

MOUNTAIN REGIONAL WATER – May 2024

BOARD SUMMARY

Mountain Regional Water District Change in Net Position YTD through May 2024 - Unaudited							
	2024		Variance	%	2023		
	Actual	Budget			Actual	Change	%
Revenue	\$ 6,136,670	\$ 5,229,850	\$ 906,820	17.3%	\$ 4,968,757	\$ 1,167,913	23.5%
Expenses & Expenditures	5,001,718	5,386,413	384,695	7.1%	4,376,175	625,543	14.3%
Change in Net Position Before Transfers	1,134,952	(156,563)	1,291,515		592,581	542,370	
Net Transfers	-	-	-	n/a	-	-	n/a
Change in Net Position After Transfers	1,134,952	(156,563)	1,291,515		592,581	542,370	

Through May 2024, change in net position (net income) is \$1.13 million – which is \$1.29 million better than budgeted. This positive variance resulted from a combination of higher revenue that exceeds budget by \$906,820 (17.3%), and expenses that are lower than budget by \$384,695 (7.1%). Interest Earnings and Impact Fees account for \$513,630 of the positive variance in revenue.

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

District Revenue YTD through May 2024 - Unaudited							
	2024		Variance	%	2023		
	Actual	Budget			Actual	Change	%
Water Sales	\$ 3,595,314	\$ 3,397,900	\$ 197,414	5.8%	\$ 3,110,448	\$ 484,866	15.6%
Promontory Raw Water	40,709	20,600	20,109	97.6%	12,394	28,316	228.5%
Park City Wheeling	261,745	244,900	16,845	6.9%	321,885	(60,140)	-18.7%
Weber Basin Regionalization	269,100	269,100	-	0.0%	311,075	(41,975)	-13.5%
Development Related Collections	1,048,904	708,000	340,904	48.2%	742,926	305,978	41.2%
Other Revenue	920,898	589,350	331,548	56.3%	470,029	450,868	95.9%
Total Revenue	6,136,670	5,229,850	906,820	17.3%	4,968,757	1,167,913	23.5%

Water Sales are over budget through May by \$197,414. This positive variance is coming from both residential customers that have increased faster than originally forecasted and more outdoor irrigation than anticipated. The Promontory Raw Water positive variance comes from the fact Promontory began to water their golf courses in late April and continued their usage in May at a higher level than the last two years. Park City slowed their wheeled water demand during May (only 19 million gallons), but continues to be slightly over budget for the year (\$16,845 or 6.9%).

Development Related Collections are above budget by \$340,904 primarily due to impact fees being \$198,219 over budget and meter installations also being \$111,100 over budget. Other Revenue is better than budget due mainly to interest earnings being \$315,411 above budget due as interest rates continue to be high.

As seen on the next page, total expenses through May are under budget by \$384,695. Operating expenses are under budget by \$381,616 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 May 2024 - Unaudited**

	2024 Actual	2024 Budget	Variance	%	2023 Actual	Change	%
Operating Expenses							
Operations, Maintenance & Repairs	\$ 2,495,120	\$ 2,795,413	\$ 300,293	10.7%	\$ 2,441,647	\$ 53,473	2.2%
Non-OM&R	801,031	845,750	44,719	5.3%	677,387	123,644	18.3%
Depreciation	941,396	978,000	36,604	3.7%	864,863	76,533	8.8%
Subtotal Operating	4,237,547	4,619,163	381,616	8.3%	3,983,897	253,650	6.4%
Non-operating Expenses							
Interest Expense	761,337	764,350	3,013	0.4%	389,445	371,893	95.5%
Bank & Trustee Fees	2,000	2,000	-	0.0%	2,000	-	0.0%
Bond Issuance	833	900	67	7.4%	833	-	0.0%
Subtotal Non-operating	764,171	767,250	3,079	0.4%	392,278	371,893	94.8%
Total Expenses	5,001,718	5,386,413	384,695	7.1%	4,376,175	625,543	14.3%
Total Cash Expense (Expenditures) <i>(Excludes Depreciation / Amortization)</i>	4,059,488	4,407,513	348,025	7.9%	3,510,479	549,009	15.6%

