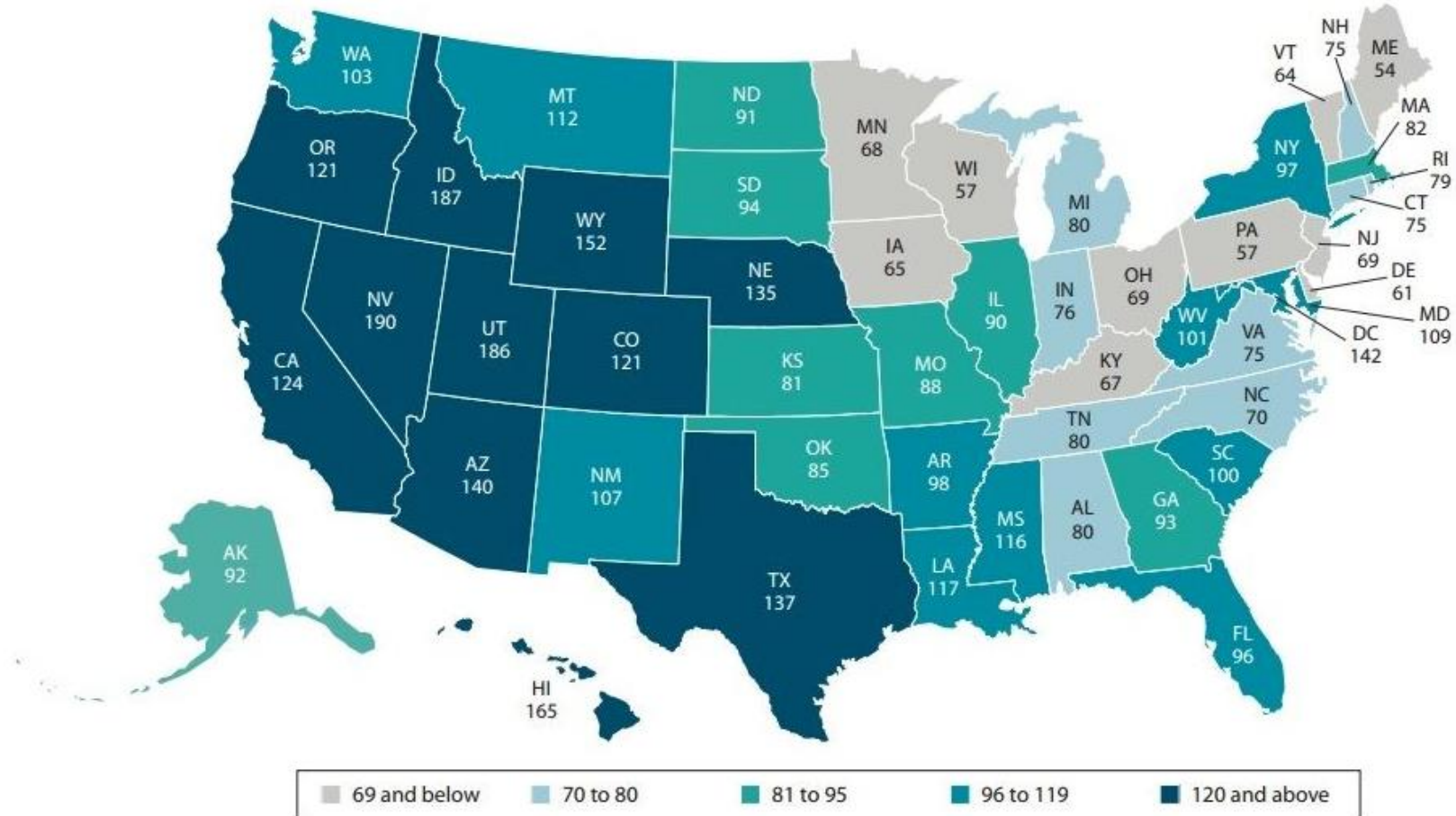


Water Funding in Utah

Utah Taxpayers Association
January 7, 2020

Domestic Water Use per Capita (in gallons per day) by State, 2005

Nevada, Idaho, and Utah lead the nation in rates of domestic water use per capita.

