

MOUNTAIN REGIONAL WATER – July 2024

BOARD SUMMARY

Mountain Regional Water District Change in Net Position YTD through July 2024 - Unaudited							
	2024		2024		2023		
	Actual	Budget	Variance	%	Actual	Change	%
Revenue	\$ 10,662,527	\$ 9,358,500	\$ 1,304,027	13.9%	\$ 8,734,395	\$ 1,928,132	22.1%
Expenses & Expenditures	7,480,781	7,924,625	443,844	5.6%	6,534,837	945,945	14.5%
Change in Net Position Before Transfers	3,181,746	1,433,875	1,747,871		2,199,559	982,187	
Net Transfers	-	-	-	n/a	-	-	n/a
Change in Net Position After Transfers	3,181,746	1,433,875	1,747,871		2,199,559	982,187	

Through July 2024, change in net position (net income) is \$3.18 million – which is \$1.75 million better than budgeted. This positive variance resulted from a combination of higher revenue that exceeds budget by \$1.30 million (13.9%), and expenses that are lower than budget by \$443,844 (5.6%). Water Sales and Interest Earnings are the highest positive variances at \$637,165 and \$474,434 respectively.

Below is a table providing a more detailed breakdown of how revenue compares to budget.

District Revenue YTD through July 2024 - Unaudited							
	2024		2024		2023		
	Actual	Budget	Variance	%	Actual	Change	%
Water Sales	\$ 6,886,865	\$ 6,249,700	\$ 637,165	10.2%	\$ 5,513,629	\$ 1,373,235	24.9%
Promontory Raw Water	249,227	187,400	61,827	33.0%	174,646	74,581	42.7%
Park City Wheeling	367,373	362,100	5,273	1.5%	469,983	(102,610)	-21.8%
Weber Basin Regionalization	538,200	538,200	-	0.0%	622,150	(83,950)	-13.5%
Development Related Collections	1,325,664	1,222,900	102,764	8.4%	1,265,796	59,868	4.7%
Other Revenue	1,295,198	798,200	496,998	62.3%	688,192	607,007	88.2%
Total Revenue	10,662,527	9,358,500	1,304,027	13.9%	8,734,395	1,928,132	22.1%

Water Sales are over budget through July by \$637,165. This positive variance is coming from almost all customer groups due to faster than expected new connections and higher than estimated usage due to the hot and dry summer.

Development Related Collections are above budget by \$102,764. Earlier in the year this positive variance was higher. Impact fee revenue has slowed, and although still above budget (\$72,962), the positive variance has decreased. Meter installations have also seen the same trend. Other Revenue is better than budget due mainly to interest earnings being \$474,434 above budget as interest rates continue to be high (5.4%).

As seen on the next page, total expenses through July are under budget by \$443,844. Operating expenses are under budget by \$439,833 with Operations, Maintenance & Repairs, Non-OM&R, and Depreciation all adding to the savings. The savings are coming from several areas with salaries and benefits, and repair expenses contributing significantly. Power charges are slightly above budget which correlates with usage and the resulting revenue also being above budget.

**District Expenses
From Operations
YTD through July 2024 - Unaudited**

	2024 Actual	2024 Budget	Variance	%	2023 Actual	Change	%
Operating Expenses							
Operations, Maintenance & Repairs	\$ 3,877,902	\$ 4,221,475	\$ 343,573	8.1%	\$ 3,709,468	\$ 168,433	4.5%
Non-OM&R	1,215,858	1,260,900	45,042	3.6%	1,039,816	176,042	16.9%
Depreciation	1,317,982	1,369,200	51,218	3.7%	1,216,938	101,045	8.3%
Subtotal Operating	6,411,742	6,851,575	439,833	6.4%	5,966,222	445,520	7.5%
Non-operating Expenses							
Interest Expense	1,065,872	1,069,850	3,978	0.4%	565,448	500,424	88.5%
Bank & Trustee Fees	2,000	2,000	-	0.0%	2,000	-	0.0%
Bond Issuance	1,167	1,200	33	2.8%	1,167	-	0.0%
Subtotal Non-operating	1,069,039	1,073,050	4,011	0.4%	568,614	500,424	88.0%
Total Expenses	7,480,781	7,924,625	443,844	5.6%	6,534,837	945,945	14.5%
Total Cash Expense (Expenditures) <i>(Excludes Depreciation / Amortization)</i>	6,161,632	6,554,225	392,593	6.0%	5,316,732	844,900	15.9%

