

MOUNTAIN REGIONAL WATER – August 2024

BOARD SUMMARY

Mountain Regional Water District Change in Net Position YTD through August 2024 - Unaudited							
	2024		2024		2023		
	Actual	Budget	Variance	%	Actual	Change	%
Revenue	\$ 12,915,094	\$ 11,270,000	\$ 1,645,094	14.6%	\$ 10,515,726	\$ 2,399,368	22.8%
Expenses & Expenditures	8,565,938	9,128,688	562,750	6.2%	7,506,381	1,059,557	14.1%
Change in Net Position Before Transfers	4,349,156	2,141,312	2,207,844		3,009,345	1,339,810	
Net Transfers	-	-	-	n/a	-	-	n/a
Change in Net Position After Transfers	4,349,156	2,141,312	2,207,844		3,009,345	1,339,810	

Through August 2024, change in net position (net income) is \$4.35 million – which is \$2.21 million better than budgeted. This positive variance resulted from a combination of higher revenue that exceeds budget by \$1.65 million (14.6%), and expenses that are lower than budget by \$562,750 (6.2%). Water Sales and Interest Earnings are the highest positive variances at \$827,749 and \$557,747 respectively.

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

District Revenue YTD through August 2024 - Unaudited							
	2024		2024		2023		
	Actual	Budget	Variance	%	Actual	Change	%
Water Sales	\$ 8,536,549	\$ 7,708,800	\$ 827,749	10.7%	\$ 6,891,898	\$ 1,644,652	23.9%
Promontory Raw Water	322,889	256,100	66,789	26.1%	245,333	77,556	31.6%
Park City Wheeling	420,342	410,200	10,142	2.5%	518,922	(98,580)	-19.0%
Weber Basin Regionalization	538,200	538,200	-	0.0%	622,150	(83,950)	-13.5%
Development Related Collections	1,614,801	1,453,600	161,201	11.1%	1,443,108	171,692	11.9%
Other Revenue	1,482,313	903,100	579,213	64.1%	794,315	687,997	86.6%
Total Revenue	12,915,094	11,270,000	1,645,094	14.6%	10,515,726	2,399,368	22.8%

Water Sales are over budget through August by \$827,749. This positive variance is due to faster than expected new connections (161 meter installations so far this year) and culinary usage by District customers being 23.5% higher than last year (excludes raw water to golf courses and Park City, and culinary water sent to the Utah Olympic Park and Summit Water).

Development Related Collections are above budget by \$161,201. Although the number of new connections requests and impact fees have slowed during the year, during August two large impact fees were received. One was in the Colony for \$80,173 and the other was for the Summit County Sheriffs and Attorney office remodel (\$55,531). Total Impact Fees collected is now at \$722,355, only \$77,645 away from the budget for 2024.

Other Revenue is better than budget due mainly to interest earnings being \$555,747 above budget as interest rates continue to be high (5.4%).

As seen below, total expenses through August are under budget by \$562,750. Operating expenses are under budget by \$558,072 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 August 2024 - Unaudited							
	2024 Actual	2024 Budget	Variance	%	2023 Actual	Change	%
Operating Expenses							
Operations, Maintenance & Repairs	\$ 4,451,341	\$ 4,907,688	\$ 456,347	9.3%	\$ 4,295,370	\$ 155,971	3.6%
Non-OM&R	1,386,249	1,430,050	43,801	3.1%	1,168,516	217,733	18.6%
Depreciation	1,506,876	1,564,800	57,924	3.7%	1,392,936	113,940	8.2%
Subtotal Operating	7,344,466	7,902,538	558,072	7.1%	6,856,822	487,644	7.1%
Non-operating Expenses							
Interest Expense	1,218,140	1,222,750	4,610	0.4%	646,226	571,914	88.5%
Bank & Trustee Fees	2,000	2,000	-	0.0%	2,000	-	0.0%
Bond Issuance	1,333	1,400	67	4.8%	1,333	-	0.0%
Subtotal Non-operating	1,221,473	1,226,150	4,677	0.4%	649,559	571,914	88.0%
Total Expenses	8,565,938	9,128,688	562,750	6.2%	7,506,381	1,059,557	14.1%
Total Cash Expense (Expenditures) <i>(Excludes Depreciation / Amortization)</i>	7,057,729	7,562,488	504,759	6.7%	6,112,112	945,617	15.5%

