

Agenda Item:

Consider approval of a capital budget contingency transfer.

Objective: For the Board to authorize the transfer of funds from the Capital Budget Project Contingency line item to cover unforeseen capital costs.

Background: Two projects have been identified that will require capital funds during Fiscal Year 2012:

- **Raw Water POMA Modifications:** With the anticipated completion of the Provo Reservoir Canal Enclosure Project, hydraulic modifications to the air vent structures and valving along the 84-inch diameter raw water section of the Point of the Mountain Aqueduct (located in Minuteman Drive in Draper) need to be made in order to withstand higher water pressure. The estimated cost of these improvements is \$475,000.
- **Little Cottonwood Creek POMA Crossing:** During routine inspection and conditional assessment efforts, the erosion protection features in Little Cottonwood Creek that protect the Point of the Mountain Aqueduct have been found to need significant repair or replacement. This project has been identified as a priority with the hopes of correcting the situation prior to runoff conditions next spring. The estimated cost of these improvements is \$100,000.

FY2012 Capital Budget Project Contingency	\$1,484,000
Contingency transfer request #1	\$475,000
Contingency transfer request #2	\$100,000
Remaining Contingency	\$909,000

Committee Activity: The Finance Committee and the Engineering Committee reviewed and discussed the contingency transfer request at their respective November committee meetings.

Recommendation: Staff recommends the Board approve the transfer as outlined above.