MOUNTAIN REGIONAL WATER

2027 Proposed TENTATIVE BUDGET

And

2026 AMENDED BUDGET

December 2, 2026

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1.0 INTRODUCTION

1.01 The District

Mountain Regional Water (the District) is a regional public water company established in 2000 to resolve water shortage and water quality problems in Snyderville Basin. It is governed by the Summit County Council who acts as the District's Governing Board. The Council has delegated certain powers to an Administrative Control Board consisting of citizens living within the District. Since its creation numerous small water companies and new developments have joined the District.

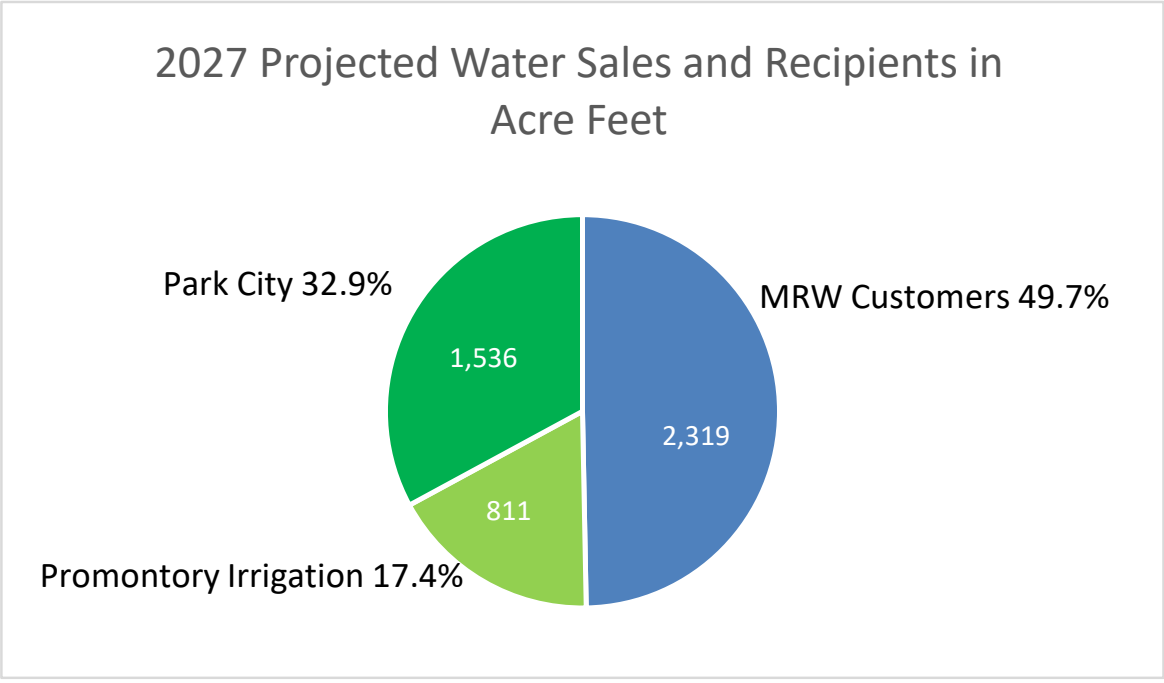
The District currently has 5,973 customers using water and about 1,380 additional equivalent connections on standby. New connection requests decreased during 2026 when compared to 2025. However, impact fee revenue is on pace to be higher in 2026 due to several larger than average impact fees. There have been 72 new connection requests through September, and they are expected to finish near 100 for 2026, compared to 128 last year and 90 in 2024.

During 2026 there has been a decrease in usage which can be attributed to precipitation during the summer as well as conservation efforts by customers. Potable water usage by District retail customers is down 9.8% when compared to 2025. Additionally, untreated water used by Promontory for their golf courses is also down 6.1% from last year.

The District continues to promote water conservation through efforts like its Landscape Lawn Exchange Incentive Program, conservation rates, and the Snyderville Basin landscape ordinance.

The District estimates water sales in 2027 to be 4,666 acre-feet. The District breaks water production into three main categories as reflected in Figure 1 below. The blue shaded area indicates culinary water, and the green shaded areas indicate raw water (see Section 2.02 for more details).

Figure 1: 2027 Projected Water Sales

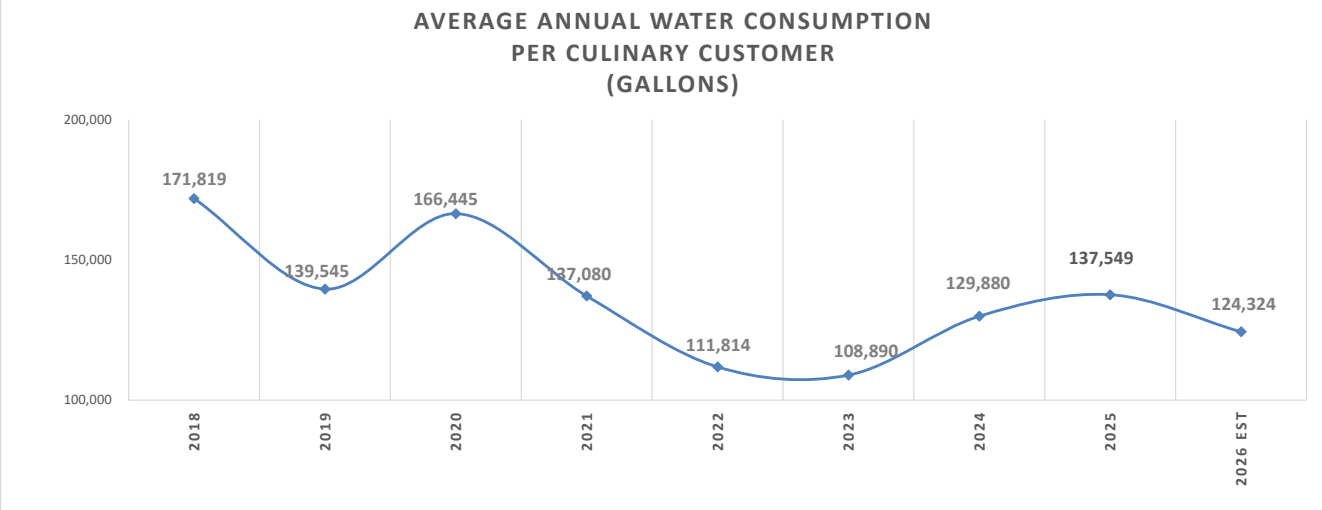


2.0 2026 Water Usage Projection

2.01 Water Usage

As shown in Figure 2 below, the average culinary consumption per District customer is estimated at 124,324 gallons for 2026, compared to 137,549 gallons in 2025, a 9.6% decrease. The 2022 usage was down due to drought restrictions, and in 2023 a wet spring delayed the beginning of the irrigation season into late June. In 2024 and 2025 the summers were long and dry. During 2026 there was more summer rain, and conservation was also encouraged state-wide.

