

City of Santaquin
Utah County, Utah

REPORT ON BOND COMPLIANCE
For the Year Ended June 30, 2020

CITY OF SANTAQUIN, UTAH
TABLE OF CONTENTS
June 30, 2020

	<u>Pages</u>
REPORT ON BOND COMPLIANCE	1
Net Revenue Bond Requirement--Sewer Fund	2
Net Revenue Bond Requirement--Water Fund	3
Insurance Coverage	4
Water and Sewer Connection Fees, Connections, and Billing	5
Water and Sewer Rates	6



REPORT ON BOND COMPLIANCE

Honorable Mayor
Members of the City Council
City of Santaquin, Utah

Mayor and Council Members:

We have audited the financial statements of Santaquin City, Utah, for the year ended June 30, 2020, and have issued our report thereon dated November 20, 2020.

As part of our audit, we reviewed your compliance with the requirements of your bond issues.

- The rates for the sewer funds are insufficient to meet the 120% net revenue test of the bond requirements (see page 2).

Based on our review, we are not aware of any areas of non-compliance with the compliance requirements contained in bond purchase agreements other than those noted above.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
November 20, 2020

CITY OF SANTAQUIN, UTAH
Net Revenue Bond Requirement – Sewer Fund
Year Ended June 30, 2020

Operating Income		(324,709)
Interest Income		63,437
Operating Expense Not Requiring Funds:		
Depreciation		<u>1,137,867</u>
Net Revenues		876,595
Debt Service - 2020 Fiscal Year		
Principal	\$ (533,406)	
Interest	<u>(126,716)</u>	
Total	<u>(660,122)</u>	
Required 120%		<u>(792,147)</u>
Net Revenues In Excess		<u><u>\$ 84,448</u></u>

CITY OF SANTAQUIN, UTAH
Net Revenue Bond Requirement – Water Fund
Year Ended June 30, 2020

Operating Income		1,003,779
Interest Income		29,559
Operating Expense Not Requiring Funds:		
Depreciation		<u>621,127</u>
Net Revenues		1,654,465
Debt Service - 2020 Fiscal Year		
Principal	(424,000)	
Interest	<u>(142,814)</u>	
Total	<u>(566,814)</u>	
Required 125%		<u>(708,518)</u>
Net Revenues In Excess		<u><u>\$ 945,948</u></u>

CITY OF SANTAQUIN, UTAH**Insurance Coverage**

Year Ended June 30, 2020

COMPANY	COVERAGE AMOUNT	COVERAGE	EXPIRATION DATE
Utah Local Governments' Trust	\$ 5,000,000	General Liability, Bodily Injury, Personal Injury, Property Damage, Public Officials, Errors and Omissions	2/16/2021
Utah Local Governments' Trust	\$ 5,000,000	Automotive Liability, Automotive Bodily Injury, and Property Damage	2/16/2021
Utah Local Governments' Trust	\$ 100,000	Uninsured Motorist	2/16/2021
Utah Local Governments' Trust	\$ 100,000	Underinsured Motorist	2/16/2021

CITY OF SANTAQUIN, UTAH
Water and Sewer Connection Fees,
Connections, and Billings
Year Ended June 30, 2020

CONNECTION FEES

Water connection fees per connection are as follows:

3/4" meter	\$300.00
1" meter	400.00
1 1/2" meter	670.00
2" meter	770.00

Sewer connection fees are \$250.00 per connection.

Pressurized irrigation connection fees are \$250.00 per connection.

CONNECTIONS

Currently the City services 4,133 water connections and 4,038 sewer connections, and 3,887 pressurized irrigation connections.

BILLINGS

For the year ended June 30, 2020, the total water billings were \$1,230,815.

The total pressurized irrigation billings were \$1,054,289, and the total sewer billings were \$1,935,117

CITY OF SANTAQUIN, UTAH

Water and Sewer Rates

Year Ended June 30, 2020

SEWER

The base rate for sewer service shall be \$40.03 per unit per month.

An additional charge of \$0.83 per 1,000 gallons will be assessed as determined by the customer's actual water usage.

WATER

Base Rate	\$ 22.47
0 to 4,000 gallons	\$ 0.58 per 1,000 gallons
4,001 to 8,000 gallons	\$ 0.88 per 1,000 gallons
8,001 to 12,000 gallons	\$ 1.16 per 1,000 gallons
12,001 + gallons	\$ 2.15 per 1,000 gallons

PRESSURIZED IRRIGATION

Base Rate	\$ 16.37 1"
	\$ 13.40 1.5" or larger

An additional charge of \$0.74 per 1,000 gallons is assessed based on usage.