



Linda Siebenhaar <lsiebenhaar@utah.gov>

Response to GRAMA Request

1 message

Linda Siebenhaar <lsiebenhaar@utah.gov>

Tue, Feb 3, 2015 at 11:10 AM

To: ncarlisle@sltrib.com

Cc: Nicole Davis <ndavis@utah.gov>

Bcc: John Dougall <jdougall@utah.gov>, Van Christensen <vchristensen@utah.gov>

Dear Mr. Carlisle:

This correspondence is in response to your email on January 28, 2015 in which you requested "all documents concerning Twin City Water Works, including any existing inventory of the responsive documents."

The Office of the Utah State Auditor has records responsive to your request which are attached, as follows:

1. Office of the Utah State Auditor workpaper showing our process and conclusions upon receiving a hotline complaint regarding Twin City Water Works (TCWW).
2. Supporting Documentation relating to our review, including information obtained from the Utah Department of Commerce.

Please be aware that all GRAMA requests are posted on our website as a matter of office practice. We do this to provide transparency and accountability to the public at large.

Linda Siebenhaar

Office of the Utah State Auditor

[801-538-1363](tel:801-538-1363)

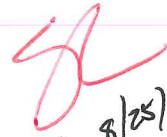
2 attachments

5SPA0 HilldaleTwin Cities Water Conclusion.pdf
634K **5SPA0 Hilldale Twin Cities Water Supporting Doc.pdf**
3656K

Twin City Water Works Inc.	5SPA0
Bruce Wisan Complaint	7/30/2014

Purpose:

To determine if OSA should look into Twin City Water Works Inc., Hilldale, Utah.


JK 8/25/14

Testwork:

We received a complaint from Bruce Wisan, court appointed trustee to oversee the United Effort Plan (UEP), concerning Twin City Water Works Inc. (TCWW). Bruce expressed concern over some of the expenditures that appeared improper between January 2002 and October 2009. In order to see if we could investigate such concern we investigated the formation of TCWW focusing on if the city of Hilldale had any direct relationship over TCWW and its board.

History:

TCWW was formed as a Utah Non-profit Corporation in October of 1974 with the charge of providing water to the cities of Hilldale, Utah, Colorado City, Arizona, and surrounding communities. The governing body is a minimum of three board of trustees (originally five board members were chosen). New trustees will be appointed by the sitting board of trustees for a specific term, death, or removal by a 2/3 board vote (*source: Articles of Incorporation of Twin City Water Works, 1974, retrieved 7/24/2014 via Utah.gov*).

In April 1996, TCWW reorganized as an Arizona Non-profit Corporation. Copies of the Arizona Articles of Incorporation are only available on microfilm. In lieu of requesting copies from the Arizona Commission on Corporations we contacted Vincent Barlow, Hilldale City Manager, and Richard Barlow, Hilldale City Treasurer, and inquired about the relationship between TCWW and the City of Hilldale. During our telephone conversation (Tuesday July 29, 2014) with Richard and Vincent we were assured that the city of Hilldale treats TCWW as a vendor. Hilldale does not appoint any board members to TCWW and only buys water and occasional maintenance. This explanation is consistent with original articles of incorporation obtained from Utah.gov.

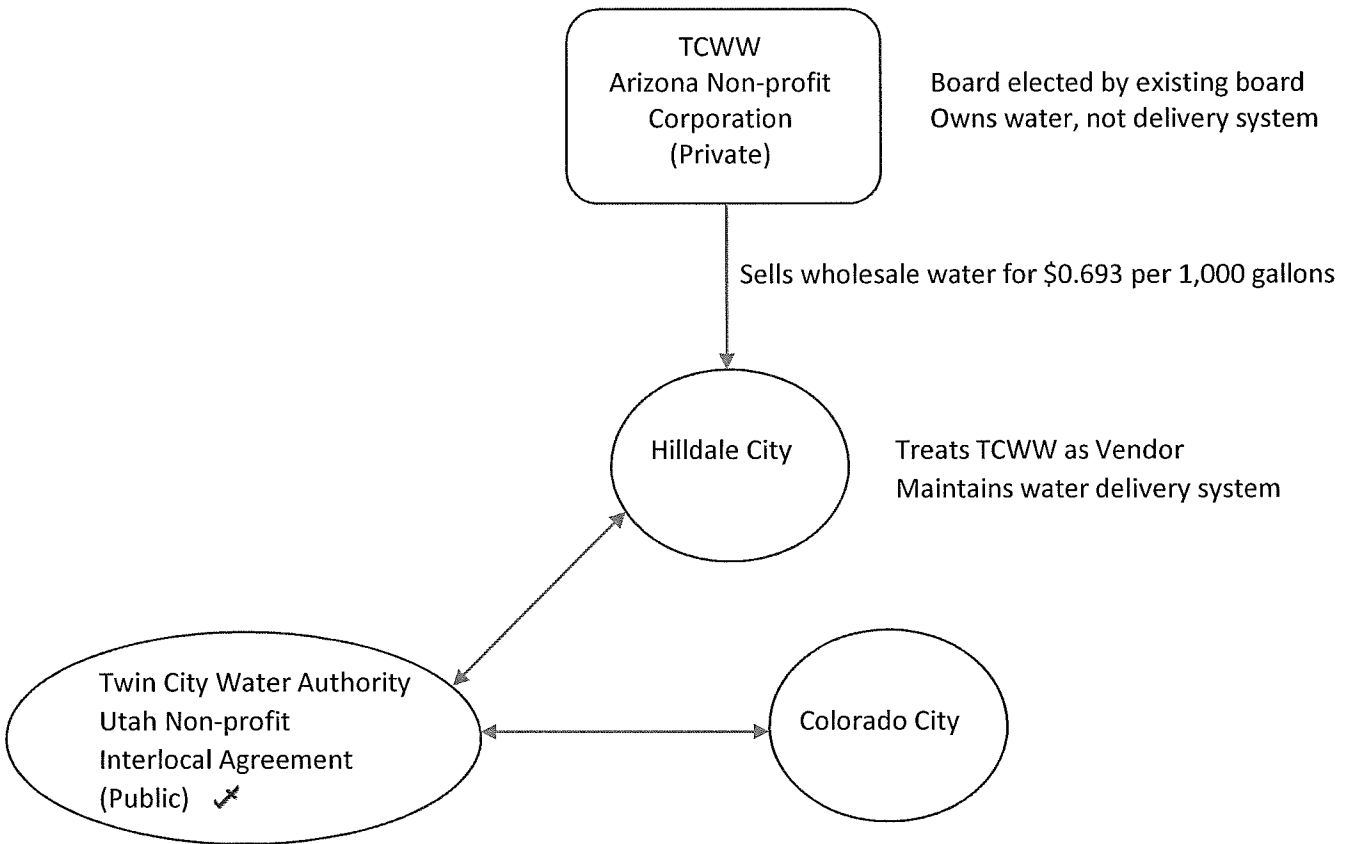
Water Rates:

