

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 18, 2026

NEW ISSUE
Book-Entry Only

Rating: S&P “AA”
See “MISCELLANEOUS—Bond Rating” herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the 2026 Bonds (including any original issue discount properly allocable to the owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2026 Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that interest on the 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See “TAX MATTERS” herein.

The 2026 Bonds are not “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.



\$10,070,000* **Snyderville Basin Water Reclamation District** **Sewer Revenue Refunding Bonds, Series 2026**

The \$10,070,000* Sewer Revenue Refunding Bonds, Series 2026 are issued by Snyderville Basin Water Reclamation District, Utah as fully-registered bonds and, when initially issued, will be in book-entry form, registered in the name of Cede & Co., as nominee for DTC. DTC will act as securities depository for the 2026 Bonds.

Principal of and interest on the 2026 Bonds (interest payable March 15 and September 15 of each year, commencing September 15, 2026) are payable by U.S. Bank Trust Company, National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See “THE 2026 BONDS—Book-Entry System” herein.

The 2026 Bonds are not subject to redemption prior to maturity. See “THE 2026 BONDS—No Redemption” herein.

The 2026 Bonds are being issued for the purpose of (i) refunding certain sewer revenue bonds previously issued by the District; and (ii) paying of costs of issuance associated with the issuance of the 2026 Bonds. See “THE 2026 BONDS—Estimated Sources And Uses Of Funds” herein. The 2026 Bonds will be equally and ratably secured under the Indenture.

The 2026 Bonds are special, limited obligations of the District, payable solely from Net Revenues of the System, as described herein. Neither the credit nor the taxing power of the District nor the State of Utah nor any agency, instrumentality or political subdivision thereof is pledged for the payment of the principal of or interest on the 2026 Bonds. The 2026 Bonds are not general obligations of the District or the State of Utah or any agency, instrumentality, or political subdivision thereof. The issuance of the 2026 Bonds shall not directly, indirectly, or contingently obligate the District or the State of Utah or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the 2026 Bonds. The District will not mortgage or grant a security interest in the System or any portion thereof to secure the payment of the Series 2026 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS” herein.

Dated: Date of Delivery.¹

Due: September 15, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2026 Bonds

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

Stifel

This OFFICIAL STATEMENT is dated March __, 2026, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, April 8, 2026.

This PRELIMINARY OFFICIAL STATEMENT and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this PRELIMINARY OFFICIAL STATEMENT constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Snyderville Basin Water Reclamation District

\$10,070,000*

Sewer Revenue Refunding Bonds, Series 2026

Dated: Date of Delivery¹

Due: September 15, as shown below

<u>Due September 15</u>	<u>CUSIP® 83355R</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2026.....		\$ 980,000.00		
2027.....		955,000.00		
2028.....		995,000.00		
2029.....		1,050,000.00		
2030.....		1,105,000.00		
2031.....		1,155,000.00		
2032.....		1,215,000.00		
2033.....		1,275,000.00		
2034.....		1,340,000.00		

* Preliminary; subject to change.

¹ The anticipated date of delivery is Wednesday, April 8, 2026.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2026 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by either Snyderville Basin Water Reclamation District (“the District”); U.S. Bank Trust Company, National Association, Salt Lake City, Utah (as Trustee, Bond Registrar and Paying Agent); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); Stifel, Nicolaus & Company Incorporated, Salt Lake City, Utah (the “Underwriter”); or any other entity. All other information contained herein has been obtained from the District, The Depository Trust Company, New York, New York and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2026 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the District since the date hereof.

The 2026 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Any registration or qualification of the 2026 Bonds in accordance with applicable provisions of the securities laws of the states in which the 2026 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2026 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the Underwriter may allow concessions or discounts from the initial offering prices of the 2026 Bonds to dealers and others. In connection with the offering of the 2026 Bonds, the Underwriter may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2026 Bonds. Such transactions may include overallocments in connection with the purchase of 2026 Bonds, the purchase of 2026 Bonds to stabilize their market price and the purchase of 2026 Bonds to cover the Underwriter’s short positions. Such transactions, if commenced, may be discontinued at any time.

Forward-Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. Forward-looking statements are included in the OFFICIAL STATEMENT under the captions “PROJECTED REVENUES OF THE SYSTEM AND DEBT SERVICE COVERAGE,” “THE 2026 BONDS—Estimated Sources And Uses Of Funds,” and “DEBT STRUCTURE OF SNYDERVILLE BASIN WATER RECLAMATION DISTRICT—Outstanding Sewer Revenue Bond Indebtedness” and “—Other Financial Considerations; Future Issuance Of Debt.” ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See “PROJECTED REVENUES OF THE SYSTEM AND DEBT SERVICE COVERAGE” herein.***

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover pages of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders. Neither the District, the Underwriter, nor the Municipal Advisor make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026 Bonds.

The information available at websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the 2026 Bonds and is not a part of this OFFICIAL STATEMENT

LOCATION MAP OF THE DISTRICT



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OFFICIAL STATEMENT RELATED TO:

\$10,070,000*

Snyderville Basin Water Reclamation District

Sewer Revenue Refunding Bonds, Series 2026

INTRODUCTION

This introduction is only a brief description of the 2026 Bonds, as hereinafter defined, the security and source of payment for the 2026 Bonds and certain information regarding Snyderville Basin Water Reclamation District (the “District”) and the System (defined herein). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT as well as the documents summarized or described herein.

See the following appendices that are attached hereto and incorporated herein by reference: “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SNYDERVILLE BASIN WATER RECLAMATION DISTRICT FOR FISCAL YEAR 2024;” “APPENDIX B—EXTRACTS FROM THE OF GENERAL INDENTURE OF TRUST;” “APPENDIX C—FORM OF OPINION OF BOND COUNSEL;” “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING;” and “APPENDIX E—BOOK-ENTRY SYSTEM.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] December 31, 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Unless otherwise indicated, capitalized terms used in this OFFICIAL STATEMENT shall have the meaning established in the Indenture (as hereinafter defined). See “APPENDIX B—EXTRACTS FROM THE GENERAL INDENTURE OF TRUST.”

The District And The System

The District was organized in 1973, under the authority of Part 4 of Chapter 2a of Title 17B, Utah Code Annotated 1953, as amended, to provide wastewater collection and treatment services in western Summit County, Utah (the “County”). See “THE DISTRICT,” herein.

The District encompasses approximately 102.5 square miles and owns and operates a water reclamation system network (the “System”) that, as of December 31, 2025, provides service to approximately 14,515 customers, approximately 92% of which are residential and the remainder of which are commercial, mixed use, industrial and facilities or common areas. The System includes approximately 312 miles of collection lines, 7,501 manholes, two reclamation facilities, one trunkline support facility, and ten pump stations. See “THE SYSTEM” herein.

The 2026 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction, and appendices, provides information in connection with the issuance and sale by the District of its \$10,070,000* Sewer Revenue Refunding Bonds, Series 2026 (the “2026 Bonds”), initially issued in book-entry form.

The 2026 Bonds are the second series of bonds to be issued under the Indenture.

Authority And Purpose Of The 2026 Bonds; Outstanding Parity Bonds

Authority And Purpose Of The 2026 Bonds. The 2026 Bonds are being issued pursuant to (i) the Utah Refunding Bonds Act, Title 11, Chapter 24, Utah Code Annotated 1953, as amended, (ii) a resolution of the District adopted February 23, 2026; (iii) a General Indenture of Trust, dated as of March 1, 2015, as heretofore supplemented (the “General Indenture”) between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), and a Second Supplemental Indenture of Trust, dated as of April 1, 2026 (the “Second Supplemental Indenture” and together with the General Indenture of

* Preliminary; subject to change.

Trust, the “Indenture”) between the District and the Trustee, which provide for the issuance of the 2026 Bonds, and (iv) other applicable provisions of the law.

The 2026 Bonds are being issued to (i) refund certain sewer revenue bonds previously issued by the District and (ii) pay of costs of issuance associated with the issuance of the 2026 Bonds. See “THE 2026 BONDS—Estimated Sources And Uses Of Funds” herein.

Outstanding Parity Bonds. The District has previously issued its \$20,395,000 (original principal amount) Sewer Revenue Bonds, Series 2015 (the “2015 Bonds”). The outstanding 2015 Bonds will be refunded by the 2026 Bonds on April 8, 2026,* as described herein. See “THE 2026 BONDS—Plan Of Refunding” herein.

Security For The 2026 Bonds; Additional Bonds

Security for the 2026 Bonds. The 2026 Bonds are special, limited obligations of the District payable from and secured solely by a pledge and assignment of the Net Revenues from the System (as such terms are hereinafter defined) and moneys on deposit in the funds and accounts (other than the Rebate Fund) held by the Trustee under the Indenture.

The Revenues of the System will be applied to pay the Operation and Maintenance Expenses (as hereinafter defined) of the System before being applied to pay principal of and interest on the 2026 Bonds.

The 2026 Bonds are special, limited obligations of the District, payable solely from the Revenues of the System after payment of Operation and Maintenance Expenses, as described herein. The 2026 Bonds will not be a general obligation of the District or the State or any agency, instrumentality or political subdivision thereof. Neither the faith and credit nor the taxing power of the District or the State or any agency, instrumentality or political subdivision thereof will be assigned or pledged for the payment of principal of, premium, if any, and interest on the 2026 Bonds. The issuance of the 2026 Bonds shall not directly, indirectly or contingently obligate the District or the State or any agency, instrumentality or political subdivision thereof to levy any form of taxation for the payment of the 2026 Bonds. The District will not mortgage or grant a security interest in the System or any portion thereof to secure payment of the 2026 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS” herein.

Additional Bonds. The District may issue any additional bonds, notes or other obligations (the “Additional Bonds”) secured on a parity lien with the Outstanding Parity Bonds and any Additional Bonds which may be issued from time to time under the Indenture. The Outstanding Parity Bonds, the 2026 Bonds and any Additional Bonds are collectively referred to herein as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS—Issuance Of Additional Bonds” herein.

Redemption Provisions

The 2026 Bonds are not subject to optional redemption prior to maturity. See “THE 2026 BONDS—No Redemption” herein.

Registration, Denominations, Manner Of Payment

The 2026 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, (“DTC”). DTC will act as securities depository of the 2026 Bonds. Purchases of 2026 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC’s Participants (as defined herein). Beneficial Owners (as defined herein) of the 2026 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2026 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined under “APPENDIX E—BOOK-ENTRY SYSTEM.”

Principal of and interest on the 2026 Bonds (interest payable March 15 and September 15 of each year, commencing September 15, 2026) are payable by U.S. Bank Trust Company, National Association, Salt Lake City, Utah, as Paying Agent for the 2026 Bonds, to the registered owners of the 2026 Bonds. So long as Cede & Co. is the sole registered owner, it will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2026 Bonds, as described under “APPENDIX E—BOOK-ENTRY SYSTEM.”

* Preliminary; subject to change.

So long as DTC or its nominee is the sole registered owner of the 2026 Bonds, neither the District nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2026 Bonds. Under these same circumstances, references herein and in the Indenture to the “Bondowners” or “Registered Owners” of the 2026 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2026 Bonds.

Tax Matters Regarding The 2026 Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on the 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2026 Bonds is exempt from State of Utah individual income taxes. Bond Counsel notes that interest on the 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

See “TAX MATTERS” below for a more complete discussion. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the 2026 Bonds.

Professional Services

In connection with the issuance of the 2026 Bonds, the following have served the District in the capacity indicated.

Trustee, Bond Registrar, Paying Agent

U.S. Bank Trust Company, National Association
Corporate Trust Services
170 S Main St Ste 200
Salt Lake City UT 84101
801.534.6083 | f 801.534.6013
brandon.elzinga@usbank.com

Bond and Disclosure Counsel

Gilmore & Bell, P.C.
15 W S Temple Ste 1400
Salt Lake City UT 84101
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Provo UT 84601
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brandon@farnsworthjohnson.com

Municipal Advisor

Zions Public Finance, Inc.
One S Main St 18th Fl
Salt Lake the District UT 84133–1109
801.844.7381
brian.baker@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2026 Bonds are offered, subject to prior sale, when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated, Salt Lake City, Utah (the “Underwriter”), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the District, and certain other conditions. Certain legal matters will be passed on for the District by Jeremy Cook of Cohne Kinghorn P.C., Counsel to the District. Certain matters will be passed on by Gilmore & Bell P.C. as Disclosure Counsel to the District. Certain matters will be passed on for the Underwriter by its counsel, Farnsworth Johnson PLLC. It is expected that the 2026 Bonds, in book–entry form, will be available for delivery to DTC or its agent on or about Wednesday, April 8, 2026.

Continuing Disclosure Undertaking

The District will enter into a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2026 Bonds. For a detailed discussion of this undertaking and timing of submissions see “CONTINUING DISCLOSURE UNDERTAKING” herein and “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the District and the 2026 Bonds are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture and the 2026 Bonds are qualified in their entirety by reference to each such document. See “APPENDIX B—EXTRACTS FROM THE OF GENERAL INDENTURE OF TRUST.”

Descriptions of the Indenture and the 2026 Bonds are qualified by reference to bankruptcy and other laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. See “APPENDIX B—EXTRACTS FROM THE OF GENERAL INDENTURE OF TRUST.” Other documentation authorizing the issuance of the 2026 Bonds and establishing the rights and responsibilities of the District and other parties to the transaction may be obtained from the “contact persons” as indicated herein.

Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the “Municipal Advisor”):

Brian Baker, Senior Vice President, brian.baker@zionsbancorp.com
Cara Bertot, Vice President, cara.bertot@zionsbancorp.com

Zions Public Finance, Inc.
One S Main St 18th Fl
Salt Lake the District UT 84133–1109
801.844.7381

As of the date of this OFFICIAL STATEMENT, the chief contact persons for the District concerning the 2026 Bonds are:

Michael Luers, General Manager and Treasurer, mluers@sbwr-d-ut.gov
Bryan Steele, Finance Department Manager, bstele@sbwr-d-ut.gov

Snyderville Basin Water Reclamation District
2800 Homestead Road
Park City, UT 84098
435.649.7993

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For The 2026 Bonds

The District will enter into a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2026 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the form of Disclosure Undertaking in “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

The District represents that during the five years prior to the date of this OFFICIAL STATEMENT, the District has not failed to comply in all material respects with its prior undertakings pursuant to the Rule.

The District has agreed to provide, pursuant to the Disclosure Undertaking, within 210 days following the last day of the District’s Fiscal Year (ending December 31) its annual comprehensive financial report (the “ACFR”) and other operating and

financial information. The District will submit the Fiscal Year 2025 ACFR and other required operating and financial information for the 2026 Bonds on or before July 29, 2026, and annually thereafter on or before each July 29.

A failure by the District to comply with the Disclosure Undertaking will not constitute a default under the Indenture and the Beneficial Owners of the 2026 Bonds are limited to the remedies described in the Disclosure Undertaking. A failure by the District to comply with the annual disclosure requirements of the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the marketability and liquidity of the 2026 Bonds and their market price.

Bond Counsel expresses no opinion as to whether the Disclosure Undertaking complies with the requirements of the Rule.

CERTAIN INVESTMENT CONSIDERATIONS

This section contains a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this OFFICIAL STATEMENT, in evaluating an investment in the 2026 Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the 2026 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the 2026 Bonds are advised to consider the following factors, among others, and to review this entire OFFICIAL STATEMENT to obtain information essential to making of an informed investment decision. Any one or more of the investment considerations discussed below, among others, could adversely affect the financial condition of the District or its ability to make scheduled payments on the 2026 Bonds. There can be no assurance that other risks not discussed herein will not become material in the future.

General

Future economic conditions, weather conditions, economic and employment trends and events, demographic changes, changes in federal and state policies and regulations, including environmental policies and regulations, and other factors may adversely affect the future financial condition of the System, and, consequently, the availability of Net Revenues. No assurance can be made that the Net Revenues of the System will be realized by the District in amounts sufficient to pay debt service on the 2026 Bonds when due.

Operation Of The System

In order for the District to make timely payment of the principal and interest requirements of the 2026 Bonds and to meet its other obligations under the Indenture, it will be necessary for the District to manage, operate and maintain the System in an efficient and economical manner that is consistent with prudent utility practice. The District is exempt from regulation by the Utah Public Service Commission, but the operation of the System is subject to the requirements of various governmental rules and regulations and the System must be operated in compliance with those requirements. In the event that the System is not operated or is not capable of operation as required by the provisions of such governmental rules and regulations, the District may be subject to certain penalties.

To the extent the System develops operational problems, Operation and Maintenance Expenses may need to be reduced or rates for the System may need to be increased to produce sufficient Revenues unless other sources of funds are obtained. In the event that Revenues need to be increased for the continued operation of the System (and to pay debt service on the 2026 Bonds), it may be necessary to increase rates for the System. The District has covenanted in the Indenture that it will ensure that the rates for all services supplied by the System to all customers within or without the boundaries of the District when combined with other Revenues, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year which when added to Other Available Funds shall equal not less than 125% of the Aggregate Annual Debt Service Requirement for such Bond Fund Year plus an amount sufficient to fund the 2026 Reserve Requirement in the time, rate and manner specified in the Indenture; provided, however, that pursuant to State law such rates must be reasonable rates for the type, kind and character of the service rendered. Furthermore, the District may decide not to make any rate increases due to political, feasibility or other concerns. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS—Rate Covenant” herein.

Destruction Of The System

The Indenture requires that the District, in its operation of the System, maintain insurance in such amounts and to such extent as is normally carried by other entities operating public utilities of the same size and type. In the event of any loss or damage, the Indenture requires that the proceeds of any insurance shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder is to be paid into the Bond Fund. However, there can be no assurance that the proceeds of such insurance will be sufficient to restore or replace the lost or damaged property.

Damage to or destruction of the System may prevent the District from providing sewer service to some or all of its customers. In such event, the Net Revenues may decrease.

General Economic Conditions

Regional and national economic conditions, such as, business cycles, unemployment, weather-related economic effects and consumer confidence, are outside of the control of the District and can have material adverse effects on the District's revenues, and its ability to pay debt service on the 2026 Bonds.

Climate Change Risk; Natural Disasters And Global Health Emergencies

Climate Change. There are potential risks within the State that are associated with changes to the climate over time and with increases in the frequency, timing, and severity of extreme weather events or droughts. The District cannot predict how or when various climate changes risks may occur, nor can it quantify the impact on the District Revenues.

Certain areas of the State have experienced drought conditions for at least part of the year for most of the last 10 years. The State has experienced large wildfire/forest fire seasons in which air quality across the State has been negatively impacted (including diminished air quality from wildfires/forest fires located outside the State from drifting air currents). Wildfires/forest fires can impact the State's economy; cause respiratory health problems; result in loss of infrastructure, homes, and property; and destroy forestland, wildlife habitat and other resources.

Natural Disasters. Natural disasters (include earthquakes, mudslides, wildfires/forest fires, heat waves, floods, wind-storms, droughts, and avalanches) may occur which may affect the District. The State is in a region of seismic activity subject to earthquakes in varying strengths.

Global Health Emergencies. Regional, national, or global epidemics or pandemics, could have materially adverse local, regional, national, or global economic and social impacts. the District's finances may be materially adversely affected by epidemics and pandemics.

The District cannot predict how or when any climate-change-related events, natural disasters, or health emergencies may occur; nor can it quantify the impact of such events on the District or its operations.

Cybersecurity

The risk of cyberattacks against commercial enterprises, including those operated for a governmental purpose, has become more prevalent in recent years. At least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality. A cyberattack could cause the informational systems of the District to be compromised and could limit operational capacity, for short or extended lengths of time and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidences and reputational damage. To date, the District has not been the subject of a successful materially adverse cyberattack. The District believes it has made all reasonable efforts to ensure that any such attack is not successful and that the information systems of the District are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the District's information systems or other challenges. The District has insurance coverage for cyber-related risks.

THE 2026 BONDS

General

The 2026 Bonds are dated the date of delivery¹ thereof (the “Dated Date”) and will mature on September 15 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

The 2026 Bonds shall bear interest from the Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2026 Bonds is payable semi-annually on each March 15 and September 15, commencing September 15, 2026. Interest on the 2026 Bonds shall be computed on the basis of a 360-day year comprised of 12, 30-day months. U.S. Bank Trust Company, National Association, Salt Lake City, Utah, is the Bond Registrar, Paying Agent and Trustee with respect to the 2026 Bonds (in such respective capacities, the “Bond Registrar,” “Paying Agent” and “Trustee”).

The 2026 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

Plan Of Refunding

The District previously issued the “2015 Bonds;” used for the construction of improvements to the System.

Proceeds from the 2026 Bonds, in the aggregate amount of \$11,072,593* shall be used to call and retire the 2015 Bonds maturing on September 15, 2026 through September 15, 2034.

The 2015 Bonds to be refunded mature on the dates and in the amounts, and bear interest at the rates, as follows:

Scheduled Maturity (September 15)	Redemption Date	CUSIP® 83355R	Principal Amount	Interest Rate	Redemption Price
2026.....	April 8, 2026	AM9	\$ 1,045,000	3.50%	100%
2027.....	April 8, 2026	AN7	1,080,000	4.00	100
2028.....	April 8, 2026	AP2	1,120,000	4.00	100
2029.....	April 8, 2026	AQ0	1,165,000	4.00	100
2030.....	April 8, 2026	AR8	1,215,000	4.00	100
2031.....	April 8, 2026	AS6	1,260,000	4.50	100
2032.....	April 8, 2026	AT4	1,320,000	4.50	100
2033.....	April 8, 2026	AU1	1,380,000	4.50	100
2034.....	April 8, 2026	AV9	<u>1,440,000</u>	4.50	100
Totals.....			<u>\$11,025,000</u>		

Estimated Sources And Uses Of Funds

The proceeds from the sale of the 2026 Bonds are estimated to be applied as set forth below:

Sources:

Par amount of 2026 Bonds.....	\$
[Net] original issue premium	
Total	\$

Uses:

Deposit into current refunding account.....	\$
Underwriter’s discount.....	
Costs of issuance ⁽¹⁾	_____
Total.....	\$

(1) Includes legal fees, Municipal Advisor fees, rating agency fees, Trustee, Registrar, and Paying Agent fees, rounding amounts and other miscellaneous costs of issuance.

(Source: the Municipal Advisor.)

¹ The anticipated date of delivery is Wednesday, April 8, 2026.

No Redemption

The 2026 Bonds are not subject to redemption prior to maturity.

Registration And Transfer; Record Date

Registration and Transfer. In the event the book–entry only system is discontinued, any 2026 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner’s duly authorized attorney, upon surrender of such 2026 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2026 Bond is surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully–registered 2026 Bond or 2026 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the District, for a like aggregate principal amount.

The 2026 Bonds may be exchanged at the principal corporate office of the Bond Registrar for a like aggregate principal amount of fully–registered 2026 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2026 Bonds, the Bond Registrar must make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2026 Bonds.

Record Date. Except as otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Bond Registrar will not be required to transfer or exchange any 2026 Bond (a) after the Record Date, as defined below, with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2026 Bond. The term Record Date means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (ii) with respect to any redemption of any 2026 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will be not less than 15 calendar days before the mailing of such notice of redemption.

The District, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2026 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner of such 2026 Bond for the purpose of payment of principal, premium and interest with respect to such 2026 Bond and for all other purposes whatsoever.

Book–Entry System

DTC will act as securities depository for the 2026 Bonds. The 2026 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2026 Bond certificate will be issued for each maturity of the 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or a “fast agent” of DTC. See “APPENDIX E—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

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Debt Service On The 2026 Bonds

Payment Date	The 2026 Bonds		Period Total	Fiscal Total
	Principal*	Interest		
September 15, 2026.....	\$ 980,000.00	\$		
March 15, 2027.....	0.00			
September 15, 2027.....	955,000.00			
March 15, 2028.....	0.00			
September 15, 2028.....	995,000.00			
March 15, 2029.....	0.00			
September 15, 2029.....	1,050,000.00			
March 15, 2030.....	0.00			
September 15, 2030.....	1,105,000.00			
March 15, 2031.....	0.00			
September 15, 2031.....	1,155,000.00			
March 15, 2032.....	0.00			
September 15, 2032.....	1,215,000.00			
March 15, 2033.....	0.00			
September 15, 2033.....	1,275,000.00			
March 15, 2034.....	0.00			
September 15, 2034.....	<u>1,340,000.00</u>			
Total.....	<u>\$10,070,000.00</u>	\$	\$	

* Preliminary; subject to change.
 (Source: the Municipal Advisor.)

SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS

General

The 2026 Bonds are special, limited obligations payable from and secured solely by a pledge and assignment of the Revenues from the System after payment of Operation and Maintenance Expenses and moneys on deposit in the funds and accounts (other than the Rebate Fund) held by the Trustee under the Indenture. The 2026 Bonds are not general obligations of the District, the State or any agency, instrumentality, or political subdivision thereof. The issuance of the 2026 Bonds shall not directly, indirectly, or contingently obligate the District or the State or any agency, instrumentally, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Bonds. The District will not mortgage or grant a security interest in the System or any portion thereof to secure the payment of the 2026 Bonds.

“Net Revenues” means the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the District or paid to any other entity pursuant to contract or otherwise, necessary to keep the System in efficient operating condition, including cost of audits hereinafter required, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance hereinafter required, Administrative Costs and, generally all expenses, exclusive of depreciation (including depreciation related expenses of any joint venture) and, any in-lieu of tax transfers to District funds and interest expense for interfund loans from District funds, which under generally accepted accounting practices are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

“Revenues” means all revenues, fees (including impact fees and connection fees to the extent such fees can legally be used for the purposes financed under the Indenture), Direct Payments, income, rents and receipts received or earned by the District from or attributable to the ownership and operation of the System (including proceeds of business interruption insurance), including (without limitation) all fees and service charges received by the District from service contracts for the disposal or treatment of sewage with other governmental entities or businesses, together with all interest earned by and profits derived from the sale of investments in the funds of the District.

“System” means the District’s sewer system, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands,

easements, interests in land, licenses and rights of way of the District and all other works, property, structures, equipment of the District and contract rights and other tangible and intangible assets of the District now or hereafter owned or used in connection with, or related to said System.

Flow of Funds

- (a) Unless otherwise provided in the Indenture, all Revenues shall be deposited in the Revenue Fund and shall be accounted for by the District separate and apart from all other moneys of the District.
- (b) As a first charge and lien on the Revenues, the District shall cause to be paid from the Revenue Fund from time to time as the District shall determine, all Operation and Maintenance Expenses of the System as the same become due and payable, and thereupon such expenses shall be promptly paid.
- (c) So long as any Bonds are Outstanding, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, i.e., from the Net Revenues, the District shall, at least fifteen (15) days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for and deposit into the Bond Fund an amount equal to:
 - (i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the District need not allocate to the Revenue Fund to pay interest on the Bonds); plus
 - (ii) the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds; plus
 - (iii) the Sinking Fund Installments, if any, falling due on the next succeeding Sinking Fund Installment payment date;

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such Interest Payment Date as the same become due and payable. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

- (d) As a third charge and lien on the Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) (on a parity basis), the District shall make the following transfers to the Trustee on or before the fifteenth day of each month of each year:
 - (i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the accounts in the Debt Service Reserve Fund any amounts required by the Indenture and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided in the Indenture and in any Supplemental Indenture and (B) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, the District shall deposit Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) in such account(s) in the Debt Service Reserve Fund sufficient in amount to restore such account(s) within one year with twelve (12) substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or a ratable portion (based on the amount to be transferred pursuant to the Indenture) of remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) if less than the amount necessary; and
 - (ii) Equally and ratably to the accounts of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect after the end of such month, such amount of the remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund), or a ratable portion (based on the amount to be transferred pursuant to the Indenture) of the amount so remaining if less than the amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument.

- (e) As a fourth charge and lien on the Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund), the District shall deposit in the Repair and Replacement Fund any amount required by the Indenture and by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement. In the event that the amount on deposit in the Repair and Replacement Fund shall ever be less than the Repair and Replacement Reserve Requirement for the Bonds then Outstanding (or, after the issuance of Additional Bonds, the amount required to be on deposit therein), from time to time, the District shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System after payments required by paragraphs (b), (c) and (d) above have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. Subject to the provisions of paragraph (f) below, this provision is not intended to limit, and shall not limit, the right of the District to deposit additional moneys in the Repair and Replacement Fund from time to time as the District may determine.
- (f) Subject to making the foregoing deposits, the District may use the balance of the Net Revenues accounted for in the Revenue Fund for any of the following:
 - (i) redemption of Bonds;
 - (ii) refinancing, refunding, or advance refunding of any Bonds;
 - (iii) for transfer to the Rate Stabilization Fund; or
 - (iv) for any other lawful purpose.

Rate Covenant

The District covenants in the Indenture that while any of the principal of and interest on the Bonds are outstanding or any Repayment Obligations are outstanding, the rates (including connection fees) for all services supplied by the System to the District and to its inhabitants and to all customers within or without the boundaries of the District will be sufficient to pay the System's Operation and Maintenance Expenses and to provide for each Bond Fund Year Net Revenues which when added to the Other Available Funds for such year will equal not less than 125% of the Aggregate Annual Debt Service Requirement for such Bond Fund Year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. The District agrees that there shall be no free service, and such rates shall be charged against all users of the System, excluding the District. The District agrees that should its annual audited financial statements disclose that during the period covered by such financial statements the Net Revenues and Other Available Funds were not at least equal to the above requirement, the District shall request that a Qualified Engineer, independent accountant, or other independent financial consultant make recommendations as to the revision of the rates, charges and fees and that the District on the basis of such recommendations will revise the schedule of rates, charges and fees and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues and Other Available Funds as required by the Indenture.

Rate Stabilization Fund And Other Available Funds

The District may elect to create and maintain a Rate Stabilization Fund as a separate fund of the District. The Rate Stabilization Fund may be funded by the District from legally available funds of the District and/or Revenues of the System following the payment of obligations of the System (including operation and maintenance costs, debt service and the funding of reserves). The District may, from time to time, designate a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Funds. Except for amounts designated as provided in the immediately preceding sentence (for the year so designated), amounts on deposit in the Rate Stabilization Fund may be used by the District for any lawful purpose. To the extent that amounts on deposit in the Revenue Fund are insufficient in any year for any of the purposes thereof, the District covenants, to the extent amounts are on deposit in the Rate Stabilization Fund, to transfer amounts from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency. "Other Available Funds" has been defined under the Indenture to mean, for any year, the amount available throughout the applicable year for transfer from the Rate Stabilization Fund to the Revenue Fund, as designated by the District.

No Debt Service Reserve Fund For The 2026 Bonds

Pursuant to the Indenture, each Series of Bonds may be secured by a separate subaccount in the Debt Service Reserve Fund as described in the Indenture. There is no debt service reserve requirement for the 2026 Bonds and no debt service reserve subaccount for the 2026 Bonds will be funded.

Additional Bonds

No additional indebtedness, bonds or notes of the District secured by a pledge of the Revenues senior to the pledge of Net Revenues for the payment of the Bonds shall be created or incurred without the prior written consent of the owners of 100% of the Outstanding Bonds. In addition, no Additional Bonds or other indebtedness, bonds or notes of the District payable on a parity with the 2026 Bonds out of Net Revenues shall be created or incurred, unless the following requirements have been met:

- (a) No Event of Default shall have occurred and be continuing under the Indenture on the date of authentication of any Additional Bonds; provided that this provision shall not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions of the Indenture and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof;
- (b) The Net Revenues plus Other Available Funds, less Direct Payments, if any, for any consecutive 12-month period in the 24-months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 125% of the sum of the total Debt Service (including any Repayment Obligations) less any Escrowed Operation and Maintenance Expenses, for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof for said 12-month period (the "Aggregate Annual Debt Service Requirement"); provided, however, that such Revenue coverage test described above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued under the Indenture, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and
- (c) In the case of Additional Bonds issued to finance a Project, the District shall have delivered to the Trustee a certificate from an Authorized Representative:
 - (1) setting forth the Estimated Net Revenues as described in the Indenture (assuming, if applicable, the completion of the Project financed with proceeds of the Additional Bonds) either:
 - (i) for each of the two Bond Fund Years succeeding the latest estimated date of completion of the Project, or any portion thereof, if proceeds of the Additional Bonds are used to fund interest during the construction period, or
 - (ii) if (i) is not the case, for the then current Bond Fund Year and each succeeding Bond Fund Year to and including the second Bond Fund Year succeeding the latest estimated date of completion of the Project, or any portion thereof; and
 - (2) verifying that the Estimated Net Revenues as shown in (1) above for each of such Bond Fund Years are not less than 125% of the Aggregate Annual Debt Service Requirement for each of such Bond Fund Years with respect to all of the Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Additional Bonds so proposed to be issued.

For purposes of this subsection (c), "Estimated Net Revenues" shall be determined by the Authorized Representative as follows:

- (A) The total Net Revenues of the System for any Year in the 24 months immediately preceding the authentication and delivery of the Additional Bonds shall be first be determined. For purposes of these calculations, Revenues may be adjusted to give full effect to rate increases implemented prior to the issuance of the Additional Bonds.
- (B) Next, the additional Net Revenues, if any, resulting from the Project, or any portion thereof, financed with the proceeds of the Additional Bonds will be estimated by the Qualified Engineer for the applicable Bond Fund Years as determined in (c)(1)(i) or (ii) above.
- (C) The Estimated Net Revenues will be the sum of the Net Revenues as calculated in (A) above, less any Direct Payments, plus 80% of the estimated additional Net Revenues as calculated in (B) above.

- (d) All payments required by the Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund the full amount required by the Indenture to be accumulated therein at such time.
- (e) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued under the Indenture or other obligations of the District (including the funding of necessary reserves and the payment of costs of issuance) and/or to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

In addition to the 2026 Bonds, the District may issue approximately \$80,000,000 of Additional Bonds within the next three years for necessary capital needs. The District reserves the right to issue Additional Bonds as permitted in the Indenture.

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HISTORICAL DEBT SERVICE COVERAGE

The following table shows the past five Fiscal Years of debt service requirement for the District’s outstanding sewer bonds, the historical net revenues of the System, and the debt service coverage amounts. The historical information has been derived from the District’s comprehensive audited financial statements for fiscal years 2021 through 2024, and from unaudited, preliminary financial statements for fiscal year 2025.

