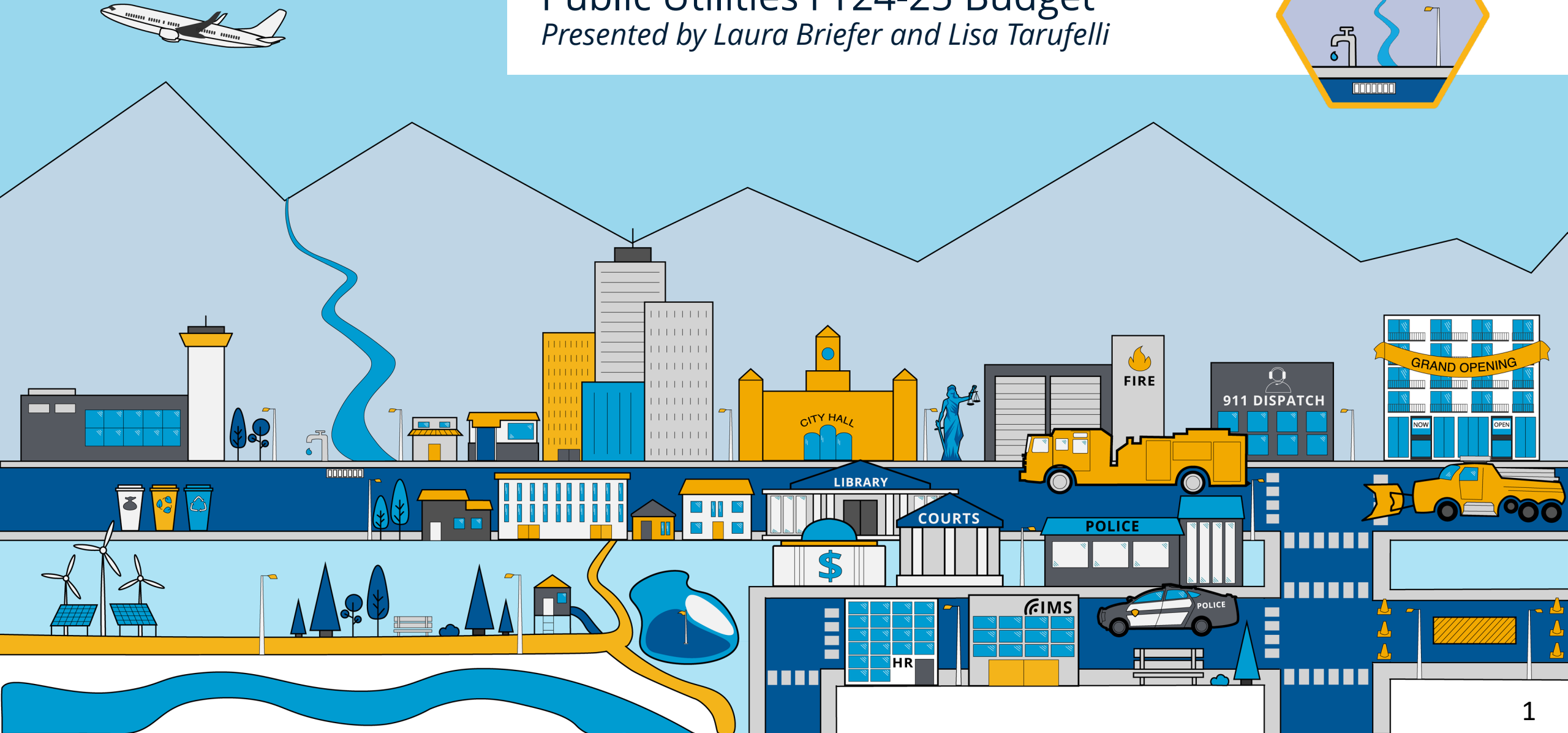
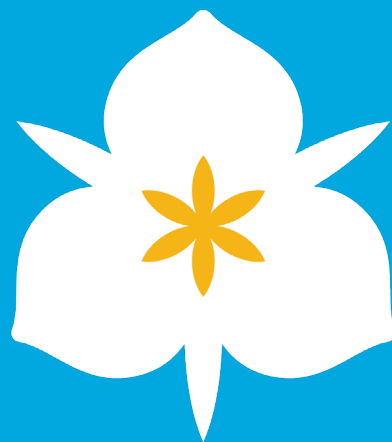


