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**Public Works
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Item # 5E

SS Item 2A

To: Lemoore City Council
From: David Wlaschin, Director of Public Works
Date: May 10, 2011
Subject: Budget Amendment - Water Division - Operating Supplies
\$11,500, Utilities \$155,000, and Repair/Maintenance
Services - One Time \$33,515

Discussion:

As part of the 2011-12 O & M Budget preparation staff looks closely at the current fiscal year performance against budget. In the Water Division it was discovered that there is a need for a budget amendment this fiscal year in the three accounts.

4220 Operating Supplies – Monthly the City replaces water meters that are broken, damaged, or nonfunctioning. We currently have none in stock and have 80 meters that need to be replaced. Not replacing these meters translates to a loss of revenue for the City. The request is for 100 meters at \$115 per meter for a total recurring cost of \$11,500.

4340 Utilities – The Division is currently over budget due to the changes to our processes as a result of the arsenic blending system coming on line. Now we must pump the water out of the ground, chlorinate it, place it in the storage tanks, and hold it in the tanks longer to improve the arsenic, color and odor. We then pump it to the distribution system for public use. The increased pumping results in an increase in our utilities bills. The request is for an increase in recurring expenses of \$155,000.

4350 Repair/Maintenance Services – We initially budgeted \$15,000 in an effort to reduce our expenses. Unfortunately, this current fiscal year we have had several infrastructure breakdowns/failures. We've had to rebuild booster pumps 3 and 6 at 40 G Street; rebuild the electric motor and variable drive on Well #11; and replace the main electrical meter panel at Well #2. The request is for a one-time increase of \$33,515.

Budget Impact:

The Water Division expenditures increase from the Enterprise Fund of \$11,500 4250-4220 recurring; \$155,000 4250-4340 recurring; and \$33,515 4250-4350 one-time.

Recommendation:

Staff requests that the Council, by motion, approve the budget amendment to the Water Division account 4250-4220 recurring expense of \$11,500; 4250-4340 recurring expense of \$155,00; and 4250-4350 one-time expense of \$33,515.