

FISCAL YEAR 2025-26 BUDGET

SANDY CITY COUNCIL May 27, 2025





Outline

- Overview of Metropolitan Water District of Salt Lake & Sandy
- FY26 Tentative Budget
- Sources of Funds
- Uses of Funds





Metropolitan Water District of Salt Lake & Sandy

Established in August 1935
Salt Lake City founding member
Sandy City annexed in 1990

Board of Trustees

Board members appointed by city councils

- Salt Lake City 5 Trustees
- Sandy City 2 Trustees



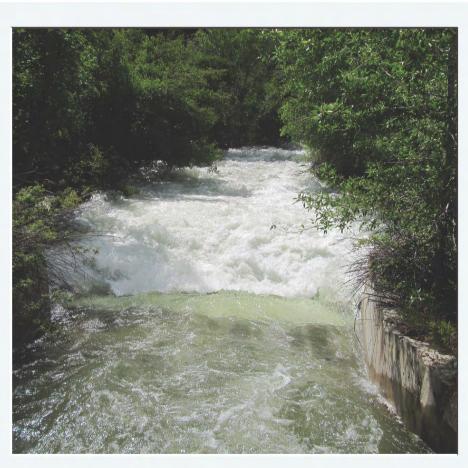




Metro Water Supply



PROVO RIVER PROJECT Deer Creek Reservoir 61,900 AF



LITTLE COTTONWOOD CREEK Salt Lake City and Sandy City Rights 20,000 AF



CENTRAL UTAH PROJECT Jordanelle Reservoir 20,000 AF

KEY INFRASTRUCTURE

WATER TREATMENT

- Little Cottonwood Water Treatment Plant
- Point of the Mountain Water Treatment Plant
- Jordan Valley Water Treatment Plant (2/7th owner)

WATER CONVEYANCE

- Salt Lake Aqueduct
- Point of the Mountain Aqueduct
- Jordan Aqueduct (2/7th owner)

WATER STORAGE

- Terminal Reservoir
- JA Terminal Reservoir (2/7th owner)





Sources of Funds

Sources of Funds

| | Budget | Tentative | \$ increase from FY25 Budget | |
|--------------------------------------|----------------|----------------|---------------------------------|--|
| | 2025 | 2026 | | |
| Sources of Funds | | | | |
| Water Sales | | | | |
| Member Cities | \$ 24,493,357 | \$ 25,718,025 | \$ 1,224,668 | |
| Others | 1,360,478 | 955,191 | (405,287) | |
| Total Water Sales | 25,853,835 | 26,673,216 | 819,381 | |
| Property Taxes | 22,061,830 | 22,686,248 | 624,418 | |
| Assessments | 12,959,057 | 12,986,790 | 27,733 | |
| Miscellaneous | | | | |
| Interest | 2,061,809 | 3,963,199 | 1,901,390 | |
| Other | 1,369,575 | 5,347,668 | 3,978,093 | |
| Salt Lake City SLAR-CC Reimbursement | 12,829,236 | 9,356,897 | (3,472,339) | |
| Total Miscellaneous | 16,260,620 | 18,667,764 | 2,407,144 | |
| Bond Proceeds | 24,299,083 | 30,390,000 | 6,090,917 | |
| Total Sources of Funds | \$ 101,434,425 | \$ 111,404,018 | \$ 9,969,593 | |

Revenue Source - Water Rates

Proposed FY26 Water Rate Increase

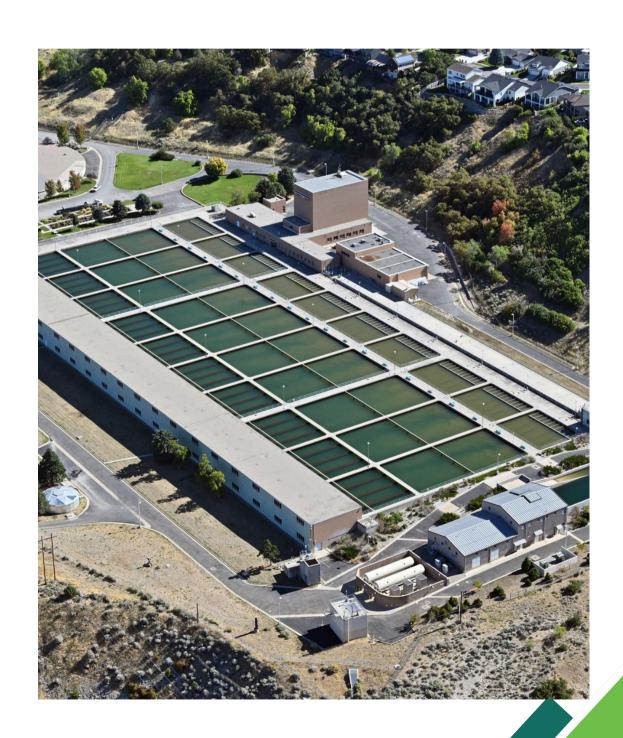
| City | FY25 Water Sales Revenue | Percent Increase | Estimated FY26 Water Sales Revenue | Net Revenue Increase |
|------------------------------------|-----------------------------|------------------|--|-------------------------|
| Sandy City | \$6,858,140 | 5% | \$7,201,047 | \$ 342,907 |
| Salt Lake City | \$17,635,217 | 5% | \$18,516,978 | \$ 881,761 |
| Total Water Sales to Member Cities | \$24,493,357 | 5% | \$25,718,025 | \$1,224,668 |

