Minutes of the
Water Committee Budget Review Meeting

Bountiful City Water Department
April 13, 2023 (5:00 p.m.)

Present:

Committee Members:	Millie Segura Bahr (Chair), Kate Bradshaw, Richard Higginson
Other Council Members:	Kendalyn Harris, Cecilee Price-Huish, Jesse Bell (arrived 5:15 p.m.)
City Manager:	Gary Hill
Assistant City Manager:	Galen Rasmussen
Other City Department Staff:	Kraig Christensen, Gerald Wilson, Tracy Hatch, Todd Christensen

Official Notice of this meeting had been given by posting a written notice of same and an agenda at the City Hall and providing copies to the following newspapers of general circulation: Davis Journal, Standard Examiner, and on the Utah Public Notice Website.

Committee chair Millie Segura Bahr called the meeting to order at 5:01 p.m. and welcomed those in attendance.

PRESENTATION OF BUDGET

Kraig Christensen, Water Department Director, presented an overview of the Water Department operations along with the Major Roles and Critical Functions of the department. Main issues driving the budget request for Fiscal Year 2023-2024 are:

- Updated Water fees, rates, and tier system.
- Increases in material costs.
- New EPA lead and copper rule
- Water testing for Unregulated Contaminant Monitoring Rule (UCMR) for maximum contaminant level.
- Decrease in water sales due to conservation efforts of water users.
- Maintaining the 40-year pipe replacement plan.
- Valve replacement program.

Water rates are proposed for an increase of 5% and a fifth billing tier has been added for consideration to address high volume water users. In response to a question from the committee on the number of high use customers, Todd Christensen, Assistant City Engineer, provided a response. High peak volumes of water are attributed primarily to culinary water use in irrigation. Customers in

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high volume tier 4 (200,001 to 400,000 gallons) total between 40 and 60 customers and up to 20 customers are in the new high-volume tier 5 (400,001 gallons or more per month).

To illustrate increasing material costs, the following selected items were presented for the information of committee members:

- 1" meter setter ($552.28 now vs $389.36 in 2021)
- Fire Hydrant ($3,462 now vs $2,500 in 2021)
- 8" C-900 pipe ($21.20/foot vs $9.59/foot in 2021)
- 1" meter ($212.52 now vs $173.36 in 2021)

The new EPA lead and copper rule now requires water systems to inventory all service line connections for the city and property owner side of connections. This inventory is due by October 2024 to follow the new EPA rule. The city has 11,000 connections to inventory and this inventory must be made available for public inspection and must be posted to the city website. The City is allowed 45 days to replace connections after a homeowner elects to replace their connection. Notification of the EPA rule to residents will not likely take place until after the inventory of connections is complete in 2024.

Metered water sales are projected to reach $5,305,000 for the fiscal year 2023-2024. A series of graphs were shown to illustrate trends in water sales along with revenues and expenses from fiscal year 2016 to fiscal year 2022. The water rate increase of 5% will be proposed for adoption at the May 9th City Council Meeting along with other rates and fees citywide with associated policies, where applicable.

The Water department is continuing with the 40-year pipe replacement plan adopted by the City Council along with a supporting valve replacement program. There are issues developing with aging valves and pipes that necessitate additional staff resources to turn off larger areas of the system for repairs when problem valve or pipe areas fail. The 40-year replacement program is structured to keep pace with original plans using in-house crews and to notify customers timely of planned service interruptions for replacements. The goal per year was set in 2020 at 10,000 feet of pipe replacements per year. High priority valve areas will also be focused on, along with pipe, for replacement. Valve costs have increased but resource availability remains stable. Crews are sometimes able to reduce valve replacement costs by repairing valve components versus replacing the entire valve which saves on cost and retains functionality.

The line-item budget request of the Water department was reviewed along with details of the long-term capital plan. It was noted that the metered water sales budget takes into account the effects of conservation and is expected to result in an increase of $240,000 from the current year. The

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Personnel Services category includes a 5% COLA and the effects of health insurance premium increases. The Operations and Maintenance category includes changes for increases in selected building maintenance items, computer costs, system materials (pipe, and related), replacement of meters and related components that are exceeding their useful life.

In the Capital expense category, there is a $900,000 decrease in the water meter category versus the prior year due to lower volumes of work anticipated in the new year in this category. The Wells capital category includes expenses on the Calder Well. The contractor for the Calder Well could not complete the work in time so this job has been deferred to allow for system use of the Calder Well this season. Other wells in the system were reviewed by the Committee along with water levels in the wells. The machinery and equipment line-item includes trucks needed and two emergency generators.

With no further comments or questions being raised, Committee member Higginson made a motion to accept the tentative budget of the Water fund, as presented, and send the budget recommendation to the full city council for approval. Committee member Bradshaw seconded the motion. Voting was unanimous with Committee members Bahr, Bradshaw, and Higginson voting "aye".

The meeting adjourned at 6:38 p.m. on a motion made by Committee member Higginson and seconded by Committee member Bradshaw. Voting was unanimous with Committee members Bahr, Bradshaw, and Higginson voting "aye".

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