

Salt Lake City
Department of Public Utilities
Proposed Budget for 2022-2023

Salt Lake City Public Utilities Mission and Services

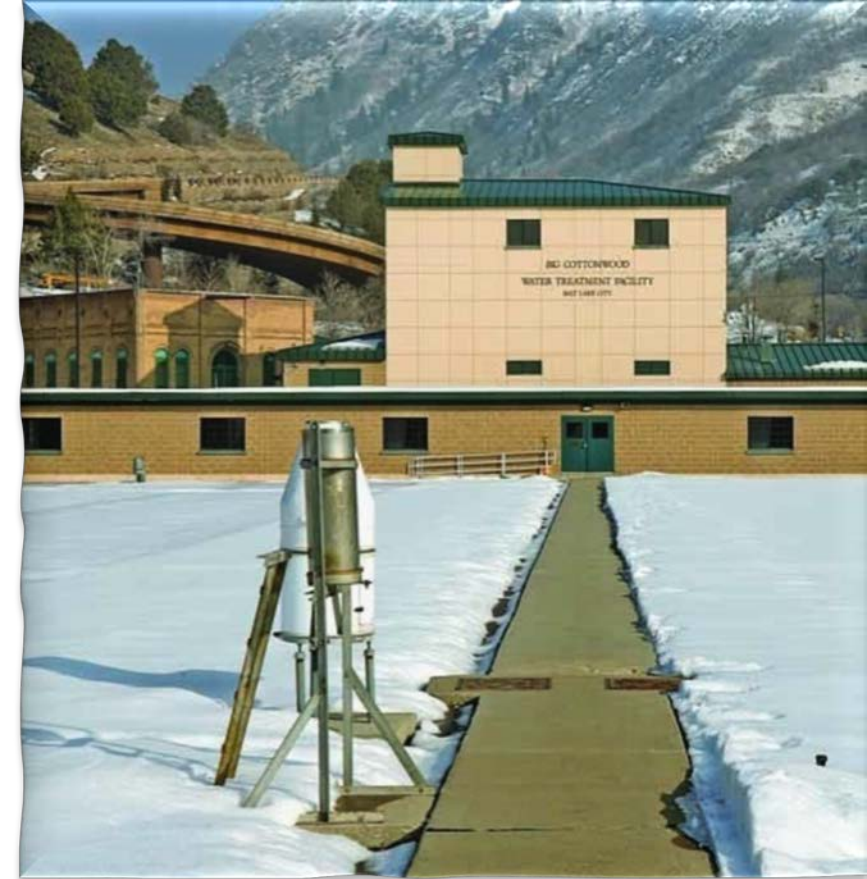
- Drinking Water
- Wastewater
- Stormwater
- Street Lighting

*“Serving our community,
protecting our environment”*



FY 2023 Salt Lake City Public Utilities Budget Priorities

- Aging infrastructure investment
- Water stewardship
- Regulatory programs
- Operations and maintenance
- Financial health
- Sustainability
- Employee well-being

