

Bear River Water Conservancy District

Annual Report of Activities – Calendar Year 2025

Presented to the Board of Trustees – March 25, 2026

Prepared by: Chance Baxter, General Manager

The 2025 year was busy and productive for the District, and I want to give the Board a clear, straightforward summary of what we accomplished and where we stand moving into 2026. Much like my Quarterly reports, this update focuses on project progress, financial condition, operational performance, and the major issues we worked through together over the last twelve months.

From an administrative standpoint, we had a few changes in Board membership and officer roles during the year. We welcomed Trustees Kelly Lemmon and Mike Braegger, and Trustee Jay Capener was reappointed. Mid-year, Chairman Bott stepped down and Trustee Capener was elected as Chairman, with Trustee Kendrick as Vice Chair. The District stayed in full compliance with required reporting and audit obligations. The 2024 audit came back clean. We did have one training-related compliance item that we addressed right away.

Financially, the District is in a strong position. The audit showed \$17 million in capital assets and a good net position. Revenues were up by about \$1.3 million compared to 2023. We adopted the 2026 budget with the scheduled 3% COLA. Throughout the year, we maintained tight oversight on expenses while still moving forward with important capital work. We also provided targeted support to several communities where the District's participation helped stabilize or improve local systems. These included funding assistance to Deweyville for their pipeline replacement, Willard City for a PRV upgrade, Thatcher Penrose for their IFFP study, and early coordination with Mantua on a generator project.

One of the biggest administrative tasks of the year was updating the Water Service Policy. The committee and legal counsel helped work through several needed changes. We clarified service processes, updated the section on wholesale and retail delivery, and added flexibility for how we handle water service on District-owned property. We also extended the water sales moratorium for 90 days to make sure the timing aligned with the new impact fee schedule.

Operationally, we made substantial progress across nearly every system. In Harper Ward, the transmission pipeline is complete and came in under budget. The 500,000-gallon tank and pond were finished, and the pump house contract was awarded at \$1,037,000. As the Board knows, the

well needed a pump redesign due to plumbness issues. Even with that adjustment, the project is on track, and we expect the pump house to be commissioned soon.

South Willard Well #2 was drilled and tested with excellent results at roughly 1,000 gallons per minute. We advanced the pump house engineering this year after receiving Board approval on funding. We also worked out the wholesale agreement with Willard City for the 24-home subdivision and officially applied the District's tiered rate structure to South Willard's retail connections.

In Bothwell, we completed the year-long optimization study. That work helped us clearly identify where the system needs upsizing and how we can operate more efficiently. The study gave us a realistic picture of the long-term improvements needed. Based on that information, the Board approved will-serve letters for the Anderson and Moulding developments with conditions tied to system upgrades. Bothwell's wholesale agreement was also renewed for 40 acre-feet annually under a perpetual term.

Additional system improvements included completing the Deweyville pipeline late in the year, finalizing Howell's chlorinator engineering, reviewing Sleepy Hollow's engineering plans, and bringing the Flat Canyon Well fully online with SCADA, power, and monitoring upgrades.

The District spent considerable time assisting with regional planning in 2025. The County Water Master Plan reached the final draft stage, and the secondary water feasibility study continued to move forward. Both efforts will be helpful as we begin long-term planning on the District side. We also met several times with private systems, including Thatcher Hills, Cedar Ridge, and Ukon/Riverside North Garland, to help them evaluate long-term options and operational needs.

Public engagement increased significantly this year, especially in Harper Ward. The discussion around possibly transferring the Harper Ward pipeline to Brigham City brought large public turnout and strong feedback. After working through the pros and cons and hearing from the community, Brigham City withdrew its interest, which resolved the issue for the time being. Throughout the year, District staff participated in Rural Water, AWWA, Water Users, and other state-level coordination efforts.

One of the more complicated issues we dealt with was the discussion around withdrawal requests from Brigham City and Perry City. The original petitions were insufficient, but the conversation itself continued through much of the year. After reviewing financial and operational implications, and after substantial discussion with the Board, the District voted in October not to initiate a withdrawal process. Even so, communication lines remain open so we can continue to work toward solutions that benefit the entire county.

Operationally, this was the first year in more than a year that we had a fully staffed operations team. Our new operator, Wyatt Stevens, has been doing well. System demands were high due to weather conditions, but staff kept everything running smoothly. We also replaced an aging F-150 in the fleet to reduce maintenance costs and improve reliability.

As we move into 2026, our focus will be on progressing the Bothwell pipeline and tank projects, getting South Willard's pump house ready for construction, reviewing Collinston's long-term supply needs, and finishing the secondary water feasibility recommendations. We also expect to wrap up the Harper Ward pump house, assist Thatcher Hills with operational needs. Adoption of the County Water Master Plan will help guide many of these decisions.

Overall, 2025 was a productive year. We kept major projects advancing, updated important policies, maintained financial stability, and continued strengthening relationships with the communities we serve. I appreciate the Board's support and look forward to the work ahead in 2026. The Board, staff, and partner entities should be commended for their leadership and commitment to protecting and developing Box Elder County's long-term water resources.

Respectfully submitted,

Chance Baxter

General Manager

Bear River Water Conservancy District

BEAR RIVER WATER CONSERVANCY DISTRICT

**BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED DECEMBER 31, 2025**

DRAFT

BEAR RIVER WATER CONSERVANCY DISTRICT

TABLE OF CONTENTS

BASIC FINANCIAL STATEMENTS:

Independent Auditor’s Report 1-3

Management’s Discussion & Analysis..... 4-7

Statement of Net Position – Proprietary Funds8

Statement of Revenues, Expenses, and Changes in Fund Net Position –
Proprietary Funds9

Statement of Cash Flows – Proprietary Funds 10

Notes to Financial Statements 11-34

REQUIRED SUPPLEMENTARY INFORMATION:

Schedule of the Proportionate Share of the Net Pension Liability35

Schedule of Contributions 36

Notes to the Required Supplementary Information37

AUDITOR’S REPORTS:

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 38-39

Independent Auditor’s Report in Accordance with the *State
Compliance Audit Guide* 40-41

Schedule of Findings – State Legal Compliance.....42

SINGLE AUDIT SECTION:

Independent Auditor’s Report on Compliance for Each Major Program and
On Internal Control Over Compliance Required by the Uniform Guidance43-44

Schedule of Expenditures of Federal Awards.....45

Notes to Schedule of Expenditures of Federal Awards.....46

Schedule of Findings and Questioned Costs.....47-48



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Bear River Water Conservancy District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Bear River Water Conservancy District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Bear River Water Conservancy District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Bear River Water Conservancy District, as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, the schedule of contributions, and the notes to the required supplementary information on pages 4-7 and 35-37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bear River Water Conservancy District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 20, 2026 on our consideration of the Bear River Water Conservancy District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bear River Water Conservancy District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Bear River Water Conservancy District's internal control over financial reporting and compliance.

Child Richards CPAs & Advisors

Ogden, Utah
March 20, 2026

DRAFT

MANAGEMENT'S DISCUSSION & ANALYSIS

**BEAR RIVER WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

As management of the Bear River Water Conservancy District (the District), we offer readers of the Bear River Water Conservancy District's financial statements this narrative overview for the year ending December 31, 2025. As management, we encourage readers to consider the information presented here in conjunction with the financial statements, which follow this section.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior year.

The Statement of Net Position provides information regarding all assets of the District, such as cash, accounts receivable, prepaid items, and capital assets as well as the liabilities of the District, such as accounts payable and long-term debt. The difference between the assets and liabilities is reported as net position.

The Statement of Revenue, Expenses, and Changes in Fund Net Position shows all revenue received during the year broken down by charges for service, impact fees, property taxes, interest, and other miscellaneous revenue. The expenses are summarized by salaries and benefit expenses, maintenance supplies and materials, utilities, general insurance, engineering and professional fees, interest, and depreciation. This statement also shows the net position at the beginning of the year and at the end of the year.

The Statement of Cash Flows summarizes the flow of cash from operating activities, investment activities as well as capital and related financing activities and provides a reconciliation of operating income to the net cash provided by the operating activities.

Notes to the Financial Statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

**BEAR RIVER WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Condensed Financial Information

Statement of Net Position

Total net position was \$19,905,837 at December 31, 2025. Capital assets at December 31, 2025 were \$19,033,309 net of depreciation. Total liabilities were \$4,557,455.

Condensed Statement of Net Position

<u>Assets</u>	2025	2024
Current assets	\$ 4,162,410	\$ 4,150,705
Other assets	1,350,371	2,322,916
Capital assets, net	19,033,309	17,050,445
Total assets	<u>24,546,090</u>	<u>23,524,066</u>
Deferred outflows of resources	<u>156,039</u>	<u>169,723</u>
Total assets & deferred outflows	<u>\$ 24,702,129</u>	<u>\$ 23,693,789</u>
<u>Liabilities</u>		
Current liabilities	\$ 1,117,566	\$ 1,046,326
Long-term liabilities	<u>3,439,889</u>	<u>3,771,498</u>
Total liabilities	<u>4,557,455</u>	<u>4,817,824</u>
Deferred inflows of resources	<u>238,837</u>	<u>1,356,442</u>
Total liabilities & deferred inflows	<u>4,796,292</u>	<u>6,174,266</u>
<u>Net Position</u>		
Net investment in capital assets	\$ 14,827,981	\$ 12,653,415
Restricted	1,412,834	2,412,230
Unrestricted	<u>3,665,022</u>	<u>2,453,878</u>
Total net position	<u>\$ 19,905,837</u>	<u>\$ 17,519,523</u>

**BEAR RIVER WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Condensed Financial Information – Continued

Statement of Revenue

Total revenue increased by 162,233 or 3.03% from 2024.

Condensed Statement of Revenue

<u>Revenue</u>	<u>2025</u>	<u>2024</u>
Charges for service	\$ 858,736	\$ 843,385
Intergovernmental revenue	2,019,529	1,938,230
Impact fees	80,296	-
Property taxes	2,235,092	2,251,580
Interest	190,184	210,016
Lease income	93,620	94,710
Miscellaneous	31,817	9,120
Total revenues	<u>\$ 5,509,274</u>	<u>\$ 5,347,041</u>

Statement of Expenses

Total expenses for 2025 were \$3,122,960.

Condensed Statement of Expenses

<u>Expenses</u>	<u>2025</u>	<u>2024</u>
Wages and employee benefits	\$ 701,032	\$ 694,041
Materials, supplies, and utilities	852,795	953,624
Depreciation/amortization	434,179	427,508
Miscellaneous	121,890	120,142
Professional fees	622,608	314,040
Interest	38,731	41,279
Weather modification	49,366	61,737
Contributions to other governments	225,704	190,025
Loss on disposal	76,655	96,970
Total expenses	<u>\$ 3,122,960</u>	<u>\$ 2,899,366</u>

**BEAR RIVER WATER CONSERVANCY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Condensed Financial Information – Continued

Statement of Changes in Net Position

Condensed Statement of Changes in Net Position		
	2025	2024
Revenues	\$ 5,509,274	\$ 5,347,041
Expenses	3,122,960	2,899,366
Total changes in net position	2,386,314	2,447,675
Net position - beginning of year	17,519,523	15,071,848
Net position - end of year	\$ 19,905,837	\$ 17,519,523

Financial Position and Results of Operations

As compared to 2024, the District's total position increased by \$2,386,314. Total liabilities decreased by \$260,369, due mostly to payments on bonds and a decrease in accounts payable. Total revenue increased by \$162,233, largely due to increased charges for services, grant revenue, and property taxes. Expenses increased by \$223,594 due to increased professional fees. These total changes in revenues and expenses resulted in a \$2,386,314 increase in total net position.

During 2025, the District spent \$2,421,682 on capital assets. The District continued its investment in the Flat Canyon well, a production well, and constructing the necessary waterlines. In addition, \$1,540,850 was spent on construction of the Harper Ward tank and pipeline and \$724,584 was spent on the South Willard Backup well. Both projects were in progress at year-end.

Financial Contact

The District's financial statements are designed to present users (citizens, taxpayers, customers, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the District's General Manager at 102 West Forest, Brigham City, Utah, 84302.

BASIC FINANCIAL STATEMENTS

BEAR RIVER WATER CONSERVANCY DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2025

<u>ASSETS:</u>		
Current assets:		
Cash and investments (note 2)	\$ 3,629,277	
Accounts receivable, net	131,314	
Grant receivable	76,122	
Lease receivable - current	12,256	
Due from other governments	297,652	
Prepaid expenses	15,789	
Total current assets		<u>4,162,410</u>
Noncurrent assets:		
Restricted cash and investments (note 8)	1,350,371	
Capital assets:		
Land and water rights	1,242,312	
Work in progress	5,188,594	
Net depreciable assets	12,602,403	
Total noncurrent assets		<u>20,383,680</u>
Total assets		<u>24,546,090</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Related to pensions	156,039	
Total deferred outflows of resources		<u>156,039</u>
Total assets and deferred outflows of resources		<u>\$ 24,702,129</u>
<u>LIABILITIES:</u>		
Current liabilities:		
Accounts payable	\$ 630,603	
Retainage payable	33,604	
Payroll liabilities	23,417	
Interest payable	49,252	
Other liabilities	25,690	
Long-term liabilities - current portion (note 4)	355,000	
Total current liabilities		<u>1,117,566</u>
Long-term liabilities:		
Compensated absences	51,538	
Net pension liability	92,435	
Bonds payable (note 4)	3,295,916	
Total long-term liabilities		<u>3,439,889</u>
Total liabilities		<u>4,557,455</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Related to pensions	1,141	
Related to leases	3,150	
Related to ARPA funds	234,546	
Total deferred inflows of resources		<u>238,837</u>
Total liabilities and deferred inflows of resources		<u>4,796,292</u>
<u>NET POSITION:</u>		
Net investment in capital assets	14,827,981	
Restricted for:		
Impact fees	264,433	
Bond reserves	1,085,938	
Net pension	62,463	
Unrestricted	3,665,022	
Total net position		<u>\$ 19,905,837</u>

BEAR RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2025

<hr/>		
Operating revenues:		
Charges for services	\$ 858,736	
Total operating revenue		<u>858,736</u>
Operating expenses:		
Wages and benefits	701,032	
Materials, supplies, and utilities	852,795	
Depreciation	418,502	
Amortization	15,677	
Miscellaneous	121,890	
Professional fees	622,608	
Total operating expenses		<u>2,732,504</u>
Net income (loss) from operations		<u>(1,873,768)</u>
Non-operating revenue (expenses):		
Property taxes	2,235,092	
Impact fee revenue	80,296	
Lease income	93,620	
Interest income	190,184	
Grants	2,019,529	
Gain/(loss) on disposal	(76,655)	
Weather modification	(49,366)	
Interest expense	(38,731)	
Other income	31,817	
Contributions to other governments	(225,704)	
Total non-operating revenue (expenses)		<u>4,260,082</u>
Net income (loss) before contributions		<u>2,386,314</u>
Change in net position		2,386,314
Net position - beginning of year		<u>17,519,523</u>
Net position - end of year		<u><u>\$ 19,905,837</u></u>

BEAR RIVER WATER CONSERVANCY DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025

Cash flows from operating activities:		
Receipts from customers	\$ 890,369	
Payments to suppliers	(1,738,117)	
Payments to employees	(673,741)	
Net cash from operating activities		<u>(1,521,489)</u>
Cash flows from noncapital financing activities:		
Property tax revenue	2,054,384	
Other revenues	31,817	
Grant revenue	1,421,726	
Impact fees	80,296	
Weather modification expense	(49,366)	
Net cash from noncapital and related financing activities		<u>3,538,857</u>
Cash flows from capital and related financing activities:		
Principal paid on long-term debt	(132,000)	
Long-term debt proceeds	-	
Purchase and construction of capital assets	(2,440,209)	
Proceeds from sale of assets	6,200	
Interest paid	(16,823)	
Payments on leases	(16,325)	
Payments received on lease receivables	94,458	
Net cash from capital and related financial activities		<u>(2,504,699)</u>
Cash flows from investing activities:		
Interest received	190,184	
Net cash from investing activities		<u>190,184</u>
Net increase (decrease) in cash		<u>(297,147)</u>
Cash, restricted cash, and cash equivalents - beginning of year		<u>5,276,795</u>
Cash, restricted cash, and cash equivalents - end of year		<u>\$ 4,979,648</u>
Reconciliation of operating income to net cash provided by operating activities:		
Net income (loss) from operations		<u>\$(1,873,768)</u>
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation/amortization	434,179	
(Increase)/decrease in accounts receivables	31,633	
(Increase)/decrease in prepaid expenses	(10,053)	
Increase/(decrease) in accounts payable	(149,298)	
Less amounts related to capital activities	18,527	
Increase/(decrease) in payroll liabilities	(8,884)	
Increase/(decrease) in net pension liability	26,851	
Increase/(decrease) in compensated absences	9,324	
Total adjustments		<u>352,279</u>
Net cash from operating activities		<u>\$(1,521,489)</u>
Capital and related financing activities not affecting cash:		
Contributions from developers	\$ -	

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(1) Organization and Summary of Significant Accounting Policies

A. Organization

The Box Elder County Commissioners, recognizing that limited water resources could be a major detriment to continued prosperity and growth in Box Elder County, supported the creation of the Bear River Water Conservancy District in 1988. The Board membership consists of municipal, irrigation and representatives from throughout the county. The District's main objective is to help ensure an adequate water supply for the county.