Public Utilities FY24-25 Budget

Presented by Laura Briefer and Lisa Tarufelli

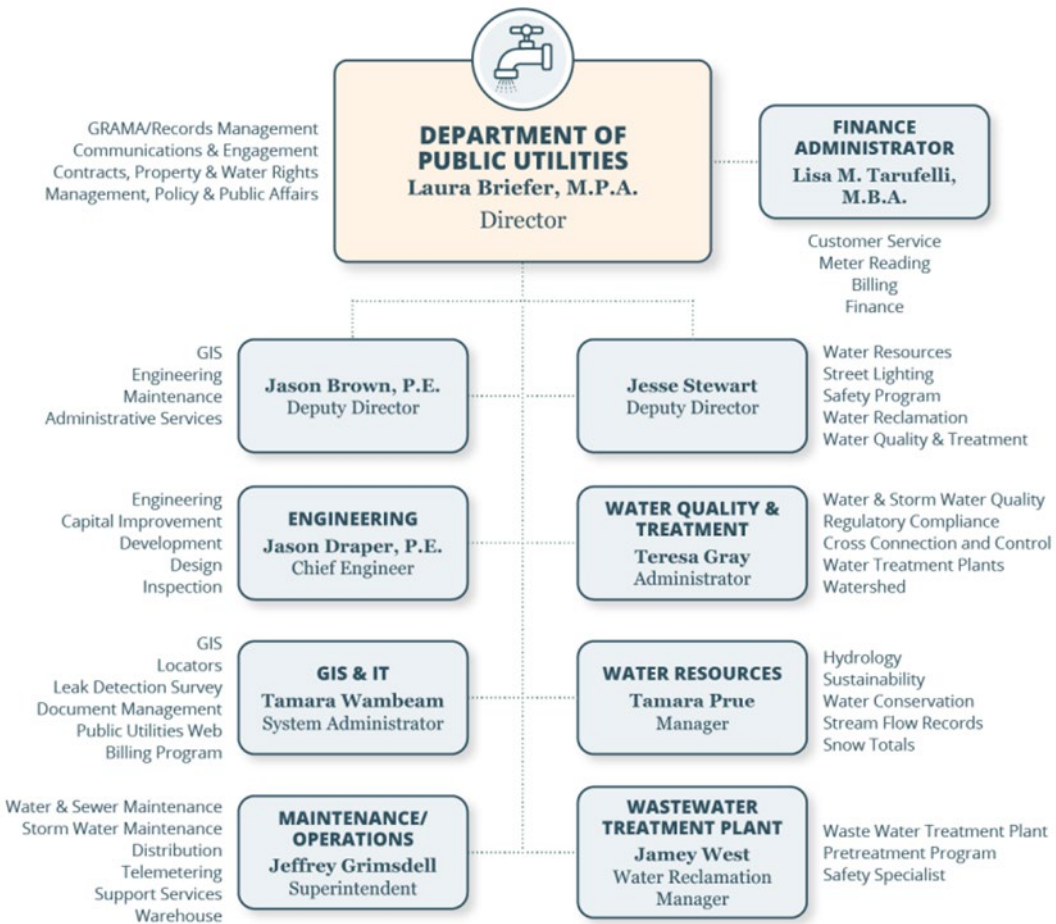




DEPARTMENT-WIDE OVERVIEW

DEPARTMENT OF PUBLIC UTILITIES

Organizational Structure Fiscal Year 2023-24



PUBLIC UTILITIES FY2025 BUDGET PROPOSAL





Department-Wide Insights for FY 2025 – Budget Drivers

- **Insight #1:** Assessment and replacement of aging water, sewer, stormwater, and street lighting infrastructure continues to be a high priority.
- **Insight #2:** Federal and state regulatory obligations are the primary drivers of SLCDPU's operational and capital expenditures in the Water, Sewer, and Stormwater Utilities.
- **Insight #3:** Inflationary pressures for all four utilities have increased the costs to replace aging infrastructure, meet regulatory compliance requirements, and bond for projects.
- **Insight #4:** Drought conditions over the last two to three years have a significant revenue impact to the Water and Sewer Utilities, resulting in less than 50% rate revenue recovery.
- **Insight #5 and #6:** SLCDPU's initiatives are directly aligned with Mayor and Council priorities



Department-Wide Insights for FY 2025 – Budget Scoring Matrix



Insight #7: Budget matrix score for Water, Sewer, and Stormwater Operational Programs is **20**

	Environmental, Social, and Community Benefit	Reliance and Core Service	Mayor Goals	Council Goals	Mandate/Legal Obligation	Total Score
Score	4	4	4	4	4	20