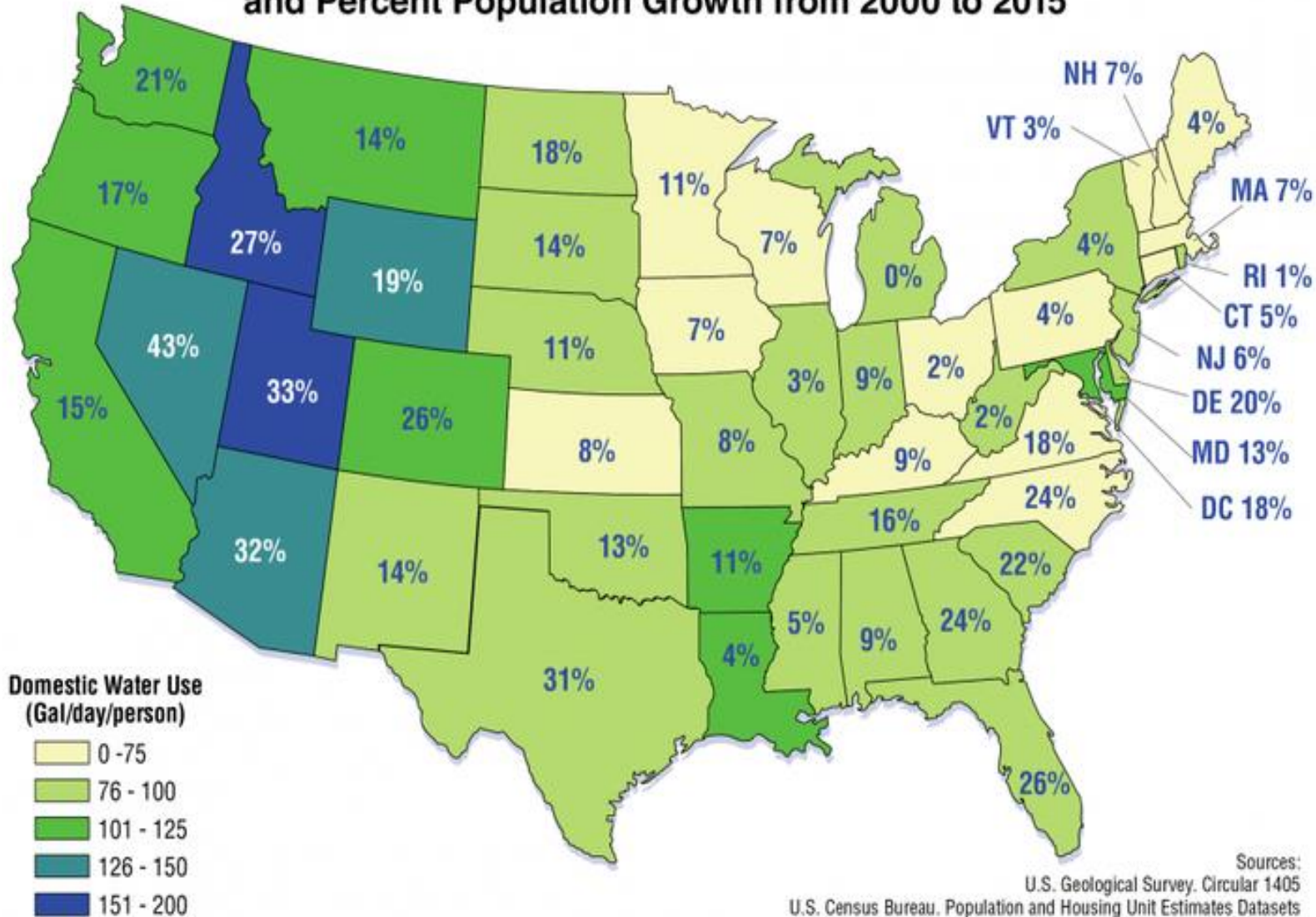


Source: Kenny et al. 2009.

Note: 2005 is the latest year for which data are available. The five categories were constructed to contain roughly the same number of states.

