



TO: GCSB Board of Directors

FROM: Pete Kampa, General Manager

DATE: March 8, 2022

SUBJECT: Agenda Item 6A: Approval of a Mid-Year 2021/22 Budget Adjustment to Include Non-Budgeted Items, Items Previously Approved by the Board, the Addition and Modifications of the Capital Outlay/Project Schedules and Operating Expense Adjustments

RECOMMENDED ACTION

I move to approve of a Mid-Year 2021/22 Budget Adjustment to Include Non-Budgeted Items, Items Previously Approved by the Board, the Addition and Modifications of the Capital Outlay/Project Schedules and Operating Expense Adjustments.

BACKGROUND

Today, the Board is being presented with the draft proposed FY 21/22 mid-year budget adjustments. The purpose of the Board’s action today is primarily to publicly discuss changes to the District’s spending plan through the end of the fiscal year and to approve a budget amendment as allowed under state law. It is anticipated that overall, total expenses including capital projects for each service will remain within the total amounts budgeted and no transfers between funds are being requested.

Many of the budget adjustments are the result of projects taking longer to complete with greater than anticipated amounts of work carried over into this fiscal year, such as the Clearwell Rehabilitation project. In addition, we have seen nearly one year added to the delivery times for the delivery of emergency generators, due to supply chain issues. Finally, we have seen up to 50% increases in vehicle costs and 10% to 30% in equipment, materials, and supplies.

Comments have been provided on each proposed amendment on the attachment budget sheet. Budgeted expenses not listed on the attached amendment worksheet have been evaluated and are estimated to remain within the amounts previously approved for the fiscal year.

The Water service budget is proposed to increase by \$809,024 of which \$445,800 is due to the delays in the grant funded clearwell rehab project and \$232,000 is for the purchase of the grant funded emergency generators that were inadvertently left out of the final budget. The non-grant funded remaining \$131,224 increase is due to unanticipated equipment failures, cost increases and additional work needed such as SCADA upgrades, and the additional expense will be covered by anticipated revenue in excess of that budgeted.

The Sewer budget is proposed to increase by \$614,110, with \$357,000 of that amount required for the replacement of the WWTP Pond #1 liner replacement which is a regulatory requirement. Other increases include a new state mandated inundation study and emergency action plan as required by the State Department of Dam safety, vehicle price increases, unanticipated equipment failures and SCADA data gathering upgrades. The sewer budget is also proposed for a \$25,000 increase to conduct an odor control pilot study installing rented carbon air filters at the main lift stations starting in April. If the project reduces odor production significantly, we will budget for a permanent installation. The increased expense will be covered by revenue over the budgeted amount, sewer fund balance and existing reserves.

The Fire budgeted expense has increased in total due to expenses related to the formation and implementation actions of the Community Facilities District that carried into this fiscal year. In addition, you will find a budgeted increase in both revenue and expense related to grants received from Adventist Health and Tuolumne County in support of equipment and supplies to be purchased for the CERT program.

The Park expenses have increased with additional water needed for irrigation and unbudgeted expenses for Movies in the Park. Project related costs previously unbudgeted include:

- The estimated final \$183,800 purchase cost of the 37-acre property, \$177,000 of which was grant funded
- An estimated \$100,000 expense associated with planning and engineering design work for the Hetch Hetchy Railroad Trail project, funded at \$75,000 from the Clean California grant awarded on March 1, 2022
- The budgeted \$175,952 park rehabilitation project was intended to involve replacement of the park bathroom, funded partially with the state per-capita grant. The per capita grant has since been allocated to the purchase of additional park lands, and the district has applied for and been awarded Clean California grant funds that will pay for 75% of the new restroom costs. Due to the short timeline for completion of the improvements of June 2024 associated with the Clean CA grant, we will need to quickly order the prefabricated restroom to ensure its manufacture and delivery in time to meet the deadline. An amount of \$100,000 of the approved \$175,952 budget line item is expected to be spent prior to June 30, 2022 on components of the project now titled “Groveland Community Asset Rehabilitation and Beautification Project”.

ATTACHMENTS

- Draft Proposed FY 2021/22 Mid-Year Budget Adjustments.

