HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Heber City Council Meeting
June 16, 2026

DRAFT Minutes

4:00 p.m. Work Meeting
6:00 p.m. Regular Meeting

I. WORK MEETING - 4:00 P.M.

Mayor Heidi Franco called the City Council Meeting to order at 4:22 p.m. and welcomed everyone present.

City Council Present: Mayor Heidi Franco
Council Member Yvonne Barney
Council Member Aaron Cheatwood
Council Member Morgan Murdock
Council Member Sid Ostergaard
Council Member Mike Johnston Arrived at 5:36 PM

Staff Present: City Manager Matt Brower
Community Development Director Tony Kohler
Planning Manager Jamie Baron
City Engineer Russ Funk
Finance Manager Sara Jane Nagel
City Attorney Jeremy Cook
Deputy City Recorder Andrew Conley
Chief of Police Parker Sever

Staff Participating Remotely: Finance Manager Sara Jane Nagel, Human Resource Manager Cherie Ashe, Public Works Director Matthew Kennard, IT Director Anthon Beales, Assistant City Manager J. Mark Smedley, and City Engineer Russ Funk.

Also Present: Kaden Obrey, Max Martin, Tom Wynne, Evan Watson, Travis Biggs, Curtis Leavitt, Brad Gonzales, Rachel Kahler, Tori Broughton, Jeff Andrews, Tatum Smuin, Mia Yue, Marrissa Stanger, Chris York, and others who did not sign in or whose handwriting was illegible.

Also Attending Remotely: (names are shown as signed-in online) D, Jami Hewlett, Jason Talley, A, Adam B, B, Betsy Russon, Bill, BPollock, Cannon Taylor, cf, Cody W, Dalton Lyons, Dave, Doug Smith, Grace Doerfler, Heber Resident, jc, Jen, Jeremy, Jordan, Kamen Goddard, KB, Michael Miller, Missy, Phil's cellphone, S, Shorty5, and TMT.

1. Highlands Proposed PID (Tony Kohler, Community Development Director) - 30 minutes

Max Martin, with Forestar Real Estate Group, introduced the group present to discuss the PID (Public Infrastructure District) with Council as follows: Betsy Russen with WBA was the district Counsel; Tom Wynne and Evan Watson, with Wells Fargo; and Curtis Leavitt with DR Horton. Mr. Martin noted that while the development groups were national companies, they were local Utahns as well. Their goal was to help provide affordable homes in the difficult market. He shared a presentation as included in the meeting materials and described how a PID could assist the developer in bringing down the price of homes in a development. He reviewed the location of the development and the units included in the PID area. Mr. Martin explained the extensive cost of the infrastructure for a development of the size proposed. By bonding through private investors with the PID, it would alleviate some of the cost burden on the developer, allowing the developer to provide homes at a lower cost, while protecting the home-buyer and eliminating City liability. Affordable units would first be offered to City employees, first responders, and school teachers. The design images shared in the attached presentation were conceptual only. Mr. Marten described the initial Board of Trustees and the transition to elected homeowners within the PID boundary. Council discussed the missing middle housing a PID would help provide, a desire to see actual cost and savings versus example numbers, and whether or not a PID would eventually place a burden on the homeowners.

2. North Village Storm Water Discussion (Russ Funk, City Engineer) - 60 minutes

City Engineer Russ Funk was prepared to offer a summary of the City's North Village Stormwater Master Plan and share the reasons for the upcoming update proposed for the plan, as outlined in the attached Staff Report. He reviewed the historic drainage patterns, the changes to the patterns caused by the construction of irrigation canals for farming and highways, and challenges faced based on the changes. Mr. Funk advised that all the stakeholders had been meeting and listed the main concerns of all involved as well as the plan to address the concerns. He described the engineering design of resection basins proposed to be installed on the mountainside above development. Mr. Funk explained the difference between a moderate hazard and high hazard dam and the need to have an emergency response plan in place for either. He noted the City's infrastructure was designed to withstand a hundred-year storm, but asked Council if they would be willing to reconsider the possibility of allowing the North Fields to be considered as a final destination option, based on the new information provided. Council discussed options for dam safety, allowing natural water runoff into the North Fields while preventing debris flow, and the continuing process to determine an acceptable plan. Mr. Funk agreed to keep the Council updated.