CASH

**Cash
May 2024 - unaudited**

	Current Month	Previous Month	Change	%	Previous Year	Change	%
Operating Cash & Reserves	\$ 8,496,615	\$ 8,737,672	\$ (241,057)	-2.8%	\$ 8,580,928	\$ (84,313)	-1.0%
Subtotal	8,496,615	8,737,672	(241,057)	-2.8%	8,580,928	(84,313)	-1.0%
<i>Days Reserve</i>	<i>338</i>	<i>348</i>	<i>(10)</i>		<i>361</i>	<i>(23)</i>	
Debt Reserves Held by District	6,309,159	6,349,130	(39,971)	-0.6%	6,559,042	(249,884)	-3.8%
Debt Reserves Held by Trustee	2,597,209	2,196,593	400,616	18.2%	2,052,765	544,443	26.5%
Regionalization Reserves	649,201	646,220	2,981	0.5%	2,134,684	(1,485,484)	-69.6%
Drought Reserve	866,893	862,912	3,981	0.5%	829,450	37,442	4.5%
Capital Facility Reserves	2,079,854	2,083,180	(3,327)	-0.2%	2,568,875	(489,022)	-19.0%
Other Restricted Cash	19,022,487	19,179,252	(156,764)	-0.8%	1,494,300	17,528,188	1173.0%
Subtotal	31,524,802	31,317,286	207,516	0.7%	15,639,118	15,885,684	101.6%
Total	40,021,417	40,054,958	(33,542)	-0.1%	24,220,046	15,801,371	65.2%

As shown above, total cash decreased \$33,542 (0.1%) to \$40.02 million during May 2024. **The current Operating Cash & Reserves balance of \$8.50 million represents 338 days reserve, last May the days reserve was at 361 days.** As can be seen above, there were three changes in Cash positions over \$100,000. First, Operating Cash & Reserves dropped by \$241,057 as money was transferred to Debt Reserves Held by Trustee to make future bond payments. The increase in this account due to these transfers was the second large change. The last change in cash positions over \$100,000 was in Other Restricted Cash. This occurred because numerous customer deposits were refunded as customers were able to pass their final inspection, and because of the transfer of funds from the treatment plant reserve to cover the cost of the carbon recently purchased.

CUSTOMER GROWTH

Through May 2024 there are 50 new connection requests generating \$478,219 in impact fees. **The 50 new connections is 45 below the four year average, but 5 more than than 2023.** Impact Fees are \$198,219 higher than budgeted for this point in the year. Promontory has sold 14 lots, which is 11 below the four year average, but 4 more than last year.

Customer Growth Through May 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	42	106	185,817	4,424	1,753	9
2021	169	169	563,864	3,336	3,336	47
2022	124	124	585,901	4,725	4,725	33
2023	45	45	215,990	4,800	4,800	10
Four Year Avg	95	111	387,893	4,321	3,654	25
2024	50	50	478,219	9,564	9,564	14
<i>Change from 4 Year Avg</i>	<i>(45)</i>	<i>(61)</i>	<i>90,326</i>	<i>5,243</i>	<i>5,911</i>	<i>(11)</i>
	-47.4%	-55.0%	23.3%	121.3%	161.8%	-44.0%

