

Memo

To: Finance, Expenditures and Legal Subcommittee
From: Martin P. Cleveland
Subject: Account Over 110%, Maintenance, Channels and Levees – Maintenance Materials
(01 03 591 4477)
Date: April 4, 2019

District policy 7.5 FEL Subcommittee – Budgetary Oversight states, “If, at any time during the fiscal year, the District expenditures from any budgetary account, for which more than \$10,000 was budgeted for that fiscal year, exceed the amount budgeted by more than 10%, the Chairperson of the FEL Subcommittee may call a meeting of such Subcommittee to consider recommendations to the Board with respect to such accounts.”

Pursuant to this policy the following account is submitted for review:

1. Account # 01 03 591 4477 (Maintenance, Channels and Levees – Maintenance Materials)
2. Budget: \$161,000
3. Account Status with March expense: \$409,026.96 (254%); Year to date prior to March expense was \$88,014.21

The Maintenance, Channels and Levees – Maintenance Materials category is used to pay for maintenance materials, such as crushed rock for levee top surfacing, rock rip-rap for bank erosion areas and pipe materials for levee and channel projects.

The reason for the large expenditure total in March 2019 is due to purchase of 21,060 tons of 47B sand and gravel for \$315,900 for the Emergency Union Dike flood damage initial repairs (breach repair) in cooperation with Corps of Engineers. The District provided sand and gravel for filling the breach area as part of its in-kind cost share (20%) that is required by the cooperation agreement. It is anticipated that additional materials for emergency flood repairs in the amount of \$150,000 will be required yet this fiscal year.

It is recommended by Management that the Subcommittee recommend to the Board that Account #01 03 591 4477– Maintenance, Channels and Levees – Maintenance Materials be allowed to exceed 110% of the budgeted amount to a maximum of \$570,000.