, wherein the assignee acknowledges that it has reviewed and is familiar with the terms and provisions of this Development Agreement, and agrees to be bound hereby.

8.16 No Relationship

Nothing in this Development Agreement creates or is intended to create any partnership, joint venture, or fiduciary relationship between the Parties. Developer shall not be an agent or employee of WCWCD for any purpose and shall not hold itself out as such. WCWCD will not be responsible for or have control or charge over any of the acts or omissions of Developer or its Representatives.

8.17 Amendment

This Development Agreement may only be amended, modified or supplemented by a written agreement signed by WCWCD and Developer.

8.18 Interpretation

(a) The Parties hereto acknowledge and agree that: (i) each Party has had a full and fair opportunity to have counsel review and to negotiate the terms of this Development Agreement; and (ii) the terms and provisions of the Development Agreement shall be construed fairly to all Parties hereto and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Development Agreement.

(b) The division of this Development Agreement into Articles, Sections and Exhibits and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Development Agreement. The expressions “hereof,” “herein,” “hereto,” “hereunder,” “hereby,” and similar expressions without further specification refer to this Development Agreement and not to any particular Article, Section or other portion of this Development Agreement.

8.19 Counterparts

This Development Agreement may be signed in counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument. The Parties intend that fax or emailed .pdf signatures constitute original signatures and that a faxed or emailed agreement containing the signatures (original, .pdf, or faxed) of all the Parties is binding on the Parties.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the Parties have executed this Development Agreement to be effective as of the Effective Date.

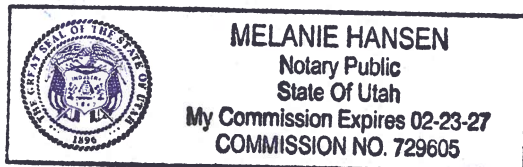
DEVELOPER,
Silver Reef Resort, L.L.C., a Utah
limited liability company

By: [Signature]
Name: Jared Westhoff
Title: manager

STATE OF UTAH)
COUNTY OF Washington : ss.

On this 3 day of Feb. ^{26 MH} 2025, personally appeared before me
Jared Westhoff, as Manager of Silver Reef Resort LLC, whose identity
was proved on the basis of satisfactory evidence, and said document was signed by him.

Witness my hand and official seal.



[Signature]
NOTARY PUBLIC
Residing at: 2080 E. 100 S.

My Commission Expires:

2-23-27

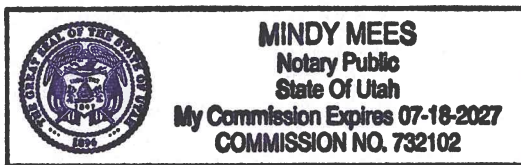
WCWCD,
Washington County Water
Conservancy District, a political
subdivision of the State of Utah

By: *Zach Renstrom*
Name: Zach Renstrom
Title: General Manager

STATE OF UTAH)
COUNTY OF Washington ss.

On this 2 day of Feb 2026, personally appeared before me Zach Renstrom,
as General Manager of Washington County Water Conservancy District, whose identity was
proved on the basis of satisfactory evidence, and said document was signed by him.

Witness my hand and official seal.



Mindy Mees
NOTARY PUBLIC
Residing at: St. George Utah

My Commission Expires:

July 18, 2027

Development and Service Agreement
Red Reef Villas Subdivision
Signature Page

Exhibit A
[Description of Property]

The following Property located within Washington County, Utah:

Including the following Washington County Parcel Nos. QCRV-1-HV; QCRV-2-HV; QCRV-3-HV; QCRV-4-HV; QCRV-5-HV; QCRV-6-HV; QCRV-7-HV; QCRV-8-HV; QCRV-9-HV; QCRV-10-HV; QCRV-11-HV; QCRV-12-HV; QCRV-13-HV; QCRV-14-HV; QCRV-15-HV; QCRV-16-HV; QCRV-17-HV; QCRV-18-HV; QCRV-19-HV; QCRV-20-HV; QCRV-21-HV; QCRV-22-HV; QCRV-23-HV; QCRV-24-HV; QCRV-25-HV; QCRV-26-HV; QCRV-27-HV; QCRV-28-HV; QCRV-29-HV; QCRV-30-HV; QCRV-31-HV; QCRV-32-HV; QCRV-33-HV; QCRV-34-HV; QCRV-35-HV; QCRV-36-HV; QCRV-37-HV; QCRV-38-HV; QCRV-39-HV; QCRV-40-HV; QCRV-41-HV; QCRV-42-HV; QCRV-43-HV; QCRV-44-HV; QCRV-45-HV; QCRV-46-HV; QCRV-47-HV; QCRV-48-HV; QCRV-49-HV; QCRV-50-HV; QCRV-51-HV; QCRV-52-HV; QCRV-53-HV; QCRV-54-HV; QCRV-55-HV; QCRV-56-HV; QCRV-57-HV; QCRV-58-HV; QCRV-59-HV; QCRV-60-HV; QCRV-61-HV; QCRV-62-HV; QCRV-63-HV; QCRV-64-HV; QCRV-65-HV; QCRV-66-HV; QCRV-67-HV; QCRV-68-HV; QCRV-69-HV; QCRV-70-HV; QCRV-71-HV; QCRV-72-HV; QCRV-73-HV; QCRV-74-HV; QCRV-75-HV; 4044-A-21-HV; 4044-A-12-HV; 4044-A-20-HV; 4044-A-4-HV.

Together with, the following areas identified in the Quail Creek RV Park Subdivision Plat, recorded on August 8, 1985, as Entry No. 279863 at Book 384 and Page 718: public roads; social & recreation areas; common areas; and an unnumbered lot adjacent to Lot Nos. 27 and 37.

Development and Service Agreement
Red Reef Villas Subdivision
Exhibit A



Board of Trustees Meeting

February 2, 2026

Agenda

1. Update on Virgin River Program
2. Ethics presentation
3. Consider approval of La Verkin City changing the water use threshold under the Large Water User Policy
4. Discussion on Ultra Water Efficiency Water Standards application process
5. Consider a Resolution Updating the Retail Water Service Rules and Regulations to Include Time of Day Watering Restrictions
6. Consider a Resolution Amending Administrative Policy and Procedures Regarding the Acquisition of Real Property
7. Consider approval of Development & Water Service Agreement with Red Reef Villas
8. Consider approval of a P-Card for Brandt Klunker
9. Manager's report
10. Request for a closed session to discuss purchase of real property
11. Consider approval of January 5, 2026, board meeting minutes



1. Update on Virgin River

- Steve Meismer, WCWCD Virgin River Program
- Kevin Bunnell, Virgin River Program Director
- For discussion



New VRP Director

Kevin Bunnell

BS/MS – BYU

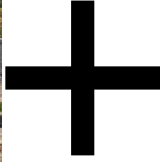
PhD. USU

UDWR for 23+ years

- Mammals Coordinator
- Wildlife Chief
- Regional Supervisor Southern Region
 - 13 years
- Father was UDWR for 35 years



Woundfin Status



- Lost majority of broodstock at SNARRC
- Additional refuge location – Utah AAHRC

