

2015 ANNUAL REPORT



Salt Lake City Public Utilities
DRINKING WATER | WASTEWATER | STORMWATER | STREET LIGHTING



Engaging Our Community

Enterprise Funds:

4

Employees:

393

Customers Served:

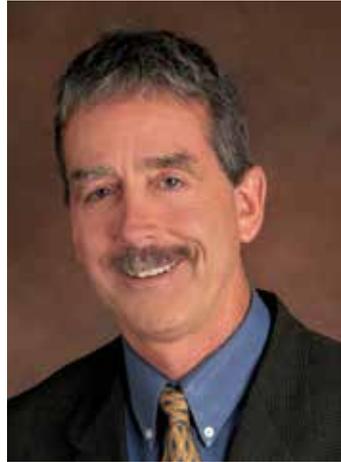
343,226

When:

24/7

Established:

1876



Jeff Niermeyer, PE
Director

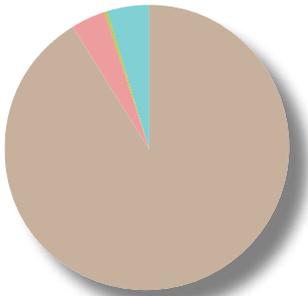
Two concepts—service and stewardship—are at the core of our mission here at Public Utilities. Whether it is protecting our water sources and rights in the Wasatch; ensuring the delivery of high quality drinking water; reducing flood potential and stormwater pollutants; collecting and treating wastewater; or enhancing our urban environment with efficient street lighting—Public Utilities strives to exceed the expectations of those we serve.

We believe that not only do we serve our community, but we are an integral part of that community, and public engagement is how we stay connected. Technological and cultural shifts have transformed linear communication and today, public engagement means more than simply allowing residents to react to policies and decisions already made. Rather, it is a continuous, dynamic, and collaborative conversation. Furthermore, public engagement acknowledges the right of residents to have a say and get involved in the business of government.

Rather than driving a one-way, top-down planning process, we must actively seek out and hear other voices in our community. Our public engagement process is our commitment to encourage constructive dialogue; to develop sustained, meaningful relationships with our customers; to build bridges during times of discord; and to foster a greater level of citizen involvement. The Utility will continually keep these larger aspects of public service in mind as we move forward in the coming years. This, in turn, will enhance our ability to achieve our mission—Serving our Community; Protecting our Environment.

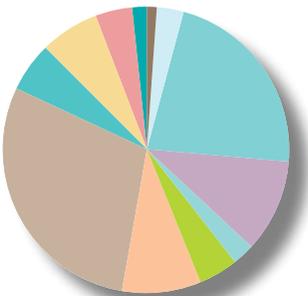
Drinking Water

We deliver high quality drinking water through more than 90,000 connections, meeting or exceeding all state and Federal regulations. Our water is supplied through one of three water treatment facilities (City Creek, Parleys, and Big Cottonwood) or purchased from wholesale water suppliers. To ensure our water quality, we monitor, sample, and analyze our source waters, our treatment processes at the facilities, and the finished drinking water at locations throughout the distribution system. We also monitor connections within the system through our cross connection program.



WATER UTILITY SOURCES

■ Water Sales	\$61,014,848
■ Other Income	2,588,556
■ Interest Income	331,083
■ Contributions	2,990,366
Total	\$66,924,853



WATER UTILITY USES

■ Sources of Supply	837,369
■ Power & Pumping	2,042,199
■ Purification	14,849,147
■ MWDSLS Assessment	7,021,892
■ Shops & Maintenance	1,714,360
■ Finance	3,007,194
■ Trans. & Distribution	5,912,645
■ Capital	19,503,183
■ Administration	3,774,759
■ Payment to City	4,492,894
■ Debt Service	2,755,695
■ Reserves	1,013,516
Total	\$66,924,853



Service Connections:

90,500

Population Served:

340,000

Gallons of Water Supplied:

30 Billion

Miles of Pipe:

1,300

Drinking Water Violations:

0

Wastewater



The collection and treatment of wastewater is managed by the Water Reclamation and the Operation & Maintenance Divisions, with support from Engineering and GIS/IT. These groups work together to inspect, maintain, and operate the wastewater infrastructure through asset management; capital improvement planning; project design; construction management; mapping; system modeling; and pre-treatment. We partner with industry to prevent pollutants from being discharged into the sewer. We reduce our carbon footprint through the use of methane gas to produce power; our biosolids are used for land restoration; and our reuse water is used to conserve water on the facility landscape.