3. Celebration Housing Development Agreement (Tony Kohler, Community Development Director) - 15 minutes

Mayor Franco stated the Celebration Workforce Housing would be pushed to the end of the meeting if time permitted.

II. BREAK - 10 MIN

III. REGULAR MEETING - 6:00 P.M.

1. Call to Order

Mayor Heidi Franco called the Regular City Council Meeting to order at 6:22 p.m.

2. Pledge of Allegiance (Morgan Murdock, Council Member)

Council Member Morgan Murdock led the recitation of the Pledge of Allegiance.

3. Prayer/Thought by Invitation (Heidi Franco, Mayor)

Mayor Franco shared a prayer.

Mayor Franco presented former Airport Manager Travis Biggs with the Mayor's Award and thanked him for his service to the City. City Manager Matt Brower also recognized the dedication and commitment to the City that Mr. Biggs had shown during his tenure.

IV. CONFLICT OF INTEREST DISCLOSURE:

There were no conflicts disclosed.

V. PUBLIC HEARINGS: (Council May Take Action Following Public Comment and Upon Conclusion of the Public Hearing)

1. Public Hearing and Possible Adoption of the Final Budget Amendment for Fiscal Year 2026 Resolution 2026-13 (Sara Nagel, Finance Manager) -

Finance Director Sara Nagel explained that budget amendments were needed on occasion to pay for unexpected expenditures. In order to maintain a balanced budget, funds needed to be moved. She provided the requested budget amendments as listed in the presentation attached to the meeting materials. Ms. Nagel answered Council questions and offered further clarification.

Mayor Franco opened the Public Hearing at 6:53 p.m.

Travis Biggs, former Airport Manager, described the past success of airport events held for the community. He shared a vision to have a designated event gathering place on airport property for community events. He felt planes could gather on the designated field when there were no events being held and the airport could offer camping spaces. The airport and CAPS (Center for Advanced Professional Studies), at Wasatch High School, had previously collaborated on airport projects. Mr. Biggs had contacted the CAPS organizer to share his plan and ask for their help. He hoped to provide bathrooms, a storage unit, and possibly a shower for the campers, at the event space. Lillian Grotegut, with CAPS, presented a design concept for the proposed project. Mr. Biggs stated that one of the goals within the Airport Master Plan was to protect local pilots, the smaller aircraft, balloons, and gliders, that operated out of the airport, and to not become only a jet-port. Ms. Grotegut explained that she had been mentored by Rob Bowess with Inform Architecture, who had helped her with the design idea along with another CAPS student, Kate Bringhurst. Ms. Grotegut had been excited to take on the project and create something unique that would add character to both the valley and the airport. Mr. Biggs added that Ms. Grotegut would be attending an architectural design masters program in Hungary that fall. They hoped Council would be willing to help them see the project through. Council expressed appreciation for the unique design as well as a willingness to continue discussions with the airport and CAPS.

Brad Gonzalez, with All-West Fiber, addressed the franchise agreement the telecommunications company held with the City and recognized the company had unintentionally put the cart ahead of the horse with their construction deployment. The company had been working with City Engineer Russ Funk, who had helped them better understand the expectation of the City. The company's goal was to work with the City to provide fiber internet. He felt fiber was no longer a luxury but had become a utility. Mr. Gonzalez stated that the requirement to put the lines underground could make the project no longer feasible due to the significant cost increase. Mayor Franco informed Mr. Gonzalez that this time was intended specifically for the Budget Amendment Public Hearing and suggested he come forward during the Public Comment period of the meeting to discuss he concerns further with Council.

With no one further coming forward to comment, the Public Hearing was closed at 7:01 p.m.

Council Member Cheatwood asked for the meeting date and dollar amount to be corrected for the ModTruss item. He noted there was not a City Council meeting held on May 29 and City Council had approved the dollar amount of $49,500.00.

