

Bloomington Water Company
Annual
Shareholders Meeting



January 25, 2023

Bloomington Hills Tank Repair



Bloomington Hills Tank Repair



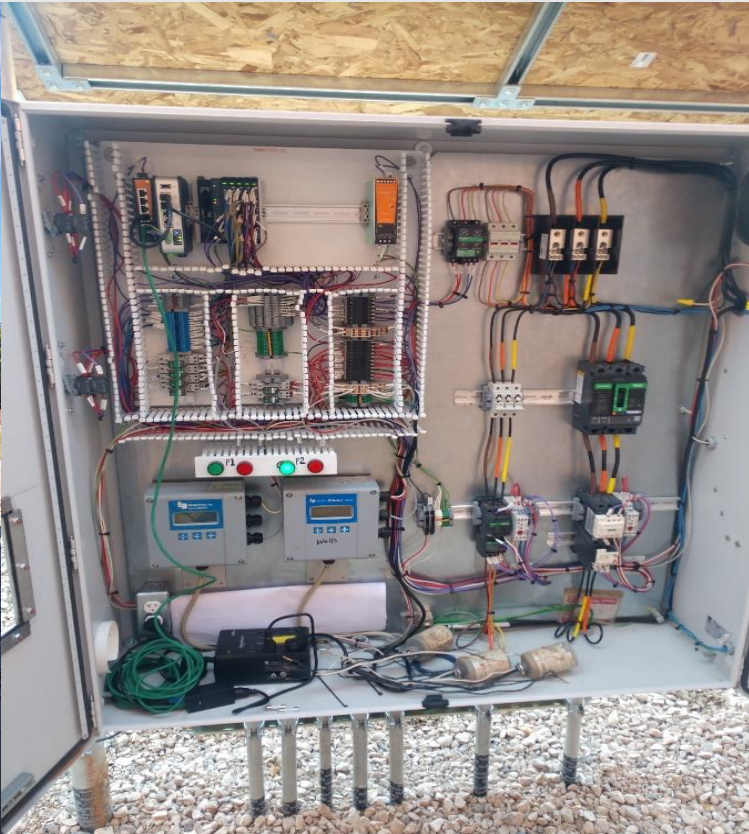
Tank Line Replacement



Round Hill P.R.V Replacement



Ranches #1 #2 Well Panel Replacement



Bloomington Hill Line Replacement



Bloomington Water Company
Statements of Assets, Liabilities and Equity - Income Tax Basis
For the Years Ended December 31, 2022, and 2021

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>
Assets		
Current Assets		
Cash	\$ 1,175,969	\$ 1,131,831
Accounts Receivable	11,503	23,948
Dixie REA Receivables	932	932
Total Current Assets	<u>1,188,404</u>	<u>1,156,711</u>
Property and Equipment		
Storage Pond	53,352	53,352
Water Rights	1,094,154	1,094,154
Irrigation System	304,061	304,061
Irrigation Pipeline	305,313	305,313
75 HP Pumps	54,656	54,656
Pump Station	35,057	35,057
Wells	127,759	114,775
Water Tank	436,867	228,689
Land - Mile Post Two	14,922	14,922
Mile Post Two Project	578,411	578,411
Accumulated Depreciation	<u>(1,015,849)</u>	<u>(990,555)</u>
Total Property & Equipment	<u>1,988,703</u>	<u>1,792,835</u>
Total Assets	<u>\$ 3,177,107</u>	<u>\$ 2,949,546</u>
Liabilities & Equity		
Current Liabilities		
Accounts Payable	\$ 0	\$ 10,929
Total Current Liabilities	<u>0</u>	<u>10,929</u>
Total Liabilities	<u>0</u>	<u>10,929</u>
Equity		
Capital Stock	618,688	618,688
Contributions In Addition	62,942	62,942
Capital Assets	1,575,875	1,575,875
Retained Earnings	919,602	681,112
Total Equity	<u>3,177,107</u>	<u>2,938,617</u>
Total Liabilities & Equity	<u>\$ 3,177,107</u>	<u>\$ 2,949,546</u>

Bloomington Water Company
Statements of Revenues, Expenses, and Retained Earnings
- Income Tax Basis
For the Years Ended December 31, 2022 and 2021

	<u>Dec 31, 2022</u>	<u>Dec 31, 2021</u>
Revenues		
Assessment Revenues	\$ 437,976	\$ 395,820
Miscellaneous Fees	5,519	30,771
Water Share Sales	8,800	2,200
Capital Credits & Rebates	1,371	3,124
Total Revenues	<u>453,666</u>	<u>431,915</u>
Operating Expenses		
Accounting Fees	2,852	3,455
Depreciation Expense	25,294	26,448
Insurance	8,774	7,867
Maintenance - Contract Services	25,300	27,600
Maintenance - Line	14,705	29,239
Maintenance - Ponds	0	4,902
Maintenance - Sulphur Machine	32,458	23,814
Maintenance - Tanks	0	6,201
Maintenance - Wells	13,364	1,772
Management Fees	21,300	21,600
Office & Postage	1,740	940
Pumping Electricity	35,474	38,644
Supplies	5,534	3,702
Taxes & Licenses	307	376
Water Fees	40,575	20,750
Total Operating Expenses	<u>227,677</u>	<u>217,310</u>
Income From Operations	225,989	214,605
Other Income		
Interest Income	12,501	7,384
Total Other Income	<u>12,501</u>	<u>7,384</u>
Net Income	238,490	221,989
Retained Earnings, Beginning	681,112	459,123
Retained Earnings, Ending	<u>\$ 919,602</u>	<u>\$ 681,112</u>

2023 Budget



- ❧ Anticipated Expenditures: \$865,775
- ❧ Estimated Revenue @ Current Assessment (\$230/share): \$441,298
- ❧ Proposed Annual Assessment: \$242/share
- ❧ Estimated Revenue @ Proposed Assessment of \$242/share: \$464,156

