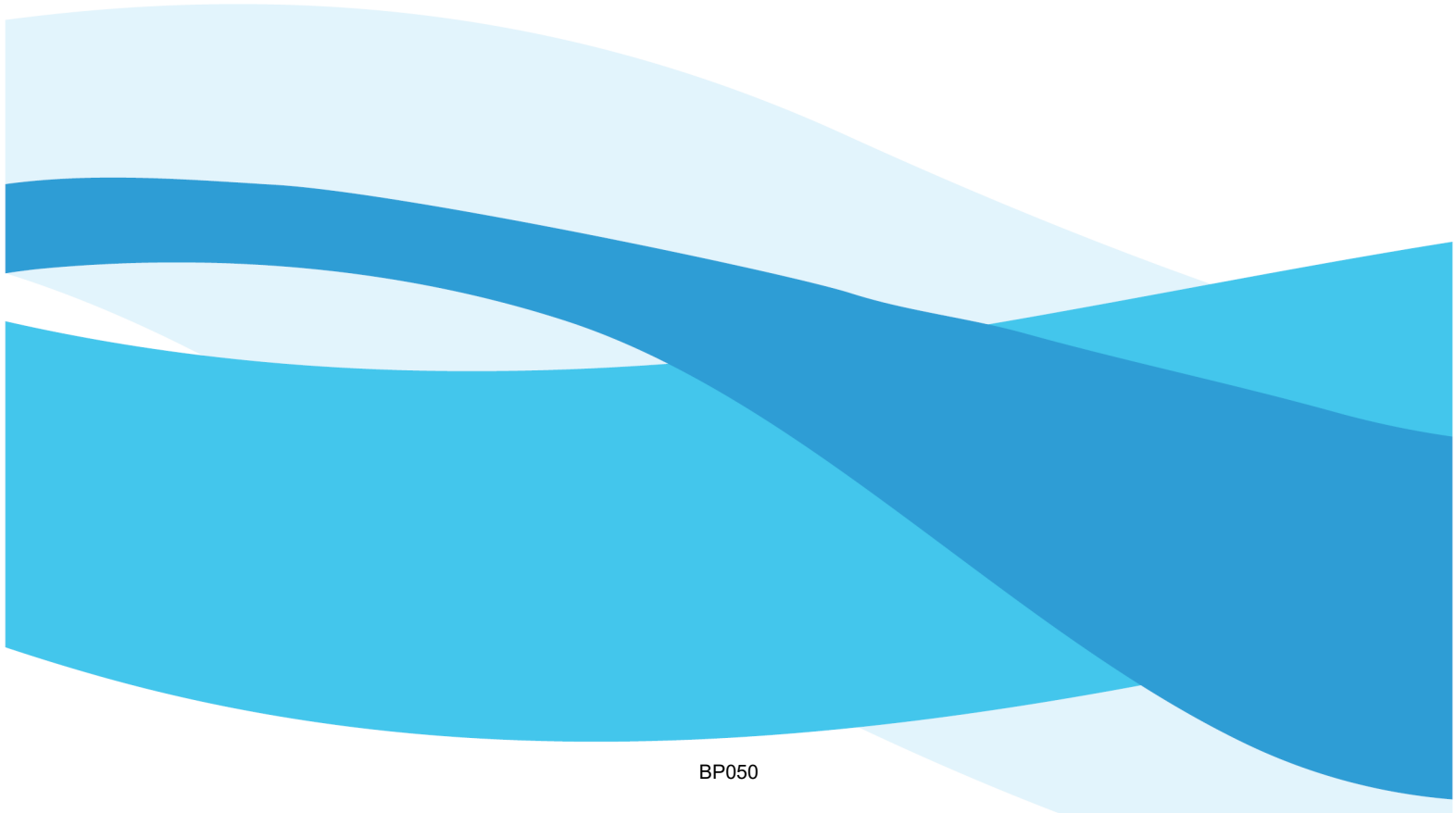


# Tab 6

Presentation of Fiscal Year 2027 Tentative Budget





# FISCAL YEAR 2026-27 BUDGET

Metro Water Public Hearing  
Monday, May 18, 2026

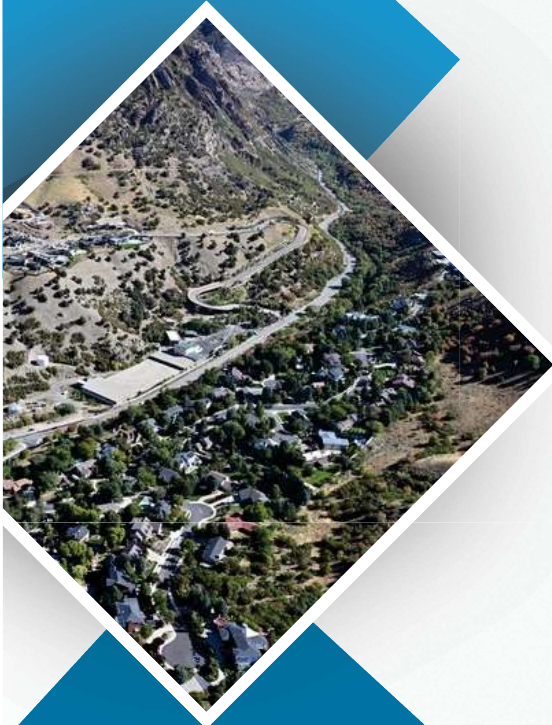


## Outline

- FY27 Tentative Budget
- Sources of Funds
- Uses of Funds

# Board of Trustees

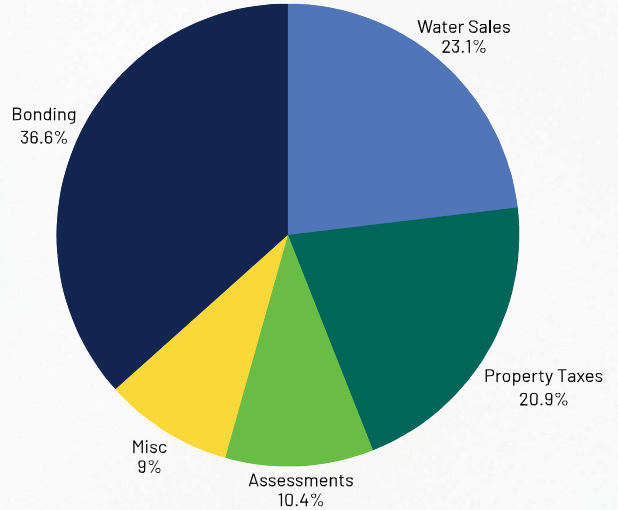
Board members appointed by city councils:  
Salt Lake City - 5 Trustees      Sandy City - 2 Trustees



## Sources of Funds

# Sources of Funds Tentative FY27

Sources of Funds	Budget 2026	Tentative 2027
<b>Water Sales</b>		
Member Cities	\$ 25,718,025	\$ 27,261,110
Others	955,191	1,299,344
<b>Total Water Sales</b>	<b>26,673,216</b>	<b>28,560,454</b>
Property Taxes	22,686,248	25,880,255
Assessments	12,986,790	12,807,908
<b>Miscellaneous</b>		
Interest	3,963,199	3,915,226
Other	5,347,668	272,325
Salt Lake City SLAR-CC Reimbursement	9,356,897	7,000,000
<b>Total Miscellaneous</b>	<b>18,667,764</b>	<b>11,187,551</b>
Bond Proceeds	30,390,000	45,261,530
<b>Total Sources of Funds</b>	<b>\$ 111,404,018</b>	<b>\$ 123,697,698</b>



