

**Agenda Item:** Consider approval of budget transfer from reserves

**Objective:** To transfer funds from unassigned reserves to account number 1836-10 (Terminal Reservoir Replacement Project).

**Background:** Construction of the Terminal Reservoir Replacement Project began in November 2011. The project contract completion date is December 31, 2018. District staff worked with the contractor to estimate the amount of work to be completed each fiscal year (FY). The estimate for FY2018 was high, as shown below.

Budget FY18:	\$ 2,056,000.00
<u>Spent FY18:</u>	<u>\$ 1,499,264.31</u>
Unspent FY18:	\$ 556,735.69

The overestimate was due in part to a late start with project landscaping. Originally anticipated for April, landscaping did not begin in earnest until June. The postponed work will now occur in FY2019. These unplanned activities, although contracted, will exceed the FY2019 construction estimate. Staff seeks to increase the FY2019 budget for this project to account for the contracted activities yet to occur. The transfer request does not exceed the overall project budget.

Construction Contract (Alder)

Contract budget:	\$ 36,684,000.00
<u>Change orders:</u>	<u>\$ 1,405,737.32</u>
Revised budget:	\$ 38,089,737.32
<u>Spent to date:</u>	<u>\$ 37,578,342.50</u>
Remaining contract budget:	\$ 511,394.82

FY2019 Capital Project Budget (Construction):

FY2019 Construction (Budget)	\$ 250,000.00
<u>Remaining Construction Contract (Alder)</u>	<u>- \$ 511,394.82</u>
FY2019 Deficit	{ \$ -261,394.82 }

The FY2019 budget should be amended by an additional \$275,000, minimum to account for the shift of the remaining contract work into FY2019. An additional \$25,000 is requested to account for any unforeseen change orders that may arise, bringing the total requested transfer to \$300,000.

**Committee Activity:** The Engineering Committee discussed the proposed budget transfer at its 7/31/2018 meeting and recommends approval.

**Recommendation:** Recommend approval of a \$300,000 transfer from unassigned reserves to the Terminal Reservoir Replacement Project budget (1836-10).

Capital Budget Transfer  
 Metropolitan Water District of Salt Lake & Sandy  
 Last Updated: July 31, 2018

**NON-CAPACITY IMPROVEMENT PROJECTS**

Terminal Reservoir Replacement  
 LCWTP Roof Replacement - Administration Building  
 Electrical Power Monitoring Upgrade  
 Network Backbone (Media & Hardware) Replacements  
 Fleet Replacement Program  
 Little Dell Capital Improvements  
 Repair and Replace

	FY19 Original Budget	Spent as of 07/18/2018	Amount Remaining as of 07/18/2018	Proposed	
				Transfer In/(Out)	Revised Budget
	\$ 333,500.00	\$ -	\$ 333,500.00	\$ 300,000.00	\$ 633,500.00
	\$ 225,000.00	\$ -	\$ 225,000.00	\$ -	\$ 225,000.00
	\$ 775,000.00	\$ -	\$ 775,000.00	\$ -	\$ 775,000.00
	\$ 316,500.00	\$ -	\$ 316,500.00	\$ -	\$ 316,500.00
	\$ 150,000.00	\$ -	\$ 150,000.00	\$ -	\$ 150,000.00
	\$ 100,000.00	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00
	\$ 377,300.00	\$ -	\$ 377,300.00	\$ -	\$ 377,300.00
<b>Non-Capacity Improvement Projects Total</b>	<b>\$ 2,277,300.00</b>	<b>\$ -</b>	<b>\$ 2,277,300.00</b>	<b>\$ 300,000.00</b>	<b>\$ 2,577,300.00</b>

**OTHER CAPITAL IMPROVEMENT PROJECTS**

Jordan Aqueduct System and 150th South Pipeline  
 Central Utah Project--Capital

	\$ 1,087,259.00	\$ -	\$ 1,087,259.00	\$ -	\$ 1,087,259.00
	\$ 2,971,200.00	\$ -	\$ 2,971,200.00	\$ -	\$ 2,971,200.00
<b>Other Capital Improvement Projects Total</b>	<b>\$ 4,058,459.00</b>	<b>\$ -</b>	<b>\$ 4,058,459.00</b>	<b>\$ -</b>	<b>\$ 4,058,459.00</b>
<b>Grand Total</b>	<b>\$ 6,335,759.00</b>	<b>\$ -</b>	<b>\$ 6,335,759.00</b>	<b>\$ 300,000.00</b>	<b>\$ 6,635,759.00</b>

**Notes**

- Terminal Reservoir Replacement FY19 original budget--construction: \$250,000; security control system: \$83,500
- Source of proposed \$300,000 transfer is unassigned reserves.