



# Huntsville, Alabama

308 Fountain Circle  
Huntsville, AL 35801

## Cover Memo

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**Meeting Type:** City Council Regular Meeting **Meeting Date:** 7/13/2023

**File ID:** TMP-3132

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**Department:** Huntsville Utilities

**Subject:**

**Type of Action:** Approval/Action

Resolution authorizing the Mayor to approve the expenditure for general development of electric and fiber, as well as improvements to various facilities and workspaces in the amount of \$4,200,000. (Utilities: Electric)

Resolution No.

**Finance Information:**

**Account Number:** N/A

**City Cost Amount:** \$ N/A

**Total Cost:** \$ 4,200,000

**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:** N/A

**RESOLUTION 23- \_\_\_\_\_**

**WHEREAS**, the City Council of the City of Huntsville, Alabama previously approved BWO 351-2023 for the expenditure for general development of electric and fiber, as well as improvements to various facilities and workspaces in the amount of \$10,325,000; and

**WHEREAS**, the amount of fiber development work has increased, due to connections for the City of Huntsville facilities and for general buildout; and

**WHEREAS**, on June 28, 2023, the City of Huntsville Electric Utility Board has approved an additional expenditure for general development of electric and fiber, as well as improvements to various facilities and workspaces in the amount of \$4,200,000; and

**WHEREAS**, the estimated additional cost of said Purchase 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 the expenditure for general development of electric and fiber, as well as improvements to various facilities and workspaces in the additional amount of \$4,200,000 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 Electric Utility Board for the payment of the cost thereof.

**ADOPTED** this the 13th day of July, 2023.

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

**APPROVED** this the 13th day of July, 2023.

\_\_\_\_\_  
Mayor of the City of Huntsville,  
Alabama



**HUNTSVILLE UTILITIES**  
**ELECTRICITY • NATURAL GAS • WATER**

## **MEMORANDUM**

**To:** Huntsville City Council

**From:** Wes Kelley, President & CEO

**Date:** July 7, 2023

**Subject:** Huntsville Utilities Item for City Council Agenda, July 13, 2023  
Resolution authorizing the Mayor to approve the expenditure for general development of electric and fiber, as well as improvements to various facilities and workspaces in the amount of \$4,200,000. (Utilities: Electric)

Approval of the resolution authorizing the Mayor to approve the expenditure for general development of electric and fiber, as well as improvements to various facilities and workspaces in the amount of \$4,200,000. This is a budgeted item. (Utilities: Electric)

**Additional Expenditure: \$4,200,000**



**HUNTSVILLE UTILITIES**  
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## MEMORANDUM

**To:** Electric Board  
Wes Kelley, CEO and President

**From:** Stacy Cantrell

**Date:** June 15, 2023

**Subject:** Fiscal Year 2023 Increase to Budget Work Order 351-2023

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Engineering is requesting a \$4,200,000 increase to BWO 351-2023, originally approved at \$10,325,000. This BWO covers general development of electric and fiber, as well as improvements to various facilities and workspaces.

Both Electric and Fiber General Development have been trending above the budgeted amount. General Development for Electric was almost \$1,000,000 for the month of May alone and is expected to remain high for the remainder of the fiscal year. The amount of fiber development work has increased, due to connections for City of Huntsville facilities and for general buildout.

The upcoming months are traditionally the busier construction months, and both labor resources and supply chain constraints are lessening, allowing the initiation of many work orders that have been on hold. To keep pace, we have increased our use of contract labor, which impacts the BWO amount.

General Development work is driven by customer requests and is also offset by CIAC payments. CIAC of \$11,644,457 has been collected for general development this year. These charges are based on the total job cost estimates, which include internal labor and overheads that do not affect the BWO.

***Staff requests the approval of a \$4,200,000 increase to BWO 351-2023 and approval to submit to City Council so that work will not be disrupted.***

cc: Karen Heyse, Budget and Rates Director  
Melissa Marty, Chief Financial Officer  
Carson Smith, Engineering Services Director

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Approved by: ☐ Water & Gas Board  
☒ Electric Board

Board Approved Date: \_\_\_\_\_  
Board Approved Date: 6/28/23