

SQUAW VALLEY PUBLIC SERVICE DISTRICT

FINANCE COMMITTEE MEETING

DATE: February 27, 2017

Call to order at 3:00 P.M.

Public comment – none

Attendees: Directors Eric Poulsen and Fred Ilfeld; Mike Geary, General Manager; Kathy Obayashi-Bartsch, Secretary to the Board; Pete Bansen, Fire Chief; Danielle Grindle, Finance & Administration Manager; Jessica Grunst, Account Clerk II/HR Specialist; Allen Riley, Fire Captain; Dave Hunt, District Engineer and Patti Guilford.

D-1 Operating Account Check Register: Ms. Grunst reviewed the Operating Check Register numbers 44508- 44604 and ACH payments. Staff reviewed payments of more than \$800 and provided an explanation of the following payments and a summary of electronic payments (ACH). There was also discussion of some payments less than \$800 that were of interest to the Committee members.

Check Payments:

- 44515 City National Bank – final land loan payment
- 44517 Hi-Tech Emergency Vehicle – emergency vehicle repair & service
- 44525 Allison Robinson – Utility customer refund for overpayment
- 44528 Standard Insurance – dental insurance
- 44529 Tahoe WoRx – Operations Dept. drug testing
- 44530 Tahoe Truckee Propane – heating fuel
- 44512 Ethan Manseau – payroll
- 44535 BankCard Center – travel for repairs of the new engine, miscellaneous items
- 44537 BankCard Center – welcome luncheon for Director Ilfeld, CSDA conference registration, office 365 subscription
- 44538 Bauer Compressors – annual testing & service of SCBA compressor
- 44541 Carrier Corp. – boiler repair at 305 SV Road
- 44545 Dept of Forestry – dispatch services
- 44546 Hunt & Sons – voided check, wrong amount
- 44549 Thomas Archer – legal services, a portion will be reimbursed by Squaw Valley Real Estate
- 44550 Liberty Utilities – electricity for all facilities, wells & pumps
- 44552 Mass Mutual Retirement – deferred compensation withholding
- 44557 Allen Riley – reimbursement for avalanche probes & beacons
- 44558 Sierra Chemical – caustic soda
- 44560 Tahoe WoRx – fitness testing for Fire Dept. staff
- 44562 Truckee Tahoe Propane – heating fuel
- 44565 Atomic Printing – winter newsletter
- 44566 Pete Bansen – reimbursement for Costco supplies, headset and furniture for 1810 Squaw Valley Road facility
- 44572 Nevada Seal & Pump – hydronic replacement parts & service
- 44573 Doug Nickerson – snow removal service for roof of 1810 SV Road
- 44575 Sierra Controls – SCADA Improvements 2017 project
- 44578 Tahoe Truckee Propane – heating fuel
- 44582 Mass Mutual Retirement – deferred compensation withholding

44589 Heat Tech of Truckee – furnace repair at 1810 SV Road
44590 Hunt & Sons – diesel and unleaded fuel
44596 Placer County Clerk – 2016 election
44600 Squaw Valley Business Association – annual membership dues
44601 Tahoe WoRX – Operations Dept. drug testing & Fire Dept. laboratory work
44602 Truckee Tahoe Propane – heating fuel
44604 Zoll Medical – EKG maintenance & warranty agreement

Mr. Hunt provided additional detail on the SCADA Improvement Project 2017 and plans for future service.

Ms. Grindle reviewed exhibits D-2 through D-8. Some of the reports have changed to include a balance sheet for additional information and a new report has been added to the monthly reports. The new report is exhibit D-5 - Combined Revenues/Expenditures/Balance Sheet. This new exhibit is for internal use only and not required by governmental accounting.

D-2 Operations Enterprise Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 58.3% of the year has elapsed. Revenue is at 93.2% of the annualized budget and expenditures are at 59.9% of the budget. Mr. Geary said with the record-breaking snow and rain storms in January, the District incurred significant expenses due to additional staff hours. Ms. Grindle explained why the consulting fees are now expensed rather than capitalized over time. A capital expense must be tied to a fixed asset and the District's audit team advised these items should be expensed.

