



# BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING

1777 N Meadowlark Dr, Apple Valley

Wednesday, April 17, 2024 at 6:00 PM

## AGENDA

Notice is given that a meeting of the Water District of the Town of Apple Valley will be held on **Wednesday, April 17, 2024**, commencing at **6:00 PM** or shortly thereafter at **1777 N Meadowlark Dr, Apple Valley**.

**Chairman** | Michael Farrar

**Board Members** | Harold Merritt | Ross Gregerson | Matt Politte | Kevin Sair

Please be advised that the meeting will be held electronically and broadcast via Zoom. Persons allowed to comment during the meeting may do so via Zoom. Login to the meeting by visiting:

<https://us02web.zoom.us/j/82661513795>

if the meeting requests a password use 1234

To call into meeting, dial (253) 215 8782 and use Meeting ID 8266151 3795

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### ROLL CALL

### DECLARATION OF CONFLICTS OF INTEREST

### REPORT

### DISCUSSION AND ACTION

1. Add Signer Michael Farrar to State Bank of Southern Utah.
2. Add online access for Michelle Kinney (Finance Director) to include transfers, with no signer access to State Bank of Southern Utah.
3. FY2023 Audit.
4. Real Estate Purchase Agreement.
5. Resolution BPW-R-2024-05, District Employee Handbook yearly update.
6. Resolution-BPW-R-2024-06, Appointment of District Officer (Vice Chairman).
7. Resolution-BPW-R-2024-07, (PTIF) Utah Public Treasurers' Investment Fund Certification Of Authorized Individuals.
8. Transfer of 2005 Bombardier Traxter Max 650 CVT from Big Plains Water SSD to the Town of Apple Valley.

### CONSENT AGENDA

The Consent Portion of the Agenda is approved by one (1) non-debatable motion. If any Board Member wishes to remove an item from the Consent Portion of the agenda, that item becomes the first order of business on the Regular Agenda.

9. Disbursement Listing for March 2024.
10. Budget Report for Fiscal Year 2024 through March 2024.
11. March 2024 Water Usage Comparison.
12. Approval of Minutes: March 28, 2024.

### REQUEST FOR A CLOSED SESSION: IF NECESSARY

### ADJOURNMENT

CERTIFICATE OF POSTING: I, Jenna Vizcardo, as duly appointed Recorder for the Town of Apple Valley, hereby certify that this Agenda was posted at the Apple Valley Town Hall, the Utah Public Meeting Notice website <http://pmn.utah.gov>, and the Town Website [www.applevalleyut.gov](http://www.applevalleyut.gov).

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL COMMUNITY EVENTS AND MEETINGS

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify the Town at 435-877-1190 at least three business days in advance.



January 12, 2024

To the Big Plains Water  
Special Service District Board  
Apple Valley, Utah

We have audited the financial statements of Big Plains Water Special Service District (the District) as of and for the year ended June 30, 2023, and have issued our report thereon dated January 12, 2024. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 3, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence. Safeguards have been applied to eliminate identified threats to independence or reduce them to an acceptable.

## Qualitative Aspects of the Entity's Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements.

As described in Note 1, the District changed accounting policies related to the application of lease accounting and financial reporting requirements by adopting GASB Statement No. 96, Subscription-Based Information Technology Arrangements in fiscal year 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is depreciation expense.

Management's estimate of the depreciation expense is based on the useful lives of the underlying assets. We evaluated the key factors and assumptions used to develop the depreciation expense and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant or unusual transactions as a result of our audit procedures.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are 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 and each applicable opinion unit. Management has corrected all identified significant misstatements and a list of the adjustments noted during the audit has been provided to management. 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. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There are no unusual circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in a separate letter dated January 12, 2024.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such

information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the governing body and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

*HintonBurdick, PLLC*

Big Plains Water Special Service District  
**ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2023



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June 30, 2023

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**HINTONBURDICK**  
CPAs & ADVISORS

## Independent Auditors' Report

Board and Management  
Of Big Plains Water Special Service District  
Town of Apple Valley, Utah

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities, and the aggregate remaining fund information of Big Plains Water Special Service District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, of the District, as of June 30, 2023, 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 (GAAS) 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 the 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.

#### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in fiscal year 2023, the District implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

The District's 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 District's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

### ***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 GAAS 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 GAAS, 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 the 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 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 and the schedules related to pensions and other postemployment benefits 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 Information***

Management is responsible for the other information included in the annual report. The other information comprises the Big Plains Water Special Service District's disclosures required by bond covenant but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2024 on our consideration of the 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 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 the District's internal control over financial reporting and compliance.

*HintonBurdick, PLLC*

January 12, 2024

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Big Plains Water Special Service District  
**Management's Discussion and Analysis**  
June 30, 2023

As management of Big Plains Water Special Service District (the District), we offer readers of the District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ended June 30, 2023.

**FINANCIAL HIGHLIGHTS**

- \*Total net position for the District increased by \$215,787
- \*Total unrestricted net position for the District increased by \$154,592
- \*Operating revenues increased by \$87,355
- \*Operating expenses increased by \$164,310

**BASIC FINANCIAL STATEMENTS**

The District is a special-purpose government engaged in business-type activities. All transactions related to its activities are recorded in a single enterprise fund. Enterprise funds are used to account for the operations financed and operated in a manner similar to private business enterprises where the intent is that the cost of providing goods and services (including depreciation), on a continuing basis, be financed or recovered primarily through user charges.

The financial statements presented in this report are those required of an enterprise fund and consist of (1) the statement of net position, (2) the statement of revenues, expenses, and changes in net position, (3) the statement of cash flows, and (4) the notes to the financial statements.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as useful indicator of whether the financial position is improving or deteriorating. However, other non-financial factors need to be considered as well.

The statement of revenues, expenses and changes in net position (the income statement) presents information about the amounts of revenues, expenses, and resulting net income for the year. Net income is the change in net position. All items of income and expense are reported as soon as the underlying event giving rise to those items occurs, regardless of when cash is received or paid.

The statement of cash flows starts with the amounts of net income and removes the non-cash portion (the receivables and payables which did not provide or use cash), thus converting the amounts to a cash basis.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District.

Big Plains Water Special Service District  
**Management's Discussion and Analysis**  
 June 30, 2023

## FINANCIAL ANALYSIS

### Big Plains Water Special Service District's Net Position

	Current Year	Restated Previous Year	Change
Current and other assets	\$ 380,127	580,825	(200,698)
Non-current assets	6,932,961	6,850,521	82,440
Deferred outflows of resources	14,407	14,497	(90)
<b>Total assets and deferred outflows</b>	<b>7,327,495</b>	<b>7,445,843</b>	<b>(118,348)</b>
Other liabilities	80,043	231,530	(151,487)
Long-term liabilities outstanding	4,531,358	4,672,310	(140,952)
Deferred inflows of resources	577	42,273	(41,696)
<b>Total liabilities and deferred inflows</b>	<b>4,611,978</b>	<b>4,946,113</b>	<b>(334,135)</b>
Net position:			
Net investment in capital assets	2,401,603	2,178,211	223,392
Restricted	301,816	464,013	(162,197)
Unrestricted	12,098	(142,494)	154,592
<b>Total net position</b>	<b>\$ 2,715,517</b>	<b>2,499,730</b>	<b>215,787</b>

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources at the close of the year by \$2,715,517, an increase of \$215,787 from the previous year after a prior period adjustments of \$1,011,758. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position deficit at the end of the year is \$12,098, which represents an increase of \$154,592 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

Big Plains Water Special Service District  
**Management's Discussion and Analysis**  
 June 30, 2023

**FINANCIAL ANALYSIS (continued)**

**Big Plains Water Special Service District's Change in Net Position**

	Current Year	Previous Year	Change
<b>Operating income:</b>			
Service income	\$ 375,536	410,170	(34,634)
Connection fees	6,630	5,173	1,457
Other operating income	127,988	7,456	120,532
<b>Total operating income</b>	<b>510,154</b>	<b>422,799</b>	<b>87,355</b>
<b>Operating expenses:</b>			
Wages	59,702	53,565	6,137
Benefits	16,863	22,257	(5,394)
Utilities	19,975	22,779	(2,804)
Repair and maintenance	116,429	24,109	92,320
Professional services	63,327	2,779	60,548
Other supplies and expenses	10,498	8,235	2,263
Insurance expense	10,699	2,890	7,809
Depreciation expense	138,494	135,064	3,430
<b>Total operating expense</b>	<b>435,988</b>	<b>271,679</b>	<b>164,310</b>
<b>Net operating income (loss)</b>	<b>74,166</b>	<b>151,120</b>	<b>(76,955)</b>
<b>Non-operating income (expense):</b>			
Impact fees	34,894	135,976	(101,082)
Grants	207,974	-	207,974
Interest income	8,087	726	7,361
Legal fee expenses	(19,918)	(3,060)	(16,858)
Interest on long-term debt	(89,416)	(107,887)	18,471
<b>Total non-operating income (expense)</b>	<b>141,622</b>	<b>25,755</b>	<b>115,867</b>
<b>Change in net position</b>	<b>\$ 215,787</b>	<b>176,875</b>	<b>38,911</b>

Service income decreased by \$34,634. Connection fees increased by \$1,457. Other operating income increased by \$120,532.

Depreciation expense is the largest single element of operating costs and exceeded the previous year amount by \$3,430. The largest single increase in operating expenses was for repair and maintenance in the amount of \$92,320. Expenses for professional services increased by \$60,548 during the year.

Impact fees decreased by \$101,082 and grants increased by \$207,974.

Big Plains Water Special Service District  
**Management's Discussion and Analysis**  
 June 30, 2023

### BUDGETARY HIGHLIGHTS

The District operates as an enterprise fund and is required to comply with the operating budget on an entity-wide basis.

	Original	Amended	Actual
Revenues	\$ 1,699,690	859,600	761,110
Expenses	455,580	549,774	545,322
<b>Net income</b>	<b>\$ 1,244,110</b>	<b>309,826</b>	<b>215,787</b>

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Big Plains Water Special Service District's Capital Assets

	Current Year	Previous Year	Change
<b>Net Capital Assets:</b>			
Land	\$ 21,507	21,507	-
Water rights	1,996,483	996,483	1,000,000
Machinery and equipment	42,132	42,132	-
Water systems	5,967,686	5,251,675	716,011
Construction in progress	34,053	529,129	(495,076)
 Total	 8,061,860	 6,840,926	 1,220,935
 Less accumulated depreciation	 (1,128,899)	 (990,405)	 (138,494)
 <b>Net Capital Assets</b>	 <b>\$ 6,932,961</b>	 <b>5,850,521</b>	 <b>1,082,440</b>

The total amount of net capital assets of \$6,932,961 is an increase of \$1,082,440 from the previous year.

The increase in net capital assets represents the amount that investment in new capital assets exceeded depreciation charged on capital assets during the year.

Additional information regarding capital assets may be found in the notes to financial statements.



Big Plains Water Special Service District  
**Management's Discussion and Analysis**  
 June 30, 2023

**CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)**

**Big Plains Water Special Service District's Outstanding Debt**

	Current Year	Previous Year	Change
<b>Business-type activities:</b>			
2018 Water Bond Series A	\$ 68,000	72,000	(4,000)
2012 Water Project	1,775,000	1,860,000	(85,000)
2018 Water Bond Series B	306,000	317,000	(11,000)
2015 Water Bond 02	270,728	275,033	(4,305)
2015 Water Bond 01	2,111,630	2,148,276	(36,646)
<b>Total business-type</b>	<b>4,531,358</b>	<b>4,672,310</b>	<b>(140,952)</b>
<b>Total outstanding debt</b>	<b>\$ 4,531,358</b>	<b>4,672,310</b>	<b>(140,952)</b>

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

No significant economic changes that would affect the District are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Big Plains Water Special Service District, 1777 N. Meadowlark Dr, Apple Valley, UT 84737.

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**BASIC FINANCIAL STATEMENTS**

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Big Plains Water Special Service District  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
June 30, 2023

Item 3.

	Utility Fund
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	
Assets:	
Current assets:	
Cash and cash equivalents	\$ 6,017
Due from other governments	72,294
Total current assets	78,311
Non-current assets:	
Restricted cash and cash equivalents	301,816
Capital assets:	
Not being depreciated	2,052,043
Net of accumulated depreciation	4,880,918
Total non-current assets	7,234,777
Total assets	7,313,088
Deferred outflows of resources - pensions	14,407
<b>Total assets and deferred outflows of resources</b>	<b>\$ 7,327,495</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 26,007
Accrued liabilities	1,515
Customer deposits	15,800
Unearned revenue	18,680
Compensated absences	4,508
Accrued interest payable	4,830
Revenue bonds, current portion	142,430
Total current liabilities	213,771
Non-current liabilities:	
Net pension liability	8,702
Revenue bonds, long-term	4,388,928
Total non-current liabilities	4,397,630
Total liabilities	4,611,401
Deferred inflows of resources - pensions	577
<b>Total liabilities and deferred inflows of resources</b>	<b>4,611,978</b>
<b>NET POSITION:</b>	
Net investment in capital assets	2,401,603
Restricted	301,816
Unrestricted	12,098
<b>Total net position</b>	<b>2,715,517</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 7,327,495</b>

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

Big Plains Water Special Service District  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN NET POSITION - PROPRIETARY FUND**  
 For the Year Ended June 30, 2023

	Utility Fund
<b>Operating income:</b>	
Charges for sales and service	\$ 375,536
Connection fees	6,630
Other operating income	127,988
<b>Total operating income</b>	<b>510,154</b>
<b>Operating expenses:</b>	
Wages	59,702
Benefits	16,863
Utilities	19,975
Repair and maintenance	116,429
Professional services	63,327
Other supplies and expenses	10,498
Insurance expense	10,699
Depreciation expense	138,494
<b>Total operating expense</b>	<b>435,988</b>
<b>Net operating income (loss)</b>	<b>74,166</b>
<b>Non-operating income (expense):</b>	
Impact fees	34,894
Interest income	8,087
Operating grants	207,974
Legal fee expenses	(19,918)
Interest on long-term debt	(89,416)
<b>Total non-operating income (expense)</b>	<b>141,622</b>
<b>Change in net position</b>	<b>215,787</b>
Net position - beginning	1,487,972
Prior period adjustments (See Note 4-D)	1,011,758
<b>Net position - ending</b>	<b>\$ 2,715,517</b>

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

Big Plains Water Special Service District  
**STATEMENT OF CASH FLOWS**  
For the Year Ended June 30, 2023

