



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Mital, Helgeson, Manning and Simpson
FROM: Mel Damewood, Engineering Manager
DATE: March 21, 2014
SUBJECT: Electric and Water Capital Budget Amendments
OBJECTIVE: Board Action – Approval of Electric & Water Capital Budget Amendments No. 2-5

Issue

On April 1, 2014, EWEB management will present to the Board the Electric Utility Budget Amendments (BAMs) No. 2 and 3 and the Water Utility BAMs No. 4 and 5 for approval, along with amended updates of both the Electric and Water 5-Year Capital Improvement Plans (CIPs).

Background

Each spring, the Board has asked that the Electric and Water utilities present an updated view of the current year capital budget and updated 5-Year CIP based on projected expenses for the remainder of the year, along with any changes in revenue forecasts. Budget amendments are divided between Type 1 General Capital, Type 2 Infrastructure Rehabilitation & Expansion Projects, and Type 3 Strategic Projects & Programs as follows:

Type 1 capital is a collection of routine capital work under specific categories (Transmission, Distribution, Buildings). Examples of Type 1 capital include pole replacements, water main replacements, etc.

Type 2 capital is for discrete projects with defined time periods and lifetime expenditures over \$1 million. Examples of Type 2 capital include the Downtown Electric Network, and Hayden Bridge Intake Improvements.

Type 3 capital is for large strategic programs with long-term impacts. These programs are generally bond-financed and include examples like Carmen-Smith Re-Licensing, and Advanced Meter Infrastructure Meter Deployment.

For various reasons including differences between estimated versus actual construction costs, emerging capital priorities, resource constraints, or permitting issues, the prior year-end capital project actual costs may differ from what was budgeted. For the purpose of understanding the driver(s) behind each of the proposed amendments, management groups them by the following categories:

- 1) Carryover: Funding for projects that did not close out by year-end as planned.
- 2) Revised Estimates: Revisions to project budgets caused by a variance in scope, labor,

- material or construction costs, or a schedule shift on a multi-year project.
- 3) Emergent Priority: Project additions resulting from equipment failures or past due improvements that have been put off because of resource constraints or higher priority work.
 - 4) Deferral: Capital projects that are being deferred due to changing priorities or alternatives, resource constraints, or funding source shortfalls.
 - 5) Early Completion: Costs in excess of budget due to contractor completing work on a multi-year project ahead of schedule during the first year of budgeting.

Discussion

Shared Capital

Several corporate-level projects are for services or systems shared by both utilities, and are included on budget amendments for both Electric and Water. Typically, the costs for these projects are divided 82% Electric and 18% Water unless otherwise noted. The shared capital work requiring amendments is discussed below. These amendments are listed under “Shared Services Projects” in Budget Amendment 2 through 5.

Storage Area Network (SAN)/VM Ware (Carryover)

SAN/VM Ware is part of EWEB’s overall business continuity and disaster recover project for IT infrastructure. SAN/VM Ware implementation is deferred work from 2013 for \$260,000 (\$213,200 Electric; \$46,800 Water) and is proposed as a 2014 budget amendment. EWEB continues to enhance its operational and business systems requiring multi-site shared services. The SAM/VM Ware project establishes shared infrastructure supporting mission critical operations including control centers, power trading, WAM, and MWM. There was no approved budget in 2014 for the work.

Metro Ethernet (Carryover & Revised Estimate)

Metro Ethernet is a multi-application connectivity project linking EWEB infrastructure throughout our system, including HQ, ROC, Hayden Bridge, electric substations, etc. The technology supports EWEB’s compliance and enterprise strategy of disaster recovery and business continuity, as well as WAM, MWM, AMI, and other daily operational programs. Some integration and configuration bugs associated with security and routing will be completed in 2014. A 2014 budget amendment of \$495,660 (\$406,441 Electric; \$89,219 Water) is proposed, with \$273,553 of unspent funds (in capital reserves) from 2013. There was no approved budget in 2014 for this project.

Information Technology – Shared (Carryover)

Type 1 “shared” IT amendments total \$111,033 (\$91,047 Electric; \$19,986 Water) for updates to the customer information system (CIS) servers and software traffic inspection (security) software. These projects were deferred from their combined 2013 budget of \$200,833.

WAM/WACFR (Carryover)

The start of the Work & Asset Management (WAM) and Mobile Work Management (MWM) portion of the WACFR project implementation was delayed from January to July of 2013 due to additional time required for vendor selection. These projects are part of EWEB’s process improvement and efficiency improvement initiatives. The MWM portion was delayed until January of 2014, when a new version of MWM was delivered. The delays resulted in approximately \$1,445,579 of unspent capital funds from 2013. Both projects will complete in 2014, along with the use of SOA (service-oriented architecture) to bridge between existing and interim modules (e.g.

Budget Replacement) and the new WAM system. Management is proposing to increase the 2014 capital budget by \$1,490,182 from \$3,366,236 to \$4,856,418 (\$3,982,263 Electric; \$874,155 Water). This amendment includes the WAM, MWM, SOA, and Budget Replacement program modules.

Buildings & Land (Carryover & Revised Estimate)

Management is proposing an increase in 2014 general capital for Buildings and Land, from \$2,306,806 to \$3,255,474 (\$2,866,702 Electric; \$388,772 Water), an increase of \$948,668. Including \$1.1 million Board-approved budget amendment (BAM-1) from January for asbestos removal from the steam plant, the total increase in 2014 is 2,048,668, of which \$1,420,007 is carryover from 2013, including ROC remodeling (fuel tanks), HQ HVAC Upgrades, and Riverfront Development.

