

January 2, 2025

## 2025 Budget Increase

We as management have found it necessary to propose, and the Board of Trustees has approved a 6% increase in sewer rates, a \$3 Sewer Treatment Assessment, and a 6% increase in water rates. The increases represent approximately a \$8.04 monthly or \$96.48 annual increase for our average residential customer.

## Significant Issues that Determined Water & Sewer Rates



## Central Valley Water Reclamation Facility (CVWRF) Upgrades

The Kearns Improvement District (KID), along with seven (7) other municipalities and improvement districts, is an owner of the CVWRF that treats our wastewater and discharges the treated water into the Jordan River and eventually the Great Salt Lake.

- The Environmental Protection Agency (EPA) and the Utah Division of Water Quality (DWQ) have mandated that the CVWRF treatment facility be reconstructed to reduce the ammonia and phosphorus concentration levels in the treated water that discharges into the Jordan River.
- The treatment plant facility upgrades, and reconstruction have cost the CVWRF partners over \$500,000,000 to meet the mandated limits. In 2025 KID is responsible for an additional \$9,000,000 for additional treatment plant upgrades.

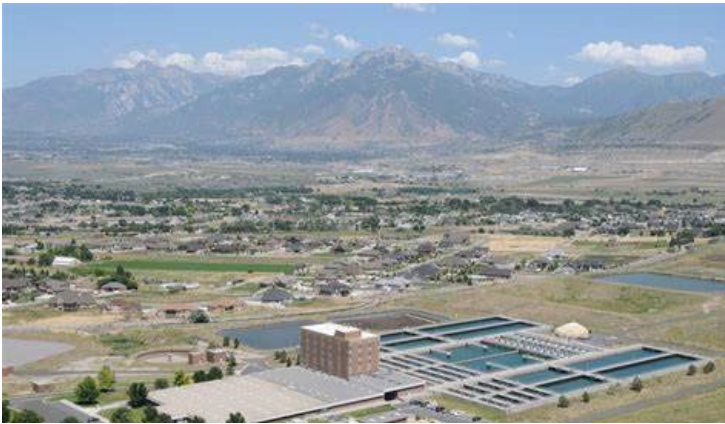
These mandated improvements have significantly impacted the rate increase to the KID customers.



### Jordan Valley Water Conservancy (JVWCD) 6.2% Wholesale Water Rate Increase

KID purchases 93% of the water provided to our customers from JVWCD. The remaining 7% is produced from the twelve wells that KID has throughout the District.

- JVWCD has had several capital infrastructure upgrade projects, including the renovation and seismic upgrade of the water treatment facility.



### KID Cybersecurity Infrastructure Upgrades

The Cyber Infrastructure Security Agency (CISA), the EPA and the DWQ have issued alerts and warnings that the nations water providers are under threat from foreign cyber terrorist groups seeking to disrupt the delivery of water. To deal with these threats, risk and resiliency mandates have been issued by these agencies to providers such as KID to upgrade our systems to protect the water system and its operations.

- To meet these threats KID was required to invest \$1,600,000 to upgrade our 20-year-old hardware and software systems to fortify our water delivery system against this cyber threat.

## Unfunded Government Mandates

### Lead & Copper

The EPA and the DWQ have required that KID spend significant resources, time, and money to determine the extent of hazardous lead piping used in the KID water system. The investigation was diligently pursued over the last two (2) years and cost the District several hundred thousand dollars. The investigation was recently completed, and we are happy to announce that KID has no lead service lines or water main piping in our water delivery system. For more information go to [www.KIDwater4ut.gov](http://www.KIDwater4ut.gov) and click on the “Lead & Copper” tab.



### PFAS

The EPA and the DWQ are requiring KID now test our water and wastewater for the detection of “forever chemicals,” polyfluoroalkyl substances (PFAS). Currently there is one vendor that does this specialized testing, and each test is several hundred dollars. It is anticipated that this will continue to be an ever-increasing issue in the years to come. To date, these tests have shown minimal amounts of PFAS that are within allowed limits.

### Material and Construction Costs

KID has experienced a doubling of costs of specialized water and sewer infrastructure materials along with associated delays in acquiring these items. In some cases, up to two years (2). In 2024 KID completed the replacement of the 4700 South Sewer Outfall Line at a cost of \$15,000,000. In 2021 this project was initially estimated to cost \$7,000,000.



## Grants

To help offset costs KID has applied for and received the following grants.

- KID applied for and received a federal grant through the Community Block Grant program of \$1,750,000 for the 5400 South Waterline Replacement
- KID also applied for and received approval of a federal grant for \$1,000,000 for the Kearns Jr. High School Water Line Replacement.
- KID received a grant for \$100,000 from the Utah Division of Drinking Water for the Lead and Copper Rule compliance effort.
- KID received \$57,000 from JWCD for a WaterSavers Conservation Grant.