

# Eugene Water & Electric Board

## 2014 Proposed BUDGET

December 3, 2013



### Eugene Water & Electric Board

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541-685-7000  
[www.eweb.org](http://www.eweb.org)

# Board of Commissioners

**OUR Mission** 

is to be an outstanding provider of energy and water products that meet customer needs and benefit the citizens of Eugene.

**OUR Vision** 

is to be the best community-owned water and electric utility in the nation.

**WE Value** 

- Providing affordable products and services
- Caring about our community and the environment
- Being flexible, innovative and adaptable to community needs
- Defining value through the customer's eyes
- Creating a quality work environment

EUGENE WATER & ELECTRIC BOARD 

|                                   | <u>Ward</u> | <u>Term ends</u><br><u>December 31,</u> |
|-----------------------------------|-------------|---|
| <b>John Simpson, President</b>    | At Large    | 2014                                    |
| <b>John Brown, Vice president</b> | 4 & 5       | 2014                                    |
| <b>Dick Helgeson</b>              | 2 & 3       | 2016                                    |
| <b>James Manning</b>              | 6 & 7       | 2016                                    |
| <b>Steve Mital</b>                | 1 & 8       | 2016                                    |

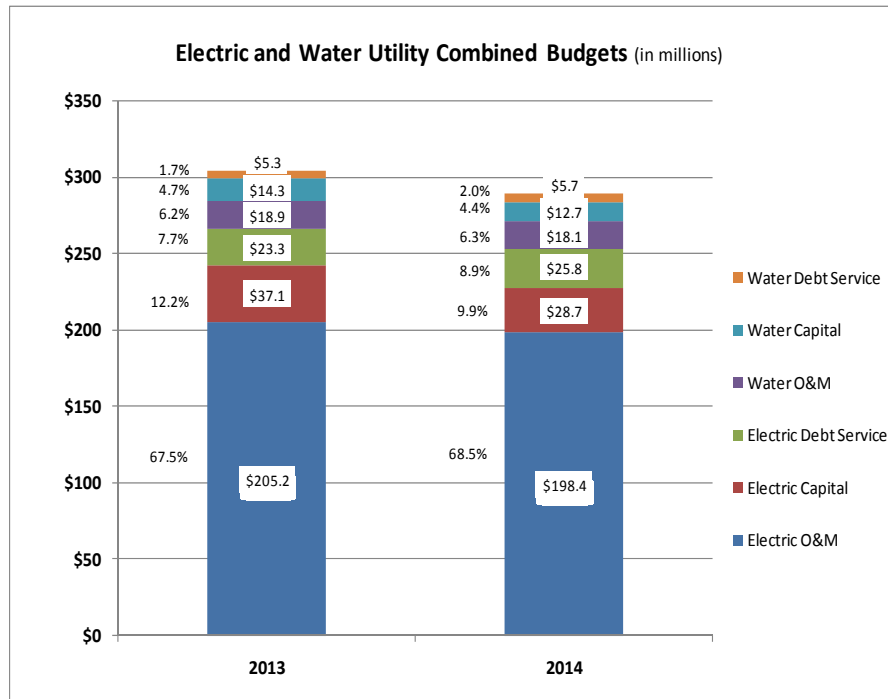
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## Board of Commissioners,

The 2014 Eugene Water & Electric Board Operations & Maintenance (O&M) and Capital proposed budgets totaling \$252.9 million for the Electric Utility and \$36.5 million for the Water Utility are submitted for your consideration and approval. The combined total for both Utilities is \$289.4 million. Included in the budgets are O&M expenses, plant additions, debt service and contributions in lieu of taxes to local governmental agencies. For the second consecutive year management is proposing significant budget reductions, and the 2014 combined Utilities budgets is almost five percent lower than 2013. As a result of the work performed by the Board, management and staff, both Utilities' long term financial plans demonstrate increased financial stability and a more solid financial outlook.



The proposed budget was prepared as the economy continues its struggle to recover from the effects of the Great Recession. The weak economy impacts our customers, and consumption for both Utilities is expected to remain relatively flat compared to the 2013 budget. The Electric and Water Utilities' financial challenges are very different. Three years of average or higher than average hydro generation have allowed the Electric Utility to accumulate reserves in excess of Board targets; however increased debt costs for rehabilitation and expansion of infrastructure, as well as renewable power investments, have made achieving debt service coverage targets difficult. The Water Utility does not have a large debt burden, but water sales have not rebounded since the loss of its largest customer and the effects of the recession. Reserves for the last several years have been well below Board targets.

In an effort to ensure that EWEB's constrained resources are used in alignment with Board and customer priorities and EWEB's overarching strategy "To Deliver Value for Generations," in 2011 EWEB began a multi-year transition to a more priority based budgeting (PBB) approach. This process was used in the development of the 2014 budget.

Preliminary forecasts for the Electric Utility indicated the need for an almost 20% 2014 rate increase in order to achieve Board targets for financial metrics. Contributing to the Electric Utility financial pressures are the continuation of depressed prices that EWEB can charge for its surplus power in the wholesale market, a net reduction in the resources received from the Bonneville Power Administration (BPA) and increasing debt service costs which are the result of bonds issued to fund capital projects.

After a 2013 Water Utility 20% rate increase to begin stabilizing the Utility's financial condition, initial projections were for a 2014 rate increase of approximately 15% primarily due to the deferral of 10% of the 2013 proposed rate increase. Major drivers were low projected sales, the need to replace aging infrastructure so that customers continue to receive

safe, reliable water and the need to further stabilize the Utility’s financial condition.

To reduce the magnitude of those rate increases, for the second year in a row, EWEB management made a series of difficult, but necessary, cost cutting decisions in early 2013. The decisions were made after a review of EWEB’s business model and cost structure using information gathered through the PBB process, which resulted in further changes to traditional business practices. Reduction measures incorporated in the 2014 proposed budget include 25 positions, most of which have been achieved through attrition and retirements, non-labor operations & maintenance reductions of \$3.6 million, and the deferral or elimination of \$20 million in capital spending.

Net priority based budgeting changes for full-time equivalent (FTE) positions and non-labor O&M budgets by department for the last two years are noted below:

| <b>Department FTE Changes</b>                | <b>2013</b>    | <b>2014</b>    | <b>Total</b>   |
|--|----------------|----------------|----------------|
| General Manager                              | (3.00)         | (1.00)         | (4.00)         |
| Electric (includes warehouse and facilities) | (10.50)        | (8.00)         | (18.50)        |
| Water  | 1.00           | (2.00)         | (1.00)         |
| Customer Service                             | (6.00)         | 3.35           | (2.65)         |
| Energy Management Services                   | (11.00)        | (5.00)         | (16.00)        |
| Engineering                                  | (9.50)         | (2.00)         | (11.50)        |
| Generation and Fleet                         | (2.25)         | (2.00)         | (4.25)         |
| Information Technology                       | 1.00           | (1.00)         | 0.00           |
| Strategic and Power Planning                 | (2.00)         | (1.00)         | (3.00)         |
| Power Operations                             | (2.00)         | (1.00)         | (3.00)         |
| Finance                                      | (1.00)         | (1.00)         | (2.00)         |
| Environmental                                | (1.00)         | 0.00           | (1.00)         |
| Human Resources                              | (2.30)         | 0.25           | (2.05)         |
| Public Affairs                               | (2.00)         | 0.00           | (2.00)         |
| <b>Total</b>                                 | <b>(50.55)</b> | <b>(20.40)</b> | <b>(70.95)</b> |

Excluded from the above table are FTE increases related to in-sourcing work previously performed by contractors that were funded through a non-labor expense reduction and FTE on short-term special assignments. Reductions represent over 12% of 2012 FTE.

| <b>Department Non-labor O&amp;M Reductions</b> | <b>2013</b>         | <b>2014</b>         | <b>Total</b>        |
|--|---------------------|---------------------|---------------------|
| General Manager                                | \$ 25,000           | \$ 110,000          | \$ 135,000          |
| Electric (includes warehouse and facilities)   | \$ 114,000          | \$ 230,000          | \$ 344,000          |
| Water  | \$ 222,000          | \$ 120,000          | \$ 342,000          |
| Customer Service                               | \$ 168,000          | \$ 428,000          | \$ 596,000          |
| Energy Management Services                     | \$ 1,616,000        | \$ 1,095,000        | \$ 2,711,000        |
| Engineering                                    | \$ 329,000          | \$ 635,000          | \$ 964,000          |
| Generation and Fleet                           | \$ 48,000           | \$ 123,000          | \$ 171,000          |
| Information Technology                         | \$ 218,000          | \$ 457,000          | \$ 675,000          |
| Strategic and Power Planning                   | \$ 142,000          | \$ 66,000           | \$ 208,000          |
| Power Operations                               | \$ 456,000          | \$ 20,000           | \$ 476,000          |
| Finance  | \$ 19,000           | \$ 62,000           | \$ 81,000           |
| Environmental                                  | \$ 190,000          | \$ 75,000           | \$ 265,000          |
| Human Resources                                | \$ 343,000          | \$ 99,000           | \$ 442,000          |
| Public Affairs                                 | \$ 239,000          | \$ 53,000           | \$ 292,000          |
| <b>Total Non-labor O&amp;M Reductions</b>      | <b>\$ 4,129,000</b> | <b>\$ 3,572,000</b> | <b>\$ 7,702,000</b> |

A component of the PBB process is to determine if any budget additions are required to ensure adequate resources are allocated to higher priority functions. A few additions were made to the non-labor budget and include funding an update of the water and electric master plans to guide replacement of aging infrastructure (\$800,000) and covering higher statutory compliance costs (\$200,000). Another component of the PBB process is to only use one-time resources for short-term expenses. About \$600,000 of reserves was used to fund regional memberships and potential legal costs.

EWEB continues to be a strong community partner as evidenced by its Community Care Program that was created in response to the economic crisis and provides bill payment assistance for limited income customers. The budget includes \$1.4 million for this program. Additionally, EWEB provides over \$500,000 in grants to local schools. Although funding levels for both are lower than in recent budgets, they do provide assistance for local needs.

As EWEB considers multiple strategies to reduce costs and debt, including potential asset sales, the utility must balance the reliability of its electric and water distribution systems with reasonable risk.

## Electric Utility

### Overview

The Electric Utility has surplus power which is sold to other utilities. A continuation of depressed prices for the sale of surplus power and a net reduction in 2014 BPA resources available have resulted in historically low wholesale revenues. Budgeted wholesale revenue in 2014 is only 34% of the 2008 actual. Combined with decreased customer demand due to the Great Recession requires that the Utility's fixed costs be spread over a smaller base. Additionally, EWEB has invested in renewable power (wind, biomass) which is more expensive than the historical hydro generation. Those investments and the bonds issued for infrastructure rehabilitation and replacements have increased debt service payments and put pressure on debt service coverage metrics. In June 2013, the Board approved financial policies that lowered the debt service coverage metric to align with a single 'A' rated utility. Subsequent to that, Fitch Rating Agency downgraded the Electric Utility's bond rating from 'AA-' to 'A+'. With the PBB changes noted above, the ten year long-term forecast projects financial metrics to be met in all years except when the Carmen-Smith hydro-generation plant is currently scheduled to be offline due to major

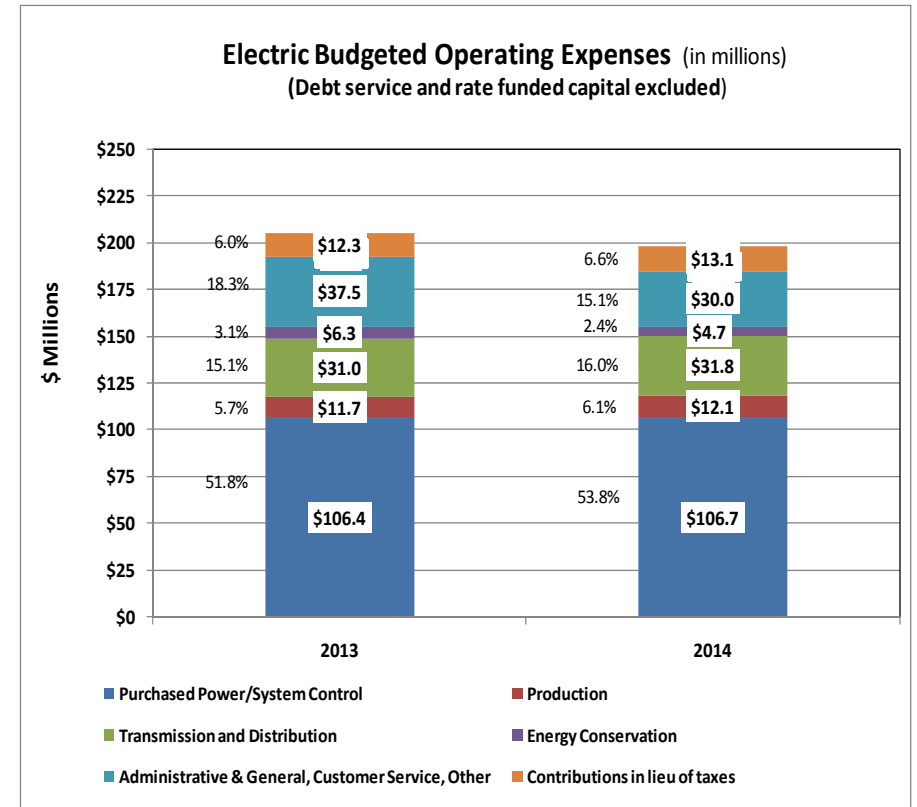
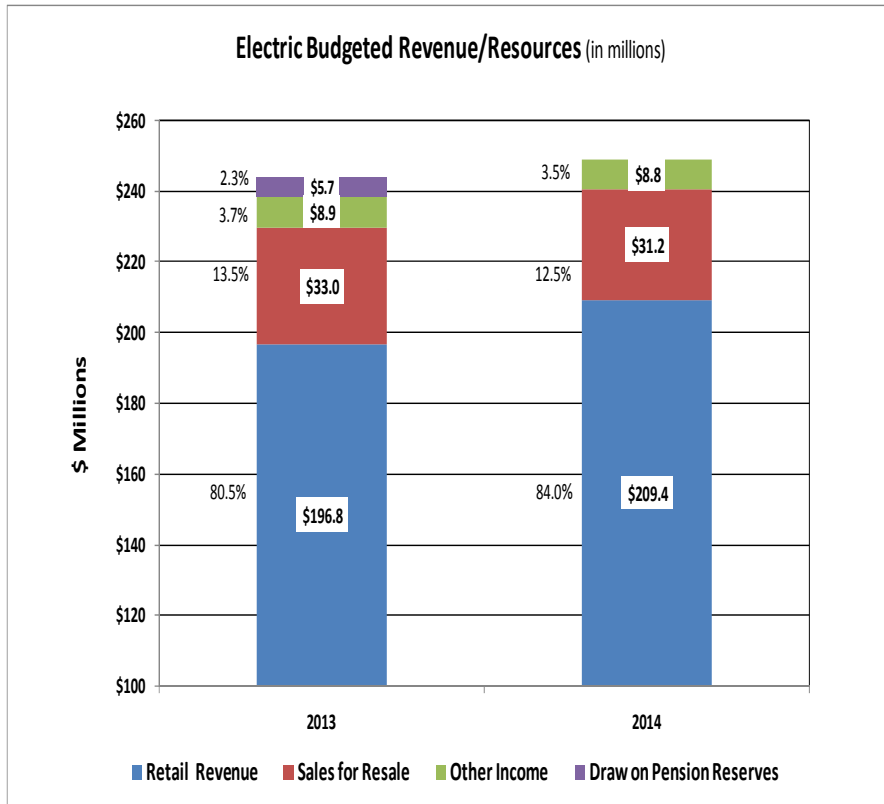
relicensing work. The Federal Energy Regulatory Commission has not yet issued the Carmen-Smith license, and timing of that work is uncertain.

