

SUBJECT

BOARD RESOLUTION NO. 20-981

Pertaining to a 2020 Budget Amendment No. 2 to record the increase in spending and financing for the demolition of the highland reservoir, hydraulic model calibrations, repairs to the McCarron's facility, and for updated estimates for the McCarron's Treatment Plant Improvement Project.

BACKGROUND INFORMATION

The 2019 Adopted Budget included amounts for the plans, specifications and demolition of the highland reservoir for \$910,000, hydraulic model calibrations for \$150,000, and repairs to the McCarron's facility for \$100,000. Contracts or Purchase Orders for these items were not fully executed by the end of 2019 and the funds were not encumbered or expended and will need to be moved forward to the 2020 fiscal year. The 2020 budget must be increased a total of \$1,160,000. The financing will come from fund balance.

The 2020 Adopted Budget included amounts for the McCarron's Treatment Plant Improvement Project in the amount of \$10,000,000. An additional \$10,000,000 is needed to bring the total to \$20,000,000. Increases in the 2020 budget estimate are attributed primarily to budgeting for all the design work. Previously, the 2020 budget included funds for only 60 percent design completion with the remaining 40 percent of design work allocated to 2021. The financing will come from debt issuance. The anticipated project completion date is in 2024.

The 2020 budget amendment provides for an overall increase in financing and spending. The 2020 budget accounting codes to be revised are included in the attachment.

\$80,603,659	Initially Adopted 2020 Budget
\$ 0	2020 Budget Amendment No. 1
<u>\$11,160,000</u>	2020 Budget Amendment No. 2
\$91,763,659	Amended 2020 Budget

RECOMMENDATION

Board approval is recommended.