



**MOUNTAIN REGIONAL WATER**  
**SPECIAL SERVICE DISTRICT**

June 15, 2013

Via electronic submission to [emma.msrb.org](http://emma.msrb.org)

Re: Supplemental Continuing Disclosure Undertaking of Mountain Regional Water Special Service District of Summit County, UT (the "District")

To Whom It May Concern:

In accordance with the provisions of paragraph (b) (5) (i) (A) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the District hereby files the enclosed (i) the Financial Statements of the District for the Fiscal Year Ended December 31, 2012 (the "2012 FS"); and (ii) the Supplemental Continuing Disclosure Memorandum of the District dated on or before June 28, 2013 (the "SCDM"). This letter, the 2012 FS, and the SCDM constitute the annual financial information and operating data concerning the District to be filed in compliance with the District's obligation under certain agreements entered into in connection with the offering of the following securities described in the following Official Statements:

**Public Issue Parity Bonds**

The District has the following outstanding public issue parity bonds:

**Series 2003 Water Revenue and Refunding Bonds \$ 33,000,000 (Fully Defeased)**  
CUSIP: 62426V  
AA5, AB3, AC1, AD9, AE7, AF4, AG2, AK3, AL1, AM9, AN7, AP2, AQ0, AR8, AS6, AH0, AJ6, AT4, AU1

**Series 2009B Water Revenue Refunding Bonds \$ 9,045,000**  
CUSIP: 62426V  
AV9, AW7, AX5, AY3, BD8, AZ0, BA4, BB2, BC0

**Series 2012 Water Revenue Refunding Bonds \$ 27,270,000**  
CUSIP: 62426V  
BE6; BF3, BG1, BH9, BJ5, BK2, BL0, BM8, BN6, BP1, BQ9, BR7, BT3, BV 8

**Direct Purchase Parity Bonds**

The District has issued the following outstanding direct purchase parity bonds to the State of Utah, for which no Official Statements were prepared, but disclosure is still required pursuant to the related supplemental indentures:

**Series 2002B Water Revenue Bonds \$ 357,000**

<b>Series 2006</b>	<b>Water Revenue Bonds</b>	<b>\$ 278,000</b>
<b>Series 2008</b>	<b>Water Revenue Bond</b>	<b>\$ 3,026,000</b>
<b>Series 2011A</b>	<b>Water Revenue Refunding Bonds</b>	<b>\$ 679,000</b>
<b>Series 2011B</b>	<b>Water Revenue Bonds</b>	<b>\$ 1,278,000</b>

To the best of our knowledge, no event described in paragraph (b) (5) (i) (c) of the Rule has occurred that is required to be disclosed with respect to any of the above-described securities; with the exception of the full defeasance of the Series 2003 Revenue and Refunding Bonds on June 13, 2012.

Sincerely,  
Mountain Regional Water Special Service District

A handwritten signature in black ink, appearing to read "Scott Green", with a long horizontal flourish extending to the right.

Scott Green  
Chief Financial Officer

**Supplemental  
Continuing Disclosure Memorandum  
For**



**MOUNTAIN REGIONAL WATER  
SPECIAL SERVICE DISTRICT  
Of Summit County, Utah**

Filed with

**Electronic Municipal Market Access**  
[emma.msrb.org](http://emma.msrb.org)

**Submitted and dated as of June 13, 2013**  
(Annual submission required by June, 28 2013)

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## 1. GENERAL

### A. Contact Person for Mountain Regional Water Special Service District (District)

As of the date of this Continuing Disclosure, the chief contact person for the District is:

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Mountain Regional Water  
6421 N Business Park Loop Road, Suite A  
PO Box 982320  
Park City, UT 84098  
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### B. Fiscal Year

The District's fiscal year is from January 1 to December 31.

## 2. PARITY BOND ISSUES

The District is providing this supplemental continuing disclosure for its three public issue bonds, one of which was fully defeased on June 13, 2012; as well as five direct purchase parity bonds issued to the State of Utah.

<b>A. Series 2003</b>	<b>Water Revenue and Refunding Bonds (Fully Defeased)</b>
<b>Amount</b>	<b>\$ 33,000,000</b>
<b>Issued</b>	<b>December 30, 2003</b>

#### Background Information

The Series 2003 Bonds were defeased on June 13, 2012 using the proceeds from the Series 2012 Water Revenue Refunding Bonds. All remaining maturities will be paid in full by the trustee on December 15, 2013. The Series 2003 Bonds were initially sold pursuant to negotiated sale to Wells Fargo Bank, Salt Lake City, Utah.

The Series 2003 Bonds were issued by the District as fully-registered bonds and are in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC is acting as securities depository for the Series 2003 Bonds.

Principal and interest on the Series 2003 Bonds (interest payable June 15 and December 15 of each year) are payable by Wells Fargo Bank NA, Denver, Colorado, as Paying Agent and Trustee (Wells Fargo), to the registered owners thereof, currently DTC.

#### Optional Redemption

The Series 2003 term bond maturing on December 15, 2017 in the amount of \$2.31 million was subject to redemption at any time after issuance, at the option of the District; at the redemption price of 100% plus accrued interest thereon to the date fixed for redemption. This term bond

maturing on December 15, 2017 was redeemed in 2009 with partial proceeds from the Series 2009B Bonds.

The remaining Series 2003 Bonds maturing on or after December 15, 2013 are subject to redemption at the option of the District on or after December 15, 2013; at the redemption price of 100% plus accrued interest thereon to the date fixed for redemption.

These bonds were fully defeased on June 13, 2012 from the proceeds of the Series 2012 Bonds. The Series 2012 Bonds proceeds have been placed in escrow with Wells Fargo; and will be used on December 15, 2013 to redeem in full all Series 2003 Bonds maturing on or after December 15, 2013 to the registered owners thereof, currently DTC. Scheduled interest payments for the Series 2003 Bond will also be paid from the escrow held by Wells Fargo as they become due on June 15 and December 15 each year through December 15, 2013.

Current Maturity Schedule

**Series 2003  
Water Revenue and Refunding Bonds <sup>(1)</sup>**

Original Issue:	\$ 33,000,000
Currently Outstanding:	29,890,000
Amount Defeased:	29,890,000
Net Currently Outstanding from the District:	\$ -

Due December 15	CUSIP 62426V	Principal Amount	Original Interest Rate
2017	AH 0	\$ 2,310,000	4.0%
2020	AK 3	430,000	4.50
2020	AJ 6	2,000,000	5.00
2021	AL 1	1,055,000	5.00
2022	AM 9	1,195,000	5.00
2023	AN 7	1,335,000	5.00
2024	AP 2	1,490,000	5.00
2025	AQ 0	1,655,000	3.50
2026	AR 8	1,840,000	5.00
2027	AS 6	2,025,000	5.00
2030	AT 4	7,340,000	5.00
2033	AU 1	9,525,000	5.00

(1) - All the Series 2003 bonds have been redeemed or defeased.

Credit Enhancement

The scheduled interest and principal payments on the Series 20003 Bonds were initially guaranteed by MBIA Insurance Corporation.

**B. Series 2009B Water Revenue Refunding Bonds**  
**Amount \$ 9,045,000**  
**Issued September 2, 2009**

Background Information

The Series 2009B Bonds were sold pursuant to negotiated sale to Stifel Nicolaus, Denver, Colorado. The Series 2009B Bonds were issued by the District as fully-registered bonds and are in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC is acting as securities depository for the Series 2009B Bonds.

Principal and interest on the Series 2009B Bonds (interest payable June 15 and December 15 of each year) are payable by Wells Fargo to the registered owners thereof, currently DTC.

Optional Redemption

The Series 2009B Bonds are not subject to early redemption.

Current Maturity Schedule

**Series 2009B**  
**Water Revenue Refunding Bonds**

Original Issue:	<u>\$ 9,045,000</u>
Currently Outstanding:	<u>\$ 8,295,000</u>

Due December 15	CUSIP 62426V	Principal Amount	Original Interest Rate
2013	AX 5	\$ 610,000	2.25%
2014	AY 3	1,525,000	2.75
2015	BD 8	300,000	4.00
2016	AZ 0	1,250,000	3.00
2016	BA 4	1,625,000	3.25
2017	BB 2	1,875,000	3.50
2018	BC 0	1,110,000	3.50

Current Ratings

Fitch Ratings A+  
Standard & Poors A+

Credit Enhancement

The scheduled principal and interest payments on the Series 2009B Bonds are guaranteed by Assured Guaranty Corp, which is currently rated "AA-" by Standard & Poor.

