OFFICIAL NOTICE OF BOND SALE

And

PRELIMINARY OFFICIAL STATEMENT

Magna Water District, Utah

$12,965,000*
General Obligation Bonds, Series 2017

Electronic bids will be received up to 9:30:00 A.M., M.D.T., via the ***PARITY***® electronic bid submission system, on Thursday, September 7, 2017.

* Preliminary; subject to change.

(This page has been intentionally left blank.)

Official Notice of Bond Sale

(Sale to be Conducted Electronically)

Magna Water District, Utah

$12,965,000*
General Obligation Bonds, Series 2017

Bids will be received electronically (as described under "Procedures Regarding Electronic Bidding" below) by Zions Public Finance, Inc., Salt Lake City, Utah, the municipal advisor (the "Municipal Advisor") to Magna Water District, Utah (the "District") on the *PARITY*® bidding system ("*PARITY*®") at 9:30:00 a.m., M.D.T., on Thursday, September 7, 2017, for the purchase all or none ("AON") of $12,965,000* aggregate principal amount of the District's General Obligation Bonds, Series 2017 (the "2017 Bonds"). The bids will be reviewed and considered by certain designated officers of the District before 5:00 p.m., M.D.T. on said Thursday, September 7, 2017.

Description of 2017 Bonds

The 2017 Bonds will be dated the date of delivery thereof, will be fully registered bonds, in book–entry form, in denominations of $5,000 or integral multiples thereof, and will mature on June 1of the years and in the principal amounts as follows:

Maturity (June 1)	Amount*
2018	$400,000
2019	420,000
2020	440,000
2021	465,000
2022	485,000
2023	510,000
2024	540,000
2025	565,000
2026	595,000
2027	625,000
2028	655,000
2029	685,000
2030	715,000
2031	745,000
2032	775,000
2033	805,000
2034	840,000
2035	870,000
2036	900,000
2037	930,000
Total	$12,965,000*

* Subject to adjustment as described herein. See "Adjustment of Principal Amount of the 2017 Bonds" in this OFFICIAL NOTICE OF BOND SALE.

The 2017 Bonds will be issued in registered form and, when issued, will be registered in the name of The Depository Trust Company, New York, New York, or its nominee. The Depository Trust Company will act as securities depository for the 2017 Bonds. Purchases of beneficial interests in the 2017 Bonds will be made in book–entry form in the denomination of $5,000 or any whole multiple thereof.

Term Bonds and Mandatory Sinking Fund Redemption at Bidder's Option

The 2017 Bonds scheduled to mature on two or more of the above–designated maturity dates may be rescheduled, at bidder's option, to mature as term bonds on one or more dates within that period, in which event the 2017 Bonds will mature and be subject to mandatory sinking fund redemption in such amounts and on such dates, as will correspond to the above–designated maturity dates and principal amounts maturing on those dates, as adjusted.

Adjustment of Principal Amount of the 2017 Bonds

The District reserves the right, following determination of the best bid(s) to reduce or increase the principal amount of each maturity of the 2017 Bonds. The adjustment of maturities may be made in such amounts as are necessary to provide the District with desired debt service payments during the life of the 2017 Bonds and to properly size the issue so that the proceeds available to the District will be approximately $14,250,000. Any such adjustment will be in an amount of $5,000 or a whole multiple thereof. The dollar amount of the price bid by the successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid because of any such changes, and the District will consider the bid as having been made for the adjusted amount of the 2017 Bonds. The dollar amount of the price bid will be changed so that the percentage net compensation to the successful bidder (i.e., the percentage resulting from dividing (a) the aggregate difference between the offering price of the 2017 Bonds to the public and the price to be paid to the District, by (b) the principal amount of the 2017 Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown above. The District expects to advise the successful bidder as soon as possible, but expects no later than 2:00 p.m., M.D.T., on the date of sale, of the amount, if any, by which the aggregate principal amount of the 2017 Bonds will be adjusted and the corresponding changes to the principal amount of 2017 Bonds maturing on one or more of the above–designated maturity dates for the 2017 Bonds.

To facilitate any adjustment in the principal amounts, the successful bidder(s) is required to indicate by electronic means or facsimile transmission to the Municipal Advisor at cara.bertot@zionsbancorp.com or fax number 801.844.4484 within one–half hour of the time of bid opening, the amount of any original issue discount or premium on each maturity of the 2017 Bonds and the amount received from the sale of the 2017 Bonds to the public that will be retained by the successful bidder(s) as its compensation.

Optional Redemption

The 2017 Bonds maturing on or after June 1, 2028, will be subject to optional redemption at the option of the District on June 1, 2027, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the District, and at random within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than 30 days' prior written notice, at a redemption price equal to 100% of the principal amount of the 2017 Bonds to be redeemed, plus accrued interest thereon to the redemption date

Possible Rejection of All Bids

As described below under "Sale Reservations," the District reserves the right to reject any and all bids and to resell the 2017 Bonds. In such case the District may elect to negotiate a subsequent sale of the 2017 Bonds or hold an additional competitive bid.

Ratings

The District will, at its own expense, pay fees of S&P Global Ratings for rating the 2017 Bonds. *Any additional ratings shall be at the option and expense of the bidder.*

Purchase Price

The purchase price bid for the 2017 Bonds shall not be less than 100% of the principal amount of the 2017 Bonds ($12,965,000).

Interest Rates

The 2017 Bonds will bear interest at any number of different rates, any of which may be repeated, which rates shall be expressed in multiples of one–eighth or one–twentieth of one percent (1/8 or 1/20 of 1%) per annum. In addition:

1. no rate bid may exceed 5.00% per annum;

2. all 2017 Bonds of the same maturity must bear a single rate of interest;

3. a zero rate cannot be named for all or any part of the time from the date of any 2017 Bond to its stated maturity;

4. premium must be paid in the funds specified for the payment of the 2017 Bonds as part of the purchase price;

5. interest shall be computed from the dated date of a 2017 Bond to its stated maturity date at the single interest rate specified in the bid for the 2017 Bonds of such maturity;

6. the purchase price must be paid in immediately available funds and no bid will be accepted that contemplates the cancellation of any interest or the waiver of interest or other concession by the bidder as a substitute for federal funds;

7. there shall be no supplemental interest coupons; and

8. interest shall be computed on the basis of a 360–day year of 12, 30–day months.

Interest on the 2017 Bonds will be payable semiannually on June 1 and December 1, beginning December 1, 2017, at the rate or rates to be fixed at the time the 2017 Bonds are sold.

Payment of Principal and Interest

Principal and interest are payable by ZB, National Association, dba Zions Bank, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent and Registrar, to the registered owners of the 2017 Bonds. So long as The Depository Trust Company, New York, New York ("DTC"), is the registered owner, DTC will, in turn, remit such principal and interest to its participants, for subsequent disbursements to the beneficial owners of the 2017 Bonds as described under the caption "THE 2017 Bonds—Book–Entry System" in the District's Preliminary OFFICIAL STATEMENT with respect to the 2017 Bonds. Interest on the 2017 Bonds will be payable by check or draft mailed to the registered owners thereof (initially DTC) as shown on the registration books kept for the District by the Registrar.

Security

The 2017 Bonds will be general obligations of the District, payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all the taxable property in the District, fully sufficient to pay the 2017 Bonds as to both principal and interest.

Procedures Regarding Electronic Bidding

No bid will be accepted unless the District has determined that such bidder has provided the requested Deposit as described under "Good Faith Deposit" below.

Bids will be received by means of the *PARITY*® electronic bid submission system. A prospective bidder must communicate its bid electronically through *PARITY*® on or before 9:30:00 a.m. M.D.T. on Thursday, September 7, 2017. No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in *PARITY*® conflict with this OFFICIAL NOTICE OF BOND SALE, the terms of this OFFICIAL NOTICE OF BOND SALE shall control. For further information about *PARITY*®, potential bidders may contact the Municipal Advisor or i–Deal LLC at 1359 Broadway, New York, New York 10018; 212.849.5021. The time as maintained by *PARITY*® shall constitute the official time.

Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access *PARITY*® for purposes of submitting its bid in a timely manner and in compliance with the requirements of this OFFICIAL NOTICE OF BOND SALE. Neither the Municipal Advisor, the District nor i–Deal LLC shall have any duty or obligation to provide or assure such access to any qualified prospective bidder, and neither the Municipal Advisor, the District nor i–Deal LLC shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*®. The District is using *PARITY*® as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the 2017 Bonds.

Notification

The Municipal Advisor will notify the apparent successful bidder(s) (electronically via *PARITY*®) as soon as possible after the District's receipt of bids, that such bidder's bid appears to be the lowest and best bid received which conforms to the requirements of this OFFICIAL NOTICE OF BOND SALE, subject to verification and to official action to be taken by at the District as described in the next succeeding paragraph.

The award of the 2017 Bonds to the successful bidder(s) will be made by designated officers of the District by 5:00 p.m., M.D.T., on Thursday, September 7, 2017, pursuant to a resolution previously adopted by the Board of the District.

Form Of Bid

Each bidder for the 2017 Bonds is required to transmit electronically via *PARITY*® an unconditional bid specifying the lowest rate or rates of interest and confirm the purchase price (as described under "Purchase Price" above) at which the bidder will purchase the 2017 Bonds. Each bid must be for all the 2017 Bonds herein offered for sale.

For information purposes only, bidders are requested to state in their bids the effective interest rate for the 2017 Bonds represented on a TIC basis, as described under "Award" below, represented by the rate or rates of interest and the bid price specified in their respective bids.

No bids will be accepted in written form, by facsimile transmission or in any other medium or on any system other than by means of *PARITY*®; provided, however, that in the event a prospective bidder cannot access *PARITY*®, through no fault of its own, it may so notify the office of the Municipal Advisor by

telephone at 801.844.7373. Thereafter, it may submit its bid by telephone to the Municipal Advisor at 801.844.7373, who shall transcribe such bid into written form or by facsimile transmission to the Municipal Advisor at 801.844.4484, in either case before the time bids are due as stated above, on Thursday, September 7, 2017. For purposes of bids submitted telephonically to the Municipal Advisor (as described above) or by facsimile transmission, the time as maintained by *PARITY*®, shall constitute the official time. Each bid submitted as provided in the preceding sentence must specify the interest rate or rates of the 2017 Bonds and the total purchase price of all the 2017 Bonds. The Municipal Advisor will seal transcribed telephonic bids and facsimile transmission bids for submission. Neither the District nor the Municipal Advisor assume any responsibility or liability from the failure of any such transcribed telephonic bid or facsimile transmission (whether such failure arises from equipment failure, unavailability of phone lines or otherwise). No bid will be received after the time for receiving such bids specified above.

If requested by the Municipal Advisor, the apparent successful bidder(s) will provide written confirmation of its bid (by electronic means or facsimile transmission) to the Municipal Advisor prior to 2:00 p.m., M.D.T., on Thursday, September 7, 2017.

Right of Cancellation

The successful bidder(s) shall have the right, at its option, to cancel its obligation to purchase the 2017 Bonds if the District shall fail to execute the 2017 Bonds and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder(s) shall be entitled to the return of the Deposit.

Award

Award or rejection of bids will be made on Thursday, September 7, 2017, by certain designated officers of the District by 5:00 p.m. M.D.T. The 2017 Bonds will be awarded to the responsible bidder offering to pay the lowest effective interest cost to the District, computed from the date of the 2017 Bonds to maturity and taking into consideration the premium or discount, if any, in the purchase price of the 2017 Bonds. The effective interest rate to the District shall be the interest rate per annum determined on a per annum true interest cost ("TIC") based on the discounting of the scheduled semiannual debt service payments of the District on the 2017 Bonds (based on such rate or rates of interest so bid) to the dated date of the 2017 Bonds, compounded semiannually, and to the bid price, excluding accrued interest, if any to the date of delivery. Interest cost shall be computed on a 360–day year of 12, 30–day months.

Good Faith Deposit

A good faith deposit (the "Deposit") in the amount of $125,000 is required only from the successful bidder(s). The Deposit shall be payable to the order of the District in the form of a wire transfer in federal funds as instructed by the Municipal Advisor no later than 12:00 noon, M.D.T., on Thursday, September 7, 2017. As an alternative to wiring funds, a bidder may deliver a cashier's or certified check, payable to the order of the District. If a check is used, it must precede each bid. Such check shall be promptly returned to its respective bidder whose bid is not accepted.

The District shall, as security for the faithful performance by the successful bidder(s) of its obligation to take up and pay for the 2017 Bonds when tendered, cash the Deposit check, if applicable, of the successful bidder(s) and hold the proceeds of the Deposit of the successful bidder(s), or invest the same (at the District's risk) in obligations which mature at or before the delivery of the 2017 Bonds as described under the caption "Manner and Time of Delivery" below, until disposed of as follows: (a) at such delivery of the 2017 Bonds and upon compliance with the successful bidder's obligation to take up and pay for the 2017 Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the 2017 Bonds at that time and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the successful bidder fails to take up and pay for the

2017 Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

Sale Reservations

The District reserves the right: (i) to waive any irregularity or informality in any bid or in the bidding process; (ii) to reject any and all bids for the 2017 Bonds; and (iii) to resell the 2017 Bonds as provided by law.

Manner and Time of Delivery

The successful bidder(s) will be given at least seven business days' notice of the proposed date of the delivery of the 2017 Bonds when that date has been tentatively determined. It is now estimated that the 2017 Bonds will be delivered in book–entry form on or about Wednesday, September 20, 2017. Delivery of the 2017 Bonds will be made in Salt Lake City, Utah. The successful bidder(s) must also agree to pay for the 2017 Bonds in federal funds which will be immediately available to the District on the day of delivery.

CUSIP Numbers

It is anticipated that CUSIP numbers will be printed on the 2017 Bonds, at the expense of the District, but neither the failure to print such numbers on any Bond nor any error with respect thereof shall constitute cause for a failure or refusal by the successful bidder(s) thereof to accept delivery of and pay for the 2017 Bonds in accordance with terms of this OFFICIAL NOTICE OF BOND SALE.

Tax Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, the interest on the 2017 Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The above opinions are subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the 2017 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2017 Bonds.

Interest on the 2017 Bonds is exempt from State of Utah individual income taxes.

Establishment of Issue Price

The successful bidder shall assist the District in establishing the issue price of the 2017 Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the 2017 Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as "Annex 1," with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the District and Bond Counsel. All actions to be taken by the District under this OFFICIAL NOTICE OF BOND SALE to establish the issue price of the 2017 Bonds may be taken on behalf of the District by the Municipal Advisor identified herein and any notice or report to be provided to the District may be provided to the Municipal Advisor.

The District intends that the provisions of Treasury Regulation Section 1.148–1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the 2017 Bonds) will apply to the initial sale of the 2017 Bonds (the "competitive sale requirements") because:

(i) the District shall disseminate this OFFICIAL NOTICE OF BOND SALE to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(ii) all bidders shall have an equal opportunity to bid;

(iii) the District may receive bids from at least three underwriters of municipal obligations who have established industry reputations for underwriting new issuances of municipal obligations; and

(iv) the District anticipates awarding the sale of the 2017 Bonds to the bidder who submits a firm offer to purchase the 2017 Bonds at the highest price (or lowest interest cost), as set forth in this OFFICIAL NOTICE OF BOND SALE .

Any bid submitted pursuant to this OFFICIAL NOTICE OF BOND SALE shall be considered a firm offer for the purchase of the 2017 Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the District shall so advise the successful bidder. The District shall then treat the first price at which 10% of the 2017 Bonds (the "10% Test") is sold to the public as the issue price of the 2017 Bonds. The successful bidder shall advise the District if the 2017 Bonds satisfy the 10% Test as of the date and time of the award of the 2017 Bonds. The District will ***not*** require bidders to comply with the "hold–the–offering–price rule" and therefore does not intend to use the initial offering price to the public as of the sale date of the 2017 Bonds as the issue price of the 2017 Bonds. Bids will ***not*** be subject to cancellation in the event that the competitive sale requirements are not satisfied. ***Bidders should prepare their bids on the assumption that the 2017 Bonds will be subject to the 10% Test in order to establish the issue price of the 2017 Bonds***.

If the competitive sale requirements are not satisfied, then until the 10% Test has been satisfied, the successful bidder agrees to promptly report to the District the prices at which the unsold 2017 Bonds of have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% Test has been satisfied or until all 2017 Bonds have been sold.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2017 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker–dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold 2017 Bonds allotted to it until it is notified by the successful bidder that either the 10% Test has been satisfied or all 2017 Bonds have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the 2017 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2017 Bonds to the public to require each broker–dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold 2017 Bonds allotted to it until it is notified by the successful bidder or such underwriter that either the 10% Test has been satisfied or all 2017 Bonds have been sold to the public, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any 2017 Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this OFFICIAL NOTICE OF BOND SALE. Further, for purposes of this OFFICIAL NOTICE OF BOND SALE:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2017 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2017 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2017 Bonds to the public),

(iii) a purchaser of any of the 2017 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (a) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (b) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (c) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the 2017 Bonds are awarded by the District to the successful bidder.

Legal Opinion and Closing Documents

The approving opinion of Gilmore & Bell, P.C., covering the legality of the 2017 Bonds will be furnished to the successful bidder(s) without charge. There will also be furnished the usual closing certificates dated as of the date of delivery of and payment for the 2017 Bonds, including a certificate from the attorney for the District that there is no litigation pending or, to the knowledge of the signer thereof, threatened, affecting the validity of the 2017 Bonds.

Disclosure Certificate

The District will deliver to the successful bidder(s) a certificate of officer(s) of the District, dated the date of the delivery of the 2017 Bonds, stating that as of the date thereof, to the best of the knowledge and belief of said officer(s): (a) the descriptions and statements contained in the Preliminary OFFICIAL STATEMENT circulated with respect to the 2017 Bonds were at the time of the acceptance of the bid true and correct in all material respects and did not at the time of the acceptance of the bid contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (b) the descriptions and statements contained in the Final OFFICIAL STATEMENT are at the time of delivery of the 2017 Bonds true and correct in all material respects and do not at the time of the delivery of the 2017 Bonds contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, should the Final OFFICIAL STATEMENT be supplemented or amended subsequent to the date thereof, the foregoing confirmation as to the Final OFFICIAL STATEMENT shall relate to the Final OFFICIAL STATEMENT as so supplemented or amended.

The District has retained Gilmore & Bell, P.C. to act as disclosure counsel to the District with respect to the 2017 Bonds and as such disclosure counsel, such firm will assist the District in the review of the contents of the Preliminary OFFICIAL STATEMENT and final OFFICIAL STATEMENT. Gilmore & Bell, P.C. will deliver a letter to the successful bidder for the 2017 Bonds with respect to the Preliminary OFFICIAL STATEMENT and the final OFFICIAL STATEMENT which will state, in effect, that, while the firm has not verified and is not passing upon, and does not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary OFFICIAL STATEMENT or the

final OFFICIAL STATEMENT, based upon participation in conferences and in reliance thereon with various representatives of the District, counsel to the District, and representatives of the Municipal Advisor for the District at which the contents of the Preliminary OFFICIAL STATEMENT and the final OFFICIAL STATEMENT were discussed and reviewed, without independent verification, no facts came to the attention of the attorneys of such firm rendering legal services in connection with such retention which lead such attorneys to believe that either (a) the Preliminary OFFICIAL STATEMENT as of its date contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (b) the final OFFICIAL STATEMENT as of its date contained, or as of the date of the delivery of the 2017 Bonds contains, any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. However, such firm will not be called upon to and will not express an opinion or belief as to information relating to the book–entry system or the expressions of opinion, the assumptions, the projections, financial statements (including notes and schedules thereto) or other financial, numerical, demographic or statistical data contained in the Preliminary OFFICIAL STATEMENT and the final OFFICIAL STATEMENT.

Official Statement

Copies of the District's Preliminary OFFICIAL STATEMENT may be obtained as specified below prior to the time bids are taken. The Preliminary OFFICIAL STATEMENT is in a form "deemed final" by the District for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission, but is subject to revision, amendment and completion in a final OFFICIAL STATEMENT.

The District shall deliver to the successful bidder(s) no later than the seventh business day after the award of the 2017 Bonds as described under the caption "Award" above, the final OFFICIAL STATEMENT in electronic format, to comply with paragraph (b)(4) of Rule 15c2–12 of the Securities and Exchange Commission and the rules of the Municipal Securities Rulemaking Board.

Continuing Disclosure Undertaking

Pursuant to Securities and Exchange Commission Rule 15c2–12, the District will undertake in a Continuing Disclosure Undertaking to provide certain ongoing disclosure, including annual operating data and financial information (including audited financial statements) and notices of the occurrence of certain material events. A description of the undertaking is set forth in the Preliminary OFFICIAL STATEMENT.

Additional Information

For copies of this OFFICIAL NOTICE OF BOND SALE, the Preliminary OFFICIAL STATEMENT and information regarding the electronic bidding procedures and other related information, contact Alex Buxton (alex.buxton@zionsbancorp.com), or Cara Bertot (cara.bertot@zionsbancorp.com), Zions Public Finance, Inc., One South Main Street, 18th Floor, Salt Lake City, Utah 84133–1109; 801.844.7373; fax: 801.844.4484; the Municipal Advisor to the District.

DATED this 25th day of August, 2017.

Magna Water District, Utah

Annex 1

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF PURCHASER] (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the $[_____] General Obligation Bonds, Series 2017 (the "2017 Bonds") issued by Magna Water District, Utah (the "District").