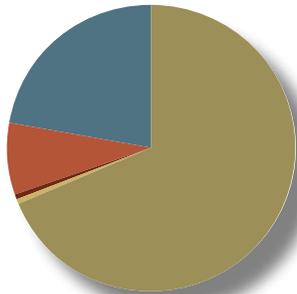
Miles of Pipe:
653

Treatment Plant:
1

Average Gallons (millions) Treated Per Day:
30.8

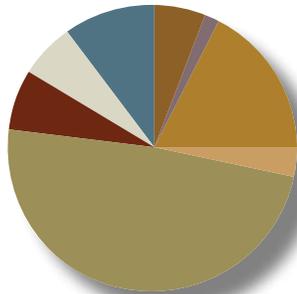
Employees:
104

Number of Sewer Lift Stations:
35



WASTEWATER UTILITY SOURCES

Customer Billing	\$ 20,838,307
Other Income	224,654
Interest Income	111,492
Contributions	2,440,125
Reserves	6,728,175
Total	\$ 30,342,753



WASTEWATER UTILITY USES

Collections	\$ 1,797,458
Pumping	515,361
Wastewater	5,355,817
Finance	980,961
Capital	14,714,623
Administration	2,070,838
Payment to City	1,792,177
Debt Service	3,115,518
Total	\$30,342,753

Stormwater

Miles of Stormwater Lines Cleaned and Inspected:

123

Miles of Street Gutters Cleared and Inspected:

78

Cubic Feet of Floatables Stopped from Entering the Jordan River:

282

Storm Drain Inlets Cleaned:

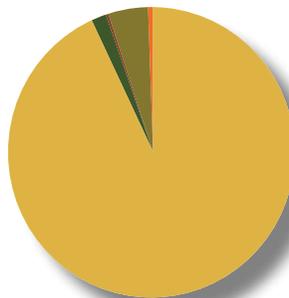
22,189

Pounds of Pharmaceuticals Collected:

760

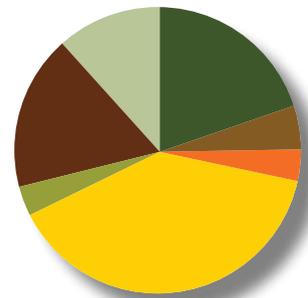


The Stormwater Utility is responsible for monitoring and maintaining the quality of our stormwater discharges. We work to ensure that stormwater discharges, as well as the creeks and rivers to which it drains, are as pure as possible and that we adhere to the Federal Clean Water Act (CWA) and the Utah Pollution Discharge Elimination System (UPDES) permit for Municipal Separate Storm Sewer Systems (MS4). We routinely collect samples from the stormwater system to demonstrate compliance with our permits. We monitor industrial operations and construction activity throughout the City to ensure that best management practices are followed, and work collaboratively with other city and county agencies to educate and involve the community in adopting best practices which help to reduce pollution in stormwater.



STORMWATER UTILITY SOURCES

Customer Billing	\$ 8,265,477
Other Income	137,074
Interest Income	36,068
Contributions	393,891
Reserves	37,673
Total	\$8,870,183



STORMWATER UTILITY USES

Collections	\$ 1,758,732
Engineering	444,040
Water Quality	321,778
Capital	3,511,228
Administration	276,299
Payment to City	1,546,485
Debt Service	1,011,621
Total	\$8,870,183

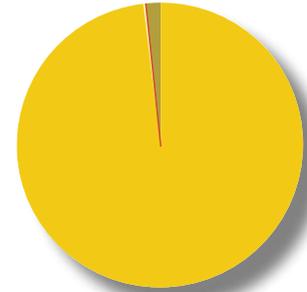
Street Lighting

During the formation of this utility in 2012, the community was invited to participate in priority and goal setting. Besides this public process, a citizen committee was formed, which helped to determine the fee structure and identify goals for the newly formed enterprise fund. Based in part on community input, a major element of the initial capital improvement program is the conversion of the entire street lighting system to high energy efficient lamps within 10 years.