**C. Series 2012 Water Revenue Refunding Bonds**  
**Amount \$ 27,270,000**  
**Issued June 13, 2012**

Background Information

The Series 2012 Bonds were sold pursuant a competitive sale to Stifel Nicolaus, Denver, Colorado. The Series 2012 Bonds were issued by the District as fully-registered bonds and are in book-entry form only, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC is acting as securities depository for the Series 2012 Bonds.

Principal and interest on the Series 2012 Bonds (interest payable June 15 and December 15 of each year) are payable by Wells Fargo to the registered owners thereof, currently DTC.

Optional Redemption

The Series 2012 Bonds maturing on or after December 15, 2022 are subject to redemption at the option of the District; at the redemption price of 100% plus accrued interest thereon to the date fixed for redemption.

Current Maturity Schedule

**Series 2012  
Water Revenue Refunding Bonds**

Original Issue:	\$ 27,270,000
Amount Currently Outstanding from the District:	<u>\$ 27,270,000</u>

<b>Due December 15</b>	<b>CUSIP 62426V</b>	<b>Principal Amount</b>	<b>Original Interest Rate</b>
2018	BE 6	\$ 200,000	2.00%
2019	BF 3	1,355,000	4.00
2020	BG 1	1,410,000	4.00
2021	BH 9	1,465,000	4.00
2022	BJ 5	1,520,000	4.00
2023	BK 2	1,585,000	4.00
2024	BL 0	1,645,000	4.00
2025	BM 8	1,710,000	4.00
2026	BN 6	1,780,000	4.00
2027	BP 1	1,850,000	4.00
2028	BQ 9	1,925,000	4.00
2029	BR 7	2,005,000	4.00
2031	BT 3	4,240,000	3.50
2033	BV 8	4,580,000	5.00

Mandatory Sinking Fund

There is a mandatory sinking fund for two maturities:

- 1) The principal payments for the \$4,240,000 term bond due December 15, 2031.
- 2) The principal payments for the \$4,580,000 term bond due December 15, 2033.



### Current Ratings

Fitch Ratings      A+  
Standard & Poor    A+

### Credit Enhancement

The scheduled principal and interest payments on the Series 2012 Bonds are guaranteed by Assured Guaranty Municipal Corp, which is currently rated "AA-" by Standard & Poor.

**D. Series 2002B                      Water Revenue Bonds**  
**Amount                              \$ 433,000**  
**Issued                                July 1, 2003**

### Background Information

The Series 2002B Bonds were sold directly to the State of Utah Board of Water Resource to facilitate a zero interest state loan. The State of Utah Board of Water Resources is the registered owner of the Series 2002B Bonds.

Principal on the Series 2002B Bonds is payable by Wells Fargo to the registered owner thereof, the State of Utah Board of Water Resources.

### Optional Redemption

The Series 2002B Bonds are subject to redemption at any time at the option of the District, in inverse order of maturity; at the redemption price of 100%.

### Current Maturity Schedule

#### **Series 2002B Water Revenue Bonds**

Original Issue:	\$ 433,000
Amount Currently Outstanding from the District:	<u>\$ 63,000</u>

<b>Due June 15</b>	<b>CUSIP</b>	<b>Principal Amount</b>	<b>Original Interest Rate</b>
2013	n/a	<i>paid</i>	0.0%
2014	n/a	37,000	0.0
2015	n/a	26,000	0.0

### Current Ratings

These bonds were sold directly to the State of Utah, and are therefore unrated.

### Credit Enhancement

The Series 2002B Bonds are not insured.

**E. Series 2006 Water Revenue Bonds**  
**Amount \$ 278,000**  
**Issued March 31, 2006**

Background Information

The Series 2006 Bonds were sold directly to the State of Utah Board of Water Resource to facilitate a zero interest state loan. The State of Utah Board of Water Resources is the registered owner of the Series 2006 Bonds.

Principal on the Series 2006 Bonds is payable by Wells Fargo to the registered owner thereof, the State of Utah Board of Water Resources.

Optional Redemption

The Series 2006 Bonds are subject to redemption at any time at the option of the District, in inverse order of maturity; at the redemption price of 100%.

Current Maturity Schedule

**Series 2006  
Water Revenue Bonds**

Original Issue:	\$ 278,000
Amount Currently Outstanding from the District:	<u>\$ 110,000</u>

Due May 1	CUSIP	Principal Amount	Original Interest Rate
	n/a		
2013	n/a	<i>paid</i>	0.0%
2014	n/a	22,000	0.0
2015	n/a	22,000	0.0
2016	n/a	22,000	0.0
2017	n/a	22,000	0.0
2018	n/a	22,000	0.0

Current Ratings

These bonds were sold directly to the State of Utah, and are therefore unrated.

Credit Enhancement

The Series 2006 Bonds are not insured.

**F. Series 2008 Water Revenue Bonds**  
**Amount \$ 3,026,000**  
**Issued September 4, 2008**

Background Information

The Series 2008 Bonds were sold directly to the State of Utah Drinking Water Board to facilitate a low interest state loan. The State of Drinking Water Board is the registered owner of the Series 2008 Bonds.



Principal and interest on the Series 2011A Bonds (interest payable March 1 each year) are payable by Wells Fargo to the registered owner thereof, the State of Utah Drinking Water Board.

Optional Redemption

The Series 2011A Bonds are subject to redemption at any time at the option of the District, in inverse order of maturity; at the redemption price of 100% plus accrued interest thereon to the date fixed for redemption.

Current Maturity Schedule

**Series 2011A  
Water Revenue Refunding Bonds**

Original Issue:	\$ 679,000
Amount Currently Outstanding from the District	\$ 659,000

Due March 1	CUSIP n/a	Principal Amount	Original Interest Rate
2013	n/a	<i>paid</i>	1.52%
2014	n/a	10,000	1.52
2015	n/a	34,000	1.52
2016	n/a	34,000	1.52
2017	n/a	35,000	1.52
2018	n/a	35,000	1.52
2019	n/a	36,000	1.52
2020	n/a	36,000	1.52
2021	n/a	37,000	1.52
2022	n/a	38,000	1.52
2023	n/a	38,000	1.52
2024	n/a	39,000	1.52
2025	n/a	39,000	1.52
2026	n/a	40,000	1.52
2027	n/a	40,000	1.52
2028	n/a	41,000	1.52
2029	n/a	42,000	1.52
2030	n/a	42,000	1.52
2031	n/a	43,000	1.52

Current Ratings

These bonds were sold directly to the State of Utah, and are therefore unrated.

Credit Enhancement

The Series 2011A Bonds are not insured.

<b>H. Series 2011B</b>	<b>Water Revenue Bonds</b>
<b>Amount</b>	<b>\$ 1,278,000</b>
<b>Issued:</b>	<b>May 17, 2012</b>

Background Information

The Series 2011B Bonds were sold directly to the State of Utah Drinking Water Board to facilitate a zero interest state loan. The State Drinking Water Board is the registered owner of the Series 2011B Bonds.

Principal on the Series 2011B Bonds is payable by Wells Fargo to the registered owner thereof, the State of Utah Drinking Water Board.

Optional Redemption

The Series 2011B Bonds are subject to redemption at any time at the option of the District, in inverse order of maturity; at the redemption price of 100%.

Current Maturity Schedule

**Series 2011B  
Water Revenue Bonds**

Original Issue:	\$ 1,278,000
Amount Currently Outstanding from the District:	<u>\$ 1,224,000</u>

Due March 31	CUSIP n/a	Principal Amount	Original Interest Rate
2013	n/a	<i>paid</i>	0.0%
2014	n/a	54,000	0.0
2015	n/a	55,000	0.0
2016	n/a	66,000	0.0
2017	n/a	66,000	0.0
2018	n/a	66,000	0.0
2019	n/a	66,000	0.0
2020	n/a	65,000	0.0
2021	n/a	66,000	0.0
2022	n/a	65,000	0.0
2023	n/a	66,000	0.0
2024	n/a	65,000	0.0
2025	n/a	66,000	0.0
2026	n/a	65,000	0.0
2027	n/a	66,000	0.0
2028	n/a	65,000	0.0
2029	n/a	66,000	0.0
2030	n/a	65,000	0.0
2031	n/a	66,000	0.0
2032	n/a	65,000	0.0

Current Ratings

These bonds were sold directly to the State of Utah, and are therefore unrated.