Budget Amendment No. 2 - Electric “Type 1” General Capital

Budget Amendment No. 2 incorporates revisions to the Electric Type 1 “General Capital” budget for 2014. Details for this amendment are provided in Attachment 1, along with further descriptions below.

Substation & Telecommunications (Revised Estimate- Reduction)

Management is proposing a reduction of \$118,006 from \$3,325,083 to \$3,207,077 in Substation & Telecommunications capital based on the rescheduling of Upriver T/L Reconfiguration (newly defined as Type 2, described below) work which delays \$250,000 from 2014 to 2015, offset by a \$132,000 increase in metering and radio system upgrade work.

Fleet/Vehicles – Electric (Carryover)

An Electric fleet carryover from 2013 of \$435,206 is requested to increase the 2014 fleet budget from \$980,883 to \$1,416,089. The carryover is to cover two bucket trucks that encountered manufacturing delays with expected delivery in late spring.

Budget Amendment No. 3 - Electric “Type 2” Rehabilitation & Expansion Capital

Budget Amendment No. 3 - Electric “Type 2” Rehabilitation & Expansion Capital incorporates proposed revisions to capital projects that meet criteria for classification as a “Type 2 – Infrastructure Rehabilitation & Expansion Projects”. Budgetary details for Amendment No. 3 are shown in Attachment 2, along with further descriptions below.

Leaburg Roll Gate #2 (Revised Estimate and Scope Change)

Deficiencies discovered during design and bid prices exceeding expectations are driving management’s proposed \$1,670,720 increase from \$1,186,280 to \$2,857,000 on the Leaburg Roll Gate #2 hoist replacement project. This project repairs the roll gate hoist, including control system, correction of deficiencies of the hoist mounting structure and supports, and safety improvements to the pier houses. Further details are provided in the Board Memo accompanying the construction contract approval request, entitled “*Project Update and Request for Contract Approval: Leaburg Dam Roll Gate 2 Hoist Replacement*”.

Upriver T/L Reconfiguration (Deferral)

Management is proposing a 2014 deferral of approximately \$250,000 from \$750,000 to \$500,000 for the initial design an upriver substation. EWEB is presently evaluating options that will facilitate the removal of the “A” and “B” 69kV transmission lines between Walterville and Leaburg. By

constructing a substation at the base of the BPA transmission lines near the Leaburg generation site, EWEB can avoid the maintenance and capital replacement cost of approximately 8 miles of dual transmission lines. The total project estimate is \$3.5MM with construction planned for 2015-2016 pending plan and design feasibility.

Downtown Distribution Network (Revised Estimate- Reduction)

Scheduled 2014 work on EWEB's downtown distribution network includes primary feeder installation from Willamette substation to the east side of the network, secondary conductor analysis and conduit survey, integration of analysis software, and limited network protector/transformer refurbishment. Presently the approved budget is \$3,523,622, and the proposed amendment is a reduction of \$1,023,622 to \$2,500,000 in 2014, which reduces the draw from capital bonds.

Energy Insight (Carryover)

Management is proposing a \$209,294 amendment (all carryover from 2013) to put in service a payment interface module for the Energy Management Service (EMS) Energy Insight application. Using Service-Oriented Architecture (SOA), the program being developed by IS staff will bridge financial transactions between Energy Insight and financial services. Energy Insight is the program used by EMS to track and report on residential programs, loans, and activities associated with conservation and energy efficiency. There was no approved budget in 2014 for this work.

Summary of Updated Electric Five-Year Capital Improvement Plan (CIP):

The attached BAMs No. 2 and No. 3 increase the 2014 Electric capital budget by \$4.80 million excluding bond-funded projects. Of the \$4.80 million, approximately \$2.89 million is rollover from unused 2013 funds, with \$1.91 million being emergent work including \$1.67 million for the Leaburg Roll Gate project.

All of the amendments proposed in BAMs No.2 and No. 3 are incorporated in the 2014 year of the 5-year Electric Capital Improvement Plan (CIP), as is a change under Type 1 "Buildings & Land" for Budget Amendment No. 1 (Board approved January 7, 2013) which adds \$1,100,000 for asbestos removal at the steam plant. Based on last year's amendments throughout the year, the year-end Electric capital reserve was predicted to be \$10.8MM, but because of the carryover of unused capital, the 2013 year-end capital reserve balance was \$13,908,310.

The revised 2014 year-end capital reserve balance is \$9,680,535 including 2014 budget amendments 1, 2, and 3. The Board target for Electric capital reserves is a floor of \$7.5MM and a ceiling of \$18MM. A comparison of the Approved Capital Improvement Plan (approved July 2013) to the revised CIP including the budget amendments is presented as Attachment 3.

Budget Amendment No. 4 - Water "Type 1" General Capital

Budget Amendment No. 4 incorporates revisions to the Water Type 1 "General Capital" budget for 2014. Details for this amendment are provided in Attachment 4, along with further descriptions below.

Water Source Additions (Carryover)

A carryover of \$68,000 in unspent 2013 funds for the emergency water supply trailers is being proposed. The funds will be used to outfit the two new trailers purchased at the end of 2013.

Water Production Additions (Carryover)

A total of \$440,000 in unspent 2013 funds is being proposed to be carried over from the Hayden Bridge Network Upgrade job. Carryover funds will be used for remaining Network Upgrade work and an emergent project to correct safety issues with the chlorine gas system at Hayden Bridge. A minor carryover amount is also included for remaining work on a chemical feed system upgrade started in 2013. This carryover increases the 2014 budget from \$123,503 to \$563,503.