CASH

**Cash
July 2024 - unaudited**

	Current Month	Previous Month	Change	%	Previous Year	Change	%
Operating Cash & Reserves	\$ 8,763,215	\$ 8,599,866	\$ 163,349	1.9%	\$ 7,719,941	\$ 1,043,274	13.5%
Subtotal	8,763,215	8,599,866	163,349	1.9%	7,719,941	1,043,274	13.5%
<i>Days Reserve</i>	<i>349</i>	<i>342</i>	<i>7</i>		<i>325</i>	<i>24</i>	
Debt Reserves Held by District	6,208,147	6,151,876	56,271	0.9%	6,883,068	(674,921)	-9.8%
Debt Reserves Held by Trustee	2,284,725	1,882,937	401,789	21.3%	2,087,393	197,332	9.5%
Regionalization Reserves	655,111	652,103	3,008	0.5%	2,153,190	(1,498,079)	-69.6%
Drought Reserve	874,785	870,768	4,017	0.5%	836,641	38,144	4.6%
Capital Facility Reserves	2,124,311	2,102,066	22,245	1.1%	2,608,145	(483,834)	-18.6%
Other Restricted Cash	18,628,159	19,118,915	(490,755)	-2.6%	1,576,125	17,052,035	1081.9%
Subtotal	30,775,238	30,778,665	(3,427)	0.0%	16,144,561	14,630,677	90.6%
Total	39,538,453	39,378,531	159,923	0.4%	23,864,502	15,673,951	65.7%

As shown above, total cash increased \$159,923 (0.4%) to \$39.54 million during July 2024. **The current Operating Cash & Reserves balance of \$8.76 million represents 349 days reserve, last July the days reserve was at 325 days.** As can be seen above, there were two large changes in Cash positions during July. First, Debt Reserves Held by Trustee increased by \$401,789 as funds were transferred to make the bond payments coming due in December. The second large change was the decrease of \$490,755 in Other Restricted Cash as has funds were transferred from the Series 2023 Bond to pay construction costs on the new office and maintenance facility.

CUSTOMER GROWTH

Through July 2024 there are 56 new connection requests generating \$562,962 in impact fees. **The 56 new connections is 95 below the four year average, and 17 less than 2023.** Impact Fees are \$72,962 higher than budgeted for this point in the year. Promontory has sold 16 lots (none in July), which is 18 below the four year average, but 1 more than last year.

Customer Growth Through July of Each Year						
Year	Commitment to Serve Letters		Impact Fees			Promontory Lot Assessments
	New Connections	New Units	Total Collections	Average Per Connection	Average Per Unit	
2020	56	120	282,714	5,048	2,356	13
2021	276	461	1,812,270	6,566	3,931	60
2022	209	209	1,013,653	4,850	4,850	48
2023	77	77	489,462	6,357	6,357	15
Four Year Avg	155	217	899,525	5,705	4,373	34
2024	60	60	562,962	9,383	9,383	16
<i>Change from 4 Year Avg</i>	<i>(95)</i>	<i>(157)</i>	<i>(336,563)</i>	<i>3,677</i>	<i>5,009</i>	<i>(18)</i>
	-61.2%	-72.3%	-37.4%	64.5%	114.5%	-52.9%

