SALT LAKE CITY DEPARTMENT
OF PUBLIC UTILITIES

# 2016 ANNUAL REPORT


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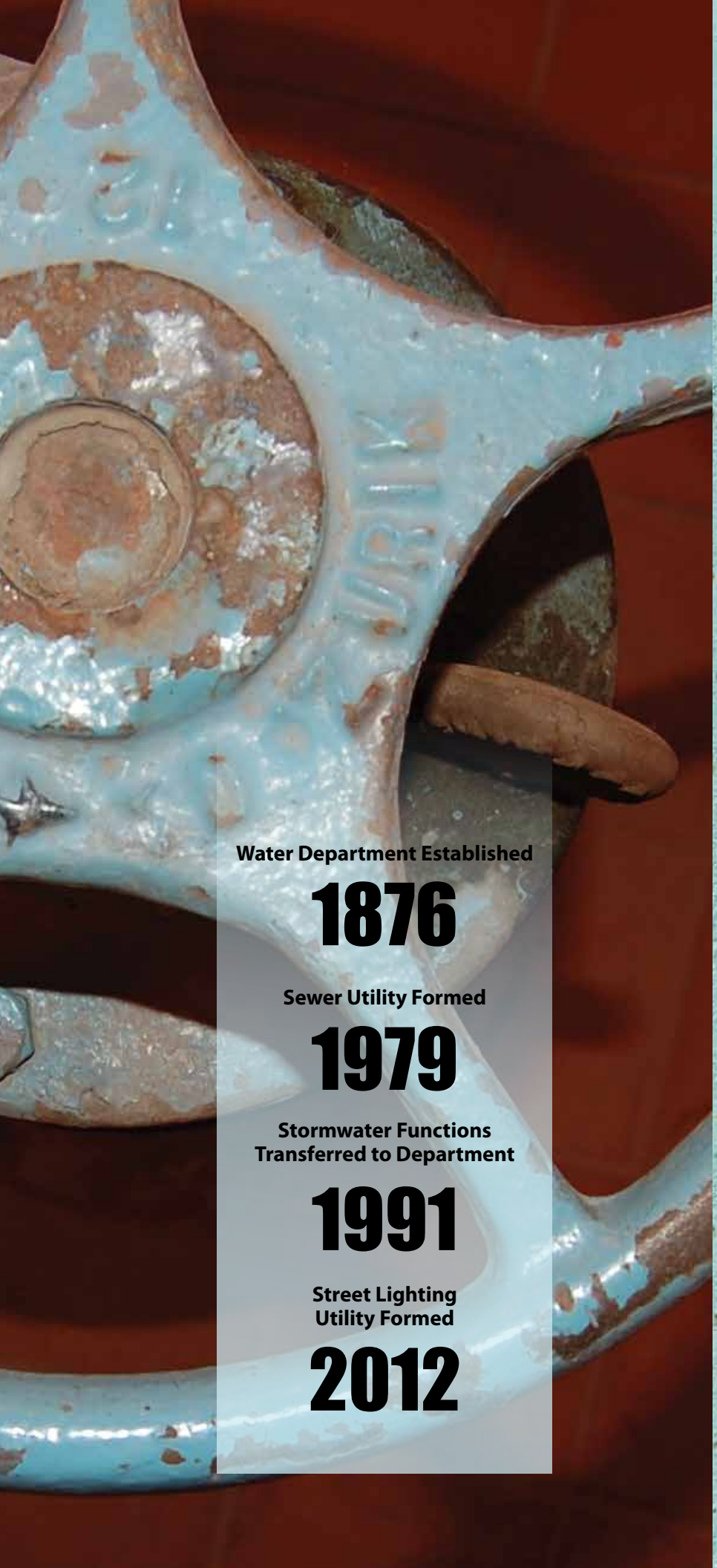


**Water Department Established**

**1876**

**Sewer Utility Formed**

**1979**

**Stormwater Functions Transferred to Department**

**1991**

**Street Lighting Utility Formed**

**2012**

# From the Department

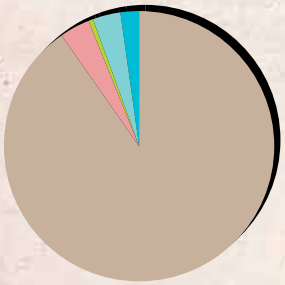
This year at Public Utilities we have seen a lot of change—a new mayor, new council members, a new director, new division managers, even new processes. With these changes comes the chance to evaluate how we operate, so that we may hold on to what works, but also seize opportunities to improve our department. For instance, new nutrient standards have opened the door to re-branding our Water Reclamation Facility. Changing energy policies are leading us to invest in renewable energy and energy efficiency projects. And the establishment of the Central Wasatch Commission will allow us to strengthen partnerships and harness new resources for work in our precious watersheds.