Pump Station & Reservoir Improvements (Carryover and reductions)

Unspent funds from the Shasta 1150 Pump Station Upgrade totaling approximately \$500,000 are proposed to be carried over to complete the improvements to the pump station. In addition the carryover from this job is proposed to augment the budget for a generator installation at the Dillard 975 Pump Station and fund emergent repair work at the Santa Clara Pump Station. Within the Reservoir project area approximately \$250,000 is being transferred to Reserves due to a delay in the decommissioning of the College Hill 703 Reservoir. In addition a total of approximately \$290,000 from the Pump Station and Reservoir project areas is being transferred from Capital to O&M for Facility decommissioning work. The net result of the above for these project areas is \$222,313 from reserves and \$291,458 transferred to O&M for a total budget reduction of \$69,145. The resulting change in budget is from \$850,577 to \$781,432.

Water Services and Meters (Carryover)

Approximately \$54,000 in 2013 unspent funds is being proposed to be carried over to augment the 2014 small and large meter replacement budgets. This will increase the 2014 budget from \$612,851 to \$666,675.

Water Main Improvements (Carryover)

There are two primary items in this area. The first is the carryover of \$450,000 in unspent funds for the College Hill Connector Main. Construction was originally scheduled for late 2013 but has been deferred to 2014. The second is the carryover of approximately \$480,000 in unspent 2013 Main Replacement funds for four required Main Improvement projects. The largest of these will be the construction of a connection between the Willamette 1325 reservoir and the Willamette 1150 and 975 Systems through the recently constructed Owl Road Pipeline. This project provides redundancy to the Willamette 975 system, and stabilizes fire flow and pressures along the Owl Road Pipeline. Within this project area, this amendment also includes a job transfer and carryover for the Water Operations General Plant Budget. These funds will be allocated for new construction equipment and water's share of the LRIG (inter-agency shared radio infrastructure) upgrade. The net result of the above is a budget increase of \$909,925, which will move the budget from \$630,403 to \$1,540,328.

Budget Amendment No. 5 - Water "Type 2" Rehabilitation & Expansion Capital Projects

Budget Amendment No.5 - Water "Type 2" Rehabilitation & Expansion Capital Projects incorporates proposed revisions to capital projects that meet criteria for classification as a "Type 2 – Infrastructure Rehabilitation & Expansion Projects". Budgetary details for Amendment No. 5 are shown in Attachment 5, along with further descriptions below.

Raw Water Intake Improvements (Carryover)

The upgrade of Raw Water Intake #1 was originally scheduled for completion in 2013 however issues with the pump delivery pushed final completion into 2014. For this, \$950,000 is being carried over for the completion of the work. The budget for the Raw Water Intake Improvements is also being augmented by a \$51,363 carryover from the Intake Improvements and \$300,000 available carryover from the W. 11th Extension Transmission Main job. The above results in a budget increase for this project of \$1,301,363 bringing the total budget to \$3,672,048.

Distribution System SCADA/PLC Upgrades (Reduction)

This is a multi-year job to upgrade control systems at all of the distribution system pump stations. The 2014 budget is being reduced from \$360,000 to \$150,000. The revised amount better reflects the work that is planned for this year. Over the life of this project, the total worth is estimated to be above the \$1.0 million threshold for Type 2 projects.

Willamette 800 No. 1 Reservoir Replacement (Delay)

This job was originally intended to be a structural repair of the older Willamette 800 Reservoir. Upon completion of the structural evaluation it was decided that due to the extent of the issues with the reservoir, a replacement was warranted. This has resulted in a delayed start of the construction pushing the bulk of it into 2015. This amendment reduces the budgeted amount for this job by \$1,000,000 to reflect this delay. This will reduce the budget from \$1,543,763 to \$543,763.

Willamette 1325 Reservoir (Carryover)

While this new reservoir went into operation in 2013, \$65,000 is being carried over from 2013 to cover costs for final closeout of this job.

W. 11th Transmission Extension (Veneta Connection) (Carryover)

Similar to the previous job, the W. 11th Transmission Extension serving Veneta went into operation in 2013. This amendment provides a carryover amount of \$60,000 to cover closeout work for the job.

Willamette River Pipeline Crossing at Beltline (Carryover)

This job provides for a new 30-inch transmission pipe across the Willamette River on the Belt Line Bridge. The bulk of the construction was completed in 2013. Final connections to our existing system remain. \$380,000 is being carried over to provide for this remaining work.

Summary of Updated Water Five-Year Capital Improvement Plan (CIP):

All of the amendments proposed in BAMs No.4 and No. 5 are incorporated in the 2014 year of the 5-year Water Capital Improvement Plan CIP. The net increase in the water capital budget due to these amendments is \$2.57 million, most of which is covered by carryover funds from 2013. With these amendments, the revised 2014 year-end capital reserve balance is \$2,594,000. The recommended target for water capital reserves is a floor of \$3.5 MM and a ceiling of \$7 MM. In 2015, the capital reserve is shown to increase above the minimum target to approximately \$3,700,000. A comparison of the Approved Capital Improvement Plan (approved July 2013) to the revised CIP including the budget amendments is presented as Attachment 6.

Recommendation/Requested Board Action

Management is recommending and requesting Board approval of:

- 1) Budget Amendment No. 2 - Electric "Type 1" General Capital
- 2) Budget Amendment No. 3 - Electric "Type 2" Rehabilitation & Expansion Capital Projects
- 3) Budget Amendment No. 4 - Water "Type 1" General Capital
- 4) Budget Amendment No. 5 - Water "Type 2" Rehabilitation & Expansion

Please contact Mel Damewood, Engineering Manager, at 541-685-7145 or mel.damewood@eweb.org to discuss this material.

