

MEMORANDUM

TO: Public Utilities Advisory Committee

FROM: Laura J. Briefer, Director
Jacob Jorgensen, Financial Analyst

DATE: May 21, 2025

SUBJECT: Request for Service Charge Adjustment – La Flor De Salt Lake – Account #2598644

Background: La Flor is an industrial tortilla manufacturer in the Salt Lake City area and hired an outside contractor to analyze their sewer usage and find a way to reduce their costs. As part of that analysis, the consultant contacted Public Utilities requesting a review and possible adjustment to their monthly sewer charge. Public Utilities Pretreatment Program staff conducted an investigation of their facility in accordance with this request.

An additional request was received for an adjustment based on faulty plumbing. Staff has reviewed the applicable ordinance - 17.72.030 F (2) and account records regarding the faulty plumbing question. An adjustment for faulty plumbing is not warranted.

Request: La Flor has formally requested a Service Charge Adjustment of 59% for water consumed in their product and not returned to the Sewer system. This request is in compliance with Ordinance 17.72.030 (F) (1); Rates and Fees.

Public Utilities Recommendation: Our recommendation is based on an investigation conducted by our Pretreatment Program team and according to policy and ordinance:

1. **Pretreatment Response:** The pretreatment program performed an inspection at the subject facility. They are maintaining their grease removal devices as required in City Code. The 59% water consumption into product described in the adjustment request is likely justified.
2. **Service Charge Adjustment** – Based on the written data and the pretreatment investigation, it is recommended the current AWC of 175 be reduced by 50% beginning with the billing period including January 31, 2025. Due to variability in production, cleaning practices and machinery the request was adjusted. The AWC for the applicable billing periods through the last billing period under current rates will be 87.

We recommend approving this request in two parts:

- The AWC for the applicable periods through the last billing cycle under current rates will be 87. (Fiscal year 2025)
- Any period on or after July 1, 2025, an additional adjustment equivalent to 20% of the water consumption will be made to the sewer flow billing. The new rate structure accounts for a 30% consumption of water on the premise.

Attached below is La Flor's official request and analytics they sent us.



LA FLOR DE SALT LAKE, INC
3262 W 1987 SOUTH
SALT LAKE CITY, UT 84104
(801) 474-3320

January 22, 2025

Jacob Jorgensen, Financial Analyst
Salt Lake City Department of Public Utilities
1530 S W Temple St.
Salt Lake City, UT 84115

Re: La Flor de Salt Lake – Sewer Service Charge Adjustment Request

Mr. Jorgensen,

The purpose of this letter is to formally request a sewer service charge adjustment as provided in the Salt Lake City Code, Section 17.72.030(F)(1) (City Code). La Flor de Salt Lake (La Flor) contracted with Barr Engineering Co. (Barr) to evaluate our metered water use and help determine what quantity of water is consumed on the premises and does not enter the Salt Lake City Corporation's (City) sewer system. The following is a summary of La Flor's current operation, water use and consumption, and the methodology used to determine the volume of consumed water that does not contribute to City sewer flows.

1 La Flor Operations and Water Use

La Flor is a food manufacturing and distributing company located in Salt Lake City. The facility produces flour and corn based tortillas and flatbread products that are regionally distributed to wholesale buyers. La Flor currently employs an average of 38 employees.

La Flor has two City-provided water meters. City meter/account W2598644 is associated with La Flor's employee and administrative domestic use, flour and corn product production, and facility cleaning, and is the focus of this assessment. City meter/account W2558145 is associated with La Flor's landscape irrigation, which does not contribute to City sewer flow and is excluded from this assessment.

Focusing solely on City meter/account W2598644, La Flor's primary consumptive water use is associated with flour and corn product production, which includes two mixing units that supply four production units. La Flor's entire facility water use is illustrated in the provided process flow diagram (see Figure 1).

Based on Barr's analysis, over half of La Flor's water use is associated with finished product development and is not returned to the City sewer. The balance of water uses (e.g., employee and administrative domestic uses, facility cleaning) are discharged to the City sewer. A detailed assessment of La Flor's water use and consumption is provided in the following section.