However, what we are at our core has not changed. At Public Utilities, we reaffirm that not only do we serve our community, but we are an integral part of that community. Within the linked roles of community member and public servant, we have a long history of environmental stewardship, one that dates back to the establishment of this department. Public service and environmental stewardship are so intertwined in our work and processes, that years ago we adopted the motto, *"Serving our community; protecting our environment"* as a daily reminder and declaration to this community of our intent. That motto still works for us.

# Drinking Water

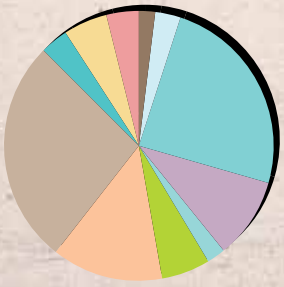
We deliver high quality drinking water to Salt Lake City, Holladay, Cottonwood Heights, Millcreek, and portions of the unincorporated county through more than 90,000 service connections, meeting or exceeding all state and federal regulations. Our water is sourced from surface water and groundwater wells supplied through city-owned facilities 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 | $64,993,459 |
| Other Income | 2,787,331 |
| Interest Income | 358,450 |
| Contributions | 2,402,863 |
| Reserves | 1,439,351 |
| **Total** | **$71,981,454** |



## Water Utility Uses

| | |
|---|---|
| Sources of Supply | $1,534,229 |
| Power & Pumping | 2,258,044 |
| Purification | 17,574,559 |
| MWDSLS Assessment | 7,021,892 |
| Shops & Maintenance | 1,659,245 |
| Finance | 4,255,430 |
| Trans. & Distribution | 9,607,359 |
| Capital | 19,558,769 |
| Administration | 2,513,533 |
| Payment to City | 3,730,647 |
| Debt Service | 2,267,747 |
| **Total** | **$71,981,454** |

**Service Connections**

**91,467**

**Service Area**

**135 sq. miles**

**Gallons of Water Delivered**

**23.7 billion**

**Population Served**

**312,280**

**Drinking Water Violations**

**0**

# Wastewater

Wastewater (sewage) is collected and treated by our Wastewater Utility. Besides implementing, managing, and monitoring the treatment process, other efforts include technical analysis, asset management, capital improvement planning, project design, construction management, mapping, system modeling, and pre-treatment. Additionally, along with treating sewage to levels better than federal and state regulations, we reduce our carbon footprint through the collection and use of methane gas, lessen the pressure on the landfill by repurposing biosolids, conserve water through the utilization of reuse water on the facility landscape, and remove tons of pollutants in the treatment process which enables us to return billions of gallons of treated water back into the environment each year.

## Water RENEW Program

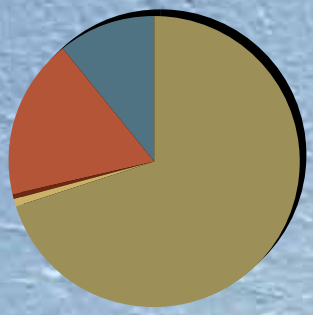
**R** ehabilitation of aged sewer system
**E** xpansion of pipe capacity for West Side growth
**N** utrient treatment
**E** nergy efficiency and resource recovery
**W** ater quality improvement for our environment and public health

**Gallons of Influent Flow Treated**

**10.2 billion**

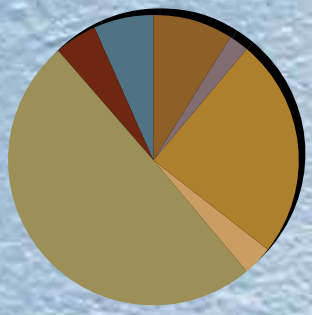
**Energy Produced Annually**

**5,386,389 kWh**



### Wastewater Utility Sources

| | |
|---|---|
| Customer Billing | $ 21,709,585 |
| Other Income | 251,362 |
| Interest Income | 172,185 |
| Contributions | 5,484,051 |
| Reserves | 3,311,405 |
| **Total** | **$ 30,928,588** |

