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As one of the 96 Utah legislators who crafted and voted to approve the 2006 Lake Powell Pipeline Development Act ("Act"), I am familiar with the intent and purpose of the legislation. The Act, which passed 96-1, notes that the state of Utah will finance the Lake Powell Pipeline and the water users in Washington and Kane counties will repay the state their proportionate costs, with interest.

The bill had tremendous support because we understood then, just as we do now, that water is the most precious resource in our state. The state of Utah has a good track record of building and financing water projects, During the past 70 years, the state has financed more than 1,000 water projects and all of the loans have been repaid.

Based on preliminary design and engineering, the Lake Powell Pipeline is roughly estimated to cost between $1.1 to $1.8 billion. An updated cost estimate will be prepared when the environmental studies are complete and the route and design are determined.

Opponents to the Lake Powell Pipeline (LPP) communicate extraordinary cost-per-resident for the project to attempt to scare people into thinking we can't afford this project. In reality, we can't afford not to build it.

The Act and policies passed by the Washington County Water Conservancy District clearly spell out funding sources for the project. The amount of money that can be raised through the various sources is more than adequate to pay for the project and does not place the burden of repayment on individual water users. Here are the facts:

1. The financing terms of the Lake Powell Pipeline Development Act allow current and future generations to equitably share project costs.

   The Act allows the districts to repay the state within 50 years of the water delivery. Water can be purchased in blocks so the full cost of the project is added incrementally, as water is used.

   This funding model, which was used by the Bureau of Reclamation for the Flaming Gorge and Glen Canyon, allows for multiple generations of water users to repay project costs rather than burdening the current generation with the full expense. In other words, both current and future water users will repay the costs of the LPP.

2. There are several very viable sources of revenue to pay the LPP and they would more than adequately fund the project. Growth will pay for the majority of the project.

   The Washington County Water Conservancy District (WCWCD) Board has established that the repayment of capital projects, including the LPP, will be paid as follows: 75 percent from impact fees (new water connections); 15 percent from water rates and 10 percent from property taxes.

Impact fees will only be assessed to new development/new water connections – fees will not be imposed on existing facilities, such as homes or office buildings. Someone building a new property/adding a new water connection will pay more for the LPP than someone who doesn't build a new property/add a new water connection. Impact fees increase gradually annually. In 2017, the WCWCD board approved an Impact Fee Facilities Plan that set the annual increase to $1,000 through 2025.

Water rates are charged based on use. Someone who uses more water will pay more for the LPP than someone who uses less water. In 2016, the WCWCD board approved an annual increase to the district's wholesale water rate of $0.10 per 1,000 gallons. This gradual increase allows the district to cover the rising expense of operation, maintenance and replacement costs as well as fund debt service for bonds. By law, water rates can only amount to the costs to capture, treat and deliver water.

Property taxes are based on property values. The district can collect up to 0.001 percent of the tax assessed value of a property. Someone who lives in a home valued at one million dollars will pay more for the LPP than someone who lives in a home valued at $250,000.

The state's financing terms and district's policy distribute the costs of the project on both current and future residents. It's fair and in the best interest of the water customers.

It's important for our local citizens to understand the financing terms and repayment options for this critical water project. Misinformation about both are as dangerous as running out of water.