

White City Water
Improvement District
Meeting of the
Staff Planning /
Board of Trustees

May 20, 2026

5:00 p.m.

WHITE CITY WATER IMPROVEMENT DISTRICT BOARD OF TRUSTEES

999 East Galena Drive
Sandy, Utah 84094
Wednesday, May 20, 2026
5:00 P.M.

A G E N D A

This meeting will not have a virtual/electronic component. Those interested in participating will need to attend in person or make alternative arrangements.

Portions of the meetings may be closed for reasons allowed by statute. Motions relating to any of the items listed below, including final action, may be taken.

5:00 p.m. – PLANNING MEETING

1. Call to Order and Determination of Quorum
2. Sunrise Engineering Report -- Cliff Linford
 - Status of Well 10 Repair
 - Update on Canal Property
 - Status of Source Protection Plan update 2026
 - Status of Turquoise Dr PRV Relocate
 - General Engineering
3. Manager Reports
 - Operations Manager Report**
 - Water Usage Report
 - AMI Meter Reading Tower update
 - Status of Phlox St./Carnation Dr Mainline Project
 - TKE Elevator Repair
 - General Repair and Maintenance Update
 - General Manager's Report**
 - RRA Update
 - Discussion regarding Last Blast of Summer- Operations providing water
 - CodeRed—contract update
 - JWCD Stand-by Water Purchase Agreement
 - Xpress Billpay integration with Caselle
 - Newsletter Deadline and Suggestions—CCR
 - Legislative Update

OPEN BOARD OF TRUSTEES MEETING

1. Call to Order and Determination of Quorum
2. Public Comment

Any person wishing to comment on non-public hearing matters or other water system issues may do so by coming to the table and giving their name and address for the record. Comments should be limited to 3 minutes, unless the Chair grants additional time.

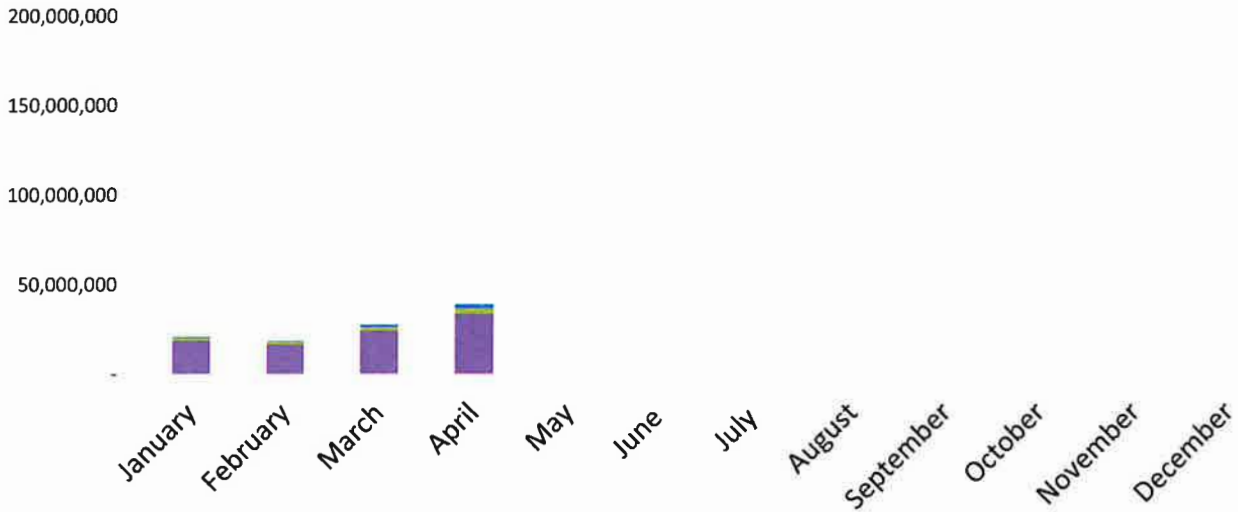
3. Approval of Minutes of April 15, 2026 --(DEFERRED)
4. 2025 Audit Presentation and Board Action – Jeff Miles of HBME
5. Accountant/Financial Report
 - Year-to-Date Report for April 2026
 - Approval of April 2026 Expenses
6. General Managers Report

Upcoming Conferences, Seminars & Meetings:

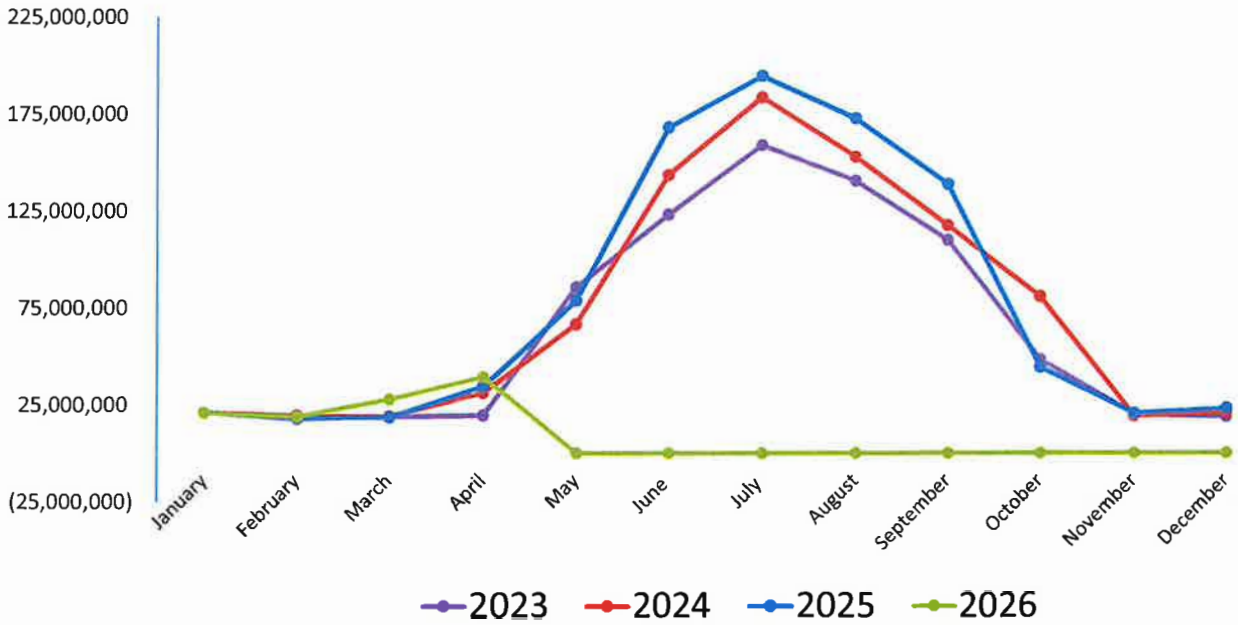
 - RWAU Fall Conference – Layton, UT, August 31- September 2, 2026 --
 - UASD Fall Conference --Layton, UT, November 4-6, 2026 – **Mishell, Ryan**
7. Closed Sessions, if needed, as allowed under Utah Code Ann. 52-4-205
 - A. Discussion of the Character, Professional Competence, or Physical or Mental Health of an Individual. (Utah Code Ann. 52-4-205)
 - B. Strategy sessions to discuss pending or reasonably imminent litigation. (Utah Code Ann. 52-4-205)
 - C. Strategy sessions to discuss the purchase, exchange, or lease of real property. (Utah Code Ann. 52-4-205)
 - D. Discussion regarding deployment of security, personnel, devices, or systems; and (Utah Code Ann. 52-4-205)
 - E. Investigative proceedings regarding allegations of criminal misconduct. (Utah Code Ann. 52-4-205)
8. Discussion and Action Re: Modification of Foxley and Pignanelli contract separating legal and lobbying services and Discussion and Action Re: Stylers Daniels PC.
9. Water System Issues
10. Suggested Items for Future Board Meetings.
11. Adjourn

2026 Usage Comparison

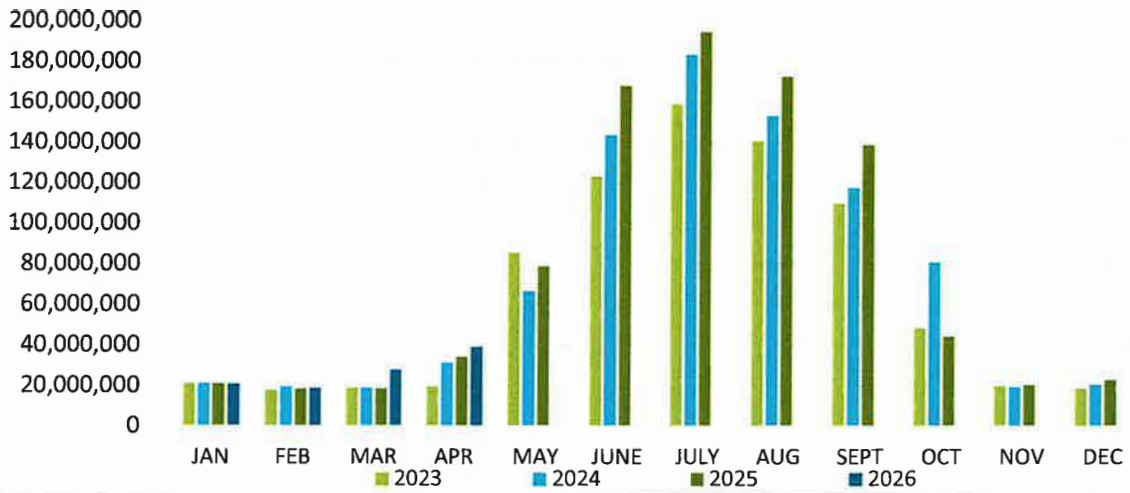
■ Residential Usage
 ■ Commercial Usage
 ■ Institutional Usage



