



MEMORANDUM

To: Administrative Control Board
From: Steve Anderson, CFO
Date: September 12, 2024
Subject: Revenue Projections for 2025

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 19, 2024, 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 \$16,585,700 for 2024. Current projections have the final revenue for 2024 to be \$18,200,850, a positive variance of \$1,615,150. For 2025 the District's preliminary projections have a total revenue budget of \$16,734,500.

The current projection has an increase of \$703,300 in total operating revenue. There is a \$891,900 increase to water sales based on moderate customer growth, a tiered rate increase, and usage based on the average of the last two years. There is a decrease of \$188,600 to Weber Basin revenue due to a decrease of 100 acre-feet in the contract.

Non-Operating Revenue is budgeted to decrease by \$554,500 from the 2024 budget. The decrease includes a decrease of \$220,000 in interest revenue due to cash balances that are projected to decrease during 2025 from the construction of the new administration office and maintenance shop and dropping interest rates.

Impact Fees and Promontory Assessments are also budgeted to decrease by \$200,000 and \$125,900, respectively. This is due to the slowing real estate market the District has experienced during 2024.

MRW Rate Projections

In accordance with previous discussions with the Administrative Control Board, the District is planning a “tiered” rate increase for 2025. A similar rate increase methodology was used for the 2023 rate increase. For the 2024 rate increase, a “flat” increase was implemented where all base and usage levels received the same increase (8%).

As can be seen on the MRW Rate Projections document, the District is increasing base and lower usage tiers by significantly smaller percentages than those for higher usage tiers. The desire is to further promote conservation, increase the charges for irrigation/outdoor watering, and reduce the increasing pressure for source development.

The District is projecting to increase water sales by 7.7% over the 2024 budget due to growth, the “tiered” rate increase, and usage that is the average of 2023 and 2024 usage, which is higher than that used to create the 2024 budget.

MRW User/Bill Comparison

This document provides a table showing how the rate increase will impact different levels of water users. The table includes five different customer scenarios, they are:

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

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

Small User: \$31.52 annually or \$2.63 monthly, 2.58%
Average User: \$44.82 annually or \$3.73 monthly, 3.16%
Above Average User: \$93.52 annually or \$7.79 monthly, 5.09%
Large User: \$684.72 annually or \$57.06 monthly, 18.78%
Very Large User: \$2,331.12 annually or \$194.26 monthly, 29.14%

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

	2024 BUDGET	2024 PROJECTION	2025 BUDGET	2024 v 2025 Budget change	Budget v Budget Change %
OPERATING REVENUE					
Water Sales	11,581,100	12,475,600	12,473,000	891,900	7.70%
Park City Wheeling	600,000	610,100	600,000	-	0.00%
Weber Basin	1,076,400	1,076,400	887,800	(188,600)	-17.52%
Operating Fees	491,800	612,950	491,800	-	0.00%
Other Operating	47,500	55,400	47,500	-	0.00%
TOTAL OPERATING REVENUE	13,796,800	14,830,450	14,500,100	703,300	5.10%
NON OPERATING REVENUE					
Interest Earnings	1,245,000	1,800,700	1,025,000	(220,000)	-17.67%
Impact Fees	800,000	927,000	600,000	(200,000)	-25.00%
Promontory Assessments	386,600	245,000	260,700	(125,900)	-32.57%
Stagecoach Assessments	156,600	147,700	148,000	(8,600)	-5.49%
Community Water Assessments	159,000	160,000	159,000	-	0.00%
Other Cash Non Operating	30,000	78,300	30,000	-	0.00%
Non-Cash Operating	11,700	11,700	11,700	-	0.00%
TOTAL NON OPERATING REVENUE	2,788,900	3,370,400	2,234,400	(554,500)	-19.88%
TOTAL REVENUE	16,585,700	18,200,850	16,734,500	148,800	0.90%

MRW RATE PROJECTIONS

Current 2024 Potential 2025 Increase

RESIDENTIAL					
Residential Base	\$	72.09	\$	73.00	1.26%
Residential Tiers					
Monthly/ per 1K Gallons					
0-5,000	\$	2.16	\$	2.25	4.17%
5,001-20,000	\$	5.62	\$	6.00	6.76%
20,001-30,000	\$	7.02	\$	8.00	13.96%
30,001-40,000	\$	11.04	\$	14.00	26.81%
40,001-60,000	\$	17.09	\$	23.00	34.58%
60,001-80,000	\$	22.02	\$	30.00	36.24%
80,001-100,000	\$	32.40	\$	45.00	38.89%
Over 100,000	\$	37.80	\$	55.00	45.50%

CULINARY IRRIGATION					
Culinary Irrigation Base	\$	72.09	\$	73.00	1.26%
Culinary Irrigation Tiers					
Monthly/ per 1K Gallons					
0-5,000	\$	3.35	\$	3.75	11.94%
5,001-30,000	\$	5.94	\$	7.50	26.26%
30,001-40,000	\$	11.12	\$	14.50	30.40%
40,001-60,000	\$	17.60	\$	23.00	30.68%
60,001-80,000	\$	22.57	\$	30.00	32.92%
80,001-100,000	\$	27.65	\$	45.00	62.75%
Over 100,000	\$	37.80	\$	55.00	45.50%

