

# MOUNTAIN REGIONAL WATER – July 2026

## BOARD SUMMARY

### NET POSITION

| Mountain Regional Water<br>District Change in Net Position<br>YTD through July 2026 - Unaudited |                  |                |                |      |                  |                    |        |
|-------------------------------------------------------------------------------------------------|------------------|----------------|----------------|------|------------------|--------------------|--------|
|                                                                                                 | 2026<br>Actual   | 2026<br>Budget | Variance       | %    | 2025<br>Actual   | Change             | %      |
| Revenue                                                                                         | \$ 10,397,004    | \$ 9,856,500   | \$ 540,504     | 5.5% | \$ 11,945,783    | \$ (1,548,779)     | -13.0% |
| Expenses & Expenditures                                                                         | 8,577,262        | 8,929,117      | 351,855        | 3.9% | 7,748,671        | 828,591            | 10.7%  |
| <b>Change in Net Position Before Transfers</b>                                                  | <b>1,819,742</b> | <b>927,383</b> | <b>892,358</b> |      | <b>4,197,112</b> | <b>(2,377,370)</b> |        |
| Net Transfers                                                                                   | -                | -              | -              | n/a  | -                | -                  | n/a    |
| <b>Change in Net Position After Transfers</b>                                                   | <b>1,819,742</b> | <b>927,383</b> | <b>892,358</b> |      | <b>4,197,112</b> | <b>(2,377,370)</b> |        |

Through July 2026 the change in net position (net income) is \$1.82 million – which is \$892,358 better than budget. This positive variance resulted from a combination of revenue that exceeds budget by \$540,504 (5.5%), and expenses that are lower than budget by \$351,855 (3.9%).

### REVENUE

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

| District Revenue<br>YTD through July 2026 - Unaudited |                   |                  |                |             |                   |                    |               |
|-------------------------------------------------------|-------------------|------------------|----------------|-------------|-------------------|--------------------|---------------|
|                                                       | 2026<br>Actual    | 2026<br>Budget   | Variance       | %           | 2025<br>Actual    | Change             | %             |
| Water Sales                                           | \$ 8,207,029      | \$ 8,126,400     | \$ 80,629      | 1.0%        | \$ 9,075,763      | \$ (868,734)       | -9.6%         |
| Park City Wheeling                                    | 373,353           | 357,300          | 16,053         | 4.5%        | 345,983           | 27,370             | 7.9%          |
| Development Related Collections                       | 914,183           | 724,200          | 189,983        | 26.2%       | 768,138           | 146,044            | 19.0%         |
| Other Revenue                                         | 902,439           | 648,600          | 253,839        | 39.1%       | 1,755,898         | (853,459)          | -48.6%        |
| <b>Total Revenue</b>                                  | <b>10,397,004</b> | <b>9,856,500</b> | <b>540,504</b> | <b>5.5%</b> | <b>11,945,783</b> | <b>(1,548,779)</b> | <b>-13.0%</b> |

Water Sales are over budget through July by \$80,629 (1.0%). Usage through July by MRW direct customers is down 7.0% when compared to last year.

Park City wheeling charges are \$16,053 (4.5%) above budget on 945 acre-feet having been wheeled.

Development Related Collections are over budget by \$189,983. The positive variance is mainly due to Impact Fees being \$170,322 over budget through July.

Other Revenue is better than budget mainly due to interest earnings, sale of assets, and development inspection fees being higher than budgeted.

## EXPENSES

As seen below, total expenses through July are under budget by \$351,855 (3.9%). Operating expenses are under budget by \$361,573 with Operations, Maintenance & Repairs, and Non-OM&R all adding to the savings. Depreciation expense is over budget by \$75,077 (4.4%). In preparing the 2026 budget, estimates were made concerning the total dollar amount of assets which would be added to the District in 2025, as well as their expected useful life. These estimates have proven to be low. Depreciation is not a cash expense since the assets have already been paid for or contributed by developers; it is methodology used to expense assets over time.

When comparing expenses to last year, Operating Expenses are up 9.1%. However, if Depreciation is excluded, Operating Expenses are only up 4.86%. Non-operating Expenses have increased from last year due to Bond Issuance expenses (WIFIA loan).

