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**Staff Report**

**ITEM 3C**

**To: Lemoore City Council**  
**From: Cheryl Silva, Finance Director**  
**Date: February 27, 2014**  
**Subject: CIP Budget Amendment – North Water Tank and Fencing at CMC**

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**Discussion:**

During the 2013-2015 CIP Budget process, two uncompleted projects from the 2011-2013 CIP Budget were not carried over into the next budget cycle. These projects require Council approval to approve the budget to fund the expected expenses necessary to complete the projects.

One of the projects was the Fencing at CMC. The original budget in the 2011-2013 CIP Budget allocated \$30,000 for the project. A total of \$6,410 was expended in the 2011-2012 fiscal year. The balance of \$23,590 needs to be added to the CIP budget for the 2013-2015 cycle.

The other project was the North Water Tank located at 40 G Street. The original budget in the 2011-2013 CIP Budget allocated \$190,000 for the project. A total of \$222,825 was expended in the 2011-2013 CIP Budget cycle. The \$32,825 over expenditure was deducted from the available fund balances for the 2013-2015 CIP Budget, so no budget amendment is needed for this deficit. The final amount due for this project will be paid in the 2013-2015 CIP Budget cycle, which requires a budget amendment of \$53,000. The following information was provided by Public Works Director, David Wlaschin that explains the increased costs associated with this project.

The inspection and coating of the water storage tanks is a vital part of our domestic water system. The North Tank at 40 G Street was emptied and prepared for maintenance in December of 2012. The bid was awarded to Blastco, Inc. to do the interim treatment.

Upon draining of the tank there were structural problems discovered and the services of Certified Tank Inspections (CSI) were brought in to handle review and inspection of structural issues.

The structural issues were determined to be critical and the contractor was requested to do additional work. The inspection services were quite extensive to insure the extent of damage and needed repairs. The contractor worked to replace the failing roof rafters, perlines and floor failures.

**Budget Impact:**

The funding source for the CMC Fencing project is the General Facilities Capital Fund. The 6-30-15 estimated balance projected in the 2013-2015 CIP Budget was \$101,447. The revised estimated balance for 6-30-15 will be \$77,857, after deducting the \$23,590 associated this project.

The funding source for the North Water Tank located at 40 G Street project is Water Fund Asset Replacement. The 6-30-14 estimated balance projected in the 2013-2015 CIP Budget was \$588,334. The revised estimated balance for 6-30-14 will be \$535,334, after deducting the \$53,000 associated this project.

**Recommendation:**

That Council, by motion, approve the budget amendment of \$23,590 for the CMC Fencing Project to be funded by the General Facilities Capital Fund and the budget amendment of \$53,000 for the North Water Tank located at G Street to be funded by Water Asset Replacement Funds.