COMMERCIAL					
Commerical Base	\$	92.50	\$	95.00	2.70%
Commercial Tiers					
Monthly/ per 1K Gallons					
0-5,000	\$	3.35	\$	3.75	11.94%
5,001-30,000	\$	5.94	\$	7.50	26.26%
30,001-40,000	\$	11.12	\$	14.50	30.40%
40,001-60,000	\$	17.60	\$	23.00	30.68%
60,001-80,000	\$	19.55	\$	29.00	48.34%
80,001-100,000	\$	21.49	\$	32.00	48.91%
Over 100,000	\$	25.06	\$	34.00	35.67%

COMMON WALL IRRIGATION					
Common Wall Base	\$	-	\$	-	
Common Wall Tiers					
Monthly/ per 1K Gallons					
0-5,000	\$	2.16	\$	2.25	4.17%
5,001-20,000	\$	5.62	\$	6.00	6.76%
20,001-30,000	\$	7.02	\$	8.00	13.96%
30,001-40,000	\$	11.04	\$	14.00	26.81%
40,001-60,000	\$	17.09	\$	23.00	34.58%
60,001-80,000	\$	22.02	\$	30.00	36.24%
80,001-100,000	\$	32.40	\$	45.00	38.89%
Over 100,000	\$	37.80	\$	55.00	45.50%

INTERRUPTIBLE					
Interruptible Base	\$	144.18	\$	150.00	4.04%
Residential Tiers					
Monthly/ per 1K Gallons					
Usage	\$	16.20	\$	17.50	8.02%

STANDBY					
Standby per billing unit	\$	48.60	\$	50.00	2.88%

MRW User/Bill Comparison																
	January	February	March	April	May	June	July	August	September	October	November	December	TOTALS	Avg Monthly	Annual	AF
														Increase	Increase	
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	\$ 82.89	82.89	82.89	82.89	\$ 82.89	\$ 139.09	\$ 139.09	\$ 139.09	\$ 139.09	\$ 82.89	\$ 82.89	\$ 82.89	\$ 1,219.48			
Bill: Potential Rates	\$ 84.25	84.25	84.25	84.25	\$ 84.25	\$ 144.25	\$ 144.25	\$ 144.25	\$ 144.25	\$ 84.25	\$ 84.25	\$ 84.25	\$ 1,251.00	\$ 2.63	\$ 31.52	2.58%
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	\$ 96.94	\$ 96.94	\$ 96.94	\$ 96.94	\$ 96.94	\$ 167.19	\$ 167.19	\$ 167.19	\$ 139.09	\$ 96.94	\$ 96.94	\$ 96.94	\$ 1,416.18			
Bill: Potential Rates	\$ 99.25	\$ 99.25	\$ 99.25	\$ 99.25	\$ 99.25	\$ 174.25	\$ 174.25	\$ 174.25	\$ 144.25	\$ 99.25	\$ 99.25	\$ 99.25	\$ 1,461.00	\$ 3.73	\$ 44.82	3.16%
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	\$ 110.99	110.99	110.99	110.99	\$ 110.99	\$ 237.39	\$ 237.39	\$ 237.39	\$ 237.39	\$ 110.99	\$ 110.99	\$ 110.99	\$ 1,837.48			
Bill: Potential Rates	\$ 114.25	114.25	114.25	114.25	\$ 114.25	\$ 254.25	\$ 254.25	\$ 254.25	\$ 254.25	\$ 114.25	\$ 114.25	\$ 114.25	\$ 1,931.00	\$ 7.79	\$ 93.52	5.09%
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	\$ 110.99	110.99	110.99	110.99	\$ 110.99	\$ 689.59	\$ 689.59	\$ 689.59	\$ 689.59	\$ 110.99	\$ 110.99	\$ 110.99	\$ 3,646.28			
Bill: Potential Rates	\$ 114.25	114.25	114.25	114.25	\$ 114.25	\$ 854.25	\$ 854.25	\$ 854.25	\$ 854.25	\$ 114.25	\$ 114.25	\$ 114.25	\$ 4,331.00	\$ 57.06	\$ 684.72	18.78%
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	\$ 110.99	110.99	110.99	110.99	\$ 110.99	\$ 1,777.99	\$ 1,777.99	\$ 1,777.99	\$ 1,777.99	\$ 110.99	\$ 110.99	\$ 110.99	\$ 7,999.88			
Bill: Potential Rates	\$ 114.25	114.25	114.25	114.25	\$ 114.25	\$ 2,354.25	\$ 2,354.25	\$ 2,354.25	\$ 2,354.25	\$ 114.25	\$ 114.25	\$ 114.25	\$ 10,331.00	\$ 194.26	\$ 2,331.12	29.14%