MEMORANDUM

To: Administrative Control Board

From: Steve Anderson, CFO

Date: September 10, 2026

Subject: Revenue Projections for 2027

Attached are three documents:

1. **Summary Revenue Comparison**
2. **MRW Rate Projections**
3. **MRW User/Bill Comparison**

Each document will be discussed in detail during the September 17, 2026, board meeting, however, below is a brief explanation of each document in preparation for the meeting**.**

Summary Revenue Comparison

The District budgeted total revenue of $17,303,000 for 2026. Current projections have the final revenue for 2026 being $17,669,000, a positive variance of $366,000. For 2027 the District's preliminary projections have a total revenue budget of $19,134,000.

The current projection has an increase of $1,750,000 in total operating revenue. There is a $1,700,000 increase in water sales based on average customer growth, an effective rate increase of 8.0%, and usage based on the last 3 years.

Non-Operating Revenue is budgeted to increase by $81,000 from the 2026 budget. The increase is from increasing the Impact Fee budget by $100,000 from $700,000 to $800,000 and increasing the Promontory Assessment budget by $21,000. This is offset by a budgeted decrease in interest earnings of $40,000.

MRW Rate Projections

During the board meeting we will have the 2027 Rate Scenario Model spreadsheet up on the screen and work through several scenarios. The last two years the District has implemented a "tiered" rate increase which relies more on usage and is less predictable. For 2027 I am recommending a "flatter" rate increase to protect against usage volatility and decreasing usage in the highest usage tiers.

The District needs to target an 8% effective rate increase to meet its financial needs for 2027. Attached to this memo are two scenarios to consider for the residential water rate increase to begin the discussion during the board meeting.

MRW User/Bill Comparison

Below is information about what the two scenarios will do to customers' bills dependent on their usage levels.

Small User: 100,000 gallons or .31 acre-feet
Average User: 135,000 gallons or .41 acre-feet
Above Average User: 200,000 gallons or .61 acre-feet
Large User: 320,000 gallons or .98 acre-feet
Very Large User: 480,000 gallons or 1.47 acre-feet

Scenario 1

For each of these user levels here are the projected annual, average monthly increases, and percentage increase:

Small User: $109.00 annually or $9.08 monthly, 8.49%
Average User: $149.25 annually or $12.44 monthly, 9.92%
Above Average User: $232.00 annually or $13.93 monthly, 11.61%
Large User: $462.00 annually or $38.50 monthly, 10.05%
Very Large User: $1,014.60 annually or $84.50 monthly, 8.94%

Scenario 2

For each of these user levels here are the projected annual, average monthly increases, and percentage increase:

Small User: $104.00 annually or $9.67 monthly, 8.10%
Average User: $121.50 annually or $10.13 monthly, 8.08%
Above Average User: $158.00 annually or $13.17 monthly, 7.91%
Large User: $368.00 annually or $30.67 monthly, 8.00%
Very Large User: $916.00 annually or $76.33 monthly, 8.07%

I look forward to our discussion and hope this information will prove useful in preparing and during the board meeting.

Sincerely,

Steve Anderson
CFO

SUMMARY REVENUE COMPARISON

	2026 BUDGET	2026 PROJECTION	2026 Variance Positive/(Negative)	2027 BUDGET	2026 v 2027 Budget change	Budget v Budget Change %
OPERATING REVENUE						
Water Sales	14,450,000	14,455,000	5,000	16,150,000	1,700,000	11.76%
Park City Wheeling	600,000	630,000	30,000	650,000	50,000	8.33%
Weber Basin	-	-	-	-	-	-
Operating Fees	491,800	466,800	(25,000)	491,800	-	0.00%
Other Operating	47,500	62,500	15,000	47,500	-	0.00%
TOTAL OPERATING REVENUE	**15,589,300**	**15,614,300**	**25,000**	**17,339,300**	**1,750,000**	**11.23%**
NON OPERATING REVENUE						
Interest Earnings	665,000	765,000	100,000	625,000	(40,000)	-6.02%
Impact Fees	700,000	800,000	100,000	800,000	100,000	14.29%
Promontory Assessments		21,000	21,000	21,000	21,000	
Stagecoach Assessments	148,000	148,000	-	148,000	-	0.00%
Community Water Assessments	159,000	159,000	-	159,000	-	0.00%
Other Cash Non Operating	30,000	150,000	120,000	30,000	-	0.00%
Non-Cash Operating	11,700	11,700	-	11,700	-	0.00%
TOTAL NON OPERATING REVENUE	**1,713,700**	**2,054,700**	**341,000**	**1,794,700**	**81,000**	**4.73%**
TOTAL REVENUE	**17,303,000**	**17,669,000**	**366,000**	**19,134,000**	**1,831,000**	**10.58%**

MRW Rate Projections - Scenario 1

	Current 2026	Potential 2027	$ Increase
Residential Base	$ 74.50	$ 77.50	$ 3.00
Residential Tiers			
Monthly/Gallons	Per Thousand	Per Thousand	Per Thousand
0 - 5000	$ 2.30	$ 2.75	$ 0.45
5001-20000	$ 6.30	$ 7.45	$ 1.15
20001-30000	$ 8.40	$ 9.75	$ 1.35
30001-40000	$ 15.00	$ 16.75	$ 1.75
40001-60000	$ 25.00	$ 27.00	$ 2.00
60001-80000	$ 33.50	$ 36.25	$ 2.75
80001-100000	$ 50.85	$ 55.00	$ 4.15
over 100000	$ 63.25	$ 68.50	$ 5.25