Insight #8: Budget matrix score for Water, Sewer, and Stormwater Capital Programs is **20**

	Environmental, Social, and Community Benefit	Reliance and Core Service	Mayor Goals	Council Goals	Mandate/Legal Obligation	Total Score
Score	4	4	4	4	4	20

Insight #9: Budget matrix score for Street Lighting Operations and Capital Programs is **16**

	Environmental, Social, and Community Benefit	Reliance and Core Service	Mayor Goals	Council Goals	Mandate/Legal Obligation	Total Score
Score	4	4	2	2	4	16



Department-Wide Insights for FY 2025 - Personnel



- **Insight #10:** The FY 2025 budget includes the addition of a Deputy Finance Administrator. This position will be created using an existing vacancy within the Finance Division. The position is needed to address succession and increased workload associated with financial strategy, the multi-year process to replace SLCDPU's billing system, and rate studies.
- SLCDPU currently has 495 FTEs and is not proposing additional FTEs.





Department-Wide Budget Overview - Revenues

Projected Department of Public Utilities Revenues for FY 2024-25

Revenue	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Operating Sales	187,495,291	187,495,291	227,531,783	40,036,492	21.35%
Interest	1,468,936	1,468,936	1,558,134	89,198	6.07%
Permits	267,500	267,500	267,500	-	0.00%
Interfund Charges	4,215,396	4,215,396	4,638,504	423,108	10.04%
Other Revenues	1,827,190	1,827,190	3,520,747	1,693,557	92.69%
Impact Fees	4,400,000	4,400,000	4,400,000	-	0.00%
Contributions	14,275,230	14,275,230	40,790,000	26,514,770	185.74%
Bond/Loan Proceeds	277,176,000	277,176,000	345,595,000	68,419,000	24.68%
From (To) Reserves	17,597,769	284,792,586	(75,186,713)	(359,979,299)	-126.40%
Total	\$ 508,723,312	\$ 775,918,129	\$ 553,114,955	\$ (222,803,174)	-28.71%

PUBLIC UTILITIES FY2025 BUDGET PROPOSAL





Department-Wide Budget Overview - Expenditures

Proposed Department of Public Utilities Expenditures for FY 2024-25

Major Expenditure Categories	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Personal Services	54,251,832	54,252,960	58,701,685	4,448,725	8.20%
Materials and Supplies	9,761,269	10,273,610	12,008,822	1,735,212	16.89%
Charges for Services	69,447,361	72,773,441	80,753,508	7,980,067	10.97%
Debt Service	41,267,908	41,267,908	47,367,107	6,099,199	14.78%
Capital Outlay	10,804,889	11,287,497	12,683,500	1,396,003	12.37%
Capital Improvements	323,199,773	586,062,713	341,600,333	(244,462,380)	-41.71%
Total	\$ 508,733,032	\$ 775,918,129	\$ 553,114,955	\$ (222,803,174)	-28.71%

PUBLIC UTILITIES FY2025 BUDGET PROPOSAL





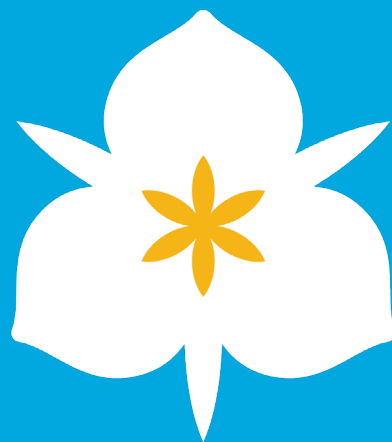
Department-Wide Budget Overview

Summary of Utilities Fund Budgets FY 2025

Funds	Operations	Capital	Debt	Fund Totals
Water	100,720,648	93,234,500	12,349,624	206,304,772
Sewer	34,137,412	244,585,833	33,150,579	311,873,824
Storm	12,512,720	13,973,500	1,673,376	28,159,596
Street	4,093,235	2,490,000	193,528	6,776,763
Total	\$ 151,464,015	\$ 354,283,833	\$ 47,367,107	\$ 553,114,955

PUBLIC UTILITIES FY2025 BUDGET PROPOSAL





WATER UTILITY



Water Utility Budget Revenue Insights

Insight #W1: Significant water conservation trends are expected to be sustained, resulting in decreased revenue from usage-based rates.

Insight #W2: Rate stabilization is needed to offset revenue reductions to cover operations and capital.

