

Minutes of the Water Committee Budget Review Meeting

Bountiful City Water Department
April 2, 2019 (8:00 a.m.)

Present:

Committee Members:	Richard Higginson (Chair) and Randy Lewis
City Manager:	Gary Hill
Assistant City Manager:	Galen Rasmussen
Water Department Director:	Mark Slagowski
Assistant Water Department Director:	Brett Eggett
Construction Superintendent:	Tracy Hatch
City Engineer:	Lloyd Cheney
Assistant City Engineer:	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 County Clipper, Standard Examiner, and on the Utah Public Notice Website.

Committee chair Richard Higginson called the meeting to order at 8:02 a.m., and welcomed those in attendance. It was noted that Committee member Chris Simonsen was excused due to illness.

PRESENTATION OF BUDGET

Mark Slagowski presented the detailed budget for the Water fund and responded to questions from the committee. A brief overview of current projects underway was given including an update on the new Water Treatment Plant in Mueller Park; water line projects completed and pump station work pending.

A map of the City's water lines was displayed showing new installations and replacements pending for existing water lines. Committee chair Higginson asked during the meeting if the work to-date was keeping pace with that promised as part of the last water rate increase made two years ago. Mark Slagowski indicated that the work is progressing at a pace exceeding the plans presented during the water rate increase discussions.

The line item budget for the Water fund showing historical and projected revenues and expenses for operations and capital was displayed and discussed by line item. Significant items discussed included:

- Personnel Services. Adjustments between years are due to cost of living increases, merit based pay adjustments and changes in health insurance premiums and plans utilized by the employees. Gary Hill noted that the budget includes a 10% increase in health premiums but recent quotes will bring this down to a 4% increase which will be reflected in the final budget.

- Equipment Supplies and Maintenance. This account increased in Fiscal Year 2019-2020 to recognize the planned purchase of a \$10,000 trailer.
- Distribution System Repair. Due to an accounting reclassification, this account and the account for Street Openings, includes the full cost of materials and other expenses related to capital projects work.
- Meters. This account is up due to the aging of the meter inventory and needs for replacements. About 50% of the citywide system is now out of warranty and the entire system will be replaced with upgraded equipment over an approximate 8 year time span.
- Metered Water Sales. Projections of water sales made by the City Engineer indicate sales of \$5.6 million by fiscal year end. This level was due to consumption and effects from the water rate increase made two years ago. Committee members inquired on public reaction to the rate increase. Mark Slagowski noted (along with Committee member Lewis) that the complaints and other comments from the public have been minimal.

The long-term capital plans for the Water fund were reviewed with particular focus on the Fiscal Year 2019-2020 detail. The Fiscal Year 2019-2020 year plans include funding for a booster station on 400 North; upgrade of certain well sites; replacement of a 20 year old SCADA system; provision for a stationary generator at the Treatment Plant and one additional mobile generator; pumps and motors in various locations; and a new dump truck to support additional staff work.

A question was asked on protocol that would be followed in the event of a water system emergency such as a chemical spill or similar. Mark Slagowski noted that contacts would be immediately made with City Management and state and county regulatory agencies.

A final note was made by Lloyd Cheney in regards to the planned Water Efficiency Study. Staff will be meeting with the consultant and work will be progressing to assess needs and potential improvements to be made. Committee chair Richard Higginson mentioned that the Council would be particularly interested in the outcome of this study. Concluding remarks included specific praise for the efficient and professional actions of the management and staff of the Water department.

With no further comments or questions, Committee member Lewis made a motion to accept the tentative budget of the Water fund, as presented, and Committee chair Higginson seconded the motion. Voting was unanimous with Committee members Higginson and Lewis voting "aye".

The meeting adjourned at 8:50 a.m. on a motion made by Committee member Lewis and seconded by Committee chair Higginson. Voting was unanimous with Committee members Higginson and Lewis voting "aye".