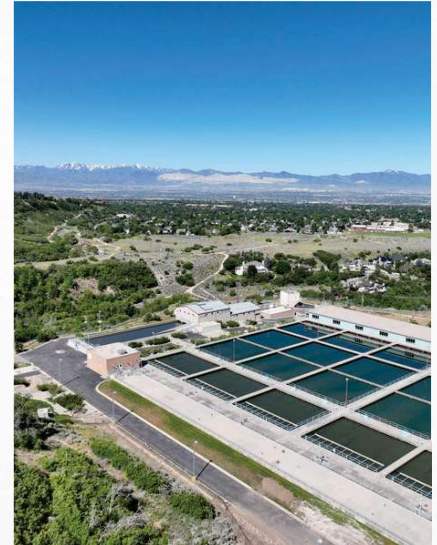
# Revenue Source - Water Rates

## Proposed FY27 Water Rate Increase

City	FY26 Water Sales Revenue	Percent Increase	Estimated FY27 Water Sales Revenue	Net Revenue Increase
Sandy City	\$ 7,201,047	6%	\$ 7,633,111	\$ 432,064
Salt Lake City	\$18,516,978	6%	\$19,627,999	\$ 1,111,021
<b>Total Water Sales to Member Cities</b>	<b>\$25,718,025</b>	<b>6%</b>	<b>\$27,261,110</b>	<b>\$1,543,085</b>

# Revenue Source - Property Taxes

City	FY26 Property Tax Revenue
Sandy City	\$ 4,842,802
Salt Lake City	\$ 17,324,133
Total Property Taxes to Member Cities	\$22,166,935



Certified Tax Rate in FY25 (2024 tax year) - 0.00035  
Maintain Certified Tax Rate in FY27.

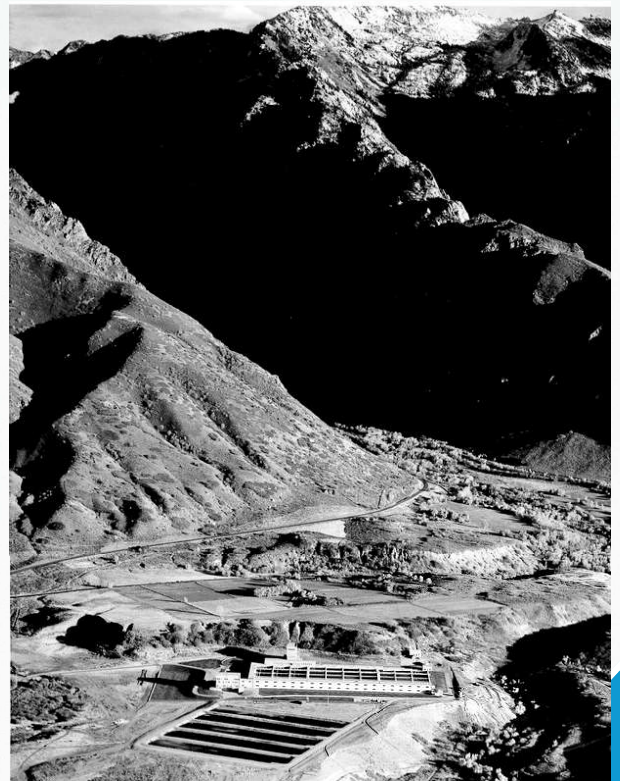
Increase of the certified tax rate in FY28 for capital projects  
to address aging infrastructure repair and replacement costs.

## Bonding

No bonding in FY26 due to change in completion date of Cottonwoods Connection project.

