



Huntsville, Alabama

305 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 9/12/2024

File ID: TMP-4585

Department: Huntsville Utilities

Subject:

Type of Action: Approval/Action

Resolution authorizing the Mayor to approve Budget Work Orders and Project Work Orders for new construction for system improvements, capital projects including material purchasing, outside services, and labor, transportation, and other expenses, as outlined in the Budget for the Electric Department for the Fiscal Year 2025 at a total estimated cost of \$78,468,655.00. (Utilities: Electric)

Choose an item.

Finance Information:

Account Number: N/A

City Cost Amount: \$ N/A

Total Cost: \$78,468,655

Special Circumstances:

Grant Funded: \$ N/A

Grant Title - CFDA or granting Agency: N/A

Resolution #: N/A

Location: (list below)

Address: N/A

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments:

RESOLUTION 24- _____

WHEREAS, on July 24, 2024, the City of Huntsville Electric Utility Board has approved the Budget for the Electric Department for the Fiscal Year of 2025, which includes Budget Work Orders and Project Work Orders for new construction for system improvements, capital projects including material purchasing, outside services, and labor, transportation, and other expenses, as outlined in the Budget for the Electric Department for the Fiscal Year 2025 at a total estimated cost of \$78,468,655.00; and

WHEREAS, the Budget Work Orders and Project Work Orders relevant to the Fiscal Year 2025 Budget for the Electric Department Budget are described as follows:

Budget Work Order 351-2025 –New Construction. Materials, outside services, and labor for new construction items for the Electric, Fiber, and Joint Departments for fiscal year 2025. These items include system improvements and capital projects at an estimated cost of \$13,575,000.00.

Budget Work Order 352-2025 –Renewals and Replacements. Materials for renewal and replacement items for the Electric, Fiber, and Joint Departments for fiscal year 2025. These items include miscellaneous renewals, replacements, and relocation work at an estimated cost of \$1,950,000.00.

Budget Work Order 370-2025 – Land. Land as outlined in the budget for the Electric and Joint Departments for fiscal year 2025. This includes the purchase of land for substation construction at an estimated cost of \$200,000.00.

Budget Work Order 371-2025 –Office Furniture & Equipment. Office furniture and equipment as outlined in the budget for the Electric, Fiber, and Joint Departments for fiscal year 2025. This includes the items too large or costly to be included in the operating expense budget at an estimated cost of \$380,000.00

Budget Work Order 372-2025 –Tools & Work Equipment. Request approval to purchase work equipment as outlined in the budget for the Electric, Fiber, and Joint Departments for fiscal year 2025. This includes the items too large or costly to be included in the operating expense budget at an estimated cost of \$100,000.00.

Budget Work Order 373-2025 –Transportation. New transportation items as outlined in the budget for the Electric, Fiber, and Joint Departments for fiscal years 2025 through 2027. This includes new and replacement vehicles and other miscellaneous items at an estimated cost of \$3,012,155.00.

Budget Work Order 374-2025 –Communications Equipment. New communications equipment as outlined in the budget for the Electric and Joint Departments for fiscal year

2025. These items include upgrades, RTUs, and radios at an estimated cost of \$1,538,000.00.

Budget Work Order 375-2025 –Computer Equipment. New computer equipment and support as outlined in the budget for the Electric and Joint and Fiber Departments for fiscal year 2025. These items include hardware, software, licensing, etc. at an estimated cost of \$1,107,000.00.

Budget Work Order 376-2025 –Metering Equipment. New metering equipment as outlined in the budget for the Electric and Joint Departments for fiscal years 2025 and 2026. These items include electric meters at an estimated cost of \$6,352,500.00.

Budget Work Order 377-2025 –Transformers. New transformers as outlined in the budget for the Electric and Joint Departments for fiscal years 2025 and 2026. These items include distribution transformers at an estimated cost of \$30,000,000.00.

Project Work Order –Systems Operations Center and Chase Improvements-AMENDED. Materials, outside services, and labor for the construction of a new Systems Operations Center at the Chase Operations location at an estimated cost of \$6,420,000.00.

Project Work Order – Elkwood Section Delivery Substation 161kV/46kV - AMENDED. Materials, outside services, and labor to construct a new electric substation due to growth and capacity needs in the northwest area of Madison County at an estimated cost of \$1,100,000.00.

Project Work Order – Walker Lane Substation -AMENDED. Materials, outside services, and labor to construct a new electric substation due to growth needs in the northeast area of Madison County at an estimated cost of \$1,025,000.00.

