

Staff Report

for the Regular Meeting of the Board of Directors for October 23, 2019

TO: Board of Directors

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

DATE: October 16, 2019

SUBJECT: 2019 Financial Efficiency Report

FINANCE

RECOMMENDATION:

Review the 2019 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 \$6,038,574 in financial efficiencies and \$245,790 in additional revenues for the fiscal year. Since the inception of these efforts in 2014, the District has realized \$28,523,946 in efficiencies.

BUDGETARY IMPACT:

To be discussed.
/RS, MD

Attachments:

- 2019 Financial Efficiency Report

Nevada Irrigation District

2019 Financial Efficiency Report

October 23, 2019

Finance, HR & Administration

1. Purchasing realized savings from 40 different vendors during transactions – savings \$173,104
2. IT labor vs consultants, customer service water rate programming – savings \$21,166
3. Watershed jobs used staff vs contractors – savings \$33,000
4. Watershed net proceeds on timber sales – revenue \$41,718
5. Safety received reduction in fees across Workers' Comp & Liability Insurance plans – savings \$618,333
6. CFIP, CABY Drought, SNC Phase 4 Grants – revenue \$204,072
7. HR coordinated with Recreation departments to reduce temporary staffing firm use (21,504 hours) and bring labor on as direct temporary employees – ½ savings reflected in HR \$77,307
8. The District freed up labor hours due to 13 cancelled committee meetings – efficiency \$37,346
9. 2019 budget reductions – savings \$832,112

Engineering

1. Temporary labor vs contracting on Ditch Tenders house – savings \$10,000
2. Understanding CEQA Categorical Exemptions on Iron Horse, Pipeline & PRV Replacement projects – savings \$50,000
3. Construction management performed by internal staff on Combie Phase 1 will produce total savings of \$1,936,200 over life of project 2019 to 2021 – annual savings \$645,400
4. 2019 budget reductions – savings \$195,000

Nevada Irrigation District

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Operations

1. Power savings, use rate plan and North Auburn Pump rebate – savings \$5,631
2. Equipment savings by using Ram vs Chevy Colorado – savings \$14,796
3. 2019 budget reductions – savings \$529,225

Maintenance

1. Staff vs contractor on the following 12 individual projects for savings \$291,456: Scotts Flat Ditch Tender House, Scotts Flat Tank 1 Pump, Boreham and Gayle Pipeline, Meade Canal Siphon, Phase 3 of Penn Valley Pipeline, Placer Yard Office Restroom, Finance Department, Brewer PRV Station, Lake of Pines Caustic Tank, Orchard Springs Electrical Conduit, Tree Debris Removal, Landscaping
2. Material hauling and service line replacement materials costs – savings \$100,000
3. Temporary employee hiring practice vs outside vendor contracting – savings \$60,000
4. Equipment savings on Crane Truck replacement – savings \$40,000
5. Staff training on South Yuba Canal was performed by PG&E at no costs – savings \$12,000
6. 2019 budget reductions – savings \$542,200

Hydroelectric

1. Staff vs contractor on Rollins Howell Bunger value replacement project – savings \$274,000
2. Hydroelectric field office cellular coverage – annual savings \$9,000
3. 2019 budget reductions – savings \$1,340,000

Nevada Irrigation District

2019 Financial Efficiency Report

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Recreation

1. HR coordinated with Recreation departments to reduce temporary staffing firm use (21,504 hours) and bring labor on as direct temporary employees – ½ savings reflected in Recreation \$77,307
2. 2019 budget reductions – savings \$136,998

<u>2019 Summary</u>	Savings	Revenue	Efficiency
Finance, HR, Admin	\$ 1,782,868	\$ 245,790	\$ 2,028,658
Engineering	900,400		900,400
Operations	549,652		549,652
Maintenance	1,045,656		1,045,656
Hydroelectric	1,623,000		1,623,000
Recreation	136,998		136,998
Total	\$6,038,574	\$245,790	\$6,284,364