Anticipate issuance of bonds in FY2027 for:

- Completion of Cottonwoods Connection project (\$20.5M)
- Little Cottonwood Conduit Replacement and Intake Modifications project (\$20M)
- LCWTP Rebuild Project design (\$36M)





# Use of Funds

## Operations & Maintenance Key Components

Budget Items	Budget FY26	Tentative Budget FY27	% increase from FY26 budget	\$ increase from FY26 budget
Total O&M (excludes Salt Lake City-CC Reimbursement)	\$49,616,182	\$48,530,450	-2.19%	\$(1,085,732)
Salary & Wages	\$8,131,704	\$8,390,069	3.18%	\$ 258,365
Interest Expense	\$7,662,384	\$5,452,193	-28.84%	\$(2,210,191)
Provo River Water Users Association	\$4,791,024	\$5,044,451	5.29%	\$ 253,427
Employee Benefits	\$3,319,551	\$3,405,408	2.59%	\$ 85,857
Contract Services	\$2,920,084	\$2,992,761	2.49%	\$ 72,677
Utilities	\$2,610,249	\$2,713,250	3.96%	\$ 103,001
Chemicals	\$2,608,176	\$2,523,541	-3.24%	\$ (84,635)

# FY27 Capital Improvement Projects



## Routine Non-Capacity Improvement Projects

Salt Lake Aqueduct Replacement Reach 1	\$ 20,539,506
Finished Water Strategic Conveyance Plan	\$ 634,060
LCWTP Administration Campus Improvements	\$ 507,607
Little Cottonwood Rebuild	\$ 15,000,000
LCC Replacement and Intake Modifications	\$ 7,395,000
Fleet Replacement Program	\$ 470,000
Little Dell Dam Improvements	\$ 600,000
Repair and Replace	\$ 650,000
<b>Subtotal</b>	<b>\$ 45,796,173</b>

## Capacity Improvement Projects

\$0

## Other Capital Improvement Projects

Jordan Aqueduct System and 150th South Pipeline	\$ 3,776,739
Central Utah Project (CUP) Capital	\$ 3,815,423
<b>Subtotal</b>	<b>\$ 7,592,162</b>

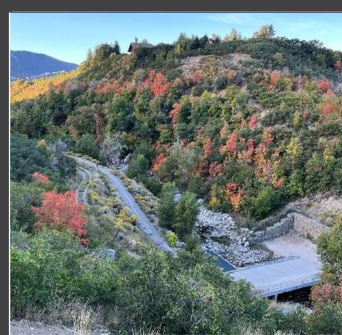
## Total Projects

**\$ 53,388,335**

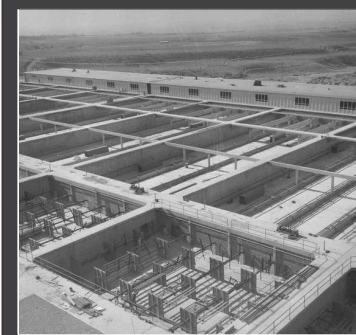
## Aging Infrastructure



**SALT LAKE AQUEDUCT**  
Placed in service 1950



**Raw Water LITTLE COTTONWOOD CONDUIT**  
Placed in service 1931



**LITTLE COTTONWOOD WATER TREATMENT PLANT**  
Placed in service 1960

## Project Benefits

- Resiliency against seismic disasters and landslides.
- Redundancy.
- Regional water supply solution.

- Resiliency against seismic disasters and landslides.
- Increased flow capacity.
- Operational independence from Murray Penstock.

- Resiliency against seismic disasters.
- Process improvements.
- Secure and reliable clean drinking water.

# Costs from Other Agencies

- Central Utah Water Conservancy District
  - Total annual CUWCD cost is approximately **\$5.7M**
  - 20,000 acre feet M&I and 3,100 acre feet ULS
- Jordan Valley Water Conservancy District
  - O&M costs will decrease by approximately 8.4%
  - Annual capital costs relate to the Jordan Valley Water Treatment Plant seismic upgrades
  - Capital Projects total **\$3.8M**, an 32% increase
- Provo River Water Users Association
  - Total annual PRWUA cost is **\$5M**
  - Deer Creek Intake Project complete
  - 30,950 acre feet (initial 50% allotment) and holdover



## QUESTIONS?

Thank you!