While increased revenue associated with new system load would provide substantial benefit to EWEB and the community as a whole, we cannot rely on the benefit of new revenue from load growth to solve the financial issues. Management's hard work over the last two years making workforce and other reductions has set the Electric Utility on a stable financial path.

### Operations & Maintenance Budget

The 2014 Electric O&M budget is \$198.4 million compared to \$205.2 million in 2013. The \$7 million decrease is due to the PBB reductions and the 2013 one-time deposit of \$5.7 million to EWEB's Other Post Employment Benefits (OPEB) trust. The deposit is included in the *Administrative & General, Customer Service, Other* expense category. Increases to Bonneville Power Administration's (BPA) purchased power and higher costs for certain generating asset investments have been offset by the reductions noted previously. Additionally, designated funds of approximately \$2.2 million are being used to offset debt service and health insurance expenses and are included in the *Administrative & General, Customer Service, Other* category. In order to achieve the Board target for debt service coverage, the budget includes a deposit of \$6.4 million to operating reserves. In 2014, the Board will discuss potential use of those reserves.

The following charts compare the 2014 and 2013 revenue and expense budgets:



The budget assumes hydro generation based on 90% of average stream flow and flat retail consumption of 2.4 million MWh. Wholesale sales have declined due to reduced BPA resources which results in further reliance on revenue from Utility customers. Retail sales are up \$12.6 million due to the combined effect of a full year impact of the May 2013 4% overall average increase, the November 2013 BPA pass-through of 1.75% and the budgeted 4% February 2014 overall average rate increase. The February rate increase represents \$6.19/month for the average single-family residence consuming 1,600 kWh.

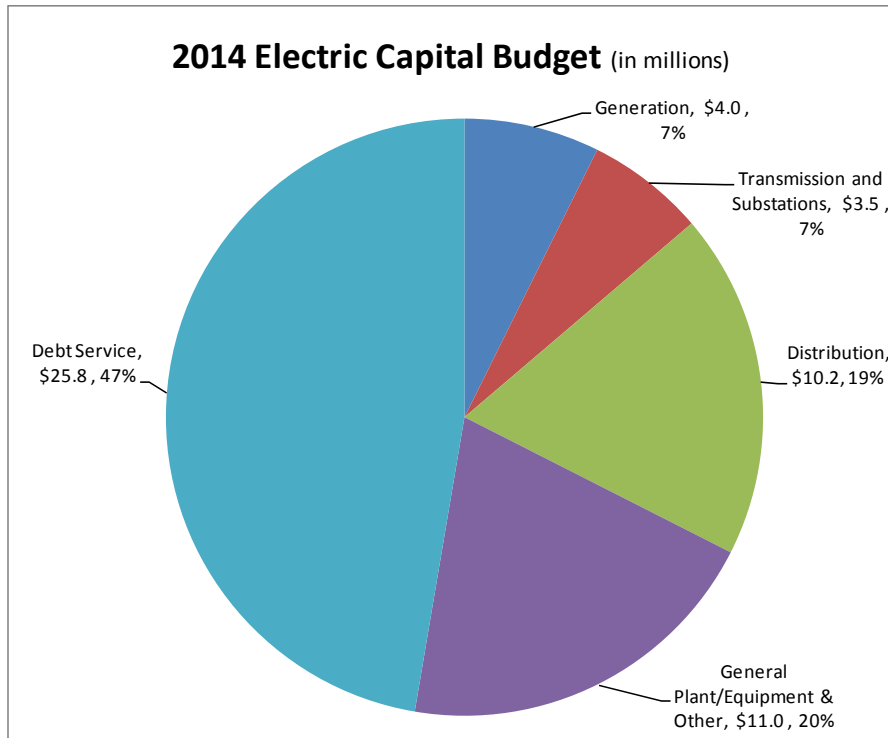
The decreases in the *Energy Conservation* and *Administrative & General, Customer Service, Other* categories are a result of the PBB reductions and the 2013 one-time payment to the OPEB trust.

#### Capital Budget

The electric capital budget of \$54.5 million is \$5.9 million lower than 2013 and includes \$25.8 million in debt service. Funds of \$17.4 million to replace aging transmission and distribution, generation, substations, and general plant infrastructure are budgeted in an effort to maintain, but not improve, the current level of reliability. These replacements will be funded with electric rates and other customer contributions. Carmen-

Smith hydroelectric relicensing costs are budgeted at \$3.2 million and will be funded with previously issued bond proceeds.

Other major projects included in the capital budget are \$5 million for rebuilding the downtown secondary network system and \$2.8 million to implement a work asset management system.



## Water Utility

### Overview

Like many Northwest water utilities, EWEB's water utility has experienced declining demand at a time when aging infrastructure needs to be replaced in order to reliably deliver safe water to customers. The extensive capital required to operate a large filtration plant and maintain about 800

miles of distribution pipes comes with high fixed costs. Fixed costs typically comprise 80-95% of a water utility's expenses. Since 2010, budgeted water sales volumes have declined about 20%. Given declining water sales, the recovery of fixed costs remains challenging. Accordingly, the Utility has been unable to meet operating cash and reserve targets.

As of 2013, EWEB's rates reflect a structural change to rely less on the volume of water it sells and more on a higher basic charge. This put EWEB's rate structure more in line with the fixed cost nature of the water utility.

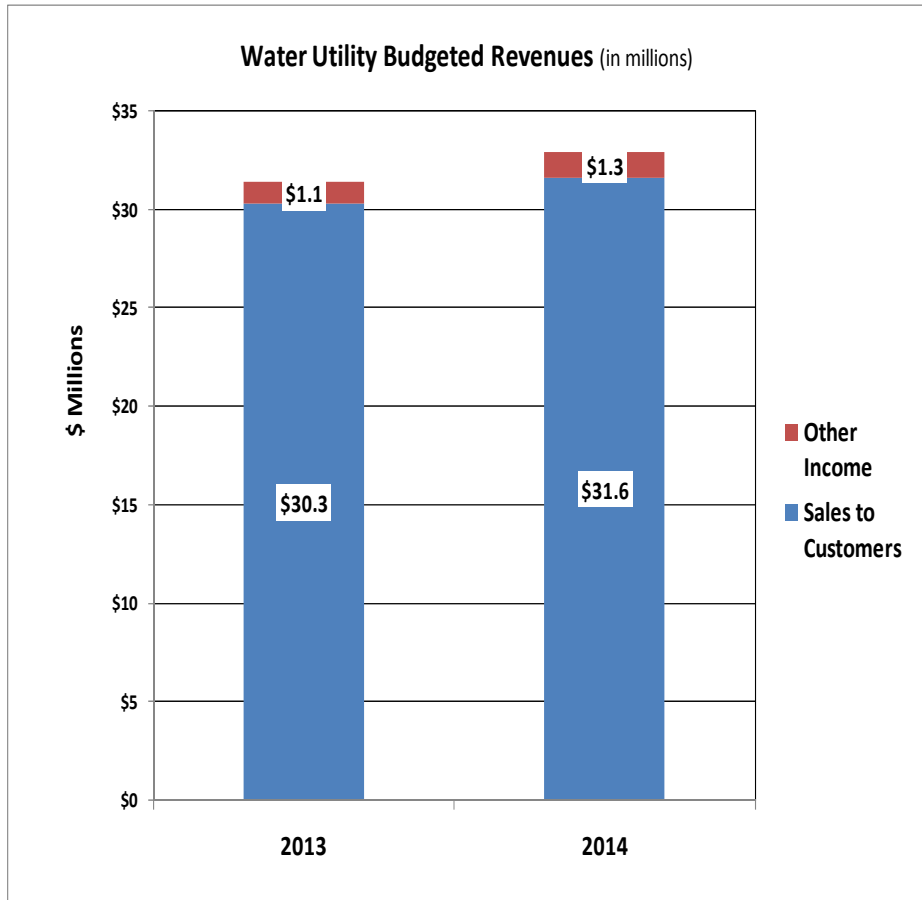
### Operations & Maintenance Budget

The 2014 Water Utility O&M budget is \$18.1 million compared to \$18.9 million in 2013. The decrease is primarily due to the 2013 one-time deposit of \$1.3 million to EWEB's Other Post Employment Benefits (OPEB) trust. The deposit is included in the *Administrative & General/Other* expense category.

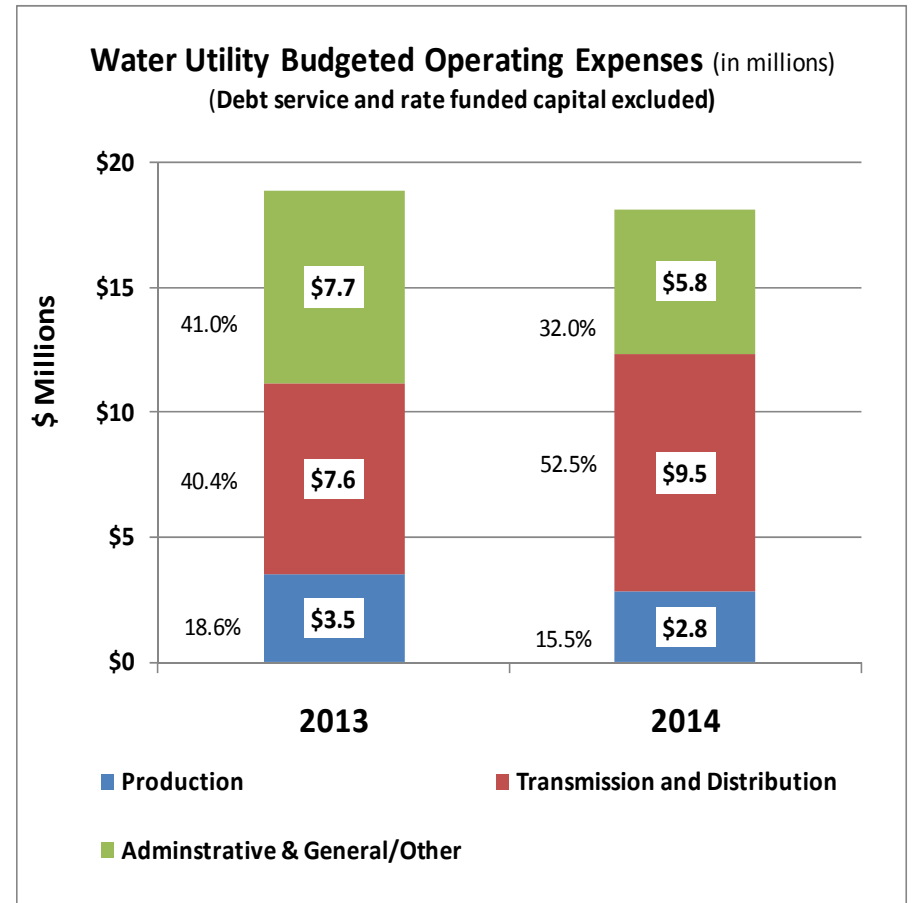
The budget includes an overall average rate increase of 3% which would be effective on bills rendered beginning February 2014. This increase represents less than \$1 per month for the average residential customer using 7 kgals. The 2014 budget assumes sales of approximately 7.4 million kgals which is consistent with the 2013 budget and approximately 400,000 kgals lower than 2012 actual consumption. The budget includes a deposit of \$2.7 million to working cash/operating reserves in an effort to reach Board targets.