We inquired about water rates because of the possibility of money laundering in such a close knit community. Per Richard Barlow, Hilldale City Treasurer, on its June 2014 invoice TCWW charged \$0.693 per 1,000 gallons of wholesale water. Other cities in Washington County Utah purchase wholesale water from Washington County Water Conservancy District (WCWCD). We contacted Melodie Sorenson, WCWCD Accountant, and she stated that WCWCD charges \$0.84 per 1,000 gallons for its wholesale water. Therefore, Hilldale City is paying approximately \$0.14 less per 1,000 gallons of wholesale water it purchases from TCWW.

Summary:

We determined that TCWW appears to be an Arizona Non-profit Corporation of which the city of Hilldale has no control. Therefore, we will not investigate further as we do not have authority to audit an Arizona Non-profit. If in the future it is proven the city of Hilldale does indeed have control and or

power over TCWW we may choose to investigate further. Furthermore, Hilldale City pays approximately 14 cents less per 1,000 gallons. TCWW does not appear to be overcharging Hilldale for its wholesale water. Further testwork is **NCN**.



- ✓ Formed as a Utah Non-profit and Co-Operative Association in 1996
- Board elected by mayors and city councils of Hilldale, Utah and Colorado City, Arizona
- Distributes water purchased from TCWW to residents of its boundaries
- Assume, guarantee, and repay debt used to build the water distribution system

AMENDMENT

EXPEDITE

1295955-0140

AMENDED AND RESTATED ARTICLES OF INCORPORATION
OF
TWIN CITY WATER AUTHORITY

I, the undersigned, for the purpose of forming a corporation pursuant to the Utah Non-Profit Corporation and Co-Operative Association Act. Utah Code Ann. § 16-6a-100 et. seq. (2014), in the capacity of the President of the Board of Directors, and acting on behalf of and with authorization from the Board of Directors, adopt the following Amended and Restated Articles of Incorporation. Member action is not required to restate these Articles. *Adopted on May 20, 2014*

ARTICLE 1

NAME

The name of the corporation is Twin City Water Authority. For convenience, the Corporation shall be referred to in this instrument as TCWA.

ARTICLE 2

DURATION

The existence of TCWA shall be perpetual.

ARTICLE 3

PURPOSES AND POWERS

TCWA does not contemplate pecuniary gain or profit to the members thereof. No part of the income of TCWA will be distributable to its directors or officers nor inure to the benefit of any private individual. All income collected shall be used solely to make payments to Rural Utility Service (hereinafter "RUS").

The specific purposes for which TCWA is formed are:

(a) to receive revenues generated from the water distribution systems of COLORADO CITY, ARIZONA, an Arizona municipal corporation (hereinafter

7-01-14
Date: 07/01/2014
Receipt Number: 5645513
Amount Paid: \$101.00
TEM

ARTICLE 5
DISSOLUTION

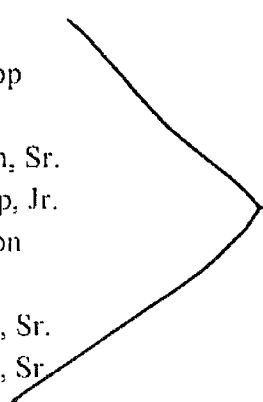
TCWA may be dissolved with the assent given in writing and signed by not less than two-thirds of the Directors in office. Upon dissolution of TCWA, other than incident to a merger or consolidation, the assets of TCWA shall be dedicated to an appropriate public agency to be used for purposes similar to those for which TCWA was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE 6
GOVERNING BOARD

The Board of Directors shall consist of nine (9) Directors, four (4) Directors to be appointed by the Mayor of Hildale with the approval of the Hildale City Council, four (4) Directors to be appointed by the Mayor of Colorado City with the approval of the Colorado City Town Council, and one (1) Director to be appointed by the joint designation of both Cities. The Directors of the Board shall be residents of Colorado City or Hildale. It is the intent that the Board of Directors shall consist of Directors from different fields of expertise within Hildale and Colorado City. The following shall constitute the Board of Directors:

Name

1. John Stewart
2. Jacob N. Jessop
3. Brian Jessop
4. Ralph Johnson, Sr.
5. Sterling Jessop, Jr.
6. Patrick Johnson
7. Craig Roundy
8. Berklee Holm, Sr.
9. Heber Barlow, Sr.



320 E. Newell
Hildale, UT 84784

07-01-14A08:19 RCVD

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Utah, the undersigned, being the President of the Board of Directors, and acting on behalf of and with authorization from the Board of Directors of this corporation, has executed these Restated Articles of Incorporation this 28th day of June, 2014.

Jacob M. Jessop
Jacob Jessop, President, TCWA Board of Directors

STATE OF UTAH)
)ss.
COUNTY OF Washington)

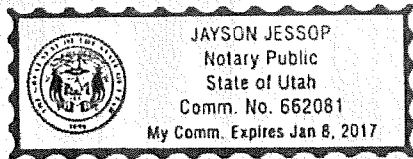
I, Jayson Jessop a Notary Public, hereby certify that on the 28 day of June, 2014, personally appeared before me, ^{Jacob M. Jessop} who being by me first duly sworn, declared to me that he is the person who signed the foregoing document as President of the Board of Directors, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 28 day of June, 2014.