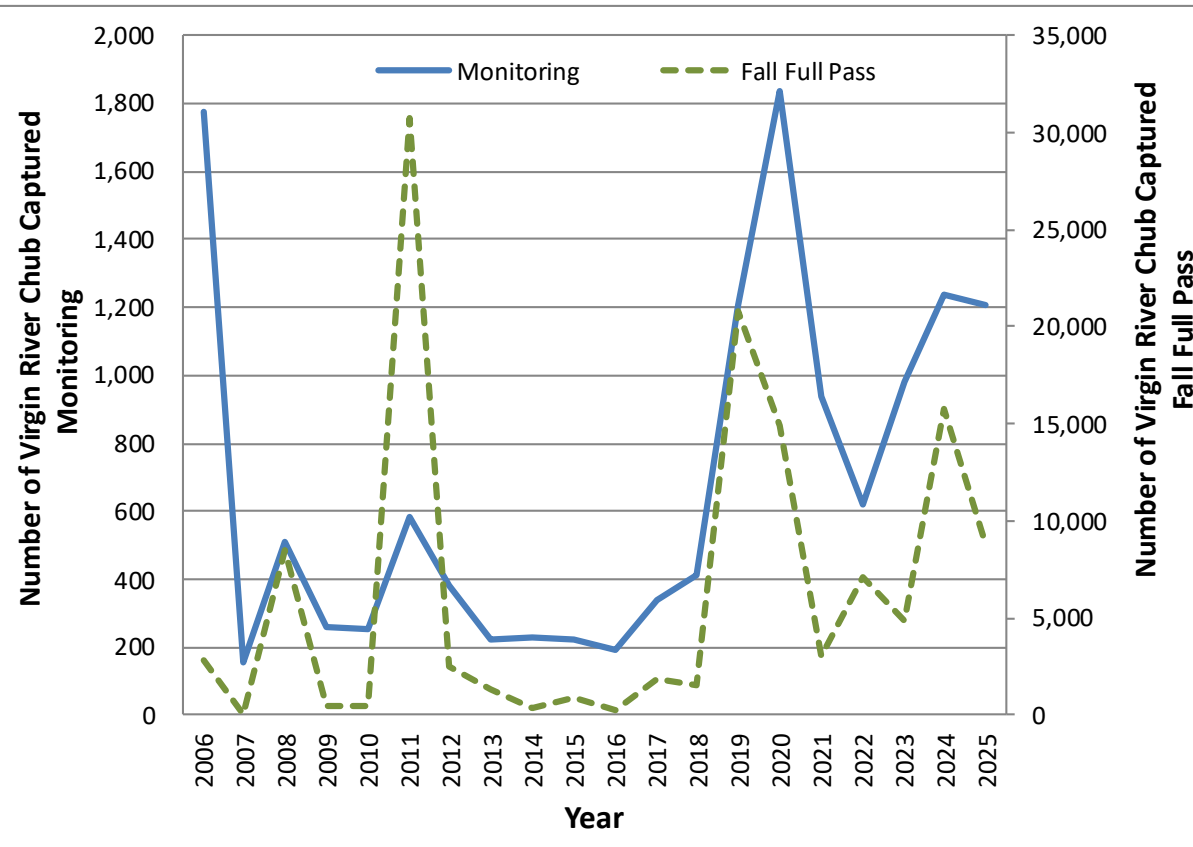


Virgin River Chub



- Populations doing well
- Potential to downlist in the future

Genetics samples – basinwide

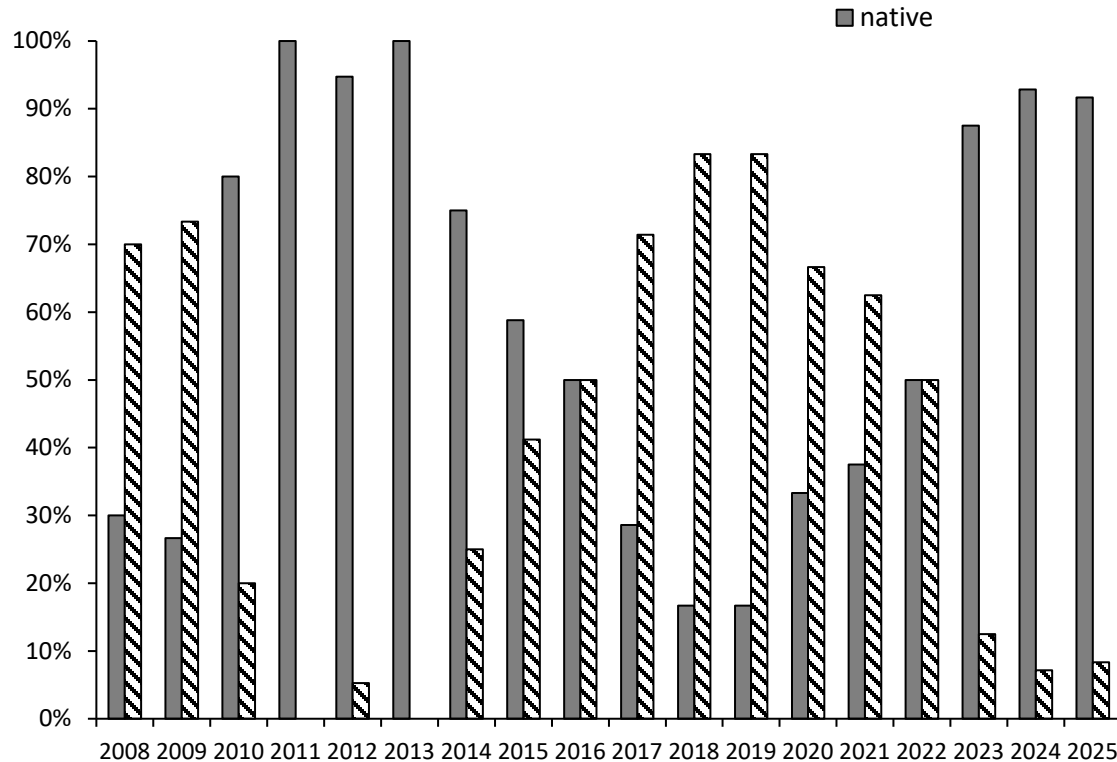