Attachments:

1. Budget Amendment No. 2 Electric "Type 1" General Capital
2. Budget Amendment No. 3 Electric "Type 2" Rehabilitation & Expansion Capital Projects
3. Revised 2014-18 Electric Capital Improvement Plan
4. Budget Amendment No. 4 Water "Type 1" Rehabilitation & Expansion Capital Projects
5. Budget Amendment No. 5 Water "Type 2" General Capital
6. Revised 2014-18 Water Capital Improvement Plan

Attachment: 1

Budget Amendment Form

Date: APRIL 1, 2014

Amendment # 2

Contact Information:

Name/Title/E- Mel Damewood, Engineering Manager
mail: Frank Lawson, Systems Engineering Supervisor

Amendment Type: (Check all that Apply)

Utility: Electric Water

Category: TYPE 1 TYPE 2 O & M Labor & Benefits

Description and Justification for Budget Amendment: See Board Backgrounder

Category: Project No. & Description	2014 Actual Expenditures Through 2/28/14	2014 Projected Year-End Expenditures	Amount Currently Budgeted	Funds Transfer-In / (Transfer-Out)	Funding Source (job transfer, reserves, bond funds, new revenue)
Electric Only Projects					
<u>Substations & Telecom:</u> 14009- Substations Modifications & Additions	\$483	\$50,000	\$0	\$50,000	Capital Reserve
<u>Substations & Telecom:</u> 14011-Instrumentation & Control Additions	\$0	\$82,000	\$0	\$82,000	Capital Reserve
<i>Subtotal - Electric Only Projects</i>	<i>\$483</i>	<i>\$132,000</i>	<i>\$0</i>	<i>\$132,000</i>	
Shared Services Project (Electric Portion of 82% of total Project)					
<u>Shared IT Infrastructure:</u> 37446 - Information Services Capital Projects	(\$33,922)	\$95,120	\$4,073	\$91,047	Capital Reserve
<u>General Plant - Buildings & Land Management:</u> 14144 - Property Management	\$20,845	\$350,000	\$197,849	\$152,151	Capital Reserve
<u>General Plant - Buildings & Land Management :</u> 14049-Building Operation & Maintenance	\$0	\$686,406	\$328,000	\$358,406	Capital Reserve

Attachment: 1

General Plant – Buildings & Land Management: 37039-EWEB Roosevelt Building Project	\$167,283	\$294,739	\$0	\$294,739	Capital Reserve _ \$164,511 ROC Bond Funds - \$130,228
<i>Category: Project No. & Description</i>	<i>2014 Actual Expenditures Through 2/28/14</i>	<i>2014 Projected Year-End Expenditures</i>	<i>Amount Currently Budgeted</i>	<i>Funds Transfer-In / (Transfer-Out)</i>	<i>Funding Source (job transfer, reserves, bond funds, new revenue)</i>
General Plant – Electric Fleet: 14483-Acquisition of New Equipment (Fleet)	\$0	\$1,416,089	\$980,883	\$435,206	Capital Reserve
<i>Subtotal- Shared Service Projects</i>	<i>\$154,206</i>	<i>\$2,842,354</i>	<i>\$1,510,805</i>	<i>\$1,331,549</i>	
Total	\$154,689	\$2,974,354	\$1,510,805	\$1,463,549	

Department Manager
Approval: _____

Fiscal Services Supervisor
Approval: _____

Finance Manager Approval: _____

Board Approval

Date: _____

Attachment: 2

Budget Amendment Form

Date: APRIL 1, 2014

Amendment # 3

Contact Information:

Name/Title/E-mail: Mel Damewood, Engineering Manager
 Frank Lawson, Systems Engineering Supervisor

Amendment Type: (Check all that Apply)

Utility: Electric Water

Category: TYPE 1 TYPE 2 O & M Labor & Benefits

Description and Justification for Budget Amendment: See Board Backgrounder

Category: Project No.-Job No.& Description	2014 Actual Expenditures Through 2/28/2014	2014 Projected Year-End Expenditures	Amount Currently Budgeted	Funds Transferred In / (Transferred Out)	Funding Source (job transfer, reserves, bond funds, new revenue)
Electric only Projects/Jobs					
<u>Generation:</u> 28286-36146 Leaburg Rollgate No. 2 Repair	\$147,009	\$2,857,000	\$1,186,280	\$1,670,720	Capital Reserve
<u>Substations & Telecom:</u> 14009-37397 Upriver T/L Reconfiguration	\$5,578	\$500,000	\$750,006	(\$250,006)	To Capital Reserve
<u>Transmission & Distribution:</u> 14513-35725 Downtown Distribution Network	\$46,295	\$2,500,000	\$3,523,622	(\$1,023,622)	To Capital Bond Fund
<u>IT – Electric Specific Technology:</u> 37446-Job 38131 Energy Insight Payment Interface	\$21,722	\$209,294	\$0	\$209,294	Capital Reserve
<i>Subtotal- Electric Only Projects</i>	<i>\$220,604</i>	<i>\$6,066,294</i>	<i>\$5,459,908</i>	<i>\$606,386</i>	
Shared Services Projects/Jobs (Electric portion of 82% of total Project)					
<u>IT – Shared Corporate Infrastructure:</u> 37446-Job 36482 SAN/VM Ware	\$27,362	\$213,200	\$0	\$213,200	Capital Reserve
<u>IT – Shared Corporate Infrastructure:</u> 37446-Job38182 Metro Ethernet Completion	\$13,248	\$406,441	\$0	\$406,441	Capital Reserve