1. The Underwriter offered all of the 2017 Bonds to the Public (as defined below) in a bona fide initial offering.

2. [Reasonably Expected Initial Offering Price. [**To be used if at least three bids received**]

(a) As of the Sale Date, the reasonably expected initial offering price of the 2017 Bonds to the Public by the Underwriter is the price listed in Schedule A (the "Expected Offering Price"). The Expected Offering Price is the price for the 2017 Bonds used by the Underwriter in formulating its bid to purchase the 2017 Bonds.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm bid to purchase the 2017 Bonds.]

2. [**To be used if there are not at least three bids received**] [As of the date of this certificate, the first price at which at least 10% of the 2017 Bonds was sold to the Public is the price listed in Schedule A.] or

[(a) As of the date of this certificate, the Underwriter has not sold at least 10% of the 2017 Bonds at any price.

(b) As of the date of this certificate, the Underwriter reasonably expects that the first sale to the Public of 10% or more of the 2017 Bonds will be at or below the expected sale price listed on the attached Schedule A (the "Expected First Sale Price").]

3. Defined Terms.

(a) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" as defined in U.S. Treasury Regulation Section 1.150–1(b) which generally provides that the term related party means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(b) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2017 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2017 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2017 Bonds to the Public).

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale or exchange the 2017 Bonds. The Sale Date of the 2017 Bonds is _____, 2017.

On the Sale Date the Underwriter purchased the 2017 Bonds from the District by submitting electronically an "Official Bid Form" responsive to an "OFFICIAL NOTICE OF BOND SALE" and having its bid accepted by the District. The District has not modified the terms of the purchase since the Sale Date.

The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the No Arbitrage and Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2017 Bonds, and by Bond Counsel in connection with rendering its opinion that the interest on the 2017 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038–G, and other federal income tax advice that it may give to the District from time to time relating to the 2017 Bonds.

[PURCHASER], as [Underwriter]

By: _____

Name: _____

Dated: [ISSUE DATE]

To Be Attached:

SCHEDULE A—EXPECTED OFFERING PRICE

(This page has been intentionally left blank)

PRELIMINARY OFFICIAL STATEMENT

$12,965,000*

Magna Water District, Utah

General Obligation Bonds, Series 2017

On Thursday, September 7, 2017 up to 9:30:00 A.M., M.D.T., electronic bids will be received by means of the ***PARITY***® electronic bid submission system. See the "OFFICIAL NOTICE OF BOND SALE—Procedures Regarding Electronic Bidding."

The 2017 Bonds will be awarded to the successful bidder(s) and issued pursuant to resolutions of Magna Water District, Utah previously adopted on January 12, 2017 and August 10, 2017.

The District has deemed this PRELIMINARY OFFICIAL STATEMENT final as of the date hereof, for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission, subject to completion with certain information to be established at the time of sale of the 2017 Bonds as permitted by the Rule.

For copies of the OFFICIAL NOTICE OF BOND SALE, the PRELIMINARY OFFICIAL STATEMENT, and other related information with respect to the 2017 Bonds contact the Municipal Advisor:

Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484
cara.bertot@zionsbancorp.com

This PRELIMINARY OFFICIAL STATEMENT is dated August 25, 2017, and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

(This page has been intentionally left blank.)

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

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 25, 2017

NEW ISSUE

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

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the 2017 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel is also of the opinion that the interest on the 2017 Bonds (including any original issue discount properly allocable to an owner thereof) is exempt from State of Utah individual income taxes. See "TAX MATTERS" in this Official Statement.

$12,965,000*

Magna Water District, Utah

General Obligation Bonds, Series 2017

The $12,965,000* General Obligation Bonds, Series 2017, are issued by the District as fully–registered bonds and will be initially issued in book–entry only form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2017 Bonds.

Principal of and interest on the 2017 Bonds (interest payable June 1 and December 1 of each year, commencing December 1, 2017) are payable by ZB, National Association, dba Zions Bank, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2017 BONDS—Book–Entry System" herein.

The 2017 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "THE 2017 BONDS—Redemption Provisions" and "—Mandatory Sinking Fund Redemption At Bidder's Option" herein.

The 2017 Bonds will be general obligations of the District payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the 2017 Bonds as to both principal and interest.

Dated: Date of Delivery[1] **Due:** June 1, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2017 Bonds.

The 2017 Bonds will be awarded pursuant to competitive bidding received by means of the *PARITY*® electronic bid submission system on Thursday, September 7, 2017 as set forth in the OFFICIAL NOTICE OF BOND SALE (dated the date of the PRELIMINARY OFFICIAL STATEMENT).

Zions Public Finance, Inc., Salt Lake City, Utah, is acting as Municipal Advisor.

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

This OFFICIAL STATEMENT is dated September __, 2017 and the information contained herein speaks only as of that date.

* Preliminary; subject to change.

[1] The anticipated date of delivery is Wednesday, September 20, 2017.

Magna Water District, Utah

$12,965,000*

General Obligation Bonds, Series 2017

Dated: Date of Delivery[1] **Due: June 1, as shown below**

Due June 1	CUSIP® 559315	Principal Amount*	Interest Rate	Yield/ Price
2018……		$ 400,000	%	%
2019……		420,000		
2020……		440,000		
2021……		465,000		
2022……		485,000		
2023……		510,000		
2024……		540,000		
2025……		565,000		
2026……		595,000		
2027……		625,000		
2028……		655,000		
2029……		685,000		
2030……		715,000		
2031……		745,000		
2032……		775,000		
2033……		805,000		
2034……		840,000		
2035……		870,000		
2036……		900,000		
2037……		930,000		

* Preliminary; subject to change.

[1] The anticipated date of delivery is Wednesday, September 20, 2017.

® CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

Table Of Contents

Page

INTRODUCTION 1
Public Sale/Electronic Bid 1
The District 1
The 2017 Bonds 2
Security 2
Authority And Purpose 2
Redemption Provisions 2
Registration, Denominations, Manner Of Payment 2
Tax–Exempt Status Of The 2017 Bonds 3
Professional Services 3
Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery 4
Continuing Disclosure Undertaking 4
Basic Documentation 4
Contact Persons 4
SECURITY AND SOURCES OF PAYMENT 5
CONTINUING DISCLOSURE UNDERTAKING 5
THE 2017 BONDS 6
General 6
Sources And Uses Of Funds 6
Redemption Provisions 6
Mandatory Sinking Fund Redemption At Bidder's Option 7
Registration And Transfer; Record Date 7
Book–Entry System 8
Debt Service On The 2017 Bonds 8
MAGNA WATER DISTRICT, UTAH 9
General 9
The Water And Sewer System 10
Form Of Government 10
Employee Workforce And Retirement System; Other Post–Employment Benefits 10
Risk Management 11
Investment Of Funds 11
DEMOGRAPHIC INFORMATION REGARDING SALT LAKE COUNTY 12
Population 12
Employment, Income, Construction And Sales Taxes Within Salt Lake County And The State Of Utah 13
Largest Employers 15
DEBT STRUCTURE OF MAGNA WATER DISTRICT, UTAH 16
Outstanding General Obligation Bonded Indebtedness 16
Outstanding Revenue Bond Indebtedness 17
Future Issuance Of Debt 17
Other Financial Considerations 17
Debt Service Schedule Of Outstanding General Obligation Bonds By Fiscal Year 18
Debt Service Schedule Of Outstanding Water Revenue Bonds By Fiscal Year 19

Page

Overlapping And Underlying General Obligation Debt 20
Debt Ratios Regarding General Obligation Debt 20
General Obligation Legal Debt Limit And Additional Debt Incurring Capacity 21
No Defaulted Obligations 21
FINANCIAL INFORMATION REGARDING MAGNA WATER DISTRICT, UTAH 21
Fund Structure; Accounting Basis 21
Budgets And Appropriation Process Accounting 21
Financial Controls 22
Five–Year Financial Summaries 22
Ad Valorem Tax Levy And Collection 25
Public Hearing On Certain Tax Increases 26
Property Tax Matters 26
Historical Ad Valorem Tax Rates 27
Taxable, Fair Market And Market Value Of Property 28
Historical Summaries Of Taxable Value Of Property 28
Tax Collection Record 29
Some Of The Largest Taxpayers 29
LEGAL MATTERS 30
Absence Of Litigation Concerning The 2017 Bonds 30
General 30
TAX MATTERS 30
Opinion of Bond Counsel 31
Other Tax Consequences 31
MISCELLANEOUS 32
Bond Rating 32
Municipal Advisor 32
Independent Auditors 33
Additional Information 33
APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016 ..... A–1
APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL B–1
APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING C–1
APPENDIX D—BOOK–ENTRY SYSTEM D–1

(This page has been intentionally left blank.)

This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the 2017 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by Magna Water District, Utah (the "District"); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); ZB, National Association, dba Zions Bank, Corporate Trust Department, Salt Lake City, Utah (as Paying Agent); the successful bidder(s); or any other entity. All other information contained herein has been obtained from the District, The Depository Trust Company, New York, New York, and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2017 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the District, since the date hereof.

The 2017 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2017 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the bidders may allow concessions or discounts from the initial offering prices of the 2017 Bonds to dealers and others. In connection with the offering of the 2017 Bonds, the bidders may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2017 Bonds. Such transactions may include overallotments in connection with the purchase of 2017 Bonds, the purchase of 2017 Bonds to stabilize their market price and the purchase of 2017 Bonds to cover the bidders' short positions. Such transactions, if commenced, may be discontinued at any time.

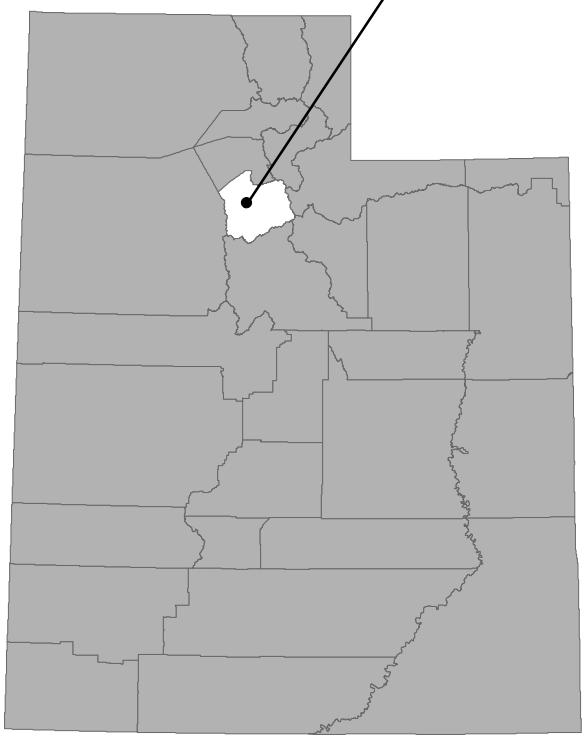
Forward–Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. ***The achievement of certain results or other expectations contained in such forward–looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. The District does not plan to issue any updates or revisions to those forward–looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.***

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the District does not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2017 Bonds.

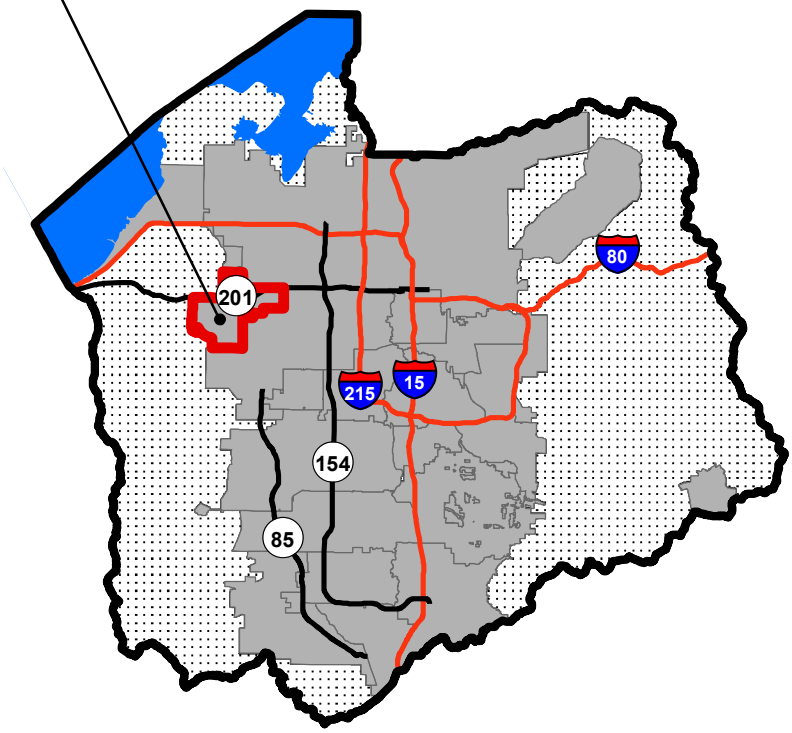
The information available on certain websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the 2017 Bonds and is not a part of this OFFICIAL STATEMENT.

Magna Water District

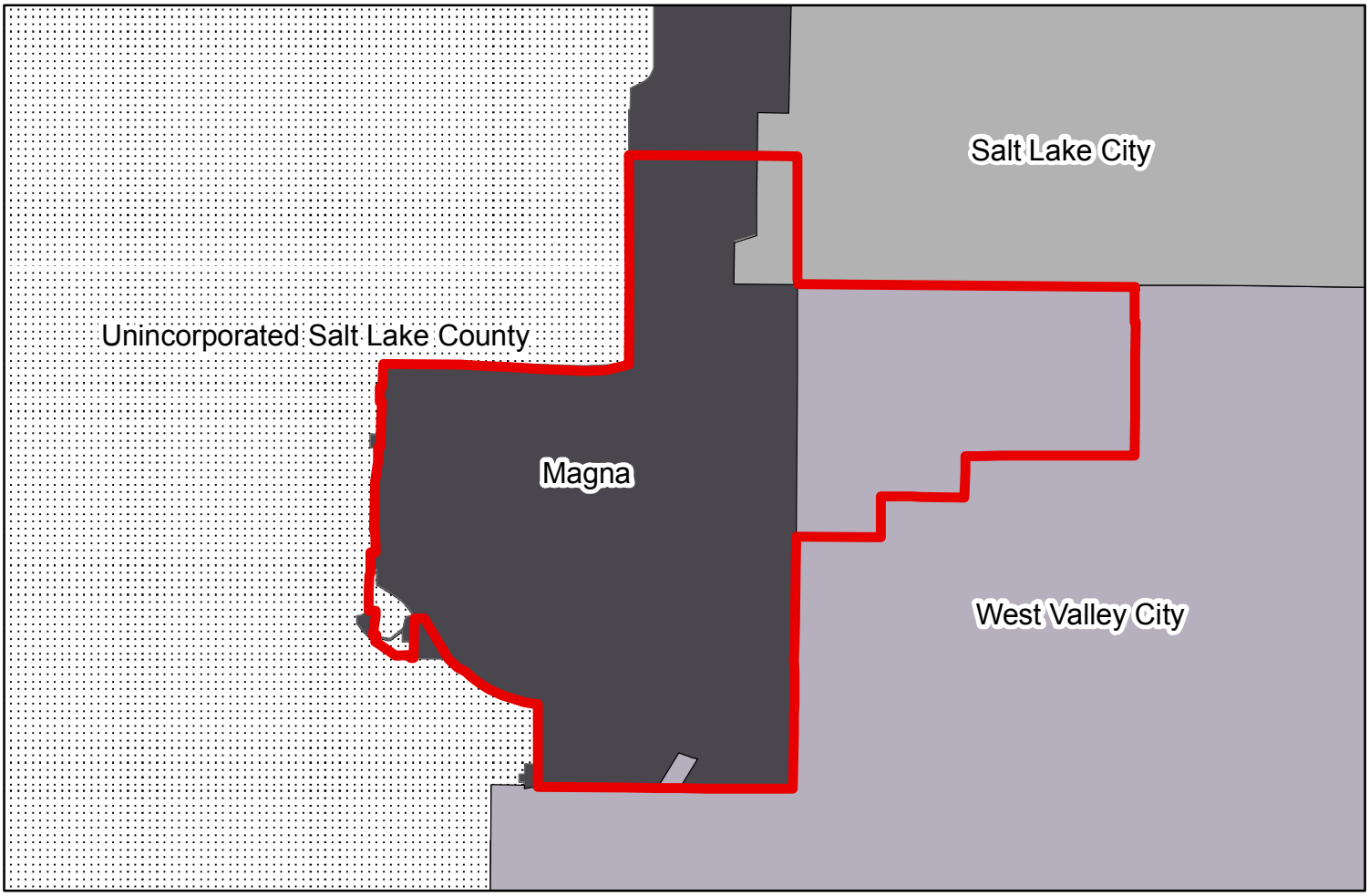
Salt Lake County



Magna Water District



Magna Water District



OFFICIAL STATEMENT RELATED TO

$12,965,000*

Magna Water District, Utah

General Obligation Bonds, Series 2017

INTRODUCTION

This introduction is only a brief description of the 2017 Bonds, as hereinafter defined, the security and source of payment for the 2017 Bonds and certain information regarding Magna Water District, Utah (the "District"). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT.

See the following appendices that are attached hereto and incorporated herein by reference: "APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016;" "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL;" "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING;" and "APPENDIX D—BOOK–ENTRY SYSTEM."

When used herein the terms "Fiscal Year[s] 20YY" or "Fiscal Year[s] End[ed][ing] December 31, 20YY" shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. When used herein the terms "Calendar Year[s] 20YY"; "Calendar Year[s] End[ed][ing] December 31, 20YY"; or "Tax Year 20YY" shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in the Resolution (as hereinafter defined).

Public Sale/Electronic Bid

The 2017 Bonds will be awarded pursuant to competitive bidding received by means of the ***PARITY***® electronic bid submission system on Thursday, September 7, 2017 (as set forth in the OFFICIAL NOTICE OF BOND SALE (dated the date of the PRELIMINARY OFFICIAL STATEMENT).

The 2017 Bonds may be offered and sold to certain dealers (including dealers depositing the 2017 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside cover page of the OFFICIAL STATEMENT and such public offering prices may be changed from time to time.

The District

The District was formed by a resolution of the Board of Commissioners of Salt Lake County (the "County") in 1949. It is the mission of the District to provide culinary and secondary water and sewer service to all properties located within the boundaries of the District. The District distributes water to approximately 8,450 connections with an estimated 2016 population of the area served by the District of 30,225. The District also provide sewage collection and treatment services to its service area. The District's service area covers approximately nine square miles and includes Magna Township, western areas of West Valley City, and a corner of southwest Salt Lake City, all located in the State of Utah (the "State").

* Preliminary; subject to change.

The 2017 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the District of its $12,965,000*, General Obligation Bonds, Series 2017 (the "2017 Bonds" or the "2017 Bond"), initially issued in book–entry form.

Security

The 2017 Bonds will be general obligations of the District payable from the proceeds of ad valorem taxes to be levied, without limitation as to rate or amount, on all of the taxable property in the District, fully sufficient to pay the 2017 Bonds as to both principal and interest. See "THE 2017 BONDS—Security And Sources Of Payment" and "FINANCIAL INFORMATION REGARDING MAGNA WATER DISTRICT, UTAH—Ad Valorem Tax Levy And Collection" below.

Authority And Purpose

Authority. The 2017 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14 (the "Local Government Bonding Act"), Utah Code Annotated 1953, as amended (the "Utah Code"); the Registered Public Obligations Act, Title 15, Chapter 7, Utah Code; and (ii) the resolutions of the District adopted on January 12, 2017 and August 10, 2017 (together the "Resolution"), which provides for the issuance of the 2017 Bonds; and (iii) other applicable provisions of law.

The 2017 Bonds were authorized at a special bond election held for that purpose on November 8, 2016 (the "2016 Bond Election"). The proposition submitted to the voters of the District was as follows:

> Shall Magna Water District, Utah, be authorized to issue General Obligation Bonds in an amount not to exceed Twenty–Two Million Dollars ($22,000,000) (the "Bonds") for the purpose of paying all or a portion of the costs of various capital improvements to its culinary water, secondary water, and wastewater systems, and all related improvements? Said Bonds to mature in not to exceed twenty–four (24) years from the date of issuance of such Bonds.

At the 2016 Bond Election, there were 2,333 votes cast in favor of the issuance of bonds and 1,775 votes cast against the issuance of bonds, for a total vote count of 4,108, with approximately 56.8% in favor of the issuance of bonds. The 2017 Bonds are the first block of bonds to be issued from the 2016 Bond Election. After the sale and delivery of the 2017 Bonds, the District expects to have approximately $9,000,000* of authorized unissued bonds from the 2016 Bond Election.

Purpose. The 2017 Bonds are being issued to fund various projects as set forth in the 2016 Bond Election proposition and to pay certain costs of issuance. See "THE 2017 BONDS—Sources And Uses Of Funds" below.

Redemption Provisions

The 2017 Bonds are subject to optional redemption prior to maturity and may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "THE 2017 BONDS—Redemption Provisions" and "—Mandatory Sinking Fund Redemption At Bidder's Option" below.

Registration, Denominations, Manner Of Payment

The 2017 Bonds are issuable only as fully–registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2017 Bonds. Purchases of 2017 Bonds will be made in book–

* Preliminary; subject to change.

entry form only, in the principal amount of $5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC's Direct Participants (as defined herein). Beneficial Owners (as defined herein) of the 2017 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2017 Bonds. "Direct Participants," "Indirect Participants" and "Beneficial Owners" are defined in "APPENDIX D—BOOK–ENTRY SYSTEM."

Principal of and interest on the 2017 Bonds (interest payable June 1 and December 1 of each year, commencing December 1, 2017) are payable by ZB, National Association, dba Zions Bank, Corporate Trust Department, Salt Lake City, Utah as paying agent (the "Paying Agent") for the 2017 Bonds, to the registered owners of the 2017 Bonds. So long as Cede & Co. is the registered owner of the 2017 Bonds, DTC will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2017 Bonds, as described in "APPENDIX D—BOOK–ENTRY SYSTEM."