Project Work Order – Walker Lane Exit Circuits - AMENDED. Outside services and labor to construct new exit circuits to facilitate the Walker Lane Substation in the northeast area of Madison County at an estimated cost of \$400,000.00.

Project Work Order –Security System Equipment for New Operations Center. Purchase materials, outside services, and labor to install security infrastructure at New System Operations Center at an estimated cost of \$100,000.00.

Project Work Order – Equipment Shed. Materials, outside services, and labor to construct a new equipment shed for the Fiber Operations Building at an estimated cost of \$850,000.00.

Project Work Order – Rubber Goods Testing Area Buildout. Materials, outside services, and labor to construct an area for the testing of rubber goods at an estimated cost of \$2,560,000.00.

Project Work Order – 46kV- Countyline to Capshaw. Materials, outside services, and labor to construct a 46kV circuit from Countyline delivery point to relieve stressed

systems serving the Capshaw substation in the northwest area of Madison County at an estimated cost of \$1,500,000.00.

Project Work Order – Battery Energy Storage system at Stringfield Substation. Materials, outside services, and labor to design and install system to shave off peak demand on distribution circuits at Stringfield Substation in the northwest area of Madison County at an estimated cost of \$1,750,000.00.

Project Work Order – Security Addition to Northwest Substation. Materials, outside services, and labor to install substation security at the Northwest Substation at an estimated cost of \$50,000.00.

Project Work Order – Spragins Improvements-AMENDED. Materials, outside services, and labor to make improvements to our Spragins Facility basement and tenant space on the southwest side of the building to include Billing, Collections, Energy Services, and Safety at an estimated cost of \$1,350,000.00.

Project Work Order – Walker Lane 12kV to 25kV Conversion-AMENDED. Materials, outside services, and labor to construct a new electric substation due to growth needs in the northeast area of Madison County at an estimated cost of \$124,000.00.

Project Work Order – Chiller Replacements. Materials, outside services, and labor to replace chillers in the Spragins building which are at the end of their life expectancy at an estimated cost of \$975,000.00.

Project Work Order – Chase Complex Milling Asphalt. Materials, outside services, and labor to construct parking spaces located on the south side of the Chase Main building at an estimated cost of \$1,000,000.00.

Project Work Order –Stringfield Substation Transformer Upgrade. Materials, outside services, and labor to upgrade the Stringfield Substation to meet increased peak capacity in the northwest area of Madison County at an estimated cost of \$750,000.00.

Project Work Order – Oscar Patterson Road Reconductor. Materials, outside services, and labor to construct a reconductor circuit to allow interconnection and load transfer to the new Walker Lane substation in the northeast area of Madison County at an estimated cost of \$300,000.00.

WHEREAS, the estimated cost of said Purchases is in excess of \$25,000.00 and requires the consent and approval of the City Council of the City of Huntsville, Alabama;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Huntsville, Alabama that the Budget Work Orders and Project Work Orders for new construction for system improvements, capital projects including material purchasing, outside services, and labor, transportation, and other expenses, as outlined in the Budget for the Electric Department for the Fiscal Year 2025 and listed above at a total estimated cost of \$78,468,655.00 be, and the same is hereby approved and the written consent or approval of the City Council of the City of Huntsville is hereby granted to the City of Huntsville Electric Utility Board for the expenditure

of sufficient funds from the proper fund belonging to the City of Huntsville Electric Utility Board for the payment of the cost thereof.

ADOPTED this the ____ day of _____, 2024.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the ____ day of _____, 2024.

Mayor of the City of Huntsville,
Alabama



Huntsville Utilities

ELECTRICITY • NATURAL GAS • WATER

MEMORANDUM

To: Huntsville City Council

From: Wes Kelley, President & CEO

Date: August 30, 2024

Subject: Huntsville Utilities Item for City Council Agenda, September 12, 2024

Resolution authorizing the Mayor to approve Budget Work Orders and Project Work Orders for new construction for system improvements, capital projects including material purchasing, outside services, and labor, transportation, and other expenses, as outlined in the Budget for the Electric Department for the Fiscal Year 2025 at a total estimated cost of \$78,468,655.00. (Utilities: Electric)

Approval of the resolution authorizing the Mayor to approve Budget Work Orders and Project Work Orders for new construction for system improvements, capital projects including material purchasing, outside services, and labor, transportation, and other expenses, as outlined in the Budget for the Water Department for the Fiscal Year 2025 at a total estimated cost of \$78,468,655.00. This is a budgeted item. (Utilities: Electric)

Total Estimated Cost: \$78,468,655

**HUNTSVILLE UTILITIES ELECTRIC BOARD
CAPITAL EXPENDITURES FOR APPROVAL
AUGUST 2024**

The following **Budget Work Orders** submitted for approval are Huntsville Utilities capital expenditures over \$25,000. The total estimated cost shown for these items is expected to be incurred in the FY25-27 budget years.