WATER USAGE

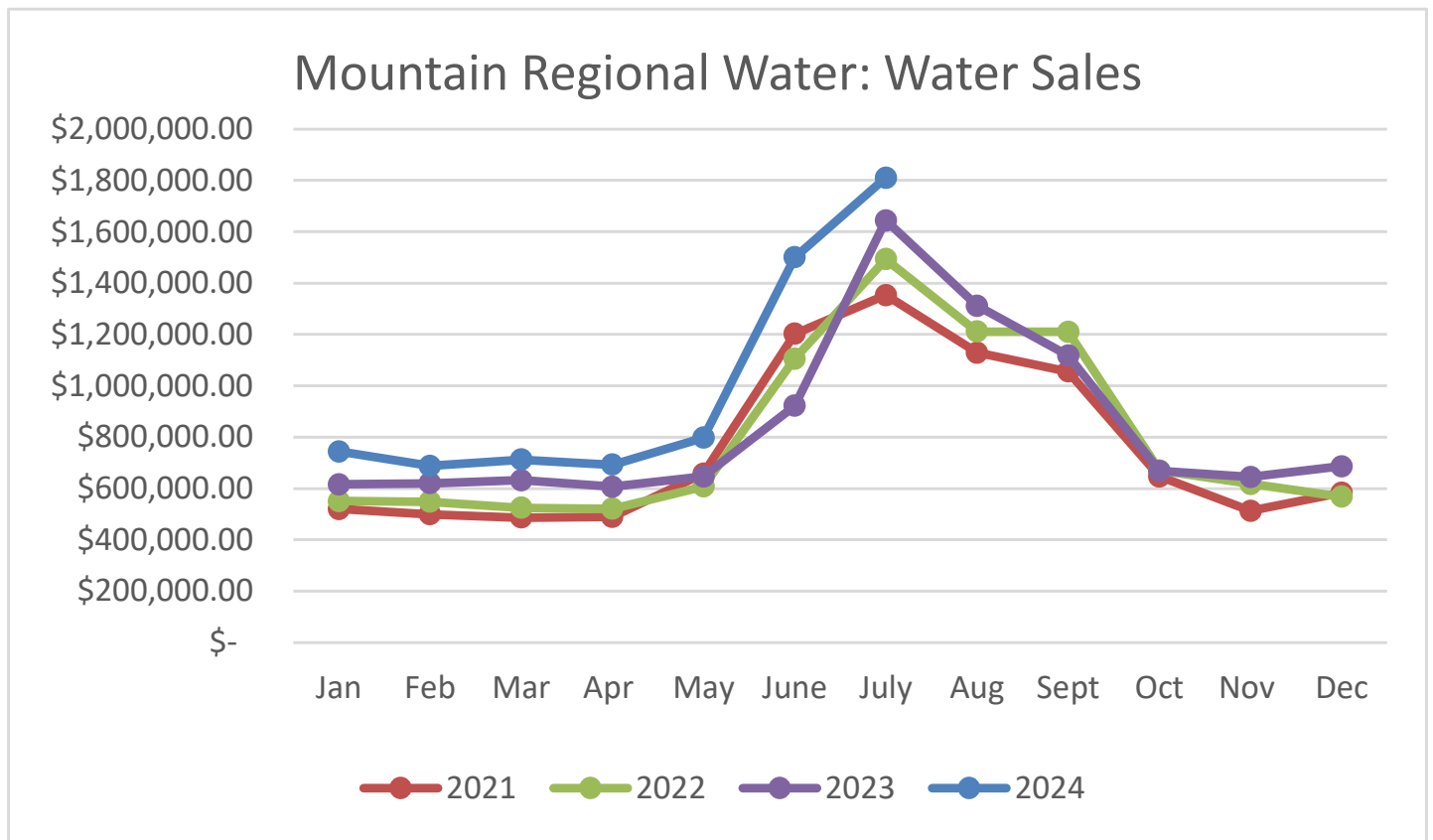
Water Consumption July of Each Year												
Current Month												
Year	MRW		Utah Olympic Park		Promontory Golf		Park City		Summit Water		Total	
	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet
2020	123.5	379	3.3	10	55.7	171	128.1	393	36.6	112	347.3	1,066
2021	120.6	370	1.9	6	48.6	149	86.1	264	29.9	92	287.1	881
2022	98.5	302	4.1	13	42.1	129	117.5	360	29.4	90	291.6	895
2023	118.4	363	3.3	10	60.4	185	127.0	390	22.5	69	331.6	1,018
Four Year Avg	115.3	354	3.2	10	51.7	159	114.7	352	29.6	91	314.4	955
2024	138.4	425	2.9	9	67.7	208	60.0	184	22.3	68	291.3	894
<i>Change from</i>	<i>23.1</i>	<i>71</i>	<i>(0.2)</i>	<i>(1)</i>	<i>16.0</i>	<i>49</i>	<i>(54.7)</i>	<i>(168)</i>	<i>(7.3)</i>	<i>(22.5)</i>	<i>(23.1)</i>	<i>(61)</i>
<i>4 Year Avg</i>	20.0%		-6.8%		0.0%		-47.7%		-24.7%		-7.3%	

