



WATER AND PROPERTY TAXES

More than Tap Service

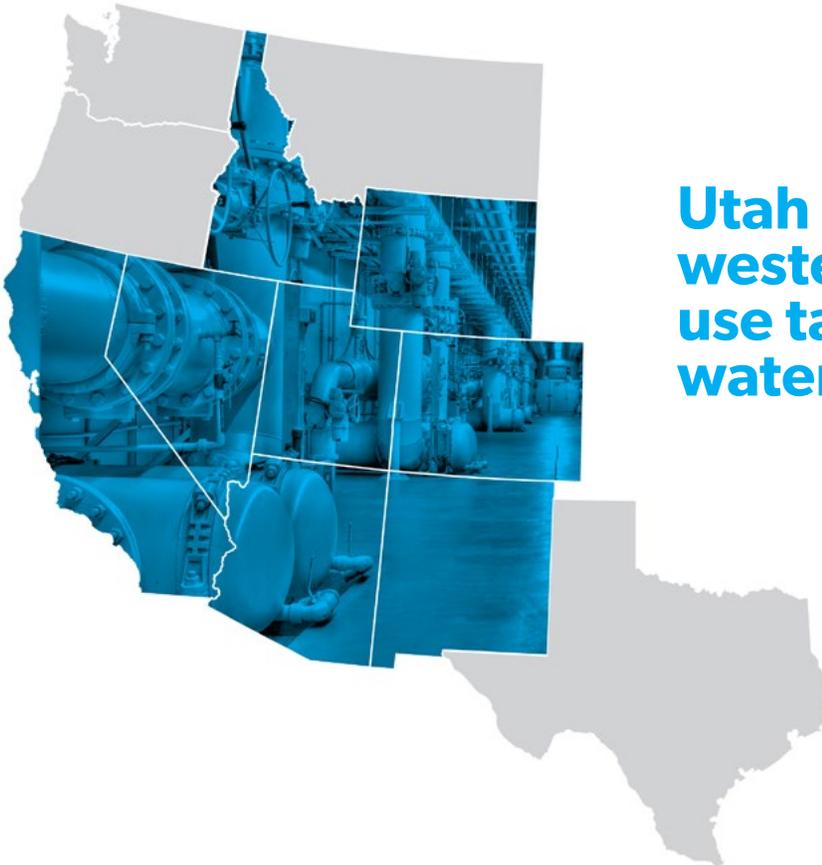
Utah's water conservancy districts do a lot more than make sure water arrives at faucets throughout the state. In addition to providing a reliable supply of water to communities, water conservancy districts also provide public health and safety, economic stability, environmental stewardship and recreation that benefit all residents of the state. These services stabilize and, in many cases, increase property values.

Three Funding Sources for Water

Because of the complex and costly nature of water development, Utah legislation has provided three essential revenue sources for water conservancy districts:

- Water rates
- Property taxes
- Impact fees

Many states use similar revenue sources to fund water development.



Utah is one of eight western states that use taxes to support water infrastructure.



Funded by property taxes:



**WATERSHED
MANAGEMENT**



**ENDANGERED
SPECIES PROTECTION**



**GROUNDWATER
PROTECTION**



**FIRE
PROTECTION**



**CONSERVATION
PROGRAMS**



**ENVIRONMENTAL
STEWARDSHIP**



FLOOD CONTROL



**RECREATIONAL
AMENITIES**



**WATER QUALITY
TESTING**



**DROUGHT
PROTECTION**



**EMERGENCY
PLANNING**

Property Tax Uses

Tax revenues allow water conservancy districts to develop future water supplies to meet the projected demands of the communities they serve. Water infrastructure projects take decades to complete, are sized for current and future generations and incur costs long before the first customer receives water.

Therefore, property taxes may be used by water conservancy districts for developing water supplies, including:

- Planning
- Environmental analysis
- Design
- Project site or right-of-way acquisition
- Construction
- Federal obligations

In addition, property taxes fund public safety and environmental initiatives such as flood control, fire protection, water conservation programs, groundwater protection, endangered species preservation, watershed management and more. These services protect and enhance property values for all land owners.

Property taxes create generational equity in water infrastructure, meaning project costs are shared by the current and future generations of water users.

Tax Collection in Washington County, Utah

Washington County Water Conservancy District (district) was organized in 1962 at the request of local property owners who signed a petition authorizing the collection of property taxes to develop and manage the county's water supply.

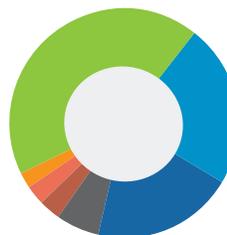
Utah code 17B-2a-1006 limits the district's property tax collection to "a maximum of 0.001 per dollar of taxable value of taxable property in the district."