Insight #W3: Usage rate increases have performed poorly in terms of revenue realization, due to decreased water usage.

Insight #W4: A combination of a 4% rate increase and a rate stabilization fee based on meter size is proposed this year to increase revenue reliability while continuing to provide a water conservation price signal.

Insight #W5: The revenue budget is proposed to decrease by \$1,264,243, or .61%, from the FY2024 amended budget.

Projected Water Revenues for FY 2024-25					
Revenue	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Operating Sales	93,046,300	93,046,300	119,655,560	26,609,260	28.60%
Interest	456,502	456,502	463,989	7,487	1.64%
Interfund Charges	4,215,396	4,215,396	4,638,504	423,108	10.04%
Other Revenues	1,568,090	1,568,090	2,325,645	757,555	48.31%
Impact Fees	2,000,000	2,000,000	2,000,000	-	0.00%
Contributions	13,005,000	13,005,000	38,770,000	25,765,000	198.12%
Bond Proceeds	62,346,000	62,346,000	100,558,000	38,212,000	100.00%
From (To) Reserves	1,316,499	30,931,727	(62,106,926)	(93,038,653)	-300.79%
Total	\$ 177,953,787	\$ 207,569,015	\$ 206,304,772	\$ (1,264,243)	-0.61%

PUBLIC UTILITIES FY2025 BUDGET PROPOSAL





Water Utility Rate Stabilization Fee

Meter Size (inches)	2024 Current Rate	2025 Proposed Rate			Current to Proposed (amount increased)
		Service Fee	Rate Stabization Fee	Total Fixed Fee	
3/4	\$13.61	\$14.16	\$10.18	\$24.34	\$10.73
1	\$17.81	\$18.53	\$20.43	\$38.96	\$21.15
1 1/2	\$28.28	\$29.42	\$84.40	\$113.82	\$85.54
2	\$40.87	\$42.51	\$84.40	\$126.91	\$86.04
3	\$74.40	\$77.38	\$448.08	\$525.46	\$451.06
4	\$112.11	\$116.60	\$448.08	\$564.68	\$452.57
6	\$216.95	\$225.63	\$448.08	\$673.71	\$456.76
8	\$342.72	\$356.43	\$448.08	\$804.51	\$461.79
10	\$887.78	\$923.30	\$448.08	\$1,371.38	\$483.60



Water Utility Usage Rate Change for Residential Customers



Flat Rate or Block	2024 Current Rate per CCF	2025 Proposed Rate per CCF	\$ Change
Winter Rate Structure (November - March)			
Flat Rate	2.01	2.09	0.08
Summer Rate Structure (April - October)			
Block 1	2.01	2.09	0.08
Block 2	2.74	2.85	0.11
Block 3	3.79	3.94	0.15
Block 4	4.06	4.22	0.16



Water Utility Monthly Rate Change Impact



Account Type	Monthly Usage	Meter Size	2024	2025			\$ Change
			Current Rate	Proposed Rate	Stabilization Fee	Total	
Residential Minimum Use	6 ccf	3/4	\$25.67	\$26.76	\$10.18	\$36.94	\$11.27
Residential Low Use	8 ccf	3/4	\$29.69	\$30.96	\$10.18	\$41.14	\$11.45
Residential Medium Use	21 ccf	3/4	\$68.06	\$70.89	\$10.18	\$81.07	\$13.00
Residential High Use	61 ccf	1	\$228.80	\$238.26	\$20.43	\$258.69	\$29.90
Industrial Use	8,040 ccf	2	\$18,955.60	\$19,731.60	\$84.40	\$19,816.00	\$860.40
Commercial Use	966 ccf	2	\$2,223.86	\$2,315.27	\$84.40	\$2,399.67	\$175.81

PUBLIC UTILITIES FY2025 BUDGET PROPOSAL





Water Utility Budget Expenditure Insights

Insight #W6: An increase in personal services of \$2,718,363 is proposed. This increase accounts for a 5% cost of living adjustment and employee compensation changes.

Insight #W7: A 3% increase in wholesale water costs through MWDSLS is proposed. This assumes that MWDSLS can restore its certified tax rate to the historic .00035 level. If the tax rate is not restored, the MWDSLS increase will be 39%.

Insight #W8: Capital improvement investment for aging infrastructure is planned at \$85,718,000.

Insight #W9: The expenditure budget is proposed to decrease \$1,264,243 or 0.61% of the FY2024 amended budget.