Historical Revenues of the System and Debt Service Coverage⁽¹⁾

	2021	2022	2023	2024	2025 ⁽²⁾
Operating revenues:					
Sewer user fees	\$11,981,946	\$12,632,554	\$13,452,077	\$14,150,993	\$14,805,559
Other operating revenues	164,981	338,688	106,935	139,588	173,944
Engineering fees	<u>113,327</u>	<u>124,848</u>	<u>129,296</u>	<u>334,181</u>	<u>106,832</u>
Total operating revenues	<u>12,260,254</u>	<u>13,096,090</u>	<u>13,688,308</u>	<u>14,624,762</u>	<u>15,086,335</u>
Operating expenses ⁽³⁾ :					
Wages and benefits	\$5,343,530	\$5,275,397	\$6,482,841	\$7,104,269	\$7,486,937
Supplies	557,068	663,473	730,327	663,501	755,342
Contractual services	334,710	347,798	490,199	445,148	455,120
Utilities	651,775	702,413	774,718	812,143	785,720
Repairs and maintenance	1,825,632	3,593,343	5,164,323	2,928,749	4,377,483
Administration	284,727	319,021	358,082	397,966	428,017
Miscellaneous	52,092	98,735	136,363	164,459	173,535
Renewal and replacement expenditures ⁽⁴⁾	(1,416,088)	(3,094,864)	(4,461,753)	(2,338,373)	(3,723,685)
Total operating expenses	<u>7,633,446</u>	<u>7,905,316</u>	<u>9,675,100</u>	<u>10,177,862</u>	<u>10,738,469</u>
Net operating revenues	<u>\$4,626,808</u>	<u>\$5,190,774</u>	<u>\$4,013,208</u>	<u>\$4,446,900</u>	<u>\$4,347,866</u>
Non–operating revenues:					
Impact fees	9,714,241	5,660,169	7,087,384	5,240,050	4,642,606
Investment income	101,534	461,348	1,338,942	1,493,492	1,270,444
Gain (loss) on disposal of capital assets	(86,820)	42,776	193,518	113,662	50,482
Non–operating revenues	<u>9,728,955</u>	<u>6,164,293</u>	<u>8,619,844</u>	<u>6,847,204</u>	<u>5,963,532</u>
Total pledged revenues available for debt service ⁽⁵⁾	<u>\$14,355,763</u>	<u>\$11,355,067</u>	<u>\$12,633,052</u>	<u>\$11,294,104</u>	<u>\$10,311,398</u>
Debt service:					
2015 Bonds	\$1,387,300	\$1,503,050	\$1,504,850	\$1,508,025	\$1,503,150
Total debt service	<u>\$1,387,300</u>	<u>\$1,503,050</u>	<u>\$1,504,850</u>	<u>\$1,508,025</u>	<u>\$1,503,150</u>
Debt service coverage ratios:					
Net revenues/Total debt service	<u>10.35X</u>	<u>7.55X</u>	<u>8.39X</u>	<u>7.49X</u>	<u>6.86X</u>
Revenues without impact fees	<u>3.35X</u>	<u>3.79X</u>	<u>3.69X</u>	<u>4.01X</u>	<u>3.77X</u>
Rate Covenant Requirement ⁽⁶⁾	<u>1.25X</u>	<u>1.25X</u>	<u>1.25X</u>	<u>1.25X</u>	<u>1.25X</u>
Rate stabilization fund ⁽⁷⁾	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

(1) Information from the District’s historical comprehensive annual financial reports, unless otherwise indicated.

(2) Unaudited; information provided by the District.

(3) Excludes depreciation, amortization.

(4) Bond documents call for operating expenses excluding depreciation. Because the District uses the “Modified Approach for Infrastructure Assets,” renewal and replacement expenditures have been reversed out of the coverage calculation. See “ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SYNDERVILLE BASIN WATER RECLAMATION DISTRICT, UTAH FOR FISCAL YEAR 2024—Management Discussion and Analysis—Modified Approach for Accounting for Infrastructure” (ACFR page 11); and “—Required Supplementary Information—Modified Approach for Eligible Infrastructure Assets”(ACFR page 41).

(5) Differences between figures presented above and the District’s ACFR primarily attributable to the inclusion of gain/(loss) on sale of assets.

(6) The rates and charges covenants for the Bonds is based on Net Revenues are to be at least 125% of the sum of the Aggregate Debt Service for the forthcoming Fiscal Year.

(7) The Rate Stabilization Fund is funded in the amount of \$1,000,000 and will continue to be funded by the District from legally available funds of the District and/or Revenues of the System following the payment of obligations of the System. *The District may, from time to time, designate a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Revenue.*

(Source: Information compiled by the Municipal Advisor. Amounts taken from the District’s Annual Comprehensive Financial Report.)

PROJECTED REVENUES OF THE SYSTEM AND DEBT SERVICE COVERAGE

Forward Looking Projected Information. The District does not as a matter of course make public projections as to future revenues, income, or other results, although it does make projections for management. However, the management of the District has prepared the prospective financial information set forth below in the table “Projected Debt Service Coverage,” to present projected Net Revenue of the System for Fiscal Years 2026 through 2030. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the District’s management, was prepared on a reasonable basis with reasonable assumptions, reflects the best currently available estimates and judgments and presents, to the best of management’s knowledge and belief, the expected course of action and the expected future financial performance of the System. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this OFFICIAL STATEMENT are cautioned not to place undue reliance on the prospective financial information.

Neither the District’s independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The assumption and estimates underlying the prospective financial information are inherently uncertain and, although considered reasonable by the management of the District as of the date hereof, are subject to a wide variety of significant business, economic, environmental and competitive risks and uncertainties, that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the System or that the actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this OFFICIAL STATEMENT should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

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Projected Revenues, Expenses And Debt Service Coverage

The following table is a summary of the projected Revenues of the System and debt service coverage. The projected information is based on historical and current operating information available to the District as follows.

Projected Revenues of the System and Debt Service Coverage

	2026	2027	2028	2029	2030
Operating revenues:					
Sewer user fees	\$15,747,407	\$16,937,753	\$18,129,905	\$19,067,372	\$20,050,564
Other operating revenues	193,000	80,000	80,000	80,000	80,000
Engineering fees	6,696	50,000	50,000	50,000	50,000
Total operating revenues	15,947,103	17,067,753	18,259,905	19,197,372	20,180,564
Operating expenses ⁽¹⁾ :					
Wages and benefits	\$8,316,910	\$8,788,605	\$9,497,639	\$10,084,792	\$10,706,775
Supplies	1,055,601	1,115,470	1,205,462	1,279,985	1,358,928
Contractual services	542,760	573,543	619,814	658,132	698,722
Utilities	977,050	1,032,464	1,115,759	1,184,736	1,257,805
Repairs and maintenance	6,354,892	3,794,108	6,174,877	5,281,879	6,366,844
Administration	469,408	496,031	536,049	569,188	604,292
Miscellaneous	203,432	214,970	232,313	246,674	261,888
Renewal and replacement expenditures ⁽²⁾	(5,640,812)	(2,853,191)	(5,158,050)	(4,202,191)	(5,220,566)
Total operating expenses	12,279,241	13,162,000	14,223,863	15,103,195	16,034,688
Net operating revenues	\$3,667,862	\$3,905,753	\$4,036,042	\$4,094,177	\$4,145,876
Non–operating revenues:					
Impact fees	4,787,359	4,888,189	4,882,344	4,996,237	5,239,518
Investment income	970,745	1,579,750	2,155,868	1,494,053	991,587
Gain (loss) on disposal of capital assets	–	–	–	–	–
Non–operating revenues	5,758,104	6,467,939	7,038,212	6,490,290	6,231,105
Total pledged revenues available for debt service	\$9,425,966	\$10,373,692	\$11,074,254	\$10,584,467	\$10,376,981
Debt service:					
2015 Bonds	231,388	–	–	–	–
2026 Bonds*	1,180,001	1,409,500	1,401,750	1,407,000	1,409,500
Total debt service	\$1,411,339	\$1,409,500	\$1,401,750	\$1,407,000	\$1,409,500
Debt service coverage ratios:					
Net revenues/Total debt service*	6.68X	7.36X	7.90X	7.52X	7.36X
Revenues without impact fees*	3.29X	3.89X	4.42X	3.97X	3.64X
Rate Covenant Requirement⁽³⁾	1.25X	1.25X	1.25X	1.25X	1.25X
Rate stabilization fund ⁽⁴⁾	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

* Preliminary; subject to change.

(1) Excludes depreciation, amortization.

(2) Bond documents call for operating expenses excluding depreciation. Because the District uses the “Modified Approach for Infrastructure Assets,” renewal and replacement expenditures have been reversed out of the coverage calculation. See “ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SYNDERVILLE BASIN WATER RECLAMATION DISTRICT, UTAH FOR FISCAL YEAR 2024—Management Discussion and Analysis—Modified Approach for Accounting for Infrastructure” (ACFR page 11); and “—Required Supplementary Information—Modified Approach for Eligible Infrastructure Assets”(ACFR page 42).

(3) The Indenture requires that Net Revenues (plus other available funds) are to be at least 125% of the sum of the Aggregate Annual Debt Service for each Fiscal Year.

(4) The Rate Stabilization Fund is funded in the amount of \$1,000,000 and will continue to be funded by the District from legally available funds of the District and/or Revenues of the System following the payment of obligations of the System. *The District may, from time to time, designate all or a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Funds.*

(Source: the District.)

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT

General; Property Tax Information

General. The District was created by the County Board of Commissioners in 1973 under the authority of Part 4 of Chapter 2a of Title 17B, Utah Code Annotated 1953, as amended, to acquire and operate a system for the collection, treatment, and reclamation of wastewater. The District operates under the direction of an elected Board of Trustees. The County has no oversight responsibility or authority over the District. The District is a political subdivision of the State.

The District provides wastewater collection and treatment services to an area known as the “Snyderville Basin,” which includes Park City and the surrounding area. The Snyderville Basin is located approximately 30 miles east of Salt Lake City in the Wasatch Mountains. The District estimates its current population to be approximately 31,700. As of December 31, 2025, the District estimates that it is at approximately 64% of potential “build-out.” At expected growth rates, the District will be 75% “built-out” by the year 2040, and 85% built-out by the year 2053.

Property Tax Information. As a local district formed subject to Part 10, Chapter 1, Title 17B of the Utah Code (the “Limited Purpose Local Government Entities-Local Districts Act”), the District is authorized to levy a maximum of 0.0008 per dollar of taxable value of taxable property within the District for operations and maintenance. However, the District does not currently levy a property tax, has not done so in the last ten years, and does not currently anticipate needing to levy a property tax. The following table provides the adjusted taxable value of property within the District for the years indicated:

2024	2023	2022	2021	2020
<u>\$44,350,850,531</u>	<u>\$43,468,359,418</u>	<u>\$31,894,452,248</u>	<u>\$23,422,142,783</u>	<u>\$20,916,967,084</u>

(Source: the Utah State Tax Commission.)

The Bonds are not payable from any property tax and no property tax may be levied to pay debt service on the 2026 Bonds.

Form Of Government

The District is governed by a board of five trustees (the “Board”) (four are elected and one is appointed by the City Council of Park City) each holding four-year terms. The Board of Trustees appoints a clerk, treasurer and other staff personnel as needed. Current members of the Board and the General Manager and Finance Manager of the District are as follows:

Office	Person	Representing Area	Years of Service	Expiration Of Current Term
Chair	Jan Wilking ⁽¹⁾	Park City	52	December 2029
Vice Chair	Mary Ann Pack	Unincorporated area	27	December 2029
Board Member	Bob Richer	Unincorporated area	12	December 2027
Board Member	Richard Pick	Park City	14	December 2027
Board Member	Ryan Dickey ⁽²⁾	Park City	3	December 2029
General Manager/Treasurer	Michael Luers		24	Appointed
Finance Manager	Bryan Steele		4	Appointed

(1) Mr. Wilking has been a member of the Board since the creation of the District.

(2) Mr. Dickey, a member of Park City Council, was appointed by and represents the City. His term on the Board runs concurrently with his term at the City.

(Source: the District.)

Employee Workforce And Retirement System; No Post–Employment Benefits

Employee Workforce and Retirement System. As of December 31, 2025, the District employed 46 full–time employees. The District participates in cost–sharing multiple employer public employee retirement systems which are defined benefit pension plans and defined contribution plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems (“URS”). The retirement system provides retirement benefits, annual cost of living adjustment, refunds, and death benefits to plan members and beneficiaries in accordance with retirement statutes. For a detailed discussion regarding retirement benefits and contributions see “APPENDIX A—ANNUAL

No Post–Employment Benefits. The District does not provide post–employment benefits to its employees.

Risk Management

Insurance. The District is covered by multiple insurance policies that cover property, plant and equipment, general and automotive liability. The District also has a crime policy that covers public officials. The District believes that its risk management policies and coverage are within the normal acceptable coverage limits for the type of services provided by the District. For additional information regarding the District’s insurance policies, please see “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SNYDERVILLE BASIN WATER RECLAMATION DISTRICT FOR FISCAL YEAR 2024—Notes To The Financial Statements—Note 8 Risk Management” (ACFR page 39).

Cybersecurity. The District employs a complex technology environment to conduct its operations and faces multiple cyber security threats such as hacking, phishing, viruses, malware, ransomware and other attacks to its computing and other electronic platforms and systems. As a recipient and provider of personal, private, or sensitive information, the District may be the target of cybersecurity incidents that could result in adverse consequences to information and systems. Cybersecurity incidents could result from unintentional events or from deliberate attacks. To mitigate the risks and consequences of cybersecurity incidents, the District has implemented industry standard strategies and policies to protect information and our internal systems, exceeding regulations set by state and federal governing bodies. In addition, the District maintains cybersecurity coverage in its insurance policies.

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the “Money Management Act”), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in–state and permitted out–of–state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the “Money Management Council”) to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The District is currently complying with all provisions of the Money Management Act for all the District funds.

The Utah Public Treasurers’ Investment Fund. A significant portion of the District funds are invested in the Utah Public Treasurers Investment Fund (“PTIF”). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short–term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer’s safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SNYDERVILLE BASIN WATER RECLAMATION DISTRICT FOR FISCAL YEAR 2024—Notes To The Financial Statements—Note 2. Deposits and Investments” (ACFR page 24).

THE SYSTEM

General

The District encompasses approximately 102.5 square miles and owns and operates the System, that, as of December 31, 2025, provides service to approximately 14,515 customers, approximately 92% of which are residential and the remainder of which are commercial, mixed use, industrial and facilities or common areas. The System includes approximately 312 miles of collection lines, 7,501 manholes, two reclamation facilities, one trunkline support facility, and ten pump stations.

The System includes approximately 310 miles of pipeline, two reclamation facilities (the “East Canyon Water Reclamation Facility” and the “Silver Creek Water Reclamation Facility”), one trunkline support facility, and twelve pump stations. The District also owns operations buildings and an administrative office building.

Rates

Service Charges. The Board has full and independent power, as granted by State law, to establish rates and revenue levels for sewer service provided by the District. The District is not subject to rate regulation by any State or federal regulator body and is empowered to set rates effective at any time. However, the District’s rates for System services must be reasonable for the type, kind, and charter of the services rendered.

The monthly user rates for wastewater service are billed based on winter water usages when possible (to exclude water used for outside irrigation). Winter water usage is defined as the average monthly usage for the period of November through April of each year. The average is used to determine the fee for the next 12-month period beginning July 1 and ending June 30. The user fee is calculated by multiplying the number of “residential equivalents” (“RE,” one RE being equal to 4,000 gallons of water per month) or residential units, whichever is greater, times a service charge of \$36.51 per RE/unit plus a volume charge of \$3.48 per 1,000 of winter water usage. The District’s last rate increase became effective January 1, 2026. (Source: the District.)

Impact Fees. The District imposes an impact fee to reserve capacity in the System. The impact fee is a one-time fee on new residential and non-residential units. Residential impact fees are calculated based on the number of living sections included in the residential unit connecting to the System. A “living section” is defined as a bedroom and/or any space that can be reasonably be used as a bedroom, and that has access to a bathroom with bathing facilities and is designed for, can be used for, or can be converted into sleeping space. A living section includes every 500 square feet of unfinished basement space, excluding stairs and mechanical areas, which is not otherwise identified for future intended use. As of January 1, 2026, residential impact fees are calculated as shown below.

Number of Living Sections	Impact Fee Amount	Equivalent Residential Units
1.....	\$ 4,707	0.334
2.....	9,414	0.667
3.....	14,121	1.000
4.....	18,828	1.334
5.....	23,535	1.667
6.....	28,242	2.000
7.....	32,949	2.333
8.....	37,656	2.667

(Source: the District.)

The impact fee for non-residential establishments is based on estimated peak 30-day demand, as calculated by District Engineer. Wastewater flow is divided by 320 gallons per day in order to determine the number of residential equivalent demand units (REs). The impact fee for non-residential establishments is then computed by multiplying the REs times the residential equivalent system impact fee of a home with three living sections. As of January 1, 2026, the impact fee for non-residential units (defined as three Living Sections) is \$14,121.

In addition to impact fees, the District collects an administrative fee for residential and non-residential units equal to 1% of the calculated impact fee, with a minimum of \$100 at the time of payment of the impact fee for administrative costs associated with project review and approval, technical assistance, accounting, field coordination, lateral inspection, and/or coordination with Park City or Summit County.

Revenue And Customer Detail

The tables below summarize sales and account information by customer type based on District billing records for the years shown.

Single Family Residential						Multi-family Residential					
Total Sales	Total Sales	Avg. Monthly Bill/RE	Sold REs	No. of Accts.	Billed REs/Units	Total Sales	Total Sales	Avg. Monthly Bill/RE	Sold REs	No. of Accts.	Billed REs/Units
2025	\$7,073,069	\$45.66	17,029.4	12,816	12,909.0	2025	\$4,048,453	\$45.18	5,816.7	528	7,468.0
2024	6,728,680	44.24	16,693.7	12,644	12,666.0	2024	3,905,533	43.60	5,793.2	524	7,465.0
2023	6,394,554	42.75	16,298.0	12,428	12,498.0	2023	3,726,958	41.96	5,749.4	506	7,421.0
2022	6,059,528	41.56	16,860.6	12,755	12,147.0	2022	3,462,462	39.26	5,678.0	504	7,349.0
2021	5,292,342	37.23	16,758.1	12,646	11,846.6	2021	3,459,900	41.24	5,420.5	527	6,992.1
2020	5,002,578	35.91	15,585.9	12,190	11,609.6	2020	3,268,937	39.83	5,469.7	513	6,839.1
2019	4,788,400	35.02	15,268.4	11,819	11,393.6	2019	3,095,826	38.85	5,392.3	504	6,640.1
2018	4,585,578	34.13	15,005.5	11,753	11,163.3	2018	2,889,491	38.60	5,325.9	495	6,245.1
2017	4,532,348	34.42	14,592.4	11,334	10,974.1	2017	2,851,824	39.14	5,236.6	482	6,071.1
2016	4,357,347	33.71	13,732.6	10,747	10,807.4	2016	2,779,064	38.12	4,993.5	480	6,076.0

Commercial						Mixed Use					
Total Sales	Total Sales	Avg. Monthly Bill/RE	Sold REs	No. of Accts.	Billed REs/Units	Total Sales	Total Sales	Avg. Monthly Bill/RE	Sold REs	No. of Accts.	Billed REs/Units
2025	\$1,809,690	\$62.99	2,821.9	651	2,394.0	2025	\$1,809,686	\$53.05	2,204.6	78	2,843.0
2024	1,701,758	58.68	2,821.5	651	2,416.7	2024	1,761,167	51.05	2,875.1	75	2,875.1
2023	1,557,160	57.28	2,801.7	645	2,271.7	2023	1,711,476	49.86	2,163.3	75	2,868.5
2022	1,454,704	55.49	2,853.6	635	2,184.6	2022	1,597,377	45.45	2,160.4	73	2,928.8
2021	1,611,057	60.36	2,764.8	670	2,224.3	2021	1,442,270	46.58	2,150.8	76	2,580.3
2020	1,634,029	63.92	2,803.2	663	2,130.4	2020	1,442,993	46.60	2,218.9	75	2,580.3
2019	1,680,006	61.58	2,760.9	656	2,273.7	2019	1,430,938	44.89	2,157.5	69	2,656.1
2018	1,719,035	54.91	2,799.8	645	2,610.5	2018	1,306,746	47.07	1,894.4	61	2,313.6
2017	1,684,829	54.16	2,767.6	612	2,592.5	2017	1,373,275	48.02	1,891.9	58	2,383.0
2016	1,571,472	52.26	2,762.3	559	2,505.8	2016	1,297,019	44.39	1,896.2	57	2,434.8

Industrial						Common Areas					
Total Sales	Total Sales	Avg. Monthly Bill/RE	Sold REs	No. of Accts.	Billed REs/Units	Total Sales	Total Sales	Avg. Monthly Bill/RE	Sold REs	No. of Accts.	Billed REs/Units
2025	\$53,223	\$76.56	124.7	1	76.6	2025	\$2,083	n/a	4.1	2	n/a
2024	53,033	76.29	124.7	1	57.9	2024	822	n/a	4.1	3	n/a
2023	61,511	62.84	124.7	1	81.8	2023	349	n/a	3.6	3	n/a
2022	52,646	44.49	249.3	1	98.6	2022	0	n/a	3.6	0	n/a
2021	57,983	61.89	249.3	1	78.1	2021	0	n/a	3.5	0	n/a
2020	47,492	49.73	249.3	1	79.6	2020	0	n/a	3.5	0	n/a
2019	54,481	59.40	249.3	1	76.4	2019	58	n/a	3.5	1	n/a
2018	66,975	82.44	184.2	1	67.7	2018	52,402	106.51	16.3	31	n/a
2017	44,261	29.86	184.2	1	123.5	2017	106,522	216.51	16.3	30	n/a
2016	27,605	63.81	35.3	10	36.1	2016	80,228	208.93	7.8	32	n/a

As summary of the District’s combined total customers, new customer accounts and new REs sold and billed is show in the table below.

Year	Total Number of Customers	Number of New Customers	New Sold REs ⁽¹⁾	New Billed REs ⁽¹⁾
2025.....	14,515	178	386	229
2024.....	14,337	136	414	415
2023.....	14,201	233	680	477
2022.....	13,968	28	546	987
2021.....	13,940	478	1,080	482
2020.....	13,462	196	423	199
2019.....	13,266	291	628	602
2018.....	12,975	394	472	235
2017.....	12,581	359	498	265
2016.....	12,351	230	457	475

(1) Sold REs are the total number of REs corresponding to paid building permits for the year; "billed" REs are the number of REs actually billed, which corresponds with actual use.

(Source: the District.)

Average Flow, Capacity And Total Gallons Treated Demand

The following table gives information relating to the flow and capacity of the System for the years shown.

Year	Avg Flow (MGD) ⁽¹⁾	Total Gallons Treated ⁽²⁾	Total Combined Facility Capacity ⁽³⁾
2025.....	5.92	1.39	8.0
2024.....	5.08	1.56	8.0
2023.....	8.85	1.82	8.0
2022.....	5.23	1.45	8.0
2021.....	4.78	1.45	8.0
2020.....	4.90	1.41	8.0
2019.....	4.52	1.57	8.0
2018.....	4.40	1.33	6.0
2017.....	5.87	1.58	6.0
2016.....	4.84	1.38	6.0

(1) Maximum 30-day flow-average flow, in million gallons per day (MGD).

(2) In billion gallons

(3) In MGD.

(Source: the District.)

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Largest Customers

The following table sets forth for the year ended December 31, 2025, the annual amount of user fees paid by each of the District's 10 largest sewer service customers. Combined revenues from these 10 largest customers total approximately 9.1% of the District's annual user fee revenues for 2025.

Business	Type	Annual Revenues	% of Total Revenues ⁽¹⁾
Stein Ericksen Lodge.....	Ski Lodge	\$192,279	1.3
Westgate & The Canyons.....	Condominiums	191,198	1.3
Montage Hotels & Resorts.....	Condominiums	170,170	1.1
Grand Summit HOA.....	Condominiums	120,590	0.8
Vail Resorts Mgmt. Co.....	Ski Lodge	114,895	0.8
Park City Municipal Corp.....	Municipality	103,744	0.7
Chateaux at Silver Lake.....	Condominiums	102,832	0.7
Intermountain Health Services.....	Health Care	99,794	0.7
Sundial Lodge Homes Owners.....	Condominiums	90,733	0.6
PCRC 17 LLC.....	Hotel	90,053	0.6
Resort Center Owners Association.....	Ski Lodge	<u>67,459</u>	0.5
Total.....		<u>\$1,343,745</u>	9.1

(1) User fee revenues for Fiscal Year 2025 were \$14,150,993.

(Source: the District.)

Asset Management Plan; Future System Projects

The District maintains an Asset Management Plan and Capital Facility Plan ("CFP") that provide a comprehensive assessment of existing facilities and identify recommended improvements that will resolve existing and projected future deficiencies in the District's wastewater collection system. A review of this plan is conducted frequently and modified as changes to capital needs become necessary. The majority of the System improvements recommended in the Asset Management Plan will be funded by user fees, impact fees, grants, or installed by developers.

Historical Five-Year Financial Summaries Of The System

The summaries contained herein regarding the System were extracted from the District's audited financial statements for Fiscal Years 2020 through 2024. The summaries themselves have not been audited. The District does not expect any material changes to its financial position in Fiscal Year 2025. See "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SNYDERVILLE BASIN WATER RECLAMATION DISTRICT FOR FISCAL YEAR 2024."

Snyderville Basin Water Reclamation District Statement of Net Position

	As of December 31				
	2024	2023	2022	2021	2020
Assets and deferred outflows of resources					
Assets					
Current assets					
Cash and cash equivalents	\$18,672,468	\$15,897,950	\$15,962,466	\$15,945,677	\$14,087,286
Inventory of supplies	491,386	429,928	524,652	477,629	451,428
Prepaid expenses	61,895	58,482	52,869	—	—
Receivables					
Accounts receivable, net of allowance of \$29,764	155,891	204,901	184,356	240,433	249,071
Other	<u>32,451</u>	<u>174,178</u>	<u>261,489</u>	<u>—</u>	<u>—</u>
Total current assets	<u>19,414,091</u>	<u>17,597,019</u>	<u>16,985,832</u>	<u>16,663,739</u>	<u>14,787,785</u>

Statement of Net Position continued on following page.

Snyderville Basin Water Reclamation District
Statement of Net Position—continued

	As of December 31				
	2024	2023	2022	2021	2020
Noncurrent assets					
Capital assets					
Nondepreciable capital assets	\$167,856,464	\$165,856,198	\$164,285,883	\$162,269,250	\$161,659,109
Construction in progress	16,292,632	16,049,094	11,493,706	7,667,462	5,508,180
Net depreciable assets	6,773,627	6,410,500	6,806,516	6,900,225	7,177,815
Land	683,260	683,260	683,260	683,260	683,260
Investments	—	—	—	—	—
Restricted cash	13,221,113	10,884,178	9,004,573	8,100,597	1,975,185
Lease receivable	20,565	24,070	27,396		
Net pension asset	—	—	1,847,790	—	—
Total non-current assets	<u>204,847,661</u>	<u>199,907,300</u>	<u>194,149,124</u>	<u>185,620,794</u>	<u>177,003,549</u>
Total assets	<u>224,261,752</u>	<u>\$216,672,739</u>	<u>\$211,134,956</u>	<u>\$202,284,533</u>	<u>\$191,791,334</u>
Deferred outflows of resources					
Total assets and deferred outflows of resources	<u>1,795,963</u>	<u>1,410,324</u>	<u>1,099,209</u>	<u>901,182</u>	<u>890,705</u>
Deferred outflows related to pensions	<u>\$226,057,715</u>	<u>\$218,083,063</u>	<u>\$212,234,165</u>	<u>\$203,185,715</u>	<u>\$192,682,039</u>
Liabilities, deferred inflows of resources and net position					
Liabilities					
Current liabilities					
Accounts payable	412,353	1,248,975	709,247	281,655	1,236,348
Accounts payable from restricted sources	108,210	22,561	128,068	316,762	34,112
Accrued liabilities	1,966	265,411	235,698	244,944	221,249
Accrued interest	144,287	149,983	156,363	164,608	176,082
Customer deposits	942,770	627,770	732,934	1,002,350	912,304
Current portion, compensated absences	400,000	400,000	400,000	400,000	300,000
Current portion, lease & SBITA liability	6,984	18,142	18,142	—	—
Current portion long-term debt	<u>1,015,000</u>	<u>995,000</u>	<u>970,000</u>	<u>940,000</u>	<u>785,000</u>
Total current liabilities	<u>3,031,570</u>	<u>3,727,842</u>	<u>3,350,452</u>	<u>3,350,319</u>	<u>3,665,095</u>
Noncurrent liabilities					
Bonds payable	11,916,017	13,020,119	14,104,221	15,163,323	16,192,424
Lease & SBITA liability	10,163	16,055	32,274	—	—
Net pension liability	788,991	569,593	—	165,107	1,171,082
Compensated absences, long-term portion	<u>447,232</u>	<u>399,601</u>	<u>336,054</u>	<u>333,530</u>	<u>380,150</u>
Total non-current liabilities	<u>13,162,403</u>	<u>14,005,368</u>	<u>14,472,549</u>	<u>15,661,960</u>	<u>17,743,656</u>
Total liabilities	16,193,973	17,733,210	17,823,001	19,012,279	21,408,751
Deferred inflows - leases	14,175	17,010	19,845	—	—
Deferred inflows related to pensions	<u>5,823</u>	<u>9,151</u>	<u>2,515,061</u>	<u>1,210,724</u>	<u>616,398</u>
Total liabilities and deferred inflows	<u>16,213,971</u>	<u>17,759,371</u>	<u>20,357,907</u>	<u>20,223,003</u>	<u>22,025,149</u>
Net position					
Net investment in capital assets	178,507,656	173,783,855	166,824,486	161,051,645	158,050,940
Unrestricted	18,114,975	15,655,659	16,047,199	13,810,470	10,630,765
Restricted for					
Impact fees	13,216,721	10,051,934	8,572,468	8,100,396	1,924,845
Net pension	—	831,580	431,938	—	—
Capital projects	—	—	—	—	50,262
Debt service	<u>4,392</u>	<u>664</u>	<u>167</u>	<u>201</u>	<u>78</u>
Total net position	<u>209,843,744</u>	<u>200,323,692</u>	<u>191,876,258</u>	<u>182,962,712</u>	<u>170,656,890</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$226,057,715</u>	<u>\$218,083,063</u>	<u>\$212,234,165</u>	<u>\$203,185,715</u>	<u>\$192,682,039</u>

(Source: Information extracted from the District's audited basic financial statements. *The summary itself has not been audited.*)

Snyderville Basin Water Reclamation District
Statement of Revenues, Expenses, and Changes in Fund Net Position

As of December 31

	2024	2023	2022	2021	2020
Operating revenues:					
Sewer user fees	\$14,150,993	\$13,452,077	\$12,632,554	\$11,981,946	\$11,511,050
Other operating revenues	139,588	106,935	120,048	113,327	156,550
Engineering fees	<u>334,181</u>	<u>129,296</u>	<u>338,688</u>	<u>164,981</u>	<u>125,499</u>
Total operating revenues	<u>14,624,762</u>	<u>13,688,308</u>	<u>13,091,290</u>	<u>12,260,254</u>	<u>11,793,099</u>
Operating expenses:					
Wages and benefits	7,104,269	6,482,841	5,275,397	5,343,530	5,518,588
Repairs and maintenance	2,928,749	5,164,323	3,575,201	1,825,632	5,174,919
Depreciation and amortization	828,066	811,547	749,240	724,399	747,785
Utilities	812,143	774,718	702,413	651,775	636,052
Supplies	663,501	730,327	663,473	557,068	567,087
Administration	397,966	358,082	319,021	284,727	299,113
Contractual services	445,148	490,199	347,798	334,710	311,971
Miscellaneous	164,459	136,363	98,735	52,092	36,200
Amortization	25,728	24,400	16,965	—	—
Total operating expenses	<u>13,370,029</u>	<u>14,972,800</u>	<u>11,748,243</u>	<u>9,773,933</u>	<u>13,291,715</u>
Operating income (loss)	<u>1,254,733</u>	<u>(1,284,492)</u>	<u>1,343,047</u>	<u>2,486,321</u>	<u>(1,498,616)</u>
Non-operating revenues (expenses):					
Impact fees (pledged as security for revenue bonds)	5,240,050	7,087,384	5,660,169	9,714,241	3,646,349
Investment income	1,493,492	1,338,924	462,992	101,534	198,607
Gain (loss) on disposal of capital assets	113,662	193,518	42,776	(86,820)	46,175
Lease and other financing income	2,835	2,835	2,835	—	—
Interest expense	<u>(419,278)</u>	<u>(441,290)</u>	<u>(468,297)</u>	<u>(501,724)</u>	<u>(539,735)</u>
Total non-operating revenues (expenses)	<u>6,430,761</u>	<u>8,181,371</u>	<u>5,700,475</u>	<u>9,227,231</u>	<u>3,351,396</u>
Income (loss) before capital contributions	7,685,494	6,896,879	7,043,522	11,713,552	1,852,780
Capital contributions—assets	1,834,558	1,550,555	1,862,894	592,270	1,675,831
Change in net assets	9,520,052	8,447,434	8,906,416	12,305,822	3,528,611
Net position	<u>200,323,692</u>	<u>191,876,258</u>	<u>182,962,712</u>	<u>170,656,890</u>	<u>167,128,279</u>
Net position, ending	<u>\$209,843,744</u>	<u>\$200,323,692</u>	<u>\$191,869,128</u>	<u>\$182,962,712</u>	<u>\$170,656,890</u>

(Source: Information extracted from the District's audited basic financial statements. *The summary itself has not been audited.*)

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DEBT STRUCTURE OF SNYDERVILLE BASIN WATER RECLAMATION DISTRICT

Outstanding Sewer Revenue Bonded Indebtedness

Series ⁽¹⁾	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2026 ^(a)	Refunding	\$10,070,000*	September 15, 2034	<u>\$10,070,000*</u>

* Preliminary; subject to change.

(a) As of the date of this OFFICIAL STATEMENT, these bonds are considered issued and outstanding. See “THE 2026 BONDS—Plan of Refunding,” herein.

(1) Rated “AA” by S&P Global Ratings (“S&P”) as of the date of this OFFICIAL STATEMENT.

(Source: the Municipal Advisor.)

Other Financial Considerations; Future Issuance Of Debt

Leases. The District has entered into a lease agreement for copier equipment. See “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SNYDERVILLE BASIN WATER RECLAMATION DISTRICT FOR FISCAL YEAR 2024—Notes To Financial Statements—Note 12. Leases” (ACFR page 40).

Future issuance of debt. In addition to the 2026 Bonds, the District may issue approximately \$80,000,000 of sewer revenue bonds within the next three years for necessary capital needs. The District reserves the right to issue Additional Bonds as specified in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 BONDS—Issuance of Additional Bonds” herein.

Debt Service Schedule Of Sewer Revenue Bonds Outstanding By Fiscal Year

Fiscal Year Ending December 31	Series 2026 \$10,070,000*		Series 2015 \$20,800,000		Totals*		
	Principal*	Interest ^(a)	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2026.....	\$ 980,000	\$200,001	0	0 ⁽¹⁾	\$ 980,000	\$200,001	\$1,180,001
2027.....	955,000	454,500	0	0 ⁽¹⁾	955,000	454,500	1,409,500
2028.....	995,000	406,750	0	0 ⁽¹⁾	995,000	406,750	1,401,750
2029.....	1,050,000	357,000	0	0 ⁽¹⁾	1,050,000	357,000	1,407,000
2030.....	1,105,000	304,500	0	0 ⁽¹⁾	1,105,000	304,500	1,409,500
2031.....	1,155,000	249,250	0	0 ⁽¹⁾	1,155,000	249,250	1,404,250
2032.....	1,215,000	191,500	0	0 ⁽¹⁾	1,215,000	191,500	1,406,500
2033.....	1,275,000	130,750	0	0 ⁽¹⁾	1,275,000	130,750	1,405,750
2034.....	<u>1,340,000</u>	<u>67,000</u>	<u>0</u>	<u>0⁽¹⁾</u>	<u>1,340,000</u>	<u>67,000</u>	<u>1,407,000</u>
Totals.....	<u>\$10,070,000</u>	<u>\$2,361,251</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$10,070,000</u>	<u>\$2,361,251</u>	<u>\$12,431,251</u>

* Preliminary; subject to change.

(a) Preliminary; subject to change. Interest calculated at 5.00% per annum.

(1) Principal and interest to be refunded by the 2026 Bonds.

(Source: the Municipal Advisor.)

No Defaulted Obligations

The District has never failed to pay principal of and interest on any of its financial obligations when due.