The following charts compare the 2014 and 2013 revenue and expense budgets:





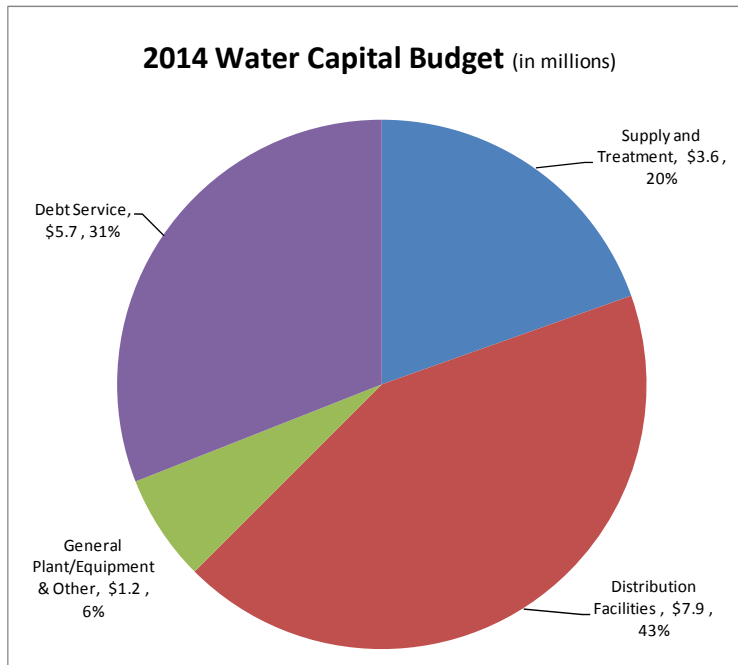
The above graph indicates how the Water Utility relies almost entirely on sales to customers for its revenue.



The significant reduction in the *Administrative & General/Other* category is a result of PBB reductions and the Water Utility's portion of the 2013 one-time payment into the OPEB trust. The increase in transmission and distribution is primarily due to a reorganization that shifted costs from production and the addition of \$600,000 to develop a master plan that will guide the Utility in replacing aging infrastructure.

**Capital Budget**

The \$18.4 million water capital budget is \$1.1 million lower than 2013 and includes \$5.7 million in debt service/lease payments. The budget to replace aging infrastructure is approximately \$7.6 million which is typically funded by water rates and customer contributions. Significant projects include transmission and distribution main replacements. Infrastructure rehabilitation and expansion costs total \$5.2 million and will be funded with previously issued bond proceeds. Projects include work at the Hayden Bridge filtration plant, as well as pump stations and reservoirs.



**Electric and Water Impacts to Residential Customers**

The following chart shows the approximate monthly residential bill increase as a result of the rate increases used in developing the 2014 budget:

| 2014 Proposed rate actions - residential | Typical apartment - average monthly consumption of 570 kWh electricity and 3 kgals water | Typical single family home –average monthly consumption of 1600 kWh electricity and 9 kgals water |
|--|--|---|
| Electric – 4.5% February increase        | \$5.15   | \$6.19  |
| Water – 3% February increase             | \$0.63   | \$0.94  |
| Total average monthly increase           | \$5.78   | \$7.13  |

The development of the 2014 budgets required an extensive review of current operations to determine how to reduce budgets while keeping our customer priorities at the forefront. Management and staff accepted the challenge to determine more effective and efficient ways to deliver services without compromising safety and system reliability. For EWEB to truly deliver value for generations, we must be flexible and adaptable to operate in a changing and uncertain environment. Our success will depend on engaging the community, board, and staff in charting our course for the future. I want to thank EWEB management and staff, Commissioners and the community for their assistance in helping EWEB achieve its mission “To be an outstanding provider of energy and water products that meet customer needs and benefit the citizens of Eugene”.

I recommend the adoption of the 2014 Electric and Water Utility budgets presented in Attachment 1.

Respectfully submitted,

Roger Gray, General Manager

# Attachment 1

## 2014 Proposed Budgets



**EUGENE WATER & ELECTRIC BOARD**  
**ELECTRIC UTILITY OPERATIONS & MAINTENANCE BUDGET**  
**2014 BUDGET COMPARED WITH 2013 BUDGET AND 2012 ACTUAL**

|  | 2014 Budget |                | 2013 Budget |                | 2012 Actual |               |
|--|-------------|----------------|-------------|----------------|-------------|---------------|
|  | MWH         | REVENUE        | MWH         | REVENUE        | MWH         | REVENUE       |
| Residential                                      | 964,039     | \$ 104,078,000 | 963,735     | \$ 98,142,000  | 941,922     | \$ 90,785,000 |
| Commercial                                       | 886,538     | 58,024,000     | 672,462     | 55,845,000     | 869,140     | 53,251,000    |
| Industrial                                       | 562,048     | 47,290,000     | 795,426     | 42,826,000     | 564,008     | 40,903,000    |
| Retail sales                                     | 2,412,625   | 209,392,000    | 2,431,623   | 196,813,000    | 2,375,070   | 184,939,000   |
| Wholesale sales*                                 | 846,238     | 31,154,000     | 1,029,596   | 32,983,000     | 2,127,501   | 61,288,000    |
| Operating revenues                               | 3,258,863   | 240,546,000    | 3,461,219   | 229,796,000    | 4,502,571   | 246,227,000   |
| Other revenue                                    |             | 6,889,000      |             | 6,799,000      |             | 4,746,000     |
| Interest earnings                                |             | 1,905,000      |             | 2,094,000      |             | 1,408,000     |
| Non-operating revenues                           |             | 8,794,000      |             | 8,893,000      |             | 6,154,000     |
| Total revenues                                   |             | 249,340,000    |             | 238,689,000    |             | 252,381,000   |
| Purchased power                                  |             | 99,857,000     |             | 98,936,000     |             | 101,961,000   |
| System control                                   |             | 6,889,000      |             | 7,505,000      |             | 6,624,000     |
| Steam and hydraulic generation                   |             | 12,066,000     |             | 11,715,000     |             | 11,336,000    |
| Wheeling   |             | 11,492,000     |             | 11,712,000     |             | 12,247,000    |
| Transmission & distribution                      |             | 20,335,000     |             | 19,280,000     |             | 18,722,000    |
| Customer accounting                              |             | 8,101,000      |             | 7,774,000      |             | 9,605,000     |
| Energy conservation                              |             | 4,673,000      |             | 6,303,000      |             | 6,891,000     |
| Administrative & general                         |             | 26,933,000     |             | 31,612,000     |             | 23,800,000    |
| Operating expenses                               |             | 190,346,000    |             | 194,837,000    |             | 191,186,000   |
| Contributions in lieu of taxes                   |             | 13,078,000     |             | 12,258,000     |             | 13,899,000    |
| Change in balance sheet accounts/ other expenses |             | (5,033,000)    |             | (1,859,000)    |             | 3,039,000     |
| Non-operating expenses                           |             | 8,045,000      |             | 10,399,000     |             | 16,938,000    |
| <b>Total operations and maintenance budget</b>   |             | 198,391,000    |             | 205,236,000    |             | 208,124,000   |
| Rate funded capital                              |             | 17,800,000     |             | 15,885,000     |             |               |
| Debt service                                     |             | 25,822,000     |             | 23,306,000     |             | 20,230,000    |
| Total rate funded capital related expenses       |             | 43,622,000     |             | 39,191,000     |             |               |
| <b>Total rate funded expenses</b>                |             | 242,013,000    |             | 244,427,000    |             |               |
| Revenues over (under) expenses                   |             | \$ 7,327,000   |             | \$ (5,738,000) |             |               |
| Deposit to (Draw on) Reserves:                   |             |                |             |                |             |               |
| Pension fund reserve draw                        |             | \$ -           |             | \$ (5,738,000) |             |               |
| Capital improvement reserve                      |             | 896,000        |             | -              |             |               |
| Operating reserves                               |             | 6,431,000      |             | -              |             |               |
| Net change in reserves                           |             | \$ 7,327,000   |             | \$ (5,738,000) |             |               |

Net Revenue available for capital and reserves \$ 24,027,000

Note: Dollars rounded to nearest thousand.

\* Gross wholesale sales and purchased power. Does not include netting of sales and purchases where power was "net scheduled".

**EUGENE WATER & ELECTRIC BOARD**  
**ELECTRIC UTILITY CAPITAL BUDGET**  
**2014 BUDGET COMPARED WITH 2013 BUDGET**

|  | 2014<br>Budget              | 2013<br>Budget              |
|--|-----------------------------|-----------------------------|
| Generation                                     | \$ 3,959,000                | \$ 7,986,000                |
| Transmission and substations                   | 3,541,000                   | 3,793,000                   |
| Electric distribution                          | 10,206,000                  | 14,516,000                  |
| General plant, equipment, & other              | 9,822,000                   | 9,447,000                   |
| Total plant additions                          | <u>27,528,000</u>           | <u>35,742,000</u>           |
| Telecommunications                             | 75,000                      | 630,000                     |
| Preliminary surveys                            | 1,128,000                   | 750,000                     |
| Total other capital budget                     | <u>1,203,000</u>            | <u>1,380,000</u>            |
| Total Electric Capital Budget                  | <u>28,731,000</u>           | <u>37,122,000</u>           |
| Debt Service                                   | <u>25,822,000</u>           | <u>23,306,000</u>           |
| Total Electric Capital and Debt Service Budget | <u><u>\$ 54,553,000</u></u> | <u><u>\$ 60,428,000</u></u> |

Note: Dollars rounded to nearest thousand.

**EUGENE WATER & ELECTRIC BOARD**  
**WATER UTILITY OPERATIONS & MAINTENANCE BUDGET**  
**2014 BUDGET COMPARED WITH 2013 BUDGET AND 2012 ACTUAL**

|  | 2014 Budget      |                     | 2013 Budget      |                   | 2012 Actual      |  |
|--|------------------|---------------------|------------------|-------------------|------------------|--|
|  | Gal (000)        | REVENUE             | Gal (000)        | REVENUE           | Gal (000)        | REVENUE  |
| Residential/Water Districts                    | 4,257,499        | \$ 19,418,000       | 4,290,910        | \$ 18,361,000     | 4,505,441        | \$ 14,707,154  |
| Commercial                                     | 3,182,227        | 12,207,000          | 3,141,105        | 11,953,000        | 3,268,910        | 11,513,438   |
| Operating revenues                             | <u>7,439,726</u> | <u>31,625,000</u>   | <u>7,432,015</u> | <u>30,314,000</u> | <u>7,774,351</u> | <u>26,220,592</u>  |
| Other revenue                                  |                  | 1,236,000           |                  | 1,044,000         |                  | 539,981  |
| Interest income                                |                  | 65,000              |                  | 68,000            |                  | -  |
| Non-operating revenues                         |                  | <u>1,301,000</u>    |                  | <u>1,112,000</u>  |                  | <u>539,981</u>   |
| Total revenues                                 |                  | <u>32,926,000</u>   |                  | <u>31,426,000</u> |                  | <u>26,760,573</u>  |
| Production                                     |                  | 2,830,000           |                  | 3,539,000         |                  | 3,118,231  |
| Transmission & distribution                    |                  | 9,512,000           |                  | 7,627,000         |                  | 7,063,149  |
| Customer accounting                            |                  | 1,669,000           |                  | 1,439,000         |                  | 1,164,333  |
| Conservation                                   |                  | 239,000             |                  | 220,000           |                  | 323,198  |
| Administrative & general                       |                  | 3,933,000           |                  | 6,022,000         |                  | 4,046,176  |
| Operating expenses                             |                  | <u>18,183,000</u>   |                  | <u>18,847,000</u> |                  | <u>15,715,087</u>  |
| Change in balance sheet accounts               |                  | <u>(53,000)</u>     |                  | <u>40,000</u>     |                  |  |
| <b>Total operations and maintenance budget</b> |                  | <u>18,130,000</u>   |                  | <u>18,887,000</u> |                  |  |
| Rate funded capital                            |                  | 6,390,000           |                  | 6,653,000         |                  |  |
| Roosevelt lease payment                        |                  | 1,187,000           |                  | 1,187,000         |                  |  |
| Debt service                                   |                  | 4,510,000           |                  | 4,069,000         |                  | 3,585,263  |
| Total rate funded capital related expenses     |                  | <u>12,087,000</u>   |                  | <u>11,909,000</u> |                  |  |
| <b>Total rate-funded expenses</b>              |                  | <u>30,217,000</u>   |                  | <u>30,796,000</u> |                  |  |
| Revenues over expenses                         |                  | <u>\$ 2,709,000</u> |                  | <u>\$ 630,000</u> |                  |  |
| Deposit to Working Cash/Reserves               |                  | <u>\$ 2,709,000</u> |                  | <u>\$ 630,000</u> |                  |  |
|  |                  |                     |                  |                   |                  | Net revenue available for capital, working cash and reserves <u>\$ 7,460,223</u> |

Note: Dollars rounded to nearest thousand.

**EUGENE WATER & ELECTRIC BOARD**  
**WATER UTILITY CAPITAL BUDGET**  
**2014 BUDGET COMPARED WITH 2013 BUDGET**

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|   | <b>2014</b>   | <b>2013</b>   |
|---|---------------|---------------|
| Supply & treatment                              | \$ 3,566,000  | \$ 4,188,000  |
| Distribution facilities                         | 7,901,000     | 8,281,000     |
| General plant, equipment & other                | 1,261,000     | 1,821,000     |
| Total Water Capital Budget                      | \$ 12,728,000 | \$ 14,290,000 |
| Debt Service (includes Roosevelt lease payment) | 5,697,000     | 5,256,000     |
| Total Water Capital and Debt Service Budget     | \$ 18,425,000 | \$ 19,546,000 |

Note: Dollars rounded to nearest thousand.

