



Minutes

DEPARTMENT of PUBLIC UTILITIES
ADMINISTRATION

**Salt Lake City
Public Utilities Advisory Committee
Meeting Minutes
March 26, 2026**

The Public Utilities Advisory Committee (PUAC) meeting was held at 7:30 am on Thursday, March 26, 2026. Committee members that were present, Chris Shope (Chair), Roger Player, Tom Godfrey, Dani Cepernich, Ted Boyer, and Kamiron Anderson. Salt Lake City Public Utilities employees present were Laura Briefer, Jason Brown, Tamara Prue, Tammy Wambeam, Jason Draper, Lisa Tarufelli, Jacob Jorgensen, Holly Lopez, Michelle Barry, Jamey West, Jeffrey Grimsdell, Karryn Greenleaf, Peyton Presnal and Elle Smith. Others present were Annalee Munsee, Metro Water District, Zac Steele, Austin Kimmel, Salt Lake City Council Office; and Nole Walkingshaw, Salt Lake City Communications. Jack Stauss, Save our Canyons; Scott Narus, Citizen; Karina Payne, Citizen.

Welcome and Introductions

Chair, Chris Shope welcomed everyone to the committee meeting.

Approve Minutes of February 26, 2026, Meeting

A motion was made by Dani Cepernich and seconded by Roger Player to approve minutes of the February 26, 2026, PUAC meeting. All members voted to approve.

Financial Report and Budget Update *Lisa Tarufelli, Finance Administrator*

Lisa Tarufelli presented the financial report for the period ending January, noting that her team is still finalizing February's figures.

For the Water Fund, we are approximately halfway through the fiscal year. As of the end of January, year-to-date operating revenues are roughly 68% of the annual budget. We expect these figures to shift as we transition from winter into the spring and summer months. Operating expenses and encumbered contracts are currently at about 44% of the annual budget. Capital spending, including contracted and expended amounts, is approximately 77% of the annual allocation. At month-end, the remaining balance from the 2025 bond issuance was just under \$73 million. The Bond Anticipation Note (BAN), issued in December as part of additional financing, had a balance of slightly more than \$24 million. These funds have been used for the City Creek treatment plant and other ongoing projects.

Operating revenues for the Sewer Fund were just over 62 % of projections as of January, while operating expenses were at 40 %. Expenses remain lower than anticipated due to the uncertain timing of startup and commissioning of the new facility. The operating budget had been increased to account for potential parallel staffing and operational costs if both plants operated

simultaneously, and some of those expenses may still occur later in the year or shift into the next fiscal year. Capital expenditure is 76 %. With the final encumbrance for the CMGC contract now being added, this figure will move closer to the low 90% range. There is also bond funding remaining, about \$81.4 million.

For the Stormwater Fund, as of the end of January, operating revenues were approximately 63% of the annual budget. Operating expenses were about 35%, and capital expenditures and encumbrances were just over 36 percent of budget. Because storm drain fees are collected evenly throughout the year, the fund is performing as expected at roughly 57.5% of the annual budget.

Street Lighting remains in its usual reporting position, though we could adjust the order in future meetings if helpful. As of the end of January, revenues are approximately 60% of the annual projection, with fees performing as expected at 56.4%. Operating expenses are at 63% of the annual budget. Capital expenditures and encumbrances remain low as we continue prioritizing other system-related issues before initiating new capital projects. Across all four funds, the utility's operating revenues are slightly above 65% of the annual projection. Operating expenses, including all active operational contracts, remain on track. For the department's overall capital plan, we are at approximately 74% when factoring in open contracts.

In January, our customer service team remained active despite it being a winter month. We had just over 1,100 delinquent accounts and issued approximately 4,700 notices. As noted last month, delinquent billings continue to trend higher: the rate has increased from 2.73% a year ago to just over 8% this year. However, total accounts receivable has decreased by about 7% year-over-year. This increase in delinquent accounts is largely tied to four major customers with ongoing sewer rate issues, which our in-house team is actively working to resolve.

Field and office teams completed more than 4,400 stops and calls and collected \$880,000. There were 520 systemwide shutoffs and 416 reconnects, noting that shutoffs may occur for reasons other than non-payment. Staff handled 7,026 calls during the month and walk-in visits increased to 814 compared to the typical range in the 600s.

Committee Member Tom Godfrey asked if the Legislature passed anything that would impact Public Utilities and impact fees. Lisa confirms that none of the impact fee bills passed this session. Several proposals had the potential to require us to revisit completed work, particularly on the sewer side, but ultimately no impact fee legislation was approved this year.