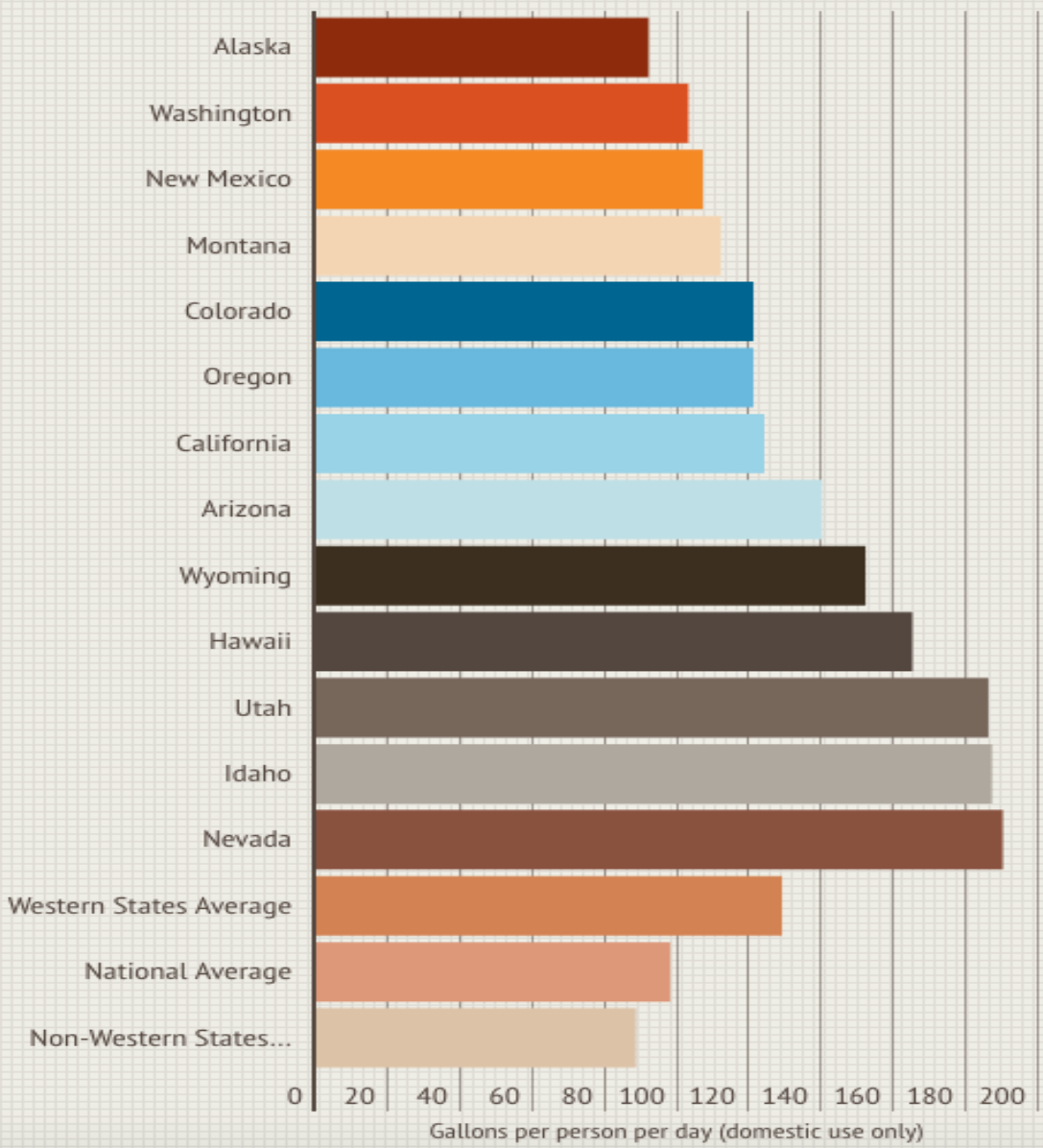
Domestic water includes self-supplied withdrawals as well as public-supply water deliveries.