	Utility Fund
<b>Cash flows from operating activities:</b>	
Cash received from customers - service	\$ 510,154
Cash paid to suppliers	(206,946)
Cash paid to employees	(78,768)
Change in accounts receivable	15,865
<b>Net cash provided (used) in operating activities</b>	<b>240,305</b>
 <b>Cash flows from capital and related financing activities:</b>	
Cash received from impact fees	34,894
Cash received from operating grants	226,654
Cash payments for capital assets	(220,935)
Cash payments for legal fees	(19,918)
Cash payments for long-term debt principal	(140,952)
Cash payments for long-term debt interest	(88,698)
<b>Net cash provided (used) in capital and related financing activities</b>	<b>(208,954)</b>
 <b>Cash flows from investing activities:</b>	
Cash received from interest earned	8,087
<b>Net cash provided (used) in investing activities</b>	<b>8,087</b>
 <b>Net increase (decrease) in cash</b>	 <b>39,438</b>
Cash balance - beginning	268,394
<b>Cash balance - ending</b>	<b>\$ 307,833</b>
 <b>Cash reported on the statement of net position:</b>	
Cash and cash equivalents	\$ 6,017
Non-current restricted cash	301,816
<b>Total cash and cash equivalents</b>	<b>\$ 307,833</b>

(The Statement of Cash Flows continues on the following page)

Big Plains Water Special Service District  
**STATEMENT OF CASH FLOWS (continued)**  
 For the Year Ended June 30, 2023

<b>Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:</b>	<u>Utility Fund</u>
<b>Net operating income (expense)</b>	<b>\$ 74,166</b>
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:	
Depreciation and amortization	138,494
Net pension expense/employer pension contribution	(2,202)
Changes in assets and liabilities:	
(Increase) decrease in receivables	15,865
Increase (decrease) in accounts payable	16,763
Increase (decrease) in payroll liabilities	(2,781)
Increase (decrease) in compensated absences	-
<b>Net cash provided (used) in operating activities</b>	<b><u>\$ 240,305</u></b>

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



## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 1-A. Reporting entity

Big Plains Water Special Service District (the District), a special service district located in Washington County, Utah, was organized for the purpose of providing culinary water service to the residents of the District. The District operates under the direction of a Board of Trustees. All trustees are appointed by the Town of Apple Valley Mayor.

The District is a component unit of the Town of Apple Valley, Utah. For fiscal years up to and including the year ended June 30, 2023, the Town has managed water billings and related collections on behalf of the District. In those same years, the District has contracted with the Town to have Town personnel provide accounting services to the District.

### 1-B. Financial statements

The financial statements presented are those required of an enterprise fund and consist of the statement of net position, the statement of revenues, expenses, and changes in net position and the statement of cash flows. The District is considered a special-purpose government engaged in business-type activities and records all of the transactions related to its activities in a single enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods and services (including depreciation), on a continuing basis, be financed or recovered primarily through user charges. No fiduciary funds or components that are fiduciary in nature are included.

### 1-C. Measurement focus, basis of accounting and financial statement presentation

*Measurement focus* is commonly used to describe the types of transactions and events that are reported in a fund's operating statement. The operating statement of an enterprise fund focuses on changes in, or the flow of, *economic* resources. With this measurement focus, all assets and liabilities associated with the operation of the fund, both current and non-current, are included on the statement of net assets. Thus, net position (total assets and deferred out flows of resources less total liabilities and deferred inflows of resources) are used as a practical measure of economic resources.

*Basis of accounting* refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. As a practical matter, a fund's basis of accounting is inseparably tied to its measurement focus. Funds that focus on total economic resources employ the full accrual basis of accounting, which recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs. Under accrual accounting, revenues are recognized as soon as they are earned, and expenses are recognized as soon as a liability is incurred, regardless of the timing of related cash inflows and outflows.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. The District also recognizes the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity**

**1-E-1. Deposit and Investments**

Cash includes cash on hand, demand deposits with bank and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The District's policy allows for investment in fund in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

**1-E-2. Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**1-E-3. Receivables and Payables**

Accounts receivable other than intergovernmental receivables are from customers primarily for utility services. Intergovernmental receivables are considered collectible. Customer accounts are reported net of allowance for uncollectable accounts. Due to the nature of the accounts receivable, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectable accounts receivable is presented.

**1-E-4. Restricted Assets**

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the statement of net position because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net position.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

**1-E-5. Inventories and Prepaid items**

Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis.

**1-E-6. Capital Assets**

Capital assets includes property, plant, equipment, and infrastructure assets, and are reported in the statement of net position. Capital assets are defined by the government as assets with an initial, individual significant cost and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Infrastructure is depreciated.

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)**

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts.

Property, plant, and equipment of the primary government, as well as the component unit, if any, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Distribution and collection system	40
Equipment	5-20

**1-E-7. Long-term Obligations**

In the proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the proprietary fund statement of net position. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**1-E-8. Leases and Subscription-Based Information Technology Arrangements**

Lessee: The District does not have any leases that fall under the new standard ASC-842. However, the District will recognize a lease liability and an intangible right-to-use lease asset (lease asset) in the statement of net position if they obtain any leases in subsequent years.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)**

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Subscription-based information technology arrangements: The District recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The District recognizes subscription liabilities with an initial, individual value of \$5,000 or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate implicit in the arrangement.

**1-E-9. *Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources related to pension as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The reports deferred inflows of resources related to pensions as required by GASB 68.

**1-E-10. *Net position flow assumption***

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**1-F. Tax abatements**

The District has not entered into any tax abatement agreements and the District is not aware of any tax abatement agreements that have been entered into by other governments that would reduce the District's tax revenues.

**1-G. Estimates**

GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**1-H. New pronouncements**

For the year ended June 30, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The District had no SBITAs during the year ended June 30, 2023, that required reporting under GASB statement No. 96.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**2-A. Budgetary data**

An annual operating budget is adopted by the District's board of trustees, on a basis consistent with generally accepted accounting principles, and as prescribed by state regulation. The budget is adopted prior to the beginning of the year to which it applies after a public hearing has been held. Subsequent amendments to the operating budget may be made after a public hearing.

A capital budget is also adopted by the board of trustees which identifies planned capital asset additions and requirements for long-term debt service principal payments, as well as the plan for financing these items.

**NOTE 3 - DETAILED NOTES**

**3-A. Deposits and investments**

Cash and investments as of June 30, 2023, consist of the following:

	Fair Value
Demand deposits	\$ 99,208
Investments - PTIF	208,625
<b>Total cash</b>	<b><u>\$ 307,833</u></b>

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 6,017
Restricted cash and cash equivalents (non-current)	301,816
<b>Total cash and cash equivalents</b>	<b><u>\$ 307,833</u></b>

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that District funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**3-A. Deposits and investments (continued)**

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The District maintains monies not immediately needed for expenditure in PTIF accounts. A copy of the financial statements for the PTIF funds can be obtained by contacting the Utah State Treasurer.

As of June 30, 2023, the District had the following investments, ratings, and maturities:

	Fair Value	Credit Rating (1)	Weighted Average Maturity (2)
Utah Public Treasurer's Investment Fund	\$ 208,625	N/A	64.20
<b>Total Fair Value</b>	<b>\$ 208,625</b>		

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.

(2) Interest Rate Risk is estimated using the weighted average days to maturity.

**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 June 30, 2023, the District had \$208,625 invested in the PTIF, which uses a Level 2 fair value measurement.

**Deposit and investment risk**

The District maintains no investment policy containing any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The District's compliance with the provisions of UMMA addresses each of these risks.

**Interest rate risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the District are available immediately.

**Credit risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At June 30, 2023, all of the District's demand deposits are covered by FDIC insurance.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**3-A. Deposits and investments (continued)**

**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. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**3-B. Receivables**

The allowance policy is described in Note 1-E-3. Receivables as of year-end for the District's funds are shown below:

	Utility Fund
Due from Apple Valley Town	\$ 72,294
<b>Total receivables</b>	<b>\$ 72,294</b>

As described in Note 1-A., the Town of Apple Valley is currently billing and collecting the District's service revenues. The balance that is labeled "Due from Apple Valley" represents the outstanding portion of service revenues billed but not collected as of the end of the fiscal year by the Town of Apple Valley on behalf of Big Plains Water Special Service District.

**3-C. Capital assets**

Capital asset activity for the business-type activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 21,507	-	-	21,507
Water rights	996,483	1,000,000	-	1,996,483
Construction in progress	529,129	171,138	666,214	34,053
<b>Total capital assets, not being depreciated</b>	<b>1,547,119</b>	<b>1,171,138</b>	<b>666,214</b>	<b>2,052,043</b>
Capital assets, being depreciated:				
Distribution and collection systems	5,251,675	716,011	-	5,967,686
Equipment	42,132	-	-	42,132
<b>Total capital assets, being depreciated</b>	<b>5,293,807</b>	<b>716,011</b>	<b>-</b>	<b>6,009,818</b>
Less accumulated depreciation for:				
Distribution and collection systems	969,645	135,626	-	1,105,271
Equipment	20,760	2,869	-	23,629
<b>Total accumulated depreciation</b>	<b>990,405</b>	<b>138,494</b>	<b>-</b>	<b>1,128,899</b>
<b>Total capital assets being depreciated, net</b>	<b>4,303,402</b>	<b>577,516</b>	<b>-</b>	<b>4,880,918</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 5,850,521</b>	<b>1,748,654</b>	<b>666,214</b>	<b>6,932,961</b>

Depreciation expense was charged to functions/programs of the primary government business-type activities was as follows:

<b>Business-type activities:</b>	
Water	\$ 138,494
<b>Total</b>	<b>\$ 138,494</b>

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**3-D. Long-term liabilities**

Long-term debt activity for business-type activities was as follows:

	Original Principal	% Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2018 Water Bond Series A							
Matures 10/1/2037	\$ 88,000	-	\$ 72,000	-	4,000	68,000	4,000
2012 Water Project							
Matures 1/1/2044	2,540,000	-	1,860,000	-	85,000	1,775,000	85,000
2018 Water Bond Series B							
Matures 5/1/2048	362,000	1.00	317,000	-	11,000	306,000	11,000
2015 Water Bond 02							
Matures 8/15/2054	300,000	4.00	275,033	-	4,305	270,728	4,480
2015 Water Bond 01							
Matures 9/15/2054	2,364,800	3.50	2,148,276	-	36,646	2,111,630	37,950
<b>Total business-type activity long-term liabilities</b>			<b>\$ 4,672,310</b>	<b>-</b>	<b>140,952</b>	<b>4,531,358</b>	<b>142,430</b>

Debt service requirements to maturity for business-type activities are as follows:

For the year ending June 30,	Principal	Interest	Total
2024	\$ 142,430	87,110	229,540
2025	143,963	85,467	229,430
2026	144,550	83,770	228,320
2027	147,196	82,014	229,210
2028	147,900	80,200	228,100
2029 - 2033	777,312	371,478	1,148,790
2034 - 2038	832,200	315,600	1,147,800
2039 - 2043	876,383	249,317	1,125,700
2044 - 2048	614,872	170,558	785,430
2049 - 2053	554,068	78,332	632,400
2054 - 2055	150,484	3,504	153,988
<b>Total</b>	<b>\$ 4,531,358</b>	<b>1,607,349</b>	<b>6,138,708</b>

The business-type bonds are secured by their respective revenues.

The District has outstanding bonds related to business-type activities totaling \$4,531,358. The outstanding bonds are all secured with their respective revenues and/or property and equipment.

The District has no unused lines of credit as of June 30, 2023.



Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023

**3-E. Restricted net position**

At June 30, 2023, the District's restricted net position is as follows:

<b>Business-type:</b>	
Net investment in capital assets	\$ 2,401,603
Restricted:	
Bond fund	216,816
Reserve fund	85,000
Unrestricted	12,098
<b>Total net position</b>	<u><u>\$ 2,715,517</u></u>

**NOTE 4 - OTHER INFORMATION**

**4-A. Risk management**

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 participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The District is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

**4-B. Rounding convention**

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

**4-C. Pension Plans**

**General Information about the Pension Plan**

**Plan description:**

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

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.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**4-C. Pension Plans (continued)**

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/general/publications](http://www.urs.org/general/publications).

**Summary of Benefits by System**

*Benefits provided:* URS provides retirement disability, and death benefits.

Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage 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 past-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.

**Contribution Rate Summary:** 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 June 30, 2023, are as follows:

<b>Utah Retirement Systems</b>	<b>Employee Paid</b>	<b>Employer Contribution Rate</b>	<b>Employer Rate for 401(k) Plan</b>
Contributory System			
111 - Local Government Div - Tier 2	-	16.01	0.18
Noncontributory System			
15 - Local Government Div - Tier 1	-	17.97	-
Tier 2 DC Only			
211 - Local Government	-	6.19	10.00

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

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**4-C. Pension Plans (continued)**

For the fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

<b>System</b>	Employer Contributions	Employee Contributions
Noncontributory System	\$ 7,865	N/A
<b>Total Contributions</b>	<b>\$ 7,865</b>	<b>-</b>

Contributions reported are the URS Board approved required contributions by 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 and Inflows of Resources Relating to Pensions***

At June 30, 2023, we reported a net pension asset of \$0 and a net pension liability of \$8,702.

	(Measurement Date): December 31, 2022			Proportionate Share 12/31/2021	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 8,702	0.0050805%	0.0053608%	-0.0002803%
Tier 2 Public Employees System	-	-	0.0000000%	0.0000000%	0.0000000%
<b>Total</b>	<b>\$ -</b>	<b>\$ 8,702</b>			

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 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 June 30, 2023, we recognize pension expense of \$5,662.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,951	\$ -
Changes in assumptions	1,426	35
Net difference between projected and actual earnings on pension plan investments	5,740	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,293	542
Contributions subsequent to the measurement date	2,997	-
<b>Total</b>	<b>\$ 14,407</b>	<b>\$ 577</b>

\$2,997 was 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, 2022.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**4-C. Pension Plans (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:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (450)
2024	270
2025	2,293
2026	8,802
2027	(12)
Thereafter	(69)

***Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources***

At June 30, 2023, we recognized pension expense of \$5,674.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,951	\$ -
Changes in assumptions	1,426	35
Net difference between projected and actual earnings on pension plan investments	5,740	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,070	191
Contributions subsequent to the measurement date	2,997	-
<b>Total</b>	<b>\$ 14,184</b>	<b>\$ 226</b>

\$2,997 was 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, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**4-C. Pension Plans (continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (439)
2024	281
2025	2,305
2026	8,814
2027	-
Thereafter	-

***Tie 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources***

At June 30, 2023, we recognized pension expense of (\$12).