B. Financial Reporting Model

Beginning in 2012, the District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position*. This statement provided guidance on the presentation of deferred outflows and inflows of resources. GASB No. 63 also changes the name of the first statement from "Statement of Net Assets" to "Statement of Net Position." It also changes the name of equity from "Net Assets" to "Net Position."

C. Accounting Method

The District is an enterprise fund and its records are maintained on the accrual basis of accounting. The District elected to follow all Governmental Accounting Standards Board (GASB) pronouncements. The District has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the District has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers to the system. Operating expenses for enterprise funds include costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Reporting Entity

In evaluating how to define the government for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America (GAAP). The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of this ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. A second criterion used in evaluating potential component units is the scope of public services. Application for this criterion involves considering whether the activity benefits the government, and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has one component unit described below.

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(1) Organization and Summary of Significant Accounting Policies - Continued

D. Reporting Entity (Continued)

Bear River Water Conservancy District Local Building Authority (LBA) - the Bear River Water Conservancy District Local Building Authority (LBA) is governed by a board of trustees comprised of the District's board of trustees. Although it is legally separate from the District, the LBA is reported as if it were part of the District because its sole purpose is to provide bond funds for District projects. It is treated as a blended component unit.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The District develops, purchases, treats and sells water to retail and wholesale customers and operates in no other industry. The following is a summary of the more significant of such policies:

These statements require governmental entities with more than one governmental activity to present additional accrual-based statements to better communicate the financial status of the entity. The District reports its water production, storage and distribution operations as a proprietary fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on an accounting basis be financed or recovered primarily through user charges.

E. Fund Accounting

The accounts of the District are organized as one proprietary fund type specifically as an enterprise fund. Proprietary funds account for the flow of economic resources and use the accrual basis for accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Enterprise funds account for operations that are financed and operated in a manner similar to private business or where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

F. Capital Assets

Plant, property, and equipment acquired are capitalized and stated at cost. This includes any infrastructure assets. The District's capitalization threshold is \$5,000 for equipment and \$50,000 for infrastructure.

Depreciation of fixed assets is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The estimated useful lives of each major class of depreciable fixed assets are as follows:

Buildings	40 years
Water systems	50 years
Equipment	5 to 7 years

No depreciation is provided on construction in progress until the asset is placed into service.

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(1) Organization and Summary of Significant Accounting Policies - Continued

G. Use of Estimates

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

H. Budgets and Budgetary Accounting

The District follows the budget and budgetary accounting procedures established by Utah law and described in the Uniform Accounting Manual for Utah Special Districts.

I. 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.

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 of Resources

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

L. Deferred Inflows of Resources

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

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(1) Organization and Summary of Significant Accounting Policies - Continued

M. Leases/ Subscription Based Information Technology Arrangements (SBITAs)

The District recognizes a liability and an intangible right-to-use assets in the government-wide financial statements. At the commencement of a lease/SBITA, the District initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct / implementation costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

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

- The District uses the interest rate charges by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rates as the discount rate for leases.
- The term includes the noncancellable period of the lease/SBITA. Payments included in the measurement of the liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise. In determining the term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the term if the lease/SBITA is reasonably certain to be extended (or not terminated).

The District monitors changes in circumstances that would require a remeasurement of its lease/SBITAs and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. Assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position. Payments due under the lease/SBITA contracts are fixed payments. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the District under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the District exercising that option.

Payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in leases/SBITAs to maximize operational flexibility in terms of managing the assets used in the District's operations. The majority of extension and termination options held are exercisable only by the District and not by the respective lessor.

**BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025**

(1) Organization and Summary of Significant Accounting Policies - Continued

M. Leases/ Subscription Based Information Technology Arrangements (SBITAs)(Continued)

The payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the District's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Leases as a Lessor: The District is a lessor for noncancellable leases of office space and land.

The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term

N. 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. 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.

(2) Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents" which also includes cash accounts that are separately held by some of the District's funds. Deposits are not collateralized nor are they required to be by State statute.

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

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.

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(2) Deposits and Investments - Continued

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. As of December 31, 2025, \$31,165 of the District's bank balances of \$158,564 was uninsured and uncollateralized.

Investments

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

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

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

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

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

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(2) Deposits and Investments – Continued

Investments (Continued)

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

Fair Value of Investments

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

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

At December 31, 2025, the District had the following recurring fair value measurements:

Investments by fair value level	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Debt securities				
Utah Public Treasurer's Investment Fund	\$ 4,847,962	\$ -	\$ -	\$ -
Total	<u>\$ 4,847,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers’ Investment Fund: application of the December 31, 2024 fair value factor, as calculated by the Utah State Treasurer, to the District’s average daily balance in the Fund.

Interest Rate Risk

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

**BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025**

(2) Deposits and Investments - Continued

As of December 31, 2025, the District's investments had the following maturities:

Investment Type:	Investment Maturities (in Years)				
	Fair Value	Less than 1	1-5	6-10	More than 10
PTIF Investments	\$ 4,847,962	\$ 4,847,962	\$ -	\$ -	\$ -

Credit Risk

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

At December 31, 2025, the District's investments had the following quality ratings:

Investment Type:	Quality Ratings			
	Fair Value	AAA	AA	Unrated
PTIF Investments	\$ 4,847,962	\$ -	\$ -	\$ 4,847,962

Concentration of Credit Risk

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

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

- Remainder of page left intentionally blank -

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(2) Deposits and Investments – Continued

Concentration of Credit Risk (Continued)

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

Cash on hand and on deposit:

Cash on deposit	\$ 131,686
Investment in Utah Public Treasurer's Investment fund	<u>4,847,962</u>
Total cash and investments	<u>\$4,979,648</u>

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

Unrestricted cash and investments	\$3,629,277
Restricted cash	<u>1,350,371</u>
Total cash and investments	<u>\$4,979,648</u>

- Remainder of page left intentionally blank -

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(3) Capital Assets

The following is a summary of changes in capital assets during the fiscal year:

	<u>December 31, 2024</u>	<u>Increases</u>	<u>Transfers</u>	<u>Decreases</u>	<u>December 31, 2025</u>
Capital assets not being depreciated:					
Work in process	\$ 5,193,538	\$2,265,434	\$(2,265,739)	\$ (4,639)	\$ 5,188,594
Land and water rights	1,242,312	-	-	-	1,242,312
Total capital assets not being depreciated	<u>6,435,850</u>	<u>2,265,434</u>	<u>(2,265,739)</u>	<u>(4,639)</u>	<u>6,430,906</u>
Capital assets being depreciated:					
Buildings and equipment	1,268,312	122,481	-	(21,688)	1,369,105
Right of use asset	47,031	-	-	-	47,031
Water systems	14,813,655	33,767	2,265,739	-	17,113,161
Total capital assets being depreciated	<u>16,128,998</u>	<u>156,248</u>	<u>2,265,739</u>	<u>(21,688)</u>	<u>18,529,297</u>
Accumulated depreciation and amortization:					
Buildings and equipment	(612,691)	(102,384)	-	21,688	(693,387)
Right of use asset	(15,677)	(15,677)	-	-	(31,354)
Water systems	(4,886,035)	(316,118)	-	-	(5,202,153)
Total accumulated depreciation	<u>(5,514,403)</u>	<u>(434,179)</u>	<u>-</u>	<u>21,688</u>	<u>(5,926,894)</u>
Net depreciable assets	<u>10,614,595</u>	<u>(277,931)</u>	<u>2,265,739</u>	<u>-</u>	<u>12,602,403</u>
Business-type activities capital assets, net	<u>\$17,050,445</u>	<u>\$1,987,503</u>	<u>\$ -</u>	<u>\$ (4,639)</u>	<u>\$19,033,309</u>

- Remainder of page left intentionally blank -

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(4) Long-term Liabilities

Revenue Bonds Payable

The following is a summary of the District's revenue bonds at December 31, 2025:

- A. \$1,818,000 Local Building Authority of the Bear River Water Conservancy District, Utah Lease Revenue Bond Series 2008, due in annual installments between \$2,212 and \$116,623 through January 1, 2029, with interest at 2.19%.
- B. \$240,000 Water Bonds (Division of Drinking Water) Series 2011, non-interest bearing, due in annual installments between \$7,000 and \$9,000 through March 1, 2042.
- C. \$2,865,000 Local Building Authority of the Bear Water Conservancy District, Utah, due in annual installments between \$92,187 and \$104,624 through January 2, 2044, with interest at 0.60%.
- D. \$100,000 Water Bonds (Division of Drinking Water) Series 2016, non-interest bearing, due in annual installments of \$10,000 through January 1, 2027.
- E. \$50,000 Water Bonds Series 2020 (Drinking Water Board), non-interest bearing, due in installments that alternate \$2,000 and \$3,000 payments through January 1, 2040.
- F. \$141,000 Water Revenue Bonds Series 2021 (Drinking Water Board), non-interest bearing, due in \$7,000 annual installments through January 1, 2041.
- G. \$2,840,000 Water Revenue Bonds (Division of Drinking Water) Series 2024, due in annual installments between \$129,000 and \$156,000 from 2026 to 2045, with interest at 1.00%.

The District has pledged both their infrastructure and land as collateral for their long-term liabilities. All of the revenue bonds are paid with the District's annual operating revenue.

- Remainder of page left intentionally blank -

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(4) Long-term Liabilities – Continued

Changes in Long-term Liabilities

During the year ended December 31, 2024, the following changes occurred in long-term liabilities:

	Balance December 31, 2024	Additions	Reductions	Balance December 31, 2025	Amount Due Within One Year
Series 2008	\$ 543,000	\$ -	\$ (104,000)	\$ 439,000	\$ 106,000
Series 2011	154,000	-	(8,000)	146,000	8,000
Series 2014	1,873,000	-	-	1,873,000	93,000
Series 2016	30,000	-	(10,000)	20,000	10,000
Series 2020	39,975	-	(3,000)	36,975	2,000
Series 2021	119,941	-	(7,000)	112,941	7,000
Series 2024	1,023,000	-	-	1,023,000	129,000
Compensated absences	42,214	9,324	-	51,538	-
Lease liability	15,486	-	(15,486)	-	-
Net pension liability	78,368	14,067	-	92,435	-
Totals	<u>\$ 3,918,984</u>	<u>\$ 23,391</u>	<u>\$ (147,486)</u>	<u>\$ 3,794,889</u>	<u>\$ 355,000</u>

Debt Service Requirements

The debt service requirements, including interest and principal, for all bonds, excluding the Series 2024 Water Revenue Bonds, at December 31, 2025, are as follows:

Year ending December 31:	Revenue Bonds	
	Principal	Interest
2026	226,000	20,852
2027	231,000	17,973
2028	223,000	15,022
2029	226,000	12,021
2030	113,000	8,976
2031-2035	577,000	36,198
2036-2040	595,000	21,438
2041-2045	426,916	6,198
	<u>\$ 2,617,916</u>	<u>\$ 138,677</u>

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(4) Long-term Liabilities – Continued

Debt Service Requirements (Continued)

On August 8, 2024, the District issued the Series 2024 Water Revenue Bonds. The purpose of the issuance was to obtain funding for the construction of water system improvements. The bonds are sourced from the Division of Drinking Water. The bonds were issued at \$2,840,000 with an annual rate of 1.00%. Principal payments on the bonds are due on January 1st of each year starting on January 1, 2026 through 2045.

As of December 31, 2025, \$1,023,000 of the bonds had been received. The remaining funds are held in escrow until they are requested for reimbursement. Accordingly, only \$1,023,000 is included in the bond payable balance on the financial statements as of December 31, 2025.

The debt service requirements, including interest and principal, for the Series 2024 Water Revenue Bonds at December 31, 2025, are as follows:

Year ending December 31:	Revenue Bonds	
	Principal	Interest
2026	129,000	28,400
2027	130,000	27,110
2028	132,000	25,810
2029	133,000	24,490
2030	134,000	23,160
2031-2035	692,000	95,390
2036-2040	726,000	60,130
2041-2045	764,000	23,070
	\$ 2,840,000	\$ 307,560

For the year ended December 31, 2025, the District charged \$38,731 to interest expense and no interest was capitalized.

- Remainder of page left intentionally blank -

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(5) Retirement Plans

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:

- 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.

- Remainder of page left intentionally blank -

**BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025**

(5) Retirement Plans - Continued

Benefits Provided:

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

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of December 31, 2025 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
111 Local Government Div - Tier 2	0.81	14.19	-
Noncontributory System			
15 Local Government Div - Tier 1	N/A	15.97	N/A
Tier 2 DC Only			
211 Local Government - Tier 2	N/A	4.19	10.00

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

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(5) Retirement Plans - Continued

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

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 32,097	\$ -
Tier 2 Public Employees System	30,582	1,578
Total Contributions	<u>\$ 62,679</u>	<u>\$ 1,578</u>

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 System.

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

At December 31, 2025, we reported a net pension asset of \$0 and a net pension liability of \$92,435.

	<u>(Measurement Date): December 31, 2024</u>				
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share December 31, 2023</u>	<u>Change (Decrease)</u>
Noncontributory System	\$ -	\$ 73,833	0.0232829%	0.0270712%	-0.0037884%
Tier 2 Public Employees System	\$ -	\$ 18,602	0.0062374%	0.0080019%	-0.0017645%
	<u>\$ -</u>	<u>\$ 92,435</u>			

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

For the year ended December 31, 2025, we recognized pension expense of \$89,544.