Domestic Water Use in Gallons per Day per Person and Percent Population Growth from 2000 to 2015



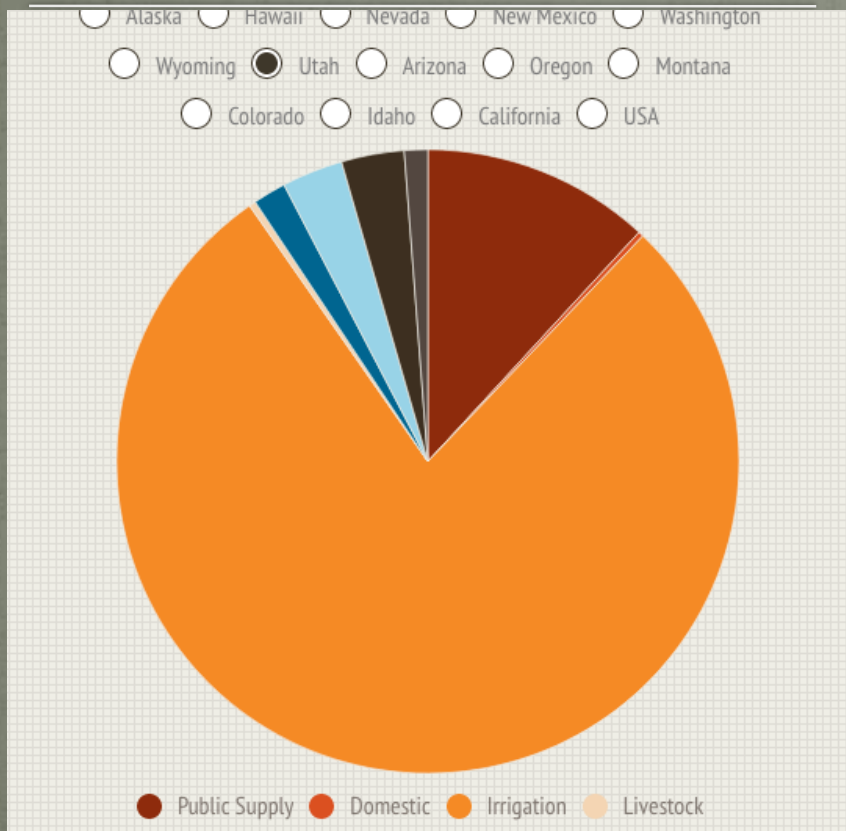
WATER IN THE WEST

Domestic Water Use Per Capita