So long as DTC or its nominee is the registered owner of the 2017 Bonds, neither the District nor the Paying Agent will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2017 Bonds. Under these same circumstances, references herein and in the Resolution to the "Bondowners" or "Registered Owners" of the 2017 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2017 Bonds.

Tax–Exempt Status Of The 2017 Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the 2017 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. Bond Counsel is also of the opinion that the interest on the 2017 Bonds (including any original issue discount properly allocable to an owner thereof) is exempt from State of Utah individual income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the 2017 Bonds.

See "TAX MATTERS" in this Official Statement.

Professional Services

In connection with the issuance of the 2017 Bonds, the following have served the District in the capacity indicated.

Bond Registrar and Paying Agent

ZB National Association dba Zions Bank
Zions Bank Building
Corporate Trust Department
One S Main St 12th Fl
Salt Lake City UT 84133
801.844.7529 | f 855.547.5428
linda.anderson@zionsbank.com

Bond Counsel

Gilmore & Bell PC
15 W S Temple 5th Fl
Salt Lake City UT 84101
801.258.7277 | f 801.364.5032
rlarsen@gilmorebell.com

Municipal Advisor

Zions Public Finance Inc
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484
alex.buxton@zionsbancorp.com

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

The 2017 Bonds are offered, subject to prior sale, when, as and if issued and received by the successful bidder(s), subject to the approval of legality of the 2017 Bonds by Gilmore & Bell, P.C., Bond Counsel, and certain other conditions. Certain legal matters will be passed on to the District by Smith Hartvigsen, PLLC, General Counsel to the District. It is expected that the 2017 Bonds, in book–entry form, will be available for delivery to DTC or its agent, on or about Wednesday, September 20, 2017.

Continuing Disclosure Undertaking

The District will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2017 Bonds. For a detailed discussion of this undertaking, previous undertakings and timing of submissions see "CONTINUING DISCLOSURE UNDERTAKING" below and "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date and the information contained herein is subject to change. Brief descriptions of the District, the 2017 Bonds, and the Resolution are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Resolution are qualified in their entirety by reference to such document and references herein to the 2017 Bonds are qualified in their entirety by reference to the form thereof included in the Resolution. The "basic documentation" which includes the Resolution, the closing documents and other documentation, authorizing the issuance of the 2017 Bonds and establishing the rights and responsibilities of the District and other parties to the transaction, may be obtained from the "contact persons" as indicated below.

Contact Persons

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

Alex Buxton, Vice President, alex.buxton@zionsbancorp.com
Eric John Pehrson, Vice President, eric.pehrson@zionsbancorp.com

Zions Public Finance Inc
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact persons for the District concerning the 2017 Bonds are:

Terry L. Pollock, General Manager/Chief Executive Officer, terry@magnawater.com
LeIsle Fitzgerald, Controller, leisle@magnawater.com
Magna Water District
8885 W 3500 S
Magna UT 84044
801.250.2118 | f 801.250.1452

SECURITY AND SOURCES OF PAYMENT

The 2017 Bonds are general obligations of the District payable from the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all of the taxable property in the District, fully sufficient to pay the 2017 Bonds as to both principal and interest.

See "FINANCIAL INFORMATION REGARDING MAGNA WATER DISTRICT, UTAH—Ad Valorem Tax Levy And Collection" and "—Property Tax Matters" below.

CONTINUING DISCLOSURE UNDERTAKING

The District will enter into a Continuing Disclosure Undertaking (the "Disclosure Undertaking") for the benefit of the Beneficial Owners of the 2017 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the form of Disclosure Undertaking in "APPENDIX C—PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING."

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

Based on the prior disclosure undertaking the District submits its audited financial statements for the Fiscal Year ending December 31 (the "financial statements") and other operating and financial information on or before July 31 (not more than seven months from the end of the Fiscal Year). The District will submit the Fiscal Year 2017 financial statements and other operating and financial information for the 2017 Bonds on or before July 31, 2018, and annually thereafter on or before each July 31.

A failure by the District to comply with the Disclosure Undertaking will not constitute a default under the Resolution and the Beneficial Owners of the 2017 Bonds are limited to the remedies described in the Disclosure Undertaking. A failure by the District to comply with the annual disclosure requirements of the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2017 Bonds in the secondary market. Consequently, such a failure may adversely affect the marketability and liquidity of the 2017 Bonds and their market price.

THE 2017 BONDS

General

The 2017 Bonds will be dated the date of their original issuance and delivery[1] (the "Dated Date") and will mature on June 1 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

The 2017 Bonds will bear interest from their Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2017 Bonds is payable semiannually on each June 1 and December 1, commencing December 1, 2017. Interest on the 2017 Bonds will be computed on the basis of a 360–day year comprised of 12, 30–day months. ZB, National Association, dba Zions Bank, Corporate Trust Department, Salt Lake City, Utah is the Bond Registrar (the initial "Bond Registrar") and Paying Agent for the 2017 Bonds under the Resolution.

The 2017 Bonds will be issued as fully–registered bonds, initially in book–entry form, in the denomination of $5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

The 2017 Bonds are being issued within the constitutional debt limit imposed on counties in the State. See "DEBT STRUCTURE OF MAGNA WATER DISTRICT, UTAH—General Obligation Legal Debt Limit And Additional Debt Incurring Capacity" below.

Sources And Uses Of Funds

The proceeds from the sale of the 2017 Bonds are estimated to be applied as set forth below:

Sources of Funds:	
Par amount of 2017 Bonds	$
Original issue premium	
Total	$
Uses of Funds:	
Deposit to 2017 Construction Account	$
Underwriter's discount	
Original issue discount	
Costs of Issuance (1)	
Total	$

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

Redemption Provisions

Optional Redemption. The 2017 Bonds maturing on or after June 1, 2028, will be subject to optional redemption at the option of the District on June 1, 2027, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the District, and at random within each maturity if less than the full amount of any maturity is to be redeemed, upon not less than 30 days' prior written notice, at a redemption price equal to 100% of the principal amount of the 2017 Bonds to be redeemed, plus accrued interest thereon to the redemption date

Selection for Redemption. If less than all 2017 Bonds of any maturity are to be redeemed, the particular 2017 Bonds or portion of 2017 Bonds of such maturity to be redeemed will be selected at random by the

[1] The anticipated date of delivery is Wednesday, September 20, 2017.

Trustee in such manner as the Trustee in its discretion may deem fair and appropriate. The portion of any registered 2017 Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or a whole multiple thereof, and in selecting portions of such 2017 Bonds for redemption, the Trustee will treat each such 2017 Bond as representing that number of 2017 Bonds of $5,000 denomination that is obtained by dividing the principal amount of such 2017 Bond by $5,000.

Notice of Redemption. Notice of redemption shall be given by the Bond Registrar by first class mail, not less than 30 nor more than 60 days prior to the redemption date, to the owner, as of the Record Date (as defined hereinafter), of each 2017 Bond which is subject to redemption, at the address of such owner as it appears on the registration books of the District kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such owner on or prior to the Record Date. Each notice of redemption shall state the redemption date, the place of redemption, the redemption price and, if less than all of the 2017 Bonds are to be redeemed, the respective principal amounts to be redeemed, and shall also state that the interest on the 2017 Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on the redemption date there will become due and payable on each of the 2017 Bonds to be redeemed the principal thereof and interest accrued thereon to the redemption date.

Each notice of optional redemption may further state that such redemption will be conditioned upon the receipt by the Paying Agent, on or prior to the date fixed for redemption, of moneys sufficient to pay the principal of and premium, if any, and interest on such 2017 Bonds to be redeemed and that if such moneys have not been so received the notice will be of no force or effect and the District will not be required to redeem such 2017 Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Bond Registrar will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. Any such notice mailed will be conclusively presumed to have been duly given, whether or not the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2017 Bond will not affect the validity of the proceedings for redemption with respect to any other 2017 Bond.

In addition to the foregoing notice, further notice of such redemption will be given by the Bond Registrar to EMMA as provided in the Resolution, but no defect in such further notice nor any failure to give all or any portion of such notice will in any manner affect the validity of a call for redemption if notice thereof is given as prescribed above and in the Resolution.

For so long as a book–entry system is in effect with respect to the 2017 Bonds, the Bond Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2017 Bonds. See "THE 2017 BONDS—Book–Entry System" below.

Mandatory Sinking Fund Redemption At Bidder's Option

The 2017 Bonds may be subject to mandatory sinking fund redemption at the option of the successful bidder(s). See "OFFICIAL NOTICE OF BOND SALE—Term Bonds and Mandatory Sinking Fund Redemption at Bidder's Option."

Registration And Transfer; Record Date

Registration and Transfer. In the event the book–entry system is discontinued, any 2017 Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar, by the person in whose name it is registered, in person or by such owner's duly authorized attorney, upon surrender of such 2017 Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Bond Registrar. No transfer will be effective until entered on the registration books kept by the Bond Registrar. Whenever any 2017 Bond is surrendered for transfer, the Bond Registrar will

authenticate and deliver a new fully–registered 2017 Bond or 2017 Bonds of the same series, designation, maturity and interest rate and of authorized denominations duly executed by the District, for a like aggregate principal amount.

The 2017 Bonds may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of fully–registered 2017 Bonds of the same series, designation, maturity and interest rate of other authorized denominations.

For every such exchange or transfer of the 2017 Bonds, the Bond Registrar will require the payment by the registered owner requesting such transfer or exchange any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2017 Bonds.

Record Date. "Record Date" means (i) with respect to each interest payment date, the day that is 15 days preceding such interest payment date, or if such day is not a business day for the Bond Registrar, the next preceding day that is a business day for the Bond Registrar, and (ii) with respect to any redemption of any 2017 Bond such Record Date as is specified by the Bond Registrar in the notice of redemption, provided that such Record Date will be not less than 15 calendar days before the mailing of such notice of redemption. The Bond Registrar will not be required to transfer or exchange any 2017 Bond (a) after the Record Date with respect to any interest payment date to and including such interest payment date, or (b) after the Record Date with respect to any redemption of such 2017 Bond.

The District, the Bond Registrar and the Paying Agent may treat and consider the person in whose name each 2017 Bond is registered in the registration books kept by the Bond Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof (on the 2017 Bonds) and interest due thereon and for all other purposes whatsoever.

Book–Entry System

DTC will act as securities depository for the 2017 Bonds. The 2017 Bonds will be issued as fully–registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully–registered 2017 Bond certificate will be issued for each maturity of the 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX D—BOOK–ENTRY SYSTEM" for a more detailed discussion of the book–entry system and DTC.

Debt Service On The 2017 Bonds

	The 2017 Bonds			
Payment Date	Principal*	Interest	Period Total	Fiscal Total
December 1, 2017.....	$ 0.00	$		
June 1, 2018.....	400,000.00			
December 1, 2018.....	0.00			
June 1, 2019.....	420,000.00			
December 1, 2019.....	0.00			
June 1, 2020.....	440,000.00			
December 1, 2020.....	0.00			
June 1, 2021.....	465,000.00			
December 1, 2021.....	0.00			
June 1, 2022.....	485,000.00			
December 1, 2022.....	0.00			
June 1, 2023.....	510,000.00			
December 1, 2023.....	0.00			

* Preliminary; subject to change.

Debt Service On The 2017 Bonds—continued

	The 2017 Bonds			
Payment Date	Principal*	Interest	Period Total	Fiscal Total
June 1, 2024	$ 540,000.00			
December 1, 2024	0.00			
June 1, 2025	565,000.00			
December 1, 2025	0.00			
June 1, 2026	595,000.00			
December 1, 2026	0.00			
June 1, 2027	625,000.00			
December 1, 2027	0.00			
June 1, 2028	655,000.00			
December 1, 2028	0.00			
June 1, 2029	685,000.00			
December 1, 2029	0.00			
June 1, 2030	715,000.00			
December 1, 2030	0.00			
June 1, 2031	745,000.00			
December 1, 2031	0.00			
June 1, 2032	775,000.00			
December 1, 2032	0.00			
June 1, 2033	805,000.00			
December 1, 2033	0.00			
June 1, 2034	840,000.00			
December 1, 2034	0.00			
June 1, 2035	870,000.00			
December 1, 2035	0.00			
June 1, 2036	900,000.00			
December 1, 2036	0.00			
June 1, 2037	930,000.00			
Totals	$12,965,000.00	$	$	

* Preliminary; subject to change.

MAGNA WATER DISTRICT, UTAH

General

The District was created on July 7, 1949, by the County Commission of the County. The District is located approximately 11 miles west of the center of Salt Lake City, Utah along Interstate 80. The District is a local improvement district operating under Title 17B, Chapter 1 (the "Limited Purpose Local Government Entities–Local Districts Act"), generally, and Title 17B, Chapter 2a, Part 4 (the "Improvement District Act"), specifically, of Utah Code Annotated 1953, as amended, and provides both culinary and secondary irrigation water services and sewage collection and treatment services. As a local improvement district, the District is an independent political subdivision of the State.

Among the powers conferred on a local district under Section 17B–1–103, an improvement district may: (i) acquire through construction, purchase, gift, or condemnation, or any combination of these methods, and may operate all or any part of a system for the supply, treatment, and distribution of water and/or a system for the collection, treatment, and disposition of sewage; (ii) issue bonds to carry out the purposes of the district; (iii) appropriate or otherwise acquire water and water rights inside or outside its boundaries; (iv) sell water or other services to consumers residing outside its boundaries; (v) enter into a contract with a person for the use of any facility owned by the person or for the purpose of handling the person's industrial and commercial waste and sewage; (vi) require pretreatment of industrial and commercial waste and sewage; and

(vii) impose a penalty or surcharge against a public entity or other person with which the district has entered into a contract for the construction, acquisition, or operation of all or a part of a system for the collection, treatment, and disposal of sewage, if the public entity or other person fails to comply with the provisions of the contract.

The District has the power to cause the levy of taxes on all taxable property in the District for the carrying out of the purposes for which the District was created. Taxes levied by the District for operation and maintenance purposes shall not in any year exceed .000800 of valuation of taxable property in the District. The District may also levy an unlimited tax to pay the principal of and interest on legally issued general obligation bonds.

The Water And Sewer System

It is the mission of the District to provide culinary and secondary water and sewer service to all properties located within the boundaries of the District. Both culinary water and sewer services are District–wide; however, the secondary water services are not. The District anticipates the secondary water services to expand in service each year. The District distributes water to approximately 8,450 connections in a service area with an estimated population of District of 30,225. The District also provides sewage collection and treatment series to its service area. The culinary water facilities of the District consist of seven reservoirs with a total capacity of 18.5 million gallons, over 85 miles of distribution lines, ten wells. The District also contracts with the Jordan Valley Water Conservation District ("JVWCD") to receive an annual supply of 800 acre–feet of water at a constant rate of flow, which it draws from to meet peak demands. The sewer facilities of the District consist of 76 miles of sewer line and 3.3 million gallons per day ("MGD") wastewater treatment plant. The secondary water facilities of the District consist of an open–storage reservoir and supply piping serving a portion of the District's several large outdoor water users. The District supplies water to the secondary water system from three shallow wells and from the Utah and Salt Lake Canal. The wells have a combined capacity of 500 gallons per minute. The District can also divert 1,083 acre–feet from the canal.

Form Of Government

The District is governed by a Board of Trustees (the "Board") consisting of three members who are selected pursuant to election for four–year, overlapping terms. A Chairman is elected by the Board of Trustees from among the Trustees and presides over all meetings and is a voting member of the Board of Trustees. The Board of Trustees exercises all powers and duties in the operation of the properties of the District as are ordinarily exercised by the governing body of a political subdivision. The General Manager is appointed by the Board of Trustees. The General Manager serves at the pleasure of the Board of Trustees and may be removed from office with or without cause. The current Board and other officers of the District are as follows:

Office/District	Person	Years of Service	Expiration of Current Term
Chairman	Jeff White	4	January 2020
Trustee	Mick Sudbury	12	January 2018
Trustee	Hank Johnson	8	January 2018
General Manager	Terry Pollock	3	Appointed
Controller	LeIsle Fitzgerald	21	Appointed
District Engineer	Clint Dilley	2	Appointed
Water Operations Manager	Kim Bailey	39	Appointed
Wastewater Operations Manager	Steve Williams	39	Appointed

Employee Workforce And Retirement System; Other Post–Employment Benefits

Employee Workforce and Retirement System. The District employs approximately 25 full–time employees. Most full–time District employees are members of the Western Conference of Teamsters Pension Trust

fund (the "Pension Trust"), a defined benefit, multiple employer union plan, under a current collective bargaining agreement (the "Union Contract") covering the period June 1, 2015 to May 31, 2019. As of December 31, 2016, there were 20 employees participating in the plan. District contributions to the Pension Trust were $210,274, $201,929, and $186,437 for 2016, 2015, and 2014, respectively.

The District provides retirement, disability and death benefits to non–union employees through its own single–employer defined benefit plan (the "Plan"), administered by APA Benefits, Inc. The contribution requirements of plan members and the District are established and may be amended by the Board. No contributions are required from plan members. The District is required to contribute at an actuarially determined rate. As of December 31, 2016, there were five active participants. Contributions by the District during Fiscal Years 2016 and 2015 were $188,030 and $188,080 respectively.

See "APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016—Notes to Financial Statements—5. Union Employees Pension Plan" and "—6. Non-Union Employees Pension Plan," herein.

Other Post–Employment Benefits. In accordance with the Union Contract, the District contributes to the Utah–Idaho Teamsters Security Fund, which provides post–retirement healthcare benefits to all eligible retired employees. District contributions to said fund were $26,798 for Fiscal Year 2016.

The District also provides a lifetime healthcare insurance for eligible non–union retirees and their spouses through the District's group health insurance plan. It also provides life and long–term care insurance for eligible retirees through age 75. Benefit provisions are established by the Board. For Fiscal Year 2016, the District contributed $36,270 for such benefits.

For a detailed discussion regarding the District's Other Post–Employment Benefits, see "APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016—Notes to Financial Statements—7. Union Employees Other Post–Employment Benefits" and "—8. Non–Union Employees Other Post–Employment Benefits," herein.

Risk Management

The District is exposed to various risks to loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District insures with the Local Government Trust Risk Pool. The District believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the District provides. The District reviews these policies and updates them on an annual basis. See "APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016–Notes to the Basic Financial Statements–Note 10. Risk Management."

Investment Of Funds

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

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

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

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

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

See "APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016–Notes to the Basic Financial Statements–Note 2. Cash and Cash Equivalents."

Investment of 2017 Bond Proceeds. The proceeds of the 2017 Bonds will be held by the District and invested to be readily available. 2017 Bond proceeds may also be invested in the PTIF or other investments authorized under the Money Management Act.

DEMOGRAPHIC INFORMATION REGARDING SALT LAKE COUNTY

The following demographic information is provided solely as background information regarding the County, the general area in which the District is located. The County is the economic and population center of the State.

Population

The District's service area covers approximately nine square miles and includes Magna Township, western areas of West Valley City, and a corner of southwest Salt Lake City, all located within the State. The estimated current population of the area served by the District is 30,225.

	County	% Change From Prior Period	State of Utah	% Change From Prior Period
2016 Estimate	1,121,354	8.9%	3,051,217	10.4%
2010 Census	1,029,655	14.6	2,763,885	23.8
2000 Census	898,387	23.7	2,233,169	29.6
1990 Census	725,956	17.3	1,722,850	17.9
1980 Census	619,066	35.0	1,461,037	37.9
1970 Census	458,607	19.7	1,059,273	18.9

(Source: U.S. Department of Commerce, Bureau of the Census.)

