



Summit County Service Area #3

2024 Proposed Rate and Fee Changes

5a





SCSA#3 Water System Background

- SCSA#3 Self Sufficient Water Service
 - SCSA #3 Owns and Maintains Water Rights/Shares and is required by law to meet Utah State Water Regulations
 - Lower Silver Creek lots have access to .75 acre ft. of water per year (Lots on water system infrastructure)
 - Upper Silver Creek lots have access to 1 acre ft. per year (Lot owners responsible to drill and maintain their own wells)
- 2 Water System Wells
 - Primary District Well - 150 Gallons Per Minute (GPM) pumping capacity, drilled in 1965.
 - Greenfield Well - 230 GPM pumping capacity, drilled in 2003. Secondary/Backup due to elevated arsenic levels
- 2 Storage Tanks
 - Silver Bullet 200,00 Gallon capacity - Needs immediate replacement due to age
 - Upper Silver Creek-In ground Tank- 500,000 Gallon capacity
- 13.42 Miles of Pipes
- 214 Connections on SCSA#3 Water System
- 172 Properties with Wells Utilizing SCSA#3 Water Rights/Shares
- Water Enterprise Fund Operating at a Loss. 2023 (-\$59,204) 2024 Projected (-\$55,800) Without Rate Increase



Need For Rate Increase

- Last Rate Increase 2021 (\$81-\$99/month) and 2008 (\$73-\$81/month)
- Community Growth and Aging System
 - Silver Creek is growing rapidly. Currently Silver Creek is ~80% built out
 - The first pipes in lower Silver Creek were installed in 1964, with a large expansion added in 1999 including a booster station and an upper storage tank
 - The Westwood line expansion was added in 2008 to help with failing private wells in that area
- Infrastructure Needs
 - Silver Bullet Storage Tank
 - Needs immediate replacement due to age degradation and not meeting seismic regulations
 - New replacement site identified for in-ground 500,000 gallon storage and elevation required for maximum head pressure
 - Timeline: estimated 2024-2025 Approx cost \$900,000+
 - Resting of Primary District Well-Increasingly high TDS (Total Dissolved Solids)
 - Is not designed to handle increased flow capacity requirement due to age and growth of community and ADUs
 - Convert to back-up well



Need For Rate Increase con't

- Greenfield Well
 - Currently Back-up / demand well
 - Approved to operate 3 months out of the year
 - Naturally occurring arsenic is above EPA standards
 - Cost to install filtration system is cost prohibitive
- Replacement Wells
 - Identified 2 locations for additional wells to replace District well and augment Greenfield well and meet current and future demand and fire flow requirements
 - Timeline- 2024-2025 Approx cost \$700k not including infrastructure, per well
- Increase To Fire Flow Capacity
 - Increase pipe size to meet current fire flow capacity requirement code by PCFD
 - Timeline- 2025-2026 Approx cost \$600,000+
- Funding Options
 - SA3 does not qualify for any grants due to high Median Household Income, MHI ~\$140,000+
 - Low interest loans available via state and federal. All lenders will require water rates to be a minimum of 1.75% of MHI i.e. \$2M Loan = ~\$150/ monthly water rate

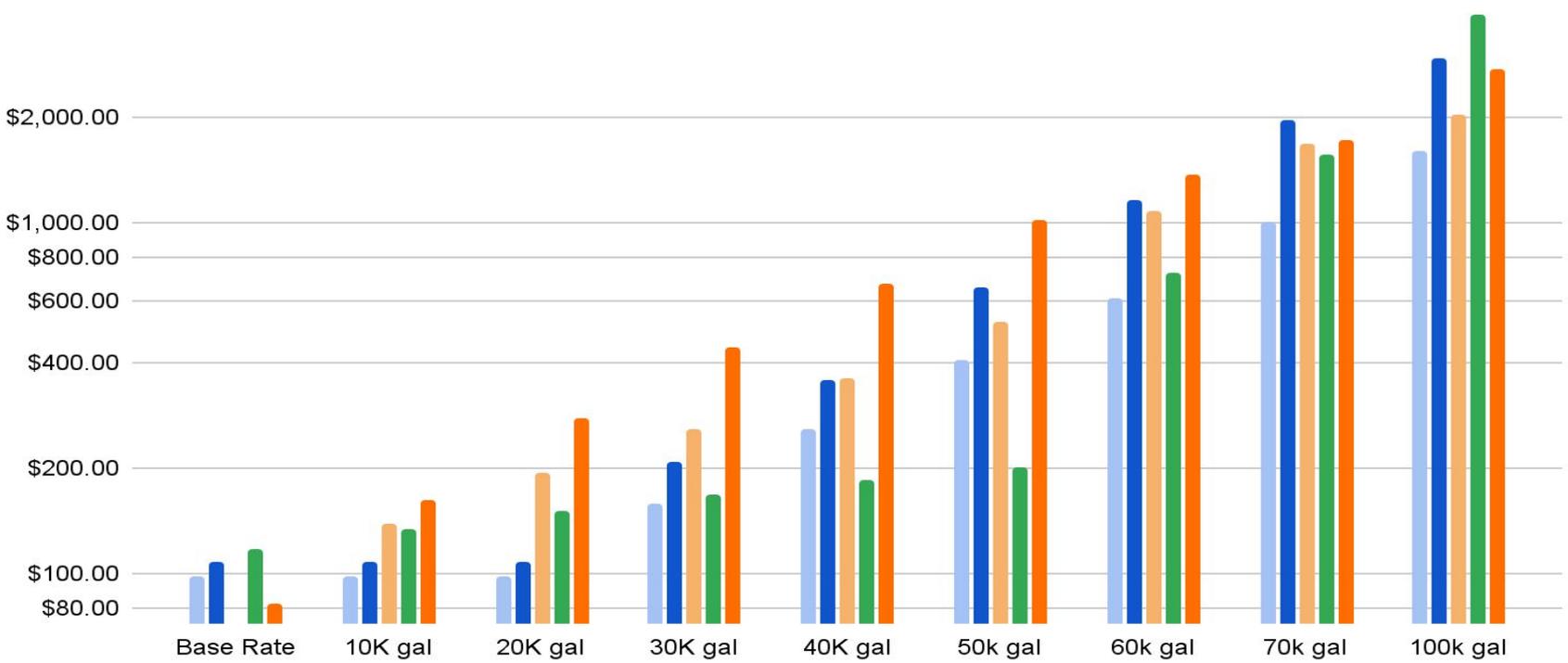


Current Financials

- Water Enterprise Fund Operating at a Loss. 2023 (\$59,204)
 - 2024 Projected (\$55,800) Without Rate Increase
 - Last Rate Increase 2021 (\$81-\$99/month)
 - In 2021 Board sought to incrementally evaluate/increase rates every 2 years
- Cost to Deliver 1st Gallon
 - Current expenses at ~\$181 per connection
 - Includes all costs associated with running the system less ADU and non system expenses (well users)
- Proposed Increase
 - Increase to connection revenue \$448,233.00 from \$309,164 (+ \$139,609)
 - Model relies on estimated current usage. May fluctuate depending on usage and weather
 - Proposed increase would result in operating at + \$53,333 per year
 - Is this adequate to meet debt service for capital improvements without having to increase base rates to \$150

Rate Comparison

SCSA Current SCSA Proposed Mt Regional Summit Water Park City Water





Revenue Breakdown

Count Of Homes/Water Usage Revenue August 2021 VS July 2024