Virgin Gorge Barrier

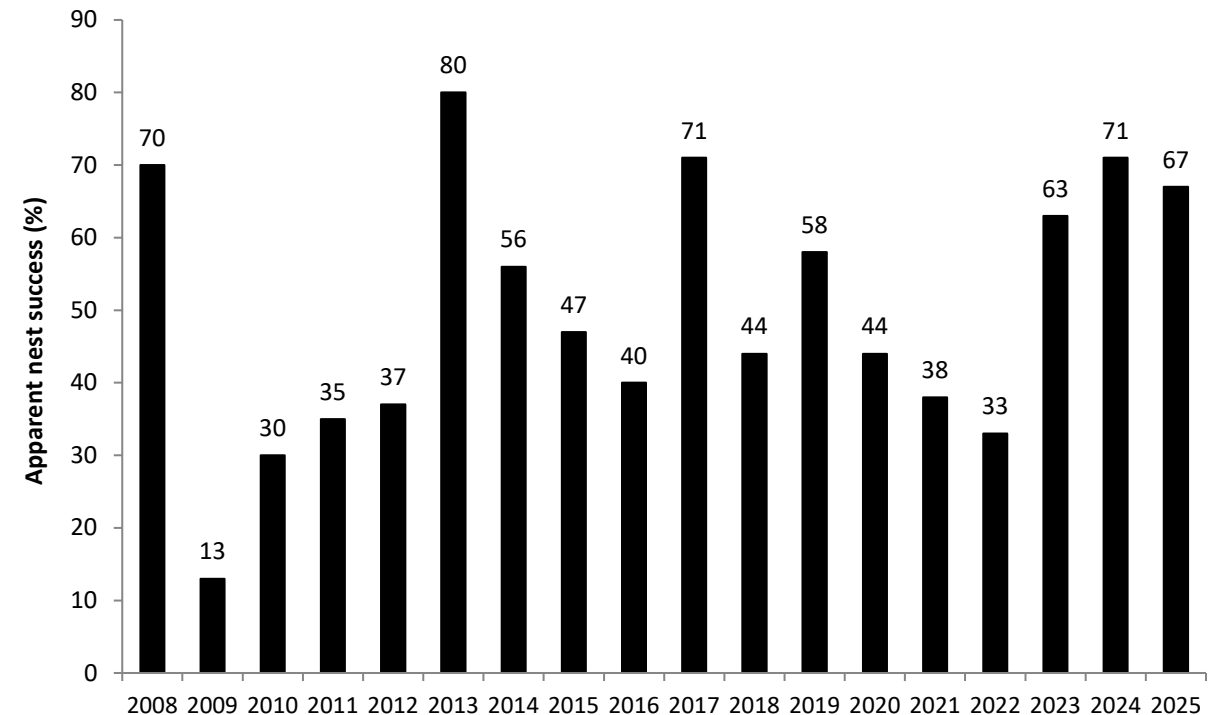


Southwestern Willow Flycatcher

Flycatcher nesting preference



Flycatcher nesting success





Springdale Park Stream Revegetation



Questions?