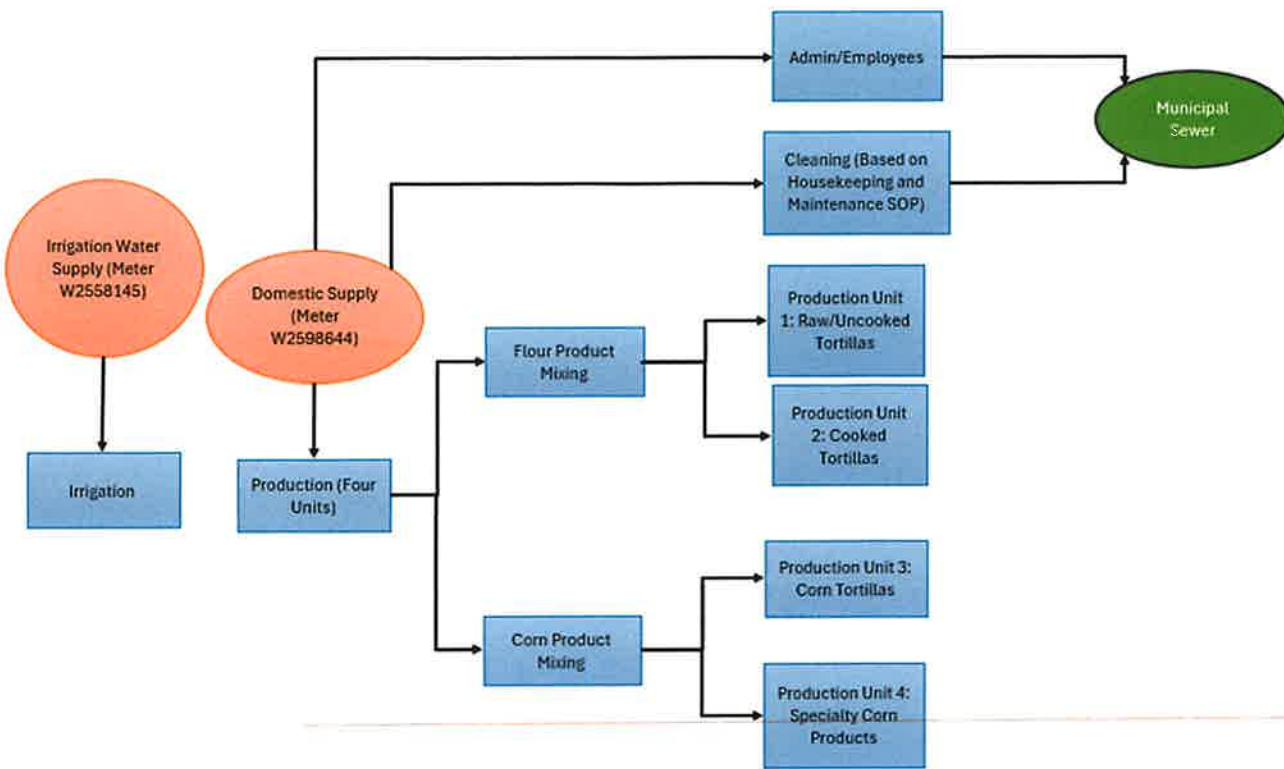


Figure 1 – La Flor Process Flow Diagram

2 Sewer Service Charge Adjustment

Salt Lake City Code allows for service charge adjustments for consumed culinary water that does not enter the City's sewer system. The City has established a 20% (minimum) threshold to merit consideration of a potential service charge adjustment. La Flor's manufacturing process consumes greater than 20% of its metered water use, thereby meeting the minimum requirements for service charge adjustment consideration.

In order to substantiate its service charge adjustment request, La Flor worked with Barr to perform a detailed assessment of water use associated with City meter/account W2598644. A summary of our findings are detailed below.

2.1 Water Balance Development

On June 6, 2024, Barr performed a site visit to verify water uses and meter arrangements, collect production data, and support development of a representative water balance associated with City meter/account W2598644. La Flor's water use is comprised of administrative/employee use, production equipment cleaning, and flour and corn product production. The following is a summary of how each use was determined to develop the resulting water balance.

2.1.1 Administrative/Employee Use

Administrative/employee wastewater generation was estimated using Utah's Administrative Rule R317-4 "Onsite Wastewater Systems," Table 3 "Estimated Flow Rates of Wastewater". Table 3 yielded a consumption of 15 gallons per day per employee for "Office buildings & business establishments with no showers, not including food service, per eight-hour shift." This rate was multiplied by the average

employee count provided by La Flor and work days in each billing period to determine a total monthly consumption. The water balance assumes that 100% of all administrative/employee water use enters the City's sewer system.