Revenue Source - Property Taxes

| City | FY25 Property Tax Revenue |
|---------------------------------------|---------------------------|
| Sandy City | \$5,671,562 |
| Salt Lake City | \$17,014,686 |
| Total Property Taxes to Member Cities | \$22,686,248 |

Certified Tax Rate in FY25 (2024 tax year) - 0.00035

Future evaluation of increase or re-establishment of the certified tax rate in FY28 for LCWTP rebuild and other costs



Bonding

Issuance of ~\$37 M bonds in FY2026 for:

- FY26-28 design and construction costs
 - Little Cottonwood Conduit Creek Intake and Replacement (\$10.3M)
 - Cottonwoods Connection Reach 1 and Phase 3 Lite (\$12M)
 - LCWTP rebuild design (\$14M)



Uses of Funds

Uses of Funds

| | Budget | Tentative | \$ increase from |
|---|----------------|----------------|--|
| | 2025 | 2026 | FY25 Budget |
| Uses of Funds | | | No. of the last of |
| Operations and Maintenance | \$ 22,886,420 | \$ 24,397,273 | \$ 1,510,853 |
| Provo River Water Users Association O&M | 4,689,840 | 4,791,024 | 101,184 |
| Non-Routine O&M | 902,000 | 2,002,600 | 1,100,600 |
| Salt Lake City SLAR-CC Reimbursement | 12,829,236 | 9,356,897 | (3,472,339) |
| Total Operations and Maintenance | 41,307,496 | 40,547,794 | (759,702) |
| Depreciation/Amortization | 10,891,749 | 12,077,882 | 1,186,133 |
| Total Capital Projects (includes capital to other agencies) | 34,712,752 | 37,012,370 | 2,299,618 |
| Debt Service | *** | | - |
| Principal | 15,549,000 | 16,989,208 | 1,440,208 |
| Interest | 6,847,685 | 7,662,384 | 814,699 |
| Total Debt Service | 22,396,685 | 24,651,592 | 2,254,907 |
| Net Funds To/(From) Reserves | 3,017,492 | 9,192,262 | 6,174,770 |
| Total Uses of Funds | \$ 101,434,425 | \$ 111,404,018 | \$ 9,969,593 |

Operations & Maintenance Key Components

| Budget Items | Budget FY25 | Tentative Budget FY26 | % increase from FY25 budget | \$ increase from FY25 budget |
|--|--------------|--------------------------|-----------------------------|---------------------------------|
| Total O&M (excludes depreciation and amortization, and SLC CC-1 reimbursement) | \$34,423,945 | \$36,850,681 | 8.29% | \$2,426,736 |
| Salary & Wages | \$7,645,697 | \$8,120,486 | 6.21% | \$474,789 |
| Interest Expense | \$6,847,686 | \$7,662,384 | 11.90% | \$814,698 |
| PRWUA | \$4,689,840 | \$4,791,024 | 2.16% | \$101,184 |
| Employee Benefits | \$3,136,401 | \$3,319,550 | 5.84% | \$183,149 |
| Chemicals | \$2,548,817 | \$2,284,719 | -10.36 | -\$264,098 |
| Contract Services | \$2,244,866 | \$2,498,084 | 11.28% | \$253,218 |
| Utilities | \$2,181,220 | \$2,610,249 | 19.67% | \$429,029 |

FY26 Capital Improvement Projects

| Routine Non-Capacity Improvement Projects | |
|--|------------------|
| Salt Lake Aqueduct Replacement Reach 1 | \$ 24,424,138 |
| Salt Lake Aqueduct Replacement Reaches 2 and 3 | \$ 500,000 |
| Salt Lake Aqueduct Hardening | \$ 1,200,000 |
| LCWTP Rebuild | \$ 1,750,000 |
| LCC Replacement and Intake Modifications | \$ 300,000 |
| LCWTP Administration Campus Improvements | \$ 1,050,000 |
| Fleet Replacement Program | \$ 50,000 |
| Little Dell Dam Improvements | \$ 1,175,000 |
| Repair and Replace | \$ 1,081,000 |
| Subtotal | \$ 31,530,138 |
| Capacity Improvement Projects | \$0 |
| Other Capital Improvement Projects | |
| Jordan Aqueduct System and 150th South Pipe | \$ 2,851,809 |
| Central Utah Project (CUP) Capital | \$ 3,815,423 |
| Subtotal | \$ 6,667,232 |
| Total Projects | \$ 38,197,370 |

Costs from Other Agencies

- Central Utah Water Conservancy District
 - Total annual CUWCD cost is approximately \$5.5M
 - 20,000 acre feet M&I and 3,100 acre feet ULS
- Jordan Valley Water Conservancy District
 - O&M costs will increase approximately 3.8%
 - Capital Projects total \$2.8M, an 80% increase
- Provo River Water Users Association
 - Total annual PRWUA cost is approximately \$4.8M
 - Deer Creek Intake Project (\$100M project)\
- Utah Lake Water Users Association
 - Metro's portion of the Turner Diversion repairs and upgrades is \$482,600 based on the \$2,748,000 engineers estimate



QUESTIONS?

Thank you!