Employment, Income, Construction, and Sales Taxes Within Salt Lake County and the State of Utah

Labor Force, Nonfarm Jobs and Wages within Salt Lake County

	Calendar Year (1)						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015–16	2014–15	2013–14	2012–13	2011–12
Civilian labor force	605,535	587,026	577,159	571,160	557,101	546,644	3.2	1.7	1.1	2.5	1.9
Employed persons	586,393	567,497	555,908	546,034	527,698	510,425	3.3	2.1	1.8	3.5	3.4
Unemployed persons	19,142	19,529	21,251	25,126	29,403	36,219	(2.0)	(8.1)	(15.4)	(14.5)	(18.8)
Total private sector (average)	582,018	565,635	540,662	528,937	511,092	491,778	2.9	4.6	2.2	3.5	3.9
Agriculture, forestry, fishing and hunting	218	192	179	194	213	217	13.5	7.3	(7.7)	(8.9)	(1.8)
Mining	2,429	2,696	2,948	3,399	3,652	3,220	(9.9)	(8.5)	(13.3)	(6.9)	13.4
Utilities	1,439	1,532	1,483	1,460	1,532	1,540	(6.1)	3.3	1.6	(4.7)	(0.5)
Construction	35,775	33,452	31,621	30,606	30,535	29,493	6.9	5.8	3.3	0.2	3.5
Manufacturing	54,496	53,357	52,468	52,562	52,503	51,174	2.1	1.7	(0.2)	0.1	2.6
Wholesale trade	32,048	31,414	30,538	30,758	31,161	29,969	2.0	2.9	(0.7)	(1.3)	4.0
Retail trade	71,799	69,427	67,280	66,412	64,161	60,869	3.4	3.2	1.3	3.5	5.4
Transportation and warehousing	31,584	30,334	28,319	27,984	27,125	26,018	4.1	7.1	1.2	3.2	4.3
Information	18,887	17,959	18,154	17,937	17,468	16,248	5.2	(1.1)	1.2	2.7	7.5
Finance and insurance	45,203	43,228	40,888	39,525	37,556	37,118	4.6	5.7	3.4	5.2	1.2
Real estate, rental and leasing	10,250	9,840	9,609	9,294	9,168	9,010	4.2	2.4	3.4	1.4	1.8
Professional, scientific, and technical services	51,685	49,355	46,708	43,994	40,654	38,043	4.7	5.7	6.2	8.2	6.9
Management of companies and enterprises	16,285	16,622	16,559	16,319	16,109	15,664	(2.0)	0.4	1.5	1.3	2.8
Admin., support, waste mgmt., remediation	52,786	50,397	48,327	46,489	43,552	41,782	4.7	4.3	4.0	6.7	4.2
Education services	13,980	13,016	12,215	11,697	10,769	10,244	7.4	6.6	4.4	8.6	5.1
Health care and social assistance	64,628	62,061	59,778	59,266	57,259	56,171	4.1	3.8	0.9	3.5	1.9
Arts, entertainment and recreation	8,807	7,751	7,430	7,098	6,892	6,492	13.6	4.3	4.7	3.0	6.2
Accommodation and food services	48,844	47,803	46,218	44,774	42,550	40,787	2.2	3.4	3.2	5.2	4.3
Other services	21,032	20,758	20,066	19,338	18,535	17,893	1.3	3.4	3.8	4.3	3.6
Unclassified establishments	65	105	56	26	19	46	(38.1)	87.5	115.4	36.8	(58.7)
Total public sector (average)	102,621	100,193	98,849	95,372	92,821	91,232	2.4	1.4	3.6	2.7	1.7
Federal	11,433	11,115	10,374	10,210	10,265	10,665	2.9	7.1	1.6	(0.5)	(3.8)
State	46,631	45,306	44,389	41,904	39,663	38,338	2.9	2.1	5.9	5.7	3.5
Local	44,557	43,771	44,086	43,259	42,907	42,229	1.8	(0.7)	1.9	0.8	1.6
Total payroll (in millions)	$ 34,599	$ 32,692	$ 30,472	$ 28,858	$ 27,728	$ 25,917	5.8	7.3	5.6	4.1	7.0
Average monthly wage	$ 4,211	$ 4,120	$ 3,971	$ 3,852	$ 3,826	$ 3,705	2.2	3.8	3.1	0.7	3.3
Average employment	684,639	661,297	639,511	624,309	603,913	583,010	3.5	3.4	2.4	3.4	3.6
Establishments	42,813	41,519	40,022	38,702	36,826	35,890	3.1	3.7	3.4	5.1	2.6

(1) Source: Utah Department of Workforce Services.

Employment, Income, Construction, and Sales Taxes Within Salt Lake County and the State of Utah–continued

Personal Income; Per Capital Personal Income; Median Household Income within Salt Lake County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015–16	2014–15	2013–14	2012–13	2011–12
Total Personal Income (in $1,000's):											
Salt Lake County	–	$ 49,488,031	$ 46,634,482	$ 44,302,371	$ 43,101,775	$ 40,204,993	–	6.1	5.3	2.8	7.2
State of Utah	124,319,657	117,763,901	110,843,820	104,664,413	101,508,754	94,918,680	5.6	6.2	5.9	3.1	6.9
Total Per Capita Personal Income:											
Salt Lake County	–	$ 44,692	42,671	40,977	40,481	38,338	–	4.7	4.1	1.2	5.6
State of Utah	40,744	39,308	37,644	36,045	35,538	33,702	3.7	4.4	4.4	1.4	5.4
Median Household Income:											
Salt Lake County	–	$ 65,549	62,536	61,716	58,743	56,166	–	4.8	1.3	5.1	4.6
State of Utah	–	62,961	60,943	59,715	57,067	55,802	–	3.3	2.1	4.6	2.3

Construction within Salt Lake County (2)

	Calendar Year						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015–16	2014–15	2013–14	2012–13	2011–12
Number new dwelling units	8,328.0	6,077.0	6,529.0	5,153.0	2,934.0	2,399.0	37.0	(6.9)	26.7	75.6	22.3
New (in $1,000's):											
Residential value	$ 1,406,216.3	$ 1,171,161.9	$ 994,854.6	$ 900,980.4	$ 634,610.4	$ 471,042.4	20.1	17.7	10.4	42.0	34.7
Non–residential value	803,698.8	603,068.7	518,005.1	423,440.4	608,594.1	726,034.3	33.3	16.4	22.3	(30.4)	(16.2)
Additions, alterations, repairs (in $1,000's):											
Residential value	106,592.6	83,964.0	95,237.0	52,851.3	100,726.7	47,114.4	27.0	(11.8)	80.2	(47.5)	113.8
Non–residential value	950,431.8	364,698.7	421,514.1	218,580.2	245,542.5	395,965.3	160.6	(13.5)	92.8	(11.0)	(38.0)
Total construction value (in $1,000's)	$ 3,266,939.5	$ 2,222,893.3	$ 2,029,610.8	$ 1,595,852.3	$ 1,589,473.7	$ 1,640,156.4	47.0	9.5	27.2	0.4	(3.1)

Sales Taxes Within Salt Lake County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015–16	2014–15	2013–14	2012–13	2011–12
Gross Taxable Sales (in $1,000's):											
Salt Lake County	$ 25,415,491	$ 24,256,515	$ 22,940,973	$ 21,986,133	$ 21,387,821	$ 19,672,228	4.8	5.7	4.3	2.8	8.7
State of Utah	56,502,434	53,933,277	51,709,163	49,404,046	47,531,180	44,335,559	4.8	4.3	4.7	3.9	7.2

	Fiscal Year						% change from prior year				
	2016	2015	2014	2013	2012	2011	2015–16	2014–15	2013–14	2012–13	2011–12
Local Sales and Use Tax Distribution:											
Salt Lake County (and all cities)	$220,401,770	$211,079,080	$200,829,369	$195,073,246	$183,870,893	$170,917,371	4.4	5.1	3.0	6.1	7.6

(1) Source: U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau.
(2) Source: University of Utah Kem C. Gardner Policy Institute, Ivory-Boyer Utah Report and Database.
(3) Source: Utah State Tax Commission.

Largest Employers

The County is the business and financial center for many of the major businesses and industries in the State. The Church of Jesus Christ of Latter–day Saints is believed to be a major employer in the County and employs approximately 6,000 to 12,000 employees; however, the church does not provide employment numbers. Major employers (over 1,000 employees) in the County area include:

Employer (Location)	Business Category	Range of Number of Employees
State of Utah (county–wide)	All services	19,125–39,100
University of Utah Hospital (Salt Lake)	Health care and social assistance	7,000–10,000
Granite School District (county–wide)	Education services (1)	6,025–13,150
Intermountain Medical Center (Murray)	Health care and social assistance	5,000–7,000
Salt Lake County (county–wide)	Public administration	5,000–7,000
Jordan School District (county–wide)	Education services (1)	4,125–9,500
University of Utah (Salt Lake)	Education services	4,000–5,000
Wal Mart (county–wide)	Retail trade (2)	3,050–6,250
C.R. England Inc. (Salt Lake)	Transportation and warehousing	3,000–4,000
Discover Products (Salt Lake)	Finance and insurance	3,000–4,000
L3 Communications Corp. (Salt Lake)	Manufacturing	3,000–4,000
Primary Children's Med Center (Salt Lake)	Health care and social assistance	3,000–4,000
The Canyons School District (county–wide)	Education services (1)	2,925–6,350
Smiths (county–wide)	Retail trade (2)	2,600–6,200
Zions Bank, division of ZB, N.A. (county–wide)	Finance and insurance (2)	2,550–5,350
U. S. Postal Service (county–wide)	Transportation and warehousing	2,400–4,900
Wells Fargo Bank/Advisors (county–wide)	Finance and insurance	2,300–4,725
Associated Reg. & University Patholo (Salt Lake)	Health care and social assistance	2,100–3,250
Salt Lake City School District (Salt Lake)	Education services	2,050–4,400
Delta Airlines (Salt Lake)	Transportation and warehousing (3)	2,000–3,000
Jet Blue Airways (Salt Lake)	Administration (3)	2,000–3,000
Skywest Airlines (Salt Lake)	Transportation and warehousing	2,000–3,000
VA Salt Lake City Health Care Systems (Salt Lake)	Health care and social assistance	2,000–3,000
Salt Lake Community College (county–wide)	Education services	1,850–3,750
Salt Lake City (Salt Lake)	Public administration (1)	1,475–3,075
Harmons (various cities)	Retail trade	1,450–3,300
Utah Transit Authority (Salt Lake)	Transportation and warehousing	1,200–2,500
Kennecott Utah Copper (county–wide)	Mining; Manufacturing (2)	1,050–2,250
The Home Depot (various cities)	Retail trade	1,050–2,500
Benton Dickinson and Co. (Sandy)	Manufacturing	1,000–2,000
Clearlink Technologies Payroll (Salt Lake)	Information	1,000–2,000
Connexion Point LLC (Salt Lake)	Administration (4)	1,000–2,000
Ebay (Draper)	Retail trade	1,000–2,000
Extend Health, Inc. (South Jordan)	Finance and insurance	1,000–2,000
Fidelity Brokerage Services LLC (Salt Lake)	Finance and insurance	1,000–2,000
Goldman Sachs and Co. (Salt Lake)	Finance and insurance	1,000–2,000
Lake Park Campus (West Valley)	Management (1)	1,000–2,000
LDS Hospital (Salt Lake)	Health care and social assistance	1,000–2,000

(1) Includes transportation and warehousing and utilities.
(2) Also, includes management of companies and enterprises.
(3) Also, includes administration, support, waste management and remediation.
(4) Includes administration, support, waste management and remediation; and management of companies and enterprises.

Largest Employers–continued

Employer (Location)	Business	Range of Number of Employees
Merit Medical (South Jordan)	Manufacturing	1,000–2,000
Overstock Com Inc. (Cottonwood Heights)	Retail trade	1,000–2,000
Premier Employee Solutions LLC (Salt Lake)	Administrative (1)	1,000–2,000
Selecthealth, Inc. (Salt Lake)	Finance and insurance	1,000–2,000
Snowbird Operations LLC (Salt Lake)	Accommodations and food services	1,000–2,000
St. Marks Hospital (Salt Lake)	Health care and social assistance	1,000–2,000
Sutter Connect LLC (Salt Lake)	Professional, scientific/technical service	1,000–2,000
Ultradent Products (South Jordan)	Manufacturing	1,000–2,000
United Parcel Service (Salt Lake)	Transportation and warehousing	1,000–2,000
Utah State Prison (Draper)	Public administration	1,000–2,000
Utah State Social Services (county–wide)	Health care and social assistance	1,000–2,000
Western Governors University (Salt Lake)	Education services	1,000–2,000

(1) Also, includes management of companies and enterprises.

(Source: Utah Department of Workforce Services. Updated March 2017 (reflecting information as of September 2016).)

Rate Of Unemployment—Annual Average

Year	Salt Lake County	State of Utah	United States
2017 (1)	3.2%	3.2%	4.3%
2016	3.2	3.4	4.9
2015	3.3	3.5	5.3
2014	3.7	3.8	6.2
2013	4.4	4.6	7.4
2012	5.3	5.4	8.1

(1) Preliminary, subject to change. As of May 2017 (seasonally adjusted).

(Source: Utah Department of Workforce Services.)

DEBT STRUCTURE OF MAGNA WATER DISTRICT, UTAH

Outstanding General Obligation Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2017 (a) (1)	Water system facilities	$12,965,000	June 1, 2037*	$12,965,000*
2013 (1)	Refunding	8,245,000	June 1, 2029	6,305,000
Total				$19,270,000*

* Preliminary; subject to change.
(a) For purposes of this OFFICIAL STATEMENT the 2017 Bonds will be considered issued and outstanding.
(1) Rated "AA" by Standard and Poor's Global Ratings ("S&P").

(Source: The Municipal Advisor.)

Outstanding Revenue Bond Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2007C (1)	Water facilities	$7,100,000	January 1, 2039	$5,504,000
2003 (2).....	Water facilities	1,175,000	September 1, 2028	544,649
1997A (3)	Water facilities	1,000,000	January 1, 2018	65,000
Total				$6,113,649

(1) Not rated; no rating applied for. Purchased by the State of Utah at a 1.50% annual interest rate.
(2) Not rated; no rating applied for. Purchased by the State of Utah at a 1.00% annual interest rate.
(3) Not rated; no rating applied for. Purchased by the State of Utah at a 2.93% annual interest rate.

(Source: The Municipal Advisor.)

Future Issuance Of Debt

The District has approximately $9,000,000* authorized unissued general obligation bonds from the 2016 Bond Election. As of the date of this OFFICIAL STATEMENT, the District intends to issue additional authorized bonds from the 2016 Bond Election during the District's Fiscal Years 2020 through 2022.

Other Financial Considerations

Capital Leases. The District has a capital lease outstanding for the acquisition of various vehicles. As of Fiscal Year 2016, the present value of the minimum lease payments of the District's capital lease totals $193,232, with annual payments scheduled through Fiscal Year 2019. See "APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016—Notes to Financial Statements—4. Long Term Obligations–Capital Leases" (audit page 21).

(The remainder of this page has been intentionally left blank.)

* Preliminary; subject to change.

Debt Service Schedule Of Outstanding General Obligation Bonds By Fiscal Year

Fiscal Year Ending	Series 2017 $12,965,000*		Series 2014 $2,150,000 (1)		Series 2013 $8,245,000		**Totals***		
December 31	Principal*	Interest (a)	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2016.....	$ 0	$ 0	$ 817,000	$ 9,048	$ 525,000	$ 174,913	$ 1,342,000	$ 183,961	$ 1,525,961
2017.....	0	139,475	526,000	2,972	535,000	164,313	1,061,000	306,759	1,367,759
2018.....	400,000	547,900	–	–	550,000	153,463	950,000	701,363	1,651,363
2019.....	420,000	527,400	–	–	555,000	142,413	975,000	669,813	1,644,813
2020.....	440,000	505,900	–	–	570,000	131,163	1,010,000	637,063	1,647,063
2021.....	465,000	483,275	–	–	580,000	118,938	1,045,000	602,213	1,647,213
2022.....	485,000	459,525	–	–	595,000	105,347	1,080,000	564,872	1,644,872
2023.....	510,000	434,650	–	–	605,000	90,719	1,115,000	525,369	1,640,369
2024.....	540,000	408,400	–	–	625,000	74,953	1,165,000	483,353	1,648,353
2025.....	565,000	380,775	–	–	640,000	57,150	1,205,000	437,925	1,642,925
2026.....	595,000	351,775	–	–	660,000	37,650	1,255,000	389,425	1,644,425
2027.....	625,000	321,275	–	–	300,000	23,250	925,000	344,525	1,269,525
2028.....	655,000	289,275	–	–	310,000	14,100	965,000	303,375	1,268,375
2029.....	685,000	259,200	–	–	315,000	4,725	1,000,000	263,925	1,263,925
2030.....	715,000	231,200	–	–	–	–	715,000	231,200	946,200
2031.....	745,000	202,000	–	–	–	–	745,000	202,000	947,000
2032.....	775,000	171,600	–	–	–	–	775,000	171,600	946,600
2033.....	805,000	140,000	–	–	–	–	805,000	140,000	945,000
2034.....	840,000	109,200	–	–	–	–	840,000	109,200	949,200
2035.....	870,000	79,275	–	–	–	–	870,000	79,275	949,275
2036.....	900,000	48,300	–	–	–	–	900,000	48,300	948,300
2037.....	930,000	16,275	–	–	–	–	930,000	16,275	946,275
Totals.....	$ 12,965,000	$ 6,106,675	$1,343,000	$12,020	$7,365,000	$1,293,094	$ 21,673,000	$ 7,411,789	$ 29,084,789

* Preliminary; subject to change.

(a) Preliminary; subject to change. Interest estimated at an average interest rate of 3.04% per annum.

(1) These bonds are included in this table because the final maturity occured in Fiscal Year 2017.

(Source: The Municipal Advisor.)

Debt Service Schedule Of Outstanding Revenue Bonds By Fiscal Year

Fiscal Year Ending	Series 2007C $7,100,000		Series 2003 $1,175,000		Series 1997A $1,000,000		**Totals**		
December 31	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total Debt Service
2016.....	$ 207,000	$ 88,815	$ 47,009	$ 6,391	$ 61,000	$ 5,538	$ 315,009	$ 100,744	$ 415,753
2017.....	210,000	85,710	47,479	5,921	63,000	3,750	320,479	95,382	415,860
2018.....	213,000	82,560	47,954	5,446	65,000	1,905	325,954	89,911	415,865
2019.....	216,000	79,365	48,434	4,967	–	–	264,434	84,332	348,765
2020.....	219,000	76,125	48,917	4,483	–	–	267,917	80,608	348,525
2021.....	223,000	72,840	49,407	3,993	–	–	272,407	76,833	349,240
2022.....	226,000	69,495	49,901	3,499	–	–	275,901	72,994	348,895
2023.....	230,000	66,105	50,400	3,000	–	–	280,400	69,105	349,505
2024.....	233,000	62,655	50,904	2,496	–	–	283,904	65,151	349,055
2025.....	236,000	59,160	51,413	1,987	–	–	287,413	61,147	348,560
2026.....	240,000	55,620	51,927	1,473	–	–	291,927	57,093	349,020
2027.....	244,000	52,020	52,446	954	–	–	296,446	52,974	349,420
2028.....	247,000	48,360	42,948	429	–	–	289,948	48,789	338,738
2029.....	251,000	44,655	–	–	–	–	251,000	44,655	295,655
2030.....	255,000	40,890	–	–	–	–	255,000	40,890	295,890
2031.....	259,000	37,065	–	–	–	–	259,000	37,065	296,065
2032.....	262,000	33,180	–	–	–	–	262,000	33,180	295,180
2033.....	266,000	29,250	–	–	–	–	266,000	29,250	295,250
2034.....	270,000	25,260	–	–	–	–	270,000	25,260	295,260
2035.....	274,000	21,210	–	–	–	–	274,000	21,210	295,210
2036.....	279,000	17,100	–	–	–	–	279,000	17,100	296,100
2037.....	283,000	12,915	–	–	–	–	283,000	12,915	295,915
2038.....	287,000	8,870	–	–	–	–	287,000	8,870	295,870
2039.....	291,000	4,365	–	–	–	–	291,000	4,365	295,365
Totals.....	$5,921,000	$1,173,590	$639,136	$45,042	$189,000	$11,193	$6,749,136	$1,229,825	$ 7,978,961

(Source: The Municipal Advisor.)

Overlapping And Underlying General Obligation Debt

Taxing Entity	2017 Taxable Value (1)	District's Portion of Taxable Value	District's Percentage	Entity's General Obligation Debt	District's Portion of G.O. Debt
Overlapping:					
State of Utah	$258,702,348,415	$1,296,853,237	0.5%	$2,044,520,000	$10,222,600
CUWCD (2)	152,263,370,257	1,296,853,237	0.9	218,500,000	1,966,500
Salt Lake County	99,041,215,675	1,296,853,237	1.3	217,155,000	2,823,015
Granite School District (3)	26,996,405,111	1,296,853,237	4.8	185,550,000	8,906,400
Total overlapping					23,918,515
Underlying:					
Salt Lake City School District	25,801,550,933	51,603,102	0.2	42,510,000	85,020
Salt Lake City	25,805,035,362	51,610,071	0.2	127,460,000	254,920
Total underlying					339,940
Total overlapping and underlying general obligation debt					$23,918,515
Total overlapping general obligation debt (excluding the State) (4)					$13,695,915
Total *direct* general obligation bonded indebtedness					19,270,000*
Total *direct and overlapping* general obligation debt (excluding the State)					$32,965,915*

This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

* Preliminary; subject to change.

(1) *Preliminary; subject to change.* Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property.

(2) Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. Certain portions of the principal of and interest on CUWCD's general obligation bonds are paid from sales of water.

(3) Most the school district lies within the boundaries of the District, for purposes of this table the school district will be considered as overlapping debt.

(4) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

(Source: Municipal Advisor.)

Debt Ratios Regarding General Obligation Debt

	To 2017 Estimated Taxable Value (1)	To 2017 Estimated Market Value (2)	To 2016 Population Estimate Per Capita (3)
Direct general obligation debt*	1.49%	0.97%	$ 637
Direct and overlapping general obligation debt*	2.54	1.66	1,090

* Preliminary; subject to change.

(1) Based on an estimated 2017 Taxable Value of $1,296,853,237, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(2) Based on an estimated 2017 Market Value of $1,980,201,690, which value *excludes* the taxable value used to determine uniform fees on tangible personal property.

(3) Based on 2016 population estimate of 30,255 by the District.

(Source: Municipal Advisor.)

See "FINANCIAL INFORMATION REGARDING MAGNA WATER DISTRICT, UTAH—Property Tax Matters–Uniform Fees" and "—Taxable, Fair Market And Market Value Of Property" below.

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the District is limited by State law to 2.4% of the fair market value of taxable property in the District. The debt limit and additional debt incurring capacity of the District shown below are based on the estimated fair market value for 2017 and the calculated valuation from 2016 uniform fees, and are calculated as follows:

Estimated 2017 "Fair Market Value"	$1,980,201,690
2016 valuation from Uniform Fees (1)	11,043,162
Estimated 2017 "Fair Market Value for Debt Incurring Capacity"	$1,921,244,852
"Fair Market Value for Debt Incurring Capacity" times 2.4% equals (the "Debt Limit")	$47,789,876
Less: currently outstanding general obligation debt (2)	(19,490,956*)
Additional debt incurring capacity	$28,298,920*

* Preliminary; subject to change.

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the District, the value of all motor vehicles and state–assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the District.