Credit Enhancement

The Series 2011B Bonds are not insured.

**3. DEBT SERVICE COVERAGE**

**A. Rate Stabilization Fund**

In 2011, the District established a rate stabilization fund to provide it the ability to mitigate fluctuations in operating revenues and expenses; or when slower growth in future connections results in lower special assessment collections. The current Rate Stabilization Fund balance is \$1.02 million; while policy requires a minimum balance of \$1.0 million. These funds can only be

applied to scheduled parity debt service payments bonds if annual cash flow is insufficient to meet debt service payments. If the fund balance falls below \$1.0 million, District policy is to restore the balance to \$1 million within 36 months.

## B. Historical Debt Coverage

<b>Mountain Regional Water Historical Debt Service Coverage</b>					
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Operating revenues:</b>					
Water sales	\$ 5,158,062	\$ 5,199,920	\$ 5,205,683	\$ 5,297,520	\$ 6,873,147
Operating fees	118,693	113,653	143,883	151,616	153,805
Services	-	-	-	-	-
Other	144,505	83,001	72,174	48,278	236,217
<b>Total operating revenues</b>	<b>5,421,260</b>	<b>5,396,574</b>	<b>5,421,740</b>	<b>5,497,414</b>	<b>7,263,169</b>
<b>Operating Expenses:</b>					
Operations, maintenance and repairs	1,565,452	1,330,899	1,615,963	1,536,953	1,788,963
Water production	729,591	899,645	890,949	1,163,162	1,728,574
Engineering and energy and technology management	352,671	387,908	370,919	380,717	415,844
Management and finance	585,353	651,497	637,190	614,292	568,164
Legal services	181,621	58,099	39,271	18,179	4,805
<b>Total operating expenses</b>	<b>3,414,688</b>	<b>3,328,048</b>	<b>3,554,292</b>	<b>3,713,303</b>	<b>4,506,350</b>
<b>Net operating revenues</b>	<b>2,006,572</b>	<b>2,068,526</b>	<b>1,867,448</b>	<b>1,784,111</b>	<b>2,756,819</b>
<b>Non-operating revenues:</b>					
State grants	-	-	-	-	-
Interest income available for debt service	328,741	228,633	160,440	152,710	101,983
Impact fees	204,044	231,828	241,308	242,285	196,067
SID assessments	-	435,403	454,057	453,020	499,397
Gain (loss) on fixed assets	(7,106)	(13,987)	-	3,398	16,952
Other non-operating revenue	22,903	21,867	7,606	1,725	5,612
<b>Non-operating revenues</b>	<b>548,582</b>	<b>903,744</b>	<b>863,411</b>	<b>853,138</b>	<b>820,011</b>
<b>Total Net Revenue available for debt service from ongoing operations</b>	<b>\$ 2,555,154</b>	<b>\$ 2,972,270</b>	<b>\$ 2,730,859</b>	<b>\$ 2,637,249</b>	<b>\$ 3,576,830</b>
<b>Parity debt service:</b>					
2012 Bonds	\$ -	\$ -	\$ -	\$ -	\$ 561,875
2011B Bonds	-	-	-	-	-
2011A Bonds	-	-	-	-	11,978
2009B Bonds	-	79,382	270,950	262,450	364,450
2009A Bonds	-	-	448	54,650	-
2008 Bonds	-	23,667	177,728	55,480	53,747
2006 Bonds	21,000	21,000	21,000	21,000	-
2003 Bonds	1,719,465	1,692,988	1,630,525	1,616,430	746,175
2002B Bonds	37,000	37,000	37,000	37,000	-
2002 Bonds	21,198	20,941	20,684	20,428	-
1991 Atkinson Note	25,450	25,500	25,500	25,450	-
<b>Total parity debt service</b>	<b>\$ 1,824,113</b>	<b>\$ 1,900,478</b>	<b>\$ 2,183,835</b>	<b>\$ 2,092,888</b>	<b>\$ 1,738,225</b>
<b>Debt coverage from ongoing operations</b>	<b>1.40 X</b>	<b>1.56 X</b>	<b>1.25 X</b>	<b>1.26 X</b>	<b>2.06</b>
<b>Rate Stabilization Fund</b>					
	-	-	-	416,874	1,021,217
<b>Total Net Revenue available for debt service</b>	<b>\$ 2,555,154</b>	<b>\$ 2,972,270</b>	<b>\$ 2,730,859</b>	<b>\$ 3,054,123</b>	<b>\$ 4,598,047</b>
<b>Total debt coverage</b>	<b>1.40 X</b>	<b>1.56 X</b>	<b>1.25 X</b>	<b>1.46 X</b>	<b>2.65</b>

The District's debt coverage increased to 2.06 in 2012 without including the rate stabilization fund; and 2.65 when the stabilization fund is included. The significant increase in debt coverage in 2012 is the result of hot dry weather, debt restructuring, and rate increases.

## 4. THE WATER SYSTEM

### A. Overview

The water system consists of a distribution system with water sources including springs, wells, and surface diversions. The system also includes a raw irrigation system for golf course use. The system has 185 miles of pipelines connecting the District's water sources to tanks, to a raw water storage pond, to individual water users and to wholesale customers. The District has 9.2 million gallons of culinary water storage and 13.0 million gallons of raw water storage. The District can treat water for distribution purposes at 4.5 million gallons per day. The system also utilizes a SCADA (telemetry) system which controls all tank levels, well pumps, and booster pumps.

### B. Customer Accounts

The District's water connections are shown below, along with its equivalent residential connections ("ERC"). An ERC is the amount of water consumed by a typical residence in one year. All residential customers are considered to be 1.0 ERC. All nonresidential customers including commercial, industrial, and irrigation accounts generally use more water than a typical residence so their use is equated to how many residences use an equivalent amount of water. The standard ERC for nonresidential customers is set at 0.60 acre feet annually.

#### Mountain Regional Water Special Service District Customer Accounts

	May 2009	May 2010	May 2011	May 2012	May 2013
<b>Customers Using Water</b>					
Residential	2,801	2,858	2,872	2,894	2,929
Commercial / Industrial	116	125	127	124	126
Irrigation	58	57	53	50	53
Construction / Wholesale	27	23	18	19	21
<b>Subtotal - Customers Using Water</b>	<b>3,002</b>	<b>3,063</b>	<b>3,070</b>	<b>3,087</b>	<b>3,129</b>
<b>Platted Undeveloped Lots</b>					
Standby Customers	1,698	1,701	1,763	1,890	1,865
<b>Subtotal - Customers on Standby</b>	<b>1,698</b>	<b>1,701</b>	<b>1,763</b>	<b>1,890</b>	<b>1,865</b>
<b>Total Customer Accounts</b>	<b>4,700</b>	<b>4,764</b>	<b>4,833</b>	<b>4,977</b>	<b>4,994</b>
<b>% Change from Prior Year</b>	<b>2.0%</b>	<b>1.4%</b>	<b>1.4%</b>	<b>3.0%</b>	<b>0.3%</b>
<b>Total Equivalent Residential Connections (ERCs) <sup>1</sup></b>	<b>4,679</b>	<b>4,592</b>	<b>4,585</b>	<b>4,554</b>	<b>7,838</b>
<b>% Change from Prior Year</b>	<b>-4.1%</b>	<b>-1.9%</b>	<b>-0.1%</b>	<b>-0.7%</b>	<b>72.1%</b>

Total ERCs have increased 3,284 or 72.1% since May 2012 due to hot dry weather and a dramatic increase in raw water wheeled to Park City's treatment plant.