Figure 2: Average Annual Water Consumption per Culinary Customer

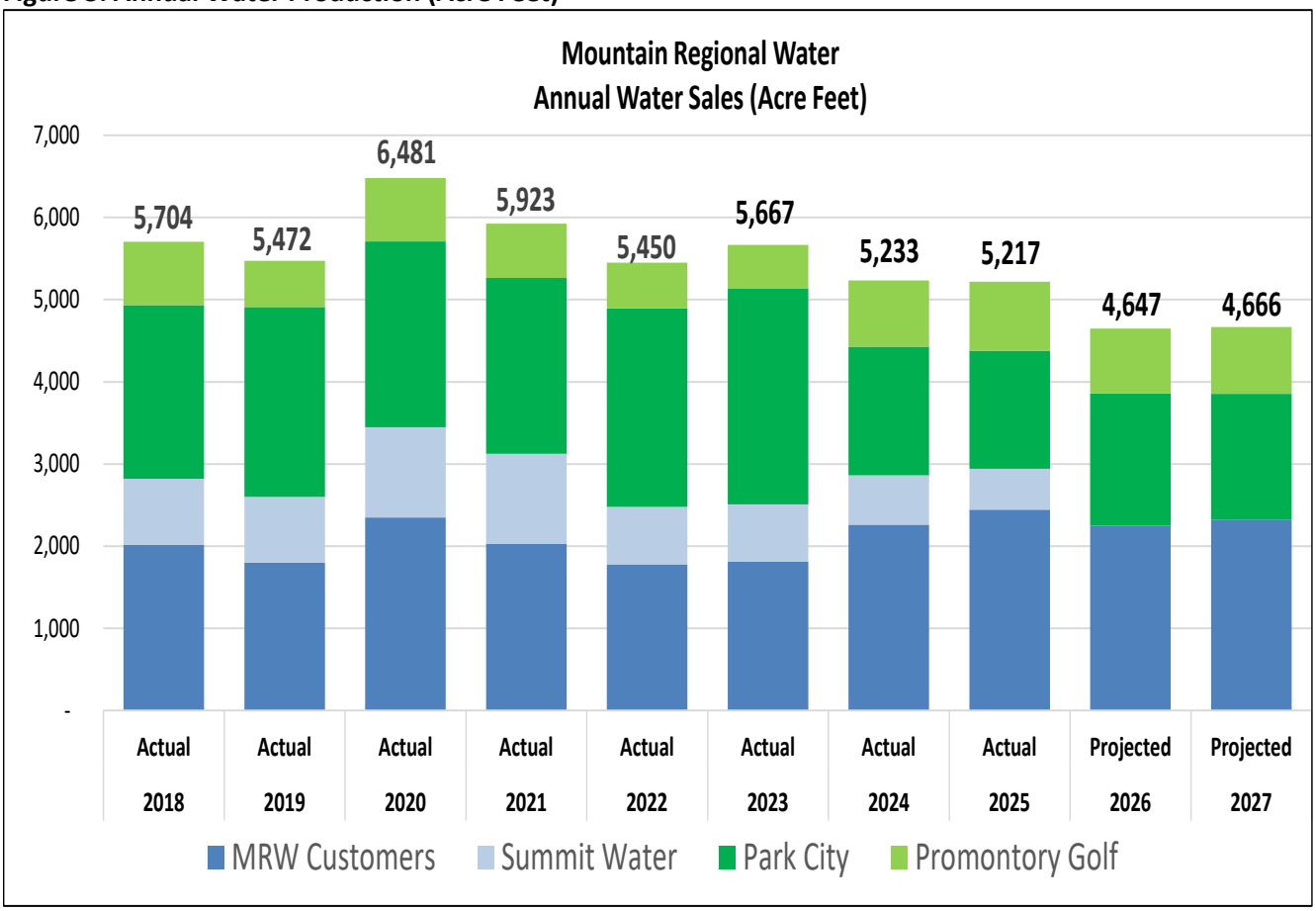


2.02 Water Production

Water sales in acre-feet for 2026 are projected to be 4,647, an overall 10.9% decrease compared to 2025. The decrease is due to suspension of water sales through the Weber Basin regionalization agreement to Summit Water Distribution Company (SWDC) until 2029 as the District prepares for its internal growth and awaits the expansion of the Signal Hill Treatment Plant.

For 2027 water sales in acre-feet is projected to increase slightly by 19 acre-feet from 4,647 acre-feet to 4,666 acre-feet. The District uses a three-year average to project water sales due to variability that comes from weather patterns.

Figure 3: Annual Water Production (Acre Feet)