In 2019, the district's tax collection rate was 0.000590. During that same year, Washington County Assessor's Office reported the average home value in Washington County, UT was \$329,000. Using the tax rate and home value, the average primary resident homeowner paid \$106.76 in property tax collections to the district in 2019.

District Tax Rate

Maximum Limit.....	0.001000
2019 Rate	0.000590

2018 District Revenue by Source



- 43%** Impact Fees
- 23%** Property Taxes
- 20%** Water Sales
- 6%** Interest Income
- 3%** Water Development & Connection Fees
- 3%** Other
- 2%** Power Sales



Proposed Tax Increase in 2020

The district’s tentative budget for 2020 includes a proposed property tax increase of 0.000042 to help fund:

- Water development projects that will provide a needed second water source for our community and double our current water supplies – a high priority given our population is projected to nearly triple in the next few decades.
- Repair and replace existing facilities that have aged or experienced a decrease in efficiency to ensure our multi-billion dollar investments in infrastructure continue to deliver a safe, reliable water supply to our community.
- Public good services essential to life, safety and prosperity for people and the environment, such as fire protection, water quality, flood control and more.

The proposed increase equals **\$7.57 per year** on Washington County’s average home valued at \$329,000.

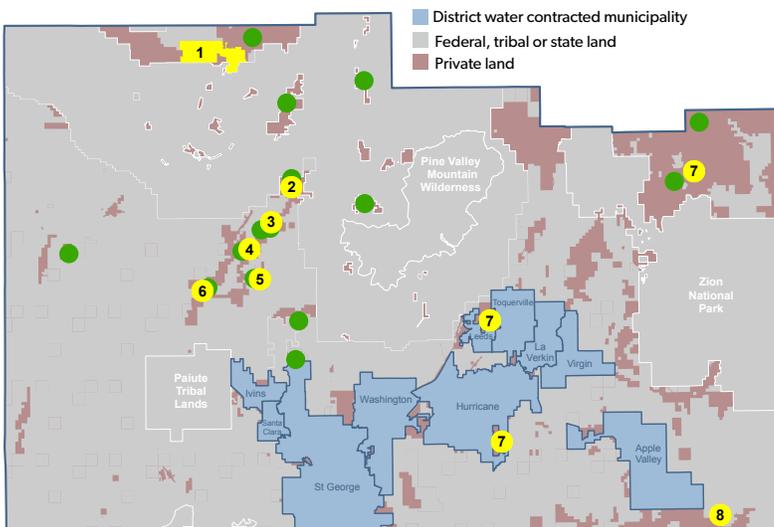
ANNUAL TAX PAYMENT TO THE DISTRICT FOR AN AVERAGE PRIMARY RESIDENT HOMEOWNER

2019 Tax Rate	0.000590	\$106.76
2020 Proposed Tax Rate	0.000632	\$114.33

District Service Areas and Land Ownership in Washington County, Utah

The district provides wholesale water to the cities that house 92 percent of Washington County’s population. Municipalities not currently contracted to receive water from the district benefit from other district-funded services such as grants, water source protection and wastewater management.

A few examples of that service are noted on the following county map, which also demonstrates land ownership to identify areas that are developed/may be developed in the future.



- 1. Enterprise** district provided an approximately \$200,000 grant to improve the community’s water system
- 2. Central** district invested nearly \$800,000 to provide water source protection
- 3. Pine Valley Mountain Farms** district donated nearly \$100,000 to fund well development
- 4. Veyo** district provided nearly \$600,000 to improve the community’s water system
- 5. Dammeron Valley** district completed an approximately \$800,000 upgrade to the community’s wastewater system; the system is managed by the district
- 6. Gunlock** district provided materials and resources to improve the community’s water system
- 7. Kolob, Sky Ranch, Cliffdwellers and Casa de Oro** district serves as the retail water provider and system operator in areas not serviced by a municipality
- 8. Hilldale** district provided engineering and technical assistance to improve the community’s water system

District reviews and approves all land owner septic systems and operates any existing community septic systems to protect groundwater and allow for development in Beaver Dam, Brookside, Central, Dammeron Valley, Diamond Valley, Enterprise, Gunlock, Kanarra Mountain, Kolob, Mountain Meadow, Pine Valley, Pine Valley Mountain Farms, Pinto, Veyo, Winchester Hills and all unincorporated areas west of Interstate 15.