La Flor's average number of employees working at the facility increased to 38 after August 18, 2023. Prior to August 18, 2023, La Flor employed an average of 29 individuals.

Over the course of the evaluation period, the average administrative/employee water use was 15% of the total City metered water volume.

2.1.2 Production Equipment Cleaning

La Flor provided estimates of monthly water usage for production equipment cleaning. These estimates are based on estimated water volumes required for individual cleaning tasks during a typical billing period. The flour and corn production equipment cleaning estimates were added together and used to represent a monthly cleaning water use. The water balance assumes that 100% of all production equipment cleaning water use enters the City's sewer system.

Following repair of a faulty solenoid valve in July of this year, La Flor documented water consumption associated with four independent cleaning events over the course of a week. The estimated volume of water consumed during that period confirmed that the La Flor's provided estimates are reasonably accurate.

Over the course of the evaluation period, the average production equipment cleaning water use was 7% of the total City metered water volume.

2.1.3 Flour and Corn Product Production

Flour and corn products are produced on independent production lines, but the process is the same. Each product is mixed in large ingredient batches, then cooked or pressed on two production lines. All water used in the mixing of ingredients either remains in the product or is evaporated during the cooking process. There is no wastewater generated by either of the production lines; therefore, all water introduced for production purposes is considered consumed water that does not enter the City's sanitary sewer system.

La Flor provided monthly estimates of water usage for flour and corn products production. In lieu of metered production water consumption, La Flor used their product inventory records, known production quantity per ingredient batch, and known amount of water in each ingredient batch recipe to calculate water consumption. This approach was applied to each flour and corn product item they produce, and includes water consumption associated with an estimated 7% production waste. Production waste is product that does not pass quality control inspections for sale.

The following equation was used to calculate flour and corn product water use:

$$Product\ A * \left(\frac{\# \ Ingredient\ Batches}{Product\ A} \right) * \left(\frac{lbs.\ Water\ in\ Batch\ Recipe}{Ingredient\ Batch} \right) * \left(\frac{1\ gal}{8.3454\ lbs} \right) * 1.07\ Waste = Water\ Use\ (Gal)$$

Over the course of the evaluation period, the average combined flour and corn product production water consumption was 59% of the total City metered water volume.

2.1.4 Unaccounted Water

For the purpose of this study, unaccounted water is the difference between the City metered use and the three identified uses (administrative/employee use, production equipment cleaning, and flour and corn product production). Over the course of the evaluation period, the average unaccounted water volume was 19% of the total City metered water volume. Without actual calibrated meters to record water use and consumption throughout the facility, industry standard estimations, product inventory accounting, and logical assumptions are required which may introduce error. It's assumed that the unaccounted water enters the City's sanitary sewer system.

2.2 Water Balance Results

The preliminary water balance was initially assessed from January 2022 through February 2024, but high unaccounted water volumes, resulting from increased metered water use and no significant increase in production, indicated a likely issue.