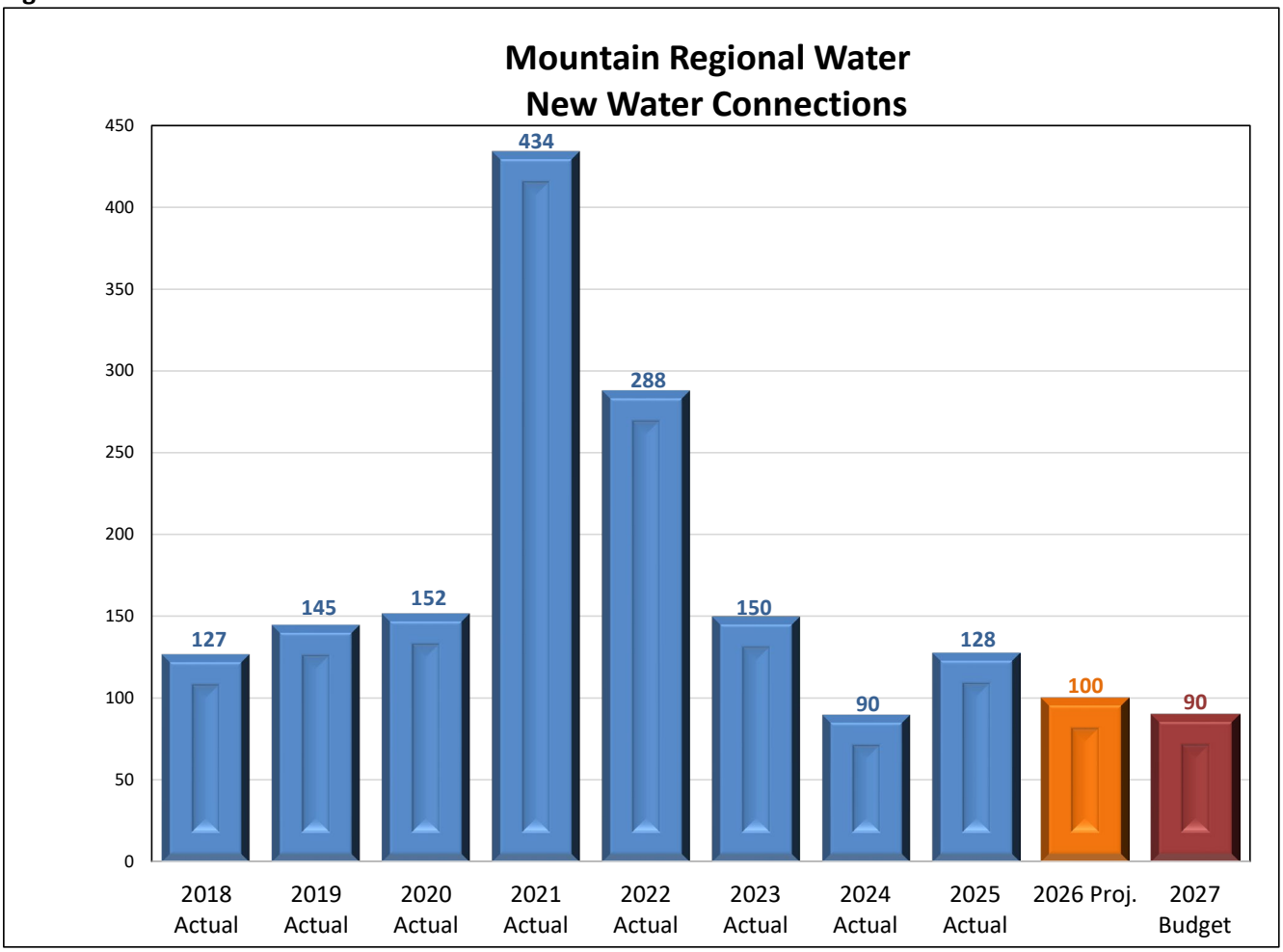


3.0 2026 and 2027 Growth Projections

3.01 New Water Connections

New customer connection requests decreased during 2026 and are expected to be near 100 by the end of the year. New connection requests have slowed during 2026, so for 2027 the District is projecting 90.

Figure 4: New Water Connections

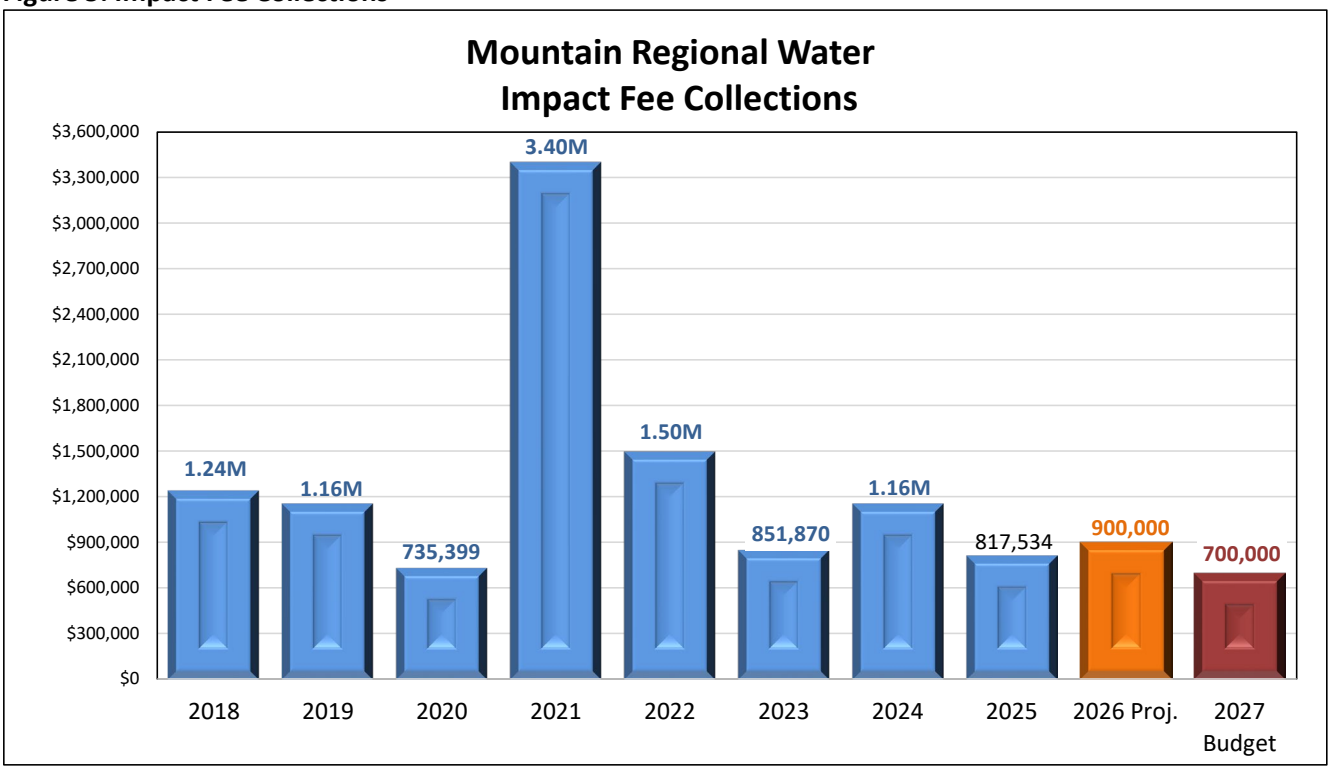


3.02 Impact Fees

For 2026 the District budgeted $700,000 for impact fees. By the end of September impact fee revenue had reached $790,816 and is now projected to be close to $900,000 for the year. The District is budgeting $700,000 for 2027 due to the slowing trend being experienced in the second half of 2026.

Shown in Figure 5 below is the actual impact fee revenue received from 2018 through 2025, along with 2026's projected amount and the budgeted amount for 2027.