CASH

Cash August 2024 - unaudited							
	Current Month	Previous Month	Change	%	Previous Year	Change	%
Operating Cash & Reserves	\$ 9,490,624	\$ 8,763,215	\$ 727,409	8.3%	\$ 7,938,495	\$ 1,552,129	19.6%
Subtotal	9,490,624	8,763,215	727,409	8.3%	7,938,495	1,552,129	19.6%
<i>Days Reserve</i>	<i>378</i>	<i>349</i>	<i>29</i>		<i>334</i>	<i>44</i>	
Debt Reserves Held by District	6,307,984	6,208,147	99,837	1.6%	6,537,934	(229,949)	-3.5%
Debt Reserves Held by Trustee	2,672,038	2,284,725	387,312	17.0%	2,394,143	277,895	11.6%
Regionalization Reserves	658,119	655,111	3,008	0.5%	2,162,885	(1,504,766)	-69.6%
Drought Reserve	878,801	874,785	4,016	0.5%	840,408	38,393	4.6%
Capital Facility Reserves	2,124,034	2,124,311	(277)	0.0%	2,593,985	(469,951)	-18.1%
Other Restricted Cash	18,105,233	18,628,159	(522,926)	-2.8%	1,584,146	16,521,087	1042.9%
Subtotal	30,746,209	30,775,238	(29,030)	-0.1%	16,113,500	14,632,708	90.8%
Total	40,236,833	39,538,453	698,379	1.8%	24,051,996	16,184,837	67.3%

As shown above, total cash increased \$698,379 (1.8%) to \$40.24 million during August 2024. **The current Operating Cash & Reserves balance of \$9.49 million represents 378 days reserve, last August the days reserve was at 334 days.** As can be seen above, there were three large changes in Cash positions during August. First, Debt Reserves Held by Trustee increased by \$387,312 as funds were transferred to make the bond payments coming due in December.

The second and third changes are related in that Other Restricted Cash decreased as funds were transferred from the 2023 Revenue Bond to Operating Cash & Reserves to pay for construction costs. The additional increase in Operating Cash & Reserves is from the collection of July billings.

CUSTOMER GROWTH

Through August 2024 there are 66 new connection requests generating \$722,355 in impact fees. **The 66 new connections is 110 below the four year average, and 18 less than 2023.** Impact Fees are \$127,355 higher than budgeted for this point in the year. Promontory has sold 16 lots, which is 28 below the four year average.

Customer Growth Through August 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	71	135	510,548	7,191	3,782	17
2021	317	540	2,407,655	7,595	4,459	83
2022	221	221	1,145,236	5,182	5,182	53
2023	94	94	551,874	5,871	5,871	21
Four Year Avg	176	248	1,153,828	6,460	4,823	44
2024	66	66	722,355	10,945	10,945	16
<i>Change from 4 Year Avg</i>	<i>(110)</i>	<i>(182)</i>	<i>(431,473)</i>	<i>4,485</i>	<i>6,121</i>	<i>(28)</i>
	-62.4%	-73.3%	-37.4%	69.4%	126.9%	-63.6%