2. Ethic's Presentation

- Jodi Richins, WCWCD General Counsel
- For discussion





Nepotism

Employment, appointment, voting for or recommendation of a person to be supervised by a relative or household member is prohibited

(Limited exceptions)

UCA 52-3-1





Nepotism

Class B Misdemeanor for each day in office/employed

UCA 52-3-2, -3





Ethics Act

Application

- State and political subdivisions
- Public officers and employees
- Actual or potential conflicts between public duties and private interests
- Does not apply to conflicts of interest between two or more government positions held by same person

UCA 67-16-2, -11





Disclosure of Information

Improper disclosure: giving controlled, private, or protected information to anyone who does not have a right to the information

UCA 67-16-3





Disclosure of Information

Prohibitions:

- Accept/engage in employment, business, professional activity reasonably expected to require/induce improper disclosure
- Disclose or improperly use controlled, private, or protected information to further personal economic interests or secure special privileges or exemptions for self or others

UCA 67-16-4





Using Position

Prohibitions

- Using position to further personal economic interests
- Using position to secure special privileges or exemptions for self or others

UCA 67-16-4





Employment

Prohibitions:

- Accept employment that might impair independence of judgment in performance of public duties
- Accept employment that might interfere with ethical performance of public duties

UCA 67-16-4





Gifts, Compensation & Loans

Economic benefit tantamount to a gift:

- Loan with interest rate substantially lower than commercial rate
- Compensation for private services at rate substantially exceeding fair market value

UCA 67-16-5





Gifts, Compensation & Loans

Prohibitions: Directly or indirectly accept or solicit for self or another a substantial gift or substantial economic benefit tantamount to a gift:

- That would tend to influence a reasonable person to depart from the faithful and impartial discharge of public duties
- Given primarily for the purpose of reward for official action taken
- At all, where past, present, or near future involvement in governmental action directly affecting donor or lender (unless disclosed pursuant to UCA 67-16-6)

UCA 67-16-5





Gifts

Prohibitions do not apply to:

- Occasional nonpecuniary gift of \$50 or less
- Publicly presented award for public service
- Bona fide loan in ordinary course of business
- Political campaign contribution

UCA 67-16-5





Payments to Government Agencies

Prohibition: Demand, offer or donate personal property to any agency, money or services to government agency as condition for granting a permit, approval, or authorization

UCA 67-16-5.3, -5.6





Payments to Government Agencies

Does not apply to the following donations (written certification required):

- Expressly required by statute, ordinance, or agency rule;
- Mutually agreed to;
- Made voluntarily/without condition; or
- Condition of consent degree, settlement agreement, etc. to resolve enforcement action

UCA 67-16-5.3, -5.6





Compensation

Prohibition: compensation for assisting in a transaction involving a public agency
except:

- File a sworn, written statement with:
 - Head of own agency
 - Head of agency conducting transaction
 - State attorney general
 - (For board members) board secretary
- Content, timing and public posting requirements

UCA 67-16-6





Compensation

May not, in official capacity, participate in or receive compensation for a transaction between the state/state agency and covered business entity unless disclosure required by UCA 67-16-7 has been made.

UCA 67-16-8





Disclosure of Interests

Application: officer, director, agent, employee, or owner of a substantial interest in any business entity that is subject to the regulation of the district (except where substantial interest is \$5,000 or less)

UCA 67-16-7



Disclosure of Interests

Business entity: sole proprietorship, partnership, association, joint venture, corporation, firm, trust, foundation, or other organization or entity used in carrying on a business.

Substantial interest: ownership, either legally or equitably, by an individual, the individual's spouse, or the individual's minor children, of at least 10% of the outstanding capital stock of a corporation or a 10% interest in any other business entity.

UCA 67-16-3





Disclosure of Interests

When required:

- Upon first becoming officer or employee
- Whenever position in the business entity changes significantly
- If the value of the interest increases significantly

UCA 67-16-7





Disclosure of Interests

What is required:

- Sworn statement
- Filed with the governing body (board secretary)
- Public record
- (For board members) posted on the district website until the public officer leaves office

UCA 67-16-7





Conflict of Interest

Personal investments in any business entity which will create a substantial conflict between private interests and public duties are prohibited.