Figure 5: Impact Fee Collections



4.0 2026 REVENUE PROJECTION and 2027 REVENUE BUDGET

Projected Total Revenue for 2026 is now $17.58 million, which is $280,000 above budget. As can be seen in Table 1 below, the projected increase in 2026 is mainly due to Impact Fees and Interest Earnings being higher than budgeted. This was the result of a few well above average impact fees and interest rates not dropping as expected during the year. The positive variance in Other Non-operating Revenue is mainly from the sale of trucks, power credits, and a refund from the Public Employee Health Plan (PEHP) of long-term disability premiums based on updated actuarial calculations.

For 2027 the District is budgeting Total Revenue to be $19.26 million; $17.33 million in Operating Revenue and $1.93 million in Non-Operating Revenue. There is an increase in Operating Revenue due to an increase in Water Sales from a recommended rate increase, customer growth, and usage levels based on an average of the last three years. The expected effective rate increase is 8%, but this can vary depending on a customer's actual usage in 2027.

Budgeted Non-Operating Revenue for 2027 is increasing $221,000 from 2026 mainly due to Interest Earnings. Interest Earnings are projected to increase as the District adds the funds from the direct placement bond ($15 million) to its cash balances at the end of 2026. These funds will be spent throughout 2027, however, they will increase cash balances for much of the year.

The District is requesting a budget amendment for 2026 to offset a shortfall in Operating Revenue (Water Sales) with an increase in Non-Operating Revenue (Impact Fees). The net impact on Total Revenue is zero.

Table 1: 2026 and 2027 Revenue

Mountain Regional Water
2026 Revenue Amendment and 2027 Budgeted Recommendation - Accrual Basis
Enterprise Fund

	2026 Budget	2026 Proposed Amendments	2026 Proposed Amended	2026 Projected	2027 Control Board Recommended	2027 Recommend to 2026 Budget	% Change
OPERATING REVENUE							
Water Sales	$ 14,450,000	$ (200,000)	$ 14,250,000	$ 14,250,000	$ 16,136,400	$ 1,686,400	11.7%
Park City Wheeling	600,000	50,000	650,000	650,000	650,000	50,000	8.3%
Operating Fees & Other Revenue	539,300	-	539,300	539,300	541,800	2,500	0.5%
Total Operating Revenue	**15,589,300**	**(150,000)**	**15,439,300**	**15,439,300**	**17,328,200**	**1,738,900**	**11.2%**
NON-OPERATING REVENUE							
Interest Earnings	665,000	-	665,000	775,000	865,000	200,000	30.1%
Impact Fees	700,000	150,000	850,000	900,000	700,000	-	0.0%
Special Assessments	307,000	-	307,000	307,000	328,000	21,000	6.8%
Other Non-operating Revenue	41,700	-	41,700	161,700	41,700	-	0.0%
Total Non-Operating Revenue	**1,713,700**	**150,000**	**1,863,700**	**2,143,700**	**1,934,700**	**221,000**	**12.9%**
TOTAL REVENUE	**$ 17,303,000**	**$ -**	**$ 17,303,000**	**$ 17,583,000**	**$ 19,262,900**	**$ 1,959,900**	**11.3%**

5.0 2026 EXPENSE PROJECTION AND 2027 EXPENSE BUDGET

For 2027 the District is budgeting Total Expense to be $17.11 million; $14.68 million in Operating Expenses and $2.43 million in Non-Operating Expenses. Total Expenses are budgeted to increase 9.3% from the 2026 budget. The largest increase is in Interest Expense due to the projected direct placement bond to fund the expansion of the Signal Hill Treatment Plant. Depreciation is projected to have a 12.2% increase due to the capital assets the District has either funded itself or been handed over to the District by developers. Excluding Depreciation, Operating Expenses (Operations and Administration) are increasing 5.9%. The budget includes planned pay increases of 3.5% COLA and an average Merit of 3.0%.

The District is requesting a budget amendment to offset the cost of the direct placement bond and an increase in Depreciation Expense with savings in Operations and Administration expenses. The net effect on Total Expenses will be zero.

Table 2: 2026 and 2027 Expenses

Mountain Regional Water
2026 Expense Amendment and 2027 Budgeted Recommendation - Accrual Basis
Enterprise Fund

	2026 Budget	2026 Proposed Amendments	2026 Proposed Amended	2026 Projected	2027 Control Board Recommended	2027 Recommend to 2026 Budget	% Change
OPERATING EXPENSES							
Operations	$ 7,908,100	$ (200,000)	$ 7,708,100	$ 7,698,100	$ 8,320,400	$ 412,300	5.2%
Administration	2,875,300	(30,000)	2,845,300	2,835,300	3,102,925	227,625	7.9%
Depreciation Expense	2,902,300	140,000	3,042,300	3,042,300	3,255,800	353,500	12.2%
Total Operating Expense	**13,685,700**	**(90,000)**	**13,595,700**	**13,575,700**	**14,679,125**	**993,425**	**7.3%**
NON-OPERATING EXPENSE							
Interest Expense/Bank Fees	1,702,900	-	1,702,900	1,702,900	2,424,900	722,000	42.4%
Bond Issuance Costs and Amortization Expense	267,000	90,000	357,000	357,000	2,000	(265,000)	-99.3%
Total Non-Operating Expense	**1,969,900**	**90,000**	**2,059,900**	**2,059,900**	**2,426,900**	**457,000**	**23.2%**
TOTAL EXPENSE	**$ 15,655,600**	**$ -**	**$ 15,655,600**	**$ 15,635,600**	**$ 17,106,025**	**$ 1,450,425**	**9.3%**

6.0 2026 DEBT COVERAGE CALCULATION AND 2027 DEBT SERVICE BUDGET

For 2026 the projected Debt Coverage Ratio is coming in better than budgeted. As can be seen in the table below, the budgeted parity Debt Coverage Ratio for 2026 was 1.60 and the projected result is now 1.71. For 2027 the budgeted Debt Coverage Ratio is 1.60. This is higher than the 1.25 required by bond covenants and will generate $2.76 million which will be split between Capital Facility Reserves ($571,170), Lost Canyon and Treatment Plant reserves ($287,400), and Cash Available for the Capital Budget ($1.91 million). The complete Change In Position (Net Income) statement used to generate the table below is included as Appendix A.

