

"our community"? SLC has hoarded water rights of other cities, now these cities are forced to buy the water under a "surplus" water scheme.

Schools like the U of U, Hospitals, Churches, industry, and business get hit with top tier rates. How can one justify forcing these users onto the highest tier, and then selling the "surplus" water in Wasatch County? Seems like a grandiose billing scheme to make what the market will bear instead of providing a public service for the lowest cost, highest efficiency, and service.

SLC's numbers don't stand up to challenge. January 26, 2007 its a population of 400,000. 11 days later its a population of 319,000. The actual number is around 252,000.

This means the City should have lower treatment costs, because this is not subcontracted out. Orem's water dept does not have a picnic site coordinator.

From: Salt Lake City Department of Public Utilities
Sent: Friday, August 17, 2007
Subject: UtahWater.net mailing

The recent mailing from UtahWater.net to Salt Lake City water customers contains misstatements and misleading information sent by a group of water speculators trying to acquire Salt Lake City water rights for personal gain.

Salt Lake City (SLC) vigorously protects our water rights and safeguards our water sources for the sustained health and well being of our community. The city is currently involved in litigation with these same speculators to protect our community's water supply. Rather than address the merits of the litigation the speculators resorted to a campaign of misinformation. The city will address the issues involved in that litigation within the context of that action. We regret the inconvenience or concern this mailer may have caused our customers, the City Council, and our colleagues in the City of Orem.

Set forth below is a selection of a few of the misstatements made in the mass mailing and the corresponding facts. We will be pleased to furnish any additional information you may need to better understand and respond to these materials. Please contact Stephanie Duer at 801.483.6860 (office) should you have any questions or concerns.

Misstatements/ Misrepresentations	Facts
<p>"Orem provides water with 60 percent less operating budget than does SLC"</p> <p>Orem's budget reflects the nature of its retail water service, which is a simple distribution and maintenance system, compared to SLC's system, which includes water collection and treatment, watershed management, finance and billing, and water quality testing functions.</p>	<p>SLC budget reflects a considerably larger water system than that of Orem's, including:</p> <ul style="list-style-type: none"> • 7.5 times the service area size • 3 times the miles of pipe • 3.5 times the population • 4.25 times the number of connections <p>SLC maintains the largest retail water system in the intermountain region, and has the oldest water system in Utah. Additionally, SLC protects and maintains 185 square miles of watershed and operates three water treatment plants; Orem performs none of these functions.</p>
<p>SLC levies a property tax to support water system</p>	<p>SLC water system is totally supported by water rates. No city property taxes are used for water system.</p>
<p>SLC charges different rates for different types of customers</p>	<p>SLC charges rates in one of three tiers, based on the volume of water used by a customer; rates are the same for different customer classes within each tier.</p>
<p>"Salt Lake City Water...increases costs for all Utahns."</p>	<p>SLC water rates are among the lowest in the west among cities of comparable size and commercial/industrial base; these competitive rates are good for all of Utah.</p>
<p>"Salt Lake City seeks impact fee increases"</p>	<p>SLC recently increased its water impact fees for new connections for the first time in five years to account for increases in construction costs due to inflation.</p>

Economies of scale should make SLC water utility rates lower than Orem's. 3 times the miles of pipe with 4.25 times the number of connections means SLC has less miles of pipe per connections than Orem; therefore, costs should be lower.

City customers pay over \$5 million in a Metro water district tax, and over \$5 million in a CUP tax which is included in water costs sold to SLC.

Compared to Utah's top 20 largest cities, how do the SLC rates and efficiency compare? Comparing oneself to out of state water utilities is not a fair comparison.

Orem experiences inflation as well. Efficiencies keep costs down.

Show us how SLC rates are competitive compared to Utah's top 20 largest cities. Simply making the claim of "competitive rates" does not make one competitive.