Bond issuance expense is over budget by \$5,215. The bond issuance expense of \$270,215 is comprised of \$184,620 to the EPA for legal and setup fees; \$20,215 to Zions Public Finance for their advise and expertise; and \$85,000 to Gilmore & Bell PC for our legal fees.

| <b>District Expenses<br/>From Operations<br/>YTD through July 2026 - Unaudited</b> |                        |                        |                 |              |                        |                |              |
|------------------------------------------------------------------------------------|------------------------|------------------------|-----------------|--------------|------------------------|----------------|--------------|
|                                                                                    | <b>2026<br/>Actual</b> | <b>2026<br/>Budget</b> | <b>Variance</b> | <b>%</b>     | <b>2025<br/>Actual</b> | <b>Change</b>  | <b>%</b>     |
| <b>Operating Expenses</b>                                                          |                        |                        |                 |              |                        |                |              |
| Operations, Maintenance & Repairs                                                  | \$ 4,074,380           | \$ 4,397,550           | \$ 323,170      | 7.3%         | \$ 3,962,576           | \$ 111,803     | 2.8%         |
| Non-OM&R                                                                           | 1,465,286              | 1,578,767              | 113,480         | 7.2%         | 1,320,253              | 145,033        | 11.0%        |
| Depreciation                                                                       | 1,767,977              | 1,692,900              | (75,077)        | -4.4%        | 1,417,504              | 350,473        | 24.7%        |
| <b>Subtotal Operating</b>                                                          | <b>7,307,643</b>       | <b>7,669,217</b>       | <b>361,573</b>  | <b>4.7%</b>  | <b>6,700,334</b>       | <b>607,309</b> | <b>9.1%</b>  |
| <b>Non-operating Expenses</b>                                                      |                        |                        |                 |              |                        |                |              |
| Interest Expense                                                                   | 973,617                | 976,200                | 2,583           | 0.3%         | 1,020,170              | (46,553)       | -4.6%        |
| Bank & Trustee Fees/Amortization                                                   | 25,787                 | 18,700                 | (7,087)         | -37.9%       | 1,167                  | 24,620         | 2110.4%      |
| Bond Issuance                                                                      | 270,215                | 265,000                | (5,215)         | -2.0%        | -                      | 270,215        | n/a          |
| <b>Subtotal Non-operating</b>                                                      | <b>1,269,619</b>       | <b>1,259,900</b>       | <b>(9,719)</b>  | <b>-0.8%</b> | <b>1,021,337</b>       | <b>248,282</b> | <b>24.3%</b> |
| <b>Total Expenses</b>                                                              | <b>8,577,262</b>       | <b>8,929,117</b>       | <b>351,855</b>  | <b>3.9%</b>  | <b>7,722,671</b>       | <b>854,591</b> | <b>11.1%</b> |
|                                                                                    |                        |                        |                 |              |                        |                |              |
| <b>Total Cash Expense (Expenditures)</b>                                           | <b>6,513,283</b>       | <b>6,952,517</b>       | <b>439,233</b>  | <b>6.3%</b>  | <b>6,305,167</b>       | <b>208,117</b> | <b>3.3%</b>  |
| <i>(Excludes Depreciation / Amortization)</i>                                      |                        |                        |                 |              |                        |                |              |

## CASH

As shown below, total cash increased \$910,293 (4.0%) to \$23.79 million during July 2026 from the collection of June water sales and other revenue. Large expenditures for the month included Carollo Engineering for \$252,123 (Treatment Plant design) and Promontory Development (Impact Fee Reimbursement) \$218,988. **The current Operating Cash & Reserves balance of \$8.68 million represents 294 days reserve, last July the days reserve was at 305 days.**

