

MOUNTAIN REGIONAL WATER – October 2024

BOARD SUMMARY

Mountain Regional Water District Change in Net Position YTD through October 2024 - Unaudited							
	2024		2024		2023		
	Actual	Budget	Variance	%	Actual	Change	%
Revenue	\$ 16,167,695	\$ 14,334,800	\$ 1,832,895	12.8%	\$ 13,419,263	\$ 2,748,432	20.5%
Expenses & Expenditures	10,722,703	11,493,788	771,085	6.7%	9,412,249	1,310,454	13.9%
Change in Net Position Before Transfers	5,444,992	2,841,012	2,603,980		4,007,014	1,437,978	
Net Transfers	-	-	-	n/a	-	-	n/a
Change in Net Position After Transfers	5,444,992	2,841,012	2,603,980		4,007,014	1,437,978	

Through October 2024, change in net position (net income) is \$5.44 million – which is \$2.60 million better than budgeted. This positive variance resulted from a combination of higher revenue that exceeds budget by \$1.83 million (12.8%), and expenses that are lower than budget by \$771,085 (6.7%). Water Sales and Interest Earnings are the highest positive variances at \$982,249 and \$715,433 respectively.

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

District Revenue YTD through October 2024 - Unaudited							
	2024		2024		2023		
	Actual	Budget	Variance	%	Actual	Change	%
Water Sales	\$ 10,753,449	\$ 9,771,200	\$ 982,249	10.1%	\$ 8,622,643	\$ 2,130,806	24.7%
Promontory Raw Water	458,225	341,400	116,825	34.2%	300,652	157,572	52.4%
Park City Wheeling	512,640	497,100	15,540	3.1%	603,160	(90,520)	-15.0%
Weber Basin Regionalization	807,300	807,300	-	0.0%	933,225	(125,925)	-13.5%
Development Related Collections	1,789,689	1,809,600	(19,911)	-1.1%	1,933,849	(144,161)	-7.5%
Other Revenue	1,846,393	1,108,200	738,193	66.6%	1,025,733	820,660	80.0%
Total Revenue	16,167,695	14,334,800	1,832,895	12.8%	13,419,263	2,748,432	20.5%

Water Sales are over budget through October by \$982,249. This positive variance is due mainly to higher usage than budgeted due to the long and hot irrigation season. Culinary usage by District customers is 25.8% higher than last year.

Development Related Collections are below budget by \$19,911. The number of new connections requests and impact fees have slowed during the year, during October there were seven new connections and \$42,097 in impact fees, both below budgeted amounts.

Other Revenue is better than budget due mainly to interest earnings being \$715,433 above budget as interest rates continue to be around 5.0% and cash balances remain strong.

As seen below, total expenses through October are under budget by \$771,085. Operating expenses are under budget by \$765,526 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.

District Expenses From Operations YTD through October 2024 - Unaudited							
	2024 Actual	2024 Budget	Variance	%	2023 Actual	Change	%
Operating Expenses							
Operations, Maintenance & Repairs	\$ 5,556,767	\$ 6,208,638	\$ 651,871	10.5%	\$ 5,378,837	\$ 177,930	3.3%
Non-OM&R	1,753,458	1,795,250	41,792	2.3%	1,475,412	278,046	18.8%
Depreciation	1,884,137	1,956,000	71,863	3.7%	1,744,550	139,586	8.0%
Subtotal Operating	9,194,362	9,959,888	765,526	7.7%	8,598,799	595,562	6.9%
Non-operating Expenses							
Interest Expense	1,522,675	1,528,200	5,526	0.4%	807,783	714,892	88.5%
Bank & Trustee Fees	4,000	4,000	-	0.0%	4,000	-	0.0%
Bond Issuance	1,667	1,700	33	2.0%	1,667	-	0.0%
Subtotal Non-operating	1,528,341	1,533,900	5,559	0.4%	813,449	714,892	87.9%
Total Expenses	10,722,703	11,493,788	771,085	6.7%	9,412,249	1,310,454	13.9%
Total Cash Expense (Expenditures) <i>(Excludes Depreciation / Amortization)</i>	8,836,900	9,536,088	699,188	7.3%	7,666,032	1,170,868	15.3%

CASH

Cash October 2024 - unaudited							
	Current Month	Previous Month	Change	%	Previous Year	Change	%
Operating Cash & Reserves	\$ 10,270,977	\$ 10,209,779	\$ 61,198	0.6%	\$ 9,246,003	\$ 1,024,974	11.1%
Subtotal	10,270,977	10,209,779	61,198	0.6%	9,246,003	1,024,974	11.1%
<i>Days Reserve</i>	<i>376</i>	<i>374</i>	<i>2</i>		<i>368</i>	<i>8</i>	
Debt Reserves Held by District	6,567,623	6,503,184	64,438	1.0%	6,871,605	(303,982)	-4.4%
Debt Reserves Held by Trustee	3,478,466	3,074,468	403,998	13.1%	3,011,378	467,088	15.5%
Regionalization Reserves	663,827	660,999	2,828	0.4%	628,873	34,954	5.6%
Drought Reserve	886,423	882,647	3,776	0.4%	848,055	38,368	4.5%
Capital Facility Reserves	2,158,668	2,136,678	21,991	1.0%	2,626,022	(467,354)	-17.8%
Other Restricted Cash	16,565,173	17,413,804	(848,631)	-4.9%	1,638,319	14,926,854	911.1%
Subtotal	30,320,180	30,671,779	(351,599)	-1.1%	15,624,251	14,695,928	94.1%
Total	40,591,156	40,881,558	(290,402)	-0.7%	24,870,254	15,720,902	63.2%

As shown above, total cash decreased \$290,402 (0.7%) to \$40.59 million during October 2024. The current Operating Cash & Reserves balance of \$10.27 million represents 376 days reserve, last October the days reserve was at 368 days.