Jayson Jessop
NOTARY PUBLIC

Residing at: Hildale, Utah

My Commission Expires: 1/8/17



State of Utah
Department of Commerce
Division of Corporations and Commercial Code
I hereby certified that the foregoing has been filed
and approved on this 01 day of July, 2014
in this office of this Division and hereby issued
This Certificate thereof.

Examiner Kathy Berg Date 7-2-14
Kathy Berg
Kathy Berg
Division Director

undertakings of Colorado City and Hildale as set forth in the Interlocal Agreement. In so doing, the Governing Board shall exercise its special expertise in management of the water distribution system and the Town Council of Colorado City and the City Council of Hildale shall defer, to the expertise of, and act upon the recommendation of, the Governing Board as provided in the Interlocal Agreement.

ARTICLE 4
MEMBERSHIP

TCWA shall have no members.

ARTICLE 5
DISSOLUTION

TCWA may be dissolved with the assent given in writing and signed by not less than two-thirds of the Trustees in office. Upon dissolution of TCWA, other than incident to a merger or consolidation, the assets of TCWA shall be dedicated to an appropriate public agency to be used for purposes similar to those for which TCWA was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed, and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE 6
GOVERNING BOARD

The Board shall consist of seven (7) Trustees, three (3) Trustees to be appointed by the Mayor of Hildale with the approval of the Hildale City Council, three (3) Trustees to be appointed by the Mayor of Colorado City with the approval of the Colorado City Town Council; and one Trustee to be appointed by the joint designation

be a party or in which he may become involved by reason of his being or having been a Trustee of TCWA, whether or not he is a Trustee at the time such expenses are incurred, except when the Trustee is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification shall apply only when the Board of Trustees approves such settlement and reimbursement as being for the best interests of TCWA. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Trustee may be entitled.

ARTICLE 9

INCORPORATOR

The name and address of the incorporator is:

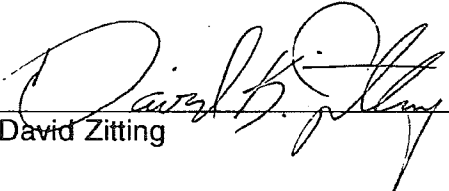
<u>Name</u>	<u>Street Address</u>	<u>City & State</u>
David Nuffer	90 East 200 North	St. George, UT 84770

ARTICLE 10

PRINCIPAL OFFICE

The location and address of the initial principal office shall be 320 E. Newell, Hildale, UT 84784. This office may be changed by the Board without amendment of the Articles of Incorporation. The registered agent at this address is David Zitting.

I, David Zitting, hereby accept appointment as the registered agent of this corporation.



David Zitting

**STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF CORPORATIONS AND COMMERCIAL CODE
PHONE: (801) 530-4849**



NON-PROFIT CORPORATION ANNUAL REPORT

RECEIVED
FEB 12 1998

The following information is on file in this office. Pursuant to Utah Law, all non-profit corporations must file their annual reports and corrections within the month of their anniversary date. Failure to do so will result in Delinquency, Suspension, then Revocation or Involuntary Dissolution of the corporate charter.

CORPORATE NAME, REGISTERED AGENT, REGISTERED OFFICE, CITY, STATE & ZIP		MAKE ALL CORRECTIONS IN THIS COLUMN
CORPORATION #	188517	N/A
	D 01/26/96	
1.	TWIN CITY WATER AUTHORITY	(Print New Agent Name) _____ <small>NEW AGENT MUST SIGN</small>
2.	DAVID ZITTING	320 E. Newell P.O. Box 841425
3.	320 E NEWELL	_____ <small>NEW REGISTERED STREET ADDRESS REQUIRED</small>
4.	HILDALE UT 84784	UTAH (New City) REGISTERED AGENT MUST BE IN UTAH (ZIP)

WHEN CHANGING THE REGISTERED AGENT THE NEW AGENT MUST SIGN. BOTH AGENT & ADDRESS CHANGES REQUIRE AN AUTHORIZED SIGNATURE ON LINE 14

5. INCORPORATED IN THE STATE AND UNDER THE LAWS OF UTAH

6. ADDRESS OF THE PRINCIPAL OFFICE IN THE HOME STATE.

320 E NEWELL
HILDALE UT 84784

(Street Address) _____ (City) _____
(State or Country) _____ (ZIP) _____

OFFICERS (Optional officers may be listed in space provided below.)

7. PRESIDENT
ADDRESS
CITY, STATE & ZIP

8. VICE PRESIDENT
ADDRESS
CITY, STATE & ZIP

9. SECRETARY
ADDRESS
CITY, STATE & ZIP

10. TREASURER
ADDRESS
CITY, STATE & ZIP

7. Jonathan Fischer
P.O. Box 241 425 N. Oak St.
Hildale, UT 84784

8. D. Robert Barlow
P.O. Box 231 185 N. Homestead St.
Colorado City, AZ. 86021

9. Joseph S. Alfred
P.O. Box 1443 455 N. Central
Colorado City, AZ 86021

MINIMUM OF THREE MUST BE LISTED IN SPACE PROVIDED BELOW.

GOVERNING BOARD OF TRUSTEES

11. NAME _____ ADDRESS _____ CITY, STATE & ZIP _____

12. NAME _____ ADDRESS _____ CITY, STATE & ZIP _____

13. NAME _____ ADDRESS _____ CITY, STATE & ZIP _____

11. _____

12. _____

13. _____

(Additional Officers or Governing Board of Trustees may be listed on the back of this form)

Under penalties of perjury and as an authorized officer, I declare that this annual report and, if applicable, the statement change of registered office and/or agent, has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete.

14. BY Joseph S. Alfred
MUST BE SIGNED BY A CORPORATE OFFICER OR TRUSTEE
Secretary

15. (Title or Position)

16. 2-9- 1998
(Date)

☺ IF THERE ARE NO CHANGES FROM THE PREVIOUS YEAR, AND YOU HAVE ALL CORPORATE REQUIREMENTS FILLED YOU MAY DETACH THE COUPON BELOW AND RETURN IT IN THE ENCLOSED ENVELOPE WITH YOUR PAYMENT. YOU MAY KEEP THE ABOVE REPORT FOR YOUR RECORDS. ☺

MAKE ALL CHANGES ON THE ANNUAL REPORT ABOVE.

