

Roy Water Conservancy District

5440 Freeway Park Drive
Riverdale, UT 84405

AGENDA

Monthly Board of Trustees' Meeting
June 8, 2022
5:00 P.M.

- 5:00 p.m.
- I. **CALL TO ORDER** Chair Ohlin

 - II. **PLEDGE OF ALLEGIANCE** Gary Adams

 - III. **APPROVAL OF MINUTES**
 - A. Approval of May 2022 Board Meeting Minutes MOTION
 - B. Approval of Public Hearing Minutes for Increasing Contract Water Assessments MOTION
 - C. Approval of Public Hearing Minutes for the Allotment of Water MOTION
 - D. Approval of Public Hearing Minutes for Levying Contract Assessments MOTION

 - IV. **BUSINESS**
 - A. Consideration of 2021 Audit Report by Child Richards CPAs and Advisors MOTION
 - B. Consideration of Final Payment for 2600 and 2625 West 5800 South Main Line Replacement Project MOTION
 - C. Consideration of Final Payment for 1950 West 5100 South Main Line Replacement Project MOTION
 - D. Consideration and Award of Meter Retrofit Project Materials for Board of Water Resources Grant MOTION
 - E. Consideration of Cedar Crest Brothers Agreement MOTION
 - F. Consideration of 2022 Certified Tax Rate MOTION
 - G. Consideration of Juneteenth Holiday MOTION
 - H. Consideration of The Echelon Development Agreement MOTION
 - I. Public Comments

 - V. **REPORTS FROM MANAGER AND TRUSTEES**
 - A. Summer BBQ
 - B. Manager & Trustees Reports
 - C. Review of Monthly Bank Statements and Cancelled Checks Gary Newman

 - VI. **APPROVAL OF FINANCIAL REPORTS**
 - A. Monthly Financial Report MOTION

 - VII. **APPROVAL OF CHECKS**
 - A. Current Checks MOTION

 - VIII. **ADJOURNMENT** MOTION

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 3, 2022

SUBJECT: **IV.A. Consideration of 2021 Audit Report by Child Richards CPAs and Advisors**

Child Richards CPAs and Advisors will present the 2021 audit report, financial statements, and any findings to the board of trustees for consideration.

A suggested motion would be, “I move that we accept the 2021 audit report by Child Richards CPAs and Advisors.”



June 3, 2022

To the Board of Directors and Management of
Roy Water Conservancy District
5540 South Freeway Park Drive
Riverdale, UT 84405

We have audited the financial statements of the business-type activities of Roy Water Conservancy District for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 25, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Auditee Name are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ending December 31, 2021. We noted no transactions entered into by Auditee Name during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the City's financial statements was:

Management's estimate of the useful life of capital assets is based on historical averages of replacements.

Estimates are also used in determining the value of capital contributions from developers based on information provided by the developers.

We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has

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corrected all identified misstatements. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule summarizes both material and immaterial misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 3, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Auditee Name's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Roy Water Conservancy District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the schedule of contracts, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and Management of and management of Roy Water Conservancy District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Child Richards CPAs & Advisors

ROY WATER DISTRICT
 JOURNAL ENTRY FORM
 DECEMBER 31, 2021

JE#	DESCRIPTION	ACCOUNT	DEBIT	CREDIT	VENDOR
1	PROPERTY TAX DIRECT CHARGE	3035	1,926.12		Weber County Corporation
	PROPERTY TAX RECEIVABLE	1130		1,926.12	Weber County Corporation
	- Remove interest accrued in prior years				
2	CELL TOWERS LEASES	3016		474.00	
	DEFERRED LIABILITY	2025	474.00		
	- to record deferred liability for cell tower leases for 2021				
3	CAPITAL FACILITIES ACCOUNT				
	Meter fund	3036	6,439.63		
	TRANSFERS TO/FROM			6,439.63	
	BOND ACCOUNT				
	TRANSFERS TO/FROM- Bond		41,997.25		
	RETAINED EARNINGS			41,997.25	
	Now RE Rolls				
	8279 New Account- 4800 S Along Tracks to 4000S		127,280.10		
	8280 New Account- Eng & Cont 0001-1 to 0015-1		11,890.82		
	TRANSFERS TO/FROM			139,170.92	
	Make other side of Accountant JE that was made in Capital Facility Fund				
	8279 New Account- 4800 S Along Tracks to 4000S			127,280.10	
	8280 New Account- Eng & Cont 0001-1 to 0015-1			11,890.82	
			139,170.92		
4	RETAINED EARNINGS	3900	235.71		
	MISCELLANEOUS INCOME	3150		235.71	
	-Adjust Retained Earnings to roll forward				
5	Construction in Progress		81,360.00		
	WaterSmart grant R21AP 10016-20			81,360.00	
	-Capitalize Grant Revenues				
6	CLIENT DO NOT MAKE				
	CF Plan #1 Mainline Valves 21			39,410.97	
	CP Plan #2 Connect Unconnecte21			25,934.09	
	Completed Construction		65,345.06		
	- JE Adams & Peterson's Proposed but didn't get made on FS				
			476,119.61	476,119.61	
			476,119.61	(476,119.61)	
			-	-	

**ROY WATER CONSERVANCY DISTRICT
BASIC FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED DECEMBER 31, 2021**

**ROY WATER CONSERVANCY DISTRICT
YEAR ENDED DECEMBER 31, 2021
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management of
Roy Water Conservancy District
5540 South Freeway Park Drive
Riverdale, UT 84405

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Roy Water Conservancy District, as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise Roy Water Conservancy District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Roy Water Conservancy District, as of December 31, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Roy Water Conservancy District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Roy Water Conservancy District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Roy Water Conservancy District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Roy Water Conservancy District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the proportionate share of the net pension liability, the schedule of contributions, and the notes to the required supplementary information on pages 3-7 and 29-32 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2022 on our consideration of the Roy Water Conservancy District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Roy Water Conservancy District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Roy Water Conservancy District's internal control over financial reporting and compliance.

Child Richards CPAs & Advisors

Ogden, Utah
June 3, 2022

**ROY WATER CONSERVANCY DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
Fiscal Year Ending December 31, 2021**

This section of the Roy Water Conservancy District (the “District”) annual financial report presents our discussion and analysis of the financial performance of the District during the calendar year 2021. This discussion has been prepared by District management along with the financial statements and related footnote disclosures and should be read in conjunction with, and is qualified in its entirety by the financial statements and footnotes.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board Statement No. 34 (“GASB 34”), *Basic Financial Statements and Management’s Discussion and Analysis*.

One of the most important questions asked is whether the District as a whole is better or worse off as a result of the year’s activities. The key to understanding this question is the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Fund Net Position, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statement of Net Position includes all assets and liabilities. The District’s net position (the difference between assets and liabilities) are one indicator of the District’s financial health. Over time, increases, or decreases in net position is one indicator of the improvement or erosion of the District’s financial health when considered with non-financial facts such as growth of the system and the condition of the facilities.

The Statement of Revenues, Expenses, and Changes in Fund Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating.

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing, and investing activities.

REPORTING ENTITY

The financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

**ROY WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending December 31, 2021**

BALANCE SHEET INFORMATION

A summarized comparison of the District's assets, liabilities and net position at December 31, 2021, and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and investments	\$ 6,021,477	\$ 5,766,797
Other assets	355,703	258,091
Capital assets	<u>13,924,911</u>	<u>13,375,463</u>
Total assets	<u>20,302,091</u>	<u>19,400,351</u>
Deferred outflows of resources	<u>145,524</u>	<u>128,363</u>
Total assets and deferred outflows of resources	<u>\$ 20,447,615</u>	<u>\$ 19,528,714</u>
Liabilities:		
Current liabilities	\$ 163,393	\$ 150,651
Noncurrent liabilities	<u>25,768</u>	<u>172,301</u>
Total liabilities	<u>189,161</u>	<u>322,952</u>
Deferred inflows of resources	<u>206,542</u>	<u>105,678</u>
Total liabilities and deferred inflows of resources	<u>395,703</u>	<u>428,630</u>
Net position:		
Net investment in capital assets	13,924,911	13,375,463
Restricted	129,597	261,590
Unrestricted	<u>5,997,404</u>	<u>5,463,031</u>
Total net position	<u>20,051,912</u>	<u>19,100,084</u>
Total liabilities, deferred inflows, and net position	<u>\$ 20,447,615</u>	<u>\$ 19,528,714</u>

CASH AND INVESTMENTS

The net cash provided by operating activities is \$1,068,267. Major uses of cash and investments include: District acquisition and construction of capital assets of \$1,287,405. Overall, the District's cash and investments increased by \$254,680. The total ending balance of cash and investments is \$6,021,477.

CAPITAL ASSETS

Net capital assets at the end of 2021 and 2020 were \$13,924,911 and \$13,375,463, respectively. The District's capital assets consist of land, land easements, buildings, equipment, and the water delivery system.

**ROY WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending December 31, 2021**

CAPITAL ASSETS (CONTINUED)

The significant differences between 2021 and 2020 were the acquisition of equipment and vehicles in the amount of \$467,161, and the water system in the amount of \$638,237. The District also disposed of assets with a net book value of \$374,026 and reported a total depreciation expense in the amount of \$542,431.

A summary of the changes in capital assets is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 46,249	\$ -	\$ -	\$ 46,249
Land easements	1,258	-	-	1,258
Construction in progress	234,446	232,422	-	466,868
Water stock	2,217,411	13,750	-	2,231,161
Total capital assets, not being depreciated	<u>2,499,364</u>	<u>246,172</u>	<u>-</u>	<u>2,745,536</u>
Capital assets, being depreciated				
Building	334,713	114,335	-	449,048
Equipment	1,349,542	467,161	(457,962)	1,358,741
Water delivery system	20,835,894	638,237	-	21,474,131
Total capital assets, being depreciated	<u>22,520,149</u>	<u>1,219,733</u>	<u>(457,962)</u>	<u>23,281,920</u>
Accumulated depreciation for:				
Building	(142,028)	(9,627)	-	(151,655)
Equipment	(996,075)	(109,156)	83,936	(1,021,295)
Water delivery system	(10,505,947)	(423,648)	-	(10,929,595)
Total accumulated depreciation	<u>(11,644,050)</u>	<u>(542,431)</u>	<u>83,936</u>	<u>(12,102,545)</u>
Total capital assets, being depreciated, net	<u>10,876,099</u>	<u>677,302</u>	<u>(374,026)</u>	<u>11,179,375</u>
Business-type activities capital assets, net	<u>\$ 13,375,463</u>	<u>\$ 1,144,005</u>	<u>\$ (374,026)</u>	<u>\$ 13,924,911</u>

NET POSITION

The District's total net position as of December 31, 2021 was \$20,051,912 and \$19,100,084 in 2020. Net investments in capital assets were \$13,924,911 and \$13,375,463 as of December 31, 2021 and 2020. In 2021 restricted net position totaled \$129,597, and unrestricted net position totaled \$5,997,404.