(2) For accounting purposes, the net unamortized bond premium was $220,956 (as of December 31, 2016), and together with current outstanding direct general obligation debt of $19,270,000, results in total outstanding net direct debt of $19,490,956.

(Source: Municipal Advisor.)

No Defaulted Obligations

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

FINANCIAL INFORMATION REGARDING MAGNA WATER DISTRICT, UTAH

Fund Structure; Accounting Basis

The District prepares its financial statements based on proprietary fund accounting. All assets, liabilities and equity are recorded on the District's balance sheet using full accrual accounting. All capital assets, including infrastructure, are capitalized and depreciated. Equity is comprised of net assets.

In proprietary funds, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

Budgets And Appropriation Process Accounting

The budget and appropriation process of the District is governed by the fiscal procedures for local districts set forth in Title 17B, Chapter 1, Part 6, of Utah Code (the "Fiscal Procedures Act"). Pursuant to the Fiscal Procedures Act, the budget officer of the District is required to prepare budgets for the proprietary fund. The budget is to provide a complete financial plan for the budget (ensuing fiscal) year. The budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures.

On or before November 1 of each year, the budget officer is required to submit to the Board the tentative budget for the fiscal year commencing January 1. Various actual and estimated budget data are required to be

set forth in the tentative budget. The budget officer may revise the budget requests submitted by the heads of District departments, but must file these submissions with the Board together with the tentative budget. The budget officer is required to estimate in the tentative budget the available revenue from non–property tax sources and the revenue from general property taxes. The tentative budget is then tentatively adopted by the Board, with any amendments or revisions that the Board deems advisable prior to the public hearing on the tentative budget. If the tax rate in the proposed budget exceeds the "certified tax rate," the Board shall comply with the Property Tax Act in adopting the budget. See "Public Hearing On Certain Tax Increases" below. After public notice and hearing the tentative budget is adopted by the Board, subject to further amendment or revisions by the Board prior to adoption of the final budget.

On or before December 31 in each year, the final budget is adopted by the Board. The adopted final budget is subject to amendment by the Board during the fiscal year. Public notice and hearing are not required in order to amend the budget unless revenues are increased.

The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the Board for the succeeding tax year. See "Ad Valorem Tax Levy And Collection" below for a description of certain matters relating to the District's ability to levy and collect general property taxes and the procedures applicable to such levy and collection.

Adoption of Ad Valorem Tax Levy. The governing body of each taxing entity shall, before June 22 of each year, adopt a proposed, or, if the tax rate is not more than the certified tax rate, a final, tax rate for the taxing entity. The governing body shall report the rate and levy, and any other information prescribed by rules of the county commission for the preparation, review, and certification of the rate, to the county auditor of the county in which the taxing entity is located.

Financial Controls

The District utilizes a computerized financial accounting system which includes a system of budgetary controls. State law requires budgets to be controlled by individual departments, but the District has also empowered the General Manager to maintain control by major categories within departments. These controls are such that a requisition will not be entered into the purchasing system unless the appropriated funds are available. The General Manager checks for sufficient funds again prior to the purchase order being issued and again before the payment check is issued. Voucher payments are also controlled by the General Manager for sufficient appropriations.

Five–Year Financial Summaries

The summaries contained herein were extracted from the Districts audited financial statements reports. The summaries themselves have not been audited. See "APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016."

The District's annual financial report for Fiscal Year 2017 must be completed under State law by June 30, 2018.

(The remainder of this page has been intentionally left blank.)

Magna Water District, Utah

Statement Of Net Position

(This summary has not been audited)

	As of December 31				
	2016	2015	2014	2013	2012
Assets					
Current assets:					
Cash and cash equivalents	$12,683,738	$13,456,692	$16,151,375	$15,236,044	$14,938,882
Receivables:					
Customers (less allowance for uncollectible)	676,158	597,985	571,733	586,169	577,484
Other	287,815	339,702	289,826	180,064	132,532
Property tax	47,094	48,395	88,906	35,772	49,666
Inventories	481,284	490,376	374,892	235,435	268,275
Prepaid expenses	17,242	12,596	104,579	100,585	90,794
Due from other governmental units	–	–	–	35,000	–
Total current assets	14,193,331	14,945,746	17,581,311	16,409,069	16,057,633
Noncurrent assets:					
Restricted cash and cash equivalents	10,022,742	11,219,202	8,184,552	5,995,763	6,697,183
Capital assets:					
Capital assets being depreciated (net accumulated)	47,983,250	47,030,060	48,352,599	48,956,801	49,728,116
Capital assets not being depreciated	6,892,389	5,989,427	2,318,678	3,053,086	2,457,510
Total capital assets	54,875,639	53,019,487	50,671,277	52,009,887	52,185,626
Water rights and shares held for sale	50,208	68,198	76,791	81,895	86,184
Deferred bond issuance costs (net accumulated)	–	–	–	–	125,297
Total noncurrent assets	64,948,589	64,306,887	58,932,620	58,087,545	59,094,290
Total assets	79,141,920	79,252,633	76,513,931	74,496,614	75,151,923
Deferred outflows of resources:					
Assumption changes related to pensions	359,317	389,168	–	24,275	36,413
Total assets and deferred outflows related to pensions	$79,501,237	$79,641,801	$76,513,931	$74,520,889	$75,188,336
Liabilities					
Current liabilities:					
General obligation bonds payable–current	$ 1,061,000	$ 1,342,000	$ 1,322,000	$ 1,165,000	$ 1,238,000
Accounts payable	589,163	860,154	456,496	454,986	528,657
Accrued liabilities	287,760	546,372	737,099	179,600	127,346
Revenue bonds payable–current	273,000	268,000	263,000	418,000	569,000
Deferred revenue	221,863	124,897	57,936	26,968	201
Retainage payable	159,609	81,386	–	26,621	10,813
Accrued interest payable	108,557	115,628	124,933	276,144	333,991
Capital lease obligations–current	62,845	48,409	72,005	56,133	36,967
Compensated absences	59,955	49,942	48,730	69,263	64,647
Water Resource loan payable–current	47,479	47,009	46,543	46,082	45,626
Total current liabilities	2,871,231	3,483,797	3,128,742	2,718,797	2,955,248
Noncurrent liabilities:					
General obligation bonds payable	6,525,956	7,603,953	8,962,950	8,151,946	9,221,000
Revenue bonds payable	5,569,000	5,842,000	6,110,000	6,373,000	6,791,000
Net other postemployment benefits obligation	1,234,689	792,609	635,046	480,628	370,994
Water Resource loan payable	544,648	592,127	639,136	685,679	731,761
Net pension liability	202,866	341,382	–	–	–
Capital lease obligations	130,386	193,232	127,757	199,762	127,158
Total noncurrent liabilities	14,207,545	15,365,303	16,474,889	15,891,015	17,241,913
Total liabilities	17,078,776	18,849,100	19,603,631	18,609,812	20,197,161
Net position:					
Net invested in capital assets	42,312,245	39,081,024	33,127,886	34,914,285	33,425,114
Unrestricted	13,036,762	12,401,556	15,929,462	15,115,289	14,931,941
Restricted for:					
Capital projects	6,347,250	8,495,004	7,097,143	4,320,288	4,202,256
Debt service	726,204	725,929	755,809	1,561,215	2,431,864
Total net position	62,422,461	60,703,513	56,910,300	55,911,077	54,991,175
Deferred inflows of resources:					
Changes to earnings on pension plan investments	–	89,188	–	–	–
Total liabilities, net position and deferred inflows of resources	$79,501,237	$79,641,801	$76,513,931	$74,520,889	$75,188,336

(Source: Information extracted from the District's basic financial statements which have been audited. Compiled by the Municipal Advisor.)

Magna Water District, Utah

Statement of Revenues, Expenses and Changes in Net Position

(This summary has not been audited)

	Fiscal Year Ended December 31				
	2016	2015	2014	2013	2012
Operating revenues:					
Water sales	$ 3,526,952	$ 3,133,906	$ 3,015,307	$ 3,043,881	$ 3,207,140
Sewer service charges	2,762,599	2,431,783	2,256,985	2,071,067	2,033,658
Connection fees and other income	343,914	303,085	265,260	181,196	153,958
Total operating revenues	6,633,465	5,868,774	5,537,552	5,296,144	5,394,756
Operating expenses:					
Depreciation and amortization	3,012,787	2,929,705	2,884,414	2,814,861	2,723,759
Salaries and benefits	2,928,279	2,711,178	2,945,516	2,401,181	2,190,615
Materials and supplies	1,126,350	1,095,182	1,020,687	988,503	965,149
Utilities	644,153	555,226	561,089	575,045	565,458
Contractual services	568,732	593,993	583,687	599,571	453,104
Other operating expenses	487,770	407,061	398,330	528,742	361,689
Lease expense	10,774	17,398	22,796	21,146	22,387
Total operating expenses	8,778,845	8,309,743	8,416,519	7,929,049	7,282,161
Operating income (loss)	(2,145,380)	(2,440,969)	(2,878,967)	(2,632,905)	(1,887,405)
Non–operating revenues (expenses):					
Property tax revenue	2,492,552	2,927,851	2,671,810	2,667,555	2,700,565
Impact fees	930,770	1,603,347	503,017	229,183	264,844
Interest income	203,821	130,569	99,437	101,122	129,751
Non–resident fee in lieu of property taxes	115,463	45,902	45,902	45,902	45,902
Gain (loss) on sale of assets	22,515	78,113	49,593	33,758	21,294
Interest expense	(266,603)	(287,192)	(316,837)	(362,064)	(466,189)
Other non–operating income	–	831,150	831,150	831,150	831,150
Debt issuance costs	–	–	(44,902)	(109,355)	–
Intergovernmental revenue	–	–	–	35,000	–
Total non–operating revenues (expenses)	3,498,518	5,329,740	3,839,170	3,472,251	3,527,317
Income (loss) before capital contributions	1,353,138	2,888,771	960,203	839,346	1,639,912
Contributed lines, water shares and easements	365,810	955,643	39,020	205,853	559,173
Change in net position	1,718,948	3,844,414	999,223	1,045,199	2,199,085
Net position at beginning of year	60,703,513	56,910,300	55,911,077	54,991,175	53,389,325
Adjustments	–	(51,201)	–	(125,297)	(597,235)
Net position at beginning of year (as restated)	60,703,513	56,859,099	55,911,077	54,865,878	52,792,090
Net position at end of year	$62,422,461	$60,703,513	$56,910,300	$55,911,077	$54,991,175

(Source: Information extracted from the District's audited financial statements which have been audited. Compiled by the Municipal Advisor.)

Ad Valorem Tax Levy And Collection

The Utah State Tax Commission (the "State Tax Commission") must assess all centrally–assessed property (as defined under "Property Tax Matters" below) by May 1 of each year. County assessors must assess all locally–assessed property (as defined under "Property Tax Matters" below) before May 22 of each year. The State Tax Commission apportions the value of centrally–assessed property to the various taxing entities within each county and reports such values to county auditors before June 8. The governing body of each taxing entity must adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate before June 22; provided if the governing body has not received the taxing entity's certified tax rate at least seven days prior to June 22, the governing body of the taxing entity must, no later than 14 days after receiving the certified tax rate from the county auditor, adopt a proposed tax rate or, if the tax rate is not more than the certified tax rate, a final tax rate. County auditors must forward to the State Tax Commission a statement prepared by the legislative body of each taxing entity showing the amount and purpose of each levy. Upon determination by the State Tax Commission that the tax levies comply with applicable law and do not exceed maximum permitted rates, the State Tax Commission notifies county auditors to implement the levies. If the State Tax Commission determines that a tax levy established by a taxing entity exceeds the maximum levy permitted by law, the State Tax Commission must lower the levy to the maximum levy permitted by law, notify the taxing entity that the rate has been lowered and notify the county auditor (of the county in which the taxing entity is located) to implement the rate established by the State Tax Commission.

On or before July 22 of each year, the county auditors must mail to all owners of real estate shown on their assessment rolls notice of, among other things, the value of the property, itemized tax information for all taxing entities and the date their respective county boards of equalization will meet to hear complaints. Taxpayers owning property assessed by a county assessor may file an application within statutorily defined time limits based on the nature of the contest with the appropriate county board of equalization for the purpose of contesting the assessed valuation of their property. The county board of equalization must render a decision on each appeal in the time frame prescribed by the Property Tax Act. Under certain circumstances, the county board of equalization must hold a hearing regarding the application, at which the taxpayer has the burden of proving that the property sustained a decrease in fair market value. Decisions of the county board of equalization may be appealed to the State Tax Commission, which must decide all appeals relating to real property by March 1 of the following year. Owners of centrally–assessed property or any county showing reasonable cause, may, on or before the later of June 1 or a day within 30 days of the date the notice of assessment is mailed by the State Tax Commission, apply to the State Tax Commission for a hearing to contest the assessment of centrally–assessed property. The State Tax Commission must render a written decision within 120 days after the hearing is completed and all post–hearing briefs are submitted. The county auditor makes a record of all changes, corrections and orders, and delivers before November 1 the corrected assessment rolls to the county treasurers. On or before November 1, each county treasurer furnishes each taxpayer a notice containing, among other things, the kind and value of the property assessed to the taxpayer, the street address of the property, where applicable, the amount of the tax levied on the property and the year the property is subject to a detailed review.

Taxes are due November 30 (and if a Saturday, Sunday or holiday, the next business day). Each county treasurer is responsible for collecting all taxes levied on real property within that county. There are no prior claims to such taxes. As taxes are collected, each county treasurer must pay to the State and each taxing entity within the county its proportionate share of the taxes, on or before the tenth day of each month. Delinquent taxes are subject to a penalty of 2.5% of the amount of the taxes or $10 whichever is greater (delinquent taxes paid on or before January 31 immediately following the delinquency date the penalty is 1% of the amount of the delinquent tax or $10 whichever is greater). Unless the delinquent taxes and penalty are paid before January 31 of the following year, the amount of delinquent taxes and penalty bears interest at the federal funds rate target established by the Federal Open Market Committee plus 6% from the January 1 following the delinquency date until paid (provided that said interest may not be less than 7% nor more than 10%). If delinquent taxes have not been paid by March 15 following the lapse of four years from the delinquency date, the affected county advertises and sells the property at a final tax sale held in May or June of the fifth year after assessment.

The process described above changes if a county or other taxing entity proposes a tax rate in excess of the certified tax rate (as described under "Public Hearing On Certain Tax Increases" below). If such an increase is proposed, the taxing entity must adopt a proposed tax rate before June 22. In addition, the county auditor must include certain information in the notices to be mailed by July 22, as described above, including information concerning the tax impact of the proposed increase on the property and the time and place of the public hearing described in "Public Hearing On Certain Tax Increases" below. In most cases, notice of the public hearing must also be advertised by publication. After the public hearing is held, the taxing entity may adopt a resolution levying a tax in excess of the certified tax rate. A resolution levying a tax in excess of the certified tax rate must be forwarded to the county auditor by August 17. The final tax notice is then mailed by November 1.

Public Hearing On Certain Tax Increases

Each taxing entity that proposes to levy a tax rate that exceeds the "certified tax rate" may do so (by resolution) only after holding a properly noticed public hearing. Generally, the certified tax rate is the rate necessary to generate the same property tax revenue that the taxing entity budgeted for the prior year, with certain exclusions. For purposes of calculating the certified tax rate, county auditors are to use the taxable value of property on the assessment rolls, exclusive of eligible new growth. New growth is any increase in taxable value of the taxing entity from the previous calendar year to the current year less the amount of increase to locally–assessed real property taxable values resulting from factoring, reappraisal, other adjustments, or changes in the method of apportioning taxable value. With certain exceptions, the certified tax rate for the minimum school levy, debt service voted on by the public and certain state and county assessing and collecting levies are the actual levies imposed for such purposes and no hearing is required for these levies.

Among other requirements, on or before July 22 of the year in which such an increase is proposed, the county auditor must mail to all property owners a notice of the public hearing. In most cases, the taxing entity must advertise the notice of public hearing by publication in a newspaper. Such notices must state, among other things, the value of the property, the time and place of the public hearing, and the tax impact of the proposed increase.

Property Tax Matters

The Property Tax Act provides that all taxable property is required to be assessed and taxed at a uniform and equal rate on the basis of its "fair market value" as of January 1 of each year, unless otherwise provided by law. "Fair market value" is defined in the Property Tax Act as "the amount at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts." Pursuant to an exemption for residential property provided for under the Property Tax Act and Article XIII of the State Constitution, the "fair market value" of residential property is reduced by 45%. The residential exemption is limited to one acre of land per residential unit and to one primary residence per household, except that an owner of multiple residential properties may exempt his or her primary residence and each residential property that is the primary residence of a tenant.

The Property Tax Act provides that the State Tax Commission shall assess certain types of property ("centrally–assessed property"), including (i) properties that operate as a unit across county lines that must be apportioned among more than one county or state, (ii) public utility (including railroad) properties, (iii) airline operating properties, (iv) geothermal resources and (v) mines, mining claims and appurtenant machinery, facilities and improvements. All other taxable property ("locally–assessed property") is required to be assessed by the county assessor of the county in which such locally–assessed property is located. Each county assessor must update property values annually based upon a systematic review of current market data and must also complete a detailed review of property characteristics for each parcel of property at least once every five years. The Property Tax Act requires that the State Tax Commission conduct an annual investigation in each county to determine whether all property subject to taxation is on the assessment rolls and whether the property is being assessed at its "fair market value."

The State Tax Commission and the county assessors utilize various valuation methods, as determined by statute, administrative regulation or accepted practice, to determine the "fair market value" of taxable property.

Uniform Fees. An annual statewide uniform fee is levied on tangible personal property in lieu of the ad valorem tax. The uniform fee is based on the value of motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State. The current uniform fee is established at 1.5% of the fair market value of motor vehicles that weigh 12,001 pounds or more, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State, excluding exempt property such as aircraft and property subject to a fixed age–based fee. Motor vehicles weighing 12,000 pounds or less and certain other vehicles are subject to an age–based fee that is due each time the vehicle is registered. The revenues collected from the various uniform fees are distributed by the county to the taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property is distributed.

Historical Ad Valorem Tax Rates

The maximum rate of levy applicable to the District for operations and maintenance as authorized by Utah State law is .000800 per dollar of taxable value of taxable property within the District. *The District may levy an unlimited tax levy to pay the principal of and interest on legally issued general obligation bonds.*

		Tax Rate (Calendar Year)				
	Maximum Limit	2017	2016	2015	2014	2013
Operations and maintenance (1)	.000800	.000767	.000806	.000885	.000941	.001012
General obligation bonds	unlimited	.001521	.001246	.001712	.001820	.001826
Total levy		.002288	.002052	.002597	.002761	.002838

(1) Utah law allows the District to exceed the maximum tax rate if reduced property tax values result in lower property tax revenues.

(Source: For reports of the Utah State Tax Commission, compiled by the Municipal Advisor.)

(The remainder of this page has been intentionally left blank.)

Taxable, Fair Market And Market Value Of Property

Calendar Year	Taxable Value (2)	% Change Over Prior Year	Fair Market/ Market Value (3)	% Change Over Prior Year
2017 (1)	$ 1,296,853,237	16.1	$ 1,980,201,690	12.9
2016	1,117,018,954	14.2	1,754,071,683	14.3
2015	978,264,935	7.4	1,534,956,157	7.1
2014	911,090,928	8.1	1,433,284,603	8.4
2013	842,840,059	0.5	1,322,133,080	1.5

(1) Preliminary; subject to change. Fair Market/Market Value calculated by Zions Public Finance, Inc.

(2) Taxable valuation includes redevelopment agency valuation. The estimated redevelopment agency valuation for Calendar Year 2017 was approximately $145.5 million; for Calendar Year 2016 was approximately $67.8 million; for Calendar Year 2015 was approximately $24.2 million; for Calendar Year 2014 was approximately $11.4 million; and for Calendar Year 2013 was approximately $8.6 million.

(3) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Historical Summaries Of Taxable Values Of Property

	Calendar Year					
	2017		2016	2015	2014	2013
Set by State Tax Commission	Taxable Value*	% of T.V.	Taxable Value	Taxable Value	Taxable Value	Taxable Value
(centrally assessed):						
Total centrally assessed	$ 70,339,789	5.4 %	$ 67,263,177	$ 68,006,483	$ 64,454,421	$ 60,123,123
Set by County Assessor						
(locally assessed):						
Real property (land and buildings):						
Primary residential	830,900,000	64.1	774,316,337	675,895,716	633,635,789	581,050,347
Secondary residential	23,690,000	1.8	20,956,930	18,224,240	19,627,410	18,010,970
Commercial and industrial	345,200,000	26.6	227,766,870	187,422,220	167,120,850	158,945,520
FAA (greenbelt)	0	0.0	0	0	0	0
Unimproved non FAA (vacant)	610,000	0.0	605,520	612,290	615,110	619,250
Agricultural	133,338	0.0	130,010	139,190	121,730	122,620
Total real property	1,200,533,338	92.6	1,023,775,667	882,293,656	821,120,889	758,748,707
Personal property:						
Primary mobile homes	4,303,665	0.3	4,303,665	4,504,666	4,600,925	4,752,234
Secondary mobile homes	73,574	0.0	73,574	142,862	113,836	116,315
Other business	21,602,871	1.7	21,602,871	23,317,268	20,800,857	19,099,680
SCME (1)	0	0.0	0	0	0	0
Total personal property	25,980,110	2.0	25,980,110	27,964,796	25,515,618	23,968,229
Total locally assessed	1,226,513,448	94.6	1,049,755,777	910,258,452	846,636,507	782,716,936
Total taxable value	$ 1,296,853,237	100.0 %	$ 1,117,018,954	$ 978,264,935	$ 911,090,928	$ 842,840,059
Total taxable value	$ 1,296,853,237		$ 1,117,018,954	$ 978,264,935	$ 911,090,928	$ 842,840,059

* Preliminary; subject to change.