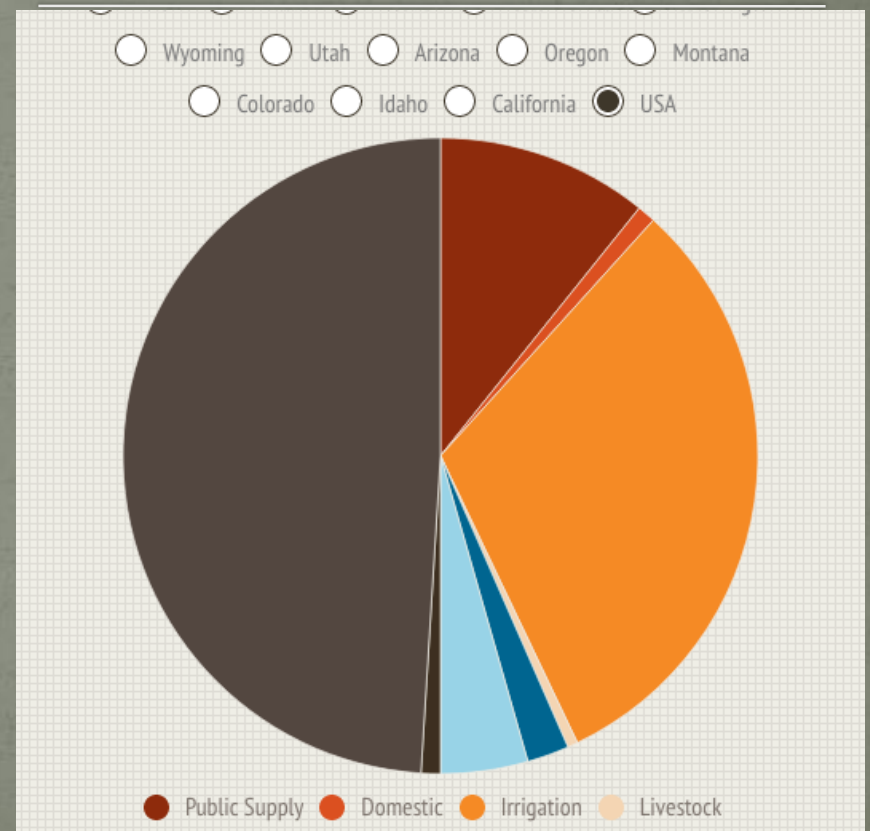


WATER IN THE WEST

Utah

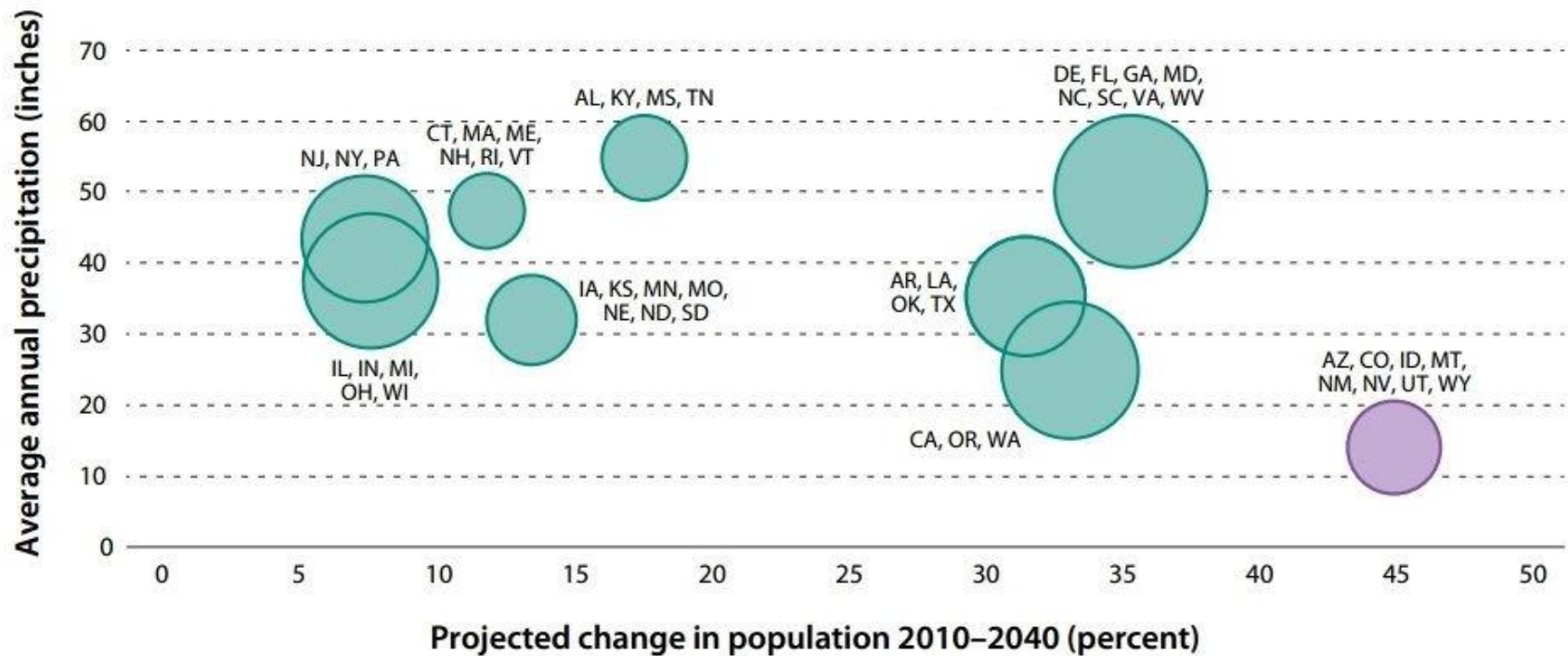


United States



Average Precipitation and Projected Percent Change in Population, by Census Division