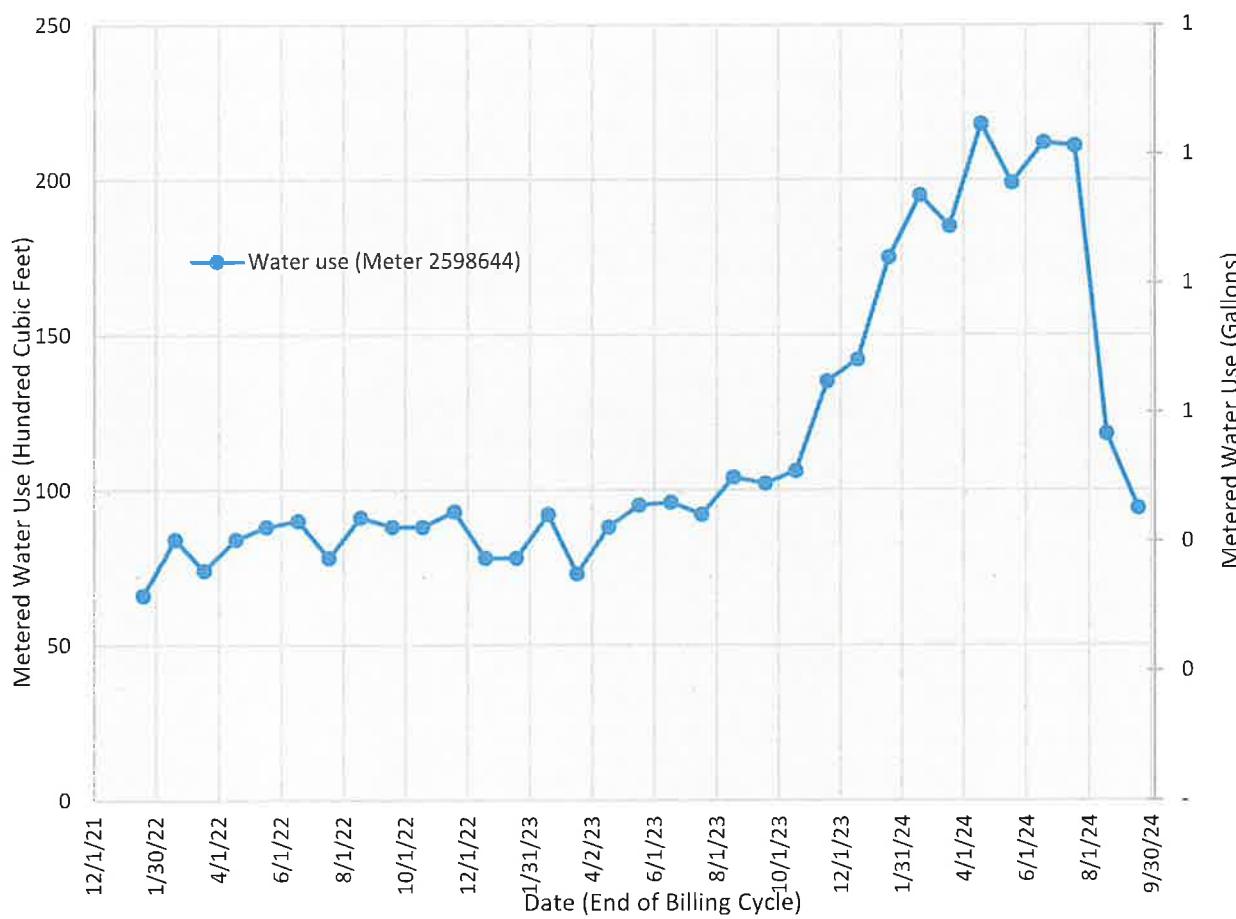


Figure 2 illustrates La Flor's metered water use for the evaluation period.

La Flor responded by conducting a facility-wide inspection and identified and repaired a faulty solenoid valve supplying water to the flour product production line on July 23, 2024. Following the solenoid valve repair, the water balance evaluation period was modified to January 2022 through September 2024, omitting the period of time the solenoid valve was improperly operating (i.e., August 2023 through August 2024). Results of the water balance assessment are included in Appendix A and illustrated in Figure 3.