### C. Water Sources and Supplies

The District has acquired sufficient water rights and developed sufficient sources to meet its current and projected growth demands for the next 20 years or more. The District utilizes 14 wells, a groundwater spring, and two large surface water diversions at or near Rockport Reservoir. These sources yield a combined peak flow of over 12,000 gallons per minute. The District's water rights now total nearly 7,600 acre-feet. The Lost Canyon project utilizes two Rockport sur-

face diversions that produce over 7,000 gallons per minute of source flow or 7,500 acre-feet per year. Park City owns capacity rights up to 2,900 acre-feet of the Lost Canyon project; and Weber Basins owns up to 900 acre-feet. The District owns capacity rights up to 3,700 acre-feet. The following information shows the District's total annual production from each source.

**Mountain Regional Water Special Service District  
Annual Water Production by Source (in Gallons)**

	2008	2009	2010	2011	2012
<b>Water Produced for District Customers</b>					
Atkinson Wells					
Atkinson Well #2	24,372,000	21,625,000	4,723,000	-	-
Jailhouse Well #3	20,162,400	22,804,900	20,462,300	4,717,500	4,133,400
Atkinson Well #10	3,539,000	-	5,414,200	1,734,300	28,243,000
Starpointe Well #15B	196,769,000	200,091,000	204,552,000	205,207,000	224,728,424
3-Mile Well	35,489,000	24,642,000	19,497,000	-	-
Tollgate Well	-	116,000	-	-	-
(1) Lost Creek					
Rockport Well Field & Reservoir	316,095,000	297,085,000	310,600,000	407,898,408	645,873,682
Spring Creek					
Spring Creek Well #1	-	-	-	-	-
Blackhawk Well #2R	15,069,900	13,469,400	16,867,600	17,295,500	11,291,700
Gorgoza Well #6	12,226,000	28,700,000	23,256,000	9,780,000	9,393,000
Nugget Well	29,472,100	1,795,000	30,507,000	1,200,000	7,494,000
Silver Springs					
Spring Creek Springs	104,861,000	110,398,000	100,206,000	66,695,000	93,388,000
Lakeside Well #1	33,235,600	21,581,000	24,631,000	32,051,000	38,478,000
Sun Peak Well #2	16,608,000	16,206,000	10,234,000	-	-
Winter Park Well #3	2,953,474	-	-	-	-
Summit Park Wells					
Summit Park Well #2	491,800	700	-	-	-
Summit Park Well #4	-	-	-	-	-
Summit Park Well #5	678,600	-	-	-	-
Summit Park Well #7	7,543,000	7,971,000	8,434,000	14,437,000	9,075,000
<b>Total Water Produced for MRW Customers</b>	<b>819,565,874</b>	<b>766,485,000</b>	<b>779,384,100</b>	<b>761,015,708</b>	<b>1,072,098,206</b>
<b>% Change from Prior Year</b>	<b>-8.9%</b>	<b>-6.5%</b>	<b>1.7%</b>	<b>-2.4%</b>	<b>40.9%</b>
<b>Water Transported from District Sources to Other Water Companies (2)</b>					
Atkinson Well #2 (District Source)					
High Valley	11,189,000	9,276,000	11,606,000	-	-
Summit Water Distribution System					
Olympic Park	14,821,800	17,539,600	14,050,900	19,089,100	13,471,800
Rockport Well Field & Reservoir (MRW Source)					
High Valley				11,053,000	20,374,000
Park City				12,867,592	376,821,318
<b>Total Water Transported</b>	<b>26,010,800</b>	<b>26,815,600</b>	<b>25,656,900</b>	<b>43,009,692</b>	<b>410,667,118</b>
<b>% Change from Prior Year</b>	<b>-28.5%</b>	<b>3.1%</b>	<b>-4.3%</b>	<b>67.6%</b>	<b>854.8%</b>
<b>Total Production &amp; Sources</b>	<b>845,576,674</b>	<b>793,300,600</b>	<b>805,041,000</b>	<b>804,025,400</b>	<b>1,482,765,324</b>
	<b>(9.6)</b>	<b>(6.2)</b>	<b>1.5</b>	<b>(0.1)</b>	<b>84.4</b>

(1) - Starting in 2011, the District implemented a policy to reduce or eliminate production in old, inefficient wells with unpredictable water quality; and to replace this reduced production by increasing production in the Lost Creek surface water diversions that is treated before it is delivered to culinary customers. Surface water is more drought resilient than District wells typically are, and the power cost per gallon is lower for Lost Creek water production.

(2) - The District produces and transports water from its source to other water companies. The other water companies either own or lease the related water rights for the water transported by the District.

Production for District customers increased 40.9% to almost 1.1 billion gallons in 2012 due to a shift from cool wet weather to unusually hot dry weather; combined with moderate growth.



Water transported from District sources to other water companies increased 854.8% in 2012, to 410.7 million gallons. Park City completed a new treatment plant in 2012, which necessitated a dramatic increase in raw water delivered by the District to the plant for treatment.

#### D. Water Usage

The District's annual water consumption is shown below.

#### Mountain Regional Water Special Service District Water Usage

Usage by District Customers	2007	2008	2009	2010	2011	2012
<b>Customer Type</b>						
Residential	311,407,523	307,162,325	292,952,811	303,157,515	295,505,801	495,685,447
Commercial / Industrial	61,267,944	57,813,872	58,762,839	56,383,971	56,454,941	71,467,000
Irrigation	343,548,167	276,242,000	245,937,000	227,637,500	206,070,000	279,694,143
Construction	13,213,507	5,981,870	4,608,630	4,478,451	3,827,493	9,900,712
Other	29,509,055	10,138,377	14,647,896	9,042,105	998,812	303,000
<b>Total Usage by MRW Customers</b>	<b>758,946,196</b>	<b>657,338,444</b>	<b>616,909,176</b>	<b>600,699,542</b>	<b>562,857,047</b>	<b>857,050,302</b>
% Change from Prior Year	16.4%	-13.4%	-6.2%	-2.6%	-6.3%	52.3%
<b>Transported (Wheeled) Water</b>						
High Valley <sup>(1)</sup>	9,439,100	11,189,000	9,276,000	11,606,000	11,053,000	20,374,000
Olympic Park Wheeling <sup>(2)</sup>	22,279,800	18,324,900	15,794,459	14,083,600	18,610,400	10,330,000
Park City Wheeling <sup>(3)</sup>	-	-	-	-	12,867,592	376,821,318
<b>Total Transported Wheeled Water</b>	<b>31,718,900</b>	<b>29,513,900</b>	<b>25,070,459</b>	<b>25,689,600</b>	<b>42,530,992</b>	<b>407,525,318</b>
% Change from Prior Year	815.5%	-7.0%	-15.1%	2.5%	65.6%	858.2%
<b>Total Usage Plus Transported Water</b>	<b>790,665,096.00</b>	<b>686,852,344.00</b>	<b>641,979,635.00</b>	<b>626,389,142.00</b>	<b>605,388,039.00</b>	<b>1,264,575,620.00</b>
% Change from Prior Year		-13.1%	-6.5%	-2.4%	-3.4%	108.9%

(1) - High Valley is a private water company for which the District transports water from a jointly owned source operated solely by the District. High Valley also has its own sources as well. The numbers shown represent only the amount of water wheeled by the District.

(2) - The District wheels water from Summit Water (private water company) sources to the Olympic Park. The Olympic Park is a District customer, and the District operates and maintains the Olympic Park water system and the interconnect from Summit Water.

(3) - The Districts transports water to Park City through District sources and infrastructure. Park City reimburses Mountain Regional for actual wheeling costs plus a capital buy-in and repair/replacement component. The related water leases are owned by Park City.

Consumption by District customers increased 52.3% to nearly 857.1 million gallons in 2012 due to a shift from cool wet weather to unusually hot dry weather; plus moderate customer growth. The difference between the production and consumption for 2012 is system water loss.

Water transported by the District increased 858.2% to 407.5 million gallons in 2012; as Park City completed a new treatment plant in 2012, which necessitated a dramatic increase in raw water delivered by the District to the plant for treatment.

#### E. Major Water Users

The top ten users of the system for 2012, based on revenue, are shown below. The list includes various customer types including government, schools, retail, industrial, mixed use and recreation.