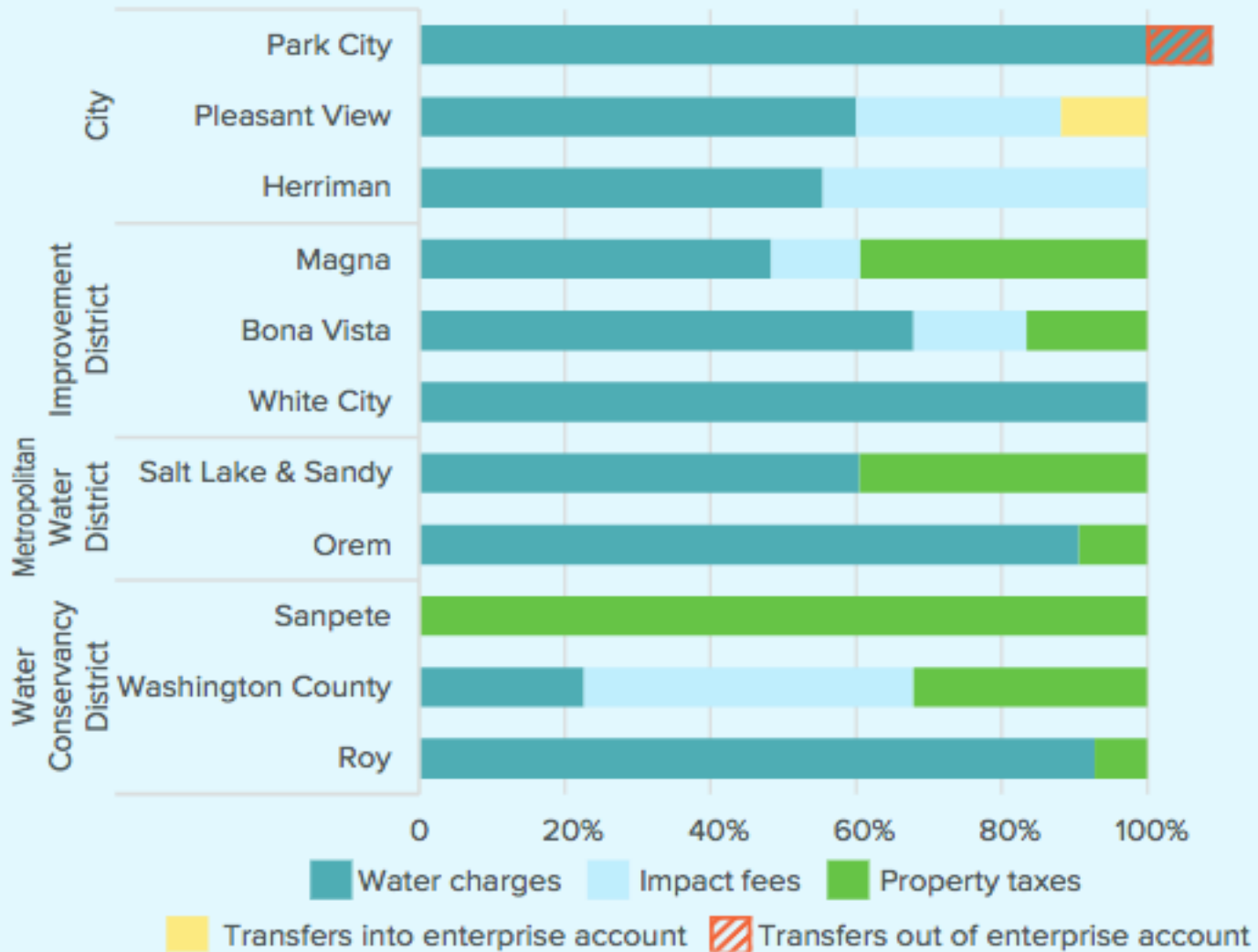
The fastest growing area of the country receives the least precipitation.



Sources: National Oceanic and Atmospheric Administration n.d.; U.S. Census Bureau 2012, n.d.; Weldon Cooper Center for Public Service 2012; authors' calculations.

Note: Circle sizes are proportional to the population in each division in 2010. Alaska and Hawaii are excluded from the analysis. The population growth for each division as well as the average annual precipitation for each division are weighted averages using the 2010 Census population of each division. For more details, see the technical appendix.

