

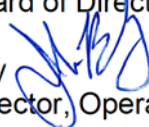


**CENTRAL COAST WATER AUTHORITY**

**MEMORANDUM**

September 17, 2020

**TO:** CCWA Board of Directors

**FROM:** John Brady   
Deputy Director, Operations and Engineering

**SUBJECT:** Budget Transfers for Various Projects

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**BUDGET TRANSFER REQUEST**

There are three projects that were over-budget in FY 2019/2020, but are balanced by numerous projects that were completed under-budget. To provide clarity for the year-end carryover process and to ensure there are sufficient funds to cover the over-budget projects, several budget transfers are requested. Only one of the three projects will be carried over into FY 2020-2021, with all other projects being closed.

The proposed Budget Transfers are presented in the Table below:

Project Needing Funding	Reach	Project Number	Deficit	Carryover?	Transfer Source of Funds	Reach	Project Number	Amount of Transfer
Siemens Solar Project Evaluation	WTP	E-19SOLAR	\$8,082	No	Lagoon A Inlet Valve Repair	WTP	E-19LAIVRP	\$8,082
Tank Inspection WTP Clearwell and Tank	WTP/33B	E-19TKINSP	\$10,566	Yes	Pavement Slurry Seal Tank 2	33B	E-18PAVET2	\$10,566
Risk and Resiliency Assessment	WTP/DIST	E-19RISKRS	\$25,877	No	Pavement Slurry Seal Tank 2	33B	E-18PAVET2	\$25,876

**RATIONAL**

Siemens Solar Project Evaluation, E-19SOLAR. Siemens approached CCWA staff with a proposal to construct a solar panel electrical system at the Polonio Pass Water Treatment Plant. After consideration, CCWA staff conducted a preliminary analysis of the proposal and subsequently presented the proposal to the CCWA Operating Committee in March 2020. The Operating Committee offered suggestions related to additional analysis of the proposal and also indicated that they were open to further consideration of the proposal. Following up on suggestions, CCWA staff conducted additional research and analysis of the proposal and ultimately presented the proposal to the Board in April 2020. The Board authorized staff to proceed with retaining engineering and legal services related to negotiating a Project Development Agreement with Siemens, with a budget of \$20,000. Although the Board authorized the budget, staff needed to identify a source of funds. This budget transfer will transfer excess funds from the completed Lagoon A Inlet Valve Repair Project to cover the cost of the engineering services for the project.

Tank Inspection of the WTP Clearwell and Tank 2, C-19TKINSP. The recommended inspection frequency for potable water tanks is every five years. This project involves having a dive inspection performed for each of these tanks, which are due for inspection. The budget was developed based on the costs of prior dive inspection projects. However, following a competitive bidding process, the cost to complete these dive inspections was well over the budgeted amount. Staff would like to move forward with inspection of both tank sites due to the recommended inspection frequency. This budget transfer will transfer excess funds from the

Tank 2 Slurry Seal Project (E-18PAVET2) to cover the budget deficit of the dive inspection. This project will be completed in the current fiscal year and therefore will be a carryover project.

Risk and Resilience Assessment, C-19RISKRS. The American Water Infrastructure Act of 2018 requires water agencies to perform a Risk and Resiliency Assessments (RRA) of their water systems and operations and to also update their respective Emergency Response Plans. This task will be required every five years going forward. EPA began implementing the program earlier than anticipated. Once it was clear that CCWA would be required to complete an RRA by March 30, 2020, the FY 19/20 Budget was already approved. Consequently, CCWA staff requested authorization to proceed with work on the project. The Board authorized a budget of \$50,000 and to transfer funds from the Seismic Joint Project to cover the new project budget. Staff initially utilized HDR Engineering to assist with the project. However, once the scope was clear, staff moved forward with completing the project with in-house resources only. This resulted in a reduced costs for the project. Staff would like to change the source of funds for the project to the Tank 2 Slurry Seal Project (E-18PAVET2) rather than the Seismic Joint Project (C-17SMCJNT). The Tank 2 Slurry Seal Project is complete, whereas the Seismic Joint Project is not. This change will preserve the budget for the Seismic Joint Project, which is a carryover project.

## **DISCUSSION**

CCWA staff routinely attempts to complete all projects under budget. However, there are situations where the level of effort for a particular project was under-estimated or conditions changed that created a need for additional effort and resources to complete the project. Since all projects are funded on a current year basis, the only funds available to address an increased need for funds is through a Budget Transfer between projects.

CCWA policy allows for budget transfers of up to \$10,000. Projects that have been completed at costs less than the Project Budget will serve as a source of funds for projects needing additional funding.

In the current Budget Transfer Requests, two are over \$10,000. However, the Tank Inspection Project is only \$566 over the threshold amount. The full cost of this project is concurrently being requested as a carryover project. The requested budget transfer will ensure the requested carryover amount is properly accounted for. In the case of Risk and Resilience Assessment Project, the Board has already approved the Budget Transfer. Staff is only requesting to transfer funds from a completed project, rather than a project that is not complete.

## **RECOMMENDATION**

That the Board:

- Authorize the Executive Director to make the Project Budget Transfers as described in this Report.