| Cash<br>July 2026 - unaudited  |                   |                   |                |             |                   |                    |               |
|--------------------------------|-------------------|-------------------|----------------|-------------|-------------------|--------------------|---------------|
|                                | Current<br>Month  | Previous<br>Month | Change         | %           | Previous<br>Year  | Change             | %             |
| Operating Cash & Reserves      | \$ 8,681,608      | \$ 8,297,150      | \$ 384,458     | 4.6%        | \$ 8,684,242      | \$ (2,635)         | 0.0%          |
| <b>Subtotal</b>                | <b>8,681,608</b>  | <b>8,297,150</b>  | <b>384,458</b> | <b>4.6%</b> | <b>8,684,242</b>  | <b>(2,635)</b>     | <b>0.0%</b>   |
| <i>Days Reserve</i>            | 294               | 281               | 13             |             | 305               | (11)               |               |
| Debt Reserves Held by District | 6,362,490         | 6,265,413         | 97,077         | 1.5%        | 6,767,878         | (405,388)          | -6.0%         |
| Debt Reserves Held by Trustee  | 2,409,415         | 2,034,074         | 375,341        | 18.5%       | 2,326,911         | 82,504             | 3.5%          |
| Regionalization Reserves       | 715,036           | 712,662           | 2,374          | 0.3%        | 686,829           | 28,207             | 4.1%          |
| Drought Reserve                | 913,184           | 910,153           | 3,032          | 0.3%        | 898,556           | 14,628             | 1.6%          |
| Capital Facility Reserves      | 2,259,384         | 2,241,097         | 18,288         | 0.8%        | 2,768,011         | (508,627)          | -18.4%        |
| Other Restricted Cash          | 2,446,703         | 2,416,978         | 29,724         | 1.2%        | 10,164,814        | (7,718,111)        | -75.9%        |
| <b>Subtotal</b>                | <b>15,106,212</b> | <b>14,580,376</b> | <b>525,836</b> | <b>3.6%</b> | <b>23,613,000</b> | <b>(8,506,788)</b> | <b>-36.0%</b> |
| <b>Total</b>                   | <b>23,787,819</b> | <b>22,877,526</b> | <b>910,293</b> | <b>4.0%</b> | <b>32,297,242</b> | <b>(8,509,422)</b> | <b>-26.3%</b> |

## CUSTOMER GROWTH

In July there were 9 new connection requests bringing the total for the year to 51. The 9 new connection requests generated \$102,594 in impact fees bringing the total for the year to \$585,322 which is \$170,322 above budget through July. The year-to-date new connection requests of 51 is lower than any of the previous four years.

| Customer Growth<br>Through July 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 |                            |
| 2022                                         | 209                         | 209        | 1,013,653         | 4,850                  | 4,850            | 48                         |
| 2023                                         | 77                          | 77         | 489,462           | 6,357                  | 6,357            | 15                         |
| 2024                                         | 60                          | 60         | 562,962           | 9,383                  | 9,383            | 16                         |
| 2025                                         | 76                          | 111        | 524,840           | 6,906                  | 4,728            | 20                         |
| <b>Four Year Avg</b>                         | <b>106</b>                  | <b>114</b> | <b>647,729</b>    | <b>6,874</b>           | <b>6,329</b>     | <b>25</b>                  |
| <b>2026</b>                                  | <b>51</b>                   | <b>51</b>  | <b>585,322</b>    | <b>11,477</b>          | <b>11,477</b>    | <b>22</b>                  |
| <i>Change from 4 Year Avg</i>                | (55)                        | (63)       | (62,407)          | 4,603                  | 5,147            | (3)                        |
|                                              | -51.7%                      | -55.4%     | -9.6%             | 67.0%                  | 81.3%            | -12.0%                     |