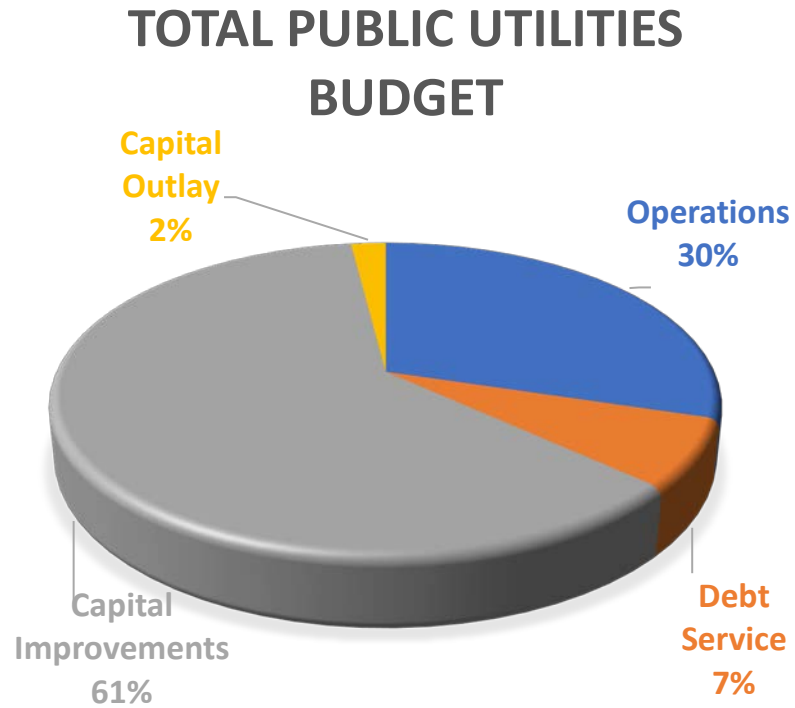


Utility Resilience

- Drought and climate planning and response.
- CIP during a time of inflation, pandemic, and drought.
- Strategies to replace large, aging, generational infrastructure.
- Organizational and operational adaptation amid growth and changing regulations.
- DEI orientation internally and with the public we serve.
- Hiring talent with passion and integrity, promoting from within.
- Deep dive into rate structures, community financial capability, and customer assistance.
- Local, state, and federal relationships.
- Community engagement.



Total Public Utilities Budget: \$413,124,942 -1.75%



- Revenues projected at \$413,124,942; WIFIA proceeds of \$125,965,000.
- Rate increases for water, sewer, and stormwater utilities.
- Capital Improvement Program investments \$252,838,910.
- Operations budget \$122,794,572.
- Seven additional employees – bringing staffing to 477.5 full-time equivalent employees.

Water Utility Budget: \$132,752,815 4.23%

- Water service fees contribute to most of the projected revenue, at \$98,266,900.
- Reserve fund use proposed at \$24,656,447.
- A rate increase of 15%.
- Capital investments of \$38,989,000.
- Capital program emphasis on treatment plants, water mains, wells, meters, and reservoirs.

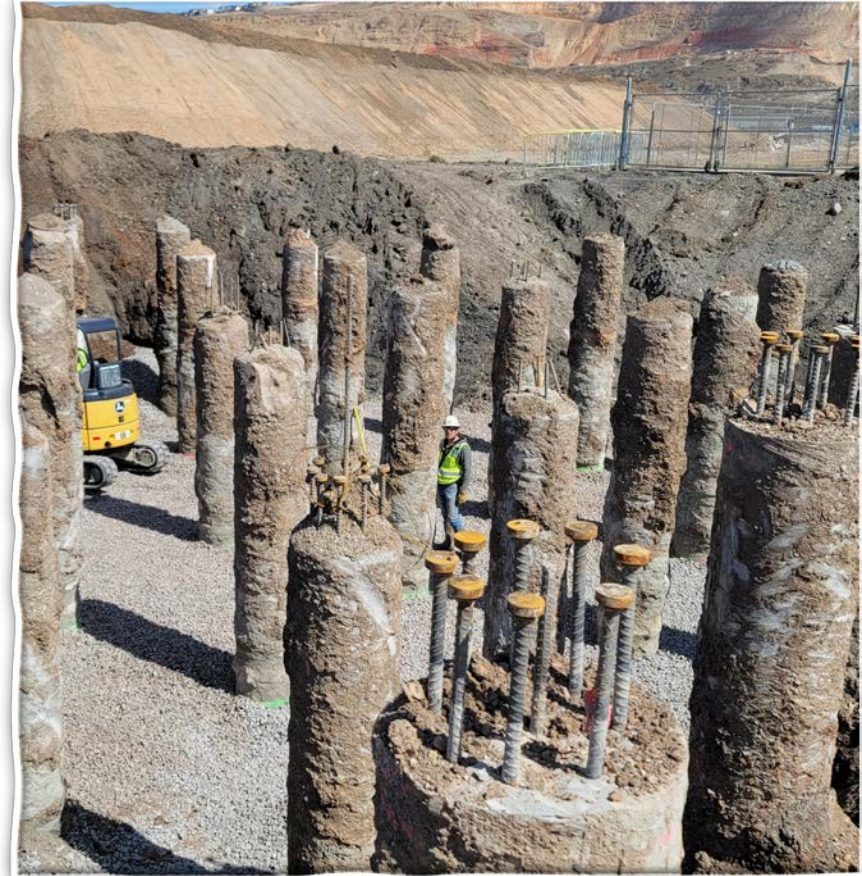


Sewer Utility Budget:

\$255,914,580

-4.59%

- Sewer fees and the WIFIA loan comprise most of the sewer utility's projected revenue, at \$66,740,000 and \$125,965,000, respectively.
- Unspent bond proceeds will be transferred to reserve fund for use on WRF - \$59,283,673.
- Debt service payments of \$21,409,504.
- A rate increase of 15% is proposed.
- Capital Improvements of \$205,884,910; new WRF is 87% of sewer CIP budget, 70% of overall sewer utility budget, and 43% of total Public Utilities budget.