At December 31, 2025, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 52,036	\$ 128
Changes in assumptions	12,320	2
Net difference between projected and actual earnings on pension plan investments	23,429	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,576	1,011
Contributions subsequent to the measurement date	62,679	-
Total	<u>\$ 156,039</u>	<u>\$ 1,141</u>

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(5) Retirement Plans - Continued

\$62,679 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 45,157
2026	44,602
2027	(7,409)
2028	283
2029	4,335
Thereafter	\$ 5,250

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

For the year ended December 31, 2025, we recognized a pension expense of \$69,013.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,994	\$ -
Changes in assumptions	6,107	-
Net difference between projected and actual earnings on pension plan investments	22,240	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,315	447
Contributions subsequent to the measurement date	32,097	-
Total	\$ 105,753	\$ 447

\$32,097 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measuring date of December 31, 2024.

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(5) Retirement Plans - Continued

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 42,798
2026	41,083
2027	(9,024)
2028	(1,648)
2029	-
Thereafter	\$ -

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

For the year ended December 31, 2025, we recognized a pension expense of \$20,532.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,042	\$ 128
Changes in assumptions	6,213	2
Net difference between projected and actual earnings on pension plan investments	1,189	-
Changes in proportion and differences between contributions and proportionate share of contributions	4,261	564
Contributions subsequent to the measurement date	30,582	-
Total	\$ 50,286	\$ 695

\$30,582 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measuring date of December 31, 2024.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 2,359
2026	3,520
2027	1,615
2028	1,931
2029	4,335
Thereafter	\$ 5,250

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(5) Retirement Plans - Continued

Actuarial Assumptions

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

Inflation	2.50 percent
Salary increases	3.5 – 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2024, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

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

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.

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. The discount rate does not use the Municipal Bond Index Rate.

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(5) Retirement Plans - Continued

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 312,252	\$ 73,833	\$ (126,124)
Tier 2 Public Employees System	\$ 55,561	\$ 18,602	\$ (10,148)
Total	<u>\$ 367,812</u>	<u>\$ 92,435</u>	<u>\$ (136,271)</u>

***Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans 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.

Bear River Water District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

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

401(k) Plan	2025		2024		2023	
Employer Contributions	\$	12,108	\$	12,130	\$	13,981
Employee Contributions	\$	15,141	\$	17,420	\$	17,592
457 Plan						
Employer Contributions	\$	-	\$	-	\$	-
Employee Contributions	\$	2,554	\$	1,358	\$	-
Roth IRA Plan						
Employer Contributions		N/A		N/A		N/A
Employee Contributions	\$	3,823	\$	3,056	\$	1,615

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(6) Risk Management

Bear River Water Conservancy District is exposed to various risks of loss related to torts, theft of damage to and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. At December 31, 2025, there were no outstanding claims or judgments against the District. Settlements did not exceed insurance coverage for each of the past three years.

Coverage	Policy Limits	Insurer	Expiration Date
Comprehensive General Liability	\$ 5,000,000	Utah Local Governments Trust	7/1/2026
Public Official's Errors and Omissions	\$ 5,000,000	Utah Local Governments Trust	7/1/2026
Employee Benefits Liability	\$ 5,000,000	Utah Local Governments Trust	7/1/2026
Auto Bodily Injury/Property Damage	\$ 5,000,000	Utah Local Governments Trust	7/1/2026
Uninsured Motorist Coverage	\$ 100,000	Utah Local Governments Trust	7/1/2026
Underinsured Motorist Coverage	\$ 100,000	Utah Local Governments Trust	7/1/2026
Personal Injury Protection	\$ 5,000	Utah Local Governments Trust	7/1/2026
Utility Service Sub-Limit	\$ 1,000,000	Utah Local Governments Trust	7/1/2026
Sexual Harassment Sub-Limit	\$ 1,000,000	Utah Local Governments Trust	7/1/2026
No-Fault Sewer and Potable Water	\$ 100,000	Utah Local Governments Trust	7/1/2026
Foreign Claims and Suits Sub-Limit	\$ 1,000,000	Utah Local Governments Trust	7/1/2026
Declaratory, Injunctive Relief and Land Use Defense	\$ 50,000	Utah Local Governments Trust	7/1/2026
Malfeasance Defense	\$ 20,000	Utah Local Governments Trust	7/1/2026

(7) Lease Receivable

The District is reporting a lease receivable of \$12,256 at December 31, 2025. For 2025, the District reported lease revenue of \$93,620 and interest revenue of \$1,090 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue	Total
Riverside North Garland Water Company lease	\$ -	\$ 2,200	\$ 18	\$ 2,218
Ukon Water Company lease	12,256	12,134	152	12,286
Chanshare, Inc. lease	-	79,286	920	80,206
Total lease agreements	<u>\$ 12,256</u>	<u>\$ 93,620</u>	<u>\$ 1,090</u>	<u>\$ 94,710</u>

Riverside North Garland Water Company:

In 2012, the District entered into a lease agreement with Riverside North Garland Water Company to lease to the Company an extension of domestic water lines. The lease is for a period of 14 years and terminates on September 30, 2026. The annual lease payments are \$2,218 per year.

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(7) Lease Receivable – Continued

Ukon Water Company:

In 2015, Bear River Water Conservancy District entered into a lease agreement with Ukon Water Company to lease to the Company a segment of the District's Pipeline. The lease is for a period of 12 years and terminates on March 1, 2026. The annual lease payments are \$12,286 per year.

Chanshare, Inc:

District has agreed to lease to Chanshare real property, some improvements on the real property, irrigation wells, and the right to use up to a maximum of 1,200-acre feet of water per year for irrigation use on the real property in exchange for lease payments that are currently \$80,206 per year. The lease terminates on December 31, 2026.

(8) Net Position

The District reports net position in three categories: restricted, unrestricted, and net investment in capital assets. The City's restricted net position includes unspent restricted funds for unspent impact fees, bond reserves, and the net position in pension related balances. The calculation on the net investment in capital assets is as follows:

Total capital assets, net	\$ 19,033,309
Accounts payable related to capital assets	(554,412)
Current portion of long-term debt	(355,000)
Long-term debt	<u>(3,295,916)</u>
Net investment in capital assets	<u>\$ 14,827,981</u>

The calculation on the restricted pension amounts is as follows:

Net pension asset	\$ -
Deferred outflows of resources	156,039
Deferred inflows of resources	(1,141)
Net pension liability	<u>(92,435)</u>
Restricted net pension	<u>\$ 62,463</u>

- Remainder of page left intentionally blank -

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(8) Net Position - Continued

The cash and investments listed as restricted in the statement of net position are deposits and bond proceeds required to be spent on certain construction projects or bond sinking funds required to be accumulated. It is the District's policy to use restricted assets before unrestricted assets for allowable expenditures. The calculation on the restricted net position for impact fees and bond reserves as well as restricted assets are as follows:

Restricted Net Position	
Bothwell impact fees	\$ 154,398
Harper Ward impact fees	9,687
Collinston impact fees	47,368
Beaver Dam impact fees	52,980
South Willard impact fees	-
Bond reserves and interest on reserves	<u>1,085,938</u>
Total Restricted Net Position	<u><u>\$ 1,350,371</u></u>
Restricted Cash and Investments	
Impact fees	\$ 264,433
Bond sinking funds	<u>1,085,938</u>
Total Restricted Assets	<u><u>\$ 1,350,371</u></u>

(9) Property Tax

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on June 15 and are due on November 30.

(10) Bond Resolution Compliance - Series 2008 Revenue Bonds

1. Beginning January 10, 2010, and annually thereafter until the Series 2008 reserve fund is fully funded, the District is required to deposit \$11,600 into the reserve fund until it is fully funded at \$116,000. This Reserve Account shall be used to fund revenue bond redemption fund in the event it is in a deficit position. The balance in this account at December 31, 2025 was \$269,117.
2. Beginning January 10, 2010, and on or before the 10th day of each subsequent month, the District is required to reserve one-twelfth (1/12) of five percent (5%) of the total annual operating budget for the District's entire drinking water system for each fiscal year in which the Series 2008 Bonds are outstanding. No portion of the property tax funds are intended to be placed in the Replacement Account and no portion of property tax funds are pledged therefore. The balance in this account at December 31, 2025 was \$285,552.

BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

(11) Tax Abatements

The District participates in redevelopment activities that qualify as tax abatements, according to GASB 77 as authorized under the Interlocal Cooperation Act, Title 11, Chapter 13 of the Utah Code Annotated. The District assists redevelopment projects by providing a share of the tax increment from the project area.

For the fiscal year ended December 31, 2025, the District provided tax increment funding totaling \$190,025 under these agreements, including the following tax abatement agreements that each exceeded 10 percent of the total amount abated:

- A 100 percent property tax abatement to West Forest EDA – Brigham City. The abatement amounted to \$24,534.
- A 100 percent property tax abatement to EDA 2015-1. The abatement amounted to \$80,576.
- A 100 percent property tax abatement to Box Elder County EDA 2008-1 – Proctor & Gamble (187). The abatement amounted to \$55,659.

(12) Other Matters

The District was awarded a significant grant shortly after year-end in the amount of \$2 million from the Environmental Protection Agency. These funds will be used towards water infrastructure projects to develop additional water sources.

(13) Subsequent Events

Events subsequent to the date of the financial statements through March 20, 2026, which is the financial statement issuance date, have been evaluated.

- Remainder of page left intentionally blank -

REQUIRED SUPPLEMENTARY INFORMATION

BEAR RIVER WATER CONSERVANCY DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS

DECEMBER 31, 2025 WITH MEASUREMENT DATE OF DECEMBER 31, 2024

Last 10 fiscal years*

	Fiscal year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability/(asset)	Covered employee payroll	of the net pension liability/(asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability/(asset)
Noncontributory System	2025	0.0232829%	\$ 73,833	\$ 214,361	34.44%	96.02%
	2024	0.0270712%	\$ 62,793	\$ 241,314	26.02%	96.9%
	2023	0.0212479%	\$ 36,392	\$ 134,749	27.01%	97.5%
	2022	0.0170461%	\$ (97,625)	\$ 87,441	-111.65%	106.7%
	2021	0.0170362%	\$ 8,739	\$ 83,766	10.43%	99.2%
	2020	0.0168410%	\$ 63,472	\$ 83,167	76.32%	93.7%
	2019	0.0172831%	\$ 127,268	\$ 112,492	113.14%	87.0%
	2018	0.0183140%	\$ 80,239	\$ 138,862	57.78%	91.9%
	2017	0.0183776%	\$ 118,007	\$ 142,033	83.08%	87.3%
	2016	0.0177196%	\$ 100,266	\$ 132,589	75.62%	87.8%
Tier 2 Public Employees System	2025	0.0062374%	\$ 18,602	\$ 184,883	10.06%	87.44%
	2024	0.0080019%	\$ 15,575	\$ 206,877	7.53%	89.58%
	2023	0.0124875%	\$ 13,598	\$ 273,242	4.98%	92.3%
	2022	0.0129745%	\$ (5,491)	\$ 240,875	-2.28%	103.8%
	2021	0.0149637%	\$ 2,152	\$ 239,186	0.90%	98.3%
	2020	0.0163062%	\$ 3,667	\$ 226,645	1.62%	96.5%
	2019	0.0123636%	\$ 5,295	\$ 143,326	3.69%	90.8%
	2018	0.0088793%	\$ 783	\$ 86,955	0.90%	97.4%
	2017	0.0094808%	\$ 1,058	\$ 77,750	1.36%	95.1%
	2016	0.0109200%	\$ (24)	\$ 70,545	-0.03%	100.2%

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

See accompanying notes to required supplementary information

BEAR RIVER WATER CONSERVANCY DISTRICT
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
DECEMBER 31, 2025 WITH MEASUREMENT DATE OF DECEMBER 31, 2024
 Last 10 fiscal years*

	As of fiscal year ended December 31,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employe payroll
Noncontributory System	2016	26,234	26,234	-	142,033	18.47%
	2017	25,648	25,648	-	138,862	18.47%
	2018	20,777	20,777	-	112,492	18.47%
	2019	15,361	15,361	-	83,167	18.47%
	2020	15,471	15,471	-	83,766	18.47%
	2021	16,150	16,150	-	87,441	18.47%
	2022	24,452	24,452	-	134,749	18.15%
	2023	43,364	43,364	-	241,314	17.97%
	2024	37,504	37,504	-	213,786	17.54%
	2025	32,097	32,097	-	195,133	16.45%
Tier 2 Public Employees System*	2016	11,593	11,593	-	77,750	14.91%
	2017	13,053	13,053	-	86,955	15.01%
	2018	22,070	22,070	-	143,326	15.40%
	2019	35,360	35,360	-	226,645	15.60%
	2020	37,633	37,633	-	239,186	15.73%
	2021	38,396	38,396	-	240,875	15.94%
	2022	43,835	43,835	-	273,242	16.04%
	2023	33,121	33,121	-	206,877	16.01%
	2024	28,857	28,857	-	184,883	15.61%
	2025	30,582	30,582	-	208,458	14.67%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 System. Tier 2 systems were created effective July 1, 2011. Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rates due to rounding and other administrative practices.

See accompanying notes to required supplementary information

**BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
UTAH RETIREMENT SYSTEMS
for fiscal year ended December 31, 2025**

Changes in Assumptions:

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

DRAFT

AUDITOR'S REPORTS



**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 and Management of
Bear River Water Conservancy District
102 West Forest Street
Brigham City, UT 84302

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 Bear River Water Conservancy District, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Bear River Water Conservancy District’s basic financial statements, and have issued our report thereon dated March 20, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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
March 20, 2026

DRAFT



**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
Bear River Water Conservancy District

Report On Compliance

We have audited Bear River Water Conservancy District’s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could for the year ended December 31, 2025.

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

Budgetary Compliance
Open and Public Meetings Act

Fraud Risk Assessment

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Compliance

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

Other Matters

The results of our auditing procedures disclosed one instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying schedule of findings – state legal compliance as item 2025-01. Our opinion on compliance is not modified with respect to this matter.

Bear River Water Conservancy District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings. Bear River Water Conservancy District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control Over Compliance

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

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

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

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

Child, Richards CPAs & Advisors

Ogden, Utah
March 20, 2026

**BEAR RIVER WATER CONSERVANCY DISTRICT
SCHEDULE OF FINDINGS – STATE LEGAL COMPLIANCE
DECEMBER 31, 2025**

2025-01: State Compliance – Fraud Risk Assessment

Criteria: Per state compliance, the District should have sufficient documentation to support its Fraud Risk Assessment.

Condition: The District did not have sufficient documentation to support its Fraud Risk Assessment.

Cause: The Fraud Risk Assessment contained assertions that could not be substantiated with documentation.

Effect: There is no effect on the financial statements. The District is noncompliant with the Utah Code.

Recommendation: We recommend that the District implement the items answered “Yes” in the Fraud Risk Assessment or answer the Assessment accordingly.

Management’s Response: The District will reassess the Fraud Risk Assessment in more detail when completing for future years.