**Utah Department of Commerce
Division of Corporations & Commercial Code
In person: 160 East 300 South, 1st Floor
Salt Lake City, Utah 84111
Fax: (801) 530-6111
Web site: http://www.commerce.state.ut.us**



FEB 01 2000

Utah Div. Of Corp. & Comm.

NON-PROFIT CORPORATION ANNUAL REPORT

The following information is on file in this office. Pursuant to Utah Law, all non-profit corporations must file their annual reports and corrections within the month of their anniversary date. Failure to do so will result in Delinquency, Suspension, then Revocation or Involuntary Dissolution of the corporate charter.

CORPORATE NAME, REGISTERED AGENT, REGISTERED OFFICE, CITY, STATE & ZIP		MAKE ALL CORRECTIONS IN THIS COLUMN
CORPORATION #	188517	N/A
	D 01/26/96	
1.	TWIN CITY WATER AUTHORITY	(Print New Agent Name) _____ <small>NEW AGENT MUST SIGN</small>
2.	DAVID ZITTING	_____
3.	320 E NEWEL BX 841425	<small>NEW REGISTERED STREET ADDRESS REQUIRED</small>
4.	HILDALE UT 84784	UTAH (New City) REGISTERED AGENT MUST BE IN UTAH (ZIP)

WHEN CHANGING THE REGISTERED AGENT, THE NEW AGENT MUST SIGN, BOTH AGENT'S ADDRESS CHANGES REQUIRE AN AUTHORIZED SIGNATURE ON LINE 13

5. INCORPORATED IN THE STATE AND UNDER THE LAWS OF **UTAH**

6. ADDRESS OF THE PRINCIPAL OFFICE IN THE HOME STATE.

**320 E NEWELL
HILDALE UT 84784**

(Street Address) _____ (City) _____
(State or Country) _____ (ZIP) _____

OFFICERS (Optional officers may be listed in space provided below.)

7. PRESIDENT **JONATHAN FISCHER** 7. _____
ADDRESS **425 N OAK ST**
CITY, STATE & ZIP **HILDALE UT 84784**

8. VICE PRESIDENT **D ROBERT BARLOW** 8. _____
ADDRESS **185 N HOMESTEAD ST**
CITY, STATE & ZIP **COLORADO CITY AZ 86021**

9. SECRETARY **JOSEPH S ALLRED** 9. _____
ADDRESS **455 N CENTRAL**
CITY, STATE & ZIP **COLORADO CITY AZ 86021**

10. TREASURER 10. _____
ADDRESS _____
CITY, STATE & ZIP _____

MINIMUM OF THREE MUST BE LISTED IN SPACE PROVIDED BELOW.

GOVERNING BOARD OF TRUSTEES

11. NAME **VAUGHN FISHER** 11. _____
ADDRESS **620 N CENTRAL POB 840516**
CITY, STATE & ZIP **HILDALE UT 84784**

12. NAME **JACOB N JESSOP** 12. _____
ADDRESS **755 N HAMMON ST BX 840075**
CITY, STATE & ZIP **HILDALE UT 84784**

13. NAME **LAMAR B JOHNSON** 13. _____
ADDRESS **1045 N CYN ST POB 840370**
CITY, STATE & ZIP **HILDALE UT 84784**

(Additional Officers or Governing Board of Trustees may be listed on the back of this form)

Under penalties of perjury and as an authorized officer, I declare that this annual report and, if applicable, the statement change of registered office and/or agent, has been examined by me and is, to the best of my knowledge and belief, true, correct, and complete.

14. BY *Joseph S Allred* _____
MUST BE SIGNED BY A CORPORATE OFFICER OR TRUSTEE

15. *secretary* _____
(Title or Position)

16. *1-26-2000* _____
(Date)

IF THERE ARE NO CHANGES FROM THE PREVIOUS YEAR, AND YOU HAVE ALL CORPORATE REQUIREMENTS FILLED YOU MAY DETACH THE COUPON BELOW AND RETURN IT IN THE ENCLOSED ENVELOPE WITH YOUR PAYMENT. YOU MAY KEEP THE ABOVE REPORT FOR YOUR RECORDS.

MAKE ALL CHANGES ON THE ANNUAL REPORT ABOVE.

Do not use this form to file a statement of resignation. This form is used to file a statement of resignation. When filing a statement of resignation, you must file the entire renewal.

WHEN REPLACING THE REGISTERED AGENT THE NEW AGENT MUST SIGN

Do not use this form to file a statement of resignation. This form is used to file a statement of resignation. When filing a statement of resignation, you must file the entire renewal.

RENEWAL

UNIT ID: 1295955-0140

REGISTRATION DATE: 05/10/11 12:00

1 REGISTERED NAME: TWIN CITY WATER AUTHORITY
(Required Information)

2 REGISTERED AGENT: _____
City State and Zip

3 REGISTERED ADDRESS: _____
City State and Zip

4 CITY & ZIP CODE: _____
City State and Zip

5 PURPOSE OF THE BUSINESS: _____

6 ADDRESS OF THE PRINCIPAL OFFICE IN THE HOME STATE: _____
City State and Zip

POSITION TO CHANGE	NAME	ADDRESS
1 <input type="checkbox"/> Add <u>JOSEPH S ALLRED</u> <input checked="" type="checkbox"/> Remove	<u>SECRETARY</u>	ADDRESS _____ CITY _____ STATE _____ ZIP _____
8 <input checked="" type="checkbox"/> Add <u>VICTOR Y JESSOP</u> <input type="checkbox"/> Remove	<u>SECRETARY</u>	ADDRESS <u>560 E Johnson Ave.</u> CITY <u>Colorado City</u> STATE <u>AZ</u> ZIP <u>86021</u>
9 <input type="checkbox"/> Add _____ <input type="checkbox"/> Remove	_____	ADDRESS _____ CITY _____ STATE _____ ZIP _____
10 <input type="checkbox"/> Add _____ <input type="checkbox"/> Remove	_____	ADDRESS _____ CITY _____ STATE _____ ZIP _____
11 <input type="checkbox"/> Add _____ <input type="checkbox"/> Remove	_____	ADDRESS _____ CITY _____ STATE _____ ZIP _____
12 <input type="checkbox"/> Add _____ <input type="checkbox"/> Remove	_____	ADDRESS _____ CITY _____ STATE _____ ZIP _____

I, the undersigned, do hereby certify that the information furnished herein is true and correct to the best of my knowledge and belief.