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference 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	223	351
Contributions subsequent to the measurement date	-	-
<b>Total</b>	<b><u>\$ 223</u></b>	<b><u>\$ 351</u></b>

\$0 was 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, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**4-C. Pension Plans (continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (12)
2024	(12)
2025	(12)
2026	(12)
2027	(12)
Thereafter	(69)

**Actuarial assumptions:**

The total pension liability in the December 31, 202, 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 - 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated 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, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2023

**4-C. Pension Plans (continued)**

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

<b>Assets class</b>	<b>Expected Return Arithmetic Basis</b>		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	-0.11%	0.00%
<b>Totals</b>	<b>100.00%</b>		<b>5.17%</b>
Inflation			2.50%
Expected arithmetic nominal return			7.67%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.35% that is net of investment expense.

*Discount rate:* The discount rate used to measure the total pension liability was 6.85 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.

*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 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

<b>System</b>	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 54,841	\$ 8,702	\$ (29,850)
<b>Total</b>	<b>\$ 54,841</b>	<b>\$ 8,702</b>	<b>\$ (29,850)</b>

**Pension plan fiduciary net position:**

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Big Plains Water Special Service District  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2023

**4-C. Pension Plans (continued)**

**Defined Contributions Savings Plan:**

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.

The District does not currently participate in any Defined Contribution Savings Plans with Utah Retirement Systems.

**4-D. Prior period adjustment**

During fiscal year 2022, the Jepsens Canyon Public Infrastructure District #1 purchased \$1,000,000 of water shares which were donated to the District. The District was not made aware of the donation until fiscal year 2023 and has recorded a prior period adjustment to increase water shares and net position by \$1,000,000 each, for this contribution.

In addition, the District has recognized additional accrued unpaid late fees due from the Town of Apple Valley as of June 30, 2022. This prior period adjustment resulted in an increase of \$11,758 in the beginning net position as reported on the Statement of Revenues, Expenses and Changes in Net Position.



**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

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Big Plains Water Special Service District  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
 June 30, 2023  
 Last 10 Fiscal Years\*

	As of December 31,				
	2023	2022	2021	2020	2019
<b>Noncontributory Retirement System</b>					
Proportion of the net pension liability (asset)	0.0050805%	0.5360800%	0.0045272%	0.0000000%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ 8,702	\$ (30,702)	\$ 2,322	\$ -	\$ -
Covered employee payroll	\$ 54,958	\$ 54,609	\$ 45,006	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	15.83%	-56.22%	5.16%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	97.50%	108.70%	99.20%	0.00%	0.00%
<b>Tier 2 Public Employees Retirement System</b>					
Proportion of the net pension liability (asset)	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%

\* 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.

Big Plains Water Special Service District  
**SCHEDULE OF CONTRIBUTIONS**  
 June 30, 2023  
 Last 10 Fiscal Years\*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
<b>Noncontributory System</b>	2019	\$ 8,313	\$ 8,313	\$ -	\$ 45,006	18.47%
	2020	8,313	8,313	-	45,006	18.47%
	2021	9,001	9,001	-	48,731	18.47%
	2022	10,389	10,389	-	56,247	18.47%
	2023	7,865	7,865	-	43,770	17.97%
<b>Tier 2 Public Employees Riterment System**</b>	2019	\$ 3,684	\$ 3,684	\$ -	\$ 23,705	15.54%
	2020	-	-	-	-	0.00%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
	2023	-	-	-	-	0.00%

\* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 10-year schedule will need to be built prospectively.

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

Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

**Notes to Required Supplementary Information**

*Changes in Assumptions Related to Pensions :*

No changes were made in actuarial assumptions from the prior year's valuation.

**OTHER SUPPLEMENTARY INFORMATION**

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Big Plains Water Special Service District  
**OTHER SUPPLEMENTARY INFORMATION**  
 For the Year Ended June 30, 2023

This information is required by one of the Big Plains Water Special Service District's bondholders to be included in the notes to the financial statements. It is not otherwise a required item for disclosure.

### Insurance Coverage

The Big Plains Water Special Service District was insured for General Liability and Auto by the Utah Local Government Trust as of June 30, 2023. The following is a summary of the relevant coverages at June 30, 2023:

<u>Policy #17220-GL2012:</u>	<u>Amount of Coverage</u>	<u>Expires</u>
General Liability	\$ 2,000,000	9/30/2023
Auto Bodily Injury	2,000,000	9/30/2023
Auto Property Damage	2,000,000	9/30/2023
Personal Injury Protection	As State Requires	9/30/2023
Underinsured Motorist	80,000	9/30/2023
Uninsured Motorist	80,000	9/30/2023
Pollution Exclusion Endorsement	50,000	9/30/2023
No Fault Sewer Cleanup	5,000	9/30/2023

### Water System Customers and Connections

Customers	546
Connections	468
 Total revenues billed	 \$ 375,536

### Schedule of Water Rates

	<u>Cost Per 1,000 Gallons:</u>	
Water - Base of \$49.00	5,000	\$ 1.50
	5,001-12,000	\$ 1.75
	12,001-25,000	\$ 2.00
	25,001-35,000	\$ 2.25
	35,001-45,000	\$ 2.50
	45,001+	\$ 2.75

### Established Funds and Balances

Bond Fund	58,383
Reserve Fund	180,848
Capital Facilities Replacement Fund	76,236

### Governing Body

Andy McGinnis	Chairman/Town Council
Ross Gregerson	Treasurer
Frank Lundhardt	Board Member/Mayor
Harold Merritt	Board Member
Jarry Zaharias	Board Member

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**Independent Auditors' 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**

Board and Management  
Of Big Plains Water Special Service District  
Town of Apple Valley, Utah

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 the Big Plains Water Special Service District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 12, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

*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 may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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.

### 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.

*HintonBurdick, PLLC*

January 12, 2024



**HINTONBURDICK**  
CPAs & ADVISORS

**Independent Auditors' Report on Compliance and  
Report on Internal Control Over Compliance  
As Required by the State Compliance Audit Guide**

Board and Management  
of Big Plains Water Special Service District  
Town of Apple Valley, Utah

**Report on Compliance**

We have audited the Big Plains Water Special Service District's (District) compliance with the applicable general state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the District for the year ended June, 30, 2023.

General state compliance requirements were tested for the year ended June 30, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Impact Fees
- Special and Local Service District Board Members
- Utah Retirement Systems
- Public Treasurer's Bond
- Open and Public Meetings Act

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on the District's compliance based on our audit of the 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 compliance requirements referred to above that could have a

direct and material effect on the District occurred. An audit includes examining, on a test basis, evidence about the 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 the District's compliance with those requirements.

### **Opinion**

In our opinion, the District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

### **Report on Internal Control Over Compliance**

Management of the 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 the District's internal control over compliance with the state compliance requirements referred to above to determine the auditing 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 the 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 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 material weaknesses. However, material weaknesses may exist that have not been identified.

We did note matters involving internal control over compliance or certain deficiencies which we are submitting for your consideration. These matters are described in the accompanying letter of Findings and Recommendations.

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.

*HintonBurdick, PLLC*

St. George, Utah  
January 12, 2024

## REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (the “**Agreement**”) is made this 4th day of April 2024 by and between the following:

Seller(s): SUP III, LLC, a Utah Limited Liability Company  
Barry J. Graff and Shawn H. Graff, Managers  
Address: PO Box 252, Draper, UT 84020-2012

SUP I, LLC, a Utah Limited Liability Company  
Barry J. Graff and Shawn H. Graff, Managers  
Address: PO Box 252, Draper, UT 84020-2012

Buyer: Big Plains Water Special Service District, a Utah Special Service District  
Address: 1777 N. Meadowlark Dr., Apple Valley, Utah 84737

Definitions:

1. If more than one, all Sellers shall be referred to herein collectively as “**Seller**.”
2. Buyer shall be referred to herein as the “**District**.”
3. Seller and District are referred to sometimes in this Agreement individually as a “**party**” and jointly as the “**parties**.”

### RECITALS

The parties recite the following facts as an expression of their intent in entering this agreement:

A. Seller is the owner of certain real property located in Washington County, State of Utah, a description of which is set forth in **Exhibit A**, attached hereto and incorporated herein by this reference (the “**Property**”);

B. The District desires to purchase the Property to install and maintain water lines and a pump station and related fixtures necessary for the conveyance and delivery of culinary water within the District’s service area;

C. The District also requires an access easement across Seller’s additional real property for the installation and maintenance of water lines and related fixtures necessary for the conveyance and delivery of culinary water within the District’s service area (the “**Access Easement**”). The exact size and location of the easement is described on **Exhibit B**, attached hereto and incorporated herein by this reference;

D. The District also requires three (3) additional easements across Seller’s additional real property for the installation and maintenance of water lines and related fixtures necessary for the conveyance and delivery of culinary water within the District’s service area (the “**Three Easements**”). The exact size and location of the Three Easements are described on **Exhibit C**, attached hereto and incorporated herein by this reference;

NOW, THEREFORE, the parties hereto, for the mutual consideration expressed in this Agreement, hereby covenant and agree as follows:

#### AGREEMENT

1. Incorporation of Recitals. The parties incorporate the foregoing Recitals and affirm the same as part of this Agreement.

2. Agreement for Purchase and Grant of Easement. Seller agrees to sell to District and District agrees to purchase the Property from Seller. Seller also agrees to grant the Access Easement and the Three Easements. No additional consideration shall be paid beyond the Purchase Price for the Access Easement, Three Easements or Property.

2.1. Purchase Price, Other Consideration, and Terms. The Purchase Price shall be Five Thousand Dollars (\$5,000.00) (“Purchase Price”), payable as follows:

2.1.1. A cash payment of Five Thousand Dollars (\$5,000.00), to be deposited with Escrow Agent (defined below) on or before the Closing Date (defined below). Such deposit shall include all applicable closing costs, as provided for in this Agreement.

2.2. Property and Access Easement Conveyance. The conveyance of the Property and Access Easement from Seller to the District shall be by Warranty Deed in a form consistent with **Exhibit D**, attached hereto and incorporated herein by this reference.

2.3. Form of Three Easements. The conveyance of the Three Easements from Seller to the District shall be by a recorded Easement document in a form consistent with **Exhibits E-1 and E-2**, respectively attached hereto and incorporated herein by this reference.

3. Escrow Instructions. This Agreement shall also constitute instructions to a licensed title and escrow company doing business in Utah (the “**Escrow Agent**”). In addition, the parties agree to execute and deliver to Escrow Agent such other reasonable or customary supplemental escrow instructions or other instruments as may be reasonably required by Escrow Agent or by the parties in order to consummate the sale described herein. No provision of any supplemental escrow instructions shall amend or supersede any portion of this Agreement unless such supplemental instructions are executed by both Seller and the District. To the extent of any inconsistency between the provisions of such supplemental instructions and the provisions of this Agreement, unless specifically otherwise stated, the provisions of this Agreement shall control. Escrow Agent does hereby certify that Escrow Agent is licensed to perform the services contemplated by this Agreement in the manner required by applicable law.

3.1. Opening of Escrow. As soon as practicable following the District’s receipt of two (2) fully executed counterpart originals of this Agreement, the District shall cause an executed original of this Agreement to be delivered to Escrow Agent and Escrow Agent shall “open” an escrow account (“**Escrow**”) for the transaction contemplated by this Agreement. Escrow Agent shall provide Seller and the District with written notice that the Escrow has been opened along with a counterpart signature page executed by the Escrow Agent.

3.2. Closing of Escrow. The closing (the “**Closing**”) of the purchase and sale of the Easement shall take place through Escrow, by 5:00 PM, Mountain Standard time, no later than **April 15, 2024** (the “**Closing Date**”). Closing shall be deemed complete upon completion of the following:

3.2.1. Delivery by Seller of the duly executed Warranty Deed for the Property and Easement Agreement to be recorded.

3.2.2. Delivery by District to Escrow Agent of the Purchase Price (as defined below) and all amounts necessary to pay District’s recording fees and other closing costs.

3.2.3. All other documents necessary to finalize the transaction.

3.3. Closing Costs. Each party shall be responsible for its respective attorney fees, broker or real estate agent fees or commissions, or any other fees incurred by that party. Notwithstanding, District shall pay all reasonable and customary closing costs, including the costs of recording the Deed.

3.4. Closing Authorization. Seller and District instruct and authorize Escrow Agent to close this transaction as set out herein upon receipt of the necessary items from Seller and District.

3.5. Tax Reporting Person. In order to comply with applicable provisions of the Internal Revenue Code, Escrow Agent is hereby designated at the “person responsible for closing the transaction” and also the “reporting person” for purposes of filing any required information returns with the Internal Revenue Service concerning this transaction.

4. Seller’s Representations and Warranties. Seller hereby makes the following representations and warranties pertaining to the Easement property and agrees that such representations and warranties shall be applicable as of the Closing Date:

4.1. Authority to Execute Agreement. Seller has full capacity, right, power, and authority to execute, deliver and perform this Agreement and all documents to be executed by Seller pursuant hereto, and to close the sale of the Easement in accordance with the terms hereof, and all required corporate action and approvals therefore have been duly taken and obtained (if applicable). The individual signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of Seller are and shall be authorized to sign the same on Seller’s behalf and to bind Seller thereto. This Agreement and all documents to be executed pursuant hereto by Seller are and shall be binding upon and enforceable against Seller in accordance with their respective terms. The execution of this Agreement or any instrument or document required by the terms of this Agreement and, to the actual knowledge of Seller, the consummation of the transaction contemplated by this Agreement (meaning the sale of the Easement to the District) will not violate any order, ruling, certificate or license, regulation or demand of any court, regulatory agency or other tribunal to which Seller of the Easement is subject.

4.2. Pending Claims. To the knowledge of Seller there are no claims, causes of action or other litigation or proceedings initiated by or pending against Seller (other than the condemnation proceeding filed by District, if applicable) or, to the knowledge of Seller, threatened



against Seller in respect to Seller's ownership, operation or environmental condition of the Easement, the Property, or any part of either.