LEGAL MATTERS

Absence Of Litigation Concerning The 2026 Bonds

On the date of the execution and delivery of the 2026 Bonds, certificates will be delivered by the District to the effect that to the knowledge of the District, there is no action, suit, proceeding or litigation pending or threatened against the District or the operation of the System, which in any way materially questions or affects the validity or enforceability of the 2026 Bonds or any proceedings or transactions relating to their authorization, execution, authentication, marketing, sale or delivery or which materially adversely affects the existence or powers of the District.

A non-litigation opinion issued by Jeremy Cook of Cohn Kinghorn P.C., Counsel to the District, dated the date of closing, will be provided stating, among other things, that there is not now pending, or to his knowledge threatened, any action, suit, proceeding, inquiry, or any other litigation or investigation, at law or in equity, before or by any court, public board or body, challenging the creation, organization or existence of the District, or the ability of the District, or its respective officers to authenticate, execute or deliver the 2026 Bonds or such other documents as may be required in connection with the issuance and sale of the 2026 Bonds, or to comply with or perform their respective obligations thereunder, or seeking to restrain or enjoin the issuance, sale or delivery of the 2026 Bonds, or directly or indirectly contesting or affecting the proceedings or the authority by which the 2026 Bonds are issued, the legality of the purpose for which the 2026 Bonds are issued, or the validity of the 2026 Bonds or the issuance and sale thereof.

General

The authorization and issuance of the 2026 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the District. Certain legal matters will be passed upon for the District, by Jeremy Cook of Cohn Kinghorn P.C, Counsel to the District. Certain legal matters will be passed upon by Gilmore & Bell, P.C. as Disclosure Counsel to the District. Certain legal matters will be passed on for the Underwriter by its counsel, Farnsworth Johnson PLLC. The approving opinion of Bond Counsel will be delivered with the 2026 Bonds. A copy of the opinion of Bond Counsel is set forth in “APPENDIX C—FORM OF OPINION OF BOND COUNSEL.”

The employment of Bond Counsel is limited to the review of the transcripts of legal proceedings authorizing the issuance of the 2026 Bonds and to the issuance of the legal opinion, in conventional form, relating solely to the validity of the 2026 Bonds pursuant to such authority and the excludability of interest on the 2026 Bonds for income tax purposes as described above. Except for said legal matters, which will be specifically covered in its opinion, Bond Counsel has assumed no responsibility for the accuracy or completeness of any information furnished to any person in connection with or any offer or sale of the 2026 Bonds in the OFFICIAL STATEMENT or otherwise.

The various legal opinions to be delivered concurrently with the delivery of the 2026 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the 2026 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the 2026 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the 2026 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the 2026 Bonds.

Opinion Of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under the law currently existing as of the issue date of the 2026 Bonds:

Federal Tax Exemption. The interest on the 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Not Bank Qualified. The 2026 Bonds have *not* been designated as “qualified tax–exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

State of Utah Tax Exemption. The interest on the 2026 Bonds is exempt from State of Utah individual income taxes.

Bond Counsel’s opinions are provided as of the date of the original issue of the 2026 Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2026 Bonds.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the 2026 Bonds, except as expressly provided herein.

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a 2026 Bond over its issue price. The stated redemption price at maturity of a 2026 Bond is the sum of all payments on the 2026 Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2026 Bond is generally the first price at which a substantial amount of the 2026 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a 2026 Bond during any accrual period generally equals (1) the issue price of that 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that 2026 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that 2026 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner’s tax basis in that 2026 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a 2026 Bond is the sum of all payments on the 2026 Bond other than “qualified stated interest” (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2026 Bond is generally the first price at which a substantial amount of the 2026 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the 2026 Bond using constant yield principles, based on the purchaser’s yield to maturity. As premium is amortized, the owner’s basis in the 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2026 Bond prior to its maturity. Even though the owner’s basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a 2026 Bond, an owner of the 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the 2026 Bond (other than in respect of accrued and unpaid interest) and such owner’s adjusted tax basis in the 2026 Bond. To the extent a 2026 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long–term capital gain or loss if the 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2026 Bonds, and to the proceeds paid on the sale of the 2026 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend

and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2026 Bonds should be aware that ownership of the 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that the interest on the 2026 Bonds may be included in adjustment for financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

MISCELLANEOUS

Bond Rating

As of the date of this OFFICIAL STATEMENT, the 2026 Bonds have been rated "AA" by S&P Global Ratings ("S&P"). An explanation of the ratings may be obtained from S&P. The District has not directly applied to Fitch Ratings or Moody's Investors Service, Inc. for a rating on the 2026 Bonds .

Such rating does not constitute a recommendation by the rating agency to buy, sell or hold the 2026 Bonds. Such rating reflects only the views of S&P and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the rating given the outstanding 2026 Bonds will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2026 Bonds .

Trustee

The obligations and duties of the Trustee are described in the Indenture and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indenture. The Trustee has not independently passed upon the validity of the 2026 Bonds, the security therefor, the adequacy of the provisions for payment thereof or the exclusion from gross income for federal tax purposes of the interest on the 2026 Bonds. The Trustee may resign or be removed or replaced as provided in the Indenture. See "APPENDIX B—EXTRACTS FROM THE OF GENERAL INDENTURE OF TRUST."

Underwriter

The Underwriter has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter has agreed, subject to certain conditions, to purchase all of the 2026 Bonds from the District at an aggregate price of \$ _____ (which consists of a principal amount of \$ _____, plus [net] original offering premium of \$ _____; less an Underwriter's discount of \$ _____), and to make a public offering of the 2026 Bonds.

The Underwriter has advised the District that the 2026 Bonds may be offered and sold to certain dealers (including dealers depositing the 2026 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside cover page of the OFFICIAL STATEMENT and that such public offering prices may be changed from time to time.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

Municipal Advisor

The District has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the District with respect to preparation for sale of the 2026 Bonds, timing of sale, taxable and tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2026 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the District, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty or warranty respecting the accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The annual comprehensive financial report of the District as of December 31, 2024, included in this OFFICIAL STATEMENT, has been audited by Child Richards CPAs & Advisors, Ogden, Utah (“Child Richards”). See “APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF SNYDERVILLE BASIN WATER RECLAMATION DISTRICT FOR FISCAL YEAR 2024.”

Child Richards has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT

Additional Information

All quotations contained herein from and summaries and explanations of, the State Constitution, statutes, programs, laws of the State, court decisions and the Indenture, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Indenture for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as a representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final by the District for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the District.

Snyderville Basin Water Reclamation District

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APPENDIX A

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF
SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
FOR FISCAL YEAR 2024**

The Annual Comprehensive Financial Report (“ACFR”) of the District are contained herein. *The District’s ACFR for Fiscal Year 2025 must be completed under State law by June 30, 2026.*

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SNYDERVILLE BASIN
**WATER
RECLAMATION
DISTRICT**
PARK CITY, UTAH



Annual Comprehensive Financial Report

For the Fiscal Years Ending December 31, 2024 and 2023

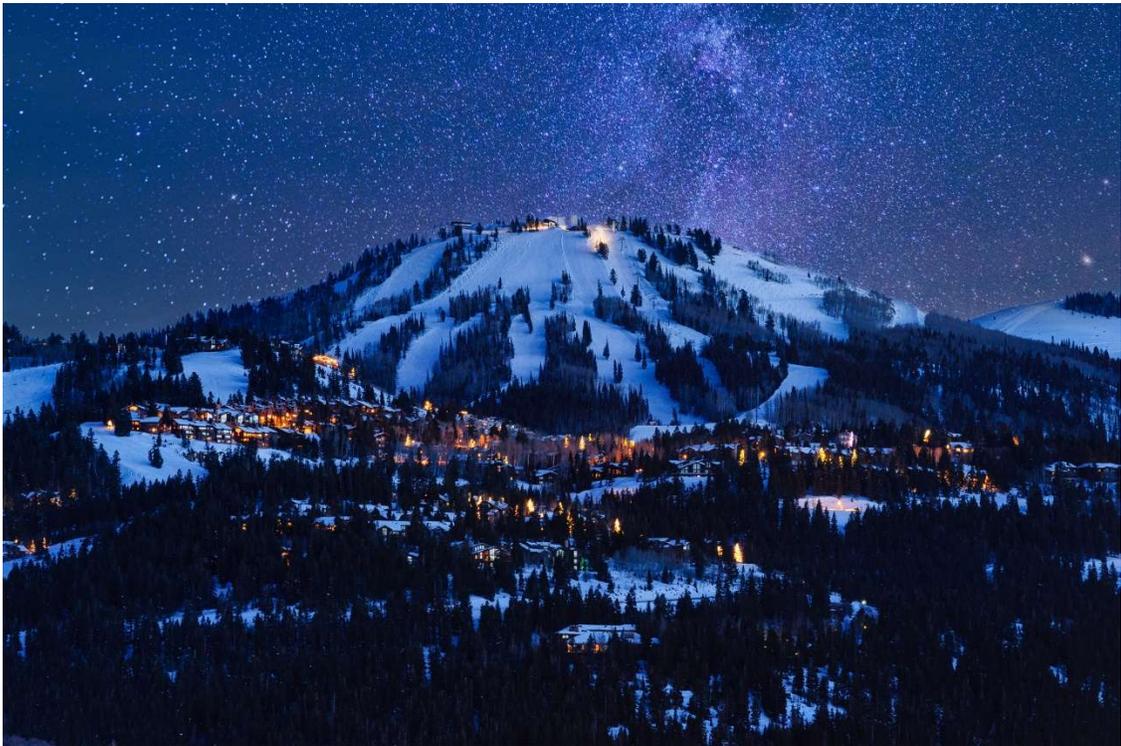
THE QUALITY
OF OUR WATER
REFLECTS THE
QUALITY OF OUR
COMMUNITY

Snyderville Basin Water Reclamation District

Park City, Utah

Annual Comprehensive Financial Report

for the fiscal years ending December 31, 2024 and 2023



Prepared by:
Administration Department

Michael D. Luers
General Manager - Treasurer

Bryan Steele
Finance Manager

Annual Comprehensive Financial Report, December 31, 2024 and 2023

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The Quality
of Our Water
Reflects the
Quality of
Our
Community



Introductory Section



Letter of Transmittal

June 23, 2025

To the Board of Trustees, Ratepayers, and
Interested Parties:

The Annual Comprehensive Financial Report (ACFR) of the Snyderville Basin Water Reclamation District (the District) for the years ending December 31, 2024 and 2023, is submitted herewith. State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation including all disclosures, rests with the District management. We believe that the data presented is accurate in all material respects; that the report is presented in a manner designed to fairly set forth the results of operations of the District; that the report fairly presents the financial position of the District; and that all disclosures necessary to enable the reader to gain a maximum understanding of the District's financial activities have been included.

The Snyderville Basin Water Reclamation District's financial statements have been audited by Child Richards CPA's & Advisors, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal years ending December 31, 2024 and 2023, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District for the fiscal years ending December 31, 2024 and 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Reporting Entity History

The Snyderville Basin Water Reclamation District, Summit County, Utah, operates as an enterprise fund under Utah Code Annotated (UCA), Title 17B. Originally created by the Summit County Board of Commissioners, December 5, 1973, as the Snyderville Basin Sewer Improvement District, the District changed its name in 2001, to more accurately reflect the focus and objectives of its operations. The District provides wastewater collection and treatment services to western Summit County (Snyderville Basin) which includes Park City. To accomplish this purpose, the District has been upgrading and expanding its infrastructure continually to ensure that these assets are maintained in proper working order, provide available capacity, and that they comply with all state and federal regulations. The District encompasses approximately 102 square miles with assets including a collection network comprised of approximately 311 miles of pipeline, two reclamation facilities, one trunkline support facility, ten pump stations, operations buildings, and an administrative office building. The principal place of business and office of the District is in the administrative office building at 2800 Homestead Road, Park City, Summit County, Utah, which building is known and designated as the "District Office." The Board of Trustees is made up of four elected members from the general populace of the District and one member appointed by the Park City Municipal Corporation. The District is not a component unit of any other government.

The regular meetings of the Board of Trustees of the District are generally held on the third Monday of each month at 5:00 p.m. at the District office. The schedule of these meetings can be found on our website at www.sbwrld.org.

Mission Statement and Guiding Principles

Our Mission:

The Snyderville Basin Water Reclamation District is committed to protect public health and the environment by developing, integrating, and implementing fiscally responsible solutions to wastewater, water reclamation and watershed protection issues.

Our Guiding Principles:

1. Provide, through proper planning, the capacity to meet future demand for wastewater services.
2. Provide for the proper maintenance and replacement of the District's infrastructure assets.
3. Provide professional and timely response to customer inquiries and service needs.
4. Operate with the goal of protecting and enhancing the ecological integrity of the watersheds within the District's boundaries.
5. Cooperate with all governmental and private entities that participate in the protection of local watersheds.
6. Maintain user fees at levels that fully cover the costs of operating and maintaining the system and maintain impact fees at levels that fully cover the capital costs of providing service to newly serviced areas.
7. Recognize that the most valuable asset of the District is its employees.
8. Promote and encourage the reclamation and reuse of wastewater.

District Planning Efforts

The Snyderville Basin is located approximately 30 miles east of Salt Lake City, in the Wasatch Mountains, directly along Interstate 80. The District was created in the early 1970's because of a need to adequately serve the western Summit County and Park City area with wastewater services. Because of the rapid growth in the area since 1990, the District has frequently reviewed its growth projections and updated its planning documents. These planning reports have demonstrated the need and timing for construction of reclamation facility expansions and upgrades, solids management facilities, and numerous wastewater collection system improvements.

The District's *Capital Facilities Plan* was updated in October 2022 in accordance with the Utah Impact Fees Act to ensure the District's long-standing Capital Facilities Plan remains in compliance with Utah State Law.

To meet the District's long-term treatment capacity needs, the Board of Trustees adopted policies and objectives to maintain a consistent direction for future District growth. These include:

Engineering Concerns – Objectives

1. To design the collection system and treatment facilities to minimize maintenance and operational costs.
2. To minimize the amount of main line pumping.
3. To provide the most convenient collection lines in public right of way whenever possible.
4. To reduce and minimize infiltration and inflow of surface and ground water.

Fiscal Concerns – Objectives

1. To avoid additional bonded indebtedness.
2. To avoid reliance on continued high growth levels for revenue.

3. To avoid expenditure of public funds for the benefit of private interests.
4. To avoid duplication of needed facilities.

Due to changing development conditions, increased environmental concerns, and more stringent discharge requirements, the District has regularly evaluated infrastructure needs including capacity, project costs, and scheduling. The District's *Capital Facilities Plan* addresses in detail the demand for additional facilities and recommends treatment facility, solids management, and wastewater collection system expansions and improvements to meet those demands. In addition, the Plan estimates construction schedules for new facilities based upon current growth projections; summarizes financial planning and financing policies; and evaluates the costs of the required improvements for each new customer of the District. The Plan also summarizes costs for additional issues such as water quality and solids handling alternatives. It outlines the calculation of each impact fee and key estimating assumptions, decisions, criteria and conclusions for the basis of the fee. It also provides an overview of impact fee administration and outlines the regulatory background governing the imposition of impact fees in Utah.

The District uses 320 gallons per day, peak demand, as the definition of a 1.0 Residential Equivalent (RE) which is currently used in rate calculations. In view of the logic supporting establishment of rates and fees based upon actual volume, planning documents and rate studies have utilized the RE definition in some form. Since wastewater flow is not metered, water usage during the winter season is used for rate calculations to eliminate water used for outside watering and other miscellaneous water use that should not be included in wastewater flows.

The collection system currently delivers wastewater to the two reclamation facilities from, but not limited to, the East Canyon and Silver Creek watersheds. Currently, the District has the capability of splitting all or any portion of the wastewater collected in Park City above the intersection of Highways 224 (Park Avenue) and 248 (Kearns Boulevard) between the two facilities.

State of Utah regulations require reclamation facility planning and design documents to show historical maximum monthly wastewater flows. For several years the District has recognized that influent flows during the spring may be high due to Infiltration/Inflow (I/I). Similarly, wastewater strength is low due to I/I. However, both volume and strength of wastewater increase sufficiently during the ski season, requiring the plants to be designed to treat these high-strength high-volume flows. Therefore, the District uses the maximum 30-day average wastewater influent flow during the ski season for design calculations.

Since the early 1990s the District's service area has experienced considerable growth, both in primary and secondary homes, as well as tourism and other commercial development. The primary metric for District growth is the Residential Equivalent (RE). One RE is equal to 320 gallons of generated wastewater per day or one three-bedroom house. Demand for wastewater service has grown from 4,415

REs in 1990 to 28,871 REs at the end of 2024. During 2024, Sold REs grew by 1.5% over 2023 year-end totals. Given the macroeconomic signs that the economy has slowed in the past few years due to inflation and rising interest rates, growth projections have been cut back to about 1% per year for the next 5-10 years, down from earlier projections of 1.5%-2.0%. The District's growth model is an assemblage of predicted future RE's for all property parcels within the service area. The District uses best information sources such as, developer estimates, platted subdivisions, City and County master plans and City and County zoning densities to determine future RE's. The data show that the District is currently at 62% of potential "build-out." At expected growth rates, the District will be 76% "built-out" by the year 2044, and 87% built-out by 2058. Total "build-out" will require the District to have a combined wastewater treatment plant capacity of 14.8 MGD (millions of gallons per day), which is 1.85 times the current max month capacity of 8 MGD.

The Capital Facility Plan addresses the need for expansion of the facilities, and cash reserves are being set aside to fund a portion of this effort. The District services two world renowned ski resorts, including the largest one in North America, as well as numerous lodging facilities, restaurants and retail establishments.

Policies, Procedures and Fees

The Board of Trustees has established requirements for collection system development and construction through adoption of resolutions, policies, procedures, specifications, guidelines, and standards. These documents are available at the District office. Board of Trustee approval is required prior to design and construction of new wastewater facilities intended to become part of the collection system. As part of the approval, developers pay an application fee as well as a fee to the District for design review, construction inspection and general project coordination performed by the District.

It is the policy of the Board of Trustees of the District to charge equitable fees based on the services received and costs created by or attendant to the provision of wastewater service. These fees are uniformly determined and consider the revenue requirements and costs of the District. The fees include, but are not limited to: user fees, impact fees, annexation fees, application fees, engineering fees, legal fees, pretreatment fees, septage disposal fees, and such fees as may be deemed necessary and prudent by the Board of Trustees. The monthly user rates for wastewater service supplied within the boundaries of the District for the year ending December 31, 2024, are as follows:

1. All users are billed based on water usage when possible. To avoid inclusion of water used for outside irrigation in the computation and because the reclamation facilities are sized for peak months, the fee for these connections is based on winter water usage. Winter water usage is defined as the average monthly usage for the period of November through April of each year. The average is used to determine the fee for the next 12-month period beginning July 1 and ending June 30. Initial residential user billings are based upon one Residential Equivalent (1 R.E.)

being equal to 4,000 gallons of water per month.

2. The 2024 monthly user fee is computed by multiplying the number of residential units or the residential equivalents, whichever is greater, times a service charge of \$33.43 per residential unit and/or residential equivalent, plus a volume charge of \$3.18 per 1,000 gallons of average monthly winter water usage.
3. User fees are charged beginning with the earlier of either a request for "Authorization to Use," or when the District becomes aware the unit or structure is occupied.

The District requires impact fees to be paid prior to the issuance of a building permit by the Summit County or Park City Building Departments. The impact fee is a charge for reservation of wastewater capacity for residential, commercial, and industrial uses as defined in and expended in accordance with the Capital Facilities Plan and Impact Fees Policy. For the 2024 fiscal year end, each residential unit was charged:

- \$4,481 for one living section
- \$8,962 for two living sections
- \$13,443 for three living sections
- \$17,924 for four living sections
- \$22,405 for five living sections
- \$26,886 for six living sections, and an additional 1/3 RE (\$4,481) per living section in excess of six living sections

A living section is defined as a bedroom and/or any space that has reasonable access to a bathroom with bathing facilities and is designed for, can be used for, or can be converted into sleeping space, and which includes a door that can be closed for privacy and a closet. The definition of a living section also includes each 500 square feet of unfinished basement space, excluding stairs, mechanical areas, and areas prohibited from being bedrooms by building codes, which are not otherwise identified for future intended use. In addition, each residential unit and/or residential equivalent is charged a one-time administrative fee equal to 1 percent of the impact fee, with a minimum of \$100.

Approval to design and construct new facilities intended to become part of the existing wastewater collection and treatment system must be obtained from the Board of Trustees by acceptance of a Line Extension Agreement. An applicant must also deposit with the District an engineering services fee of \$750. An additional amount equal to 6 percent of the estimated value of the cost of construction of the proposed collection system improvements are also paid to the District to cover costs incurred relating to system design review, general project coordination and construction inspection of the proposed collection system improvements.

Major Initiatives

While major construction projects are normally done in

conjunction with other infrastructure improvements done by Park City or Summit County, there were a few significant capital renewal projects during 2024 undertaken by the District without involvement by the City or County. During 2024, \$837,578 was spent on replacement of equipment at the East Canyon water reclamation facility including Filter Reject Pumps, Headworks Screens and UV Disinfection. \$190,990 was spent the design and other pre-construction related costs associated with the future expansion of the East Canyon water reclamation facility. \$80,798 was spent on the expenses related to the first year of a multi-year water quality study at the East Canyon water reclamation facility. This study ensures that the effluent the District discharges into a local stream meets stringent EPA and DWQ standards. A total of \$426,161 was spent on the following equipment: 2 new pickups and a track loader for the Collections Department and a new Dump Truck to haul biosolids to landfills.

The District treatment staff conducted seventeen (17) plant tours for school groups, neighbors, and wastewater professionals during 2024. Both reclamation facilities are classified as Grade IV facilities by the State of Utah.

The District wastewater collection system is classified as a Grade III facility (serving a population of 15,001-50,000) by the State of Utah Department of Environmental Quality. State law requires system operators who make process or operational decisions for the system, to be certified at the level of the facility classification. The District wastewater system operators and supervisors are properly certified and receive appropriate training to maintain compliance with state law. System operators also receive training and certification in other areas specific to their work (i.e., Utah Department of Transportation sign placement, flagging, traffic control and safety).

As of 2024 year-end, the District maintained a total of 311 miles of publicly owned wastewater lines (8 to 42 inches in diameter), 7,563 manholes, plus ten pump stations. The operation and maintenance of the wastewater collection system is assigned to a department manager overseeing 16 full-time staff.

One Hundred forty-seven (147) miles (47%) of the collection system was either cleaned or inspected in 2024. There were zero mainline stoppages during the year, meeting the annual goal of the District to have no stoppages in the collection system. We believe this goal can be achieved due to an ongoing preventive maintenance program and an engineering group consisting of professional staff which follows stringent policies and procedures for design, design review and construction. Increased effort in design, design review, and construction inspection helps minimize operational problems. The District also uses television inspections of the wastewater collection system to verify its condition. The total length (in linear feet) of collection lines maintained by the District increased by 14,380 feet or 2.72 miles in 2024.

As part of a state approved Industrial Pretreatment Program, staff identifies, locates and “permits” certain non-residential users of District wastewater facilities. These users are, or may be subject to; District imposed user discharge requirements established to protect the wastewater collection system, reclamation facilities, and system operators from harmful discharges. As reported to the EPA Region 8 and the State of

Utah Department of Water Quality, in 2024, approximately 235 class IV industries were identified, and approximately 542 inspections were performed for compliance. In addition, three categorical industry and two significant users were inspected to verify compliance.

Financial Information

Internal Controls

In evaluating the District’s accounting system, an important consideration is the overall adequacy of internal controls. The District’s systems of internal control over assets recorded in the accounting system have been designed to provide reasonable, but not absolute, assurance of safeguarding assets against loss from unauthorized use or disposition and to ensure the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

Budgetary Controls

Annually, appropriate procedures are established to record the current year’s fiscal requirements for each department in the District. The District’s chart of accounts is used to preserve a distinction between departments. It is designed to provide a uniform and orderly list from which each department can select accounts applicable to its own needs. Managers in each department play an active and important role in controlling expenditures to the approved budget. A tentative budget, which shows actual revenues and expenditures for the last completed fiscal year, estimated total revenues and expenditures for the current year, and estimates for the next year, is adopted on or before the first regularly scheduled Board of Trustees meeting in November. A public hearing is scheduled for the December meeting, at which time the final budget is adopted by the Board of Trustees, by resolution, and is in effect for the ensuing budget year.

Other Information

Local Economy

Summit County is one of 29 counties in Utah and ranked in the middle in population increase in the 2020 census. It is not part of a Metropolitan Area. Statewide population grew 18%, while the county’s population grew 16.6% from 36,324 in 2010 to 42,357 in 2020. It is estimated to be 43,304 in 2024 (most current). For the past several years, Summit County and the Park City area continue to be ranked 1st in the state in per capita personal income.

Summit County is diverse with two world-class ski areas, including the largest resort in North America, on the west side. This contrasts with small towns and ranches on the east side of the county. The work force reflects the diversity of this mountain county with employers representing a spectrum of industries from agriculture and mining to tourism and health services. Summit County, along with the State of Utah, has recovered considerably from the economic downturn that affected the rest of the country, with regional unemployment at 2.8%, well below the national level of 4.1%. Due to continued inflationary pressures and elevated interest rates in 2024, the District saw a slowing of impact fees collected in

2024 compared 2023, 414 RE's were received which was 126% of what was budgeted and down (26%) from 2023 impact fees collected.

Each year, the county's workforce grows as the snow begins to fall. During the winter months the tourism industry is in high gear and employers bulk up their staff levels. But when the skiing season ends in the spring, the work force shrinks. In 2024 the rate was 2.8 percent compared to 5.7 percent rate in the Covid affected 2020. Comparing today's unemployment level with the 7.3 percent in 2009 shows the county employment to be well lower than pre-recession levels of more than a decade ago. According to the 2020 U.S. Census Bureau, Summit County is number 26 on the list of the richest counties (of any size) in the nation (number 1 in Utah), measured by median household income. Because of its proximity to Salt Lake City, the area has become attractive to people who can work from anywhere. Some residents telecommute or have home offices. Others travel for work — like airline employees — and who need close access to a major airport. Park City's year-round outdoor recreation makes it popular for people with enough money to retire early, or who are looking for quality of life in the place they choose to reside. Additionally, Park City has many long-time residents who preserve the community's character, leaving many people a feeling of community. Park City also has an excellent public education system. All of these factors make Summit County an attractive place to locate one's primary residence — not just a place to buy land or have a vacation home — and are some of the reasons the area's economy has not suffered as much as others. According to the Park City Board of Realtors, Park City remains one of North America's premier ski destinations and continues to have the best public education system in the state. They indicate, there will always be a demand to own property in this area. (Refer to the Management's Discussion and Analysis, page eleven for a more detailed discussion on the local economy.)

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Snyderville Basin Water Reclamation District for its comprehensive annual financial report for the fiscal year ended December 31, 2023. This was the twenty-sixth (26th) consecutive year that the government has achieved this prestigious and highest-ranking award of its kind. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. The District plans to make its twenty-seventh (27th) consecutive award application for its 2024 report, immediately after issuing this report.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition to continuing awards for financial excellence, the

District has received the following important accolades for notable performance during 2024:

National:

- Platinum Peak Performance Award by the National Association of Clean Water Agencies (NACWA), East Canyon Water Reclamation Facility (ECWRF), 100% compliance for twenty (20) consecutive years
- Platinum Peak Performance Award (NACWA), Silver Creek Water Reclamation Facility (SCWRF), 100% compliance for twenty-one (21) consecutive years

Acknowledgments

The preparation of this report on a timely basis was made possible through the efficient and dedicated services of the management and staff of the District. We would like to express our appreciation to Child Richards CPAs & Advisors, for their guidance. We would like to thank the Board of Trustees for their interest and support in planning and conducting the financial operation of the District in a responsible and progressive manner.

Respectfully submitted,



Michael D. Luers, General Manager
Treasurer



Bryan Steele, Finance Manager

Board of Trustees

December 2024

Snyderville Basin Water Reclamation District, Utah

2800 Homestead Road
Park City, Utah 84098

Jan Wilking, Chair	Board member since the creation of the District in 1973 Term expires December 2025 Elected as a Park City representative for the District
Mary Ann Pack	Board member since 1998 Term expires December 2025 Elected as a Summit County representative for the District
Bob Richer	Board member since September 2013 Term expires December 2027 Elected as a Summit County representative for the District
Dick Pick	Board member since 2011 Term expires December 2027 Elected as a Park City representative for the District
Ryan Dickey	Board member since April 2022 Appointed by the Park City Council; serves City as councilmember

Management

Management

Michael D. Luers
General Manager - Treasurer

Managers

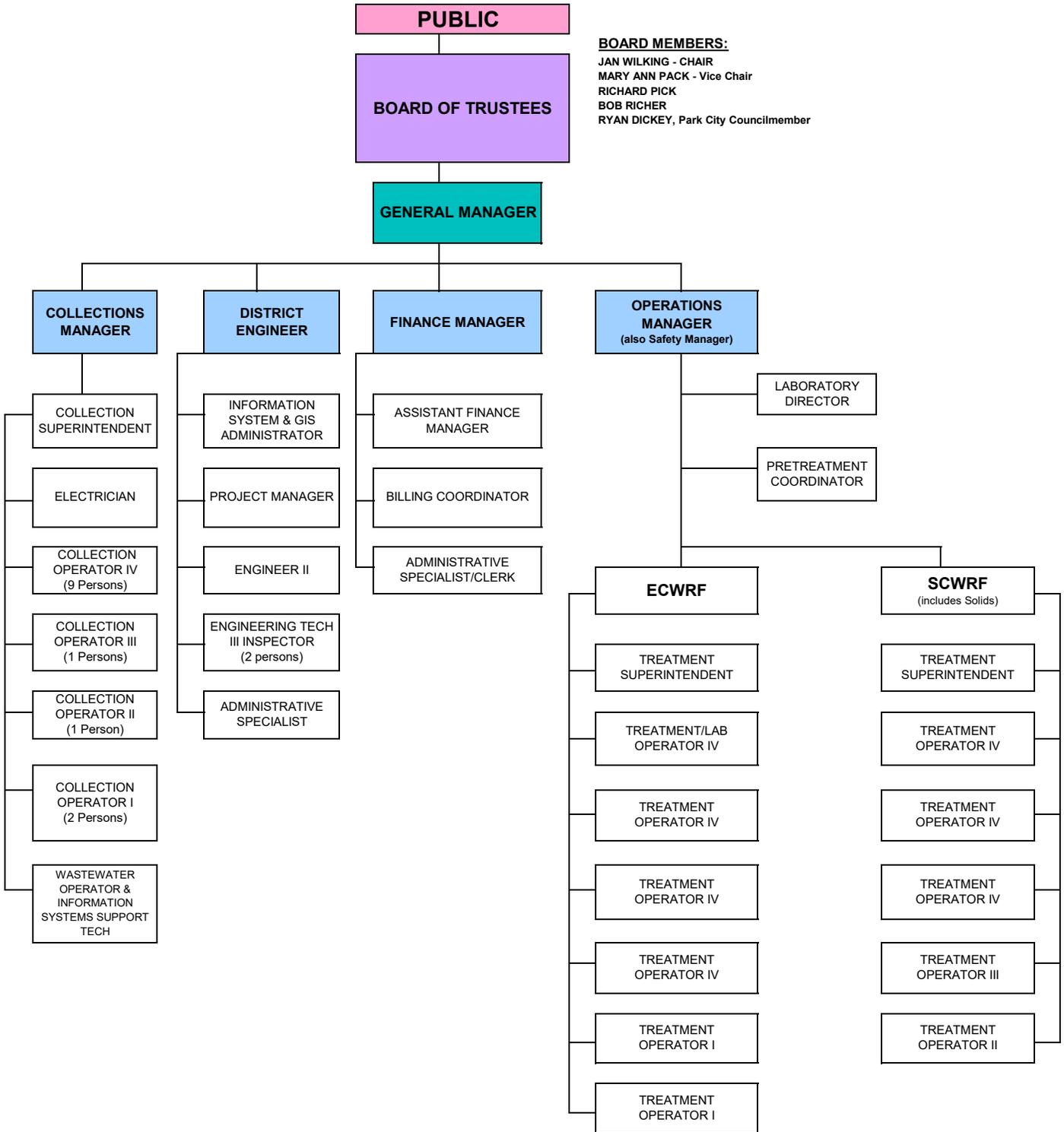
Chad Burrell
Operations Manager

Daniel Olson
Collection System Manager

Kevin Berkley
District Engineer

Bryan Steele
Finance Manager

2024 District Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Snyderville Basin Water Reclamation District
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

The Quality
of Our Water
Reflects the
Quality of Our
Community



Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Snyderville Basin Water Reclamation District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of Snyderville Basin Water Reclamation District as of and for the years ended December 31, 2024 and December 31, 2023, and the related notes to the financial statements, which collectively comprise Snyderville Basin Water Reclamation District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Snyderville Basin Water Reclamation District, as of December 31, 2024 and December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Snyderville Basin Water Reclamation 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 Snyderville Basin Water Reclamation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the modified approach for eligible infrastructure assets, the schedule of the proportionate share of net pension liability, the schedule of contributions, and the notes to the required supplementary information, on pages 4-12 and 41-45 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Snyderville Basin Water Reclamation District's basic financial statements. The schedule of revenues and other sources and expenditures and other uses budget to actual on page 47 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2025, on our consideration of Snyderville Basin Water Reclamation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Snyderville Basin Water Reclamation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Snyderville Basin Water Reclamation District's internal control over financial reporting and compliance.

Child Richards CPAs & Advisors

Ogden, Utah
June 9, 2025

This section of the District's annual comprehensive financial report presents our analysis of the District's financial performance during the fiscal years that ended on December 31, 2024 and December 31, 2023, with comparative totals for December 31, 2022. Please read it in conjunction with the transmittal letter on page "i" and the financial statements which follow this section.

Financial Highlights

Comparative data presented in this analysis is related to changes occurring between 2024 and 2023 and 2023 and 2022.

- The District's net position increased by \$9,520,052 as compared to the \$8,447,434 increase in 2023 (and \$8,906,416 in 2022). This increase in net position as compared to 2023 can be attributed primarily to a few conditions. The main factor contributing to this increase is the Repairs & Maintenance expenses decreased by \$2,235,574 or 43% from 2023. Nondepreciable assets increased by a little over 2 million. Other contributing factors were: an almost a million dollar increase (6.8%) in operating revenues, an almost \$300,000 increase (18.3%) in Capital Contributions (new sewer lines installed by developers and turned over to the District), and a \$150,000+ (11.5%) increase in investment income. These were offset by a \$600,000 increase (9.6%) in wages & benefits and a \$1,800,00 (26%) decrease in impact fee revenues.
- Operating revenues increased by \$936,454 or 6.8% from \$13,688,308 in 2023 to \$14,624,762 in 2024 (compared with an increase of 4.6% from \$13,091,290 in 2022 to \$13,688,308 in 2023). There was a 4% user rate increase during 2024 (compared to a 4% increase in 2023 and a 3% increase in 2022). Operating expenses decreased by \$1,602,771 or 10.7%, from \$14,972,800 in 2023 to \$13,370,029 in 2024 (compared to a 27% increase from 2022 to 2023). This decrease is due primarily to decreases to repair and maintenance (43%), supplies (9.2%) and contractual services (9.2%). These were offset by increases in wages & benefits (9.6%), administration (11.1%) and utilities (4.8%).
- The District's total long-term obligations decreased from \$14,005,038 in 2023 to \$13,162,403 in 2024 (and decreased from \$14,742,549 in 2022 to 14,005,038 in 2023), or from the result of reduction to bond principal outstanding, offset by increases to compensated absences, net pension liability, leases and SBITA agreements.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to the District's basic financial statements. The basic financial statements are comprised of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows and the Notes to the Financial Statements. This report also contains additional required supplementary information on infrastructure assets and pensions, and other supplementary information in addition to the basic financial statements themselves.