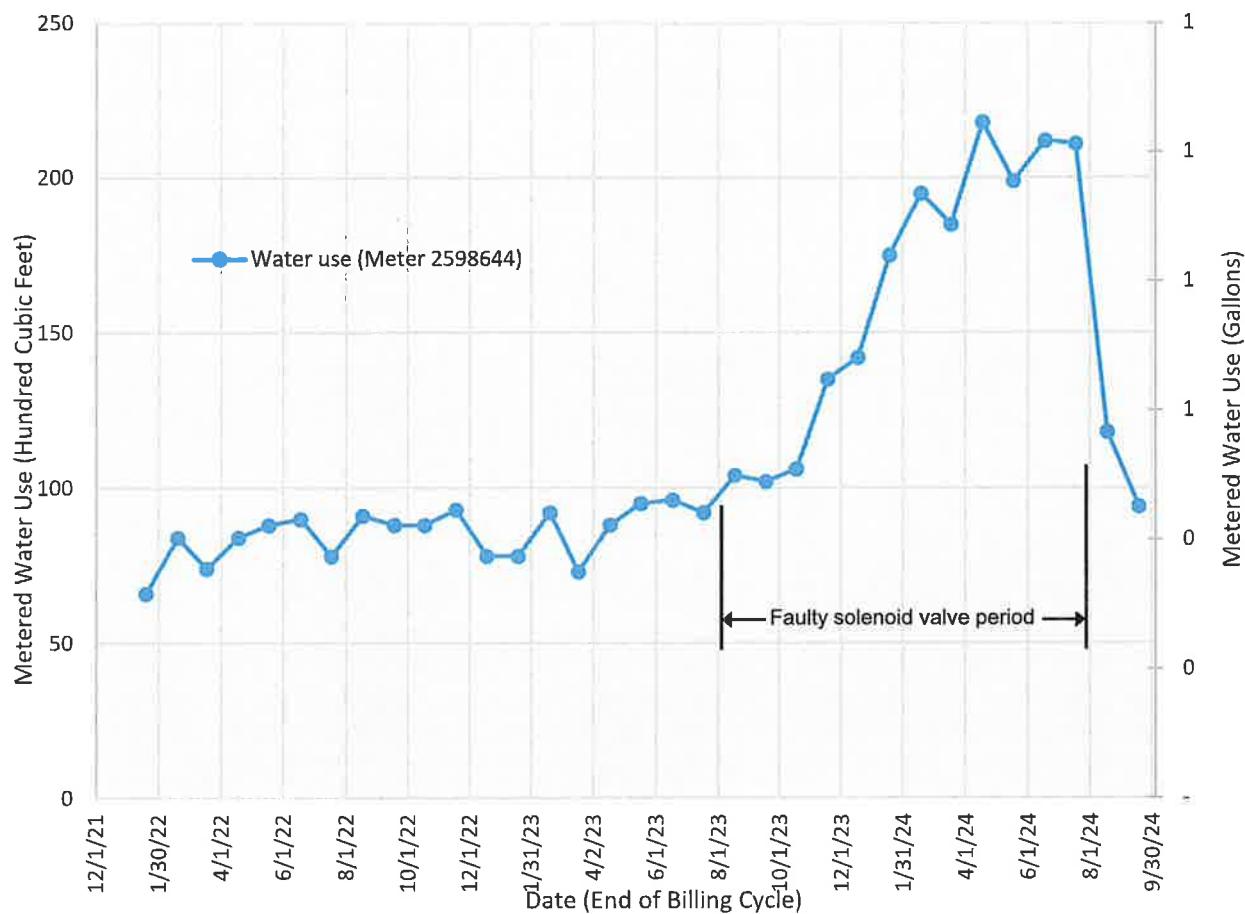


Figure 2 – La Flor's City Metered Water Use

Water Use Summary (January 2022 - September 2024)