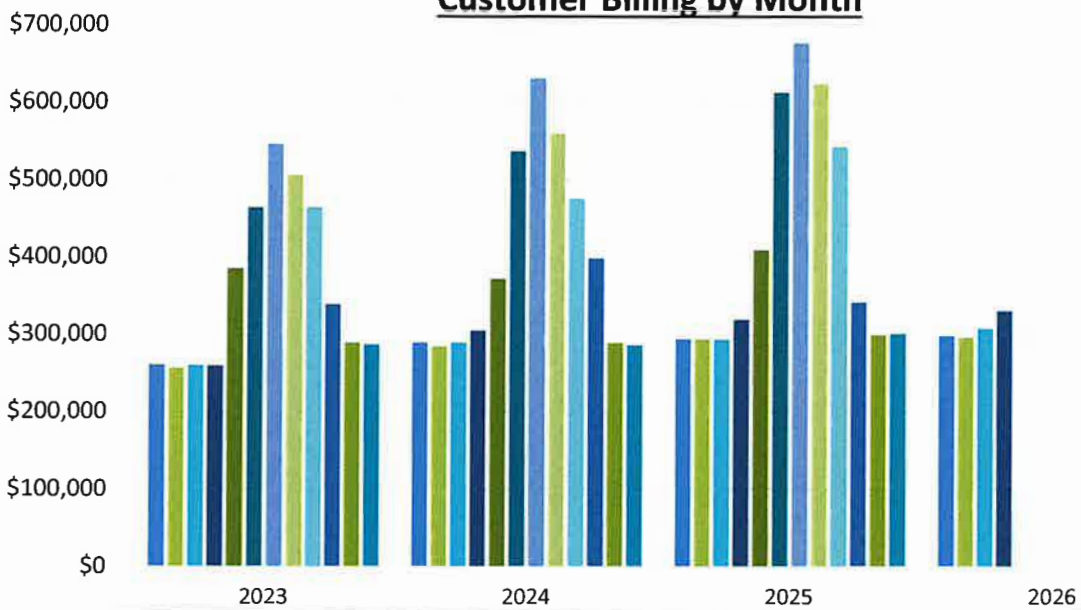
Yearly Usage Comparison



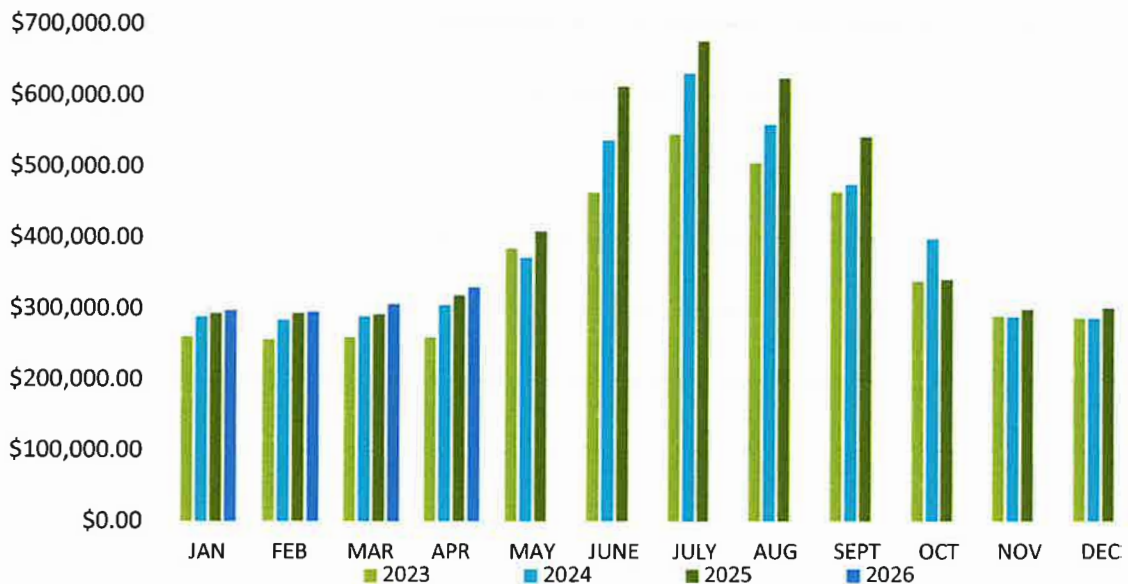
Customer Usage by Year (Gallons)



Customer Billing by Month



Customer Billing by Year



WHITE CITY WATER (DISTRICT)
BALANCE SHEET
APRIL 30, 2026

FUND 51

ASSETS

51-1111	CASH - US BANK CHECKING ACCT	207,515.82	
51-1113	XPRESS BILL PAY CLEARING	46,010.64	
51-1120	CASH CLEARING - UTILITIES	(8,596.49)	
51-1131	PETTY CASH	150.00	
51-1153	PTIF #5822 RW FUND	24,013.56	
51-1155	PTIF #5507 -- OPERATING FUND	1,877,106.07	
51-1156	PTIF #1454 CAPITAL RESERVE	815,246.32	
51-1158	PTIF #4779 CAPITAL IMPROVEMENT	1,509,733.93	
51-1159	2020 BOND DEBT 248891000	147,223.05	
51-1161	2020 BOND DEBT RES 248891001	18,561.78	
51-1163	2015 BOND SERIES 240217000	.01	
51-1180	2021 BOND DEBT #221884000	301,254.55	
51-1181	2021 BOND SINK A #221884001	3,614.22	
51-1182	2021 BOND SINK B #221884002	1,430.40	
51-1183	2021 COI #221884003	6.86	
51-1193	2022 BOND FUND 247852000	184,215.37	
51-1194	2022 BOND FUND 247852002	2,903.65	
51-1311	CUSTOMER ACCOUNTS RECEIVABLE	185,277.45	
51-1511	INVENTORY	154,781.19	
51-1561	PREPAID INSURANCE	32,438.94	
51-1610	CONSTRUCTION IN PROGRESS	(.02)	
51-1611	LAND	682,813.32	
51-1621	BUILDINGS	3,304,822.34	
51-1631	WELLS AND STORAGE FACILITIES	11,532,642.06	
51-1632	SUPPLY TRANSMISSION LINE	13,585,958.27	
51-1633	METERS AND HYDRANTS	1,742,634.65	
51-1640	INVESTMENT COMPANY	3,354,986.92	
51-1641	OFFICE FURNITURE AND EQUIPMENT	82,900.59	
51-1642	ACCUMULATED DEPRECIATION	(12,345,905.89)	
51-1651	MACHINERY & EQUIPMENT	853,397.88	
51-1661	VEHICLES	84,183.91	
51-1800	DEFERRED OUTFLOW PENSION	266,752.00	
51-1802	DEFERRED OUTFLOW REFUNDING 16	19,908.11	
51-1804	DEFERRED OUTFLOW REFUNDING 21	495,539.78	
	TOTAL ASSETS		<u>29,163,521.24</u>

LIABILITIES AND EQUITY

WHITE CITY WATER (DISTRICT)
BALANCE SHEET
APRIL 30, 2026

FUND 51

LIABILITIES

51-2131	ACCOUNTS PAYABLE	(45,290.92)	
51-2211	ACCRUED PAYROLL PAYABLE	(1,423.99)	
51-2212	WAGES PAYABLES	6,065.52	
51-2221	FEDERAL TAX PAYABLE	(24,009.67)	
51-2222	STATES PAYROLL TAXES PAYABLE	(1,699.10)	
51-2224	INSURANCE PAYABLE	(19,750.89)	
51-2225	WORKERS COMP PAYABLE	2,979.32	
51-2226	STATE UNEMPLOYMENT	58.72	
51-2227	GARNISHMENTS	(110.77)	
51-2300	NET PENSION LIABILITY	154,176.00	
51-2503	CURRENT BOND MATURITIES 2020	180,000.00	
51-2504	CURRENT BOND MATURITIES 2021 B	700,000.00	
51-2508	CURRENT BOND MATURITIES 2022	135,000.00	
51-2510	ST COMPENSATED ABSENCES	77,015.12	
51-2551	ACCRUED INTEREST PAYABLE	252,361.46	
51-2630	LT COMPENSATED ABSENCES	35,255.57	
51-2649	2022 BOND PAYABLES	7,620,000.00	
51-2656	2020 BOND PAYABLES	1,576,000.00	
51-2657	2021 BOND PAYABLES B	6,210,000.00	
51-2664	2015 PREMIUM ON REFUNDING	367,716.00	
51-2668	2022 PREMIUM ON REFUNDING	236,386.20	
51-2795	DEFERRED INFLOWS PENSION	800.00	
	TOTAL LIABILITIES		17,461,528.57

FUND EQUITY

UNAPPROPRIATED FUND BALANCE:			
51-2999	RETAINED EARNINGS-BEGIN OF YR	12,171,418.36	
	REVENUE OVER EXPENDITURES - YTD	(469,425.69)	
	BALANCE - CURRENT DATE	11,701,992.67	
	TOTAL FUND EQUITY		11,701,992.67
	TOTAL LIABILITIES AND EQUITY		29,163,521.24

WHITE CITY WATER (DISTRICT)
 REVENUES WITH COMPARISON TO BUDGET
 FOR THE 4 MONTHS ENDING APRIL 30, 2026

FUND 51

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
<u>REVENUE</u>					
51-3710 METERED SALES - RES CUSTOMERS	321,570.47	1,200,087.99	4,700,000.00	3,499,912.01	25.5
51-3715 OTHER WATER REVENUES	.00	.00	2,500.00	2,500.00	.0
51-3720 METERED SALES - COMMERCIAL	4,638.05	15,348.14	118,000.00	102,651.86	13.0
51-3780 LATE CHARGES	2,625.00	10,380.00	37,000.00	26,620.00	28.1
51-3810 MISCELLANEOUS REVENUE	15,815.00	18,140.08	.00	(18,140.08)	.0
51-3900 INTEREST & DIVIDEND INCOME	15,018.71	61,086.27	(50,000.00)	(111,086.27)	122.2
TOTAL FUND REVENUE	359,667.23	1,305,042.48	4,807,500.00	3,502,457.52	27.2

WHITE CITY WATER (DISTRICT)
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2026