4.3. Default and Bankruptcy Issues. Seller is not in default in any respect of any judgment, order, writ, injunction, decision, law, ordinance, or regulation of any court or governmental authority to which the Easement, the Property, or any portion thereof, are or might be subject to which might prohibit, delay, or interfere with the consummation of this transaction. Furthermore, Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of Seller's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

4.5. Environmental Conditions. To the knowledge of Seller (i) there has not been nor does there exist any violation of Environmental Laws related to the Easement or the Property, or the presence or release of any Hazardous Materials on or from the Easement or the Property; (ii) Seller has not manufactured, introduced, released or discharged from or onto the Easement or the Property any Hazardous Materials or any toxic wastes, substances or materials; (iii) Seller has not used the Property or any part thereof for the generation, treatment, storage, handling or disposal of any Hazardous Materials, in violation of any Environmental Laws; (iv) there are no underground storage tanks located on the Property, within the Easement. The terms "Environmental Laws" as it is used in this Agreement shall mean all federal, state, and local laws and ordinances governing the environment as of the effective date of this Agreement. The term "Hazardous Materials" as it is used in this Agreement shall mean any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic under any Environmental Law.

5. District's Representations and Warranties. The District hereby makes the following representations and warranties and agrees that such representations and warranties shall be applicable as of the Closing Date:

5.1. Authority to Execute Agreement. The District represents and warrants to Seller that it has full authority and power to execute this Agreement and to close the purchase of the Easement in accordance with the terms hereof. The individuals signing this Agreement and all other documents executed or to be executed pursuant hereto on behalf of the District are and shall be duly authorized to sign the same on the District's behalf and to bind the District thereto. This Agreement and all documents to be executed hereto by the District are and shall be binding upon and enforceable against the District in accordance with their respective terms. The execution of this Agreement or any instrument or document required by the terms of this Agreement, and the consummation of the purchase of the Easement by the District will not violate any order, ruling, certificate or license, regulation or demand of any court, regulatory agency or other tribunal to which the District is subject.

5.2. Right of Eminent Domain. The District represents and warrants to Seller that it is a duly established "Water Conservancy District" as defined in Title 17B of the Utah Code, possessing the right of eminent domain as provided for in UTAH CODE ANN. § 17B-1-103(2)(h). The District represents that, in the event the transaction that is the subject of this Agreement fails

to close, the District intends to acquire the Easement through eminent domain proceedings in accordance with Utah Code Title 78, Chapter 34, as amended.

6. No Exchange of Water Rights. Nothing in this Agreement contemplates a transfer or exchange of water or water rights. NO WATER RIGHTS ARE TRANSFERRED BY THIS AGREEMENT.

7. Rollback Taxes. The Buyer shall be responsible to pay any rollback taxes assessed by the Washington County Assessor attributable to Seller's conveyance of the Property and Easement to Buyer.

8. Notices. Any notice given to a party under the terms of this Agreement shall be given in writing and shall be deemed complete on the date that such notice is deposited in the United States mail, registered or certified, return receipt requested, with postage prepaid and addressed as follows:

If notice is to Seller: SUP I, LLC; or  
SUP III, LLC  
Attn: Barry J. Graff and Shawn H. Graff, Managers  
PO Box 252  
Draper, UT 84020-2012

If notice is to District: Big Plains Water Special Service District  
1777 N. Meadowlark Dr.  
Apple Valley, Utah 84737

with a copy to: Ben Ruesch  
RUESCH & REEVE, PLLC  
86 N. 3400 W.  
Hurricane UT 84737

9. Time. Time is of the essence of this Agreement. In the event that either party does not perform as required under this Agreement within the time provided, the party not in default may terminate this Agreement at any time prior to the Closing, except as otherwise provided herein, and pursue any remedies available to that party under this Agreement or at law.

10. Entire Agreement. This Agreement contains the entire understanding of the parties hereto with respect to the transaction contemplated hereby. Any contract, agreement, or representation between the parties respecting the Easement or the Property, not expressly set forth in this Agreement or the Deed, shall be null and void. All prior representations, negotiations, agreements, and understandings of the parties are merged into this Agreement. No change or modification to this Agreement shall be valid unless it is in a writing signed by the party against whom enforcement is sought. Seller and the District each expressly waives any right of recession and all claims for damages by reason of any statement, representation, warranty, promise and/or agreement, if any, not contained in or attached to this Agreement.

11. Survivability. All covenants of Seller and the District which are expressly intended to hereunder to be performed in whole or in part after the Closing, including specifically, but

without limitation all representations and warranties by either party to the other, shall survive Closing and be binding upon and inure to the benefit of the respective parties hereto and their respective heirs, successors and permitted assigns.

12. Waiver, Consent and Remedies. Either party may specifically and expressly waive in writing any portion of this Agreement or any breach thereof, but no such waiver shall constitute a further or continuing waiver of any preceding or succeeding breach of the same or any other provision. A waiving party may at any time thereafter require further compliance by the other party with any breach or provision so waived. The consent by one party to any act by the other for which such consent was required shall not be deemed to imply consent or waiver of the necessity of obtaining such consent for the same or any similar acts in the future. No waiver or consent shall be implied from silence or any failure of a part to act, except as otherwise specified in this Agreement. Except as otherwise specified in this Agreement, (i) all rights, remedies, undertakings, obligations, covenants, conditions, and agreements contained in this Agreement shall be cumulative and no one of them shall be exclusive of any other, and (ii) except as otherwise specifically provided, either party may pursue any one or more of its rights or remedies hereunder, or may seek damages or specific performance in the event of the other party's breach hereunder, or may pursue any other remedy at law or equity, whether or not stated in this Agreement.

13. Execution of Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument. A facsimile transmission or scanned electronic image of an original signature may constitute such counterpart.

14. Specific Performance. Each of the parties hereto shall be entitled, if necessary, to bring an action for specific performance of the terms of this Agreement.

15. Failure to Perform. In the event that either party fails to perform as required in this agreement, the parties shall have the following remedies:

14.1. The party in default shall be required to pay all costs of enforcement of this agreement, including a reasonable attorney fee and court costs, whether enforcement is by judgment or by other lawful means.

16. Applicable Law. This Agreement and all performances relating to this Agreement shall be construed and interpreted according to the laws of the State of Utah.

17. Risk of Loss. The District shall assume risk of loss of the Property, Access Easement and Three Easements upon completion of Closing. Seller shall retain risk of loss until such date.

18. Severability. With respect to this Agreement and all agreements, documents, obligations, and transactions contemplated by this Agreement, any provision hereof or thereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective, and only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof or thereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable any provision in any other jurisdiction.

19. Legal Representation. This Agreement has been prepared by Ruesch & Reeve PLLC, legal counsel for the District. Ruesch & Reeve PLLC, has not and does not intend in any way to represent Seller with respect to the subject matter of this Agreement. The parties each represent that they have had opportunity to obtain legal representation and counsel and have done so to the extent they desire prior to signing this Agreement.

IN WITNESS of this agreement, the parties have signed this agreement effective as of the date written above.

**Seller:**

**District:**

SUP III, LLC  
By: Southern Utah Plains, LLC, a Utah  
limited liability company

Big Plains Water Special Service District



\_\_\_\_\_  
BARRY J. GRAFF, Manager

By: \_\_\_\_\_

Its: Mike Farrar - Mayor, District Chairman



\_\_\_\_\_  
SHAWN H. GRAFF, MANAGER

**EXHIBIT A**  
**to**  
**Real Estate Purchase Agreement**  
Description of Seller's Property

PARCEL 1 (A PORTION OF PARCEL AV-1351-A-1):  
BEGINNING AT A POINT WHICH LIES 747.92 FEET NORTH 89°01'20" WEST AND SOUTH 00°58'40" WEST 250.00 FEET FROM THE NORTHEAST CORNER OF SECTION 5, TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF PARCEL AV-1351-P; AND RUNNING THENCE SOUTH 00°58'40" WEST 93.27 FEET; THENCE NORTH 89°01'20" WEST TO A POINT WHICH LIES 25 FEET PERPENDICULAR TO THE NORTHEAST RIGHT-OF-WAY LINE OF HIGHWAY 59; THENCE PARALLEL TO SAID RIGHT-OF-WAY LINE NORTH 21°37'01" WEST 101.02 FEET TO THE SOUTHWEST CORNER OF SAID PARCEL AV-1351-P; THENCE ALONG THE SOUTH LINE OF SAID PARCEL AV-1351-P SOUTH 89°01'20" EAST 252.91 FEET, MORE OR LESS TO THE POINT OF BEGINNING.  
CONTAINING 0.50 ACRES, MORE OR LESS.  
A PART OF TAX PARCEL: AV-1351-A-1

**EXHIBIT B**  
**to**  
**Real Estate Purchase Agreement**  
Description of the Access Easement

ACCESS EASEMENT (ACROSS PARCEL (AV-1351-A-1):  
BEGINNING AT A POINT WHICH LIES 33.00 FEET NORTH 89°01'20" WEST AND  
SOUTH 00°50'40" WEST 30.00 FEET FROM THE NORTHEAST CORNER OF SECTION 5,  
TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN, SAID  
POINT ALSO BEING THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF  
MAIN STREET AND THE SOUTH LINE OF THE RMP ACCESS EASEMENT; AND  
RUNNING THENCE ALONG SAID MAIN STREET RIGHT-OF-WAY SOUTH 00°50'54"  
WEST 30.00 FEET; THENCE NORTH 89°01'20" WEST 685.06 FEET; THENCE SOUTH  
00°58'39" WEST 283.27 FEET; THENCE NORTH 89°01'20" WEST 30.00 FEET TO THE  
SOUTHEAST CORNER OF PARCEL 1; THENCE ALONG THE EAST LINE OF PARCEL 1  
AND PARCEL AV-1351-P NORTH 00°58'39" EAST 313.27 FEET TO THE SOUTH LINE OF  
SAID RMP ACCESS EASEMENT; THENCE ALONG SAID RMP ACCESS EASEMENT  
SOUTH 89°01'20" EAST 714.99 FEET, MORE OR LESS TO THE POINT OF BEGINNING.  
ENCUMBERING 0.69 ACRES, MORE OR LESS.

**EXHIBIT C**  
**to**  
**Real Estate Purchase Agreement**  
Description of the Three Easements

Easement 1:

Within Section 4, Township 43 South, Range 11 West, Salt Lake Base and Meridian and further described as:

PARCEL AV-1350-A (a portion thereof)

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF HIGHWAY 59 AND THE WEST SECTION LINE OF SECTION 4, SAID POINT LIES SOUTH 01°00'45" WEST 92.66 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 4, TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE ALONG SAID WEST LINE OF SECTION 4 NORTH 01°00'45" EAST 64.99 FEET; THENCE SOUTH 21°36'37" EAST 2828.37 FEET TO THE SOUTH LINE OF SAID SECTION 4; THENCE ALONG SAID SOUTH LINE OF SECTION 4 NORTH 89°04'36" WEST 27.07 FEET TO THE SAID EAST HIGHWAY RIGHT-OF-WAY; THENCE ALONG SAID EAST HIGHWAY RIGHT-OF-WAY NORTH 21°36'37" WEST 2758.00 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

Easement 2:

Within Section 5, Township 43 South, Range 11 West, Salt Lake Base and Meridian and further described as:

PARCEL AV-1351-A-1 (a portion thereof)

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF HIGHWAY 59 AND THE EAST SECTION LINE OF SECTION 5, SAID POINT LIES SOUTH 01°00'45" WEST 92.66 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 5, TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE ALONG SAID EAST HIGHWAY RIGHT-OF-WAY NORTH 21°36'37" WEST 2959.62 FEET TO THE NORTH LINE OF SAID SECTION 5; THENCE ALONG SAID NORTH LINE OF SECTION 5 SOUTH 89°05'38" EAST 27.06 FEET; THENCE SOUTH 21°36'37" EAST 2889.27 FEET TO THE SAID EAST LINE OF SECTION 5; THENCE ALONG SAID EAST LINE OF SECTION 5 SOUTH 01°00'45" WEST 64.99 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

Easement 3:

Within Section 9, Township 43 South, Range 11 West, Salt Lake Base and Meridian and further described as:

PARCEL AV-1351-A-1 (a portion thereof)

BEGINNING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF HIGHWAY 59 AND THE EAST QUARTER SECTION LINE OF SECTION 9, SAID POINT LIES NORTH 89°10'26" WEST 489.83 FEET FROM THE CENTER QUARTER CORNER OF SAID SECTION 9, TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE ALONG SAID EAST HIGHWAY RIGHT-OF-WAY NORTH 21°36'37" WEST 2859.63 FEET TO THE NORTH LINE OF SAID SECTION 9; THENCE ALONG SAID NORTH LINE OF SECTION 9 SOUTH 89°04'36" EAST 27.07 FEET; THENCE SOUTH 21°36'37" EAST 2859.58 FEET TO THE SAID EAST QUARTER

SECTION LINE OF SECTION 9; THENCE ALONG SAID EAST QUARTER SECTION  
LINE NORTH 89°10'26" WEST 27.05 FEET, MORE OR LESS TO THE POINT OF  
BEGINNING.



**EXHIBIT D**  
to  
**Real Estate Purchase Agreement**  
Warranty Deed (to be recorded)

Mail Tax Notices to:  
Grantee  
1777 N. Meadowlark Dr.  
Apple Valley, Utah 84737

**WARRANTY DEED**

**SUP III, LLC, a Utah limited liability company**, Grantor of \_\_\_\_\_,  
County of \_\_\_\_\_, State of Utah, hereby Conveys and Warrants to, **Big Plains**  
**Water Special Service District**, a Utah Special Service District, grantee of Apple Valley,  
County of Washington, State of Utah for the sum of \$10.00 DOLLARS, the following described  
tract of land in Washington County, State of Utah:

PARCEL 1 (A PORTION OF PARCEL AV-1351-A-1):  
BEGINNING AT A POINT WHICH LIES 747.92 FEET NORTH 89°01'20" WEST AND  
SOUTH 00°58'40" WEST 250.00 FEET FROM THE NORTHEAST CORNER OF SECTION 5,  
TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN, SAID  
POINT ALSO BEING THE SOUTHEAST CORNER OF PARCEL AV-1351-P; AND  
RUNNING THENCE SOUTH 00°58'40" WEST 93.27 FEET; THENCE NORTH 89°01'20"  
WEST TO A POINT WHICH LIES 25 FEET PERPENDICULAR TO THE NORTHEAST  
RIGHT-OF-WAY LINE OF HIGHWAY 59; THENCE PARALLEL TO SAID RIGHT-OF-  
WAY LINE NORTH 21°37'01" WEST 101.02 FEET TO THE SOUTHWEST CORNER OF  
SAID PARCEL AV-1351-P; THENCE ALONG THE SOUTH LINE OF SAID PARCEL AV-  
1351-P SOUTH 89°01'20" EAST 252.91 FEET, MORE OR LESS TO THE POINT OF  
BEGINNING.  
CONTAINING 0.50 ACRES, MORE OR LESS.