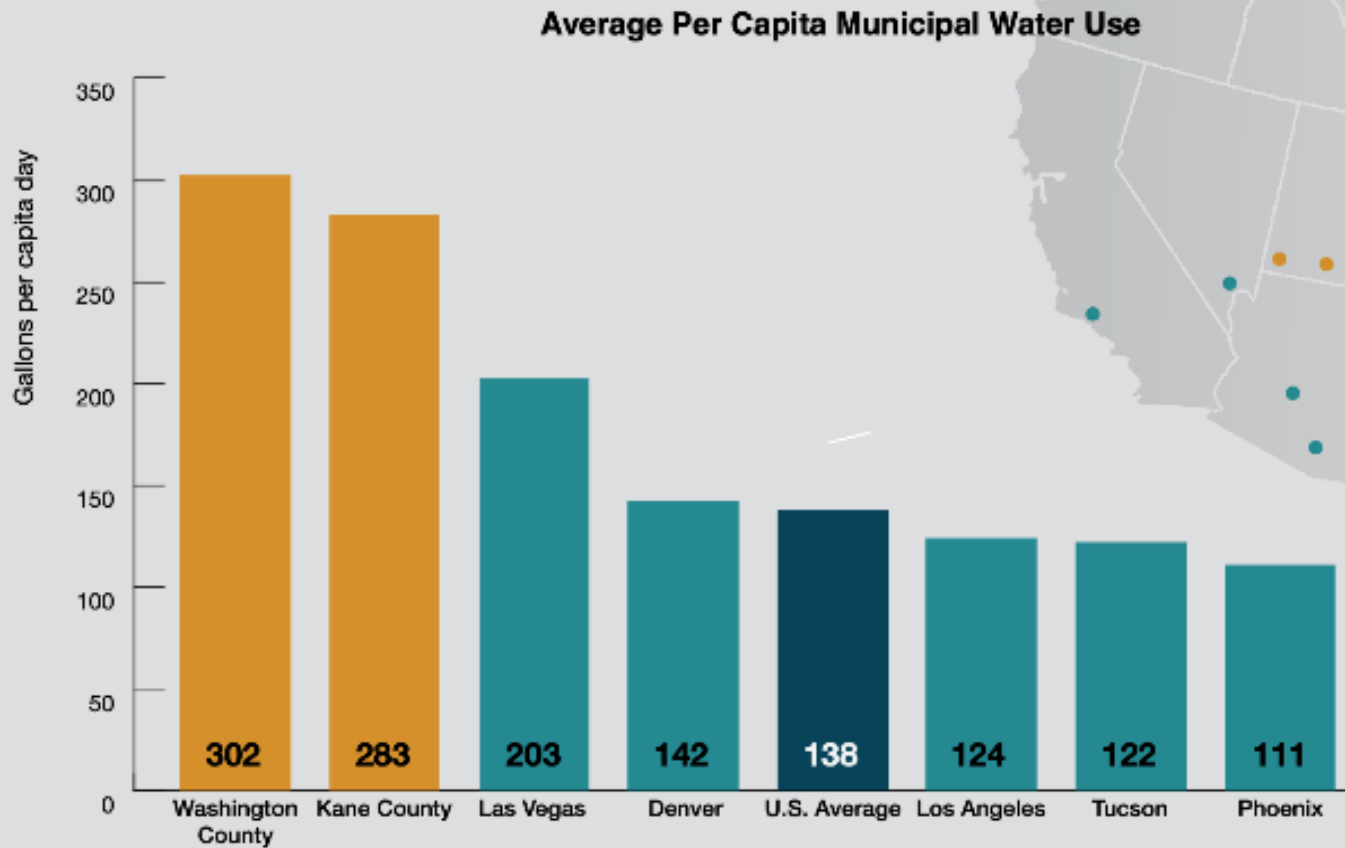
Figure 2: Share of Revenues from Water Charges, Impact Fees, and Property Taxes or Transfers, 2014-2017



Source: Utah Foundation calculations based on water district financial reports posted on the Utah State Auditor's website, 2014-2017.