Motion: Council Member Cheatwood moved to approve the budget amendment Resolution 2026-13 as outlined in Exhibit A.
Second: Council Member Murdock made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.

Voting No: None.
The **Motion Passed Unanimously, 5-0.**

2. Public Hearing and Possible Adoption of Ordinance 2026-13 Amending the Consolidated Fee Schedule (Sara Nagel, Finance Manager)

Finance Director Sara Nagel recalled that this was the second Public Hearing for the amendment to the Consolidated Fee Schedule. Council had asked for corrections to the redlined version of the fee schedule during the June 2, 2026, City Council Meeting's Public Hearing. She reviewed the updates in the attached version of the Consolidated Fee Schedule. Mayor Franco felt the park reservation cleaning deposit was too high. Council discussed the concern that a low cleaning deposit would not be incentive enough for park users to clean up after themselves. Community Development Director Tony Kohler described the updates to the Plan Review fees. Council asked to have the word "permit" added after "Sign" to clarify it was a "Sign permit" fee. City Engineer Russ Funk clarified that the irrigation fee based on lot size would be amended in the future to charge by water usage once the metering was activated. He agreed to clarify an error identified in the fee schedule for lots over 20,000 square-feet. Council discussion continued.

Mayor Franco opened the Public Hearing for comments at 7:30 p.m. With no one from the public coming forward to comment, the public comment period was closed.

Motion: Council Member Cheatwood moved to approve Ordinance 2026-13 with the minor language changes discussed as well as the pressurized irrigation for lots over 20,000 square-feet as described by Mr. Funk and Mr. Brower.
Second: Council Member Ostergaard made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

VI. PUBLIC COMMENTS: (2 min per person/30 min max)

Brad Gonzales with All West Fiber explained the company had planned to install above-ground fiber lines throughout the City. The company had not understood that it's contract with the City indicated that all new lines needed to be placed underground. The project had been stalled for the time being and All West hoped to work with the City towards an acceptable solution. Mr. Gonzales noted that the ground conditions in Heber made it difficult to drill horizontally. Council Member Cheatwood proposed an agreement that allowed All West to install aerial lines until the road needed to be trenched at a future date for the installation or maintenance of other utilities. Mr. Gonzales felt the company would be highly agreeable to such an arrangement. City Engineer Russ Funk explained that the cost of undergrounding utilities would fall to the City if it was a future city project. Mayor Franco proposed All West return to a future Council Meeting for further discussion and negotiations. Mr. Funk agreed to continue working with All West.

Mayor Franco wished to share a public comment from several community members that had expressed concern regarding a contractor of the Heber Market on Main using it as a platform for political gain. She stated that such actions were not allowed and wished to restate the rules so the situation did not happen again in the future.

VII. CONSENT AGENDA:

Council Member Johnston inquired about the request from the Wasatch Trails Foundation to use TAP (Trails Arts and Parks) grant money outside of Heber City limits. Foundation Director Mia Yue explained the trails were used by the entire Valley. Wasatch County and Midway City both permitted their funding to be utilized where it was most needed rather than containing it within their borders and Ms. Yue was asking the same permission from Heber City, noting that trail users throughout the county contributed to Heber City's economy.

Motion: Council Member Ostergaard moved to approve the four items listed on the Consent Agenda.
Second: Council Member Cheatwood made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

1. Contract Award to Morgan Pavement for the Heber City 2026 Pavement Striping Project in the amount of $169,518.00 (Russ Funk, City Engineer)

2. Utah Division of Forestry, Fire and State Lands (FFSL) Cooperative Agreement (Tony Kohler, Community Development Director)

3. Heber City Airport Taxilane Emergency Change Order Authorization (Adam Bunker, Airport Manager)

4. First Addendum to Wasatch Trails Foundation Trail Maintenance Agreement (Jeremy Cook, City Attorney)

VIII. GENERAL BUSINESS ITEMS:

1. FY 2026 Fraud Risk Assessment (Sara Nagel, Finance Manager)

Finance Director Sara Nagel reviewed the Fraud Risk Assessment as attached to the meeting materials. She noted the City did all they could to maintain the best score possible.