5 Year Budget Summary

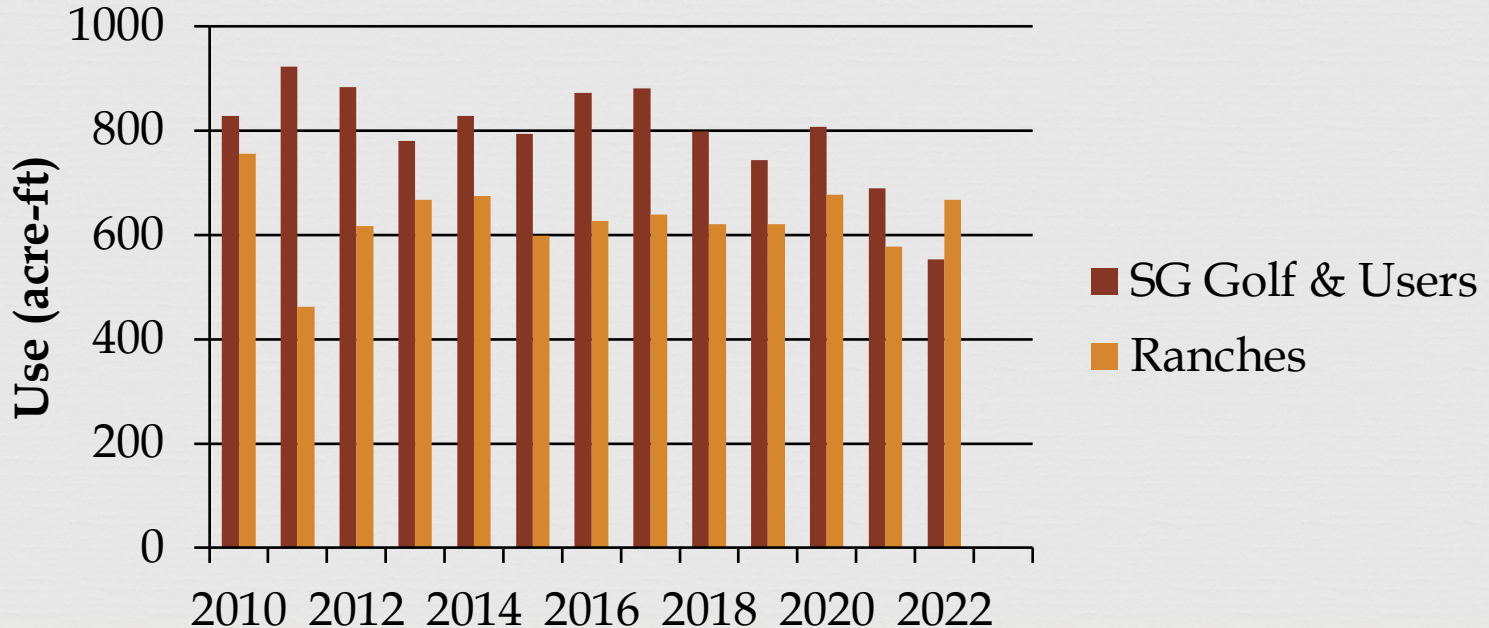


- ❧ Anticipate \$2.60M O&M, Repairs over the next 5 years. (\$464,000 per year).
- ❧ Approximately \$242/share.
- ❧ Does Not Include Mainline Replacement.

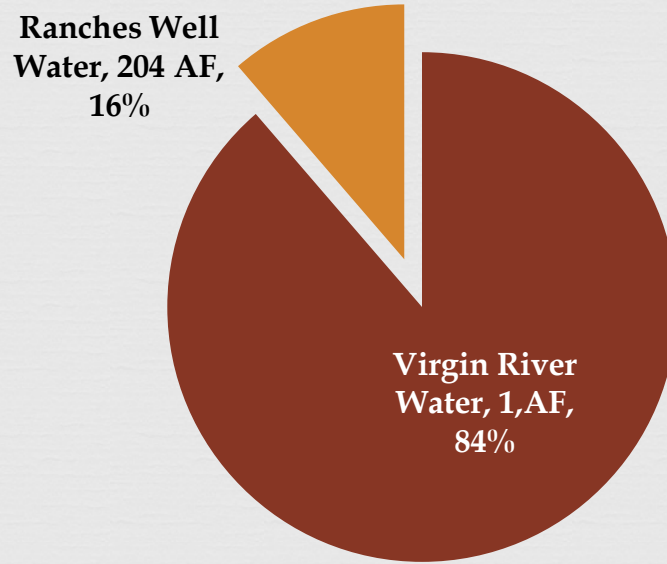
5 Year Budget Summary

		Fiscal Yr.	Fiscal Yr.	Fiscal Yr.			Five-Year
Project Title	Project Description 2022	2023	2024	2025	2026	2026	Total
Accounting & Tax Returns		3,000	2,000	2,000	2,000	2,000	11,000
Property Tax - Reservoir sites		300	500	500	500	500	2,300
Bad Debt Expense		2,500	3,000	3,500	3,500	3,500	16,000
Depreciation Expense		35,500	36,000	36,500	40,000	40,000	188,000
Canal Water Assessments	\$180.00	40,575	40,525	40,525	38,000	38,000	197,625
Insurance Expense		9,000	10,000	10,000	1,100	11,000	41,100
Prof. Services		3,000	2,500	2,500	2,500	2,500	13,000
Pump Repair/ Well	New Pump & Motor # 2 Pump for #3	15,000	6,000	8,000	12,000	6,000	47,000
Repair-Materials		65,000	70,000	70,000	70,000	70,000	345,000
Sulphur for SGGC	3 Loads of Sulfur	33,000	17,250	17,250	17,250	17,250	102,000
BH Pond Cleaning/Maint.		20,000	20,000	20,000	20,000	20,000	100,000
Administrative Contract		21,600	21,600	21,600	21,600	21,600	108,000
Maintenance Contract		27,600	27,600	27,600	27,600	27,600	138,000
Power Expense - Pumps		40,000	45,000	46,000	46,000	46,000	223,000
Line & Valve Replacement	Replace Valves	25,000	25,000	25,000	25,000	25,000	125,000
St George Golf Tank/ Clean/Replace	Repair Floor and walls (New Tank)	309,200	5,000	5,000	5,000	5,000	329,200
Door Replacement	Replace door on pump building	1,500					1,500
Line Replacement	Infrastructure is 38 Years old and needs replaced (Install Meters)	175,000					175,000
		40,000	330,000	102,000			472,000
TOTAL COSTS		866,775	661,975	437,975	332,050	335,950	2,634,725
Income		468,406	476,208	476,208	476,208	476,208	2,373,238
TOTAL		-398,369	-185,767	38,233	144,158	140,258	-261,487