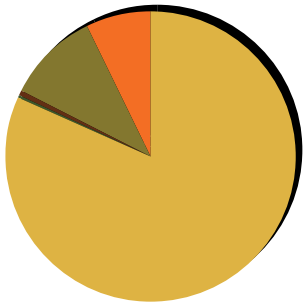


### Wastewater Utility Uses

| | |
|---|---|
| Collections | $ 2,549,158 |
| Pumping | 564,705 |
| Reclamation | 6,835,983 |
| Finance | 840,931 |
| Capital | 13,903,827 |
| Administration | 1,262,685 |
| Payment to City | 1,837,523 |
| Debt Service | 3,133,776 |
| **Total** | **$30,928,588** |

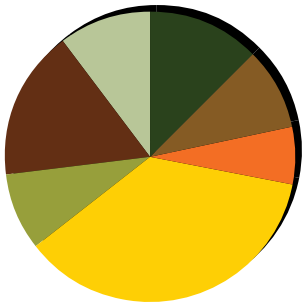
# Stormwater

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), the Utah Water Quality Act, 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. Collaboratively, we work 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 | $ 8,216,974 |
| Other Income | 28,776 |
| Interest Income | 45,010 |
| Contributions | 1,028,014 |
| Reserves | 710,136 |
| **Total** | **$ 10,028,910** |



## Stormwater Utility Uses

| | |
|---|---|
| Collections | $ 1,273,087 |
| Engineering | 916,236 |
| Water Quality | 627,217 |
| Capital | 3,652,334 |
| Administration | 863,534 |
| Payment to City | 1,677,706 |
| Debt Service | 1,018,796 |
| **Total** | **$ 10,028,910** |

