

Staff Report

for the Regular Meeting of the Board of Directors of October 11, 2017

TO: Board of Directors

FROM: Remleh Scherzinger, MBA, PE, General Manager
Marvin Davis, MBA, CPA, Finance Manager/Treasurer

DATE: October 4, 2017

SUBJECT: 2017 Financial Efficiency Report

FINANCE

RECOMMENDATION:

Review the 2017 Financial Efficiency Report and provide comments.

BACKGROUND:

The report provides departmental financial efficiencies consistent with staff's commitment to investigate costs savings and revenue sources for the benefit of our ratepayers and community.

Due to staff's efforts, the District realized an estimated \$7,256,632 in cost savings and additional revenues for the fiscal year.

BUDGETARY IMPACT:

To be discussed.
/RS, MD

Attachments:

- 2017 Financial Efficiency Report

Nevada Irrigation District

2017 Financial Efficiency Report

October 11, 2017

Finance, HR & Administration

1. Purchasing Department obtained savings over 31 transactions: \$61,710
2. IT saved on annual subscription for spam filtering and GIS software: \$18,000 and Livestreaming project solution implemented in-house: \$12,927, savings from Zazio to Laserfiche: \$4,000
3. Financial internal control improvements, forecasted investment earnings of \$1,264,100 compared to \$1,164,000 for 2016, increased revenue: \$99,454
4. HR saved on employee recruitment fees using staff and internet posting: \$18,441
5. Administration efforts produced grant revenues: \$5,939,564 (Combie mercury removal \$5.5M)
6. Safety department reduction in experience modification resulting in premium savings: \$137,694

Engineering

1. Use of NID staff for engineering duties resulted in 1,000 hours less consultant use: \$56,000

Operations

1. Worked with Sierra Fund to receive unused CABY grant revenue \$10,000
2. Completed Cascade Shores to E. George SCADA automation in house saving \$25,000
3. Campground automation completed in house saving \$15,000
4. Two caustic chemical tank purchases resulted in savings of \$3,200
5. Cancelled copier maintenance contract on seldom used equipment savings of \$2,374
6. Meter reader installations allow rapid replacement of non-read meters regaining lost revenue of \$3,000 a week (typically replaces 20 a week) for \$156,000 annually

Maintenance

1. Use of existing vs purchase of new materials for savings of \$85,000 (\$15,000 Canal B rehab, \$40,000 service line rehab program, \$30,000 rehab of fire hydrants instead of full replacement)
2. In house equipment repair vs outsourcing savings of \$39,300 (\$25,000 transfer truck vs Fosters and Sons, \$9,000 dump truck rebuild, \$5,300 overhaul of F550 service truck vs outside mechanic)

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3. NID staff vs outside installation contractor savings of \$86,000 (\$12,000 two culverts, \$17,000 fuelmaster units @80 vs \$180 per unit for 170 vehicles, \$2,000 TomTom GPS installation, \$10,000 move of HBE rock plant, \$30,000 to pour pad and erect new steel building, \$15,000 keeping landscaping inhouse)
4. NID staff vs outside contractor for Penn Valley pipe line replacement savings of \$64,000

Hydroelectric

1. Replaced Dutch Flat #2 and Chicago Park PH with LED lightning saving \$1,200
2. Improved capacitor banks at Combie North and South PH increasing revenue: \$7,500
3. In house staff for invasive species monitoring plan saving \$6,720
4. In house staff to replace breaker at Bowman Powerhouse saving \$25,000
5. In house staff to install CCVTs and tower at Chicago Powerhouse saving \$30,000

Recreation

1. Used surplus trucks instead of new purchase saving: \$80,000
2. Using NID staff vs Washington Right Fire Crew for tree removal saving: \$40,000
3. Used NID staff (2,298 hours, 34 employees) on Scotts Flat Gate 1 water line replacement vs contractor saving: \$232,548

Efficiency Summary

Department	Savings	Revenue	Efficiency
Finance, HR, Admin	\$ 252,772	\$ 6,039,018	\$ 6,291,790
Engineering	56,000		56,000
Operations	45,574	166,000	211,574
Maintenance	274,300		274,300
Hydroelectric	62,920	7,500	70,420
Recreation	352,548		352,548
Total	\$ 1,044,114	\$ 6,212,518	\$7,256,632



Nevada Irrigation District

October 11, 2017

2017 Financial Efficiency Report



2017 Financial Efficiency Report

- Finance, HR, Administration
 - Purchasing reductions over 31 transactions: \$61,710 savings
 - IT subscription for GIS software: \$18,000 savings
 - IT staff for livestreaming: \$12,927 savings
 - Increased investment earnings: \$99,454 revenue
 - HR staff and advertisement: \$18,441 savings
 - Administration grant efforts: \$ 5,939,564 revenue
 - Safety experience mod reducing premiums: \$ 137,694 savings

- Engineering
 - NID staff vs consultants: \$ 56,000 savings



2017 Financial Efficiency Report

- Operations

- Received unused CABY grant proceeds: \$10,000 revenue
- NID staff for E. George SCADA: \$25,000 savings
- NID staff for campground automation: \$15,000 savings
- Two caustic chemical tank purchase discounts: \$3,200 savings
- Copier maintenance contract cancellation: \$2,374 savings
- Improved reads from meter reader installs: \$156,000 revenue



2017 Financial Efficiency Report

- Maintenance

- Use of existing vs purchase of new materials: \$85,000 savings
- In house equipment repair vs outsourcing: \$39,300 savings
- NID staff vs outside installation contractor: \$86,000 savings
- NID staff vs outside for Penn Valley pipeline: \$64,000 savings

- Hydroelectric

- Dutch Flat and Chicago Park PH LED lighting: \$1,200 savings
- Combie North & South capacitor bank improvement: \$7,500 revenue
- NID staff species monitoring & Bowman breaker: \$31,720 savings
- NID staff for Chicago PH for CCVT & tower: \$30,000 savings



2017 Financial Efficiency Report

- Recreation

- Use of surplus trucks: \$80,000 savings
- NID staff vs Washington Right Fire Crew for tree removal: \$40,000 savings
- NID staff (2,298 hours, 34 employees) vs contractor for Scotts Flat Gate 1 water line replacement: \$232,548 savings



2017 Financial Efficiency Report

Department	Savings	Revenue	Efficiency
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