



Board Action Memorandum

TO: Jackie Flowers, Director of Utilities
COPY: Charleen Jacobs, Director and Board Offices
FROM: Rachel Allen, Power Section Manager
MEETING DATE: June 24, 2020
DATE: June 12, 2020

SUMMARY: Amend the existing Department of Public Utilities Fleet Services Fund Ordinance to transfer operating division fleet assets to the divisions for funding flexibility while maintaining the purchasing and maintenance responsibilities within TPU Fleet Services.

BACKGROUND: Ordinance 23295 was approved on December 11, 1984 establishing a Department of Public Utilities Fleet Services Fund (Fleet Fund). Each utility division has contributed to and utilized the Fleet Fund for the acquisition and maintenance of fleet equipment used in utility operations. It is in the best interest of our customers and citizens to amend the existing ordinance to align it with modern operating and accounting practices, increase fiscal responsibility, and provide greater flexibility in purchasing future fleet assets.

This amendment will allow the TPU Fleet Services Department to continue managing and maintaining the equipment for all divisions and establishing appropriate rates to cover other fleet operating expenses. All equipment owned or leased by the Department of Public Utilities and not exclusively used by the Power, Water, or Rail divisions will continue as an asset of TPU Fleet Services. The amendment to this ordinance will allow all other equipment to become an asset of the division that acquired it. The transfer of assets will take place prior to December 31, 2020 to accommodate year-end accounting procedures. Any unused capital reserves contributed to the Fleet Fund will be transferred back to the division that contributed it. An adequate reserve fund will be established and maintained to support the ongoing operations of TPU Fleet Services.

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes.

IF THE EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.
N/A.

IF THE ACTION REQUESTED IS APPROVAL OF A CONTRACT, INCLUDE LANGUAGE IN RESOLUTION AUTHORIZING \$200,000 INCREASE IN ADMINISTRATIVE AUTHORITY TO DIRECTOR? No.

ATTACHMENTS: Ordinance 23295.

CONTACT: Travis Metcalfe, Assistant Power Section Manager.

Supervisor: Rachel Allen, Power Section Manager