Attachment: 2

<u>Category: Project No.-Job No.& Description</u>	<i>2014 Actual Expenditures Through 2/28/2014</i>	<i>2014 Projected Year-End Expenditures</i>	<i>Amount Currently Budgeted</i>	<i>Funds Transferred In / (Transferred Out)</i>	<i>Funding Source (job transfer, reserves, bond funds, new revenue)</i>
<u>WACFR-Work Assets, Customer and Financials:</u> 34931-Job 35027 WAM & Job 37208 Budget Repl.Cap	\$506,148	\$2,994,779	\$2,278,135	\$716,644	Capital Reserve
<u>WACFR-Work Assets, Customer and Financials:</u> 34931-Job 35228 Mobile Work	\$40,638	\$782,483	\$482,178	\$300,305	Capital Reserve
<u>WACFR-Work Assets, Customer and Financials:</u> 34931-Job 35785 Enterprise Integration (SOA)	\$8,708	\$205,000	\$0	\$205,000	Capital Reserve
<i>Subtotal- Shared Services</i>	<i>\$596,104</i>	<i>\$4,601,903</i>	<i>\$2,760,313</i>	<i>\$1,841,590</i>	
Total	\$816,708	\$10,668,197	\$8,220,221	\$2,447,976	

Department Manager Approval: _____

Fiscal Services Supervisor Approval: _____

Finance Manager Approval: _____

Board Approval

Date: _____

Electric Capital Improvement Plan (2014-2023); Excluding AMI

<i>Type 1 - General Capital</i>	2014 (Revised) "Traditional View"		2015	2016	2017	2018	5-Year Total	5-Year Total	10-Year Total	
	2014	2014					2014-2018	2019-2023		
Source of Funds:										
Capital Reserve Balance	\$13,548,000	\$13,908,310	\$9,960,599	\$13,769,372	\$15,019,120	\$15,882,618	\$13,548,000	\$13,851,075	\$13,548,000	(a)
Customer Contributions	\$1,324,320	\$2,535,000	(7)	\$1,360,000	\$1,400,000	\$1,440,000	\$1,480,000	\$9,539,320	\$8,100,000	\$17,639,320
Electric Rates	\$18,640,000	\$18,640,000	\$19,290,000	\$19,970,000	\$20,670,000	\$21,390,000	\$118,600,000	\$118,700,000	\$237,300,000	
Interest Earnings on Reserve Fund	\$75,000	\$75,000	\$100,000	\$150,000	\$200,000	\$225,000	\$825,000	\$1,500,000	\$2,325,000	
LTD West Site EMX							\$0	\$0	\$0	
Total Funds:	\$33,587,320	\$35,158,310	\$30,710,599	\$35,289,372	\$37,329,120	\$38,977,618	\$142,512,320	\$142,151,075	\$270,812,320	
Expenditures:										
Electric Infrastructure - Generation	\$1,840,000	\$3,510,720	(1)	\$920,000	\$520,000	\$1,450,000	\$2,450,000	\$10,690,720	\$14,860,000	\$25,550,720
Electric Infrastructure - Substations & Telecom	\$3,075,000	\$2,957,077		\$3,590,000	\$4,120,000	\$3,590,000	\$3,970,000	\$21,302,077	\$24,400,000	\$45,702,077
Electric Infrastructure - Transmission & Distribution	\$9,320,000	\$8,392,219		\$8,760,000	\$9,970,900	\$9,052,727	\$8,055,509	\$53,551,355	\$47,364,744	\$100,916,098
Shared IT infrastructure	\$641,960	\$1,252,534	(2)	\$1,795,340	\$1,432,683	\$1,376,780	\$1,576,478	\$8,075,775	\$6,513,446	\$14,589,221
Electric specific technology improvements	\$510,000	\$818,107	(3)	\$150,000	\$1,180,000	\$65,000	\$0	\$2,723,107	\$4,255,208	\$6,978,315
AMI network and IT work	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
WACFR/WAM - Work, Asset, Customer and Financials	\$2,753,847	\$3,984,263	(4)	\$0	\$1,298,466	\$1,640,000	\$2,152,500	\$11,829,076	\$102,500	\$11,931,576
General Plant - Buildings & Land Management	\$764,800	\$2,866,702	(5)	\$586,860	\$451,000	\$410,000	\$492,000	\$5,571,362	\$2,667,460	\$8,238,822
General Plant - Electric Fleet Capital	\$980,883	\$1,416,089		\$1,139,027	\$1,297,203	\$1,361,995	\$1,430,057	\$7,625,254	\$8,297,767	\$15,923,021
LTD West Site EMX							\$0	\$0	\$0	
Total Expenditures	\$19,886,490	\$25,197,711		\$16,941,227	\$20,270,252	\$18,946,502	\$20,126,544	\$121,368,725	\$108,461,125	\$229,829,850

Type 2 - Infrastructure Rehabilitation & Expansion Programs

Source of Funds:										
Type 2 - Rate-Funded (incl. in Type 1 Funds above)						\$2,500,000	\$5,000,000	\$7,500,000	\$23,000,000	\$30,500,000
Type 2 - Bond Funded	\$5,250,000	\$2,750,000	\$7,330,000	\$1,740,000	\$150,000	\$0	\$17,220,000	\$12,650,000	\$29,870,000	
Expenditures:										
Type II - Infrastructure Re-Build - Generation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,650,000	\$12,650,000	
Type II - Infrastructure Re-Build - Substations & Telecom	\$250,000	\$250,000	\$250,000	\$150,000	\$150,000		\$1,050,000	\$6,000,000	\$7,050,000	
Type II - Infrastructure Re-Build - Transmission & Distribution	\$5,000,000	\$2,500,000	(6)	\$7,080,000	\$1,590,000	\$2,500,000	\$5,000,000	\$23,670,000	\$17,000,000	\$40,670,000
Total Expenditures	\$5,250,000	\$2,750,000	\$7,330,000	\$1,740,000	\$2,650,000	\$5,000,000	\$24,720,000	\$35,650,000	\$60,370,000	