Stormwater Utility Budget: \$18,699,722 -2.61%

- Stormwater fees projected to generate \$12,321,733 in revenue.
- Reserve funds from 2020 bond proceeds at \$5,222,989.
- Capital improvement program investment proposed to be \$5,725,000.
- Rate increase of 15% proposed.

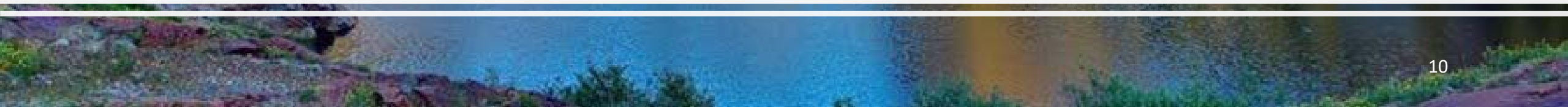
Street Lighting Utility Budget: \$5,757,825 1.02%

- Street light fees and reserves account comprise most of the projected revenue, at \$4,174,622 and \$1,455,603, respectively.
- Capital improvement program \$2,240,000.
- New rate study to be conducted to help with implementation of Street Lighting Master Plan update.





Rate Projections and Summaries



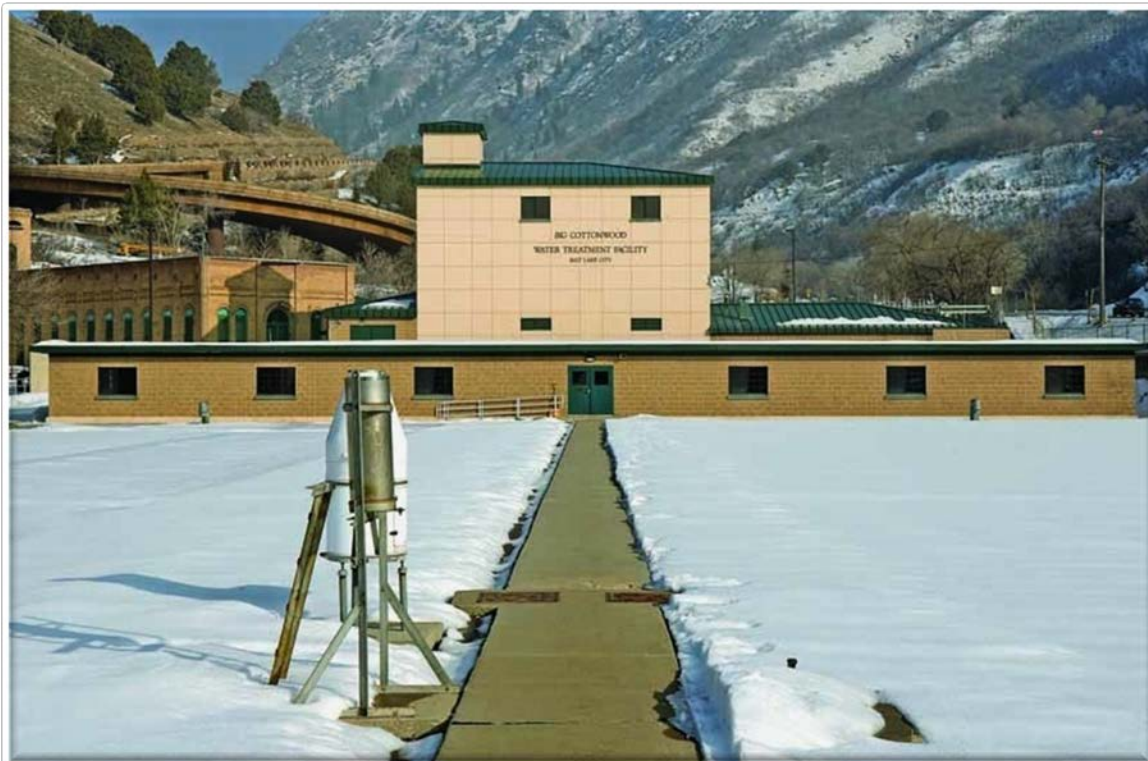
Rate Adjustment History

| Year | Water | Sewer | Stormwater | Street Lighting |
|-----------|-------|-------|------------|-----------------|
| 2014-2015 | 4% | 8% | 0% | 0% |
| 2015-2016 | 4% | 8% | 0% | 0% |
| 2016-2017 | 4% | 14% | 0% | 0% |
| 2017-2018 | 7% | 30% | 0% | 0% |
| 2018-2019 | 4% | 15% | 10% | 0% |
| 2019-2020 | 5% | 18% | 10% | 0% |
| 2020-2021 | 0% | 18% | 0% | 0% |
| 2021-2022 | 8% | 18% | 10% | 0% |
| 2022-2023 | 15% | 15% | 15% | 0% |

Projected Five-Year Rate Adjustments

| Year | Water | Sewer | Stormwater | Street Lighting |
|-----------|-------|-------|------------|-----------------|
| 2022-2023 | 15% | 15% | 15% | 0% |
| 2023-2024 | 15% | 10% | 10% | 10% |
| 2024-2025 | 15% | 10% | 10% | 10% |
| 2025-2026 | 12% | 10% | 5% | 10% |
| 2026-2027 | 10% | 10% | 0% | 10% |

Water Rate – Monthly Impact



| Account Type | Monthly Usage | Meter Size | 2022 | 2023 | \$ Change | % Change |
|-------------------------|---------------|------------|--------------|---------------|-----------|----------|
| | | | Current Rate | Proposed Rate | | |
| Residential Minimum Use | 6 ccf | 3/4 | 18.91 | 21.80 | 2.89 | 15.28% |
| Residential Low Use | 8 ccf | 3/4 | 21.87 | 25.22 | 3.35 | 15.32% |
| Residential Medium Use | 21 ccf | 3/4 | 50.15 | 57.81 | 7.66 | 15.28% |
| Residential High Use | 70 ccf | 1 | 181.85 | 194.01 | 12.15 | 6.68% |
