

April 24, 2024

Administrative Control Board
Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah

We have audited the financial statements of Mountain Regional Water Special Service District (the District) for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. In 2023 the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. There was no effect on beginning net assets as a result of adopting this statement. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the net pension liability is based on information provided by Utah Retirement Systems (URS). The net pension liability was calculated by actuaries hired by URS, and details about it and the related deferred inflows and outflows of resources were included in the URS annual report as of December 31, 2022. We traced the information to the URS annual report, as well as to specific other data provided by URS to the District. We also noted that URS engaged its auditor to issue a Service Organization Controls (SOC 1) Type 2 report on the design and operating effectiveness regarding census data maintained by URS. This report was intended to meet the needs of the participating employers and their auditors in evaluating the effectiveness of the controls at URS on the URS financial statement assertions. We noted that the opinion of the URS auditors in the SOC 1 Type 2 report was unqualified.

Management's estimate of the depreciation methods and useful lives of the District's capital assets is based on management's determination of the rate at which the usefulness of the capital assets is expected to deteriorate. We have compared the lives and methods used by the District to independent expectations we have established and have concluded they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were:

Note 4 regarding the District's restricted assets because it provides information about assets that are required to be used for certain purposes and aren't available for general operating needs of the District.

Notes 7 and 8 regarding long-term debt outstanding and pledged revenues at December 31, 2023 is significant to financial statement users because it can be used to understand how the District will meet its debt obligations.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We noted no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 24, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

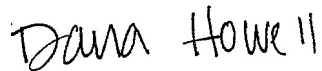
We applied certain limited procedures to the Management's Discussion and Analysis and the Pension information, which are required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the transmittal letter and other supplemental financial information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,
OSBORNE ROBBINS & BUHLER PLLC

A handwritten signature in black ink that reads "Dana Howell". The signature is written in a cursive, slightly slanted style.

Dana Howell