

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: June 13, 2013**

SUBJECT: Utility Operations Budget Transfer

SUBMITTING DEPARTMENT: Utilities Department

PREPARED BY: Neil Wadsworth, Utilities Director

AGENDA LOCATION: Comments/Communications , Consent , Work/Study,
New Business Public Hearing , Second Reading

ATTACHMENTS: None

SUMMARY BACKGROUND: Throughout the year, the Utilities Department has performed needed repairs to our water and wastewater systems using the General Equipment Repairs line item in each of the Enterprise Funds, as appropriate. Although funds for repair work and rehabilitation are budgeted in both the Operating and Capital Budgets, we have primarily been utilizing the Operating Budgets to cover these costs. As we are nearing the end of the year, the Operations Budgets are now depleted and transfers from the Capital Budgets are needed to cover those costs.

Water System

This year we have had multiple wells needing work including Laredo Well, Medina Well, and Fat Chance Well. Annually, the Town budgets about \$150,000 in capital accounts for well rehabilitation work that may or may not be needed. These funds are still available for use.

Wastewater System

The wastewater system experienced some major repair expenses this year. One project replaced two manholes at the entrance to the wastewater treatment facility, through which all of the wastewater in the Town passes. That repair (complete manhole replacements) required a large by-pass pumping operation, and resulted in expenses of about \$60,000.

We also made some needed repairs to the wastewater SCADA system which was required before we could integrate the new North Plains Recharge Facility SCADA controls. That work was about \$45,000.

This year the Capital Budget for wastewater was not overly large because of the need to budget for a new Vactor Truck (about \$220,000, excluding the Vactor Truck). That purchase will not occur during this fiscal year due to a long manufacturing lead time (about 360 days) and was re-budgeted for FY 2013/14. Therefore the funds set aside for that capital purchase are not going to be used and are available for use on other needs, if approved.

The requested fund transfers are outlined in the fiscal analysis below.

OPTIONS ANALYSIS: The Council may vote to:

- 1.) Approve the transfer of funds, **OR**
 - 2.) Not approve the transfer of funds, **AND/OR**
 - 3.) Direct staff to pursue other options.
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ACTION OPTION: Motion to approve the transfer of funds as outlined OR motion not to approve the transfer of funds. **VOTE.**

RECOMMENDATION: Staff recommends approval of transfer of funds from the Capital Budget to the Operating Budget to cover the cost of major repairs as defined herein.

FISCAL ANALYSIS: The details for the proposed Budget Transfers are shown in the tables below:

Transfer In – Water Operations

General Equipment Repairs			
HTE Code(s): 511-7020-641-4320			
FISCAL YR 2012/2013	Approved Budget:	\$225,000.00	FISCAL YR 2012/2013
	Expended & Encumbered:	<u>(\$280,000.00)</u>	
	Balance:	(\$55,000.00)	
	Additional Anticipated Expenses	(\$65,000.00)	
	Budget Transfer:	<u>\$150,000.00</u> < (this action)	
	Balance:	\$30,000.00	

Transfer Out – Water Capital

Water Enterprise Fund - Well Rehabilitation			
HTE Code #(s) 511-7020-700.74-12		Finance Proj.	
FISCAL YR 2012/2013	Approved Budget:	\$150,000.00	FISCAL YR 2012/2013
	Expended & Encumbered:	<u>\$0.00</u>	
	Balance:	\$150,000.00	
	Budget Transfer:	<u>(150,000.00)</u> < (this action)	
	Balance:	\$0.00	

Transfer In – Wastewater Operations

HTE Code(s) 501-7010-642-4320		Finance Proj. # (TBD)	
FISCAL YR 2012/2013	Total Approved Budget	225,000.00	FISCAL YR 2012/2013
	Expended/Encumbered:	<u>(285,000.00)</u>	
	Balance:	(\$60,000.00)	
	Anticipated Expenses	<u>(\$125,000.00)</u>	
	Balance:	(\$185,000.00)	
	Budget Transfer	<u>\$200,000.00</u> <this action	
Remaining Balance	\$15,000.00		

Transfer Out – Wastewater Capital

HTE Code(s) 501-7010-700-7420		Finance Proj. # (TBD)
FISCAL YR 2012/2013	Total Approved Budget	\$361,224.00
	Expended/Encumbered:	<u>0.00</u>
	Available:	\$361,224.00
	Budget Transfer	<u><u>(\$200,000.00)</u></u> <this action
	Remaining Balance	\$161,224.00
		FISCAL YR 2012/2013

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____