**ROY WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending December 31, 2021**

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The statement of revenues, expenses, and changes in net position presents the District's result of operations. A summarized comparison of the District's revenues, expenses, and changes in net position for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES:		
Property taxes:	\$ 150,225	\$ 146,001
Water assessments	2,451,320	2,256,286
Other operating income	<u>290,378</u>	<u>346,943</u>
Total operating income	<u>2,891,923</u>	<u>2,749,230</u>
OPERATING EXPENSES:		
Salaries and wages	610,462	600,429
Water assessments	453,238	457,655
Personnel costs	285,472	321,182
Repairs and maintenance	109,781	142,267
Depreciation and amortization	542,431	545,928
Supplies & other operating expenses	<u>217,003</u>	<u>231,904</u>
Total operating expenses	<u>2,218,387</u>	<u>2,299,365</u>
Operating income	<u>673,536</u>	<u>449,865</u>
NONOPERATING REVENUES (EXPENSES):		
Interest income	19,318	53,820
Interest expense	-	(4,150)
Grant revenues	79,000	71,000
Contributions to other governments	-	58,000
Gain on sale	<u>179,974</u>	<u>117,022</u>
Total nonoperating revenues (expenses)	<u>278,292</u>	<u>237,692</u>
Income (loss) before contributions	<u>951,828</u>	<u>687,557</u>
Contributions from developers	-	58,000
Change in net position	<u>951,828</u>	<u>745,557</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>19,100,084</u>	<u>18,354,527</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 20,051,912</u>	<u>\$ 19,100,084</u>

**ROY WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending December 31, 2021**

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Operating revenues of the District increased by \$142,693 or 5.2%, this increase is mostly due to an increase in water assessments in the amount of \$195,034, and an increase in West Haven service in the amount of \$3,366.

The District had operating income of \$673,536 for 2021; up from 2020's operating income of \$449,865. The main changes in revenues and expenses, in relation to operating income, are as follows:

1. A decrease to employee benefits and payroll taxes of \$39,211.
2. A decrease to repairs and maintenance of \$32,486.
3. A decrease to telephone and utilities \$54,913 due to the final payments on the solar panels

The total nonoperating revenues decreased due to the District not receiving any grant revenue this year.

FINANCIAL CONTACT

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the District's Manager at 5440 South Freeway Park Drive, Riverdale, Utah 84405.

ROY WATER CONSERVANCY DISTRICT
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u> Comparative Only
ASSETS:		
Current assets:		
Cash	\$ 1,111,443	\$ 907,771
Cash - savings	4,780,437	4,597,436
Accounts receivable	851	2,294
Prepaid expense	13,578	20,767
Inventory, at cost	107,391	54,308
Tax assessments receivable	233,883	180,722
Total current assets	<u>6,247,583</u>	<u>5,763,298</u>
Noncurrent assets:		
Restricted cash	129,597	261,590
Capital assets:		
Construction in progress	466,868	234,446
Land	46,249	46,249
Land easements	1,258	1,258
Water shares	2,231,161	2,217,411
Net depreciable capital assets	11,179,375	10,876,099
Total noncurrent assets	<u>14,054,508</u>	<u>13,637,053</u>
Total assets	<u>20,302,091</u>	<u>19,400,351</u>
Deferred outflow of resources - pensions	145,524	128,363
Total assets and deferred outflows of resources	<u>\$ 20,447,615</u>	<u>\$ 19,528,714</u>
LIABILITIES:		
Current liabilities:		
Accrued wages & payroll taxes	\$ 38,332	\$ 35,556
Accounts payable	40,364	35,319
Interest payable	-	-
Noncurrent liabilities due in one year	84,697	79,776
Total current liabilities	<u>163,393</u>	<u>150,651</u>
Noncurrent liabilities - due in more than one year:		
Water revenue bond	-	-
Net pension liability	25,768	172,301
Total noncurrent liabilities	<u>25,768</u>	<u>172,301</u>
Total liabilities	<u>189,161</u>	<u>322,952</u>
Deferred inflows of resources:		
Unavailable revenue - leases	15,015	15,489
Related to pensions	191,527	90,189
Total deferred inflows of resources	<u>206,542</u>	<u>105,678</u>
Total liabilities and deferred inflows	<u>395,703</u>	<u>428,630</u>
NET POSITION:		
Net investment in capital assets	13,924,911	13,375,463
Restricted:		
Impact fees	129,597	261,590
Unrestricted	5,997,404	5,463,031
Total net position	<u>20,051,912</u>	<u>19,100,084</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 20,447,615</u>	<u>\$ 19,528,714</u>

The notes to the financial statements are an integral part of this statement.

ROY WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u> <u>Comparative Only</u>
OPERATING REVENUES:		
Property taxes:		
Current	\$ 134,608	\$ 130,326
Delinquent	1,511	2,303
Motor vehicle	12,185	11,446
RDA tax	1,921	1,926
Water assessments	2,451,320	2,256,286
West Haven service	233,130	229,764
Lease income	55,494	52,714
Surplus water sales	1,157	64,105
Miscellaneous	597	360
	<u>2,891,923</u>	<u>2,749,230</u>
OPERATING EXPENSES:		
Salaries and wages	610,462	600,429
Water assessments	453,238	457,655
Professional fees	52,397	49,814
Board of directors	18,167	18,527
Conventions and workshops	12,951	9,090
Employee benefits and payroll taxes	254,354	293,565
Repairs and maintenance	109,781	142,267
Auto and truck	18,958	14,918
Supplies, printing and advertising	65,188	58,563
Depreciation	542,431	545,928
Insurance	25,547	31,450
Telephone and utilities	54,913	77,159
	<u>2,218,387</u>	<u>2,299,365</u>
Total operating expenses	<u>2,218,387</u>	<u>2,299,365</u>
Operating income (loss)	<u>673,536</u>	<u>449,865</u>
NONOPERATING REVENUES (EXPENSES):		
Interest earned	19,318	53,820
Interest expense	-	(4,150)
Grant revenues	79,000	71,000
Contributions to other governments	-	-
Gain (loss) on sale	179,974	117,022
	<u>278,292</u>	<u>237,692</u>
Total nonoperating revenues (expenses)	<u>278,292</u>	<u>237,692</u>
Income (loss) before contributions	951,828	687,557
Contributions from developers	-	58,000
Change in net position	<u>951,828</u>	<u>745,557</u>
TOTAL NET POSITION, BEGINNING OF YEAR	<u>19,100,084</u>	<u>18,354,527</u>
TOTAL NET POSITION, END OF YEAR	<u><u>\$ 20,051,912</u></u>	<u><u>\$ 19,100,084</u></u>

The notes to the financial statements are an integral part of this statement.

ROY WATER CONSERVANCY DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:	2021	2020 Comparative Only
Cash received from customers	\$ 2,839,731	\$ 2,749,507
Cash payments to suppliers	(833,822)	(836,982)
Cash payments to employees	(937,642)	(896,487)
Net cash provided by operating activities	<u>1,068,267</u>	<u>1,016,038</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(1,287,405)	(973,069)
Proceeds from sale of capital assets	375,500	484,446
Principal payments on revenue bonds payable	-	(359,000)
Interest payments on revenue bonds payable	-	(5,868)
Net cash used by capital and related financing activities	<u>(911,905)</u>	<u>(853,491)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from (purchase of) investments	-	-
Grant proceeds	79,000	71,000
Interest earnings	19,318	53,820
Net cash provided by investing activities	<u>98,318</u>	<u>124,820</u>
Net increase (decrease) in cash and cash equivalents	254,680	287,367
Cash and cash equivalents - beginning of year	<u>5,766,797</u>	<u>5,479,430</u>
Cash and cash equivalents - end of year	<u>\$ 6,021,477</u>	<u>\$ 5,766,797</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 673,536	\$ 449,865
Reconciling adjustments:		
Depreciation	542,431	545,928
(Increase) decrease in tax assessment receivable	(53,161)	(1,875)
(Increase) decrease in accounts receivable	1,443	1,196
(Increase) decrease in prepaid expense	7,189	821
(Increase) decrease in inventory	(53,083)	36,563
Increase (decrease) in payroll taxes payable	2,776	2,890
Increase (decrease) in accounts payable	5,045	(33,450)
Increase (decrease) in net pension liability	(62,356)	(3,622)
Increase (decrease) in unavailable revenue	(474)	956
Increase (decrease) in accrued annual leave	4,921	16,766
Total adjustments	<u>394,731</u>	<u>566,173</u>
Net cash provided by operating activities	<u>\$ 1,068,267</u>	<u>\$ 1,016,038</u>
Noncash capital and related financing activities:		
Capital contributions	\$ -	\$ 58,000

The notes to the financial statements are an integral part of this statement.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Roy Water Conservancy District began operations in 1974. The District provides secondary water to residents in the Roy, Utah area. In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB-61 (The Financial Reporting Entity) the financial reporting entity consists of the primary government. The District has no component units.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The District has adopted GASB statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the District has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB.

The District has the following fund type:

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Enterprise Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

Measurement Focus and Basis of Accounting

The accounts of Roy Water Conservancy District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Accrual:

The government's financial statements are presented on the full accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Cash & Cash Equivalents and Investments

Cash and cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Equity

Receivables and Payables

Property taxes are recognized when they are measurable and available. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on June 15 and are due on November 30.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Water System	50
Vehicles	5
Equipment	7

Accrued Annual Leave

The District accrues accumulated unpaid vacation when earned (or estimated to be earned) by the employee. All accrued annual leave is assumed to be a current liability.