DRAFT

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Trustees of
Bear River Water Conservancy District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bear River Water Conservancy District’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Bear River Water Conservancy District’s major federal programs for the year ended December 31, 2025. Bear River Water Conservancy District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Bear River Water Conservancy District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Bear River Water Conservancy 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 on compliance for each major federal program. Our audit does not provide a legal determination of the Bear River Water Conservancy 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 the Bear River Water Conservancy District’s federal 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 the Bear River Water Conservancy 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 the Bear River Water Conservancy District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 the Bear River Water Conservancy 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 Bear River Water Conservancy 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Bear River Water Conservancy 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.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the 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, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Child Richards CPAs & Advisors

Ogden, Utah
March 20, 2026

**BEAR RIVER WATER CONSERVANCY DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Federal Grantor/Grantor Pass Through/ Grantor Program Title	Assistance Listing Number	Pass-Through Entity Number	Federal Award Expended	Subrecipient Awards
Major Programs:				
Department of Agriculture				
Watershed Protection and Flood Prevention	10.904		<u>\$ 422,442</u>	-
		Total Major Programs	<u>\$ 422,442</u>	
Non-Major Programs:				
Department of the Treasury				
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 115,550	-
U.S. Bureau of Reclamation				
Reclamation States Emergency Drought Relief	15.514		<u>385,400</u>	-
		Total Nonmajor Programs	<u>500,950</u>	
		Total Federal Awards Expended	<u><u>\$ 923,392</u></u>	

See Accompanying Notes

**BEAR RIVER WATER CONSERVANCY DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

NOTE 1. PURPOSE OF THE SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule of Bear River Water Conservancy District's general purpose financial statements and is presented for purposes of additional analysis. Because the schedule presents only a select portion of the activities of the Bear River Water Conservancy District, it is not intended to and does not present the financial position, changes in net position or the revenues or expenditures of Bear River Water Conservancy District. The schedule is required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

A.Basis of Presentation – The information is presented in accordance with the Uniform Guidance and in accordance with accrual basis of accounting.

Federal Awards – Pursuant to the Uniform Guidance, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal awards, including federal surplus property, is included in federal awards and, therefore, is reported on the Schedule. Federal awards do not include direct federal cash assistance to individuals.

Type A and Type B Programs – The Uniform Guidance establishes the levels of expenditures or expenses to be used in defining Type A and Type B federal awards programs. The Type A program threshold during the year was \$750,000.

B.Reporting Entity – The reporting entity is fully described in the footnotes of Bear River Water Conservancy District's financial statements. The schedule includes all federal awards programs administered by Bear River Water Conservancy District for the year ended December 31, 2025.

C.Basis of Accounting – The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance. The information in the Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

D.Assistance Listing Numbers – Uniform Guidance requires the Schedule to show the total expenditures for each of the entity's federal financial assistance programs as identified as Assistance Listing Numbers, formerly (CFDA). Each program is assigned a five-digit program identification number (AL number).

E.Major Programs – The Uniform Guidance establishes a risk-based approach to be used in defining major federal financial programs. Major programs are identified in the schedule of findings and questioned costs.

F.Indirect Costs – The District does not use an indirect cost allocation.

G.Loan Programs – The balance of federal loan programs as of December 31, 2025 was \$0.

**BEAR RIVER WATER CONSERVANCY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Noncompliance material of financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with section Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.	No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.904	Watershed Protection and Flood Prevention

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

**BEAR RIVER WATER CONSERVANCY DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Section II – Findings related to the financial statements required to be reported in accordance with *Government Auditing Standards*.

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Prior Year Findings and Questioned Costs – Financial Statements in Accordance with *Government Auditing Standards*

None

DRAFT

Chance,

I hope rural water is going well. After discussion with Jacob and Tyler below is the scope of work. This would be a cost-plus contract meaning if during the contract the project is shown to be infeasible, we can stop at the level of effort that had been accomplished. In addition, other scope items can be added as needed as we learn what is needed to put this together, or if proven feasible, add an implementation phase.

Phase 1 feasibility:

1. Financial and Policy Analysis
 - Review District finances and current funding/financing policies
 - Develop an initial high-level financial model for scenario planning
 - Use the financial model to establish bookend values of possible funds that could be used to support a local loan/ grant program
 - Discuss potential policies and priority ranking of a local loan/grant program to promote fairness, equity, and maximize use of District funds
2. Funding Program Feasibility Analysis
 - Review Master Plan CIP and organize according to region, priority date, other ranking criteria, and cost
 - Compare available yearly funds to yearly priority funding using the models from Task 1
 - Develop 2 to 3 possible alternatives to make the funding program sustainable and assess the pros/cons of the alternatives
 - Report on overall study findings and funding program feasibility to the District Board.

The cost to accomplish this scope is \$20,000. Please let me know if you have any questions on the scope and fee. Upon approval, we can set up a contract for the project.

Thanks,

Rex



**Top 5 Best Firm
To Work For**



Rex Carpenter, PE

Project Manager

Mobile: [\(406\) 750-5781](tel:4067505781)

Email: Rex.Carpenter@AE2S.com

Address: 3400 N Ashton Blvd Ste 105

Lehi, UT 84048

Office Phone: [\(801\) 331-8489](tel:8013318489)

Licenses: CO, UT

Participate in the Utility Rate Survey >



UPDATE YOUR AE2S EMAIL PREFERENCES!

UPDATE YOUR
PREFERENCES

Select the information you care about - from newsletters, webinar invites, and holiday cards to rate surveys notifications.

WATER RIGHT LEASE AGREEMENT

THIS WATER RIGHT LEASE AGREEMENT (the “Agreement”) is made and entered into by and between Bear River Water Conservancy District, a water conservancy district organized under the laws of the State of Utah (the “District”) and Baxter Land & Livestock (“Baxter”).

RECITALS

A. Baxter is in need of water for stock watering use in the Bothwell area of Box Elder County, Utah, and has requested that the District lease him water for this purpose.

B. District is the owner of water rights in the Bothwell Pocket area for municipal, irrigation, domestic, and stock watering purposes.

C. District is willing to lease a portion of its water rights to Baxter and Baxter is willing to lease a portion of the District’s water rights pursuant to the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. The Leased Water.

Subject to the terms and provisions of this Agreement, the District agrees to lease a portion of the District’s Water Right No. 29-1592 to provide up to 2 acre feet annually to Baxter for stock watering purposes (the “Leased Water”), subject to any reductions imposed by the State Engineer in his approval of the temporary change application that will be required under this Agreement.

2. Lease Term

a. District agrees to lease the Leased Water to Baxter (the “Lessee”) commencing as of the date the State Engineer approves the District’s first

temporary change application required for the use of the Leased Water and expiring **ten** years thereafter (the “Lease Term”).

b. The Leased Water shall be available to Baxter for use in quantities not to exceed 2 acre feet each year (the “Annual Water Allocation”).

3. Lease Rate and Payment.

a. Baxter agrees to pay the District’s current wholesale rate of \$493.32 annually for 2 acre feet for the Leased Water without regard to the actual use of water by Baxter. **The Wholesale fee will change to reflect the current applicable wholesale water rate as adopted by the District’s Board of Directors, which, presently will increase 3% annually without board action through December 31, 2029.** The District shall bill Baxter annually for the Annual Water Allocation and payment shall be made in full prior to Baxter using the Leased Water. Payment shall be made within 30 days following the final approval of the temporary change application each year during the Lease Term.

b. Baxter shall monitor his water usage using a meter installed at the Baxter Well located at [S 75 feet W 1500 feet from NE corner, Sec 28 T 12N R 4W SLBM](#) t. If Baxter fails to adequately monitor his water use and accidentally or intentionally uses all or part of the Annual Water Allocation prior to making the corresponding Annual Water Allocation payment, the District may terminate the Agreement. Baxter will read the meter monthly documenting the water use and submit a year-end water use report to the District before January 15 of the following year.

4. Temporary Change Application.

a. District and Baxter shall cooperate in the preparation, filing and securing of the approval of annual temporary change applications to permit Baxter to use the Leased Water for the Lease Term.

b. If at any time during the evaluation of the temporary change application by the State Engineer's office, the State Engineer initiates an evaluation of the Leased Water that is unsatisfactory to either the District or Baxter, the parties shall jointly consult with the State Engineer. If these matters cannot be resolved to their joint satisfaction, either party in its sole discretion, may terminate this Agreement and withdraw any change application and neither party shall have any further obligation pursuant to this Agreement.

c. If the State Engineer issues a decision rejecting the temporary change application or approves it with conditions unacceptable to the parties, either party in its sole discretion may elect to withdraw the change application and terminate this Agreement.

d. Baxter shall pay all costs and expenses including attorneys' and engineering fees incurred in connection with the preparation and filing of the temporary change applications or in any administrative proceeding involving the approval of the temporary change applications. District shall bear any costs and expenses, including attorneys' fees that it may incur relating to this Agreement, administration of the lease, and the change application.

e. The parties understand that the Leased Water shall automatically revert to the District at the end of the Lease Term concurrent with the expiration of the applicable change application.

5. Baxter Water Facilities.

a. The parties agree that the Leased Water will be diverted from an existing well drilled by Baxter located in: S 75 feet W 1500 feet from NE corner, Sec 28 T 12N R 4W SLBM (the “Baxter Well”).

b. It is understood and agreed that Baxter shall be responsible for the installation and maintenance of all facilities necessary to divert and use the Leased Water, including the Baxter Well, installation of the pump, backflow preventer, motor, and related diversion facilities to obtain the Leased Water, including the installation of a totalizing meter to measure the quantity of Leased Water diverted.

6. No Third-Party Beneficiaries.

This Agreement is not intended to be a third-party beneficiary contract for the benefit of any third parties, and no such persons shall have any cause of action against the District for any failure by the District to make water available as provided in this Agreement, or for any breach or default by the District hereunder. In addition, no third parties shall have any rights hereunder that would in any way restrict the right of the District and Baxter to modify or renew this Agreement as provided herein at any time or in any manner.

7. Indemnity.

Baxter shall be responsible for payment of all liabilities that may arise in connection with the leased water made available by the District under this Agreement. Baxter agrees to indemnify, defend, and hold harmless the District and its officers, directors, and employees from any and all

claims, losses, damages, liabilities, settlement costs, penalties, interest, charges, costs, expenses, and attorney fees as a result of any litigation, investigation, action, or proceeding of any nature based on, arising from, or related to Baxter's use of the Leased Water made available by the District under this Agreement.

8. Notices. Any notice provided for or concerning this Agreement shall be in writing and be deemed sufficiently given when hand delivered, sent by certified or registered United States mail to the respective address of District or Baxter as set forth below:

If sent to District:

Bear River Water Conservancy District
Attn: General Manager
102 Forest Street
Brigham City, UT 84302

If sent to Baxter:

Baxter Land & Livestock.
Attn: Matt Baxter
1135 North 6000 West
Corinne, Utah, 84307

9. Effective Date of Agreement. This Agreement shall be effective when executed by the parties.

10. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the state of Utah.

11. Entire Agreement. This Agreement shall constitute the entire agreement between the parties and supersedes any prior understanding, representation, or agreement of the parties regarding the subject matter hereof.

12. Modification of Agreement. Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

13. No Waiver. No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute waiver of that or any other right, unless expressly provided herein. No waiver shall affect or alter the remainder of this Agreement, and each and every covenant, duty, and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

14. Rights and Remedies. The parties shall have all rights and remedies provided under Utah law for a breach or threatened breach of this Agreement, these rights and remedies shall not be mutually exclusive, and the exercise of one or more of these rights and remedies shall not preclude the exercise of any other rights and remedies. Each party confirms that damages at law may be an inadequate remedy for a breach or threatened breach of any provision hereof and the respective rights and obligations of the parties hereunder shall be enforceable by specific performance, injunction, or other equitable remedy.

15. Necessary Acts and Cooperation. The parties hereby agree to do any act or thing and to execute any and all instruments required by this Agreement, and which are necessary and proper to make effective the provisions of this Agreement.

16. Authorization. Each individual executing this Agreement does thereby represent and warrant to each other so signing that he or she has been duly authorized to sign this Agreement in the capacity and for the entities set forth where he or she signs.

17. Assignment. Lessee may not assign any interest contained herein, voluntarily or involuntarily, without the prior written consent of Lessor. Lessee may not sublease any portion of this Lease.

18. Execution of Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may be delivered by facsimile or in electronic file format.

IN WITNESS WHEREOF, each party to this Agreement has caused it to be executed on the date indicated below to be effective as of the ____ day of _____, 2026.

**BEAR RIVER WATER CONSERVANCY
DISTRICT:**

By: _____

Print Name: _____

Title: _____

Date: _____

BAXTER LAND & LIVESTOCK.:

By: _____

Print Name: _____

Title: _____

Date:

Chance Baxter
BRWCD
102 W Forest St,
Brigham City, UT 84302

March 20, 2026

RE: Bear River Water Conservancy District - EPA Community Grant Application Package and NEPA Support

Dear Mr. Baxter:

Thank you for the opportunity to assist Bear River Water Conservancy District (BRWCD) with the EPA Community Grant Application Package and NEPA requirements. This proposal is organized into the following sections: Scope of Work, Assumptions, Proposed Engineering Budget, and Project Schedule.

HAL will provide environmental compliance and grant support for the BRWCD proposed tank and seven-mile drinking water pipeline. This effort includes preparation and submittal of the EPA Community Grant application package with required supporting documentation, and assistance with NEPA compliance through preparation of a Programmatic Environmental Assessment (Programmatic EA), including environmental surveys, data collection, agency coordination, and documentation necessary to support a streamlined NEPA pathway appropriate for an EPA-funded project.

Scope of Work

Task 1: EPA Community Grant Application Package

Objective:

HAL will compile and prepare all required materials for the core application package for the community grant. The following items will be prepared and coordinated with BRWCD:

- Application for Federal Assistance (SF-424) [V4.0]
- Budget Information for Non-Construction Programs (SF-424A) [V1.0]
- EPA Form 4700-4 [V5.0]
- EPA Key Contacts Form [V2.0]
- EPA lobbying form 6600
- Workplan
- Budget

Output:

- Draft Application Package
- Final Application Package



Task 2: National Environmental Policy Act (NEPA) Support

Objective:

HAL will provide NEPA compliance support by conducting the analyses, field investigations, environmental screenings, and documentation necessary for EPA to complete its NEPA review under the Programmatic EA. This work will include preparation of resource-specific evaluations and supporting documentation in accordance with EPA requirements. Below are the resource-specific evaluations for the Programmatic EA:

1. Land Cover Types
2. Permits (if required)
3. Impacts to Human and Natural Resources
 - a. Historic Properties
 - i. Subconsultant, BigHorn, will conduct a Utah State Historic Preservation Office (SHPO) historical property search and prepare findings report and documentation for SHPO submittal. EPA will facilitate Tribal Letters. BigHorn costs include fieldwork, report production, SHPO file search, field equipment, mileage, and paleontological file search.
 - b. Threatened, Endangered and/or Sensitive Species
 - c. Recreation
 - d. Farmlands
 - e. Visual Impacts
 - f. Habitat
 - g. Relocations
 - h. Public Feedback
 - i. Service Rates
 - j. Construction Disturbance
4. Physical Impacts to Aquatic Resources
 - a. Surface Water Impacts
 - b. Wetland Direct Impacts
 - c. Indirect Impacts (Construction/Maintenance Activities)
 - d. Potential Stormwater Runoff Impacts
 - e. Wellhead Protection Area Impacts
5. Water-related Special Features
 - a. Special Surface Water Feature Impacts (100-year floodplain, etc.)
 - b. Sole Source Aquifer Impacts
6. Drinking Water Infrastructure
 - a. Water Well Impacts
 - b. Well Abandonment
 - c. Public Water Supplies
 - d. Water Withdrawal Reporting
 - e. Water Use Efficiency
7. Solid and Hazardous Wastes and Storage Tanks
 - a. Construction/Demolition Waste
 - b. Groundwater Protection Measures
 - c. Storage Tanks
 - d. Previous Contamination
8. Soils and Geologic Conditions

- a. Soil Types
- b. Special Geologic Features
9. Traffic
10. Air Quality
 - a. Air Quality of Project Area
 - b. Construction-related Air Emission
 - c. Stationary Source Air Emissions
 - d. Project Resiliency
11. Materials Recycling and Voluntary Measure
12. Land Use
 - a. Project Area Land
 - b. Land Use Plans
 - c. Neighborhood Continuity
13. Other Potential Impacts
14. Federal Compliance Determinations

Output:

- Supporting materials for each environmental resource
- Draft Programmatic EA
- Final Programmatic EA

Assumptions:

- Based on current information, the environmental resources evaluated do not require federal interagency consultation beyond **historic properties**. It is assumed that EPA review of the Programmatic EA will not require additional consultation. However, if EPA determines that consultation is necessary and designates the grant recipient as its non-Federal representative for consultation with agencies such as FWS, UDOT, or USDA NRCS, those efforts are not included in the current scope or fee.
- BRWCD will respond promptly to requests for data, meetings, and feedback on reports.