Proposed Water Expenditures for FY 2024-25

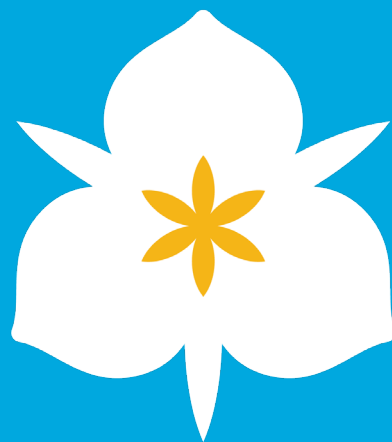
Major Expenditure Categories	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Personal Services	33,150,755	33,150,755	35,869,118	2,718,363	8.20%
Materials and Supplies	5,973,044	6,136,400	7,182,025	1,045,625	17.04%
Charges for Services	48,973,599	51,674,139	57,669,505	5,995,366	11.60%
Debt Service	10,170,366	10,170,366	12,349,624	2,179,258	21.43%
Capital Outlay	5,586,023	5,925,443	7,516,500	1,591,057	26.85%
Capital Improvements	74,100,000	100,511,912	85,718,000	(14,793,912)	-14.72%
Total	\$ 177,953,787	\$ 207,569,015	\$ 206,304,772	\$ (1,264,243)	-0.61%

Proposed Water Capital Improvement Program for FY 2024-25

Type of Project	Proposed Budget 2024-2025
Treatment Plants	62,850,000
Water Service Connections	6,450,000
Pumping Plant Upgrades	320,000
Reservoirs	1,375,000
Water Mains and Hydrants	10,093,000
Wells	2,000,000
Culverts, Flumes, and Bridges	2,550,000
Buildings	80,000
Total	\$ 85,718,000

PUBLIC UTILITIES FY2025 BUDGET PROPOSAL





SEWER UTILITY



Sewer Utility Budget - Revenue Insights

Insight #S1: The estimated project cost to complete the Water Reclamation Facility is \$910,447,800. Funding for this project is accomplished through revenue bonds, WIFIA loan and rate revenues.

Insight #S2: Rate stabilization is needed to offset revenue reductions from conservation to cover operations and capital. This includes a 4% inflationary rate increase and a service fee increase based on water meter size.

Insight #S3: Revenue bond issuance of \$99,000,000 is planned in FY2025.

Insight #S4: The total revenue budget is \$311,873,824, which is a decrease of \$226,543,083, or 42.08% from the FY2024 amended budget.

Sewer Planned Debt			
FY	WIFIA	Bonds	Total
2021-2022	13,112,999	279,887,524	293,000,523
2022-2023	-	-	-
2023-2024	178,517,000	-	178,517,000
2024-2025	140,456,000	99,000,000	239,456,000
2025-2026	16,549,801	47,250,000	63,799,801
2026-2027	-	27,000,000	27,000,000
Total	\$ 348,635,800.00	\$ 453,137,524.00	\$ 801,773,324.00

Projected Sewer Revenues for FY 2024-25					
Revenue	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Operating Sales	76,303,000	76,303,000	87,915,632	11,612,632	15.22%
Interest	849,448	849,448	784,650	(64,798)	-7.63%
Permits	267,500	267,500	267,500	-	0.00%
Other Revenues	171,000	171,000	1,132,002	961,002	561.99%
Bond/ Loan Proceeds	209,802,000	209,802,000	240,009,000	30,207,000	14.40%
Impact Fees	1,650,000	1,650,000	1,650,000	-	0.00%
Contribution	898,230	898,230	-	(898,230)	-100.00%
From (To) Reserves	11,836,724	248,475,729	(19,884,960)	(268,360,689)	-108.00%
Total	\$ 301,777,902	\$ 538,416,907	\$ 311,873,824	\$ (226,543,083)	-42.08%





Sewer Utility Budget - Expenditure Insights

- Insight #S5:** The FY2025 budget includes \$242,348,333 in planned projects. Of this amount, \$213,575,333 is designated for the new Water Reclamation Facility.
- Insight #S6:** The FY2025 budget proposes a decrease of \$226,543,083, or 42.08%, of the FY2024 amended budget.