Item #1 Budget Work Order 351-2025 –New Construction

Request approval to purchase materials, outside services, and labor for new construction items for the Electric, Fiber, and Joint Departments for fiscal year 2025. These items include system improvements and capital projects and are 2024-2025 budgeted items, budget code 51.

Total Estimated Cost: \$13,575,000

Item #2 Budget Work Order 352-2025 –Renewals and Replacements

Request approval to purchase materials for renewal and replacement items for the Electric, Fiber, and Joint Departments for fiscal year 2025. These items include miscellaneous renewals, replacements, and relocation work and are 2024-2025 budgeted items, budget code 52.

Total Estimated Cost: \$1,950,000

Item #3 Budget Work Order 370-2025 – Land

Request approval to purchase land as outlined in the budget for the Electric, Fiber and Joint Departments for fiscal year 2025. This includes the purchase of land for substation construction. This is a 2024-2025 budgeted item, budget code 70.

Total Estimated Cost: \$200,000

Item #4 Budget Work Order 371-2025 –Office Furniture & Equipment

Request approval to purchase office furniture and equipment as outlined in the budget for the Electric, Fiber, and Joint Departments for fiscal year 2025. This includes the items too large or costly to be included in the operating expense budget. These are 2024-2025 budgeted items, budget code 71.

Total Estimated Cost: \$380,000

Item #5 Budget Work Order 372-2025 –Tools & Work Equipment

Request approval to purchase work equipment as outlined in the budget for the Electric, Fiber, and Joint Departments for fiscal year 2025. This includes the items too large or costly to be included in the operating expense budget. These are 2024-2025 budgeted items, budget code 72.

Total Estimated Cost: \$100,000

Item #6 Budget Work Order 373-2025 –Transportation

Request approval to purchase new transportation items as outlined in the budget for the Electric, Fiber, and Joint Departments for fiscal years 2025 through 2027. This includes new and replacement vehicles and other miscellaneous items. These are 2024-2027 budgeted items, budget code 73.

Total Estimated Cost: \$3,012,155

Item #7 Budget Work Order 374-2025 –Communications Equipment
Request approval to purchase new communications equipment as outlined in the budget for the Electric, Fiber and Joint Departments for fiscal year 2025. These items include upgrades, RTUs, and radios. These are 2024-2025 budgeted items, budget code 74.

Total Estimated Cost: \$1,538,000

Item #8 Budget Work Order 375-2025 –Computer Equipment
Request approval to purchase new computer equipment and support as outlined in the budget for the Electric, Fiber and Joint Departments for fiscal year 2025. These items include hardware, software, licensing, etc. These are 2024-2025 budgeted items, budget code 75.

Total Estimated Cost: \$1,107,000

Item #9 Budget Work Order 376-2025 –Metering Equipment
Request approval to purchase new metering equipment as outlined in the budget for the Electric, Fiber and Joint Departments for fiscal years 2025-2026. These items include electric meters. These are 2024-2026 budgeted items, budget code 76.

Total Estimated Cost: \$6,352,500

Item #10 Budget Work Order 377-2025 –Transformers
Request approval to purchase new transformers as outlined in the budget for the Electric, Fiber and Joint Departments for fiscal years 2025-2026. These items include distribution transformers. These are 2024-2026 budgeted items, budget code 77.

Total Estimated Cost: \$30,000,000

The following **Project Work Orders** submitted for approval are Huntsville Utilities projects with a defined life cycle that include multiple work phases. In many cases the project is expected to extend beyond the current budget year. The total estimated cost is based on current estimates of what is needed to complete the project unless otherwise noted. If project costs exceed the estimated amount additional approvals will be requested at that time.

Item #11 Project Work Order – System Operations Center and Chase Improvements-AMENDED
Request approval to purchase materials, outside services, and labor for the construction of a new System Operations Center at the Chase Operations location. This project is a budgeted item, budget code 51.