Total number of Street Lamps:
15,353

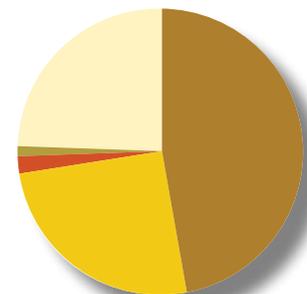
Energy Efficient Lamps:
31.3%

kWh – Energy Saved This Year:
1,525,000



STREET LIGHTING UTILITY SOURCES

Customer Billing	\$ 3,275,150
Other Income	5,107
Interest Income	800
Contributions	55,112
Total	\$3,336,169



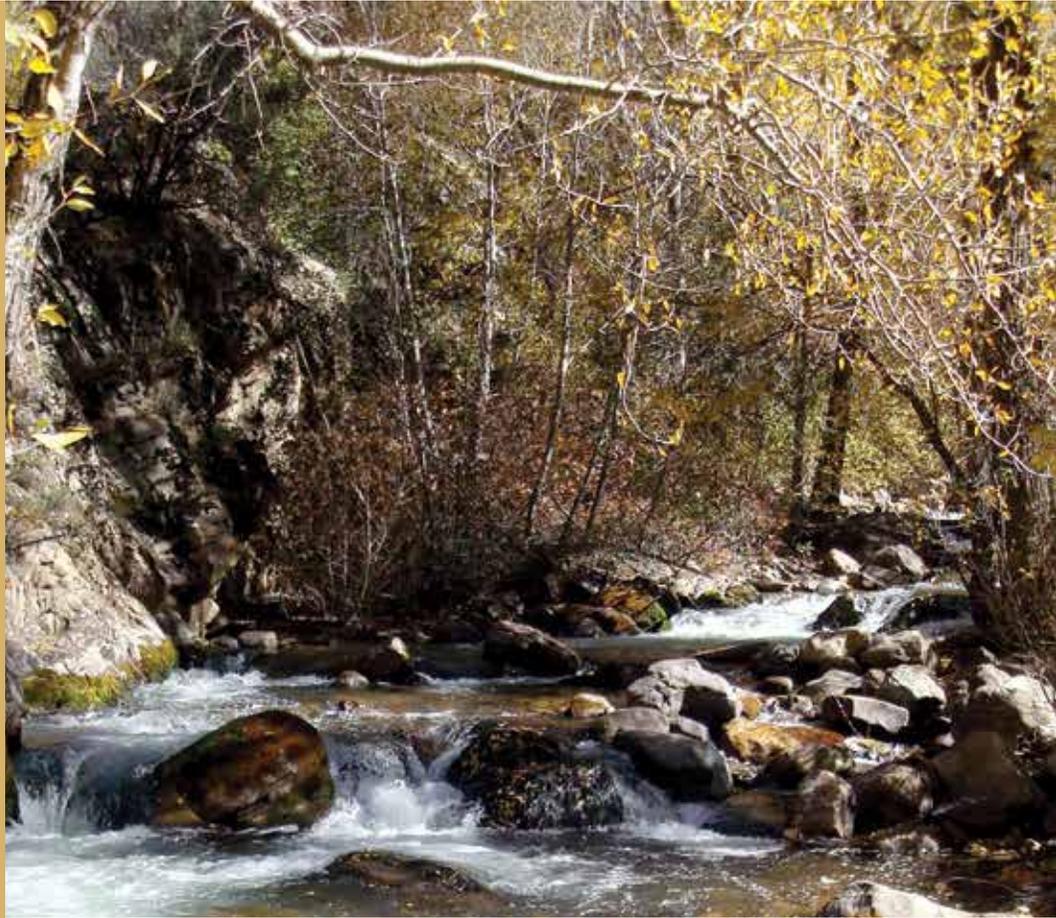
STREET LIGHTING UTILITY USES

Street Lighting	\$ 1,577,538
Capital	843,449
Administration	67,398
Payments to City	35,696
Reserves	812,088
Total	\$3,336,169



