

MEMORANDUM

Date: April 17, 2019
To: Board of Directors
From: Tom Hennig, Director of Administration
Subject: Administration / Finance / FY 2019-20 Budget Update

BUDGET UPDATE

Finance continues working with FY 2019-20 Budget as presented on April 4, 2019. Adjustments since that date include:

- Increase Water Treatment chemical budget by \$12,000 based on revised projections from Director of Field Operations
- Increased Water Source of Supply power budget by \$6,000 based on revised projections
- Increased Sewer Operational expenses by \$10,700 based on revised projections from the Director of Field Operations, for fuel, sludge removal and maintenance & repairs
- Decrease the GSRMA budget by \$18,000 based on a revised quote
- Decrease temp staffing by \$18,700 to balance budget

FINANCIAL CONSULTING UPDATE

Administration entered into an agreement with The Pun Group to provide Financial Accounting Services on April 3, 2019. Below is an update and comments to the work completed to date. We anticipate the work will be completed by the end of April, with a final report to be presented to the Finance Committee during the May meeting. The Pun Group's work will be summarized at a regularly scheduled Board Meeting.

Completed milestones:

- Completed a year-to-date payroll audit.
- Completed a thorough review off all accounting, financial, and payroll procedures.
- Reviewed internal controls.
- Reviewed CFD-2014-1 bond documents, payments, disbursements
- Reviewed administrative cost allocation plans

Items currently underway:

- Reserve fund analysis and recommendations
- Review and validate the reversal and re-entry of allocated administrative costs
- Formalize procedural changes within the department for collection and transmission of all financial data that relates to the GL
- Complete development and approvals of reporting and tracking tools
- Train District staff on the utilization of the new reporting tools

- Make revisions as necessary
- Streamline the monthly postings and close-out process
- Evaluation of information required to develop recommended standard finance and accounting processes and a recommended transition plan to encompass new finance and accounting processes and position duties
- Recommend an improved best practice accounting process to include the monthly generation of reports out of the Great Plains tool
- Work with staff to complete the 2019-2020 budget report generated out of the Great Plains tool by May 1, 2019

CIP/CRP PROPOSAL

Presenting draft plans for the FY 19-20 Capital Improvement and Capital Replacement Projects (CIP)

Proposed for Consideration

Bobcat Compact Track Loader	\$65,000
Cantova Pump Station Repairs - Generator	\$35,000
WWRP Chlorine Gas to Bleach Conversion	\$266,140
Rio Oso Booster Pump Replacement	\$50,000
Replace Calero subdrain panels (3 total)	\$25,000
Replace Truck 217	\$25,000
Repower Sewer Jetter	\$25,000
Create Water Right to Capture Stormwater at WWRP	\$30,000
WTP #1 Effluent pump rehabilitations (3 total)	\$65,000
Distribution system dry-barrel fire hydrant replacements (10)	\$90,000
North Course - Hole 14 Culvert Replacement	\$32,000

Ongoing Projects

WTP Culvert	\$159,880
Dam Inundation Study	\$60,000

Other Optional Projects

MLN Generator	\$125,000
Granlees Forebay Repairs	\$130,000
Reservoir Monitoring - Water	\$65,000
Reservoir Monitoring - Sewer	\$65,000

Project Number	Project Description	Budget Amount	Funding Source	Status	Bid Date
Water / Sewer Department					
1	08-07-1 Bobcat Compact Track Loader	\$ 65,000	Replacement Reserves - Water & Sewer	Approved	
2	18-01-2 Cantova Pump Station Repairs - Generator	\$ 35,000	Replacement Reserves - Sewer	Approved	
3	18-07-2 WWRP Chlorine Gas to Bleach Conversion	\$ 266,140	Capital Improvement Reserves	Approved	
4	18-12-1 Rio Oso Booster Pump Replacement	\$ 50,000	Water Replacement Reserves	Approved	
5	20-01-1 Replace Calero subdrain panels (3 total)	\$ 25,000	Replacement Reserves - Water	Proposed	
6	20-02-1 Replace Truck 217	\$ 25,000	Replacement Reserves - Water	Proposed	
7	20-03-2 Repower Sewer Jetter	\$ 25,000	Replacement Reserves - Sewer	Proposed	
8	20-04-1/2 Create Water Right to Capture Stormwater at WWRP	\$ 30,000	Water Augmentation Reserves	Proposed	
9	20-05-1 WTP #1 Effluent pump rehabilitations (3 total)	\$ 65,000	Water Replacement Reserves	Proposed	
10	20-06-1 Distribution system dry-barrel fire hydrant replacements (10)	\$ 90,000	Replacement Reserves - Water	Proposed	
Department Subtotal		\$ 676,140			
Drainage Department					
11	20-07-2 North Course - Hole 14 Culvert Replacement	\$ 32,000	Drainage Replacement Reserves	Proposed	
Department Subtotal		\$ 32,000			
Security Department					
No CIP item for Security planned for FY 19-20		\$ -	Capital Improvement Reserves		
Department Subtotal		\$ -			
Admin Department					
No CIP item for Administration planned for FY 19-20		\$ -	Capital Improvement Reserves		
Department Subtotal		\$ -			
2019-20 Grand Totals		\$ 708,140			
Ongoing Projects					
18-06-1	WTP Culvert	\$ 159,880	Capital Improvement Reserves	Completion - Fall 2019	
17-03-1	Dam Inundation Study	\$ 60,000	Replacement Reserves - Water Board approved item - Domichelli and Associates	Completion - Fall 2019	
Ongoing Projects Total		\$ 219,880			
Other Optional Projects					
TBD	MLN Generator	\$ 125,000	Replacement Reserves - Sewer	On-hold	
TBD	Granlees Forebay Repairs	\$ 130,000	Replacement Reserves - Water	On-hold	
TBD	Reservoir Monitoring - Water	\$ 65,000	Capital Improvement Reserves	On-hold	
TBD	Reservoir Monitoring - Sewer	\$ 65,000	Capital Improvement Reserves	On-hold	
Other Optional Projects Total		\$ 385,000			