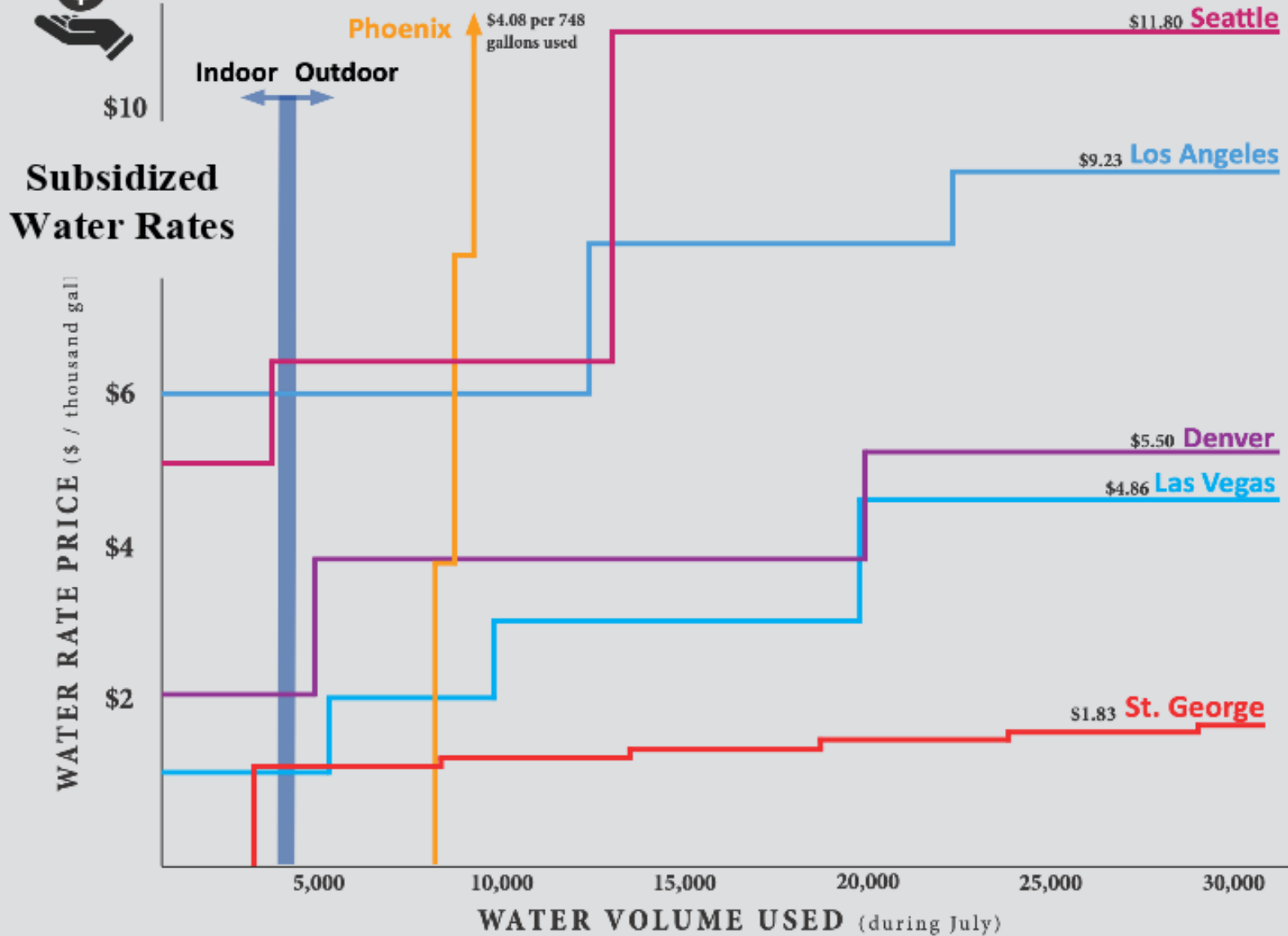


Increased Water Use





Water Prices in Western Cities



Utah Foundation: Paying for Water

- While water rate revenues are not as stable as property taxes, they are among the most stable relative to other possible revenue streams commonly used to support revenue bonds.
- Market distortions created by using property taxes for wholesale water may increase the overall cost of water.
- A full reliance on water rates tends to provide stronger cost transparency because consumers can turn to a single source of information for their use and cost: monthly water bills.

Drop by Drop: Water Costs and Conservation in Utah

- Conservation from an increase in water rates might be limited in the short term, but it would increase over the longer term.
- Comparing Utah's water providers shows that, on average, providers with 10% higher rates have 6.5% lower water use.
- Generally speaking, conservation is the cheapest way to meet demand for water, followed by agricultural conversion. Building new infrastructure is far more expensive.