



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Lehua Weaver

DATE: November 7, 2024

RE: Consolidated Fee Schedule Update – Sewer & Water Utility Non-use Waiver

Item Schedule:

Briefing: Nov. 12, 2024

New Business: Nov. 12, 2024

ISSUE AT-A-GLANCE

The Department of Public Utilities has been in coordination with Council Staff to the attached amendment to the consolidated fee schedule for the stabilization fee. The proposed amendment would give the Department authority to waive the stabilization fee on accounts with an extended period of non-use. This would provide relief to certain property owners who have large unused lines and received bill increases of several hundred dollars. There are times when lines will be inactive due to construction or ownership changes, and this waiver would not apply in those situations. It is intended for properties with over 18-months of non-use, which demonstrates that immediate demand on the system is unlikely. The waiver would be at the discretion of the Public Utilities Director in these rare circumstances.

Goal of the briefing: Review the proposal and consider whether to take action on the amendment during tonight's formal meeting.

BACKGROUND INFORMATION

When the new stabilization fee was implemented on utility bills, the Council received feedback from residents about the impact of the fee in certain circumstances. As a reminder, the fee was established during the annual budget as a temporary measure for revenue pending this year's rate study. The rate differed based on the size of service lines, was applied to all accounts, and was calculated based on the increased cost of providing service in both the Water and Sewer Utilities.

The Department has transmitted a report on the Rate Study Committee recommendations for the Council's review and consideration. Small group meetings are being scheduled before a Work Session briefing on those recommendations happens in the coming months. Once the Council has reviewed



the information and provided input, the Department plans to conduct robust public engagement before new rates are considered in the Fiscal Year 2025-26 annual budget.

There were two other narrow categories where the Department reviewed circumstances and adjusted the stabilization fee. First, for commercial water customers who have multiple lines related to fire suppression and received multiple fees on their account. Secondly, for a 'master meter' that serves a single family residential development, commonly referred to as an HOA. Those two categories were unique adjustments and did not require Council action.