Annual Water Use 2010-2022

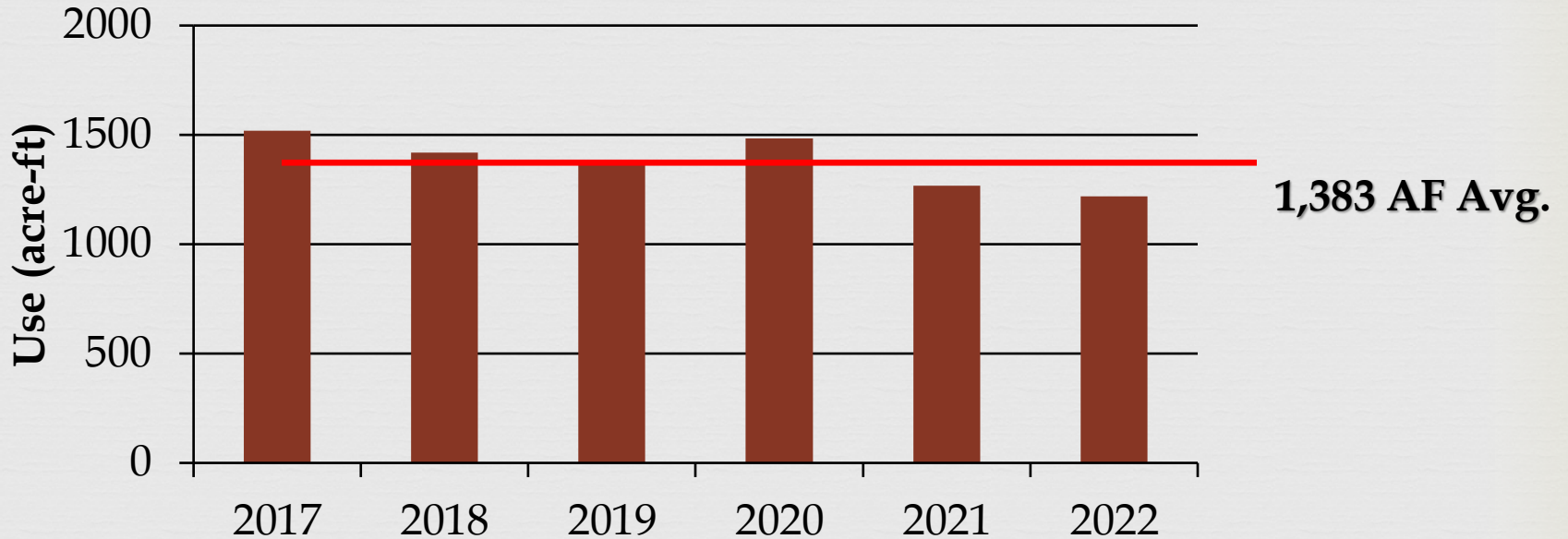


Water Source - 2022



Total Water Used: 406,888,019 Gallons, or 1,248 acre-feet

Annual Water Use 2017-2022

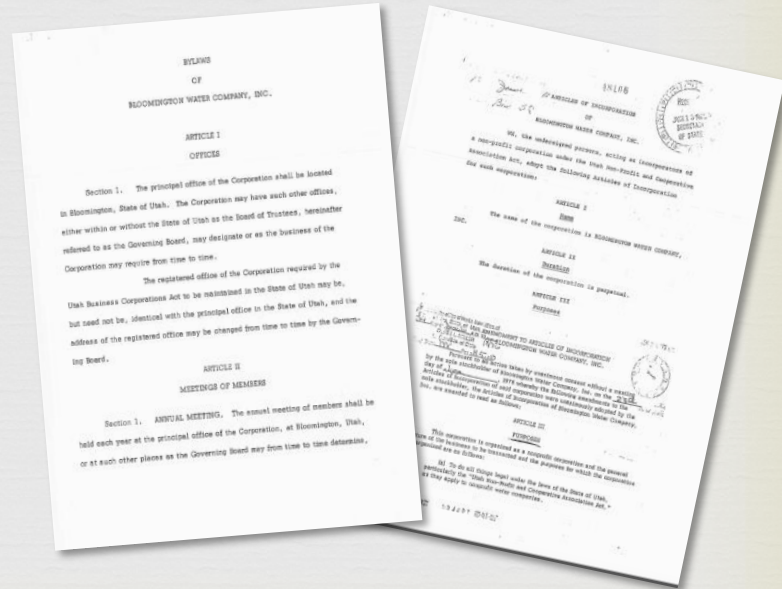


THE END



Bloomington Water Company Overview

- ❧ June 1968 Articles of Incorporation & Company Bylaws Adopted. (amended 1976)
- ❧ Corporation has the authority to issue 5,000 shares of stock.
- ❧ Currently 2,450 shares of stock have been issued (1,977 shares are active)
- ❧ Currently, about 1.5 AF/share

