

1 **Minutes of the**
2 **Water Committee Budget Review Meeting**

3 Bountiful City Water Department
4 May 6, 2026 (4:30 p.m.)
5

6 Present:

7 Committee Members: Millie Bahr (Chair), Matt Murri, Beth Child
8 Council Members: Dan Bell
9 City Manager: Gary Hill
10 Assistant City Manager: Tyson Beck
11 Other City Department Staff: Kraig Christensen, Gerald Wilson, Tracy Hatch,
12 Lloyd Cheney, Todd Christensen, Jessica Sims,
13

14 Official Notice of this meeting was given by posting an Agenda at Bountiful City Hall and on the Bountiful
15 City Website and the Utah Public Notice Website.
16

17 Committee chair Bahr called the meeting to order at 4:31 p.m. and welcomed those in attendance.

18 **PRESENTATION OF BUDGET**

19 Kraig Christensen, Water Department Director, presented an overview of the Water Department
20 operations along with the Major Roles and Critical Functions of the department. A slide presentation
21 showed some projects that the staff has worked on for illustration of work products. The major roles
22 and critical functions of the Water Department were discussed by Kraig.

23 Major Roles and Functions:

- 24 • Deliver the best quality water that meets industry standards
25 • Quick response to calls
26 • Maintain the city water system infrastructure
27 • Maintain all facilities
28 • Open communication with residents

29 Fiscal Year Priorities for Fiscal Year 2027 include:

- 30 • LCRI (Lead and Copper rule improvements) service line inventory compliance
31 • Main line pipe replacement
32 • Improve Cross Connection program – ensure no cross connections between culinary and
33 secondary sources develop in the system
34 • Water conservation
35 • Millcreek reservoir replacement – Phase 1

1 Kraig discussed the department’s performance measures.

2 Operational budget highlights were reviewed with the Committee. Metered water sales are expected
3 to increase in fiscal year 2027 due to a proposed 3% increase in water rates and some natural growth
4 in usage. Changes in personnel services are due to the 3% cost of living allowance and a 2.5% change
5 in health insurance premiums along with merit increases for employees that qualify. Operations and
6 maintenance category changes were reviewed.

7 A discussion was held about what water is purchased by the department. For FY2027 it is anticipated
8 that the Weber Basin water purchase will increase in cost by \$19,000.

9 Lloyd Cheney led a brief explanation of the \$1.7 million Federal funding we were awarded through
10 Representative Celeste Maloy’s office to replace our Millcreek culinary water reservoir. Lloyd discussed
11 the many steps that are required to be fully awarded for this grant by the Federal government. Lloyd
12 explained that this Federal grant represents a little less than half of the full cost, so the 3% rate increase
13 built into the budget along with annual 5% increases for several years to help with the remaining costs.
14 The project will be replacing one reservoir with two 1.5-million-gallon reservoirs.

15 A question was raised about when the last rate increases were for the department. Lloyd responded
16 that fiscal year (FY) 2023 increased 5%, FY25 increased 2%, FY26 increased 20%, and the proposed 3%
17 increase in FY27. Gary Hill added that these increases are being driven by the significant need to replace
18 end-of-lifecycle culinary water reservoirs.

19 Lloyd Cheney and Kraig Christensen reviewed graphs reflecting water revenue trends in both the base
20 rate and overage categories. It was noted that the overage category is the most difficult to forecast
21 due to water conservation efforts, weather patterns, and customer perception and demand.

22 A transition was then made to display a separate forecasting model developed by the City Engineer.
23 This model was designed by the former City Engineer to reflect the impact of revenues and expenses
24 on the fund balance of the Water Fund utilizing both historical financial data as well as reasonable
25 projections. Projections are based on conservative estimates for such items as construction costs,
26 inflation, and related factors. The graphical output of the model has the appearance of a roller coaster
27 when trends are viewed over a selection of years. These trends help in forecasting future infrastructure
28 needs, and necessary rate increases to support the expense needs of the Water Fund. The forecast calls
29 for ongoing 5% annual increase to take care of operating and capital needs.

30 Lloyd also expressed a desire to soon revisit how our tiered rate structure treats water use. Lloyd
31 explained our top tier is significantly higher than the majority of Davis County municipalities and most
32 of them only have three tiers while we have five. Lloyd will bring any recommended changes back to
33 the Council in a coming budget cycle.

1 Kraig showed a map illustrating that ~40% of the City's waterlines have been replaced since the year
2 2000.

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

7 The meeting adjourned at 6:08 p.m. on a motion made by Committee member Child and seconded by
8 Committee member Murri. Voting was unanimous with Committee members Murri, Child, and Bahr
9 voting "aye"



Mayor Kate Bradshaw



Sophia Ward
City Recorder