(Substantial conflict not defined)

UCA 67-16-9



Penalties

- Removal from office/dismissed from employment
- Misdemeanor or felony based on amount involved
- Recission of contracts in some circumstances

UCA 67-16-12, 14





Annual Conflict of Interest Disclosure

- (Board only) Annually in January submit to board secretary conflict of interest disclosure statement regarding general business interests as required by UCA 67-16-16
- Form provided by board secretary
- If already done in other public capacity, can provide board secretary with a link to that form.





Annual Conflict of Interest Disclosure

- W/in 10 days of submission, board secretary must post on the district website and provide the Lt. Gov. with a link to the electronic posting
 - Must remain posted until no longer in office
- Failure to submit results in notice from board secretary
- Failure to respond to notice is a class B misdemeanor that must be reported to the attorney general, and the board secretary must impose a \$100 fine

UCA 67-16-16; 20A-11-1604



3. Consider approval of La Verkin City changing the water use threshold under Large Water User Policy

- Zach Renstrom WCWCD General Manager
- For Action



Item 3 - Recommendation

Move to approve La Verkin City to change their usage from 5 Million gallon threshold to 9 million gallon under the Large Water User Policy



4. Discussion on Ultra Water Efficiency Water Standards application process

- Zach Renstrom WCWCD General Manager
- For Discussion



About the Ultra Water Efficiency Standards (UWES)

- A voluntary program designed to conserve water, reduce costs and support long-term housing sustainability in the region
- Standards are designed to produce single-family homes with a projected water demand of 0.39 acre-feet per year
- Applicable to lots of varying sizes
- Participants may qualify for a reduced impact fee



UWES Requirements

- Connected to a public water supply and sewer system
- No private lawns
- Up to 2,000 square feet of drip-irrigated landscaping
- No private swimming pools
- Freestanding spas up to 100 SF with a permanent cover allowed
- Ornamental water features up to 25 SF allowed

See full list on wcwcd.gov



UWES Application Process

- Approval from the city
- Compliance with the adopted UWES requirements
- Recorded documents including:
 - Plat note signed by a district representative
 - Easement
 - HOA and/or CC&Rs
 - *The district provides the required language for these documents, which must be recorded at final plat*
- Excess Water Use Surcharge for water use above 8,000 gallons per month



Reduced Impact Fee Options

Non-standard Residential Connections

	UWES Subdivisions	Small Lots (Pilot Program)	UWES Single Lots	Secondary Water Lots
Status	March 2, 2026 Available in participating cities	March 2, 2026 Available in participating cities	Under analysis	Under analysis
Developer requirements	UWES standards Plat note Easement CC&Rs and/or HOA	Single family homes on lots under 6,000 sf	Pending	Pending
Municipal participation	Opt in and collect excess water use surcharge over 8,000 gallons per month	Opt in and collect excess water use surcharge over 8,000 gallons per month	Pending	Pending



5. Consider Resolution updating the Retail Water Service Rules and Regulations to include Time of Day Watering Restrictions

- Morgan Drake, WCWCD Reuse Program Manager
- For Action



Item 5 - Recommendation

Move to approve resolution updating the Rules and Regulations to include Time of Day Watering Restrictions



6. Consider a Resolution Amending Administrative Policy and Procedures Regarding the Acquisition of Real Property

- Morgan Drake WCWCD Reuse Program Manager
- For Action



Item 6 - Recommendation

Move to approve resolution amending Administrative Policy and Procedures regarding the Acquisition of Real Property