FUND 51

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>ADMINISTRATION</u>					
51-5100-110 SALARIES & WAGES - EMPLOYEES	61,904.05	170,524.42	547,359.00	376,834.58	31.2
51-5100-111 OVERTIME/ON-CALL	.00	.00	1,000.00	1,000.00	.0
51-5100-115 COMPENSATION - TRUSTEES	3,125.00	10,355.00	42,000.00	31,645.00	24.7
51-5100-130 BENEFITS	14,293.49	50,021.93	259,150.00	209,128.07	19.3
51-5100-210 DUES & MEMBERSHIPS	1,128.98	3,062.92	33,264.00	30,201.08	9.2
51-5100-231 TRAVEL EXPENSES	6,345.18	10,652.86	.00	(10,652.86)	.0
51-5100-240 OFFICE SUPPLIES	784.89	1,791.77	9,000.00	7,208.23	19.9
51-5100-245 POSTAGE / PRINTING	4,033.91	19,594.09	56,550.00	36,955.91	34.7
51-5100-250 EQUIP. MAINT. CONTRACTS	3,853.57	16,608.94	56,430.00	39,821.06	29.4
51-5100-270 UTILITIES	2,485.76	9,361.23	38,775.00	29,413.77	24.1
51-5100-300 BAD DEBT EXPENSE	5.28	2,303.05	.00	(2,303.05)	.0
51-5100-310 MISC. PROFESSIONAL SERVICES	8,643.69	30,263.17	186,650.00	156,386.83	16.2
51-5100-311 ACCOUNTING	2,000.00	10,250.00	43,500.00	33,250.00	23.6
51-5100-330 TRAINING REGISTRATIONS	.00	2,820.00	19,270.00	16,450.00	14.6
51-5100-510 INSURANCE - GENERAL LIABILITY	50.00	355.00	67,700.00	67,345.00	.5
51-5100-530 INTEREST EXPENSES	.00	1,135,512.10	1,591,050.00	455,537.90	71.4
51-5100-610 BANK / TRUSTEE FEES	1,700.00	1,937.06	27,000.00	25,062.94	7.2
51-5100-622 LITIGATION	.00	.00	3,000.00	3,000.00	.0
51-5100-625 MISC. EXPENSES	881.62	1,944.83	11,400.00	9,455.17	17.1
51-5100-629 BOARD CONTINGENCY	.00	.00	14,000.00	14,000.00	.0
51-5100-720 BUILDING MAINTENANCE	2,207.93	4,575.70	17,844.00	13,268.30	25.6
51-5100-730 EQUIPMENT	.00	.00	5,800.00	5,800.00	.0
51-5100-740 UNIFORMS	451.28	601.71	10,500.00	9,898.29	5.7
TOTAL ADMINISTRATION	113,894.63	1,482,535.78	3,041,242.00	1,558,706.22	48.8
<u>CAPITAL PROJECTS</u>					
51-5110-733 10000 S TRANSMISSION LINE & CON	.00	.00	580,000.00	580,000.00	.0
51-5110-740 WELL HOUSES IMPROVEMENTS	.00	.00	700,000.00	700,000.00	.0
51-5110-751 MAINLINE REPLACEMENTS	.00	.00	580,000.00	580,000.00	.0
51-5110-765 METER REPLACEMENTS	.00	24,848.46	210,000.00	185,151.54	11.8
TOTAL CAPITAL PROJECTS	.00	24,848.46	2,070,000.00	2,045,151.54	1.2

WHITE CITY WATER (DISTRICT)
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 4 MONTHS ENDING APRIL 30, 2026

FUND 51

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
<u>OPERATIONS</u>					
51-5160-110 SALARIES & WAGES - EMPLOYEES	20,287.08	82,276.32	270,796.00	188,519.68	30.4
51-5160-111 OVERTIME/ON-CALL	1,853.75	6,700.88	25,400.00	18,699.12	26.4
51-5160-130 BENEFITS	9,875.07	34,084.01	162,879.00	128,794.99	20.9
51-5160-210 DUES & MEMBERSHIPS	.00	421.06	2,870.00	2,448.94	14.7
51-5160-211 GIS MAINTENANCE	.00	2,283.00	.00	(2,283.00)	.0
51-5160-230 VEHICLE MAINTENANCE	4,410.03	6,533.76	.00	(6,533.76)	.0
51-5160-231 TRAVEL EXPENSES	2,096.32	2,546.32	34,880.00	32,333.68	7.3
51-5160-250 REPAIRS & MAINTENANCE SUPPLY	24,945.15	78,317.66	427,700.00	349,382.34	18.3
51-5160-270 UTILITIES	13,877.85	39,787.33	441,520.00	401,732.67	9.0
51-5160-310 SCADA/WELL MAINTENANCE	.00	10,973.00	56,000.00	45,027.00	19.6
51-5160-330 TRAINING & REGISTRATIONS	.00	850.00	2,680.00	1,830.00	31.7
51-5160-620 WATER SAMPLING/TESTING	555.00	2,310.59	30,000.00	27,689.41	7.7
51-5160-740 EQUIPMENT	.00	.00	17,500.00	17,500.00	.0
TOTAL OPERATIONS	77,900.25	267,083.93	1,472,225.00	1,205,141.07	18.1
TOTAL FUND EXPENDITURES	191,794.88	1,774,468.17	6,583,467.00	4,808,998.83	27.0
NET REVENUE OVER EXPENDITURES	167,872.35	(469,425.69)	(1,775,967.00)	(1,306,541.31)	(26.4)

Journal	Payee or Description	Date	Check Number	Amount
CD	XPRESS	04/30/2026	1	35.63-
CD1	IT NOW MONTHLY BILLING --	04/30/2026	1	1,925.00
CD	XPRESS	04/30/2026	2	35.63
CD1	FEDERAL EFT TAX DEPOSIT -- PAYROLL	04/30/2026	3	15,092.33
CD1	URS ACH RETIREMENT DEPOSIT -- PAYROLL	04/30/2026	5	5,157.73
CD1	XPRESS BILL PAY MONTHLY BILLING --	04/30/2026	7	2,438.63
CD1	CASELLE MONTHLY BILLING --	04/30/2026	9	1,644.00
CD1	UT WORKFORCE SERVICES Q- year	04/30/2026	11	205.05
CD1	IT NOW MONTHLY BILLING --	04/30/2026	15	34.00
CD1	FEDERAL EFT TAX DEPOSIT -- PAYROLL	04/30/2026	17	2,823.56
CD1	URS ACH RETIREMENT DEPOSIT -- PAYROLL	04/30/2026	19	4,066.78
CD1	PAYMENT TECH	04/30/2026	21	1,440.06
CDA	ASHTON, PAUL H.	04/02/2026	31354	652.26
CDA	CANYON ADVANTAGE LLC	04/02/2026	31355	118.26
CDA	COMCAST CABLE	04/02/2026	31356	140.88
CDA	CRAIG SAKANASHI	04/02/2026	31357	218.88
CDA	DS ACCOUNTING SERVICES LLC	04/02/2026	31358	2,000.00
CDA	GOTO COMMUNICATIONS, INC.	04/02/2026	31359	27.00
CDA	HOME DEPOT CREDIT SERVICES	04/02/2026	31360	918.06
CDA	HUNTZINGER, CHRISTOPHER	04/02/2026	31361	662.39
CDA	KRISTINE PITCHER PRICE LIVING TRUST	04/02/2026	31362	322.41
CDA	MATRIX EXCAVATION, INC.	04/02/2026	31363	8,437.50
CDA	PITNEY BOWES GLOBAL FINANCIAL SERVICES	04/02/2026	31364	123.14
CDA	RDX, LLC	04/02/2026	31365	462.00
CDA	RELADYNE WEST LLC	04/02/2026	31366	1,632.35
CDA	ROCKY MOUNTAIN POWER	04/02/2026	31367	623.56
CDA	SEIGER-WEBSTER, CHRISTY	04/02/2026	31368	908.34
CDA	U.S. BANK	04/02/2026	31369	1,700.00
CDA	U.S. BANK NATL ASSOC.	04/02/2026	31370	135,543.69
CDA	US BANK	04/02/2026	31371	9,401.48
CDA	VERIZON WIRELESS	04/02/2026	31372	78.33
CDA	BLUE STAKES OF UTAH 811	04/09/2026	31373	160.00
CDA	BRYCE ROBERTS	04/09/2026	31374	84.40
CDA	CERTIFIED FIRE & SECURITY	04/09/2026	31375	100.00
CDA	CHEMTECH/FORD LABORATORIES	04/09/2026	31376	370.00
CDA	DEX IMAGING LLC	04/09/2026	31377	38.96
CDA	FREEDOM MAILING SERVICE	04/09/2026	31378	2,905.02
CDA	GOTO COMMUNICATIONS, INC.	04/09/2026	31379	452.07
CDA	KRISTINE KAYE STAPLES	04/09/2026	31380	130.90
CDA	MARITZA TEA	04/09/2026	31381	34.40
CDA	MOUNTAINLAND SUPPLY DEPT	04/09/2026	31382	255.31
CDA	ORS -- CHILD SUPPORT SERVICES	04/09/2026	31383	110.77
CDA	PECK HOLDINGS LLC	04/09/2026	31384	29.82
CDA	POSITIVE IMPACT CONSULTING, LLC	04/09/2026	31385	1,100.00
CDA	PRO SECURITY PRODUCTS	04/09/2026	31386	1,440.00
CDA	ROCKY MOUNTAIN POWER	04/09/2026	31387	12,081.38
CDA	STATE OF UTAH FUEL NETWORK	04/09/2026	31388	1,401.27
CDA	SUNRISE ENGINEERING	04/09/2026	31389	3,615.00
CDA	TK ELEVATOR CORPORATION	04/09/2026	31390	1,019.50
CDA	WASTE MANAGEMENT OF UTAH, INC	04/09/2026	31391	312.51
CDA	CHEMTECH/FORD LABORATORIES	04/16/2026	31392	407.00
CDA	COMCAST CABLE	04/16/2026	31393	315.73
CDA	DAVID E RYLAND	04/16/2026	31394	1,010.00
CDA	ENBRIDGE	04/16/2026	31395	273.23
CDA	JOHN LAMAR CLARK	04/16/2026	31396	42.35
CDA	SHRED UTAH, INC.	04/16/2026	31397	50.00
CDA	THOMSON REUTERS -- WEST	04/16/2026	31398	343.98
CDA	UPPER CASE PRINTING, INC.	04/16/2026	31399	1,005.75