WATER USAGE

Water Consumption August of Each Year

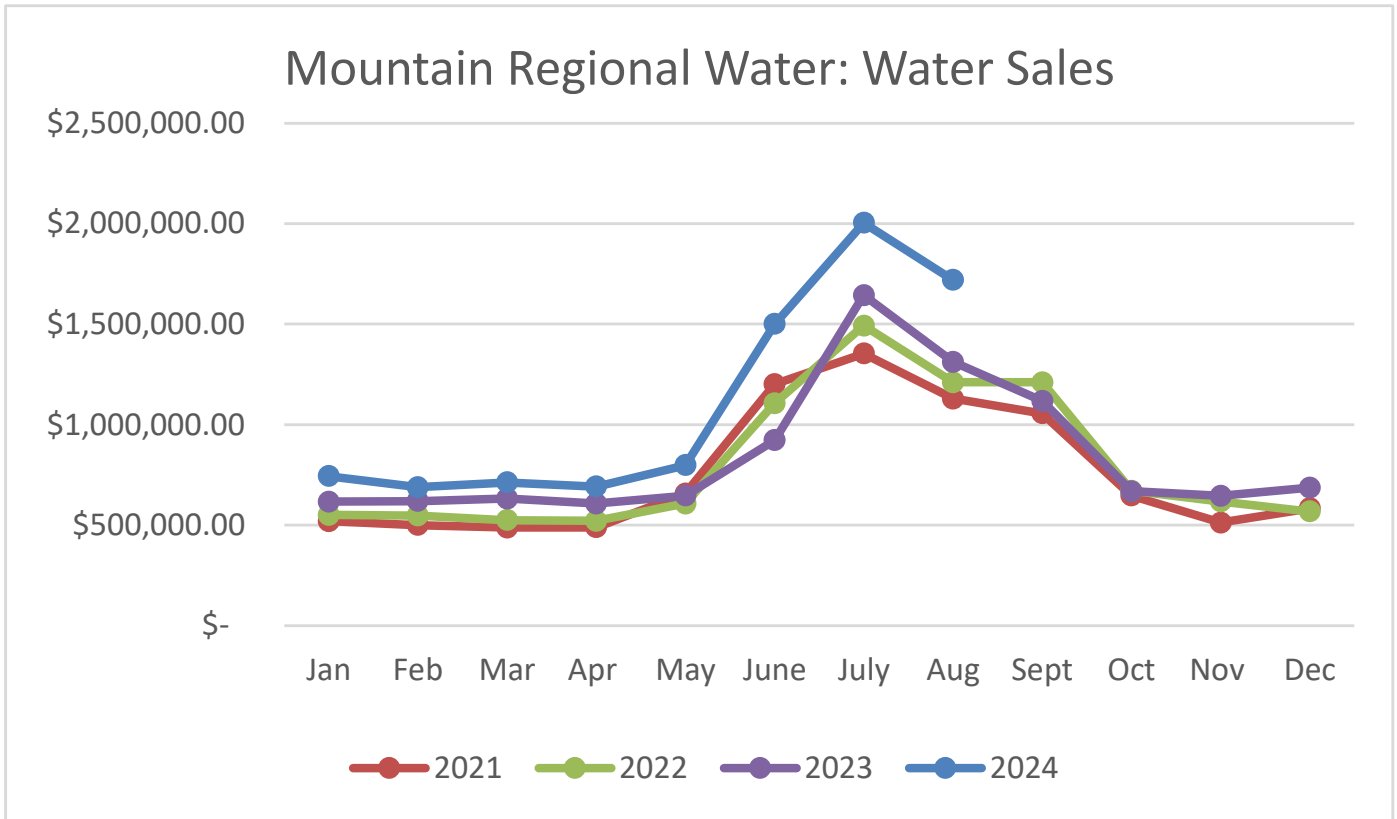
Current Month												
Year	MRW		Utah Olympic Park		Promontory Golf		Park City		Summit Water		Total	
	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet
2020	137.0	420	3.1	10	50.9	156	121.5	373	40.3	124	352.7	1,083
2021	98.7	303	1.6	5	33.1	102	70.4	216	33.6	103	237.5	729
2022	83.3	256	2.1	6	27.9	86	89.8	276	27.5	84	230.6	708
2023	102.3	314	2.0	6	39.1	120	34.0	104	21.0	64	198.5	609
Four Year Avg	105.3	323	2.2	7	37.7	116	78.9	242	30.6	94	254.8	775
2024	122.8	377	2.3	7	40.8	125	47.0	144	20.5	63	233.4	716
<i>Change from</i>	<i>17.4</i>	<i>54</i>	<i>0.0</i>	<i>0</i>	<i>3.1</i>	<i>9</i>	<i>(31.9)</i>	<i>(98)</i>	<i>(10.1)</i>	<i>(30.9)</i>	<i>(21.4)</i>	<i>(59)</i>
<i>4 Year Avg</i>	<i>16.6%</i>		<i>1.4%</i>		<i>0.0%</i>		<i>-40.4%</i>		<i>-32.9%</i>		<i>-8.4%</i>	