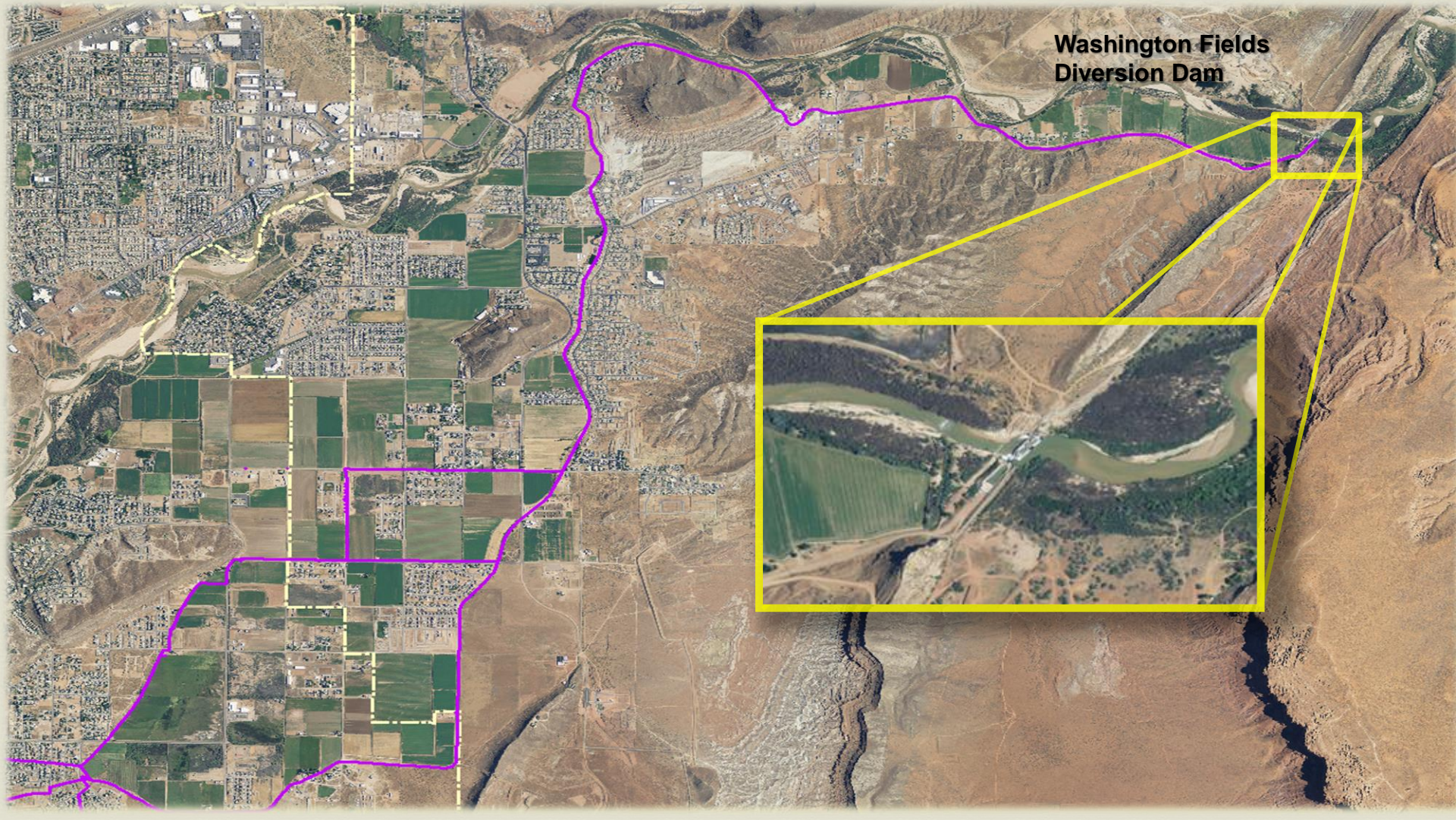


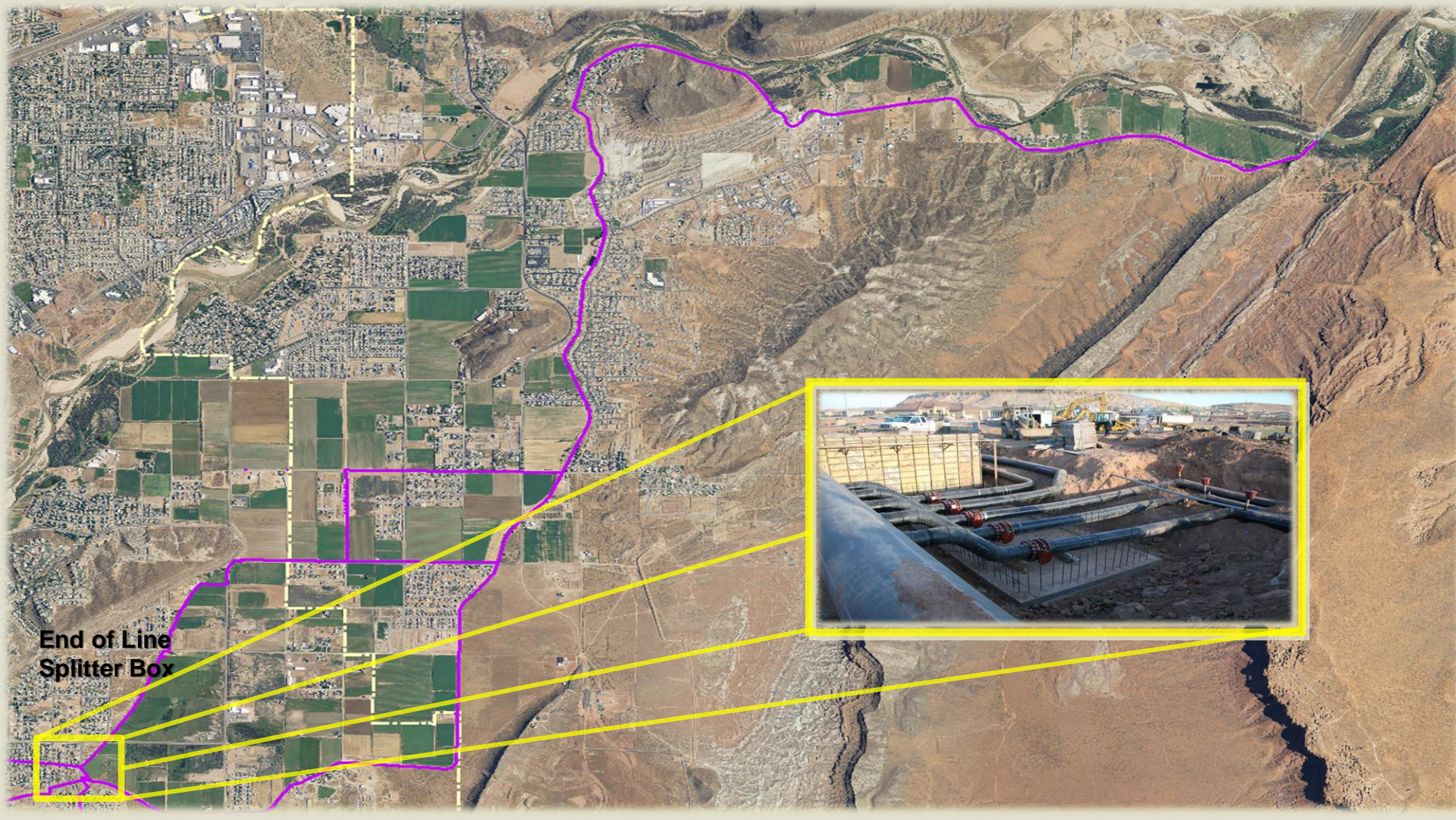
BWC Water Rights



	Description	WR #	Flow	Volume
1	225 Shares in SGWFCC		6 cfs	1935 AF
2	Ranches Wells	81-269	3.0 cfs	1,440 AF
3	Ft. Pierce Wash	81-194,81-448	2.5 cfs	465 AF
		TOTAL	11.5 cfs	3,840 AF