## BUDGET CHANGE FORM

### FY 2019/20 Budget

Date: \_\_\_\_\_

#### CIP FUNDING CHANGE

Department: ADMIN  WTP  DIST

	\$ Available	\$ Transferred	\$ Balance
Source(s) of Transfer Funds:			\$0
			\$0
Destination(s) of Transfer Funds:			\$0
			\$0
			\$0
Total	\$0	\$0.00	\$0

#### O & M FUNDING CHANGE

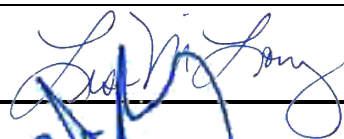
Department: ADMIN  WTP  DIST

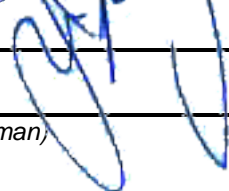
	\$ Available	\$ Transferred	\$ Balance
Source(s) of Transfer Funds:			
(1) E-19LAIVRP Lagoon A inlet valve repair	\$14,224	(\$8,082)	\$6,142
(2)			\$0
Destination(s) of Transfer Funds:			
E-19SOLAR Siemens Solar Panel System	(\$8,082)	\$8,082	\$0
(2)			\$0

#### O&M EXPENSE ENCUMBRANCE

Department: ADMIN  WTP  DIST

	\$ Amount
O&M Expense Account Name:	
Current Available Balance:	Amount:
Encumbrance Amount:	Amount:
Amended Balance Available:	Amount: \$ -
Encumbrance Description:	

Prepared By: \_\_\_\_\_  Date: 9/17/20

Approved By: \_\_\_\_\_  Date: 9/18/2020

Finance Chairman Approval: \_\_\_\_\_ Date: \_\_\_\_\_  
*(If unavailable, obtain approval from Board Chairman)*

Input to Budget Status Report By: \_\_\_\_\_ Date: \_\_\_\_\_



## BUDGET CHANGE FORM

### FY 2019/20 Budget

Date: 6/19/2020

#### CIP FUNDING CHANGE

Department: ADMIN  WTP  DIST

	\$ Available	\$ Transferred	\$ Balance
Source(s) of Transfer Funds:			\$0
			\$0
Destination(s) of Transfer Funds:			\$0
			\$0
			\$0
Total	\$0	\$0.00	\$0

#### O & M FUNDING CHANGE


Department: ADMIN  WTP  DIST

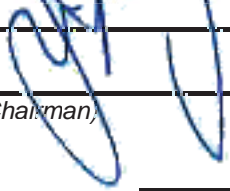
	\$ Available	\$ Transferred	\$ Balance
Source(s) of Transfer Funds:			
(1) Pavement Slurry Seal Tank 2 E-18PAVET2	\$10,565.89	(\$10,565.89)	\$0.00
(2)			
Destination(s) of Transfer Funds:			
(1) Tank inspection WTP Clearwells & Tank 2 E-19TKINSP	\$10,500.00	\$10,565.89	\$21,065.89
(2)			

#### O&M EXPENSE ENCUMBRANCE

Department: ADMIN  WTP  DIST

	\$ Amount
O&M Expense Account Name:	
Current Available Balance:	Amount:
Encumbrance Amount:	Amount:
Amended Balance Available:	Amount: \$ -
Encumbrance Description:	

Prepared By:  Date: 9/17/20

Approved By:  Date: 9/18/2020

Finance Chairman Approval: \_\_\_\_\_ Date: \_\_\_\_\_  
*(If unavailable, obtain approval from Board Chairman,*

Input to Budget Status Report By: \_\_\_\_\_ Date: \_\_\_\_\_



## BUDGET CHANGE FORM

### FY 2019/20 Budget

Date: 6/19/2020

#### CIP FUNDING CHANGE

Department: ADMIN  WTP  DIST

	\$ Available	\$ Transferred	\$ Balance
Source(s) of Transfer Funds:			\$0
			\$0
Destination(s) of Transfer Funds:			\$0
			\$0
			\$0
Total	\$0	\$0.00	\$0

#### O & M FUNDING CHANGE

Department: ADMIN  WTP  DIST

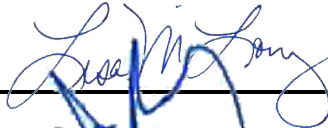
	\$ Available	\$ Transferred	\$ Balance
Source(s) of Transfer Funds:			
(1) Pavement Slurry Seal Tank 2 E-18PAVET2	\$36,442	(\$25,876.11)	\$10,565.89
(2)			\$0
Destination(s) of Transfer Funds:			
(1) Risk and Resiliency Study E-19RISKRS	\$0	\$25,876.11	\$25,876.11
(2)			\$0

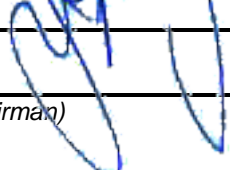
#### O&M EXPENSE ENCUMBRANCE

Department: ADMIN  WTP  DIST

	\$ Amount
O&M Expense Account Name:	
Current Available Balance:	Amount:
Encumbrance Amount:	Amount:
Amended Balance Available:	Amount: \$ -

Encumbrance Description:

Prepared By:  Date: 9/17/20

Approved By:  Date: 9/18/2020

Finance Chairman Approval: \_\_\_\_\_ Date: \_\_\_\_\_  
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