## Attachment 2

# Department Operations & Maintenance 2014 Budget Compared to Prior Years





# Eugene Water & Electric Board - Operations & Maintenance Budget

Summary By Department

| Description                                     | 2014 Proposed Budget |                       | 2013 Approved Budget |                       | 2012 Actual   |                       |
|---|----------------------|-----------------------|----------------------|-----------------------|---------------|-----------------------|
|   | FTE*                 | Dollars               | FTE*                 | Dollars               | FTE*          | Dollars               |
| Customer Services                               | 73.35                | \$ 9,294,225          | 70.00                | \$ 9,223,443          | 76.00         | \$ 10,197,852         |
| Electric Transmission & Distribution Operations | 90.00                | 15,975,929            | 96.00                | 16,006,632            | 102.50        | 16,129,905            |
| Energy Management Services                      | 14.00                | 4,326,031             | 19.00                | 5,765,230             | 30.00         | 6,135,086             |
| Engineering                                     | 57.65                | 9,487,701             | 62.55                | 10,147,693            | 72.05         | 11,100,322            |
| Environmental Management                        | 13.00                | 3,441,388             | 10.00                | 3,341,041             | 11.00         | 1,743,414             |
| Finance   | 30.15                | 5,303,003             | 29.65                | 4,642,437             | 30.65         | 4,481,927             |
| Fleet Services                                  | 10.00                | 2,705,298             | 11.00                | 2,857,605             | 10.00         | 2,690,742             |
| General Manager                                 | 4.00                 | 938,538               | 8.00                 | 1,504,571             | 11.00         | 1,583,517             |
| Generation                                      | 22.50                | 6,646,543             | 23.00                | 6,404,373             | 26.25         | 5,021,423             |
| Human Resources                                 | 12.50                | 2,280,053             | 12.25                | 2,283,475             | 14.55         | 2,012,463             |
| Information Services                            | 68.00                | 11,131,128            | 66.00                | 10,865,691            | 65.00         | 8,745,809             |
| Power Resources & Strategic Planning            | 12.00                | 2,657,460             | 13.00                | 2,623,612             | 15.00         | 2,788,074             |
| Public Affairs                                  | 10.00                | 2,440,416             | 10.00                | 2,500,737             | 12.00         | 2,173,913             |
| Trading & Power Operations **                   | 15.00                | 138,521,402           | 16.00                | 134,554,570           | 18.00         | 135,401,536           |
| Warehouse and Building Operations               | 14.00                | 4,050,233             | 13.00                | 3,918,364             | 17.00         | 3,540,104             |
| Water Operations                                | 76.25                | 10,980,745            | 78.25                | 10,317,546            | 66.25         | 9,730,561             |
|   | <b>522.40</b>        | <b>\$ 230,180,091</b> | <b>537.70</b>        | <b>\$ 226,957,020</b> | <b>577.25</b> | <b>\$ 223,476,648</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations.

Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

\*\* Trading and Power Operations includes certain expenses for trading activity netted out of the Electric Operations & Maintenance budget in Attachment 1.

Note: 2012 FTE includes 10 FTE removed for anticipated turnover savings.

## Customer Service Department - Operations & Maintenance Budget

*Includes: Customer Service, Key Accounts, Field Services, Meter Reading, and Cash Accounting*

| Description                              | 2014 Proposed Budget |                    | 2013 Approved Budget |                        | 2012 Actual |                     |
|--|----------------------|--------------------|----------------------|------------------------|-------------|---------------------|
|  | FTE *                | Dollars            | FTE *                | Dollars                | FTE *       | Dollars             |
| Wages / Benefits                         | 73.35                | \$5,299,207        | 70.00                | \$5,109,709            | 76.00       | \$5,138,399         |
| <b>Purchases</b>                         |                      |                    |                      |                        |             |                     |
| Equipment                                |                      | \$500              |                      | \$12,500               |             | \$0                 |
| EWEB Equipment                           |                      | \$189,824          |                      | \$155,798              |             | \$174,352           |
| Materials and Supplies                   |                      | \$78,733           |                      | \$127,893              |             | \$120,255           |
| Stores Materials and Supplies            |                      | \$21,500           |                      | \$24,634               |             | \$21,669            |
| Technology / Office Equipment            |                      | \$41,100           |                      | \$52,883               |             | \$56,960            |
| <b>Services</b>                          |                      |                    |                      |                        |             |                     |
| Fees and Licenses                        |                      | \$100              |                      | \$3,760                |             | \$6,136             |
| Grants                                   |                      | \$0                |                      | \$0                    |             | \$80,417            |
| Legal Services                           |                      | \$11,500           |                      | \$11,500               |             | \$11,225            |
| Low Income Services                      |                      | \$1,141,820        |                      | \$1,433,580            |             | \$2,385,273         |
| Management Consultants                   |                      | \$121,011          |                      | \$121,011              |             | \$168,910           |
| Miscellaneous Services                   |                      | \$874,301          |                      | \$800,520 <sup>1</sup> |             | \$611,979           |
| Printing and Postage                     |                      | \$367,249          |                      | \$451,525              |             | \$482,463           |
| Property Rent                            |                      | \$0                |                      | \$0                    |             | \$1,625             |
| Software/Hardware Maintenance & Services |                      | \$332,100          |                      | \$367,200              |             | \$177,458           |
| Contract Labor                           |                      | \$76,050           |                      | \$76,500               |             | \$56,617            |
| Training and Travel                      |                      | \$58,230           |                      | \$74,430               |             | \$49,639            |
| Uncollectable Accounts                   |                      | \$681,000          |                      | \$400,000              |             | \$654,476           |
| <b>Total</b>                             |                      | <b>\$9,294,225</b> |                      | <b>\$9,223,443</b>     |             | <b>\$10,197,852</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Increase due to bill print function transferred from Information Services Department.

# Electric Transmission & Distribution Operations Department

## Operations & Maintenance Budget

*Includes: Customer support/ Operations Coordination, Line Construction & Operations, Meter O & M, Substations, Communications, Relay, Vegetation Management, Distribution Operations Support, Dispatch, and Steam*

| Description      | 2014 Proposed Budget                     |         | 2013 Approved Budget    |         | 2012 Actual         |         |                     |
|------------------|--|---------|-------------------------|---------|---------------------|---------|---------------------|
|                  | FTE*                                     | Dollars | FTE*                    | Dollars | FTE*                | Dollars |                     |
|                  |  |         |                         |         |                     |         |                     |
|                  | Wages / Benefits                         | 90.00   | \$10,647,135            | 96.00   | \$10,146,462        | 102.50  | \$9,289,687         |
| <b>Purchases</b> |  |         |                         |         |                     |         |                     |
|                  | Buildings                                |         | \$0                     |         | \$0                 |         | \$18,242            |
|                  | Energy                                   |         | \$0                     |         | \$0                 |         | \$34,229            |
|                  | Equipment                                |         | \$20,600                |         | \$22,600            |         | \$32,767            |
|                  | EWEB Equipment                           |         | \$1,107,896             |         | \$1,375,080         |         | \$1,173,406         |
|                  | Fuels                                    |         | \$0                     |         | \$0                 |         | \$240,222           |
|                  | Landscaping                              |         | \$97,447                |         | \$46,135            |         | \$23,434            |
|                  | Materials and Supplies                   |         | \$330,619               |         | \$288,427           |         | \$466,298           |
|                  | Stores Materials and Supplies            |         | \$281,475               |         | \$301,850           |         | \$348,319           |
|                  | Technology / Office Equipment            |         | \$63,495                |         | \$59,495            |         | \$168,745           |
|                  | Vehicle Fuel and Oil                     |         | \$0                     |         | \$0                 |         | \$235               |
|                  | Water                                    |         | \$19,798                |         | \$19,798            |         | \$51,615            |
| <b>Services</b>  |  |         |                         |         |                     |         |                     |
|                  | Construction Agreements                  |         | \$48,000                |         | \$57,100            |         | \$63,922            |
|                  | Fees and Licenses                        |         | \$0                     |         | \$0                 |         | \$415               |
|                  | Flagging                                 |         | \$100,000               |         | \$25,000            |         | \$71,763            |
|                  | Grants                                   |         | \$0                     |         | \$0                 |         | \$500               |
|                  | Management Consultants                   |         | \$25,000                |         | \$0                 |         | \$98,517            |
|                  | Miscellaneous Services                   |         | \$180,946               |         | \$154,936           |         | \$495,379           |
|                  | Printing and Postage                     |         | \$4,000                 |         | \$4,000             |         | \$4,988             |
|                  | Property Rent                            |         | \$100,000               |         | \$100,000           |         | \$0                 |
|                  | Software/Hardware Maintenance & Services |         | \$77,797                |         | \$64,157            |         | \$98,302            |
|                  | Contract Labor                           |         | (\$41,875) <sup>1</sup> |         | \$98,200            |         | \$34,189            |
|                  | Training and Travel                      |         | \$202,249               |         | \$189,059           |         | \$192,737           |
|                  | Tree Trimming                            |         | \$2,711,347             |         | \$3,054,334         |         | \$3,221,993         |
| <b>Total</b>     |  |         | <b>\$15,975,929</b>     |         | <b>\$16,006,632</b> |         | <b>\$16,129,905</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Corresponding expense included in wages/ benefits.

## Energy Management Services Department - Operations & Maintenance Budget

| Description                              | 2014 Proposed Budget |                    | 2013 Approved Budget |                    | 2012 Actual |                    |
|--|----------------------|--------------------|----------------------|--------------------|-------------|--------------------|
|  | FTE*                 | Dollars            | FTE*                 | Dollars            | FTE*        | Dollars            |
|  |                      |                    |                      |                    |             |                    |
|  | 14.00                |                    | 19.00                |                    | 30.00       |                    |
| <b>Purchases</b>                         |                      |                    |                      |                    |             |                    |
| Wages / Benefits                         |                      | \$1,460,383        |                      | \$1,863,071        |             | \$2,376,196        |
| Energy                                   |                      | \$0                |                      | \$0                |             | \$5,293            |
| Equipment                                |                      | \$13,813           |                      | \$13,590           |             | \$3,445            |
| EWEB Equipment                           |                      | \$53,112           |                      | \$46,942           |             | \$41,594           |
| Materials and Supplies                   |                      | \$12,450           |                      | \$8,259            |             | \$39,830           |
| Stores Materials and Supplies            |                      | \$500              |                      | \$1,000            |             | \$2,296            |
| Technology / Office Equipment            |                      | \$12,075           |                      | \$32,715           |             | \$29,049           |
| Vehicle Fuel and Oil                     |                      | \$0                |                      | \$0                |             | \$25               |
| <b>Services</b>                          |                      |                    |                      |                    |             |                    |
| Conservation Measures                    |                      | \$2,520,948        |                      | \$3,494,802        |             | \$2,870,482        |
| Fees and Licenses                        |                      | \$1,600            |                      | \$1,400            |             | \$25               |
| Grants                                   |                      | \$5,000            |                      | \$15,000           |             | \$203,840          |
| Legal Services                           |                      | \$9,000            |                      | \$4,000            |             | \$4,677            |
| Management Consultants                   |                      | \$79,100           |                      | \$67,000           |             | \$190,292          |
| Miscellaneous Services                   |                      | \$111,150          |                      | \$153,351          |             | \$235,072          |
| Printing and Postage                     |                      | \$7,600            |                      | \$17,400           |             | \$39,706           |
| Software/Hardware Maintenance & Services |                      | \$100              |                      | \$200              |             | \$100              |
| Contract Labor                           |                      | \$0                |                      | \$0                |             | \$51,387           |
| Training and Travel                      |                      | \$39,200           |                      | \$46,500           |             | \$41,775           |
| <b>Total</b>                             |                      | <b>\$4,326,031</b> |                      | <b>\$5,765,230</b> |             | <b>\$6,135,086</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

## Engineering Department - Operations & Maintenance Budget

*Includes: Computer Aided Design Services, Distribution Engineering, Energy Management Services Industrial, Generation Engineering, Systems Engineering, Water Engineering and Planning Services*

| Description                              | 2014 Proposed Budget |                          | 2013 Approved Budget |                     | 2012 Actual |                        |
|--|----------------------|--------------------------|----------------------|---------------------|-------------|------------------------|
|  | FTE *                | Dollars                  | FTE *                | Dollars             | FTE *       | Dollars                |
|  | 57.65                | \$4,593,082              | 62.55                | \$4,917,902         | 72.05       | \$5,474,638            |
| <b>Purchases</b>                         |                      |                          |                      |                     |             |                        |
| Wages / Benefits                         |                      |                          |                      |                     |             |                        |
| Energy                                   |                      | \$0                      |                      | \$0                 |             | \$9,372                |
| Equipment                                |                      | \$35,958                 |                      | \$92,250            |             | \$55,291               |
| EWEB Equipment                           |                      | \$88,826                 |                      | (\$106,766)         |             | \$154,497              |
| Fuels                                    |                      | \$0                      |                      | \$0                 |             | \$148                  |
| Land and Land Rights                     |                      | \$65,000                 |                      | \$35,000            |             | \$48,945               |
| Materials and Supplies                   |                      | \$57,750                 |                      | \$146,670           |             | \$76,557               |
| Stores Materials and Supplies            |                      | \$200                    |                      | \$200               |             | \$7,633                |
| Technology / Office Equipment            |                      | \$79,270                 |                      | \$39,740            |             | \$126,488              |
| <b>Services</b>                          |                      |                          |                      |                     |             |                        |
| Conservation Measures                    |                      | \$0                      |                      | \$29,000            |             | \$457,363              |
| Construction Agreements                  |                      | \$2,260,880              |                      | \$2,182,160         |             | \$1,877,232            |
| Fees and Licenses                        |                      | \$479,130                |                      | \$487,330           |             | \$467,546              |
| Flagging                                 |                      | \$4,000                  |                      | \$0                 |             | \$0                    |
| Grants                                   |                      | \$0                      |                      | \$0                 |             | \$76,250               |
| Insurance                                |                      | \$0                      |                      | \$0                 |             | \$3,128                |
| Legal Services                           |                      | \$30,000                 |                      | \$20,000            |             | \$8,891                |
| Low Income Services                      |                      | \$0                      |                      | \$10,000            |             | \$9,719                |
| Management Consultants                   |                      | \$1,110,700 <sup>1</sup> |                      | \$793,300           |             | \$338,388              |
| Miscellaneous Services                   |                      | \$131,883                |                      | \$164,091           |             | \$391,520              |
| Printing and Postage                     |                      | \$0                      |                      | \$8,120             |             | \$748                  |
| Property Rent                            |                      | \$174,000 <sup>2</sup>   |                      | \$886,117           |             | \$1,078,161            |
| Software/Hardware Maintenance & Services |                      | \$91,450                 |                      | \$109,050           |             | \$93,679               |
| Contract Labor                           |                      | \$106,142                |                      | \$144,229           |             | \$27,879               |
| Training and Travel                      |                      | \$179,430                |                      | \$189,300           |             | \$154,324              |
| Tree Trimming                            |                      | \$0                      |                      | \$0                 |             | \$391                  |
| Wheeling                                 |                      | \$0                      |                      | \$0                 |             | \$161,534 <sup>3</sup> |
| <b>Total</b>                             |                      | <b>\$9,487,701</b>       |                      | <b>\$10,147,693</b> |             | <b>\$11,100,322</b>    |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Increase due to development of electric and water infrastructure master plans.