WATER USAGE

Water Consumption May of Each Year

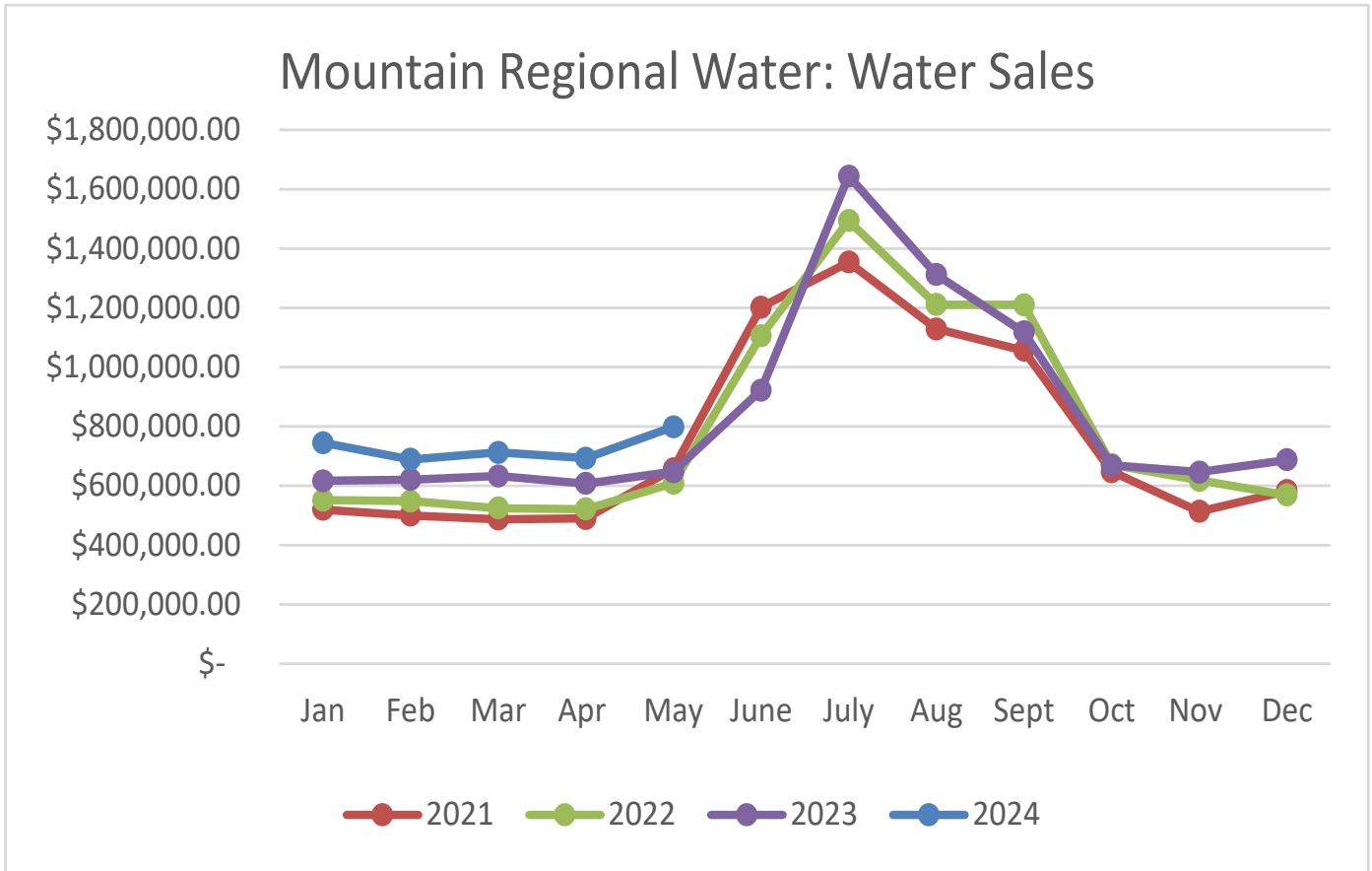
Current Month												
Year	MRW		Utah Olympic Park		Promontory Golf		Park City		Summit Water		Total	
	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet	Million Gals	Acre Feet
2020	52.9	162	0.7	2	32.6	100	10.6	32	29.3	90	126.1	387
2021	41.7	128	0.8	2	30.8	95	38.7	119	22.0	68	134.0	411
2022	30.9	95	2.4	7	13.1	40	17.3	53	11.7	36	75.3	231
2023	28.4	87	1.2	4	6.2	19	87.0	267	-	-	122.8	377
Four Year Avg	38.5	118	1.3	4	20.7	63	38.4	118	15.8	48	114.6	348
2024	36.2	111	1.6	5	17.2	53	19.0	58	-	-	74.0	227
<i>Change from</i>	<i>(2.3)</i>	<i>(7)</i>	<i>0.3</i>	<i>1</i>	<i>(3.5)</i>	<i>(11)</i>	<i>(19.4)</i>	<i>(60)</i>	<i>(15.8)</i>	<i>(48.3)</i>	<i>(40.6)</i>	<i>(121)</i>
<i>4 Year Avg</i>	<i>-5.9%</i>		<i>21.9%</i>		<i>0.0%</i>		<i>-50.5%</i>		<i>-100.0%</i>		<i>-35.4%</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	148.4	455	12.0	37	36.8	113	100.8	309	174.5	536	472.5	1,450
2021	137.9	423	5.4	17	38.0	117	278.7	855	157.8	484	617.8	1,896
2022	124.6	382	8.3	25	18.6	57	248.3	762	100.4	308	500.1	1,535
2023	124.1	381	8.7	27	12.2	37	419.0	1,286	96.0	295	660.0	2,025
Four Year Avg	133.7	410	8.6	26	26.4	81	261.7	803	132.2	406	562.6	1,727
2024	132.6	407	14.3	44	26.0	80	225.0	691	73.2	225	471.0	1,445
<i>Change from</i>	<i>(1.2)</i>	<i>(4)</i>	<i>5.7</i>	<i>18</i>	<i>(0.4)</i>	<i>(1)</i>	<i>(36.7)</i>	<i>(113)</i>	<i>(59.0)</i>	<i>(181)</i>	<i>(91.6)</i>	<i>(281)</i>
<i>4 Year Avg</i>	<i>-0.9%</i>		<i>66.7%</i>		<i>-1.6%</i>		<i>-14.0%</i>		<i>-44.7%</i>		<i>-16.3%</i>	