**Mountain Regional Water Special Service District  
Top Ten Water Customers  
Annual Billings**

2012 Rank	MRW Customer	Type of Customer	2012 Dollars	& of Total
1	Promontory - The Ranch Club	Recreation / Golf Courses	\$ 516,549	7.5%
2	Park City Municipal	Government	445,550	6.5%
3	Newpark	Multi-Use Development	92,812	1.4%
4	Triumph Gear Systems	Industrial	74,065	1.1%
5	Blackhawk HOA	Recreation	61,676	0.9%
6	Trailside School	School District	60,701	0.9%
7	Summit County	Government	52,833	0.8%
8	Home Depot	Retail	45,744	0.7%
9	Parleys School	School District	41,202	0.6%
10	Olympic Park	Recreation	36,835	0.5%
<b>Top Ten Total</b>			<b>\$ 1,427,967</b>	<b>20.8%</b>
<b>Total - All Customers</b>			<b>\$ 6,873,148</b>	

Promontory accounted for 7.5% of total sales in 2012 – mostly to irrigate two golf courses. Park City Municipal accounted for 6.5% of sales for raw water transported by the District to Park City’s treatment plant in order to help meet water demand within Park City. The remaining eight customers range from 1.4% to 0.5% of sales.

**F. Wholesale Water Users**

The District provides wholesale water service to various entities.

*Park City Municipal Corporation.* The District has a long-term contract to wheel up to 2,900 acre-feet annually to Park City through the District’s transmission system from Rockport Reservoir to Park City’s treatment plant.

*Construction Water.* The District provides contractors, businesses, and homeowners the ability to draw water from fire hydrants for construction purposes.

*Canyons Ski Resort.* The District provides snowmaking water for the Canyons ski runs within the Colony development.

*High Valley.* The District shares an old well with High Valley Mutual Water Company that no longer meets drinking water standards. The District blends good water with this well water to provide High Valley with safe drinking water.

*Summit Water.* In 2011, the District entered into an agreement with the Summit Water Mutual Water Company to sell up to 400 acre-feet per year of culinary water on an interim basis until 2025, or when an additional importation project is developed in Snyderville Basin, whichever comes first. To date, Summit Water has not taken any water from the District.

**G. Water Rates and Charges**

The District has authority pursuant to State law to establish rates for its water service effective at any time. The District is not subject to regulation by any state or federal body at any time. The District offers numerous rate plans for residents which provide for different amounts of gallons

in the base rate and different usage rates and gallon increments. The rate structure offers residents the opportunity to pick a rate that best meets their needs. Plan B is the standard rate.

**Water Rates**

Effective August 1, 2011

Effective August 1, 2012

**Residential - Plan A**

Monthly Base Rate Per ERC - Includes 3,000 Gallons	52.50	56.00	<i>Per Connection</i>
Usage 3,001 to 5,000 Gallons	3.75	4.01	<i>Per 1,000 Gallons</i>
Usage 5,001 to 8,000 Gallons	4.28	4.58	<i>Per 1,000 Gallons</i>
Usage 8,001 to 16,000 Gallons	4.82	5.15	<i>Per 1,000 Gallons</i>
Usage 16,001 to 20,000 Gallons	5.08	5.44	<i>Per 1,000 Gallons</i>
Usage 20,001 to 40,000 Gallons	5.35	5.72	<i>Per 1,000 Gallons</i>
Usage 40,001 to 60,000 Gallons	8.56	9.16	<i>Per 1,000 Gallons</i>
Usage 60,001 to 80,000 Gallons	17.12	18.32	<i>Per 1,000 Gallons</i>
Usage Above 80,000 Gallons	21.40	22.90	<i>Per 1,000 Gallons</i>

**Residential - Plan B**

Monthly Base Rate Per ERC - Includes 5,000 Gallons	58.75	62.75	<i>Per Connection</i>
Usage 5,001 to 8,000 Gallons	3.75	4.01	<i>Per 1,000 Gallons</i>
Usage 8,001 to 16,000 Gallons	4.28	4.58	<i>Per 1,000 Gallons</i>
Usage 16,001 to 20,000 Gallons	4.82	5.15	<i>Per 1,000 Gallons</i>
Usage Above 20,000 Gallons	5.35	5.72	<i>Per 1,000 Gallons</i>
Usage 40,001 to 60,000 Gallons	8.56	9.16	<i>Per 1,000 Gallons</i>
Usage 60,001 to 80,000 Gallons	17.12	18.32	<i>Per 1,000 Gallons</i>
Usage Above 80,000 Gallons	21.40	22.90	<i>Per 1,000 Gallons</i>

**Residential - Plan C**

Monthly Base Rate Per ERC - Includes 8,000 Gallons	68.50	73.25	<i>Per Connection</i>
Usage 8,001 to 16,000 Gallons	3.75	4.01	<i>Per 1,000 Gallons</i>
Usage 16,001 to 20,000 Gallons	4.28	4.58	<i>Per 1,000 Gallons</i>
Usage 20,001 to 40,000 Gallons	5.35	5.72	<i>Per 1,000 Gallons</i>
Usage 40,001 to 60,000 Gallons	8.56	9.16	<i>Per 1,000 Gallons</i>
Usage 60,001 to 80,000 Gallons	17.12	18.32	<i>Per 1,000 Gallons</i>
Usage Above 80,000 Gallons	21.40	22.90	<i>Per 1,000 Gallons</i>

**Residential - Plan D**

Monthly Base Rate Per 1.4 ERCs - Includes 7,000 Gallons	82.25	88.00	<i>Per Connection</i>
Usage 7,001 to 11,200 Gallons	3.75	4.01	<i>Per 1,000 Gallons</i>
Usage 11,201 to 22,400 Gallons	4.28	4.58	<i>Per 1,000 Gallons</i>
Usage 22,401 to 28,000 Gallons	4.82	5.15	<i>Per 1,000 Gallons</i>
Usage 28,001 to 56,000 Gallons	5.35	5.72	<i>Per 1,000 Gallons</i>
Usage 56,001 to 84,000 Gallons	8.56	9.16	<i>Per 1,000 Gallons</i>
Usage 84,001 to 112,000 Gallons	17.12	18.32	<i>Per 1,000 Gallons</i>
Usage Above 112,000 Gallons	21.40	22.90	<i>Per 1,000 Gallons</i>

**Residential - Plan E**

Monthly Base Rate Per 1.8 ERCs - Includes 9,000 Gallons	106.00	113.25	<i>Per Connection</i>
Usage 9,001 to 14,400 Gallons	3.75	4.01	<i>Per 1,000 Gallons</i>
Usage 14,401 to 28,800 Gallons	4.28	4.58	<i>Per 1,000 Gallons</i>
Usage 28,001 to 36,000 Gallons	4.82	5.15	<i>Per 1,000 Gallons</i>
Usage 36,001 to 72,000 Gallons	5.35	5.72	<i>Per 1,000 Gallons</i>
Usage 72,001 to 108,000 Gallons	8.56	9.16	<i>Per 1,000 Gallons</i>
Usage 108,001 to 144,000 Gallons	17.12	18.32	<i>Per 1,000 Gallons</i>
Usage Above 144,000 Gallons	21.40	22.90	<i>Per 1,000 Gallons</i>

**High Elevation Pumping Surcharge**

Colony	2.14	2.29	<i>Per 1,000 Gallons</i>
Summit Park/ Timberline and Sun Peak	0.54	0.57	<i>Per 1,000 Gallons</i>
Preserve, Redhawk, and Stagecoach	1.26	1.34	<i>Per 1,000 Gallons</i>

