

# Minutes of the Water Committee Budget Review Meeting

Bountiful City Water Department  
April 25, 2022 (4:00 p.m.)

Present:

Committee Members:	Millie Segura Bahr (Chair), Kate Bradshaw, Richard Higginson, Kendalyn Harris (departed 4:31 p.m.), Jesse Bell (arrived 4:32 p.m.)
City Manager:	Gary Hill
Assistant City Manager:	Galen Rasmussen
Other City Department Staff:	Kraig Christensen, Gerald Wilson, Tracy Hatch, Lloyd Cheney, 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 4:03 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. These include:

- Delivery of quality water which meets EPA, State and County standards.
- Prompt response to emergency calls both during and after business hours.
- Maintain the water system infrastructure.
- Keeping treatment plant and pumping facilities maintained and operational.
- Communicating honestly with residents.

Fiscal Year Priorities include:

- Calder Well site rehabilitation.
- Get Viewmont Well operational to improve water production capabilities.
- Main line replacement (3 to 3.5 miles per year as a goal).
- Source protection and water conservation planning to account for severe drought conditions.

Highlights of the budget request for Fiscal Year 2022-2023 were reviewed with the Committee. Management anticipates a decrease in metered water sales due to drought conditions and conservation measures along with connection fee revenue decreases. Changes in the personnel

services category include merit increases for those eligible, some market adjustments, and a cost-of-living allowance along with corresponding changes in other related line items such as taxes, insurance, etc.

Changes in the operations and maintenance category include increases in the public notices section of \$3,800 to true up future costs reflective of actual historical expenses. Equipment supplies and maintenance costs are being budgeted higher to reflect a management decision of deferring purchase of new equipment and maintaining existing equipment as a budget strategy for the short-term. Additional cost increases are budgeted in fiscal year 2022-2023 for upgraded SCADA equipment to enhance monitoring and control capabilities within the water system along with additional cost in the budget to allow for required monthly water sampling for the year. It was noted that water samples currently are being sent out of state with a turnaround time of eight to nine weeks. Other notable increases in the budget include credit card fees and auditing fees along with the cost of supplies and materials needed for day-to-day operations including the purchase of additional supplemental water from outside sources.

Questions were asked by committee members and addressed by staff in regard to the expected financial effects to come from lower-than-normal operating revenues and increased operating expenses. It was noted that the fiscal year 2022-2023 effect will be addressed by a transfer from retained earnings of approximately \$1.17 million. Additional questions were asked regarding various operational issues related to repair of damaged facilities and planned system component replacement. Kraig Christensen noted that inventories of parts are on hand to address anticipated needs for the upcoming budget year.

A discussion ensued regarding possible temporary measures that could be undertaken for selling water in sufficient quantities to help minimize reductions in revenue while still maintaining water resources during the drought period. As a companion discussion to the foregoing item, committee members discussed with staff the viability of conducting a review of the existing tiered rates system in place and possibly implementing a new fifth billing tier to charge larger volume water users. The Committee then decided to make a recommendation to the full Council to ask staff to study and develop a new billing tier five to address larger customer use levels. It was agreed, however, that all actions in regard to rate setting would be guided by the existing City fund balance policy adopted two years ago. Additional actions considered for helping to encourage conservation of resources would be targeted letters to high water users. Staff estimated that there could be approximately 100 to 110 customer letters that would need to be sent if this request were made.

Pictures of the Water Treatment Plant and other key facilities such as wells, booster stations, and reservoirs were shown to the committee members along with some notable system repairs that have been completed over the years. Questions were asked regarding policies on flushing of hydrants,

types of meters in use, water testing procedures, certifications needed, and how damaged facility costs are recovered from those causing damage to City owned property. Staff addressed each point.

With no further comments or questions being raised, Committee member Bradshaw made a motion to accept the tentative budget of the Water fund, as presented, and send the budget along with a recommendation for staff to conduct a study of adding a new water tier 5. Committee member Higginson seconded the motion. Voting was unanimous with Committee members Bahr, Bradshaw, and Higginson voting "aye".

The meeting adjourned at 5:23 p.m. on a motion made by Committee member Higginson and seconded by Committee member Bahr. Voting was unanimous with Committee members Bahr, Bradshaw, and Higginson voting "aye".