

## **TUID COST ANALYSIS**

### **RENT**

Previous board approved and supported a rent payment to the former manager in the amount of \$1,100 per month for office space. That space measured 8.5' X 12.5', or 106.25 sq. ft. This represents \$124.25/sq.ft. (\$1,100/month X 12 months 106.25 sq. ft.).

The current office space for TUID is far more accessible and easier to locate. It is more spacious, measuring 11.167' X 16". This equates to 178.67 square feet. At the same rate that the previous board supported, NLP is providing \$22,200 annually in free office space to the district, or \$1,850 per month. This, of course, does not reflect the 25-30% inflationary increases experienced in the real estate markets throughout the country. \$150 per square foot is now the new norm.

**\$22,000.00**

### **UTILITIES**

Previous board approved and supported free utilities to the former manager for his living quarters and office space. After auditing the utilities from May 1, 2023, to January 31, 2024, the average cost per month is \$245.48, so the cost for annual utilities is listed below.

**\$2,945.70**

### **STORAGE FEES**

It goes without saying that the desert can be hard and abusive on equipment and vehicles. All of TUID assets in this regard have always been left under the baking sun either at the generator plant or elsewhere on property. NLP has placed TUID vehicles and equipment under cover in 5 different storage units on property. Each storage unit rents for \$100 per month X 5 units = \$500 per month. Annual costs would therefore be \$6,000.

**\$6,000.00**

### **EQUIPMENT**

The TUID office was not equipped to be operational as an office without suitable heat and air, and NLP came out-of-pocket to not only make the conditions comfortable for staff, but customers, as well.

**\$1,890.47**

## LABOR

Prior to the TUID/NLP contract, our management team planned for John Motley to become Director of Energy Resources, spending 75% of his time managing TUID, and the other 25% managing OSM and the Tapestry Development off of the Burr Trail. Connie Malone was hired as HR Director for NLP. Dana DeMambro was promoted to Chief Engineer to oversee generator functions for TUID on top of his duties as engineer of the OSM generator plant. NLP's maintenance staff would be responsible for water samples, maintenance of TUID properties and equipment, grounds and landscaping, etc.

NLP knew and understood that the first year or two would be a challenge attempting to sort everything out and lay new SOP's for unsuspecting occurrences. Many functions that were outsourced at steep rates were consolidated within our staff capabilities, reducing the cost to TUID, but extending labor costs to NLP. Several examples include vehicle repairs and equipment repairs – instead of taking these items to auto mechanics (costing TUID labor and repairs), our staff makes these repairs on site. Instead of paying a civil engineer \$11,000 to produce a Drinking Water Source Plan (DWSP), our staff handled the paperwork. Whereas TUID paid Larson accounting to provide much needed accounting work, NLP transitioned Connie Malone to NLP to assist Mr. Motley with these functions, which everyone would agree has vastly streamlined our ability to produce financial documents and analysis at a higher rate of speed, including billing, accounts payable, receivables, and matters of compliancy. This comes at a great cost to NLP.

NLP has also had to transition other staff members to cover operations with OSM's power plant and admin functions with the Tapestry Development due to Mr. Motley dedicating over 40 hours per week at TUID, pulling him away from his functions with NLP. This, too, comes at a great cost of labor. In addition, Mr. Motley and Ms. Malone have been permitted over the past month to work outside the scope of their job descriptions by being available on demand to sort out and bring into compliance many issues that were unknown. The proper protocol would be for board members to discuss with me, as General Manager, what is needed, and I delegate assignments based on protocol and priorities. This allows me to properly manage labor costs. It would be akin to the previous board going straight to the TUID employees and skirting over the previous manager. The hands on, on-site General Manager has a difficult time managing expenses when outside contacts are "managing" the operations. However, everyone understands that we are enduring challenging times, and direct communication is necessary until we fix what is broken, so there has been no need to implement a stricter guideline. The labor figures need to be shown, however, so that NLP can show the full value of its role as management.

NLP utilizes MaintenanceX to track these hours and labor costs. The total labor costs to NLP reflects 10 months of the first year of the TUID/NLP contract.

**\$136,500.00**

## TOTAL VALUE OF NLP MANAGEMENT CONTRACT TO TICABOO UTILITY IMPROVEMENT DISTRICT

**\$169,336.17**

### TOTAL COST TO TUID

**\$100,000.00**

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### ADDITIONAL EXPENSES TAKEN OFF OF TUID EXPENSE

- TUID paid for the previous GM's internet and cell phone and NLP pays for the internet used for business now, and John pays for his own cell phone at \$200 a month or \$2400 savings a year. The previous GM's internet bill alone was \$350.00 a month at his house that TUID paid.
- John drives his own vehicle bought specifically for TUID use and pays for his own supplies and parts. He has spent over \$2,000 to date on tires, oil lines, plugs, etc. – The previous GM expensed all of that.
- TUID paid for a personal computer that the previous GM took with him.
- TUID paid for all of the previous GM's utilities including **propane**, and NLP pays all of that for operations now.
- The new management has focused on running TUID operations as its first order of business and saves time and money by running relevant operations vs branching out into supplying power to Bullfrog and Hite, zoning and other extra-curricular activities that cost TUID money from lawyers, engineers, travel and various other vendors/contractors that did not produce a return.
- NLP picks up parts and supplies for TUID on its own supply trips at no extra charge for fuel or labor.
- NLP carries water samples to Price along with OSM's water samples at no cost sharing for labor, transport, fuel, or wear and tear.
- NLP provides a discount on lodging for TUID vendors that need to stay overnight for work...CAT being an example.
- NLP uses company tools, equipment and supplies on hand to perform TUID work when TUID doesn't have the tools, thus saving TUID money from having to buy additional tools and equipment.

NLP has already saved TUID thousands just from 2023, but in this next year as expenses get caught up and the new budget is applied as it is now, the combined savings of 2 years ('23 and '24) compared to '21 and '22 are going to be phenomenal, especially in the areas of "unnecessary" costs such as legal consultation, travel and entertainment, and other items we've eliminated.

## **COMMUNITY VALUE in 2023**

### **PARTNERSHIP WITH GARFIELD COUNTY**

In 2022, one of our employees was approached at his home by Glen Canyon Law Enforcement because dispatch had received a 911 call from Ticaboo and the officers could not locate the street. NLP contacted the county and asked for street signs, which the county provided. NLP purchased the cement, provided the sign poles, and provided the labor to put up the signs. The county has the remaining signs in production, and NLP will handle putting those signs into place. Total cost for labor and materials is listed. This has greatly improved the response time for any emergency situation that arises in the future.

**\$2,042.00**

### **TICABOO VOLUNTEER FIRE DEPARTMENT**

Attracting and retaining volunteers for the fire department has not been an easy chore. However, presently, we have 10 members, all of which are NLP staff. Due to the difficulty in having volunteers come to training after work around dinner time every month, we have moved the training sessions to early in the day and while staff is on the clock for NLP. If all 10 volunteers turn out (which they do 90% of the time, that is between \$270 and \$300 per hour, and training can last 1-2 hours. Average cost to NLP is therefore \$427.50 per month.

**\$5,130.00**

### **TOTAL VALUE TO TICABOO COMMUNITY**

**\$7,172.00**