BY David Zitting VICTOR JESSOP
Title State of Arizona Secretary of State

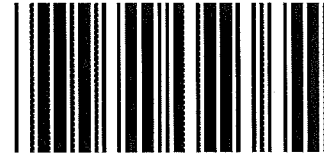
Title Registered Agent SECRETARY Date 2-6-2006

3-2-06

Victor Jessop
Secretary of State



State of Utah
DEPARTMENT OF COMMERCE
Division of Corporations & Commercial Code



Summary of Online Changes

Business Name: TWIN CITY WATER AUTHORITY

Entity number: 1295955-0140

Date of Filing: 01/21/2008

Principal Office Address:

Street320 E NEWEL AVE
P O Box 841425
CityHILDALE
StateUT
Zip84784-1425

Registered Agent: Vaughn Fischer

Registered Principals:

New Information (added or updated)

NameVAUGHN FISHER
PositionDirector
Address320 East Newel Ave
P O Box 841425
HILDALE, UT 84784-1425

New Information (added or updated)

NameLAMAR B JOHNSON
PositionDirector
Address320 East Newel Ave
P O Box 841425
HILDALE, UT 84784-1425

New Information (added or updated)

NameJOHN M BARLOW
PositionDirector
Address320 East Newel Ave
P O Box 841425

HILDALE, UT 84784

Old Information (removed or updated)

Name LAMAR B JOHNSON
Position Director
Address 1045 N CYN ST POB 840370
HILDALE, UT 84784

Old Information (removed or updated)

Name VAUGHN FISHER
Position Director
Address 620 N CENTRAL POB 840516
HILDALE, UT 84784

Old Information (removed or updated)

Name JONATHAN FISCHER
Position President
Address 425 N OAK ST
HILDALE, UT 84784

Old Information (removed or updated)

Name DAVID ZITTING
Position Registered Agent
Address 320 E NEWEL BX 841425
HILDALE, UT 84784

Old Information (removed or updated)

Name VICTOR Y JESSOP
Position Secretary
Address 560 E JOHNSON AVE
Colorado City, AZ 86021

Old Information (removed or updated)

Name D ROBERT BARLOW
Position Vice President
Address 185 N HOMESTEAD ST
COLORADO CITY, AZ 86021

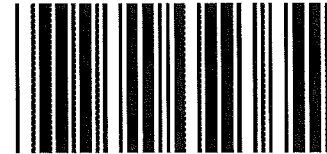
Victor Jessop 01/21/2008

Under GRAMA {63-2-201}, all registration information maintained by the Division is classified as public record. For confidentiality purposes, the business entity physical address may be provided rather than the residential or private address of any individual affiliated with the entity.



State of Utah
DEPARTMENT OF COMMERCE
Division of Corporations & Commercial Code

Summary of Online Changes



Business Name: TWIN CITY WATER AUTHORITY

Entity number: 1295955-0140

Date of Filing: 02/09/2009

Registered Principals:

Old Information (removed or updated)

Name LAMAR B JOHNSON

Position Director

Address 320 EAST NEWEL AVE

P O BOX 841425

HILDALE, UT 84784-1425

Victor Jessop 02/09/2009

Under GRAMA {63-2-201}, all registration information maintained by the Division is classified as public record. For confidentiality purposes, the business entity physical address may be provided rather than the residential or private address of any individual affiliated with the entity.

Name VAUGHN FISCHER
Position Registered Agent
Address 320 EAST NEWEL AVE
P O BOX 841425
HILDALE, UT 84784-1425

Old Information (removed or updated)

Name VICTOR Y JESSOP
Position Secretary
Address 320 EAST NEWEL AVE
P O BOX 841425
HILDALE, UT 84784-1425

Old Information (removed or updated)

Name KIMBAL BARLOW
Position Director
Address 320 EAST NEWEL AVE
P O BOX 841425
HILDALE, UT 84784-1425

Old Information (removed or updated)

Name JACOB N JESSOP
Position Vice President
Address 320 EAST NEWEL AVE
P O BOX 841425
HILDALE, UT 84784-1425

Old Information (removed or updated)

Name JONATHAN FISCHER
Position President
Address 320 EAST NEWEL AVE
PO BOX 841425
HILDALE, UT 84784-1425

Vincen Barlow 03/08/2013

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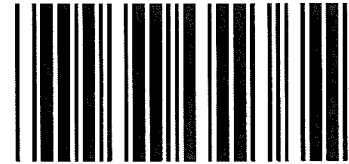


State of Utah

DEPARTMENT OF COMMERCE

Division of Corporations & Commercial Code

Summary of Online Changes



Business Name: TWIN CITY WATER AUTHORITY

Entity number: 1295955-0140

Date of Filing: 02/25/2014

NAICS – Business Purpose:

Code 2213

Description Water, Sewage and Other Systems

Registered Principals:

Old Information (removed or updated)

Name KIMBAL BARLOW

Position Secretary

Address 320 EAST NEWEL AVE
P O BOX 841425
HILDALE, UT 84784-1425

Old Information (removed or updated)

Name KIMBAL BARLOW

Position Secretary

Address 320 EAST NEWEL AVE
P O BOX 841425
HILDALE, UT 84784-1425

Old Information (removed or updated)

Name KIMBAL BARLOW

Position Secretary

Address 320 EAST NEWEL AVE
P O BOX 841425
HILDALE, UT 84784-1425

Old Information (removed or updated)

Name KIMBAL BARLOW

Position Treasurer

d. To engage in and carry on any lawful activities for the benefit of any person or institution designated by the governing authority of the Corporation.

e. To exercise any or all general powers granted to non-profit corporations incorporated under the laws of the State of Utah.