Cost Proposal

Time and Materials:

We propose that this project move forward on a time and materials basis according to HAL's hourly rate structure (included as Exhibit A). As this project will most likely carry over into the new year, it is also anticipated that the rate structure will be adjusted at the beginning of the year to an agreed upon rate between the BRWCD and HAL.

Not-to-Exceed:

Our proposal is based upon a "Not to Exceed" contract according to the "Fee Schedule and General Conditions" provided with the Agreement for completing the project. We would be happy to discuss with you our Work Plan should you desire to include any modifications to better fit the needs and desires of BRWCD.

Based upon the above assumptions, the estimated fee for completion of the project, as outlined in the Scope of Services and attached detailed budget spreadsheet, is **\$62,241** (included as Exhibit B). The cost estimate is based upon information currently available to us.

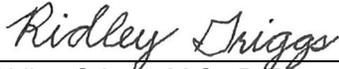
Mr. Baxter
March 20, 2026
Page 4

Schedule

We anticipate to submit the EPA Community Grant Package and Programmatic Environmental Assessment at the beginning of August 2026 to the EPA. Ongoing coordination with the EPA for Application and Programmatic EA approval may carry over into the new year of 2027.

Sincerely,

HANSEN, ALLEN & LUCE, INC.



Ridley Griggs, M.S., P.E.
Project Manager

STANDARD FEE SCHEDULE 2026

PERSONNEL CHARGES

Client agrees to reimburse Hansen, Allen & Luce, Inc. (HAL), for personnel hourly rates related to the completion of the project, in accordance with the following:

Managing Professional III	\$250
Managing Professional II	\$240
Managing Professional I	\$227
Senior Professional III	\$215
Senior Professional II	\$206
Senior Professional I	\$190
Professional III.....	\$180
Professional II.....	\$168
Professional I.....	\$157
Professional Intern II.....	\$147
Professional Intern I.....	\$139
Environmental Scientist II	\$149
Environmental Scientist I	\$131
Engineering Student Intern	\$90
Water Resource Specialist II	\$164
Water Resource Specialist I	\$153
Professional Geologist II.....	\$183
Professional Geologist I.....	\$168
Geologist	\$154
Senior Designer.....	\$152
Designer	\$139
Senior Field Technician	\$169
Field Technician	\$110
CAD Operator.....	\$121
Administrative Assistant	\$84
Professional Land Surveyor.....	\$175
1 Man GPS Surveying Services.....	\$190
Grout Seal Witness.....	\$200
Drone Pilot	\$230
Expert Legal Services.....	\$375

DIRECT CHARGES

Client also agrees to reimburse HAL for all other costs related to the completion of the project. Charges shall include, but not be limited to, the following:

Communication, Computer, Reproduction	\$7 per labor hour
Out-of-town per diem allowance (lodging not included)	\$80 per day
Vehicle	\$0.74 per mile
Outside consulting and services	Cost plus 10%
Other direct expenses incurred during the project	Cost plus 10%
Trimble GPS Unit	\$165 per day
Data Logger/Transducer.....	\$165 per week
Credit Card Payment Fee	3% of Payment Amount

INTEREST CHARGE AFTER 30 DAYS FROM INVOICE DATE..... 1.5% per month

Note: Annual adjustments to personnel and expense charges will occur in January of each year.

Exhibit B

HAL PROPOSAL SPREADSHEET



CLIENT: Bear River Water Conservancy District

PROJECT: EPA Community Grant Assistance and NEPA Support

Pha Task #	Task Activity	Billing Period	Hours					Total Hours	Labor Cost	Communications /Office Expense	Miles Travel	Direct Expense	Expense Cost	Total HAL Cost with Contingency & Rate Inc.	Outside Expense	COMMENT
			Man Prof III	Sen Prof I Ridley	WRS II Kathryn	PEI II Sophia	Surveying									
I EPA Community Grant Application Package																
100	Project management and documentation	1		8	0			8	\$1,520.00	\$56.00			\$56.00	\$1,733.60		
101	EPA Correspondence	1		2	8			10	\$1,692.00	\$70.00			\$70.00	\$1,938.20		
102	Key Application Materials	1		8	24			32	\$5,456.00	\$224.00			\$224.00	\$6,248.00		
103	Budget Information	1		8	4			12	\$2,176.00	\$84.00			\$84.00	\$2,486.00		
104	Workplan	1		8	16			24	\$4,144.00	\$168.00			\$168.00	\$4,743.20		
199	Quality Control (QC) / Quality Assurance (QA)	1		2				2	\$380.00	\$14.00			\$14.00	\$433.40		
SUBTOTAL HOURS/UNITS:			0	36	52	0	0	88		\$616.00	0	0				
SUBTOTAL:			\$0.00	\$6,840.00	\$8,528.00	\$0.00	\$0.00		\$15,368.00	\$616.00	\$0.00	\$0.00	\$616.00	\$17,582.40	\$0.00	Subconsultant Cost
II National Environmental Policy Act (NEPA) Support																
200	Project management and documentation	1		2	0			2	\$380.00	\$14.00			\$14.00	\$433.40		
201	Kickoff Meeting with EPA/Coordination	1		2	2			4	\$708.00	\$28.00			\$28.00	\$809.60		
202	Coordinate site work and supporting materials (photos, measurements, etc.)	1		2	16			18	\$3,004.00	\$126.00			\$126.00	\$3,443.00		
203	Cultural Resources/SHPO Consultation Coordination	1		0	8			8	\$1,312.00	\$56.00			\$56.00	\$1,504.80	\$5,468.00	Cultural - Bighorn (no tribal letters - EPA R8 will provide letters)
204	Draft Programmatic Environmental Assessment	1		8	120	24		152	\$24,728.00	\$1,064.00			\$1,064.00	\$28,371.20		
205	Finalize Programmatic Environmental Assessment	1		4	20			24	\$4,040.00	\$168.00			\$168.00	\$4,628.80		
299	Quality Control (QC) / Quality Assurance (QA)	1						0	\$0.00	\$0.00			\$0.00	\$0.00		
SUBTOTAL HOURS/UNITS:			0	18	166	24	0	208		\$1,456.00	0	0				
SUBTOTAL:			\$0.00	\$3,420.00	\$27,224.00	\$3,528.00	\$0.00		\$34,172.00	\$1,456.00	\$0.00	\$0.00	\$1,456.00	\$39,190.80	\$5,468.00	Subconsultant Cost
TOTAL HOURS BY EMPLOYEE:			0	54	218	24	0									

PHASE	TASK	Labor	Direct Exp	Subtotal	Subconsultant	SubTotal with
		Costs	Cost	w/Contingency	Costs	Contingency
I	EPA Community Grant Application Package	\$15,368.00	\$616.00	\$17,582.40	\$0.00	\$17,582.40
II	National Environmental Policy Act (NEPA) Support	\$34,172.00	\$1,456.00	\$39,190.80	\$5,468.00	\$44,658.80
TOTAL w/Contingency:		\$54,494.00	\$2,279.20	\$56,773.20	\$6,014.80	\$62,241.20

Filename: H:\Projects\091 - BRWCD\62.100 - Bothwell-Tremonten Project EPA Compliance\ADMIN\NEPA Scope and Fee\BRWCD Community Grant Budget.v2.xlsx\|Data Entry - Straight Hours

Bear River Water Conservancy District
Check Register
All Bank Accounts - 02/01/2026 to 02/28/2026

<u>Payee Name</u>	<u>Reference Number</u>	<u>Invoice Number</u>	<u>Invoice Ledger Date</u>	<u>Payment Date</u>	<u>Amount</u>	<u>Description</u>	<u>Ledger Account</u>	<u>Activity Code</u>
1Wire Fiber	5016	4269997	02/01/2026	02/11/2026	394.44	Internet & Phone Service	6282 - Telephone Telephone	
BIG O TIRES	5017	044265-255337	02/02/2026	02/11/2026	128.97	2024 Ford F150 - Service	6261 - Automotive Repairs	
BIG O TIRES	5017	044265-255572	02/06/2026	02/11/2026	136.84	2023 Ford F350 Service	6261 - Automotive Repairs	
					\$265.81			
Bishop Consulting Group	5018	1031	01/30/2026	02/11/2026	4,000.00	January 2026 - Consulting/lobbying services	6310 - Lobbying	
Brigham City Corporation - Utilities	5019	1312026	01/31/2026	02/11/2026	4,073.14	12/31/2025 - 1/31/2026	6672 - Water Purchased-BC	
Brigham City Corporation - Utilities	5019	13120262	01/31/2026	02/11/2026	75.90	12/22/2025 - 1/22/2026 Shed	6281 - Utilities Utilities	
Brigham City Corporation - Utilities	5019	13120263	01/31/2026	02/11/2026	418.17	12/22/2025 - 1/22/2026	6281 - Utilities Utilities	
					\$4,567.21			
Bugnappers	5020	232300	02/10/2026	02/11/2026	40.00	Lawn application 02/10/2026	6262 - Building Repairs & Maintenance	
Chemtech Ford, LLC	5021	26A1375	01/28/2026	02/11/2026	21.00	TDS - Newman Well	6451 - Bothwell System O&M Expense	
Chemtech Ford, LLC	5021	26A1917	02/06/2026	02/11/2026	21.00	Steve Elliott Well (Whites Valley)	6451 - Bothwell System O&M Expense	
					\$42.00			
Clean Crew	5022	219	01/31/2026	02/11/2026	540.00	Office Cleaning - January 2026 (final invoice)	6262 - Building Repairs & Maintenance	
Cohne Kinghorn	5023	364989	02/01/2026	02/11/2026	4,109.50	Chanshare lease	6311 - Legal	
CORE & MAIN	5024	Y355320	01/30/2026	02/11/2026	500.00	4" Wilkins Repair Kit	6451 - Bothwell System O&M Expense	
Econo Waste Inc	5025	380492	02/01/2026	02/11/2026	169.00	Trash Removal Service - dumpster	6262 - Building Repairs & Maintenance	
EFG-Consulting	5026	1348	02/01/2026	02/11/2026	1,250.00	January 2026 monthly invoice	6312 - Accounting	
Freedom Mailing Services, Inc.	5027	52252	02/06/2026	02/11/2026	221.86	Monthly Utility Bills	6491 - Printing and Reproduction	
Golden Spike Electric	5028	30473	01/27/2026	02/11/2026	130.00	Mobile link renewal	6450 - Beaver Dam O&M Expenses	
Golden Spike Electric	5028	30474	01/27/2026	02/11/2026	130.00	Mobile link renewal	6450 - Beaver Dam O&M Expenses	
Golden Spike Electric	5028	30475	01/27/2026	02/11/2026	85.00	Mobile link renewal	6450 - Beaver Dam O&M Expenses	
Golden Spike Electric	5028	30476	01/27/2026	02/11/2026	85.00	Mobile link renewal	6450 - Beaver Dam O&M Expenses	
					\$430.00			
Health Equity	5029	oh9866v	02/05/2026	02/11/2026	10.50	HSA Monthly Fee	6139 - HSA Contribution-Employer Paid	
JUB Engineers - Logan	5030	193102	02/05/2026	02/11/2026	17,477.00	South Willard Well Equipping	1600 - Work in Process	
Marketing Spot On	5031	1807	02/10/2026	02/11/2026	300.00	Web Site Services	6263 - Computer/Networking	
MeterWorks	5032	11439	02/05/2026	02/11/2026	444.13	Meter and Data Plan	6451 - Bothwell System O&M Expense	
Miller Gas Co. Inc.	5033	287863	01/31/2026	02/11/2026	269.00	pump oil	6451 - Bothwell System O&M Expense	
North American Weather Consultant	5034	INV1173	02/02/2026	02/11/2026	6,155.50	generator hours / fixed monthly costs	6480 - Weather Modification Expense	
O'Reilly	5035	3103-498311	01/28/2026	02/11/2026	12.98	Auto Parts	6261 - Automotive Repairs	
PEAK Companies	5036	7802194	02/01/2026	02/11/2026	150.00	Monitoring 02/01/2026-04/30/2026	6262 - Building Repairs & Maintenance	
Rocky Mountain Power	5037	1232026	01/23/2026	02/11/2026	-2,434.01	Irrigation Tax Rebate	6451 - Bothwell System O&M Expense	
Rocky Mountain Power	5037	1232026	01/23/2026	02/11/2026	1,280.16	HWY 38 pump site contract	6453 - Harper Ward System O&M Expe	
Rocky Mountain Power	5037	1232026	01/23/2026	02/11/2026	1,509.15	12/17/2025 - 1/19/2026	6451 - Bothwell System O&M Expense	
					\$355.30			
Rural Water Association	5038	27053	01/27/2026	02/11/2026	1,375.00	2026 Rural Water Conference - Operators	6210 - Memberships & Registrations	
SKM Inc.	5039	32225	01/30/2026	02/11/2026	14,276.75	Flat Canyon Vault Controls	1600 - Work in Process	
Thatcher Company	5040	2025100118083	01/01/2026	02/11/2026	632.85	Chlorine - Harper Ward	6453 - Harper Ward System O&M Expe	
Ukon Water Company	5041	2112026	02/11/2026	02/11/2026	660.00	2026 Stock Assessment	6210 - Memberships & Registrations	
JUB Engineers - Logan	5042	192623	01/20/2026	02/11/2026	118.10	Routine GIS services	6313 - Engineering	
Rocky Mountain Power	5043	1202026	01/20/2026	02/11/2026	25.90	12/17/2025 - 1/19/2026	6451 - Bothwell System O&M Expense	

