



Minutes

DEPARTMENT of PUBLIC UTILITIES
ADMINISTRATION

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

The Public Utilities Advisory Committee meeting was held at 7:30 a.m. on March 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, Sydney Fannesbeck, Kent Moore, and Ted Wilson. Salt Lake City Public Utilities employees present were Jesse Stewart, Kurt Spjute, Mark Christensen, 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 Vice-Chair Ted Wilson and Public Utilities Director Laura Briefer welcomed the attendees.

Approval of Minutes from Previous Meeting (February 22, 2018)

Mr. Ted Boyer moved and Mr. Roger Player seconded the motion to approve the minutes of the February 22, 2018 meeting, with corrections. All members present voted aye.

Fiscal Year 2018-2019 Public Utilities Budget Discussion and Recommendation – Laura Briefer, Director and Kurt Spjute, Finance Administrator

Public Utilities Director Laura Briefer and Public Utilities Finance Administrator Kurt Spjute presented the Public Utilities budget report. A copy of the presentation is attached.

The figures that were projected for the budget last year will not change much, including a water rate increase of 4 percent, a 10 percent increase for storm water, and a sewer rate increase of 15 percent. The information from the current rate study is not indicated in this budget discussion, as the study has not reached its final conclusion, but may be completed in July. Mr. Wilson asked if the rate study is not completed, would there have to be a separate approval from the City Council from the budget. Mr. Spjute indicated that this would be true. There will need to be some time spent to analyze the information from the rate study before it can be submitted to the City Council.

Mr. Kent Moore asked Mr. Spjute about bond issues for next year. Mr. Spjute replied that new bonds should not be needed for the new fiscal year. Any new bonds that are issued will be 30 year bonds to try to keep the debt service cost lower.

There are 14 new personnel positions proposed for the new fiscal year. Ms. Briefer discussed that these positions are related to growth in the city, gearing up for the development in the Northwest Quadrant and succession.

Water and sewer rates, compared with nearby states, show that our water rates continue to be lower than the average (with the caveat that their rates remain stagnant). Mr. Moore noted that the average increase per customer is about \$5.14 per year and wonders if that will be acceptable by all customers. Ms. Briefer noted that these increases are for mandated projects and growth. There is a lot of public education and outreach will be made.

Ms. Sydney Fonesbeck asked for information to put in her community newsletter for educational purposes.

Mr. Spjute requested a vote from the Committee to approve the budget. Mr. Moore moved and Mr. Player seconded. All members present voted aye.

Water Supply Update for 2018 – Jesse Stewart, Deputy Director

Public Utilities Deputy Director Jesse Stewart presented the Public Utilities water supply update. A copy of Mr. Stewart's presentation is attached.

Mr. Stewart spoke about the Salt Lake City water deliver areas and what the sources are. Mr. Wilson asked how much water comes from Central Utah. Mr. Mike DeVries responded that there is a total of 20,000 acre feet.

Mr. Wilson asked what the final conclusion was for the legislative bills that were leveled at Public Utilities. Ms. Briefer said that although the bills did not pass, they will be discussed further and may lead to new bills in the next session.

The good news is that our reservoirs are close to full. The bad news is that there is not a lot of snowpack for this year. The drought forecast is not looking very good.

Ms. Sydney Fonesbeck asked, at what point, does the utility admit to climate change as opposed to severe drought. Ms. Briefer and Mr. Stewart replied that the department is already working on the principle of climate change. Water quality is another risk of climate change in regard to massive algal blooms.

Mr. Stewart indicated that we are planning to institute a Stage 1 water conservation advisory.

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.

Water sales are up 4.4 percent. Sewer sales are up 39 percent. All operations are within budget.

Mr. Wilson asked about the bond funds that are being held by the City and cash flow. Most of our cash is invested in the State treasury pool to maximize our investment. US Bank is the Department's trustee and they handle all of our bonds.

Discussion and Comments

Ms. Briefer thanked everyone who worked on the budget and legislative session.

Meeting adjourned at 9:06 a.m.
Next meeting will be held on April 26th at 7:30 a.m.