Table 3: 2026 and 2027 Debt Coverage Ratio

MOUNTAIN REGIONAL WATER
Debt Coverage 2026 Projection and 2027 Budget - Cash Basis

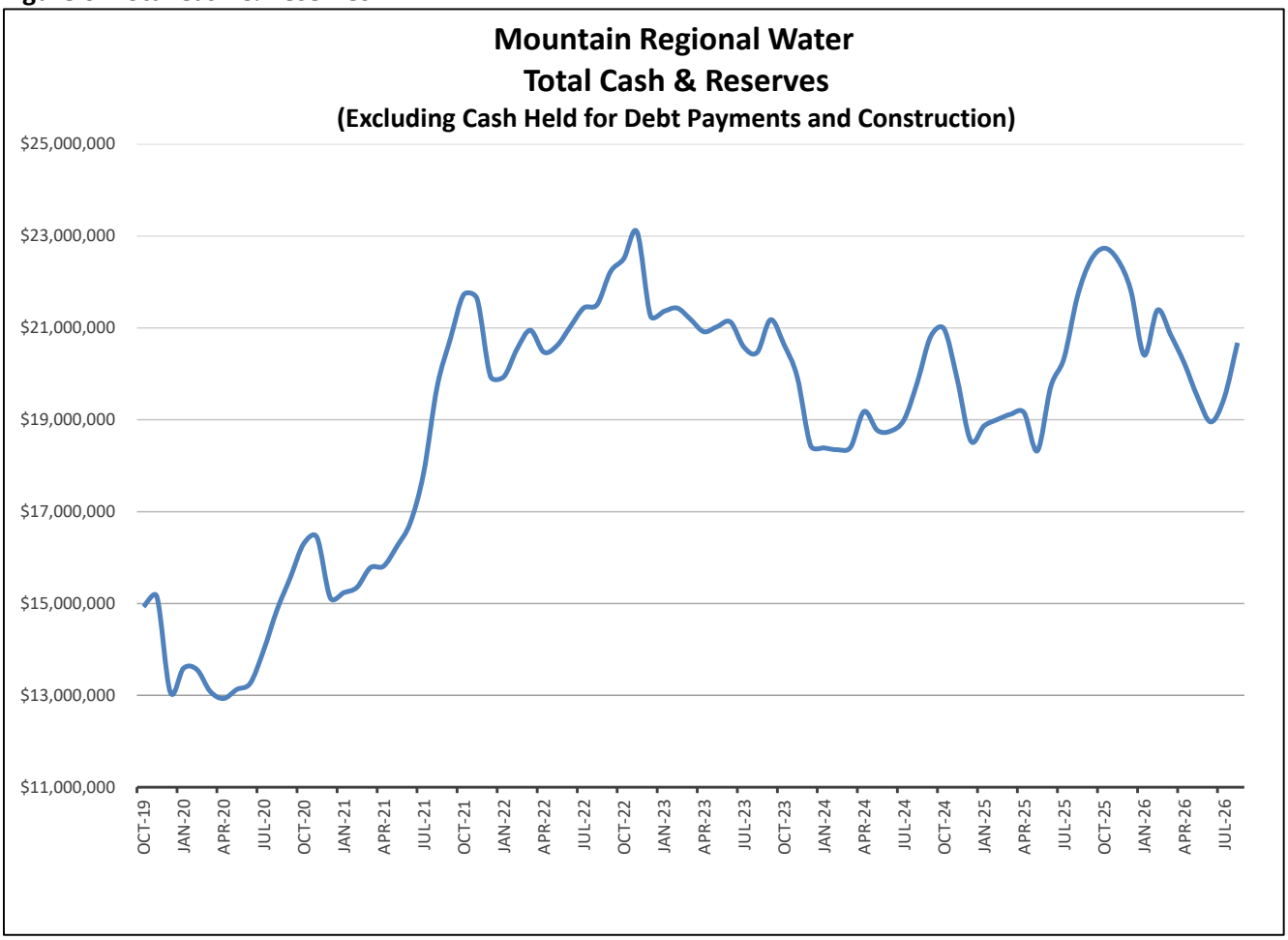
	2026 Budget	2026 Projection	2027 Budget
COVERAGE CALCULATION FOR PARITY REVENUE BONDS			
Operating Income (Loss)	$ 1,903,600	$ 1,863,600	$ 2,649,075
Add Back Depreciation	2,902,300	3,042,300	3,255,800
Add in Interest Available for Debt Service	650,000	750,000	850,000
Add In Impact Fees	700,000	900,000	700,000
Add In Special Assessments	307,000	307,000	328,000
Add in Other Non-operating Income	30,000	150,000	30,000
Add Lost Canyon & Treatment Plant repair funds	305,600	305,600	271,000
Promontory Special Assessment	335,000	335,000	345,000
Total Available For Debt Service	**7,133,500**	**7,653,500**	**8,428,875**
TOTAL DEBT COVERAGE			
Required Coverage Principal	3,186,900	3,186,900	3,264,200
Required Coverage Interest/Bank Fees	1,679,000	1,679,000	2,401,000
Total Required Debt Service	**4,865,900**	**4,865,900**	**5,665,200**
Debt Service X 1.25	**6,082,400**	**6,082,400**	**7,081,500**
Total Debt Coverage Ratio	**1.47**	**1.57**	**1.49**
REQUIRED PARITY BOND DEBT COVERAGE			
Parity Bond Principal	2,887,000	2,887,000	2,953,000
Parity Bond Interest	1,579,300	1,579,300	2,310,000
Total Parity Debt Service	**4,466,300**	**4,466,300**	**5,263,000**
Debt Service X 1.25	**5,582,900**	**5,582,900**	**6,578,800**
Parity Debt Coverage Ratio	**1.60**	**1.71**	**1.60**
Cash Excess/(Shortfall)	**2,267,600**	**2,787,600**	**2,763,675**
Less Lost Canyon & Treatment Plant repair funds	(287,400)	(287,400)	(287,400)
Projected Cash Generated	**1,980,200**	**2,500,200**	**2,476,275**
Capital Facility Reserves	(539,170)	(539,170)	(571,170)
Bond Issuance (WIFIA Loan)	(265,000)	(355,000)	-
Cash Available for Capital Budget	**$ 1,176,030**	**$ 1,606,030**	**$ 1,905,105**

7.0 CASH POSITION

As shown in the graph below the District's cash and reserves (excluding cash held by the bond trustee for debt payments, and other restricted cash such as construction and customer deposits) have remained consistent since 2022. The highest cash balances are usually experienced in late summer/early fall as the revenue from the summer water sales is collected. The lowest cash balances are experienced early in the year after water lease fees for the year are paid to Weber Basin. The District's cash position at the end of September 2026 is at anticipated levels.