**Bear River Water Conservancy District
Check Register
All Bank Accounts - 02/01/2026 to 02/28/2026**

<u>Payee Name</u>	<u>Reference Number</u>	<u>Invoice Number</u>	<u>Invoice Ledger Date</u>	<u>Payment Date</u>	<u>Amount</u>	<u>Description</u>	<u>Ledger Account</u>	<u>Activity Code</u>
Rocky Mountain Power	5043	252026	02/05/2026	02/11/2026	10.29	1/6/2026 - 2/4/2026	6453 - Harper Ward System O&M Expe	
					\$36.19			
Rocky Mountain Power Special	5044	7513508	02/11/2026	02/11/2026	323.67	General Service Contract - near 8195 W Hwy 38, Wi	1600 - Work in Process	
Utah Division of Finance	5045	26-3F144	02/28/2026	02/28/2026	8,000.00	26-3F144	2516 - Beaver Dam 3F144	
JUB Engineers - Logan	5046	190646	11/19/2025	02/12/2026	6,600.00	South Willard Well Equipping	1600 - Work in Process	
DGO/Fleet Operations-Fuel Network	5047	F2607E00706	02/03/2026	02/18/2026	938.77	System Fuel - January 2026	6457 - System O&M Expenses Fuel	
Greer's Hardware	5048	A353659	01/09/2026	02/18/2026	41.99	supplies	6449 - Operating Supplies	
Greer's Hardware	5048	B897335	01/14/2026	02/18/2026	225.88	Parts	6451 - Bothwell System O&M Expense	
Greer's Hardware	5048	B899267	01/30/2026	02/18/2026	5.49	Parts	6451 - Bothwell System O&M Expense	
					\$273.36			
Griswold Industries	5049	936551	02/04/2026	02/18/2026	4,538.22	West Corinne Vault - repair and parts	6453 - Harper Ward System O&M Expe	
Les Olson	5050	EA1650304	02/09/2026	02/18/2026	97.90	Quarterly Contract Billing - Sharp Copier	6241 - Office Supplies & Postage	
Mountainland Supply Company	5051	S107600151.001	02/02/2026	02/18/2026	39.38	parts	6449 - Operating Supplies	
O'Reilly	5052	4768-310771	02/12/2026	02/18/2026	54.99	Shop Supplies	6449 - Operating Supplies	
PEAK Companies	5053	7827561	02/05/2026	02/18/2026	90.00	Service Call	6262 - Building Repairs & Maintenance	
PEHP Group Insurance	5054	740551	02/15/2026	02/18/2026	74.44	Vision Insurance 3/2026	6138 - Vision Insurance Expense	
PEHP Group Insurance	5054	740551	02/15/2026	02/18/2026	473.06	Dental Insurance 3/2026	6134 - Dental Insurance Expense	
PEHP Group Insurance	5054	740551	02/15/2026	02/18/2026	9,504.96	Group Health Insurance 3/2026	6133 - Employee Health Insurance	
					\$10,052.46			
PEHP Long Term Disability	5055	22026	02/18/2026	02/18/2026	-0.02	accrual adjustment	6136 - Employee LT Disability	
PEHP Long Term Disability	5055	PR013126-638	02/03/2026	02/18/2026	76.51	Long Term Disability	2225.4 - Long Term Disability payable	
PEHP Long Term Disability	5055	PR021426-638	02/17/2026	02/18/2026	76.04	Long Term Disability	2225.4 - Long Term Disability payable	
					\$152.53			
Pelorus Methods Inc	5056	260301	02/01/2026	02/18/2026	1,000.00	Software Support	6210 - Memberships & Registrations	
Rocky Mountain Power	5057	2112026	02/11/2026	02/18/2026	12.21	1/12/2026-2/10/2026	6451 - Bothwell System O&M Expense	
Rocky Mountain Power	5057	2122026	02/12/2026	02/18/2026	26.17	1/13/2026-2/11/2026	6451 - Bothwell System O&M Expense	
Rocky Mountain Power	5057	262026	02/06/2026	02/18/2026	611.78	1/7/2026-2/5/2026	6452 - Collinston System O&M Expens	
Rocky Mountain Power	5057	292026	02/09/2026	02/18/2026	707.31	1/8/2026-2/6/2026	6452 - Collinston System O&M Expens	
Rocky Mountain Power	5057	2920262	02/09/2026	02/18/2026	128.04	1/8/2026-2/6/2026	6452 - Collinston System O&M Expens	
Rocky Mountain Power	5057	2920263	02/09/2026	02/18/2026	490.96	1/8/2026-2/6/2026	6450 - Beaver Dam O&M Expenses	
Rocky Mountain Power	5057	2920264	02/09/2026	02/18/2026	511.39	1/8/2026-2/6/2026	6452 - Collinston System O&M Expens	
					\$2,487.86			
Rural Water Association	5058	27115	01/29/2026	02/18/2026	120.00	Sporting Clay Event (Chance, Kylee, Wyatt)	6210 - Memberships & Registrations	
Rural Water Association	5058	27677	02/12/2026	02/18/2026	1,275.00	Annual Conference - Kelly Lemmon, Lyle Holmgren,	6210 - Memberships & Registrations	
Rural Water Association	5058	27678	02/12/2026	02/18/2026	90.00	Extra Lunch - Tuesday-Thursday	6210 - Memberships & Registrations	
Rural Water Association	5058	27680	02/12/2026	02/18/2026	175.00	Annual Conference - Boyd Bingham (one day)	6210 - Memberships & Registrations	
Rural Water Association	5058	27681	02/12/2026	02/18/2026	40.00	Sporting Clay Event (Kelly Lemmon)	6210 - Memberships & Registrations	
					\$1,700.00			
Smith And Edwards Co., Inc.	5059	324602	01/28/2026	02/18/2026	84.90	Uniform Allowance (Richard Williams)	6192 - Uniforms-Systems Operators	
Smith And Edwards Co., Inc.	5059	324624	01/29/2026	02/18/2026	199.94	Uniform allowance (Wyatt Stephens)	6192 - Uniforms-Systems Operators	
					\$284.84			
Verizon	5060	6135343741	02/06/2026	02/18/2026	40.01	Beaver Dam Scada	6450 - Beaver Dam O&M Expenses	
Verizon	5060	6135343741	02/06/2026	02/18/2026	52.01	SCADA Office	6282 - Telephone Telephone	
Verizon	5060	6135343741	02/06/2026	02/18/2026	120.03	Bothwell SCADA	6451 - Bothwell System O&M Expense	
Verizon	5060	6135343741	02/06/2026	02/18/2026	160.04	Collinston SCADA	6452 - Collinston System O&M Expens	
					\$372.09			

**Bear River Water Conservancy District
Check Register
All Bank Accounts - 02/01/2026 to 02/28/2026**

<u>Payee Name</u>	<u>Reference Number</u>	<u>Invoice Number</u>	<u>Invoice Ledger Date</u>	<u>Payment Date</u>	<u>Amount</u>	<u>Description</u>	<u>Ledger Account</u>	<u>Activity Code</u>
VISA	5061	12026	02/18/2026	02/18/2026	523.69	1/1/2026-1/31/2026	2150 - CC Clearing Account	
WILSON, JASON	5062	Refund: 101048	02/17/2026	02/18/2026	235.61	Refund: 101048 - WILSON, JASON	1311 - Accounts Receivable	
Adobe	CC	3349810068	02/01/2026	02/01/2026	26.72	Adobe Subscription Monthly (Chance)	6241 - Office Supplies & Postage	
Adobe	CC	3360702527	02/08/2026	02/08/2026	21.38	Adobe Subscription Monthly (Jamie)	6241 - Office Supplies & Postage	
Bay Wash	CC	2202026	02/20/2026	02/20/2026	5.50	Truck wash - Chance	6449 - Operating Supplies	
Bluedot	CC	98D979AE-44741	02/19/2026	02/19/2026	50.00	Bluedot Subscription	6241 - Office Supplies & Postage	
Moochies	CC	2102026	02/10/2026	02/10/2026	53.64	Chance Business Lunch	6233 - Travel Expenses	
Quick Quack Car Wash	CC	2142026	02/14/2026	02/14/2026	100.99	Operator Car Wash Subscription	6449 - Operating Supplies	
Utah Water Users Association	CC	242026	02/04/2026	02/04/2026	180.60	2026 Conference (Chance Baxter)	6210 - Memberships & Registrations	
Utah's Rib & Chop House	CC	2232026	02/23/2026	02/23/2026	553.97	Board Dinner (Rural Water Conference)	6233 - Travel Expenses	
Walmart	CC	2202026	02/20/2026	02/20/2026	170.18	Rural Water Trap Shoot (ammo)	6233 - Travel Expenses	
					\$1,162.98			
Dept of Treasury Internal Revenue S	EFT	PR013126-553	02/03/2026	02/06/2026	485.42	Medicare Tax	2221 - Fed & Fica payable	
Dept of Treasury Internal Revenue S	EFT	PR013126-553	02/03/2026	02/06/2026	1,154.00	Federal Income Tax	2221 - Fed & Fica payable	
Dept of Treasury Internal Revenue S	EFT	PR013126-553	02/03/2026	02/06/2026	2,075.40	Social Security Tax	2221 - Fed & Fica payable	
Dept of Treasury Internal Revenue S	EFT	PR021426-553	02/17/2026	02/20/2026	458.00	Medicare Tax	2221 - Fed & Fica payable	
Dept of Treasury Internal Revenue S	EFT	PR021426-553	02/17/2026	02/20/2026	1,108.00	Federal Income Tax	2221 - Fed & Fica payable	
Dept of Treasury Internal Revenue S	EFT	PR021426-553	02/17/2026	02/20/2026	1,958.36	Social Security Tax	2221 - Fed & Fica payable	
Enbridge Gas UT WY ID	EFT	02052026	02/05/2026	02/12/2026	460.23	1/7/2026-2/5/2026	6281 - Utilities Utilities	
PathPoint Merchant Services	EFT	2282026	02/28/2026	02/28/2026	117.35	02/01/2026-02/28/2026	6612 - Merchant Card Services	
Utah Retirement Systems	EFT	PR013126-683	02/03/2026	02/03/2026	91.59	Roth IRA	2223.2 - Roth payable	
Utah Retirement Systems	EFT	PR013126-683	02/03/2026	02/03/2026	1,075.12	URS 401k Additional	2223.1 - 401K payable	
Utah Retirement Systems	EFT	PR013126-683	02/03/2026	02/03/2026	2,491.57	URS Retirement	2223.1 - 401K payable	
Utah Retirement Systems	EFT	PR021426-683	02/17/2026	02/23/2026	91.59	Roth IRA	2223.2 - Roth payable	
Utah Retirement Systems	EFT	PR021426-683	02/17/2026	02/23/2026	1,088.20	URS 401k Additional	2223.1 - 401K payable	
Utah Retirement Systems	EFT	PR021426-683	02/17/2026	02/23/2026	2,476.72	URS Retirement	2223.1 - 401K payable	
Utah State Tax Commission	EFT	PR013126-685	02/03/2026	02/06/2026	652.00	State Income Tax	2222 - State Withholding Payable	
Utah State Tax Commission	EFT	PR021426-685	02/17/2026	02/20/2026	644.00	State Income Tax	2222 - State Withholding Payable	
Xpress Bill Pay	EFT	INV-XPR032488	01/31/2026	02/05/2026	252.60	January 2026 payment processing	6612 - Merchant Card Services	
					\$16,680.15			
					\$114,411.62			

Bear River Water Conservancy District
Standard Financial Report
Operations - 02/01/2026 to 02/28/2026
16.67% of the fiscal year has expired

	<u>Prior Year Actual</u>	<u>February Actual</u>	<u>Current Year Actual</u>
Net Position			
Assets:			
Current Assets			
Cash and cash equivalents			
1100 First Community Checking	16,550.97	3,550.15	146,595.32
1101 First Community Savings	81,155.21	52.29	81,278.65
1103 Petty Cash	1,340.89	0.00	1,483.09
1110 Xpress Bill Pay Clearing	32,639.18	(3,521.55)	30,436.50
1120 PTIF 0239	2,411,104.77	112,440.27	2,278,478.20
1121 PTIF 2258 Depreciation Savings	1,027,060.52	1,548.56	524,960.52
1130 PTIF 4446 Bothwell Impact Fee	154,815.17	459.54	155,781.97
1131 PTIF 4447 HW Impact Fee	14,103.46	(6,962.57)	7,187.10
1133 PTIF 4815 Valley Investment	79,565.42	236.17	80,062.29
1134 PTIF 8438 Collinston Impact Fee	22,367.93	(22,315.72)	125.50
1135 PTIF 8439 Beaver Dam Impact Fee	52,980.69	157.26	53,311.54
1136 PTIF 8585 S.W. Impact Fee	25.49	0.08	25.65
1141 PTIF 5071 2008 LBA CapFac SW/	285,552.48	847.60	287,335.71
1142 PTIF 5072 1993-99 CapFac BW/H	141,301.20	419.42	142,183.60
1143 PTIF 5074 2020 Flat Canyon from	122,770.41	364.42	123,537.09
1148 PTIF 5379 2014-2008 LBA Res S	269,116.94	798.82	270,797.53
1149 PTIF 5675 2011 Cap Fac BD	13,509.08	40.10	13,593.44
1150 PTIF 5676 2011 Reserve BD	11,442.90	33.97	11,514.36
1151 PTIF 8317 2016 Res MP	9,580.37	1,028.54	10,640.30
1153 PTIF 7374 SRF	232,664.94	(40,610.37)	192,816.91
Total Cash and cash equivalents	<u>4,979,648.02</u>	<u>48,566.98</u>	<u>4,412,145.27</u>
Receivables			
1311 Accounts Receivable	18,949.23	224,854.35	271,234.19
1312 Lease Receivable	191,624.53	0.00	191,624.53
1313 Grants Receivable - USBR	261,212.89	0.00	261,212.89
1314 Grants Receivable - USDA	146,932.00	0.00	146,932.00
1315 Grants Receivable - CIB	63,202.00	0.00	63,202.00
1316 Weather Modification Receivable	22,500.00	0.00	22,500.00
1319 Allowance for Doubtful Accts.	(2,000.00)	0.00	(2,000.00)
Total Receivables	<u>702,420.65</u>	<u>224,854.35</u>	<u>954,705.61</u>
Other current assets			
1541 Prepaid Insurance	5,736.60	0.00	5,736.60
Total Other current assets	<u>5,736.60</u>	<u>0.00</u>	<u>5,736.60</u>
Total Current Assets	<u>5,687,805.27</u>	<u>273,421.33</u>	<u>5,372,587.48</u>
Non-Current Assets			
Capital assets			
Work in Process			
1600 Work in Process	6,609,814.30	153,476.53	7,284,099.13
1603.2 Flat Canyon Well	488,623.41	0.00	488,623.41
1603.3 Harper Ward Test Well	509,272.99	0.00	509,272.99
Total Work in Process	<u>7,607,710.70</u>	<u>153,476.53</u>	<u>8,281,995.53</u>
Property			
1601 BE County Meter Station	4,633.22	0.00	4,633.22
1602.1 Collinston Project	4,116,322.80	0.00	4,116,322.80
1602.2 Blending Plan	44,954.67	0.00	44,954.67
1602.3 Waterline Extension-Sierra 202	171,240.65	0.00	171,240.65
1604.1 SW Well 2014	552,034.15	0.00	552,034.15
1605.1 WCWC Connection Line	118,492.32	0.00	118,492.32
1606.2 Bothwell Tank Overflow Pond	2,640.57	0.00	2,640.57
1610 ROU Asset	47,031.00	0.00	47,031.00
1611 Land and Water Rights	1,242,311.82	0.00	1,242,311.82
1621 Buildings	528,972.99	0.00	528,972.99
1640 Water Distributions Systems - Ot	77,921.71	0.00	77,921.71
1641 Beaver Dam Water System	1,959,379.46	0.00	1,959,379.46
1642 Booster Station	22,535.08	0.00	22,535.08
1643 Bothwell meter station	24,428.11	0.00	24,428.11
1644 Country Classics	89,500.00	0.00	89,500.00
1646 Harper Ward System	1,119,200.63	0.00	1,119,200.63
1647 Honeyville Connection	16,497.50	0.00	16,497.50