As can be seen above, there were two large changes in Cash positions during October. First, Debt Reserves Held by Trustee increased by \$403,998 as funds were transferred to make the bond payments coming due in December.

The second large change was that Other Restricted Cash decreased as funds were spent from the 2023 Revenue Bond to fund construction of the Administrative Office and Maintenance Facility.

CUSTOMER GROWTH

Through October 2024 there are 81 new connection requests generating \$800,585 in impact fees. **The 81 new connections is 142 below the four year average, and 41 less than 2023.** The Impact Fee budget for 2024 is \$800,000, so impact fees will be over budget for the year. Promontory has sold 18 lots, which is 42 below the four year average.

Customer Growth Through October 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	107	202	577,604	5,398	2,859	33
2021	390	677	3,263,488	8,368	4,821	110
2022	262	262	1,265,160	4,829	4,829	65
2023	132	132	808,414	6,124	6,124	31
Four Year Avg	223	318	1,478,667	6,180	4,658	60
2024	81	81	800,585	9,884	9,884	18
<i>Change from 4 Year Avg</i>	<i>(142)</i>	<i>(237)</i>	<i>(678,081)</i>	<i>3,704</i>	<i>5,225</i>	<i>(42)</i>
	-63.6%	-74.5%	-45.9%	59.9%	112.2%	-70.0%

WATER USAGE

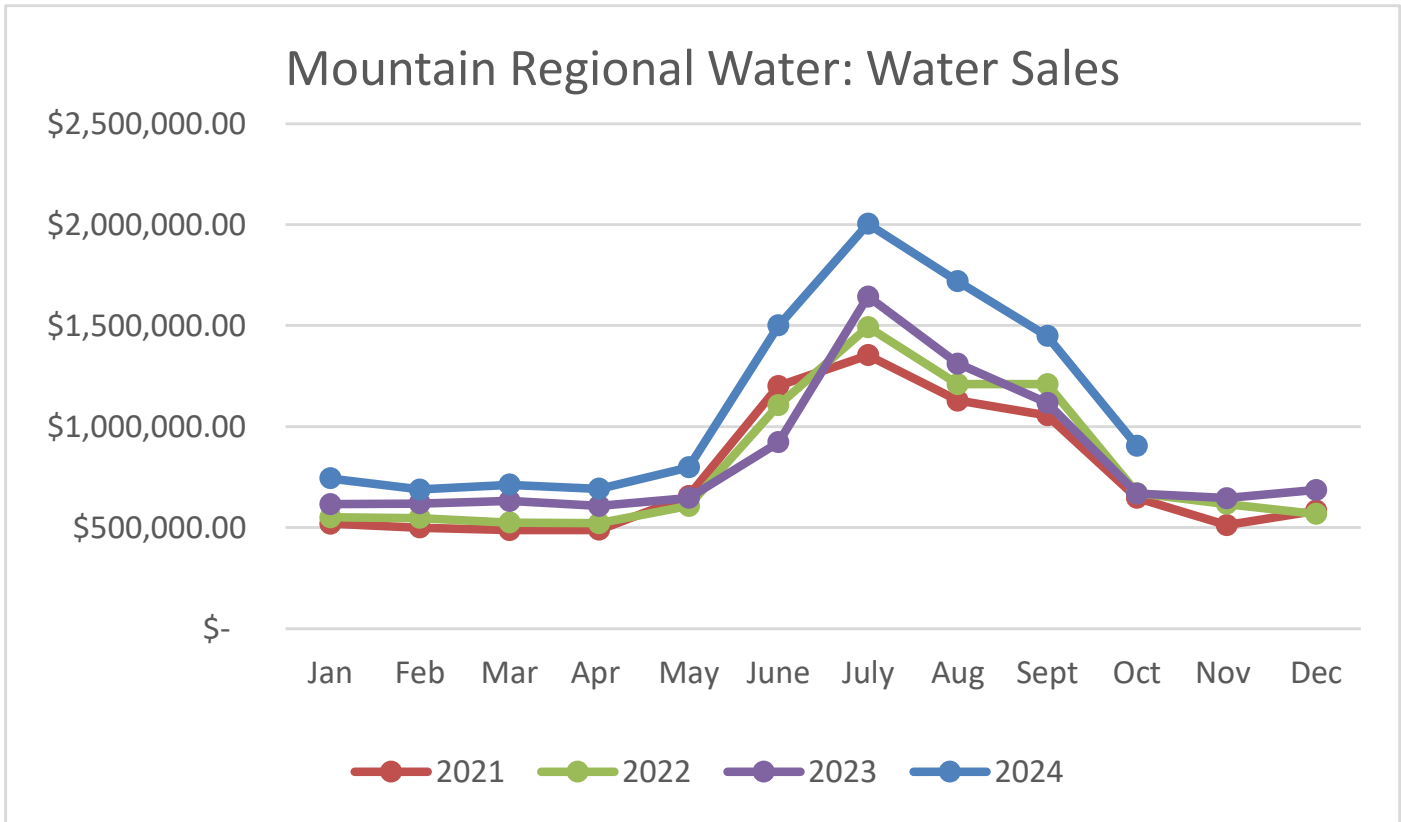
Water Consumption October of Each Year												
Current Month												
Year	MRW		Utah Olympic Park		Promontory Golf		Park City		Summit Water		Total	
	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet
2020	54.6	167	0.9	3	27.6	85	56.9	175	19.7	60	159.7	490
2021	40.1	123	1.2	4	13.9	43	39.8	122	28.6	88	123.7	380
2022	38.9	119	1.7	5	18.8	58	72.0	221	5.1	16	136.5	419
2023	32.1	99	1.1	3	6.8	21	11.0	34	7.0	21	58.1	178
Four Year Avg	41.4	127	1.2	4	16.8	51	44.9	138	15.1	46	119.5	363
2024	49.3	151	1.4	4	21.5	66	18.0	55	0.5	2	90.6	278
<i>Change from</i>	<i>7.8</i>	<i>24</i>	<i>0.1</i>	<i>0</i>	<i>4.7</i>	<i>14</i>	<i>(26.9)</i>	<i>(83)</i>	<i>(14.6)</i>	<i>(44.8)</i>	<i>(28.9)</i>	<i>(85)</i>
<i>4 Year Avg</i>	18.9%		10.4%		28.1%		-59.9%		-96.6%		-24.2%	

