



County of Los Alamos

Los Alamos, NM 87544
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Council Meeting Staff Report

August 16, 2017

Agenda No.:	6.B
Indexes (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt
Legislative File:	9444-17

Title

Approval of Budget Carryovers from FY2017 to FY2018

Recommended Action

I move that the Board of Public Utilities approve the budget carryovers from FY2017 to FY2018 and forward to Council with a recommendation for approval.

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 FY2017 but were not completed, so we are planning on completing in FY2018
2. We do not have an encumbrance in FY2017 already
3. We have FY2017 Budget left to cover the amount we want to carry over
4. We did NOT re-budget the project in FY2018

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 FY2018. Upon Board approval this \$7,002,900 carryover will be presented by Finance Staff for Council approval.

Water Production budgeted \$644,400 for work on the Los Alamos Reservoir Pipeline. This work will be primarily funded by a loan/grant from the Water Trust Board, which was signed in February 2017. Design is 90 percent complete. DPU is preparing documents to obtain the environmental clearances to permit the construction. The project will not go out to bid until Fall 2017. As such, \$644,400 of budgeted funds needs to be carried forward into FY18.

Electric Distribution budgeted \$500,000 to install a new TC1-TC2 line to the future LASS substation. As of FY17 year-end, the budget has been only partially spent or encumbered. As such, \$490,000 of budgeted funds needs to be carried forward into FY18.

Electric Distribution budgeted \$500,000 for four new electric feeders (13T, 15T, 16T, LAMC). As of FY17 year-end, the budget has been only partially spent or encumbered. As such, \$290,000 of budgeted funds needs to be carried forward into FY18.

Electric Distribution budgeted \$2,500,000 for the Smart Meter project in FY17. However, work has been delayed until FY18 to better align with implementation of the new Enterprise Resource Planning project and so budgeted funds of \$2,500,000 need to be carried forward into FY18. An additional

\$2,500,000 from Electric Production funds are also requested to be carried over from remaining fund balance in support of this project.

Gas Distribution budgeted \$10,000 for an in-house welding program. Union contract negotiations delayed this program by a year so budgeted funds of \$10,000 need to be carried forward to FY18 for contract steel welding projects.

The Finance division budgeted \$27,000 for design work on the remodel of the Customer Care Center. This design work has been postponed until FY18. Thus, \$27,000 of budgeted funds needs to be carried forward into FY18.

Water Production budgeted \$105,000 for Water Production SCADA System Maintenance. Delays in finalizing the consultant contract for the GIS Upgrade Project pushed the project start into FY18. As such, \$105,000 in budgeted funds needs to be carried forward into FY18.

Water Production budgeted \$66,500 for Water Production Treatment Systems Maintenance. Due to a delay in finalizing a new vendor contract for disinfection equipment, budgeted funds of \$66,500 needs to be carried forward in FY18.

Water Production budgeted \$20,000 in FY17 for Water Production Non-Potable Admin SCADA Maintenance. Due to a delay in finalizing the consultant contract for the GIS Upgrade Project, these budgeted funds of \$20,000 need to be carried forward in FY18.

Water Production budgeted \$250,000 in FY17 for Water Production Non-Potable Admin Meter Maintenance. Delays in supplier meter calibration caused SCADA connections delays. As such, \$100,000 of budgeted funds needs to be carried forward into FY18 for this initiative.

In FY17, \$75,000 was budgeted under Water Distribution for launching a back flow prevention program. Delays in finalizing the vendor contract for that program caused the initiative to be pushed into FY18. As such, a concurrent budget revision, in which \$75,000 is moved from Water Production to Water Distribution, and carryforward of \$75,000 in budgeted funds from FY17 to FY18 is necessary.

In Wastewater, \$75,000 was budgeted under Wastewater Tools and Supplies and not spent due to a delay in finalizing the consultant contract for the GIS Upgrade Project. As a result, \$75,000 in budgeted funds needs to be carried forward into FY18.

In Wastewater, \$50,000 was budgeted in FY17 for Wastewater Video Inspection. Due to a delay in finalizing the video equipment vendor contract, the video equipment purchase was not completed in FY17. Thus, \$50,000 in budgeted funds should be carried forward to FY18.

In Wastewater, \$50,000 was budgeted for hardware under Wastewater Los Alamos WWTF Operations. With the delay in finalizing the WWTF SCADA Upgrade consultant contract, the equipment necessary for the SCADA upgrade was not purchased in FY17. Therefore, \$50,000 in budgeted funds needs to be carried forward into FY18.

Alternatives

If these funds, budgeted but not expended in FY2017, are not carried over the projects could be funded with FY2018 funds (requiring a FY2018 budget adjustment), postponed and re-budgeted in FY2019, or cancelled.

Fiscal and Staff Impact

\$7,002,900 transfer of budget authority from FY2017 for expenditures in FY2018.

Attachments

A - Budget Revision 2018-02