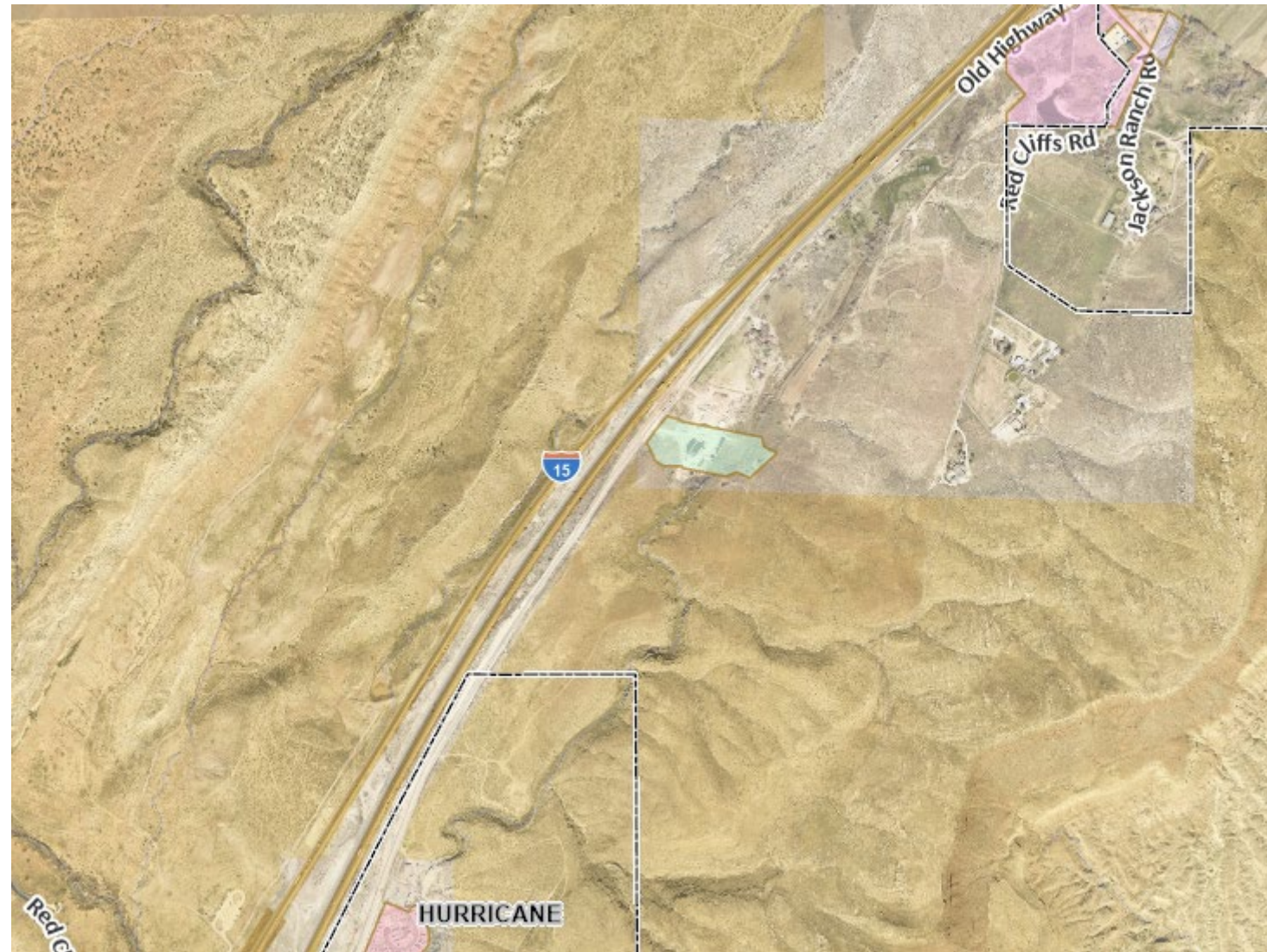
7. Consider approval of Development & Water Service Agreement with Red Reef Villas

- Whit Bundy WCWCD Staff Engineer
- For Action



Red Reef Villas

- Up to 123 Residential units
- Clubhouse with swimming pool and hot tub
- Will connect to ACSST system
- Will meet the Ultra Water Efficiency Standard



Item 7 - Recommendation

Move to approve the Development and Water Service Agreement with Red Reef Villas



8. Consider approval of a P-Card for Brandt Klunker

- Zach Renstrom, WCWCD General Manager
- For Action



Item 8 - Recommendation

Move to approve P-Card for Brandt Klunker



9. Manager's report

- Zach Renstrom WCWCD General Manager
- For Discussion



10. Request for a closed session to discuss the purchase of real property

- Morgan Drake WCWCD Reuse Program Manager
- For Discussion



11. Consider approval of January 5, 2026, board meeting minutes

- Ed Bowler WCWCD Chairman
- For Action



Item 11 - Recommendation

Move to approve the January 5, 2026, board meeting minutes



Thank you for participating in this board meeting



wcwcd.gov



info@wcwcd.gov