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	680.5	2,088	25.1	77	249.7	766	597.6	1,834	316.7	972	1,869.6	5,737
2021	594.8	1,825	13.4	41	213.8	656	607.7	1,865	295.9	908	1,725.5	5,296
2022	498.2	1,529	20.8	64	174.5	536	638.2	1,959	182.4	560	1,514.2	4,647
2023	513.6	1,576	16.8	52	170.0	522	707.0	2,170	178.3	547	1,585.7	4,866
Four Year Avg	571.8	1,755	19.0	58	202.0	620	637.6	1,957	243.3	747	1,673.8	5,137
2024	646.0	1,983	24.7	76	257.4	790	415.0	1,274	143.7	441	1,486.8	4,563
<i>Change from</i>	<i>74.3</i>	<i>228</i>	<i>5.6</i>	<i>17</i>	<i>55.3</i>	<i>170</i>	<i>(222.6)</i>	<i>(683)</i>	<i>(99.6)</i>	<i>(306)</i>	<i>(187.0)</i>	<i>(574)</i>
<i>4 Year Avg</i>	13.0%		29.6%		27.4%		-34.9%		-40.9%		-11.2%	

Water consumption in October 2024 by District customers of 151 acre-feet is 18.9% higher than the four-year average and 52 acre-feet more than last year. The year-to-date usage by MRW customers is 1,983 acre-feet, which is 13.0% higher than the four-year average and 25.8% higher than last year.

SUPPLEMENTAL SCHEDULES:

Water Sales (last four years): As demonstrated by the blue line in the graph below, Water sales in October were higher than in previous years due to the rate increase, customer growth, and usage in October being 53.3% higher than last year.



Water Sales by Category (October 2024 vs Budget): As shown in the table below, water sales were \$99,143 higher than budget for October with residential sales having the highest positive variance.

2024 Actual v Budget			
	October (Actual)	October (Budget)	Over/(Under)
<u>WATER SALES</u>			
Water Sales - Residential	\$ 631,422	\$ 570,500	\$ 60,922
Water Sales - Commercial	\$ 54,912	\$ 50,400	\$ 4,512
Water Sales - Churches	\$ 1,904	\$ 1,700	\$ 204
Water Sales - Schools	\$ 8,506	\$ 7,200	\$ 1,306
Water Sales - Governments	\$ 6,611	\$ 7,100	\$ (489)
Water Sales - Industrial	\$ 19,671	\$ 2,600	\$ 17,071
Water Sales - Wholesale	\$ 30,695	\$ 27,800	\$ 2,895
Water Sales - Weber Basin Regionalization	\$ -	\$ -	\$ -
Water Sales - Park City Wheeling	\$ 43,979	\$ 43,000	\$ 979
Water Sales - Irrigation	\$ 40,980	\$ 26,300	\$ 14,680
Water Sales - Irrigation Golf	\$ 38,893	\$ 25,700	\$ 13,193
Water Sales - Standby Fees	\$ 70,970	\$ 87,100	\$ (16,130)
TOTAL WATER SALES	\$ 948,543	\$ 849,400	\$ 99,143