Operating Cash & Reserves are sufficient to cover operating expenses for 374 days as of September 30, 2026. District policy requires 180 days. A complete breakdown of cash balances as of September 30th, 2026, is included as Appendix B.

Figure 6: Total Cash & Reserves



8.0 2026 CAPITAL BUDGET AMENDMENT and 2027 CAPITAL BUDGET REQUEST

The District is requesting several amendments to the 2026 Capital Budget. The largest amendment is for $17.00 million for the treatment plant expansion project. The funds will be coming from two sources. First, the Division of Drinking Water has approved a grant for $2.00 million to deal with emerging containments. This grant can be used to help pay for the Granular Activated Carbon (GAC) improvements that are part of the project. Second, the District has obtained a direct placement bond through the Bank of Utah for $15.00 million to further fund the expansion.

The other amendments are to reallocate savings on some projects to a few projects that had overage or to place it in General System Improvements.

For 2027 the District is requesting $2.90 million in new capital spending appropriations as shown below. The request includes general system improvements, design fees, line replacement, and other projects put forth by the District Engineer. A detailed description of capital projects completed in 2026, annual capital projects, and projects rolling forward from 2026, are included in Appendix C.

Table 4: 2026 Amendment and 2027 Capital Budget Request

Mountain Regional Water

2026 Capital Budget Amendment and 2027 Capital Budget Request

	2026 Adopted Budget	2026 Proposed Amendment	2026 Estimated Completed	2026 Estimated Carryover	General Manager Recommended Increases	2027 Total Estimate
CASH SOURCES						
Cash Available from Previous Years	9,093,041	-	2,357,655	6,735,386	1,606,030	8,341,416
Impact Fees	4,775,000	-	1,418,500	3,356,500	-	3,356,500
District Capital Reserves	409,000	-	219,459	189,541	1,290,440	1,479,981
WIFIA Bond	38,031,340	-	-	38,031,340	-	38,031,340
Series 2026B		15,000,000	-	15,000,000	-	15,000,000
Department of Drinking Water Grant		2,000,000		2,000,000	-	2,000,000
TOTAL SOURCES	**52,308,381**	**17,000,000**	**3,995,614**	**65,312,767**	**2,896,470**	**68,209,237**
CASH USES						
Completed Projects						
Lost Canyon Substation Transformer #1	200,000	(53,568)	146,432	-	-	-
Blackhawk Well 2R Refurbishment	150,000	(135,665)	14,335	-	-	-
Innsbruck Booster Pump Station	180,000	(71,495)	108,505	-	-	-
Highway 224 Interconnect	2,319,600	72,088	2,391,688	-	-	-
Well 2 Atkinson Refurbishment	183,969	21,155	205,124	-	-	-
Annual Capital Projects						
Vehicles & Equipment	896,008	-	407,638	488,370	-	488,370
Capitalized Personnel Costs	392,800	-	392,800	-	416,300	416,300
General System Improvements	1,696,639	117,485	329,092	1,485,032	325,170	1,810,202
Enginering Design Fees	-	-	-	-	210,000	210,000
Continuing Capital Projects						
Treatment Plant Expansion	42,648,800	17,000,000	-	59,648,800	-	59,648,800
Lost Canyon Substation Transformer #2	-	-	-	-	150,000	150,000
Upper Evergreen Line Replacement	65,265	-	-	65,265	1,650,000	1,715,265
Lost Canyon Pump 1 Upgrade	250,000	-	-	250,000	-	250,000
Silver Creek Turbine	24,800	-	-	24,800	145,000	169,800
Community Water Tank	1,700,000	-	-	1,700,000	-	1,700,000
Old Ranch Well No. 17	1,291,500	-	-	1,291,500	-	1,291,500
Lake Well Rehabilitation	109,000	-	-	109,000	-	109,000
Signal Hill WTP SCADA Panel	200,000	50,000	-	250,000	-	250,000
TOTAL USES	**52,308,381**	**17,000,000**	**3,995,614**	**65,312,767**	**2,896,470**	**68,209,237**

9.0 2026 AMENDMENT SUMMARY

The District is requesting amendments to the 2026 Operating Budget. The first amendment is to reallocate revenue between operating and non-operating revenue accounts. There is a projected shortfall in water sales of $200,000 that will be offset with positive revenue variances in Park City Wheeling ($50,000) and Impact Fees ($150,000). The second amendment is to reallocate operating expense savings in Operations ($200,000) and Administration ($30,000) to cover expense overages in Depreciation ($140,000) and Bond Issuance ($90,000). The bond issuance overage is due to the direct placement bond that will be happening before the end of the year. The original 2026 Budget remains the same as seen below as revenue, expense and Change in Net Position remain the same.

2026 Original Operating Budget
Operating Revenue: $17,303,000
Operating Expense: $15,655,600
Change in Net Position: $1,647,400

2026 Amended Operating Budget
Operating Revenue: $17,303,000
Operating Expense: $15,655,600
Change in Net Position: $1,647,400

The District is requesting amendments to the 2026 Capital Budget. The largest amendment is to further fund the Signal Hill Treatment Plant expansion through a $2.00 million grant and a $15 million direct placement bond. The other amendment is to reallocate savings from several projects. The savings will be used to cover a few overages in other projects and to be placed in the General System Improvements budget.

2026 Original Capital Budget
$10,246,700

2026 Amended Capital Budget
$27,246,700

There is no change to the Debt Service Budget for 2026 of $4,865,900.