Long-term Liabilities

The District reports long-term liabilities at face value on the balance sheet. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as expenses in the year incurred.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred contributions and differences between projected and actual earnings on its pension plan assets.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item reported under this category. The District participates in the Utah Retirement Systems and has deferred inflows of resources associated with differences between expected and actual experience and changes in assumptions.

Equity

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the District's policy to first apply restricted resources before applying unrestricted resources when an expense is incurred for purposes by which both restricted and unrestricted net position are available. The District only uses the restricted net position for their specified purposes of debt service and capital improvements.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the District. Operating revenues consist of charges for services including property taxes assessed for those services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities.

Budget Information

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act" by the Roy Water Conservancy District on or before December 31st for the following fiscal year, which begins on January 1. Budgets may be increased by resolution of the Board of Trustees at any time during the year.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. On or before the first regular scheduled meeting in November, the Manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to the formal adoption of the budget the Board of Trustees will hold budget workshop meetings, which are open to the public.
3. Prior to budget adoption the Board of Trustees sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing the budget, as amended, is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the Government Funds.
5. Budgets for the District are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Board of Trustees during the current fiscal year.
6. Unencumbered budget appropriations lapse at the end of the fiscal year.

2. DEPOSITS AND INVESTMENTS

Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Deposits are not collateralized nor are they required to be by State statute.

The District follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. This Act requires the depositing of District funds in a "qualified depository".

ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. As of December 31, 2021, \$990,978 of the District’s bank balances of \$1,240,978 was uninsured and uncollateralized.

Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The District follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of District funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the District and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers’ Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At December 31, 2020, the District had the following recurring fair value measurements.

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 4,780,437	\$ -	\$ 4,780,437	\$ -
Total debt securities	\$ 4,780,437	\$ -	\$ 4,780,437	\$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the December 31, 2021 fair value factor, as calculated by the Utah State Treasurer, to the District's average daily balance in the Fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

As of December 31, 2021, the District's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	4,780,437	4,780,437	-	-	-
	4,780,437	4,780,437	-	-	-

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

At December 31, 2021 the District's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	4,780,437	-	-	-	4,780,437
	4,780,437	-	-	-	4,780,437

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk.

ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

The District's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

Cash on hand and on deposit:	
Cash on deposit	\$ 1,240,890
Petty cash	150
Investments	<u>4,780,437</u>
Total cash and investments	<u><u>\$ 6,021,477</u></u>

Cash and investments are included in the accompanying combined statement of net position as follows:

Cash	\$ 1,111,443
Cash - savings	4,780,437
Restricted cash	<u>129,597</u>
Total cash and investments	<u><u>\$ 6,021,477</u></u>

3. WATER SHARES

There were 1,512.5 shares of water rights in the Davis and Weber Counties Canal Company and 21 shares of Wilson Irrigation Company acquired at a cost of \$2,231,161 as of December 31, 2021.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 46,249	\$ -	\$ -	\$ 46,249
Land easements	1,258	-	-	1,258
Construction in progress	234,446	232,422	-	466,868
Water stock	<u>2,217,411</u>	<u>13,750</u>	<u>-</u>	<u>2,231,161</u>
Total capital assets, not being depreciated	<u>2,499,364</u>	<u>246,172</u>	<u>-</u>	<u>2,745,536</u>
Capital assets, being depreciated				
Building	334,713	114,335	-	449,048
Equipment & Vehicles	1,349,542	467,161	(457,962)	1,358,741
Water delivery system	<u>20,835,894</u>	<u>638,237</u>	<u>-</u>	<u>21,474,131</u>
Total capital assets, being depreciated	<u>22,520,149</u>	<u>1,219,733</u>	<u>(457,962)</u>	<u>23,281,920</u>
Accumulated Depreciation for:				
Building	(142,028)	(9,627)	-	(151,655)
Equipment & Vehicles	(996,075)	(109,156)	83,936	(1,021,295)
Water delivery system	<u>(10,505,947)</u>	<u>(423,648)</u>	<u>-</u>	<u>(10,929,595)</u>
Total accumulated depreciation	<u>(11,644,050)</u>	<u>(542,431)</u>	<u>83,936</u>	<u>(12,102,545)</u>
Total capital assets, being depreciated, net	<u>10,876,099</u>	<u>677,302</u>	<u>(374,026)</u>	<u>11,179,375</u>
Business-type activities capital assets, net	<u>\$ 13,375,463</u>	<u>\$ 1,144,005</u>	<u>\$ (374,026)</u>	<u>\$ 13,924,911</u>

5. RISK MANAGEMENT - CLAIMS AND JUDGEMENTS

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The District maintains commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or in prior years.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

6. LONG-TERM LIABILITIES

Activity with long-term liabilities including accrued annual leave for the year ended December 31, 2021 was as follows:

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
Accrued Annual Leave	\$ 79,776	\$ 4,921	\$ -	\$ 84,697	\$ 84,697
Net Pension Liability	172,301	-	(146,533)	25,768	-
	<u>\$ 252,077</u>	<u>\$ 4,921</u>	<u>\$ (146,533)</u>	<u>\$ 110,465</u>	<u>\$ 84,697</u>

7. RESTRICTED NET POSITION

Impact fees

The impact fees are restricted solely for capital improvements.

8. RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. RETIREMENT SYSTEM (CONTINUED)

Benefits Provided:

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions:

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2021 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
111 Local Government Division - Tier 2	N/A	16.07	0.62
Noncontributory System			
15 Local Government Division - Tier 1	N/A	18.47	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69	10.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. RETIREMENT SYSTEM (CONTINUED)

For fiscal year ended December 31, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 86,007	N/A
Tier 2 DC Only Systems	9,655	N/A
Total Contributions	\$ 95,662	\$ -

Contributions reported are the URS Board approved required contributions by the System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, we reported a net pension asset of \$0 and a net pension liability of \$25,768.

	(Measurement Date): December 31, 2020				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	Change (Decrease)
Noncontributory System	\$ -	\$ 25,768	0.0502347%	0.0457168%	0.0045179%
Total Net Pension Asset/Liability	\$ -	\$ 25,768			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2021, we recognized pension expense of \$33,191.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. RETIREMENT SYSTEM (CONTINUED)

At December 31, 2021, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,569	\$ -
Changes in assumptions	-	3,371
Net difference between projected and actual earnings on pension plan investments	-	188,156
Changes in proportion and differences between contributions and proportionate share of contributions	15,293	-
Contributions subsequent to the measurement date	95,662	-
Total	\$ 145,524	\$ 191,527

\$95,662 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (34,762)
2022	(11,855)
2023	(63,854)
2024	(31,195)
2025	-
Thereafter	\$ -

Noncontributory System Pension Expense, and Deferred Outflows and Inflow of Resources

For the year ended December 31, 2021, we recognized pension expense of \$33,191.

At December 31, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pension from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,569	\$ -
Changes in assumptions	-	3,371
Net difference between projected and actual earnings on pension plan investments	-	188,156
Changes in proportion and differences between contributions and proportionate share of contributions	15,293	-
Contributions subsequent to the measurement date	86,007	-
Total	\$ 135,868	\$ 191,527

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. RETIREMENT SYSTEM (CONTINUED)

\$86,007 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 21, 2020.

These contributions were recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (34,762)
2022	(11,855)
2023	(63,854)
2024	(31,195)
2025	-
Thereafter	\$ -

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2021, we recognized pension expense of \$0.

At December 31, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions for the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	9,655	-
Total	\$ 9,655	\$ -

\$9,655 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. RETIREMENT SYSTEM (CONTINUED)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	-

Actuarial assumptions:

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 – 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study date January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. RETIREMENT SYSTEM (CONTINUED)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	37%	6.30%	2.33%
Debt Securities	20%	0.00%	0.00%
Real Assets	15%	6.19%	0.93%
Private Equity	12%	9.50%	1.14%
Absolute Return	16%	2.75%	0.44%
Cash and Cash Equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

Discount Rate:

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 446,732	\$ 25,768	\$ (325,170)
Total	\$ 446,732	\$ 25,768	\$ (325,170)

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

8. RETIREMENT SYSTEM (CONTINUED)

Defined Contributions Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Roy Water Conservancy District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31, were as follows:

<u>401(k) Plan</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Employer Contributions	\$ 29,520	\$ 28,814	\$ 26,549
Employee Contributions	22,996	10,909	21,251
 <u>457 Plan</u>			
Employer Contributions	-	-	-
Employee Contributions	6,317	3,647	3,532

9. LEASE CONTRACTS AS LESSORS

The District has entered into various lease contracts to cellular companies for the lease of easements, and cellular sites. The land and easements that have been leased are minimal in amount to the financial statements and capital asset balances.

The future minimum rentals on non-cancellable leases in the aggregate and for each of the next five years are as follows:

<u>For the Year Ended December 31,</u>	
2022	50,194
2023	53,316
2024	54,493
2025	55,718
	<u>\$ 213,721</u>

**ROY WATER CONSERVANCY DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

10. CONCENTRATION OF SUPPLY

The District receives the majority of its secondary water from the Davis & Weber Counties Canal Company. The District still must pay water assessments to the Canal Company. In 2021, the District paid \$383,625 to the Canal Company. This cost represents 16% of the District's operating expenses.

11. UPCOMING ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) issued statement 87, which amends existing accounting standards for lease accounting, including required lessees to recognize most leases on the statement of net position and making certain changes to lessor accounting. The new standard is effective for years beginning after June 15, 2021. The District is currently evaluation the impact the new standard may have on its financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ROY WATER CONSERVANCY DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2021
with a measurement date of December 31, 2020
Last 10 fiscal years*

		<u>Noncontributory System</u>
Proportion of the net pension liability (asset)	2021	0.0502347%
	2020	0.0457168%
	2019	0.0456437%
	2018	0.0452349%
	2017	0.0437049%
	2016	0.0452882%
	2015	0.0431551%
Proportion share of the net pension liability (asset)	2021	\$ 25,768
	2020	\$ 172,301
	2019	\$ 336,108
	2018	\$ 198,188
	2017	\$ 280,639
	2016	\$ 256,263
	2015	\$ 187,390
Covered employee payroll	2021	\$ 448,260
	2020	\$ 398,578
	2019	\$ 389,602
	2018	\$ 377,953
	2017	\$ 363,351
	2016	\$ 363,501
	2015	\$ 339,970
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2021	5.75%
	2020	43.23%
	2019	86.27%
	2018	52.44%
	2017	77.24%
	2016	70.50%
	2015	55.12%

See accompanying notes to required supplementary information

ROY WATER CONSERVANCY DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2021
with a measurement date of December 31, 2020
 Last 10 fiscal years*

Plan fiduciary net position as a percentage of the total pension liability	2021	99.2%
	2020	93.7%
	2019	87.0%
	2018	91.9%
	2017	87.3%
	2016	87.8%
	2015	90.2%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the last five years.