FINANCIAL IMPACT:

- The individual budget changes are shown in the attached.

Proposed 21/22 Mid Year Adjustments	Budgeted	Proposed	Increase /Decrease	Comments
Water Fund				
Expenses				
Programming	\$ 3,400	\$ 10,900	\$ 7,500	Completing the Tank 2 Booster pump project to integrate SCADA
Repair/Maint- Asphalt /Patching	\$ -	\$ 25,000	\$ 25,000	New line item, Removed \$18,500 from R&M- Dist.
Engineering	\$ 30,000	\$ 20,000	\$ (10,000)	Added new line item for Regulatory Engineering
Engineering- Regulatory	\$ -	\$ 18,000	\$ 18,000	Update of Urban Water Management Plan required to qualify for state grants, must be done each 5 years (new line item created to track regulatory expense)
Water Master Plan Dev.	\$ -	\$ 16,555	\$ 16,555	Remaining cost for Wood Rodgers (split with Sewer Fund)
Safety Program Assessment	\$ -	\$ 20,000	\$ 20,000	Separately approved safety program update included in the 2020/21 budget, inadvertently left out of current budget
2021 Drought Related Expense	\$ -	\$ 10,000	\$ 10,000	Preliminary engineering to identify drought project needs and state application preparation
Utilities	\$ 125,000	\$ 135,000	\$ 10,000	Power price increases
Legal Services	\$ 19,600	\$ 15,000	\$ (4,600)	Lower expenses than expected
Water Capital Outlay				
Big Creek/2G Clearwell Rehabilitation	\$ 954,200	\$ 1,400,000	\$ 445,800	The project was expected to be further along last year, so budget was lower. All construction work planned for completion by June 30, 2022. Remaining expenses include A&M Engineering \$50K, Farr Construction \$85K. 100% grant funded and significantly under the total budget
Emergency Generator Big Creek	\$ -	\$ 115,000	\$ 115,000	Inadvertently left out of initial budget,generator funded with DWR grant
SCADA Improvements	\$ 30,000	\$ 36,000	\$ 6,000	Water % of \$53K expense
2G Generator	\$ -	\$ 107,000	\$ 107,000	2G Generator inadvertently unbudgeted, state budget grant funded
Hach Lab Turbidimeter	\$ -	\$ 3,800	\$ 3,800	Unanticipated expense due to failure
2021 Chevy Silverado (replace truck 6)	\$ 25,971	\$ 40,000	\$ 14,029	Price Increase
2021 Chevy Silverado (replace truck 8)	\$ 17,660	\$ 27,200	\$ 9,540	(Split with Sewer) Price Increase for 2023
Truck#3 Replacement	\$ 20,400	\$ 27,200	\$ 6,800	(Split with Sewer) Price Increase for 2023
GCSO Infrastructure Fuel Reduction Grant Expense	\$ -	\$ 5,600	\$ 5,600	Environmental review
Weather Station/Micro Server 50/50	\$ -	\$ 3,000	\$ 3,000	New budget item for detailed data collection and Inflow/Infiltration analysis
			\$ 809,024	Total Water Fund Difference