IX. ACTION ITEMS: (Council can discuss; table; continue; or approve items)

1. Main Street Plaza Concept Design & Scope of Work for Final Drawings (Tony Kohler, Community Development Director, Lars Erickson) - 60 minutes

Terracon had been contracted by the City to create the Trailhead Plaza Design at the Main Street Park. The Terracon team had implemented Council feedback provided at a previous meeting and shared the updated design as included in the presentation attached in the meeting materials. Terracon representative Lars Erickson noted the design concept phase was the first step before the City could work towards the next phase that would outline the installation of the projects and getting pricing for the construction, at which point the City could apply for grants as well. It would not be built all at once but in phases. Council Member Ostergaard expressed support for the project and felt it was important for the City to continue to move forward. Council continued to share ideas for improvements.

Mayor Franco opened the discussion for public comment.

Marissa Stanger felt the park could not contain the market as it had gotten so big. Mr. Erickson explained the goal was to have the market spread through the downtown. Ms. Stanger was concerned that the music would not be heard on the adjoining C Street.

Tatum Smuin asked where the play areas would be located at the park and whether there could be visibility to all of the play areas from one place.

Jami Hewlett expressed concern about the expense of the proposed park project and noted that the City was raising taxes. She thought the upkeep for the park would be horrendous and City was trying to get grants and spending millions of dollars of federal funds. She said all the income was going to go to CAMS (Community Alliance for Main Street) and asked why CAMS didn't build their own park. She felt the parking had been taken away from Chicks and the old customers could not walk that far. She asked to see the return on investment.

Mr. Erickson explained the year-round revenue that the downtown activities could produce would help alleviate the need for property tax increases. He shared a fee proposal for Terracon's scope of work for the project as included in the presentation.

Council Member Barney expressed concern with the high cost. She felt there were many parks in the City that needed attention and the City should not focus entirely on one park. Council Member Johnston was pleased with the proposed project and felt that Heber City's downtown core had very little going on. He felt that there was parking available and referred to Park City's non-existent parking that did not impact the success of their events. He felt it was important for the City to continue to evolve with the park.

2. Resolution 2026-15: A Resolution Adopting the Heber Valley Airport Non-Reversionary Form Lease (Matt Brower, City Manager, Jeremy Cook, City Attorney) - 45 minutes

City Manager Matt Brower expressed gratitude for the work that had gone into the proposed lease agreement. Mayor Franco added that the Airport Advisory Board Chair Jason Talley had expressed his support for the proposed document. City Attorney Jeremy Cook recalled that there were several leases at the airport that were expiring and the City wished to adopt a standard non-reversionary form lease going forward. Airport Counsel Steve Osit had provided the initial draft and staff had worked with the Airport Advisory Board (AAB) to arrive at the current version attached to the meeting materials. He reviewed key points of the proposed lease agreement.

AAB Chair Jason Talley explained that the airport was self-sufficient but there would be financial pressure on the airport to implement improvements and the payment plan associated with the leases would provide the revenue needed.

Motion: Council Member Cheatwood made the motion to approve Resolution 2026-15 adopting the Heber Valley Airport non-reversionary lease as presented.
Second: Council Member Barney made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

3. Water Conservation Status Report and Resolution 2026-14: A Resolution of the Heber City Council Adopting a Phase of the Heber City Water Shortage Plan (Russ Funk, City Engineer) - 25 minutes

City Engineer Russ Funk introduced Chris York, Project Manager at the Wasatch County Water Efficiency Project for the Central Utah Water Conservancy District. Mr. Funk noted the lack of snowpack the state had received during the previous winter and that Governor Cox's office had declared a statewide state of emergency as more than 60% of Utah was experiencing extreme drought conditions. Mr. York informed Council that he met weekly with the Provo River Commissioner to report water usage, water diverted from the Provo River and where it went, and the water commissioner kept them informed of the flow. There were water rights that were delivered from the Provo River and they would be unable to fulfill 100% of the first-class water-rights that year. Reserves would need to be taken from the Jordanelle reservoir. Mr. Funk added that, if Council recommended the City enter level two of the City's Water Shortage Plan, it would continue to ask the community to voluntarily conserve water. Level three would upgrade the water conservation to mandatory.