# THE METRO UPDATE

*Metropolitan Water District of Salt Lake & Sandy*



## REDUCING ALGAE AT THE POMWTP

At the Point of the Mountain Water Treatment Plant, raw water is stored in a 44-million-gallon outdoor reservoir before it enters the treatment process. Because the reservoir is exposed to sunlight and seasonal temperature changes, algae growth becomes a recurring challenge, especially in late summer and early fall when warmer water and longer daylight hours create ideal conditions for algae to thrive.

This seasonal algae growth can interfere with the treatment process. In particular, it increases the number of particles in the filter effluent. To maintain water quality, staff often need to increase chemical treatment by as much as 30%, raising operational costs.

In April, staff installed a new solution in the reservoir: the Pulsar 4400. This device emits ultrasonic waves that help control algae growth without the use of chemicals. If successful, the system will reduce chemical usage, lower costs, and offer a more environmentally friendly approach to managing algae.



## HUMAN RESOURCES

### NEW EMPLOYEES:

Nick Reed – Inspector/Locator  
AJ Chavez – Inspector/Locator

### ANNIVERSARIES:

Eric Sorensen – 20 years  
Water Resources Manager  
Todd Tucker – 10 years  
Senior Water System Operator  
Chad Rose – 5 years  
Inspector/Locator  
Alyssa Allen – 5 years  
Chemist I

## FOOD DRIVE AT LITTLE COTTONWOOD WATER TREATMENT PLANT



UTAH  
FOOD  
BANK

Metro Water is hosting a food drive from May 7th – June 9th. Donations will be accepted at the Administration Building.

## **SUSTAINABILITY COMMITTEE CELEBRATES EARTH DAY**

Metro Water's new Sustainability Committee hosted its first event on Earth Day, and even a bit of light rain couldn't dampen the enthusiasm. Employees gathered to plant a tree they decided on, with a certified arborist on-site to guide the planting and share expert insights on tree care and sustainability.

Attendees enjoyed light refreshments and took part in a fun scavenger-hunt-style bingo activity that encouraged everyone to explore the area in search of nature-themed clues. Prizes added an extra dose of friendly competition and excitement.

Thank you to all who joined us and helped make our first Earth Day celebration a meaningful success. More sustainability initiatives are on the horizon!



## **TOUR OF CENTRAL VALLEY WATER RECLAMATION FACILITY**

Metro Water staff recently toured the Central Valley Water Reclamation Facility. Central Valley is nearing completion of a ten-year, \$540M capital improvement project that closely mirrors the scope and complexity of the upcoming Little Cottonwood Water Treatment Plant (LCWTP) Rebuild.

Staff from Central Valley generously shared their experience and lessons learned across project planning, financing, scheduling, and construction. The 75-mgd facility serves approximately 615,000 residents in the Salt Lake Valley, including the LCWTP service area, and remained fully operational throughout the extensive reconstruction effort.

The project's scale has been remarkable: more than 50,000 cubic yards of concrete placed, over 4,200 tons of rebar installed, and more than 1,700 individual contractors working on site since 2019.



## **SLA PIPELINE SHUTDOWN AND VALVE REPLACEMENT PROJECT**

Metro Water staff recently completed a planned shutdown of the SLA pipeline in Provo Canyon to replace several critical valves. The pipeline was fully drained to allow safe access, and most of the high-priority valves identified were successfully replaced. Throughout the process, staff worked together seamlessly, gaining valuable experience with work not typically performed during daily operations.

As the pipeline was refilled, staff continuously monitored the system, monitoring the water through the canyon to ensure all infrastructure was functioning correctly and leak-free. This required extended and overnight shifts to maintain round-the-clock oversight.

One of the most significant challenges occurred at a site where a deteriorated section of pipe encased in concrete required immediate attention. A custom insert was engineered and installed to reinforce the damaged pipe, preventing a potential major failure and saving Metro substantial costs compared to a full replacement.