The financial statements of the District are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

The *Statements of Net Position* present information on all the District's assets and liabilities, with the difference between the two 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 *Statements of Revenues, Expenses and Changes in Fund Net Position* present information showing how the District's net position changed during the years 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

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flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The Statements of Cash Flows present 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.

Financial Analysis of the District

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

As noted earlier, net position may serve, over time, as a useful indicator of the District's financial position. At the close of 2024, the District's net position was \$209,843,744 up from \$200,323,692 in 2023.

By far, the largest portion of the District's net position (85 percent in 2024 and 87 percent in 2023) reflects its investment in capital assets (e.g., land, buildings, wastewater reclamation facilities, solids handling and other improvements, and equipment), less related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the customers of the District; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position (\$13,221,113 in 2024 and \$10,052,598 in 2023) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$18,114,975 in 2024 and \$15,541,317 in 2023) may be used to meet the District's ongoing obligations to customers and creditors.

Table A-1
Condensed Statements of Net Position

	FY 2024	FY 2023	Dollar Change	Percent Change
Current and Other Assets	\$ 19,414,091	\$ 17,597,109	\$ 1,816,982	10%
Restricted Assets	13,221,113	10,052,598	3,168,515	32%
Lease Receivable	20,565	24,070	(3,505)	-15%
Capital Assets	191,605,983	188,999,052	2,606,931	1%
Total Assets	\$224,261,752	\$216,672,829	7,588,923	4%
Deferred Outflow of Resources	1,795,963	1,410,324	385,639	27%
Total Assets and Deferred Outflows of Resources	\$226,057,715	\$218,083,153	7,974,562	4%
Current Liabilities	3,031,570	3,727,842	(696,272)	-19%
Long Term Obligations	13,162,403	14,005,368	(842,965)	-6%
Total Liabilities	\$ 16,193,973	\$ 17,733,210	(1,539,237)	-9%
Deferred Inflows of Resources	\$ 19,998	\$ 26,161	(6,163)	-24%
Net Position				
Net Investment in capital assets	178,507,656	174,729,777	3,777,879	2%
Restricted for impact fees	13,216,721	10,051,934	3,164,787	31%
Restricted for net pension	-	-	-	0%
Restricted for debt service	4,392	664	3,728	561%
Unrestricted	18,114,975	15,541,317	2,573,658	17%
Total Net Position	\$209,843,744	\$200,323,692	9,520,052	5%
Total Liabilities and Net Position	\$226,057,715	\$218,083,063	\$ 7,974,652	4%

TABLE A-1 (continued)
Condensed Statements of Net Position

	FY 2023	FY 2022	Dollar Change	Percent Change
Current and Other Assets	\$ 17,597,019	\$ 16,985,832	\$ 611,187	4%
Restricted Assets	10,052,598	9,004,573	\$ 1,048,025	12%
Lease Receivable	24,070	27,396	\$ (3,326)	-12%
Net Pension Asset	-	1,847,790	\$ (1,847,790)	-100%
Capital Assets	188,999,052	183,269,365	\$ 5,729,687	3%
Total Assets	\$216,672,739	\$211,134,956	\$ 5,537,783	3%
			-	
Deferred Outflow of Resources	\$ 1,410,324	\$ 1,099,209	311,115	28%
Total Assets and Deferred Outflows of Resources	218,083,063	212,234,165	5,848,898	3%
Current Liabilities	3,727,842	3,350,452	377,390	11%
Long Term Obligations	\$ 14,005,368	\$ 14,472,549	(467,181)	-3%
Total Liabilities	17,733,210	17,823,001	(89,791)	-1%
Deferred Inflows of Resources	26,161	2,534,906	(2,508,745)	-99%
Net Position				
Net Investment in capital assets	174,729,777	166,824,486	6,959,369	4%
Restricted for impact fees	10,051,934	8,572,468	1,479,466	17%
Restricted for net pension	-	431,938	399,642	93%
Restricted for debt service	664	167	497	298%
Unrestricted	15,541,317	16,047,199	(391,540)	-2%
Total Net Position	\$200,323,692	\$191,876,258	\$ 8,447,434	4%
Total Liabilities and Net Position	\$218,083,063	\$209,699,259	\$ 8,357,643	\$ 0

As can be seen from the Table A-1, total assets increased by \$7,589,013 (or 3.5%) to approximately \$224.3 million in 2024, up from approximately \$216.6 million in 2023 (and increased 3% from 2022 to 2023). The overall increase represents an increase to current assets (10%), restricted (31.5%) and capital assets (1%). Lease receivables, which is attributable to the lease the District has with the University of Utah for a helicopter pad rental, decreased by 15%

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (an expense) until then. Deferred outflows for 2024 and 2023, respectively were \$1,795,963 and \$1,410,324 for a total increase of \$385,639 related to pensions. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows for 2024 and 2023, respectively were \$19,998 and \$26,161 for a total decrease of \$6,163.

In 2024, the District's operating revenues increased by 6.8% (see Table A-2), from \$13,688,308 in 2023 to \$14,624,762 in 2024 (and had increased by 5% from 2022 to 2023). Non-operating revenues decreased by \$1,772,622 in 2024. Total operating expenses decreased by \$1,602,771 from \$14,972,800 in 2023 to \$13,370,029 in 2024 (they had increased by \$3,224,557 from 2022 to 2023). Key factors for these changes are:

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- In 2024, impact fee revenues decreased by \$1,847,334 over 2023. At \$9.7 million, 2021 was easily the best year ever for total District impact fees (second best: 2023 at \$7.08 million). Investment income increased 11.5% from \$1.339 million in 2023 to \$1.493 million in 2024.
- Repairs and maintenance expenditures decreased by 43.3%, contractual services decreased 9.2%, wages & benefits increased 9.6% and utilities increased by 4.8% from 2023 to 2024.

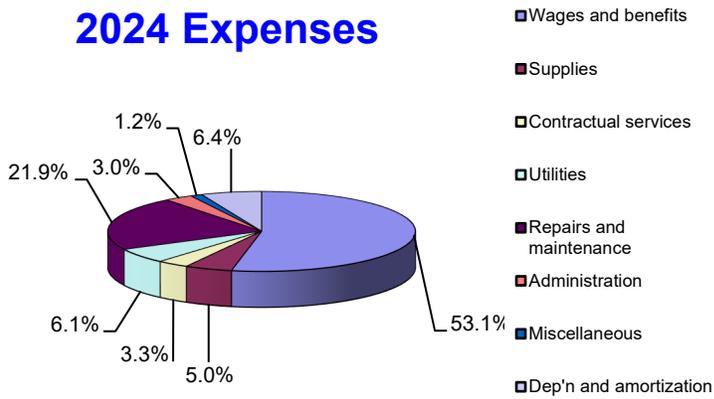
TABLE A-2
Revenues, Expenses and Changes in Net Position

	Fiscal Year 2024	Fiscal Year 2023	Dollar Change	Percent Change
Operating Revenues				
User fees	\$ 14,150,993	\$ 13,452,077	\$ 698,916	5%
Engineering fees	334,181	129,296	204,885	158%
Other operating revenue	139,588	106,935	32,653	31%
Total Operating Revenues	14,624,762	13,688,308	936,454	7%
Non-operating revenues				
Impact fees	5,240,050	7,087,384	(1,847,334)	-26%
Investment income	1,493,492	1,338,924	154,568	12%
Lease and other financing income	2,835	2,835	-	0%
Gain (Loss) on disposal of capital assets	113,662	193,518	(79,856)	-41%
Total Non-operating Revenues	6,850,039	8,622,661	(1,772,622)	-21%
Total Revenue	21,474,801	22,310,969	(836,168)	-4%
Operating Expenses				
Wages and benefits	7,104,269	6,482,841	621,428	10%
Supplies	663,501	730,327	(66,826)	-9%
Contractual services	445,148	490,199	(45,051)	-9%
Utilities	812,143	774,718	37,425	5%
Repairs and maintenance	2,928,749	5,164,323	(2,235,574)	-43%
Administration	397,966	358,082	39,884	11%
Miscellaneous	164,459	136,363	28,096	21%
Dep'n and amortization	853,794	835,947	17,847	2%
Total Operating Expenses	13,370,029	14,972,800	(1,602,771)	-11%
Non-operating Expenses				
Interest expense	419,278	441,290	(22,012)	-5%
Total Non-operating Expenses	419,278	441,290	(22,012)	-5%
Total Expenses	13,789,307	15,414,090	(1,624,783)	-11%
Income before contributions	7,685,494	6,896,879		
Loss on impaired asset	-	-		
Contributions	1,834,558	1,550,555		
Increase in net position	9,520,052	8,447,434		
Net position at beginning of year	200,323,692	191,876,258		
Net position at end of year	\$209,843,744	\$200,323,692		

TABLE A-2
Revenues, Expenses and Changes in Net Position (continued)

	Fiscal Year 2023	Fiscal Year 2022	Dollar Change	Percent Change
Operating Revenues				
User fees	\$ 13,452,077	\$ 12,632,554	\$ 819,523	6%
Engineering fees	129,296	338,688	(209,392)	-62%
Other operating revenue	106,935	120,048	(13,113)	-11%
Total Operating Revenues	13,688,308	13,091,290	597,018	5%
Non-operating revenues				
Impact fees	7,087,384	5,660,169	1,427,215	25%
Investment income	1,338,924	462,992	875,932	189%
Lease and other financing income	2,835	2,835	-	0%
Gain (Loss) on disposal of capital assets	193,518	42,776	150,742	352%
Total Non-operating Revenues	8,622,661	6,168,772	2,453,889	40%
Total Revenue	22,310,969	19,260,062	3,050,907	16%
Operating Expenses				
Wages and benefits	6,482,841	5,275,397	621,428	10%
Supplies	730,327	663,473	66,854	10%
Contractual services	490,199	347,798	142,401	41%
Utilities	774,718	702,413	72,305	10%
Repairs and maintenance	5,164,323	3,575,201	1,589,122	44%
Administration	358,082	319,021	39,061	12%
Miscellaneous	136,363	98,735	37,628	38%
Dep'n and amortization	835,947	766,205	69,742	9%
Total Operating Expenses	14,972,800	11,748,243	3,224,557	27%
Non-operating Expenses				
Interest expense	441,290	468,297	(27,007)	-6%
Total Non-operating Expenses	441,290	468,297	(27,007)	-6%
Total Expenses	15,414,090	12,216,540	3,197,550	26%
Income before contributions	6,896,879	7,043,522		
Loss on impaired asset	-	-		
Contributions	1,550,555	1,862,894		
Increase in net position	8,447,434	8,906,416		
Net position at beginning of year	191,876,258	182,969,842		
Prior period adjustment - GASB 68	-	-		
Net position at beginning of year, as restated	191,876,258	182,969,842		
Net position at end of year	\$200,323,692	\$191,876,258		

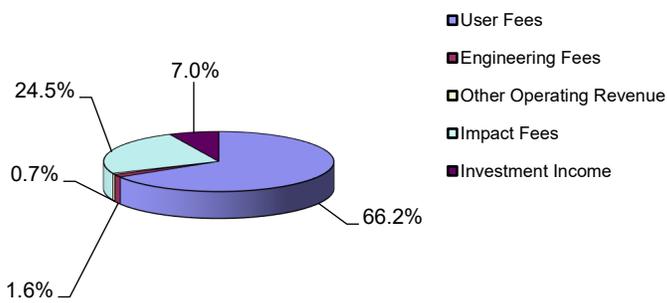
2024 Expenses



2024 Operating Expenses by Source

Wage and Benefits	53.1%
Supplies	5.0%
Contractual Services	3.3%
Utilities	6.1%
Repairs and Maintenance	21.9%
Administration	3.0%
Miscellaneous	1.2%
Depreciation and Amortization	6.4%

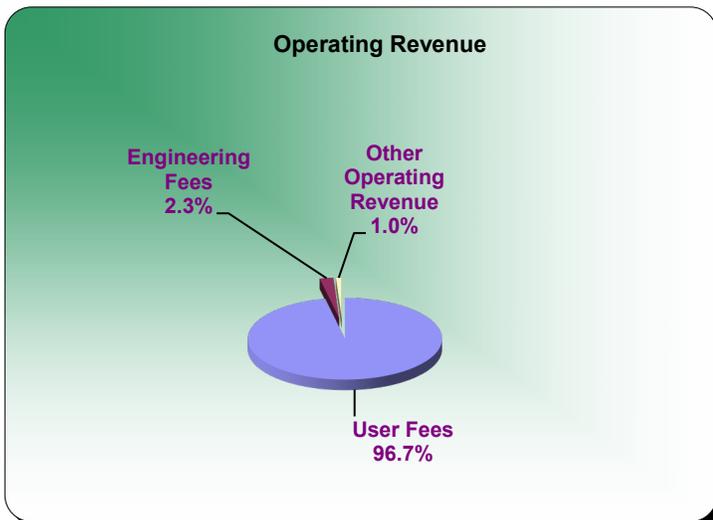
2024 Revenues



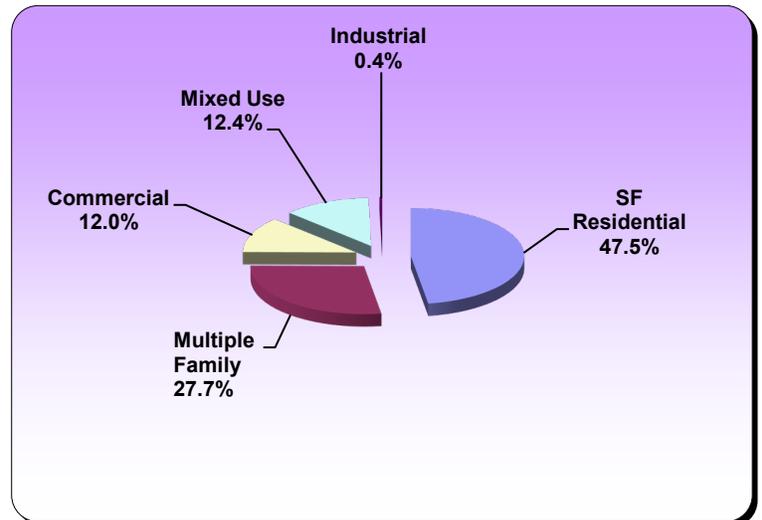
2024 Revenue by Source

User Fees	66.2%
Engineering Fees	1.6%
Other Operating Revenue	0.7%
Impact Fees	24.5%
Investment Income	7.0%

Operating Revenue by Type



User Fee Revenue by Customer Class



Capital Assets and Debt Administration

At the end of 2024 there was \$191.6 million invested in a range of capital assets including land, buildings, water reclamation facilities, solids handling and other improvements, collection systems and equipment, as shown in Table A-3. This represents a net increase of 1.4% over 2023. Additional information on the District's capital assets can be found in Note 3 on pages 27 and 28 of this report.

**TABLE A-3
 Property and Equipment**

	FY 2024	FY 2023	Dollar Change	Percent Change
Land	\$ 683,260	\$ 683,260	\$ -	0.0%
Intangibles	3,750,418	3,672,094	78,324	2.1%
Intangible Right to use assets	94,298	94,298	-	0.0%
Buildings	6,551,498	6,538,046	13,452	0.2%
Water Reclamation Facilities & Improvements	88,040,242	87,874,533	165,709	0.2%
Solids Handling	2,422,157	2,422,157	-	0.0%
Collection System	88,956,617	87,200,384	1,756,233	2.0%
Machinery & Equipment	6,073,426	5,070,238	1,003,188	19.8%
Construction in Progress	16,292,632	16,049,094	243,538	1.5%
Less Accumulated Depreciation	(21,258,565)	(20,605,052)	(653,513)	3.2%
Total	\$ 191,605,983	\$ 188,999,052	\$ 2,606,931	1.4%

	FY 2023	FY 2022	Dollar Change	Percent Change
Land	\$ 683,260	\$ 683,260	\$ -	0.0%
Intangibles	3,672,094	3,607,545	64,549	1.8%
Intangible Right to use assets	94,298	70,387	23,911	34.0%
Buildings	6,538,046	6,487,105	50,941	0.8%
Water Reclamation Facilities & Improvements	87,874,533	87,854,773	19,760	0.0%
Solids Handling	2,422,157	2,422,157	-	0.0%
Collection System	87,200,384	85,714,378	1,486,006	1.7%
Machinery & Equipment	5,070,238	5,210,979	(140,741)	-2.7%
Construction in Progress	16,049,094	11,493,706	4,555,388	39.6%
Less Accumulated Depreciation	(20,605,052)	(20,274,925)	(330,127)	1.6%
Total	\$ 188,999,052	\$ 183,269,365	\$ 5,729,687	3.1%

In 2024, the District continued to upgrade and rehabilitate existing wastewater lines in the District. The District has partnered with Park City Municipal Corporation and Summit County to replace or repair existing wastewater lines during construction of City and County projects.

The 2024 major capital asset additions included:

- Developer contributions of sewer lines..... \$1,834,558
- Dump Truck replacement \$ 168,898
- Track Loader replacement.....\$ 93,561
- Replacement Pickup Trucks for Collections..... \$ 163,702

The 2024 major rehabilitation projects included:

- 2024 Pipe Lining projects (various).....\$ 1,088,885
- East Canyon WRF Expansion Project (preconstruction)..... \$ 185,027
- East Canyon Treatment Facility equipment replacement.....\$ 832,019
- East Canyon Trunkline Rehabilitation Project.....\$ 6,733

Modified Approach to Accounting for Infrastructure

Starting January 1, 2003, the District elected to use the *Modified Approach* to account for its collection and reclamation systems as defined by GASB Statement No. 34. The District manages these systems using GBA software management. The District's Asset Management Plan (AMP) defines a condition rating scale between 1 and 5, with 1 being very good and 5 being very poor. The target levels of service are a rating between 1 and 3. The reclamation facilities were assessed, and zero deficiencies were found below the target level. Of the 7,250 line segments assessed in the collection system, 314 were found to be below the target level, and zero were identified as part of the District's ongoing television inspection efforts. The District inspected 2,494 manholes and 10 pump stations, and all but 104 manholes and all pump stations were at or above the minimum service level established by AMP. In 2024, the District spent \$1,088,885 in system maintenance, which was \$311,115 less than estimated. Funds totaling \$857,200 have been budgeted in 2025 to upgrade the identified and as yet to be identified deficiencies in these systems. In preparation for using this approach, since 2001, the District has budgeted funds for the purpose of replacement and renewal of deficiencies found during the assessment. Additional amounts will be set aside each year to fund unidentified deficiencies. More information about the modified approach can be found in the required supplementary information on pages 40-41 of this report.

Long Term Debt

At year-end, the District had \$14,584,387 in long term obligations outstanding (a decrease of \$834,123) as shown in Table A-4. The District issued its Series 2015 revenue bond with an original amount of \$20,395,000, with a 20-year term at 3.07% average interest rate.

**Table A-4
 Debt (Outstanding at Year End)**

	FY 2024	FY 2023	Dollar Change	Percent Change
Compensated absences	\$ 847,232	\$ 799,601	\$ 47,631	6%
Net Pension Liability	788,991	569,593	219,398	100%
Lease & SBITA Liability	17,147	34,197	(17,050)	-50%
Revenue Bonds Payable	12,931,017	14,015,119	(1,084,102)	-8%
Totals:	\$ 14,584,387	\$ 15,418,510	\$ (834,123)	-5%

	FY 2023	FY 2022	Dollar Change	Percent Change
Compensated absences	\$ 799,601	\$ 736,054	\$ 63,547	9%
Net Pension Liability	569,593	-	569,593	100%
Lease & SBITA Liability	34,197	50,416	(16,219)	-32%
Revenue Bonds Payable	14,015,119	15,074,221	(1,059,102)	-7%
Totals:	\$ 15,418,510	\$ 15,860,691	\$ (442,181)	-3%

As of December 31, 2024, the District had long-term obligations outstanding related to compensated absences due to employees of \$847,232 (\$799,601 in 2023). As of December 31, 2024, the Utah Retirement Systems had calculated the net pension liability to be \$788,991, (\$569,593 as of December 31, 2023). This liability was included in the District's financial statements for the first time as of December 31, 2015 in accordance with the requirements of GASB Statement No. 68, which was adopted by the District as of January 1, 2015. Additional information on the District's Long-term Debt can be found in Note 4 on pages 29-30 of this report.

Bond Rating

The 2015 Revenue Bonds received an 'AA' bond rating from Standard and Poors in February 2015

Economic Factors and Next Year's Budget

Summit County's job growth continued to be strong in 2024 as the unemployment rate (2.8%) is lower than that of the state of Utah and the nation. The percentage of nonfarm jobs added in Summit County increased 4.7%. The main factors affecting these numbers are the rebounding of the leisure and hospitality sectors as the nation and world continue to rebound from the worldwide Covid-19 pandemic. (Source: Utah Department of Workforce Services).

Annual real estate statistics serve as an important barometer of the economic climate in Summit County. Their numbers reflect sales of all types of property including commercial, residential and vacant land. The total value of real estate sold in 2024 was \$4.79 billion in Summit County, compared to \$3.99 billion in 2023, an increase of \$800 million or 20% over the prior year (Source: www.parkcityrealtors.com). Regarding housing, 2024 saw an increase in new construction from 2023. The value of new construction in 2024 was \$283.6 million, almost twice the amount over the \$143.9 million in 2023. (Source: Ivory-Boyer Construction Reports, gardner.utah.edu). With the new administration and potential of implemented tariffs, it will be interesting to see how this trend in new construction total value continues, and how it may affect growth-related revenues for the District and the Basin.

The District saw a 26% decrease in its number of sold RE's during 2024. The average number of sold residential equivalents (RE's) in the District since 2005 has been 523 per year. The number of sold RE's for 2024 was 413.5, which was well below its near historic high from 2021 of 1,080 and down 146.5 REs from 2023. In the past, Summit County had been one of the faster growing counties in the State. However, at .3% population growth for 2024, it fell below the Utah statewide average of 1.5%. The District has revised its growth projections to reflect the current pace within the County. The District estimates growth to be 1.65% through 2025, with it increasing slowly to an average of 1% around 2036, and then tapering off until ultimate "build-out." The philosophy of the District's Board of Trustees has always been for new development to pay its own way through impact fees, and as a result, impact fees have been the primary source of revenue for capacity expansion. The District's *October 2022 Impact Fee Analysis and Development Capital Facilities Plan* shows that the East Canyon Water Reclamation Facility will need to be upgraded with additional capacity within the next several years to keep up with expected growth.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives and manages. If you have questions about this report or need additional information, contact Bryan Steele, the District's Finance Manager at 2800 Homestead Road, Park City, Utah 84098, by phone at (435) 214-5225, or e-mail at bsteale@sbwr-d.ut.gov.

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 18,672,468	\$ 16,729,530
Accounts receivable - net of allowance of \$12,897 in 2024 and \$29,764 in 2023	155,891	204,901
Other receivables	32,451	174,178
Inventory of supplies	491,386	429,928
Prepaid expenses	61,895	58,482
Total Current Assets	19,414,091	17,597,019
<u>NONCURRENT ASSETS:</u>		
Restricted cash and cash equivalents	13,221,113	10,052,598
Lease receivable	20,565	24,070
Net pension asset	-	-
Capital assets		
Land	683,260	683,260
Nondepreciable capital assets	167,856,464	165,856,198
Construction in progress	16,292,632	16,049,094
Net depreciable assets	6,773,627	6,410,500
Total Noncurrent Assets	204,847,661	199,075,720
Total Assets	224,261,752	216,672,739
Deferred outflows of resources - pensions	1,795,963	1,410,324
Total Assets & Deferred Outflows	\$ 226,057,715	\$ 218,083,063

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

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
STATEMENTS OF NET POSITION (Continued)
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
LIABILITIES		
<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 412,353	\$ 1,248,975
Accounts payable from restricted sources	108,210	22,561
Accrued liabilities	1,966	265,411
Accrued interest	144,287	149,983
Customer deposits	942,770	627,770
Current portion, compensated absences	400,000	400,000
Current portion, lease & SBITA liability	6,984	18,142
Current portion long term debt	1,015,000	995,000
Total Current Liabilities	3,031,570	3,727,842
<u>NONCURRENT LIABILITIES:</u>		
Compensated absences, long term portion	447,232	399,601
Lease & SBITA liability	10,163	16,055
Net pension liability	788,991	569,593
Bonds payable	11,916,017	13,020,119
Total Noncurrent Liabilities	13,162,403	14,005,368
Total Liabilities	16,193,973	17,733,210
Deferred inflows of resources - leases	14,175	17,010
Deferred inflows of resources - pensions	5,823	9,151
Total Deferred Inflows of Resources	19,998	26,161
Total Liabilities & Deferred Inflows	16,213,971	17,759,371
NET POSITION		
Net investment in capital assets	178,507,656	174,729,777
Restricted for impact fees	13,216,721	10,051,934
Restricted for net pension	-	-
Restricted for debt service	4,392	664
Unrestricted	18,114,975	15,541,317
Total Net Position	\$ 209,843,744	\$ 200,323,692

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

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES		
Sewer use fees	\$ 14,150,993	\$ 13,452,077
Engineering fees	334,181	129,296
Other operating revenues	139,588	106,935
Total Operating Revenues	<u>14,624,762</u>	<u>13,688,308</u>
OPERATING EXPENSES		
Wages and benefits	7,104,269	6,482,841
Supplies	663,501	730,327
Contractual services	445,148	490,199
Utilities	812,143	774,718
Repairs and maintenance	2,928,749	5,164,323
Administration	397,966	358,082
Miscellaneous	164,459	136,363
Amortization	25,728	24,400
Depreciation	828,066	811,547
Total Operating Expenses	<u>13,370,029</u>	<u>14,972,800</u>
Net Operating Income	<u>1,254,733</u>	<u>(1,284,492)</u>
NON-OPERATING REVENUES (EXPENSES)		
Impact fees (pledge as security for revenue bonds)	5,240,050	7,087,384
Investment income	1,493,492	1,338,924
Interest expense	(419,278)	(441,290)
Lease and other financing income	2,835	2,835
Gain (loss) on disposal of capital assets	113,662	193,518
Total Non-Operating Revenues	<u>6,430,761</u>	<u>8,181,371</u>
Net income (loss) before contributions	7,685,494	6,896,879
Capital contributions	1,834,558	1,550,555
Change in Net Position	9,520,052	8,447,434
Net Position - Beginning of Year	<u>200,323,692</u>	<u>191,876,258</u>
Net Position - End of Year	<u>\$ 209,843,744</u>	<u>\$ 200,323,692</u>

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

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 15,135,299	\$ 13,654,710
Payments to suppliers of goods and services	(6,227,810)	(7,130,608)
Payments to employees	(7,489,652)	(6,789,223)
Net cash provided (used) by operating activities	<u>1,417,837</u>	<u>(265,121)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income collected	<u>1,492,018</u>	<u>1,337,450</u>
Net cash provided (used) by investing activities	<u>1,492,018</u>	<u>1,337,450</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Impact fees collected	5,240,050	7,087,384
Purchase and construction of capital assets	(1,644,233)	(5,007,449)
Proceeds from sale of capital assets	125,601	209,728
Reduction of long-term obligations	(995,000)	(970,000)
Reduction of finance lease liability	(11,795)	(42,053)
Interest payments made on long-term obligations	(513,025)	(534,850)
Net cash provided (used) by capital and related financing activities	<u>2,201,598</u>	<u>742,760</u>
Net increase (decrease) in cash and cash equivalents	5,111,453	1,815,089
Balance - Beginning of the year	<u>26,782,128</u>	<u>24,967,039</u>
Balance - End of the year	<u><u>\$ 31,893,581</u></u>	<u><u>\$ 26,782,128</u></u>
Current cash and cash equivalents	\$ 18,672,468	\$ 16,729,530
Noncurrent restricted cash and cash equivalents	<u>13,221,113</u>	<u>10,052,598</u>
Total cash and cash equivalents, end of year	<u><u>\$ 31,893,581</u></u>	<u><u>\$ 26,782,128</u></u>

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

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
STATEMENTS OF CASH FLOWS (Continued)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 1,254,733	\$ (1,284,492)
Adjustment to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation & amortization expense	853,794	835,947
(Increase) decrease in accounts receivable	49,010	(20,545)
(Increase) decrease in intergovernmental receivables	-	-
(Increase) decrease in other receivables	141,727	87,311
(Increase) decrease in lease receivables	4,800	4,800
(Increase) decrease in inventory	(61,458)	94,724
(Increase) decrease in prepaid expenses	(3,413)	(5,613)
Increase (decrease) in accounts payable	(703,504)	406,682
Increase (decrease) in non-operating accounts payable	(47,469)	27,611
Increase (decrease) in accrued liabilities	(263,445)	29,713
Increase (decrease) in compensated absences payable	47,631	63,547
Increase (decrease) in net pension asset/liability	(169,569)	(399,642)
Collection (refund) of deposits	315,000	(105,164)
Total Adjustments	<u>163,104</u>	<u>1,019,371</u>
Net cash provided by operating activities	<u>\$ 1,417,837</u>	<u>\$ (265,121)</u>
Non-cash transactions affecting financial position:		
Contributions of capital assets from developers	<u>1,834,558</u>	<u>1,550,555</u>
Total non-cash transactions	<u>\$ 1,834,558</u>	<u>\$ 1,550,555</u>

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

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Snyderville Basin Water Reclamation District (the District) was established under the laws of the State of Utah in 1973 by resolution of the Board of County Commissioners of Summit County, Utah (the County). The District operates under the direction of an elected Board of Trustees. The purpose of the District is to acquire and operate a system for the collection, treatment, and reclamation of wastewater. The District includes parts of Summit and Wasatch Counties. Park City is within the District's boundaries.

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

A. Reporting Entity

The County does not impose will or have a financial benefit, burden or dependency relationship with the District and therefore, the District is not considered a component unit of the County. There are no entities that are component units of the District.

B. Basic Financial Statements and Basis of Accounting

The District is a government entity accounted for as an enterprise fund and categorized as a business-type activity. Operations are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The records of the District are maintained on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Nonoperating revenues and expenses are those related to capital and related financing, noncapital financing, or investing activities.

C. Budgetary Data

On an annual basis, the District prepares a tentative budget which is adopted on or before its regularly scheduled meeting of the board of trustees in November. A public hearing is scheduled for the meeting in December. The final budget is also adopted by resolution at its regularly scheduled board meeting in December.

The budget is adopted on a basis consistent with GAAP with the following exceptions:

- Bond principal retired is budgeted as nonoperating expenses.
- Depreciation is not budgeted.
- Capital expenses are budgeted as nonoperating expenses.
- Proceeds from issuing long-term debt are budgeted as other sources.

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balance/Net Position

Cash & Cash Equivalents and Investments

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

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

Inventories

Inventories are recorded at the cost on a first-in, first-out basis.

Capital assets

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 5 years. The District records its capital assets at cost. Contributed capital assets are valued at acquisition value on the date of contribution. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Maintenance and repairs are charged to current period operating expenses, whereas additions and improvements are capitalized.

Beginning January 1, 2003, the District elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting of its wastewater collection and treatment system. The District performed a physical condition assessment of this system during 2003. Using this approach, the District capitalizes the cost of its collection and treatment system but does not report depreciation expense for those assets. Instead, the District reports all collection and treatment system expenses as expenses in the period incurred unless those expenses improve on the system’s original condition or add to its capacity. These additions or improvements are not expensed but added to the historical cost of the assets. The District uses an asset management system to provide an up-to-date inventory of its assets, perform condition assessments on the system at least once every three years, and estimates an annual amount needed to maintain the system at a specified condition level.

Depreciation of property and equipment has been provided using the straight-line method over the following estimated useful lives:

	Years
Buildings	35
Improvements	20-35
Machinery and equipment	1-5

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balance/Net Position (Continued)

Intangible assets

Following the guidance of GASB Statement No. 51, effective December 1, 2010, the District began recording donated intangible assets meeting the criteria outlined in GASB Statement No. 51 at fair value. The District has not retroactively reported donated intangible assets because adequate records to determine or estimate historical costs were not available. The intangible assets of the District consist of easements.

Restricted Assets

Certain resources set aside as reserves in accordance with District resolutions and State statutes are classified as restricted assets on the Statement of Net Position because their use is limited.

Long-term Obligations

In the proprietary fund financial statements, long-term debt obligations are reported as liabilities.

Net Position/Fund Balances

The difference between assets and liabilities is *net position* on the financial statements. The District's net position is classified as follows:

Net investment in capital assets – This component of net position consists of the District's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations and deferred inflows of resources related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of the net investment in capital assets.

Restricted for impact fees – This component of net position consists of unexpended impact fees required to be used as designated in the capital facilities plan.

Restricted for debt service – This component of net position consists of debt service requirements.

Restricted for net pension – This component of net position consists of the portion of net position restricted for pension amounts.

Unrestricted – This component of net position consists of the portion of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Fund Balance/Net Position (Continued)

Net Position/Fund Balances, Continued

The calculations on the net investment in capital assets balance are as follows:

	2024	2023
Capital Assets, Net of Depreciation		
Land	\$ 683,260	\$ 683,260
Nondepreciable capital assets	167,856,464	165,856,198
Construction in progress	16,292,632	16,049,094
Net depreciable assets	6,773,627	6,410,500
	191,605,983	188,999,052
Less Related Outstanding Debt		
Lease & SBITA liability	(17,147)	(34,197)
Current portion long term debt	(1,015,000)	(995,000)
Noncurrent portion long term debt	(11,025,000)	(12,040,000)
	(12,057,147)	(13,069,197)
Less Unamortized Bond Premium	(891,017)	(980,119)
Less Capital Related Liabilities		
Construction-related accounts payable	(108,210)	(155,679)
Retainage payable	(41,953)	(64,280)
	(150,163)	(219,959)
Net Investment in Capital Assets	\$ 178,507,656	\$ 174,729,777

E. Revenues and Expenses

The following are the District’s significant policies related to recognition and reporting of certain revenues and expenses.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the District. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the District.

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Recognition

When an expense is incurred for the purpose for which both restricted and unrestricted resources are available, the District generally uses restricted resources first, then unrestricted resources.

F. Contributions

Certain proprietary fund types receive contributions for aid in construction from various sources. With the adoption of GASB No. 33, these contributions that were formerly credited directly to contributed capital accounts are now reflected as non-operating revenue.

G. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operation.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Receivables

Receivables include amounts due from customers primarily for services. These receivables are due within one month of billing. An allowance for doubtful accounts is maintained as an estimate of collectability. As of December 31, 2024, and December 31, 2023, the balance of this account was \$12,897 and \$29,764, respectively. When an amount is deemed to be uncollectible, the receivable will be written off at that time.

J. Pensions

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

K. Deferred outflows/inflows of resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (an expense) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category.

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred outflows/inflows of resources (Continued)

Deferred inflows of resources - pensions represents the differences between expected and actual experience and changes in assumptions as a participant in the Utah Retirement Systems. *Deferred inflows of resources - leases* represents the value of the lease receivable (present value of lease payments expected to be received during the lease term) plus any payments received at or before the commencement of the lease term that relate to future periods.

L. Leases

The District has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. The statement establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

M. Adoption of New Accounting Standard

During 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and more likely than not will be used and has not yet been paid. A liability has been recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be paid.

NOTE 2 – DEPOSITS AND INVESTMENTS

The District's deposits and investing are governed by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) and rules of the State of Utah Money Management Council.