(1) SCME (semi−conductor manufacturing equipment).

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Tax Collection Record

Ad valorem property taxes are due on November 30th of each year.

(1) Tax Year End 12/31	(2) Total Taxes Levied	(3) Treasurer's Relief	Net Taxes Assessed	Current Collections	(4) Deliq., Personal Property and Miscelleous Collections	Total Collections	% of Current Collections to Net Taxes Assessed	% of Total Collections to Net Taxes Assessed
2016	$2,306,280	$27,359	$2,278,921	$2,213,788	$ 79,448	$2,293,236	97.1%	100.6%
2015	2,545,140	30,707	2,514,433	2,442,821	308,569	2,751,390	97.2	109.4
2014	2,517,487	30,988	2,486,499	2,409,267	94,988	2,504,255	96.9	100.7
2013	2,372,337	28,672	2,343,665	2,259,418	214,036	2,473,454	96.4	105.5
2012	2,499,013	29,487	2,469,526	2,365,849	131,728	2,497,577	95.8	101.1

(1) In addition to the Total Collections indicated above, the District also collected Uniform Fees (fees–in–lieu payments) for tax year 2016 of $165,647; for tax year 2015 of $187,501; for tax year 2014 of $186,068; for tax year 2013 of $182,564; and for tax year 2012 of $192,946; from tax equivalent property associated with motor vehicles, watercraft, recreational vehicles, and all other tangible personal property required to be registered with the State.
(2) Excludes redevelopment agencies valuation.
(3) Treasurer's Relief includes abatements established by statute to low–income, elderly and for hardship situations. These Treasurer's Relief items are levied against the property, but are never collected and paid to the entity.
(4) Delinquent Collections include interest, sales of real and personal property, and miscellaneous delinquent collections.

(Source: Tax collections reports from the Utah State Tax Commission, compiled by the Municipal Advisor.)

Some Of The Largest Taxpayers

Taxpayer	Type of Business	2016 Taxable Value (1)	% of the District's 2016 Tax Value
Kennecott Utah Copper Corp.	Mining	$ 43,269,370	3.9%
CS Sagegate Communities, LLC	Residential property	22,741,675	2.0
Pacificorp	Electric utility	13,748,375	1.2
Questar Gas	Natural gas utility	10,415,303	0.9
Arbor Park Associates	Residential property	10,104,000	0.9
Elk Run Apartments	Residential property	10,004,885	0.9
Winco Foods, LLC	Grocery store	9,927,122	0.9
Magna Henry LLC	Residential property	6,852,900	0.6
Alliant Techsystems, Inc.	Engineering company	6,743,100	0.6
Smith Food & Drug Centers Inc.	Retail trade	4,875,100	0.4
Totals		$138,681,830	12.4%

(1) Taxable Value used in this table *excludes* the taxable value used to determine Uniform Fees on tangible personal property. See "Taxable, Fair Market And Market Value Of Property" above.

(Source: Reports from Salt Lake County Information Systems and Salt Lake County Auditor, compiled by the Municipal Advisor.)

LEGAL MATTERS

Absence Of Litigation Concerning The 2017 Bonds

A non–litigation certificate issued by Smith Hartvigsen PLLC, counsel to the District, dated the delivery date of the 2017 Bonds, will be provided stating, among other things, that to the best of such firm's knowledge, after due inquiry, no action, suit, proceeding, inquiry, or any other litigation or investigation at law or in equity, before or by any court, public board or body, has been served on the District or is threatened, challenging the creation, organization, or existence of the District or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale, or delivery of the 2017 Bonds or for the purpose of restraining or enjoining the levy and collection of taxes or assessments by the District, or directly or indirectly contesting or affecting the proceedings or the authority by which the Bonds are issued or the validity of the Bonds or the issuance thereof.

General

Certain legal matters incident to the authorization, issuance and sale of the 2017 Bonds are subject to the approving legal opinion of Gilmore & Bell, P.C., Bond Counsel to the District. Certain legal matters will be passed upon for the District by Smith Hartvigsen PLLC, counsel to the District. The approving opinion of Bond Counsel will be delivered with the 2017 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in "APPENDIX B—PROPOSED FORM OF OPINION OF BOND COUNSEL" of this OFFICIAL STATEMENT will be made available upon request from the contact persons as indicated under "INTRODUCTION—Contact Persons" above.

The employment of Bond Counsel is limited to the review of the transcripts of legal proceedings authorizing the issuance of the 2017 Bonds and to the issuance of the legal opinion, in conventional form, relating solely to the validity of the 2017 Bonds pursuant to such authority and the excludability of interest on the 2017 Bonds for income tax purposes as described above. Except for said legal matters, which will be specifically covered in its opinion, Bond Counsel has assumed no responsibility for the accuracy or completeness of any information furnished to any person in connection with or any offer or sale of the 2017 Bonds in the OFFICIAL STATEMENT or otherwise.

The various legal opinions to be delivered concurrently with the delivery of the 2017 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the 2017 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the 2017 Bonds as a capital asset, tax–exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the 2017 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the 2017 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel, under the law currently existing as of the issue date of the 2017 Bonds:

Federal Tax Exemption. The interest on the 2017 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the 2017 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bond counsel's opinions are provided as of the date of the original issue of the 2017 Bonds, subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986 (the "Code") that must be satisfied subsequent to the issuance of the 2017 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2017 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2017 Bonds.

State of Utah Tax Exemption. The interest on the 2017 Bonds (including any original issue discount properly allocable to an owner thereof) is exempt from State of Utah individual income taxes.

Bond Counsel expresses no opinion regarding any other federal, or state tax consequences arising with respect to the 2017 Bonds but has reviewed the discussion under this heading "TAX MATTERS."

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount ("OID") is the excess of the stated redemption price at maturity of a 2017 Bond over its issue price. The issue price of a 2017 Bond is the first price at which a substantial amount of the 2017 Bonds of that maturity have been sold (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax–exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a 2017 Bond during any accrual period generally equals (i) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (ii) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that 2017 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

Original Issue Premium. If a 2017 Bond is issued at a price that exceeds the stated redemption price at maturity of the 2017 Bond, the excess of the purchase price over the stated redemption price at maturity constitutes "premium" on that 2017 Bond. Under Section 171 of the Code, the purchaser of that 2017 Bond must amortize the premium over the term of the 2017 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the 2017 Bond and the amount of tax–exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2017 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement (including redemption) of a 2017 Bond, an owner of the 2017 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the 2017 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2017 Bond. To the extent, a 2017 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long–term capital gain or loss if the 2017 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2017 Bonds, and to the proceeds paid on the sale of the 2017 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2017 Bonds should be aware that ownership of the 2017 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2017 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2017 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the 2017 Bonds, including the possible application of state, local, foreign and other tax laws.

MISCELLANEOUS

Bond Rating

As of the date of this OFFICIAL STATEMENT, the 2017 Bonds have been rated "AA" by S&P. An explanation of this rating may be obtained from S&P. The District has not directly applied to Moody's Investors Service or Fitch Ratings for a rating on the 2017 Bonds.

Such rating does not constitute a recommendation by the rating agency to buy, sell or hold the 2017 Bonds. Such rating reflects only the views of S&P, and any desired explanation of the significance of such rating should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

Any explanation of the significance of this outstanding rating may only be obtained from the rating service furnishing the same. There is no assurance that the rating given the outstanding general obligation bonds will continue for any given period or that the ratings will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2017 Bonds.

Municipal Advisor

The District has entered an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the District with respect to preparation for sale of the 2017 Bonds, timing of sale, taxable and tax–exempt bond market conditions, costs of issuance and other factors related to the sale of the 2017 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof.

The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the District, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The basic financial statements and required supplementary information of the District as of December 31, 2016 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Keddington & Christensen, LLC, Salt Lake City, Utah ("Keddington & Christensen"), as stated in their report in ""APPENDIX A—FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016." Keddington & Christensen have not been engaged to perform and has not performed, since the date of their report included in the Fiscal Year 2016 financial statements, any procedures on the financial statements addressed in the Fiscal Year 2016 financial statements.

Keddington & Christensen have not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non–participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

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

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

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

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

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

Magna Water District, Utah

(This page has been intentionally left blank.)

APPENDIX A

FINANCIAL STATEMENTS OF MAGNA WATER DISTRICT, UTAH FOR FISCAL YEAR 2016

The Financial Statements for Fiscal Year 2016 is contained herein. Copies of current and prior financial reports are available upon request from the District's contact person as indicated under "INTRODUCTION—Contact Persons" above.

The District's financial statements for Fiscal Year 2017 must be completed under State law by June 30, 2018.

(The remainder of this page has been intentionally left blank.)

(This page has been intentionally left blank)

MAGNA WATER DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2016

MAGNA WATER DISTRICT
TABLE OF CONTENTS

Page

Independent Auditor's Report 1

Management Discussion and Analysis 3

Financial Statements:

Statement of Net Position 8

Statement of Revenues, Expenses, and Changes in Net Position 10

Statement of Cash Flows 11

Notes to Financial Statements 13

Required Supplemental Information:

Schedules of Changes in Net Pension Liability and Related Ratios 30

Notes to the Required Supplemental Information 31

Other Supplemental Information:

Schedule of Revenues, Expenses, and Changes in Net Position 33

Schedule of Revenues, Expenses, and Changes in Net Position – Compared to Budget 35

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Magna Water District
Magna, Utah

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Magna Water District (the District) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Magna Water District, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and certain disclosures relating to pensions as listed in the table of contents as noted in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the District's basic financial statements. The schedule of revenues, expenses, and changes in net position and the schedule of revenues, expenses, and changes in net position – compared with budget, listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues, expenses, and changes in net position and the schedule of revenues, expenses, and changes in net position – compared with budget are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 revenues, expenses, and changes in net position and the schedule of revenues, expenses, and changes in net position – compared with budget are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2017 on our consideration of the 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 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 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 the District's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
July 31, 2017

MAGNA WATER DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

As management of Magna Water District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2016.

Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by $62,422,461 (net position). Of this amount, $10,002,161 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.

The District's total net position increased by $1,718,948. This increase is from operating sales totaling approximately $6.6 million, expenses in the amount of $8.8 million, and the non-operating revenues at $3.5 million. The operating sales were up by $765,000 compared to 2015 partially from a small rate increase and also from higher usage due to record hot weather. The operating expenses increased from 2015 by $469,102 in 2016. Expenses were maintained due to the District practicing proactive measures for maintenance rather than reactive, which is typically less expensive.

The District's total long-term debt decreased by $1,722,416 during the current fiscal year, as represented in Note 4 to the financial statements. No new debts were incurred during 2016.

At the end of the current fiscal year, unrestricted net position was $10,002,161 or 111% of total expenses.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of revenues and expenses and changes in net position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes earned and not received and unused sick leave for employees).

The District maintains one type of proprietary fund, an enterprise fund. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's budget and actual amounts.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by $62,422,461 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (68%) reflects its investment in capital assets (e.g., land, buildings, pipelines, machinery, and equipment); net of any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	2016	2015
Current and other assets	$ 24,266,281	$ 26,233,146
Capital assets	54,875,639	53,019,487
Total Assets	79,141,920	79,252,633
Deferred outflow of resources	359,317	389,168
Long-term liabilities outstanding	15,651,869	17,070,721
Other liabilities	1,426,907	1,778,379
Total Liabilities	17,078,776	18,849,100
Deferred inflow of resources	-	89,188
Net investment in capital assets	42,397,560	39,081,024
Restricted	10,022,740	9,220,933
Unrestricted	10,002,161	12,401,556
Total Net Position	$ 62,422,461	$ 60,703,513

The restricted portion of the District's net position ($10,022,740) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($10,002,161) may be used to meet the District's ongoing obligations to citizens and creditors.

There was a increase of $801,807 in restricted net position reported by the District. This resulted primarily from the collection of impact fees over the amount of the impact fees used for the year. Impact fees were used for qualifying infrastructure.

The District's net position increased by $1,718,948 during the current fiscal year, as the District's operating and non-operating revenues exceeded expenses for the year. As noted earlier, factors contributing to the increase in net position include investment in capital assets, increase in operating revenues and impact fees collected by new subdivisions, contributed water and sewer lines by contractors.

	2016	2015
Operating revenues	$ 6,633,465	$ 5,868,774
Non-operating revenues	3,765,121	5,616,932
Total Revenues	10,398,586	11,485,706
Depreciation and amortization expense	3,012,787	2,929,705
Other operating expenses	5,766,058	5,380,038
Non-operating expenses	266,603	287,192
Total Expenses	9,045,448	8,596,935
Income before capital contributions	1,353,138	2,888,771
Capital contributions	365,810	955,643
Change in Net Position	1,718,948	3,844,414
Total Net Position, Beginning of Year	60,703,513	56,859,099
Total Net Position, End of Year	$ 62,422,461	$ 60,703,513

Major sources of revenue for the District consist of charges for services, property taxes, impact fees collected from new subdivisions, and other non-operating revenues. These sources account for approximately 98% of the Districts revenues before capital contributions.

Total operating revenues increased by approximately 13% from the prior year, while total expenses also increased by approximately 5.2%, leading to an increase in income before capital contributions in 2016 as compared to the previous year. The capital contributions significantly decreased in 2016 as compared to 2015 due to a decrease of development accepted and closed out. While there is substantial growth within the District occurring, the District does not recognize the developments until the projects are complete and final, therefore, depending on the status of the project the District may show the actual growth 2 – 3 years after which the development is complete. The increase in operating revenue is primarily due to adopted rate increases. The increase in expenses is primarily due to increases in salaries and benefits, depreciation, and various other miscellaneous operational expenses.

Capital Asset and Debt Administration

Capital Assets. The District's investment in capital assets as of December 31, 2016 amounts to $54,875,639 (net of accumulated depreciation). This investment in capital assets includes land, structures and improvements, wells and springs, supply and transmission mains for water distribution and sewer collection, construction in progress, plant and sewer systems, and machinery and equipment. The total increase in the District's investment in capital assets for the current fiscal year was approximately 3.5%.

	2016	2015
Land	$ 1,788,730	$ 1,788,730
Buildings and improvements	481,984	481,984
Water system	47,427,248	44,043,366
Secondary system	6,151,004	6,030,775
Sewer treatment plant	24,745,267	24,732,543
Sewage collection lines	9,242,906	9,113,359
Machinery and equipment	2,412,598	2,214,086
Water rights and easements	581,377	554,677
Construction in progress	4,522,282	3,646,020
Total Capital Assets	97,353,396	92,605,540
Less accumulated depreciation	(42,477,757)	(39,586,053)
Total Capital Assets, net of depreciation	$ 54,875,639	$ 53,019,487

Additional information on the District's capital assets can be found in Note 3 to the financial statements.

Long-term debt. At the end of the current fiscal year, the District had total long-term debt outstanding of $15,651,869. Of this amount, $5,842,000 is outstanding as revenue bond debt, $592,127 relates to amounts outstanding on a water resource loan, $7,586,956 is outstanding as general obligation bond debt, and $193,231 relates to amounts outstanding on capital leases. Pursuant to a new GASB Ruling, the District also now recognizes a long term debt for OPEB Obligations in the amount of $1,234,689, and a debt for pension liability in the amount of $202,866.

	2016	2015
General obligation bonds	$ 7,586,956	$ 8,945,953
Revenue bonds	5,842,000	6,110,000
Water resource loan	592,127	639,136
Capital lease	193,231	241,641
Net OPEB obligations	1,234,689	792,609
Net Pension Liability	202,866	341,382
Total	$ 15,651,869	$ 17,070,721

Additional information of the District's long-term debt can be found in Note 4 to the financial statements.

Reserve Funds
The District held $4,442,642 in reserve and replacement funds at the end of the current fiscal year, which are mandated by the District's revenue bonds.

Reserve and Fee Structure
In 2012, the District began to update its Impact Fee Facilities Plan (the Plan) to evaluate the capital facility and revenue needs of the water, sewer, and secondary systems in order to continue to service the District's growth. The Plan looks at the condition of the District through the projected year of 2030. The District adopted the Impact Fee Facility Plan, an Impact Fee Analysis, and an Impact Fee Enactment in September of 2013. The enactment adopted increased the impact fee for the water, sewer, and secondary water system. The District evaluated the revenue requirements of the District and subsequently adopted a rate increase effective January 1, 2015. The rates are planned to increase in small increments through 2019.

Planned Future Capital Improvements

The District has many construction plans for their facilities within the next three years. There will be a brine line installed to transfer waste brine from the water treatment facility directly to the Wastewater Treatment Plant effluent, there is a main secondary water line being installed along 3500 S from 8400 W to 8000 W. A future secondary reservoir site is being studied to build another reservoir for the future, but has not committed any funds at this time to start any construction on that reservoir.

A booster station for the culinary and secondary water system is being constructed that will replace the booster station on 8000 W and also will be expanded to provide the secondary water system with a needed booster station.

Several existing culinary and collection pipelines, old and in need of upsizing and repairs are being replaced with new piping and upgraded.

Each year, including the past couple of years the District is maintaining and lining the manholes to restore and increase the life of the manhole which is a preventative maintenance measure.

The District is still in the process of seeking funding to extend the secondary system, in addition to that, the District established a subsidy fee that is charged to each culinary water customer that will be collected and set aside for the secondary water system expansion. In 2014 the subsidy fee began at the rate of $0.50 per month and will increase to $3.00 per month by the beginning of 2019.

At the end of 2016, the District held a bond election which passed in November. An amount of $22,000,000 was authorized for the District to make upgrades and modifications to the wastewater treatment plant in order to comply with new federal mandates. As always, the Board of Trustees and Management Team and Staff are working hard to satisfy our customers and to improve our system. The District follows a master plan that is reviewed each year.

The District, at the end of 2016, had approximately 98% of their new general office complete. They are anticipating a move in date in March of 2017.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Magna Water District, Attention: District Manager, PO Box 303, Magna, Utah 84044.

BASIC FINANCIAL STATEMENTS

MAGNA WATER DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2016

Assets	
Current Assets:	
Cash and cash equivalents	$ 12,683,738
Receivables:	
Property tax	47,094
Customers, net	676,158
Other	287,815
Prepaid expenses	17,242
Inventories	481,284
Total Current Assets	14,193,331
Noncurrent Assets:	
Restricted cash and cash equivalents	10,022,742
Capital Assets:	
Capital assets not being depreciated	6,892,389
Capital assets being depreciated, net of accumulated deprecation	47,983,250
Total Capital Assets, net of accumulated depreciation	54,875,639
Water rights and shares held for sale	50,208
Total Noncurrent Assets	64,948,589
Total Assets	79,141,920
Deferred Outflow of Resources	
Assumption changes related to Pensions	359,317
Total Deferred Outflow of Resources	$ 359,317

The accompanying notes are an integral part of these financial statements.

MAGNA WATER DISTRICT
STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2016

Liabilities	
Current Liabilities:	
Accounts payable	$ 589,163
Accrued liabilities	287,760
Compensated absences	59,955
Retainage payable	159,609
Deferred revenue	221,863
Accrued Interest payable	108,557
Capital lease obligations - current	62,845
General obligation bonds payable - current	1,061,000
Revenue bonds payable - current	273,000
Water Resource loan payable - current	47,479
Total Current Liabilities	2,871,231
Noncurrent Liabilities:	
Net other postemployment benefits obligation	1,234,689
Capital lease obligations	130,386
General obligation bonds payable	6,525,956
Revenue bonds payable	5,569,000
Water Resource loan payable	544,648
Net Pension Liability	202,866
Total Noncurrent Liabilities	14,207,545
Total Liabilities	17,078,776
Deferred Inflow of Resources	
Changes to earnings on pension plan investments	-
Total Deferred Inflow of Resources	-
Net Position	
Net investment in capital assets	42,397,560
Restricted:	
Debt service	726,204
Capital projects	9,296,536
Unrestricted	10,002,161
Total Net Position	$ 62,422,461

The accompanying notes are an integral part of these financial statements.

MAGNA WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016

Operating Revenues:	
Water sales	$ 3,526,952
Sewer service charges	2,762,599
Connection fees and other income	343,914
Total Operating Revenues	6,633,465
Operating Expenses:	
Salaries and benefits	2,928,279
Contractual services	561,714
Materials and supplies	1,130,577
Utilities	643,953
Depreciation and amortization	3,012,787
Lease expense	17,792
Other operating expenses	483,743
Total Operating Expenses	8,778,845
Operating Income (Loss)	(2,145,380)
Nonoperating Revenues (Expenses):	
Property tax revenue	2,492,552
Non-resident fee in lieu of property tax	115,463
Impact fees	930,770
Gain (loss) on sale of assets	22,515
Interest income	203,821
Interest expense	(266,603)
Total Nonoperating Revenues (Expenses)	3,498,518
Income Before Capital Contributions	1,353,138
Capital Contributions	365,810
Change In Net Position	1,718,948
Total Net Position, Beginning of Year - (As Restated)	60,703,513
Total Net Position, End of Year	$ 62,422,461

The accompanying notes are an integral part of these financial statements.

