



Minutes

DEPARTMENT of PUBLIC UTILITIES
ADMINISTRATION

**Salt Lake City
Public Utilities Advisory Committee
Minutes
January 25, 2018**

The Public Utilities Advisory Committee meeting was held at 7:30 a.m. on January 25, 2018 at the Salt Lake City Department of Public Utilities, 1530 South West Temple, Salt Lake City, UT 84115. Committee members present were Ted Boyer, Roger Player, Kent Moore, Ted Wilson, and Colleen Kuhn. Salt Lake City Public Utilities employees present were Laura Briefer, Jesse Stewart, Karryn Greenleaf, Marian Rice, Rusty Vetter, Stephanie Duer, Jason Brown, Brad Stewart, Holly Mullen, Mark Christensen, Kurt Spjute, and Janine Calfo. Also in attendance were Jim Lewis, Consultant; Siobhan Locke, The Langdon Group; Lehua Weaver, Salt Lake City Council; Mary Beth Thompson, Salt Lake City Mayor's Office.

Welcome and Introductions

Committee Chair Ted Boyer and Public Utilities Director Laura Briefer welcomed the attendees.

Approval of Minutes from Previous Meetings (December 7, 2017 and January 8, 2018)

Committee member Ted Wilson moved and Committee member Roger Player seconded the motion to approve the minutes of the December 7, 2017 and January 8, 2018 meetings, with corrections. All members present voted aye.

Chair and Vice Chair Appointments

Laura Briefer opened the nomination to the committee. Committee member Colleen Kuhn volunteered as Chair of the PUAC. Committee member Ted Wilson volunteered for Vice Chair. Committee member Roger Player motioned to approve Ms. Kuhn as Chair and Mr. Wilson as Vice Chair. Committee member Kent Moore seconded the motion. All members present voted in favor, and the motion passed.

Review and Approval of PUAC Meeting Schedule for 2018

A copy of the proposed schedule was provided. Mr. Moore moved to approve the 2018 meeting schedule, with a second by Mr. Boyer. All committee members voted in favor, and the motion passed.

Financial Report – Kurt Spjute, Finance Administrator

Public Utilities Finance Administrator Kurt Spjute presented the Public Utilities' financial report. A copy of Mr. Spjute's presentation is attached.

Mr. Wilson asked about the effectiveness of the “Slow the Flow” campaign worked to lower the water usage over the year. Public Utilities Conservation Manager Stephanie Duer stated that the various conservation campaigns, including Slow the Flow have worked well.

Mr. Wilson also asked what happens when a customer cannot pay their water bill. Mr. Spjute talked about the Water Assist and county abatement programs that are available. For instances of “shut off” notices, Public Utilities will work out payment arrangements when possible. Ms. Briefer added that customers can spread their payments over a year to help with budgeting.

Rate Study Report and Recommendation – Jim Lewis, Consultant

Mr. Jim Lewis presented a briefing on the Rate Advisory Committee (RAC) report and recommendations. A copy of that report is attached.

Ms. Briefer asked the PUAC which water rate alternatives recommended by the RAC would be recommended by the committee. Alternative 3 would send a faster message for conservation – as getting into the higher tiers faster. Mr. Moore asked if Alternative 3 cost of service and the average winter consumption would be higher. Mr. Lewis said that all households would be billed differently, based on consumption.

Ms. Briefer introduced Ms. Siobhan Locke from the Langdon Group who coordinated the RAC meetings over the process. Ms. Locke spoke about the engagement efforts of the process. Ms. Duer discussed a concern of some members of the RAC that Alternative 3 could have an unintended consequence on urban forests. She stated that the concern of some members of the RAC is that residents may choose not to water the urban forest as it would push them into higher tiers more quickly.

Ms. Kuhn asked Ms. Duer to clarify Alternative 2. It is basically the existing structure, but dropping tier 4 from 70 ccf to 60 ccf. It will not affect as many households.

Mr. Boyer asked if about the county multiplier for water rates. Staff indicated that the rate study will address the calculation and justification for the water rate multiplier for customers residing outside Salt Lake City.