The District's policy provides that the maximum unsecured deposits invested with any one Utah bank shall be limited to 5% of that bank's capital and deposit base.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the District deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. As of December 31, 2024, \$921,808 of the District's bank balances of \$1,176,200 was uninsured and uncollateralized.

The District has no formal policy regarding deposit credit risk.

Investments

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

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories; negotiable certificates of deposits must be equal to, or less than, 97% of the FDIC limit. The purchase price of the negotiable deposit must be equal to or less than par; repurchase and reverse repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government-sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed-rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers’ Investment Fund.

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of December 31, 2024, the District's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	\$ 30,849,843	\$ 30,849,843	\$ -	\$ -	\$ -
	<u>\$ 30,849,843</u>	<u>\$ 30,849,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2023, the District's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	\$ 25,296,985	\$ 25,296,985	\$ -	\$ -	\$ -
	<u>\$ 25,296,985</u>	<u>\$ 25,296,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

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

At December 31, 2024, Snyderville Basin Water Reclamation District's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	\$ 30,849,843	\$ -	\$ -	\$ -	\$ 30,849,843
	<u>\$ 30,849,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,849,843</u>

At December 31, 2023, Snyderville Basin Water Reclamation District's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	\$ 25,296,985	\$ -	\$ -	\$ -	\$ 25,296,985
	<u>\$ 25,296,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,296,985</u>

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

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

Custodial Credit Risk

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

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

	2024	2023
Cash on hand and on deposit:		
Cash on deposit	\$ 1,038,146	\$ 1,483,279
Petty cash	1,200	1,200
Current debt service	4,392	664
PTIF investment	30,849,843	25,296,985
Total cash and investments	\$ 31,893,581	\$ 26,782,128

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

Cash and cash equivalents	\$ 18,672,468	\$ 15,897,950
Restricted cash and cash equivalents	13,221,113	10,884,178
Total cash and investments	\$ 31,893,581	\$ 26,782,128

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 3 – CAPITAL ASSETS

BUSINESS-TYPE ACTIVITIES	<u>Balance December 31, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2024</u>
Nondepreciable Assets				
Land	\$ 683,260	\$ -	\$ -	\$ 683,260
Intangibles	3,672,094	78,324	-	3,750,418
Construction in progress	16,049,094	281,121	(37,583)	16,292,632
Infrastructure:				
Water reclamation facilities and improvements	87,874,533	873,488	(707,779)	88,040,242
Collection system	87,200,384	1,756,233	-	88,956,617
Accumulated depreciation on infrastructure assets prior to January 1, 2003	<u>(12,890,813)</u>	<u>-</u>	<u>-</u>	<u>(12,890,813)</u>
Total nondepreciable assets	<u>182,588,552</u>	<u>2,989,166</u>	<u>(745,362)</u>	<u>184,832,356</u>
Depreciable Assets				
Buildings	6,538,046	13,452	-	6,551,498
Solids handling and other improvements	2,422,157	-	-	2,422,157
Intangible Right-of-use lease - equip.	41,823	-	-	41,823
Intangible Right-of-use - software	52,475	-	-	52,475
Machinery and equipment	<u>5,070,238</u>	<u>1,217,084</u>	<u>(213,896)</u>	<u>6,073,426</u>
Total depreciable assets	<u>14,124,739</u>	<u>1,230,536</u>	<u>(213,896)</u>	<u>15,141,379</u>
Less Accumulated Depreciation				
Buildings	(2,604,776)	(218,571)	-	(2,823,347)
Solids handling and other improvements	(1,848,066)	(69,204)	-	(1,917,270)
Intangible Right-of-use lease - equip.	(21,639)	(8,237)	-	(29,875)
Intangible Right-of-use - software	(24,891)	(17,491)	-	(42,382)
Machinery and equipment	<u>(3,214,867)</u>	<u>(540,291)</u>	<u>200,280</u>	<u>(3,554,878)</u>
Total accumulated depreciation	<u>(7,714,239)</u>	<u>(853,794)</u>	<u>200,280</u>	<u>(8,367,752)</u>
Net depreciable assets	<u>6,410,500</u>	<u>376,742</u>	<u>(13,616)</u>	<u>6,773,627</u>
Business-type activities - net	<u>\$ 188,999,052</u>	<u>\$ 3,365,908</u>	<u>\$ (758,978)</u>	<u>\$191,605,983</u>
Amortization & Depreciation Expense:				
December 31, 2024		<u>\$ 853,794</u>		

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 3 – CAPITAL ASSETS (CONTINUED)

BUSINESS-TYPE ACTIVITIES	<u>Balance December 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>
Nondepreciable Assets				
Land	\$ 683,260	\$ -	\$ -	\$ 683,260
Intangibles	3,607,545	64,549	-	3,672,094
Construction in progress	11,493,706	4,555,388	-	16,049,094
Infrastructure:				
Water reclamation facilities and improvements	87,854,773	19,760	-	87,874,533
Collection system	85,714,378	1,486,006	-	87,200,384
Accumulated depreciation on infrastructure assets prior to January 1, 2003	<u>(12,890,813)</u>	<u>-</u>	<u>-</u>	<u>(12,890,813)</u>
Total nondepreciable assets	<u>176,462,849</u>	<u>6,125,703</u>	<u>-</u>	<u>182,588,552</u>
Depreciable Assets				
Buildings	6,487,105	50,941	-	6,538,046
Solids handling and other improvements	2,422,157	-	-	2,422,157
Intangible Right-of-use lease – equip.	41,823	-	-	41,823
Intangible Right-of-use - software	28,564	23,911	-	52,475
Machinery and equipment	<u>5,210,979</u>	<u>381,360</u>	<u>(522,101)</u>	<u>5,070,238</u>
Total depreciable assets	<u>14,190,628</u>	<u>456,212</u>	<u>(522,101)</u>	<u>14,124,739</u>
Less Accumulated Depreciation				
Buildings	(2,389,890)	(214,886)	-	(2,604,776)
Solids handling and other improvements	(1,778,862)	(69,204)	-	(1,848,066)
Intangible Right-of-use lease – equip.	(13,402)	(8,237)	-	(21,639)
Intangible Right-of-use - software	(8,728)	(16,163)	-	(24,891)
Machinery and equipment	<u>(3,193,230)</u>	<u>(527,457)</u>	<u>505,820</u>	<u>(3,214,867)</u>
Total accumulated depreciation	<u>(7,384,112)</u>	<u>(835,947)</u>	<u>505,820</u>	<u>(7,714,239)</u>
Net depreciable assets	<u>6,806,516</u>	<u>(379,735)</u>	<u>(16,281)</u>	<u>6,410,500</u>
Business-type activities - net, restated	<u>\$ 183,269,365</u>	<u>\$ 5,745,968</u>	<u>\$ (16,281)</u>	<u>\$188,999,052</u>

Amortization & Depreciation Expense:

December 31, 2023 \$ 835,947

Effective January 1, 2003, the District elected to use the “Modified Approach” as defined by GASB Statement No. 34 for infrastructure reporting for its water reclamation treatment and collection system. As a result, no additional accumulated depreciation or depreciation expense has been recorded for these systems since December 31, 2002. All other capital assets were reported using the “Basic Approach” whereby accumulated depreciation and depreciation expense have been recorded.

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

NOTE 4 – LONG-TERM OBLIGATIONS

All long-term obligations other than compensated absences issued by the District have provided funds for the acquisition and construction of major capital facilities.

Outstanding Debt at Year End

	<u>2024</u>	<u>2023</u>
Compensated absences	\$ 847,232	\$ 799,601
Lease & SBITA liability	17,147	34,197
Net pension liability	788,991	569,593
2015 Sewer revenue bonds		
\$20,395,000 sewer revenue bonds due serially through September 15, 2034 with interest ranging from 2.0% to 5.0%	<u>12,931,017</u>	<u>14,015,119</u>
	14,584,387	15,418,510
Less current maturities of long-term obligations	<u>(1,421,984)</u>	<u>(1,413,142)</u>
Total	<u>\$ 13,162,403</u>	<u>\$ 14,005,368</u>

The outstanding revenue bonds are secured by a first lien on net revenues earned by the District. Net revenues are defined in the revenue bond agreements. The District is required to establish user fees and rates that will yield net revenues equal to at least 1.25 times revenue bond debt service that will become due in the following fiscal year. Also, net revenues exclusive of Impact Fees are required to equal at least 1.00 times revenue bond debt service that will become due in the following year.

<u>Description</u>	<u>Balance</u> <u>December 31, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2024</u>	<u>Current</u> <u>Portion</u>
Compensated absences	\$ 799,601	\$ 462,637	\$ (415,006)	\$ 847,232	\$ 400,000
Net pension liability	569,593	219,398	-	788,991	-
Lease & SBITA liability	34,197	1,092	(18,142)	17,147	6,984
Revenue bonds payable	<u>14,015,119</u>	<u>-</u>	<u>(1,084,102)</u>	<u>12,931,017</u>	<u>1,015,000</u>
Total	<u>\$ 15,418,510</u>	<u>\$ 683,127</u>	<u>\$ (1,517,250)</u>	<u>\$ 14,584,387</u>	<u>\$ 1,421,984</u>

<u>Description</u>	<u>Balance</u> <u>December 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2023</u>	<u>Current</u> <u>Portion</u>
Compensated absences	\$ 736,054	\$ 511,486	\$ (447,939)	\$ 799,601	\$ 400,000
Net pension liability	-	569,593	-	569,593	-
Lease & SBITA liability	50,416	25,834	(42,053)	34,197	18,142
Revenue bonds payable	<u>15,074,221</u>	<u>-</u>	<u>(1,059,102)</u>	<u>14,015,119</u>	<u>995,000</u>
Total	<u>\$ 15,860,691</u>	<u>\$ 1,106,913</u>	<u>\$ (1,549,094)</u>	<u>\$ 15,418,510</u>	<u>\$ 1,413,142</u>

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 4 – LONG-TERM OBLIGATIONS (CONTINUED)

The annual debt service requirements to maturity, including principal and interest, for long-term obligations, exclusive of compensated absences, the lease liability, and the net pension liability as of December 31, 2024, are as follows:

Year Ending December 31,	Principal	Interest	Interest Rate	Total Debt Service
2025	\$ 1,015,000	\$ 488,150	2.50%	\$ 1,503,150
2026	1,045,000	462,775	3.50%	1,507,775
2027	1,080,000	426,200	4.00%	1,506,200
2028	1,120,000	383,000	4.00%	1,503,000
2029	1,165,000	338,200		1,503,200
2030-2034	6,615,000	912,600	4.00% - 4.50%	7,527,600
	<u>12,040,000</u>	<u>3,010,925</u>		<u>15,050,925</u>
Unamortized Premium	891,017	(891,017)		-
	<u>\$ 12,931,017</u>	<u>\$ 2,119,908</u>		<u>\$ 15,050,925</u>

SBITA Liability

SBITA Liability - \$52,475 has been recorded as intangible right-to-use software arrangements in capital assets. Due to the implementation of GASB Statement No. 96, these arrangements for core network products and Geographic Information System technology (GIS) met the criteria of a SBITA; thus, requiring it to be recorded by the District as intangible assets and a SBITA liability. These assets will be amortized over the lease terms of three years. There are no residual value guarantees in the arrangement provisions. The core network software arrangement will end in 2026 and the GIS software arrangement ended in 2024. There are no principal and interest payments due as of 2024.

NOTE 5 – PLEDGED REVENUES

The District has pledged a portion of future sewer use fees totaling \$15,050,925 to pay debt service on sewer revenue bonds issued in 2015. These bonds will be used to finance the expansion of the District’s Silver Creek Water Reclamation Facility. The bonds are payable solely from sewer use fees which will be committed to the repayment of the bonds until 2034. These revenues were projected to produce approximately 1,041% of the debt service requirements over the life of the bonds. For the current year, net revenues were \$11,180,442 and debt service on the 2015 bonds was \$1,508,025 which was paid from pledged revenues.

NOTE 6 - COMPENSATED ABSENCES

Liabilities for compensated absences are recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 6 - COMPENSATED ABSENCES (CONTINUED)

Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. Compensated absences are measured and reported under the economic resources measurement focus, but not on the current financial resources measurement focus.

NOTE 7 - PENSION PLAN

General Information about the Pension Plan

Plan Description:

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

Defined Benefit Plans

- 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 Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Benefits Provided:

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

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – PENSION PLAN (CONTINUED)

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%
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 2.5%

*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 Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary:

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

Contribution rates as of December 31, 2024 are as follows:

Utah Retirement Systems

	Tier 2 Fund	Employee	Employer	Employer 401(k)
Noncontributory System				
15 - Local Government				
Tier 1 - DB System	N/A	N/A	16.97	N/A
Tier 2 - DB Hybrid System	111	0.7	15.19	N/A
Tier 2 - 401(k) Option	211	N/A	5.19	10

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

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – PENSION PLAN (CONTINUED)

For fiscal year ended December 31, 2024, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 554,923	\$ -
Tier 2 Public Employees System	199,207	4,471
Tier 2 DC Only System	11,344	-
Total Contributions	\$ 765,474	\$ 4,471

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

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

At December 31, 2024, we reported a net pension asset of \$0 and a net pension liability of \$788,991.

(Measurement Date): December 31, 2023

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 713,172	0.3074591%	0.3098341%	-0.0023750%
Tier 2 Public Employees System	-	75,819	0.0389540%	0.0357469%	0.0032071%
	\$ -	\$ 788,991			

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 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, 2024, we recognized pension expense of \$595,759. At December 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – PENSION PLAN (CONTINUED)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 523,655	\$ 1,242
Changes in assumptions	257,407	59
Net difference between projected and actual earnings on pension plan investments	240,479	-
Changes in proportion and differences between contributions and proportionate share of contributions	8,948	4,522
Contributions subsequent to the measurement date	765,474	-
Total	<u>\$ 1,795,963</u>	<u>\$ 5,823</u>

\$765,474 reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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,	Net Deferred Outflows (Inflows) of Resources
2024	\$ 317,102
2025	304,001
2026	453,303
2027	(91,897)
2028	7,574
Thereafter	34,582

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

For the year ended December 31, 2024, we recognized pension expense of \$496,914. At December 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 499,371	\$ -
Changes in assumptions	214,008	-
Net difference between projected and actual earnings on pension plan investments	231,917	-
Changes in proportion and differences between contributions and proportionate share of contributions	762	3,306
Contributions subsequent to the measurement date	554,923	-
Total	<u>\$ 1,500,981</u>	<u>\$ 3,306</u>

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – PENSION PLAN (CONTINUED)

\$554,923 reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 310,129
2025	294,008
2026	436,019
2027	(97,406)
2028	-
Thereafter	-

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

For the year ended December 31, 2024, we recognized pension expense of \$98,845. At December 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 24,284	\$ 1,242
Changes in assumptions	43,399	59
Net difference between projected and actual earnings on pension plan investments	8,562	-
Changes in proportion and differences between contributions and proportionate share of contributions	8,186	1,216
Contributions subsequent to the measurement date	210,551	-
Total	<u>\$ 294,982</u>	<u>\$ 2,517</u>

\$210,551 reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 6,973
2025	9,993
2026	17,284
2027	5,509
2028	7,574
Thereafter	34,582

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – PENSION PLAN (CONTINUED)

Actuarial assumptions:

The total pension liability in the December 31, 2023 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, 2023 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%	6.87%	2.40%
Debt Securities	20%	1.54%	0.31%
Real Assets	18%	5.43%	0.98%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	3.86%	0.58%
Cash and Cash Equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

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

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – PENSION PLAN (CONTINUED)

Discount Rate:

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

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

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) 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:

<u>System</u>	<u>1% Decrease (5.85%)</u>	<u>Discount Rate (6.85%)</u>	<u>1% Increase (7.85%)</u>
Noncontributory System	\$ 3,701,322	\$ 713,171	\$ (1,789,202)
Tier 2 Public Employees System	260,504	75,820	(67,404)
Total	\$ 3,961,826	\$ 788,991	\$ (1,856,606)

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

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.

Snyderville Basin Water Reclamation district participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 7 – PENSION PLAN (CONTINUED)

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

<u>401(k) Plan</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Employer Contributions	\$ 568,573	\$ 597,312	\$ 477,822
Employee Contributions	174,460	161,812	193,482
<u>457 Plan</u>			
Employer Contributions	-	-	-
Employee Contributions	91,796	87,626	107,134
<u>Roth IRA Plan</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	73,380	54,856	51,854
<u>Traditional IRA</u>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	10,140	10,140	9,060

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all of these risks of loss, except natural disasters other than earthquakes. During 2024, the District did not decrease any levels of insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Expenses and claims not covered by insurance are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. In the opinion of District management, no claims result in a significant effect on the District’s financial position.

NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, in fiscal year 2023. The District has two software arrangements that requires recognition under GASBS No. 96. The software amortization expense is included on the Statements of Revenues, Expenses, and Changes in Fund Net Position. The District now recognizes a Subscription-Based Information Technology arrangements (SBITA) liability and an intangible right-to-use asset for the accounting software.

The first accounting software arrangement is a three-year agreement, initiated in fiscal year 2023 with a one-time payment of \$23,911. The agreement provides core network products including endpoint protection and firewall licensing. The District has used a 5% discount rate for this arrangement based current rates during the fiscal year.

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

**NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
(CONTINUED)**

The second accounting software arrangement is a three-year agreement, initiated in fiscal year 2021 with three payments of \$10,000 due annually. The agreement provides GIS technology. The District has used a 5% discount rate for this arrangement based current rates during the fiscal year.

NOTE 11 – LEASE RECEIVABLE

The District is reporting a Lease Receivable of \$20,565 at December 31, 2024. For 2024, the District reported lease income of \$2,835 and interest revenue of \$1,295 related to lease payments received. Leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
University of Utah AirMed property lease	\$ 20,565	\$ 2,835	\$ 1,295
Total lease agreements:	<u>\$ 20,565</u>	<u>\$ 2,835</u>	<u>\$ 1,295</u>

AirMed Lease – On October 1, 2009, the District entered into a five-year lease agreement with the University of Utah Hospitals and Clinics Air Med Program for the lease of real property for the operation of a helicopter landing and take-off zone (Helipad). The agreement has been renewed for eleven one-year terms with the option to renew an additional five. Based on this agreement, the District is receiving monthly payments through 2030.

NOTE 12 – LEASES

Lease agreements are summarized as follows:

Description	Original Date	Term	Payment Amount	Interest Rate	Original Lease Liability	Balance December 31, 2024
De Lage Landen Copier	9/16/2020	60 months	\$ 289	5.00%	\$ 15,340	\$ 2,273
Revco Copier #1	11/1/2021	63 months	194	5.00%	13,450	7,600
Revco Copier #2	12/1/2021	60 months	194	5.00%	13,033	7,274
						<u>\$ 17,147</u>

The copier equipment was leased for the District, beginning in September 16, 2020 for a term of 60 months. The interest rate was not stated in the terms of the lease. This lease is renewable and the District has the option to acquire the equipment at the end of the five years.

The copier equipment was leased for the District, beginning in November 1, 2021 for a term of 63 months. The interest rate was not stated in the terms of the lease. This lease is renewable and the District has the option to acquire the equipment at the end of the five years.

The copier equipment was leased for the District, beginning in December 1, 2021 for a term of 60 months. The interest rate was not stated in the terms of the lease. This lease is renewable and the District has the option to acquire the equipment at the end of the five years.

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

NOTE 12 – LEASES (CONTINUED)

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Year Ending December 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,287	\$ 696	\$ 6,983
2026	10,860	419	11,279
2027	-	-	-
	<u>\$ 17,147</u>	<u>\$ 1,115</u>	<u>\$ 18,262</u>

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE

The District has adopted Statement No. 101 of the Governmental Accounting Standards Board – Compensated Absences. The adoption of a new accounting standard requires retrospective application. The implementation of this standard did not impact the District’s financial statements. More information on this new standard is discussed in Note 1 of the financial statements.



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Required Supplementary Information

**Snyderville Basin Water Reclamation District
 Modified Approach for Eligible Infrastructure Assets
 Year Ended December 31, 2024**

In accordance with GASB Statement No. 34, the District is required to account for and report infrastructure capital assets. The District defines infrastructure as the basic physical assets of the collection system and reclamation facilities. Infrastructure assets are capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than other capital assets. The District's major infrastructure system consists of the collection system and reclamation facilities and can be divided into subsystems such as collection lines, manholes and other appurtenances, pump stations and reclamation facilities. Subsystem detail is not presented in the basic financial statements; however, the District maintains detailed information on these subsystems.

The District has elected to use the "Modified Approach" as defined by GASB Statement No. 34 for infrastructure reporting for its collection and reclamation system. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated if the following requirements are met:

- A. The District manages the eligible infrastructure capital assets using an asset management system meeting the following minimum requirements (1) have an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- B. The District documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The District conducts a physical condition assessment of its collection and reclamation facilities each year. The District's objective is to complete an assessment annually of all infrastructure assets covered by the District's asset management system. In accordance with GASB Statement No. 34, footnote 19, the District's condition assessments will be performed, in part, using statistical samples that are representative of infrastructure assets. This allows the District to ensure that assets are maintained at a prescribed condition and analyze future funding needs. The District's collection and reclamation system is composed of approximately 311 miles of collection lines, 7,563 manholes, 10 pump stations, one trunkline support facility and two reclamation facilities.

The District developed condition grade scales to provide a means of rating the assets during each condition assessment. The assets are assessed for several possible defects which are assigned a relative weight. Those weights are then normalized to sum to one (100%). The assigned condition grade score for each possible defect is multiplied by the normalized relative weight to yield a weighted defect score. The weighted defect scores are totaled for each asset, yielding a total asset rating that will range from 1 to 5. The Total Asset Ratings and corresponding Levels of Service are summarized in the following table. The District has set a minimum service level of 3 (Good) for all infrastructure assets.

Level of Service	=	Total Asset Rating
_____		_____
1 - Excellent	=	$1.0 \leq \text{TAR} \leq 1.5$
2 - Very Good	=	$1.5 < \text{TAR} \leq 2.5$
3 - Good	=	$2.5 < \text{TAR} \leq 3.5$
4 - Poor	=	$3.5 < \text{TAR} \leq 4.5$
5 - Very Poor	=	$4.5 < \text{TAR}$

During 2024, the District performed condition assessments of 7,250 line segments. In addition, the District did an assessment of 457 reclamation facility assets, 2,494 manholes and all 10 pump stations. The condition assessment of the 7,250 line segments and reclamation facility assets identified 314 line segments and thirteen (13) reclamation facility assets not meeting the minimum standards established by the District. Zero line segments have defects that have been previously identified as part of the District's ongoing television inspection efforts. All but 104 of the manholes and all pump stations inspected were at or above the minimum service level.

These results were within the estimated expectations of the District and funds totaling \$2,604,320 have been budgeted for 2025 to upgrade the identified and yet to be identified deficiencies. Using the information obtained during the condition assessments performed, the District is projecting that additional line segments will be assessed at service levels falling below the established condition level, with an estimated cost of \$757,200 to upgrade these as-yet unidentified deficiencies.

Condition	Number of Reclamation Facility Assets Assessed			Number of Line Segments Assessed			Number of Manholes Assessed			Number of Pump Stations Assessed		
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
1-Excellent	444	444	444	50	77	175	2,321	2,433	2,630	10	10	10
2-Very Good	-	-	-	3,947	3,569	3,648	69	67	80	-	-	-
3-Good	-	-	-	2,939	2,895	3,228	-	-	-	-	-	-
4-Poor	13	13	8	294	312	283	-	-	-	-	-	-
5-Very Poor	-	-	-	20	14	77	104	37	75	-	-	-

The District expended \$2,338,373 on renewal and replacement of the collection and treatment systems for the year ended December 31, 2024. Those renewal and replacement expenditures add service life to the asset. The budget required to maintain and improve the current level of overall condition through the year ended December 31, 2060 is estimated to be approximately \$49,865,920 (\$2,565,320 is projected for the year ended December 31, 2025, and the remaining \$47,300,600 spread over the years ending December 31, 2026 through 2060).

The following summarizes the estimated annual amounts to maintain the District's collection and reclamation facilities at the current level as compared to actual expenditures to maintain the facilities at the current level for the past five reporting years.

	2024	2023	2022	2021	2020
Estimated	\$3,885,511	\$6,129,000	\$3,935,000	\$3,505,000	\$5,300,000
Actual	\$2,338,373	\$4,439,582	\$3,094,864	\$1,416,088	\$4,762,528
Under/(Over)	\$1,547,138	\$1,689,418	\$ 840,136	\$2,088,912	\$ 537,472

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2024
with a measurement date of December 31, 2023
Last 10 fiscal years*

		<u>Noncontributory System</u>	<u>Tier 2 Public Employees System</u>
Proportion of the net pension liability (asset)	2024	0.3074591%	0.0389540%
	2023	0.3098341%	0.0357469%
	2022	0.3205407%	0.0283985%
	2021	0.3135087%	0.0298642%
	2020	0.3008862%	0.0312166%
	2019	0.3088254%	0.0289220%
	2018	0.3020769%	0.0292035%
	2017	0.2832327%	0.0324330%
	2016	0.2874858%	0.0350717%
	2015	0.2774776%	0.0349664%
Proportion share of the net pension liability (asset)	2024	\$ 713,171	\$ 75,819
	2023	\$ 530,668	\$ 38,925
	2022	\$ (1,835,771)	\$ (12,019)
	2021	\$ 160,812	\$ 4,295
	2020	\$ 1,164,061	\$ 7,021
	2019	\$ 2,274,105	\$ 12,387
	2018	\$ 1,323,489	\$ 2,575
	2017	\$ 1,818,701	\$ 3,617
	2016	\$ 1,626,734	\$ (77)
	2015	\$ 1,204,873	\$ (1,060)
Covered payroll	2024	\$ 3,134,283	\$ 1,007,096
	2023	\$ 3,053,690	\$ 779,576
	2022	\$ 3,058,140	\$ 527,124
	2021	\$ 2,928,495	\$ 477,455
	2020	\$ 2,851,387	\$ 434,021
	2019	\$ 2,805,903	\$ 337,297
	2018	\$ 2,701,366	\$ 286,035
	2017	\$ 2,522,641	\$ 265,977
	2016	\$ 2,479,670	\$ 226,569
	2015	\$ 2,379,823	\$ 171,656
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	2024	22.75%	7.53%
	2023	17.38%	4.99%
	2022	-60.03%	-2.28%
	2021	5.49%	0.90%
	2020	40.82%	1.62%
	2019	81.05%	3.67%
	2018	48.99%	0.90%
	2017	72.1%	1.36%
	2016	65.6%	-0.03%
	2015	50.6%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	2024	96.9%	89.58%
	2023	97.5%	92.3%
	2022	108.7%	103.8%
	2021	99.2%	98.3%
	2020	93.7%	96.5%
	2019	87.0%	90.8%
	2018	91.9%	97.4%
	2017	87.3%	95.1%
	2016	87.8%	100.2%
	2015	90.2%	103.5%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The schedule above discloses a 10-year history.

See accompanying notes to required supplementary information

SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2024
with a measurement date of December 31, 2023
Last 10 fiscal years**

	<u>As of fiscal year ended December 31,</u>	<u>Actuarial Determined Contributions</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
Noncontributory System	2015	\$ 457,995	\$ 457,995	\$ -	\$ 2,479,670	18.47%
	2016	465,932	465,932	-	2,522,641	18.47%
	2017	502,072	502,072	-	2,718,307	18.47%
	2018	518,251	518,251	-	2,788,177	18.59%
	2019	526,651	526,651	-	2,851,387	18.47%
	2020	540,893	540,893	-	2,928,495	18.47%
	2021	564,431	564,431	-	3,059,463	18.45%
	2022	556,711	556,711	-	3,053,690	18.23%
	2023	563,231	563,231	-	3,134,283	17.97%
	2024	554,923	554,923	-	3,166,735	17.52%
Tier 2 Public Employees System*	2015	\$ 33,814	\$ 33,814	\$ -	\$ 226,569	14.92%
	2016	39,657	37,657	-	265,977	14.91%
	2017	42,884	42,884	-	286,035	14.99%
	2018	51,705	51,705	-	337,297	15.33%
	2019	69,159	69,159	-	443,320	15.60%
	2020	75,114	75,114	-	477,455	15.73%
	2021	84,033	84,033	-	527,124	15.94%
	2022	125,834	125,834	-	784,790	16.03%
	2023	161,236	161,236	-	1,007,096	16.01%
	2024	199,207	199,207	-	1,273,890	15.64%
Tier 2 Public Employees DC Only System*	2019	\$ 528	\$ 528	\$ -	\$ 7,984	6.69%
	2020	3,245	3,245	-	48,498	6.69%
	2021	3,456	3,456	-	51,662	6.69%
	2022	4,374	4,374	-	68,050	6.43%
	2023	11,448	11,448	-	184,943	6.19%
	2024	11,344	11,344	-	198,199	5.72%

*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.

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

See accompanying notes to required supplementary information

**SNYDERVILLE BASIN WATER RECLAMATION DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2024**

Changes in Assumptions

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

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OTHER SUPPLEMENTAL FINANCIAL INFORMATION

Snyderville Basin Water Reclamation District
Supplemental Financial Information
Schedule of Revenues and Other Sources and Expenditures and Other Uses, Budget to Actual
(Non-GAAP Budgetary Basis)

Year Ending December 31, 2024
With Comparative Totals for 2023

	2024		Variance - favorable (unfavorable)	2023
	Budget	Actual		Actual
Revenues and Other Sources:				
Operating Revenues				
Sewer User Fees	\$ 14,064,443	\$ 14,150,993	\$ 86,550	\$ 13,452,077
Engineering Fees	70,541	334,181	263,640	129,296
Intergovernmental Grants	-	-	-	-
Other Operating Revenue	95,200	139,588	44,388	106,935
Total	14,230,184	14,624,762	394,578	13,688,308
Non-operating Revenues and other sources				
Impact Fees	4,510,420	5,240,050	729,630	7,087,384
Investment Income	1,302,817	1,493,492	190,675	1,338,924
Gain (loss) on Disposal of Capital Assets	75,000	113,662	38,662	193,518
Lease and other financing income	4,800	2,835	(1,965)	2,835
Capital Contributions	200,000	1,834,558	1,634,558	1,550,555
Total	6,093,037	8,684,597	2,591,560	10,173,216
Total Revenues and Other Sources	20,323,221	23,309,359	2,986,138	23,861,524
Expenditures and Other Uses				
Operating Expenditures				
Wages and Benefits	7,265,327	7,104,269	161,058	6,482,841
Supplies	952,026	663,501	288,525	730,327
Contractual Services	500,345	445,148	55,197	490,199
Utilities	815,876	812,143	3,733	774,718
Repairs and Maintenance	4,661,566	2,928,749	1,732,817	5,164,323
Administration	388,035	397,966	(9,931)	358,082
Miscellaneous	187,417	164,459	22,958	136,363
Depreciation and Amortization	850,000	853,794	(3,794)	835,947
Total Operations & Maintenance	15,620,592	13,370,029	2,250,563	14,972,800
Non-Operating Expenditures				
Long-term Debt Principal	995,000	995,000	-	970,000
Interest Expense	513,025	419,278	93,747	441,290
Capital Disbursements	730,000	456,823	273,177	548,547
Construction	1,416,379	1,187,410	228,969	4,458,902
Total Non-Operating Expenditures	3,654,404	3,058,511	595,893	6,418,739
Total Expenditures and Other Uses	19,274,996	16,428,540	2,846,456	21,391,539
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	\$ 1,048,225	\$ 6,880,819	\$ 5,832,594	\$ 2,469,985

Statistical Section

This section of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information that may assist the reader in assessing the District's current financial performance and by placing it in historical perspective.	47 - 52
Revenue Capacity These schedules contain information that may assist the reader in assessing the District's two most significant local revenue sources, User Fees and Impact Fees.	53 - 56
Debt Capacity These tables present information that may assist the reader in analyzing the affordability of the District's current levels of outstanding debt and the ability to issue additional debt in the future.	57 - 59
Economic & Demographic Information This table offers economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place	60 - 61
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs	62 - 69

Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year.