| Industrial Use | 8,040 ccf | 2 | 13,989.78 | 16,156.59 | 2,166.81 | 15.49% |
| Commercial Use | 966 ccf | 2 | 1,641.81 | 1,896.30 | 254.49 | 15.50% |

Sewer Rate – Monthly Impact



| Account Type | Annualized Average Winter Water Usage (CCF) | 2022 | 2023 | \$ Changes | % Change |
|----------------------------|--|--------------|---------------|------------|----------|
| | | Current Rate | Proposed Rate | | |
| Residential Minimum Use | 2 ccf | 10.26 | 11.80 | 1.54 | 15.01% |
| Residential Low Use | 4 ccf | 20.52 | 23.60 | 3.08 | 15.01% |
| Residential Medium Use | 8 ccf | 41.04 | 47.20 | 6.16 | 15.01% |
| Residential High Use | 15 ccf | 76.95 | 88.50 | 11.55 | 15.01% |
| Industrial 2, 4 | 2,014 ccf | 27,289.70 | 31,398.26 | 4,108.56 | 15.06% |
| Commercial 2,1 | 34 ccf | 538.90 | 619.82 | 80.92 | 15.02% |

Stormwater Rate – Monthly Impact



| | | 2022 | 2023 | Changes Current to Proposed | |
|-----------------------------|---------|--------------|---------------|-----------------------------|--------|
| Account Type | ERUs | Current Rate | Proposed Rate | \$ | % |
| Single and Duplex <.25 Acre | All ERU | 5.98 | 6.88 | 0.90 | 15.05% |
| Single and Duplex >.25 Acre | All ERU | 8.36 | 9.62 | 1.26 | 15.07% |
| Triplex and Fourplex | All ERU | 11.96 | 13.76 | 1.80 | 15.05% |
| All other Parcels | Per ERU | 5.98 | 6.88 | 0.90 | 15.05% |

*1 ERU = 1 residential property or 75 feet of street frontage for non-residential properties

Water Rate Comparison with Nearby States

| RANKING | Comparison of Recognizable Cities in Western States City, State | AVERAGE MONTHLY CHARGES |
|---------|---|-------------------------------|
| 1 | FLAGSTAFF, ARIZONA | \$132.66 |
| 2 | CHEYENNE, WYOMING | \$74.18 |
| 3 | BOISE, IDAHO | \$74.03 |
| 4 | DENVER, COLORADO | \$60.25 |
| 5 | HENDERSEN, NEVADA | \$57.22 |
| 6 | PHOENIX, ARIZONA | \$55.37 |
| 7 | RENO, NEVEDA | \$52.42 |
| 8 | LAS VEGAS, NEVADA | \$46.99 |
| | SALT LAKE CITY, UTAH (Proposed) 15% | \$46.32 |
| 9 | SALT LAKE CITY, UTAH (Current) | \$40.16 |

