

Staff Report

for the Regular Meeting of the Board of Directors of December 12, 2018

TO: Board of Directors
FROM: Brian Powell, P.E. Maintenance Manager
DATE: December 4, 2018
SUBJECT: Maintenance Budget Amendment

MAINTENANCE DEPT

RECOMMENDATION ACTION:

Approve Budget Amendment, Request No. BA 2018-98 in the amount of \$913,000.00 for the Maintenance Department, as recommended by the Administrative Practices Committee on December 4, 2018.

BACKGROUND:

This amendment will balance the expenditures within the Maintenance Department O&M budget as detailed on the Budget Amendment request sheet (attached).

These budget transfers are budget neutral and the Board approved 2018 Maintenance department O&M budget was not exceeded.

The following is an explanation of the expenditures that effected the Maintenance budget for 2018. The amounts shown are projected costs through December 2018.

10191-52501 – Chemicals \$273,000. The chemical budget for 2018 included fuel and vegetation management budget expenditures. The budget for fuel was placed in the 10195-52501 Mechanic Shop budget and then expended from the 10191-52501 Maintenance budget.

10191-52504 – Materials \$234,000. For future budgeting purposes, a decision was made to have the Maintenance Department conduct a trial operation for a large scale replacement of the current Sensus meters (radio read technology) to the new Badger meter (cell read technology). The cost to purchase the new cell read meters was approximately \$230,000, which was not budgeted. There were approximately 1,200 meters replaced in this operation.

10191-52902 – Vehicles \$189,000. The two budgets of 10191-52902 Vehicle Purchases and 10191-52904 Equipment Purchases balance out for 2018. Certain purchases from the 52904 budget were expended out to the 52902 budget.
Budget: 10191-52902 = \$623,793 and 10191-52904 = \$370,000 Total: \$993,793
Expended: 10191-52902 \$812,239 and 10191-52904 = \$172,833 Total: \$985,072.

10191-52603 – Consulting/Contractor Fees \$98,000. There were four maintenance projects that required environmental consulting work. The priority of the projects changed after the 2018 budget was adopted and this additional consulting work was required to complete the work. Total for the environmental consulting was \$170,000.

NID also required the help of specialized consultants for the Integrated Vegetation Management project that was conceived after the adoption of the 2018 budget. Total for IVM project consulting for 2018 was approx. \$30,000.

In addition, the Kenwood siphon ruptured and had an emergency repair that required slip lining the existing steel pipe for a total cost of \$75,000.

10191-52503 – Equipment Maintenance \$73,000. Some of the equipment maintenance expenditures were recorded in the 10191-52503 Maintenance budget but should have been recorded in the 10195-52503 Mechanic Shop budget.

Budget for 10191-52503 = \$87,000 and 10195-52503 = \$175,000 : Total \$262,000
Expended 10191-52503 = \$127,343 and 10195-52503 = \$80,322 : Total \$207,665

10191-52609 – Temporary Labor \$33,000. The Maintenance department experienced a large shift of personnel to other departments over the year and there was a need to fill positions with temporary help until those positions were filled. Also, approximately \$18,000 of the additional temporary labor was for the meter replacement program described above in *10191-52504 – Materials*.

10191-52901 – Land/Easement Purchase \$13,000. Several temporary easements were needed for the Integrated Vegetation Management project. This project was conceived after the adoption of the 2018 budget.

BUDGETARY IMPACT: There is no budget impact. These adjustments within the Maintenance O&M budget are budget neutral.

Attachment (1): Budget Amendment Request Sheet



**NEVADA IRRIGATION DISTRICT
BUDGET AMENDMENT REQUEST**

Request Number

Req. No BA 2018 - 98

Date: 11/30/2018
 To: Remleh Scherzinger, General Manager
 From: Brian Powell, Maintenance Manager

Initial _____

Budget Transfer: Enter Operating/Capital Expenditure or Revenue line items.

Department	Object / Account	Increase/(Decrease)
10191 Maintenance	52501 Chemicals	\$ 273,000.00
10191 Maintenance	52504 Materials	\$ 234,000.00
10191 Maintenance	52902 Vehicle Purchases	\$ 189,000.00
10191 Maintenance	52603 Consulting/Contractor Fees	\$ 98,000.00
10191 Maintenance	52503 Equipment Maintenance	\$ 73,000.00
10191 Maintenance	52609 Temporary Labor	\$ 33,000.00
10191 Maintenance	52901 Land/Easement Purchase	\$ 13,000.00
10191 Maintenance	52710 Office Supplies	\$ (10,000.00)
10191 Maintenance	52706 Dues & Publications	\$ (13,000.00)
10191 Maintenance	52711 Education, Training, Meals	\$ (13,000.00)
10191 Maintenance	52713 Utilities	\$ (16,000.00)
10191 Maintenance	51317 Workers Comp	\$ (50,000.00)
10191 Maintenance	51311 Pension Premiums	\$ (171,000.00)
10191 Maintenance	51312 Health Insurance	\$ (185,000.00)
10191 Maintenance	52904 Equipment Purchases	\$ (195,000.00)
10191 Maintenance	51101 Salary	\$ (260,000.00)
	Total	\$0.00

Budget Increase: Enter Operating/Capital Expenditure or Revenue line items.

Department	Object / Account	Increase/(Decrease)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Division Fund	Funding Account	Increase/(Decrease)
_____	_____	_____
_____	_____	_____

Explanation: Enter narrative explaining reason for amendment.



NEVADA IRRIGATION DISTRICT
BUDGET AMENDMENT REQUEST

Request Number

Req. No

BA 2018 - 98

Meter replacement materials and environmental consulting higher than expected. Chemical purchases budgeted in 10195 Shop Department, corrected in 2019. Vehicles and equipment purchases budget misaligned. The overall reserve impact from this budget amendment is \$0.

APPROVALS:

	<u>Date</u>	<u>Signature</u>	<u>AGM/FM Initials</u>	<u>Approved/Denied</u>
Level I:				
Level II:				
Level III:				

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