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Snyderville Basin Water Reclamation District
Statements of Net Position

2015-2024

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Assets										
Current Assets	\$ 19,414,091	\$ 16,765,439	\$ 16,985,832	\$ 16,663,739	\$ 14,787,785	\$ 15,129,718	\$ 14,589,091	\$ 21,269,528	\$ 14,841,776	\$ 13,436,906
Non Current Restricted Assets	13,221,113	10,052,598	9,004,573	8,100,597	1,975,185	2,215,803	2,585,531	52,415	19,626,445	32,954,825
Net Pension Asset	-	-	1,847,790	-	-	-	-	-	-	-
Marketable securities	-	-	-	-	-	1,103,017	3,184,829	8,945,946	8,490,111	-
Lease receivable	20,565	24,070	27,396	-	-	-	-	-	-	-
Capital Assets Non-Depreciable	184,832,356	182,588,552	176,462,849	170,619,972	167,850,549	163,448,430	161,626,223	144,882,932	124,145,244	113,792,586
Capital Assets Depreciable, Net	6,773,627	6,410,500	6,806,516	6,900,225	7,177,815	7,262,430	7,555,123	8,015,975	8,075,388	8,256,571
Other Assets - Net Pension	-	-	-	-	-	-	-	-	77	1,060
Total Assets	\$ 224,261,752	\$ 216,672,739	\$ 211,134,956	\$ 202,284,533	\$ 191,791,334	\$ 189,159,398	\$ 189,540,797	\$ 183,166,796	\$ 175,179,041	\$ 168,441,948
Deferred Outflows - Pension	\$ 1,795,963	\$ 1,410,324	\$ 1,099,209	\$ 901,182	\$ 890,705	\$ 1,479,857	\$ 1,157,119	\$ 1,263,735	\$ 1,090,205	\$ 519,005
Liabilities										
Current Liabilities	\$ 3,031,570	\$ 3,727,842	\$ 3,350,452	\$ 3,350,319	\$ 3,665,095	\$ 3,788,505	\$ 5,566,729	\$ 5,239,983	\$ 3,968,954	\$ 2,887,284
Long Term Obligations	14,005,368	14,005,368	14,472,549	15,661,960	17,743,656	19,670,509	19,503,181	20,542,312	21,134,726	21,489,307
Total Liabilities	\$ 17,036,938	\$ 17,733,210	\$ 17,823,001	\$ 19,012,279	\$ 21,408,751	\$ 23,459,014	\$ 25,069,910	\$ 25,782,295	\$ 25,103,680	\$ 24,376,591
Deferred Inflows - Leases	\$ 14,175	\$ 17,010	\$ 19,845	-	-	-	-	-	-	-
Deferred Inflows - Pension	\$ 5,823	\$ 9,151	\$ 2,515,061	\$ 1,210,724	\$ 616,398	\$ 51,962	\$ 592,597	\$ 249,129	\$ 165,853	\$ 154,752
Net Position										
Net Investment in capital assets	\$ 178,507,656	\$ 174,729,777	\$ 166,824,486	\$ 161,051,645	\$ 158,050,940	\$ 152,894,334	\$ 150,555,718	\$ 133,494,178	\$ 123,921,198	\$ 120,913,789
Restricted for capital projects	13,216,721	10,051,934	8,572,468	8,100,396	1,975,107	2,215,424	2,584,742	50,008	7,761,282	13,092,260
Restricted for net pension	-	-	431,938	-	-	-	-	-	-	-
Restricted for debt service	4,392	664	167	201	78	379	789	2,407	766	-
Unrestricted	18,114,975	15,541,317	16,047,199	13,810,470	10,630,765	12,018,142	11,894,160	24,852,514	19,316,467	10,423,561
Total Net Position	\$ 209,843,744	\$ 200,323,692	\$ 191,876,258	\$ 182,962,712	\$ 170,656,890	\$ 167,128,279	\$ 165,035,409	\$ 158,399,107	\$ 150,999,713	\$ 144,429,610

Snyderville Basin Water Reclamation District
Changes in Net Position

2015 - 2024

	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Revenues:										
Operating Revenues										
Sewer User Fees	\$ 14,150,993	\$ 13,452,077	\$ 12,632,554	\$ 11,981,946	\$ 11,511,050	\$ 11,168,274	\$ 10,728,281	\$ 10,695,457	\$ 10,216,112	\$ 9,754,029
Engineering Fees	334,181	129,296	338,688	164,981	125,499	133,647	182,802	91,134	138,404	63,305
Intergovernmental Grants	-	-	-	-	-	-	-	49,926	89,914	240,861
Other Revenue	139,588	106,935	120,048	113,327	156,550	96,496	238,180	168,706	81,811	103,329
Total Operating Revenue	<u>14,624,762</u>	<u>13,688,308</u>	<u>13,091,290</u>	<u>12,260,254</u>	<u>11,793,099</u>	<u>11,398,417</u>	<u>11,149,263</u>	<u>11,005,223</u>	<u>10,526,241</u>	<u>10,161,524</u>
Expenses:										
Operating Expenses										
Operation & Maintenance	12,516,235	14,136,853	10,982,038	9,049,534	12,543,930	11,249,546	9,368,449	8,182,711	7,863,343	7,166,886
Depreciation and amortization	853,794	835,947	766,205	724,399	747,785	726,621	720,206	682,801	645,479	434,265
Total Operating Expenses	<u>13,370,029</u>	<u>14,972,800</u>	<u>11,748,243</u>	<u>9,773,933</u>	<u>13,291,715</u>	<u>11,976,167</u>	<u>10,088,655</u>	<u>8,865,512</u>	<u>8,508,822</u>	<u>7,601,151</u>
Non-operating Revenues										
Impact Fees	5,240,050	7,087,384	5,660,169	9,714,241	3,646,349	6,039,631	3,813,464	3,982,939	3,785,591	3,048,649
Investment Income	1,493,492	1,338,924	462,992	101,534	198,607	581,906	568,170	570,472	393,690	267,700
Lease and other financing income	2,835	2,835	2,835	-	-	-	-	-	-	-
Other Revenue (Expense)	-	-	-	-	-	-	-	-	-	203,235
Gain (Loss) on Sale of Capital Assets	113,662	193,518	42,776	(86,820)	46,175	123,314	55,336	32,947	(73,512)	23,367
Total Non-operating Revenue	<u>6,850,039</u>	<u>8,622,661</u>	<u>6,168,772</u>	<u>9,728,955</u>	<u>3,891,131</u>	<u>6,744,851</u>	<u>4,436,970</u>	<u>4,586,358</u>	<u>4,105,769</u>	<u>3,542,951</u>
Non-Operating Expenses										
Interest Expense	419,278	441,290	468,297	501,724	539,735	576,173	611,112	644,904	665,760	555,939
Income (loss) Before Contributions	7,685,494	6,896,879	7,043,522	11,713,552	1,852,780	5,590,928	4,886,466	6,081,165	5,457,428	5,547,385
Capital Contributions	1,834,558	1,550,555	1,862,894	592,270	1,675,831	2,323,477	1,749,836	1,318,229	1,112,675	2,989,713
Increase in Net Position	<u>9,520,052</u>	<u>8,447,434</u>	<u>8,906,416</u>	<u>12,305,822</u>	<u>3,528,611</u>	<u>7,914,405</u>	<u>6,636,302</u>	<u>7,399,394</u>	<u>6,570,103</u>	<u>8,537,098</u>
Net Position at Beginning of Year, as previously reported										
	200,323,692	191,876,258	182,962,712	170,656,890	167,128,279	165,035,409	158,399,107	150,999,713	144,429,610	136,939,592
Special Item - Loss on Impaired Asset	-	-	-	-	-	(5,821,535)	-	-	-	-
Prior Period Adjustment - GASB 68 Pension	-	-	-	-	-	-	-	-	-	(1,047,080)
Prior Period Adjustment - GASB 87 & 96	-	-	7,130	-	-	-	-	-	-	-
Net Position at Beginning of Year, as restated	<u>200,323,692</u>	<u>191,876,258</u>	<u>182,969,842</u>	<u>170,656,890</u>	<u>167,128,279</u>	<u>165,035,409</u>	<u>158,399,107</u>	<u>150,999,713</u>	<u>144,429,610</u>	<u>135,892,512</u>
Net Position at End of Year	<u>\$ 209,843,744</u>	<u>\$ 200,323,692</u>	<u>\$ 191,876,258</u>	<u>\$ 182,962,712</u>	<u>\$ 170,656,890</u>	<u>\$ 167,128,279</u>	<u>\$ 165,035,409</u>	<u>\$ 158,399,107</u>	<u>\$ 150,999,713</u>	<u>\$ 144,429,610</u>

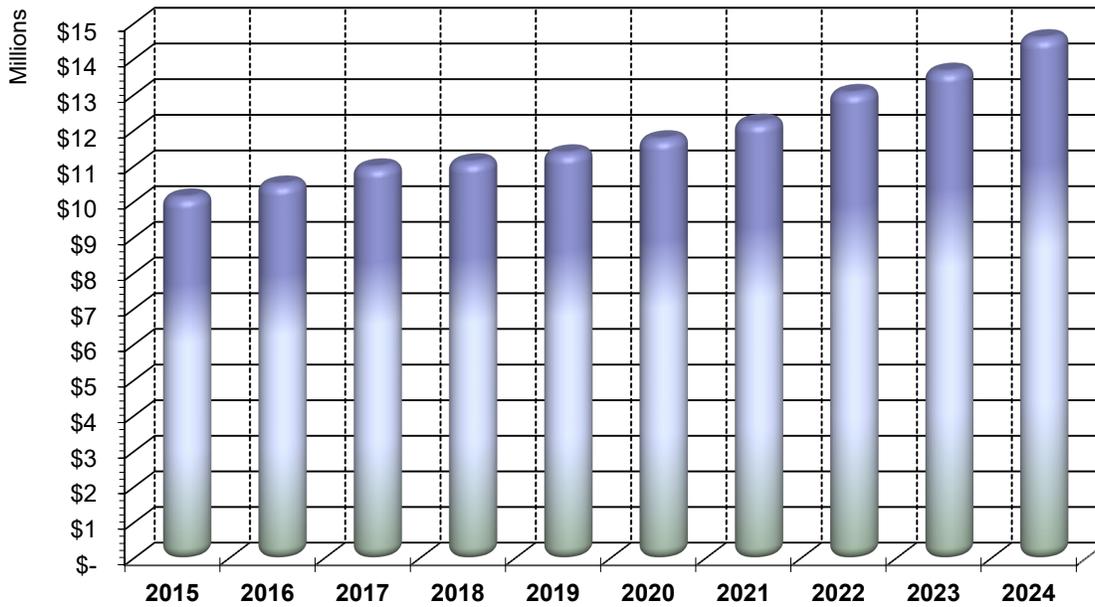
Snyderville Basin Water Reclamation District

Operating Revenues

2015-2024

Year	User Fees	Engineering Fees	Other Operating Revenue Including Grants	Total
2015	\$ 9,754,029	\$ 63,305	\$ 344,190	\$ 10,161,524
2016	10,216,112	138,404	171,725	10,526,241
2017	10,695,457	91,134	218,632	11,005,223
2018	10,728,281	182,802	238,180	11,149,263
2019	11,168,274	133,967	96,496	11,398,737
2020	11,511,050	125,499	156,550	11,793,099
2021	11,981,946	164,981	113,327	12,260,254
2022	12,632,554	338,688	120,048	13,091,290
2023	13,452,077	129,296	106,935	13,688,308
2024	14,150,993	334,181	139,588	14,624,762
<i>% Change from prior year</i>	<i>5.2%</i>	<i>158.5%</i>	<i>30.5%</i>	<i>6.8%</i>

Operating Revenues



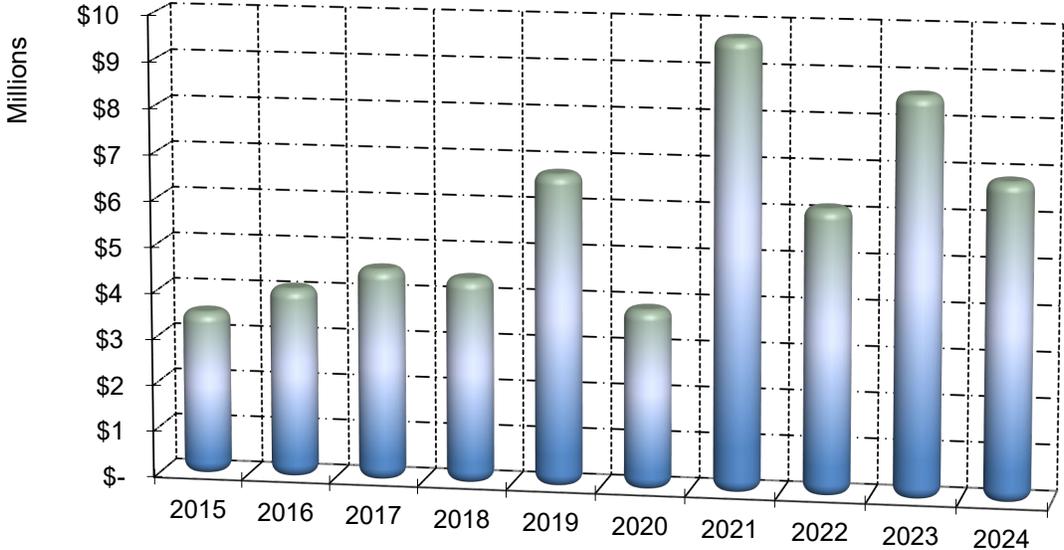
Snyderville Basin Water Reclamation District

Non-Operating Revenues

2015-2024

Year	Impact Fees	Investment Income	Other Non-Operating Revenue (Expenses)	Total
2015	\$ 3,048,649	\$ 267,700	\$ 226,602	\$ 3,542,951
2016	3,785,591	393,690	(73,512)	4,105,769
2017	3,982,939	570,472	32,947	4,586,358
2018	3,813,464	568,170	55,336	4,436,970
2019	6,039,631	581,906	123,314	6,744,851
2020	3,646,349	198,607	46,175	3,891,131
2021	9,714,241	101,534	(86,820)	9,728,955
2022	5,660,169	462,992	45,611	6,168,772
2023	7,087,384	1,338,924	196,353	8,622,661
2024	5,240,050	1,493,492	116,497	6,850,039
<i>% Change from prior year</i>	-26.1%	11.5%	-40.7%	-20.6%

Non-Operating Revenues



Snyderville Basin Water Reclamation District Operating Expenses by Department

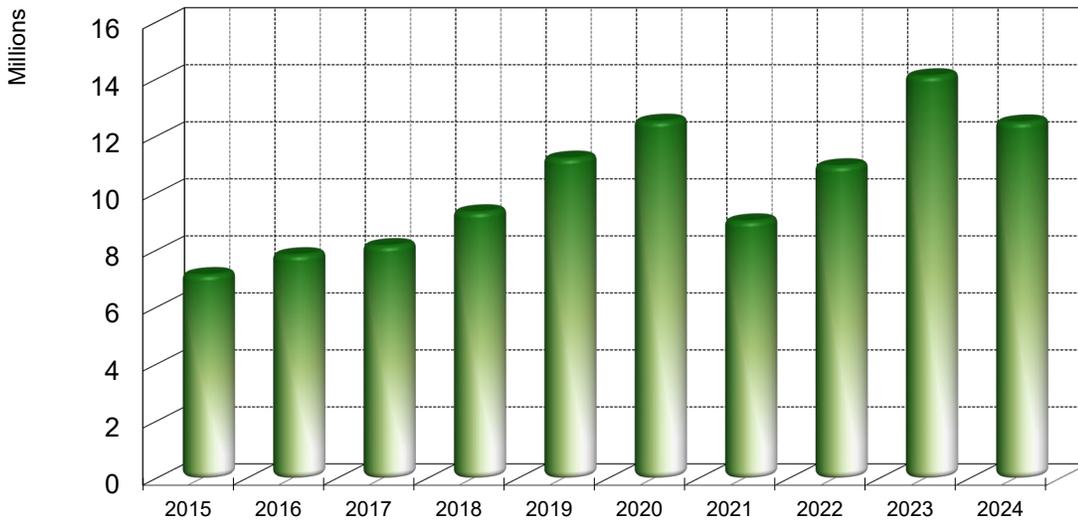
(excluding depreciation)

2015 - 2024

Year	Admin	Engineer	Collections	ECWRF	SCWRF	Lab	Solids Mgt	Pretreat	Safety*	Total Operating Expenses (excluding depreciation)
2015	\$1,182,320	\$1,016,388	\$2,146,522	\$1,316,016	\$754,544	\$147,419	\$464,581	\$139,096	\$-	\$7,166,886
2016	1,148,971	1,008,805	2,870,678	1,218,985	798,258	160,440	503,210	153,995	0	7,863,343
2017	1,189,139	1,095,086	2,938,855	1,213,920	843,479	192,776	533,450	176,000	0	8,182,705
2018	1,211,165	1,119,192	3,982,499	1,159,943	878,289	187,003	608,985	221,372	0	9,368,449
2019	1,250,515	1,205,531	5,250,470	1,471,003	1,062,323	209,030	623,268	177,407	0	11,249,546
2020	1,319,048	1,255,134	6,822,470	1,168,337	994,224	221,183	600,872	162,663	0	12,543,930
2021	1,272,293	1,230,807	3,353,065	1,139,220	976,063	225,567	644,071	208,446	0	9,049,534
2022	1,321,843	1,223,264	4,879,035	1,523,365	961,657	239,285	684,189	149,400	0	10,982,038
2023	1,520,484	1,380,421	6,977,824	1,711,735	1,170,283	314,541	827,239	189,801	44,525	14,136,853
2024	1,665,385	1,512,755	3,943,728	2,757,357	1,250,405	361,827	776,472	204,150	44,155	12,516,235
<i>% Change from prior year</i>	<i>10%</i>	<i>10%</i>	<i>-43%</i>	<i>61%</i>	<i>7%</i>	<i>15%</i>	<i>-6%</i>	<i>8%</i>	<i>-1%</i>	<i>-11%</i>

*Safety Department was created in 2023

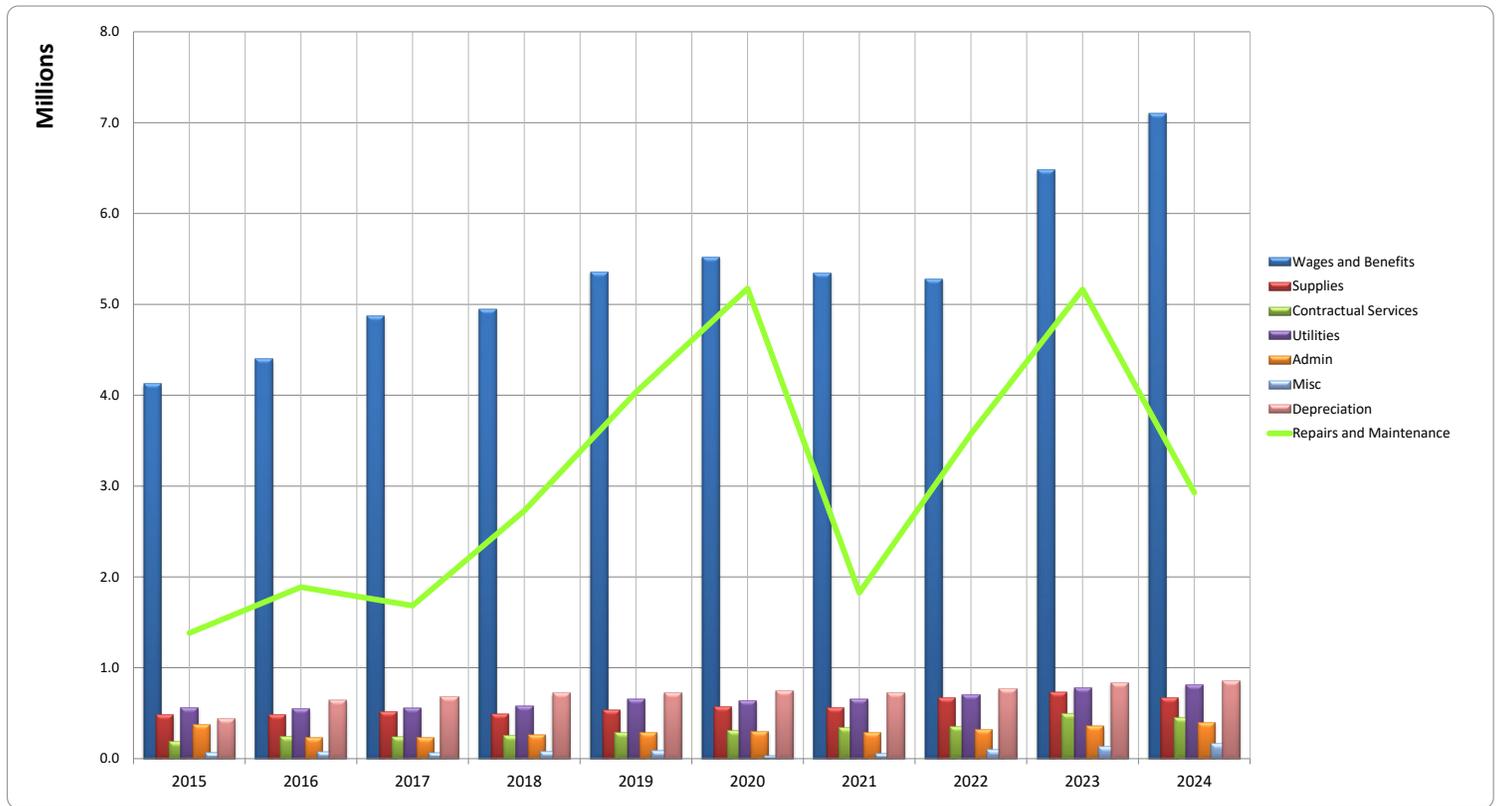
Operating Expenses by Department



Snyderville Basin Water Reclamation District
Operating Expenses by Source

2015 - 2024

Year	Wages and Benefits	Supplies	Contractual Services	Utilities	Repairs and Maintenance	Admin	Misc	Depreciation	Total Operating Expenses
2015	\$ 4,122,515	\$ 480,593	\$ 186,953	\$ 556,648	\$ 1,382,269	\$ 375,880	\$ 62,028	\$ 434,265	\$ 7,601,151
2016	4,398,194	486,049	242,031	546,428	1,887,677	225,564	77,400	645,479	8,508,822
2017	4,876,492	515,192	246,630	562,408	1,683,443	227,515	71,031	682,801	8,865,512
2018	4,952,653	498,402	257,495	581,909	2,727,725	268,162	82,103	720,206	10,088,655
2019	5,358,250	539,958	290,375	659,386	4,033,277	284,988	83,312	726,621	11,976,167
2020	5,518,588	567,087	311,971	636,052	5,174,919	299,113	36,200	747,785	13,291,715
2021	5,343,530	557,068	334,710	651,775	1,825,632	284,727	52,092	724,399	9,773,933
2022	5,275,397	663,473	347,798	702,413	3,575,201	319,021	98,735	766,205	11,748,243
2023	6,482,841	730,327	490,199	774,718	5,164,323	358,082	136,363	835,947	14,972,800
2024	7,104,269	663,501	445,148	812,143	2,928,749	397,966	164,459	853,794	13,370,029
<i>% Change from prior year</i>	9.6%	-9.2%	-9.2%	4.8%	-43.3%	11.1%	20.6%	2.1%	-10.7%



Note: Starting in 2003, the District used the modified approach to account for infrastructure assets reducing annual depreciation and increasing expenditures in repairs and maintenance

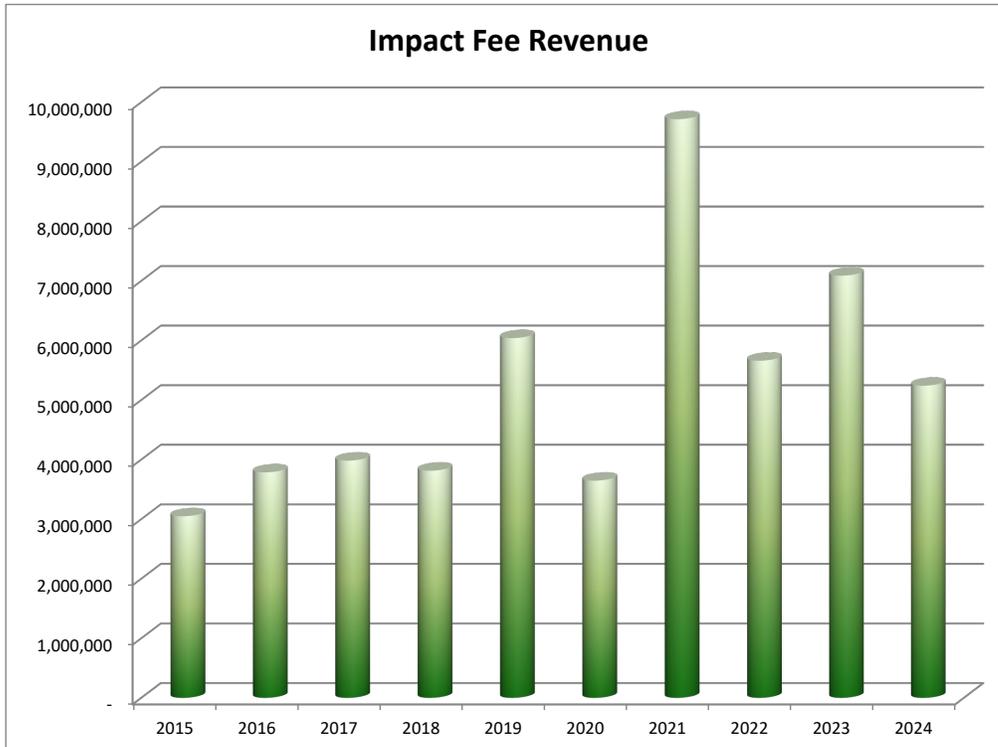
Snyderville Basin Water Reclamation District

Summary of Impact Fee Revenue

2015 - 2024

Sold Residential Equivalents (RE's)

YEAR	IMPACT FEES RESIDENTIAL/CONDO			IMPACT FEES COMMERCIAL/INDUSTRIAL		ADDITIONAL FEES COLLECTED UPON INSPECTION AND DEFERRED PAYMENTS	TOTAL RE'S SOLD	TOTAL REVENUE
	UNITS	RE's	REVENUE	RE'S	REVENUE			
2015	249	343.0	2,374,183	96.1	674,466	-	439.1	3,048,649
2016	372	468.2	3,487,686	43.7	297,905	-	511.9	3,785,591
2017	394	462.9	3,698,777	35.4	284,162	-	498.3	3,982,939
2018	325	429.2	3,550,703	32.0	262,761	-	461.2	3,813,464
2019	570	625.4	5,302,896	86.7	736,735	-	712.1	6,039,631
2020	340	393.7	3,434,635	24.1	211,714	-	417.8	3,646,349
2021	790	1,001.0	8,966,896	79.0	711,297	-	1,080.0	9,714,241
2022	335	514.8	5,339,029	31.5	321,140	-	545.0	5,660,169
2023	408	491.3	6,394,853	68.6	692,531	-	560.0	7,087,384
2024	445	383.3	4,834,253	30.3	405,797	-	413.5	5,240,050
	4,228	5,112.8	\$ 47,383,911	527.4	\$ 4,598,508	\$ -	5,638.9	\$ 52,018,467



**Snyderville Basin Water Reclamation District
User Fee and Impact Fee Rates**

2015 - 2024

Fiscal Year	Rate Resolution Number	Adoption Date	User Fees	Impact Fees	Total Fee Revenue
2015	121	December 16, 2013	\$26.14 per RE/unit plus \$2.48 per 1,000 gallons of winter water usage	7,026	12,802,678
2016	128	December 21, 2015	\$26.66 per RE/unit plus \$2.53 per 1,000 gallons of winter water usage	7,518	14,001,703
2017	128	December 21, 2015	\$27.46 per RE/unit plus \$2.61 per 1,000 gallons of winter water usage	8,043	14,678,396
2018	128	December 21, 2015	\$27.46 per RE/unit plus \$2.61 per 1,000 gallons of winter water usage	8,310	14,541,745
2019	137	December 10, 2018	\$28.28 per RE/unit plus \$2.69 per 1,000 gallons of winter water usage	8,538	17,207,905
2020	137	December 10, 2018	\$29.13 per RE/unit plus \$2.77 per 1,000 gallons of winter water usage	8,772	15,157,399
2021	140	December 14, 2020	\$30.00 per RE/unit plus \$2.85 per 1,000 gallons of winter water usage	9,012	21,696,187
2022	144	November 15, 2021	\$30.90 per RE/unit plus \$2.94 per 1,000 gallons of winter water usage	11,015	18,292,723
2023	147	October 17, 2022	\$32.14 per RE/unit plus \$3.06 per 1,000 gallons of winter water usage	13,163	20,539,461
2024	147	October 17, 2022	\$33.43 per RE/unit plus \$3.18 per 1,000 gallons of winter water usage	13,443	19,391,043

Snyderville Basin Water Reclamation District

Schedule of Revenue by Customer Type

for December 31, 2024 and nine years prior

	Single Family Residential					Multi-family					Commercial				
	Total \$ Sales	Ave Monthly Bill/RE*	Sold RE's	# of Accounts	Billed RE's/Units	Total \$ Sales	Ave Monthly Bill/RE*	Sold RE's	# of Accounts	Billed RE's/Units	Total \$ Sales	Ave Monthly Bill/RE*	Sold RE's	# of Accounts	Billed RE's/Units
2024	\$ 6,728,680	44.24	16,693.7	12,644	12,666.0	\$ 3,905,533	43.60	5,793.2	524	7,465.0	\$ 1,701,758	58.68	2,821.5	651	2,416.7
2023	6,394,554	42.75	16,298.0	12,428	12,498.0	3,726,958	41.96	5,749.4	506	7,421.0	1,557,160	57.28	2,801.7	645	2,271.7
2022	6,059,528	41.56	16,860.6	12,755	12,147.0	3,462,462	39.26	5,678.0	504	7,349.0	1,454,704	55.49	2,853.6	635	2,184.6
2021	5,292,342	37.23	16,758.1	12,646	11,846.6	3,459,900	41.24	5,420.5	527	6,992.1	1,611,057	60.36	2,764.8	670	2,224.3
2020	5,002,578	35.91	15,585.9	12,190	11,609.6	3,268,937	39.83	5,469.7	513	6,839.1	1,634,029	63.92	2,803.20	663	2,130.4
2019	4,788,400	35.02	15,268.4	11,819	11,393.6	3,095,826	38.85	5,392.3	504	6,640.1	1,680,006	61.58	2,760.9	656	2,273.7
2018	4,585,578	34.13	15,005.5	11,753	11,163.3	2,889,491	38.60	5,325.9	495	6,245.1	1,719,035	54.91	2,799.80	645	2,610.5
2017	4,532,348	34.42	14,592.4	11,334	10,974.1	2,851,824	39.14	5,236.6	482	6,071.1	1,684,829	54.16	2,767.6	612	2,592.5
2016	4,357,347	33.71	13,732.6	10,747	10,807.4	2,779,064	38.12	4,993.5	480	6,076.0	1,571,472	52.26	2,762.3	559	2,505.8
2015	4,193,739	33.13	13,446.9	10,583	10,660.0	2,678,940	37.00	4,929.9	455	6,033.0	1,488,332	52.88	2,752.8	555	2,345.3

% Change																
2023 to 2024	5.5%	3.6%	2.3%	1.7%	1.4%	5.2%	4.2%	0.8%	3.6%	0.6%	9.9%	2.5%	0.7%	0.9%	6.6%	

	Mixed Use					Industrial					Common Area				
	Total \$ Sales	Ave Monthly Bill/RE*	Sold RE's	# of Accounts	Billed RE's/Units	Total \$ Sales	Ave Monthly Bill/RE*	Sold RE's	# of Accounts	Billed RE's/Units	Total \$ Sales	Ave Monthly Bill/RE*	Sold RE's	# of Accounts	Billed RE's/Units
2024	\$ 1,761,167	51.05	2,169.0	75	2,875.1	\$ 53,033	76.29	124.7	1	57.9	\$ 822	n/a	4.1	3	n/a
2023	1,711,476	49.86	2,163.3	75	2,868.5	61,511	62.84	124.7	1	81.8	418	n/a	3.6	3	n/a
2022	1,597,377	45.45	2,160.4	73	2,928.8	52,646	44.49	249.3	1	98.6	5,837	n/a	3.5	15	n/a
2021	1,442,270	46.58	2,150.8	76	2,580.3	57,983	61.89	249.3	1	78.1	5,837	n/a	3.5	15	n/a
2020	1,442,993	46.60	2,218.9	75	2,580.3	156,455	163.79	183.2	6	79.6	6,058	n/a	5.50	15	n/a
2019	1,430,938	44.89	2,157.5	69	2,656.1	167,671	182.82	183.2	6	76.4	5,433	n/a	5.5	15	n/a
2018	1,306,746	47.07	1,894.4	61	2,313.6	170,540	209.92	184.2	6	105.7	56,891	115.63	5.50	15	n/a
2017	1,373,275	48.02	1,891.9	58	2,383.0	148,897	100.45	184.2	6	123.5	97,867	271.85	16.3	41	59.0
2016	1,297,019	44.39	1,896.2	57	2,434.8	136,208	314.86	35.3	10	36.1	75,002	195.32	7.8	32	n/a
2015	1,182,555	41.51	1,784.5	52	2,373.9	153,432	286.68	36.3	10	44.6	57,031	125.07	8.6	38	n/a

% Change																
2023 to 2024	3.1%	2.6%	0.3%	0.0%	0.2%	-16.1%	30.2%	0.0%	0.0%	-24.2%	6.9%	n/a	14.3%	0.0%	n/a	

* Residential Equivalent

Source: District billing records

Snyderville Basin Water Reclamation District
Principal Rate Payers

Year Ending December 31, 2024

(current period and period nine years prior)

Organization	Type of Service	2024		2015	
		Annual User Fee Amount	Rank	Annual User Fee Amount	Rank
Westgate & The Canyons	Condominiums	\$ 181,844	1	-	-
Montage Hotel & Resorts	Hotel & Condominiums	166,858	2	155,851	2
Stein Ericksen Lodge	Ski Lodge	139,055	3	94,233	7
Park City Municipal Corporation	Municipal Government	130,519	4	N/A	-
Prospector Square Owners Association	Condominiums/Retail	121,581	5	N/A	-
Fox Point at Redstone HOA	Condominiums	121,378	6	101,873	6
Marriott Mountainside Resort	Hotel	119,376	7	11,588	5
Grand Summit HOA	Condominiums	115,446	8	N/A	-
Red Pine Chalets	Condominiums	96,931	9	71,801	10
Vail Resorts Mgmt Co	Ski Lodge	93,934	10	354,866	1
Marriott Summit Watch Owner's Association	Condominiums/Retail	85,178	-	87,031	9
		<u>\$ 1,372,100</u>		<u>\$ 877,243</u>	

Note: The percentage of total revenue for principal rate payers is not significant and is not shown on this schedule

Source: District Account Files

**Snyderville Basin Water Reclamation District
Pledged Revenue Coverage**

2015 - 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Revenues										
Operating Revenues	\$ 14,624,762	\$ 13,688,308	\$ 13,091,290	\$ 12,260,254	\$ 11,793,099	\$ 11,398,417	\$ 11,149,263	\$ 11,005,223	\$ 10,526,241	\$ 10,161,524
Operating Expenses * (excluding depreciation, amortization)	(12,516,235)	(14,136,853)	(10,982,038)	(9,049,534)	(12,543,930)	(11,249,546)	(9,368,449)	(8,182,711)	(7,863,343)	(7,166,886)
Renewal and replacement expenditures included in operating expenses under the modified approach to reporting infrastructure	2,338,373	4,461,753	3,090,564	1,416,088	4,762,528	3,586,446	2,282,183	1,174,248	1,373,656	659,930
Impact Fees	5,240,050	7,087,384	5,660,169	9,714,241	3,646,349	6,039,631	3,813,464	3,982,939	3,785,591	3,048,649
Investment Income	1,493,492	1,338,924	462,992	101,534	181,149	581,906	568,170	570,472	393,690	267,700
Net Revenues, as defined in bond indenture	\$ 11,180,442	\$ 12,439,516	\$ 11,322,977	\$ 14,442,583	\$ 7,839,195	\$ 10,356,854	\$ 8,444,631	\$ 8,550,171	\$ 8,215,835	\$ 6,970,917
Net Revenues Excluding Impact Fees										
Net Revenues	11,180,442	12,439,516	11,322,977	14,442,583	7,839,195	10,356,854	8,444,631	8,550,171	8,215,835	6,970,917
Impact Fees	(5,240,050)	(7,087,384)	(5,660,169)	(9,714,241)	(3,646,349)	(6,039,631)	(3,813,464)	(3,982,939)	(3,785,591)	(3,048,649)
Net Revenues Excluding Impact Fees	\$ 5,940,392	\$ 5,352,132	\$ 5,662,808	\$ 4,728,342	\$ 4,192,846	\$ 4,317,223	\$ 4,631,167	\$ 4,567,232	\$ 4,430,244	\$ 3,922,268
Aggregate Debt Service for the upcoming fiscal year **	\$ 1,503,150	\$ 1,508,025	\$ 1,504,850	\$ 1,503,050	\$ 1,387,300	\$ 1,389,800	\$ 1,395,800	\$ 1,400,300	\$ 1,413,800	\$ 1,503,700
Ratio of Net Revenues to Aggregate Debt Service	7.44	8.25	7.52	9.61	5.65	7.45	6.05	6.11	5.81	4.64
Minimum Ratio Per 2015 Master Bond Resolution	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Ratio of Net Revenues Excluding Impact Fees to Aggregate Debt Service	3.95	3.55	3.76	3.15	3.02	3.11	3.32	3.26	3.13	2.61
Minimum Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Aggregate Debt Service consists of revenue bond payments during the current year:
(not including principal paid in connection with refunding)

	Principal	Interest	Total
2015 Series Revenue Bonds	\$ 1,015,000	\$ 488,150	\$ 1,503,150

* Bond documents call for operating expenses excluding depreciation. Because the District uses the "Modified Approach for Infrastructure Assets," renewal and replacement expenditures have been reversed out of this calculation.

** Aggregate debt service includes only debt service on revenue bonds which are secured by revenues of the District. It does not include any general obligation bonds or other contracts which obligate the District to disburse funds.