**Stagecoach**

Monthly Infrastructure Assessment	143.00	143.00	<i>Per Lot</i>
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	Effective August 1, 2011	Effective August 1, 2012	
<b>Non-residential</b>			
Monthly Base Rate Per ERC - Includes 5,000 Gallons	91.00	97.25	<i>Per Connection</i>
Usage 5,001 to 8,000 Gallons	3.75	4.01	<i>Per 1,000 Gallons</i>
Usage 8,001 to 16,000 Gallons	4.28	4.58	<i>Per 1,000 Gallons</i>
Usage 16,001 to 20,000 Gallons	4.82	5.15	<i>Per 1,000 Gallons</i>
Usage 20,001 to 40,000 Gallons	5.35	5.72	<i>Per 1,000 Gallons</i>
Usage 40,001 to 60,000 Gallons	8.56	9.16	<i>Per 1,000 Gallons</i>
Usage 60,001 to 80,000 Gallons	12.84	13.74	<i>Per 1,000 Gallons</i>
Usage Above 80,000 Gallons	17.12	18.32	<i>Per 1,000 Gallons</i>
<b>Culinary Irrigation</b>			
Monthly Base Rate Per ERC - Includes 5,000 Gallons	58.75	62.75	<i>Per Connection</i>
Usage 5,001 to 8,000 Gallons	3.75	4.01	<i>Per 1,000 Gallons</i>
Usage 8,001 to 16,000 Gallons	4.28	4.58	<i>Per 1,000 Gallons</i>
Usage 16,001 to 20,000 Gallons	4.82	5.15	<i>Per 1,000 Gallons</i>
Usage 20,001 to 40,000 Gallons	5.35	5.72	<i>Per 1,000 Gallons</i>
Usage 40,001 to 60,000 Gallons	8.56	9.16	<i>Per 1,000 Gallons</i>
Usage 60,001 to 80,000 Gallons	12.84	13.74	<i>Per 1,000 Gallons</i>
Usage Above 80,000 Gallons	17.12	18.32	<i>Per 1,000 Gallons</i>
<b>Condominium Irrigation</b>			
Monthly Base Rate Per Condo Unit - Includes 0 Gallons	-	-	<i>Per Connection</i>
Usage 1 to 3,000 Gallons	1.07	1.14	<i>Per 1,000 Gallons</i>
Usage 3,001 to 8,000 Gallons	3.75	4.01	<i>Per 1,000 Gallons</i>
Usage 8,001 to 16,000 Gallons	4.28	4.58	<i>Per 1,000 Gallons</i>
Usage 16,001 to 20,000 Gallons	4.82	5.15	<i>Per 1,000 Gallons</i>
Usage 20,001 to 40,000 Gallons	5.35	5.72	<i>Per 1,000 Gallons</i>
Usage 40,001 to 60,000 Gallons	8.56	9.16	<i>Per 1,000 Gallons</i>
Usage 60,001 to 80,000 Gallons	12.84	13.74	<i>Per 1,000 Gallons</i>
Usage Above 80,000 Gallons	17.12	18.32	<i>Per 1,000 Gallons</i>
<b>Untreated Secondary Water</b>			
Base Fee - Per Connections	50.00	50.00	<i>Per Connection</i>
Usage Fee	<i>TBD by Contract Formula</i>	<i>TBD by Contract Formula</i>	<i>Per 1,000 Gallons</i>
<b>Interruptible Sources (Construction/Snowmaking/Wholesale)</b>			
Base Fee - Per Connections	107.00	114.50	
Usage Fee	10.70	11.45	<i>Per 1,000 Gallons</i>
<b>Standby Fees</b>	33.50	35.75	<i>Per Lot</i>

The District adopted its last major across the board rate increases in August 2011 effective in August 2011 and August 2012.

## H. Connection Fees

In addition to water usage charges, new connections within the District are assessed connection and meter fees. The District generally collects these fees at the time a building permit is issued.

**Connection Fees**

	Effective August 1, 2011	Effective August 1, 2012	
<b>Security Deposit (Refundable Upon Completion of Structure)</b>	1,500	1,500	<i>Per Connection</i>
<b>Meter Hookup Fee - New Connections</b>			<i>Per Connection</i>
Up to 3/4" Meter	1,200	1,200	
1.0" Meter	1,400	1,400	
1.5" Meter	1,800	1,800	
2.0" Meter	2,100	2,100	
3.0" Meter	Incremental Cost	Incremental Cost	
4.0" Meter	Incremental Cost	Incremental Cost	
6.0" Meter	Incremental Cost	Incremental Cost	
8.0" Meter	Incremental Cost	Incremental Cost	
MXU Fee	300.00	300.00	<i>Per Connection</i>
<b>Meter Inspection (Generate Service Order)</b>	75.00	75.00	
<b>Fire Hydrant Meter</b>			
Private Fire Hydrant Flushing and Inspection Fee (Monthly)	8.35	8.35	
3" Meter - Deposit (Refundable)	1,500	1,500	<i>Per Connection</i>
3" Meter Wear Fee (Non-Refundable)	300	300	<i>Per Connection</i>
3" Monthly Base Rate	107.00	114.50	<i>Per Connection</i>
3" Usage Rate	10.70	11.45	<i>Per 1,000 Gallons</i>
1" Meter - Deposit (Refundable)	500	500	<i>Per Connection</i>
1" Meter Wear Fee (Non-Refundable)	100	100	<i>Per Connection</i>
1" Monthly Base Rate	107.00	114.50	<i>Per Connection</i>
1" Usage Rate	10.70	11.45	<i>Per 1,000 Gallons</i>

**I. Other User Fees**

The District also collects fees related to administration, inspections, delinquent payments, theft of service, and conservation violations.

Lot owners in an area known as Summit Park have the option of designating their lot as non-developable by declaring a restrictive covenant. However, if in the future, a lot owner decides to build on the lot, the owner is assessed a Release of Restrictive Covenant fee that includes all fees and charges avoided during the period the covenant is in place, plus interest.

The District assesses an Alternative Provider Fee to users who are contractually committed to receive water from the District, but choose to change water providers. The imposition of such a fee helps to ensure the Net Revenues available to pay debt service will not decrease if such customers choose another water provider.

<b>Other Fees</b>	<b>Effective August 1, 2011</b>	<b>Effective August 1, 2012</b>	
<b>Disconnection of Service</b>			
Removal of Meter	175	175	
Resumption of Disconnected Service	8 time Monthly Base	8 time Monthly Base	
<b>Resumption Service (If Not Disconnected)</b>	75	75	
<b>Shut Off Notice</b>	75	75	
<b>Buried Meter Fee Service</b>			
	Peak Monthly Gallons for Previous Year at Current Rates Per Month	Peak Monthly Gallons for Previous Year at Current Rates Per Month	
<b>Penalties and Fines</b>			
Delinquent Payments	1.5% Per Month	1.5% Per Month	
Delinquent Lien Fee	\$ 20.00	\$ 20.00	
Leaking Water	Credit for estimated water leaked between one meter read, less cost of water production	Credit for estimated water leaked between one meter read, less cost of water production	
Theft of Service	500	500	
<b>Conservation Violations</b>			
1st Violation	Warning	Warning	
2nd Violation	50	50	
3rd Violation	100	100	
4th Violation	500	500	
<b>Release of Restrictive Covenant</b>	Assess all back fees and charges, plus 1.5% annual interest	Assess all back fees and charges, plus 1.5% annual interest	<i>Per Lot</i>
<b>Alternate Water Service Provider</b>	4,700	4,700	<i>Per ERC</i>

## J. Impact Fees

The District assesses impact fees on new development at the time a building permit is issued so that existing customers are not burdened with the cost of new infrastructure for which they receive no benefit. Pursuant to state law, the impact fees include only the proportionate cost of infrastructure and water rights necessary to serve each new building unit. The impact fees do not include any administrative or overhead costs. Impact fees have been calculated differently for the various service areas within the District since the infrastructure and water rights required to serve new development in each service area is different. Impact fees may not be assessed to existing customers per state law.

