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To: Ryan Mecham, Chair, Sandy City Council
Mayor Monica Zoltanski

From: John Kirkham, Chair, Sandy Public Utilities Advisory Board

Date: March 21, 2024

RE: Public Utilities Advisory Board (PUAB)
Recommendation on Metro Water tax increase in lieu of Sandy water rate increase

Dear Council,

Annalee Munsey, General Manager for the Metropolitan Water District of Salt Lake & Sandy (Metro) presented Metro’s budget needs and proposed tax increase to the PUAB today.

The PUAB discussed the policy, financial implications, and impact to Sandy taxpayers / water customers under the two options. The PUAB unanimously recommended that the Sandy City Council accept the increase in Metro property tax in lieu of an additional 11% to 13% Sandy water rate increase.

The most significant issue favoring a Metro tax increase rather than an additional increase on Sandy water customer rates is that the cost to the average Sandy taxpayer and water customer is about 29% less if it is a tax increase vs water rate increase. Below is a comparison of the net financial impacts to the Sandy community as a whole under the two options.

	Option 1 Metro Tax Increase	Option 2 Sandy Rate Increase
Total Sandy community increase	\$1.87M	\$2.42M
Average increase per month per residence	\$3.92	\$5.05

Please feel free to reach out to myself or any of the PUAB members if you have any questions.

Sincerely,

John Kirkham, Chair
Sandy Public Utilities Advisory Board