Year-to-Date												
Year	MRW		Utah Olympic Park		Promontory Golf		Park City		Summit Water		Total	
	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet
2020	373.5	1,146	18.7	57	134.3	412	314.5	965	215.2	660	1,056.2	3,241
2021	366.4	1,124	9.1	28	135.2	415	446.9	1,372	198.0	608	1,155.6	3,546
2022	296.3	909	15.2	47	92.2	283	399.4	1,226	130.6	401	933.8	2,866
2023	300.8	923	14.0	43	100.5	308	649.0	1,992	131.2	403	1,195.5	3,669
Four Year Avg	334.2	1,026	14.3	44	115.5	355	452.5	1,389	168.8	518	1,085.2	3,331
2024	375.1	1,151	19.1	59	141.6	435	318.0	976	100.2	307	954.0	2,928
<i>Change from</i>	<i>40.8</i>	<i>125</i>	<i>4.9</i>	<i>15</i>	<i>26.1</i>	<i>80</i>	<i>(134.5)</i>	<i>(413)</i>	<i>(68.6)</i>	<i>(210)</i>	<i>(131.2)</i>	<i>(403)</i>
<i>4 Year Avg</i>	12.2%		34.3%		22.6%		-29.7%		-40.6%		-12.1%	

Water consumption in July 2024 by District customers of 425 acre-feet is 20.0% higher than the four-year average and 71 acre-feet more than last year. The year-to-date usage by MRW customers is 1,151 acre-feet which is 12.2% higher than the four-year average.

SUPPLEMENTAL SCHEDULES:

Water Sales (last four years): As demonstrated by the blue line in the graph below, Water sales in July were higher than in previous years due to the rate increase, customer growth, and usage in July being higher than in the last two years.



Water Sales by Category (July 2024 vs Budget): As shown in the table below, water sales were \$183,415 higher than budget for July with residential sales having the highest positive variance.

2024 Actual v Budget			
	July (Actual)	July (Budget)	Over/(Under)
<u>WATER SALES</u>			
Water Sales - Residential	\$ 1,386,147	\$ 1,271,300	\$ 114,847
Water Sales - Commercial	\$ 127,857	\$ 107,700	\$ 20,157
Water Sales - Churches	\$ 9,453	\$ 4,100	\$ 5,353
Water Sales - Schools	\$ 25,502	\$ 28,200	\$ (2,698)
Water Sales - Governments	\$ 7,352	\$ 7,900	\$ (548)
Water Sales - Industrial	\$ 38,806	\$ 27,200	\$ 11,606
Water Sales - Wholesale	\$ 53,071	\$ 56,400	\$ (3,329)
Water Sales - Weber Basin Regionalization	\$ -	\$ -	\$ -
Water Sales - Park City Wheeling	\$ 56,999	\$ 63,400	\$ (6,401)
Water Sales - Irrigation	\$ 148,457	\$ 115,900	\$ 32,557
Water Sales - Irrigation Golf	\$ 122,105	\$ 104,400	\$ 17,705
Water Sales - Standby Fees	\$ 81,267	\$ 87,100	\$ (5,833)
TOTAL WATER SALES	\$ 2,057,015	\$ 1,873,600	\$ 183,415