See accompanying notes to required supplementary information

**ROY WATER CONSERVANCY DISTRICT
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2021
with a measurement date of December 31, 2020
Last 10 fiscal years***

	As of Fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employe payroll
Noncontributory System	2014	\$ 60,332	\$ 60,332	\$ -	\$ 339,970	17.75%
	2015	66,411	66,411	-	363,501	18.27%
	2016	66,411	66,411	-	363,351	18.28%
	2017	69,108	69,108	-	377,953	18.28%
	2018	71,259	71,259	-	389,602	18.29%
	2019	73,321	73,321	-	398,578	18.40%
	2020	82,794	82,794	-	448,260	18.47%
	2021	86,007	86,007	-	465,656	18.47%
Tier 2 Public Employees DC Only System*	2014	\$ 7,620	\$ 7,620	\$ -	\$ 122,911	6.20%
	2015	8,210	8,210	-	122,489	6.70%
	2016	8,298	8,298	-	124,038	6.69%
	2017	8,540	8,540	-	127,661	6.69%
	2018	8,737	8,737	-	130,598	6.69%
	2019	9,156	9,156	-	136,866	6.69%
	2020	9,561	9,561	-	142,909	6.69%
	2021	9,655	9,655	-	144,328	6.69%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 System.
Tier 2 systems were created effective July 1, 2011

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rated due to rounding and other administrative issues.

See accompanying notes to required supplementary information

ROY WATER CONSERVANCY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2021

Changes in Assumptions:

There was a number of demographic assumptions (e.g. rate of termination, disability, retirement, as well as an updated mortality and salary increases assumption) update for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

**AUDITORS' REPORTS AND
SCHEDULE OF FINDINGS**



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE***

To the Board of Directors of
Roy Water Conservancy District

Report On Compliance

We have audited Roy Water Conservancy District’s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could for the year ended December 31, 2021.

State compliance requirements were tested for the year ended December 31, 2021 in the following areas:

- Budgetary Compliance
- Open & Public Meeting Act
- Fraud Risk Assessment

Management’s Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor’s Responsibility

Our responsibility is to express an opinion on Roy Water Conservancy District’s compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about Roy Water Conservancy District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Roy Water Conservancy District’s compliance with those requirements.

In our opinion, Roy Water Conservancy District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2021.

Report On Internal Control Over Compliance

Management of Roy Water Conservancy District is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Roy Water Conservancy District's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Roy Water Conservancy District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Child, Richards CPAs & Advisors

Ogden, Utah
June 3, 2022



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors and Management of
Roy Water Conservancy District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Roy Water Conservancy District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Roy Water Conservancy District’s basic financial statements, and have issued our report thereon dated June 3, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Roy Water Conservancy District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Roy Water Conservancy District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Roy Water Conservancy District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Roy Water Conservancy District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted other matters that were reported to management of the District in a separate letter dated June 3, 2022.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Child Richards CPAs & Advisors

Ogden, Utah
June 3, 2022

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 3, 2022

SUBJECT: **IV.B. Consideration of Final Payment for 2600 and 2625 West 5800 South Main Line Replacement Project**

The District has received a request for a final payment from E.H. Knudson Construction for the 2600 and 2625 West 5800 South Main Line Replacement Project. The final payment is in the amount of \$212,371.61. The items being requested for payment have been verified as installed.

A suggested motion for approval would be, “I move that we approve a Final Payment for the 2600 and 2625 West 5800 South Main Line Replacement Project in the amount of \$212,371.61 to E.H. Knudson Construction.”

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 3, 2022

SUBJECT: **IV.C. Consideration of Final Payment for 1950 West 5100 South Main Line Replacement Project**

The District has received a request for a final payment from E.H. Knudson Construction for the 1950 West 5100 South Main Line Replacement Project. The final payment is in the amount of \$64,787.70. The items being requested for payment have been verified as installed.

A suggested motion for approval would be, “I move that we approve a Final Payment for the 1950 West 5100 South Main Line Replacement Project in the amount of \$64,787.70 to E.H. Knudson Construction.”

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 3, 2022

SUBJECT: **IV.D. Consideration and Award of Meter Retrofit Materials for Board of Water Resources Grant**

This project is line item 8282 of the 2022 approved amended budget. The quotes are fittings for 5,000 meters. The District received bids from three material suppliers for this project as follows.

<u>Supplier</u>	<u>Bid Amount</u>
Ferguson	\$2,296,984.02
Core and Main	\$2,385,276.91
Mountainland Supply	\$3,016,750.61

The low bidder is Ferguson for \$2,296,984.02. It is anticipated that a portion (maybe half) of the material will be delivered in 2022 and the remaining portion in 2023. Payment will only be expected when the material arrives. Additionally, invoices will be submitted to the Board of Water Resources for a 70% reimbursement which will result in \$689,095.21 to be paid by the District in the form of a 1% Board of Water Resources loan for \$585,730.93 and \$103,364.28 that will immediately be out of pocket to the District.

A suggested motion would be, "I move that we award the Meter Retrofit Materials for Board of Water Resources Grant to Ferguson in the amount of \$2,296,984.02."

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 3, 2022

SUBJECT: **IV.E. Consideration of Cedar Crest Brothers Agreement**

Recently it was discovered that the meter for Cedar Crest Farm has been read incorrectly. It was thought that the meter register did not have a multiplier and was just the number that showed on the register. It was discovered that the register has a multiplier of 10 meaning the number on the register has to be multiplied by 10 in order to read it correctly. The meter was measuring in cubic feet and the incorrect read of the register was discovered when the meter register was recently changed to measure in gallons.

Phil Durbano and I met with Kenney and Craig Hansen and explained the issue. They would like to amend their agreement so they can purchase up to one hundred twelve and one half (112.5) acre-feet of water before their price per acre-foot doubles. Their current agreement allows them to purchase up to sixty (60) acre-feet of water before the price per acre-foot doubles. The Third Amended Agreement reflects the change to 112.5 acre-feet of water.

A suggested motion would be, “I move that we approve the Third Amended and Restated Water Lease Agreement between the District and Cedar Crest Brothers, LLC.”

**~~SECOND-THIRD~~ AMENDED AND RESTATED
AGREEMENT FOR LEASE OF WATER
(Cedar Crest Brothers, LLC)**

THIS ~~SECOND-THIRD~~ AMENDED AND RESTATED AGREEMENT FOR LEASE OF WATER (“Agreement”), is made and entered into effective this ~~128th~~ day of ~~June~~January, 2022, by and between ROY WATER CONSERVANCY DISTRICT, a water conservancy district and body politic of the State of Utah (the “District”), and CEDAR CREST BROTHERS, LLC, a Utah limited liability company, whose address is 2253 West 4250 South Roy, UT 84067, (the “Owner”). The District and the Owner are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS, the District supplies untreated secondary irrigation water for the irrigation of properties situated inside, and by lease outside, of the boundaries of the District; and

WHEREAS, the Owner owns certain property situated within the legal boundaries of the District consisting of 38.91 acres, more or less, identified as Weber County Land Parcel Numbers 08-006-0017, 08-006-0018, 08-006-0062, 08-006-0063 and 08-007-0026, being more particularly described as follows (the “*In-Boundary Land*”):

PART OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF THE SOUTH 1/2 OF THE SAID NORTHEAST QUARTER AND THE WEST RIGHT OF WAY LINE OF STATE HIGHWAY 126, RUNNING THENCE WEST 286 FEET, MORE OR LESS, TO THE EASTERLY LINE OF THE ABANDONED UTAH CENTRAL RAILROAD, THENCE SOUTH 42°01' WEST ALONG SAID RAILROAD LINE TO A POINT 660 FEET WEST AT RIGHT ANGLES FROM EAST LINE OF SAID SECTION 2, THENCE SOUTH TO THE NORTHWESTERLY LINE OF THE OREGON SHORT LINE RAILROAD, THENCE NORTHEASTERLY ALONG SAID RAILROAD TO THE WEST LINE OF SAID HIGHWAY, THENCE NORTHERLY ALONG SAID WEST LINE TO THE POINT OF BEGINNING. CONTAINING 8.48 ACRES MORE OR LESS; and

A STRIP OF LAND 50 FEET WIDE IN GOVERNMENT LOT 1 AND THE SOUTH 1/2 OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY: BEGINNING AT A POINT 1450 FEET, MORE OR LESS, NORTHEASTERLY ALONG THE SOUTHEASTERLY LINE OF ABANDONED EVONA BRANCH OF THE O.S.L. RAILROAD COMPANY RIGHT OF WAY LINE AND THE WEST LINE OF THE EAST HALF OF THE EAST HALF OF SAID NORTHEAST QUARTER, RUNNING THENCE NORTHEASTERLY ALONG SAID RIGHT OF WAY LINE 610 FEET, MORE OR LESS, TO A POINT THEREON THAT IS 292 FEET DISTANT NORTHEASTERLY FROM THE SOUTH LINE OF SAID GOVERNMENT LOT 1, MEASURED ALONG SAID SOUTHEASTERLY RIGHT OF WAY LINE, THEN NORTHWESTERLY AT RIGHT ANLES TO SAID CENTERLINE OF FORMER MAIN TRACK A DISTANCE OF 50 FEET, THENCE SOUTHWESTERLY ALONG CENTERLINE OF FORMER MAIN TRACK A DISTANCE OF 580 FEET, MORE OR LESS, TO A POINT NORTH OF BEGINNING, THENCE SOUTH TO BEGINNING. CONTAINING 0.75 ACRES MORE OR LESS; and