Bear River Water Conservancy District
Standard Financial Report
Operations - 02/01/2026 to 02/28/2026
16.67% of the fiscal year has expired

	Prior Year Actual	February Actual	Current Year Actual
1648 Newman Well	481,809.72	0.00	481,809.72
1649 RS/NG Meter Station	34,733.35	0.00	34,733.35
1650 Stevenson Farms #1	120,000.00	0.00	120,000.00
1651 TP-Backup Well	293,826.10	0.00	293,826.10
1652 TP 12" bypass system	283,221.18	0.00	283,221.18
1653 Tremonton Project	2,097,405.34	0.00	2,097,405.34
1654 WCorinne/Corinne Mtr Stn	79,881.97	0.00	79,881.97
1655 South Willard Water System	2,976,032.07	0.00	2,976,032.07
1657 BackupWell Enclosure	71,702.02	0.00	71,702.02
1661.1 Equipment	616,487.72	0.00	616,487.72
1661.2 Bothwell System Generator	129,602.70	0.00	129,602.70
1671.3 2020 Dodge Ram Truck	51,148.75	0.00	51,148.75
Total Property	17,373,947.60	0.00	17,373,947.60
Accumulated depreciation			
1721 Accumulated Depreciation	(5,904,902.29)	0.00	(5,904,902.29)
1722 Accumulated Amortization	(15,677.21)	0.00	(15,677.21)
Total Accumulated depreciation	(5,920,579.50)	0.00	(5,920,579.50)
Total Capital assets	19,061,078.80	153,476.53	19,735,363.63
Other non-current assets			
1802 Deferred outflows of resources	169,723.00	0.00	169,723.00
1803 Suspense	23.90	0.00	23.90
Total Other non-current assets	169,746.90	0.00	169,746.90
Total Non-Current Assets	19,230,825.70	153,476.53	19,905,110.53
Total Assets:	24,918,630.97	426,897.86	25,277,698.01
Liabilities and Fund Equity:			
Liabilities:			
Current liabilities			
2131 Accounts payable	(857,935.59)	(123,744.01)	(535,690.27)
2132.1 CC - Capital One	(487.76)	0.00	(487.76)
2132.4 CC - Visa	(2,980.59)	(639.29)	(1,162.98)
2150 CC Clearing Account	487.76	0.00	487.76
2330 Customer Rental deposits	(3,190.00)	0.00	(3,190.00)
Total Current liabilities	(864,106.18)	(124,383.30)	(540,043.25)
Payroll liabilities			
2211 Accrued wages payable	(14,828.52)	(1,563.59)	(29,412.33)
2220 Payroll liability clearing	0.00	(329.98)	(13,777.13)
2223.1 401K payable	(364.99)	0.00	(364.99)
2224.1 Additional Life payable	(949.57)	(177.22)	(1,304.01)
2225.1 Dental Insurance payable	(2,751.90)	(473.06)	(3,698.02)
2225.2 Health Insurance payable	(59,829.60)	(9,505.46)	(78,840.52)
2225.3 HSA Contributions	(1,134.00)	(426.90)	(1,987.80)
2225.4 Long Term Disability payable	(246.57)	0.00	(59.86)
2225.7 Vision Insurance payable	(434.02)	(74.46)	(582.94)
2226 Suta payable	(284.54)	(33.00)	(335.59)
2290 Deferred Vacation payable	(42,214.03)	0.00	(42,214.03)
Total Payroll liabilities	(123,037.74)	(12,583.67)	(172,577.22)
Liabilities			
2501.4 I/P Sw project	(11,891.70)	0.00	(11,891.70)
2501.9 Retainage Payable	(44,649.98)	0.00	(44,649.98)
Total Liabilities	(56,541.68)	0.00	(56,541.68)
Long-term liabilities			
2508 SRF 3S1849 2024 - Interest	10,230.01	0.00	10,230.01
2509 SRF 3S1849 2024	(1,038,452.01)	0.00	(1,038,452.01)
2515 So Willard 3S096 Interest	(533,385.91)	0.00	(533,385.91)
2516 Beaver Dam 3F144	(146,000.00)	8,000.00	(138,000.00)
2517 Collinston 3F214	(1,780,000.00)	0.00	(1,780,000.00)
2518 Master Plan 3F253P	(20,000.00)	0.00	(20,000.00)
2519 Flat Canyon 3S1740	(37,974.85)	0.00	(37,974.85)
2520 HW Test Well 3S1761	(112,941.32)	0.00	(112,941.32)
2521 Lease Liability	(15,486.00)	0.00	(15,486.00)
2521.1 2024 SRF - Issued	(2,840,000.00)	0.00	(2,840,000.00)

Bear River Water Conservancy District
Standard Financial Report
Operations - 02/01/2026 to 02/28/2026
16.67% of the fiscal year has expired

	<u>Prior Year Actual</u>	<u>February Actual</u>	<u>Current Year Actual</u>
2522 General LTD Offset	2,840,000.00	0.00	2,840,000.00
Total Long-term liabilities	<u>(3,674,010.08)</u>	<u>8,000.00</u>	<u>(3,666,010.08)</u>
Deferred inflows			
2601 Net Pension liability	(78,368.00)	0.00	(78,368.00)
2602 Deferred Inflows Of resources	(1,378,942.10)	0.00	(1,378,942.10)
Total Deferred inflows	<u>(1,457,310.10)</u>	<u>0.00</u>	<u>(1,457,310.10)</u>
Total Liabilities:	<u>(6,175,005.78)</u>	<u>(128,966.97)</u>	<u>(5,892,482.33)</u>
Equity - Paid In / Contributed			
2791.1 Cap Contibribtion: Beaver Dam	(1,650.00)	0.00	(1,650.00)
2791.2 Cap Contibribtion: Collinston	(553,360.50)	0.00	(553,360.50)
2791.3 Cap Contibribtion: Harper Subscri	(333,000.00)	0.00	(333,000.00)
2791.4 CapContibribtion: Tremonton Proj	(76,600.00)	0.00	(76,600.00)
2791.5 Cap Contibribtion: Water Systems	(209,500.00)	0.00	(209,500.00)
2791.6 Cap Contibribtion: Contributed Ca	(150,200.02)	0.00	(150,200.02)
2981 Retained Earnings	(17,419,314.67)	(297,930.89)	(18,060,905.16)
Total Equity - Paid In / Contributed	<u>(18,743,625.19)</u>	<u>(297,930.89)</u>	<u>(19,385,215.68)</u>
Total Liabilites and Fund Equity:	<u>(24,918,630.97)</u>	<u>(426,897.86)</u>	<u>(25,277,698.01)</u>
Total Net Position	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Bear River Water Conservancy District
Standard Financial Report
Operations - 02/01/2026 to 02/28/2026
16.67% of the fiscal year has expired

	Prior Year Actual	February Actual	Current Year Actual	Revised Budget	Remaining Budget	% Earned/ Used
Income or Expense						
Income From Operations:						
Operating income						
Water sales						
5141 Beaver Dam Dry Taps	600.00	50.00	100.00	600.00	500.00	16.67%
5142 Beaver Dam Retail	23,335.68	1,608.40	3,216.80	24,439.00	21,222.20	13.16%
5152 Bothwell M&I Retail	78,494.74	8,234.87	12,262.13	82,927.00	70,664.87	14.79%
5153 Bothwell M&I Wholesale	309,885.14	275,000.00	355,479.63	309,783.00	(45,696.63)	114.75%
5161 Collinston Dry Taps	9,660.00	800.00	1,590.00	11,919.00	10,329.00	13.34%
5162 Collinston Retail	74,478.84	3,772.88	7,603.00	74,718.00	67,115.00	10.18%
5163 Collinston Wholesale	41,909.00	0.00	26,677.95	83,811.00	57,133.05	31.83%
5172 Harper Ward Retail	110,850.30	5,763.79	11,443.86	120,003.00	108,559.14	9.54%
5182 South Willard Retail	2,717.14	169.76	339.52	4,519.00	4,179.48	7.51%
5183 South Willard Wholesale	21,553.20	0.00	7,184.40	22,809.00	15,624.60	31.50%
5190 Water Testing Reimbursed	140.00	0.00	60.00	255.00	195.00	23.53%
Total Water sales	673,624.04	295,399.70	425,957.29	735,783.00	309,825.71	57.89%
Rental income						
5212 Farm Power Reimbursement	44,249.08	0.00	0.00	0.00	0.00	0.00%
5213 Farm Rent	87,756.00	31,000.00	31,000.00	0.00	(31,000.00)	0.00%
5215 Riverside North Garland Lease	2,218.00	0.00	0.00	2,218.00	2,218.00	0.00%
5216 Ukon Sublease	12,286.22	12,286.22	12,286.22	12,286.00	(0.22)	100.00%
5217 Farm Water Sales	0.00	0.00	0.00	275,000.00	275,000.00	0.00%
5218 Farm Land Lease	0.00	0.00	0.00	23,500.00	23,500.00	0.00%
Total Rental income	146,509.30	43,286.22	43,286.22	313,004.00	269,717.78	13.83%
Total Operating income	820,133.34	338,685.92	469,243.51	1,048,787.00	579,543.49	44.74%
Operating expense						
Water system operations						
Payroll expenses						
Wages						
6110 Gross Wages	399,340.61	32,758.35	81,048.03	649,136.00	568,087.97	12.49%
6111 Gross Wages: Bonuses	4,250.00	0.00	0.00	0.00	0.00	0.00%
6112 Trustees Payroll Expense	9,630.00	770.00	1,615.00	12,000.00	10,385.00	13.46%
Total Wages	413,220.61	33,528.35	82,663.03	661,136.00	578,472.97	12.50%
Benefits						
6131 FICA Expense	31,335.79	2,532.29	6,242.14	56,584.00	50,341.86	11.03%
6132 SUTA Expense	508.27	33.56	82.73	1,552.00	1,469.27	5.33%
6133 Employee Health Insurance	176,213.32	19,010.42	42,773.57	198,780.00	156,006.43	21.52%
6134 Dental Insurance Expense	8,501.58	950.80	2,138.13	10,815.00	8,676.87	19.77%
6135 Employee Life Insurance	1,229.14	225.27	471.57	919.00	447.43	51.31%
6136 Employee LT Disability	1,939.03	155.59	384.97	3,743.00	3,358.03	10.29%
6138 Vision Insurance Expense	1,348.96	148.90	335.03	1,795.00	1,459.97	18.66%
6139 HSA Contribution-Employer Paid	20,128.10	10.50	21.00	34,508.00	34,487.00	0.06%
6140 Retirement & Benefits	74,786.88	5,909.08	14,626.96	129,275.00	114,648.04	11.31%
6141 Workers Compensation	2,082.18	161.41	161.41	6,489.00	6,327.59	2.49%
Total Benefits	318,073.25	29,137.82	67,237.51	444,460.00	377,222.49	15.13%
Total Payroll expenses	731,293.86	62,666.17	149,900.54	1,105,596.00	955,695.46	13.56%
Operations						
6191 Uniforms-Office Personnel	201.89	0.00	0.00	450.00	450.00	0.00%
6192 Uniforms-Systems Operators	819.87	0.00	284.84	1,050.00	765.16	27.13%
6210 Memberships & Registrations	22,918.65	3,420.60	6,316.60	25,000.00	18,683.40	25.27%
6231 Conferences Training	375.00	0.00	0.00	0.00	0.00	0.00%
6232 Mileage Reimbursement	3,711.50	1,216.55	1,310.08	10,000.00	8,689.92	13.10%
6233 Travel Expenses	10,862.69	2,535.13	2,836.05	15,000.00	12,163.95	18.91%
6241 Office Supplies & Postage	8,743.97	196.00	432.25	12,000.00	11,567.75	3.60%
6261 Automotive Repairs	10,565.97	273.80	394.76	8,000.00	7,605.24	4.93%
6262 Building Repairs & Maintenance	31,487.14	1,389.98	2,615.00	20,000.00	17,385.00	13.08%
6263 Computer/Networking	13,720.29	1,064.70	1,829.40	20,000.00	18,170.60	9.15%
6281 Utilities Utilities	11,465.82	1,410.67	2,327.20	15,000.00	12,672.80	15.51%
6282 Telephone Telephone	8,207.40	446.45	1,642.90	12,000.00	10,357.10	13.69%
6310 Lobbying	45,000.00	4,000.00	8,000.00	50,000.00	42,000.00	16.00%
6311 Legal	34,879.66	4,109.50	6,119.50	60,000.00	53,880.50	10.20%
6312 Accounting	42,510.00	1,250.00	2,500.00	50,000.00	47,500.00	5.00%
6313 Engineering	124,285.87	6,041.25	12,544.85	100,000.00	87,455.15	12.54%

Bear River Water Conservancy District
Standard Financial Report
Operations - 02/01/2026 to 02/28/2026
16.67% of the fiscal year has expired