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	510.5	1,567	21.9	67	185.1	568	540.7	1,659	255.5	784	1,513.6	4,645
2021	465.0	1,427	10.7	33	168.3	517	517.4	1,588	231.6	711	1,393.0	4,275
2022	379.7	1,165	17.3	53	120.1	369	489.2	1,501	157.7	484	1,164.0	3,572
2023	403.1	1,237	16.0	49	139.6	428	683.0	2,096	152.2	467	1,393.9	4,278
Four Year Avg	439.6	1,349	16.5	51	153.3	470	557.6	1,711	199.3	611	1,366.1	4,193
2024	497.8	1,528	21.4	66	182.4	560	365.0	1,120	120.7	371	1,187.4	3,644
<i>Change from</i>	<i>58.3</i>	<i>179</i>	<i>4.9</i>	<i>15</i>	<i>29.1</i>	<i>89</i>	<i>(192.6)</i>	<i>(591)</i>	<i>(78.5)</i>	<i>(241)</i>	<i>(178.8)</i>	<i>(549)</i>
<i>4 Year Avg</i>	<i>13.3%</i>		<i>29.9%</i>		<i>19.0%</i>		<i>-34.5%</i>		<i>-39.4%</i>		<i>-13.1%</i>	

Water consumption in August 2024 by District customers of 377 acre-feet is 16.6% higher than the four-year average and 54 acre-feet more than last year. The year-to-date usage by MRW customers is 1,528 acre-feet which is 13.3% higher than the four-year average and 23.5% higher than last year.

SUPPLEMENTAL SCHEDULES:

Water Sales (last four years): As demonstrated by the blue line in the graph below, Water sales in August were higher than in previous years due to the rate increase, customer growth, and usage in August being 19.97% higher than last year.



Water Sales by Category (August 2024 vs Budget): As shown in the table below, water sales were \$196,613 higher than budget for August with residential sales having the highest positive variance.

2024 Actual v Budget			
	August (Actual)	August (Budget)	Over/(Under)
<u>WATER SALES</u>			
Water Sales - Residential	\$ 1,209,262	\$ 1,073,500	\$ 135,762
Water Sales - Commercial	\$ 99,671	\$ 84,800	\$ 14,871
Water Sales - Churches	\$ 5,081	\$ 6,200	\$ (1,119)
Water Sales - Schools	\$ 28,080	\$ 22,300	\$ 5,780
Water Sales - Governments	\$ 6,899	\$ 7,500	\$ (602)
Water Sales - Industrial	\$ 34,245	\$ 24,900	\$ 9,345
Water Sales - Wholesale	\$ 44,179	\$ 34,400	\$ 9,779
Water Sales - Weber Basin Regionalization	\$ -	\$ -	\$ -
Water Sales - Park City Wheeling	\$ 52,969	\$ 48,100	\$ 4,869
Water Sales - Irrigation	\$ 144,700	\$ 118,400	\$ 26,300
Water Sales - Irrigation Golf	\$ 73,663	\$ 68,700	\$ 4,963
Water Sales - Standby Fees	\$ 73,765	\$ 87,100	\$ (13,335)
TOTAL WATER SALES	\$ 1,772,513	\$ 1,575,900	\$ 196,613