Journal	Payee or Description	Date	Check Number	Amount
CDA	UTAH STATE TREASURERS OFFICE	04/16/2026	31400	65,307.57
CDA	WASATCH FRONT WASTE & RECYCLING	04/16/2026	31401	26.00
CDA	CHASE RAMIER	04/23/2026	31402	.00
CDA	COMCAST CABLE	04/23/2026	31403	993.51
CDA	GREATAMERICA FINANCIAL SERVICES CORPORAT	04/23/2026	31404	211.61
CDA	HILLSIDE TIRE & SERVICE	04/23/2026	31405	95.00
CDA	ORS -- CHILD SUPPORT SERVICES	04/23/2026	31406	110.77
CDA	PEHP - LTD PROGRAM	04/23/2026	31407	343.86
CDA	PEHP GROUP INSURANCE	04/23/2026	31408	369.40
CDA	PEHP INSURANCE -- HEALTH & DENTAL	04/23/2026	31409	13,765.47
CDA	ROBERT BRYAN	04/23/2026	31410	11.85
CDA	STEVEN J BROCK	04/23/2026	31411	134.10
CDA	TRAVELERS CL REMITTANCE CENTER	04/23/2026	31412	50.00
CDA	UTAH LABOR COMMISSION	04/23/2026	31413	102.00
CDA	UTAH STATE TAX COMMISSION	04/23/2026	31414	4,044.00
CDA	CHARON MILLER	04/30/2026	31415	39.68
CDA	CHASE RAMIER	04/30/2026	31416	.00
CDA	DOUANGTA SENGPRASEUT	04/30/2026	31417	172.00
CDA	HILLSIDE TIRE & SERVICE	04/30/2026	31418	1,086.48
CDA	HOME DEPOT CREDIT SERVICES	04/30/2026	31419	2,756.73
CDA	LYNN ADAMS	04/30/2026	31420	1,293.61
CDA	MATRIX EXCAVATION, INC.	04/30/2026	31421	9,652.50
CDA	MOUNTAINLAND SUPPLY DEPT	04/30/2026	31422	858.15
CDA	NORTH DRY CREEK IRRIGATION CO.	04/30/2026	31423	690.00
CDA	RDX, LLC	04/30/2026	31424	462.00
CDA	ROCKY MOUNTAIN POWER	04/30/2026	31425	625.70
CDA	ROKS RE LLC	04/30/2026	31426	94.12
CDA	U.S. BANK NATL ASSOC.	04/30/2026	31427	135,543.69
CDA	VERIZON WIRELESS	04/30/2026	31428	78.19
CDA	CHASE RAMER	04/30/2026	31429	113.60
CDP	DIRECT DEPOSIT TOTAL	04/10/2026	92201	44,791.29
CDP	DIRECT DEPOSIT TOTAL	04/24/2026	92202	17,928.56
CDP	Ashton, Paul H - DIR DEP	04/10/2026	4052601	.00
CDP	Bowles, Daniel S. - DIR DEP	04/10/2026	4052602	.00
CDP	Cardenaz, Phillip S. - DIR DEP	04/10/2026	4052603	.00
CDP	Dean, Susan A - DIR DEP	04/10/2026	4052604	.00
CDP	Flint, Paulina - DIR DEP	04/10/2026	4052605	.00
CDP	GUZMAN,MISHELL - DIR DEP	04/10/2026	4052606	.00
CDP	Huntzinger, Chris - DIR DEP	04/10/2026	4052607	.00
CDP	Johansen, Robert - DIR DEP	04/10/2026	4052608	.00
CDP	Johnson, Ryan R. - DIR DEP	04/10/2026	4052609	.00
CDP	Lucas, James B. - DIR DEP	04/10/2026	4052610	.00
CDP	Peterson, Ian - DIR DEP	04/10/2026	4052611	.00
CDP	Seiger-Webster, Christy M - DIR DEP	04/10/2026	4052612	.00
CDP	Teran, Madison - DIR DEP	04/10/2026	4052613	.00
CDP	True, Garry - DIR DEP	04/10/2026	4052614	.00
CDP	Winger, David S. - DIR DEP	04/10/2026	4052615	.00
CDP	Bowles, Daniel S. - DIR DEP	04/24/2026	4192601	.00
CDP	Cardenaz, Phillip S. - DIR DEP	04/24/2026	4192602	.00
CDP	GUZMAN,MISHELL - DIR DEP	04/24/2026	4192603	.00
CDP	Johnson, Ryan R. - DIR DEP	04/24/2026	4192604	.00
CDP	Lucas, James B. - DIR DEP	04/24/2026	4192605	.00
CDP	Peterson, Ian - DIR DEP	04/24/2026	4192606	.00
CDP	Teran, Madison - DIR DEP	04/24/2026	4192607	.00
CDP	Winger, David S. - DIR DEP	04/24/2026	4192608	.00
Grand Totals:				529,638.46

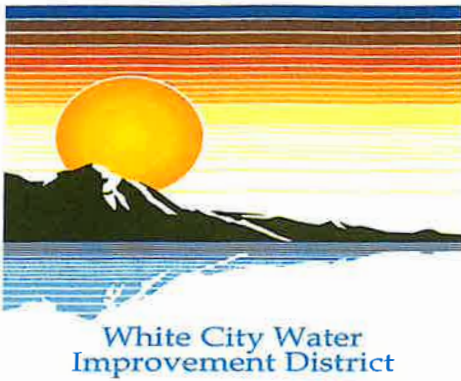
Report Criteria:

Includes the following check types:

Manual, Payroll, Supplemental, Termination, Void

Includes unprinted checks

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Payee ID	Description	GL Account	Amount	D
04/19/2026	PC	04/24/2026	4192601	Bowles, Daniel S.	30		51-1111	2,316.26-	D
04/19/2026	PC	04/24/2026	4192602	Cardenaz, Phillip S.	40		51-1111	1,997.28-	D
04/19/2026	PC	04/24/2026	4192603	GUZMAN,MISHELL	43		51-1111	1,656.05-	D
04/19/2026	PC	04/24/2026	4192604	Johnson, Ryan R.	47		51-1111	3,640.57-	D
04/19/2026	PC	04/24/2026	4192605	Lucas, James B.	52		51-1111	2,779.72-	D
04/19/2026	PC	04/24/2026	4192606	Peterson, Ian	54		51-1111	1,591.31-	D
04/19/2026	PC	04/24/2026	4192607	Teran, Madison	48		51-1111	1,654.69-	D
04/19/2026	PC	04/24/2026	4192608	Winger, David S.	70		51-1111	2,292.68-	D
05/03/2026	PC	05/08/2026	5032601	Bowles, Daniel S.	30		51-1111	2,275.49-	D
05/03/2026	PC	05/08/2026	5032602	Cardenaz, Phillip S.	40		51-1111	1,997.28-	D
05/03/2026	PC	05/08/2026	5032603	Dean, Susan A	22		51-1111	285.43-	D
05/03/2026	PC	05/08/2026	5032604	Flint, Paulina	80		51-1111	608.51-	D
05/03/2026	PC	05/08/2026	5032605	GUZMAN,MISHELL	43		51-1111	1,603.05-	D
05/03/2026	PC	05/08/2026	5032606	Huntzinger, Chris	151		51-1111	615.94-	D
05/03/2026	PC	05/08/2026	5032607	Johansen, Robert	130		51-1111	583.51-	D
05/03/2026	PC	05/08/2026	5032608	Johnson, Ryan R.	47		51-1111	3,700.10-	D
05/03/2026	PC	05/08/2026	5032609	Lucas, James B.	52		51-1111	2,779.72-	D
05/03/2026	PC	05/08/2026	5032610	Peterson, Ian	54		51-1111	1,782.43-	D
05/03/2026	PC	05/08/2026	5032611	Seiger-Webster, Christy M	140		51-1111	615.94-	D
05/03/2026	PC	05/08/2026	5032612	Teran, Madison	48		51-1111	1,654.69-	D
05/03/2026	PC	05/08/2026	5032613	True, Garry	120		51-1111	610.94-	D
05/03/2026	PC	05/08/2026	5032614	Winger, David S.	70		51-1111	2,099.71-	D
Grand Totals:								<u>39,141.30-</u>	



White City Water Improvement District

999 E. Galena Dr.
Sandy, Utah 84094
801-571-3991

General Manager
Ryan Johnson

Board of Trustees
Paulina F. Flint, Chair
Robert Johansen, Vice Chair
Christy Seiger-Webster, Clerk
Garry True, Treasurer
Christopher Huntzinger, Trustee

Via Email: haley.devries@crisis24.com

Haley De Vries

Renewal Specialist

Crisis24 CodeRed

185 Admiral Cochrane Dr., Suite 300

Annapolis, MD 21401

Re. Cancellation of CodeRed by White City Water Improvement District ("WCWID")

Dear Haley:

Upon receipt of your email of April 21, 2026, refusing to accept WCWID's "Intent of non-renewal," I contacted legal counsel for advice. He informed me that the basis of your refusal is not valid under Utah Statute and that any contractual provision to the contrary is void and unenforceable.

WCWID is a special district and subdivision of the State of Utah. As such, it is subject to the procurement codes of the State. Utah Code §63G-6a-1204(7) expressly states: "[a] multiyear contract, including any renewal periods, may not exceed five years." In addition, the Utah Procurement Code expressly states that a contractual provision that allows a "vendor to automatically renew a procurement contract or that creates a contractual term in violation of the terms permitted under Section 63G-6a-1204 [of 5 years]" is "void and unenforceable." See Utah Code §63G-6a-1203(4)(i)(ii).

Based upon the foregoing, together with WCWID's view that the contract was breached by CodeRed's, *inter alia*, failure to notify WCWID of its data breach in November 2025, with subsequent loss of WCWID and its water users' data, justifies WCWID's decision to no longer utilize the CodeRed system after August 21, 2026.

If you have any questions about this matter, please advise me. Also, if you want to involve legal counsel, please feel free to contact our attorney: Paul Ashton, Styler Daniels PC, at phashton@xmission.com.