## WATER USAGE

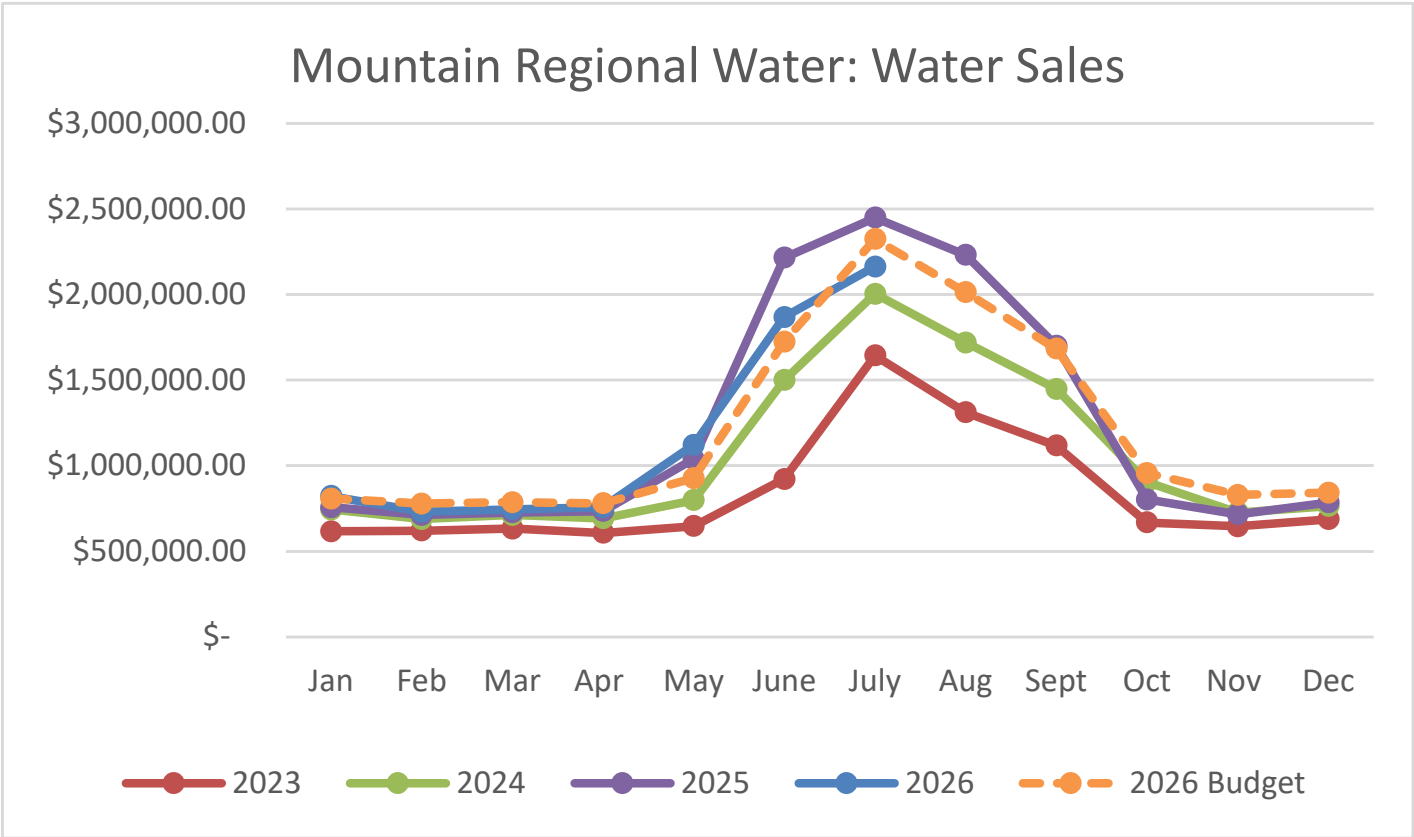
| Water Consumption<br>July of Each Year |              |           |                   |           |                 |           |              |           |              |           |              |           |
|----------------------------------------|--------------|-----------|-------------------|-----------|-----------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
| 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 |
| 2022                                   | 98.5         | 302       | 4.1               | 13        | 42.1            | 129       | 117.5        | 360       | 29.4         | 90        | 291.6        | 895       |
| 2023                                   | 118.4        | 363       | 3.3               | 10        | 60.4            | 185       | 127.0        | 390       | 22.5         | 69        | 331.6        | 1,018     |
| 2024                                   | 138.4        | 425       | 2.9               | 9         | 67.7            | 208       | 60.0         | 184       | 22.3         | 68        | 291.3        | 894       |
| 2025                                   | 149.9        | 460       | 1.0               | 3         | 62.4            | 192       | 65.0         | 199       | 21.3         | 65        | 299.6        | 920       |
| Four Year Avg                          | 126.3        | 388       | 2.8               | 9         | 58.2            | 178       | 92.4         | 283       | 23.9         | 73        | 303.5        | 923       |
| 2026                                   | 131.4        | 403       | 0.7               | 2         | 53.0            | 163       | 80.0         | 246       | -            | -         | 265.1        | 814       |
| Change from                            | 5.1          | 16        | (2.1)             | (6)       | (5.2)           | (16)      | (12.4)       | (38)      | (23.9)       | (73.3)    | (38.4)       | (109)     |
| 4 Year Avg                             | 4.1%         |           | -73.9%            |           | -8.9%           |           | -13.4%       |           | -100.0%      |           | -12.6%       |           |