**Washington Fields
Diversion Dam**





**End of Line
Splitter Box**



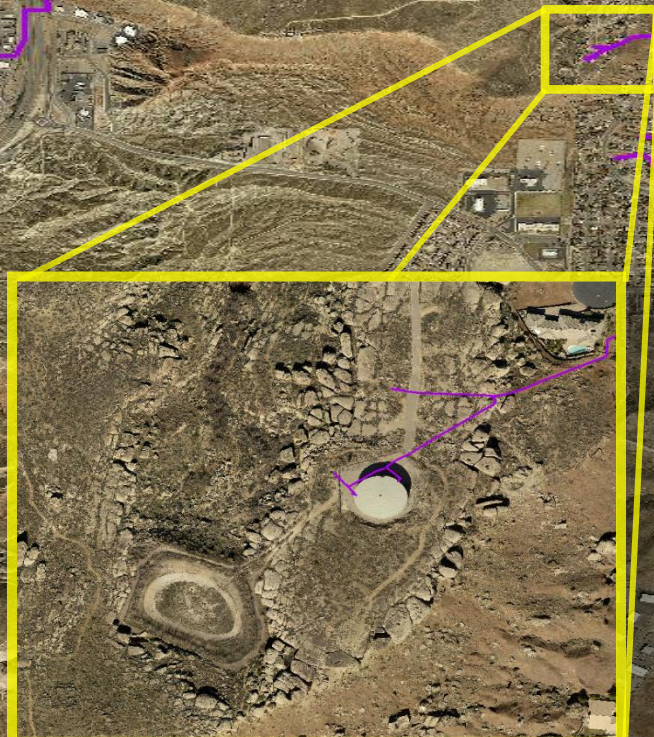


Pump
Station

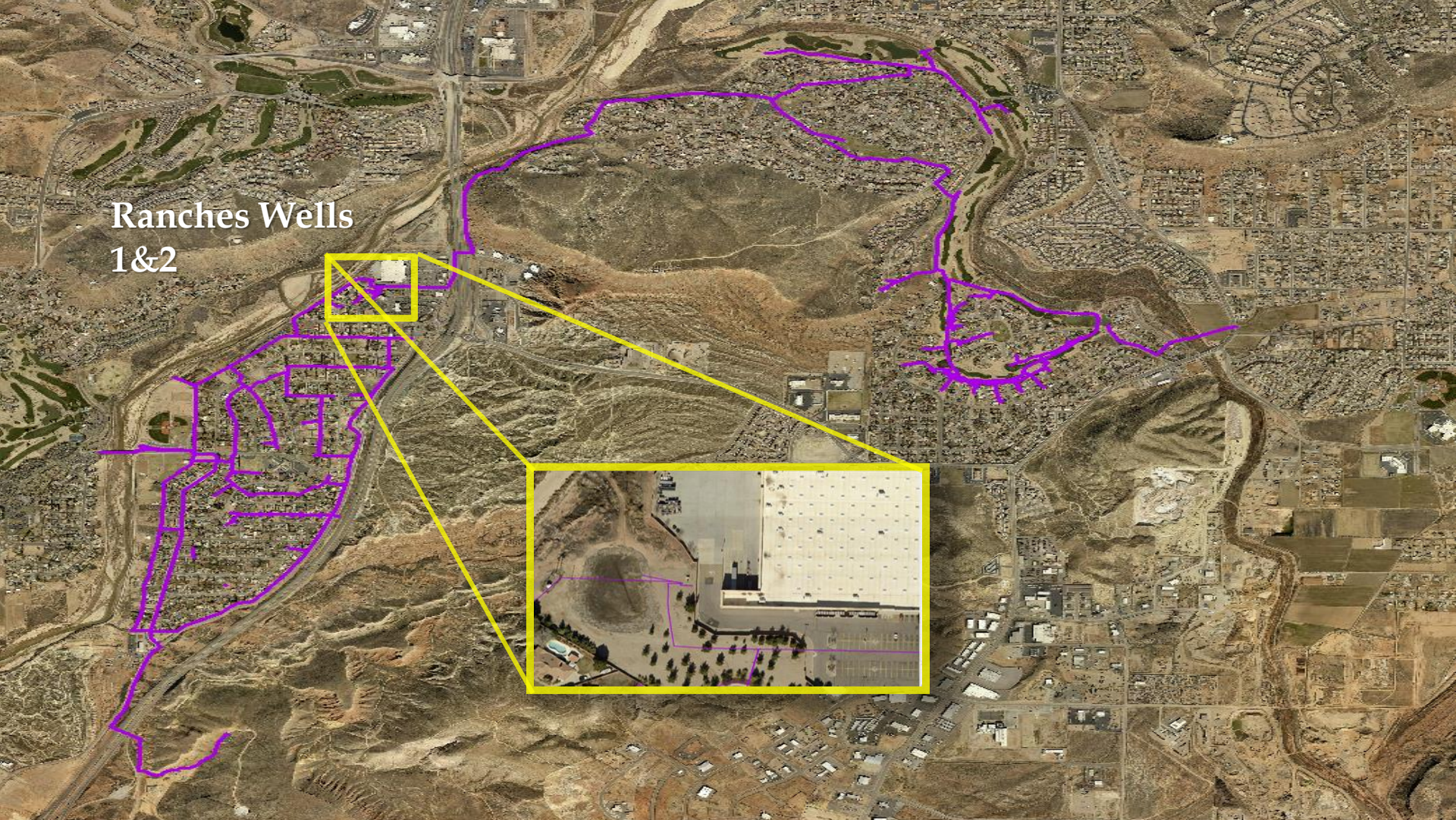
Pumping
Pond

Settling Pond

Storage Tank



Ranches Wells
1&2



Ranches Well
#3



East Bloomington
Pond



Challenges



Limited Access



Aging Infrastructure



Water Rights



Utility Conflicts

Water Rights vs. Beneficial Use

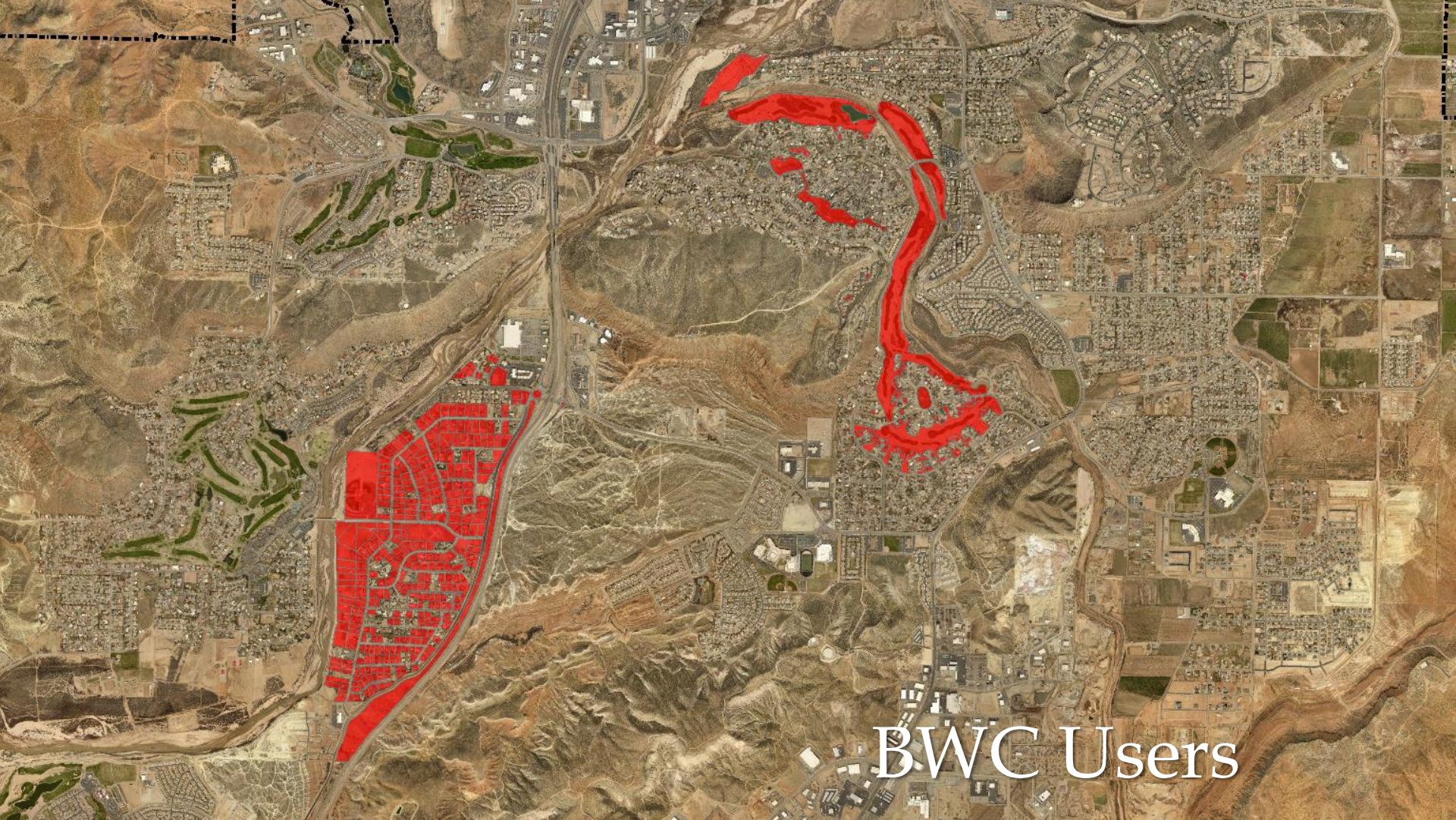


- ❧ The State of Utah “Owns” all water.
- ❧ A person or entity can acquire a “right” to use the water.