Proposed Sewer Expenditures for FY 2024-25					
Major Expenditure Categories	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Personal Services	15,388,675	15,388,675	16,650,547	1,261,872	8.20%
Materials and Supplies	3,396,134	3,671,048	4,155,306	484,258	13.19%
Charges for Services	11,679,448	12,001,217	13,331,559	1,330,342	11.09%
Debt Service	29,168,726	29,168,726	33,150,579	3,981,853	13.65%
Capital Outlay	2,839,866	2,933,960	2,237,500	(696,460)	-23.74%
Capital Improvements	239,314,773	475,253,281	242,348,333	(232,904,948)	-49.01%
Total	\$ 301,787,622	\$ 538,416,907	\$ 311,873,824	\$ (226,543,083)	-42.08%

Proposed Sewer Capital Improvement Program for FY 2024-25	
Type of Project	Proposed Budget 2024-2025
WRF	214,575,333
Collection System	24,993,000
Lift Stations	2,500,000
Buildings	280,000
Total	\$ 242,348,333



Sewer Utility Rate Stabilization Fee



Sewer Rate Stabilization Fee			
Fixed fee based on water meter size.			
Water Meter Size	2024 Current	2025 Proposed	\$ Increase
3/4	-	7.22	7.22
1	-	21.21	21.21
1 1/2	-	56.50	56.50
2	-	56.50	56.50
3	-	287.81	287.81
4	-	287.81	287.81
6	-	287.81	287.81
8	-	287.81	287.81
10	-	287.81	287.81



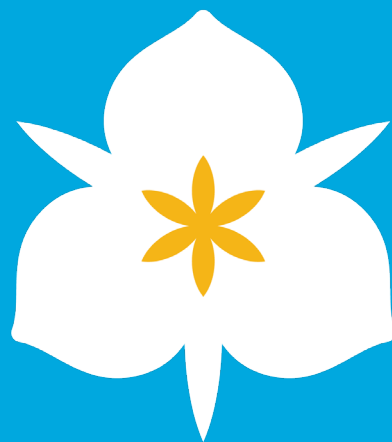


Sewer Utility Monthly Rate Change Impact

Account Type	Annualized Average Winter Water Usage (CCF)	2024	2025			\$ Changes
		Current Rate	Proposed Usage Rate	Fixed Fee	Total Sewer Charge	
Residential Minimum Use	2 ccf	\$13.58	\$14.14	\$7.22	\$21.36	\$7.78
Residential Low Use	4 ccf	\$27.16	\$28.28	\$7.22	\$35.50	\$8.34
Residential Medium Use	8 ccf	\$54.32	\$56.56	\$7.22	\$63.78	\$9.46
Residential High Use	15 ccf	\$101.85	\$106.05	\$21.21	\$127.26	\$25.41
Industrial 2, 4	2,014 ccf	\$36,090.88	\$37,535.96	\$56.50	\$37,592.46	\$1,501.58
Commercial 2,1	34 ccf	\$712.98	\$741.54	\$56.50	\$798.04	\$85.06

*Industrial & Commercial charges are calculated based on flow rate, BOD and TSS. Fixed Fee is based on water meter size.





STORMWATER UTILITY



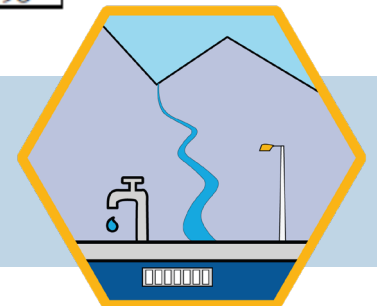
Stormwater Utility Budget - Revenue Insights

Insight #SW1: Proposed rate increase of 10%. Rate increases between 5% and 10% are anticipated in future years through FY2029.

Insight #SW2: Proposed bond issuance of \$5,000,000.

Insight #SW3: The total revenue budget is \$28,159,596, which is an increase of \$4,286,083, or 17.95% from the FY2024 amended budget.

Projected Storm Revenues for FY 2024-25					
Revenue	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Operating Sales	13,553,906	13,553,906	14,909,297	1,355,391	10.00%
Interest	118,986	118,986	266,901	147,915	124.31%
Other Revenues	63,000	63,000	63,000	-	0.00%
Impact Fees	750,000	750,000	750,000	-	0.00%
Contributions	352,000	352,000	2,000,000	1,648,000	468.18%
Bond Proceeds	5,028,000	5,028,000	5,028,000	-	100.00%
From (To) Reserves	3,081,582	4,007,621	5,142,398	1,134,777	28.32%
Total	\$ 22,947,474	\$ 23,873,513	\$ 28,159,596	\$ 4,286,083	17.95%





Stormwater Utility Budget - Expenditure Insights

Insight #SW4: Proposed capitalization of \$12,294,000 to renovate portions of the stormwater collection system.

Insight #SW5: Proposed bond issuance of \$5,000,000.

