



**STAFF REPORT
HOLLISTER CITY COUNCIL
MEETING DATE: November 3, 2025
REPORT # Public Works-2025-60**

AGENDA ITEM: A RESOLUTION APPROVING A BUDGET ADJUSTMENT FOR FUND TRANSFERS AND INCREASING THE NOT-TO-EXCEED AMOUNT FOR CHANGE ORDERS FOR THE WEST GATEWAY ROUNDABOUT PROJECT

DEPARTMENT: Public Works

DEPARTMENT HEAD: Rod Powell, Assistant City Manager

STAFF CONTACT: Cristian Builes

RECOMMENDED ACTION: Adopt a resolution approving:

1. A budget adjustment and fund transfer of allocated funds for the West Gateway Roundabout Project from Fund 304 (Traffic Impact) to Fund 275.
2. A transfer of funds from the Sewer Enterprise Fund (Fund 660) in the amount of \$405,244 to Fund 275.
3. Authorize the City Manager to execute change orders with Granite Rock Company in an amount not to exceed \$1,095,244 in addition to the original contracted work of \$3,451,890 for a total amount not-to-exceed of \$4,547,134.

DISCUSSION: The City of Hollister is currently constructing the West Gateway Roundabout Project, which is partially funded through a CDBG grant. Funds for this project are allocated from Fund 304 to support project completion. However, according to CDBG program requirements, all CDBG related expenses must be paid from Fund 275, which was created specifically for this grant. Staff are requesting a transfer of the currently budgeted funds from Fund 304 to Fund 275.

During construction, the City identified several deteriorated sewer manholes located within the project limits, with some in the traveled traffic lanes. These manholes serve the main trunk line that carries all City sewer to the treatment plant. The condition of these manholes required immediate repair and reconstruction to prevent system failure and to allow construction to proceed. This work was not included in the original project scope and therefore required a change order to complete the necessary repairs. Execution of this change order utilized most of the project's contingency funds. To restore the contingency and maintain adequate funding for potential unforeseen issues related to the project, staff is requesting a transfer of \$405,244 from the Sewer Enterprise Fund (Fund 660) to reimburse the project for these sewer-related expenses.

To correct the oversight of not including the contingency funds in the not to exceed amount of the contract and authorizing resolution, and to account for the unforeseen sewer-related expenses, staff are requesting to amend the contract amount for Granite Rock and increase the not to exceed amount to \$4,547,134. The requested increase includes the already budgeted contingency and the sewer related change order costs.

Approval of the fund transfers and not to exceed amounts will ensure the City's continued compliance with CDBG requirements, ensure reimbursements are received in a timely manner, provide adequate funding to complete the West Gateway Roundabout Project,

and restore necessary contingency funding for any unforeseen project-related issues.

FISCAL IMPACT: All funds to be transferred are currently included in the Fiscal Year 2025/2026 budget.

PREVIOUS COUNCIL OR COMMISSION ACTION: Resolution 2023-23, 2023-71 and 2025-16

CEQA: Approval of this Resolution does not constitute a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378.

ATTACHMENTS:

1. Resolution
2. Resolution 2025-16
3. Change Order No. 2 Sewer Manhole Replacement