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08-006-0062 PART OF THE EAST 1/2 OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, LYING BETWEEN THE RIGHT OF WAY OF THE UTAH CENTRAL RAILROAD COMPANY, AND THE RIGHT OF WAY OF THE OREGON SHORT LINE RAILROAD COMPANY: BEGINNING AT THE INTERSECTION OF THE WESTERLY LINE OF THE OREGON SHORT LINE RAILROAD AND THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 850 FEET, MORE OR LESS, WEST FROM THE SOUTHEAST CORNER OF SAID QUARTER SECTION, RUNNING THENCE WEST TO THE EASTERLY LINE OF THE UTAH CENTRAL RAILROAD RIGHT OF WAY, THENCE NORTHERLY ALONG SAID RIGHT OF WAY TO A POINT 660 FEET WEST AT RIGHT ANGLES FROM THE EAST LINE OF SAID SECTION, THENCE SOUTH TO WESTERLY LINE OF OREGON SHORT LINE RAILROAD, THENCE SOUTHWESTERLY ALONG SAID LINE TO BEGINNING. LESS AND EXCEPTING THEREFROM THOSE PORTIONS DEEDED TO THE UTAH DEPARTMENT OF TRANSPORTATION IN WARRANTY DEEDS RECORDED JUNE 4, 2009, AS ENTRY NOS. 2416024 AND 2416025, OF OFFICIAL RECORDS. CONTAINING 8.18 ACRES MORE OR LESS; and

A STRIP OF LAND 50 FEET WIDE SITUATE IN THE SOUTH 1/2 OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY, DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE EAST AND WEST CENTER LINE OF SAID SECTION 2 WITH THE SOUTHEASTERLY RIGHT OF WAY LINE OF THE ABANDONED EVONA BRANCH OF THE OREGON SHORT LINE RAILROAD COMPANY, SAID POINT BEING 50 FEET DISTANT SOUTHEASTERLY, MEASURED RADIALLY, FROM THE CENTER LINE OF THE MAIN TRACT OF SAID ABANDONED BRANCH AS FORMERLY CONSTRUCTED AND OPERATED, THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY RIGHT OF WAY LINE WHICH IS PARALLEL WITH AND 50 FEET DISTANT SOUTHEASTERLY, MEASURED AT RIGHT ANGLES AND/OR RADIALLY, FROM SAID CENTERLINE OF FORMER MAIN TRACK, A DISTANCE OF 1450 FEET, MORE OR LESS, TO A POINT THEREON THAT IS 660 FEET DISTANT FROM THE EAST LINE OF SAID SECTION 2, THENCE NORTH TO CENTER LINE OF FORMER MAIN TRACK, THENCE SOUTHWESTERLY ALONG SAID CENTER LINE OF FORMER MAIN TRACK A DISTANCE OF 1530 FEET, MORE OR LESS, TO A POINT IN SAID EAST AND WEST CENTER LINE OF SECTION 2, THENCE EAST ALONG SAID EAST AND WEST CENTER LINE TO THE POINT OF BEGINNING. LESS AND EXCEPTING THEREFROM THAT PORTION DEEDED TO THE UTAH DEPARTMENT OF TRANSPORTATION IN WARRANTY DEED RECORDED JUNE 4, 2009, AS ENTRY NO. 2416025, OF OFFICIAL RECORDS. CONTAINING 1.5 ACRES MORE OR LESS; and

PART OF THE SOUTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, U S SURVEY: BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF SAID QUARTER SECTION AND THE EASTERLY RIGHT OF WAY LINE OF THE O.S.L.R.R. (OLD U.C.R.R.) RUNNING THENCE SOUTHWESTERLY ALONG SAID RIGHT OF WAY TO THE WEST LINE

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OF SAID QUARTER SECTION, THENCE SOUTH 290 FEET, MORE OR LESS, TO THE WESTERLY RIGHT OF WAY LINE OF THE O.S.L.R.R., THENCE NORTHEASTERLY ALONG SAID RIGHT OF WAY TO A POINT EAST OF BEGINNING, THENCE WEST TO BEGINNING. EXCEPTING THEREFROM THE FOLLOWING: A PARCEL OF LAND IN FEE FOR A 25.00-FOOT WIDE PUBLIC ACCESS ROAD (UNDERPASS) INCIDENT TO THE EXTENSION AND WIDENING OF THE EXISTING HIGHWAY STATE ROUTE 79 KNOWN AS PROJECT NO. STP-0079(2)0, BEING PART OF AN ENTIRE TRACT OF PROPERTY, SITUATE IN THE SOUTHEAST 1/4 NORTHEAST 1/4 AND THE NORTHEAST 1/4 SOUTHEAST 1/4 OF SECTION 2, IN TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN. THE BOUNDARIES OF SAID PARCEL OF LAND ARE DESCRIBED AS FOLLOWS: BEGINNING IN THE NORTHWESTERLY RAILROAD RIGHT OF WAY LINE OF UNION PACIFIC RAILROAD COMPANY, AT A POINT 90.00 FEET PERPENDICULARLY DISTANT NORTHERLY FROM THE SR-79 CENTERLINE OF SAID PROJECT AT ENGINEER STATION 131+11.34. SAID POINT OF BEGINNING IS 845.94 FEET NORTH 89°53'11" WEST ALONG THE EAST-WEST QUARTER SECTION LINE OF SAID SECTION 2 AND 76.26 FEET NORTH 0°06'49" EAST FROM THE EAST QUARTER CORNER OF SAID SECTION 2, AND RUNNING THENCE NORTH 51°34'14" WEST 25.08 FEET, THENCE SOUTH 43°00'06" WEST 396.01 FEET TO A POINT 163.15 FEET PERPENDICULARLY DISTANT SOUTHERLY FROM SAID PROJECT CENTERLINE AT ENGINEER STATION 128+03.20, THENCE NORTH 89°03'43" E 34.72 FEET TO SAID NORTHWESTERLY RAILROAD RIGHT OF WAY LINE, THENCE NORTH 43°00'06" EAST 373.91 FEET ALONG SAID NORTHWESTERLY RAILROAD RIGHT OF WAY LINE TO THE POINT OF BEGINNING AS SHOWN ON THE OFFICIAL MAP OF SAID PROJECT ON FILE IN THE OFFICE OF THE UTAH DEPARTMENT OF TRANSPORTATION. THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 9,624 SQUARE FEET IN AREA OR 0.22 ACRE MORE OR LESS (E#2416024) ALSO: A PARCEL OF LAND IN FEE FOR THE EXTENSION AND WIDENING OF THE EXISTING HIGHWAY STATE ROUTE 79 KNOWN AS PROJECT NO. STP-0079(2)0, BEING PART OF AN ENTIRE TRACT OF PROPERTY, SITUATE IN THE SOUTH 1/2 NORTHEAST 1/4 AND THE NORTH 1/2 SOUTHEAST 1/4 OF SECTION 2, IN TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN. THE BOUNDARIES OF SAID PARCEL OF LAND ARE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT BEING 106.92 FEET PERPENDICULARLY DISTANT NORTHERLY FROM THE SR-79 CENTERLINE OF SAID PROJECT AT ENGINEER STATION 130+92.83. SAID POINT OF BEGINNING IS 865.62 FEET NORTH 80°53'11" WEST ALONG THE EAST-WEST QUARTER SECTION LINE OF SAID SECTION 2 AND 91.81 FEET NORTH 0°06'49" EAST FROM THE EAST QUARTER CORNER OF SAID SECTION 2, AND RUNNING THENCE NORTH 51°34'14" WEST 137.96 FEET, THENCE SOUTH 82°41'04" WEST 605.69 FEET TO THE WESTERLY BOUNDARY LINE OF SAID ENTIRE TRACT, THENCE SOUTHWESTERLY 131.95 FEET ALONG THE ARC OF A 5,978.69-FOOT RADIUS CURVE TO THE LEFT, TO SAID QUARTER SECTION LINE (NOTE: CHORD TO SAID CURVE BEARS SOUTH 41°28'51" WEST FOR A DISTANCE OF 131.95 FEET), THENCE SOUTH 89°53'11" EAST 66.19 FEET ALONG SAID QUARTER SECTION LINE TO

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THE SOUTHEASTERLY RAILROAD RIGHT OF WAY LINE OF UNION PACIFIC RAILROAD COMPANY, THENCE SOUTHWESTERLY 273.50 FEET ALONG SAID SOUTHEASTERLY RAILROAD RIGHT OF WAY LINE, ALONG THE ARC OF A 5,928.69-FOOT RADIUS CURVE TO THE LEFT (NOTE: CHORD TO SAID CURVE BEARS SOUTH 39°56'40" WEST FOR A DISTANCE OF 273.47 FEET) TO A POINT 129.20 FEET PERPENDICULARLY DISTANT SOUTHERLY FROM SAID PROJECT CENTERLINE AT ENGINEER STATION 121+68.49, THENCE NORTH 89°03'43" EAST 635.62 FEET, THENCE NORTH 43°00'06" EAST 396.01 FEET ALONG A LINE PARALLEL TO AND 25.00 FEET DISTANT NORTHWESTERLY FROM THE NORTHWESTERLY RAILROAD RIGHT OF WAY LINE OF UNION PACIFIC RAILROAD COMPANY TO THE POINT OF BEGINNING AS SHOWN ON THE OFFICIAL MAP OF SAID PROJECT ON FILE IN THE OFFICE OF THE UTAH DEPARTMENT OF TRANSPORTATION. THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 227,917 SQUARE FEET IN AREA OR 5.23 ACRES MORE OR LESS. TO ENABLE THE UTAH DEPARTMENT OF TRANSPORTATION TO CONSTRUCT AND MAINTAIN A PUBLIC HIGHWAY AS AN EXPRESSWAY, AS CONTEMPLATED BY TITLE 72, CHAPTER 6, SECTION 117, UTAH CODE ANNOTATED, 1998, AS AMENDED, THE OWNERS OF SAID ENTIRE TRACT OF PROPERTY HEREBY RELEASE AND RELINQUISH TO SAID UTAH DEPARTMENT OF TRANSPORTATION ANY AND ALL RIGHTS APPURTENANT TO THE REMAINING PROPERTY OF SAID OWNERS BY REASON OF THE LOCATION THEREOF WITH REVERENCE TO SAID HIGHWAY, INCLUDING, WITHOUT LIMITING THE FOREGOING, ALL RIGHTS OF INGRESS TO OR EGRESS FROM SAID OWNER'S REMAINING PROPERTY CONTIGUOUS TO THE LANDS HEREBY CONVEYED TO OR FROM SAID HIGHWAY. (E#2416025) CONTAINING 20 ACRES MORE OR LESS; and