ACCESS EASEMENT (ACROSS PARCEL (AV-1351-A-1):  
BEGINNING AT A POINT WHICH LIES 33.00 FEET NORTH 89°01'20" WEST AND  
SOUTH 00°50'40" WEST 30.00 FEET FROM THE NORTHEAST CORNER OF SECTION 5,  
TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN, SAID  
POINT ALSO BEING THE INTERSECTION OF THE WEST RIGHT-OF-WAY LINE OF  
MAIN STREET AND THE SOUTH LINE OF THE RMP ACCESS EASEMENT; AND  
RUNNING THENCE ALONG SAID MAIN STREET RIGHT-OF-WAY SOUTH 00°50'54"  
WEST 30.00 FEET; THENCE NORTH 89°01'20" WEST 685.06 FEET; THENCE SOUTH  
00°58'39" WEST 283.27 FEET; THENCE NORTH 89°01'20" WEST 30.00 FEET TO THE  
SOUTHEAST CORNER OF PARCEL 1; THENCE ALONG THE EAST LINE OF PARCEL 1  
AND PARCEL AV-1351-P NORTH 00°58'39" EAST 313.27 FEET TO THE SOUTH LINE OF  
SAID RMP ACCESS EASEMENT; THENCE ALONG SAID RMP ACCESS EASEMENT  
SOUTH 89°01'20" EAST 714.99 FEET, MORE OR LESS TO THE POINT OF BEGINNING.  
ENCUMBERING 0.69 ACRES, MORE OR LESS.

SUBJECT TO Restrictions, Easements and Rights of Way of Record or Enforceable in Law and Equity.

WITNESS, the hand of said grantor, \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_\_.

Signed:

SUP III, a Utah limited liability company

By: Southern Utah Plains, LLC, a Utah limited liability company

By: \_\_\_\_\_

Name: Barry J. Graff

Its: Manager

By: \_\_\_\_\_

Name: Shawn H. Graff

Its: Manager

STATE OF UTAH )  
SS.

COUNTY OF \_\_\_\_\_, )

On the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_ personally appeared before me Barry J. Graff and Shawn H. Graff, Managers of Southern Utah Plains, LLC a Utah limited liability company, Manager of SUP III, a Utah limited liability company, the signers of the within instrument, who duly acknowledged to me that they executed the same.

S  
E  
A  
L

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_ Residing at \_\_\_\_\_.

**EXHIBIT E-1**  
to  
**Real Estate Purchase Agreement**  
(Form Three Easements)

Recorded at Request of  
Grantee  
1777 N. Meadowlark Dr.  
Apple Valley, Utah 84737  
Parcel ID: AV-1351-A-1

**EASEMENT**

SUP III, LLC, a Utah limited liability company, GRANTOR, of the Property described below in the County of Washington State of Utah, hereby GRANT the easement listed below to install and maintain a water pipeline to Big Plains Water Special Service District, a Utah Special Service District, GRANTEE, for the sum of One dollar (\$1.00) and other good and valuable consideration the following described easement in WASHINGTON County, State of Utah:

The easements may partially or completely lie within GRANTOR's property. The perpetual easement shall be 25 feet in width. The temporary construction easement shall be 40 feet in width granted for the time of original installation of the facilities. The proposed location of facilities described as follows:

A 25 foot perpetual easement, with a 40 foot construction easement, running on the Northeasterly side and parallel to the right-of-way line of Utah State Route 59, on, above, and below grantors property within Sections 5 and 9, Township 43 South, Range 11 West, Salt Lake Base and Meridian and further described as:

PERPETUAL PIPELINE EASEMENT ACROSS PARCEL AV-1351-A-1 (SECTION 5):  
BEGINNING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF HIGHWAY 59 AND THE EAST SECTION LINE OF SECTION 5, SAID POINT LIES SOUTH 01°00'45" WEST 92.66 FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 5, TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE ALONG SAID EAST HIGHWAY RIGHT-OF-WAY NORTH 21°36'37" WEST 2959.62 FEET TO THE NORTH LINE OF SAID SECTION 5; THENCE ALONG SAID NORTH LINE OF SECTION 5 SOUTH 89°05'38" EAST 27.06 FEET; THENCE SOUTH 21°36'37" EAST 2889.27 FEET TO THE SAID EAST LINE OF SECTION 5; THENCE ALONG SAID EAST LINE OF SECTION 5 SOUTH 01°00'45" WEST 64.99 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

PERPETUAL PIPELINE EASEMENT ACROSS PARCEL AV-1351-A-1 (SECTION 9):  
BEGINNING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF HIGHWAY 59 AND THE EAST QUARTER SECTION LINE OF SECTION 9, SAID POINT LIES NORTH 89°10'26" WEST 489.83 FEET FROM THE CENTER QUARTER CORNER OF SAID SECTION 9, TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE ALONG

SAID EAST HIGHWAY RIGHT-OF-WAY NORTH 21°36'37" WEST 2859.63 FEET TO THE NORTH LINE OF SAID SECTION 9; THENCE ALONG SAID NORTH LINE OF SECTION 9 SOUTH 89°04'36" EAST 27.07 FEET; THENCE SOUTH 21°36'37" EAST 2859.58 FEET TO THE SAID EAST QUARTER SECTION LINE OF SECTION 9; THENCE ALONG SAID EAST QUARTER SECTION LINE NORTH 89°10'26" WEST 27.05 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

Purpose and Conditions

TO HAVE AND TO HOLD the same unto the GRANTEE, the easements as follows:

A temporary construction easement with the right to install and inspect pipelines, valves, and other associated structures and appurtenances, (herein collectively called "facilities") over, across, under and through the easement that expires at the time the facilities are put into service; and

A perpetual easement with the right to install, inspect, maintain, operate, repair, protect, remove and replace municipal facilities over, across, under and through the easement.

So long as such facilities shall be maintained, with the right of ingress and egress to and from said easement for the purpose described in the temporary construction and perpetual easements. During temporary periods, the GRANTEE may use such portion of the property along and adjacent to said easement as may be reasonably necessary in connection with the construction, maintenance, repair, removal, or replacement of the facilities. The GRANTEE shall notify GRANTOR prior to entering the easements for purposes of initial construction.

GRANTEE as a condition of the granting of the easements shall pay damages, restore or replace in kind, at the GRANTOR's discretion and at GRANTEE's expense, fences, crops, underground pipes, and other improvements in the event such are damaged by the construction, maintenance, repair, replacement, or removal of the facilities. Upon completion of construction, GRANTEE shall reclaim the perpetual and temporary easement areas to a condition reasonably similar to the condition prior to entry.

The GRANTOR shall not build or construct, nor permit to be built or constructed, any building or other similar improvement over, across, or under the said easement, nor change the contour thereof without written consent of the GRANTEE. This easement grant shall be binding upon GRANTOR, his successors and assigns, and shall inure to the benefit of GRANTEE, its successors and assigns, and may be assigned in whole or in part by the GRANTEE.

It is hereby understood that any party securing this grant on behalf of the GRANTEE is without authority to make any representations, covenants, or agreements not herein expressed.

WITNESS, the hand of said grantor, \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_\_.

SUP III, a Utah limited liability company  
By: Southern Utah Plains, LLC, a Utah limited liability company

By: \_\_\_\_\_  
Name: Barry J. Graff  
Its: Manager

By: \_\_\_\_\_  
Name: Shawn H. Graff  
Its: Manager

STATE OF UTAH,                    )  
  SS.  
COUNTY OF \_\_\_\_\_,        )

On the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_  
personally appeared before me Barry J. Graff and Shawn H. Graff, Managers of Southern Utah  
Plains, LLC a Utah limited liability company, Manager of SUP III, a Utah limited liability  
company, the signers of the within instrument, who duly acknowledged to me that they executed  
the same.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_  
Residing at \_\_\_\_\_

**EXHIBIT E-2**  
to  
**Real Estate Purchase Agreement**  
(Form Three Easements)

Recorded at Request of  
Grantee  
1777 N. Meadowlark Dr.  
Apple Valley, Utah 84737  
Parcel ID: AV-1350-A

**EASEMENT**

SUP I, LLC, a Utah limited liability company, GRANTOR of the Property described below in the County of Washington State of Utah, hereby GRANT the easement listed below to install and maintain a water pipeline to Big Plains Water Special Service District, a Utah Special Service District, GRANTEE, for the sum of One dollar (\$1.00) and other good and valuable consideration the following described easement in WASHINGTON County, State of Utah:

The easements may partially or completely lie within GRANTOR's property. The perpetual easement shall be 25 feet in width. The temporary construction easement shall be 40 feet in width granted for the time of original installation of the facilities. The proposed location of facilities described as follows:

A 25 foot perpetual easement, with a 40 foot construction easement, running on the Northeasterly side and parallel to the right-of-way line of Utah State Route 59, on, above, and below grantors property within Section 4, Township 43 South, Range 11 West, Salt Lake Base and Meridian and further described as:

PERPETUAL PIPELINE EASEMENT ACROSS PARCEL AV-1350-A (SECTION 4): BEGINNING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF HIGHWAY 59 AND THE WEST SECTION LINE OF SECTION 4, SAID POINT LIES SOUTH 01°00'45" WEST 92.66 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 4, TOWNSHIP 43 SOUTH, RANGE 11 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE ALONG SAID WEST LINE OF SECTION 4 NORTH 01°00'45" EAST 64.99 FEET; THENCE SOUTH 21°36'37" EAST 2828.37 FEET TO THE SOUTH LINE OF SAID SECTION 4; THENCE ALONG SAID SOUTH LINE OF SECTION 4 NORTH 89°04'36" WEST 27.07 FEET TO THE SAID EAST HIGHWAY RIGHT-OF-WAY; THENCE ALONG SAID EAST HIGHWAY RIGHT-OF-WAY NORTH 21°36'37" WEST 2758.00 FEET, MORE OR LESS TO THE POINT OF BEGINNING.

Purpose and Conditions

TO HAVE AND TO HOLD the same unto the GRANTEE, the easements as follows:

A temporary construction easement with the right to install and inspect pipelines, valves, and other associated structures and appurtenances, (herein collectively called "facilities") over, across, under and through the easement that expires at the time the facilities are put into service; and

A perpetual easement with the right to install, inspect, maintain, operate, repair, protect, remove and replace municipal facilities over, across, under and through the easement.

So long as such facilities shall be maintained, with the right of ingress and egress to and from said easement for the purpose described in the temporary construction and perpetual easements. During temporary periods, the GRANTEE may use such portion of the property along and adjacent to said easement as may be reasonably necessary in connection with the construction, maintenance, repair, removal, or replacement of the facilities. The GRANTEE shall notify GRANTOR prior to entering the easements for purposes of initial construction.

GRANTEE as a condition of the granting of the easements shall pay damages, restore or replace in kind, at the GRANTOR's discretion and at GRANTEE's expense, fences, crops, underground pipes, and other improvements in the event such are damaged by the construction, maintenance, repair, replacement, or removal of the facilities. Upon completion of construction, GRANTEE shall reclaim the perpetual and temporary easement areas to a condition reasonably similar to the condition prior to entry.

The GRANTOR shall not build or construct, nor permit to be built or constructed, any building or other similar improvement over, across, or under the said easement, nor change the contour thereof without written consent of the GRANTEE. This easement grant shall be binding upon GRANTOR, his successors and assigns, and shall inure to the benefit of GRANTEE, its successors and assigns, and may be assigned in whole or in part by the GRANTEE.

It is hereby understood that any party securing this grant on behalf of the GRANTEE is without authority to make any representations, covenants, or agreements not herein expressed.

WITNESS, the hand of said grantor, \_\_\_\_\_ this  
\_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_\_.

SUP I, a Utah limited liability company  
By: Southern Utah Plains, LLC, a Utah limited liability company

By: \_\_\_\_\_  
Name: Barry J. Graff  
Its: Manager

By: \_\_\_\_\_  
Name: Shawn H. Graff  
Its: Manager


STATE OF UTAH,                                 )  
   SS.  
COUNTY OF \_\_\_\_\_,                 )

On the \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_  
personally appeared before me Barry J. Graff and Shawn H. Graff, Managers of Southern Utah Plains, LLC a Utah limited liability company, Manager of SUP I, a Utah limited liability company, the signers of the within instrument, who duly acknowledged to me that they executed the same.


\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_  
Residing at \_\_\_\_\_.

<b>Title</b>	Real Estate Purchase Agreement
<b>File name</b>	4.4.24_Big_Plains...reement_CLEAN.pdf
<b>Document ID</b>	3d0a5350f7b3f82d184cd4ddeb9625100a6a47c
<b>Audit trail date format</b>	MM / DD / YYYY
<b>Status</b>	● Signed


### Document History

-   
SENT


**04 / 09 / 2024**  
23:06:47 UTC

Sent for signature to Barry J. Graff (bgraff12@comcast.net), Shawn H. Graff (shawn@graffmail.com) and Mike Farrar (mayor@applevalleyut.gov) from brandon@rrlegal.com  
IP: 209.181.80.92
-   
VIEWED

**04 / 10 / 2024**  
00:03:44 UTC

Viewed by Barry J. Graff (bgraff12@comcast.net)  
IP: 76.140.14.1
-   
SIGNED

**04 / 10 / 2024**  
00:04:22 UTC

Signed by Barry J. Graff (bgraff12@comcast.net)  
IP: 76.140.14.1
-   
VIEWED

**04 / 10 / 2024**  
00:33:05 UTC

Viewed by Mike Farrar (mayor@applevalleyut.gov)  
IP: 208.92.185.165
-   
VIEWED

**04 / 10 / 2024**  
05:03:35 UTC

Viewed by Shawn H. Graff (shawn@graffmail.com)  
IP: 136.38.213.112



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Title	Real Estate Purchase Agreement
File name	4.4.24_Big_Plains...reement_CLEAN.pdf
Document ID	3d0a5350f7b3f82d184cd4ddeb9625100a6a47c
Audit trail date format	MM / DD / YYYY
Status	● Signed

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### Document History



**04 / 10 / 2024**  
05:05:26 UTC

Signed by Shawn H. Graff (shawn@graffmail.com)  
IP: 136.38.213.112



**04 / 10 / 2024**  
15:40:20 UTC

Signed by Mike Farrar (mayor@applevalleyut.gov)  
IP: 208.92.185.136



**04 / 10 / 2024**  
15:40:20 UTC

The document has been completed.