**Mountain Regional Water  
Impact Fee Schedule**

Impact Fee without Water Rights	Meter Size			
	3/4 Inch	1 Inch	1.5 Inch	2 Inch
Atkinson	\$ 4,098	\$ 5,737	\$ 7,372	\$ 11,880
The Colony	10,070	12,753	15,429	22,807
New Silver Creek	13,144	18,402	23,646	38,105
Silver Springs	8,912	12,477	16,033	25,836
Spring Creek	8,417	11,784	15,143	24,402
Stagecoach	6,417	6,417	6,417	6,417
Summit Park	9,543	13,360	17,168	27,666
Promontory Residential (within SID)				
Impact Fee	994	1,391	1,787	2,880
SID Assessment (most common amount)	14,132	14,132	14,132	14,132
Total	15,126	15,523	15,919	17,012
Promontory Residential (outside of SID)				
Impact Fee	13,144	18,402	23,646	38,105
SID Assessment	-	-	-	-
Total	13,144	18,402	23,646	38,105
Promontory Resort Units				
Impact Fee	994	994	994	994
SID Assessment	7,066	7,066	7,066	7,066
Total	8,060	8,060	8,060	8,060
Promontory - Commercial / Industrial	994	1,391	1,787	2,880
Promontory Developer SID Assessment				
Residential	9,980	9,980	9,980	9,980
Resort Unit	4,990	4,990	4,990	4,990
<b>Additional Impact Fee If Developer Does Not Provide Water Rights</b>	7,193	10,070	12,940	20,853

**K. Other Development Fees**

Developers are responsible for engineering, inspection, plan reviews, legal fees and other costs associated with their development. Developers are assessed a fee to cover this cost based upon a percentage between 2.0% and 3.0% of the projected water infrastructure costs.

## 5. FINANCIAL INFORMATION

### A. Statement of Net Position

The summary information below has been extracted from the District's Financial Audited Statements. This summary has not been audited.

<b>Mountain Regional Water Net Position</b>					
	2008	2009	2010	2011	2012
<b>ASSETS</b>					
Current assets:					
Cash	\$ 2,795,346	\$ 2,037,621	\$ 1,556,495	\$ 1,845,641	\$ 3,048,693
Restricted cash	3,087,113	2,494,252	996,732	1,005,889	1,466,951
Accounts receivable	473,249	422,422	423,267	417,442	445,390
Due from Governments	-	8,073	152,810	-	70,996
Other receivables	329,527	121,032	130,410	114,088	297,545
Bond proceeds available	-	-	-	-	-
Prepaid expenses	579,902	1,119,313	1,233,553	869,764	948,759
Inventory	51,663	88,458	72,593	74,253	115,838
<b>Total current assets</b>	<b>7,316,800</b>	<b>6,291,171</b>	<b>4,565,860</b>	<b>4,327,077</b>	<b>6,394,172</b>
Cash restricted for debt repayments	1,714,641	572,044	490,783	592,710	716,458
Capital Assets:					
Depreciable assets, net	41,623,854	51,494,003	54,034,664	57,942,449	56,909,173
Land and water rights	17,213,011	18,574,867	18,577,678	19,591,043	19,577,263
Construction-in-progress	1,719,558	3,385,157	2,617,603	40,981	984,355
<b>Total assets</b>	<b>\$ 69,587,864</b>	<b>\$ 80,317,242</b>	<b>\$ 80,286,588</b>	<b>\$ 82,494,260</b>	<b>\$ 84,581,421</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 565,979	\$ 348,965	\$ 158,404	\$ 128,824	\$ 296,516
Accrued liabilities	658,247	596,283	560,714	579,610	615,321
Due to other government entities	98,803	98,803	98,803	98,803	374,110
Current portion, long-term debt	228,100	407,834	322,845	222,783	1,256,823
Current portion, accrued liability - impact fee refunds	223,728	100,090	64,132	50,000	50,000
<b>Total current liabilities</b>	<b>1,774,857</b>	<b>1,551,975</b>	<b>1,204,898</b>	<b>1,080,020</b>	<b>2,592,770</b>
Accrued liabilities - developers (less current portion)	2,167,663	1,476,689	1,517,591	1,504,255	1,504,255
Long-term debt (less current portion)	38,547,461	40,144,926	39,795,844	40,765,317	40,580,407
<b>Total liabilities</b>	<b>\$ 42,489,981</b>	<b>\$ 43,173,590</b>	<b>\$ 42,518,333</b>	<b>\$ 43,349,592</b>	<b>\$ 44,677,432</b>
<b>NET POSITION</b>					
Invested in capital assets, net of related debt	\$ 21,780,862	\$ 32,901,267	\$ 35,111,256	\$ 36,586,372	\$ 35,100,561
Restricted	2,672,882	2,365,805	973,747	746,752	1,140,710
Unrestricted	2,644,139	1,876,580	1,683,252	1,811,544	3,129,418
<b>Net position</b>	<b>\$ 27,097,883</b>	<b>\$ 37,143,652</b>	<b>\$ 37,768,255</b>	<b>\$ 39,144,668</b>	<b>\$ 39,370,689</b>
<b>Total liabilities and net position</b>	<b>\$ 69,587,864</b>	<b>\$ 80,317,242</b>	<b>\$ 80,286,588</b>	<b>\$ 82,494,260</b>	<b>\$ 84,048,121</b>

### B. Statement of Revenues, Expenses, and Changes in Net Position

The summary information below has been extracted from the District's Financial Audited Statements. This summary has not been audited.



**Mountain Regional Water  
Statement of Revenues, Expenses and Changes in Net Position**

	2008	2009	2010	2011	2012
Operating revenues:					
Water sales	\$ 5,158,062	\$ 5,199,920	\$ 5,205,683	\$ 5,297,520	\$ 6,873,147
Operating fees	118,693	113,653	143,883	151,616	153,805
Services	-	-	-	-	-
Other	144,505	83,001	72,174	48,279	236,217
<b>Total operating revenue</b>	<b>5,421,260</b>	<b>5,396,574</b>	<b>5,421,740</b>	<b>5,497,415</b>	<b>7,263,169</b>
Operating Expenses:					
Operations, maintenance and repairs	1,565,452	1,330,899	1,615,963	1,536,953	1,788,963
Water production	729,591	899,645	890,949	1,163,162	1,728,574
Engineering and energy and technology management	352,671	387,908	370,919	380,717	415,844
Management and finance	585,353	651,497	637,190	614,292	568,164
Legal services	181,621	58,099	39,271	18,179	4,805
Depreciation	1,262,346	1,515,006	1,668,387	1,359,635	1,412,111
<b>Total operating expenses</b>	<b>4,677,034</b>	<b>4,843,054</b>	<b>5,222,679</b>	<b>5,072,938</b>	<b>5,918,461</b>
<b>Operating income (loss)</b>	<b>\$ 744,226</b>	<b>\$ 553,520</b>	<b>\$ 199,061</b>	<b>\$ 424,477</b>	<b>\$ 1,344,708</b>
Non-operating revenues (expenses)					
State grants	\$ 11,667	\$ 199,167	\$ 1,324,167	\$ 11,667	\$ 11,667
Interest income	586,771	229,548	160,889	153,164	102,676
Impact fees	204,044	231,828	241,308	242,285	196,067
SID assessments	552,049	993,403	454,057	453,020	499,397
Gain (loss) on fixed assets	(7,106)	(13,987)	-	3,398	16,952
Other non-operating revenue	22,903	21,867	7,606	1,725	5,612
Interest expense	(2,508,948)	(2,215,975)	(1,802,708)	(1,840,764)	(1,670,592)
Trustee and bank fees	(41,815)	(43,049)	(62,455)	(49,576)	(44,520)
Bond issuance cost amortization	(108,593)	(657,814)	(76,147)	(98,726)	(72,623)
<b>Total non-operating revenues (expenses)</b>	<b>(1,289,028)</b>	<b>(1,255,012)</b>	<b>246,717</b>	<b>(1,123,807)</b>	<b>(955,364)</b>
<b>Income (loss) before operating transfers</b>	<b>\$ (544,802)</b>	<b>\$ (701,492)</b>	<b>\$ 445,778</b>	<b>\$ (699,330)</b>	<b>\$ 389,344</b>
Contributions-in-aid of construction	\$ 10,515,509	\$ 10,747,261	\$ 178,825	\$ 2,075,743	\$ 369,677
Operating transfers from (to) primary government	-	-	-	-	-
<b>Change in net position</b>	<b>\$ 9,970,707</b>	<b>\$ 10,045,769</b>	<b>\$ 624,603</b>	<b>\$ 1,376,413</b>	<b>\$ 759,021</b>
Net position, beginning of year	17,127,176	27,097,883	37,143,652	37,768,255	39,144,668
<b>Net position, end of year</b>	<b>\$ 27,097,883</b>	<b>\$ 37,143,652</b>	<b>\$ 37,768,255</b>	<b>\$ 39,144,668</b>	<b>\$ 39,903,689</b>

## 6. DEBT STRUCTURE

### A. Parity Debt

#### Outstanding Parity Debt

Series	Purpose	Original Issue Amount	Maturity Date	Principal Outstanding
<b>Bonds</b>				
2002B <sup>(1)</sup>	Direct Purchase	\$ 433,000	2015	\$ 63,000
2006 <sup>(2)</sup>	Direct Purchase	257,000	2018	110,000
2008 <sup>(3)</sup>	Direct Purchase	3,026,000	2029	2,512,000
2009B <sup>(4)</sup>	Public Issue	9,045,000	2018	8,295,000
2011A <sup>(5)</sup>	Direct Purchase	679,000	2031	659,000
2011B <sup>(6)</sup>	Direct Purchase	1,278,000	2032	1,224,000
2012 <sup>(7)</sup>	Public Issue	27,270,000	2033	27,270,000
<b>Total</b>		<b>\$ 41,988,000</b>		<b>\$ 40,133,000</b>

(1) - Purchased by State Water Resources Board at a 0% interest rate. This bond is issued as a federally taxable bond.