Cities compared with 7,480 gallons per month and 24,000 gallons summer usage
Based on eight months Winter and four months Summer usage

| RANKING | CITY OR DISTRICT NAME | MONTHLY MINIMUM CHARGE | MINIMUM ALLOWANCE IN GALLONS | RATE OVER MINIMUM ALLOWANCE | PER GALLONS | MONTHLY FLOURIDE CHARGE | WINTER @ 7,480 GAL PER MONTH | SUMMER @ 23,936 GAL PER MONTH | TOTAL WINTER CHARGES* | TOTAL SUMMER CHARGES* | YEARLY TAX ON \$200,000 PROPERTY | TOTAL CHARGES |
|---------|--|------------------------------|------------------------------------|-----------------------------------|----------------|-------------------------------|------------------------------------|-------------------------------------|-----------------------------|-----------------------------|--|------------------|
| 1 | PARK CITY - GRADUATED RATES (1) | 53.63 | 0 | 6.68 - 11.27 | 1,000 | | 113.59 | 294.84 | 908.73 | 1179.35 | | 2088.08 |
| 2 | SALT LAKE CITY - OUTSIDE OF CITY (Proposed) | 15.57 | 0 | 2.30 - 4.35 | 748 | | 38.58 | 110.08 | 308.64 | 440.32 | | 748.96 |
| 3 | PLEASANT GROVE - GRADUATED RATES (6) | 24.32 | 5,000 | 2.95 - 6.26 | 1,000 | | 31.64 | 116.51 | 253.09 | 466.04 | | 719.13 |
| 4 | AMERICAN FORK - GRADUATED RATES (2) | 16.17 | 3,000 | 3.52 - 4.96 | 1,000 | | 33.01 | 113.53 | 264.04 | 454.13 | | 718.17 |
| 5 | DRAPER CITY - GRADUATED RATES (3) | 20.25 | 0 | 2.05 - 3.71 | 1,000 | | 39.08 | 97.00 | 312.65 | 388.01 | | 700.66 |
| 6 | SOUTH JORDAN CITY - GRADUATED RATES (4) | 30.00 | 0 | 2.00 - 2.50 | 1,000 | | 45.33 | 84.09 | 362.64 | 336.36 | | 699.00 |
| 7 | WEST JORDAN CITY (11) | 20.00 | 0 | 2.25 - 3.85 | 1,000 | | 37.50 | 98.35 | 300.02 | 393.41 | | 693.43 |
| 8 | SALT LAKE CITY - OUTSIDE OF CITY | 13.54 | 0 | 2.00 - 3.78 | 748 | | 33.54 | 95.70 | 268.32 | 382.80 | | 651.12 |
| 9 | RIVERTON CITY - GRADUATED RATES (5) | 3.50 | 0 | 3.76 - 3.91 | 1,000 | | 32.00 | 96.34 | 255.97 | 385.36 | | 641.33 |
| 10 | MAGNA - GRADUATED RATES (10) | 18.10 | 6,000 | 2.08 - 2.65 | 1,000 | 1.02 | 22.20 | 57.91 | 177.59 | 231.64 | 207.29 | 616.52 |
| 11 | KEARNS IMPROVEMENT DIST-GRADUATED RATES (9) | 12.08 | 0 | 2.42 - 3.04 | 1,000 | | 30.18 | 78.65 | 241.45 | 314.58 | 45.23 | 601.27 |
| 12 | SANDY CITY - OUTSIDE OF CITY (8) | 19.95 | 0 | 1.80 - 2.75 | 1,000 | | 34.82 | 80.07 | 278.56 | 320.30 | | 598.86 |
| 13 | OGDEN CITY - GRADUATED RATES (7) | 16.02 | 0 | 1.81 - 7.24 | 1,000 | | 31.04 | 86.72 | 248.31 | 346.87 | | 595.18 |
| 14 | SALT LAKE CITY - INSIDE OF CITY (Proposed) | 11.53 | 0 | 1.71 - 3.22 | 748 | | 28.55 | 81.68 | 229.12 | 326.72 | 31.79 | 587.63 |
| 15 | SANDY CITY - INSIDE OF CITY (12) | 14.43 | 0 | 1.64 - 2.53 | 1,000 | | 28.01 | 69.65 | 224.12 | 278.59 | 32.67 | 535.38 |
| 16 | SALT LAKE CITY - INSIDE OF CITY (13) | 10.03 | 0 | 1.48 - 2.80 | 748 | | 24.83 | 70.83 | 198.64 | 283.32 | 31.79 | 513.75 |
| 17 | GRANGER - HUNTER IMPROVEMENT DISTRICT (14) | 13.00 | 0 | 1.77 - 2.20 | 1,000 | | 26.30 | 60.25 | 210.42 | 241.00 | 24.75 | 476.16 |
| 18 | BOUNTIFUL CITY - RESIDENTIAL HIGH ELEVATION | 23.57 | 5,000 | 1.98 | 1,000 | | 28.48 | 61.06 | 227.84 | 244.25 | | 472.10 |
| 19 | CITY OF SOUTH SALT LAKE | 21.00 | 5,000 | 2.25 | 1,000 | | 26.58 | 63.61 | 212.64 | 254.42 | | 467.06 |
| 20 | PROVO | 18.59 | 0 | 1.01 - 1.67 | 1,000 | | 26.14 | 58.56 | 209.16 | 234.25 | | 443.41 |
| 21 | MURRAY CITY - GRADUATED RATES (16) | 12.51 | 0 | 1.19 - 1.75 | 748 | | 24.91 | 58.76 | 199.28 | 235.04 | | 434.32 |
| 22 | BOUNTIFUL CITY - RESIDENTIAL LOW ELEVATION | 21.39 | 5,000 | 1.79 | 1,000 | | 25.83 | 55.29 | 206.63 | 221.14 | | 427.78 |
| 23 | OREM - GRADUATED RATES (17) | 20.20 | 0 | 0.83 - 1.46 | 1,000 | | 26.41 | 48.22 | 211.27 | 192.87 | | 404.13 |
| 24 | TAYLORSVILLE/BENNION IMPROVEMENT DISTRICT (15) | 9.00 | 0 | 1.43 - 1.87 | 1,000 | | 20.35 | 51.12 | 162.78 | 204.48 | 6.16 | 373.42 |
| 25 | JVWCD (18) | 3.00 | 0 | 1.51 - 3.36 | 1,000 | | 14.29 | 52.77 | 114.36 | 211.10 | 40.26 | 365.72 |