Water Resources

It is the role of the Water Resources Division to ensure that our sources of water are protected from pollution, our water rights are preserved, and our water is used appropriately and wisely. This protection begins in the watershed, where watershed rangers patrol the mountains towering over the Salt Lake Valley, an area roughly 190 square miles, monitoring for compliance with watershed regulations, educating visitors, stewarding the land, and managing recreation facilities. Water Resources staff are also responsible for documenting streamflows, maintaining water rights, designing and implementing water conservation programs, managing water agreements and contracts, and working collaboratively with numerous federal, state, and local government agencies, private organizations, and the citizens we serve.



First Watershed Stream Diversion:

1848

Square Miles of Watershed:

189.95

Drinking Water Derived from the Wasatch Watershed:

60%

Demonstration Gardens:

3

First Patrols to Protect Watershed:

1911

Acres Purchased for Protection in Watershed by SLC:

31,023

Visitors to the Silver Lake Interpretive Center:

86,666

Volunteer Hours in Gardens:

570

Administration/Finance

The Administrative Division oversees and manages department policies, training, employee safety, media contact, human resource issues, and the affairs of the Department with and on behalf of the Mayor both internally and with other external organizations. Providing coordinated direction and support to carry out the Department's goals and policies, the Administration helps to ensure that all construction contracts, water exchange agreements, ordinances, and federal regulations are met.

The Finance Division does with money what much of the Department does with water. Whether it is Meter Reading, Customer Service, Billing, or Accounting, each group does its part to make certain the department collects, distributes, manages, and protects all money sources. Finance manages, maintains, operates, designs, and implements systems and processes that deal with the liquid nature of money. For Finance, money can be more liquid than water and nearly as difficult to conserve. It is through this division that we experience our most regular customer contact.



Meters Read Daily:

3,000-5,000

Number of Phone Calls to Customer Service Annually:

110,000

Radio-equipped Meters:

28,000

Customer Service Satisfaction Rating:

95.2%

Walk-in Customers:

8,200

Days Without Lost-Time Accidents:

231

Number of Internet Payments Processed Monthly:

18,700

Reduction in Fleet Fuel Use Since 2009:

108,600 gal

Asset Management



Asset Management begins with an accurate inventory of all of our assets. Assets include pipes, valves, pumps and lift stations, treatment and sewer reclamation facilities, manholes and many more. The next step is to identify the condition and the criticality of the asset. The condition is related to the ability of the asset to do its intended function, while the criticality is related to the importance of the function it performs. Asset Management develops a plan for each asset, or “a plan for every pipe.” The plans may include inspection, cleaning,

preventative maintenance, or a capital improvement project such as rehabilitation or replacement. The resources from various work groups are brought together in a collaborative effort to provide a more effective, holistic method to manage assets and protect our community—predictive maintenance, not reactive. The result of our asset management program is efficient use of time and monetary resources, a high level of service, and minimized system interruptions.

Dams:

6

Wells and Pump Plants:

118

Wastewater Treatment Facility:

1

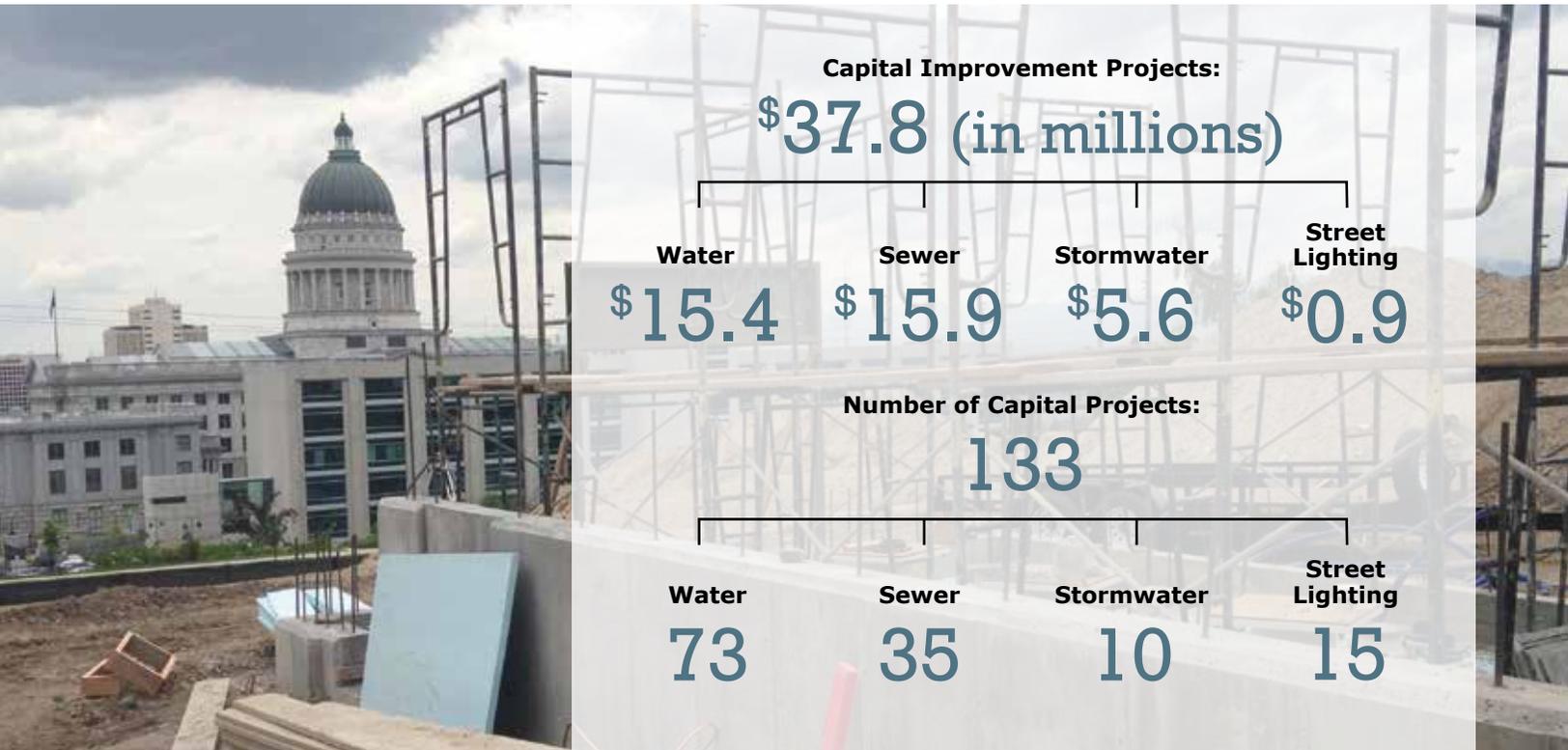
Drinking Water Treatment Facilities:

3

Stormwater Treatment Wetland:

1

Capital Improvements



The Capital Improvement Program is a set of projects that are funded to repair or replace existing infrastructure that is in need of upgrade due to deteriorating structural condition; to meet changing regulatory standards for public health and safety; to improve efficiency; or to increase the capacity of our facilities to meet the demands of growth in our community. The goal of the Capital Improvement Program is to provide timely, cost efficient replacement of facilities which have exceeded their useful life, but before they fail or compromise the service and integrity of the system. When it comes time to replace or rehabilitate our facilities, we employ various cost saving and efficiency measures that take advantage of the latest construction methods, new and better materials of construction, and economies of scale afforded the size of our system. We also create a variety of venues through which the public can engage in the planning and prioritization of those projects, including the community council setting.



GIS | IT

The GIS/IT Division maintains, updates, and provides maps of the Utilities' properties and critical watershed lands. Water, sewer, stormwater, and street lighting infrastructure are mapped and surveyed through GIS/IT, where vast amounts of data is collected, managed, and merged to make possible the modeling and assessments necessary to ensure that each and every system functions at optimum standards and integrates efficiently. GIS/IT maintains our asset management databases, including maintenance costs and utility conditions; and works with staff to create customized reports and models to help in day-to-day tasks and the planning and design processes.