Sewer Rate Adjustments *Jacob Jorgensen, Financial Analyst*

This request is for a sewer-use adjustment based on water incorporated into the company's products. The applicant, Asphalt Services, operates under a permanent discharge permit. Our team already conducts semiannual inspections of their facility and sewer outflow, so we have several years of reliable data on their water usage and discharge patterns.



They have requested a 91.8% adjustment. The facility is fully metered, allowing us to track all water entering the site and how it is used. The Pretreatment Team, which performs the regular inspections, confirmed the accuracy of the data and indicated that the requested percentage is slightly lower than what our observations support. Because of our longstanding oversight and consistent data, we determined that the 91% adjustment is reasonable and appropriate.

The adjustment would be applied retroactively to the original request date of September 17. As required for all industrial applicants, the company completed an independent engineering assessment, which accounts for the time between their initial request and the current recommendation.

Committee member Tom Godfrey moved to recommend this adjustment for approval, with a second from Committee member Kamiron Anderson. All committee members voted in favor of the recommendation.

Public Utilities Fiscal Year 2027 Budget Presentation *Director Laura Briefer*

Director Briefer noted that this presentation was first shared with the City's budget subcommittee for initial review before moving to the Budget Committee and City leadership. Updates may be made based on their feedback.

She explained that the citywide presentation format is intended to ensure consistency and requested the committee's input on structure and clarity, as the material will also be used for the Mayor, City Council, and the public.

Director Briefer highlighted several major accomplishments. The Water Reclamation Facility, launched in 2019, is nearing completion, and the City Creek Water Treatment Plant will be completed this year. Sustainability and value engineering measures have saved tens of millions of dollars on both projects. The department has also secured property for the new Public Utilities campus, enabling consolidation into a modern facility.

The department continues to advance Great Salt Lake partnerships. A collaboration with Metro and the Great Salt Lake Watershed Enhancement Trust will be announced soon, and additional agreements with the Great Salt Lake Commissioner's Office on water-rights dedication are underway.

She reviewed the fiscal year 2025–26 budget, which totaled \$764.72 million after amendments and funds 490 full-time and 99 part-time equivalent positions.

The proposed budget for the next fiscal year is \$421 million, reflecting the wind-down of major capital projects including the Water Reclamation Facility and City Creek Water Treatment Plant. Although additional staffing needs were identified, no new positions are proposed. The department is exploring reassigning existing roles and deferring staffing changes while broader



financial planning continues, consistent with the General Fund’s decision not to authorize new positions.

Director Briefer also reviewed the department’s debt position. Total debt across the utilities has increased from just under \$300 million in fiscal year 2017–2021 to nearly \$1.5 billion today due to large capital projects. Annual debt service has grown from just over \$7 million in fiscal year 2017 to more than \$62 million this year and is projected to reach nearly \$85 million by fiscal year 2030. To meet future needs, water revenue must increase by 25%, sewer by 40%, and stormwater by 20%, requiring corresponding adjustments to customer charges. Because impacts will vary by usage, these are considered revenue adjustments rather than flat rate increases. The department is also evaluating the potential use of a property tax for water and wastewater treatment as allowed under state law.

These figures align with the budget book and show how funds are allocated across staffing, debt service, capital needs, and internal service charges. Debt service now represents a significant share of operational costs. Capital spending will decrease next year as major projects conclude. The reduction from the current amended budget to the proposed amount reflects the completion of these large capital investments. Most departmental revenue continues to come from service charges.

We are also proposing an adjustment to the sewer rate structure for multifamily residences. This change is intended to be revenue-neutral but responds to feedback from HOAs and multifamily developments regarding significant summer fluctuations in their sewer bills. The previous structure calculated sewer charges as 70 percent of total water usage, which resulted in disproportionately high bills during months for properties with substantial outdoor irrigation and no irrigation-only meter. While the annual totals generally balanced out, the month-to-month variability created challenges for customers. To address this, we are proposing a fixed sewer cost per dwelling unit.

Public Utilities Fiscal Year 2027 Budget Recommendation to Mayor Mendenhall *Public Utilities Advisory Committee*

A motion was made by Dani Cepernich and seconded by Tom Godfrey to recommend the FY 27 budget presentation to Mayor Mendenhall. All committee members are in favor.

A second motion was made by Dani Cepernich for Director Briefer to pursue with the city imposing a property tax that can be utilized as part of the budget strategy going forward. Kamerion Anderson seconded the motion. All committee members are in favor.

Director Briefer shared a quick reminder that Salt Lake City announced earlier this week that we are currently in Stage 2 drought. We are asking our businesses and residents to partake in voluntary conservation of water.

Public Comment

No public comment.



Meeting adjourned at 9:11 am.

The next PUAC Meeting will be held on Thursday, March 26th, 2026, at 7:30 am