Water consumption in May 2024 by District customers of 111 acre-feet is 5.9% lower than the four-year average but 24 acre-feet more than last year. The year-to-date usage by MRW customers is 407 acre-feet which is 0.9% lower 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 May were higher than in previous years due to the rate increase, customer growth, and usage in May being higher than the last two years.



Water Sales by Category (May 2024 vs Budget): As shown in the table below, water sales were \$63,438 higher than budget for May with residential sales having the highest positive variance.

2024 Actual v Budget				
	May (Actual)	May (Budget)	Over/(Under)	
<u>WATER SALES</u>				
Water Sales - Residential	\$ 557,221	\$ 516,300	\$	40,921
Water Sales - Commercial	\$ 59,723	\$ 52,900	\$	6,823
Water Sales - Churches	\$ 1,123	\$ 1,100	\$	23
Water Sales - Schools	\$ 11,559	\$ 7,900	\$	3,659
Water Sales - Governments	\$ 7,101	\$ 6,900	\$	201
Water Sales - Industrial	\$ 4,979	\$ 3,800	\$	1,179
Water Sales - Wholesale	\$ 24,614	\$ 23,500	\$	1,114
Water Sales - Weber Basin Regionalization	\$ -	\$ -	\$	-
Water Sales - Park City Wheeling	\$ 44,289	\$ 44,300	\$	(11)
Water Sales - Irrigation	\$ 22,027	\$ 15,600	\$	6,427
Water Sales - Irrigation Golf	\$ 31,167	\$ 19,400	\$	11,767
Water Sales - Standby Fees	\$ 78,434	\$ 87,100	\$	(8,666)
TOTAL WATER SALES	\$ 842,238	\$ 778,800	\$	63,438