

Requested Action:

Informational Item regarding a proposed Budget reallocation for the Reservoir Committee's portion of the approved Phase 2 (2019) Budget

Detailed Description/Background:

The Reservoir Committee will consider this staff recommendation at their regularly scheduled July 19, 2019 meeting.

The Reservoir Committee's approved Phase 2 (2019) Work Plan & Budget (from April 1 through December 31, 2019) included allowances for fees to be paid to third parties for the proposed geotechnical data collection work both for permits and to compensate landowners. However, these costs were not explicitly listed as separate budget line items. In addition, the Authority Board's adoption of the Advance Check Approval Policy, requires such costs be explicitly listed in the approved Budget and Work Plan in order to pay third parties prior to a regularly scheduled Authority Board meeting. And, creating separate budget line items for both types of expenses, improves the work plan's quality.

Staff evaluated a range of options to fund the two budget line items and recommends that utilizing the budget identified to hire the Reservoir Operations Manager in 2019, and to defer filling of this position until 2020 to then allocate the associated budget as proposed in Attachment A.

Prior Authority Board Action:

June 24, 2019: The Authority Board approved the revised 2019 Work Plan (Revised 2019 Reservoir Project Agreement, Exhibit B).

June 20, 2019: The Reservoir Committee recommended the revised 2019 Work Plan (Revised 2019 Reservoir Project Agreement, Exhibit B) for approval.

May 20, 2019: The Reservoir Committee deferred the revised Exhibit B back to the Budget and Finance Work Group for further evaluation.

November 16, 2018: The Reservoir Committee approved their portion of the work plan and Exhibit B for inclusion in the Participation Agreement.

November 19, 2018: The Authority Board approved the Final Work Plan and Budget.

July 16, 2018: The Authority Board approved the "Workplan and Monthly Cashflow Analysis for Phase 2 for the Sites Reservoir Project" with its release solely for the following uses:

1. Development of the Phase 2 Finance Plan.
2. Developing an Exhibit to include in the Phase 2 Reservoir Project Agreement.
3. Developing an Exhibit to include in the Phase 2 Procurement Request for Qualifications.
4. Developing the FY2019 Budget.

Fiscal Impact/Funding Source:

None.

Staff Contact:

Joe Trapasso

Attachments:

Attachment A – Reallocation of Phase 2 (2019) Work Plan Resource Budgets

Reallocation of Phase 2 (2019) Work Plan Resource Budgets

Resource	Approved Work Plan Budget	Proposed July Adjusted Budget	Reallocation Change (Adjust - Plan)	Notes
Gerald (Jerry) Johns, Reservoir Operations	\$ 115,000	\$ 155,000	\$ + 40,000	Additional funding for critical reservoir operations work
New Reservoir Operations Manager position	\$ 140,000	\$ 0	\$ - 140,000	Defer hiring until 2020
Permitting Fees (New Line Item)	\$ 0	\$ 40,000	\$ + 40,000	Funding 2019 critical permit fees related to data collection
Temporary Rights of Entry Fees (New Line Item)	\$ 0	\$ 60,000	\$ + 60,000	Funding 2019 critical temporary rights of entry related to data collection
Phase 2 (2019) Approved Budget (includes all resources)	\$ 13,402,818	\$ 13,402,818	\$ 0	Budget Neutral

Approved Phase 2 (2019) Budget and Work Plan did not explicitly include budget items for permits and fees.