Districts may also receive property taxes, therefore the total cost to a resident may not be reflected in the annual / monthly fee listed above.

Water Rate Comparison – Local (February 2022)

Sewer Rate Comparison with Nearby States

| RANKING | COMPARISON OF RECOGNIZABLE CITIES IN WESTERN STATES CITY, STATE | AVERAGE MONTHLY CHARGES |
|---------|---|-------------------------------|
| 1 | RENO, NV | \$50.26 |
| 2 | SALT LAKE CITY, UT (PROPOSED) | 47.21 |
| 3 | BOISE, ID ** | 46.72 |
| 4 | SALT LAKE CITY, UT (CURRENT) | 41.05 |
| 5 | PLEASANT GROVE, UT | 40.43 |
| 6 | CHEYENNE, WY ** | 32.37 |
| 7 | FLAGSTAFF, AZ | 21.50 |
| 8 | DENVER, CO | 32.01 |
| 9 | HENDERSON, NV | 26.30 |
| 10 | PHOENIX, AZ | 25.18 |
| 11 | LAS VEGAS, NV *** | 21.50 |

* ANNUAL COST BASED ON 12 MONTHS @ 5,984 GALLONS PER MONTH AVERAGE WINTER WATER CONSUMPTION.

** INCLUDES MONTHLY BASE RATE

*** \$4.66 MONTHLY BASE FEE, \$16.84/0-5000 GALLONS, \$16.00/5,000+ GALLONS

Sewer Rates Compared with Local Cities/Districts

| RANKING | CITY OR DISTRICT | RATE MONTHLY | RATE PER 1,000 GALS | ANNUAL FEES SEWER * |
|---------|---|--------------|---------------------|---------------------|
| 1 | CITY OF SOUTH SALT LAKE | 0.00 | 9.00 | \$646.27 |
| 2 | MURRAY CITY | 9.73 | 6.86 | 609.36 |
| 3 | SALT LAKE CITY, UT (PROPOSED) | 0.00 | 7.89 | 566.57 |
| 4 | SALT LAKE CITY, UT (CURRENT) | 0.00 | 6.86 | 492.60 |
| 5 | WEST JORDAN CITY | 22.00 | 2.05 | 411.21 |
| 6 | ODGEN CITY | 32.78 | 0.00 | 393.36 |
| 7 | KEARNS IMPROVEMENT DISTRICT | 25.59 | 1.20 | 393.25 |
| 8 | MAGNA CITY **** | 29.81 | 0.00 | 357.72 |
| 9 | SOUTH VALLEY SEWER DISTRICT | 25.00 | 0.00 | 300.00 |
| 10 | MIDVALLEY IMPROVEMENT DISTRICT | 24.50 | 0.00 | 294.00 |
| 11 | GRANGER - HUNTER IMPROVEMENT DISTRICT | 15.50 | 1.50 | 293.71 |
| 12 | MT OLYMPUS IMPROVEMENT DISTRICT | 22.00 | 0.00 | 264.00 |
| 13 | COTTONWOOD IMPROVEMENT DISTRICT | 20.00 | 0.00 | 240.00 |
| 14 | SOUTH DAVIS SEWER DISTRICT | 19.00 | 0.00 | 228.00 |
| 15 | TAYLORSVILLE - BENNION IMPROVEMENT DISTRICT | 11.15 | 0.00 | 133.80 |

* ANNUAL COST BASED ON 12 MONTHS @ 5,984 GALLONS PER MONTH AVERAGE WINTER WATER CONSUMPTION.