Council Member Cheatwood was comfortable with level two. Council Member Johnston clarified that the purpose of the water conservation request was to extend the irrigation watering season to September. The culinary water was not at risk. There would need to be education and information delivered to the residents.
Mr. York said there had been better success when asking communities to voluntarily conserve water than mandating they do so.

Mayor Franco opened the discussion for public comment.

Tatum Smuin asked how homeowners within HOAs (Homeowners Associations) could avoid fines for yellow or dry lawns. City Attorney Jeremy Cook responded that the City could not regulate HOAs. Ms. Smuin provided a calculation of turf that belonged to the City and how much water could be saved by eliminating some of the turf spaces.

Motion: Council Member Barney moved to extend meeting to 10:30 p.m.
Second: Council Member Johnston made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

Motion: Council Member Barney made a motion to approve Resolution 2026-14 to adopt level two of the water shortage plan and to direct Staff to create three new outreach messages: one for agricultural water use; the second about City water use; and third, what residents can do to conserve water, and that this was not affecting culinary water use.
Second: Council Member Cheatwood made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

4. Amended and Restated Fixed Based Operator (FBO) Lease (Matt Brower, City Manager) - 30 minutes

City Manager Matt Brower recalled the settlement agreement between OK3 Air and the City. As part of the settlement agreement, both parties agreed to negotiate an amended and restated Fixed Base Operator (FBO) lease agreement. The amended lease would permit the City to increase the fuel-flowage fee at the airport from five cents per gallon to seven cents per gallon. The amended lease agreement also clarified many ambiguous points previously included. Mr. Brower outlined three trigger events that needed to happen before the new lease would be executed. The trigger events were on schedule to be completed by January 2027. Council continued to discuss details of the new lease and airport minimum standards.

Motion: Council Member Cheatwood moved to authorize the City Manager to enter

into the ground lease and fixed base operator agreement with OK3 Air, substantially in the form that is attached to the Staff Report.
Second: Council Member Ostergaard made the second.

Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

X. RECESS AS THE HEBER CITY COUNCIL AND CONVENE AS THE CRA BOARD:

Motion: Council Member Cheatwood moved to recess as the Heber City Council and to convene as the CRA (Community Reinvestment Agency) Board.
Second: Council Member Johnston made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

1. Public Hearing and Possible Adoption of the Final Budget Amendment for Fiscal Year 2026 Heber City CRA Resolution 2026-16 (Sara Nagel, Finance Manager) -

Finance Director Sara Nagel recalled the CRA's purchase of the former Wasatch Wave building the previous August using the affordable housing fee-in-lieu money paid to the City by Jordanelle Ridge. The proposed CRA budget amendment was to approve the expenditure of those funds.

Mayor Franco opened the public hearing at 10:24 p.m.

Jami Hewlett wanted to comment about the water. She felt the City could use the text message alert system to remind the people that we lived in a desert and all the landscaping that shouldn't be there. She proposed the Tree Committee focus on keeping native trees and not landscaping. She thought there was supposed to be a hold on the installation of landscaping yet continued to see developers install landscaping and sprinklers. She said developers had taken the water away from farmers because farmers had been told to use it or lose it, so the farmers were continuing to try to use it. Ms. Hewlett said the wells did not contain an endless amount of water and felt the City Staff had implied it could replace the limited irrigation water with drinking water to continue development. She said the continuous drilling would lead to earthquakes and destruction. She said that irrigating the fields had filled the aquifers and the farmers were no longer doing that. Therefore, the prehistoric aquifers were going dry.

Ms. Hewlett wished to comment on the current subject as well. She felt the developer's fee-in-lieu payment to the City should be applied to increasing power and sewer operations rather than affordable housing.