MAGNA WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash Flows From Operating Activities	
Receipts from customers and users	$ 6,704,145
Payments to suppliers	(2,828,248)
Payments to employees	(2,932,651)
Net Cash From Operating Activities	943,246
Cash Flows From Noncapital Financing Activities	
Property tax collected for maintenance and operations	1,248,572
Net Cash From Noncapital Financing Activities	1,248,572
Cash Flows From Capital and Related Financing Activities	
Receipts from impact fees	930,770
Property tax collected for debt service	1,245,281
Fee in lieu of property tax	115,463
Purchases and construction of capital assets	(4,699,235)
Principal paid on capital debt	(1,657,009)
Payments on capital lease	(48,410)
Interest paid on capital debt	(292,617)
Proceeds from sale of capital assets	19,400
Net Cash From Capital and Related Financing Activities	(4,386,357)
Cash Flows From Investing Activities	
Interest income	203,821
Proceeds from sale of water rights and shares	21,304
Net Cash From Investing Activities	225,125
Net Increase (Decrease) in Cash and Cash Equivalents	(1,969,414)
Cash and Cash Equivalents, Beginning of Year	24,675,894
Cash and Cash Equivalents, End of Year	$ 22,706,480

The accompanying notes are an integral part of these financial statements.

MAGNA WATER DISTRICT
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2016

Reconciliation of Operating Income to Net Cash From Operating Activities:

Operating Income (Loss)	$	(2,145,380)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization		3,012,787
Changes in operating assets and liabilities:		
(Increase) Decrease in Current Assets :		
Receivables		(26,286)
Prepaid expenses		(4,646)
Inventories		9,092
Increase (Decrease) in Current Liabilities:		
Accounts payable		(270,991)
Accrued liabilities		(258,612)
Compensated absences		10,013
Retainage payable		78,223
Deferred revenue		96,966
Net other postemployment benefits obligation		442,080
Net Cash From Operating Activities	$	943,246
Noncash Investing, Capital, and Financing Activities	$	-

The accompanying notes are an integral part of these financial statements.

MAGNA WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

Magna Water District, Utah (the District) is a local district governed by an elected three member board. Generally accepted accounting principles require that these financial statements present the government and its component units, entities for the government is considered to be financially accountable. The District was created July 7, 1949 by a resolution of the Board of County Commissioners of Salt Lake County. Salt Lake County has no oversight responsibility over the District and the District is not reported as a component unit of Salt Lake County. The District has no blended or discretely presented component units.

Measurement Focus and Basis of Accounting

The District is an enterprise fund, which is reported using the *economic resources measurement focus* and the *accrual basis of accounting.* Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Procedures and Budgetary Accounting

Budgetary procedures for the District have been established by the Uniform Fiscal Procedures Act adopted by the State of Utah, which requires the legal adoption of a budget for all funds. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year; accordingly, no encumbrances are recorded. The basis of accounting to the budget is the same basis as the financial statements.

A formal budget has been adopted and used as a control device during the year ended December 31, 2016.

The District follows the following procedures in its budgetary process:

1. During October or November of each year the District adopts a tentative annual budget for the upcoming calendar year.

2. The tentative budget is a public record and is available for the public inspection.

3. At least ten (10) days prior to the second Thursday in December of each year, the District publishes a notice of public hearing in an issue of a newspaper of general circulation for the purpose of adopting a budget.

4. On the second Thursday in December, the budget is formally adopted after consideration of public comment.

No budget is required to be presented with these financial statements. State law allows the District to amend the proprietary fund budget without public hearing or public notice.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Statement of Cash Flows
The District considers all highly liquid investments with a maturity of three months or less when purchased to be "cash equivalents". All restricted and non-restricted cash amounts are considered to be cash and cash equivalents for statement of cash flow purposes.

Allowance for Doubtful Accounts
Accounts receivable are stated net of allowance for doubtful accounts of $2,975. The allowance for doubtful accounts is based on the District's prior collection experience.

Inventories
The District maintains inventories of pipe, repair parts, hydrants, and water meters. Inventories are stated at the lower of cost or market using the first in/first out (FIFO) method.

Property and Equipment
Property and equipment include land, buildings and improvements, water and sewer systems, water shares, and machinery and equipment. Property and equipment are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects as constructed. Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. No interest was capitalized during the current year.

Property, plant, and equipment of the District is depreciated using the straight-line method over the following useful lives:

Water utility plant	20 to 50 years
Sewer utility plant	30 to 50 years
Buildings and structures	30 to 40 years
Equipment	3 to 15 years
Furniture and fixtures	5 to 10 years

Employee Benefits and Compensated Absences
The District provides pension, medical, dental, vision, and life insurance to its employees, most of which are negotiated by contract with the Teamsters Union. Employees are also provided paid holidays and vacation pay, which does not accumulate from year to year, but a maximum of 80 hours can be cashed out at the end of each year. Sick leave accumulates at a rate of one-half day per month, can be carried over from year to year without limitation, and is paid out in full upon termination of employment to the extent that an employee is not terminated for cause.

Property Tax Revenues
Property taxes are assessed and become a lien against the property on January 1st. Property taxes become delinquent after November 30th. The District's tax rate for 2016 was 0.002052 which is comprised of 0.000806 for operations and maintenance, and 0.001246 for debt service. The statutory maximum set by the state for operations and maintenance is 0.000885. There is no statutory maximum for the reduction of general obligation bonds.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Estimates

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

NOTE 2 CASH AND CASH EQUIVALENTS

Following are the components of the District's cash and investments at December 31, 2016:

Cash and cash equivalents	$	12,683,738
Restricted cash and cash equivalents		10,022,742
	$	22,706,480

The District follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) (the Act) in handling its depository and temporary investment transactions. This law requires the deposit of District funds in a "qualified depository." The Act defined 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 Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. However, the District does not have a separate deposit and investment policy that addresses the specific types of deposit and investment risk to which the District is exposed.

Custodial credit risk – deposits is the risk that in event of a bank failure, the District's deposits may not be returned to it. At December 31, 2016, the carrying amount of the District's deposits was $906,201, and the bank balance was $1,976,816. Deposits are not collateralized nor are they required to be by state statute. However, the State Commissioner of Financial Institutions monitors financial institutions and establishes limits for deposits of public money at individual financial institutions, and the District follows these recommendations. Of the amounts held in deposit at December 31, 2016, $1,476,816 was uninsured and uncollateralized.

Custodial credit risk – investments is the risk that in the event of the failure of a counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. The District's investment in the Utah Public Treasurer's Investment Fund (PTIF) has no custodial credit risk.

Interest Rate Risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District invests in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risks of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investment Services or Standard and Poors; banker acceptance obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined by the Act.

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 investment in the PTIF has no concentration of credit risk.

The District invests in the Utah Public Treasurer's Investment Pool (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized costs basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participants' share to the total funds in the PTIF based on the participants' average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available from the Utah State Treasurer's Office.

The District measures 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

The fair value of PTIF investments is measured using the Level 2 as noted above. Money Market Funds are considered Level 2.

	Carrying Amounts	Fair Value	Weighted Average Maturity (Years)	Credit Rating (1)
Cash on hand and on deposit:				
Cash on hand	$ 1,300	$ 1,300	N/A	N/A
Cash on deposit	1,976,816	1,976,816	N/A	N/A
Total cash on hand and deposit	$ 1,978,116	$ 1,978,116		
Investments				
State of Utah Public Treasurer's Investment Fund	$ 21,770,402	$ 21,861,751	N/A	N/A
Money Market Funds	28,577	28,577		
Total investments	$ 21,798,979	$ 21,890,328		

(1) Ratings are provided where applicable to indicate associated **Credit Risk**. N/A indicates not applicable.

NOTE 3 CAPITAL ASSETS

The District depreciates its capital assets using the straight line method. A summary of the capital asset activity for the year ended December 31, 2016 is as follows:

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Capital Assets, not being depreciated:				
Land	$ 1,788,730	$ -	$ -	$ 1,788,730
Water rights, water shares, and easements	554,677	26,700	-	581,377
Construction in progress	3,646,020	4,125,920	(3,249,658)	4,522,282
Total Capital Assets, not being depreciated	5,989,427	4,152,620	(3,249,658)	6,892,389
Capital Assets, being depreciated:				
Buildings and improvements	481,984	-	-	481,984
Water system	44,043,366	3,403,515	(19,633)	47,427,248
Secondary water system	6,030,775	120,797	(568)	6,151,004
Sewer treatment plant	24,732,543	12,724	-	24,745,267
Sewage collection lines	9,113,359	129,547	-	9,242,906
Machinery and equipment	2,214,086	299,595	(101,083)	2,412,598
Total Capital Assets, being depreciated	86,616,113	3,966,178	(121,284)	90,461,007
Total Capital Assets	92,605,540	8,118,798	(3,370,942)	97,353,396
Less Accumulated Depreciation:				
Buildings and improvements	(430,833)	(16,478)	-	(447,311)
Water system	(19,496,375)	(1,530,725)	19,631	(21,007,469)
Secondary water system	(1,244,555)	(185,315)	369	(1,429,501)
Sewer treatment plant	(11,627,061)	(817,729)	-	(12,444,790)
Sewage collection lines	(5,679,504)	(254,692)	-	(5,934,196)
Machinery and equipment	(1,107,725)	(207,848)	101,083	(1,214,490)
Total Accumulated Depreciation	(39,586,053)	(3,012,787)	121,083	(42,477,757)
Capital Assets, net	$ 53,019,487	$ 5,106,011	$ (3,249,859)	$ 54,875,639

NOTE 4 LONG TERM OBLIGATIONS

The following is a summary of long-term debt obligations of the District for the year ended December 31, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable					
General obligation bonds	$ 8,708,000	$ -	$ (1,342,000)	$ 7,366,000	$ 1,061,000
Premiums	237,953	-	(16,997)	220,956	-
Revenue bonds	6,110,000	-	(268,000)	5,842,000	273,000
Total bonds payable	15,055,953	-	(1,626,997)	13,428,956	1,334,000
Water resource loan	639,136	-	(47,009)	592,127	47,479
Capital leases	241,641	-	(48,410)	193,231	62,845
Total Long-Term Liabilities	$ 15,936,730	$ -	$ (1,722,416)	$ 14,214,314	$ 1,444,324

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of general obligation bonds that were issued in prior years with amounts still outstanding as of December 31, 2016 was $10,395,000.

General Obligation bonds are direct obligation and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follow:

Purpose	Issue Date	Original Borrowing	Interest Rates	Final Maturity	Amount
Refunding	2013	8,245,000	2.00 - 3.00%	2029	$ 6,840,000
Water treatment facilities	2014	2,150,000	.5 to 1.13%	2017	526,000
					$ 7,366,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2017	$ 1,061,000	$ 167,284	$ 1,228,284
2018	550,000	153,463	703,463
2019	555,000	142,413	697,413
2020	570,000	131,163	701,163
2021	580,000	118,938	698,938
2022-2026	3,125,000	365,819	3,490,819
2027-2029	925,000	42,075	967,075
Total	$ 7,366,000	$ 1,121,155	$ 8,487,155

NOTE 4 LONG TERM OBLIGATIONS (Continued)

Covenant Requirements
Both the 2013 and the 2014 bond agreements require the District to levy all taxable property, in addition to all other taxes, a direct annual tax sufficient to pay the principal and interest on these bonds.

Revenue Bonds
The District also issues bonds where the District pledges income derived from the acquired or constructed assets to pay debt service. The original amount of revenue bonds issued in prior years with amounts still outstanding as of December 31, 2016 was $8,100,000. Revenue bonds outstanding at year end are as follows:

Purpose	Issue Date	Original Borrowing	Interest Rates	Final Maturity	Amount
Water facilities	1997	1,000,000	2.93%	2018	$ 128,000
Water treatment plant	2007	7,100,000	1.50%	2039	5,714,000
					$ 5,842,000

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2017	$ 273,000	$ 89,460	$ 362,460
2018	278,000	84,465	362,465
2019	216,000	79,365	295,365
2020	219,000	76,125	295,125
2021	223,000	72,840	295,840
2022-2026	1,165,000	313,035	1,478,035
2027-2031	1,256,000	222,990	1,478,990
2032-2036	1,351,000	126,000	1,477,000
2037-2039	861,000	25,950	886,950
Total	$ 5,842,000	$ 1,090,230	$ 6,932,230

Reserve requirements
The District is required to establish reserve and replacement accounts to provide for proper service of the 1997 Water Revenue Bonds and replacement of the treatment District as considered necessary. Following is a description of these reserve accounts.

The District is required to make monthly contributions to a Debt Service Reserve Account for the 1997A Water Revenue Bond, to be used to pay principal falling due on the 1997A Bonds at any time when there are not sufficient funds to pay the same. Annual contributions to this Reserve Account are required until the account balance reaches $67,218. As of December 31, 2016, the required reserve fund balance was fully funded.

In like manner, the District is also required to make an annual contribution to a Replacement Account. The annual contribution is 5% of the annual water operating budget, including debt service and depreciation, and must continue until the 1997A Bond is redeemed. However, the District is allowed to use and has in past years used funds from the replacement account towards various approved water related capital improvements upon providing written notice to the Division of Drinking Water Board. As of December 31, 2016, required reserve fund balances were fully funded.

NOTE 4 LONG TERM OBLIGATIONS (Continued)

The District is also required to set aside funds sufficient to cover debt service principal and interest payments for the succeeding year. As of December 31, 2016, this required reserve fund balance was fully funded.

The District is required to establish reserve accounts to provide for proper service of the 2007 Water Revenue Bonds. Following is a description of these reserve accounts.

The District is required to make monthly contributions to a Reserve Account to be used to pay principal falling due on the 2007 Bonds at any time when there are not sufficient funds to pay the same. Required monthly contributions to this Reserve Account are $4,935 until the account balance reaches $296,105. As of December 31, 2016 required reserve fund balances were fully funded.

The District is also required to set aside funds sufficient to cover debt service principal and interest payments for the succeeding year. As of December 31, 2016, required reserve fund balances were fully funded.

Required reserve fund balances as of December 31, 2016 are as follows:

	1997 Series		2007 Series	
	Amount Required	Amount on Deposit	Amount Required	Amount on Deposit
Reserve accounts	$ 67,218	$ 67,341	$ 296,105	$ 296,105
Replacement accounts	3,716,439	3,716,438	-	-
Debt service accounts	66,750	66,805	295,710	295,953
Total reserve requirements	$ 3,850,407	$ 3,850,584	$ 591,815	$ 592,058

Water Resource Loan

The District has entered into an agreement with the State of Utah Division of Water Resources (State) for the construction of a secondary water system. The State agreed to advance the District $1,175,000 at an annual interest rate of 1.00% to fund construction on the project.

Annual debt service requirements to maturity for the Water Resource loan are as follows:

Year Ending December 31,	Principal	Interest	Total
2017	$ 47,479	$ 5,921	$ 53,400
2018	47,954	5,446	53,400
2019	48,433	4,967	53,400
2020	48,917	4,483	53,400
2021	49,407	3,993	53,400
2022-2026	254,543	12,457	267,000
2027-2028	95,394	1,383	96,778
Total	592,127	$ 38,650	$ 630,778

NOTE 4 LONG TERM OBLIGATIONS (Continued)

Capital Leases

The District has entered into lease agreements as lessee for financing the acquisition of various vehicles. The leases carry interest rate of 2.3% and maturity dates in 2019. During 2015, the District returned the vehicles from all previous capital leases and then subsequently entered into two new capital lease agreements. These new lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Total depreciation expense for the leased vehicles was $59,203 for the year ended December 31, 2016, and is included in depreciation and amortization on the statement of revenues, expenses, and changes in net position. Interest expense related to the leases was $5,965 for the year ended December 31, 2016.

The assets acquired through capital leases are as follows:

Asset:	
Machinery and equipment	$ 296,014
Less: Accumulated depreciation	(85,342)
Total	$ 210,672

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

Year Ending December 31,	Principal
2017	$ 67,616
2018	67,616
2019	67,616
Total minimum capital lease payments	202,848
Less: amounts representing interest	(9,617)
Present value of net minimum capital lease payments	193,231.57
Less: current portion	(62,845)
Long-term capital lease obligations	$ 130,386

NOTE 5 UNION EMPLOYEES PENSION PLAN

Most full-time District employees are members of the Western Conference Teamsters Pension Plan (the Plan). The Plan is a cost-sharing multiple-employer defined benefit pension plan. The Plan is administered by the Board of Trustees of the Plan, who have authority to amend the benefits provided by the Plan. The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. As of December 31, 2016 there were 20 employees participating in the Plan. Participants in the Plan normally must be vested over a five-year period prior to receiving benefits.

The District makes pension contributions to the Plan, on behalf of covered employees at the rate of $4.45 per hour from January 1, 2015 through December 31, 2016. The District will make pension contributions to the Plan, on behalf of covered employees at the rate of $ 4.60 effective January 1, 2016 and 2017 respectively. The contribution rates of the district are determined pursuant to a collective-bargaining agreement, covering the period June 1, 2015 through May 31, 2019. The Plan has no minimum contribution requirements. If the District withdraws form the Plan, they will

NOTE 5 UNION EMPLOYEES PENSION PLAN (Continued)

be liable to the Plan in the amount determined under the Plan's Agreement & Declaration of Trust section 10 which can be found at http://www.wctpension.org/forms-documents-webcasts/plan-documents.

The WCTPP issues a publicly available financial report which can be obtained at http://www.wetpension.ort/forms-documents-webcasts/plan-documents. Additional information regarding the Plan may be obtained by accessing the aforementioned audited financial report.

District contributions to the Plan were $210,274, $201,929, and $186,437, for 2016, 2015, and 2014, respectively. The District did not have any amount due the Plan as of December 31, 2016.

NOTE 6 NON-UNION EMPLOYEES PENSION PLAN

Plan Description. The Magna Water District Defined Benefit Plan (the Plan) is a single-employer defined benefit pension plan. The Plan's provisions were adopted by a resolution of the Water District's Board of Trustees, which appoints those who serve as trustees of the Plan. Any amendments to the plan are adopted by a resolution of the Water District's Board of Trustees.

Benefits provided. The Plan covers all eligible employees and provides retirement benefits to plan members and their beneficiaries. Eligible employees are the executive employees who do not qualify to participate in the Union Employees Pension Plan described in the previous note.

Years of service required	Age eligibility for benefit	Monthly Benefit amount per year
5 years	Must be age 55 or older	$204.38 per year of credited service

Participation. As of December 31, 2016, there were 4 active participants, -0- inactive participants and -0- retirees and beneficiaries.

Contributions. Through December 31, 2016 contributions to the Plan were recommended by the annual actuarial report and are approved by the Water District's Board of Trustees. As of January 1, 2014 a contribution bases on a fixed dollar amount was approved by the Water District's Board of Trustees. The dollar amount will be reviewed by the Board of Trustees annually as updated actuarial valuation reports become available. The Board of Trustees approved a contribution of $188,030 for 2015, $188,080 for 2016 and $120,419 for 2017 through 2034. This contribution rate is consistent with the Water District's adopted Plan funding policy which is focused on keeping the Plan's funding at 100% within 8 years. Post 2034 contributions are assumed equal to the $55,644 from the 01/01/2017 plan funding valuation. The actual amount contributed by the employer during the 2016 fiscal year was $188,030.

Reporting. The Plan issues a publicly available financial report that includes statements and required supplementary information of that plan. This report may be requested

By Mail: Magna Water District
District Controller's Office
8885 West 3500 South
Magna, UT 84044

By Email: leisle@magnawater.com
By Phone: 801-250-2118 ext. 107

NOTE 6 NON-UNION EMPLOYEES PENSION PLAN (Continued)

Net Pension Liability. At December 31, 2016, the District reported a net pension liability of $202,866. The net pension liability was measured as of December 31, 2016, and was determined by an actuarial valuation as of January 1, 2016 and rolled-forward using generally accepted actuarial procedures.

Deferred outflows of resources and deferred inflows of resources. At December 31, 2016, the District reported deferred outflows of resources and deferred inflows related to pensions from the following sources:

	Deferred inflows of resources	Deferred outflows of resources
Differences between expected and actual experience	$ -	$ 18,100
Changes of Assumptions		313,988
Net difference between projected and actual earnings		27,229
Contributions made subsequent to measurement date		
Total	$ -	$ 359,317

Pension expense. For the year ended December 31, 2016, the District recognized pension revenue of $9,823:

Average remaining service as of the beginning of the year is: 6.75

Year ended December 31	Deferred outflows (inflows of resources)
2017	55,444
2018	55,444
2019	55,444
2020	55,444
Thereafter	137,541

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0%
Salary increases	0%
Investment rate of return	5%
Mortality	1994 Group annuity mortality table using blended rate No pre-retirment mortality was used.

Long-term rate of return. The long-term rate of return is selected by the Plan's Pension Committee after a review of expected inflation and long-term real returns, reflecting volatility and correlation. Best estimates of arithmetic real rates of return for major asset class included in the Plan's target asset allocations as of December 31, 2016 is summarized in the table below:

NOTE 6 NON-UNION EMPLOYEES PENSION PLAN (Continued)

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Return
Cash & Fixed Income	100%	3.00%	3.00%
Total	100%		3.00%
		inflation	2.00%
		Expected arithmetic nominal return	5.00%

The 5% assumed investment rate of return is comprised of an inflation rate of 2% and a real return of 3%.

Discount rate. The discount rate used to measure the total pension liability was 5%. The projection of cash flows used to determine the discount rate assumed contributions rates as recommended by the District's Pension Committee and approved by the Board of Trustees. Based on the assumptions, the pension plan fiduciary net position was projected to be available to make all projected future benefit payments on current active and inactive participants. 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 following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 5%.

	1% Decrease 4%	1% Discount Rate 5%	1% increase 6%
Total pension liability	$ 1,177,407	$ 1,017,441	$ 887,556
Fiduciary net position	$ 814,575	$ 814,575	$ 814,575
Net pension liability	$ 362,832	$ 202,866	$ 72,981

Schedule of funding progress. The following tables show the pension plan's funding progress over the past 8 years.