Type 3 - Strategic Projects & Programs

Source of Funds:										
Advance Meter Infrastructure Bonds				\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carmen Smith Relicensing Dedicated Funds	\$3,232,000	\$3,232,000	\$425,000	\$327,000	\$8,511,000	\$19,000,000	\$34,727,000	\$109,737,000	\$144,464,000	
Power Reserve (or Developer) Funds					\$200,000		\$200,000	\$0	\$200,000	
Total Funds:	\$3,232,000	\$3,232,000	\$425,000	\$327,000	\$8,711,000	\$19,000,000	\$34,927,000	\$109,737,000	\$144,664,000	
Expenditures:										
AMI Deployment - Meter Acquisition Costs				\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carmen Smith License Implementation	\$3,232,000	\$3,232,000	\$425,000	\$327,000	\$8,511,000	\$19,000,000	\$34,727,000	\$109,737,000	\$144,464,000	
Riverfront Decommissioning					\$200,000		\$200,000	\$0	\$200,000	
Total Expenditures:	\$3,232,000	\$3,232,000	\$425,000	\$327,000	\$8,711,000	\$19,000,000	\$34,927,000	\$109,737,000	\$144,664,000	
Total Funds	\$42,069,320	\$41,140,310	\$38,465,599	\$37,356,372	\$46,190,120	\$57,977,618	\$194,659,320	\$264,538,075	\$445,346,320	
Total Expenditures	\$28,368,490	\$31,179,711	\$24,696,227	\$22,337,252	\$30,307,502	\$44,126,544	\$181,015,725	\$253,848,125	\$434,863,850	
YE Capital Reserve Balance	\$13,700,830	\$9,960,599	\$13,769,372	\$15,019,120	\$15,882,618	\$13,851,075	\$13,643,595	Balance at year end 2018	Balance at year end 2023	\$10,482,470

Note (a) - Capital Reserve Uses Starting Value

Amendment Notes - April 2014

- (1) Includes Type 2 Leaburg Rollgate #2 Increase
- (2) Includes SAN/VMWare, Metro E, CIS
- (3) Includes \$209,294 for Energy Insight
- (4) WAM/WACFR Includes \$1,213,407 Carryover from 2013
- (5) Includes BAM-01 Steam Plant De-Commissioning, Approved January; \$1,100,955; Riverfront Development
- (6) Includes Downtown Distribution Network Adjustments
- (7) Represents increases in customer-driven commercial and residential capital work

Attachment: 4

Budget Amendment Form

Date: APRIL 1, 2014

Amendment # 4

Contact Information:

Name/Title/E- Mel Damewood, Engineering Manager
mail: Wally McCullough, Water Engineering Supervisor

Amendment Type: (Check all that Apply)

Utility: Electric Water

Category: TYPE 1 TYPE 2 O & M Labor & Benefits

Description and Justification for Budget Amendment: See Board Backgrounder

Category: Project No.& Description	2014 Actual Expenditures Through 2/28/2014	2014 Projected Year-End Expenditures	Amount Currently Budgeted	Funds Transferred In / (Transferred Out)	Funding Source (job transfer, reserves, bond funds, new revenue)
Water only Projects					
14196 – Water Source Additions	\$16,657	\$171,254	\$103,254	\$68,000	Capital Reserve
14270 – Water Production Additions	\$198	\$563,503	\$123,503	\$440,000	Capital Reserve
14204/14017 – Pump Station and Water Reservoir Improvements	\$13,313	\$781,432	\$850,577	\$222,313 (\$291,458)	Capital Reserve Transfer to O&M
14018 – Water Services & Meters	\$91,580	\$666,675	\$612,851	\$53,824	Capital Reserve
014203-Water Main Improvements	\$42,679	\$1,540,328	\$630,403	\$909,925	Capital Reserve
Subtotal – Water Capital Projects	\$164,427	\$3,723,192	\$2,320,588	\$1,402,604	
14502 – Water Engineering O&M	\$158,043	\$1,587,888	\$1,296,430	\$291,458	Transfer from Capital Reserve
Subtotal – Water only Projects	\$322,470	\$5,311,080	\$3,617,018	\$1,694,062	

Attachment: 4

<i>Category: Project No.& Description</i>	<i>2014 Actual Expenditures Through 2/28/2014</i>	<i>2014 Projected Year-End Expenditures</i>	<i>Amount Currently Budgeted</i>	<i>Funds Transferred In / (Transferred Out)</i>	<i>Funding Source (job transfer, reserves, bond funds, new revenue)</i>
<i>Shared Services Projects (Water portion of 18% of total Project)</i>					
37446 – Information Services Capital Projects	(\$7,446)	\$20,880	\$894	\$19,986	Capital Reserve
37039 EWEB Roosevelt Building Project	\$36,721	\$64,698	\$0	\$64,698	ROC Bond Funds - \$64,698
14049 Building Operation & Maintenance	\$0	\$150,674	\$72,000	\$78,674	Capital Reserve
<i>Subtotal – Shared Services Projects</i>	<i>\$29,275</i>	<i>\$236,252</i>	<i>\$72,894</i>	<i>\$163,358</i>	
Total	\$351,745	\$5,547,332	\$3,689,912	\$1,857,420	

Department Manager Approval: _____

Fiscal Services Supervisor Approval: _____

Finance Manager Approval: _____

Board Approval

Date: _____

Budget Amendment Form

Date: APRIL 1, 2014Amendment # 5**Contact Information:**

Name/Title/E-mail: Wally McCullough, Water Engineering Supervisor

Amendment Type: (Check all that Apply)Utility: Electric Water Category: TYPE 1 TYPE 2 O & M Labor & Benefits **Description and Justification for Budget Amendment:** See Board Backgrounder