The Public Hearing was closed at 10:28 p.m.

Motion: Council Member Cheatwood moved to approve Resolution 2026-16 approving the final amendment to the Heber City Community Reinvestment Agency Budget for the fiscal year 2026.
Second: Council Member Johnston made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

***__Note:__ the correct Resolution number for the CRA resolution series is 2026-01. It has been corrected in the City's records.

2. Public Hearing for the FY 2027 Heber City Community Redevelopment Agency Budget (Sara Nagel, Finance Manager)

Finance Director Sara Nagel explained the 2027 CRA Budget should have been included within the City's Tentative Budget adoption, but had been overlooked. The Public Hearing that night was solely to ensure Heber City remained transparent and in compliance with State requirements.

Mayor Franco opened the Public Hearing for public comment at 10:30 p.m. With no one coming forward to comment, the Public Hearing was closed.

XI. ADJOURN AS THE CRA BOARD AND RECONVENE AS THE HEBER CITY COUNCIL:

Motion: Council Member Cheatwood made the motion to adjourn as the CRA Board, to reconvene as the Heber City Council, and to enter a Closed Meeting for the purpose of discussing the character, professional competence, or physical or mental health of an individual.
Second: Council Member Barney made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

The Heber City Council Entered a Closed Meeting at 10:32 p.m.

City Council Present:	Mayor Heidi Franco Council Member Yvonne Barney Council Member Aaron Cheatwood

Council Member Mike Johnston
Council Member Morgan Murdock
Council Member Sid Ostergaard

Staff Present: City Manager Matt Brower

Motion: Council Member Cheatwood moved to end the Closed Meeting.
Second: Council Member Barney made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed Unanimously, 5-0.**

XII. COMMUNICATION:

XIII. ADJOURNMENT:

Motion: Council Member Cheatwood made the motion to adjourn.
Second: Council Member Barney made the second.
Voting Yes: Council Members Ostergaard, Johnston, Barney, Cheatwood, and Murdock.
Voting No: None.
The **Motion Passed 5-0.**
The meeting was adjourned at 10:40 p.m.

____
Trina Cooke, City Recorder

PUBLIC COMMENTS RECEIVED BY EMAIL:

From: Dana Graham [redacted]
Sent: Monday, June 15, 2026 8:13 PM
To: CC Public Comments <ccpublic@heberut.gov>
Subject: (EXTERNAL) Water issue

I am [redacted] sick and tired of driving past churches and city buildings that are watering when they're not supposed to be. And now you wanna limit us more this is ridiculous. What is wrong with you People!!!?

Lmao

Article says: People would be asked to wash their cars on lawns or other surfaces that could absorb the water, and they could only use commercial car washes once a month.

What you are going to police the car washes now? Isn't that violating the car washes that sell unlimited passes? What is this effing China?? Good lord city council wake TF up!! Look at the churches watering in the daytime. Hey that Wasatch golf course is so nice and green. What ya gonna do about that?? Make it make sense. I think it's time for all of you to resign. You have broken to people's trust and you can't even make sense. Just why don't you all resign?

Sincerely;
Dana Graham

From: Tracy Taylor [redacted]
Sent: Tuesday, June 16, 2026 10:49 AM
To: CC Public Comments <ccpublic@heberut.gov>; Heidi Franco <hfranco@Heberut.gov>
Subject: (EXTERNAL) PID concerns- Auditor Alert 2025-05

Hi Heber City Council-

With another PID application on your work meeting today, I feel compelled to remind you of the State Auditor's concerns and ask you to have a more wide-ranging discussion (and appropriate research) FIRST of whether PIDS are in the public's best interest. If PID's fail, the state auditor has weighed in that the public entities that approved them will be on the hook. This may create negligence, on your part, to protect your CURRENT citizens if you choose to move forward on any more PIDs.

When Wohali failed last year, the State Auditor sent Coalville a message: https://www.kpcw.org/state-regional/2026-04-21/summit-county-golf-resort-bankruptcy-ignites-debate-over-development-financing

Please review the message from the State Auditor, below.