WHEREAS, , the Owner owns certain property situated adjacent to the In-boundary Land but outside the legal boundaries of the District, consisting of 7.66 acres, more or less, identified as Weber County Land Parcel Numbers 08-006-0009 and 08-006-0064, being more particularly described as follows (the "*Out-of-Boundary Land*"):

A STRIP OF LAND 50 FEET WIDE SITUATED IN THE SOUTH 1/2 OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY: BEGINNING AT A POINT OF INTERSECTION OF THE EAST AND WEST CENTER LINE OF SAID SECTION 2 WITH THE NORTHWESTERLY RIGHT-OF-WAY LINE OF THE ABANDONED EVONA BRANCH OF THE OREGON SHORT LINE RAILROAD COMPANY, SAID POINT BEING 50 FEET DISTANT NORTHWESTERLY, MEASURED RADially, FROM THE CENTER LINE OF THE MAIN TRACK OF SAID ABANDONED BRANCH AS FORMERLY CONSTRUCTED AND OPERATED, THENCE NORTHEASTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE WHICH IS PARALLEL WITH AND 50 FEET DISTANT NORTHWESTERLY MEASURED AT RIGHT ANGLES AND/OR RADially, FROM SAID CENTERLINE OF FORMER MAIN TRACK A DISTANCE OF 1768 FEET, MORE OR LESS, TO THE SOUTH LINE OF GOVERNMENT LOT 1, IN SAID SECTION 2, THENCE EAST ALONG THE SOUTH LINE OF SAID GOVERNMENT LOT 1 TO THE CENTER LINE OF SAID TRACK AS FORMERLY CONSTRUCTED AND OPERATED, THENCE SOUTHWESTERLY ALONG

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SAID CENTER LINE OF TRACK A DISTANCE OF 1768 FEET, MORE OR LESS, TO THE EAST AND WEST CENTER LINE OF SAID SECTION 2, THENCE WEST ALONG THE SOUTH LINE OF SECTION 2, TO THE POINT OF BEGINNING. CONTAINING 2.03 ACRES MORE OR LESS; and

ALL THAT PART OF THE SOUTH 1/2 OF THE NORTHEAST QUARTER (SOUTH HALF OF THE NORTHEAST QUARTER) OF SECTION 2, TOWNSHIP 5 NORTH, RANGE 2 WEST OF THE SALT LAKE BASE AND MERIDIAN, US SURVEY, LYING BETWEEN THE RIGHT OF WAY OF THE RIO GRANDE WESTERN RAILROAD AND THE RIGHT OF WAY OF THE UTAH CENTRAL RAILROAD. ALSO: A STRIP OF LAND ONE ROD WIDE EXTENDING EAST FROM THE UTAH CENTRAL RIGHT OF WAY ALONG THE NORTH LINE OF THE SOUTH HALF OF THE SAID NORTHEAST QUARTER TO THE COUNTY ROAD ON THE EAST LINE OF SAID SECTION TO BE USED AS A RIGHT OF WAY. LESS AND EXCEPTING THEREFROM: A PARCEL OF LAND IN FEE FOR THE EXTENSION AND WIDENING OF THE EXISTING HIGHWAY STATE ROUTE 79 KNOWN AS PROJECT NO STP-0079(2)O BEING PART OF AN ENTIRE TRACT OF PROPERTY, SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 2, IN TOWNSHIP 5 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, THE BOUNDARIES OF SAID PARCEL OF LAND ARE DESCRIBED AS FOLLOWS: BEGINNING IN THE SOUTHEASTERLY RAILROAD RIGHT OF WAY LINE OF THE UTAH TRANSIT AUTHORITY AT A POINT 155.00 FEET PERPENDICULARLY DISTANT NORTHERLY FROM THE SR-79 CENTERLINE OF SAID PROJECT AT ENGINEER STATION 122+14.20 SAID POINT OF BEGINNING IS 1745.44 FEET NORTH 89°53'11" WEST ALONG THE EAST WEST QUARTER SECTION LINE OF SAID SECTION 2 AND 76.73 FEET NORTH 0°06'49" EAST FROM THE EAST QUARTER CORNER OF SAID SECTION 2, AND RUNNING THENCE SOUTH 34°21'18" WEST 350.68 FEET ALONG SAID SOUTHEASTERLY RAILROAD RIGHT OF WAY LINE TO A POINT 120.00 FEET PERPENDICULARLY DISTANT SOUTHERLY FROM SAID PROJECT CENTERLINE AT ENGINEER STATION 119+96.59 THENCE NORTH 89°03'42" EAST 43.16 FEET TO THE NORTHWESTERLY RAILROAD RIGHT OF WAY LINE OF UNION PACIFIC RAILROAD COMPANY (ALSO KNOWN AS THE OREGON SHORT LINE RAILROAD) THENCE NORTHEASTERLY 391.32 FEET ALONG SAID NORTHWESTERLY RAILROAD RIGHT OF WAY LINE, ALONG THE ARC OF A 6028.69 FOOT RADIUS CURVE TO THE RIGHT (NOTE: CHORD TO SAID CURVE BEARS NORTH 39°42'06" EAST FOR A DISTANCE OF 391.25 FEET) THENCE SOUTH 82°41'04" WEST 95.97 FEET TO THE POINT OF BEGINNING AS SHOWN ON THE OFFICIAL MAP OF SAID PROJECT ON FILE IN THE OFFICE OF THE UTAH DEPARTMENT OF TRANSPORTATION. CONTAINING 5.64 ACRES MORE OR LESS; and

WHEREAS, eighty (80) acre-feet of secondary irrigation water has previously been provided to Owner by the District for use on the In-Boundary Land pursuant to that certain Agreement for Lease of Water (Cedar Crest Brothers LLC), dated effective November 14, 2014 (the "*Original Lease Agreement*"); and

WHEREAS, the Owner and the District entered an Amended and Restated Lease Agreement, dated effective

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January 13, 2016, (the “*First Amended Lease Agreement*”), pursuant to which Owner leased water from the District for the irrigation of the Out-of-Boundary Land in addition to the In-boundary Land, and reduced the total quantity of water leased from the District from 80 acre-feet to a total of up to sixty (60) acre-feet for irrigation use on both the In-Boundary Land and the Out-of-Boundary Land (the In-Boundary Land and the Out-of-Boundary Land are sometimes referred to herein collectively as the “*Land*”), pursuant to the terms of the First Amended Lease Agreement; and

WHEREAS, the Owner ~~has since~~ sold a portion of the Land to a third-party developer (the “*Developer*”), for development purposes (the “*Development Land*”), which necessitated ~~the~~ this amendment ~~Second Amended Lease Agreement~~ so as to re-define the boundaries of the Land as to which the water leased from the District is to be appurtenant pursuant to the provisions of Section 2(a) herein; and

WHEREAS, the District discovered an error in the manner in which the meter was being read, which necessitates this amendment so as to increase the amount of water the Owner can lease from the District and is to be appurtenant pursuant to the provisions of Section 2(a) herein; and

WHEREAS, the District is willing to re-define the appurtenant Land and ~~continue to~~ lease up to sixty-one hundred twelve and one half (112.560) acre-feet of water to the Owner for use on the Land as re-defined herein, pursuant and subject to the terms and conditions of this Agreement;-

NOW THEREFORE, in consideration of the premises, the Parties hereby mutually agree as follows, to wit:

1. SECOND-THIRD AMENDMENT AND RESTATEMENT. This Agreement amends, restates and supersedes the Original Lease Agreement, ~~and~~ the First Amended Lease Agreement and the Second Amended Lease Agreement, in their entirety.

2. LEASE OF IRRIGATION WATER. The District hereby leases to Owner up to sixty-one hundred twelve and one half (60112.5) acre-feet of irrigation water for beneficial use as delivered by the District through its irrigation water distribution system during the irrigation season, subject to and in conformance with the following specific lease terms, covenants and conditions and other provisions of this Agreement (the “*Lease*”):

(a) Appurtenance to the Land. The rights of Owner under this Agreement and the irrigation water which Owner is entitled to receive hereunder shall be deemed to be appurtenant to the In-boundary Land excluding the parcels sold to the Developer and the Out-of-Boundary Land. It is understood and agreed by the Parties that with the reduction in the amount of leased water pursuant to the First Amended Lease Agreement and the subsequent increase in the amount of leased water pursuant to this Agreement, the District will have a sufficient water supply available to accommodate a separate water contract between the District and the Developer for irrigation of the Development Land without any reduction to the Owner’s ~~60-112.5~~ acre-foot supply hereunder.

(b) Point(s) of Delivery. The water leased to the Owner hereunder shall only be delivered to the Land at such point or points as shall be prescribed by the District.

(c) Owner’s Equipment and Facilities; Indemnification.

(i) Owner’s Water System. The Owner shall own and have the sole and separate responsibility, at Owner’s sole cost and expense, to acquire, construct and install all equipment and facilities, including, without limitation, diversion works, turnouts, valves, meters, pumps, pipelines and laterals, as shall be necessary for the ownership, control, transportation and use of the leased water, commencing at the Owner’s side of the District delivery structure(s) located at the prescribed point(s) of delivery, and extending from thence to the Land (the “*Owner’s Water System*”). The Owner’s Water System shall be owned, controlled, operated, maintained, repaired and replaced by the Owner at its sole cost and expense. The Owner shall cause the developer of the land purchased from the Owner to sever and cap at the main line of the Owner’s Water System all turnouts or services the Owner was previously using to deliver water to the irrigated areas within the parcels that were sold to developer. The Owner shall be required to provide proof, sufficient to the District, that all required turnouts or services have been severed and ~~{01963441-1}~~

capped, as required herein, as a condition to the continued delivery of leased water to the Owner.

