



SURPLUS WATER

COUNCIL WORK SESSION MAY 19TH 2026



HISTORY OF HOBBLE CREEK CANYON



- The City serves two *master meter* customers outside the City limits
- The State of Utah has created two private water systems within our service boundary
- Private water systems are made up of at least 15 connections or more, served from a Master Meter



HOLIDAY HILLS WATER DISTRICT



- Holiday Hills Water District (HHWD) formally known as Holiday Hills HOA
- HHWD subdivision was built in 1970's
- Water may have been tendered to the City and is currently delivered through a Master Meter



STATE OF UTAH



- HHWD has recently secured funding to replace its water system
- To finalize funding, the Division of Drinking Water (DDW) is requesting an agreement between the City & HHWD
- After searching, no agreement has been found



LEGAL TEAM



- The City's outside legal counsel has reviewed and provided guidance
- A Surplus Water Agreement was recommended by the outside legal counsel



WHAT IS SURPLUS WATER?



- "Surplus Water" is water that is available *after* all water needs are met within City limits
- Excess water can then be sold outside City limits, but within the City service boundary
- A Surplus Water Agreement is recommended when water is sold to customers



WHAT YOU SHOULD KNOW



- The agreement with HHWD is a 40-year commitment, with a termination clause included to protect the City.
- HHWD is required to maintain their own system
- No new services or irrigated acreage can be added by HHWD without City approval



WHY SHOULD WE ENTER INTO AN AGREEMENT?

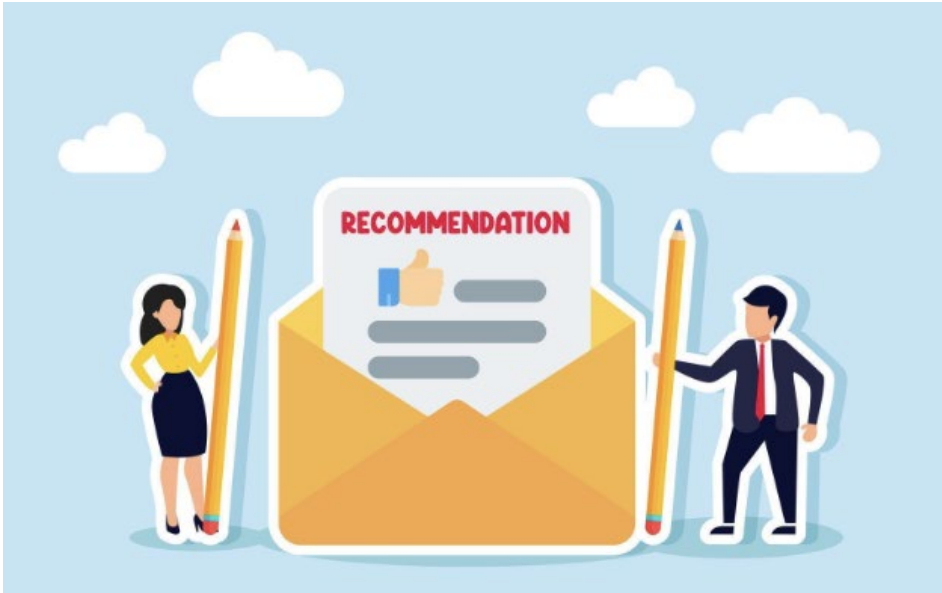
- NO agreement exists
- We currently provide water to HHWD
- Nothing changes, except for a 40-year agreement
- The City has more control over HHWD with respect to growth and compliance





STAFF RECOMMENDATION

- City Staff recommends "Surplus Agreements" be initiated with all private water systems located outside the City limits





QUESTIONS?