

## EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a **6-month interim budget for the Public Agency Network (PAN) Operations in FY 2013-2014** in the amount of \$88,592, commencing July 2013.

Board Meeting Date: July 16, 2013

Project Name/Contract#: Public Agency Network/IGA 10092

Project Contact: Dean Ahlsten Ext. 7136

Secondary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Tracy Davis Ext. 7468

### Action Requested:

Contract Award  
 Contract Renewal  
 Contract Increase  
 Other

### Contract Amount:

Original Contract Amount: \$ N/A

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 88,592 (for 6 months only)

**Resulting Cumulative Total:** \$ N/A

### Funding Source:

Budget  
 Reserves  
 New Revenue  
 Bonding  
 Other

### Contracting Method:

Method of Solicitation: Exemption-Intergovernmental Agreement (IGA)

If applicable, basis for exemption: EWEB Rule 6-0190, ORS 190.010

Term of Agreement: July 1, 2013 to Dec. 31, 2013

Option to Renew? No

### Form of Contract:

Single Purchase  
 Services  
 Personal Services  
 Construction  
 IGA  
 Price Agreement  
 Other

### NARRATIVE:

The Board is being asked to approve a **6-month interim budget for the Public Agency Network (PAN) Operations in FY 2013-2014** in the amount of \$88,592, commencing July 2013.

Since the initial deployment of the Public Agency Network in 2001, EWEB has served as the Executive Authority (EA) on behalf of the members. One of EWEB's roles as the EA is fiscal management of the PAN budget, and as such, the Board is required to approve the annual operating budget each year in July.

PAN Rates are made up of three components: 1) direct equipment operations and maintenance expenses; 2) indirect costs for tree trimming, test equipment & training; and 3) an equipment reserve account for future capital upgrades. Attachment A reflects a partial FY 2013-2014 budget of \$45,137 for direct expenses, \$29,055 for indirect expenses, and \$14,400 for the equipment reserve. Excess revenue from the FY 2012-2013 budget will be allocated to the equipment reserve account.

Per mutual agreement between EWEB and PAN member agencies, the Executive Authority role will be transitioning from EWEB to Lane Council of Governments (LCOG) staff on January 1, 2014. The LCOG Board will approve and incorporate the remaining six months of the PAN FY 2013-14 budget (January 1, 2014 – June 30, 2014) into their agency budget at their December 2013 meeting. A new IGA will be executed between PAN member agencies at that time to reflect the new structure.

The PAN is being re-designed to require less electronic multiplexing equipment and will rely primarily on the use of dark fiber. The reserve monies will be used by LCOG and the members to reconfigure the network; any surplus will be reimbursed to the members. EWEB fiber will continue to be used for connectivity between member facilities, and EWEB will recover its costs via its public purpose dark fiber rates. LCOG will be responsible for establishing PAN member rates and for reimbursing agencies for the use of their fiber. EWEB's dark fiber revenue from PAN is reflected within the budget line item "Utility Fiber Use".

### ACTION REQUESTED:

Management requests Board approval of the **FY 2013-2014 PAN budget for the period of July 1, 2013 to December 31, 2013.**

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_

LT Manager: \_\_\_\_\_

Purchasing Manager: \_\_\_\_\_

General Manager: \_\_\_\_\_

Board Approval Date: \_\_\_\_\_

Secretary/Assistant Secretary verification: \_\_\_\_\_

## Attachment A

Board Consent Calendar Request, July 16, 2013

**Proposed 6-Month PAN Budget for FY2013-14**

<b>Description</b>	<b>FY 10-11</b>	<b>FY 11-12</b>	<b>FY 12-13</b>	<b><i>FY 12-13 Actual</i></b>	<b>FY 13-14 July 1, 2013 - Dec. 31, 2013</b>
EWEB Staff	\$ 29,000	\$ 24,000	\$ 24,000	\$ 9,950	\$ 12,000
LCOG support	\$ 12,500	\$ 12,500	\$ 12,500	\$ 6,999	\$ 6,250
Zhone Maintenance	\$ 28,773	\$ 28,773	\$ 28,773	\$ 28,773	\$ 14,387
Taxes	\$ 18,000	\$ 23,000	\$ 23,000	\$ 24,153	\$ 12,500
Fiber Use	\$ 21,293	\$ 21,293	\$ 21,293	\$ 38,479	\$ 29,055
Equipment reserve	\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800	\$ 14,400
<b>Total</b>	\$ 138,366	\$ 138,366	\$ 138,366	\$ 137,154 (1)	\$ 88,592

(1) Savings in operating costs re-allocated to increase Equipment Reserve