Insight #SW3: The total expenditure budget is \$28,159,596, which is an increase of \$4,286,083, or 17.95% from the FY2024 amended budget.

Proposed Storm Capital Improvement	
Type of Project	Proposed Budget
Lines and Riparian Corridor Projects	2,605,000
Lift Stations	5,914,000
Landscaping	100,000
Buildings	40,000
Detention Basins	3,635,000
Total	\$ 12,294,000

Proposed Storm Expenditures for FY 2024-25					
Major Expenditure	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Personal Services	5,299,970	5,299,970	5,734,568	434,598	8.20%
Materials and Supplie:	385,097	459,168	664,497	205,329	44.72%
Charges for Services	5,603,153	5,909,922	6,113,655	203,733	3.45%
Debt Service	1,735,254	1,735,254	1,673,376	(61,878)	-3.57%
Capital Outlay	2,379,000	2,428,094	1,679,500	(748,594)	-30.83%
Capital Improvements	7,545,000	8,041,105	12,294,000	4,252,895	52.89%
Total	\$ 22,947,474	\$ 23,873,513	\$ 28,159,596	\$ 4,286,083	17.95%

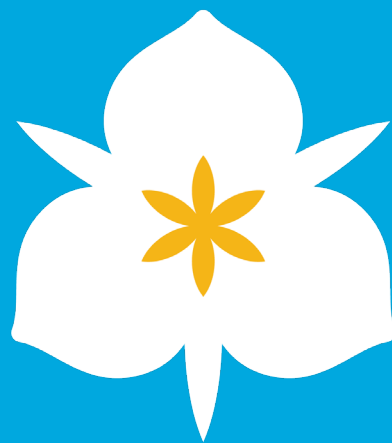




Stormwater Utility Monthly Rate Change Impact

		2024	2025	
Account Type	ERUs	Current Rate	Proposed Rate	\$ Changes
Residential less than .25 Acre	Any ERU	7.57	8.33	0.76
Residential more than .25 Acre	Any ERU	10.57	11.63	1.06
Industrial	25 ERU	189.25	208.20	18.95
Commercial	10 ERU	75.70	83.28	7.58





STREET LIGHTING UTILITY

Street Lighting Utility Budget - Revenue Insights



Insight #SL1: Proposed rate increase of 10%.

Insight #SL2: General Fund transfer of \$20,000 to the Street Lighting Utility to maintain the City's private lights program. This is an ongoing General Fund program administered by Public Utilities.

Projected Street Lighting Revenues for FY 2024-25

Revenue	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Operating Sales	4,592,085	4,592,085	5,051,294	459,209	10.00%
Interest	44,000	44,000	42,594	(1,406)	-3.20%
Other Revenues	25,100	25,100	100	(25,000)	-99.60%
General Fund Contributions	20,000	20,000	20,000	-	0.00%
From (To) Reserves	1,362,964	1,377,509	1,662,775	285,266	20.71%
Total	\$ 6,044,149	\$ 6,058,694	\$ 6,776,763	\$ 718,069	11.85%



Street Lighting Utility Budget - Expenditure Insights



Insight #SL3: The FY2025 budget includes \$1,240,000 in capital investments. Of this amount, \$213,575,333 is designated for the new Water Reclamation Facility.

Insight #SL4: The FY2025 budget proposes an increase of \$718,069 or 11.85%, of the FY2024 amended budget.

Proposed Street Lighting Expenditures for FY 2024-25

Major Expenditure Categories	Adopted Budget 2023-2024	Amended Budget 2023-2024	Proposed Budget 2024-2025	Difference	Percent Change
Personal Services	412,432	413,560	447,452	33,892	8.20%
Materials and Supplies	6,994	6,994	6,994	-	0.00%
Charges for Services	3,191,161	3,188,163	3,638,789	450,626	14.13%
Debt Service	193,562	193,562	193,528	(34)	-0.02%
Capital Outlay			1,250,000	1,250,000	
Capital Improvements	2,240,000	2,256,415	1,240,000	(1,016,415)	-45.05%
Total	\$ 6,044,149	\$ 6,058,694	\$ 6,776,763	\$ 718,069	11.85%