(ii) Indemnification. The Owner shall indemnify, defend and hold the District, and its trustees, officers, employees, agents and consultants, harmless from and against any all actions, claims, demands, damages, obligations, losses, expenses, liabilities, controversies, payments and executions, of any kind or nature, whether direct or indirect, resulting from or arising out of Owner's ownership, control, transportation and use of the allotted water within Owner's Water System and on the Land.

(d) Beneficial Use. The Owner acknowledges that beneficial use is the basis, measure and limit of a water right in the State of Utah, and that responsibility for the application of the water leased to Owner hereunder to beneficial use on the Land shall rest solely and perpetually with the Owner.

(e) Cross Connections Prohibited. Any cross connection of Owner's Water System with Roy City's municipal water system or any other culinary water system is strictly prohibited.

(f) Hold Over and Sub-lease of Water Prohibited. The Owner shall have no right or authority whatsoever to hold-over or accumulate the water allotted hereunder from year-to-year, or to sell or sub-lease any water leased hereunder at any time or under any circumstance.

(g) Conservation Measures; Shortages of Water. The obligation of the District to provide the quantity of water leased hereunder shall at all times be and remain subject to: (i) reductions in the available water supply resulting from the implementation of conservation measures lawfully imposed by the District, and/or any federal, state or local jurisdiction having authority to impose the same; and (ii) shortages of water supply caused by drought, hostile diversion, prior or superior claims, any order or directive of the State Engineer or other local, state or federal agency, acts of God, and any and all other such measures, conditions, events and causes not within the control of the District; and with respect to (i) and (ii) above, the Owner understands, acknowledges and agrees that:

(i) in the event of a water shortage resulting from any such measure, condition, event or cause, the Board shall have the right to equitably allocate and distribute the available water supply among all of the District's customers in such manner as shall be determined by the Board to be in the best interest of the District;

(ii) no liability shall accrue against the District, or any of its trustees, officers, employees, agents and consultants, for any loss, damage or claim, of whatsoever kind or nature, whether direct or indirect, resulting from or arising out of any such measure, condition, event or cause; and

(iii) any annual rent due and payable to the District hereunder shall not be abated or reduced, nor shall the time for payment be extended, as a result of any such measure, condition, event or cause, but payment shall at all times be due and payable and be collected in full as provided herein, except as otherwise expressly authorized by resolution of the Board.

(h) Compliance with District Rules and Regulations. The Owner shall be bound by and agree to comply with all rules and regulations of the District as may be duly promulgated and administered by the Board, and as the same may be amended, from time-to-time. The Owner also agrees to fully comply with all applicable federal, state and local laws, orders and regulations as promulgated and administered by appropriate authorities pertaining to the diversion, use, pollution and discharge of water.

(i) Water Quality. The Owner acknowledges and agrees: (i) that the water to be delivered by the District hereunder is untreated irrigation water, (ii) that the District does not at any time guarantee and shall not at any time assume any responsibility for the quality of the water sold and delivered by it to the Owner hereunder, and (iii) that Owner shall take delivery of the water on an "as is" basis, without liability of any kind whatsoever to the District.

(j) Reuse or Appropriation of Water. The reuse of water allotted hereunder shall not be allowed without the prior, express written approval of the District. All waste, seepage or return flow water deriving from the

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water delivered to the Land pursuant hereto shall belong to the District, and the Owner shall obtain no right or interest therein or thereto by use, appropriation, or otherwise.

3. **LEASE TERM.** The initial term of the Lease pursuant to this Agreement shall be for one (1) year, comprising the 2022 irrigation season (the “*Initial Term*”). This Agreement shall thereafter be automatically extended and continued on a year-to-year basis for each succeeding irrigation season thereafter (each a “*Renewal Term*”), unless and until terminated as provided herein.

4. ANNUAL RENT; SECURITY DEPOSIT.

(a) Rent. The annual rent which the Owner shall pay to the District for the Lease of water hereunder shall, subject to the provisions of Section 4(a)(iii), be calculated each year at the initial lease rate of Sixty Seven Dollars and Sixty Three Cents (\$67.63) per acre foot (the “*Lease Rate*”) for water delivered by the District to Owner as measured at the meter, subject to and in conformance with the following:

(i) The annual rent shall be calculated and be due and payable at the end of the irrigation season after the Owner’s meter has been read by the District and the reading has been converted from ~~cube feet~~ gallons to acre feet.

(ii) The rent shall be due in November of each year, as billed. Interest on any amount of the rent not paid by December 31st of each year shall compound at the rate of 1% per month until paid in full.

(iii) The Lease Rate shall be subject to annual review and modification by the District’s board of trustees.

(iv) If the Owner takes delivery at the meter of more than the ~~60-112.5~~ acre-feet of water subscribed for hereunder, the lease rate that shall apply to that quantity of water delivered above ~~60-112.5~~ acre-feet shall be One Hundred Thirty Five Dollars and Twenty Six Cents (\$135.26) per acre foot (the “*Overage Rate*”), and the amount due shall be calculated and payment shall be made in conformance with the provisions of Subsections 4(a)(i) and (ii) above. The Overage Rate shall be subject to annual review and modification by the District’s board of trustees.

(v) The Out-of-Boundary Land shall also be invoiced an amount each year approximately equal to the District’s ad valorem rate times the taxable value of the Out-of-Boundary Land in addition to the Rent as described above, which shall be due, payable and collectible as rent.

(b) Security Deposit. The District acknowledges receipt of a deposit in the amount of Two Thousand Four Hundred Dollars (\$2,400) on November 24, 2014, and an additional deposit in the amount of One Thousand Two Hundred Dollars (\$1,200) on December 8, 2015, for a total amount of Three Thousand Six Hundred Dollars (\$3,600) (the “*Deposit*”), calculated at the rate of \$60 per acre foot times 60 acre-feet, the receipt of which is hereby acknowledged, as security for the Owner’s performance of all of the terms and conditions hereof. The Deposit shall be applied against the rent due and owing for any Renewal Term, upon termination of this Agreement; or upon default for Owner’s failure to pay rent when due, the Deposit shall be applied, in whole or in part, against all amounts due and owing, plus interest, from the date of default. In such event, Owner shall, upon five (5) days’ written notice from the District, restore the Deposit back to its original amount; failure to do so shall constitute a default hereunder. Should Owner sell the Property, during the Initial Term or any Renewal Term hereof, Owner shall have the right to transfer the Deposit to the purchaser of the Property.

(c) Default. Failure to pay the rental due and owing hereunder and to maintain the Deposit as required in this Section shall be deemed a default hereunder.

5. **NOTICE OF DEFAULT.** Neither Party shall be deemed to be in default under this Agreement unless the non-defaulting Party shall first give to the defaulting Party ten (10) days’ written notice of the default, and the ~~(01963441-1)~~

defaulting Party fails to cure the default within the ten day period; or, if the default is such that it cannot be cured within ten days, the defaulting Party fails to commence to cure the default with the ten day period and proceeds thereafter to cure the default with all possible diligence. In the event the default is not cured as provided herein, this Agreement shall terminate.

6. **TERMINATION.** Subject to the provisions of Section 5, this Agreement may be terminated by either Party at the end of the Initial Term or any Renewal Term, upon thirty (30) days written notice to the other Party. Upon termination, any amount remaining on deposit under Section 4(b) herein shall immediately be returned to the Owner.

7. **SUFFICIENCY OF CONSIDERATION.** The Parties acknowledge receiving sufficient consideration for the commitments contained in this Agreement, and waive any argument that they might have in any judicial or other legal proceeding that no consideration exists to support this Agreement or that the consideration received is not sufficient.

8. **NOTICE.** Any notice given under this Agreement shall be deemed sufficient if given in writing and delivered by hand or deposited in the United States mail, postage prepaid, and addressed as follows:

TO THE OWNER:

Kenney and Craig Hansen
Cedar Crest Brothers, LLC
2253 West 4250 South
Roy, UT 84067

TO THE DISTRICT:

Roy Water Conservancy District
Attention: General Manager
5440 S. Freeway Park Drive
Riverdale, Utah 84405

The above addresses may be changed at any time upon written notice as provided herein.

9. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the Parties, and supersedes all offers, negotiations and other agreements pertaining to the subject hereof. There are no representations, understandings or agreements of any kind not set forth herein.

10. **ATTORNEY'S FEES.** In the event that this Agreement or any provision hereof shall be enforced by an attorney retained by a Party hereto, whether by suit or otherwise, the fees and costs of such attorney shall be paid by the Party who breaches or defaults hereunder, including fees and costs incurred upon appeal or in bankruptcy court.

11. **AMENDMENT.** This Agreement cannot be altered or amended except pursuant to an instrument in writing executed by the Parties.

12. **BINDING EFFECT.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors-in-interest and assigns.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

[SIGNATURES ON FOLLOWING PAGE]

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CEDAR CREST BROTHERS, LLC

By: _____
Kenney Hansen, Managing Member

By: _____
Craig Hansen, Managing Member

ROY WATER CONSERVANCY DISTRICT

By: _____
Chair, Board of Trustees

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 3, 2022

SUBJECT: **IV.F. Consideration of 2022 Certified Tax Rate**

The 2022 certified tax rate as of the date of this memo is 0.000044 which will result in approximately \$139,000 in ad valorem tax revenue. It is recommended the Board of Trustees approve the 2022 Certified Tax Rate.

A suggested motion would be, "I move that we approve the 2022 Certified Tax Rate."

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 3, 2022

SUBJECT: **IV.G. Consideration of Juneteenth Holiday**

The Utah State Legislature approved HB 238 in the 2022 legislative session which designated Juneteenth as a state holiday. Section 63G-1-301 is the statute reference for Juneteenth National Freedom Day. It is recommended that the board of trustees approve Juneteenth as a District holiday and follow the observance as outlined in Section 63G-1-301(1)(f) of the Utah State Code.

A suggested motion would be, “I move that we approve Juneteenth as a District holiday.”