	Prior Year Actual	February Actual	Current Year Actual	Revised Budget	Remaining Budget	% Earned/ Used
6314 Exploration & Studies	192,663.80	0.00	0.00	300,000.00	300,000.00	0.00%
6320 Engineering Howell Town	852.75	0.00	0.00	0.00	0.00	0.00%
6322 County Water Master Plan	146,275.50	0.00	0.00	0.00	0.00	0.00%
6448 Equipment and Tools	54,710.59	0.00	0.00	80,000.00	80,000.00	0.00%
6449 Operating Supplies	25,873.39	874.54	1,015.52	20,000.00	18,984.48	5.08%
6450 Beaver Dam O&M Expenses	13,071.60	614.97	2,275.61	30,000.00	27,724.39	7.59%
6451 Bothwell System O&M Expenses	141,910.41	2,150.25	3,797.43	200,000.00	196,202.57	1.90%
6452 Collinston System O&M Expense	47,032.11	2,424.56	5,461.96	75,000.00	69,538.04	7.28%
6453 Harper Ward System O&M Expe	17,688.48	5,868.67	7,791.97	125,000.00	117,208.03	6.23%
6454 So Willard System O&M Expens	25,144.30	1,458.37	2,493.48	30,000.00	27,506.52	8.31%
6456 SCADA	25,109.00	0.00	0.00	50,000.00	50,000.00	0.00%
6457 System O&M Expenses Fuel	14,793.73	938.77	2,039.33	20,000.00	17,960.67	10.20%
6460 Contracted-Misc Services	2,581.00	0.00	0.00	0.00	0.00	0.00%
6461 Water Service Connection Costs	9,830.67	0.00	0.00	10,000.00	10,000.00	0.00%
6480 Weather Modification Expense	38,982.21	6,155.50	11,771.00	60,000.00	48,229.00	19.62%
6490 Advertising Advertising	45.88	0.00	0.00	7,000.00	7,000.00	0.00%
6491 Printing and Reproduction	2,844.71	221.86	441.08	5,000.00	4,558.92	8.82%
6510 Auto Insurance	4,961.42	0.00	0.00	7,000.00	7,000.00	0.00%
6511 Fidelity Bonds	3,723.00	0.00	0.00	10,000.00	10,000.00	0.00%
6512 Liability Insurance	9,618.46	0.00	0.00	10,000.00	10,000.00	0.00%
6611 Bank Service Charges	1,120.02	66.00	131.00	1,500.00	1,369.00	8.73%
6612 Merchant Card Services	4,089.89	343.67	664.72	3,500.00	2,835.28	18.99%
6613 Bad Debt Expense	0.00	0.00	0.00	150.00	150.00	0.00%
Total Operations	1,152,678.64	48,471.79	87,036.53	1,442,650.00	1,355,613.47	6.03%
Water purchased						
6672 Water Purchased-BC	44,804.54	4,073.14	8,146.28	50,000.00	41,853.72	16.29%
6673 Water Purchased-Deweyville	20,844.00	0.00	0.00	20,000.00	20,000.00	0.00%
Total Water purchased	65,648.54	4,073.14	8,146.28	70,000.00	61,853.72	11.64%
Depreciation						
6690 Depreciation Depreciation	406,180.26	0.00	0.00	412,000.00	412,000.00	0.00%
Total Depreciation	406,180.26	0.00	0.00	412,000.00	412,000.00	0.00%
Total Water system operations	2,355,801.30	115,211.10	245,083.35	3,030,246.00	2,785,162.65	8.09%
Total Operating expense	2,355,801.30	115,211.10	245,083.35	3,030,246.00	2,785,162.65	8.09%
Total Income From Operations:	(1,535,667.96)	223,474.82	224,160.16	(1,981,459.00)	(2,205,619.16)	-11.31%
Non-Operating Items:						
Non-operating income						
Property taxes						
5501 Property Taxes	2,969,386.48	36,271.60	333,923.40	1,822,919.00	1,488,995.60	18.32%
5502 Property Tax RDA	0.00	0.00	0.00	128,832.00	128,832.00	0.00%
Total Property taxes	2,969,386.48	36,271.60	333,923.40	1,951,751.00	1,617,827.60	17.11%
Grants						
5510 State Grants	214,984.00	14,354.50	14,354.50	100,000.00	85,645.50	14.35%
5511 Weather Modification	37,300.00	0.00	0.00	30,000.00	30,000.00	0.00%
5515 Federal Grants	646,613.35	0.00	0.00	0.00	0.00	0.00%
5515.1 BR Canal PL 566	530,107.00	0.00	30,082.00	244,330.00	214,248.00	12.31%
Total Grants	1,429,004.35	14,354.50	44,436.50	374,330.00	329,893.50	11.87%
Impact fees						
5520 Other income	8,390.69	11,196.77	11,196.77	0.00	(11,196.77)	0.00%
5522 Bothwell Impact Fees	80,296.00	0.00	0.00	7,601,809.00	7,601,809.00	0.00%
5523 Collinston Impact Fees	0.00	0.00	0.00	38,603.00	38,603.00	0.00%
5524 Harper Ward Impact Fees	0.00	0.00	0.00	16,821.00	16,821.00	0.00%
5525 South Willard Impact Fees	0.00	0.00	0.00	11,657.00	11,657.00	0.00%
Total Impact fees	88,686.69	11,196.77	11,196.77	7,668,890.00	7,657,693.23	0.15%
Other non-operating income						
5310 Connection Fees Collected	20,302.00	0.00	0.00	66,000.00	66,000.00	0.00%
5410 Finance Charge Income	6,219.34	366.42	751.75	0.00	(751.75)	0.00%
5610 Interest Income	189,093.71	12,266.78	27,121.91	85,000.00	57,878.09	31.91%
5630 Gain on Disposal of Asset	6,200.00	0.00	0.00	0.00	0.00	0.00%
Total Other non-operating income	221,815.05	12,633.20	27,873.66	151,000.00	123,126.34	18.46%
Total Non-operating income	4,708,892.57	74,456.07	417,430.33	10,145,971.00	9,728,540.67	4.11%
Non-operating expense						

Bear River Water Conservancy District
Standard Financial Report
Operations - 02/01/2026 to 02/28/2026
16.67% of the fiscal year has expired

	Prior Year Actual	February Actual	Current Year Actual	Revised Budget	Remaining Budget	% Earned/ Used
Interest expense						
6809 SRF 3S1849 2024 - Principle	129,000.00	0.00	0.00	157,400.00	157,400.00	0.00%
6813 Collinston 3F Series 2014	11,238.01	0.00	0.00	104,238.00	104,238.00	0.00%
6814 Harper Ward DDW R	0.00	0.00	0.00	7,000.00	7,000.00	0.00%
6816 South Willard DDW S096	106,000.00	0.00	0.00	115,614.00	115,614.00	0.00%
Total Interest expense	246,238.01	0.00	0.00	384,252.00	384,252.00	0.00%
Contributions to other governments						
6313.5 BR Canal PL 566	437,935.00	0.00	0.00	0.00	0.00	0.00%
Total Contributions to other governme	437,935.00	0.00	0.00	0.00	0.00	0.00%
Total Non-operating expense	684,173.01	0.00	0.00	384,252.00	384,252.00	0.00%
Total Non-Operating Items:	4,024,719.56	74,456.07	417,430.33	9,761,719.00	9,344,288.67	4.28%
Total Income or Expense	2,489,051.60	297,930.89	641,590.49	7,780,260.00	7,138,669.51	8.25%



Board Meeting Minutes

Wednesday February 18, 2026 @ 6:00 PM
102 West Forest Street
Brigham City, UT 84302

In Attendance: Jay Capener, Chairman
Riggin Holmgren
Ryan Smith
Boyd Bingham
Kelly Lemmon
Lesley Kendrick, Vice-Chairman
Brian Shaffer
Tim Munns
Mike Braegger

Staff: Chance Baxter, General Manager
Jamie Williams, Office Manager
Ridley Griggs (Hansen, Allen & Luce)

1- WELCOME

Chairman Jay Capener called the meeting to order at 6:00 pm

2- INVOCATION & PLEDGE OF ALLEGIANCE

Offered by Trustee Boyd Bingham

3- DECLARATION OF CONFLICTS OF INTEREST

No conflicts declared

4- CONSENT AGENDA

A- Adoption of Agenda

B- Approval of Minutes – January 28, 2026

Trustee Tim Munns made a motion to adopt items listed on the consent agenda, motion was seconded by Vice-Chairman Lesley Kendrick; all members vote aye, motion passed.

5- APPROVAL OF FINANCIAL STATEMENTS – JANUARY 2026

During the financial statement review, Trustee Kelly Lemmon questioned a \$500 sponsorship payment for the Cattlemen's dinner, asking if it was a recurring expense. General Manager Chance Baxter explained that it was a one-time, sponsorship for a new event, made within his spending authority. The board discussed the value of such community sponsorships and suggested that similar expenditures might be brought to the board or included as a budget item in the future for greater transparency.

Trustee Riggin Holmgren made a motion to approve the January 2026 Financial Statements, motion was seconded by Trustee Kelly Lemmon; all members vote aye, motion passed.

6- ACTION ITEMS

Bid Award for South Willard Well #2 Equipping – Chance Baxter, General Manager

General Manager Chance Baxter presented the action item regarding the bid award for equipping the South Willard Well #2. He provided background, stating that the board had previously approved engineering for the South Willard pump house after drilling the well in April 2025. The engineering and state approvals were completed by the end of 2025, and the project was then put out to bid.

Eight contractors submitted bids for the project. The lowest bid was from MJM Construction at \$1,033,638, which was noted to be within \$4,000 of the cost for a similar pump house recently built in

Harper Ward. Baxter explained that the high cost was due to the stringent construction standards required for such facilities, which are designed to last 100 years and include significant mechanical, electrical, and backup systems.

Board members inquired about the bidding process, contractor experience, and cost breakdowns. Baxter confirmed that while the District had not previously worked with MJM Construction, the District's engineering firm involved had positive experience with them. He also noted the wide range in bid amounts, with the highest bid being \$2.5 million, but the four lowest bids were close together, indicating a competitive process.

Trustee Tim Munns made a motion to award the South Willard Well #2 Equipping bid to MJM Construction for \$1,033,638, motion seconded by Trustee Brian Shaffer; all members vote aye, motion passed.

7- PRESENTATION

Harper Ward Community Plan and System Model – Ridley Griggs (Hansen, Allen & Luce)

Ridley Griggs presented the Harper Ward Community Plan and water system model to the board. He began by explaining that the Harper Ward community initiated a formal planning process in May 2025, forming a committee that included the Bear River Water Conservancy District for water-related guidance. The committee conducted meetings and mailed a survey to 362 residences, receiving about 160 responses—roughly a 44% response rate.

Griggs highlighted that the survey showed 87% of respondents supported maintaining the current five-acre zoning, indicating a strong preference for remaining under county governance and preserving the area's rural character. He noted that many survey comments emphasized the need for a reliable water supply and recognized the importance of the partnership with the Bear River Water Conservancy District.

He described the current water system, which includes a well and storage tank on the north end, a transmission line along the highway, and several connections for both retail and wholesale water service to neighboring communities. Griggs clarified that each connection is governed by its own agreement, and while some are for emergency use, others (such as West Corinne) have active requests for increased supply.

Griggs presented data on the new Harper Ward well, which has a production capacity of about 1,500 gallons per minute and water rights for 1,448 acre-feet per year. He explained that, based on state standards (0.45 acre-feet per home), the well could serve approximately 3,200 homes. He also clarified that the water system is designed for indoor (culinary) use only, and irrigation must be provided separately, typically through the local canal company.

To address future growth, Griggs explained that the District mapped out developable land in Harper Ward, excluding public lands and wetlands, and estimated a maximum buildout of 596 lots under the five-acre zoning. He presented a table showing projected water demand at buildout and compared it to the well's capacity, demonstrating that the system could meet both current and future needs, even with potential wholesale requests from neighboring areas.

Griggs concluded by emphasizing that the planning document will serve as a guide for future water allocations, ensuring that Harper Ward's needs are prioritized while allowing excess capacity to benefit other areas if appropriate. He noted that the District's investment in the Harper Ward system—about \$4.5 million—provides a sustainable foundation for growth and regional cooperation.

Throughout his presentation, Griggs answered questions about survey response rates, the specifics of water rights and system capacity, and the process for planning future development and water allocations.

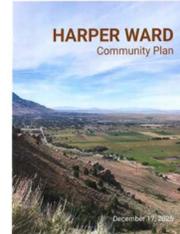
BEAR RIVER WATER CONSERVANCY DISTRICT

Harper Ward Community Plan
 Water Planning

February 18, 2026

HARPER WARD COMMUNITY PLAN - PROCESS

- Steering Committee formed May 2025
- BRWCD Represented on Steering Committee
- Surveys and Meetings
- Adopted December 2025



HARPER WARD COMMUNITY PLAN - OUTCOMES

- Support for County governance
- Support for existing large-lot zoning
- Recognized need for reliable water supply
- Acknowledged partnership with BRWCD

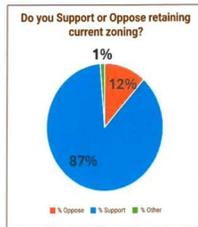


Figure 3.1 Results of survey to existing zoning

Harper Ward understands that if the BRWCD has culinary water in excess of what Harper Ward eventually needs, that excess may be allocated to other areas. In addition, many residents have private wells. Several survey responses stressed the importance of a reliable water supply.

HARPER WARD SYSTEM

- 3 Wholesale Connections
 - West Corinne Water Company
 - Corinne City
 - Honeyville City
- 1 Emergency Connection
 - Brigham City
- 1.11 Retail Customers



Entity	Meter(s)	Estimated Physical Capacity (gpm) ¹	Contract Capacity (gpm) ²	Contract Capacity (ac-ft/yr) ²	Notes
Brigham City	4" Meter 1 1/2" Meter	1,000	0	-	Currently provides source from Brigham City to the Harper Ward System. Will become emergency-only when Harper Ward Well is in service. Potential future wholesale to Brigham City.
West Corinne Water Company	4" Meter	500	350	400	400 ac-ft per year will be supplied to WCWC beginning in 2026.
Corinne City	4" Meter	500	0	-	Emergency-only connection. Potential future wholesale.
Honeyville	4" Meter	500	0	-	Emergency-only connection. Potential future wholesale.
Totals	-	-	-	200	-

1. Physical capacity depends on meter size and the difference between pressure in the two systems. This table includes general estimates.
 2. Contract capacities listed in Table 6 exclude emergency scenarios and are effective January 1, 2026.

HARPER WARD WELL

- Production Capacity:
 - 1,500 gpm
 - 1,448 ac-ft/yr
- Water for roughly 3,200 homes (0.45 ac-ft per home)



ACTIVE AND FUTURE WATER REQUESTS

- West Corinne Water Company
 - 400 ac-ft/yr
- Corinne City
- Honeyville City

HARPER WARD WELL

- Production Capacity:
 - 1,500 gpm
 - 1,448 ac-ft/yr
- Water for roughly 3,200 homes (0.45 ac-ft per home)



INVESTMENT IN THE HARPER WARD WELL

Item	Approximate Cost
Land Acquisition	\$55,000
Test Well	\$410,000
Engineering, Legal, Admin, Misc.	\$523,000
Well Drilling	\$520,000
Well House and Pump Station	\$1,037,000
Transmission Pipeline	\$400,000
Tank	\$1,600,000
Total	\$4,545,000

BRWCD'S GOALS FOR THE HARPER WARD SYSTEM

- Support the Harper Ward Community
- Provide additional wholesale water to other entities in the County



PLANNING APPROACH

- Reserve enough water to support Harper Ward
- 596 total homes at buildout
- Make beneficial use of any available excess water



FINDINGS

Planning Value	Peak Day Capacity (gpm)	Average Yearly Capacity (acft/yr)
Harper Ward Well Capacity	1,500	1,448
Harper Ward Community Buildout Need	536	435
Available Excess	964	1,013

8- PUBLIC COMMENT

No public comment

9- TRUSTEES REPORT

Lesley Kendrick

No Report

Lyle Holmgren

Absent

Mike Braegger

No report

Riggin Holmgren

Holmgren reported that West Corinne Water Company recently held their annual meeting, during which two new board members were appointed. The new members are Dennis Christensen and Jason Hancock. Holmgren mentioned he had some conversations with Acme Water Company, but nothing discussed was directly relevant to the District.

Brian Shaffer

Shaffer discussed concerns about the District and Tremonton City appearing to seek separate state funding for similar water infrastructure projects, suggesting that a more coordinated approach would be beneficial. He also raised questions about the District's water policy, specifically regarding restrictions on outdoor irrigation for developments that do not use secondary water, and whether this policy applies to wholesale customers like West Corinne. Shaffer expressed concern about potential contradictions in the District's County Water Master Plan, which both encourages the protection of agricultural water and the conversion of agricultural water to municipal and industrial uses as the county develops. He referenced practices in other communities that limit outdoor water use and emphasized the need for policy clarity and effective cooperation between agencies.

Joe Summers

Absent

Ryan Smith

No report

Tim Munns

Munns provided a trustee report focused on a recent development proposal in his area. He described being contacted by representatives from a company called West Genco, who are interested in acquiring land and water rights in the south end of Hansel Valley for an AI data center. Munns explained that the company had been reaching out to local landowners and surveying the area, seeking approximately 6,000 acres and 500 acre-feet of water to start. He expressed frustration that the company had not contacted him directly, despite his significant presence in the area.

Munns shared his concerns about the lack of zoning regulations in the county, noting that if the company acquires the land, they could proceed with their plans without public hearings or much oversight. Munns discussed the potential impact on the community and the challenges of stopping such a project, especially if landowners are willing to sell. He concluded by urging others to keep the issue on their radar, emphasizing the importance of zoning and local control over land and water use.

Boyd Bingham

No report

Jay Capener

No report

10- ADJOURNMENT

Trustee Boyd Bingham made a motion to adjourn; motion seconded by Trustee Riffin Holmgren; all members vote aye. Meeting adjourned.

DRAFT