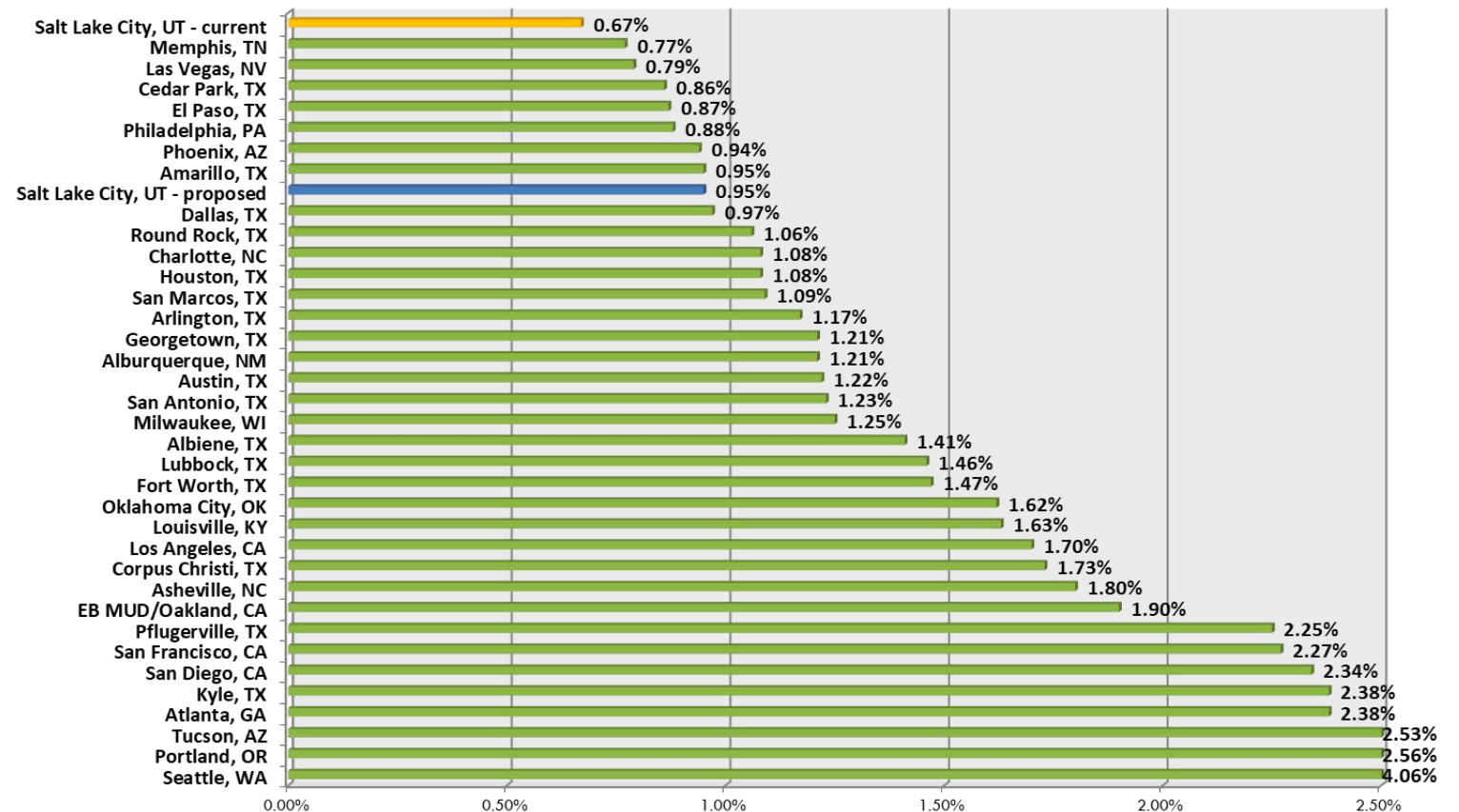
** INCLUDES MONTHLY BASE RATE

*** \$4.66 MONTHLY BASE FEE, \$16.84/0-5000 GALLONS, \$16.00/5,000+ GALLONS

**** \$29.81 MONTHLY MIN, INCLUDES - 0 to 8,009 AVERAGE GALLONS

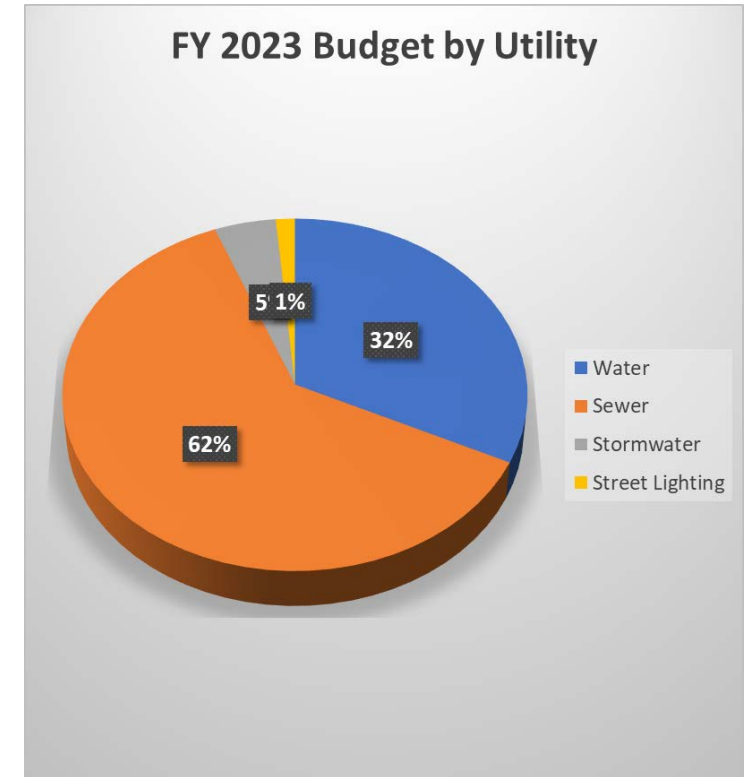
Districts may also receive property taxes, therefore the total cost to a resident may not be reflected in the annual / monthly fee listed above.

Residential Water and Wastewater Cost % Median Household Income



Stormwater Rates Compared with Local Cities

| RANKING | CITY NAME | CURRENT RATE |
|---------|---------------------------|--------------|
| 1 | PLEASANT GROVE | \$14.41 |
| 2 | PROVO | 10.75 |
| 3 | DRAPER CITY | 9.00 |
| 4 | OGDEN CITY | 8.47 |
| 5 | TAYLORSVILLE CITY * | 7.60 |
| 6 | OREM | 7.35 |
| 7 | SOUTH JORDAN CITY | 7.15 |
| 8 | BOUNTIFUL CITY | 7.00 |
| 9 | MURRAY CITY | 6.30 |
| 10 | SALT LAKE CITY (PROPOSED) | 6.24 |
| 11 | WEST JORDAN CITY | 6.04 |
| 12 | AMERICAN FORK | 6.00 |
| 13 | SANDY CITY | 6.00 |
| 14 | SALT LAKE CITY (CURRENT) | 5.43 |



Thank you!