| 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 |
| 2022          | 296.3        | 909       | 15.2              | 47        | 92.2            | 283       | 399.4        | 1,226     | 130.6        | 401       | 933.8        | 2,866     |
| 2023          | 300.8        | 923       | 14.0              | 43        | 100.5           | 308       | 649.0        | 1,992     | 131.2        | 403       | 1,195.4      | 3,669     |
| 2024          | 375.1        | 1,151     | 19.1              | 59        | 141.6           | 435       | 318.0        | 976       | 100.2        | 308       | 954.0        | 2,928     |
| 2025          | 434.5        | 1,333     | 10.9              | 33        | 176.8           | 542       | 249.0        | 764       | 81.1         | 249       | 952.2        | 2,922     |
| Four Year Avg | 351.7        | 1,079     | 14.8              | 45        | 127.8           | 392       | 403.9        | 1,239     | 110.8        | 340       | 1,008.9      | 3,096     |
| 2026          | 404.0        | 1,240     | 18.2              | 56        | 171.1           | 525       | 308.0        | 945       | -            | -         | 901.3        | 2,766     |
| Change from   | 52.4         | 161       | 3.4               | 10        | 43.3            | 133       | (95.9)       | (294)     | (110.8)      | (340)     | (107.5)      | (330)     |
| 4 Year Avg    | 14.9%        |           | 23.0%             |           | 33.9%           |           | -23.7%       |           | -100.0%      |           | -10.7%       |           |

Water consumption in July 2026 by direct District customers of 403 acre-feet is 4.1% higher than four-year average, however, it is 12.3% lower than last year. Year-to-Date usage by direct District customers is 14.9% higher than the four-year average, but 7.0% lower than last year.

SUPPLEMENTAL SCHEDULES:

**Water Sales (last four years):** The new dotted orange line in the graph below is the 2026 budget. As indicated by the blue line, water sales were below budget during July.



**Water Sales by Category (July 2026 vs Budget):** As shown in the table below, water sales were \$157,030 below budget for July. Water Sales – Residential had the largest negative variance (\$69,786) followed by Water Sales – Commercial at \$37,248.

| 2026 Actual v Budget             |               |           |               |           |              |
|----------------------------------|---------------|-----------|---------------|-----------|--------------|
|                                  | July (Actual) |           | July (Budget) |           | Over/(Under) |
| <u>WATER SALES</u>               |               |           |               |           |              |
| Water Sales - Residential        | \$            | 1,575,414 | \$            | 1,645,200 | \$ (69,786)  |
| Water Sales - Commercial         | \$            | 99,752    | \$            | 137,000   | \$ (37,248)  |
| Water Sales - Churches           | \$            | 4,662     | \$            | 9,300     | \$ (4,638)   |
| Water Sales - Schools            | \$            | 32,328    | \$            | 35,000    | \$ (2,672)   |
| Water Sales - Governments        | \$            | 13,788    | \$            | 8,700     | \$ 5,088     |
| Water Sales - Industrial         | \$            | 27,023    | \$            | 35,600    | \$ (8,577)   |
| Water Sales - Wholesale          | \$            | 32,812    | \$            | 60,200    | \$ (27,388)  |
| Water Sales - Park City Wheeling | \$            | 64,279    | \$            | 60,300    | \$ 3,979     |
| Water Sales - Irrigation         | \$            | 191,403   | \$            | 184,900   | \$ 6,503     |
| Water Sales - Irrigation Golf    | \$            | 116,224   | \$            | 135,300   | \$ (19,076)  |
| Water Sales - Standby Fees       | \$            | 69,184    | \$            | 72,400    | \$ (3,216)   |
| TOTAL WATER SALES                |               | 2,226,870 | \$            | 2,383,900 | \$ (157,030) |