Sincerely,

WHITE CITY WATER IMPROVEMENT DISTRICT

**Financial Statements
and
Independent Auditor's Report**

**As of and for the Year Ended
December 31, 2025**

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WHITE CITY WATER IMPROVEMENT DISTRICT

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
White City Water Improvement District
Sandy, Utah

Opinions

We have audited the financial statements of the business-type activities and each major fund of White City Water Improvement District (the District), as of and for the year ended December 31, 2025, 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 and each major fund of the District, as of December 31, 2025 and the respective changes in financial position and 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.

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 on pages 5 – 10 and pension schedules on pages 34 – 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is

required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report May 11, 2026 on our consideration of White City Water Improvement District's internal control over financial reporting and 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 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.

May 11, 2026
Bountiful, UT

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WHITE CITY WATER IMPROVEMENT DISTRICT
Management's Discussion & Analysis
December 31, 2025

This section of the White City Water Improvement District's (the District) annual financial report presents our analysis of the District's financial performance during the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements and accompanying notes to enhance their understanding of the District's financial activities.

HISTORY OF DISTRICT

In December of 1993, the White City Water Improvement District was created as a political subdivision of Salt Lake County under section 17A-2-301 of the Utah State Code. The District purchased the water system from private owners, which provided water services to the White City residents. The District has the authority to levy taxes and issue bonds. The current Board of Trustees believes in cost-based rates, therefore, we currently do not levy a property tax. The District currently serves 6,459 connections with an estimated population of 18,000.

FINANCIAL HIGHLIGHTS

The District's net position increased 1,089,782 for 2025. The increase is less than the prior year, due to an increase in salaries and wages, repairs and maintenance, and depreciation expense. Revenues totaled \$5,307,012, including non-operating revenues, for the fiscal year. This was an increase of \$178,661 from the previous year. The changes from the previous fiscal year are depicted by category as follows:

	2025	2024	Change
Water Sales	\$ 5,005,220	\$ 4,702,231	\$ 302,989
Interest income	222,603	355,979	(133,376)
Penalty charges	34,591	35,062	(471)
Miscellaneous	44,598	35,079	9,519
Total	<u>\$ 5,307,012</u>	<u>\$ 5,128,351</u>	<u>\$ 178,661</u>

WHITE CITY WATER IMPROVEMENT DISTRICT
Management's Discussion & Analysis
December 31, 2025

Expenses increased from the previous year. Expenses were \$4,212,230 in 2025 compared with \$3,755,868 in 2024. This was an increase of \$456,362 or 12% from the previous year. The increase is primarily due to an increase of \$133,193 and \$118,992 in salaries and wages and repairs and maintenance costs, respectively, and an increase in payroll taxes and benefits of \$61,079 as a result of recognizing GASB 68 pension cost changes.

	2025	2024	Change
Salaries and wages	\$ 826,497	\$ 693,304	\$ 133,193
Dues and memberships	26,399	27,606	(1,207)
Payroll taxes and benefits	338,784	277,705	61,079
Contract services	146,630	156,432	(9,802)
Repairs and maintenance	662,273	543,281	118,992
Utilities and telephone	510,416	435,334	75,082
Insurance	63,873	62,079	1,794
Office supplies and postage	57,011	50,066	6,945
Travel	33,603	52,890	(19,287)
Accounting	40,875	36,188	4,687
Employee training	6,990	6,449	541
Depreciation expense	853,466	762,014	91,452
Interest expense	585,444	600,166	(14,722)
Miscellaneous	59,969	52,354	7,615
Total	\$ 4,212,230	\$ 3,755,868	\$ 456,362

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements:

The Statement of Net Position presents information on all the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the District's net position changed during the year presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The Statement of Cash Flows presents information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

WHITE CITY WATER IMPROVEMENT DISTRICT
Management's Discussion & Analysis
December 31, 2025

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-32 of this report.

Required supplementary information includes the Schedule of the Proportionate Share of the Net Pension Liability, Schedule of Pension Contributions, and notes to RSI – Actuarially Determined Pension Contributions and can be found on pages 34-37 of this report.

FINANCIAL ANALYSIS

To begin our analysis, a summary of the District's Statement of Net Position is presented in Table A-1.

As noted earlier, net position may serve, over time, as a useful indicator of the District's financial position. As of December 31, 2025, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$12,218,293. Previous year net position was \$11,128,511. Total net position increased by \$1,089,782, due to results of operations during the year.

TABLE A-1
Condensed Statement of Net Position

	December 31, 2025	December 31, 2024	Change
Current and other assets	\$ 6,174,764	\$ 6,362,933	\$ (188,169)
Capital assets	22,913,085	22,575,669	337,416
Deferred outflows of resources	782,200	800,271	(18,071)
Total assets and deferred outflows of resources	<u>29,870,049</u>	<u>29,738,873</u>	<u>131,176</u>
Current liabilities	1,450,121	1,382,444	67,677
Non-current liabilities	16,200,835	17,226,697	(1,025,862)
Deferred inflows of resources	800	1,221	(421)
Total liabilities and deferred inflows of resources	<u>17,651,756</u>	<u>18,610,362</u>	<u>(958,606)</u>
Net investment in capital assets	6,403,640	5,842,339	561,301
Net position restricted for debt service and replacement	1,110,063	775,117	334,946
Net position unrestricted	4,704,590	4,511,055	193,535
Total net position	<u>\$ 12,218,293</u>	<u>\$ 11,128,511</u>	<u>\$ 1,089,782</u>

WHITE CITY WATER IMPROVEMENT DISTRICT
Management's Discussion & Analysis
December 31, 2025

TABLE A-2
Change in Net Position

	December 31, 2025	December 31, 2024	Change
Operating revenues			
Water sales	\$ 5,005,220	\$ 4,702,231	\$ 302,989
Revenue from water sales	5,005,220	4,702,231	302,989
Penalty charges	34,591	35,062	(471)
Miscellaneous	44,598	35,079	9,519
Total net operating revenues	<u>5,084,409</u>	<u>4,772,372</u>	<u>312,037</u>
Operating expenses			
Salaries and wages	826,497	693,304	133,193
Dues and memberships	26,399	27,606	(1,207)
Payroll taxes and benefits	338,784	277,705	61,079
Contract services	146,630	156,432	(9,802)
Repairs and maintenance	662,273	543,281	118,992
Utilities and telephone	510,416	435,334	75,082
Insurance	63,873	62,079	1,794
Office supplies and postage	57,011	50,066	6,945
Travel	33,603	52,890	(19,287)
Accounting	40,875	36,188	4,687
Employee training	6,990	6,449	541
Depreciation expense	853,466	762,014	91,452
Miscellaneous	59,969	52,354	7,615
Total operating expenses	<u>3,626,786</u>	<u>3,155,702</u>	<u>471,084</u>
Operating income	<u>1,457,623</u>	<u>1,616,670</u>	<u>(159,047)</u>
Non-operating revenues (expenses)			
Interest income	222,603	355,979	(133,376)
Interest expense	(585,444)	(600,166)	14,722
Total non-operating revenues (expenses)	<u>(362,841)</u>	<u>(244,187)</u>	<u>(118,654)</u>
Change in net position	1,094,782	1,372,483	<u>\$ (277,701)</u>
Net position at beginning of year	<u>11,128,511</u>	<u>9,756,028</u>	
Net position at end of year	<u>\$ 12,223,293</u>	<u>\$ 11,128,511</u>	

WHITE CITY WATER IMPROVEMENT DISTRICT
Management's Discussion & Analysis
December 31, 2025

BUDGETARY HIGHLIGHTS

During the year, the budgeted revenues were not changed from the original budget of \$4,808,024. Monthly reports that monitor revenues and expenses are presented to the Board of Trustees. Water sales exceeded the budget projection of \$4,612,500 by \$248,438.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, \$19,523,447 was invested in capital assets, as shown in Table A-3. This amount increased by \$337,416 over the prior year primarily due to the construction of a new water tank.

TABLE A-3
Capital Assets at Cost, Net of Depreciation

	December 31, 2025	December 31, 2024
Land	\$ 682,814	\$ 682,814
Buildings and improvements	2,452,489	2,566,413
Machinery and equipment	270,830	242,468
Water wells and storage facilities	5,347,910	5,653,790
Supply and transmission lines	10,257,268	9,658,101
Water meters and hydrants	512,136	382,445
	<u>\$ 19,523,447</u>	<u>\$ 19,186,031</u>

Additional information on the District's capital assets can be found in Note 4 on page 21 of this report.

WHITE CITY WATER IMPROVEMENT DISTRICT
Management's Discussion & Analysis
December 31, 2025

Debt Administration

The District's total long-term obligations decreased during 2025 by \$956,000.

The following summarizes the long-term debt activity for the District for fiscal year 2025:

	December 31, 2025	December 31, 2024	Change
Water revenue bond series 2020	1,756,000	1,932,000	(176,000)
Water refunding series 2021A	-	450,000	(450,000)
Water refunding series 2021B	6,910,000	7,115,000	(205,000)
Water refunding series 2022	7,755,000	7,880,000	(125,000)
Total Bonds	\$ 16,421,000	\$ 17,377,000	\$ (956,000)

In 2015, the District obtained a bond rating of AA- from Standard and Poor's in conjunction with the bond refunding in 2015. The 2020, 2021, and 2022 refundings were direct placements, so a rating for those refundings was not obtained.

Additional information on the District's Long-Term Debt can be found in Note 5 on pages 22-23 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S OPERATIONS

The District is currently dealing with a couple of significant operating issues. The primary issue is to upgrade existing wells to continually produce quality water at a quality price. Also, the District continues to implement the latest in security protection and assess the vulnerability of the District to a catastrophic event.

The fiscal year 2026 budget reflects a decrease from the fiscal year 2025 budget due to the completion of a two million gallon water tank completed in fiscal year 2025. The budget for fiscal year 2026 is \$6,029,467.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the District's General Manager at 999 E Galena Drive, Sandy UT 84070, or by phone at (801) 571-3991.