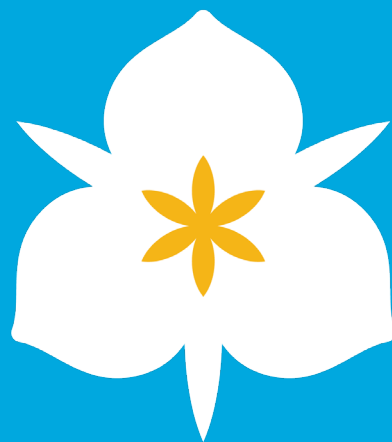


Street Lighting Monthly Rate Change Impact



Flat Rate or Block	2024 Current Rate per ERU	2025 Proposed Rate per ERU	\$ Change
Base	4.10	4.51	0.41
Group 1	6.24	6.86	0.62
Group 2	17.53	19.28	1.75
Group 3	48.20	53.02	4.82

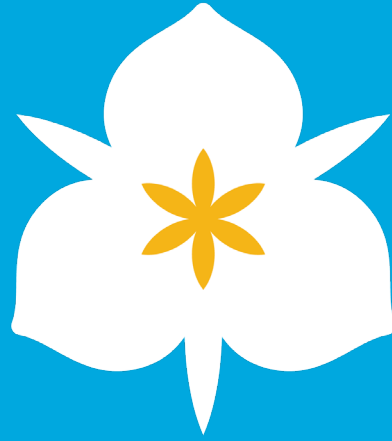




COMBINED RATE CHANGE MONTHLY IMPACT

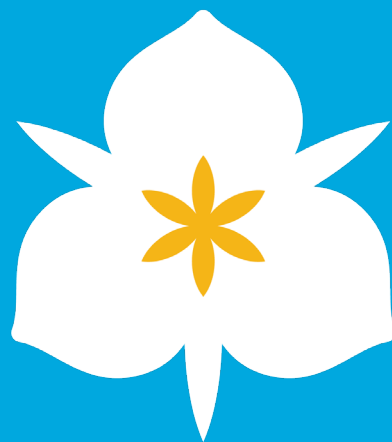
SELECT CITY CUSTOMERS Combined Rate Change AVERAGE MONTHLY Impact on Select City Customers						
				2024	2025	
Account Type	Fund	Monthly Usage	Meter Size	Current Rate	Proposed Rate	\$ Change
Residential Minimum Use	Water	6 ccf	3/4	25.67	26.76	1.09
	Stabilization	Fixed Fee	3/4	0.00	10.18	10.18
	Sewer Class 1-1	2 ccf	Combined Fee	13.58	21.36	7.78
	Stabilization	Fixed Fee	Fixed Fee	0.00	7.22	7.22
	Storm	Single and Duplex <.25 Acre	Flat Fee	7.57	8.33	0.76
	Street Lighting	Base	Flat Fee	4.10	4.51	0.41
	Total			50.92	78.36	27.44
Residential Low Use	Water	8 ccf	3/4	29.69	30.96	1.27
	Stabilization	Fixed Fee	3/4	0.00	10.18	10.18
	Sewer Class 1-1	4 ccf	Combined Fee	27.16	35.50	8.34
	Stabilization	Fixed Fee	Fixed Fee	0.00	7.22	7.22
	Storm	Single and Duplex <.25 Acre	Flat Fee	7.57	8.33	0.76
	Street Lighting	Group 1	Flat Fee	6.24	6.86	0.62
	Total			70.66	99.05	28.39
Residential Medium Use	Water	21 ccf	3/4	68.06	70.89	2.82
	Stabilization	Fixed	3/4	0.00	10.18	10.18
	Sewer Class 1-1	8 ccf	Combined Fee	54.32	63.78	9.46
	Stabilization	Fixed	Fixed Fee	0.00	7.22	7.22
	Storm	Single and Duplex >.25 Acre	Flat Fee	10.57	11.63	1.06
	Street Lighting	Group 1	Flat Fee	6.24	6.86	0.62
	Total			139.19	170.56	31.37
Residential High Use	Water	61 ccf	1	228.80	238.26	9.47
	Stabilization	Fixed	1	0.00	20.43	20.43
	Sewer Class 1-1	15 ccf	Combined Fee	101.85	127.26	25.41
	Stabilization	Fixed	Fixed Fee	0.00	7.22	7.22
	Storm	Single and Duplex >.25 Acre	Flat Fee	10.57	11.63	1.06
	Street Lighting	Group 2	Flat Fee	17.53	19.28	1.75
	Total			358.75	424.09	65.34

* Sewer is based on prior year average winter water consumption



MWDSLS SCENARIO DISCUSSION

IMPACT OF NO CERTIFIED TAX RATE INCREASE



THANK YOU

Presented Laura Briefer, Department Director and Lisa Tarufelli, Finance Administrator