Proposed 21/22 Mid Year Adjustments	Budgeted	Proposed	Increase /Decrease	Comments
Sewer Fund				
Expenses				
Programming	\$ 1,600	\$ 9,100	\$ 7,500	Installing Lift Station Flow Monitoring for operational and I&I monitoring
Engineering	\$ 20,000	\$ 10,000	\$ (10,000)	Reduced general engineering expenses due to increased capital projects
Engineering - Regulatory	\$ -	\$ 30,000	\$ 30,000	New state mandate requires completion of an inundation study and emergency action plan for WWTP Reservoir #2
Sewer Master Plan	\$ -	\$ 10,600	\$ 10,600	Remaining contract cost with Wood Rodgers (split with water fund)
Safety Program Assessment	\$ -	\$ 10,000	\$ 10,000	Separately approved safety program update included in the 2020/21 budget, inadvertently left out of current budget
Repair & Maint-Collections	\$ 46,392	\$ 71,392	\$ 25,000	Pilot Project for Installation of Temporary Odor Control System Rental at multiple sewer lift stations
Sewer Capital Outlay				
Wastewater Pump Replacements	\$ 26,000	\$ 46,000	\$ 20,000	Lift Station #7 Pump Rebuild to provide a redundant pump
WWTP Emergency Generator	\$ -	\$ 85,000	\$ 85,000	Inadvertently left off budget, funded by DWR grant
SCADA Improvements	\$ -	\$ 23,000	\$ 23,000	Inadvertently budgeted only in water and left off sewer budget
Chlorine Gen Cell Tubes	\$ -	\$ 4,734	\$ 4,734	Unanticipated Expense due to failure
WWTP Pond 1 Liner	\$ -	\$ 357,000	\$ 357,000	Failed liner, compliance issue
Hach Lab Turbidimeter	\$ -	\$ 1,787	\$ 1,787	Unanticipated Expense due to failure
2021 Chevy Silverado (truck 8)	\$ 8,311	\$ 12,800	\$ 4,489	Price Increase
Truck#3 Replacement	\$ 9,600	\$ 12,800	\$ 3,200	price Increase
Flow Monitoring Equipment	\$ -	\$ 35,000	\$ 35,000	I & I Flow Data
GCSO Infrastructure Fuel Reduction Grant Expense	\$ -	\$ 3,800	\$ 3,800	Environmental review
Weather Station/Micro Server 50/50	\$ -	\$ 3,000	\$ 3,000	Gather data for Inflow/Infiltration study
			\$ 614,110	Total Sewer Fund Difference

Proposed 21/22 Mid Year Adjustments	Budgeted	Proposed	Increase /Decrease	Comments
Fire				
Revenue				
CERT Revenue	\$ -	\$ 17,650	\$ (17,650)	Grants Received Adventist \$2400, Tuolumne /Sonora Area Found. \$15,000
Expenses				
Office Expense	\$ 1,600	\$ 2,250	\$ 650	Public Notice-Impact fees
Legal Services	\$ 1,750	\$ 2,750	\$ 1,000	CFD Legal Expenses
Community Facilities District Formation	\$ -	\$ 5,000	\$ 5,000	CFD formation occurred at the end of last fiscal year, however billing and expenses continued into this fiscal year. No additional expenses will occur
CERT Expenses	\$ 9,500	\$ 27,150	\$ 17,650	Increased equipment purchases due to Grants
Training	\$ 2,000	\$ -	\$ (2,000)	Move to Medical Supplies
Radio-Communicatons	\$ 5,000	\$ 3,800	\$ (1,200)	Move to Medical Supplies
Medical Supplies	\$ 1,500	\$ 4,700	\$ 3,200	From Training/Radio
Capital				
GCSO Infrastructure Fuel Reduction Grant Expense	\$ -	\$ 500	\$ 500	Environmental Review
			\$ 7,150	Total Fire Fund Difference

Proposed 21/22 Mid Year Adjustments	Budgeted	Proposed	Increase /Decrease	Comments
Parks				
Revenue				
Movies in the Park Revenue	\$ -	\$ 1,000	\$ (1,000)	Projected Movie Revenue
Expenses				
Office Supplies	\$ 100	\$ 1,000	\$ 900	Park Vision boards, signs & Easel
Legal Services	\$ 350	\$ 3,950	\$ 3,600	Park Purchases Legal fees
Movies in the Park Expense	\$ -	\$ 3,000	\$ 3,000	Movie licenses
Utilities	\$ 47,000	\$ 52,000	\$ 5,000	Higher water expenses
Capital				
Park 37 Acre Parcel	\$ -	\$ 187,800	\$ 187,800	Property purchased per Board approved agreement, to be reimbursed through state per capita grant. Includes closing costs, legal review and Phase 1 Environmental Assessment
Park Rehab Project - Grant	\$ 175,952	\$ 100,000	\$ (75,952)	Funding originally planned from state Per Capita Grant, to now be funded with Clean California Grant
Hetch Hetchy Railroad Trail Planning and Design	\$ -	\$ 100,000	\$ 100,000	Funded by Clean CA grant at 75%
GCSO Infrastructure Fuel Reduction Grant Expense	\$ -	\$ 100	\$ 100	Environmental review
			\$ 224,448	Total Park Fund Difference