Mr. Wilson moved to adopt Alternative 2 to recommend to the Mayor’s Office for water rates. Mr. Moore seconded the motion. All members present voted in favor, and the motion to recommend adoption of Alternative 2 for water rates passed.

Mr. Lewis presented the alternatives recommended by the RAC for Sewer Rates. In almost all incidences, the rates will be going up due to the cost of service. The difference between the two alternatives is that Alternative 1 has no minimum charge for Residential Classes Alternative 3 has a minimum charge that is reduced from the existing minimum sewer charge.

Ms. Locke mentioned that there was a separate RAC meeting with regard to sewer rate structures. There was recognition that commercial industries could be impacted more than other classes. Alternative 3 was recommended by the RAC.



Mr. Boyer moved to adopt Alternative 3 to recommend to the Mayor's office for sewer rates. Roger Moore seconded the motion. All committee members present voted in favor, and the motion passed.

Budget Process Overview – Staff

Mr. Spjute presented a preliminary schedule for Public Utilities' budget process (attached). Once the PUAC has had a chance to review and make recommendations, the proposed budget is then reviewed by the Mayor's Office. The City Council then reviews and ultimately adopts the Public Utilities budget.

Ms. Mary Beth Thompson, Salt Lake City's Budget and Finance Director, spoke about the City's review process. Ms. Lehua Weaver, from the Salt Lake City Council spoke about the City Council's review process.

Budget Subcommittee

Ms. Briefer explained the budget flow process that was included in the budget package and asked for nominations for the Budget Subcommittee. There should be three PUAC Committee members to serve on the Budget Subcommittee. Ms. Kuhn, Mr. Wilson, and Mr. Boyer volunteered.

Public Hearing - Concerning City-owned property located at I-215 North/Redwood Road Interchange Davis County

At 8:00 AM, the PUAC solicited public comments to consider a request to declare SLCDPU-owned property located at I-215 North/Redwood Road Interchange, Davis County as surplus. UDOT has requested to purchase of a small parcel of land, a remnant parcel and additional easements which are part of drainage property and facility owned by SLCDPU, to be used as part of the new interchange rebuild project. It is the intention that the City will require fair market value for the property.

There were no public comments. Mr. Boyer made a motion that the PUAC declares the property as surplus seconded by Mr. Moore. All members present voted in favor and the motion passed. The hearing was declared closed at 8:08 a.m.

Public Hearing - Concerning City owned property located south of Bangerter Highway at approximately 14600 South, Salt Lake County

At about 8:10 AM, the PUAC solicited public comments to consider a request to declare SLCDPU- owned property surplus. The property is located south of Bangerter Highway at approximately 14600 South for relocation of the Jordan and Salt Lake City Canal and



associated land exchange area. It is the intention that the City will require fair market value for the property.

There were no public comments. Mr. Moore made a motion that the PUAC declares the property as surplus. The motion was seconded by Mr. Wilson. All members present voted in favor, and the motion passed. The hearing was declared closed at 8:14 a.m.

Other Business

Ms. Briefer gave a brief discussion about proposed legislation affecting Public Utilities. Legislative updates will be given at each meeting during the session.

HB135 removes extraterritorial jurisdiction for watershed protection from the City. State Representative Mike Noel is sponsoring this bill. Mr. Wilson feels that this bill is a terrible threat.

HB136 seeks to prohibit government entities from lobbying for federal designations within the state. Representative Noel is also sponsoring this bill.

SB96 is a compromise bill with respect to canals and development that may take all rights away from canal owners should development occur. This bill has already moved out of the senate.

HB124, sponsored by Representative Kim Coleman, is a water and transparency bill regarding surplus water. Seeks to have municipalities and districts to provide information regarding water rights, the quantity of water, costs and charges, which is information that is already provided to the Division of Water Rights.

Meeting adjourned at 9:14 a.m.
The next PUAC meeting will be held on February 22nd at 7:30 a.m.