



Item D: Allocation of 2018-19 Surplus Funds

November 25, 2018

Introduction

Based on October financial reports and anticipated expenses for the year, staff expects that PRAMP will have a surplus of approximately \$175,000 at March 31, 2019. The surplus is a result of the later execution of the CNRL PRC station operating agreement¹, savings for the network assessment analysis and savings on other line items.

Discussion

Similar to 2017-18, staff is proposing to spend a portion of the anticipated surplus on a trailer and air monitoring equipment. The purchases for 2018-19 would be the first step in replacing the rented trailers and equipment at either 986, 842 or the Reno station with PRAMP-owned assets.

Staff is of the view that planning to purchase a trailer and equipment up to a value of \$140,000 by March 31, 2019 would be a low-risk approach, given the anticipated \$175,000 surplus.

Board Decisions

The Board is asked to decide on the following:

1. Does the Board support staff purchasing an air monitoring trailer and equipment up to a value of \$140,000 by March 31, 2019 to begin to replace the rented trailer and equipment at 986, 842 or Reno stations?

If the Board supports this expenditure, staff will advise AEP staff to ensure that the approach is aligned with AEP contract expectations.

¹ For budget estimates, staff has assumed that PRAMP will begin to pay for the operation of the CNRL PRC station and passive network on January 1, 2019. This date may be optimistic, but it ensures that funds will be available if the PRAMP/CNRL operating agreement can be executed by this date.