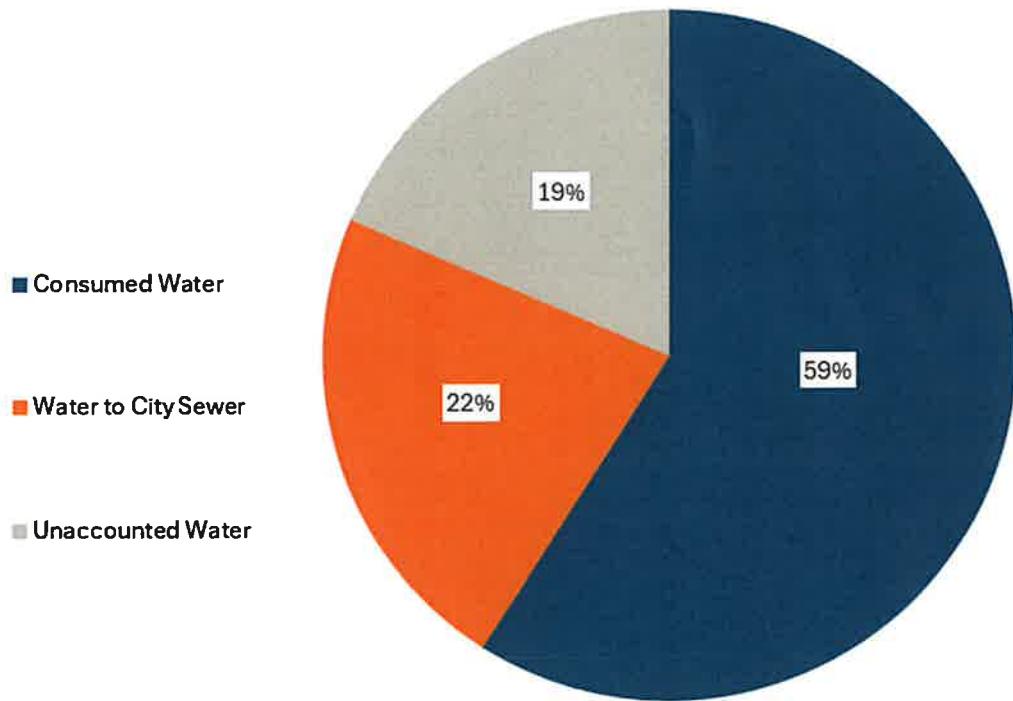


Figure 3 – Water Balance Results

3 Anticipated Realized Sewer Rate Savings

Based on Barr's assessment, 59% of La Flor's total metered water use may be quantified as consumed water that does not flow to the City sewer. La Flor formally requests a sewer service charge adjustment as provided in the Salt Lake City Code, Section 17.72.030(F)(1) (City Code).

Prior to the solenoid valve failure, La Flor's average winter consumption (AWC) for City meter/account W2598644 was 81 hundred cubic feet (HCF)/month for FY 23-24. As a result of the faulty solenoid valve, La Flor's AWC increased to 175 HCF/month for FY 24-25. In addition to the requested sewer service charge adjustment, La Flor is also requesting that it's AWC for the remainder of FY 24-25, effective September 2024, be reduced to the pre-solenoid valve failure AWC rate of 81 HCF/month.

If you have any questions, please contact Arnel Sanchez at 801-474-3320.

Sincerely,

Arnel Sanchez
La Flor de Salt Lake

cc: Terrence Price, Regulatory Compliance Manager
Salt Lake City Corporation Water Reclamation Facility
202 N. Redwood Rd. Salt Lake City, UT 84116

Appendix A

Water Balance Summary – January 2022 through September 2024

Account #: W2558145
 Bus Name: La Flor De Salt Lake
 Bus. Address: 3265 W 1987 S

Water Use Summary (January 2022 - September 2024)¹

Employee/ Admin	Cleaning	Com Product	Floor	Consumed Water	Water to City Sewer	Unaccounted Water
Average Percent Use	15%	7%	25%	34.1%	59%	22%
Gallons	193,200	93,660	319,355	431,914	755,269	287,050
Ibs			2,655,149	3,633,785		236,912