**Snyderville Basin Water Reclamation District
Schedule of Outstanding Debt**

2015 - 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
2015 Revenue Bonds - Principal	\$ 12,040,000	\$ 13,035,000	\$ 14,005,000	\$ 14,945,000	\$ 15,730,000	\$ 16,480,000	\$ 17,200,000	\$ 17,890,000	\$ 18,560,000	\$ 19,305,000
2015 Revenue Bonds - Premium	891,017	980,119	1,069,221	1,158,323	1,247,424	1,336,526	1,425,628	1,514,729	1,603,831	1,692,933
<i>Total Revenue Bonds</i>	12,931,017	14,015,119	15,074,221	16,103,323	16,977,424	17,816,526	18,625,628	19,404,729	20,163,831	20,997,933
Lease & SBITA Liability	17,147	34,197	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 12,948,164	\$ 14,049,316	\$ 15,074,221	\$ 16,103,323	\$ 16,977,424	\$ 17,816,526	\$ 18,625,628	\$ 19,404,729	\$ 20,163,831	\$ 20,997,933

Snyderville Basin Water Reclamation District Ratios of Outstanding Debt by Type

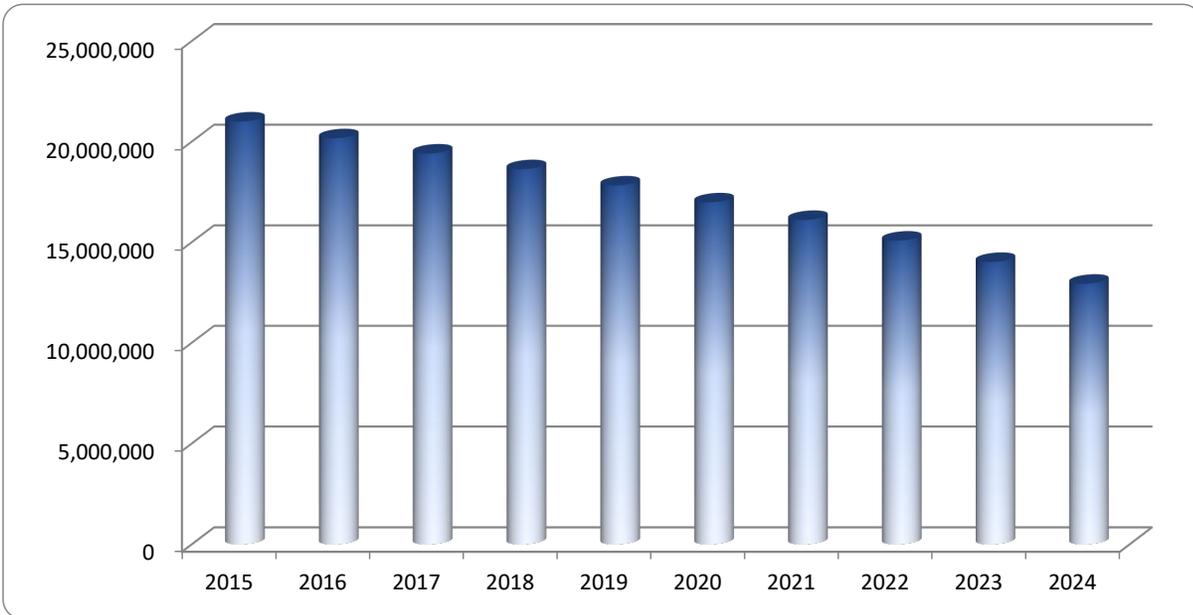
2015 - 2024

Fiscal Year	Revenue Bonds	Total	Percentage of Personal Income(1)	Per Capita (2)
2015	20,997,933	20,997,933	0.4700%	1,747
2016	20,163,831	20,163,831	0.4300%	1,650
2017	19,404,729	19,404,729	0.39%	1,542
2018	18,625,628	18,625,628	0.34%	1,436
2019	17,816,526	17,816,526	0.28%	1,343
2020	16,977,424	16,977,424	0.26%	1,261
2021	16,103,323	16,103,323	0.24% (3)	1,155
2022	15,074,221	15,074,221	0.19% (3)	1,079
2023	14,015,119	14,015,119	0.18% (3)	1,003
2024	12,931,017	12,931,017	0.16% (3)	926

Note: Details regarding the District's outstanding debt can be found in Note 4 in the financial statements

- (1) Percentage of Personal Income is calculated by dividing the total debt by Total County Personal Income (ref: Report page 55, Demographics)
- (2) Per Capita is calculated by dividing the total debt by the number of customers
- (3) Because 2021 personal income is unavailable, this percentage is calculated by dividing the total debt by 2021 (most current available) Total County Personal Income

Total Debt



**Snyderville Basin Water Reclamation District
Demographic and Economic Statistics - Summit County**

2015 - 2024

Year	Population (1)	Personal Income (thousands of dollars) (2)	Per Capita Personal Income (2)	Median Age (1)	Park City School District Enrollment (3)	Unemployment Rate (4)
2015	39,722	4,476,539	98,128	38.2	4,763	3.3%
2016	40,307	4,696,018	102,053	38.0	4,891	2.3%
2017	41,106	5,012,126	108,675	37.0	4,824	3.1%
2018	41,933	5,518,624	131,606	38.8	4,816	3.0%
2019	42,353	6,377,651	151,326	38.0	4,780	2.7%
2020	42,357	6,630,437	156,537	37.0 *	4,757	2.2%
2021	43,093 *	7,927,922	183,792	40.6 **	4,592 *	1.2%
2022	43,249 *	9,774,101	225,996	39.3 **	4,350 *	2.1%
2023	43,492 *	11,307,605	259,993	40.5 **	4,246 *	2.7%
2024	43,304 *	N/A**	N/A **	41.0 **	4,392 *	2.8%

Source: (1) Summit County, UT, Demographic Profile, Kem C Garner Policy Institute
(2) The Bureau of Economic Analysis
(3) Park City School District
(4) Utah Department of Workforce Services

* Source for most current information: District Statistical Estimates (2023) and State and County Population Estimates for Utah: 2024, Kem C Gardner Policy Institute
** Information for personal income and median age not available yet for 2024 in some cases

Principal Employers

Year Ending December 31, 2024
And Nine years prior

Employer	Industry	2024		Rank	2015	Rank
		Maximum Number of Employees	Minimum Number of Employees		Maximum Number of Employees	
Park City Municipal Corporation	Local Government	1,787	1,095	1	541	6
Deer Valley Resort	Ski Resort	999	500	2	2790	2
Stein Erickson Lodge	Ski Resort	999	500	3	541	5
Park City School District	Public Education	806	661	4	710	4
Montage Hotel & Resorts, LLC	Ski Resort	499	250	5	499	8
IHC/Park City Surgical Center	Medical	499	250	6	499	7
Park City Mountain Resort	Ski Resort	499	250	7	-	-
Promontory Development	Development	499	250	8	-	-
St. Regis Resorts	Ski Resort	499	250	9	-	-
Park Meadows Country Club	Country Club	249	100	10	-	-
Vail Resorts	Ski Resort	-	-	-	2,844	1
Grand Summit Hotel	Accommodations	-	-	-	999	3
All Seasons Resort	Accommodations	-	-	-	249	9
Hotel Park City	Accommodations	-	-	-	249	10
		<u>7,335</u>	<u>4,106</u>		<u>9,380</u>	

Sources: Park City Corporation, Finance Department; Utah Department of Workforce Services

Note: Employment is shown for Summit County. Because the District boundaries include Park City and part of Summit County, total employment figures are not available and so the percent of total employment is not shown.

**Snyderville Basin Water Reclamation District
Summary of Changes in Capital Assets**

2015 - 2024

DESCRIPTION	Balance at Cost	2024		12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
	12/31/2024	Retirements	Additions									
Land	\$ 683,260	-	-	\$ 683,260	\$ 683,260	\$ 683,260	\$ 683,260	\$ 683,260	\$ 720,650	\$ 720,650	\$ 720,650	\$ 720,650
Intangibles	3,750,417	-	78,324	3,672,093	3,607,543	3,108,238	2,981,571	2,866,839	1,828,417	1,649,919	1,451,659	686,041
Administration Building	1,512,669	-	-	1,512,669	1,498,422	1,498,422	1,498,422	1,448,098	1,448,098	1,448,098	1,448,098	1,448,098
Collections Building	539,501	-	-	539,501	539,501	539,501	541,071	484,532	484,532	484,532	484,532	484,532
East Canyon Training Building	4,462,634	-	13,452	4,449,182	4,322,316	4,449,183	4,449,183	4,449,183	4,449,183	4,449,183	4,449,183	4,696,712
Silver Creek Admin Building	36,694	-	-	36,694	-	-	-	-	-	-	-	-
Silver Creek WRF	50,858,126	-	-	50,858,126	50,858,126	50,858,126	50,858,126	50,858,126	11,763,207	11,763,207	11,763,207	10,065,631
East Canyon WRF	35,667,252	(707,779)	837,578	35,537,453	35,537,453	35,537,452	35,537,452	35,410,585	35,360,111	35,360,111	35,329,511	37,092,164
Solids Handling	2,422,157	-	-	2,422,157	2,422,157	2,422,157	2,429,392	2,429,392	2,429,392	2,429,392	2,429,392	2,429,392
35 Year Improvements	-	-	-	-	-	-	-	-	2,063	2,063	2,063	2,063
20 Year Improvements	1,514,725	-	35,910	1,478,815	1,459,057	1,432,324	1,414,453	1,387,725	1,407,496	1,234,457	1,228,209	1,237,716
Collection System-Park City	316,254	-	-	316,254	316,254	316,254	316,254	316,254	316,254	316,254	316,254	316,254
Collection System-New	88,640,501	(73,349)	1,829,581	86,884,269	85,398,124	84,034,536	83,568,933	81,992,234	80,707,179	79,135,840	78,015,871	77,668,814
Safety Equipment	50,352	-	-	50,352	50,352	50,352	87,557	87,557	87,557	87,557	87,557	87,557
Heavy Equipment	2,016,379	(140,547)	246,670	1,910,256	2,130,892	1,685,259	1,569,145	1,569,145	1,423,323	1,468,222	1,329,450	1,251,836
Treatment Equipment	1,841,388	-	740,912	1,100,476	1,172,841	1,009,651	1,337,219	1,315,182	1,242,247	1,273,075	1,049,596	975,970
Laboratory Equipment	50,473	-	-	50,473	50,473	43,162	50,216	39,809	39,809	46,108	37,465	37,465
Collection Equipment	1,241,506	-	140,204	1,101,302	1,038,318	1,031,822	1,005,256	886,165	788,304	760,594	677,169	562,621
Administration Equipment	247,852	-	6,515	241,337	201,090	196,775	197,411	187,431	176,121	174,121	146,824	161,647
Engineering Equipment	610,962	-	9,435	601,527	552,499	523,472	669,045	626,721	599,631	589,118	480,141	544,203
Solids Equipment	14,516	-	-	14,516	14,516	14,516	14,516	14,516	18,116	18,116	18,116	18,116
Right of Use Asset - Lease	41,824	-	-	41,824	-	-	-	-	-	-	-	-
Right of Use Asset - SBITA	52,475	-	-	52,475	-	-	-	-	-	-	-	-
Subtotal	196,571,916	(921,675)	3,938,581	193,555,010	191,853,193	189,208,481	187,052,754	145,291,690	143,410,617	143,410,617	141,464,947	140,487,481
Construction in Progress	16,292,632	(37,583)	281,121	16,049,094	11,493,706	7,667,462	5,508,180	2,824,220	46,536,325	31,715,909	6,420,540	3,018,730
Total	\$ 212,864,548	\$ (959,258)	\$ 4,219,702	\$ 209,604,104	\$ 203,346,899	\$ 194,716,661	\$ 189,876,974	\$ 191,828,015	\$ 175,126,526	\$ 143,506,212	\$ 135,930,102	\$ 130,887,344

Source: Fixed Asset Records, District Finance Department

**Snyderville Basin Water Reclamation District
Capital Asset Statistics by Function**

2015 - 2024

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administration										
District Area (square miles)	102.5	102.5	102.5	102.5	102.5	102.5	102.5	102.5	102.5	102.5
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	1	2	2	1	1	1
Engineering										
Vehicles	5	5	4	4	4	4	4	4	4	4
Collections										
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	13	13	13	13	12	12	12	11	10	9
Miles of Public Line Maintained	310.7	307.9	305.1	301.5	300.7	297.5	296.0	294.1	291.7	290.6
Number of Manholes in System	7,417	7,371	7,368	7,317	7,287	7,204	7,145	7,107	7,050	7,027
Number of Pump Stations	10	10	10	10	12	12	12	12	12	12
Number of Trunkline Support Facilities	1	1	1	1	1	1	1	1	1	1
Treatment										
Buildings	15	15	15	15	15	15	11	11	11	11
Reclamation Facilities	2	2	2	2	2	2	2	2	2	2
Vehicles	12	12	10	10	10	10	9	9	9	9
Number of industrial class IV industries	267	267	214	225	231	242	232	248	230	217
Total Combined Facility Capacity (million gallons per day)	8.0	8.0	8.0	8.0	8.0	8.0	6.0	6.0	6.0	6.0
Total Gallons Treated (in billion gallons)	1.56	1.82	1.45	1.45	1.41	1.57	1.33	1.58	1.38	1.33
Maximum Thirty Day Flow- average flow (million gallons per day)	5.08	8.85	5.23	4.78	4.90	4.52	4.40	5.87	4.84	3.59

Source: District Annual Performance Reports

Snyderville Basin Water Reclamation District Operating Indicators by Function

2013 - 2024

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administration										
Number of customers	14,337	14,201	13,968	13,940	13,462	13,266	12,975	12,581	12,222	12,020
Number of new customers	136	233	28	478	196	291	394	359	202	246
New residential equivalents (RE's) sold	413.5	560.0	546.2	1,080.0	423.0	628.0	472.0	497.0	457.0	439.1
New residential equivalents billed	414.9	476.6	987.0	482.0	199.0	602.0	235.0	265.0	475.0	662.0
Average monthly residential wastewater bill	\$ 46.60	\$ 42.97	\$ 41.56	\$ 35.32	\$ 35.02	\$ 35.18	\$ 34.13	\$ 34.42	\$ 33.71	\$ 33.13
Average single family residential monthly customer winter water usage	3,496	3,496	3,644	4,409	4,355	4,561	4,821	4,790	4,995	4,885
Percent of customers rating overall service as satisfactory or better	100%	100%	98%	99%	98%	99%	97%	95%	96%	98%
Engineering										
Number of lateral inspections	0	740	679	673	680	688	697	685	648	757
Number of new line extension agreements (by RE)	383.7	347.2	278.2	618.0	324.0	704.0	702.8	527.3	247.1	228.1
Number of new private lateral connections (by RE)	653.6	1,112.6	1,087.5	563.6	401.8	458.5	449.7	311.6	634.5	264.1
Collections										
Number of problems (public and private) reported and responded to	71.00	92.00	72.00	104.00	98.00	141	88	106	82	61
Miles of collection lines cleaned	68.00	71.03	88.00	82.00	92.00	70.00	91.00	94.00	76.25	51.64
Miles of collection lines TV inspected	67.00	71.00	66.00	64.00	60.00	73.00	73.57	71.30	62.38	51.22
Miles of low pressure lines flow tested	12.35	2.03	1.99	0.94	0.07	13.35	3	0.00	12.46	7.11
Treatment										
Number of facility tours	17	20	14	26	7	19	19	20	17	12
Number of permit violations	0	1	7	0	0	0	0	0	0	0
Number of pretreatment industrial inspections	542	532	593	595	550	558	576	588	548	217

Source: District Annual Department Reports

Snyderville Basin Water Reclamation District
Full-time Equivalent Employee by Function as of December 31, 2024

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Administration	5	5	5	5	5	5	5	5	5	5	5
Engineering	7	8	7	8	7	7	7	7	7	7	8
Collections	17	17	15	14	15	14	14	14	13	12	12
East Canyon Water Reclamation Facility	7	7	6	6	6	6	7	6	6	6	6
Silver Creek Water Reclamation Facility	5	5	5	5	5	5	5	5	5	5	5
Laboratory	1	1	1	1	1	1	1	1	1	1	1
Solids Handling	2	2	2	2	2	2	2	2	2	2	2
Pretreatment	1	1	1	1	1	1	1	1	1	1	1
Totals	45	46	42	42	42	41	42	41	40	39	40

Source: District Accounting Records

Snyderville Basin Water Reclamation District

Operator Certification Status

As of December 31, 2024

In accordance with Section 19-5-104 of the Utah Code Annotated, wastewater operators are to be certified. Certification rules apply to all wastewater works and sewerage systems operated by political subdivisions. This includes both wastewater collection systems and wastewater treatment systems.

TREATMENT OPERATOR

TREATMENT CERTIFICATION LEVEL

BAKE, KIRK, OPERATOR I	GRADE I	
GORDON CALL, OPERATOR IV	GRADE IV	
DALE CHOULES, OPERATOR IV	GRADE IV	Treatment Lab I
JIM GILES, OPERATOR IV	GRADE IV	Maint Op. I
LAINE MAIR, OPERATOR III	GRADE III	
CLIFF MEDLER, OPERATOR IV	GRADE IV	
JORDAN PROBST, OPERATOR IV	GRADE IV	Coll. Op IR & Maint Op. I
VICTOR ROSALES	TRAINEE	
DAVID SMILANICH, OPERATOR IV	GRADE IV	Treatment Lab I
NICK WALTON, OPERATOR I	GRADE I	
COLBY WILLOUGHBY, OPERATOR II	GRADE IV	Coll. Op. IV

COLLECTION OPERATOR

COLLECTION CERTIFICATION LEVEL

STEVE BENGSTON, OPERATOR II	GRADE IV	
TUCKER BLACK, OPERATOR I	GRADE IV - REST	
NICK BROWN, OPERATOR IV	GRADE IV	Treatment I Restricted
CODY DOWNARD, OPERATOR I	GRADE IV - REST	
CHAD HARDINGER, OPERATOR IV	GRADE IV	
STEVEN LAMB, OPERATOR IV	GRADE IV	
DUSTIN LEWIS, OPERATOR IV	GRADE IV	
ERIC MCPHIE, ELECTRICIAN	JOURNEYMAN	
KRAY O'BRIEN, OPERATOR IV	GRADE IV	
JAKE OLSEN, OPERATOR IV	GRADE IV	
TONY PISCITELLI, OPERATOR IV	GRADE IV	
DEVIN SAGERS, OPERATOR IV	GRADE IV	
JARED SMITH, OPERATOR I	TRAINEE	
JOSH SURRETT, OPERATOR IV	GRADE IV	

ENGINEERING, INDUSTRIAL, PRETREATMENT

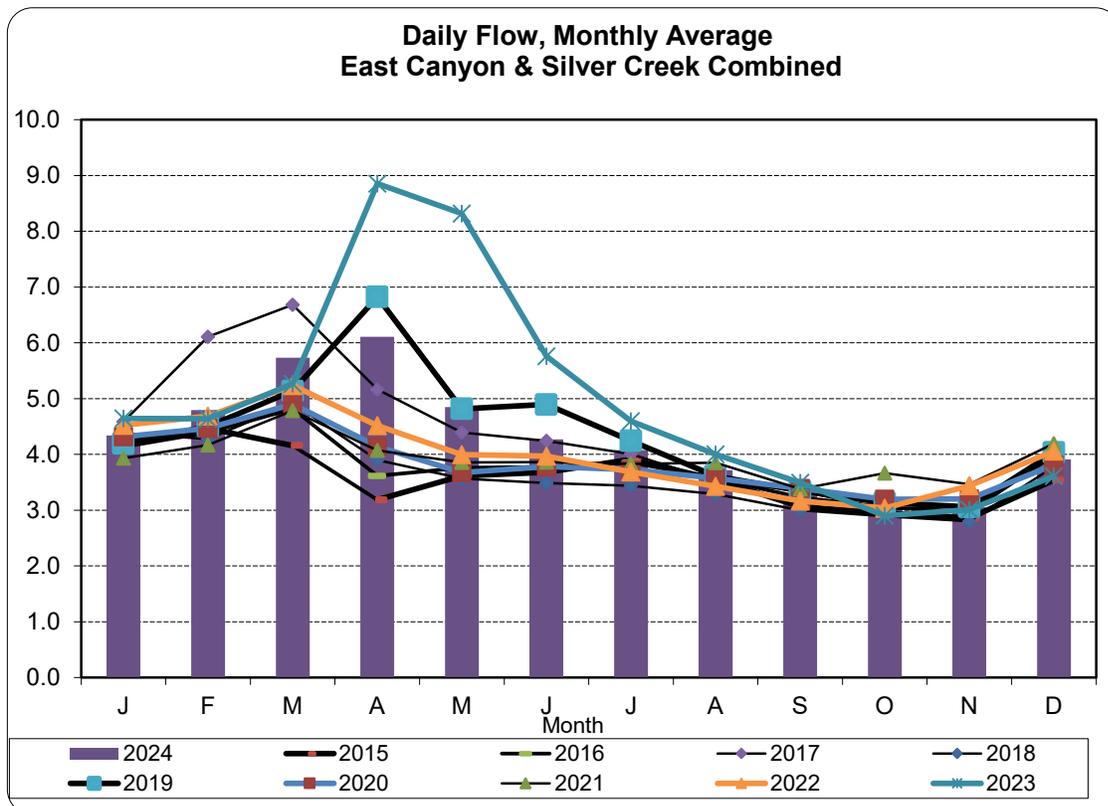
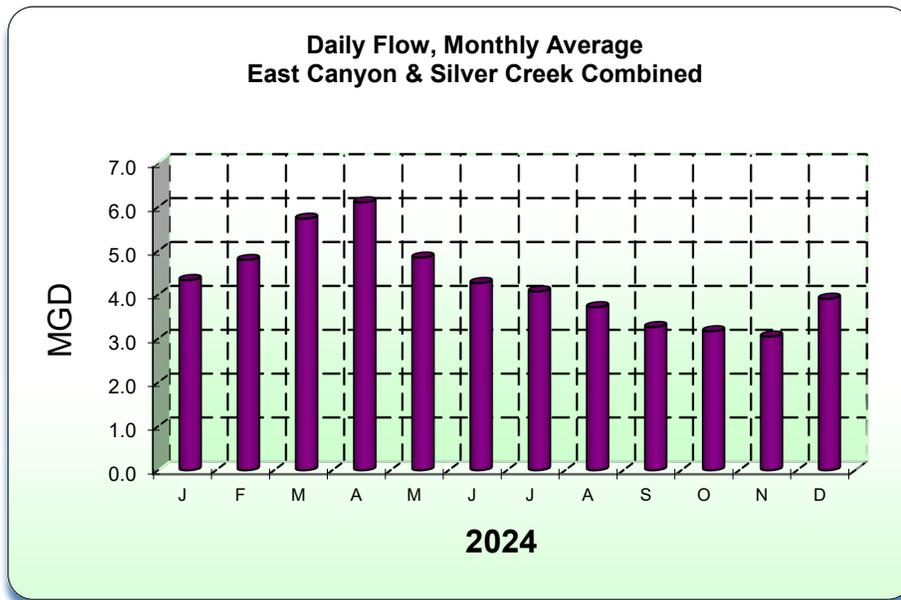
BLAINE BOWDEN, COLLECTION SYSTEM TECHNICIAN II	GRADE IV	Collection System
GLENN WARNER	GRADE III R	Treatment; Also certified as Collection System Operator Grade III
DUSTIN WALTON, PRETREATMENT COORDINATOR	GRADE IV	Treatment also Collection Operator Grade 1R

SUPERVISOR CERTIFICATION STATUS

CHAD BURRELL, OPERATIONS MANAGER	GRADE IV	Coll. Op. IV & Biosolids II
MARLO DAVIS, OPERATOR IV	GRADE IV	Coll. Op. IVR & Maint. Op. II
CODY SNYDER, OPERATOR IV	GRADE IV	Small System Drinking Water Op. I
TIFFINI ADAMS, LAB DIRECTOR	GRADE II	
DANIEL OLSON, COLLECTION SYSTEM MANAGER	GRADE IV	Also certified as Treatment Operator Grade IV
SCOTT MCPHIE, COLLECTION SYSTEM SUPERINTENDENT	GRADE IV	

**Snyderville Basin Water Reclamation District
Summary of Flows and Capacity**

2015 - 2024



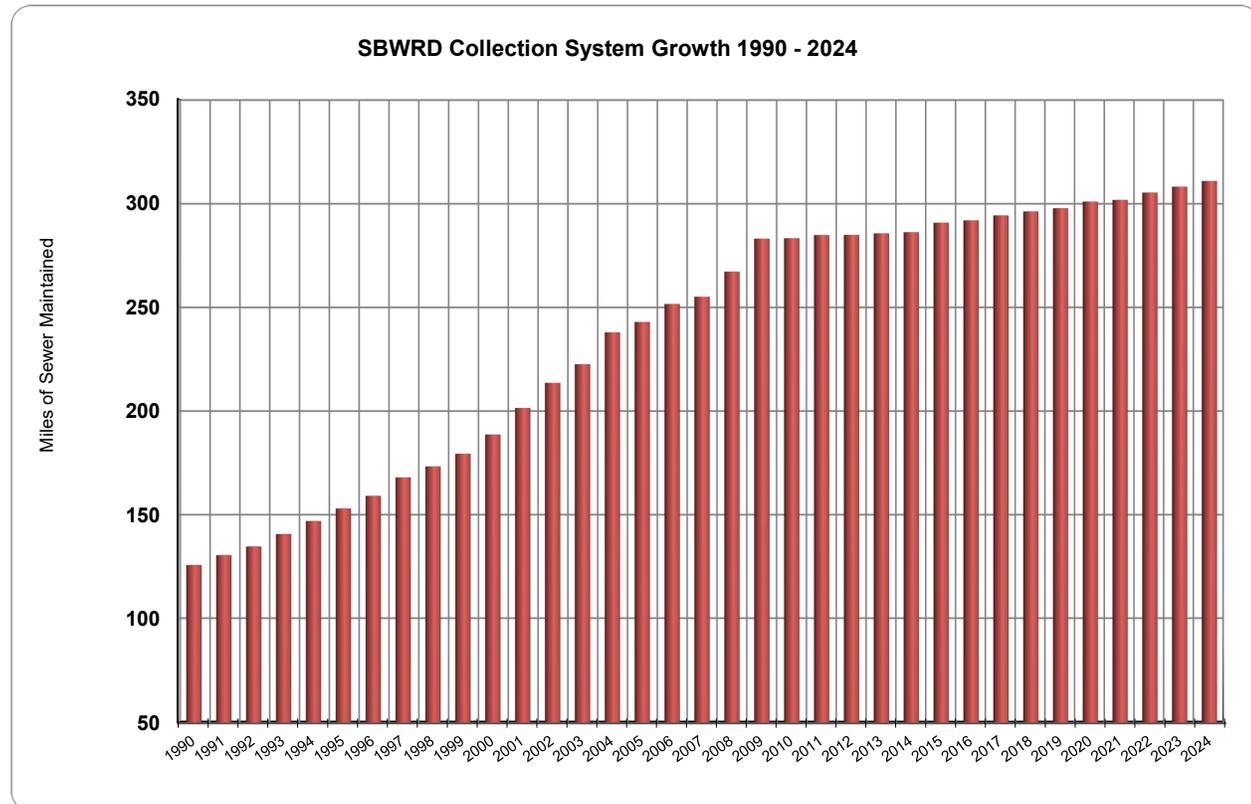
Combined Treatment Plant Capacity in 2024 was 8.0 MGD

Snyderville Basin Water Reclamation District Collection System Growth

1990 - 2024

YEAR	ADDED SEWER LINE		Total miles of sewer maintained @ year end	Annual change from prior year (%)	New Manholes Added to system	Total Manholes in system @ year end	Annual Increase in Manholes (%)
	Feet	Miles					
1990	7,146	1.35	125.82	1.1%	33	2,953	1.1%
1991	25,280	4.79	130.61	3.8%	152	3,105	5.1%
1992	22,017	4.17	134.78	3.2%	93	3,198	3.0%
1993	31,715	6.01	140.79	4.5%	154	3,352	4.8%
1994	33,153	6.28	147.07	4.5%	174	3,526	5.2%
1995	31,838	6.03	153.10	4.1%	225	3,751	6.4%
1996	32,208	6.10	159.20	4.0%	197	3,948	5.3%
1997	46,891	8.88	168.08	5.6%	322	4,270	8.2%
1998	27,918	5.29	173.37	3.1%	148	4,418	3.5%
1999	32,050	6.07	179.44	3.6%	208	4,626	4.7%
2000	48,996	9.28	188.72	5.2%	227	4,853	4.9%
2001	67,531	12.79	201.51	6.8%	268	5,121	5.5%
2002	63,730	12.07	213.58	6.0%	276	5,397	5.4%
2003	47,309	8.96	222.54	4.2%	204	5,601	3.8%
2004	81,048	15.35	237.89	6.9%	292	5,893	5.0%
2005	26,242	4.97	242.86	2.1%	114	6,007	1.9%
2006	45,674	8.65	251.51	3.6%	138	6,206	2.3%
2007	18,375	3.48	254.99	1.4%	99	6,305	1.6%
2008	63,730	12.07	267.06	4.7%	259	6,564	4.1%
2009	83,688	15.85	282.91	5.9%	251	6,815	3.8%
2010	1,162	0.22	283.13	0.1%	10	6,825	0.1%
2011	7,973	1.51	284.64	0.5%	43	6,868	0.6%
2012	370	0.07	284.71	0.0%	8	6,876	0.1%
2013	3,960	0.75	285.46	0.3%	19	6,895	0.3%
2014	2,904	0.55	286.01	0.2%	19	6,914	0.3%
2015	24,182	4.58	290.59	1.6%	132	7,027	1.6%
2016	5,972	1.13	291.72	0.4%	23	7,050	0.3%
2017	12,498	2.37	294.09	0.8%	57	7,107	0.8%
2018	10,106	1.91	296.00	0.7%	38	7,145	0.5%
2019	8,126	1.54	297.54	0.5%	59	7,204	0.8%
2020	16,896	3.20	300.74	1.1%	83	7,287	1.2%
2021	4,235	0.80	301.54	0.3%	30	7,317	0.4%
2022	18,607	3.52	305.06	1.2%	51	7,368	0.7%
2023	15,080	2.86	307.91	0.9%	65	7,433	0.9%
2024	14,380	2.74	310.65	0.9%	45	7,509	0.6%

The above list reflects all Developer funded projects receiving Final Project Approval through date given and SBWRD projects in the same period.



District Map





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

To the Board of Trustees of
Snyderville Basin Water Reclamation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Snyderville Basin Water Reclamation District, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Snyderville Basin Water Reclamation District’s basic financial statements, and have issued our report thereon dated June 9, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Child Richards CPAs & Advisors

Ogden, Utah
June 9, 2025



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

To the Board of Trustees of
Snyderville Basin Water Reclamation District

Report On Compliance

We have audited Snyderville Basin Water Reclamation District’s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended December 31, 2024.

State compliance requirements were tested for the year ended December 31, 2024 in the following areas:

- Budgetary Compliance
- Fraud Risk Assessment
- Cash Management
- Impact Fees
- Special and Local Service District Board Members

Opinion on Compliance

In our opinion, Snyderville Basin Water Reclamation District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide (Guide)*. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Snyderville Basin Water Reclamation District and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of Snyderville Basin Water Reclamation District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Snyderville Basin Water Reclamation District's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Snyderville Basin Water Reclamation District's compliance based on our audit. 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, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Snyderville Basin Water Reclamation District's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Snyderville Basin Water Reclamation District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Snyderville Basin Water Reclamation District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of Snyderville Basin Water Reclamation District's internal control over compliance. Accordingly, no such opinion is expressed.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide*. The findings can be seen on the letter to those charged with governance, 2024-01. Our opinion on compliance is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the Snyderville Basin Water Reclamation District's response to the noncompliance findings identified in our audit described in the accompanying letter to those charged with governance. Snyderville Basin Water Reclamation District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Guide. Accordingly, this report is not suitable for any other purpose.

Child Richards CPAs & Advisors

Ogden, Utah
June 9, 2025



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APPENDIX B

EXTRACTS FROM THE GENERAL INDENTURE OF TRUST

The following excerpts briefly outline certain provisions contained in the General Indenture and are not to be considered as a full statement thereof. Reference is made to the General Indenture and the Second Supplemental Indenture, for full details of all of the terms of the 2026 Bonds, the security provisions appertaining thereof, and the application of the Revenues derived from the System, and the definition of any terms used but not defined in this Official Statement.

Definitions

As used in the Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

“Accreted Amount” means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds, as established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds.

“Acquisition/Construction Fund” means the Snyderville Basin Water Reclamation District, Sewer Revenue Acquisition/Construction Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Act” means the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, each to the extent applicable.

“Additional Bonds” means all Bonds issued under the Indenture other than the Initial Bonds.

“Administrative Costs” means all Security Instrument Costs, Reserve Instrument Costs and Rebtable Arbitrage.

“Aggregate Annual Debt Service Requirement” means the total Debt Service (including any Repayment Obligations) less any Escrowed Operation and Maintenance Expenses, for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof.

“Authorized Amount” means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

“Authorized Representatives” means the Chair, Finance Manager/Clerk, or any other officer of the Issuer so designated in writing by the Issuer to the Trustee.

“Average Aggregate Annual Debt Service Requirement” means the total of all Aggregate Annual Debt Service Requirements divided by the total Bond Fund Years of the Bonds Outstanding or any specified portion thereof.

“Balloon Bonds” means Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at the option of the Owner thereof may be redeemed, during any period of twelve consecutive months.

“Bond Fund” means the Snyderville Basin Water Reclamation District Sewer Revenue Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Bond Fund Year” means the 12-month period beginning January 1 of each year and ending on the next succeeding December 31, except that the first Bond Fund Year shall begin on the date of delivery of the Initial Bonds and shall end on the next succeeding December 31.

“Bondholder,” “Bondowner,” “Registered Owner” or “Owner” means the registered owner of any Bonds authorized in the Indenture according to the registration books of the Issuer maintained by the Trustee as Registrar.

“Bonds” means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to the Indenture, including the Initial Bonds and any Additional Bonds.

“Build America Bonds” means the interest subsidy bonds issuable by the Issuer under Sections 54AA and 6431 of the Code and a “qualified bond” under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

“Business Day” means any day (i) (a) on which banking business is transacted, but not including any day on which banks are authorized to be closed in New York City or in the District in which the Trustee has its Principal Corporate Trust Office or, with respect to a related Series of Bonds, in the District in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (b) on which the New York Stock Exchange is open, or (ii) as otherwise provided in a Supplemental Indenture.

“Capital Appreciation Bonds” means Bonds the interest on which (i) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (ii) is payable upon maturity or prior redemption of such Bonds.

“Chair” means the Chair of the Board of Trustees of the Issuer and any deputy to the Chair or any successor to the duties of such office.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commercial Paper Program” means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to the Indenture and are outstanding up to an Authorized Amount.

“Construction Fund” means the Snyderville Basin Water Reclamation District Revenue Construction Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Cost” or “Costs” or “Cost of Completion,” or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any bonds, including, without limiting the generality of the foregoing:

- (a) amounts payable to contractors and costs incident to the award of contracts;
- (b) cost of labor, facilities and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits and licenses obtained by the Issuer or others;
- (c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;
- (d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) interest expenses, including interest on the Series of Bonds relating to a Project; printing, engraving and other expenses of financing, fees of financial rating services and costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));

(f) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(g) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;

(h) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;

(i) cost of site improvements performed by the Issuer in anticipation of a Project;

(j) moneys necessary to fund the funds created under the Indenture;

(k) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as provided in the Indenture, of any discount on bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs, and Reserve Instrument Costs;

(l) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(m) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and

(n) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of refunding or redeeming any bonds or other obligations, “Cost” includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f), (i), (k), (l), (m) and (o) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

“Cross-over Date” means with respect to Cross-over Refunding Bonds the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“Cross-over Refunded Bonds” means Bonds or other obligations refunded by Cross-over Refunding Bonds.