Please do your due diligence on PIDs.

Thank you,

Tracy Taylor

Wasatch Taxpayers Association

cell: [redacted]

From: Office of the State Auditor <stateauditor@utah.gov>
Sent: Thursday, March 19, 2026 3:47 PM
To: Tracy Taylor [redacted]
Subject: Auditor Alert 2025-05 - Component Unit Report

VIEW THIS EMAIL IN BROWSER

STATE OF UTAH
OFFICE OF THE UTAH STATE AUDITOR

TINA M. CANNON
UTAH STATE AUDITOR

Auditor Alert 2025-05

FINALIZED

Date: March 19, 2026

Subject: Component Unit Reporting

Introduction

Recently, a developer associated with a Public Infrastructure District (PID) declared bankruptcy. The bankruptcy creates concerns regarding the viability of the project and whether the associated PID will be able to satisfy bonding requirements. This PID was created by a city that appointed the board and will take ownership of the infrastructure constructed by the PID. Furthermore, the

PID was required to report annually to the city, and the city must approve any annexations or withdrawals of property into or from the PID. Governmental Accounting Standards Board (GASB) codification 2100 provides guidance for determining if a government entity, such as this PID, is a component unit of a primary government.

Component Unit Determination

Component units are legally separate organizations for which elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete (GASB 2100.119). A primary government can be any general-purpose government entity such as a state, county, city, or town, or a special purpose government entity such as a college or university, school district or water district, provided they function as their own separate legal entity with their own elected governing body.

The main factors to consider when determining whether a government entity is a component unit of a primary government are:

1. Financial Accountability – See GASB codification 2100.120
2. Control - See GASB codification 2100.121-.124.
3. Imposition of will – See GASB codification 2100.125-.126
4. Financial Benefit or Burden on Primary Government – See GASB codification 2100.127-.133

Component Unit Reporting

Financial statements of the reporting entity should provide an overview of the entity yet allow users to distinguish between the primary government and its component units (GASB codification 2100.144).

Component units can be categorized into discrete component units and blended component units. Discrete component units' financial data must be reported in the primary government's financial statements in one or more columns separate from the financial data of the primary government (GASB codification 2600.107). Blended component units' financial activities are more intertwined with the activities of the primary government and are presented together in the financial statements (GASB codification 2600.112).

Conclusion

Primary governments must determine which government entities qualify as component units. In making this determination, the primary government must consider:

- The appointment of the potential component unit board
- If there is a potential financial benefit/burden relationship that exists between the primary government and the potential component unit
- If the primary government can impose its will on the potential component unit
- If it would be misleading to exclude a potential component unit from its financial statements

Determining if an entity is a component unit should be approached from a perspective of accountability and transparency. Creating entities should account for their actions including the acts of the officials they appoint to operate other governmental agencies. The level of reporting and disclosure should be documented by the creating entity and auditors should provide an opinion on the adequacy of the report.

In the case of most Public Infrastructure Districts, the creating entity will meet the requirements to include the activity of those districts as a discretely presented component unit if they appoint the majority of the board, have a potential benefit or burden relationship, or can impose their will on the entity. Primary governments and external auditors should be mindful of the criteria for including the financial information of component units, including required information in the notes to the financial statements.

Note: several bills from the Utah 2026 General Session were passed that affect PIDs such as HB17, HB475S04, HB492S06, HB507S04, SB39, SB225S03, and SB278S04 and are currently awaiting the governor's action before becoming law, typically on May 6, 2026. The facts and circumstances in place at the end of an audit period must be considered when making a component unit determination. Any changes made to a potential component unit's structure in response to bills enacted from the Utah 2026 General Session or subsequent legislative sessions cannot be applied retroactively. Component unit determinations must follow GASB standards, a nonexchange transaction from a potential component unit to a creating entity constitutes a financial benefit regardless of assertions in statute to the contrary.

Auditor Alert 2025-05 PDF

All Auditor Alerts