**Cubic Feet of Floatables Stopped from Entering the Jordan River**

**472**

**Miles of Gutters Cleared and Inspected**

**94**

**Miles of Lines Cleaned and Inspected**

**112**

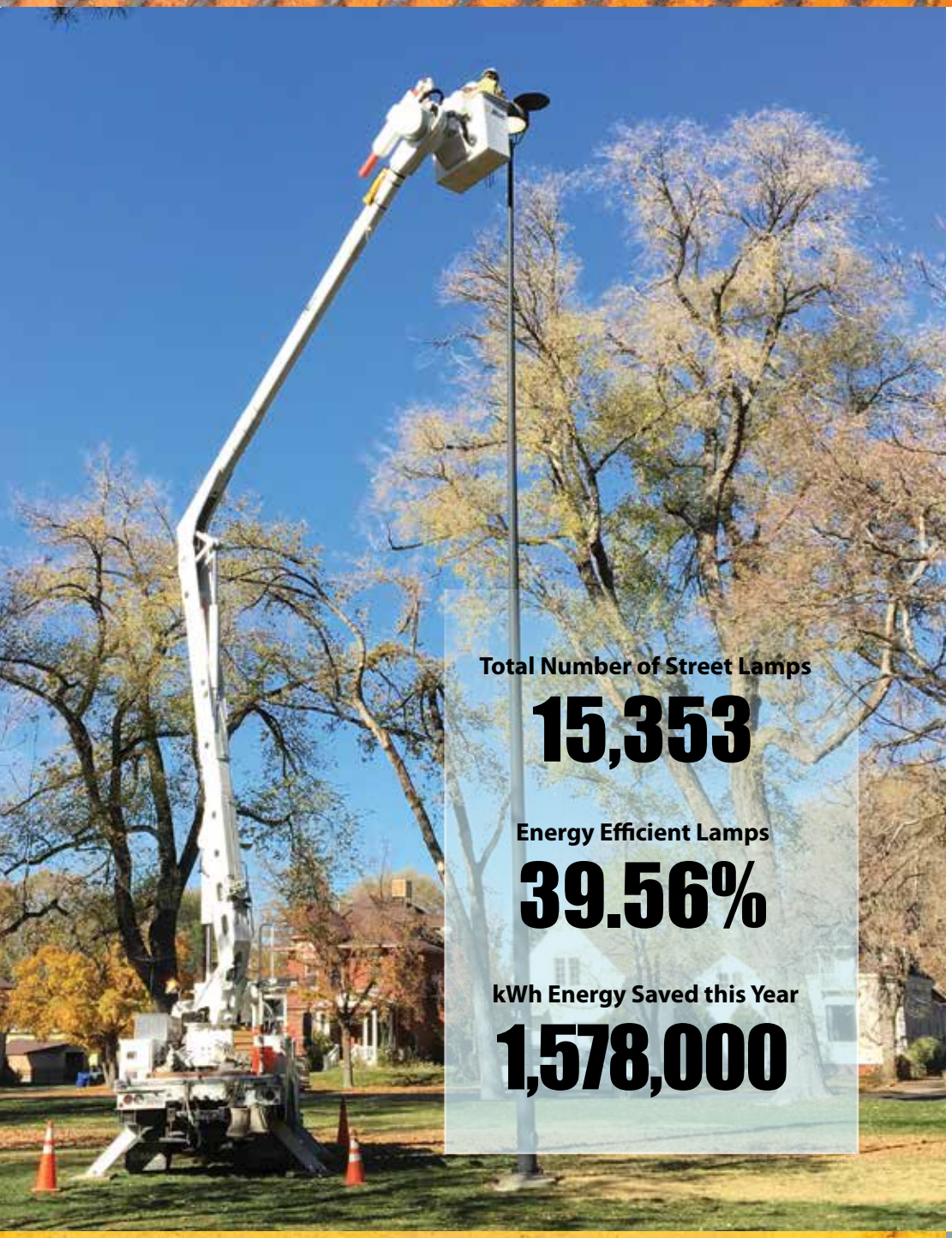
**Storm Drain Inlets Cleaned**

**22,011**

**Pounds of Pharmaceuticals Collected**

**1,597**

# Street Lighting



**Total Number of Street Lamps**

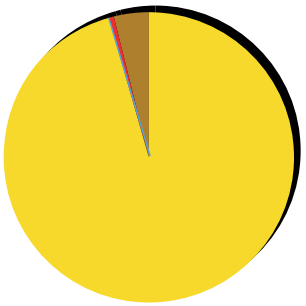
**15,353**

**Energy Efficient Lamps**

**39.56%**

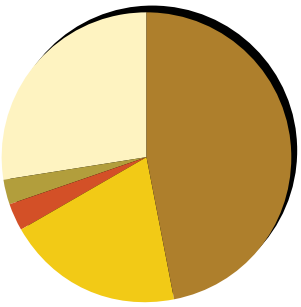
**kWh Energy Saved this Year**

**1,578,000**



### Street Lighting Utility Sources

| | |
|---|---|
| Customer Billing | $ 3,263,790 |
| Other Income | 900 |
| Interest Income | 14,753 |
| Contributions | 128,457 |
| **Total** | **$ 3,407,900** |



### Street Lighting Utility Uses

| | |
|---|---|
| Maintenance | $ 1,600,485 |
| Capital | 679,883 |
| Administration | 99,094 |
| Payment to City | 98,485 |
| Reserves | 929,953 |
| **Total** | **$3,407,900** |

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.


**Employees**
**392**

**Enterprise Funds**
**4**

**Divisions and Workgroups**
**53**

**Fuel Use Reduction (gal.) Since 2009**
**112,160**

**Standard & Poor's Rating**
**AAA**

**Customer Bills Annually**
**1,140,000**

**Debt Service Coverage Ratio**
**4.21:1**

**Meter Read Accuracy**
**>99.95%**

## Administration

The Administrative Division oversees and manages all of its enterprise funds, 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 political organizations. Providing coordinated direction and support to carry out the department's goals and policies, Administration helps to ensure that all construction contracts, water exchange agreements, ordinances, and federal and state regulations are met.

## Finance

The Finance Division manages money so that other department divisions can focus on their missions. Whether it is meter reading, customer service, billing, or accounting, this division does its part to make sure the department collects, distributes, manages, and protects all money sources. Finance manages, maintains, operates, designs, and implements internal control systems and processes that deal with the liquid nature of money. For Finance, money can be as liquid as water and nearly as difficult to conserve.

# Customer Service

Customer Service is responsible for receiving and resolving customer calls, visits, internet payments, and other queries for all four enterprise funds. This group also reaches out to our customers regarding issues such as meter anomalies, late payments, and unusually high use. It is through the customer service group that we experience our most regular contact with the community we serve.

**Walk-ins**

**5,763**

**Investigation Collections**

**$2.13 million**

**Satisfaction Rating**

**94.6%**

**Phone Calls**

**113,382**

# Development/Contracts

Development and Contracts works to maintain federal and state regulations, various codes, and departmental standards that apply to water, sewer, and stormwater system connections and main extensions, as well as flood control regulations and riparian corridor issues. A liaison with other city departments and other jurisdictions on planning, permitting, and development issues, this group is often the link connecting developers and department groups such as GIS/IT, billing, customer service, storm water quality, pretreatment, backflow prevention, maintenance and operations, and construction inspection.