ARTICLE IV

No part of any net earnings from any source shall inure to the exclusive or personal benefit of any individual, nor shall any proceeds be divisible to the members, but all proceeds shall be used for the operation, maintenance, development and expansion in size and quality the facilities, systems and services available for use as designated by the Board of Trustees. This Corporation is in fact a non-profit Corporation.

ARTICLE V

In addition to the foregoing, this Corporation shall have and exercise all powers, rights and privileges, whether expressly set forth herein or not, provided by law for such corporations and may do any and all things which may be reasonably necessary, helpful or useful in carrying out any of the powers or purposes of this Corporation or in accomplishing any of its objectives.

ARTICLE VI

The Corporation may have non-voting members, the qualifications and benefits of which shall be determined by the Board of Trustees.

Entrance Qualifications for new members may be changed from time to time.

Members are not individually or personally liable for any debts or obligations of the Corporation.

Membership shall be evidenced by a Membership Certificate and by recording the name of the member in the membership register of the Corporation, however, such membership shall not pass by descent nor be transferrable, except as specifically provided

in the by-laws, nor carry title to any of the property or assets of the Corporation.

ARTICLE VII

The initial address of the principal office of the Corporation shall be Hildale, Utah.

ARTICLE VIII

The Corporation shall have a governing body which shall be designated "Board of Trustees" in which the sole and complete management of the Corporation shall be vested.

The Board of Trustees shall not be less than three in number provided that upon their own initiative and action the Board of Trustees may increase the board membership to any number deemed advisable for the best interest of the Corporation or decrease back to any number not less than three, and may appoint or dismiss trustees in accordance with such action.

The Board of Trustees shall exercise all powers of the Corporation.

New Trustees shall be appointed by the Board of Trustees and their term of office shall be until resignation, death or removal by a two-thirds (2/3) majority vote of all of the trustees.

All Board meetings shall be in full session whenever adequate time and notice has been given by the President or Secretary to each Board member of the time and place of the meeting, and a quorum of two-thirds (2/3) of all trustees are present. All decisions will require a majority vote of the quorum present, with the exception of removal from office of a Trustee, or adding a new Trustee to the Board, or the sale of Corporation assets, which actions require a two-thirds (2/3) majority vote of all Trustees.

No Trustee may vote Board meeting decisions by proxy, however the signing of the minutes shall constitute acceptance of decisions made and written into the minutes of the Board meetings.

The Board of Trustees shall formulate all policies and procedures for operation of the Corporation.

The Board of Trustees may adopt and from time to time change the By-Laws.

The Board of Trustees may designate a General Manager to act for and in behalf of the Board and to execute specific functions and powers vested in the Board of Trustees and made a part of the By-Laws.

ARTICLE IX

The names and addresses of the original incorporators, officers and the initial Board of Trustees are as follows:

Fred M. Jessop	Gen. Del.	Hildale, Utah 86021
Joseph S. Jessop	Gen. Del.	Hildale, Utah 86021
Edson P. Jessop	Gen. Del.	Hildale, Utah 86021
Joseph I. Barlow	Gen. Del.	Hildale, Utah 86021
Richard Allred	Gen. Del.	Hildale, Utah 86021

ARTICLE X

The Board of Trustees or officers shall not be liable for action in behalf of the Corporation and shall be entitled to indemnity by the Corporation should they be held personally in and action involving their acts as Trustees or officers, assuming they have acted in good faith.

ARTICLE XI

The private property of the members, incorporators, trustees and officers of this Corporation shall not be liable for the debts and obligations of the Corporation.

IN WITNESS WHEREOF, the incorporators and trustees have hereunto set their hands this 25th day of October, 1972.

Fred M. Jessop
Fred M. Jessop

Joseph S. Jessop
Joseph S. Jessop

Edson P. Jessop
Edson P. Jessop


Joseph I. Barlow Sr.
Joseph I. Barlow

Richard Allred
Richard Allred

STATE OF UTAH)
) ss.
COUNTY OF SALT LAKE)

I, Arthur L. Barlow, a Notary Public, hereby certify that on the 25th day of October, 1972, personally appeared before me Fred M. Jessop, Joseph S. Jessop, Edson P. Jessop, Joseph I. Barlow and Richard Allred, who being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 25th day of October, 1972.


Notary Public

My Commission Expires: October 28, 1974

My Residence is: Salt Lake City, Utah

HILDALE CITY
Notes to the Financial Statements
June 30, 2013

NOTE 7. Investment in Affiliates, Continued

Water Departments of Hildale/Colorado City

The Twin City Water Joint Management, Operations and Maintenance Agreement (the Water Departments) was formed on February 22, 1996 by the Town of Colorado City, Arizona and Hildale City, Utah (the municipalities). The Town of Colorado City, Arizona, pursuant to the provisions of Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (the "Arizona Joint Exercise of Powers Act") and the City of Hildale, Utah, pursuant to the provisions of Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Utah Interlocal Co-operation Act") entered into the "Inter-Governmental Agreement."

Each municipality has acquired its own water system which is independently owned and financed and reflected in the funds of the Water Departments. Each municipality's ownership percentage in the Water Departments was calculated based upon their population, footage of pipe, number of service connections, and value of distribution system within each municipality's boundary. Common operating revenues and expenses are also allocated based on said percentages.

The board of trustees consists of seven members—three appointed by the mayor and council of Hildale City and four members appointed by the mayor and council of Colorado City. Each member is entitled to one vote. The Hildale City council consists of a mayor and five council members. The Colorado City council consists of a mayor and six council members. Budgeting and financing is done by the board and is ratified by each municipality's council.