<sup>2</sup> Decrease due to reorganization. Budget was transferred to Environmental Management Department.

<sup>3</sup> Wheeling expenses budgeted in Generation Department.

## Environmental Management Department - Operations & Maintenance Budget

| Description      |   | 2014 Proposed Budget |                        | 2013 Approved Budget |                    | 2012 Actual |                    |
|------------------|---|----------------------|------------------------|----------------------|--------------------|-------------|--------------------|
|                  |   | FTE *                | Dollars                | FTE *                | Dollars            | FTE *       | Dollars            |
|                  | <b>Wages / Benefits</b>                             | 13.00                | \$1,271,447            | 10.00                | \$1,008,445        | 11.00       | \$1,043,012        |
| <b>Purchases</b> |   |                      |                        |                      |                    |             |                    |
|                  | <b>Equipment</b>                                    |                      | \$7,700                |                      | \$10,700           |             | \$8,672            |
|                  | <b>EWEB Equipment</b>                               |                      | \$36,092               |                      | \$14,470           |             | \$11,764           |
|                  | <b>Fuels</b>  |                      | \$0                    |                      | \$0                |             | \$24               |
|                  | <b>Landscaping</b>                                  |                      | \$10,000               |                      | \$10,000           |             | \$88,210           |
|                  | <b>Materials and Supplies</b>                       |                      | \$53,055               |                      | \$33,555           |             | \$19,666           |
|                  | <b>Stores Materials and Supplies</b>                |                      | \$0                    |                      | \$0                |             | \$1,299            |
|                  | <b>Technology / Office Equipment</b>                |                      | \$10,700               |                      | \$10,700           |             | \$2,629            |
| <b>Services</b>  |   |                      |                        |                      |                    |             |                    |
|                  | <b>Construction Agreements</b>                      |                      | \$314,000 <sup>1</sup> |                      | \$189,000          |             | \$79,741           |
|                  | <b>Fees and Licenses</b>                            |                      | \$14,500               |                      | \$15,020           |             | \$14,074           |
|                  | <b>Grants</b>                                       |                      | \$49,300               |                      | \$83,300           |             | \$126,601          |
|                  | <b>Legal Services</b>                               |                      | \$115,000              |                      | \$60,000           |             | \$86,531           |
|                  | <b>Management Consultants</b>                       |                      | \$632,675 <sup>2</sup> |                      | \$1,694,000        |             | \$120,413          |
|                  | <b>Miscellaneous Services</b>                       |                      | \$106,670              |                      | \$139,800          |             | \$109,054          |
|                  | <b>Printing and Postage</b>                         |                      | \$3,000                |                      | \$0                |             | \$79               |
|                  | <b>Property Rent</b>                                |                      | \$764,998 <sup>3</sup> |                      | \$0                |             | \$0                |
|                  | <b>Software/Hardware Maintenance &amp; Services</b> |                      | \$0                    |                      | \$0                |             | \$550              |
|                  | <b>Contract Labor</b>                               |                      | \$30,000               |                      | \$50,000           |             | \$2,100            |
|                  | <b>Training and Travel</b>                          |                      | \$22,250               |                      | \$22,050           |             | \$28,995           |
| <b>Total</b>     |   |                      | <b>\$3,441,388</b>     |                      | <b>\$3,341,041</b> |             | <b>\$1,743,414</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Increase due to additional costs in property management and hydro facility vegetation management.

<sup>2</sup> Decrease due to lower site remediation work with a corresponding reduction in revenue.

<sup>3</sup> Increase due to reorganization. Budget was transferred from Engineering Department.

## Finance Department - Operations & Maintenance Budget

*Includes: Financial Services, Fiscal Services, General Accounting and Treasury, Purchasing and Risk Management*

| Description      | 2014 Proposed Budget                     |         | 2013 Approved Budget   |         | 2012 Actual        |         |                    |
|------------------|--|---------|------------------------|---------|--------------------|---------|--------------------|
|                  | FTE *                                    | Dollars | FTE *                  | Dollars | FTE *              | Dollars |                    |
|                  |  |         |                        |         |                    |         |                    |
|                  | Wages / Benefits                         | 30.15   | \$3,342,738            | 29.65   | \$3,082,083        | 30.65   | \$3,123,116        |
| <b>Purchases</b> |  |         |                        |         |                    |         |                    |
|                  | EWEB Equipment                           |         | \$8,880                |         | \$2,540            |         | \$1,968            |
|                  | Fuels                                    |         | \$0                    |         | \$0                |         | \$69               |
|                  | Materials and Supplies                   |         | \$26,620               |         | \$19,220           |         | \$48,683           |
|                  | Stores Materials and Supplies            |         | \$50                   |         | \$50               |         | (\$544)            |
|                  | Technology / Office Equipment            |         | \$10,200               |         | \$9,200            |         | \$5,720            |
| <b>Services</b>  |  |         |                        |         |                    |         |                    |
|                  | Fees and Licenses                        |         | \$3,400                |         | \$3,000            |         | \$1,675            |
|                  | Insurance                                |         | \$730,896              |         | \$725,890          |         | \$649,090          |
|                  | Legal Services                           |         | \$171,167              |         | \$166,867          |         | \$113,624          |
|                  | Management Consultants                   |         | \$268,217              |         | \$317,734          |         | \$323,494          |
|                  | Miscellaneous Services                   |         | \$58,740               |         | \$58,960           |         | \$56,075           |
|                  | Printing and Postage                     |         | \$50                   |         | \$1,050            |         | \$432              |
|                  | Software/Hardware Maintenance & Services |         | \$490,944 <sup>1</sup> |         | \$104,948          |         | \$89,230           |
|                  | Contract Labor                           |         | \$102,350              |         | \$86,395           |         | \$16,323           |
|                  | Training and Travel                      |         | \$88,750               |         | \$64,500           |         | \$52,972           |
|                  |  |         |                        |         |                    |         |                    |
| <b>Total</b>     |  |         | <b>\$5,303,003</b>     |         | <b>\$4,642,437</b> |         | <b>\$4,481,927</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Increase due to software maintenance costs for new Work/Asset Management System.

## Fleet Services Department - Operations & Maintenance Budget

| Description                              | 2014 Proposed Budget |                    | 2013 Approved Budget |                    | 2012 Actual |                    |
|--|----------------------|--------------------|----------------------|--------------------|-------------|--------------------|
|  | FTE *                | Dollars            | FTE *                | Dollars            | FTE *       | Dollars            |
|  |                      |                    |                      |                    |             |                    |
|  | 10.00                | \$1,133,751        | 11.00                | \$1,157,928        | 10.00       | \$1,068,917        |
| <b>Purchases</b>                         |                      |                    |                      |                    |             |                    |
| EWEB Equipment                           |                      | \$3,497            |                      | \$3,840            |             | \$4,282            |
| Fuels                                    |                      | \$40,000           |                      | \$40,000           |             | \$35,661           |
| Materials and Supplies                   |                      | \$735,400          |                      | \$840,100          |             | \$849,027          |
| Stores Materials and Supplies            |                      | \$4,000            |                      | \$6,000            |             | \$3,689            |
| Technology / Office Equipment            |                      | \$5,500            |                      | \$6,500            |             | \$9,606            |
| Vehicle Fuel and Oil                     |                      | \$638,750          |                      | \$711,750          |             | \$636,125          |
| <b>Services</b>                          |                      |                    |                      |                    |             |                    |
| Fees and Licenses                        |                      | \$2,000            |                      | \$2,500            |             | \$4,198            |
| Miscellaneous Services                   |                      | \$109,400          |                      | \$54,987           |             | \$56,639           |
| Printing and Postage                     |                      | \$1,000            |                      | \$1,000            |             | \$627              |
| Software/Hardware Maintenance & Services |                      | \$13,000           |                      | \$13,000           |             | \$8,014            |
| Contract Labor                           |                      | \$10,000           |                      | \$10,000           |             | \$4,281            |
| Training and Travel                      |                      | \$9,000            |                      | \$10,000           |             | \$9,675            |
|  |                      |                    |                      |                    |             |                    |
| <b>Total</b>                             |                      | <b>\$2,705,298</b> |                      | <b>\$2,857,605</b> |             | <b>\$2,690,742</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.



## General Manager Department - Operations & Maintenance Budget

| Description      | 2014 Proposed Budget                     |         | 2013 Approved Budget |         | 2012 Actual        |         |                    |
|------------------|--|---------|----------------------|---------|--------------------|---------|--------------------|
|                  | FTE *                                    | Dollars | FTE *                | Dollars | FTE *              | Dollars |                    |
|                  |  |         |                      |         |                    |         |                    |
|                  | Wages / Benefits                         | 4.00    | \$679,709            | 8.00    | \$1,145,988        | 11.00   | \$1,231,664        |
| <b>Purchases</b> |  |         |                      |         |                    |         |                    |
|                  | EWEB Equipment                           |         | \$2,438              |         | \$1,725            |         | \$1,383            |
|                  | Materials and Supplies                   |         | \$34,601             |         | \$87,425           |         | \$10,843           |
|                  | Technology / Office Equipment            |         | \$16,100             |         | \$17,700           |         | \$10,805           |
| <b>Services</b>  |  |         |                      |         |                    |         |                    |
|                  | Fees and Licenses                        |         | \$0                  |         | \$0                |         | \$371              |
|                  | Grants                                   |         | \$0                  |         | \$0                |         | \$1,125            |
|                  | Legal Services                           |         | \$0                  |         | \$0                |         | \$625              |
|                  | Management Consultants                   |         | \$80,000             |         | \$80,000           |         | \$83,141           |
|                  | Miscellaneous Services                   |         | \$82,590             |         | \$101,302          |         | \$143,158          |
|                  | Printing and Postage                     |         | \$0                  |         | \$0                |         | \$3,077            |
|                  | Software/Hardware Maintenance & Services |         | \$0                  |         | \$0                |         | \$66,640           |
|                  | Contract Labor                           |         | \$0                  |         | \$0                |         | \$672              |
|                  | Training and Travel                      |         | \$43,100             |         | \$70,432           |         | \$30,015           |
| <b>Total</b>     |  |         | <b>\$938,538</b>     |         | <b>\$1,504,571</b> |         | <b>\$1,583,517</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

## Generation Department - Operations & Maintenance Budget

| Description      | 2014 Proposed Budget                     |         | 2013 Approved Budget |         | 2012 Actual              |         |                    |
|------------------|--|---------|----------------------|---------|--------------------------|---------|--------------------|
|                  | FTE*                                     | Dollars | FTE*                 | Dollars | FTE*                     | Dollars |                    |
|                  |  |         |                      |         |                          |         |                    |
|                  | Wages / Benefits                         | 22.50   | \$2,844,143          | 23.00   | \$2,717,647              | 26.25   | \$3,149,374        |
| <b>Purchases</b> |  |         |                      |         |                          |         |                    |
|                  | Energy                                   |         | \$220,000            |         | \$220,000                |         | \$190,485          |
|                  | Equipment                                |         | \$145,500            |         | \$167,711                |         | \$12,237           |
|                  | EWEB Equipment                           |         | \$486,439            |         | \$518,171                |         | \$457,826          |
|                  | Fuels                                    |         | \$1,500              |         | \$1,500                  |         | \$9,927            |
|                  | Landscaping                              |         | \$3,250              |         | \$3,250                  |         | \$1,214            |
|                  | Materials and Supplies                   |         | \$200,400            |         | \$234,200                |         | \$154,558          |
|                  | Stores Materials and Supplies            |         | \$4,500              |         | \$4,500                  |         | \$4,460            |
|                  | Technology / Office Equipment            |         | \$20,240             |         | \$15,000                 |         | \$62,631           |
|                  | Vehicle Fuel and Oil                     |         | \$500                |         | \$500                    |         | \$73               |
|                  | Water                                    |         | \$0                  |         | \$0                      |         | \$180              |
| <b>Services</b>  |  |         |                      |         |                          |         |                    |
|                  | Conservation Measures                    |         | \$0                  |         | \$3,500                  |         | \$0                |
|                  | Construction Agreements                  |         | \$1,549,550          |         | \$1,376,200 <sup>1</sup> |         | \$379,930          |
|                  | Fees and Licenses                        |         | \$475,341            |         | \$467,180                |         | \$417,005          |
|                  | Insurance                                |         | \$17,590             |         | \$17,590                 |         | \$0                |
|                  | Legal Services                           |         | \$1,500              |         | \$19,500                 |         | \$10,424           |
|                  | Management Consultants                   |         | \$140,500            |         | \$42,500                 |         | \$17,521           |
|                  | Miscellaneous Services                   |         | \$120,099            |         | \$170,633                |         | \$105,574          |
|                  | Printing and Postage                     |         | \$0                  |         | \$0                      |         | \$570              |
|                  | Software/Hardware Maintenance & Services |         | \$4,000              |         | \$4,000                  |         | \$2,008            |
|                  | Contract Labor                           |         | \$15,000             |         | \$25,000                 |         | \$8,900            |
|                  | Training and Travel                      |         | \$88,918             |         | \$88,218                 |         | \$36,527           |
|                  | Wheeling                                 |         | \$307,573            |         | \$307,573                |         | \$0 <sup>2</sup>   |
| <b>Total</b>     |  |         | <b>\$6,646,543</b>   |         | <b>\$6,404,373</b>       |         | <b>\$5,021,423</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Costs related to Harvest Wind operations transferred from Power Resources & Strategic Planning Department in 2012 reorganization.

