



Santa Clara Valley Water District

File No.: 17-0332

Agenda Date: 6/13/2017

Item No.: 9.1.

BOARD AGENDA MEMORANDUM

SUBJECT:

Fiscal Year 2016-17 Budget Office Fourth Quarter Budget Adjustment.

RECOMMENDATION:

Approve the Fiscal Year 2016-17 fourth quarter budget adjustments totaling \$10.7 million.

SUMMARY:

To assist staff in more efficiently managing variances with their project budgets, the Budget Office is periodically bringing central budget adjustments to the Board for consideration. The Budget Office assists staff in analyzing current and planned project expenditures and any necessary adjustments for a balanced budget.

This item includes three project budget adjustments detailed below:

Capital project budget adjustments:

1. The Lower Berryessa Creek project #40174004 construction is complete. District staff will provide the maintenance and monitoring of the revegetation for the next three years. The total project cost was less than anticipated, resulting in \$6.0 million that is available to go back into the Watershed Stream Stewardship operating and capital project reserves from the total FY 2016-17 budget including carryforward of \$15.8 million.
2. The Lower Silver Creek project #40264008 experienced delays earlier this fiscal year that resulted in higher than anticipated costs for labor hours and services and supplies. The Lower Silver Creek project is projected to be \$800K over its adopted budget of \$2.9 million and is requesting to draw \$800K from the Watershed Stream Stewardship operating and capital project reserve.

Operating project budget adjustment:

3. The El Nino Flood Emergency Response project #62062003 is not a budgeted project and has incurred \$1 million of expenditures to date related to the January and February storm event declared emergencies. The project manager anticipates an additional \$400K of expenditures through FY 2016-17 with an additional \$2.5 million needed in FY 2017-18 to cover the cost of design and construction to repair the damage to Stevens Creek and Stevens Creek Trail caused by the storms and is requesting to draw \$3.9 million from the Watershed Stream Stewardship operating and capital project reserve.

Adjust FY 2016-17 budget reserves: The Watershed Stream Stewardship operating and capital project reserve will have a net increase of \$1.3 million.

FINANCIAL IMPACT:

Approval of the budget adjustments recommended (Attachment 1) will reduce one capital project budget \$6.0 million, increase one capital project by \$800K, and increase one operating project by \$1.4 million in FY 2016-17 and \$2.5 million in FY 2017-18. The recommended adjustments total \$10.7 million for an overall increase to reserves of \$1.3 million. These recommended budget adjustments will ensure project budgets are aligned to currently scheduled activities and project plans.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: FY 2016-17 Fourth Quarter Budget Adjustment

UNCLASSIFIED MANAGER:

Darin Taylor, 408-630-3068