(2) - Purchased by State Water Resources Board at a 0% interest rate. This bond is issued as a federally taxable bond.

(3) - Purchased by State Drinking Water Board at a 2.0% interest rate.

(4) - Insured by Assured Guarantee rated "AA-". Underlying Ratings: "A+" (stable outlook) by Fitch, and "A+" (stable outlook) by S&P.

(5) - Purchased by State Drinking Water Board at a 1.5% interest rate. This bond is issued as a federally taxable bond.

(6) - Purchased by State Drinking Water Board at a 0% interest rate. This bond is issued as a federally taxable bond.

(7) - Insured by Assured Guarantee rated "AA-". Underlying Ratings: "A+" (stable outlook) by Fitch, and "A+" (stable outlook) by S&P.

The annual debt service for each of the parity bonds for each issue is shown below.

**Mountain Regional Water  
Parity Debt Service Schedule  
June 15, 2013**

Calendar Year	Series 2002B		Series 2006		Series 2008		Series 2009B		Series 2011A		Series 2011B		Series 2012		Total Parity Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	-	-	-	-	610,000	131,225	-	-	-	-	-	-	-	-	610,000	686,925
2014	37,000	50,240	135,000	248,725	1,525,000	206,788	10,000	10,017	54,000	55,700	-	-	-	-	1,783,000	1,420,382
2015	26,000	47,540	137,000	206,788	1,550,000	157,288	34,000	9,865	55,000	66,000	-	-	-	-	1,824,000	1,375,593
2016		44,800	140,000	104,475	1,625,000	8,831	35,000	8,831	66,000	66,000	-	-	-	-	1,887,000	1,322,836
2017		42,000	143,000	38,850	1,875,000	38,850	35,000	8,299	66,000	66,000	-	-	-	-	2,141,000	1,266,706
2018		39,140	146,000		1,110,000		35,000	8,299	66,000	66,000	-	-	-	-	1,579,000	1,197,689
2019		36,220	149,000				36,000	7,767	66,000	66,000	-	-	-	-	1,606,000	1,151,387
2020		33,240	152,000				36,000	7,220	65,000	65,000	-	-	-	-	1,663,000	1,093,660
2021		30,200	155,000				37,000	6,673	66,000	66,000	-	-	-	-	1,723,000	1,033,673
2022		27,100	158,000				38,000	6,110	65,000	65,000	-	-	-	-	1,781,000	971,410
2023		23,940	161,000				38,000	5,533	66,000	66,000	-	-	-	-	1,850,000	906,873
2024		20,720	164,000				39,000	4,955	65,000	65,000	-	-	-	-	1,913,000	839,675
2025		17,440	168,000				39,000	4,362	66,000	66,000	-	-	-	-	1,983,000	770,002
2026		14,080	171,000				40,000	3,770	65,000	65,000	-	-	-	-	2,056,000	697,650
2027		10,660	174,000				40,000	3,162	66,000	66,000	-	-	-	-	2,130,000	622,422
2028		7,180	178,000				41,000	2,554	65,000	65,000	-	-	-	-	2,209,000	544,334
2029		3,620	181,000				42,000	1,930	66,000	66,000	-	-	-	-	2,294,000	463,150
2030							42,000	1,292	65,000	65,000	-	-	-	-	2,192,000	378,692
2031							42,000	654	66,000	66,000	-	-	-	-	2,264,000	305,079
2032							43,000		66,000	66,000	-	-	-	-	2,295,000	229,000
2033									65,000	65,000	-	-	-	-	2,350,000	117,500
<b>Total</b>	<b>\$ 63,000</b>	<b>\$ 110,000</b>	<b>\$ 2,512,000</b>	<b>\$ 448,120</b>	<b>\$ 8,295,000</b>	<b>\$ 887,350</b>	<b>\$ 659,000</b>	<b>\$ 102,342</b>	<b>\$ 1,224,000</b>	<b>\$ 15,956,825</b>	<b>\$ 27,270,000</b>	<b>\$ 17,394,637</b>	<b>\$ 40,133,000</b>	<b>\$ 57,527,637</b>		

## B. Subordinated Debt

### Outstanding Subordinated Debt

Series	Purpose	Original Issue Amount	Maturity Date	Principal Outstanding
<b>Notes Payable</b>				
Spring Creek Note <sup>(1)</sup>	Infrastructure	\$ 324,000	2016	\$ 43,094
Weber Basin Water Conservancy District <sup>(2)</sup>	Infrastructure	2,033,436	2028	1,746,206
Summit County <sup>(3)</sup>	Capital Reserves	500,000	2014	-
		<b>\$ 2,857,436</b>		<b>\$ 1,789,300</b>

(1) - Purchased by State Water Resources Board at a 0% interest rate.

(2) - Purchased by Weber Basin at an annual interest rate of 4.6%. Park City, Weber Basin, and the District reallocated the infrastructure costs related to this loan, resulting in a reduction of original issue amount to the District of \$173,149 effective May 15, 2012. This reallocation also affected the principal outstanding.

(3) - Purchased by Summit County at an annual interest rate of 1.5%.

The annual debt service for the subordinated debt is shown below.

### Mountain Regional Water Subordinated Debt Service Schedule June 15, 2013

Calendar Year	Weber Basin		Spring Creek	Summit County		Total Other Debt		
	Principal	Interest	Principal	Principal	Interest	Principal	Interest	Total
2013	-	-	13,100	-	-	13,100	-	13,100
2014	83,390	80,325	13,100	-	-	96,490	80,325	176,816
2015	87,226	76,490	13,100	-	-	100,326	76,490	176,816
2016	91,239	72,477	3,793	-	-	95,032	72,477	167,509
2017	95,436	68,280	-	-	-	95,436	68,280	163,716
2018	99,826	63,890	-	-	-	99,826	63,890	163,716
2019	104,418	59,298	-	-	-	104,418	59,298	163,716
2020	109,221	54,495	-	-	-	109,221	54,495	163,716
2021	114,245	49,471	-	-	-	114,245	49,471	163,716
2022	119,500	44,216	-	-	-	119,500	44,216	163,716
2023	124,997	38,718	-	-	-	124,997	38,718	163,716
2024	130,747	32,969	-	-	-	130,747	32,969	163,716
2025	136,761	26,954	-	-	-	136,761	26,954	163,716
2026	143,053	20,663	-	-	-	143,053	20,663	163,716
2027	149,633	14,083	-	-	-	149,633	14,083	163,716
2028	156,515	7,200	-	-	-	156,515	7,200	163,715
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,746,206</b>	<b>\$ 709,529</b>	<b>\$ 43,093</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,789,300</b>	<b>\$ 709,529</b>	<b>\$ 2,498,829</b>

## C. Future Financing Needs

The District anticipates it will finance future capital project needs over the next few years through the capital budgeting process, excess System revenues or State subsidized loans.

**7. NO DEFAULTED OBLIGATIONS**

The District has never failed to pay principal or interest on any of its financial obligations by the due date.

**8. APPENDIX A – FISCAL YEAR 2012 AND 2011 AUDITED FINANCIAL STATEMENTS**

The audited financial statements for Fiscal Year 2012 and 2011 are attached to this supplemental disclosure.