Year ended	Actuarial determined contribution	Actual employer contribution	% of actual to actuarial contribution	Balance net pension obligation/ prepaid
12/31/2016	$ 92,570	$ 188,030	203.12%	$ 95,460
12/31/2015	$ 101,980	$ 257,245	252.25%	$ 155,265
12/31/2014	$ 79,336	$ 119,526	150.66%	$ 40,190
12/31/2013	$ 87,908	$ 91,092	103.62%	$ 3,184
12/31/2012	$ 93,980	$ 18,778	19.98%	$ (75,202)
12/31/2011	$ 93,980	$ 91,092	96.93%	$ (2,888)
12/31/2010	$ 92,814	$ 115,793	124.76%	$ 22,979
12/31/2009	$ 66,274	$ 91,092	137.45%	$ 24,818

NOTE 6 NON-UNION EMPLOYEES PENSION PLAN (Continued)

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability	Unfunded AAL (UAAL)	Funded ration	Approximate covered payroll	UAAL as a % of covered payroll
12/31/2016	$ 814,575	$ 1,017,441	$ 202,866	80.06%	$ 404,799	50.12%
12/31/2015	$ 613,688	$ 955,070	$ 341,382	64.26%	$ 407,340	83.81%
12/31/2014	$ 416,028	$ 462,164	$ 46,136	90.02%	$ 355,160	12.99%
12/31/2013	$ 455,985	$ 431,710	$ (24,275)	105.62%	$ 368,051	-6.60%
12/31/2012	$ 356,836	$ 222,149	$ (134,687)	160.63%	$ 354,104	-38.04%
12/31/2011	$ 309,296	$ 222,149	$ (87,147)	139.23%	$ 353,342	-24.66%
12/31/2010	$ 213,768	$ 189,863	$ (23,905)	112.59%	$ 455,185	-5.25%
12/31/2009	$ 91,092	$ 66,274	$ (24,818)	137.45%	$ 232,081	-10.69%

NOTE 7 UNION EMPLOYEES OTHER POSTEMPLOYMENT BENEFITS

In accordance with the Union contract, the District contributes at the rate of $111.66 per active employee to the Utah-Idaho Teamsters Security Fund, which in turn provides post-retirement healthcare benefits to all eligible retired employees. Contributions to the fund amounted to $26,798 for 2016.

NOTE 8 NON-UNION EMPLOYEES OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The District administers a single-employer defined benefit healthcare plan (the "OPEB Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the District's group health insurance plan, which covers both active and retired members. It also provides life and long-term care insurance for eligible retirees through age 75. Benefit provisions are established by the Board of Trustees and are defined in the District's Administrative Rules and Regulations. The OPEB Plan does not issue a publicly available financial report.

Funding Policy. The District contributes 100 percent of the cost of current-year premiums for eligible retired plan members and their spouses. For fiscal year 2016, the District contributed $36,270 to the OPEB Plan. The OPEB Plan is financed on a pay-as-you-go basis. It is the current policy of the District to set aside funds in a separate interest bearing account, which is held by the District, in order to help meet, at least partially, the anticipated obligations of the OPEB Plan. As of December 31, 2016, the District had set aside $1,234,689 for the purpose of funding current and future OPEB obligations. However, as these funds are not held in trust and are unrestricted assets of the District, as no external restriction has been placed upon them, they are not considered assets of the OPEB Plan.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The District has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the OPEB Plan:

NOTE 8 NON-UNION EMPLOYEES OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual required contribution	$ 505,446
Interest on net pension obligation	11,890
Adjustment to annual required contribution	(38,986)
Annual pension cost	478,350
Contributions made	(36,270)
Increase (decrease) in net pension obligation	442,080
Net pension obligation - beginning of year	792,609
Net pension obligation - end of year	$ 1,234,689

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the two preceding years were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	$ 175,112	11.81%	$ 635,047
12/31/2015	181,444	13.16%	792,609
12/31/2016	478,349	7.58%	1,234,688

Funded Status and Funding Progress. As of December 31, 2016, the actuarial accrued liability for benefits was $4,161,504, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $582,520, and the ratio of the unfunded actuarial liability to the covered payroll was 714 percent. Because the OPEB Plan is 100% Unfunded, no schedule of Funding progress has been presented in the required supplementary information.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 8 NON-UNION EMPLOYEES OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at ages ranging from 59 to 69, or at the first subsequent year in which the member would qualify for benefits.

Marital Status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2010 United States Life Tables for Males and Females were used.

Turnover – Non-group-specific age-based turnover data from GASB Statement 45 was used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 6.0 percent was used for years 2016 and after.

Health insurance premiums - 2015 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid. *Inflation rate* – The expected long-term inflation assumption of 1.5 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in *The 2014 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds* for an intermediate growth scenario.

Payroll growth rate – The expected long-term payroll growth rate was assumed to equal the rate of inflation. Based on the historical and expected returns of the District's short-term investment portfolio, a discount rate of 1.5 percent was used. In addition, a simplified version of the projected unit cost method was used. The unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis. The remaining amortization period as December 31, 2016, was twenty years.

NOTE 9 DEFINED CONTRIBUTION PLAN

Eligible (non-union) employees of the District may participate in the Magna Water District 401(k) Plan. The 401(k) Plan permits additional matching contributions up to three percent of eligible employee compensation. The District contributed $16,455, $13,199 and $10,790 for the years ended December 31, 2016, 2015, and 2014, respectively.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; and natural disasters for which the District purchased insurance through commercial policies.

NOTE 11 COMMITMENTS

The District has entered into an agreement with the Jordan Valley Water Conservancy District to purchase a minimum of 800 acre feet of water annually. During the year ended December 31, 2016 the District purchased 822.90 acre feet, at a cost of $315,243.

The District has construction commitments outstanding at year end for projects which have been awarded and construction or design has begun, but which have not been paid for at year end. Total unpaid construction commitments at December 31, 2016 were approximately $469,000 on an original contract totaling approximately $4,986,000.

NOTE 12 CONTINGENCIES

Contamination of the groundwater aquifer by perchlorate, a potentially hazardous substance leaked into the groundwater by private industry and the federal government, has been studied and closely monitored by the District and the private industrial firm currently involved. The private firm has been paying a portion of the District's costs of these efforts. The District and the firm entered into an agreement in December 2005 concerning the removal of perchlorate from water produced by three of the District's wells. Under the agreement, the firm agreed to pay for a substantial portion of the new treatment facility constructed by the District and for a portion of the operation and maintenance of that facility. The District issued bonds to finance this treatment facility and during 2016 the District received $-0- (fixed service cost) from the private industrial firm in connection with this agreement, which is reflected as other non-operating income on the statement of revenues, expenses, and changes in net position. The District also accrued as receivable approximately $156,000 in variable service cost from the private industrial firm in connection with its share of operations and maintenance costs of the facility, which has been recorded as an offset to various expense accounts of the District on the statement of revenues, expenses, and changes in net position. The agreement has a provision for a partial refund to the firm if future perchlorate standards merit such a refund. There is also a limited waiver of liability for the firm, subject to the terms and conditions of the agreement.

REQUIRED SUPPLEMENTAL INFORMATION

MAGNA WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
Years ended December 31, 2016 and two preceding years

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - 10 YEARS

	2016	2015	2014
Total Pension Liability			
Service Cost	$ 32,718	$ 34,243	$ 75,558
Interest on total pension liability	49,389	24,820	33,039
Effect on economic/demographic (gains) or losses	(19,736)	65,248	-
Effect of assumption changes and inputs	-	368,595	-
Benefit payments	-	-	(231,637)
Net change in total pension liability	$ 62,371	$ 492,906	$ (123,040)
Total pension liability, beginning	$ 955,070	$ 462,164	$ 585,204
Total pension liability, ending (a)	$ 1,017,441	$ 955,070	$ 462,164
FIDUCIARY NET POSITION			
Employer Contributions	$ 188,030	$ 257,245	$ 119,526
Investment income net of investment expenses	12,857	9,629	2,940
Benefit payments	-	-	(231,637)
Administrative expenses	-	-	-
Net change in plan fiduciary net position	$ 200,887	$ 266,874	$ (109,171)
Fiduciary net position, beginning	$ 613,688	$ 346,814	$ 455,985
Fiduciary net position, ending (b)	814,575	613,688	346,814
Net pension liability, ending (a) - (b)	$ 202,866	$ 341,382	$ 115,350
Fiduciary net position as a % of total pension liability	80.06%	64.26%	75.04%
Covered payroll	$ 404,799	$ 407,340	$ 355,160
Net pension liability as a % of covered payroll	50.12%	83.81%	32.48%

This schedule is intended to present 10 years of information. Subsequent years will be added as the information becomes available.

MAGNA WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION (Continued)
Years ended December 31, 2016 and 2014

Year	Actuarial determined contribution	Contributions in relation to Actuarial determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of Covered-employee payroll
2016	$ 92,570	$ 188,030	$ (95,460)	$ 404,799	46.45%
2015	$ 101,980	$ 257,245	$ (155,265)	$ 407,340	63.15%
2014	$ 79,336	$ 119,526	$ (40,190)	$ 355,160	33.65%
2013	$ 87,908	$ 91,092	$ (3,184)	$ 368,051	24.75%
2012	$ 93,980	$ 18,778	$ 75,202	$ 354,104	5.30%
2011	$ 93,980	$ 91,092	$ 2,888	$ 353,342	25.78%
2010	$ 92,814	$ 115,793	$ (22,979)	$ 455,185	25.44%
2009	$ 66,274	$ 91,092	$ (24,818)	$ 232,081	39.25%

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

Note 1 - Valuation Date

The valuation date is January 1, 2016. This is the date as of which the actuarial valuation was performed. The Measurement Date is December 31, 2016. This is the date as of which the net pension liability is determined. The Reporting Date is December 31, 2016. This is the employer's fiscal year ending date.

Note 2 - Methods and Assumptions used to determine contribution rates

Actuarial cost method	Entry Age Normal
Asset Valuation method	Current Asset Values
Discount Rate	5.00%
Expected long-term rate of return on plan assets	5.00%
Projected salary increases incorporated into the calculation	0
Projection inflation rate increases	0
Projected rate of post-retirement benefit cost increases	0
Mortality Tables	1994 GAM Blended

OTHER SUPPLEMENTAL INFORMATION

MAGNA WATER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For The Year Ended December 31, 2016

Operating Revenues:	
Charges for services:	
Water sales - culinary	$ 3,308,271
Water sales - secondary	218,681
Sewer service charges	2,762,599
Connection fees and other income	343,914
Total Operating Revenues	6,633,465
Operating Expenses:	
Salaries and benefits:	
Salaries and wages - plant	999,441
Salaries and wages - office	666,492
Trustees' salaries	15,000
Payroll taxes and fringe benefits	1,247,346
Total salaries and benfits	2,928,279
Contractual services:	
Legal	88,624
Lobbyist fees	15,000
Accounting	22,000
Engineering	309,408
Data processing services	44,012
Janitorial	4,500
Lab and testing	85,188
Total contractual services	568,732
Materials and supplies:	
Repairs, maintenance, and supplies	741,072
Office supplies and postage	69,911
Water purchased	315,367
Total materials and supplies	1,126,350
Utilities:	
Electricity and fuel for water production and sewer processing	587,503
Office and general, electricity and fuel	13,709
Telephone and paging	42,941
Total materials and supplies	644,153
Depreciation and amortization	3,012,787

MAGNA WATER DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)
For The Year Ended December 31, 2016

Lease expense	10,774
Other operating expenses:	
Transportation	50,894
Bad debts	12,875
Insurance	83,338
Training	47,584
Miscellaneous	293,079
Total other operating expenses	487,770
Operating Income (Loss)	(2,145,380)
Nonoperating Revenues (Expenses):	
Property tax revenue	2,492,552
Non-resident fee in lieu of property tax	115,463
Impact fees	930,770
Gain (loss) on sale of assets	22,515
Other non-operating income	-
Interest income	203,821
Interest expense	(266,603)
Total Nonoperating Expenses	3,498,518
Income Before Capital Contributions	1,353,138
Capital Contributions	365,810
Change In Net Position	$ 1,718,948

MAGNA WATER DISTRICT
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION – COMPARED TO BUDGET
For The Year Ended December 31, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Operating Revenues:				
Water sales	$ 3,594,000	$ 3,594,000	$ 3,526,952	$ (67,048)
Sewer service charges	2,500,000	2,500,000	2,762,599	262,599
Connection fees and other income	361,400	361,400	343,914	(17,486)
Total Operating Revenues	6,455,400	6,455,400	6,633,465	178,065
Operating Expenses:				
Salaries and benefits	3,032,500	3,032,500	2,928,279	104,221
Contractual services	587,200	587,200	561,714	25,486
Materials and supplies	1,367,200	1,367,200	1,130,577	236,623
Utilities	697,900	697,900	643,953	53,947
Depreciation and amortization	3,317,000	3,317,000	3,012,787	304,213
Lease expense	17,000	17,000	17,792	(792)
Other operating expenses	397,850	397,850	483,743	(85,893)
Total Operating Expenses	9,416,650	9,416,650	8,778,845	637,805
Operating Income (Loss)	(2,961,250)	(2,961,250)	(2,145,380)	(459,740)
Nonoperating Revenues:				
Property tax revenue	2,040,008	2,050,987	2,492,552	441,565
Non-resident fee in lieu of property tax	53,000	53,000	115,463	62,463
Impact fees	610,000	610,000	930,770	320,770
Gain (loss) on sale of assets	33,000	33,000	22,515	(10,485)
Other non-operating income	335,000	335,000	-	(335,000)
Interest income	115,000	115,000	203,821	88,821
Total Nonoperating Revenues	3,186,008	3,196,987	3,765,121	568,134
Nonoperating Expenses:				
Interest expense	265,800	265,800	266,603	(803)
Total Nonoperating Expenses	265,800	265,800	266,603	(803)
Income Before Capital Contributions	(41,042)	(30,063)	1,353,138	109,197
Capital Contributions	720,000	720,000	365,810	(354,190)
Change In Net Position	$ 678,958	$ 689,937	$ 1,718,948	$ (244,993)

MAGNA WATER DISTRICT

SUPPLEMENTAL REPORTS

DECEMBER 31, 2016

MAGNA WATER DISTRICT
SUPPLEMENTAL REPORTS
TABLE OF CONTENTS
For The Fiscal Year Ended December 31, 2016

Page

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* 1

Independent Auditor's Report in Accordance with the *State Compliance Audit Guide o*n:

- Compliance With General State Compliance Requirements
- Internal Control Over Compliance 3

Schedule of Findings and Questioned Costs 5

Management's Response to the Findings and Recommendations 6

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

Board of Trustees
Magna Water District
Magna, Utah

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 statement of the governmental activities and each major fund of Magna Water District (the District), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 31, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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 result 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.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
July 31, 2017

INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE* ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS AND INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Magna Water District
Magna, Utah

Report on Compliance with General State Compliance Requirements

We have audited Magna Water District's (the District) compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on the District for the year ended December 31, 2016.

General state compliance requirements were tested for the year ended December 31, 2016 in the following areas:

Budgetary Compliance
Fund Balance
Open and Public Meetings Act
Public Treasurer's Bond
Impact Fees

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the 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 compliance requirements referred to above that could have a direct and material effect on the District occurred. An audit includes examining, on a test basis, evidence about the 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 with general state compliance requirements. However, our audit does not provide a legal determination of the District's compliance.

Opinion on General State Compliance Requirements

In our opinion, Magna Water District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the District for the year ended December 31, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying schedule of findings and recommendations as item B-1.

The District's response to the noncompliance findings identified in our audit is described in the accompanying Management's Response to the Findings and Recommendations. The 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 the District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the compliance requirements that could have a direct and material effect on the District to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general 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 the 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of finds and recommendations as items B-1.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying Management's Response to the Findings and Recommendations. The 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.

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.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
July 31, 2017

MAGNA WATER DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

A. FINDINGS - FINANCIAL AUDIT AND GOVERNMENT AUDITING STANDARDS

A1. None Noted

B. FINDINGS – STATE COMPLIANCE AUDIT GUIDE

B1. Impact Fee Report

Finding

Utah code 11-36A-601(4) requires recipients of impact fees to prepare a report providing certain information regarding impact fees. This report must be "certified by local political subdivision's chief financial officer; and transmitted to the state auditor within 180 days after the day of which the fiscal year ends." During our audit we noted that the District has not issued the required impact fee report to the state auditor. Therefore, the District is not in compliance with the requirements of UT code 11-36A-601(4). This appears to be the result of an oversight by the controller.

Recommendation

We recommend that Magna Water District comply with the requirements of UT code 11-36A-601(4).

MAGNA WATER DISTRICT
MANAGEMENT'S RESPONSE TO THE FINDING AND RECOMMENDATIONS
For the Year Ended December 31, 2016

Management recognizes the finding and agrees with the recommendation of the auditors. Management from this time forward will submit the required impact fee information in the format required by the State Auditor's Office within 180 days of their year end of December 31, which would be due by June 30.

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2017 Bonds, Gilmore & Bell, P.C., Bond Counsel to the District, proposes to issue their final approving opinion in substantially the following form.

We have acted as bond counsel for Magna Water District, Utah (the "Issuer"), in connection with the issuance by the Issuer of its $_____ General Obligation Bonds, Series 2017 (the "Bonds") pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and other applicable provisions of law; (ii) resolutions of the Issuer adopted on January 12, 2017 and August 10, 2017 (the "Resolutions"), which provide for the issuance of the Bonds; and (iii) a bond election held within the Issuer on November 8, 2016.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

1. The Resolutions have been duly adopted by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer.

2. The Bonds are valid and binding general obligations of the Issuer for the payment of which the full faith and credit of the Issuer are pledged and for the payment of which ad valorem taxes may be levied on all taxable property within the boundaries of the Issuer without limit as to rate or amount.

3. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is exempt from State of Utah individual income taxes.

We express no opinion herein regarding the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Bonds.

The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent applicable, and their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Respectfully submitted,

(This page has been intentionally left blank)

APPENDIX C

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by Magna Water District, Utah (the "Issuer") in connection with the issuance of the Issuer's General Obligation Bonds, Series 2017 in the aggregate principal amount of $_____ (the "Bonds"). The Bonds are being issued pursuant to resolutions of the Issuer adopted on January 12, 2017 and August 10, 2017 (together, the "Resolution"). The Issuer covenants and agrees as follows:

1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

2. Definitions. In addition to the definitions set forth in the Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories, or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board, the address of which is 1300 I Street, NW, Suite 1000, Washington DC 20005–3314; Telephone (202) 838–1500; Fax (202) 898–1500, and the website address of which is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

"Official Statement" shall mean the Official Statement of the Issuer dated _____, 2017, relating to the Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2–12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports. (a) The Issuer shall prepare an Annual Report and shall, or shall cause the Dissemination Agent to, not later than seven (7) months after the end of each fiscal year of the Issuer (presently December 31) commencing with the fiscal year ended December 31, 2017, provide an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) business days prior to said date, the Issuer shall provide its respective Annual Report to the Dissemination Agent (if other than the Issuer). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross–reference other

information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the Issuer may be submitted separately from the balance of their Annual Reports.

(b) If the Issuer is unable to provide an Annual report on or after the date required in subsection (a), the Issuer shall send electronic notice to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the dates for providing the Annual Report of the Issuer, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of the Issuer's annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If the Issuer's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the information of the type contained in tables in the Official Statement under the headings "DEBT STRUCTURE OF MAGNA WATER DISTRICT, UTAH," "FINANCIAL INFORMATION REGARDING MAGNA WATER DISTRICT, UTAH—Five–Year Financial Summaries," and "—Historical Ad Valorem Tax Rates," "—Taxable, Fair Market and Market Value Of Property," "—Historical Summaries Of Taxable Value Of Property," "—Tax Collection Record," and "—Some Of The Largest Taxpayers."

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such document incorporated by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the Issuer shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner but not more than ten (10) Business Days after the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other

material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vi) Defeasances;

(vii) Tender offers;

(viii) Bankruptcy, insolvency, receivership or similar proceedings; or

(ix) Rating changes.

(b) Pursuant to the provisions of this Section 5(b), the Issuer shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the Listed Event, if material:

(i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

(ii) Appointment of a successor or additional trustee or the change of the name of a trustee;

(iii) Non–payment related defaults;

(iv) Modifications to the rights of the owners of the Bonds;

(v) Bond calls; or

(vi) Release, substitution or sale of property securing repayment of the Bonds.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event under Section 5(b), whether because of a notice from the Paying Agent or otherwise, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the Issuer determines that the Listed Event under Section 5(b) would not be material under applicable federal securities laws, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB in an electronic format in a timely manner not more than ten (10) Business Days after the Listed Event. ·

6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the earlier of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non–appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

8. Amendment, Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, without the consent of the holders of the Bonds, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver does not, in and of itself, cause the undertakings herein to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Undertaking, any holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking shall be an action to compel performance.

11. Duties, Immunities and, Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence, gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2017.

MAGNA WATER DISTRICT

_____
Chair

ATTEST AND COUNTERSIGN:

_____
Controller

APPENDIX D

BOOK–ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited–purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non–U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post–trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book–entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly–owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at dtcc.com.

Purchases of 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2017 Bonds, except in the event that use of the book–entry system for the 2017 Bonds is discontinued.

To facilitate subsequent transfers, all 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2017 Bond documents. For example, Beneficial Owners of 2017 Bonds may wish to ascertain that the nominee holding the 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to

provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2017B Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2017 Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2017 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book–entry–only transfers through DTC (or a successor securities depository). In that event, 2017 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book–entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

(The remainder of this page has been intentionally left blank.)

MAGNA
WATER