Water Use Summary (January 2022 - September 2024)¹

Water Use Summary (January 2022 - September 2024)¹

Year	Month	Start Date	End Date	Water Used (Gal)	Employee/ Admin	Cleaning	Com Product	Floor Product	Volume Consumed Water	Total Calculated Use (Gal)	% Consumption	Unaccounted Water (Gal)	Unaccounted Water (%)
2022	January	1/19/2021	1/18/2022	49,375	9,570	4,693	13,347	11,720	30,617	44,880	62%	4,495	9%
2022	February	1/19/2022	2/18/2022	62,840	10,095	4,693	15,220	21,823	37,043	51,741	59%	11,099	18%
2022	March	2/19/2022	3/18/2022	55,359	8,700	4,693	14,237	19,971	34,208	47,601	62%	7,759	14%
2022	April	3/19/2022	4/18/2022	62,840	9,135	4,693	15,462	20,815	36,677	50,505	58%	12,335	20%
2022	May	4/19/2022	5/18/2022	65,833	10,440	4,693	16,774	24,556	41,320	56,463	63%	9,370	14%
2022	June	5/19/2022	6/18/2022	67,329	9,570	4,693	16,322	21,629	37,950	52,213	56%	15,116	22%
2022	July	6/19/2022	7/18/2022	58,352	9,135	4,693	16,477	19,559	36,136	49,964	62%	8,388	14%
2022	August	7/19/2022	8/18/2022	68,077	10,005	4,693	17,834	22,009	39,842	54,540	59%	13,537	20%
2022	September	8/19/2022	9/18/2022	65,833	9,135	4,693	16,475	23,116	39,590	53,418	60%	12,415	19%
2022	October	9/19/2022	10/18/2022	60,760	9,570	4,693	15,760	22,860	38,041	52,304	58%	13,528	21%
2022	November	10/19/2022	11/18/2022	69,573	10,095	4,693	17,754	22,018	39,471	54,169	57%	15,404	22%
2022	December	11/19/2022	12/18/2022	58,352	6,700	4,693	13,688	18,054	29,921	43,314	51%	15,037	26%
2023	January	12/19/2022	1/18/2023	58,352	10,005	4,693	13,415	21,596	35,011	49,709	60%	8,643	15%
2023	February	1/19/2023	2/18/2023	68,825	9,570	4,693	14,659	21,400	36,259	50,522	55%	18,504	27%
2023	March	2/19/2023	3/18/2023	54,611	6,700	4,693	14,747	21,542	36,269	49,682	66%	4,930	9%
2023	April	3/19/2023	4/18/2023	65,833	9,570	4,693	15,270	22,957	38,121	52,984	59%	12,849	20%
2023	May	4/19/2023	5/18/2023	51,070	5,970	4,693	17,619	20,524	40,224	54,587	57%	16,482	23%
2023	June	5/19/2023	6/18/2023	71,818	9,135	4,693	17,108	23,413	40,522	54,350	56%	17,468	26%
2023	July	6/19/2023	7/18/2023	68,825	9,570	4,693	18,651	23,371	42,022	56,285	61%	12,540	18%
2023	August	7/19/2023	8/18/2023	77,802	10,005	4,693	19,080	23,924	43,005	57,703	55%	20,100	26%
2023	September	8/19/2023	9/18/2023	76,306	11,970	4,693	17,777	21,131	38,908	55,571	51%	20,736	27%
2023	October	9/19/2023	10/18/2023	79,399	12,540	4,693	18,627	23,779	42,405	59,638	59%	19,660	25%
2023	November	10/19/2023	11/18/2023	100,954	12,540	4,693	18,017	25,096	43,113	60,346	43%	40,647	40%
2023	December	11/19/2023	12/18/2023	106,230	11,970	4,693	15,779	20,596	34,330	50,993	32%	55,237	52%
2024	January	12/19/2023	1/18/2024	130,918	13,110	4,693	17,939	21,842	39,782	57,585	30%	73,333	56%
2024	February	1/19/2024	2/18/2024	145,860	12,540	4,693	16,085	20,045	36,130	53,363	25%	92,517	63%
2024	March	2/19/2024	3/18/2024	138,880	11,970	4,693	18,751	24,126	42,877	59,540	31%	79,340	57%
2024	April	3/19/2024	4/18/2024	163,064	13,110	4,693	19,635	24,698	44,333	62,136	27%	100,928	62%
2024	May	4/19/2024	5/18/2024	148,852	11,970	4,693	17,676	23,221	41,397	58,060	28%	90,792	61%
2024	June	5/19/2024	6/18/2024	158,576	11,970	4,693	18,778	25,435	44,213	60,876	28%	97,700	62%
2024	July	6/19/2024	7/18/2024	157,628	12,540	4,693	18,643	25,084	43,227	60,960	26%	96,868	61%
2024	August	7/19/2024	8/18/2024	88,264	12,540	4,693	19,005	21,086	40,091	57,324	45%	30,940	35%
2024	September	8/19/2024	9/18/2024	70,312	13,110	4,693	19,758	25,737	45,296	63,099	64%	7,213	10%
TOTAL (Gal)		1,278,242	193,200	93,860	319,355	435,914	755,269	1,042,329		236,912			
(January 2022 - September 2024) ¹		2,851,134	351,975	154,669	554,748	734,831	1,796,423			6,999,728			

¹ The 3 month evaluation period excludes a 13 month period. (August 2023 through August 2024) of known system leakage (i.e., faulty solenoid valve). System leakage is discussed in the accompanying letter.

CERTIFIED MAIL

Retail



U.S. POSTAGE PAID
FCM LG ENV
SALT LAKE CITY, UT 841
JAN 31, 2025

\$6.62

S2324N502891-24

102 W. 1967 So.
SLC, UT 84104

Attn: Jacob Jorgensen

Salt Lake City, Department of Public Utilities
1530 S. W Temple St.
SLC, UT 84115

La Flor de Salt Lake:
Water Use to 4/18/2025