The group reviewed the balance sheet items including the District's unfunded liability which is tied the California Public Employee Retirement System (Cal PERs).

D-3 Fire Government Fund, Revenue vs. Expenditure/Balance Sheet

The statement shows 58.3% of the year has elapsed. Revenue is at 64.7% of the annualized budget and expenditures are at 63.5% of the budget. Some expenses such as labor are reimbursable if it is for mutual aid or for staffing at Station 22. The land loan payment is included for the Fire Department's report is due to the modified accrual system used and required for a tax funded agency.

D-4 Capital Reserve Fund Balance Sheet/Income Statement

The income statement shows 58.3% of the year has elapsed and expenditures are running at 59.1%.

D-5 Combined Revenues/Expenditures/Balance Sheet

This report is for internal use only as a tool but is not intended to be an audited financial report. The report captures the District's position as a whole including enterprise funds (Operations/Administration Dept.) and governmental operations (Fire Dept.). The statement shows 58.3% of the year has elapsed and expenditures are running at 62.2%. Revenue is at 78.9% to the budget.

D-6 Fund Balance Statement

The statement shows the highest yielding funds are Placer County Funds (#541-003 and #541-435) at 1.45 % which is higher than last month at 1.34 %.

D-7 Bike Trail Snow Removal Expenditure vs. Revenue

The statement shows that 45% of the budget year has elapsed and the year to date percentage to budget is 46%. Squaw Valley Resort will provide \$8,000 for the project, not \$3,000 as posted on the report.

Payments: Mr. Geary reviewed the following payments with the Committee:

D-8 Progress Payment – Sierra Controls – SCADA Improvements 2017

Other items reviewed by the Committee include:

F-2 Budget Preparation Schedule.

Ms. Grindle reviewed the schedule with the group.

F-7 Redundant Water Supply Project – Funding.

Mr. Geary reviewed the item. In January 2016, upon completion of the three-phase Redundant Water Supply – Preferred Alternative Evaluation, the Board took action to “approve the project description as described in the Technical Memo III - Project Description (Preferred Alternative) dated December 11, 2015 as the preferred project alternative to provide a redundant water supply from Martis Valley”.

Relevant to project funding, the Board directed staff to pursue grant funding opportunities as well as partnerships with utility companies or other groups, such as real estate developers.

Staff is updating the Capital Replacement Plan (CRP) and Capital Improvement Plan (CIP) in support of the Rate Study and Cost of Service Analysis; the updates also accomplish goals identified in the District’s Five-Year Strategic Plan. The CIP identifies capital projects that increase the size or the capacity of the water and sewer systems and includes project information including benefits, estimated schedule, cost, and funding sources.

The CRP and CIP inform the Rate Study and Cost of Service Analysis by identifying the costs of capital projects that need to be funded by fees collected by the District. All of the capital projects identified by staff are included in either the CRP’s or CIP’s for the Water, Sewer and Fire Departments.

Due to the high cost estimated to construct the RWS Project and the resultant impact to both Water User Fees and Water Connection Fees of funding the project this way, staff is seeking direction from the Board on whether or not to include it in the Water CIP as a fees-funded project. By including the \$25M Redundant Water Supply (RWS) Project in the Water CIP, the fee funded capital improvement projects identified is estimated to grow in number from two projects to three projects; costs for all projects are estimated to grow from \$340,000 to \$25,340,000, or by 7,500%.

The impact of funding the RWS Project with fees on the District’s Water User Fees is an increase of approximately 87% (assume a 4% 25-year loan). The impact to the Water Connection Fees will be reviewed at the Board meeting.

Ms. Guilford said she does not support this project if property owners must pay for the project as the cost is so significant.

No further business coming before the Finance Committee, the meeting was adjourned at 5:05 P.M.

By, KOB/DG

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