The GIS/IT division also provides information used for modeling, analysis, and other decision-support tools. For example, in emergency planning and response, GIS/IT provides the mapping and other information critical to ensure that we are prepared and can respond effectively and efficiently, ensuring our ability to protect our community. Every enterprise fund, division, and work group within Public Utilities is linked through the GIS/IT network: meter reading, billing, customer service, maintenance, distribution, watershed, development review, water conservation, cross connection, and more. Additionally, GIS/IT provides mapping information and Blue Stakes locating to internal and external customers such as other city, county, and state agencies, and to private property owners. GIS/IT maintains all of the Utilities' computer servers that support staff, billing, and all other functions, and the Utilities' website and social media venues—critical components of our community outreach.



Blue Stakes Requests:
47,820

Feet of New Pipe Surveyed:
40,065

Mobile Hits to Web Services:
189,400

Work Orders Processed:
18,569

Flow and Capacity Models Developed:
110

SLC 311 Mobile App Downloads
2,161

Maps Generated:
7,250

Mobile Maps Created:
160

Mobile Citizen Reports Submitted
590



Salt Lake City Department of Public Utilities

Water, Sewer, Stormwater, and Street Lighting

(Enterprise Funds of Salt Lake City Department of Public Utilities)

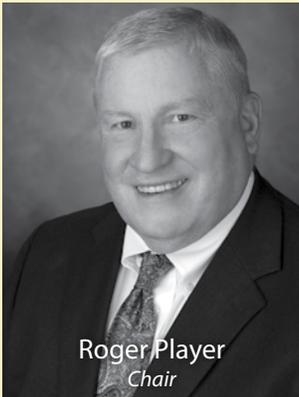
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
June 30, 2015

SUPPLEMENTAL INFORMATION

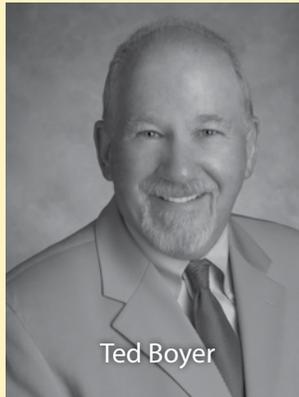
	WATER UTILITY	SEWER UTILITY	STORMWATER UTILITY	STREET LIGHTING UTILITY	COMBINED 2015
OPERATING REVENUES:					
Metered water sales	\$ 61,014,848	\$ —	\$ —	\$ —	\$ 61,014,848
Charges for sewer services	—	20,838,307	—	—	20,838,307
Stormwater fees	—	—	8,265,477	—	8,265,477
Street lighting fees	—	—	—	3,275,150	3,275,150
Other	2,259,745	187,496	21,168	5,107	2,473,516
Total operating revenues	<u>63,274,593</u>	<u>21,025,803</u>	<u>8,286,645</u>	<u>3,280,257</u>	<u>95,867,298</u>
OPERATING EXPENSES:					
Cost of sales and service	\$ 37,755,359	9,907,493	3,146,516	1,577,538	52,386,906
General and administrative	5,897,100	2,605,119	1,200,818	103,094	9,806,131
Depreciation	8,071,293	6,011,220	2,907,949	304,976	17,295,438
Total operating expenses	<u>51,723,752</u>	<u>18,523,832</u>	<u>7,255,283</u>	<u>1,985,608</u>	<u>79,488,475</u>
OPERATING INCOME	<u>11,550,841</u>	<u>2,501,971</u>	<u>1,031,362</u>	<u>1,294,649</u>	<u>16,378,823</u>
OTHER REVENUE (EXPENSE):					
Bond interest expense	(590,695)	(606,568)	(220,571)	—	(1,417,834)
Bond premium	36,942	—	—	—	36,942
Less capitalized interest portion	389,670	596,225	96,509	—	1,082,404
Net bond interest expense	(164,083)	(10,343)	(124,062)	—	(298,488)
Interest income, net	331,083	111,492	36,068	800	479,443
Gain on disposition of property and equipment	328,811	37,158	115,906	—	481,875
Net other revenue	495,811	138,307	27,912	800	662,830
CAPITAL CONTRIBUTIONS AND GRANTS	<u>2,990,366</u>	<u>2,440,125</u>	<u>393,891</u>	<u>55,112</u>	<u>5,879,494</u>
CHANGES IN NET POSITION	15,037,018	5,080,403	1,453,165	1,350,561	22,921,147
NET POSITION:					
Beginning of the year, restated	<u>322,631,029</u>	<u>191,806,002</u>	<u>104,637,256</u>	<u>4,001,802</u>	<u>623,076,089</u>
End of fiscal year	<u>\$337,668,047</u>	<u>\$ 196,886,405</u>	<u>\$106,090,421</u>	<u>\$ 5,352,363</u>	<u>\$645,997,236</u>