WHITE CITY WATER IMPROVEMENT DISTRICT
Statement of Net Position
December 31, 2025

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>Water District</u>	<u>Water Company</u>	<u>Total</u>
Current assets:			
Cash and cash equivalents			
Unrestricted	\$ 4,626,427	\$ 12,224	\$ 4,638,651
Restricted	1,110,272	-	1,110,272
Total cash and cash equivalents	5,736,699	12,224	5,748,923
Customer accounts receivable	238,621	-	238,621
Inventories	154,781	-	154,781
Prepaid expenses	32,439	-	32,439
Total current assets	6,162,540	12,224	6,174,764
Capital assets, net of accumulated depreciation	19,523,447	-	19,523,447
Water stock and water rights	-	3,389,638	3,389,638
Total non-current assets	19,523,447	3,389,638	22,913,085
Deferred outflows of resources:			
Deferred loss on refundings	515,448	-	515,448
Related to pensions	266,752	-	266,752
Total deferred outflows of resources	782,200	-	782,200
Total assets and deferred outflows of resources	<u>\$ 26,468,187</u>	<u>\$ 3,401,862</u>	<u>\$ 29,870,049</u>

(Continued)

WHITE CITY WATER IMPROVEMENT DISTRICT
Statement of Net Position (Continued)
December 31, 2025

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	<u>Water District</u>	<u>Water Company</u>	<u>Total</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 91,345	\$ -	\$ 91,345
Accrued expenses	15,701	-	15,701
Accrued interest expense	252,361	-	252,361
Accrued compensated absences	75,714	-	75,714
Current maturities - revenue bonds payable	<u>1,015,000</u>	-	<u>1,015,000</u>
Total current liabilities	<u>1,450,121</u>	-	<u>1,450,121</u>
Non-current liabilities:			
Bond issuance premium	604,102	-	604,102
Revenue bonds payable, net of current maturities	15,406,000	-	15,406,000
Net pension liability	154,176	-	154,176
Compensated absences	<u>36,557</u>	-	<u>36,557</u>
Total non-current liabilities	<u>16,200,835</u>	-	<u>16,200,835</u>
Total liabilities	<u>17,650,956</u>	-	<u>17,650,956</u>
Deferred inflows of resources:			
Related to pensions	<u>800</u>	-	<u>800</u>
Net position:			
Net investment in capital assets	3,014,002	3,389,638	6,403,640
Restricted:			
Debt service	1,110,063	-	1,110,063
Unrestricted	<u>4,692,366</u>	<u>12,224</u>	<u>4,704,590</u>
Total net position	<u>8,816,431</u>	<u>3,401,862</u>	<u>12,218,293</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 26,468,187</u>	<u>\$ 3,401,862</u>	<u>\$ 29,870,049</u>

(Continued)

WHITE CITY WATER IMPROVEMENT DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2025

	Water District	Water Company	Total
Operating revenues:			
Water sales	\$ 5,005,220	\$ -	\$ 5,005,220
Penalty charges	34,591	-	34,591
Miscellaneous revenues	44,598	-	44,598
Total net operating revenues	<u>5,084,409</u>	<u>-</u>	<u>5,084,409</u>
Operating expenses:			
Salaries and wages	826,497	-	826,497
Dues and memberships	26,399	-	26,399
Payroll taxes and benefits	338,784	-	338,784
Contract services	146,625	5	146,630
Repairs and maintenance	667,273	-	667,273
Utilities and telephone	510,416	-	510,416
Insurance	63,873	-	63,873
Office supplies and postage	57,011	-	57,011
Travel	33,603	-	33,603
Accounting	40,875	-	40,875
Employee training	6,990	-	6,990
Depreciation expense	853,466	-	853,466
Miscellaneous	59,967	2	59,969
Total operating expenses	<u>3,631,779</u>	<u>7</u>	<u>3,631,786</u>
Net operating income (loss)	<u>1,452,630</u>	<u>(7)</u>	<u>1,452,623</u>
Non-operating revenues (expenses):			
Interest income	222,603	-	222,603
Interest expense	(585,444)	-	(585,444)
Total non-operating revenues (expenses)	<u>(362,841)</u>	<u>-</u>	<u>(362,841)</u>
Change in net position	1,089,789	(7)	1,089,782
Net position, beginning of year	<u>7,726,642</u>	<u>3,401,869</u>	<u>11,128,511</u>
Net position, end of year	<u>\$ 8,816,431</u>	<u>\$ 3,401,862</u>	<u>\$ 12,218,293</u>

The accompanying notes are an integral part of these financial statements.

WHITE CITY WATER IMPROVEMENT DISTRICT
Statement of Cash Flows
For the Year Ended December 31, 2025

	Water District	Water Company	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 5,110,034	\$ -	\$ 5,110,034
Payments to suppliers	(1,542,309)	(2)	(1,542,311)
Payments to employees	(1,110,346)	(5)	(1,110,351)
Net cash from operating activities	<u>2,457,379</u>	<u>(7)</u>	<u>2,457,372</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(1,190,882)	-	(1,190,882)
Principal paid on bonds	(956,000)	-	(956,000)
Interest paid on bonds	(612,034)	-	(612,034)
Net cash from capital and related financing activities	<u>(2,758,916)</u>	<u>-</u>	<u>(2,758,916)</u>
Cash flows from investing activities:			
Interest received	222,603	-	222,603
Net cash from investing activities	<u>222,603</u>	<u>-</u>	<u>222,603</u>
Change in cash and cash equivalents	(78,934)	(7)	(78,941)
Cash and cash equivalents, beginning of year	5,815,633	12,231	5,827,864
Cash and cash equivalents, end of year	<u>\$ 5,736,699</u>	<u>\$ 12,224</u>	<u>\$ 5,748,923</u>
Cash as it appears on the statement of net position:			
Cash and cash equivalents, unrestricted	\$ 4,626,427	\$ 12,224	\$ 4,638,651
Cash and cash equivalents, restricted	1,110,272	-	1,110,272
	<u>\$ 5,736,699</u>	<u>\$ 12,224</u>	<u>\$ 5,748,923</u>

(Continued)

WHITE CITY WATER IMPROVEMENT DISTRICT
Statement of Cash Flows (Continued)
For the Year Ended December 31, 2025

	<u>Water District</u>	<u>Water Company</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 1,452,630	\$ (7)	\$ 1,452,623
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	853,466	-	853,466
Change in receivables	25,625	-	25,625
Change in inventories	85,444	-	85,444
Change in prepaid expenses	(1,841)	-	(1,841)
Change in accounts payable	(12,880)	-	(12,880)
Change in accrued expenses	11,771	-	11,771
Change in accrued compensated absences	10,463	-	10,463
Change in net pension assets and liabilities	32,701	-	32,701
Net cash from operating activities	<u>\$ 2,457,379</u>	<u>\$ (7)</u>	<u>\$ 2,457,372</u>

The accompanying notes are an integral part of these financial statements.

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements
December 31, 2025

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of White City Water Improvement District (the District) conform to generally accepted accounting principles in the United States of America (U.S. GAAP) as applicable to government units and are in accordance with established State of Utah legal restrictions as promulgated in the Fiscal Procedures Act. The following is a summary of the more significant policies.

Reporting Entity

In determining the reporting entity, the District applied the criteria of Statement No. 61 of the Government Accounting Standards Board. These criteria include (1) substantively the same governing body, (2) the primary government and the component unit have a financial benefit or burden relationship, or (3) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit. The District applied these criteria and concluded White City Water Company, a public utility corporation which is owned 100% by the District, should be reported as a blended component unit.

Measurement Focus and Basis of Accounting

The District is an enterprise fund which is reported using the economic resources measurement focus and the accrual basis of accounting. 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 costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Revenues are recognized when they are earned, expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables

The District records utility revenues billed to customers when meters are read on a monthly basis. Unbilled service accounts receivable at December 31, 2025 are not material and are not recorded.

Inventories and Prepaid Items

Inventories of materials and supplies, consisting principally of materials used in the repair of the transmission, distribution, collection and treatment systems, are valued at cost and accounted for on a first-in, first-out basis (FIFO). Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Related Depreciation

Capital assets, which included property, plant, equipment, and infrastructure assets, are defined by the District as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Depreciation is computed on the straight-line method based on the estimated useful life of the assets ranging from 3 to 50 years. Maintenance and repairs are charged against income as incurred.

Compensated Absences

District employees are granted vacation and sick leave in varying amounts. No more than 28 days of vacation can be carried over to the next year. Terminated employees are paid 25% of the current year's sick time accrued. Upon retirement, employees are paid 25% of their unused sick leave to be used for health insurance premiums or they can receive a 10% payout of unused sick leave. The cost of vacation and sick leave is recorded as a liability when earned.

Pensions

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has a deferred loss on bond refundings and deferred outflows related to pensions that are reported in this category.

In addition to liabilities, the statement of financial position will sometimes report 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 or resources (revenue) until that time. The District has deferred inflows related to pensions reported in this category.

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

1. REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property Taxes

The District was created as a special taxing district and has the authority to tax the real property of property owners within the District. During the year ended December 31, 2025 and for the foreseeable future, the District has elected not to collect property taxes.

Income Taxes

The District is exempt from all federal and state income taxes as a political division created by Utah State law.

Use of Estimates

Presenting financial statements in conformity with U.S. GAAP requires management to make certain estimates concerning assets, liabilities, revenues and expenses. Actual results may vary from these estimates.

2. DEPOSITS AND INVESTMENTS

Utah State law establishes the rules and regulations for deposits and investments and is known as the Utah Money Management Act. The Act established the Money Management Council that promulgates additional rules and determines which financial institutions may qualify to hold deposits and investments for state and local entities. The District has complied with the Utah Money Management Act and rules of the Money Management Council with regard to deposits and investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the District to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. As of December 31, 2025, \$221,019 of the District's \$221,019 bank balance was insured by FDIC limits and, therefore, is not exposed to custodial credit risk.

Investments

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

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The Act authorizes investments in both negotiable and nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier: by two nationally recognized statistical rating organizations, one of which must be Moody’s Investors Services or Standard & Poor’s; bankers acceptances; obligations of the United States Treasury including bills, notes and bonds, obligations, other than mortgage derivative products, issued by U.S. Government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Student Loan Marketing Association (Sallie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; and shares or certificates in a money market mutual fund as defined in the Act.

The District’s investments at December 31, 2025 are presented below:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>More than 10</u>
Debt securities:					
Utah Public Treasurer's Investment Fund	\$ 2,760,739	\$ 2,760,739	\$ -	\$ -	\$ -
Total debt securities	<u>\$ 2,760,739</u>	<u>\$ 2,760,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The District’s policy for limiting the credit risk of investments is to comply with the Money Management Act.