The Water Departments' audited financial statements as of June 30, 2013, can be obtained at the following address:

Hildale City
P.O. Box 840490
320 E. Newel Avenue
Hildale, Utah 84784

Called 7/18 435-874-2323
- Looky for Org. Structure
- Financial Statements

- Org. Structure - what is the plan - Creation Documents
- Board members - appointment of Board -
- July 1, 2004 - ~~July~~ June 30 2014 - Receipts & Disb.
- Discrimination - O/S obligations.
- Insurance Requirements. - Hildale partner ^{81.2} million.
- Where is the \$ going -
- Where are buying water from
- who sales to.
- Rates Reasonable.
- List of Customers - Payments & Billings Considered.

become involved with litigation against the Trust? Why are the Cities now actively seeking to frustrate the Fiduciary at every turn – repeatedly seeking to intervene in opposition to the Fiduciary? The only explanation for the actions of the Cities is that they are acting under the control of Warren Jeffs – rather than fulfilling their legal obligations.

Response to Assertion the Twin Cities have no control over TCWW or its Funds

The Twin Cities allege that they have no connection with or control over Twin City Water Works (“TCWW”), including its finances, and therefore the Fiduciary’s concerns about tithing donations made by TCWW are unfounded. Further, per the Twin Cities, there is “no credible support” for the Fiduciary’s “outrageous claim” that FLDS leadership are using TCWW as a slush fund for their personal whims.

The claims of no connection between the Twin Cities and TCWW ring hollow when one considers that the tithing checks which the Fiduciary attached to his opening memorandum are signed by then Colorado City Mayor Richard Allred. After Warren Jeffs had excommunicated Richard Allred and commanded him to resign his mayoral office, his son Joseph Allred, then Colorado City’s town clerk and a TCWW trustee, sought guidance from Warren Jeffs as to the proper use of TCWW funds:

In relations to the family expenses, the home utility bills and the cell phone bills for the mothers have been paid by Twin City Water Works. . . . Twin City Water Works, Inc. was started as a non-profit corporation in 1972 to be the community culinary water system. It operated as a community water system until 1996 when it sold the distribution system to the Cities, but maintained the ownership of the wells and the water rights.²⁰ It now sells bulk water to the towns (Hildale and Colorado City) and

²⁰The Fiduciary disputes the assertion in Mr. Allred’s letter that TCWW owns the water rights. All information in the Fiduciary’s possession (including the agreements between TCWW (continued...)

Lyle Jett

Richard Allred

maintains the wells. The Towns operate and maintain the water system through individual customer revenues and buy bulk water from Twin City Water Works. The revenue to this company has been about \$400,000 per year. Upon seeking counsel from Uncle Lyle, he directed me to continue the water company record keeping which Father was doing. In looking back over the expenses, about half of them have been for RJA home expenses. After counseling with Uncle Lyle, I have continued to pay some home expenses from the twin City Water Works account such as home utilities (almost \$4000 per month for the few months I have been here), mother's cell phones (about \$200-300/month), car insurance (one policy contains about half home and half company vehicles, about \$500 per month total), and a new van payment of \$900 per month. Several home vehicles are owned and were paid for by the company. Father had told me, and Uncle Lyle had confirmed it, that Father did the payments from company funds with Uncle Fred's approval, and he had also checked with Uncle William. There were a lot of other purchases before which were made by the company, especially home improvements on the old RJA home. If we choose to not pay home expenses with company funds, the company has enough income through bulk water sales that we would need to find a way to somehow get the extra revenue funds forwarded to the storehouse. In addition, the Storehouse would need to help the household here at least on the Utilities portion. The company has never been audited. Up to this time, especially with the company covering some expenses, the family needs have been met financially, and I have been able to occasionally turn in to the storehouse a surplus from the income made by the working family members. **I am seeking counsel on whether or not to continue paying some home bills from the company funds.**

Fred Jessop

April 23, 2006 Joseph Allred letter (emphasis in original) attached as Exhibit 7.

Cell phones for family members, new car payments, and home improvements for TCWW officers are a far cry from the approved uses of TCWW funds, as set forth in the agreement between TCWW and the Twin Cities, which include "extending lines and installing meters to provide service to new customers."²¹ Somewhere in the \$400,000 in annual revenue realized by TCWW, there

²⁰(...continued)

and the Twin Cities) indicates that the Trust is the owner of the water rights, and that TCWW has leased them from the Trust. Despite repeated requests, no copy of the lease has ever been received. As such, the Trust may be forced to initiate a quiet title action with respect to the water rights.

²¹See, Water Distribution System Operation and Maintenance Agreement, attached hereto
(continued...)

**Twin City Water Works
Payee Summary
January 2002 to October 2009**

Payee	# of Records	Total
Unidentified	2	12,188.29
A. T. I. Flooring	1	5,000.00
ALLCO	9	57,957.13
AT&T	2	60.36
Absolute Machinery	1	6,700.00
Advanced Mechanical Systems	1	98.20
Allen Allred	1	3,000.00
Alma Allred	1	1,358.79
Ameriroc Concrete Products	2	498.61
Anderson Lumber	1	1,797.32
Andrew A. Costa	1	12,000.00
Arizona Corporation Commission c/o Annual Reports Corp Div	8	95.00
Arizona Department of Revenue	24	1,899.01
Arizona Department of Water Resources	14	170.00
Arizona Motor Vehicle Division	49	11,531.29
Arizona Department of Economic Security	28	2,732.64
Arnold Machinery	1	348.72
Auto Owners Insurance	9	27,905.64
Avvid Corporation	1	360.00
BLM	1	200.00
Backyard Services	5	690.00
Bank of Ephraim	1	10,000.00
Barlow Builders	1	1,000.00
Bearing Belt and Chain	1	1,782.73
Bicycles Unlimited	1	713.89
Big State Ind Supply	1	309.06
Blue Ox Transportation	22	181,877.51
Blynco	1	3,397.41
Bonnie A. Zitting	90	119,020.32
Boulevard Home Furnishings	2	4,546.67
Brian Barlow	1	1,000.00
Burke's Tractor	6	115,215.00
CCUSD #14	2	90.00
CJ's	32	25,774.43
CMC Builders Supply	73	137,578.92
Canaan Peaks Engineering	1	2,035.00
Capital One	12	3,248.83
Capitol Building Materials	1	1,745.35
Century Equipment Co.	22	8,923.93
Childrens Resource Center	3	2,800.00
CinderCo	1	821.40
Citi Cards	1	741.61