(Project No.-Job No.) & Description	2014 Actual Expenditures Through 2/28/2014	2014 Projected Year-End Expenditures	Amount Currently Budgeted	Funds Transferred In / (Transferred Out)	Funding Source (job transfer, reserves, bond funds, new revenue)
Water only Projects/Jobs					
14196-Job 29719/38292 HB Intake Improvements	\$648,401	\$3,672,048	\$2,370,685	\$1,301,363	Capital Reserve
14204-Job 36296 Distribution SCADA/PLCs	\$1,559	\$150,000	\$360,583	(\$210,583)	To Capital Bond Reserve
14017-Job 33789 Willamette 800 Reservoir Repair	\$0	\$543,763	\$1,543,763	(\$1,000,000)	To Capital Bond Reserve
14017-Job 38107 Willamette 1325 Reservoir	\$35,118	\$65,000	\$0	\$65,000	Capital Bond Reserve
14507-Job 38062 W. 11 th Extension Terry to Greenhill	\$283	\$60,000	\$0	\$60,000	Capital Bond Reserve
14507-Job 32661 WM Crossing at Beltline	\$68,690	\$380,000	\$0	\$380,000	Capital Bond Reserve
<i>Subtotal- Water Only Projects</i>	<i>\$754,051</i>	<i>\$4,870,811</i>	<i>\$4,275,031</i>	<i>\$595,780</i>	
(Project No.-Job No.) & Description	2014 Actual Expenditures Through 2/28/2014	2014 Projected Year-End Expenditures	Amount Currently Budgeted	Funds Transferred In / (Transferred Out)	Funding Source (job transfer, reserves, bond funds, new revenue)

Attachment: 5

Shared Services Projects/Jobs (Water portion of 18% of total Project)

<u>IT-Shared Corporate Infrastructure:</u> 37446-Job 36482 SAN/VM Ware	\$6,006	\$46,800	\$0	\$46,800	Capital Reserve
<u>IT-Shared Corporate Infrastructure:</u> 37446-Job38182 Metro Ethernet Completion	\$2,906	\$89,219	\$0	\$89,219	Capital Reserve
<u>WACFR-Work Assets. Customer and Financials:</u> 34931-Job 35027 WAM & Job 37208 Budget Repl. Cap	\$111,106	\$657,391	\$500,079	\$157,312	Capital Reserve
<u>IT-Shared Corporate Infrastructure:</u> 34931-Job 35228 Mobile Work	\$8,921	\$171,765	\$105,844	\$65,921	Capital Reserve
<u>IT-Shared Corporate Infrastructure:</u> 34931-Job 35785 Enterprise Integration (SOA)	\$1,912	\$45,000	\$0	\$45,000	Capital Reserve
<i>Subtotal- Shared Services</i>	<i>\$130,851</i>	<i>\$1,010,175</i>	<i>\$605,923</i>	<i>\$404,252</i>	
Total	\$884,902	\$5,880,986	\$4,880,954	\$1,000,032	