**BIG PLAINS WATER SPECIAL SERVICE DISTRICT  
RESOLUTION BPW-R-2024-05**

**NOW THEREFORE**, be it ordained by the Council of the Apple Valley, in the State of Utah, as follows:

**SECTION 1:** AMENDMENT “Vacation” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

**AMENDMENT**

Vacation

**VACATION**

A reasonable period of time away from the job is conducive to the good health and well-being of the employee and can have a refreshing effect that is to the advantage of both employee and employer. The District grants annual paid vacation to full-time employees at the following rates:

SERVICE	ACCRUAL
One (1) month to one (1) year	<del>Five (5) 8 hour work days or Eight (8) 10 hour 8 hour work days or Four (4) 10 hour work</del> <u>Forty (40) hours of annual vacation shall accrue</u> <del>days accrued</del> at the rate of 1.54 hours per work period.
One (1) year up to five (5) years	<del>Ten (10) work days</del> <u>Eighty (80) hours of annual vacation shall</u> <del>accrued</del> at the rate of 3.08 hours per work <del>period</del>
<del>Over five (5) years</del> <u>up to eight (8) years</u>	<del>Fifteen (15) 8 hour work days or Twelve (12) 10 hour</del> <u>One Hundred Twenty (120) hours of annual vacation shall</u> <del>work days</del> <del>accrued</del> at the rate of 4.62 hours per work period.
<u>Over Eight (8) years</u>	<u>One hundred sixty (160) hours of annual leave shall accrue at the rate of 6.15 hours per work period</u>

Vacations may be taken as weekly periods, individual days or hourly increments as long as the periods chosen meet with department approval. Vacation leave requests should be submitted a reasonable time in advance of the desired time off.

Employees are required to take their earned vacation. No payments will be made in lieu of taking vacation, except for accrued vacation at the time of termination.

**SECTION 2:** AMENDMENT “Holidays” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

AMENDMENT

Holidays

Holidays Each year the District provides thirteen (13) paid holidays if the holiday falls on a regularly scheduled work day as follows:

- January 1 – New Years’ Day
- January (3rd Monday) - Human Rights Day ~~Martin Luther King Jr Day~~
- February (3rd Monday)– Presidents’ Day
- May (Last Monday) – Memorial Day
- July 4 – Independence Day
- July 24 – Pioneer Day
- September (1st Monday) – Labor Day
- October (2nd Monday) – Columbus Day
- November 11 – Veteran’s Day
- November 4th Week (Thursday/Friday) – Thanksgiving Day
- December 24 – Christmas Eve ½ Day
- December 25 – Christmas Day
- December 31 – New Year’s Eve ½ Day If holidays fall on Friday or Saturday, then the preceding Friday ~~Thursday shall be the holiday. is usually the recognized holiday.~~ If it falls on Sunday, then the following Monday is ~~usually~~ the recognized holiday.

**SECTION 3:** AMENDMENT “Leave Without Pay” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

AMENDMENT

Leave Without Pay

LEAVE WITHOUT PAY

Employees are advised to accumulate leave to have available for unexpected reasons such as vacation opportunities, family events, injury, or illness. The use of unpaid leave is discouraged. Requests must be submitted to the supervisor for approval. ~~Vacation accrual will be prorated during the leave of absence.~~

**SECTION 4: AMENDMENT** “Workers Compensation” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

#### AMENDMENT

Workers Compensation

#### WORKERS COMPENSATION

- A. All employees are covered by workers compensation which provides medical reimbursement and disability benefits for a job-related illness or injury. An employee does not accrue benefits while receiving workers compensation payments.
- B. Employees may use accrued vacation to make up the difference between workers compensation benefits and their base pay.
- C. Medical Attention: An employee who sustains a bona fide, on -the-job injury may seek medical attention from the medical facility of their choice. They must tell the doctor, HOW, WHEN and ~~WHERE~~~~here~~ the accident occurred. The doctor will complete a medical report and copies of this report should be sent within seven (7) days to the insurance carrier. ~~DO NOT~~ ~~Do not~~ submit doctor or hospital bills for on-the-job injuries or illness to the ~~employee's~~ regular medical plan.
- D. Initial Reporting of Illness or Injury: Reporting the accident or illness is critical to qualification for payment under workers’ compensation. If an employee is injured while on the job, no matter how minor, the circumstances should be reported to the supervisor immediately. The proper form should be completed and sent to the insurance carrier within seven (7) days of the date of injury.
- E. Reporting While Off the Job: While on leave because of a bona fide, on-the-job injury or illness, an employee must contact their supervisor to report on their condition. Failure to provide the required medical status reports may result in revocation of the leave and/or immediate termination.
- F. Return to Service: All employees must return to work after the approval of the attending physician. A statement from the attending physician stating the employee is able to resume normal duties will be required before returning to work. Failure to return to work when directed may result in immediate termination. An employee who is able to return to work in light duty status may be required to work in a different department and perform duties not contained within their current job classification.

- G. At the time of final release or settlement of a worker’s compensation claim, if no vacancy exists; and, if a reasonable effort which has proven unsuccessful, has been made to place the employee in another position, they may be terminated and paid any accrued benefits due to them.
- H. Do not falsify any work injury report and report only injuries that occur on the job. Falsifying workers’ compensation claims will merit discipline up to and including termination and may result in criminal and/or civil action by the insurance company.

**SECTION 5:            AMENDMENT** “Paid Benefits” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

AMENDMENT

Paid Benefits

**PAID BENEFITS** (This may be changed at any time at the discretion of the District.)

- A. Medical Health/Dental/Vision Insurance: It is the policy of the District to provide medical health, dental and vision insurance for full-time employees. The rate paid by the District is 100% of the employee portion plus 50% of the family portion. The employee is responsible for 50% of the family portion.
- B. Life insurance: A basic life insurance policy is provided free of charge for each full-time employee, their spouse and children. The employee may voluntarily elect to increase coverage at the expense of the employee.
- C. HSA: It is the policy of the District to provide for HSA benefits. The calculation for each paycheck shall be 50% of the deductible whether it is single or double/family allocated over 26 pay periods. The Employee may contribute up to the maximum prescribed by law.
- D. State and Federal Unemployment: All employees are covered by the benefits of State and Federal Unemployment.
- E. RETIREMENT BENEFITS. The Town fully funds an employee pension plan through the Utah Retirement System (URS) for certain classes of employees as follows:
  - 1. ELIGIBLE:
    - a. Regular full-time employee. Eligibility begins after probationary period.
    - b. URS Tier 1 Employees: Based on the monthly pay established annually by the URS, ~~currently \$1,148.~~
    - c. URS Tier 2 Appointed Officers are Part-Time Ineligible
    - d. URS Tier 2 Elected Officers are Part-Time Ineligible.
- F. Additional Volunteer Benefits.

1. As a nominal fee reimbursement, all board members shall not be charged the base water fee during their time of service to the District.

**SECTION 6:** AMENDMENT “Credit Card Policy” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

AMENDMENT

Credit Card Policy

**CREDIT CARD POLICY** It is the cardholder’s responsibility to:

- Make only authorized purchases as prescribed by the District purchasing policy and approved budget.
- Retain receipts for all transactions.
- Keep the credit card and corresponding account information secure. Immediately report any lost or stolen credit card and/or account information to the District.
- Sign the back of the issued card.
- Return the card upon termination.

It is accounts payable responsibility to:

- Reconcile the credit card statement upon its arrival.
- Report fraudulent charges or any discrepancies in the credit card statement in a timely manner Prohibited credit card purchases:
- Report Any merchant, product, or service normally considered to be inappropriate use of District funds.
- Report the unauthorized Purchase of items for personal use or consumption.
- ~~Alcohol~~
- Any use not in conformity with the purchasing policy.

**SECTION 7:** AMENDMENT “Travel Policy” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

AMENDMENT

Travel Policy

**TRAVEL POLICY**

- A. All travel outside of the Apple Valley limits during District work hours shall be authorized by the ~~Administrator or~~ Board Chairman or Designee. A log of all such travel exceeding a thirty (30) mile radius of Apple Valley shall be kept. This log shall include the reason for the trip, the time the employee departed, and the time the employee returned, and vehicle used.
- B. Travel for legitimate Apple Valley purposes in District vehicles may be authorized when the use of the vehicle does not detract from the operational needs of the District. Overnight use of District vehicles for travel purposes shall be authorized by the ~~Administrator or~~ Board Chairman or Designee ~~Board Administrator~~.
- C. If travel is outside the range of service of the District's repair shop, travel costs in conjunction with the use of District vehicles shall be paid by the employee with receipts being kept for reimbursements.
- D. All hotels or other sleeping accommodations and airplane or other travel accommodations shall be arranged in advance for overnight trips and paid in advance of the trip. If such payment in advance is not possible, the District shall reimburse to the employee the cash amount of the cost of such sleeping and travel accommodations after receiving the appropriate receipts to verify that the employee has expended their own money for such purposes. Failure to produce a receipt in such circumstances will necessitate the withholding of reimbursement. Receipts for hotel accommodations shall be turned into the District by the employee as a verification of attendance no matter what the form of payment.
- E. Use of an employee's personal vehicle may be authorized when circumstances warrant. The employee shall keep track of the mileage associated with the approved travel and submit a request for reimbursement to the Finance Director ~~Administrator or~~ ~~Board Chairman~~ based upon this record. The mileage rate will be consistent with the established rate used for Internal Revenue Service travel deductions.
- F. All registration fees, etc., will be paid in advance by check. If this is not possible, the employee will be reimbursed for their own expenditure for registration fees, etc. after presentation of a valid receipt in conjunction with previously authorized travel.
- G. The amount of fifty-nine dollars (\$59.00) shall be granted as the maximum daily per diem allowance for District employees engaged in travel on the District behalf. No per diem shall be authorized for spouses of employees or others traveling with the employee at their own expense (Please note: the Administrator or Board Chairman, however, may authorize the cost of a double rather than a single hotel room to accommodate the travel of a spouse with an employee). Receipts shall not be required for per diem advancements or compensation unless the employee requests reimbursement above the authorized amount.
- H. Travel that requires less than a full day shall be compensated by the following specific per diem allowances:
1. Breakfast: Fifteen dollars (\$15.00) maximum, when departing before 7:00 a.m.
  2. Lunch: Twenty dollars (\$20.00) maximum.
  3. Dinner: Twenty-Four dollars (~~\$24.00~~\$14.00) maximum, when returning after 7:00 p.m.
  4. These amounts may be either an advance, after submission and approval of

travel request, or reimbursed after presentation of receipts.

**SECTION 8:** **AMENDMENT** “Personal Vehicle Use” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

**AMENDMENT**

Personal Vehicle Use



**USING A DISTRICT VEHICLE FOR PERSONAL ~~VEHICLE-USE~~** District vehicles represent a tremendous investment of the taxpayers' dollars and shall be respected as such. Operation of District vehicles shall be in accordance with applicable laws and regulations. Only authorized District employees ~~and Board Members~~ are permitted to drive District vehicles as authorized by the ~~Town Administrator or~~ District Chairman or designee. Authorization of use shall be done on a case-by-case basis. Prior to approving a driver and periodically thereafter, the human resources department must check the employee's driving record. Employees approved to drive on company business are required to inform their supervisor of any changes that may affect either their legal or physical ability to drive or their continued insurability. All employees must exhibit good driving habits at all times. Employees are responsible for any driving infractions or fines as a result of their driving. Employees must exercise due diligence to drive safely and to maintain the security of the vehicle and its contents. Texting on cell phones is specifically prohibited. Smoking or use of tobacco products in vehicles owned, leased, or rented by the Town is prohibited. Employees are not permitted, under any circumstance, to operate a District vehicle when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any company vehicle at any time while using or consuming alcohol, illegal drugs or prescription medications that may affect their ability to drive. Doing so is grounds for immediate termination. Essential employees may be authorized to take a District vehicle home so they can respond to business needs as soon as possible. Essential employees are those who conduct a range of operations and services that are typically essential to continue critical operations, who may be required to work after hours in order to meet operational requirements. The ~~Town Administrator or~~ District Chairman or designee will determine who is an essential worker. All persons riding in a District vehicle are required to use provided seat belts and must not be of an age or size to require child safety seating. Carrying of passengers should be limited to those with some direct relationship to the conduct of District business. However, there may arise an unanticipated situation which may warrant the use of a District vehicle to transport a family member. If, while an employee is on duty, a family member is stranded, ill, or likewise, and is unable to reasonably find transportation, or unable to transport themselves home or to another's care, the employee may transport the family member to the appropriate location. This should be done after receiving permission from a supervisor and should be in limited circumstances only. Certain discretionary personal uses shall be permitted with District vehicles during regular work hours such as break stops or short personal errands that fall within the immediate geographic area of specific business already being conducted for and in behalf of the District. Employees must report any accident, theft or malicious damage involving a District vehicle to their supervisor and the human resources department, regardless of the extent of damage or lack of injuries. Such reports must be made as soon as possible but no later than 24 hours after the incident. Employees are expected to cooperate fully with the authorities in the event of an accident. However, employees should make no voluntary statement other than in reply to questions of investigating officers.

~~At times employees are required or expected to travel on District business using their personal automobiles. The District will reimburse employees at the current IRS authorized rate when required to do so.~~

**SECTION 9:            AMENDMENT** “Personal Use Of District Property” of the Apple Valley Water & Sewer District is hereby *amended* as follows:

## AMENDMENT

Personal Use Of District Property

### **COMPUTER SYSTEM, INTERNET AND E-MAIL USE**

The Internet can be misused in a variety of ways, including but not limited to:

1. Downloading files that contain viruses, thereby endangering District information services;
2. Accessing objectionable material;
3. Wasting work time by performing unauthorized research or accessing non-business related information and people or for computer games, or online games.

#### **Individual Responsibilities:**

Internet users are responsible for complying with this and all other District policies when using the District’s resources for accessing the Internet. Violation of this policy is grounds for disciplinary action, up to and including termination.

#### **General Policies for Use of the Entity’s Computer System, Including the Internet:**

An employee does not have a right to privacy when using the Internet via District resources and employees should not expect or assume any privacy regarding the content of email communications. The District reserves the express right to monitor and inspect the activities of the employee while accessing the Internet at any time, and to read, use and disclose e-mail messages. In addition, all software, files, information, communications, and messages (including emails) downloaded or sent via the Internet using District resources are the District’s records and property of the District; such records are subject to potential review and disclosure under the public disclosure law of the State of Utah. Even after an email message has been “deleted,” it may still be possible to retrieve it. **It is your responsibility to not delete any emails, unless it is spam or junk, from any email account belonging to the District.**

The District has the right to restrict or prohibit any employee from Internet access for violation of the policy. Violations may also result in disciplinary action, up to and including termination.