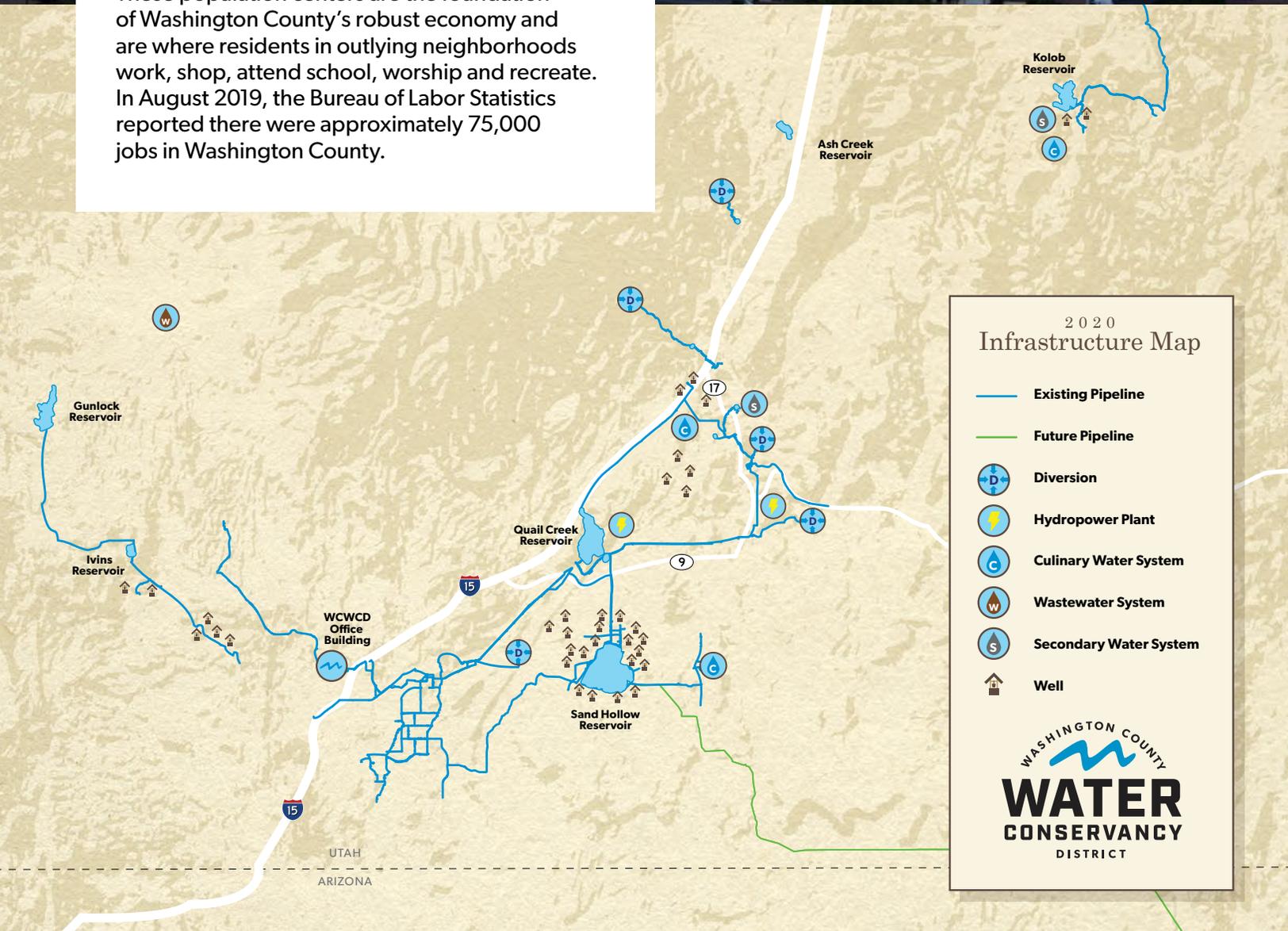


District Infrastructure and Population Centers in Washington County, Utah

The district's existing and future planned infrastructure serves all the major population centers throughout the county, as shown in the map below.

These population centers are the foundation of Washington County's robust economy and are where residents in outlying neighborhoods work, shop, attend school, worship and recreate. In August 2019, the Bureau of Labor Statistics reported there were approximately 75,000 jobs in Washington County.

If property taxes were reduced or eliminated as a district funding source, water rates would increase disproportionately on residential water users.



2020
Infrastructure Map

- Existing Pipeline
- Future Pipeline
- Diversion
- Hydropower Plant
- Culinary Water System
- Wastewater System
- Secondary Water System
- Well

WASHINGTON COUNTY
WATER CONSERVANCY
DISTRICT