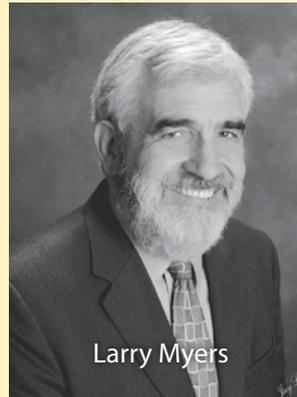
Public Utilities Advisory Committee



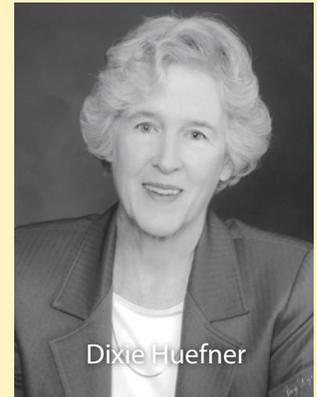
Roger Player
Chair



Ted Boyer



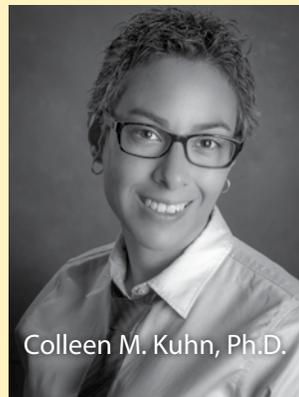
Larry Myers



Dixie Huefner



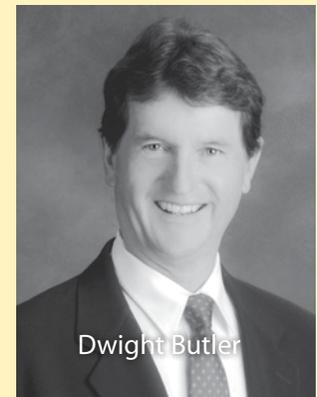
Kent Moore
Vice Chair



Colleen M. Kuhn, Ph.D.



Jani Iwomato



Dwight Butler

A long standing volunteer group, the Public Utilities Advisory Committee provides input into departmental operations, rate schedules, and policy decisions. Members serve four-year terms and represent customers through the department's service area, both in Salt Lake City and within the County.

SALT LAKE CITY DEPARTMENT OF PUBLIC UTILITIES ADMINISTRATION

Jeff Niermeyer, PE
Director

Thomas Ward, PE
Deputy Director

Laura Briefer
Deputy Director

Kurt Spjute, CPA
Finance Administrator

Jesse Stewart, PE
Water Quality Administrator

Charles H. Call, Jr., PE
Engineering Administrator

Mark Stanley
Maintenance Superintendent

Dale Christensen
Wastewater Facilities
Manager

Nick Kryger, GISP
GIS/IT Administrator

Sydney Fonnesbeck
(Photo Unavailable)

SALT LAKE CITY ADMINISTRATION

Ralph Becker
Mayor

David Everitt
Chief of Staff

Margaret Plane
City Attorney

Rusty Vetter
Deputy City Attorney

Cindi Mansell
City Recorder

Marina Scott
City Treasurer

SALT LAKE CITY COUNCIL

Lisa Adams
Luke Garrott
Kyle LaMalfa
Charlie Luke
Erin Mendenhall
Stan Penfold
James Rogers



Salt Lake City
Department of Public Utilities

1530 South West Temple
Salt Lake City, Utah 84115

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Serving our Community: Protecting our Environment