MRW Rate Projections - Scenario 2

	Current 2026	Potential 2027	$ Increase
Residential Base	$ 74.50	$ 80.50	$ 6.00
Residential Tiers			
Monthly/Gallons	Per Thousand	Per Thousand	Per Thousand
0 - 5000	$ 2.30	$ 2.50	$ 0.20
5001-20000	$ 6.30	$ 6.80	$ 0.50
20001-30000	$ 8.40	$ 9.00	$ 0.60
30001-40000	$ 15.00	$ 16.25	$ 1.25
40001-60000	$ 25.00	$ 27.00	$ 2.00
60001-80000	$ 33.50	$ 36.20	$ 2.70
80001-100000	$ 50.85	$ 55.00	$ 4.15
over 100000	$ 63.25	$ 68.50	$ 5.25

MRW User/Bill Comparision																
	January	February	March	April	May	June	July	August	September	October	November	December	TOTALS	Avg Monthly Increase	Annual Increase	AF
Small User																
Usage	5,000	5,000	5,000	5,000	5,000	15,000	15,000	15,000	15,000	5,000	5,000	5,000	100,000			**0.31**
Bill: Current Rates	$ 86.00	86.00	86.00	86.00	$ 86.00	$ 149.00	$ 149.00	$ 149.00	$ 149.00	$ 86.00	$ 86.00	$ 86.00	$ 1,284.00			
Bill: Scenario 1	$ 91.25	91.25	91.25	91.25	$ 91.25	$ 165.75	$ 165.75	$ 165.75	$ 165.75	$ 91.25	$ 91.25	$ 91.25	$ 1,393.00	$ 9.08	$ 109.00	**8.49%**
Bill: Scenario 2	$ 93.00	93.00	93.00	93.00	$ 93.00	$ 161.00	$ 161.00	$ 161.00	$ 161.00	$ 93.00	$ 93.00	$ 93.00	$ 1,388.00	$ 8.67	$ 104.00	**8.10%**
Average User																
Usage	7,500	7,500	7,500	7,500	7,500	20,000	20,000	20,000	15,000	7,500	7,500	7,500	135,000			**0.41**
Bill: Current Rates	$ 101.75	$ 101.75	$ 101.75	$ 101.75	$ 101.75	$ 180.50	$ 180.50	$ 180.50	$ 149.00	$ 101.75	$ 101.75	$ 101.75	$ 1,504.50			
Bill: Scenario 1	$ 109.88	$ 109.88	$ 109.88	$ 109.88	$ 109.88	$ 203.00	$ 203.00	$ 203.00	$ 165.75	$ 109.88	$ 109.88	$ 109.88	$ 1,653.75	$ 12.44	$ 149.25	**9.92%**
Bill: Scenario 2	$ 110.00	$ 110.00	$ 110.00	$ 110.00	$ 110.00	$ 195.00	$ 195.00	$ 195.00	$ 161.00	$ 110.00	$ 110.00	$ 110.00	$ 1,626.00	$ 10.13	$ 121.50	**8.08%**
Above Average User																
Usage	10,000	10,000	10,000	10,000	10,000	30,000	30,000	30,000	30,000	10,000	10,000	10,000	200,000			**0.61**
Bill: Current Rates	$ 117.50	117.50	117.50	117.50	$ 117.50	$ 264.50	$ 264.50	$ 264.50	$ 264.50	$ 117.50	$ 117.50	$ 117.50	$ 1,998.00			
Bill: Scenario 1	$ 128.50	128.50	128.50	128.50	$ 128.50	$ 300.50	$ 300.50	$ 300.50	$ 300.50	$ 128.50	$ 128.50	$ 128.50	$ 2,230.00	$ 19.33	$ 232.00	**11.61%**
Bill: Scenario 2	$ 127.00	127.00	127.00	127.00	$ 127.00	$ 285.00	$ 285.00	$ 285.00	$ 285.00	$ 127.00	$ 127.00	$ 127.00	$ 2,156.00	$ 13.17	$ 158.00	**7.91%**
Large User																
Usage	10,000	10,000	10,000	10,000	10,000	60,000	60,000	60,000	60,000	10,000	10,000	10,000	320,000			**0.98**
Bill: Current Rates	$ 117.50	117.50	117.50	117.50	$ 117.50	$ 914.50	$ 914.50	$ 914.50	$ 914.50	$ 117.50	$ 117.50	$ 117.50	$ 4,598.00			
Bill: Scenario 1	$ 128.50	128.50	128.50	128.50	$ 128.50	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 1,008.00	$ 128.50	$ 128.50	$ 128.50	$ 5,060.00	$ 38.50	$ 462.00	**10.05%**
Bill: Scenario 2	$ 127.00	127.00	127.00	127.00	$ 127.00	$ 987.50	$ 987.50	$ 987.50	$ 987.50	$ 127.00	$ 127.00	$ 127.00	$ 4,966.00	$ 30.67	$ 368.00	**8.00%**
Very Large User																
Usage	10,000	10,000	10,000	10,000	10,000	100,000	100,000	100,000	100,000	10,000	10,000	10,000	480,000			**1.47**
Bill: Current Rates	$ 117.50	117.50	117.50	117.50	$ 117.50	$ 2,601.50	$ 2,601.50	$ 2,601.50	$ 2,601.50	$ 117.50	$ 117.50	$ 117.50	$ 11,346.00			
Bill: Scenario 1	$ 128.50	128.50	128.50	128.50	$ 128.50	$ 2,833.00	$ 2,833.00	$ 2,833.00	$ 2,833.00	$ 128.50	$ 128.50	$ 128.50	$ 12,360.00	$ 84.50	$ 1,014.00	**8.94%**
Bill: Scenario 2	$ 127.00	127.00	127.00	127.00	$ 127.00	$ 2,811.50	$ 2,811.50	$ 2,811.50	$ 2,811.50	$ 127.00	$ 127.00	$ 127.00	$ 12,262.00	$ 76.33	$ 916.00	**8.07%**