



County of Los Alamos

Council Meeting Staff Report

August 15, 2018

Agenda No.:	6.B
Indexes (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt
Legislative File:	10915-18

Title

Approval of Budget Carryovers from FY2018 to FY2019

Recommended Action

I move that the Board of Public Utilities approve Budget Revision 2019-07 for carryovers from FY2018 to FY2019 and forward to Council with a recommendation for approval. I further move that the budget revision be included as an attachment in the minutes for the record.

Staff Recommendation

Staff recommends the Board of Public Utilities approve the budget carryovers as presented and forward to Council with recommendation for approval.

Body

Requirements for carryover of budget authority are as follows:

1. The projects were budgeted in FY2018 but were not completed, so we are planning on completing in FY2019
2. We do not have an encumbrance in FY2018 already
3. We have FY2018 Budget left to cover the amount we want to carry over
4. We did NOT re-budget the project in FY2019

All of these requirements have been met for each of the projects listed below. We are seeking Board approval to carry these funds over in anticipation of completing these projects in FY2019. Upon Board approval this \$2,162,700 carryover will be presented by Finance Staff for Council approval.

Water Production budgeted \$1,500,000 for improvements to the Otowi 2 Pipeline. This work has been started but hasn't yet been completed. The budget has been only partially spent or encumbered, therefore \$1,130,000 of the remaining budgeted funds needs to be carried forward into FY19.

Electric Production budgeted \$140,000 for a new 3-ton jib crane for use at the Abiquiu hydroelectric plant. The crane has not yet been purchased. As such, the entire budget of \$140,000 needs to be carried forward into FY19.

In Electric Distribution, carryforward of budgeted funds is requested for two projects related to the Los Alamos Switchgear Substation (LASS): 1) bringing the Los Alamos National Laboratory TC1 and TC2 lines into the LASS; and 2) installing feeders from the LASS into the town site. For the TC1-TC2 lines, \$490,000 was carried forward from FY17 into FY18. Of that, \$59,000 that has not been spent or encumbered needs to be carried forward to FY19 in order to complete the work. For the LASS Substation Feeders, \$500,000 was budgeted in FY18 and \$290,000 was carried forward from FY17. The budget has been only partially spent or encumbered, therefore \$275,000 in budgeted funds needs to be carried forward to FY19.

In the Finance division, \$250,000 was for remodel of the Customer Care Center and another \$27,000 was carried forward from FY17 for design work on the remodel. More pressing obligations and projects postponed work on this project. Thus, \$277,000 of budgeted funds needs to be carried forward into FY19.

Also in the Finance division, \$50,000 was budgeted for the Management Audit. This audit has not yet been completed so the funds need to be carried forward to FY19.

In FY18, \$35,000 was budgeted under Water Distribution for launching a back flow prevention program, and another \$75,000 was brought forward from FY17 as additional support for the program. After a long startup process and delays, that project is partially expended and encumbered. The remaining \$40,000 needs to be carried forward into FY19.

In Wastewater, \$51,800 was budgeted for SCADA upgrade and maintenance in FY18, with another \$50,000 carried forward from FY17. Despite many efforts to get the project started, it has not yet launched. As such, DPU requests \$80,000 of these funds be carried forward into FY19.

Water Production budgeted \$20,000 in FY18 for intake structure improvements at the Los Alamos Reservoir. This underwater work has not been completed yet. Of the \$20,000 in budgeted funds, DPU requests to carry \$16,700 into FY19.

Water Production planned SCADA Upgrades in the Non-Potable system by budgeting \$20,000 in FY18 along with another \$20,000 carried forward from FY17. Those GIS upgrades are not yet complete. Therefore, \$20,000 in budgeted funds needs to be carried forward into FY19.

Also in Water Production, \$102,000 was budgeted for five new effluent meters in the non-potable system, which includes \$2,000 budgeted in FY18 and \$100,000 carried forward from FY17. These meters will be placed at the Los Alamos Golf Course, Los Alamos Middle School, soccer fields on North Mesa, Overlook Park, and the ski hill. Problems with the meters and delays from the manufacturer have required this project remain open in FY19. As such, \$75,000 in budgeted funds needs to be carried forward into FY19.

Please note: Budget carryovers for the Advanced Metering Infrastructure project are being presented as a separate agenda item.

Alternatives

If these funds, budgeted but not expended in FY2018, are not carried over the projects could be funded with FY2019 funds (requiring a FY2019 budget adjustment), postponed and re-budgeted in FY2020, or cancelled.

Fiscal and Staff Impact

\$2,162,700 transfer of budget authority from FY2018 for expenditures in FY2019.

Attachments

A - Budget Revision 2019-07