10.0 2027 BUDGET SUMMARY

2027 Operating Budget
Revenue: $19,262,900
Expense: $17,106,025
Change in Net Position: $2,156,875

2027 Capital Budget
$2,896,470

2027 Debt Service Budget
$5,665,200

APPENDIX A – 2025 Actual, 2026 Budget & Amended, 2027 Budget Recommendation

Mountain Regional Water
Operating Budgets - Accrual Basis
Enterprise Fund

	2025 Actual	2026 Budget	2026 Proposed Amended	2026 Projected	2027 Control Board Recommended	2027 Recommend to 2026 Budget
OPERATING REVENUE						
Retail Water Sales	$ 14,866,383	$ 14,450,000	$ 14,250,000	$ 14,250,000	$ 16,136,400	$ 1,686,400
Park City Wheeling	605,868	600,000	650,000	650,000	650,000	50,000
Weber Basin Regionalization Collections	887,800	-	-	-	-	-
Operating Fees	421,837	491,800	491,800	491,800	491,800	-
Contract Maintenance	7,418	2,500	2,500	2,500	2,500	-
Other	55,467	45,000	45,000	45,000	47,500	2,500
Total Operating Revenue	**16,844,774**	**15,589,300**	**15,439,300**	**15,439,300**	**17,328,200**	**1,738,900**
OPERATING EXPENSES						
Operations						
Energy & Resource Management	745,959	855,000	815,000	815,000	874,300	19,300
Lost Canyon Transmission	2,014,839	2,245,900	2,185,900	2,209,900	2,494,700	248,800
Treatment Plant	878,637	1,117,700	1,117,700	1,083,700	1,123,300	5,600
Distribution	3,324,953	3,594,200	3,494,200	3,494,200	3,730,700	136,500
Safety	81,953	95,300	95,300	95,300	97,400	2,100
General Manager						
Administration	1,544,143	1,305,900	1,305,900	1,295,900	1,391,500	85,600
Engineering & Development	-	474,300	474,300	474,300	609,525	135,225
Public Services	868,093	1,095,100	1,065,100	1,065,100	1,101,900	6,800
Depreciation Expense	2,541,387	2,902,300	3,042,300	3,042,300	3,255,800	353,500
Total Operating Expense	**11,999,965**	**13,685,700**	**13,595,700**	**13,575,700**	**14,679,125**	**993,425**
OPERATING INCOME	**4,844,809**	**1,903,600**	**1,843,600**	**1,863,600**	**2,649,075**	**745,475**
NON-OPERATING REVENUE						
Interest Earnings - Available for Debt Service	1,365,229	650,000	650,000	750,000	850,000	200,000
Interest Earnings - Not Available for Debt Service	38,710	15,000	15,000	25,000	15,000	-
Impact Fees	817,534	700,000	850,000	900,000	700,000	-
Promontory Developer Assessments	53,516	-	-	-	21,000	21,000
Stagecoach Assessments	158,288	148,000	148,000	148,000	148,000	-
Community Water Assessments	161,862	159,000	159,000	159,000	159,000	-
Other Cash Non-operating Revenue	1,718,246	30,000	30,000	150,000	30,000	-
Non-Cash Non-operating Revenue	11,667	11,700	11,700	11,700	11,700	-
Total Non-Operating Revenue	**4,325,053**	**1,713,700**	**1,863,700**	**2,143,700**	**1,934,700**	**221,000**
NON-OPERATING EXPENSE						
Interest Expense/Bank Fees	1,757,577	1,702,900	1,702,900	1,702,900	2,424,900	722,000
Bond Issuance Costs and Amortization Expense	63,000	267,000	357,000	357,000	2,000	(355,000)
Total Non-Operating Expense	**1,820,577**	**1,969,900**	**2,059,900**	**2,059,900**	**2,426,900**	**367,000**
NON-OPERATING INCOME	**2,504,476**	**(256,200)**	**(196,200)**	**83,800**	**(492,200)**	**(236,000)**
CHANGE IN NET POSITION (NET INCOME)	**7,349,285**	**1,647,400**	**1,647,400**	**1,947,400**	**2,156,875**	**509,475**
TRANSFERS						
Contributions in Aid of Construction	2,054,167	-	-	-	-	-
NET TRANSFERS	**2,054,167**	**-**	**-**	**-**	**-**	**-**
BUDGET CHANGE IN NET POSITION (W/ TRANSFERS)	**$ 9,403,452**	**$ 1,647,400**	**$ 1,647,400**	**$ 1,947,400**	**$ 2,156,875**	**$ 509,475**
GASB 68 ACTUAL RETIREMENT ADJUSTMENTS	(167,630)	*TBD*	*TBD*	*TBD*	*TBD*	*N/A*
ACTUAL CHANGE IN NET POSITION (W/ TRANSFERS)	**$ 9,235,822**	**$ 1,647,400**	**$ 1,647,400**	**$ 1,947,400**	**$ 2,156,875**	**N/A**

The actual amounts shown above in the program expense budgets have been adjusted to remove the non-cash GASB 68 retirement accrual. This is done to provide a much better year-over-year budget comparison.

APPENDIX B – District Cash Balances as of September 30, 2025 & 2026

Mountain Regional Water Special Service District
Operating Cash and Reserves
September 30, 2025 & 2026 - Unaudited

	September 30, 2025	September 30, 2026
OPERATING CASH & RESERVES		
Checking/Money Market	$ 1,814,651	$ 842,494
Operating Reserves	8,689,540	10,193,018
Subtotal Operating Cash & Reserves	**10,504,191**	**11,035,512**
Days Cash on Hand	*369*	*374*
RESTRICTED DEBT RESERVES HELD BY DISTRICT		
Impact Fee Reserves	$ 5,345,676	$ 4,059,873
Rate Stabilization Fund/Debt Service	1,066,496	1,009,015
Prepaid SAA Assessments	264,510	218,805
Promontory Stabilization Reserves	286,525	326,486
Stagecoach Debt Reserves	232	242
Community Water Debt Reserves	47,717	52,077
Subtotal Restricted Debt Reserves	**7,011,156**	**5,666,499**
RESTRICTED CAPITAL FACILITY RESERVES		
Capital Reserve and Replace Fund w/ State	1,911,914	1,635,551
Lost Canyon Reserve Fund	881,384	664,422
Subtotal Restricted Capital Facility Reserves	**2,793,298**	**2,299,972**
OTHER RESTRCTED CASH - Administrative Control Board		
East Canyon Fund	3,089	1
Regionalization Reserve	691,918	719,803
Drought Reserve	905,214	919,273
Treatment Plant Operating Reserve Fund	566,886	568,532
Subtotal Other Restricted Cash - Administrative Control Boa	**2,167,106**	**2,207,608**
OTHER RESTRCTED CASH		
Construction Admin & Maintenance (Series 2023)	6,157,129	-
Customer Deposits	815,329	766,519
Other Deposits	1,021,830	1,318,234
Subtotal Other Restricted Cash	**7,994,288**	**2,084,753**
Debt Reserves Required by Bond Holders and Held by Truste	**3,025,395**	**3,161,040**
TOTAL	**$ 33,495,434**	**$ 26,455,383**

APPENDIX C – Capital Project Descriptions

2026 Completed Projects

Blackhawk Well 2R Refurbishment – Work was completed on Well 2R in the Blackhawk Station neighborhood. The refurbishment included a new starter control panel and other electrical work.