Internet use via District resources is for District business. Except as outlined here, use of District's computer, Internet and email services are for District business only. Some limited personal use is permitted, so long as it does not result in cost to the District, does not interfere with the performance of duties, is brief in duration and frequency, does not distract from the conduct of District business and does not compromise the security or integrity of District information or software. Such limited use shall not occur on "paid time," but is permitted immediately before or after work hours and during an employee's breaks. Examples of allowable personal use include accessing a weather report or news item on the Internet, or transmitting email to a family member to assure safe arrival at home. Any personal use of District's computer, Internet and email services must comply with all applicable laws and District policies, including anti-discrimination policies and Internet usage policy.

Internet use must comply with applicable laws and District policies including but not limited to all federal and state laws, and District policies governing sexual harassment, discrimination, intellectual property protection, privacy, public disclosure, confidentiality, misuse of District resources, information and data security.

All Internet use must be consistent with the District's Personnel Policies Manual.

The District's computer system permits employees to perform jobs, share files, and communicate internally and with selected outside individuals and entities in the performance and conduct of District business. Employees are prohibited from gaining unauthorized access to another employee's email messages, or sending messages using another employee's password.

In order to prevent potential District liability, it is the responsibility of all Internet users to clearly communicate to the recipient when the opinions expressed do not represent those of the District.

The District has the capability and reserves the right to access, review, copy, modify and delete any information transmitted through or stored in its computer system. The District may disclose all such information to any party (inside or outside the District) it deems appropriate and in accordance with applicable law. Accordingly, employees should not use the computer system to send, receive or store any information they wish to keep private. Employees should treat the computer system like a shared file system—with the expectation that files sent, received, or stored anywhere in the system will be available for review by any authorized representative of the District for any purpose, as well as the public if a proper request is made for public records.

Good judgment should always be employed in using the District's email and Internet systems. Employee email messages may be read by someone other than the person(s) to whom they were sent. Email inconsistent with the District's policies must be avoided. For example, it is prohibited to make jokes or comments which could offend someone on the basis of gender, race, age, religion, national origin, disability or sexual orientation. These comments would be in direct conflict with the District's policies prohibiting discrimination and harassment.

Accordingly, employees should create and send only courteous, professional and businesslike messages that do not contain objectionable offensive or potentially discriminatory material.

Caution should be taken in transmitting confidential information on the computer system. Employees should use due care in addressing email messages to assure messages are not inadvertently sent to the wrong person inside or outside the District. Email creates a written record subject to court rules of discovery and may be used as evidence in claims or legal proceedings. Once sent, email cannot be retracted. Even after deletion at a workstation, email can be retrieved and read.

The safety and security of the District's network and resources must be considered at all times when using the Internet. Any programs from a non-current source (i.e., software that is not purchased in original diskette or CD ROM format) or which involve executable or binary files must not be downloaded or installed without prior permission from the District Administrator and without being properly scanned for viruses.

Employees are not to share or reveal individual passwords to anyone.

There is a wide variety of information on the Internet. Some individuals may find information on the Internet offensive or otherwise objectionable. Individual users must be aware that the District has no control over available information on the Internet and cannot be responsible for the content of information.

### **Prohibited Uses of the Internet:**

The following is a non-exclusive list of prohibited uses of the Internet and email:

- Commercial use – any form of commercial use of the Internet is prohibited;
- Solicitation – the purchase or sale of personal items or non-business items through advertising on the Internet is prohibited;
- Copyright violations – the unlawful reproduction or distribution of copyrighted information, regardless of the source, is prohibited;
- Discrimination / Harassment – the use of the Internet to send messages or other content which is harassing, derogatory or unlawfully discriminatory to employees, citizens, vendors or customers is prohibited;
- Political – the use of the Internet for political purposes is prohibited;
- Aliases / Anonymous messages / misrepresentation – the use of aliases or transmission of anonymous messages is prohibited. Also, the misrepresentation of an employee's job title, job description, or position with the District is prohibited;
- Social networking sites – the accessing and/or creation of social networking sites, such as Facebook, Twitter, Instagram, Blogs and similar sites is prohibited for non-entity business purposes;
- Instant messaging not related to district business, remember you must not delete any of these messages;
- Misinformation / Confidential Information – the release of untrue, distorted, or confidential information regarding District business is prohibited;
- Viewing or Downloading of Non-Business Related Information - the accessing, viewing, distribution, downloading, or any other method for retrieving non-District related information is prohibited. This includes, but is not limited to, entertainment

- sites, pornographic sites, sexually explicit sites, chat rooms and bulletin boards;
- Unauthorized attempts to access another’s network or e-mail account;
- Display or transmission of sensitive or proprietary information to unauthorized persons or organizations;
- Spamming email accounts from the District’s email services or District machines.

Nothing in this section prohibits the use and access of the described systems for bona fide law enforcement and investigation purposes. **Office Equipment/Consumables:**

Office equipment may be used incidentally for personal purposes so long as it does not interfere with the employee’s work. It should preferably occur during the employee’s personal time. All consumables or other costs shall be paid for. The use must not involve any activity that reflects adversely on the District or is incompatible with public service. Any violations will result in disciplinary action, up to and including termination. Depending on the specific nature of the offense, the violation could also result in criminal prosecution or civil action.

**SECTION 10:**            **EFFECTIVE DATE** This Resolution shall be in full force and effect immediately after the required approval.

PASSED AND APPROVED BY THE BIG PLAINS WATER  
SPECIAL SERVICE DISTRICT

	<b>AYE</b>	<b>NAY</b>	<b>ABSENT</b>	<b>ABSTAIN</b>
Chairman   Michael Farrar	_____	_____	_____	_____
Board Member   Kevin Sair	_____	_____	_____	_____
Board Member   Harold Merritt	_____	_____	_____	_____
Board Member   Ross Gregerson	_____	_____	_____	_____
Board Member   Matt Politte	_____	_____	_____	_____

Attest

Presiding Officer

\_\_\_\_\_  
Jenna Vizcardo, Town Clerk

\_\_\_\_\_  
Michael Farrar, Chairman

**BIG PLAINS WATER SPECIAL SERVICE DISTRICT**

**RESOLUTION NO. BPW-R-2024-06**

***A RESOLUTION APPOINTING DISTRICT OFFICER (VICE CHAIRMAN)***

**WHEREAS**, the Big Plains Water Special Service District (“District”) is a Utah Special Service District; and

**WHEREAS**, the District is required to elect appropriate persons to serve as officers pursuant to the Utah Code Annotated 17B-1-309 (the “Code”); and

**WHEREAS**, the District deems it necessary to elect and/or re-elect the office of Vice Chairman; and

**WHEREAS**, at a meeting of the District, duly called, noticed and held on the 17<sup>th</sup> day of April 2024, and upon motion duly made and seconded:

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the District to elect \_\_\_\_\_ as Vice Chairman.

**PASSED** this 17th day of April 2024.

BIG PLAINS WATER SPECIAL SERVICE DISTRICT

\_\_\_\_\_  
Chairman, Michael L. Farrar

ATTEST:

\_\_\_\_\_  
Jenna Vizcardo, Recorder

	AYE	NAY	ABSTAIN	ABSENT
Chairman   Michael Farrar	_____	_____	_____	_____
Board Member   Harold Merritt	_____	_____	_____	_____
Board Member   Ross Gregerson	_____	_____	_____	_____
Board Member   Matt Politte	_____	_____	_____	_____
Board Member   Kevin Sair	_____	_____	_____	_____

**BIG PLAINS WATER SPECIAL SERVICE DISTRICT**

**RESOLUTION NO. BPW-R-2024-07**

**UTAH PUBLIC TREASURERS' INVESTMENT FUND CERTIFICATION OF AUTHORIZED INDIVIDUALS**

**WHEREAS**, the Big Plains Water Special Service District ("District") invests funds in the Utah Public Treasurers' Investment Fund (PTIF) as authorized by the Utah Money Management Act; and

**WHEREAS**, the District Board has the authority to designate individuals to make changes to PTIF accounts, such as adding or deleting users to access and/or transact with PTIF accounts, add, delete, or make changes to bank accounts tied to PTIF accounts, open or close PTIF accounts, and complete any necessary forms in connection with such changes; and

**WHEREAS**, The Utah State Treasurer requires that the District Board designate the individuals authorized to make changes to PTIF accounts by adopting the Public Entity Resolution attached hereto; and

**WHEREAS**, at a meeting of the Big Plains Water Special Service District, Utah, duly called, noticed and held on the 24th day of April, 2024, and upon motion duly made and seconded:

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Big Plains Water Special Service District of the Town of Apple Valley that Michael Lee Farrar, Apple Valley Town Mayor, and Kevin Sair, Apple Valley Town Treasurer, are designated as authorized individuals for PTIF transactions outlined above.

Michelle Kinney, Apple Valley Finance Director, is designated as an authorized user for online management. Apple Valley Town Mayor, Michael Lee Farrar, is hereby authorized to execute the Public Entity Resolution attached hereto. This resolution is effective immediately.

**EFFECTIVE DATE** This Resolution shall be in full force and effect from April 24, 2024.

**PASSED** this 24th day of April 2024.

BIG PLAINS WATER SPECIAL SERVICE DISTRICT

\_\_\_\_\_  
Michael L. Farrar, Chairman

ATTEST:

\_\_\_\_\_  
Jenna Vizcardo, Clerk/Recorder

	AYE	NAY	ABSENT	ABSTAIN
Chairman   Michael L. Farrar	_____	_____	_____	_____
Board Member   Harold Merritt	_____	_____	_____	_____
Board Member   Ross Gregerson	_____	_____	_____	_____
Board Member   Matt Politte	_____	_____	_____	_____
Board Member   Kevin Sair	_____	_____	_____	_____



**1. Certification of Authorized Individuals**

I, Michael Lee Farrar (Name) hereby certify that the following are authorized: to add or delete users to access and/or transact with PTIF accounts; to add, delete, or make changes to bank accounts tied to PTIF accounts; to open or close PTIF accounts; and to execute any necessary forms in connection with such changes on behalf of \_\_\_\_\_ (Name of Legal Entity). Please list at least two individuals. Each individual must have a unique email.

Name	Title	Email	Signature(s)
Michael Lee Farrar	Mayor	mayor@applevalleyut.gov	
Kevin Sair	Treasurer	ksair@applevalleyut.gov	

The authority of the named individuals to act on behalf of Big Plains Water Special Service District (Name of Legal Entity) shall remain in full force and effect until written revocation from Big Plains Water Special Service District (Name of Legal Entity) is delivered to the Office of the State Treasurer.

**2. Signature of Authorization**

I, the undersigned, Mayor (Title) of the above named entity, do hereby certify that the forgoing is a true copy of a resolution adopted by the governing body for banking and investments of said entity on the 24 day of April, 202024, at which a quorum was present and voted; that said resolution is now in full force and effect; and that the signatures as shown above are genuine.

Signature	Date	Printed Name	Title
		Michael Lee Farrar	Mayor

STATE OF UTAH )  
  §  
COUNTY OF Washington )

Subscribed and sworn to me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by  
\_\_\_\_\_  
(Name), as \_\_\_\_\_ (Title) of \_\_\_\_\_  
(Name of Entity), proved to me on the basis of  
satisfactory evidence to be the person(s) who appeared before me.

(seal) Signature \_\_\_\_\_



**Big Plains Water Special Service District  
Disbursement Listing  
Checking - SBSU Operating - 03/01/2024 to 03/31/2024**

<u>Payee Name</u>	<u>Reference Number</u>	<u>Payment Date</u>	<u>Payment Amount</u>	<u>Void Date</u>	<u>Void Amount</u>	<u>Source</u>
Payroll	0308241200	03/08/2024	\$18.47			Paycheck
Payroll	0322241200	03/22/2024	\$1,646.17			Paycheck
Buck's Ace	1519	03/06/2024	\$36.30			Purchasing
Scholzen Products Company, Inc.	1520	03/06/2024	\$53.72			Purchasing
South Central Communications	1521	03/07/2024	\$344.98			Purchasing
Pelorus Methods	1522	03/07/2024	\$500.00			Purchasing
ChemTech-Ford Laboratories	1523	03/18/2024	\$930.00			Purchasing
Hinton Burdick CPA's	1524	03/18/2024	\$2,400.00			Purchasing
Rural Water Association of Utah	1525	03/18/2024	\$603.00			Purchasing
Southwest Utah Public Health Departme	1526	03/18/2024	\$75.00			Purchasing
State of Utah	1527	03/18/2024	\$25.00			Purchasing
Internal Revenue Service	EFTPS0308202	03/08/2024	\$3.06			Payroll
Internal Revenue Service	EFTPS0322202	03/25/2024	\$489.85			Payroll
Rocky Mountain Power Company	RMP03252024	03/28/2024	\$792.24			Purchasing
State Bank of Southern Utah	SBSU03072024	03/06/2024	\$266.24			Purchasing
Utah Retirement Systems	URS3262024	03/26/2024	\$374.49			Payroll
USDA Rural Development	USDA03152024	03/15/2024	\$1,269.00			Purchasing
USDA Rural Development	USDA03152024	03/15/2024	\$9,271.00			Purchasing
			<b>\$19,098.52</b>		<b>\$0.00</b>	

**Big Plains Water Special Service District**  
**Operational Budget Report**  
**51 Big Plains Water & Sewer SSD - 07/01/2023 to 03/31/2024**  
**75.00% of the fiscal year has expired**