“Cross-over Refunding Bonds” means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“Current Interest Bonds” means all Bonds other than Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

“Debt Service” means, for any particular Bond Fund Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (i) all interest payable during such Bond Fund Year on such Series of Bonds plus (ii) the Principal Installments payable during such Bond Fund Year on (a) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (b) such Repayment Obligations then outstanding;

provided, however, for purposes of the issuance of Additional Bonds under the Indenture,

(1) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations as shall be established for this purpose in the opinion of the Issuer’s financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

(2) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(3) when calculating interest payable during such Bond Fund Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (using the market rate in a manner similar to that described in (1) above, unless another method of estimation is more appropriate, in the opinion of the Issuer’s financial advisor, underwriter or similar agent for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Bond Fund Year with respect to any Commercial Paper Program, Debt Service shall include an amount equal to the sum of all principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer’s financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise); and

(5) When calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations;

and further provided, that there shall be excluded from Debt Service (a) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (b) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, as amended, and such proceeds or the earnings thereon are required to be applied to pay such Principal

(subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, (c) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations, (d) all interest on Bonds to the extent of Direct Payments attributable to Debt Service on Outstanding Bonds or Additional Bonds proposed to be issued.

"Debt Service Reserve Fund" means the Snyderville Basin Water Reclamation District Revenue Debt Service Reserve Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

"Debt Service Reserve Requirement" means with respect to each Series of Bonds issued pursuant to the Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (i) 10% of the proceeds of such Series of Bonds determined on the basis of original principal amount (unless original issue premium or original issue discount exceeds 2% of original principal, then determined on the basis of its initial purchase price to the public), (ii) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (iii) 125% of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Additional Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series of Bonds issued pursuant to the Indenture (the "Prior Bonds"), then the portion of such Series of Prior Bonds that remain Outstanding immediately after the issuance of such Additional Bonds and the portion of such Additional Bonds that is allocable to the refunding of such Series of Prior Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by proceeds from the sale of such Series of Bonds, by a Reserve Instrument as provided in the Indenture, or if in the related Supplemental Indenture, may be accumulated over time. Each Account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

"Direct Obligations" means noncallable Government Obligations.

"Direct Payments" means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other similar programs with respect to Bonds issued under the Indenture.

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of Refunding Bonds or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

"Escrowed Operation and Maintenance Expenses" means those certain Operation and Maintenance Expenses where the Issuer has set aside an escrowed amount of funds to the payment of certain Operation and Maintenance Expenses and said escrow arrangement is irrevocably held at the option of the Issuer and continually invested in Qualified Investments.

"Event of Default" means with respect to any default or event of default under the Indenture any occurrence or event specified in and defined by the Indenture.

"Finance Manager/Clerk" means the Finance Manager/Clerk of the Issuer and any deputy to the Finance Manager/Clerk or any successor to the duties of such office.

"Fitch" means Fitch Ratings.

"Governing Body" means the Board of Trustees of the Issuer.

"Government Obligations" means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury ("SLGS");

(b) United States Treasury bills, notes and bonds, as traded on the open market;

(c) Zero Coupon United States Treasury Bonds; and

(d) Any other direct obligations of or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as “REFCORP strips”).

“Impact Fees” means all impact fees received by the Issuer included in Revenues.

“Indenture” means the General Indenture of Trust dated as of February 1, 2015, as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

“Initial Bonds” means the first Series of Bonds issued under the Indenture.

“Interest Payment Date” means the stated payment date of an installment of interest on the Bonds.

“Interest Rate Swap” means an agreement between the Issuer or the Trustee and a Swap Counterparty related to a Series of Bonds whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

“Issuer” means the Snyderville Basin Water Reclamation District, Utah and its successors.

“Moody’s” means Moody’s Investors Service, Inc.

“Net Revenues” means the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the Issuer or paid to any other entity pursuant to contract or otherwise, necessary to keep the System in efficient operating condition, including cost of audits required by the Indenture, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance required the Indenture, Administrative Costs and, generally all expenses, exclusive of depreciation (including depreciation related expenses of any joint venture) and, any in-lieu of tax transfers to Issuer funds and interest expense for interfund loans from Issuer funds, which under generally accepted accounting practices are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

“Other Available Funds” means for any year the amount available throughout the applicable year for transfer from the Rate Stabilization Fund to the Revenue Fund, as designated by the Issuer.

“Outstanding” or “Bonds Outstanding” means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under this Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to the Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered under the Indenture, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

“Paired Obligations” means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the Principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on

the same dates and in the same amounts, and (ii) the interest rates of which, when taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

“Paying Agent” means the Trustee, appointed as the initial paying agent for the Bonds pursuant to the Indenture, and any additional or successor paying agent appointed pursuant to the Indenture.

“Pledged Bonds” means any Bonds that have been (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

“Principal” means (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case “Principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

“Principal Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at 170 South Main Street, Suite 600, Salt Lake City, Utah, 84101 Attention: Corporate Trust Department, or such other or additional offices as may be specified by the Trustee.

“Principal Installment” means, as of any date of calculation, (i) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (a) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment and (ii) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

“Project” means the acquisition, construction, and/or renovation of the System, or the acquisition of improvements and equipment (with an expected life beyond a current Fiscal Year) for use in the System.

“Put Bond” means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a “Put Bond.”

“Qualified Engineer” means any registered or licensed engineer or architect or engineer or firm of such engineers or architects and engineers generally recognized to be qualified in engineering matters relating to construction and maintenance of municipal sewer systems, appointed and paid by the Issuer, who shall not have any substantial interest, direct or indirect (other than employment), with the Issuer, but who may be regularly retained to make annual or other periodic reports of the Issuer. “Qualified Engineer” may include any registered or licensed engineer employed by the Issuer.

“Qualified Investments” means any of the following securities:

(a) Government Obligations;

(b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer’s Home Administration; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA’s);

(c) Money market funds rated “AAAm” or “AAAm-G” or better by S & P and/or the equivalent rating or better of Moody’s (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to the fund;

(d) Commercial paper which is rated at the time of purchase in the single highest classification, P-1 by Moody’s or A-1+ by S & P, and which matures not more than 270 days after the date of purchase;

(e) Bonds, notes or other evidences of indebtedness rated “AAA” by S & P and “Aaa” by Moody’s issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(f) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S & P and “P-1” by Moody’s and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(g) The fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer’s Investment Fund; and

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

“Rate Stabilization Fund” means the Rate Stabilization Fund of the Issuer to be held by the Issuer and administered pursuant to the Indenture.

“Rating Agency” means Fitch, Moody’s or S & P and their successors and assigns, but only to the extent such rating agency is then providing a rating on a Series of Bonds issued under the Indenture at the request of the Issuer. If either such Rating Agency ceases to act as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

“Rating Category” or “Rating Categories” mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

“Rebatable Arbitrage” means with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

“Rebate Calculation Date” means, with respect to any Series of Bonds where the interest thereon is intended to be excludable from gross income for federal income tax purposes, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last Bond for such Series.

“Rebate Fund” means the Snyderville Basin Water Reclamation District Sewer Revenue Rebate Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Register” means the record of ownership of the Bonds maintained by the Registrar.

“Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the registrar for the Bonds pursuant to the Indenture, and any additional or successor registrar appointed pursuant to the Indenture.

“Regular Record Date” means unless otherwise provided by Supplemental Indenture for a Series of Bonds, the fifteenth day immediately preceding each Interest Payment Date.

“Regulations,” and all references thereto shall mean and include applicable final, proposed and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

“Remarketing Agent” means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

“Repair and Replacement Fund” means the Snyderville Basin Water Reclamation District Sewer Revenue Repair and Replacement Fund created in the Indenture to be held by the Issuer and administered pursuant to the Indenture.

“Repair and Replacement Reserve Requirement” means the amount or amounts from time to time required under each Supplemental Indenture to be on deposit in the Repair and Replacement Fund.

“Repayment Obligations” means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

“Reserve Instrument” means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term “Reserve Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

“Reserve Instrument Agreement” means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

“Reserve Instrument Costs” means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

“Reserve Instrument Coverage” means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant to the Indenture under all Reserve Instruments.

“Reserve Instrument Fund” means the Snyderville Basin Water Reclamation District Sewer Revenue Reserve Instrument Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Reserve Instrument Limit” means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the applicable Series of Bonds.

“Reserve Instrument Provider” means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company or other institution issuing a Reserve Instrument.

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

“Revenue Fund” means the Snyderville Basin Water Reclamation District Sewer Revenue Fund created in the Indenture to be held by the Issuer and administered pursuant to the Indenture.

“Revenues” means all revenues, fees (including impact fees and connection fees to the extent such fees can legally be used for the purposes financed under the Indenture), Direct Payments, income, rents and receipts received or earned by the Issuer from or attributable to the ownership and operation of the System (including proceeds of business interruption insurance), including (without limitation) all fees and service charges received by the Issuer from service contracts for the disposal or treatment of sewage with other governmental entities or businesses, together with all interest earned by and profits derived from the sale of investments in the funds of the Issuer.

“S&P” means S&P Global Ratings.

“Security Instrument” means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term “Security Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a “Security Instrument” for purposes of this Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

“Security Instrument Agreement” means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) providing for the issuance by such Security Instrument Issuer of a Security Instrument.

“Security Instrument Costs” means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

“Security Instrument Issuer” means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

“Security Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

“Sinking Fund Account” means the Snyderville Basin Water Reclamation District Sewer Revenue Sinking Fund Account of the Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Sinking Fund Installment” means the amount of money which is required to be deposited into the Sinking Fund Account in each Bond Fund Year for the retirement of Term Bonds as specified in the Supplemental Indenture authorizing said Term Bonds (whether at maturity or by redemption), and including the redemption premium, if any.

“Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with the Indenture.

“State” means the State of Utah.

“Supplemental Indenture” means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of the Indenture.

“Swap Counterparty” means a member of the International Swap Dealers Association rated in one of the three top Rating Categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

“Swap Payments” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Issuer. Swap Payments do not include any Termination Payments.

“Swap Receipts” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable for the account of the Issuer by the Swap Counterparty. Swap Receipts do not include amounts received with respect to the early termination or modification of an Interest Rate Swap.

“System” means the Issuer’s sewer system, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses and rights of way of the Issuer and all other works, property, structures, equipment of the Issuer and contract rights and other tangible and intangible assets of the Issuer now or hereafter owned or used in connection with, or related to said System.

“Term Bonds” means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

“Trustee” means U.S. Bank National Association, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee the Indenture.

“Utah Code” means Utah Code Annotated 1953, as amended.

“Variable Rate Bonds” means, as of any date of calculation, Bonds, the interest on which for any future period of time, is to be calculated at a rate which is not susceptible to a precise determination.

“Year” means any twelve-consecutive-month period.

Indenture to Constitute Contract

In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued under the Indenture by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant to the Indenture, the Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers, and the Reserve Instrument Providers; and the pledge made in the Indenture and the covenants and agreements in the Indenture set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance, delivery, maturity, or expiration, shall be of equal rank without preference, priority or distinction of any of the Bonds or Security Instrument Repayment Obligations over any others, except as expressly provided in or permitted by the Indenture, and SECOND, for the equal benefit, protection and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery or termination, shall be of equal rank without preference, priority or distinction of any Reserve Instrument over any other thereof.

Special Funds and Accounts

Use of Acquisition/Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Acquisition/Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Acquisition/Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an authorized Representative of the Issuer stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon audited itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Acquisition/Construction Fund. In making such payments the Trustee may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the Trustee shall not be required to verify the application of any payments from the Acquisition/Construction Fund or to inquire into the purposes for which disbursements are being made from the Acquisition/Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Paragraph (c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Acquisition/Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by the Indenture, any balance remaining in the applicable account in the Acquisition/Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund, to be applied, (i) toward the redemption of the Series of Bonds issued to finance such Project or (ii) to pay principal and/or interest next falling due with respect to such Series of Bonds.

(g) The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Acquisition/Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default under the Indenture.

Use of Revenue Fund.

(a) Unless otherwise provided in the Indenture, all Revenues shall be deposited in the Revenue Fund and shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer.

(b) As a first charge and lien on the Revenues, the Issuer shall cause to be paid from the Revenue Fund from time to time as the Issuer shall determine, all Operation and Maintenance Expenses of the System as the same become due and payable, and thereupon such expenses shall be promptly paid.

(c) So long as any Bonds are Outstanding, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, i.e., from the Net Revenues, the Issuer shall, at least fifteen (15) days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for and deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the Issuer need not allocate to the Revenue Fund to pay interest on the Bonds); plus

(ii) the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds; plus

(iii) the Sinking Fund Installments, if any, falling due on the next succeeding Sinking Fund Installment payment date;

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such Interest Payment Date as the same become due and payable. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

(d) As a third charge and lien on the Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) (on a parity basis), the Issuer shall make the following transfers to the Trustee on or before the fifteenth day of each month of each year:

(i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the accounts in the Debt Service Reserve Fund any amounts required by the Indenture and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided in the Indenture and in any Supplemental Indenture and (B) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, the Issuer shall deposit Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) in such account(s) in the Debt Service Reserve Fund sufficient in amount to restore such account(s) within one year with twelve (12) substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or a ratable portion (based on the amount to be transferred pursuant to the Indenture) of remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) if less than the amount necessary; and

(ii) Equally and ratably to the accounts of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect after the end of such month, such amount of the remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund), or a ratable portion (based on the amount to be transferred pursuant to the Indenture hereof) of the amount so remaining if less than the amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument.

(e) As a fourth charge and lien on the Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund), the Issuer shall deposit in the Repair and Replacement Fund any amount required by the Indenture and by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement. In the event that the amount on deposit in the Repair and Replacement Fund shall ever be less than the Repair and Replacement Reserve Requirement for the Bonds then Outstanding (or, after the issuance of Additional Bonds, the amount required to be on deposit therein), from time to time, the Issuer shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System after payments required by paragraphs (b), (c) and (d) above have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. Subject to the provisions of the following paragraph, this provision is not intended to limit, and shall not limit, the right of the Issuer to deposit additional moneys in the Repair and Replacement Fund from time to time as the Issuer may determine.

(f) Subject to making the foregoing deposits, the Issuer may use the balance of the Net Revenues accounted for in the Revenue Fund for any of the following:

- (i) redemption of Bonds;
- (ii) refinancing, refunding, or advance refunding of any Bonds;
- (iii) for transfer to the Rate Stabilization Fund; or
- (iv) for any other lawful purpose.

Bond Fund. The Issuer may direct the Trustee, pursuant to a Supplemental Indenture, to create an account within the Bond Fund for a separate Series of Bonds under the Indenture.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

- (i) accrued interest received upon the issuance of any Series of Bonds;
- (ii) all moneys payable by the Issuer as specified in “Use of Revenues” above;
- (iii) any amount in the Construction Fund to the extent required by or directed pursuant to the Indenture upon completion of a Project;
- (iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in the Indenture; and
- (v) all other moneys received by the Trustee under the Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund, shall be deposited into the Bond Fund.

(b) Except as provided in the Indenture and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

- (i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;
- (ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and
- (iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agent to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said principal and interest.

(c) After payment in full of the principal of and interest on (1) all Bonds issued under the Indenture (or after provision has been made for the payment thereof as provided in the Indenture so that such Bonds are no longer Outstanding); (2) all agreements relating to all Security Instrument Repayment Obligations and outstanding Reserve Instrument Repayment Obligations in accordance with their respective terms; and (3) the fees, charges and expenses of the Trustee, the Paying Agent and any other amounts required to be paid under the Indenture or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement; all amounts remaining in the Bond Fund shall be paid to the Issuer.

Use of Sinking Fund Account.

(a) The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant to the Indenture, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account).

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the principal of such Term Bonds.

Use of Debt Service Reserve Fund. Except as otherwise provided in this Section and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall either be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof, (i) deposited from available Net Revenues over the period of time specified therein, or (ii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section, the Issuer is required, pursuant to the Indenture and the provisions of any Supplemental Indenture, make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event funds on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in the Indenture.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds are Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

Moneys at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) shall be transferred by the Trustee to the Bond Fund at least once each year.

Moneys on deposit in any account of the Debt Service Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for the Series of Bonds secured by said account and any Reserve Instrument shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

The Issuer may, upon obtaining approving opinion of bond counsel to the effect that such transaction will not adversely affect the tax-exempt status of any outstanding Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument.

Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

Use of Repair and Replacement Fund. All moneys in the Repair and Replacement Fund may be drawn on and used by the Issuer for the purpose of (a) paying the cost of unusual or extraordinary maintenance or repairs of the System; (b) paying the costs of any renewals, renovation, improvements, expansion or replacements to the System; and (c) paying the cost of any replacement of buildings, lines, equipment and other related facilities, to the extent the same are not paid as part of the ordinary and normal expense of the operation of the System.

Funds shall be deposited monthly from available Net Revenues in such amounts as may be required from time to time by each Supplemental Indenture until the Repair and Replacement Fund has an amount equivalent to the Repair and Replacement Requirement. Any deficiencies below the Repair and Replacement Requirement shall be made up from Net Revenues of the System available for such purposes. Funds at any time on deposit in the Repair and Replacement Fund in excess of the amount required to be maintained therein may, at any time, be used by the Issuer for any lawful purpose.

Use of Rebate Fund. The Trustee shall establish and thereafter maintain, so long as the Bonds are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under the Indenture and from all other moneys of the Trustee. The Rebate Fund is created solely for purposes of compliance by the Issuer with the requirements of Section 148 of the Code or any successor.

Investment of Funds. All moneys in the Bond Fund, the Construction/Acquisition Fund, the Reserve Instrument Fund, the Rebate Fund, or the Debt Service Reserve Fund shall, at the discretion and authorization of the Issuer's Authorized Representative, be invested by the Trustee in Qualified Investments; provided however, that moneys on deposit in the Bond Fund and the Reserve Instrument Fund may only be invested in Qualified Investments having a maturity date of one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the

moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction/Acquisition Fund, Bond Fund, the Reserve Instrument Fund and Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as provided in the Indenture. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with the Indenture. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Qualified Investments.

The Issuer may invest the amounts on deposit in the Revenue Fund and the Repair and Replacement Fund as permitted by applicable law.

Trust Funds. All moneys and securities received by the Trustee under the provisions of the Indenture shall be trust funds under the terms of the Indenture and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions of the Indenture. Except as provided otherwise in the Indenture, unless and until disbursed pursuant to the terms of the Indenture, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable under the Indenture.

Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Qualified Investments shall be valued at market, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur annually, except in the event of a withdrawal from the Debt Service Reserve Fund, whereupon securities shall be valued immediately after such withdrawal.

Covenants

General Covenants. The Issuer covenants and agrees with each and every Registered Owner of the Bonds issued under the Indenture and Reserve Instrument Provider as follows:

(a) While any of the principal of and interest on the Bonds are outstanding and unpaid, or any Repayment Obligations are outstanding, any resolution or other enactment of the Governing Body of the Issuer, applying the Net Revenues for the payment of the Bonds and the Repayment Obligations shall be irrevocable until the Bonds and/or any Repayment Obligations have been paid in full as to both principal and interest, and is not subject to amendment in any manner which would impair the rights of the holders of those Bonds or the Repayment Obligations which would in any way jeopardize the timely payment of principal or interest when due. Furthermore, the rates for all services supplied by the System to the Issuer and to its inhabitants and to all customers within or without the boundaries of the Issuer, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year which when added to the Other Available Funds for such year (less Direct Payments) shall equal 125% of the Aggregate Annual Debt Service Requirement for such year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. There shall be no free sewer service, and such rates shall be charged against all users of the System, excluding the Issuer. The Issuer agrees that should its annual audited financial statements disclose that during the period covered by such financial statements the Net Revenues were not at least equal to the above requirement, the Issuer shall request that a Qualified Engineer, independent accountant, or other independent financial consultant make recommendations as to the revision of the rates, charges and fees and that the Issuer on the basis of such recommendations will revise the schedule of rates, charges and fees and further revise Operation and Maintenance Costs so as to produce the necessary Net Revenues and Other Available Funds as required in the Indenture.

(b) The Issuer will maintain the System in good condition and operate the same in an efficient manner.

(c) Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider shall have a right, in addition to all other rights afforded it by the laws of the State, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge or collect reasonable

rates for services supplied by the System sufficient to meet all requirements of the Indenture and of any applicable Reserve Instrument Agreement.

(d) So long as any principal and interest payments of the Bonds are Outstanding, or any Repayment Obligations are outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider, or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System. Except as otherwise provided in the Indenture, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Net Revenues and the System, and that such audit will be available for All expenses incurred in compiling the information required above shall be regarded and paid as an Operation and Maintenance Expense.

First Lien Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligation constitute an irrevocable first lien upon the Net Revenues. The Issuer covenants that the Bonds and Security Instrument Repayment Obligations hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a first lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Net Revenues, or (iii) Funds established, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued under the Indenture, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning of the Indenture and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Net Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created under the Indenture or the income from the temporary investment thereof), which Net Revenues are specifically pledged and assigned to the payment thereof in the manner and to the extent specified in the Indenture, and nothing in the Bonds, the Indenture, any Security Instrument Agreement, or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, and in any and every Bond, Security Instrument Agreement, and Reserve Instrument Agreement. The Issuer represents that it is duly authorized under the Constitution of the State to issue the Bonds authorized by the Indenture and to execute the Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of the Indenture have been duly and effectively taken, and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

List of Bondholders. The Trustee will keep on file at its Principal Corporate Trust Office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in Principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee.

Management of System. The Issuer, in order to assure the efficient management and operation of the System and to assure each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider from time to time

that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character.

Use of Legally Available Moneys. Notwithstanding any other provisions of the Indenture, nothing in the Indenture shall be construed to prevent the Issuer from (i) paying all or any part of the Operation and Maintenance Expenses from any funds available to the Issuer for such purpose, (ii) depositing any funds available to the Issuer for such purpose in any account in the Bond Fund for the payment of the interest on, premium, if any, or the principal of any Bonds issued under provisions of the Indenture or for the redemption of any such Bonds, or (iii) depositing any funds available to the Issuer for such purpose in the Reserve Instrument Fund for the payment of any amounts payable under any applicable Reserve Instrument Agreement.

Payment of Taxes and Other Charges. The Issuer covenants that all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon the System or upon any part thereof or upon any income therefrom will be paid when the same shall become due, that no lien or charge upon the System or any part thereof or upon any Revenues thereof, except for the lien and charge thereon created under the Indenture and securing the Bonds, will be created or permitted to be created ranking equally with or prior to the Bonds (except for the parity lien thereon of Additional Bonds issued from time to time under the Indenture and under Supplemental Indentures), and that all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon the Revenues thereof will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within 60 days after the same shall accrue; provided, however, that nothing in the Indenture shall require any such lien or charge to be paid or discharged or provision made therefor so long as the validity of such lien or charge shall be contested in good faith and by appropriate legal proceedings.

Insurance. The Issuer, in its operation of the System, will self-insure or carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Bond Fund.

Covenant Not to Sell. The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all principal of and interest on the Bonds, and all Reserve Instrument Repayment Obligations, have been paid in full, except as follows:

(a) The Issuer may sell any portion of said property which shall have been replaced by other property of like kind and of at least equal value. The Issuer may sell, lease, abandon, mortgage, or otherwise dispose of any portion of the property which shall cease to be necessary for the efficient operation of the System the disposition of which will not, as reasonably determined by the governing body of the Issuer, result in a material reduction in Net Revenues in any year; and the value of which, as reasonably determined by the governing body of the Issuer (together with any other property similarly disposed of within the 12 calendar months preceding the proposed disposition) does not exceed 5% of the value of the System assets; provided, however, that in the event of any sale or lease as aforesaid, the proceeds of such sale or lease not needed to acquire other System property shall be paid into the Bond Fund.

(b) The Issuer may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right does not impede the operation of the System; and any payment received by the Issuer under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues.

Default Provisions

Events of Default. Each of the following events is declared an “Event of Default”:

- (a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or
- (b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund under the Indenture or otherwise; or
- (c) if the Issuer shall, in the reasonable opinion of any Registered Owner of not less than 50% in aggregate principal amount of the Bonds then Outstanding under the Indenture, for any reason be rendered incapable of fulfilling its obligations under the Indenture; or
- (d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof; or
- (e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or
- (f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee or custodian of the Issuer or of the whole or any part of the Issuer’s property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or
- (g) if the Issuer shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or
- (h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control;
- (i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture or any Supplemental Indenture on the part of the Issuer to be performed, other than as set forth in the Indenture, and such Default shall continue for 30 days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding under the Indenture; or
- (j) any event specified in a Supplemental Indenture as constituting an Event of Default.

Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to the Indenture, may pursue any available remedy by suit at law or in equity to enforce the

payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer under the Indenture.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy conferred by the terms of the Indenture upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Right of Registered Owners to Direct Proceedings. Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

(a) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(b) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Rights and Remedies of Registered Owners. Except as provided in the Indenture, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture, or of which it is deemed to have notice, nor unless also Registered Owners of 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted by the Indenture or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time of providing Security Instruments. Nothing contained in the Indenture shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the principal of, premium, if any,

and interest on each of the Bonds issued under the Indenture held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Termination of Proceedings. In case the Trustee, any Registered Owner or any Security Instrument Issuer shall have proceeded to enforce any right under the Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Registered Owner or any Security Instrument Issuer then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default. Subject to certain provisions of the Indenture, the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default under the Indenture and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a majority in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Bonds at the date that a Principal Installment is due, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of principal and premium, if any, when due and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Cooperation of Issuer. In the case of any Event of Default under the Indenture, the Issuer shall cooperate with the Trustee and use its best efforts to protect the Registered Owners, Reserve Instrument Providers and Security Instrument Issuers.

Trustee Provisions

Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee under the Indenture and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as provided in the Indenture. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. The Trustee's rights under this provision will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under the Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under the Indenture and secured by the Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under the Indenture.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers. The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers, enter into an indenture or indentures supplemental, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (a) To provide for the issuance of Additional Bonds in accordance with the provisions of the Indenture;
- (b) To cure any ambiguity or formal defect or omission in the Indenture;
- (c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;
- (d) To subject to the Indenture additional Revenues or other revenues, properties, collateral or security;
- (e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, or any successor provisions of law;
- (f) To make any change which shall not materially adversely affect the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuers or any Reserve Instrument Provider, requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;
- (g) To make any change necessary (A) to establish or maintain the excludability from gross income for federal income tax purposes of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service of Section 148 of the Code or of regulations proposed or promulgated thereunder, or (B) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the Funds established hereunder to the United States of America or (C) to establish or maintain the Direct Payments related to any Series of Bonds;
- (h) If the Bonds affected by any change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;
- (i) If the Bonds affected by any change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;
- (j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (1) a Supplemental Indenture designating the facilities to comprise the Project, (2) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds and (3) a certificate of the Issuer to the effect that such amendment will not adversely affect the Issuer's ability to comply with the provisions of the Indenture; and
- (k) To correct any references contained in the Indenture to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references in the Indenture are correct.

Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by the preceding subsection and subject to the terms and provisions contained in the Indenture, and not otherwise, the Registered Owners of 66 2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions of the Indenture or of any indenture supplemental; provided, however, that nothing in the Indenture contained shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any Fund established under the Indenture applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in the preceding Section, neither the Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

Discharge of Indenture

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Registered Owners of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions of the Indenture, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due according to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then these presents and the estate and rights granted by the Indenture shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of the Indenture when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Direct Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted);

(b) directing the Trustee to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to the Indenture; and

(c) if the Bonds to be redeemed will not be redeemed within 90 days of such deposit, directing the Trustee to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by the Indenture has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in subparagraph (a) above.

Any moneys so deposited with the Trustee as provided in the Indenture may at the direction of the Issuer also be invested and reinvested in Direct Obligations, maturing in the amounts and times as set forth in the Indenture, and all income from all Direct Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Trustee shall first obtain a written verification from a certified public accountant that the moneys remaining on deposit with the Trustee and invested in Direct Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay principal and interest on the Bonds when due and payable.

No such deposit under the Indenture shall be made or accepted under the Indenture and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any tax-exempt Bonds to be treated as arbitrage bonds within the meaning of Sections 148 of the Code.

Notwithstanding any provision of the Indenture, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Direct Obligations have been so set aside in trust.

Anything in the Indenture to the contrary notwithstanding, if moneys or Direct Obligations have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the Indenture shall be made without the consent of the Registered Owner of each Bond affected thereby.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2026 Bonds, Gilmore & Bell, P.C., Bond Counsel to the District, proposes to issue their final approving opinion in substantially the following form:

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15 West South Temple, Suite 1400
Salt Lake City, Utah 84101-1535

(801) 364-5080 / (816) 221-1018 FAX / gilmorebell.com

_____, 2026

Snyderville Basin Water
Reclamation District
2800 Homestead Road
Park City, Utah 84098

U.S. Bank Trust Company, National Association
170 South Main Street, 2nd Floor
Salt Lake City, Utah

Stifel, Nicolaus & Company, Incorporated
15 West South Temple, Suite 1090
Salt Lake City, Utah

Re: \$ _____ Snyderville Basin Water Reclamation District, Utah Sewer Revenue Refunding Bonds,
Series 2026

We have acted as bond counsel to the Snyderville Basin Water Reclamation District, Utah (the “Issuer”) in connection with the issuance by the Issuer by the Issuer of the above-captioned bonds (the “Bonds”). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

The Bonds are being issued pursuant to (i) the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, and other applicable provisions of law; (ii) a resolution of the Issuer adopted on February 23, 2026; and (iii) a General Indenture of Trust dated as of February 1, 2015 (the “General Indenture”) as heretofore supplemented, and as further supplemented by a Second Supplemental Indenture of Trust dated as of _____, 2026 (the “Second Supplemental Indenture” and together with the General Indenture, the “Indenture”) each between the Issuer and U.S. Bank Trust Company, National Association, as trustee. Under the Indenture, the Issuer has pledged certain revenues (the “Net Revenues”) for the payment of principal of, premium (if any), and interest on the Bonds when due.

Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the Indenture.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer contained in the Indenture, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Issuer is validly existing as a political subdivision and body politic duly organized and validly existing under the constitution and laws of the State of Utah (the “State”) with the power to execute the Indenture, perform the agreements on its part contained therein, and issue the Bonds.
2. The Indenture has been authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer.
3. The Indenture creates a valid lien on the Net Revenues and other funds pledged by the Indenture for the security of the Bonds on a parity with other bonds, if any, issued or to be issued under the Indenture.
4. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Net Revenues and the other funds provided therefor in the Indenture.

The Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory provision, limitation, or restriction. The Issuer's taxing power is not pledged to the payment of the Bonds.

5. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

6. The interest on the Bonds is exempt from income taxation by the State.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, except as may be set forth in our supplemental opinion of even date herewith, (b) the attachment, perfection, or priority of the lien on Revenues or other funds created by the Indenture, or (c) the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the Snyderville Basin Water Reclamation District, Utah (the “District”), in connection with the issuance of the District’s Sewer Revenue Refunding Bonds, Series 2026 in the aggregate principal amount of \$ _____ (the “Series 2026 Bonds”). The Series 2026 Bonds are being issued pursuant to (i) the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, and other applicable provisions of law; (ii) a resolution adopted by the Board of Trustees of the District on February 23, 2026, which provides for the issuance of the Series 2026 Bonds; and (iii) a General Indenture of Trust dated as of February 1, 2015 (the “General Indenture”), as heretofore supplemented, and as further supplemented by a Second Supplemental Indenture of Trust dated as of _____ 1, 2026 (the “Second Supplemental Indenture” and together with the General Indenture, the “Indenture”), each between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The District covenants and agrees as follows:

The District hereby acknowledges that it is an “obligated person” within the meaning of the hereinafter defined Rule and the only “obligated person” with respect to the Series 2026 Bonds. In connection with the aforementioned transactions, the District covenants and agrees as follows:

1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the District for the benefit of the Bondholders and Beneficial Owners of the Series 2026 Bonds and in order to assist the Participating Underwriters in complying with the Rule (each as defined herein).

2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report of the District” means the Annual Report of the District provided by the District pursuant to, and as described in Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean, initially, the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, the address of which is currently 1300 I Street, NW, Suite 1000, Washington D.C. 20005; Telephone (202) 838-1500; the current website address of which is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

“Official Statement” shall mean the Official Statement of the District dated _____, 2026, relating to the Series 2026 Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2026 Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The District shall prepare an Annual Report of the District and shall, or shall cause the Dissemination Agent to, not later than two hundred ten (210) days after the end of each fiscal year of the District (presently December 31), commencing with the fiscal year ended December 31, 2025, provide to the MSRB, the Annual Report of the District which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report of the District to the Dissemination Agent. In each case, the Annual Report of the District may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(e).

(b) If by fifteen (15) Business Days prior to the date specified in Section 3(a) for providing the Annual Report of the District to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the District, the Dissemination Agent, if other than the District, shall contact the District to determine if the District is in compliance with Section 3(a).

(c) If the Dissemination Agent is unable to verify that the Annual Report of the District has been provided to the MSRB by the dates required in Section 3(a), the Dissemination Agent shall, in a timely manner, send a notice of a failure to file the Annual Report to the MSRB in an electronic format.

(d) The Dissemination Agent shall:

(i) determine each year prior to the dates for providing the Annual Report of the District, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) file reports with the District, as appropriate, certifying that their Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

4. Content of Annual Reports. The Annual Report of the District shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant or a firm of certified public accountants. If the District’s audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report of the District and audited financial statements will be provided when and if available.

(b) An update of the financial and operating information in the Official Statement relating to the District of the type contained in the tables under the headings:

“HISTORICAL DEBT SERVICE COVERAGE” and “THE SYSTEM.”

Any or all of the items listed above may be included by specific reference to other documents, including Official Statements of debt issues of the District, as appropriate or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final Official Statement, it must be available from the MSRB. The District, as appropriate, shall clearly identify each such other document so incorporated by the reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2026 Bonds in a timely manner but not more than ten (10) Business Days after the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds or other material events affecting the tax status of the Series 2026 Bonds;
- (vi) Defeasances;
- (vii) Tender offers;
- (viii) Bankruptcy, insolvency, receivership or similar proceedings;
- (ix) Rating changes; or
- (x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the District shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2026 Bonds in a timely manner not more than ten (10) Business Days after the Listed Event, if material:

- (i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
- (ii) Appointment of a successor or additional trustee or the change of the name of a trustee;
- (iii) Non-payment related defaults;
- (iv) Modifications to the rights of the owners of the Series 2026 Bonds;
- (v) Series 2026 Bond calls;
- (vi) Release, substitution or sale of property securing repayment of the Series 2026 Bonds; or
- (vii) Incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect holders of the Series 2026 Bonds.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b), whether because of a notice from the Trustee or otherwise, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District has determined that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the District determines that the Listed Event under Section 5(b) would not be material under applicable federal securities laws, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the District to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB in an electronic format in a timely manner not more than ten (10) Business Days after the Listed Event.

6. Termination of Reporting Obligation. The District's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds. If such termination occurs prior to the final maturity of the Series 2026 Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist the District in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the District shall be the Dissemination Agent. The initial Dissemination Agent shall be the District.

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the District may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" (as defined in the Rule) with respect to the Series 2026 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2026 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2026 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2026 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the District shall describe such amendment in the next Annual Report of the District, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice

of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the District chooses to include any information in any Annual Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the District shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Series 2026 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an “event of default” under the Indenture or the Lease, and the sole remedy under this Disclosure Undertaking in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2026 Bonds.

12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

13. Counterparts. This Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2026.

SNYDERVILLE BASIN WATER RECLAMATION
DISTRICT, UTAH

By: _____
Chair

ATTEST:

District Clerk

APPENDIX E

BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2026 Bonds, except in the event that use of the book-entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of 2026 Bonds may wish to ascertain that the nominee holding the 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2026 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2026 Bond certificates are required to be printed and delivered.

the District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2026 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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