- ❧ In order to preserve the “right” to use the water, one must demonstrate to the State of Utah that the water is being put to “beneficial use” (ie. the water must be used for it’s intended purpose)

Water Rights vs. Beneficial Use



- ❧ Periodically, the state conducts a survey of the individual water rights basins to determine if all of the water rights are put to beneficial use.
- ❧ During this “re-adjudication” the state has the authority to “take” a portion of a water right that has not been put to beneficial use.
- ❧ BWC is preparing and exploring options of protecting our water rights from future adjudication.

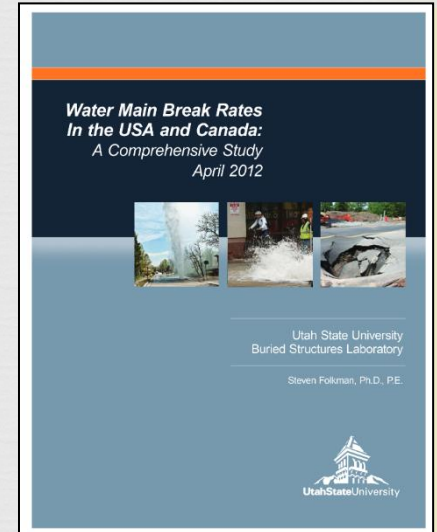


BWC Users

Aging Infrastructure



- ❧ Utah State University Study from 2012
 - ❧ Studied Water Infrastructure throughout the Country and Canada
 - ❧ Average Age of Failing Pipe: 47 Years
 - ❧ 22% of all Water Infrastructure >50 years
 - ❧ 8% of Installed Water Mains are Beyond Their Useful Life.
 - ❧ Avg. 11 Mainline Breaks/100 miles

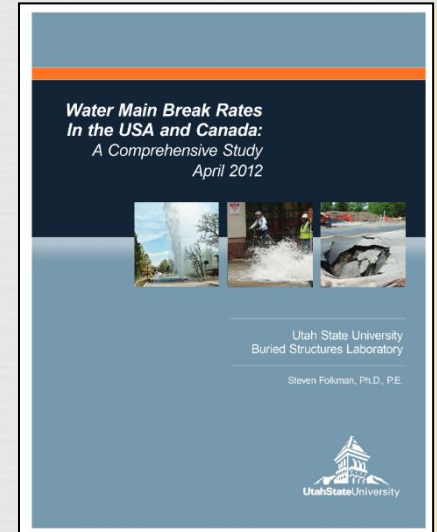


Aging Infrastructure

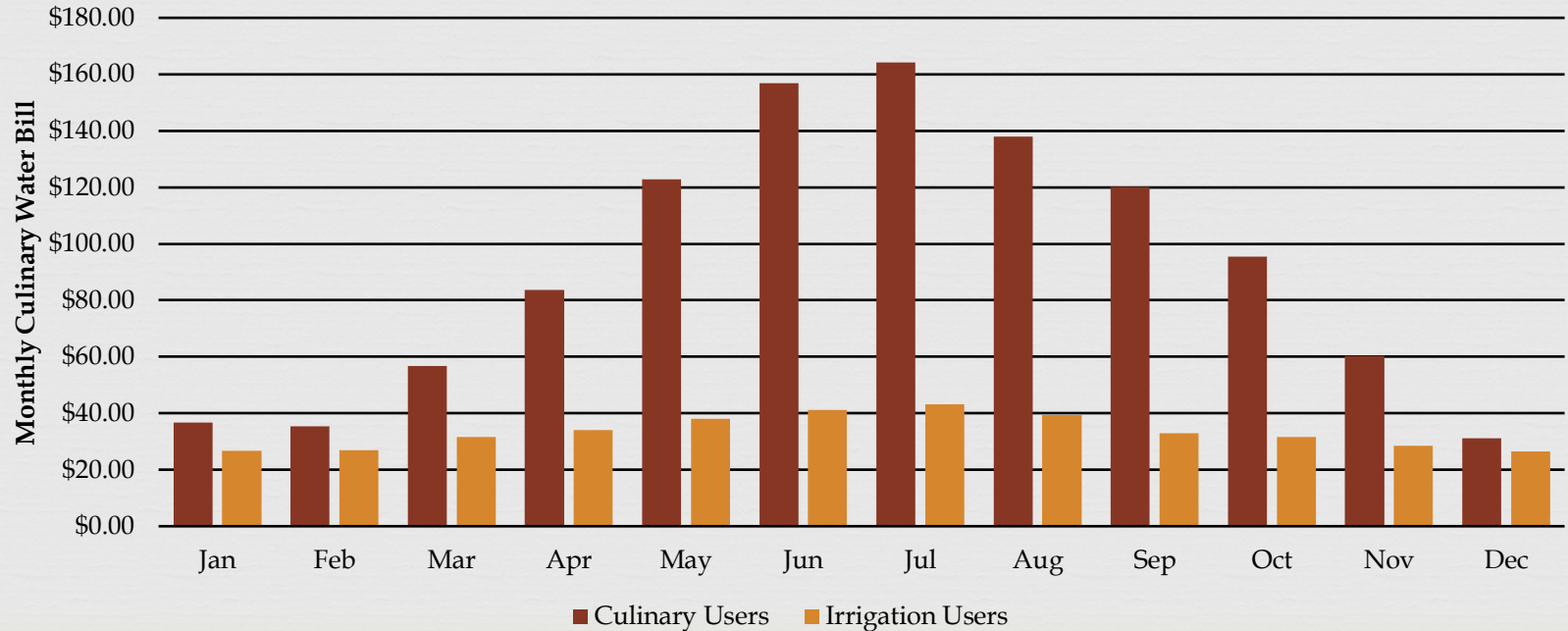


❧ Bloomington Water Company:

- ❧ 22 miles of Pipeline ranging from 2" to 16" in diameter.
- ❧ Majority of the Irrigation System was installed between 1969 and 1980.
- ❧ Irrigation System is approaching 50 years old.
- ❧ BWC Avg. 16 Mainline Breaks/100 miles



Monthly Cost



How to Finance Main Line Replacement Projects?



- ❧ Mainline Replacements: \$8M - \$10M Replacement Cost over the next ?? Years.
- ❧ Division of Water Resources Funding?
 - ❧ ~2% Interest Rate
 - ❧ 20-30 yr. loan
 - ❧ Loan up to 85% of Project Cost

Main Line Replacement Project



- ❧ Say we Finance a \$4M Project through the UDWRe @ 2% for 20 years:
 - ❧ \$600,000 Down
 - ❧ Annual Loan Payment: \$245,000/yr for 20 years
 - ❧ Annual Loan Payment: ~\$100/share

BWC Secondary Irrigation vs. Culinary Water Cost



- ❧ Compare Culinary Water User vs. Irrigation User
- ❧ Look at Areas of Similar Size and Composition
 - ❧ 1/2 Acre Residential Lost- Little Valley vs. Bloomington
- ❧ Compare Water Use and Water Cost



Little Valley Area



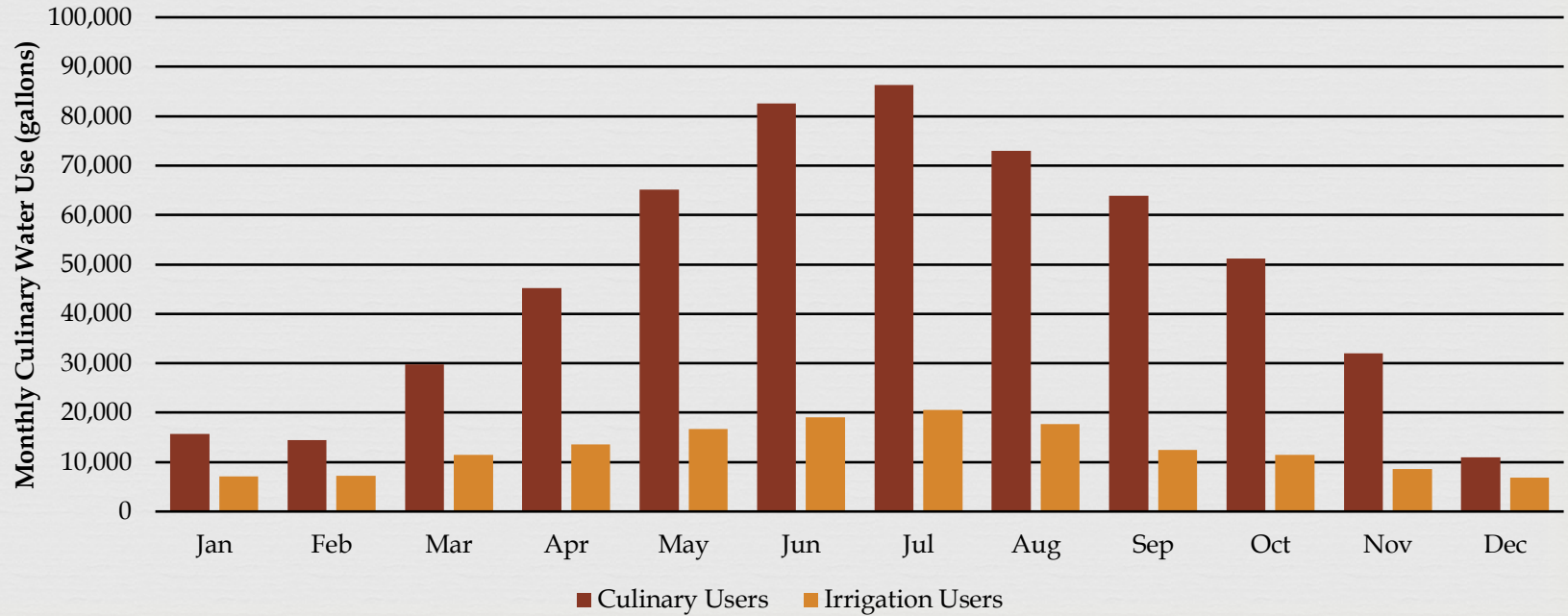
Bloomington Ranches Area

Culinary vs. Irrigation



- ∞ Annual Use for Culinary Water for Non-BWC Users:
570,416 gallons (47,535/month)
- ∞ Annual Use of Culinary Water for BWC Irrigation
Users: 152,767 gallons (12,731/month)

Monthly Water Use



Culinary vs. Irrigation



- ❧ Average Annual Cost of Culinary Water for Non-BWC User: \$1,100.99 (\$91.67/month)
- ❧ Average Annual Cost of Culinary Water for BWC User: \$400.18 (\$33.35/month)
- ❧ Annual Cost of Irrigation Shares for 1/2 Acre Lot: \$376 (\$188/share)

- ❧ Total Annual Water Cost Savings: \$324.8



BWC System 1976



BWC System 2016



BWC System 20XX?