



Notice of Public Hearings

The City of St. George, UT will hold public hearings to review and take public comment regarding certain transfers between Funds.

Hearing #1 – Non-reciprocal transfers for unbilled utility services from the Electric, Water, and Sewer Funds to other City Funds

Background: The City of St. George has funds that operate as business-type funds, providing water, energy, and sewer collection and treatment services to customers and charging fees based upon consumption (usage) at rates established by the St. George City Council. Most city-owned facilities are charged for these services, but some services are provided at no cost to the City. For example, the Water Fund provides water and irrigation water to some city parks, landscaping, city facilities, golf courses, and right-of-ways. Similarly, the Electric Fund provides power to city wells and pump stations used by the Water Fund to distribute water to customers. For the current fiscal year ending June 30, 2024, the total amount of unbilled services is \$1,132,508 for water and irrigation, \$62,628 for sewer collection and treatment, and \$1,159,753 for electricity.

The costs indicated in this notice are already included in the rates utility customers are currently paying, and we estimate that each customer is billed an average of \$2.10 per month for these costs. This notice is for informational purposes only and this practice of unbilled utility services does not result in a proposed increase in the water, electric, or sewer rates. However, the 2024-2025 budget does include proposed rate increases for residential and commercial customers due to increased costs from suppliers and other infrastructure needs. The proposed water increase incorporates a passthrough of a \$0.13 per 1,000 gallons increase in wholesale rates from the Washington County Water Conservancy District and the proposed electric rate increase for residential service is increasing from \$0.076554 to \$0.080382 on tier 1 and from \$0.093150 to \$0.107120 on tier 2. For commercial and other proposed rate increases, visit https://sgcityutah.gov/departments/utility_rates.php

Hearing #2 – Transfers from Enterprise (Business-type) Funds to the General Fund

Background: The City of St. George General Fund provides administrative and overhead services to the enterprise (business-type) funds. These services include utility billing, payment collection and customer service functions, as well as indirect costs for human resources, legal, technology, fleet maintenance and other administrative services. The City calculates the estimated costs to provide these services to the enterprise funds; and each enterprise fund transfers their proportionate share of the costs to the General Fund. For Fiscal Year 2024-2025, the transfers are budgeted as follows:

Fund	Transfers for Administrative and Overhead	Transfers for Costs Not Associated to the Fund	Percent of Fund's Expenditure Budget
Electric Fund	\$2,650,000	\$ 0	3.3%
Water Fund	\$2,250,000	\$ 0	3.9%
Wastewater Collection	\$ 262,000	\$ 0	4.8%
Regional Wastewater Treatment	\$ 945,000	\$ 0	4.0%
Refuse Collection	\$ 450,000	\$ 0	5.0%
Drainage Fund	\$ 80,000	\$ 0	8.9%
Total to the General Fund	\$6,637,000	\$ 0	

If these functions were not provided by the General Fund, the enterprise funds would need to hire additional employees and pay the direct personnel, materials and supplies, and equipment costs and/or hire consultants and pay their fees. City Management believes the amount transferred to the General Fund is substantially less than the value of the services received or the amount which would be billed by a third party.