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 and impact fees.

Many cities use similar funding models, including the assessment of taxes to fund water development. The following map identifies some of the major population centers that use taxes to fund water costs.

Population Centers that Fund Water Development with Taxes
Water and Property Taxes

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.

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 .001 per dollar of taxable value of taxable property in the district.”

In 2015, the district’s tax collection rate was .000722. During that same year (latest data available), the US Census Bureau reported the median home value in Washington County, UT was $212,600.1 Using the tax rate and median home value, the average Washington County property owner would have paid $84.42 in property tax collections to the district in 2015.

<table>
<thead>
<tr>
<th>District Tax Rate</th>
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<tbody>
<tr>
<td>Maximum Limit</td>
<td>.001</td>
</tr>
<tr>
<td>2015 Rate</td>
<td>.000722</td>
</tr>
<tr>
<td>Average Property Owner Tax Payment to District in 2015</td>
<td>$84.42</td>
</tr>
</tbody>
</table>


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

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. The large majority of land in Washington County is undeveloped property owned by the federal or state governments.

District Service Areas
and Land Ownership in Washington County, Utah

The district provides water to 92 percent of Washington County’s population.

Most land in Washington County is undeveloped property owned by the federal or state government.

1. Enterprise – received an approximately $200,000 grant from the district 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 – received a nearly $600,000 grant from the district 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

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.
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 December 2016, the Bureau of Labor Statistics reported there were approximately 67,000 jobs in Washington County—52,000, or 78 percent, of those jobs were in St. George.\(^2\)

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