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 3, 2022

SUBJECT: **IV.H. Consideration of The Echelon Development Agreement**

The Echelon is located at approximately 5902 South 1900 West in Roy which is just south of the Les Schwab on 1900 West and north of Prestige Dental. The existing parcels in the development have had an existing water allotment. The existing water allotment will be converted to the new development. The developer will be required to install a 1-inch meter on one of the existing laterals and cap the other existing lateral at the main line. Otherwise, this is a standard development agreement.

A suggested motion would be, “I move that we approve The Echelon Development Agreement.”

MEMORANDUM

TO: Board of Trustees

FROM: Rodney Banks, Manager

DATE: June 8, 2022

SUBJECT: **V.B. Manager and Trustees Reports**

The following is a reminder of upcoming meetings and events:

Board Meeting – June 8, 2022, at 5:00 p.m.

Board Meeting – July 13, 2022, at 5:00 p.m.

Board Meeting – August 17, 2022, at 5:00 p.m. **change to 10th?**

Board Meeting – September 14, 2022, at 5:00 p.m.

Board Meeting – October 12, 2022, at 5:00 p.m.

Utah Water Summit – October 18, 2022, Layton, UT

UASD Annual – November 2-4, 2022, Layton, UT

Board Meeting – November 16, 2022, at 5:00 p.m. **change to 9th?**

Board Meeting – December 14, 2022, at 5:00 p.m.

Public Hearing for Allotment of Water – December 14, 2022, at 6:00 p.m.

Public Hearing for 2023 Budget – December 14, 2022, at 6:00 p.m.

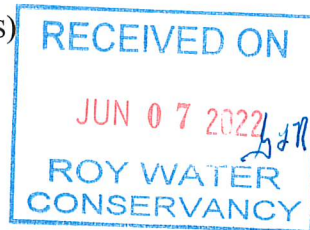
D&WCCC Stockholders Meeting – Possibly December 19, 2022, at 6:30 p.m.

As of June 7th, East Canyon is 78% full, Echo Reservoir is 86% full, and the Weber River basin precipitation is 91% of normal. Currently almost 100% of the state of Utah is in severe to exceptional drought condition. As of January 4, 2022, the District's boundaries were moved to the severe drought category.

INTERNAL AUDIT REPORT

JUNE 7, 2022

(MAY 31, 2022, STATEMENTS)



- | YES | NO | |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. Obtain bank statements unopened. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Review checks for unusual payees. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. Review signatures on checks for authenticity. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. Review any cash transfers or large debit memos for property. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. Question any large or unusual checks that you do not remember discussing or approving. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. Summarize your questions. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. Distribute the report to board members, Child Richards CPAs & Advisors, Rodney Banks, and Linda Toupin. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 8. Obtain replies to questions from Rodney Banks and distribute with the report. |

COMMENTS: _____

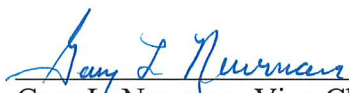
Bank of Utah

1. Account No. ****0122: ✓
2. Account No. ****1928: ✓
3. Account No. ****0846: ✓

PTIF

4. Account No. ****1141: ✓
5. Account No. ****2340: ✓

I have completed the above procedures for the month of June 7, 2022 (May 31, 2022 Statements).



Gary L. Newman, Vice-Chair

**ZION BANK PURCHASE CARDS
INTERNAL AUDIT REPORT**

JUNE 7, 2022,
(MAY 31, 2022 STATEMENTS)

YES NO

- | | | |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. Obtain purchase card statements. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Review statements for unusual charges. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. Review receipts for charges. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. Question any large or unusual charges not previously discussed or approved during board meeting. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. Summarize your questions. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. Distribute the report to board members, Child Richards CPAs & Advisors, Rodney Banks, and Linda Toupin. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. Obtain replies to questions from Rodney Banks and distribute with the report. |



COMMENTS: _____

1. Zions Bank Control Account: _____
2. Purchase Card - Ohlin: _____
3. Purchase Card - Newman: _____
4. Purchase Card - Adams: _____
5. Purchase Card - Ritchie: _____
6. Purchase Card - Zito: _____
7. Purchase Card - Banks: ✓ _____
8. Purchase Card - Durbano: ✓ _____
9. Purchase Card - Thurgood: ✓ _____
10. Purchase Card - Doxey: ✓ _____
11. Purchase Card - Sandberg: ✓ _____
12. Purchase Card - Toupin: ✓ _____
13. Purchase Card - Harris: _____

I have completed the above procedures for the month of June 7, 2022 (May 31, 2022 Statements).

Gary L. Newman, Vice-Chair

FINANCIAL REPORT

• JUNE 2022 •

GENERAL FUND

PREVIOUS MONTH

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Balance as of May 1	\$ 137,265.35	\$ 233,194.97	\$ 120,217.10
Deposits	\$ 115,540.06	\$ 173,166.32	\$ 278,624.30
Interest on checking	\$ 75.42	\$ 76.63	\$ 128.44
Withdrawals	\$ 134,100.32	\$ 200,853.98	\$ 238,875.54
Balance	\$ 118,780.51	\$ 205,583.94	\$ 160,094.30

TO DATE

Balance as of June 1	\$ 118,780.51	\$ 205,583.94	\$ 160,094.30
Deposits	\$ 384,953.28	\$ 10,782.28	\$ 71,015.90
Withdrawals	\$ 325,469.35	\$ 57,014.35	\$ 61,161.51
Balance	\$ 178,264.44	\$ 159,351.87	\$ 169,948.69

CAPITAL FACILITIES FUND

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Balance as of May 1	\$ 123,324.64	\$ 232,977.23	\$ 258,733.98
Deposits	\$ -	\$ -	\$ -
Interest on checking	\$ 62.61	\$ 74.86	\$ 310.62
Withdrawals	\$ -	\$ 4,488.51	\$ -
Balance	\$ 123,387.25	\$ 228,563.58	\$ 259,044.60

TO DATE

Balance as of June 1	\$ 123,387.25	\$ 228,563.58	\$ 259,044.60
Deposits	\$ -	\$ -	\$ -
Withdrawals	\$ -	\$ 106,451.01	\$ -
Balance	\$ 123,387.25	\$ 122,112.57	\$ 259,044.60

WEBER BASIN FUND

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Balance as of June 1	\$ 568,929.98	\$ 462,261.43	\$ 369,584.05

CONNECTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Connections made during the previous month (May)	3	5	17
Total connections made during the current year	9	18	42
Total active connections	10,805	10,788	10,698

SHARES

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Shares of D&WCCC Water Stock to date:	1,512.5	1,512.5	1,512.5
Shares of D&WCCC Water Stock leased to date:	144.0	144.0	144.0
Shares of Wilson Irrigation Water Stock to date:	21.5	20.5	20.5

UTAH PUBLIC TREASURER'S INVESTMENT FUND

· OPERATIONS & MAINTENANCE ACCOUNT ·

		<u>RATE</u>	<u>DATE</u>
Balance as of May 1	\$ 4,775,077.93	0.8032%	Ongoing-Flexible
Deposits (by Weber County)	\$ 9,819.12		
Interest	\$ 3,220.26		
Withdrawals (by wire)	\$ 100,000.00		
Balance	\$ 4,688,117.31		

· METER FUND ACCOUNT ·

Balance	\$ 175,970.83	0.8032%	Ongoing-Flexible
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2:16 PM
06/08/22

ROY WATER CONSERVANCY DISTRICT
O&M Checks

June 8 - 9, 2022

	Num	Name	Amount
Jun 8 - 9, 22	19695	Chad Zito	-\$275.00
	19696	Gary L. Newman	-\$200.00
	19697	Gary S. Adams	-\$275.01
	19698	Jon S. Ritchie	-\$200.00
	19699	Mark W. Ohlin	-\$275.00
	19700	Gary S. Adams	-\$275.00
	19701	Gary S. Adams	-\$275.02
	19702	Ace Recycling & Disposal	-\$141.06
	19703	Blue Stakes of Utah	-\$773.10
	19704	Bolt & Nut Supply Co.	-\$44.63
	19705	C.A.L. Ranch Store	-\$36.07
	19706	Clyde Snow & Sessions	-\$1,632.00
	19707	Comcast	-\$588.16
	19708	Dallas Green, Inc.	-\$67.88
	19709	Dominion Energy	-\$161.89
	19710	Durk's Plumbing Supply, Inc.	-\$42.05
	19711	E.H. Knudson Construction Company	-\$64,787.70
	19712	E.H. Knudson Construction Company	-\$212,371.61
	19713	Eriks NA, Inc.	-\$102.39
	19714	Fast Signs of Ogden	-\$132.14
	19715	Fuel Network	-\$3,382.39
	19716	Home Depot	-\$397.56
	19717	Intermountain Workmed	-\$138.00
	19718	Jan-Pro of Utah	-\$107.50
	19719	Les Olson Company	-\$88.83
	19720	Linde Gas & Equipment, Inc.	-\$39.46
	19721	Mountainland Supply Company	-\$20.23
	19722	O'Reilly Automotive	-\$52.52
	19723	PEHP Flex	-\$2,696.00
	19724	PEHP Flex	-\$60.00
	19725	PEHP Group Insurance	-\$11,795.40
	19726	Riverdale City Corporation	-\$141.89
	19727	Robert Wood Photography	-\$98.00
	19728	Rocky Mountain Power	-\$10.26
	19729	Rocky Mountain Power	-\$34.05
	19730	Sam's Club	-\$108.26
	19731	Staker Parson Companies	-\$654.69
	19732	Standard-Examiner	-\$247.00
	19733	Truly Nolen of America, Inc.	-\$176.00
	19734	Utah Local Governments Trust	-\$748.06
	19735	Verizon Wireless (V)	-\$407.06
	19736	AFLAC	-\$131.80
	19737	Utah State Tax Commission	-\$2,645.00
	19738	Courtney L. Harris	-\$1,712.25
	19739	Justin J. Sandberg	-\$1,828.84
	19740	Kent D. Thurgood	-\$2,395.20
	19741	Linda A. Toupin	-\$1,733.34
	19742	Nathan S. Doxey	-\$3,056.39
	19743	Philip W. Durbano	-\$2,143.91
	19744	R. Mack White	-\$494.54
	19745	Rodney D. Banks	-\$3,670.21
	19746	Clearlink	-\$1,599.00
Jun 8 - 9, 22		TOTAL	-\$325,469.35