



Minutes

DEPARTMENT of PUBLIC UTILITIES
ADMINISTRATION

**Salt Lake City
Public Utilities Advisory Committee
Minutes
February 22, 2018**

The Public Utilities Advisory Committee meeting was held at 7:30 a.m. on February 22, 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 Jesse Stewart, Kurt Spjute, Mark Christensen, Carly Castle, Marian Rice, Stephanie Duer, Jason Brown, Holly Mullen, Dale Christensen and Janine Calfo. Also in attendance were Will Peterson, AECOM; Nathan Zaug, Carollo Engineering; Jeff Silvestrini, Mayor of the City of Millcreek; Trevor Lindley and Art Molseed, Brown and Caldwell; Shawn LaBonde, Black and Veatch and Mike DeVries, Metropolitan Water District of Salt Lake and Sandy.

Welcome and Introductions

Committee Chair Colleen Kuhn and Public Utilities Deputy Director Jesse Stewart welcomed the attendees.

Approval of Minutes from Previous Meeting (January 25, 2018)

Committee member Ted Boyer moved and Committee member Kent Moore seconded the motion to approve the minutes of the January 25, 2018 meeting, with corrections. All members present voted aye.

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. Spjute provided a brief update regarding the water break that happened in Emigration Canyon that resulted in some residents being out of water for a couple of days. Public utilities provided re-imbusement for families that requested compensation for a night in hotel.

A budget subcommittee meeting was held on February 21st, with another meeting scheduled for March 5th.

Mr. Stewart asked if any of the committee members who were present at the budget subcommittee meeting would like to speak. Committee member Mr. Wilson mentioned how Public Utilities will assess timing for additional bonding and discussed that the committee will review the construction projects that are planned. Mr. Spjute said that he will review and that cash reserves may need to be raised to 15 to 20 percent to ensure projects are covered. For the

next year plans may remain unchanged, but we will continue to look at how to balance bond issuance and rate increases.

Municipal Wastewater Planning Program (MWPP) – Jesse Stewart, Deputy Director

Jesse Stewart presented on the Municipal Wastewater Planning Program (MWPP). A copy of Mr. Stewart’s presentation has been attached.

The Utah Division of Water Quality report is due on April 15th and requires PUAC, City Council or Mayor’s approval. Mr. Stewart discussed the information that is required in the various sections of the report.

Mr. Stewart requested a vote from the Committee to approve the report. Committee member Mr. Player moved and Committee member Mr. Boyer seconded. All members present voted aye.

Legislative Update – Carly Castle, Special Projects Manager and Rusty Vetter, City Attorney

Carly Castle and Rusty Vetter discussed the current bills that are under legislative consideration. Ms. Castle and Mr. Vetter addressed the following proposed bills:

- **HB124, Water Holdings and Accountability and Transparency Amendments:** This bill would require municipalities that supply water outside their service area (through “surplus contracts”) to post specific information about the contracts, including a map of the area being served, a change application number, the quantity of water being used, the number of master meter connections, and financial statements that show separate financial accounting of revenues. This bill was held in committee and as of the date of the PUAC meeting has now been revived and is headed to the Senate.
- **HB135, Extraterritorial Jurisdiction Amendments:** This Bill would limit a City’s ability to regulate source areas located outside of the municipal boundaries. Representative Mike Noel is sponsoring this bill. The original bill would strip all municipalities of jurisdiction and doesn’t take into consideration tributaries. The Executive Water Taskforce will further review the bill. Committee Mr. Wilson gave testimony on this bill at the Capital yesterday and feels that the bill will pass the House of Representatives because Mike Noel has a lot of pull.
- **HB136, Federal Designations:** This Bill seeks to prohibit the City from advocating for federal designation within the state without feedback and authorization from the House Natural Resources, Agriculture, and Environment Interim Committee. .
- **HB 255, Extra-Jurisdictional Municipal Property.** Public Utilities has property and we would have to show a compelling reason on why we need to have the property. This bill is sponsored by Representative Coleman. Mr. Vetter mentioned that there are always one



or two legislators that are very passionate about water issues. This session, a number of these bills are very focused on Salt Lake City. For example Representative Coleman is a resident of West Jordan and the Airport 2 in West Jordan has some restrictions on development in the area. These restrictions may be the impetus of the Bill.

- Resolution HR15, Constitutional Amendment: This is an effort to consider a Constitutional Amendment to limit municipalities' ability to sell their water rights. There are a lot of concerns about the unintended consequences. There was an emergency meeting of the Executive Water Taskforce to require a review of the issue and is recommending a study. Committee member Mr. Wilson asked how this bill pertains to people who are complaining about increased rates. Mr. Vetter said that some people are questioning that we are charging additional rates to County customers, as is appropriate. This is because that County customers have never paid into the infrastructure of the original system.

There are two groups that own property in the Northwest Quadrant; Kennecott and Colmena. Public Utilities has entered in to two development agreements. Mr. Wilson asked if the LDS Church still owns land in the Northwest Quadrant. Mr. Vetter confirmed that the Church still owns the landfill. It is proposed to possibly put an Inland Rail Port on top of the landfill property. There is excitement about the opportunity of this development.

There is a bill to consider dredging part of the Utah Lake and build islands in the middle of the lake for development. The Utah Lake Water Users Association that is evaluating the bill.

SB96 is a compromise bill with respect to canals and development that may take all rights away from canal owners should development occur. That bill came out of committee yesterday. The water community and development community came together to talk about solutions.

Discussion and Comments

Mr. Stewart discussed that Public Utilities is moving forward with the water right adjudications. The letters that property owners receive can be confusing. Unless a property owner has a spring or a well, the City takes care of the water rights.

Meeting adjourned at 8:45 a.m.
Next meeting will be held on March 22nd at 7:30 a.m.