**Walk-ins**

**1,950**

**New Sewer Laterals**

**264**

**Plans Reviewed**

**3,100**

**New Water Services**

**230**

**Square Miles of Service Area**

**135**

**Culinary Tanks and Resevoirs**

**30**

**Sewer Collection Lines**

**653**

**Stormwater Inlets**

**14,000**

# Asset Management

Asset Management begins with an accurate inventory of all of our physical assets, which includes pipes, valves, pumps and lift stations, treatment and sewer reclamation facilities, manholes, and so much more. The next step is to identify the condition and criticality of each asset, with the goal of developing a plan for each and every asset. Condition is related to the ability of an asset to perform its intended function, while criticality is related to the importance of the function performed. Assessments focus on identifying deficiencies in inventory, condition, and criticality, and plans may include inspection, cleaning, preventative maintenance, or a capital improvement project such as rehabilitation or replacement. Resources from various workgroups 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 in terms of minimized system failures, and enhanced public health and safety.

## ASSET PERFORMANCE CRITERIA:

**Regulatory**
**Safety**
**Water Quality**
**Customer Satisfaction**
**Structural/Seismic Integrity**
**Capacity**
**Carbon Footprint**

# Capital Improvement

The Capital Improvement Program is driven by the Asset Management program, where budget and planning come together to address infrastructure. The program provides timely, cost efficient repair or replacement of facilities to address deteriorating structural conditions, changing regulatory standards for public health and safety, efficiency improvements, or increase the capacity of our facilities to meet the demands of growth. When it comes time to implement improvements, 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, all with the goal of being carbon free by 2032.

An important strategy to minimize negative impacts to the community is to combine and coordinate projects with other internal and external agencies; this may include City Engineering, UDOT, or one of our service area cities. Another strategy is to create a variety of venues through which the public can engage in the planning and prioritization of these projects, including attending community meetings.

| Capital Improvement Projects (in millions of dollars) | Number of Capital Projects |
|---|---|
| $97.6 | 201 |
| Water | |
| $18.8 | 82 |
| Sewer | |
| $72.3 | 82 |
| Stormwater | |
| $5.5 | 31 |
| Streetlighting | |
| $1.0 | 6 |

# GIS|IT

The GIS/IT Division is helping lead the department towards greater efficiencies by developing integrated work flow processes and utilizing mobile applications. We do this by maintaining asset management databases, including maintenance costs and utility conditions; and working with our department colleagues to create customized reports and models to help in day-to-day tasks and the planning and design processes. Every enterprise fund, division, and work group within the department is linked through the GIS/IT network: meter reading, billing, customer service, maintenance, distribution, watershed, development review, water conservation, cross connection, and more. The department's computer hardware and software are also supported by GIS/IT.

GIS/IT provides other city departments, county and state agencies, and private property owners with mapping and location information, including Blue Stakes. Additionally, both in emergency planning and response, GIS/IT provides the mapping and other information critical to ensure that the department is prepared and can respond effectively and efficiently, ensuring our ability to protect our community.

**Blue Stakes Requests**
**59,976**

**Mobile Citizen Reports**
**1,706**

**Flow and Capacity Models Developed**
**156**

**Work Orders Processed**
**18,605**

**Feet of New Pipe Surveyed**
**61,865**

**Maps Created**
**4,264**

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. Maps of department properties and critical watershed lands are maintained, as are the department's website, social media venues, and SLCMobile—critical components of our community outreach.