<sup>2</sup> 2012 Actual expenses recorded in Engineering Department.

## Human Resources Department - Operations & Maintenance Budget

| Description      | 2014 Proposed Budget                     |         | 2013 Approved Budget |         | 2012 Actual        |         |                    |
|------------------|--|---------|----------------------|---------|--------------------|---------|--------------------|
|                  | FTE *                                    | Dollars | FTE *                | Dollars | FTE *              | Dollars |                    |
|                  |  |         |                      |         |                    |         |                    |
|                  | Wages / Benefits                         | 12.50   | \$1,464,309          | 12.25   | \$1,429,956        | 14.55   | \$1,417,463        |
| <b>Purchases</b> |  |         |                      |         |                    |         |                    |
|                  | Equipment                                |         | \$8,700              |         | \$7,200            |         | \$21,766           |
|                  | EWEB Equipment                           |         | \$8,561              |         | \$6,722            |         | \$3,343            |
|                  | Fuels                                    |         | \$0                  |         | \$0                |         | \$38               |
|                  | Materials and Supplies                   |         | \$99,200             |         | \$102,500          |         | \$58,350           |
|                  | Stores Materials and Supplies            |         | \$0                  |         | \$0                |         | \$448              |
|                  | Technology / Office Equipment            |         | \$18,500             |         | \$23,500           |         | \$8,307            |
|                  | Vehicle Fuel and Oil                     |         | \$0                  |         | \$0                |         | \$70               |
| <b>Services</b>  |  |         |                      |         |                    |         |                    |
|                  | Fees and Licenses                        |         | \$0                  |         | \$0                |         | \$3,175            |
|                  | Legal Services                           |         | \$128,500            |         | \$125,000          |         | \$113,226          |
|                  | Management Consultants                   |         | \$147,990            |         | \$143,000          |         | \$67,220           |
|                  | Miscellaneous Services                   |         | \$201,823            |         | \$194,718          |         | \$173,467          |
|                  | Printing and Postage                     |         | \$3,300              |         | \$3,300            |         | \$3,118            |
|                  | Software/Hardware Maintenance & Services |         | \$72,570             |         | \$73,829           |         | \$49,631           |
|                  | Contract Labor                           |         | \$10,000             |         | \$6,000            |         | \$14,089           |
|                  | Training and Travel                      |         | \$116,600            |         | \$167,750          |         | \$78,752           |
|                  |  |         |                      |         |                    |         |                    |
| <b>Total</b>     |  |         | <b>\$2,280,053</b>   |         | <b>\$2,283,475</b> |         | <b>\$2,012,463</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

## Information Services Department - Operations & Maintenance Budget

*Includes: Business Client Planning & Services, Data Management, Enterprise Application and Integration Development, Geographic Information Services, Information Resources Center, Network Services, Project Office and Security & Compliance*

| Description                              | 2014 Proposed Budget |                          | 2013 Approved Budget |                     | 2012 Actual |                    |
|--|----------------------|--------------------------|----------------------|---------------------|-------------|--------------------|
|  | FTE *                | Dollars                  | FTE *                | Dollars             | FTE *       | Dollars            |
|  |                      |                          |                      |                     |             |                    |
|  | 68.00                | \$7,418,505              | 66.00                | \$6,844,480         | 65.00       | \$6,428,127        |
| <b>Purchases</b>                         |                      |                          |                      |                     |             |                    |
| Wages / Benefits                         |                      |                          |                      |                     |             |                    |
| Equipment                                |                      | \$12,000                 |                      | \$0                 |             | \$3,665            |
| EWEB Equipment                           |                      | \$20,492                 |                      | \$23,406            |             | \$35,329           |
| Fuels                                    |                      | \$0                      |                      | \$0                 |             | \$51               |
| Materials and Supplies                   |                      | \$46,450                 |                      | \$36,250            |             | \$35,582           |
| Stores Materials and Supplies            |                      | \$2,000                  |                      | \$100               |             | \$1,154            |
| Technology / Office Equipment            |                      | \$265,591                |                      | \$473,105           |             | \$93,502           |
| <b>Services</b>                          |                      |                          |                      |                     |             |                    |
| Construction Agreements                  |                      | \$16,332                 |                      | \$16,332            |             | \$41,996           |
| Fees and Licenses                        |                      | \$5,760                  |                      | \$2,500             |             | \$1,969            |
| Legal Services                           |                      | \$0                      |                      | \$0                 |             | \$41               |
| Management Consultants                   |                      | \$37,075                 |                      | \$276,272           |             | \$99,055           |
| Miscellaneous Services                   |                      | \$447,536                |                      | \$432,749           |             | \$350,390          |
| Printing and Postage                     |                      | \$80,500                 |                      | \$500               |             | \$50               |
| Software/Hardware Maintenance & Services |                      | \$2,385,574 <sup>1</sup> |                      | \$2,083,753         |             | \$1,422,989        |
| Contract Labor                           |                      | \$210,464                |                      | \$498,844           |             | \$66,059           |
| Training and Travel                      |                      | \$182,849                |                      | \$177,400           |             | \$165,851          |
| <b>Total</b>                             |                      | <b>\$11,131,128</b>      |                      | <b>\$10,865,691</b> |             | <b>\$8,745,809</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Increase reflects full year impact of equipment maintenance and license fees for hardware in support of NERC required backup control center, metro ethernet, and enterprise IT to

## Power Resources & Strategic Planning Department - Operations & Maintenance Budget

| Description      | 2014 Proposed Budget                     |         | 2013 Approved Budget |         | 2012 Actual        |         |                    |
|------------------|--|---------|----------------------|---------|--------------------|---------|--------------------|
|                  | FTE *                                    | Dollars | FTE *                | Dollars | FTE *              | Dollars |                    |
|                  |  |         |                      |         |                    |         |                    |
|                  | Wages / Benefits                         | 12.00   | \$1,539,587          | 13.00   | \$1,559,415        | 15.00   | \$1,914,916        |
| <b>Purchases</b> |  |         |                      |         |                    |         |                    |
|                  | Energy                                   |         | \$0                  |         | \$0                |         | \$79,203           |
|                  | Equipment                                |         | \$120,000            |         | \$66,000           |         | \$141              |
|                  | EWEB Equipment                           |         | \$4,996              |         | \$4,997            |         | \$4,279            |
|                  | Materials and Supplies                   |         | \$65,900             |         | \$16,200           |         | \$7,347            |
|                  | Technology / Office Equipment            |         | \$16,000             |         | \$108,000          |         | \$12,459           |
| <b>Services</b>  |  |         |                      |         |                    |         |                    |
|                  | Construction Agreements                  |         | \$30,100             |         | \$0                |         | \$30,463           |
|                  | Fees and Licenses                        |         | \$160,000            |         | \$160,000          |         | \$165,022          |
|                  | Grants                                   |         | \$0                  |         | \$0                |         | \$35,000           |
|                  | Legal Services                           |         | \$126,000            |         | \$125,000          |         | \$134,546          |
|                  | Management Consultants                   |         | \$90,000             |         | \$202,000          |         | \$26,346           |
|                  | Miscellaneous Services                   |         | \$306,967            |         | \$262,000          |         | \$219,726          |
|                  | Printing and Postage                     |         | \$0                  |         | \$0                |         | \$358              |
|                  | Software/Hardware Maintenance & Services |         | \$100,000            |         | \$0                |         | \$90,466           |
|                  | Contract Labor                           |         | \$46,410             |         | \$67,000           |         | \$0                |
|                  | Training and Travel                      |         | \$51,500             |         | \$53,000           |         | \$67,802           |
| <b>Total</b>     |  |         | <b>\$2,657,460</b>   |         | <b>\$2,623,612</b> |         | <b>\$2,788,074</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

## Public Affairs Department - Operations & Maintenance Budget

| Description      | 2014 Proposed Budget          |         | 2013 Approved Budget |         | 2012 Actual        |         |                    |
|------------------|-------------------------------|---------|----------------------|---------|--------------------|---------|--------------------|
|                  | FTE *                         | Dollars | FTE *                | Dollars | FTE *              | Dollars |                    |
|                  |                               |         |                      |         |                    |         |                    |
|                  | Wages / Benefits              | 10.00   | \$1,260,933          | 10.00   | \$1,270,439        | 12.00   | \$1,161,160        |
| <b>Purchases</b> |                               |         |                      |         |                    |         |                    |
|                  | EWEB Equipment                |         | \$1,508              |         | \$1,175            |         | \$1,231            |
|                  | Fuels                         |         | \$0                  |         | \$0                |         | \$25               |
|                  | Materials and Supplies        |         | \$20,980             |         | \$23,299           |         | \$4,484            |
|                  | Stores Materials and Supplies |         | \$0                  |         | \$0                |         | \$968              |
|                  | Technology / Office Equipment |         | \$17,750             |         | \$12,750           |         | \$3,171            |
| <b>Services</b>  |                               |         |                      |         |                    |         |                    |
|                  | Fees and Licenses             |         | \$0                  |         | \$2,200            |         | \$0                |
|                  | Grants                        |         | \$858,000            |         | \$877,600          |         | \$753,930          |
|                  | Legal Services                |         | \$0                  |         | \$0                |         | \$838              |
|                  | Management Consultants        |         | \$0                  |         | \$4,500            |         | \$0                |
|                  | Miscellaneous Services        |         | \$212,105            |         | \$193,335          |         | \$155,334          |
|                  | Printing and Postage          |         | \$31,800             |         | \$55,100           |         | \$49,256           |
|                  | Property Rent                 |         | \$0                  |         | \$0                |         | \$185              |
|                  | Contract Labor                |         | \$10,000             |         | \$31,500           |         | \$22,291           |
|                  | Training and Travel           |         | \$27,340             |         | \$28,840           |         | \$21,039           |
| <b>Total</b>     |                               |         | <b>\$2,440,416</b>   |         | <b>\$2,500,737</b> |         | <b>\$2,173,913</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

## Trading & Power Operations Department - Operations & Maintenance Budget

| Description                              | 2014 Proposed Budget |                          | 2013 Approved Budget |                      | 2012 Actual |                      |
|--|----------------------|--------------------------|----------------------|----------------------|-------------|----------------------|
|  | FTE *                | Dollars                  | FTE *                | Dollars              | FTE *       | Dollars              |
|  | 15.00                | \$2,498,415              | 16.00                | \$2,584,670          | 18.00       | \$2,331,797          |
| <b>Purchases</b>                         |                      |                          |                      |                      |             |                      |
| Wages / Benefits                         |                      |                          |                      |                      |             |                      |
| Energy                                   |                      | \$123,261,543            |                      | \$118,544,279        |             | \$117,955,641        |
| EWEB Equipment                           |                      | \$0                      |                      | \$0                  |             | \$1,678              |
| Fuels                                    |                      | \$1,711,188              |                      | \$1,588,256          |             | \$1,127,727          |
| Materials and Supplies                   |                      | \$3,000                  |                      | \$3,000              |             | \$3,280              |
| Stores Materials and Supplies            |                      | \$0                      |                      | \$0                  |             | \$66                 |
| Technology / Office Equipment            |                      | \$11,700                 |                      | \$12,200             |             | \$188,049            |
| <b>Services</b>                          |                      |                          |                      |                      |             |                      |
| Construction Agreements                  |                      | \$0                      |                      | \$0                  |             | \$849,141            |
| Fees and Licenses                        |                      | \$0                      |                      | \$0                  |             | \$9,903              |
| Generation Incentives                    |                      | \$0                      |                      | \$0                  |             | \$448,361            |
| Legal Services                           |                      | \$450,000                |                      | \$25,000             |             | \$142,791            |
| Management Consultants                   |                      | \$19,400                 |                      | \$129,400            |             | \$8,450              |
| Miscellaneous Services                   |                      | \$7,772                  |                      | \$5,328              |             | \$56,770             |
| Software/Hardware Maintenance & Services |                      | \$597,620 <sup>1</sup>   |                      | \$323,495            |             | \$260,669            |
| Contract Labor                           |                      | \$0                      |                      | \$0                  |             | \$161                |
| Training and Travel                      |                      | \$30,000                 |                      | \$32,000             |             | \$35,117             |
| Wheeling                                 |                      | \$9,930,764 <sup>2</sup> |                      | \$11,306,942         |             | \$11,981,937         |
| <b>Total</b>                             |                      | <b>\$138,521,402</b>     |                      | <b>\$134,554,570</b> |             | <b>\$135,401,536</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Software/Hardware increases primarily due to the slice optimization tool and other forecasting services.