	Prior YTD	Current Month	Current YTD	Annual Budget	Percent Used
<b>Income or Expense</b>					
<b>Income From Operations:</b>					
<b>Operating income</b>					
5140 Water Sales	243,683.03	27,455.97	269,904.08	361,600.00	74.64%
5150 Water Standby Fees	27,691.26	2,843.58	25,998.91	36,300.00	71.62%
5310 Connection Fees	5,030.00	0.00	0.00	9,000.00	0.00%
5410 Late Penalties and Fees	2,607.73	179.51	2,358.85	5,000.00	47.18%
5490 Other Operating Income	64,681.76	(2,600.00)	15,074.86	2,250.00	669.99%
<b>Total Operating income</b>	<b>343,693.78</b>	<b>27,879.06</b>	<b>313,336.70</b>	<b>414,150.00</b>	<b>75.66%</b>
<b>Operating expense</b>					
6010 Clerical Contractor Labor	0.00	0.00	283.50	300.00	94.50%
6011 Town Interlocal Agreement Costs	5,646.96	0.00	9,669.52	44,350.00	21.80%
6013 Water Salaries and Wages	39,596.00	4,188.00	5,128.00	18,065.00	28.39%
6014 Water Benefits	17,196.52	1,069.37	1,144.93	6,000.00	19.08%
6023 Travel	121.83	0.00	269.73	800.00	33.72%
6024 Training	295.00	0.00	1,102.37	1,200.00	91.86%
6025 Books/Subscriptions/Memberships	2,177.00	0.00	2,360.00	2,800.00	84.29%
6030 Admin Supplies and Expenses	4,674.67	561.30	4,473.70	5,000.00	89.47%
6032 Postage	91.03	0.00	108.80	200.00	54.40%
6035 Bank Service Charges	25.00	0.00	0.00	100.00	0.00%
6040 Professional Service	12,698.77	603.00	20,337.90	25,000.00	81.35%
6043 Accounting & Audit Fees	11,200.00	2,400.00	18,500.00	16,100.00	114.91%
6044 Water Testing	7,736.08	1,005.00	7,037.22	8,000.00	87.97%
6045 Legal Fees	12,142.85	0.00	33,655.00	35,000.00	96.16%
6050 System Maintenance and Repairs	9,450.47	174.01	9,661.75	10,000.00	96.62%
6051 System Equipment	10,928.40	0.00	10,264.41	11,000.00	93.31%
6052 Well Maintenance and Repairs	38,203.35	0.00	19,907.07	22,000.00	90.49%
6053 Tank Maintenance and Repairs	1,251.72	0.00	951.86	1,000.00	95.19%
6060 Equipment Costs Other than Fuel	3,313.05	145.95	8,772.58	9,000.00	97.47%
6061 Equipment Fuel	5,557.63	0.00	1,170.18	2,000.00	58.51%
6067 Utilities	16,440.26	792.24	12,942.03	24,200.00	53.48%
6068 Telephone & Internet	0.00	344.98	1,370.98	1,500.00	91.40%
6070 Insurance	6,501.41	0.00	1,101.01	6,600.00	16.68%
6095 Depreciation Expense	101,298.15	13,403.10	118,250.31	145,000.00	81.55%
<b>Total Operating expense</b>	<b>306,546.15</b>	<b>24,686.95</b>	<b>288,462.85</b>	<b>395,215.00</b>	<b>72.99%</b>
<b>Total Income From Operations:</b>	<b>37,147.63</b>	<b>3,192.11</b>	<b>24,873.85</b>	<b>18,935.00</b>	<b>131.36%</b>
<b>Non-Operating Items:</b>					
<b>Non-operating income</b>					
5510 Grants	0.00	0.00	26,740.00	0.00	0.00%
5520 Impact Fees	22,894.09	0.00	50,788.00	60,000.00	84.65%
5610 Interest Income	5,474.85	955.26	8,978.03	7,800.00	115.10%
5690 Sundry Revenue	(29.00)	0.00	(6.00)	100.00	-6.00%
<b>Total Non-operating income</b>	<b>28,339.94</b>	<b>955.26</b>	<b>86,500.03</b>	<b>67,900.00</b>	<b>127.39%</b>
<b>Non-operating expense</b>					
6080 Interest Expense	61,009.26	6,978.10	59,187.71	87,110.00	67.95%
<b>Total Non-operating expense</b>	<b>61,009.26</b>	<b>6,978.10</b>	<b>59,187.71</b>	<b>87,110.00</b>	<b>67.95%</b>
<b>Total Non-Operating Items:</b>	<b>(32,669.32)</b>	<b>(6,022.84)</b>	<b>27,312.32</b>	<b>(19,210.00)</b>	<b>-142.18%</b>
<b>Total Income or Expense</b>	<b>4,478.31</b>	<b>(2,830.73)</b>	<b>52,186.17</b>	<b>(275.00)</b>	<b>-18,976.79%</b>

**Big Plains Water Special Service District**

**WATER USAGE ANALYSIS**

	COMPARABLE ACCTS			TOTAL SYSTEM		
	2023/2022	2022/2021	Over/ (Under)	2023/2022	2022/2021	Over/ (Under)
<b>JUL 2022</b>	6,117,230	6,451,930	(334,700)	8,059,327	6,572,750	1,486,577
<b>AUG</b>	4,484,140	6,052,550	(1,568,410)	5,337,420	6,073,830	(736,410)
<b>SEP</b>	4,465,090	6,266,750	(1,801,660)	5,540,460	6,304,990	(764,530)
<b>OCT</b>	3,002,500	2,967,370	35,130	3,813,180	2,971,340	841,840
<b>NOV</b>	1,656,380	2,797,940	(1,141,560)	2,327,480	2,900,120	(572,640)
<b>DEC</b>	2,293,220	2,507,480	(214,260)	2,956,200	2,556,930	399,270
<b>JAN 2023</b>	1,543,380	1,671,920	(128,540)	2,406,879	1,675,760	731,119
<b>FEB</b>	1,418,710	1,534,640	(115,930)	1,715,637	1,549,020	166,617
<b>MAR</b>	1,394,930	2,553,470	(1,158,540)	1,599,322	2,590,750	(991,428)
<b>APR</b>	3,974,645	3,419,640	555,005	5,297,632	3,453,490	1,844,142
<b>MAY</b>	5,551,174	5,423,820	127,354	6,129,554	5,533,460	596,094
<b>JUNE</b>	6,252,024	7,173,918	(921,894)	6,566,554	7,778,244	(1,211,690)
<b>FY2023 SUBTOTALS</b>	<b>42,153,423</b>	<b>48,821,428</b>	<b>(6,668,005)</b>	<b>51,749,645</b>	<b>49,960,684</b>	<b>1,788,961</b>
	<b>2024/2023</b>	<b>2023/2022</b>	<b>Over/ (Under)</b>	<b>2024/2023</b>	<b>2023/2022</b>	<b>Over/ (Under)</b>
<b>JULY 2023</b>	5,123,809	5,898,027	(774,218)	5,842,633	6,331,327	(488,694)
<b>AUG</b>	6,141,865	5,063,370	1,078,495	6,441,915	5,211,090	1,230,825
<b>SEP</b>	3,788,901	5,161,060	(1,372,159)	3,981,642	5,390,410	(1,408,768)
<b>OCT</b>	4,291,217	3,599,910	691,307	5,033,377	3,654,850	1,378,527
<b>NOV</b>	1,794,348	1,714,050	80,298	3,253,550	2,248,490	1,005,060
<b>DEC</b>	2,406,783	2,793,370	(386,587)	2,614,903	2,854,790	(239,887)
<b>JAN 2024</b>	1,321,046	1,356,140	(35,094)	2,235,026	1,639,460	595,566
<b>FEB</b>	1,532,848	1,600,597	(67,749)	1,706,948	1,625,727	81,221
<b>MAR</b>	2,372,460	1,485,922	886,538	2,611,600	2,684,412	(72,812)
<b>FY2024 SUBTOTALS</b>	<b>23,546,923</b>	<b>24,229,787</b>	<b>(682,864)</b>	<b>27,168,020</b>	<b>25,690,957</b>	<b>1,477,063</b>

Comparable Accounts: Had usage in both years

Total System: All usage



# SPECIAL BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING (RESCHEDULED FROM MARCH 20, 2024)

BOARD OF DIRECTORS, REGULAR MEETING  
1777 N Meadowlark Dr, Apple Valley  
Thursday, March 28, 2024 at 6:00 PM

## MINUTES

**Chairman** | Michael Farrar

**Board Members** | Harold Merritt | Ross Gregerson | Matt Politte |

**CALL TO ORDER**- Vice Chairman Merritt called the meeting to order at 5:58 p.m.

### PLEDGE OF ALLEGIANCE

### ROLL CALL

### PRESENT

Board Member Ross Gregerson

Board Member Michael Farrar

Board Member Harold Merritt

Board Member Matt Politte

### DECLARATION OF CONFLICTS OF INTEREST

None declared.

### WATER OPERATOR REPORT AND BOARD UPDATE

#### 1. Canaan Spring Water System Update

Dale Harris, the DRC for the Big Plains Water SSD provided an update on the water study for Canaan Springs, expressing concerns about discrepancies in water flow rates and the need for a more accurate study, especially regarding potential development in the area. They highlighted issues with water storage and suggested measures like installing pressure reducing valves (PRV valves) to optimize water flow. Concerns were raised about the sustainability of further development given the current water supply limitations. Additionally, he discussed ongoing maintenance tasks, such as fixing leaks in storage tanks and exploring options for tank replacements. The discussion also touched on regulatory requirements for water sampling and the importance of water conservation efforts during summer months. Finally, he emphasized the need for careful planning and agreements with developers to ensure responsible infrastructure development without overburdening existing resources.

### DISCUSSION AND ACTION

#### 2. Resolution-BPW-R-2024-04, A Resolution Appointing District Officers.

Vice Chairman Merritt explained the resolution aimed to appoint District officers, which proved to be a challenging task due to various factors. He highlighted key challenges, including the installation of a pipeline from Apple Valley to Cedar Point and the significant debt accumulated by the service district. They emphasized the importance of addressing these challenges promptly, especially considering the time sensitivity associated with the pipeline project and potential debt forgiveness opportunities. After consulting with approximately 20 individuals and engaging in discussions throughout the day, he



## SPECIAL BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING (RESCHEDULED FROM MARCH 20, 2024)

BOARD OF DIRECTORS, REGULAR MEETING  
1777 N Meadowlark Dr, Apple Valley  
Thursday, March 28, 2024 at 6:00 PM

### MINUTES

acknowledged the complexity of the situation and the necessity for careful consideration in appointing district officers. Overall, he highlighted the importance of addressing financial challenges and meeting operational needs while considering the interests of the community.

**MOTION:** Vice Chairman Merritt motioned to appoint Michael Farrar as Chairman to the Big Plains Water Special Service District and Board and Harold Merritt remain as co-chair.

**SECOND:** The motion was seconded by Board Member Gregerson.

**VOTE:** Vice Chairman Merritt called for a roll call vote:

Board Member Gregerson – Aye  
Chairman Farrar - Aye  
Vice Chairman Merritt - Aye  
Board Member Politte - Aye

The vote was unanimous and the motion carried.

Vice Chairman Merritt emphasized the need for support and understanding towards the new chairman, acknowledging that mistakes often arise from unfamiliarity with the role rather than intentional actions. He encouraged open communication among board members and highlighted the importance of checks and balances within the council structure. Furthermore, he emphasized the significance of addressing the district's financial challenges to avoid potential rate increases in the future. They expressed hope that the newly appointed chairman would bring valuable financial expertise to the role.

3. Add Signers (x2) and remove Barratt Nielson and Jauna McGinnis from State Bank of Southern Utah.

\*Note Board Member Ross Gregerson is only current authorized signer.

**MOTION:** Vice Chairman Merritt motioned to grant Matt Politte the signer on the Service District of State Bank of Southern Utah checking account.

**SECOND:** The motion was seconded by Board Member Gregerson.

**VOTE:** Vice Chairman Merritt called for a vote:

Board Member Gregerson – Aye  
Chairman Farrar - Aye  
Vice Chairman Merritt - Aye



## SPECIAL BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING (RESCHEDULED FROM MARCH 20, 2024)

BOARD OF DIRECTORS, REGULAR MEETING  
1777 N Meadowlark Dr, Apple Valley  
Thursday, March 28, 2024 at 6:00 PM

### MINUTES

Board Member Politte - Aye

The vote was unanimous and the motion carried.

#### 3. PEHP Benefits

**MOTION:** Vice Chairman Merritt motioned that we accept the contract that we signed for insurance for the Service District's employees.

**SECOND:** The motion was seconded by Board Member Gregerson.

**VOTE:** Vice Chairman Merritt called for a vote:

Board Member Gregerson – Aye

Chairman Farrar - Aye

Vice Chairman Merritt - Aye

Board Member Politte - Aye

The vote was unanimous and the motion carried.

#### 4. Resolution-BPW-R-2024-03, Utah Public Treasurers' Investment Fund Certification Of Authorized Individuals (PTIF).

**MOTION:** Vice Chairman Merritt motioned that we authorize our new chairman, Robin is already on the account, and Michelle to be able to view the account for the PTIF account.

**SECOND:** The motion was seconded by Board Member Gregerson.

**VOTE:** Vice Chairman Merritt called for a roll call vote:

Board Member Gregerson – Aye

Chairman Farrar - Aye

Vice Chairman Merritt - Aye

Board Member Politte - Aye

The vote was unanimous and the motion carried.



# SPECIAL BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING (RESCHEDULED FROM MARCH 20, 2024)

BOARD OF DIRECTORS, REGULAR MEETING  
1777 N Meadowlark Dr, Apple Valley  
Thursday, March 28, 2024 at 6:00 PM

## MINUTES

### CONSENT AGENDA

- 6. Disbursement Listing for February 2024.
- 7. February 2024 Water Usage Comparison.
- 8. Budget Report for Fiscal Year 2024 through February 2024.
- 9. Budget Report for Fiscal Year 2024 through March 12, 2024.

### APPROVAL OF MINUTES

- 10. Approval of Minutes: February 21, 2024.

**MOTION:** Vice Chairman Merritt motioned that we accept the distribution listing for February, February water usage, the budget report for fiscal year 2024 through 2024, and budget for fiscal year 2024 though March 12<sup>th</sup>, and the minutes from February 21<sup>st</sup> water meeting. I make a motion that we approve all of those at one time.

**SECOND:** The motion was seconded by Chairman Farrar.

**VOTE:** Vice Chairman Merritt called for a vote:

- Board Member Gregerson – Aye
- Chairman Farrar - Aye
- Board Member Merritt - Aye
- Board Member Politte - Aye

The vote was unanimous and the motion carried.

### REQUEST FOR A CLOSED SESSION

No request.

### ADJOURNMENT

6:26

**MOTION:** Chairman Farrar motioned to adjourn the meeting.

**SECOND:** The motion was seconded by Board Member Gregerson.

**VOTE:** Vice Chairman Merritt called for a vote:

- Board Member Gregerson – Aye
- Chairman Farrar - Aye
- Board Member Merritt - Aye



# SPECIAL BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING (RESCHEDULED FROM MARCH 20, 2024)

BOARD OF DIRECTORS, REGULAR MEETING  
1777 N Meadowlark Dr, Apple Valley  
Thursday, March 28, 2024 at 6:00 PM

## MINUTES

Board Member Politte - Aye

The vote was unanimous and the motion carried.

The meeting was adjourned at 6:26 p.m.

Date Approved: \_\_\_\_\_

Approved BY: \_\_\_\_\_

Chairman | Michael Farrar

Attest BY: \_\_\_\_\_

Town Clerk/Recorder | Jenna Vizcardo

DRAFT