**Watershed Acres Purchased for Protection**

**31,183**

**Square Miles of Watershed**

**189.95**

**Drinking Water Derived from Wasatch Watershed**

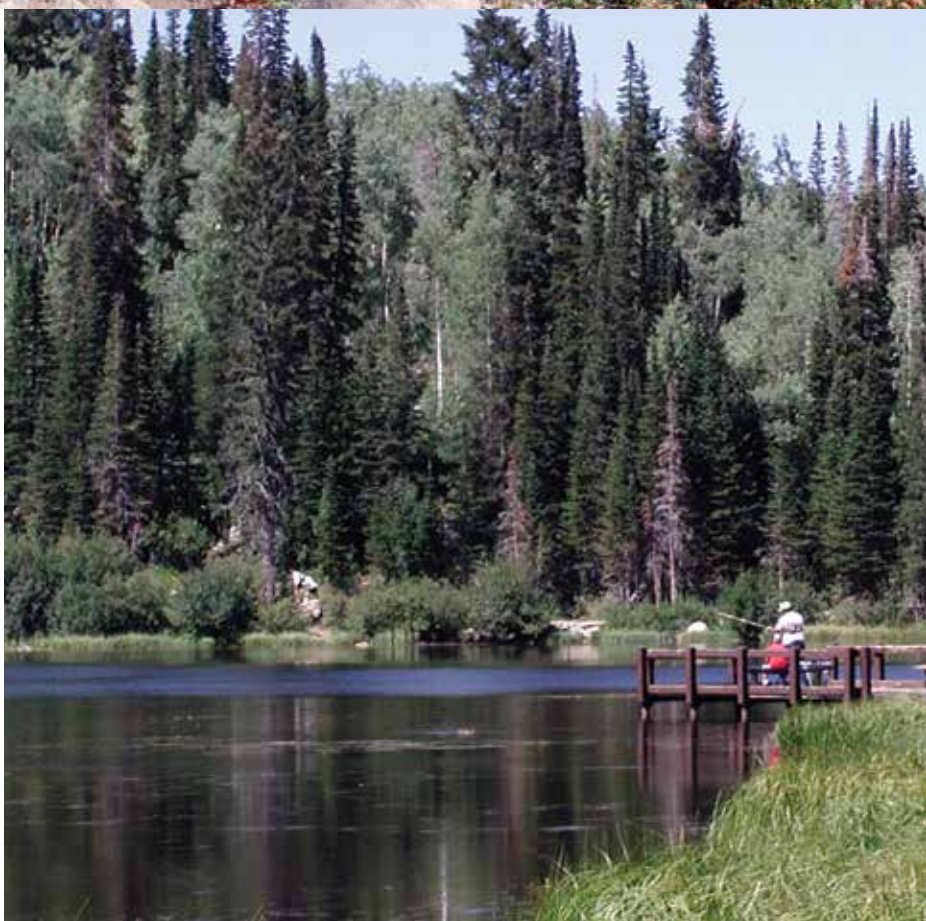
**60%**

**First Patrols to Protect Watershed**

**1911**

# Water Resources

It is the role of Water Resources 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 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.