<sup>2</sup> Wheeling reduction a result of change in Bonneville Power Association Network Transmission rates/ methodology and sales at EWEB's system.

## Warehouse and Building Operations Department - Operations & Maintenance Budget

| Description      | 2014 Proposed Budget                     |         | 2013 Approved Budget   |         | 2012 Actual        |         |                    |
|------------------|--|---------|------------------------|---------|--------------------|---------|--------------------|
|                  | FTE *                                    | Dollars | FTE *                  | Dollars | FTE *              | Dollars |                    |
|                  |  |         |                        |         |                    |         |                    |
|                  | Wages / Benefits                         | 14.00   | \$1,305,985            | 13.00   | \$1,235,579        | 17.00   | \$1,345,346        |
| <b>Purchases</b> |  |         |                        |         |                    |         |                    |
|                  | Energy                                   |         | \$400,000              |         | \$385,000          |         | \$560,185          |
|                  | Equipment                                |         | \$0                    |         | \$0                |         | \$2,757            |
|                  | EWEB Equipment                           |         | \$161,566              |         | \$109,759          |         | \$97,490           |
|                  | Fuels                                    |         | \$125,000 <sup>1</sup> |         | \$370,800          |         | \$10,000           |
|                  | Materials and Supplies                   |         | \$226,100              |         | \$335,400          |         | \$220,392          |
|                  | Stores Materials and Supplies            |         | \$1,000                |         | \$0                |         | (\$15,962)         |
|                  | Technology / Office Equipment            |         | \$10,000               |         | \$16,000           |         | \$20,448           |
|                  | Water                                    |         | \$150,000              |         | \$150,000          |         | \$267,369          |
| <b>Services</b>  |  |         |                        |         |                    |         |                    |
|                  | Construction Agreements                  |         | \$750,000              |         | \$740,000          |         | \$260,595          |
|                  | Fees and Licenses                        |         | \$5,000                |         | \$6,000            |         | \$5,186            |
|                  | Miscellaneous Services                   |         | \$828,882 <sup>2</sup> |         | \$521,826          |         | \$722,516          |
|                  | Software/Hardware Maintenance & Services |         | \$38,000               |         | \$35,000           |         | \$28,973           |
|                  | Contract Labor                           |         | \$35,000               |         | \$0                |         | \$5,125            |
|                  | Training and Travel                      |         | \$13,700               |         | \$13,000           |         | \$9,371            |
|                  | Tree Trimming                            |         | \$0                    |         | \$0                |         | \$313              |
| <b>Total</b>     |  |         | <b>\$4,050,233</b>     |         | <b>\$3,918,364</b> |         | <b>\$3,540,104</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operations & maintenance salary/benefits dollars may not directly align with FTE.

<sup>1</sup> Decrease in budgeted Natural Gas expense.

<sup>2</sup> Increase primarily due to grounds maintenance transferred from other departments.



## Water Operations Department - Operations & Maintenance Budget

*Includes: Utility Support Services, Water Distribution, Water Construction, Water Production and Water Quality*

| Description      | 2014 Proposed Budget                     |         | 2013 Approved Budget |         | 2012 Actual         |         |                    |
|------------------|--|---------|----------------------|---------|---------------------|---------|--------------------|
|                  | FTE*                                     | Dollars | FTE*                 | Dollars | FTE*                | Dollars |                    |
|                  |  |         |                      |         |                     |         |                    |
|                  | Wages / Benefits                         | 76.25   | \$7,014,876          | 78.25   | \$6,801,047         | 66.25   | \$6,063,748        |
| <b>Purchases</b> |  |         |                      |         |                     |         |                    |
|                  | Buildings                                |         | \$5,000              |         | \$9,040             |         | \$4,922            |
|                  | Energy                                   |         | \$892,440            |         | \$892,440           |         | \$858,367          |
|                  | Equipment                                |         | \$67,748             |         | \$76,323            |         | \$50,673           |
|                  | EWEB Equipment                           |         | \$562,185            |         | \$515,394           |         | \$792,653          |
|                  | Fuels                                    |         | \$2,300              |         | \$500               |         | \$3,390            |
|                  | Landscaping                              |         | \$7,000              |         | \$3,500             |         | \$777              |
|                  | Materials and Supplies                   |         | \$759,704            |         | \$761,431           |         | \$698,310          |
|                  | Stores Materials and Supplies            |         | \$373,755            |         | \$248,855           |         | \$380,566          |
|                  | Technology / Office Equipment            |         | \$56,607             |         | \$54,322            |         | \$23,996           |
|                  | Vehicle Fuel and Oil                     |         | \$0                  |         | \$0                 |         | \$254              |
| <b>Services</b>  |  |         |                      |         |                     |         |                    |
|                  | Conservation Measures                    |         | \$15,000             |         | \$0                 |         | \$0                |
|                  | Construction Agreements                  |         | \$269,438            |         | \$222,588           |         | \$362,494          |
|                  | Fees and Licenses                        |         | \$144,750            |         | \$45,475            |         | \$80,632           |
|                  | Flagging                                 |         | \$3,000              |         | \$90,700            |         | \$126,706          |
|                  | Legal Services                           |         | \$0                  |         | \$0                 |         | \$137              |
|                  | Low Income Services                      |         | \$10,000             |         | \$0                 |         | \$0                |
|                  | Management Consultants                   |         | \$3,000              |         | \$0                 |         | \$0                |
|                  | Miscellaneous Services                   |         | \$334,630            |         | \$237,556           |         | \$173,738          |
|                  | Printing and Postage                     |         | \$10,600             |         | \$8,000             |         | \$3,927            |
|                  | Software/Hardware Maintenance & Services |         | \$44,000             |         | \$31,000            |         | \$0                |
|                  | Contract Labor                           |         | \$275,578            |         | \$188,259           |         | \$55,924           |
|                  | Training and Travel                      |         | \$129,133            |         | \$131,116           |         | \$49,347           |
| <b>Total</b>     |  |         | <b>\$10,980,745</b>  |         | <b>\$10,317,546</b> |         | <b>\$9,730,561</b> |

\* FTE represents budgeted total and may include FTE assigned to the Capital Budget as well as the effect of mid-year department reorganizations. Accordingly, budgeted operation & maintenance salary/benefits dollars may not directly align with FTE.

# Attachment 3

## Labor and Employee Benefit Costs



**EUGENE WATER & ELECTRIC BOARD**  
**LABOR AND EMPLOYEE BENEFITS**  
**2014 BUDGET COMPARED TO 2013 BUDGET AND 2012 ACTUAL**

|   | 2014                 |                     | 2013                 |                     | 2012                 |                     |
|---|----------------------|---------------------|----------------------|---------------------|----------------------|---------------------|
|   | Budget               | % of<br>Total wages | Budget               | % of<br>Total wages | Actual               | % of<br>Total wages |
| <b>Wages &amp; benefits</b>   |                      |                     |                      |                     |                      |                     |
| Regular Wages   | \$ 42,014,000        | 94.9                | \$ 42,334,000        | 95.2                | \$ 42,582,237        | 93.6                |
| Overtime  | 2,240,000            | 5.1                 | 2,123,000            | 4.8                 | 2,890,133            | 6.4                 |
| <b>Total wages</b>  | <b>44,254,000</b>    | <b>100%</b>         | <b>44,457,000</b>    | <b>100%</b>         | <b>45,472,370</b>    | <b>100%</b>         |
| Public employees retirement fund - normal cost                                    | 5,961,000            | 13.5                | 5,953,000            | 13.4                | 5,594,328            | 12.3                |
| Social security/medicare tax  | 3,482,000            | 7.9                 | 3,613,000            | 8.1                 | 3,280,998            | 7.2                 |
| Health insurance  | 7,245,000            | 16.4                | 6,843,000            | 15.4                | 6,507,132            | 14.3                |
| Post-retirement medical   | - ◇                  | 0.0                 | 710,000              | 1.6                 | 709,478              | 1.6                 |
| Long-term disability  | 214,000              | 0.5                 | 292,000              | 0.7                 | 261,423              | 0.6                 |
| Life insurance  | 389,000              | 0.9                 | 397,000              | 0.9                 | 357,651              | 0.8                 |
| Unemployment insurance  | 100,000              | 0.2                 | 100,000              | 0.2                 | 93,109               | 0.2                 |
| Workers' compensation insurance   | 420,000              | 0.9                 | 450,000              | 1.0                 | 287,797              | 0.6                 |
| <b>Total benefits</b>   | <b>17,811,000</b>    | <b>40.2</b>         | <b>18,358,000</b>    | <b>41.3</b>         | <b>17,091,916</b>    | <b>37.6</b>         |
| <b>Total wages &amp; benefits, excluding unfunded actuarial liabilities (UAL)</b> | <b>62,065,000</b>    |                     | <b>62,815,000</b>    |                     | <b>62,564,286</b>    |                     |
| <b>UAL - Public employees retirement system</b>                                   | <b>8,447,000</b>     |                     | <b>8,526,000</b>     |                     | <b>7,183,561</b>     |                     |
| <b>UAL - Post medical retirement</b>  | <b>1,806,000 ◇</b>   |                     | <b>8,096,000 *</b>   |                     | <b>1,579,161</b>     |                     |
| <b>Grand Total</b>  | <b>\$ 72,318,000</b> |                     | <b>\$ 79,437,000</b> |                     | <b>\$ 71,327,008</b> |                     |

◇ Post retirement medical amount is included in UAL-Post medical retirement.

\* Includes a \$7.0 million one-time deposit to the OPEB Trust.

# Attachment 4

## Reserve Information



**EUGENE WATER & ELECTRIC BOARD**  
**ELECTRIC and WATER UTILITY PROJECTED RESERVES, DESIGNATED, UNRESTRICTED AND RESTRICTED FUNDS**  
*(\$000s omitted)*

|  | Electric System   |                                 |                                 | Water System     |                                 |                                 |
|--|-------------------|---------------------------------|---------------------------------|------------------|---------------------------------|---------------------------------|
|  | Target            | 12/31/13 Projected <sup>1</sup> | 12/31/14 Projected <sup>2</sup> | Target           | 12/31/13 Projected <sup>1</sup> | 12/31/14 Projected <sup>2</sup> |
| <b>Reserves:</b>                           |                   |                                 |                                 |                  |                                 |                                 |
| Operating and Self Insurance               | \$ 2,700          | \$ 4,900                        | \$ 4,900                        | \$ 1,280         | \$ 280                          | \$ 280                          |
| Power Operating                            | 12,900            | 13,300                          | 13,300                          |                  |                                 |                                 |
| Capital Improvement <sup>3</sup>           | 7,500-18,000      | 14,300                          | 15,400                          | 3,500-7,000      | 3,200                           | 3,200                           |
| Total Reserves                             | 23,100-33,600     | 32,500                          | 33,600                          |                  | 3,480                           | 3,480                           |
| <b>Board Designated Funds:<sup>4</sup></b> |                   |                                 |                                 |                  |                                 |                                 |
| Unallocated Power Fund                     |                   | 21,800                          | 21,700                          |                  |                                 |                                 |
| Carmen Smith Funds                         |                   | 20,100                          | 20,000                          |                  |                                 |                                 |
| Economic Development Loans                 |                   | 1,900                           | 1,700                           |                  | 100                             | 100                             |
| Water Stewardship Fund - Septic Repairs    |                   |                                 |                                 |                  |                                 |                                 |
| Pension and Medical Funds                  |                   | 4,000                           | 4,000                           |                  |                                 |                                 |
| Total Designated Funds                     |                   | 47,800                          | 47,400                          |                  | 100                             | 100                             |
| <b>Working Cash</b>                        |                   |                                 |                                 |                  |                                 |                                 |
|  | 24,000            | 29,400                          | 32,200                          | 3,400            | 3,400                           | 6,100                           |
| Total Working Cash and Unrestricted Funds  | \$47,100-\$57,600 | \$ 109,700                      | \$ 113,200                      | \$8,180-\$11,680 | \$ 6,980                        | \$ 9,680                        |
| <b>Legally Restricted:</b>                 |                   |                                 |                                 |                  |                                 |                                 |
| Bond Funds - Capital                       |                   | \$ 21,200                       | \$ 12,700                       |                  | \$ 5,700                        | \$ 600                          |
| Reserves for Debt Service                  |                   | 15,700                          | 15,700                          |                  | 4,000                           | 4,000                           |
| Total Restricted Funds                     |                   | \$ 36,900                       | \$ 28,400                       |                  | \$ 9,700                        | \$ 4,600                        |

1. Projections as of October 31, 2013

2. 2014 changes to unrestricted reserves are included in working cash. The Board will officially transfer funds in the second quarter of 2014

3. 12/31/13 projection includes funds for approved capital projects that will be continued in 2014