Total Estimated Cost: \$6,420,000

Item #12 Project Work Order – Elkwood Section Delivery Substation 161-46kV-AMENDED
Request approval to purchase materials, outside services, and labor to construct a new substation to serve growth needs in the northwest area of Madison County. This project is a budgeted item, budget code 51.

Total Estimated Cost: \$1,100,000

Item #13 Project Work Order – Walker Lane Substation-AMENDED
Request approval to purchase materials, outside services, and labor to construct a new electric substation due to growth needs in the northeast area of Madison County. This project is a budgeted item, budget code 51.

Total Estimated Cost: \$1,025,000

- Item #14 Project Work Order –Walker Lane Exit Circuits-AMENDED**
Request approval to purchase materials, outside services, and labor to construct new exit circuits to facilitate the Walker Lane Substation in the northeast area of Madison County. This project is a budgeted item, budget code 51.
- Total Estimated Cost: \$400,000**
- Item #15 Project Work Order –Security System Equipment for New Operations Center**
Request approval to purchase materials, outside services, and labor to install security infrastructure at the New System Operations Center. This project is a budgeted item, budget code 51.
- Total Estimated Cost: \$100,000**
- Item #16 Project Work Order – Equipment Shed**
Request approval to purchase materials, outside services, and labor to construct a new equipment shed for the Fiber Operations Building. This project is a budgeted item, budget code 51.
- Total Estimated Cost: \$850,000**
- Item #17 Project Work Order – Rubber Goods Testing Area Buildout**
Request approval to purchase materials, outside services, and labor to construct an area for the testing of rubber goods. This project is a budgeted item, budget code 51.
- Total Estimated Cost: \$2,560,000**
- Item #18 Project Work Order – 46kV – Countyline to Capshaw**
Request approval to purchase materials, outside services, and labor to construct a 46kV circuit from Countyline delivery point to relieve stressed systems serving the Capshaw substation in the northwest area of Madison County. This project is a budgeted item, budget code 51.
- Total Estimated Cost: \$1,500,000**
- Item #19 Project Work Order – Battery Energy Storage System at Stringfield Substation**
Request approval to purchase materials, outside services, and labor to design and install system to shave off peak demand on distribution circuits at Stringfield Substation in the northwest area of Madison County. This project is a budgeted item, budget code 51.
- Total Estimated Cost: \$1,750,000**
- Item #20 Project Work Order – Security Addition to Northwest Substation**
Request approval to purchase materials, outside services, and labor install substation security at the Northwest Substation. This project is a budgeted item, budget code 51.
- Total Estimated Cost: \$50,000**
- Item #21 Project Work Order – Spragins Improvements-AMENDED**
Request approval to purchase materials, outside services, and labor to make improvements to our Spragins Facility basement and tenant space on the southwest side of the building to include Billing, Collections, Energy Services, and Safety. This project is a budgeted item, budget code 52.
- Total Estimated Cost: \$1,350,000**

- Item #22 Project Work Order – Walker Lane 12kV to 25kV Conversion-AMENDED**
Request approval to purchase materials, outside services, and labor to construct a new electric substation due to growth needs in the northeast area of Madison County. This project is a budgeted item, budget code 52.
- Total Estimated Cost: \$124,000**
- Item #23 Project Work Order – Chiller Replacements**
Request approval to purchase materials, outside services, and labor to replace chillers in the Spragins building which are at the end of their life expectancy. This project is a budgeted item, budget code 52.
- Total Estimated Cost: \$975,000**
- Item #24 Project Work Order – Chase Complex Milling Asphalt**
Request approval to purchase materials, outside services, and labor to construct parking spaces located on the south side of Chase Main building. This project is a budgeted item, budget code 52.
- Total Estimated Cost: \$1,000,000**
- Item #25 Project Work Order – Stringfield Substation Transformer Upgrade**
Request approval to purchase materials, outside services, and labor to upgrade the Stringfield Substation to meet increased peak capacity in the northwest area of Madison County. This project is a budgeted item, budget code 52.
- Total Estimated Cost: \$750,000**
- Item #26 Project Work Order – Oscar Patterson Road Reconductor**
Request approval to purchase materials, outside services, and labor to reconductor circuit to allow interconnection and load transfer to the new Walker Lane substation in the northeast area of Madison County. This project is a budgeted item, budget code 52.
- Total Estimated Cost: \$300,000**

Authorized by: 
President/CEO

Date: 8/28/24

Approved by: 
Electric Board

Date: 8-28-24

Approved by: _____
City Council

Date: _____