The District is authorized to invest in the Utah Public Treasurer’s Investment fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant’s average daily balances.

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The District's debt investments ratings at December 31, 2025 are presented below:

<u>Investment type</u>	Fair Value	Quality Ratings			Unrated
		AAA	AA	A	
Debt securities:					
Utah Public Treasurer's Investment Fund	\$ 2,760,739	\$ -	\$ -	\$ -	\$ 2,760,739
Total debt securities	<u>\$ 2,760,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,760,739</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of Credit Risk

District policy requires diversification and limits the amount that may be invested in the same company. First, the District may not invest more than 20% of its idle funds outside of the Utah Public Treasurer's Investment Fund. Second, not more than 10% of the total portfolio may be invested in a single company's credit instruments. The Utah Public Treasurer's Investment Fund is highly diversified and must comply with various rules of the Utah State Money Management Act and Money Management Council.

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

3. RESTRICTED ASSETS

Restricted assets consisted of amounts maintained by bond trustees as required by the 2020, 2021, and 2022 bond issuances. Following is a summary of restricted assets at December 31, 2025:

Restricted assets:

2022 Water Revenue Project bond fund	\$ 205
2022 Water Revenue Refunding bond fund	216,897
2022 Water Revenue Refunding bond fund	81,225
2021 Water Revenue Refunding bond fund	298,695
2021 Water Revenue sinking fund	421,219
2020 Water Revenue bond fund	73,707
2020 Water Revenue sinking fund	18,324
	<u>1,110,272</u>
Total restricted assets, maintained by trustee	<u>\$ 1,110,272</u>

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases / Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 682,814	\$ -	\$ -	\$ 682,814
Construction in progress	-	-	-	-
Total capital assets, not depreciated	<u>682,814</u>	<u>-</u>	<u>-</u>	<u>682,814</u>
Capital assets, being depreciated:				
Buildings and improvements	3,304,822	-	-	3,304,822
Office furniture and equipment	82,901	-	-	82,901
Machinery and equipment	893,147	75,988	(31,553)	937,582
Water wells and storage facilities	12,447,589	-	-	12,447,589
Supply and transmission lines	12,669,648	916,309	-	13,585,957
Water meters and hydrants	1,544,050	198,585	-	1,742,635
Total capital assets, depreciated	<u>30,942,157</u>	<u>1,190,882</u>	<u>(31,553)</u>	<u>32,101,486</u>
Less: accumulated depreciation for:				
Buildings and improvements	738,409	113,924	-	852,333
Office furniture and equipment	82,901	-	-	82,901
Machinery and equipment	650,679	47,626	(31,553)	666,752
Water wells and storage facilities	6,793,799	305,880	-	7,099,679
Supply and transmission lines	3,011,547	317,142	-	3,328,689
Water meters and hydrants	1,161,605	68,894	-	1,230,499
Total accumulated depreciation	<u>12,438,940</u>	<u>853,466</u>	<u>(31,553)</u>	<u>13,260,853</u>
Total capital assets depreciated, net	<u>18,503,217</u>	<u>337,416</u>	<u>-</u>	<u>18,840,633</u>
Capital assets, net	<u>\$ 19,186,031</u>	<u>\$ 337,416</u>	<u>\$ -</u>	<u>\$ 19,523,447</u>

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

5. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 17,377,000	\$ -	\$ (956,000)	\$ 16,421,000	\$ 1,015,000
Bond premiums	649,964	-	(45,862)	604,102	-
Total bonds payable	18,026,964	-	(1,001,862)	17,025,102	1,015,000
Compensated absences	101,808	10,463	-	112,271	75,714
Net pension liability	114,131	40,045	-	154,176	-
Total long-term liabilities	<u>\$ 18,242,903</u>	<u>\$ 50,508</u>	<u>\$ (1,001,862)</u>	<u>\$ 17,291,549</u>	<u>\$ 1,090,714</u>

Revenue Bonds

The District issues revenue bonds to provide funds for the acquisition and construction of major capital facilities. Revenue bonds currently outstanding are as follows as of December 31, 2025 (all direct placements):

Purpose	Original Issue	Annual Principal	Interest Rates	Installments Begin Date	Maturity Date	Amount
Water Revenue Bond, Series 2020	\$2,600,000	\$162,000 to \$211,000	2.07%	August 2020	August 2034	\$ 1,756,000
Water Revenue Refunding Bonds, series 2021B	\$7,150,000	\$5,000 to 740,000	2.25%	February 2022	February 2035	6,910,000
Water Revenue Refunding Bonds, series 2022	\$8,000,000	\$120,000 to \$525,000	5.00%	February 2023	February 2052	7,755,000
Total revenue bonds payable						16,421,000
Less: current maturities						(1,015,000)
Total long-term revenue bonds						<u>\$ 15,406,000</u>

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

5. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for revenue bonds are as follows:

December 31,	Principal	Interest	Total
2026	\$ 1,015,000	\$ 589,774	\$ 1,604,774
2027	1,048,000	563,142	1,611,142
2028	967,000	536,929	1,503,929
2029	991,000	511,158	1,502,158
2030	1,020,000	484,592	1,504,592
2031 - 2035	5,310,000	1,989,787	7,299,787
2036 - 2040	1,255,000	1,444,888	2,699,888
2041 - 2045	1,640,000	1,048,751	2,688,751
2046 - 2050	2,150,000	540,038	2,690,038
2051 - 2052	1,025,000	51,875	1,076,875
	<u>\$ 16,421,000</u>	<u>\$ 7,760,932</u>	<u>\$ 24,181,932</u>

6. RELATED PARTY TRANSACTIONS

Water Purchases and Facility Lease

The District has entered into a contract to purchase water from Lone Peak Water Company (a wholly owned company). The agreement requires the Company to supply the District water pumped from their wells on an as needed basis. During 2025, no water was purchased under this contract.

Operation and Maintenance Fee

In conjunction with the purchase of water and the leasing of storage facilities from Lone Peak, the District may assess Lone Peak a fee to operate and maintain the new sites and storage facilities and for water transportation. No amount was assessed Lone Peak Water Company during 2025.

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS

General Information about the Pension Plan

Plan Description

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

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost sharing, public employee retirement system.

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement 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 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS (CONTINUED)

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 Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%

*Actuarial reductions are applied.

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

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 the statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2025 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
111 - Local Governmental Division Tier 2	0.81%	14.19%	-
Noncontributory System			
15 - Local Governmental Division Tier 1	-	15.97%	-
Tier 2 DC Only			
211 - Local Government	-	4.19%	10.00%

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

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS (CONTINUED)

For fiscal year ended December 31, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 58,271	\$ -
Tier 2 Public Employees System	56,154	2,902
Total Contributions	<u>\$ 114,425</u>	<u>\$ 2,902</u>

Contributions reported at 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 of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the District reported a net pension asset of \$0 and a net pension liability of \$154,176.

	(Measurement Date): December 31, 2024				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change
Noncontributory System	\$ -	\$ 123,089	0.0388155%	0.0428627%	-0.0040472%
Tier 2 Public Employees System	-	31,087	0.0104238%	0.0075567%	0.0028671%
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 154,176</u>			

The pension asset and liability were measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2025, the District recognized pension expense of \$147,126.

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

At December 31, 2025, the District 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
Differences between expected and actual experience	\$ 86,783	\$ 214
Changes in assumptions	20,565	3
Net difference between projected and actual earnings on pension plan investments	39,063	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,917	583
Contributions subsequent to the measurement date	114,424	-
Total	<u>\$ 266,752</u>	<u>\$ 800</u>

\$114,424 was reported as deferred outflows of resources related to pensions results from contributions made by the District prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

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 the pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources	
2025	\$	74,758
2026		73,702
2027		(12,679)
2028		190
2029		6,973
Thereafter		8,583

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2025, the District recognized pension expense of \$113,192.

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,343	\$ -
Changes in assumptions	10,182	-
Net difference between projected and actual earnings on pension plan investments	37,076	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,184	196
Contributions subsequent to the measurement date	58,271	-
Total	\$ 180,056	\$ 196

\$58,271 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, 2024.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 71,194
2026	68,187
2027	(15,045)
2028	(2,747)

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS (CONTINUED)

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

For the year ended December 31, 2025, the District recognized pension expense of \$33,934.

At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,440	\$ 214
Changes in assumptions	10,383	3
Net difference between projected and actual earnings on pension plan investments	1,987	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,733	387
Contributions subsequent to the measurement date	56,154	-
Total	\$ 86,697	\$ 604

\$56,154 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, 2024.

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 to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 3,564
2026	5,515
2027	2,366
2028	2,937
2029	6,973
Thereafter	8,583

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 - 9.5 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
		Inflation	2.50%
		Expected arithmetic nominal return	8.30%

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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 asset and liability using the 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:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 520,563	\$ 123,089	\$ (210,264)
Tier 2 Public Employees System	92,852	31,088	(16,958)
Total	<u>\$ 613,415</u>	<u>\$ 154,177</u>	<u>\$ (227,222)</u>

Defined Contribution Savings Plans

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

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Financial Statements (Continued)
December 31, 2025

7. EMPLOYEE RETIREMENT PLANS (CONTINUED)

Defined Contribution Savings Plans (Continued)

The District participates in the 401(k), 457(b), and Roth IRA plans sponsored and administered by URS. Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31, were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
401(k) Plan*			
Employer contributions	\$ -	\$ 242	\$ 4,494
Employee contributions	10,569	7,582	7,037
457 Plan			
Employer contributions	-	-	-
Employee contributions	-	1,750	6,750

8. COMMITMENTS

The District has entered into a long-term contract (perpetual) with the Jordan Valley Water Conservancy District to purchase the rights to a minimum of 100 acre feet of water annually. The contract can be modified by mutual consent of the parties. The District purchased no water under this contract in 2025.