Department Manager
Approval: _____

Fiscal Services Supervisor
Approval: _____

Finance Manager Approval: _____

Board Approval

Date: _____

Attachment 6: Revised 2014-18 Water Capital Improvement Plan - NO AMI

	2014	2014 (Revised) "Traditional View"		2015	2016	2017	2018	5-Year Total 2014-2018	5-Year Total 2019-2023	10 Year Total
Type I. General Capital										
Source of Funds:										
Capital Reserve Balance - Prior Year End	\$ 3,475,607	\$ 3,676,785 (1)	\$	2,594,219	\$ 4,118,660	\$ 5,460,301	\$ 6,789,149	\$ 22,639,114	\$ 35,255,823	\$ 57,894,937
Customer Contributions	\$ 772,500	\$ 772,500	\$	795,675	\$ 819,545	\$ 844,132	\$ 869,456	\$ 4,101,307	\$ 4,754,539	\$ 8,855,847
Water Rates	\$ 7,300,000	\$ 7,300,000	\$	7,519,000	\$ 7,745,000	\$ 7,977,000	\$ 8,216,000	\$ 38,757,000	\$ 44,924,000	\$ 83,681,000
SDC	\$ 400,000	\$ 400,000	\$	450,000	\$ 450,000	\$ 500,000	\$ 500,000	\$ 2,300,000	\$ 3,200,000	\$ 5,500,000
Interest Earnings on Reserve Fund										
Total Funds	\$ 11,948,107	\$ 12,149,285	\$	11,358,894	\$ 13,133,205	\$ 14,781,432	\$ 16,374,605	\$ 67,797,421	\$ 88,134,363	\$ 155,931,784
Expenditures:										
Water Infrastructure - Intake and Hayden Bridge	\$ 103,000	\$ 611,000 (2)	\$	106,090	\$ 109,273	\$ 196,964	\$ 376,764	\$ 1,400,091	\$ 6,541,284	\$ 7,941,375
Water Infrastructure - Pump Stations & Reservoirs	\$ 1,160,738	\$ 1,091,593 (3)	\$	803,027	\$ 799,800	\$ 767,518	\$ 558,689	\$ 4,020,627	\$ 2,500,056	\$ 6,520,682
Water Infrastructure - Trans & Distribution Mains	\$ 3,936,701	\$ 4,846,626 (4)	\$	4,177,930	\$ 4,309,825	\$ 4,381,156	\$ 4,419,454	\$ 22,134,991	\$ 31,024,106	\$ 53,159,096
Water Infrastructure - Services & Meters	\$ 612,850	\$ 666,674 (5)	\$	629,114	\$ 646,676	\$ 666,076	\$ 686,058	\$ 3,294,598	\$ 3,751,649	\$ 7,046,247
Water Infrastructure - Meter Replacement	\$ 515,000	\$ 515,000	\$	530,450	\$ 546,364	\$ 562,754	\$ 579,637	\$ 2,734,205	\$ 3,169,693	\$ 5,903,898
Water Infrastructure - General Plant and Instrumentation LTD/EMX	\$ 41,200	\$ 41,200	\$	42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 218,736	\$ 380,363	\$ 599,100
Shared IT Infrastructure	\$ 119,040	\$ 228,245 (9)	\$	365,660	\$ 292,617	\$ 302,220	\$ 346,137	\$ 1,534,879	\$ 1,369,230	\$ 2,904,109
WACFR - Work, Asset, Customer, and Financials	\$ 604,503	\$ 919,536 (10)	\$	-	\$ 285,029	\$ 360,000	\$ 472,500	\$ 2,037,065	\$ 22,500	\$ 2,059,565
Facilities Capital	\$ 165,200	\$ 308,572 (11)	\$	126,140	\$ 49,000	\$ 90,000	\$ 108,000	\$ 681,712	\$ 707,040	\$ 1,388,752
Fleet Capital	\$ 327,540	\$ 327,540	\$	459,140	\$ 590,741	\$ 620,869	\$ 652,533	\$ 2,650,823	\$ 3,797,123	\$ 6,447,946
AMI Network and IT Work - Non Meter	\$ -	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 7,585,772	\$ 9,555,986	\$	7,239,987	\$ 7,673,033	\$ 7,992,577	\$ 8,246,144	\$ 40,707,727	\$ 53,548,703	\$ 94,256,429
Type II. Infrastructure Rehabilitation & Expansion Programs										
Source of Funds:										
Project Bonds: Water Infrastructure Re-build Program	\$ 5,109,000	\$ 5,705,000	\$	4,010,000	\$ 3,967,000	\$ 6,978,000	\$ 8,208,000	\$ 28,868,000	\$ 24,999,000	\$ 53,867,000
Expenditures:										
Water Infrastructure - Intake and Hayden Bridge	\$ 3,409,300	\$ 4,710,663 (6)	\$	2,259,717	\$ 3,256,326	\$ 1,406,886	\$ 1,507,056	\$ 13,140,649	\$ 5,905,114	\$ 19,045,763
Water Infrastructure - Pump Stations & Reservoirs	\$ 1,699,500	\$ 553,917 (7)	\$	1,750,485	\$ 710,273	\$ 3,545,353	\$ 3,222,782	\$ 9,782,809	\$ 11,822,067	\$ 21,604,876
Water Infrastructure - Trans & Distribution Mains	\$ -	\$ 440,000 (8)	\$	-	\$ -	\$ 2,025,916	\$ 3,477,822	\$ 5,943,738	\$ 7,271,778	\$ 13,215,517
Total Expenditures	\$ 5,108,800	\$ 5,704,580	\$	4,010,202	\$ 3,966,599	\$ 6,978,155	\$ 8,207,660	\$ 28,867,196	\$ 24,998,960	\$ 53,866,156
Type III. Strategic Projects/Programs										
Source of Funds:										
AMI Meter Infrastructure Bonds	\$ -	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Bonds	\$ 52,000	\$ 52,000	\$	53,000	\$ 109,000	\$ 113,000	\$ 3,478,000	\$ 3,805,000	\$ 48,478,000	\$ 52,283,000
Total Funds	\$ 52,000	\$ 52,000	\$	53,000	\$ 109,000	\$ 113,000	\$ 3,478,000	\$ 3,805,000	\$ 48,478,000	\$ 52,283,000
Expenditures:										
AMI Deployment	\$ -	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Meter Body Replacement	\$ -	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Second Source	\$ 51,500	\$ 51,500	\$	53,045	\$ 109,273	\$ 112,551	\$ 3,477,822	\$ 3,804,191	\$ 48,478,523	\$ 52,282,714
Total Expenditures	\$ 51,500	\$ 51,500	\$	53,045	\$ 109,273	\$ 112,551	\$ 3,477,822	\$ 3,804,191	\$ 48,478,523	\$ 52,282,714
Total Funds	\$ 17,109,107	\$ 17,906,285	\$	15,421,894	\$ 17,209,205	\$ 21,872,432	\$ 28,060,605	\$ 100,470,421	\$ 161,611,363	
Total Expenditures	\$ 12,746,072	\$ 15,312,066	\$	11,303,234	\$ 11,748,905	\$ 15,083,283	\$ 19,931,626	\$ 73,379,114	\$ 127,026,185	\$ 200,405,299
YE Capital Reserve Balance	\$ 4,363,035	\$ 2,594,219	\$	4,118,660	\$ 5,460,301	\$ 6,789,149	\$ 8,128,979			

Amendment Notes - April 2014

- (1) Actual 2013 Capital Reserve Year End Balance Shown
- (2) Capital Carryover of Network Upgrade, Emergency Water Supply and Coag Poly Improvements
- (3) Capital Carryover of Shasta 1150 PS, Transfer to O&M for Facility Decommissioning
- (4) Capital Carryover of College Hill Connector, Carryover of Main Replacement to new Main Work.
- (5) Capital Carryover of Meter Replacement.
- (6) Transfer Budget to New Raw Water Intake Job Number, Carryover of Type II Transmission Work.
- (7) Delay of Willamette 800 Reservoir and Reduction in Pump Station Control Upgrades.
- (8) Carryover of Willamette River Crossing and W. 11th Extension.
- (9) Carryover & Budget Increases for IS Capital, Strategic Tech. CIP, & Metro Ethernet.
- (10) Carryover & Budget Increases for Work & Asset Management Projects
- (11) Carryover & Budget Increases for ROC work and Building O&M