



MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Nancy Emslie, Finance Director
Adam Pickett, Water Treatment Plant Superintendent

SUBJECT: Budget Amendment for Water and Sewer Fund for Transfer Switch

DATE: March 4, 2015

The Board is requested to approve a budget amendment to transfer funds from operating line items to capital outlay. The attached budget amendment would allow staff to purchase and install a transfer switch for our Water Treatment Plant Facility.

BACKGROUND

As part of our Capital Improvement Plan (CIP) for FY14-15 through FY 18-19 we identified the need for an Intake Emergency Generator at the Water Treatment Plant. The estimated cost is \$55,000. Due to inclement weather we recently lost power, which impacted our ability to collect water at the Haw River intake site. Without power at the intake site, we are wholly dependent on the treated water we have in storage. We do not currently have a back-up generator in place.

The transfer to capital outlay will be used to purchase and install a transfer switch that will be mounted to the building. Once the transfer switch is wired and installed, it will become permanent. This device allows the generator to transfer electricity to the building safely.

On an as needed basis (anytime 24/7), our Water Treatment Plant will rent a generator. The generator will be connected to the transfer switch when necessary. A contract is not required. The average delivery time is 3-4 hours.

This action does not replace the generator in the CIP, however it does give us some flexibility until we can purchase the permanent generator. In addition, the Town could save money by purchasing a used generator versus buying new which would include the cost of a transfer switch and wiring (approximately \$10,000).

RECOMMENDATION

That the Board of Commissioners adopt the attached budget ordinance amending the FY 14/15 operating budget to transfer funds from operating to capital outlay for the Water Treatment Plant.

ORDINANCE AMENDING THE
TOWN OF PITTSBORO
2014-2015 OPERATING BUDGET

Be it ordained by the Board of Commissioners of the Town of Pittsboro in regular session assembled on the 9th day of March, 2015

Transfer of Funds from the Water Treatment Plant operating expenditures to capital outlay

Section 1. That the following **ENTERPRISE FUND EXPENDITURE** be decreased by the amount indicated:

30-8100-150	B & G Maintenance	\$ 3,000.00
30-8100-160	Equipment Maintenance	\$ 3,000.00
30-8100-330	Departmental Supplies	\$ 3,000.00
30-8100-455	Lab Testing	\$ 3,000.00
TOTAL		\$12,000.00

Section 2. That the following **ENTERPRISE FUND EXPENDITURES** be increased by the amount indicated:

30-8100-720	Capital Outlay - Building	\$12,000.00
TOTAL		\$12,000.00

Adopted this 9th day of March, 2015.

William G. Terry, Mayor

ATTEST:

Alice F. Lloyd, CMC, NCCMC, Town Clerk