9. SUBSEQUENT EVENTS

The District evaluated all events or transactions that occurred after December 31, 2025 through May 11, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

WHITE CITY WATER IMPROVEMENT DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
December 31, 2025

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered payroll	Plan Fiduciary Net Position as a Percentage of its Covered Payroll
Noncontributory System	2015	0.0444374%	251,448	366,351	68.60%	87.80%
	2016	0.0439791%	282,400	375,643	75.18%	87.30%
	2017	0.0453959%	198,893	389,084	51.12%	91.90%
	2018	0.0464072%	341,730	403,882	84.61%	87.00%
	2019	0.0412610%	155,507	338,430	45.95%	93.70%
	2020	0.0421676%	21,630	346,625	6.24%	193.50%
	2021	0.0419162%	(240,058)	351,364	-68.32%	211.40%
	2022	0.0414000%	70,907	369,534	19.19%	189.10%
	2023	0.0428627%	99,423	412,941	24.08%	96.90%
	2024	0.0388155%	123,089	359,147	34.27%	96.02%
Tier 2 Public Employees System	2015	0.0978650%	(21)	63,199	-3.00%	100.20%
	2016	0.0614190%	685	50,369	1.36%	95.10%
	2017	0.0453959%	474	52,572	0.90%	97.40%
	2018	0.0052116%	2,232	60,765	3.67%	90.80%
	2019	0.0096344%	2,167	133,833	1.62%	96.50%
	2020	0.0096588%	1,389	154,416	0.90%	98.30%
	2021	0.0087015%	(3,683)	161,468	-2.28%	103.80%
	2022	0.0079288%	8,634	172,939	4.99%	92.30%
	2023	0.0075567%	14,708	195,367	7.53%	89.58%
	2024	0.0104238%	31,088	308,564	10.07%	87.44%

WHITE CITY WATER IMPROVEMENT DISTRICT
Schedule of Pension Contributions
December 31, 2025

	As of fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2016	69,381	69,381	-	375,643	18.47%
	2017	71,864	71,864	-	389,084	18.47%
	2018	74,597	74,597	-	403,882	18.47%
	2019	62,508	62,508	-	338,430	18.47%
	2020	61,626	61,626	-	333,653	18.47%
	2021	64,897	64,897	-	351,364	18.47%
	2022	67,284	67,284	-	369,534	18.21%
	2023	74,206	74,206	-	412,941	17.97%
	2024	62,756	62,756	-	359,147	17.47%
	2025	58,271	58,271	-	354,080	16.46%
Tier 2 Public Employees System*	2016	7,510	7,510	-	50,369	14.91%
	2017	7,894	7,894	-	52,572	15.02%
	2018	9,326	9,326	-	60,765	15.07%
	2019	20,887	20,887	-	133,833	15.61%
	2020	23,425	23,425	-	148,872	15.74%
	2021	25,745	25,745	-	161,468	15.94%
	2022	27,736	27,736	-	172,939	16.04%
	2023	31,278	31,278	-	195,367	16.01%
	2024	47,975	47,975	-	308,564	15.55%
	2025	56,154	56,154	-	382,914	14.66%

(Continued)

WHITE CITY WATER IMPROVEMENT DISTRICT
Schedule of Pension Contributions (Continued)
December 31, 2025

	As of fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Tier 2 Public Employees DC Only System*	2016	2,396	2,396	-	35,813	6.69%
	2017	2,513	2,513	-	37,570	6.69%
	2018	2,646	2,646	-	39,548	6.69%
	2019	3,021	3,021	-	45,164	6.69%
	2020	3,120	3,120	-	46,632	6.69%
	2021	3,335	3,335	-	49,850	6.69%
	2022	3,396	3,396	-	52,851	6.43%
	2023	2,564	2,564	-	41,426	6.19%
	2024	-	-	-	-	0.00%
	2025	-	-	-	-	0.00%

Note:

Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

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

WHITE CITY WATER IMPROVEMENT DISTRICT
Notes to the Required Supplementary Information
Actuarially Determined Pension Contributions
December 31, 2025

1. CHANGES IN ASSUMPTIONS

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

DRAFT

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

Board of Trustees
White City Water Improvement District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of White City Water Improvement District (the District) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 11, 2026.

Report on 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

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 District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 11, 2026
Bountiful, UT

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

Board of Trustees
White City Water Improvement District

Report on Compliance

We have audited White City Water Improvement District’s (the District) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor for the year ended December 31, 2025.

State compliance requirements were tested for the year ended December 31, 2025 in the following areas:

Budgetary Compliance	Fund Balance
Fraud Risk Assessment	Cash Management
Utah Retirement Systems	Crime Insurance

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the District’s compliance based on our audit of the State compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and the Utah State Compliance Audit Guide. Those standards and the Utah State Compliance Audit Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the State compliance requirements referred to above that could have a direct and material effect on State compliance requirement 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 on Compliance

In our opinion, the District complied, in all material respects, with the State compliance requirements referred to above for the year ended December 31, 2025.

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 audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the Utah State Compliance 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 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 a 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 or compliance requirement that is less severe than a *material weakness* in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of This Report

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.

May 11, 2026
Bountiful, UT



STYLER-DANIELS

LAW/FIRM

A PROFESSIONAL CORPORATION

297 N Highway 6

Delta, UT 84624

October 28, 2024

Attn: Paulina Flint

Ryan Johnson

999 E. Galena Drive

Sandy, UT 84094

Re: Legal and Consulting Engagement

White City Water Improvement District Board:

Thank you for selecting Styler-Daniels, P.C. (the "Firm") to represent you in connection with the above mentioned action. This letter will confirm the relationship between White City Water Improvement District and Styler Daniels, P.C. (the "Firm") Without limiting the foregoing, the Firm will provide general legal services with respect to negotiation and drafting of agreements, review and analysis of documents for legal compliance and responding to any claims that might have an adverse effect to WCWID and/or its wholly owned subsidiary White City Water Company. In short, the Firm will undertake those tasks and obligations historically provided by a "General Counsel"; as referenced in WCWID's policy and procedure manual. In addition, the Firm will provide at least one licensed attorney to attend monthly Board of Trustee meetings and such other meetings as requested by either the General Manager or Board Chair of WCWID.

The foregoing services, commencing April 1, 2026, will be provided on a fixed-fee basis of \$10,000.00 per month, plus non-incidentals costs that may be incurred by the firm for the direct benefit of WCWID. (The firm will pay for all incidental costs such as copying, local travel, computer, phone etc.) This amount will be paid monthly and the Firm will invoice WCWID at the beginning of the month following rendition of services. For example, in May 2026, the Firm will invoice for April, 2026 work, and so forth. Legal work beyond that set forth in the preceding paragraph, such as the need for more than one attorney to be engaged, shall be billed at a discounted rate of \$250.00 per billable hour. The Firm will receive approval from the Chair and/or General Manager before undertaking any services subject to the hourly rate.

The Firm and WCWID agree that this Agreement does not establish an employment relationship by and between WCWID and the Firm or its attorneys. The Firm and its attorneys are independent

contractors. The Agreement does not create any third-party relationship with another entity. The Firm is solely responsible to pay all taxes and provide any benefits, if any, to its employee(s) and attorneys. Nothing contained herein shall be construed or used to restrict the Firm from choosing which attorney associated with the Firm shall be assigned WCWID work, nor dictate the hours or work schedule of such attorneys. In that regard, WCWID understands and agrees the Firm and/or attorneys may be retained by other clients and perform work for other governmental entities. The Firm does not see any direct conflict in its representation of these entities, but if any conflict should arise in the future, the scope and nature of such conflict shall be communicated to WCWID to determine if the conflict can be waived. If a waiver cannot be obtained the Firm retains the right to determine which client's interests it will continue to represent.

The Firm agrees to abide by all applicable federal, state and local laws in the conduct of its business and the performance of services required by this Contract. The Firm further states that it will continue to comply with all requirements of Utah State Bar Rules of Professional Conduct and other applicable rules and statutes with regard to ethics and confidentiality. WCWID will maintain all documents subject to the Utah Government Records Access Management Act, Utah Code Ann. §§ 630-2-101 et seq. and the parties to this agreement will maintain attorney-client communications to ensure attorney-client privilege is not waived.

Payment of money owed to the firm will be on a monthly basis, payable on or before thirty days from the date of invoice/ billing. If it becomes necessary to retain hourly attorneys as noted above, WCWID agrees such attorneys will be billed out for the agreed upon amount in minimum increments of one-tenth of an hour. In addition, WCWID agrees to pay all fees, non-incidentals costs and other out of pocket expenditures incurred by the Firm in connection WCWID matters. Amounts unpaid for legal services and costs for more than 30 days are subject to a service charge of 1½ %, compounded monthly, which the City agrees to pay. Further, failure to pay outstanding invoices within thirty days may, at the sole discretion of the Firm, result in the cessation of all work on WCWID's behalf by the Firm. WCWID hereby agrees that if it becomes necessary to take action to collect the account, either with or without suit, WCWID will pay all fees and costs incurred in such collection efforts including, a reasonable attorneys fees. Any questions about the billing should be promptly directed to my attention. Failure to bring any questions about the billing to the Firm's or my attention within thirty days of your receipt of the same shall be interpreted as agreement to the billing and a waiver of any claims arising therefrom.

Please note that WCWID's responsibility for the fees and costs incurred do not depend upon the outcome of any particular matter and the Firm cannot and does not guarantee any particular outcome. Disputes with regard to fees and costs shall, at the sole discretion of the firm, be referred to arbitration under the rules of the Utah Bar Association. By signing below, WCWID agrees to the terms set forth herein and this letter shall constitute a binding contract. The Agreement shall continue in full force and effect unless and until either party gives sixty (60) days written notice of its intent to terminate. Receipt of a termination notice by either party shall automatically terminate this

Agreement upon the expiration of the applicable notice period, unless both parties agree to reinstate the Agreement.

Thank you for the opportunity to be of service to White City Water Improvement District.

Very Truly Yours,
Styler-Daniels, P.C.

by: Stephen M. Styler

ACCEPTANCE, ACKNOWLEDGMENT AND AGREEMENT OF CLIENT:

The services described in the above letter are in accordance with our request. I have been authorized to sign this agreement by the White City Water Improvement District Board of Trustees. I have read the entire agreement and understand its terms. The nature and scope of the services, charges and terms described in the letter are acceptable to the WCWID and are hereby agreed to.
White City Water Improvement District

Date: _____ By _____