Lost Canyon Substation Transformers - The Lost Canyon Substation Transformers project focuses on replacing critical electrical infrastructure that is nearing the end of its operational life. Following a 2025 evaluation, the District's transformers at the Lost Canyon substation were identified for replacement to prevent potential failure. Unlike typical arrangements, the District directly owns these transformers. This proactive upgrade is essential to ensure a continuous and reliable power supply for the critical Lost Canyon Booster Pump Station which provides up to 9,000 gallons per minute of water to the greater Snyderville Basin. The original transformers are undersized, as is typical when installed by the electrical utility, and will be replaced with slightly larger transformers, all will be of similar configurations so sourcing a spare in the future will also be easier. During 2026 one transformer was replaced, another one is scheduled for 2027 and the last one in 2028. The District is requesting $150,000 of funding in 2027.

Innsbruck Booster Pump Station – A new Motor Control Center (MCC) was built and installed. This is a four panel MCC including breakers, variable frequency drives, and relays. This is an essential part of managing and monitoring the electrical systems in booster pump stations. Summit Park Well 2 is located at this booster pump station and this project also upgraded the controls of this well to allow automated use through the District's SCADA system.

Highway 224 Interconnect - The Highway 224 Interconnect was a project under the Western Summit County Project Master Agreement, a regional collaboration managed by the Weber Basin Water Conservancy District. Mountain Regional Water is one of the three primary water providers in this agreement, alongside Park City Municipal Corporation (PCMC) and Summit Water Distribution Company (SWDC). The project's purpose was to significantly enhance the ability to share water between the partner agencies, ensuring greater supply reliability and operational flexibility for the Snyderville Basin. This was achieved by constructing a new, 16-inch transmission line along Highway 224 and upgrading connecting infrastructure to link the PCMC and SWDC systems with a 2,400 gallon per minute capacity.

Well 2 Atkinson Refurbishment – Atkinson Well 2 was retrofitted to support a three-year aquifer storage and recovery pilot. Rehabilitation of the well included removal of approximately 100 feet of accumulated pea-gravel sediment from the bottom of the well using air-lift methods, removal of the existing injection piping, and installation a replacement pump and downhole equipment.

Annual Capital Projects

Capitalized Personnel Costs - As District employees spend a portion of their time working on or managing capital projects, the District capitalizes some personnel costs. For 2027, the budget includes $416,300, which will be funded from cash on hand.

General System Improvements - The 2027 budget requests an additional $325,170 in funding for General System Improvements.

Vehicles & Equipment - The District has decided to not order any new trucks at the end of 2026. Rather the budget for 2026 will be rolled forward to 2027 with no additional increase. Simply stated, the District is

skipping a year of ordering trucks. There is $488,370 rolling forward that could be used to buy trucks at the end of 2027 if it deemed necessary and prudent use of the funds.

Engineering Design Fees - The 2027 budget requests an additional $210,000 in funding for Engineering Design Fees. Included is this category is a new Master Plan and Source Protection work.

Continuing 2026 Capital Projects

Treatment Plant Expansion - The District is requesting an amendment to the 2026 budget to add the planned direct placement bond of $15.00 million to the funding for the treatment plant expansion based on the most recent bid opening.

Community Water Tank Replacement - The Community Water Tank Replacement project will address a critical infrastructure risk by replacing an aging and deteriorating steel water tank located in Willow Draw, near the Canyons Village base area of Park City Mountain. The project began in 2026 but will not be completed until 2027. This project includes the construction of a new, upsized 500,000-gallon steel tank on a new concrete footing with minimal associated civil improvements. Upsizing the tank will restore system storage capacity after a neighboring tank failed. This tank is essential storage for the White Pink Tank Zone and allows the wholesale connection to nearby Vail owned lodges.

Old Ranch Well No. 17 - The Old Ranch Well No. 17 project directly addresses the critical need for new source development, as identified in the District's 2022 Master Plan, in advance of the future Water Treatment Plant expansion. This new well has been drilled at the existing Old Ranch Booster Pump Station site, a location selected for its geology and operational advantages. Equipping the well and placing it in service will take place during 2027. The project leverages existing infrastructure, including power and the pump station structure, reducing overall costs. Its strategic position will allow water to be pumped directly into the Atkinson Tank zone, enhancing supply reliability and operational flexibility.

Lake Well Rehabilitation - The Lake Well Rehabilitation project will maintain well efficiency and upgrade critical control systems. The scope includes scheduled preventative maintenance, consisting of well brushing, bailing, and a video inspection to ensure the long-term health and productivity of the well structure. The project will replace key electronic components that have reached the end of their useful life. This includes a new Variable Frequency Drive (VFD), which controls pump speed, and new Supervisory Control and Data Acquisition (SCADA) hardware, which enables remote monitoring and control.

Signal Hill Water Treatment Plant (WTP) SCADA Panel Upgrade - The Signal Hill Water Treatment Plant (WTP) SCADA Panel Upgrade is a critical preparatory project for the facility's future expansion. The existing SCADA panel is at maximum capacity for both control inputs and outputs, thus it cannot support the additional controls required for the planned WTP upgrades. To ensure uninterrupted service during the larger construction phase, this project will proactively replace the panel and controls in advance. The new, expanded panel will be designed, built and installed by the District's established electrical and control engineers, aiding integration and preparing for a successful expansion project.

Upper Evergreen Line Replacement - The District retained EDM Partners in 2026 to perform design work for the next line replacement project in Summit Park. The Upper Evergreen section was identified as the next priority and 2,330 feet of line will be replaced. The District is requesting $1.65 million in funding for the project.

Silver Creek Turbine- This project will add a smaller energy recovery turbine at the Silver Creek Pump Station and Tank site to generate electricity from water entering the tank from a higher-pressure zone. The existing turbine requires higher flow rates to generate electricity and cannot always be used during normal operations. The additional smaller turbine will allow electricity generation at typical filling rates, increasing opportunities

to recover energy during routine operations. Design is underway, with construction planned for 2027. The District is requesting $145,000 in funding in 2027.

Lost Canyon Pump 1 Upgrade – Lost Canyon Booster Pump Station originally had a smaller pump installed in the “number one” can. This pump was not useful to the District under modern operating scenarios. To increase redundancy in the critical pump station, the District is replacing Pump 1. This allows the District to hit an additional diversion option if a wildfire in the Upper Weber watershed affects the District’s ability to pump or treat river water.