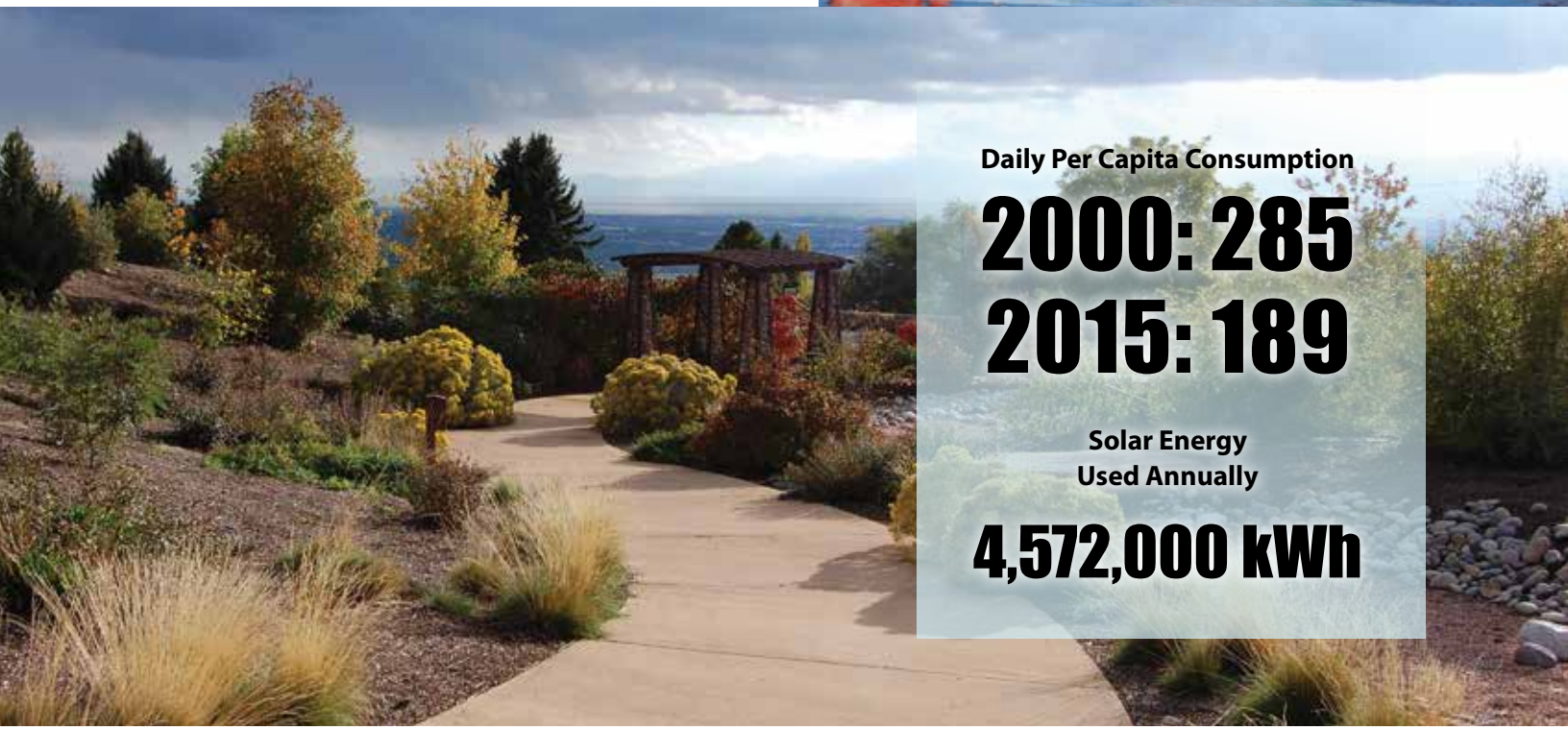
# Safety

Safety is not what we do, but it is *how* we do our jobs. Every day and in every task, we want to be productive, serve our community, and still make it home at the end of the shift, healthy and in one piece. We owe our employees —and our rate payers—a safety program.

The program educates employees on our responsibility to ourselves and their co-workers to work safely, and includes job training, utilization of Safety Committees, recognition and award programs, accident investigation, worker compensation case management, and job safety analysis. With increased number of new or repositioned employees, there is a new focus on not only safety training, but efficiency training, which allows for an improved work/task experience and enhanced safety.

**Safety/Training Meetings**

**481**



**Daily Per Capita Consumption**

**2000: 285**

**2015: 189**

**Solar Energy Used Annually**

**4,572,000 kWh**

# Conservation

One important way we both serve our community and protect our environment is through our water conservation programs and the implementation of our Water Conservation Master Plan. Recently, we were awarded a grant from the US Department of the Interior Bureau of Reclamation through their WaterSMART Drought Planning program to update our Water Shortage Contingency Plan. Another aspect of working our motto is our initiatives pertaining to energy use reduction and alternative energy supplies.

Water supply, demand management, energy use, and climate change are threads woven into our planning processes. Through all of our efforts, we can achieve our goals of maintaining a resilient, sustainable water supply and reduce our carbon footprint.

# Salt Lake City Department of Public Utilities
# Water, Sewer, Stormwater, and Street Lighting

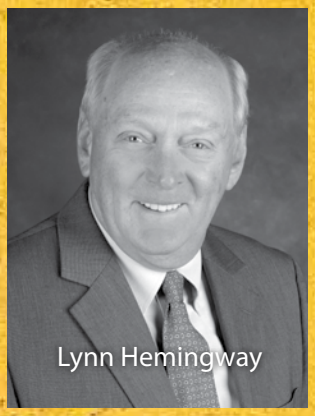
Combined Statement of Revenues, Expenses, and Changes in Net Position for the Enterprise Funds of Salt Lake City Department of Public Utilities