4. Designated funds are used for one-time expenses.

# Attachment 5

## Major Capital Projects



**EUGENE WATER & ELECTRIC BOARD**  
**MAJOR CAPITAL PROJECTS**

Electric projects over \$500,000

Water projects over \$250,000

| Program/Project<br>Number | Job<br>Number | Program/Project/Job Name                         | Budgeted<br>Amount |            |
|---------------------------|---------------|--|--------------------|------------|
| <b>34931</b>              |               | <b>Strategic Technology</b>                      |                    |            |
|                           | 35027         | WACFR Implement Asset and Work Management        | \$ 2,680,204       | -1-        |
|                           | 35228         | WACFR Implement Mobile Work Management           | 588,020            | -1-        |
| <b>14009</b>              |               | <b>Substation Capital Additions</b>              |                    |            |
|                           | 37394         | Station Transformer Replacement Plan-Umbrella    | 700,016            | -2-        |
|                           | 37395         | Transmission Breaker Replacement Plan -Umbrella  | 500,005            | -2-        |
|                           | 37397         | Upriver System Improvement Plan-Umbrella         | 750,006            | -2-        |
| <b>14513</b>              |               | <b>Distribution Reliability Improvement</b>      |                    |            |
|                           | 30817         | Live Front switch replacements                   | 560,991            | -2-        |
|                           | 35725         | Network Rebuild - Umbrella                       | 3,523,621          | -2-        |
| <b>18043</b>              |               | <b>Leaburg-Waltermville Capital Expenditures</b> |                    |            |
|                           | 36146         | Leaburg Dam Gate Improvements and Spare Parts    | 1,186,280          | -2-        |
| <b>25362</b>              |               | <b>Capital Public Work</b>                       |                    |            |
|                           | 29823         | Primary Neutral Addition                         | 1,248,445          | -2-        |
| <b>32546/ 22639</b>       |               | <b>Carmen-Smith License Implementation</b>       | <b>3,232,000</b>   | <b>-2-</b> |

(continued)

**EUGENE WATER & ELECTRIC BOARD**  
**MAJOR CAPITAL PROJECTS**

Electric projects over \$500,000

Water projects over \$250,000

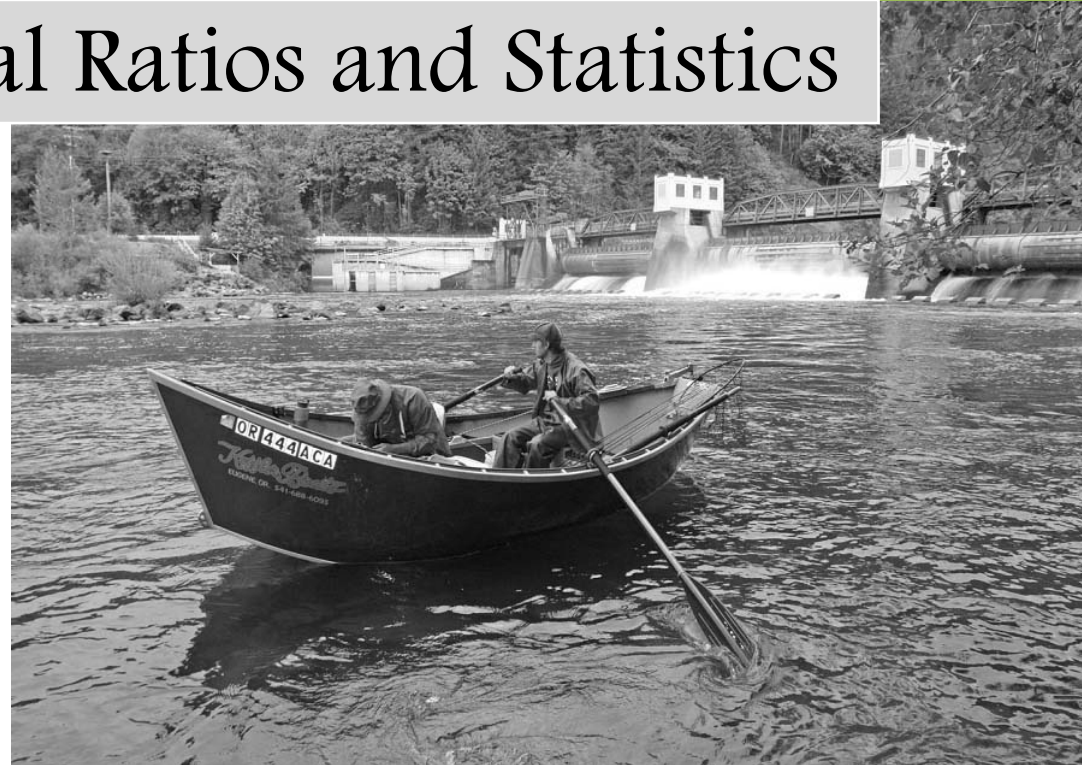
| Program/Project<br>Number | Job<br>Number | Program/Project/Job Name                                   | Budgeted<br>Amount   |     |
|---------------------------|---------------|--|----------------------|-----|
| (continued)               |               |  |                      |     |
| <b>14017</b>              |               | <b>Water Reservoir - Additions</b>                         |                      |     |
|                           | 37315         | College Hill 703 Reservoir Decommission                    | 309,079              | -3- |
|                           | 33789         | Willamette 800 No. 1 Reservoir Repair & Structural upgrade | 1,543,762            |     |
| <b>14018</b>              |               | <b>Water Services &amp; Meters</b>                         |                      |     |
|                           | 37341         | Replacement of Water Meters                                | 514,999              | -3- |
|                           | 37352         | New 1" Services  | 368,911              | -3- |
| <b>14152</b>              | 32630         | <b>Water Main Replacements - Umbrella</b>                  | 3,090,000            | -3- |
| <b>14196</b>              |               | <b>Water Source Additions</b>                              |                      |     |
|                           | 29719         | Hayden Bridge Intake- Intake Screen and Misc Improvements  | 2,370,686            | -3- |
| <b>14203</b>              |               | <b>Water Main Improvements</b>                             |                      |     |
|                           | 37385         | Kingsley Road Loop Improvement                             | 286,445              | -3- |
| <b>14204</b>              |               | <b>Pump Station</b>  |                      |     |
|                           | 36296         | Distribution SCADA/PLCs                                    | 360,582              | -3- |
| <b>14270</b>              |               | <b>Treatment Plant Additions</b>                           |                      |     |
|                           | 36294         | Basic Structural Rehabilitation & Seismic Improvement      | 865,302              | -3- |
|                           |               | <b>Total</b>   | <b>\$ 24,679,354</b> |     |

Note: -1- Electric & Water Projects, -2- Electric Only Projects, -3- Water Only Projects



# Attachment 6

## Budgeted Financial Ratios and Statistics



**EUGENE WATER & ELECTRIC BOARD**  
**BUDGETED FINANCIAL RATIOS**  
**December 31, 2014**

|  | <b>Electric<br/>Utility</b> | <b>Water<br/>Utility</b> |
|--|-----------------------------|--------------------------|
| Debt Service Coverage Ratio <sup>1</sup> | 1.74                        | 2.69                     |
| Days Cash <sup>2</sup>                   | 130                         | 123                      |
| <b>Target</b>                            |                             |                          |
| Debt Service Coverage Ratio              | range of 1.75-2.00          | range of 2.0-2.50        |
| Days Cash                                | 90 to 149 days              | 90 to 120 days           |

1. Ratio of net revenues available for debt service to total long-term debt service costs for the year. This ratio measures the utility's ability to meet its annual long-term debt obligation.

2. Ratio of total available cash to adjusted average daily cash requirements for operating and other non-capital expenses. This measures the length of time the utility can carry projected non-capital related operations with readily available cash.

*Rely on us.*



**Eugene Water & Electric Board**  
**Board Calendar Report**  
**December 3, 2013 \***

**Outstanding Items for staff prepared backgrounders that may result in Board action**

| # | Origination Date | Subject | Requested By | Staff Responsibility | Due Date |
|---|------------------|---------|--------------|----------------------|----------|
| 1 |                  |         |              |                      |          |
| 2 |                  |         |              |                      |          |
| 3 |                  |         |              |                      |          |
| 4 |                  |         |              |                      |          |

**Items that may be added to future Board agendas**

| # | Origination Date | Subject | Originated From | Status | Timing | Scheduled | Comments |
|---|------------------|---------|-----------------|--------|--------|-----------|----------|
| 1 |                  |         |                 |        |        |           |          |
| 2 |                  |         |                 |        |        |           |          |
| 3 |                  |         |                 |        |        |           |          |
| 4 |                  |         |                 |        |        |           |          |

\* Note: Scheduled presentations and dates may be subject to change.

Status is "Pending", "Approved", or "Declined"

Timing refers to the criticality of scheduling, i.e., ASAP, or non-critical

Regular session to begin at 5:30 p.m. on the first Tuesday of each month, unless that Tuesday falls on or generally conflicts with a national holiday. (EWEB Bylaws Article X., Section 1.)

Allow for a 10 minute break two hours after start time

# Eugene Water & Electric Board 2013 - 2014 Board Agendas

*EWEB Board of Commissioners reserves the right to add, delete or reschedule items as needed, change the order of presentations, and discuss any other business deemed necessary at the time of the work session and/or regular meeting.*

**December 17, 2013 - placeholder**

**January 7, 2014**

**Regular Board Meeting (00 min. remaining), 5:30 P.M.**

*Election of Officers (15 min. /Action)*

*Appointment of Commissioners -Board Liaison Assignments & Committees (15 min/action)*

*Emergency Water Planning Update (Taylor/Damewood – 30 min)*

*Executive Session Pursuant to ORS 192.660 (2)(f) (90 minutes)*

**January 21, 2014 – tentative Strategic Planning Session (time to be determined)**

**February 4, 2014**

**Executive Session, 5:00 P.M.**

*Pursuant to ORS 192.660 (i): 2013 GM Performance Evaluation (Kostopoulos 30 min/info)*

**Regular Board Meeting (105 min. remaining), 5:30 P.M.**

*State of the Utility Address (President- 15 min)*

*2013 Fourth Quarter Operating Dashboard/Goals Review (Gray - 15 min)*

**February 18, 2014 – tentative Strategic Planning Session (time to be determined)**

**March 4, 2011**

**Executive Session, 5:00 P.M.**

*Pursuant to ORS 192.660 (i): 2013 GM Performance Evaluation (Kostopoulos 30 min/info)*

**Regular Board Meeting (00 min. remaining), 5:30 P.M.**

*Approval of 2013 GM Evaluation – Board/10min.*

*IERP Update (Erben/ 30 min)*

*Strategic Planning Session (120 min)*

**March 18, 2014 - placeholder**

**April 1, 2014**

**Regular Board Meeting (135 min. remaining), 5:30 P.M.**

*Electric and Water Capital Improvement Plan (CIP) Update (Damewood, 30 min)*

**April 15, 2014 - placeholder**

**May 6, 2014**

**Regular Board Meeting (90 min. remaining), 5:30 P.M.**

*Reserve Fund Status and Transfers (action) Eicher- 30 min.*

*First Quarter Operating Dashboard/Goals Review (Gray - 15 min)*

*2013 Year End Audit Report and Management Letter (Bloom/Eicher, Moss Adams Staff- 60 min)*

**May 20, 2014 - placeholder**

**June 3, 2014**

**Regular Board Meeting (150 min. remaining), 5:30 P.M.**

*2014 First Quarter Financials Review (Eicher/15 min)*

**June 17, 2014 - placeholder**

**July 1, 2014 - cancelled.**

**July 15, 2014 - placeholder**

**Regular Board Meeting (45 min. remaining), 5:30 P.M.**

*Capital Improvement Plans Approval (Board Action) (Damewood - 10 min)*

*Electric and Water Long-Term Financial Plans Update & 2015 Budget Assumptions (Bloom/Fahey info - 90 min)*

*Public Hearing on Long-Term Financial Plans and 2015 Budget Assumptions (15 min)*

**August 5, 2014**

**Regular Board Meeting (65 min. remaining), 5:30 P.M.**

*2014 Second Quarter Financials Review (Eicher - 15 min/info.)*

*2014 Second Quarter Operating Dashboard/Goals Review (Gray - 15 min/info.)*

*2015 Customer Generation Rates Discussion (Freeman/Erben, 15 min/info)*

*2015 Customer Generation Rates Public Hearing (10 min)*

*2015 Customer Generation Rates Action (Res. No 14xx) (Freeman/Erben 5 min/action)*

*Review Contracting, Board Approval Thresholds (Board/15 min)*

**August 19, 2014 - cancelled for summer break**

**September 2, 2014**

**Regular Board Meeting (165 min. remaining), 5:30 P.M.**

**September 16, 2014 - placeholder**

**October 7, 2014**

**Regular Board Meeting (30 min. remaining), 5:30 P.M.**

*2015 Electric & Water Budget/Rates, Long Term Financial Plan (Bloom & Fahey/info 90 min.)*

*Public Hearing on Electric/Water Budgets, rates and Long Term Financial Plans (15 min)*

*Electric Rate Design (Erben/30 min)*

**October 21, 2014 - placeholder**

**November 4, 2014**

**Regular Board Meeting (00 min. remaining), 5:30 P.M.**

*2015 Electric and Water Proposed Budgets & Proposed February Rate Increase Review (Bloom & Fahey - 60 min.)*

*Public Hearing on 2015 Proposed Electric & Water Budgets and Rate Increases (30 min)*

*Third Quarter Financials Review (Eicher - 15 min)*

*Third Quarter Operating Dashboard/Goals Review (Gray - 15 min)*

**November 18, 2014 - placeholder**

**December 2, 2014**

**Regular Board Meeting (00 min. remaining), 5:30 P.M.**

*2015 Electric and Water Proposed Budgets & Rate Increase Review (Bloom/Fahey - 30 min.)*

*Public Hearing on 2015 Proposed Electric & Water Budgets and Rate Increases (15 min)*

*2015 Electric & Water Budgets and Rate Increases (Board action) (Bloom/Fahey - 10 min.)*

*2014 Audit Planning (Bloom and Eicher and Moss Adams Staff - 45 min.)*

*2015 Legislative Agenda Discussion (Board action) (Robertson & Heuser - 30 min.)*