



## BOARD OF DIRECTORS AGENDA REPORT

MEETING DATE: **SEPTEMBER 22, 2022** ITEM: **8B**

SUBJECT: **Consideration and Vote on Facilities Committee Recommendation to Use Carnival Capital Reserve to Additionally Fund Lot G Utilities Project**

DATE: **September 16, 2022**

FROM: **Directors Ruiz and Aitken**

PRESENTATION BY: **Directors Ruiz and Aitken**

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### *Action Item*

### **BACKGROUND**

As part of the 2022 Capital Expenditures/Major Projects Budget, the Board approved \$675,000 for the Lot G utilities project.

Earlier in the year, staff worked with CCA to bid out the project. As previously reported, the lowest qualified bid came in significantly over budget at \$972,471, a shortfall of \$297,471.

In reviewing the project with the District's carnival provider (a proposed user of the Lot G utilities during the annual OC Fair), it was mutually agreed by staff and the carnival provider to allocate \$300,000 from the District's carnival capital reserve account to additionally fund the Lot G utilities project. Once funded, the project would have a new budget of \$975,000 which would be enough to rebid the project.

The District's carnival reserve fund has a current balance of \$604,460. If the \$300,000 from this fund were to be approved to additionally fund the Lot G utilities project, this would leave \$304,460 for future projects. By contract, the carnival provider would contribute \$100,000 per year in 2023-2026 to the reserve fund. Future funds from this reserve account could also be used as part of the Master Site Plan to build midway restrooms.

If approved, staff would work with CCA to bid the project and complete it prior to the 2023 OC Fair. On CCA's recommendation, staff would procure materials for the project separately in order to address supply price volatility, and CCA would bid out for the work. If bids still don't come in on budget, we will return to the Committee and Board for further direction.

### **RECOMMENDATION**

The Facilities Committee and staff recommend approval of using OCFEC's carnival capital reserve to additionally fund the Lot G utilities project.