June 30, 2016

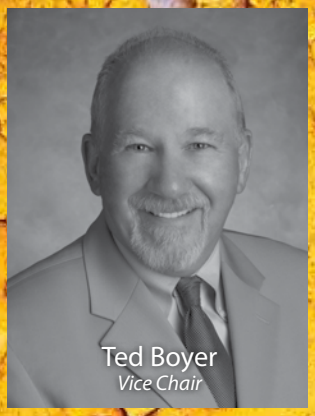
| | FISCAL YEAR 2016 | | | | |
|---|---|---|---|---|---|
| | WATER DEPARTMENT | SEWER DEPARTMENT | STORMWATER DEPARTMENT | STREET LIGHTING DEPARTMENT | COMBINED 2016 |
| **OPERATING REVENUES:** | | | | | |
| Metered sales | $ 64,993,459 | $ — | $ — | $ — | **$ 64,993,459** |
| Charges for sewer services | — | 21,709,585 | — | — | **21,709,585** |
| Stormwater fees | — | — | 8,216,974 | — | **8,2216,974** |
| Streetlighting fees | — | — | — | 3,263,790 | **3,263,790** |
| Other | 2,440,814 | 232,235 | 24,304 | 900 | **2,698,253** |
| Total operating revenues | 67,434,273 | 21,941,820 | 8,241,278 | 3,264,690 | **100,882,061** |
| **OPERATING EXPENSES:** | | | | | |
| Cost of sales and service | $ 40,778,938 | 10,496,715 | 3,791,652 | 1,600,485 | **56,667,790** |
| General and administrative | 9,376,000 | 3,394,270 | 1,566,128 | 197,579 | **14,533,977** |
| Depreciation | 8,342,288 | 6,232,248 | 2,961,965 | 333,283 | **17,869,784** |
| Total operating expenses | 58,497,226 | 20,123,233 | 8,319,745 | 2,131,347 | **89,071,551** |
| OPERATING INCOME | 8,937,047 | 1,818,587 | (78,467) | 1,133,343 | **11,810,510** |
| **OTHER REVENUE (EXPENSE):** | | | | | |
| Bond interest expense | (496,333) | (563,459) | (203,922) | — | **(1,263,714)** |
| Bond premium | 36,942 | — | — | — | **36,942** |
| Less capitalized interest portion | 489,655 | 563,459 | 95,644 | — | **1,1,148,758** |
| Net bond interest expense | 30,264 | — | (108,278) | — | **(78,014)** |
| Investment income, net | 358,450 | 172,185 | 45,016 | 14,753 | **590,398** |
| Gain on disposition of property and equipment | 346,517 | 19,127 | 4,472 | — | **370,116** |
| Net other revenue | 735,231 | 191,312 | (58,796) | 800 | **662,830** |
| CAPITAL CONTRIBUTIONS AND GRANTS | 2,402,863 | 5,484,051 | 1,028,014 | 128,457 | **9,043,385** |
| CHANGES IN NET POSITION | 12,075,141 | 7,493,950 | 890,751 | 1,276,553 | **21,736,395** |
| NET POSITION: | | | | | |
| Beginning of the year | 337,668,047 | 196,886,406 | 106,090,420 | 5,352,363 | **645,997,236** |
| End of the year | $349,743,188 | $204,380,356 | $ 106,981,171 | $ 6,628,916 | **$667,733,631** |

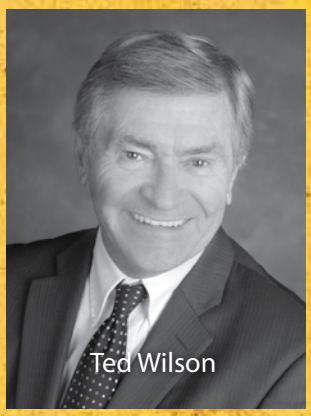
# Public Utilities Advisory Committee


Kent Moore
*Chair*

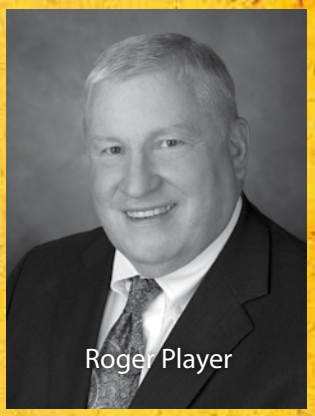

Lynn Hemingway


Sydney Fonnesbeck


Ted Boyer
*Vice Chair*


Ted Wilson


Colleen M. Kuhn, Ph.D.


Roger Player

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 throughout the department's service area.

## SALT LAKE CITY DEPARTMENT OF PUBLIC UTILITIES ADMINISTRATION

**Laura Briefer, MPA**
*Director*

**Thomas Ward, PE**
*Deputy Director*

**Jesse Stewart, PG**
*Deputy Director*

**Kurt Spjute, CPA**
*Finance Administrator*

**Marion Rice, MPA**
*Water Quality Administrator*

**Jason Brown, PE**
*Chief Engineer*

**Mark Stanley**
*Maintenance Superintendent*

**Dale Christensen**
*Wastewater Facilities Manager*

**Nick Kryger, GISP**
*GIS and IT Administrator*

## SALT LAKE CITY ADMINISTRATION

**Jackie Biskupski**
*Mayor*

**Patrick Leary**
*Chief of Staff*

**Margaret D. Plane**
*City Attorney*

**Rusty Vetter**
*Deputy City Attorney*

**Cindi Mansell, NMC/CRM**
*City Recorder*

**Marina Scott**
*City Treasurer*

## SALT LAKE CITY COUNCIL

**James Rogers**
*District 1*

**Andrew Johnston**
*District 2*

**Stan Penfold**
*District 3*

**Derek Kitchen**
*District 4*

**Erin Mendenhall**
*District 5*

**Charlie Luke**
*District 6*

**Lisa Ramsey Adams**
*District 7*

**Salt Lake City**
**Department Of Public Utilities**

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