Clark Color Labs	1	758.40
Clea Barlow	16	10,019.97
Colorado City Electric Dept.	48	403,672.57
Costco	1	370.84
Courtesy Ford	1	35,786.83
Craig L. Jessop	25	18,419.00
Cris Wyler	1	2,000.00
Dan Semick	2	23,800.00
Delco Western	19	68,878.09
Dezereta Inc.	24	46,490.49
Discount Tire	1	282.50
Division of Drinking Water	1	100.00
Dixie Leavitt Agency	16	2,125.00
Donald Richter Cabinets	10	53,434.53
EVCO	2	1,599.52
Excel Contracting	1	1,700.00
Ezra Jessop	12	4,432.80
Far West Bank	18	51,000.00
Ford Credit	26	34,708.53
Forestwood Automotive	18	10,486.39
Fred M. Jessop	12	18,455.00
Frehner Bearing	1	381.43
Full Compass	1	1,634.13
Garkane Energy	3	47,464.03
Geico Insurance	4	615.41
General Rock Products	15	68,423.34
Glen Knudson	1	700.00
Goodwork Const.	1	15,000.00
Harker Service	1	7,741.96
Hayward Tyler Services	2	336.38
Hildale Automotive	19	3,252.27
Hildale City	45	487,295.88
Ideal Mechanical	4	17,348.82
Isaac Jessop	27	9,973.80
J-Co Power Train	2	2,388.75
James Dockstader Construction	2	1,573.52
Jessop Drilling	1	360.40
Jollys	1	639.20
Jonathan Fischer	1	1,926.00
Jonathan J. Jessop	94	34,723.60
Jones Paint & Glass	1	848.94
Joseph Harker	1	1,200.00
Joseph S. Allred	9	15,237.75
Joseph S. Jessop	97	132,213.50
Kenworthy Ent.	1	398.44
Ladell Bistline Jr.	1	265.00
Leroy Harker	1	980.00

Leslie Jessop	29	26,273.30
Lorin S. Jessop	92	103,982.65
Lowel's Repair Service	1	542.50
Lyle Jessop	1	726.00
M & R Equipment	11	88,076.66
Mark Copeland	1	550.00
Marks Products, Inc.	1	405.50
Maxwell Fire & Safety	1	400.54
Maxwell Sales	4	324.73
Mechannex	2	410.89
Merlin Jessop	2	1,200.00
Michael Jessop	1	645.00
Modern Controls	5	15,274.72
Modern Tech	1	3,500.00
Monson Engineering	3	9,929.61
Mountain America CU	3	11,426.01
NAP Jessop	1	100.00
Nielson Door & Window	16	23,119.11
Nielson Wholesale Plumbing	10	4,800.60
Northwest United Industries	1	30,000.00
Oklahoma Tax Commission	1	68.00
Old West Transport	1	120.00
PCI-Compliance Service Department	1	35.90
Pacific Manufacturing	2	7,037.90
Page Brake	2	745.13
Paragon Contractors	1	7,000.00
Paramount Leasing, LLC	1	2,020.44
Paris Fish	1	15,500.00
Paul Steed	2	2,326.00
Payton Wright Ford	1	23,332.00
Perco Rock	1	802.50
Preferred Auto Care	51	33,091.86
Preston Digital Solutions	3	2,909.77
Quality Tire	3	4,066.08
Quill Corporation	22	9,148.11
RCS Reliance Communications	1	510.66
RJ's Equipment Supply Co.	2	1,626.61
RSB Mechanical	1	2,075.00
Rambo Concrete Pumping	1	250.00
Randall Rohbock	2	6,410.50
Rasmussen Equipment Co	23	18,844.59
Red Hills Supply	1	320.00
Reed Pump Supply Co	1	1,652.94
Reliable Office Supplies - Dept 8001	1	312.15
Reliance Electric	29	16,349.08
Reliance Lighting	2	1,276.45
Reliance Plumbing	13	36,091.98

Rhoda Dutson	1	1,018.03
Rhoda H. Jessop	96	98,679.90
Rons Sporting Goods	4	1,904.46
SCF of Arizona	31	23,303.28
Sam Fischer	1	1,500.00
Scholzen Products Co	75	373,282.55
Scott Machinery	1	597.44
Scott V. Jessop	101	186,418.00
Seal Source	2	408.04
Sears	2	2,020.22
Shingletons	3	11,102.34
Short Creek Station	12	6,280.83
Six States	11	13,095.84
Smith Group	1	12,554.46
South Central Communications	86	68,450.91
St. George Ford	2	359.81
Standard Fuel	2	68.37
Standard Supply	2	7,300.00
State Bank of Southern Utah	98	168,161.82
State Farm Insurance	87	50,558.68
State of Utah	3	29.00
Steed's Cleaning Systems	5	1,102.70
Steel-Tech, Inc. c/o James Broadbent	2	1,471.53
<u>Storehouse</u>	27	<u>145,103.82</u>
Streamline Automotive	58	24,539.39
Sun & Sand Services	2	4,245.00
Titus Jessop	38	14,037.20
Town of Colorado City	1	760.00
Transport Tire	1	225.00
Truman Barlow Property Taxes	4	18,000.00
Twin City Printing	2	2,022.00
U.S. Postal Service	14	1,081.00
U.S. Treasury	9	3,633.95
UCG Link	3	770.00
ULINE	2	943.21
United Welding	1	2,500.00
Utah Dept of Commerce	2	14.00
Utah Dept of Environ Quality	1	100.00
Utah Division of Water Rights	1	50.00
Utah State Engineer	1	275.00
Utah State Tax Commission	12	7,209.51
Uzona Home School	2	6,600.00
Victor Jessop	39	50,691.00
Viking Office Products	12	5,489.54
Washington County Assessor	6	281.92
Washington County Treasurer	2	7,933.26
Washington Mutual	2	8,514.93

Wedgewood Development	1	130.00
Wendell Johnson	1	1,950.00
William E. Jessop	5	30,500.50
William Shapley	7	878.34
World Image Printing	5	246.87
Worthington Direct	2	4,931.21
Zions Designs	2	9,218.60
		<hr/>
		4,308,811.00