

# Eugene Water & Electric Board

## 2014 Proposed BUDGET

December 3, 2013



### Eugene Water & Electric Board

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Eugene, Oregon 97440-2148  
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> <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

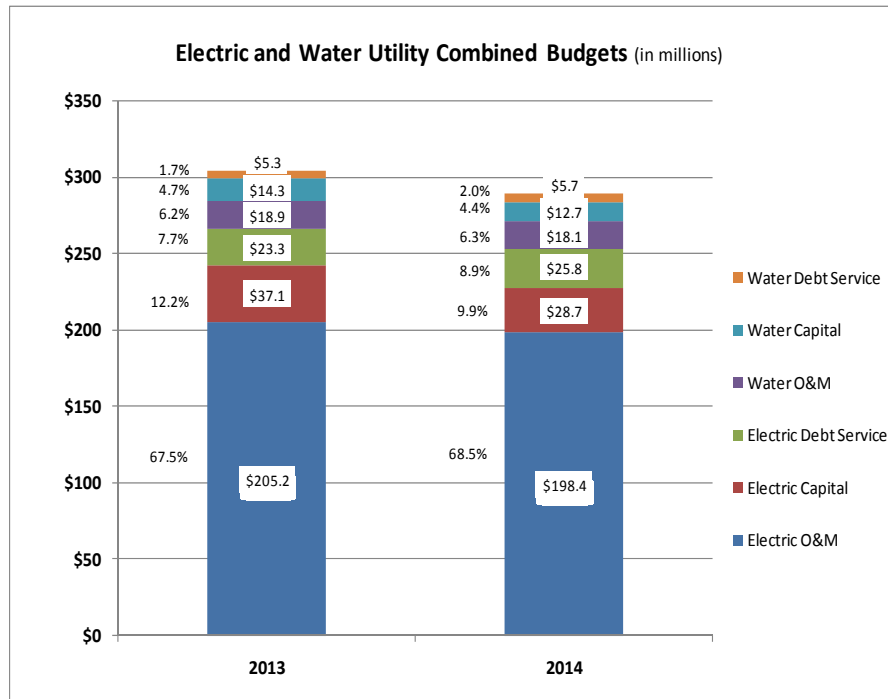
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## Board of Commissioners,

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

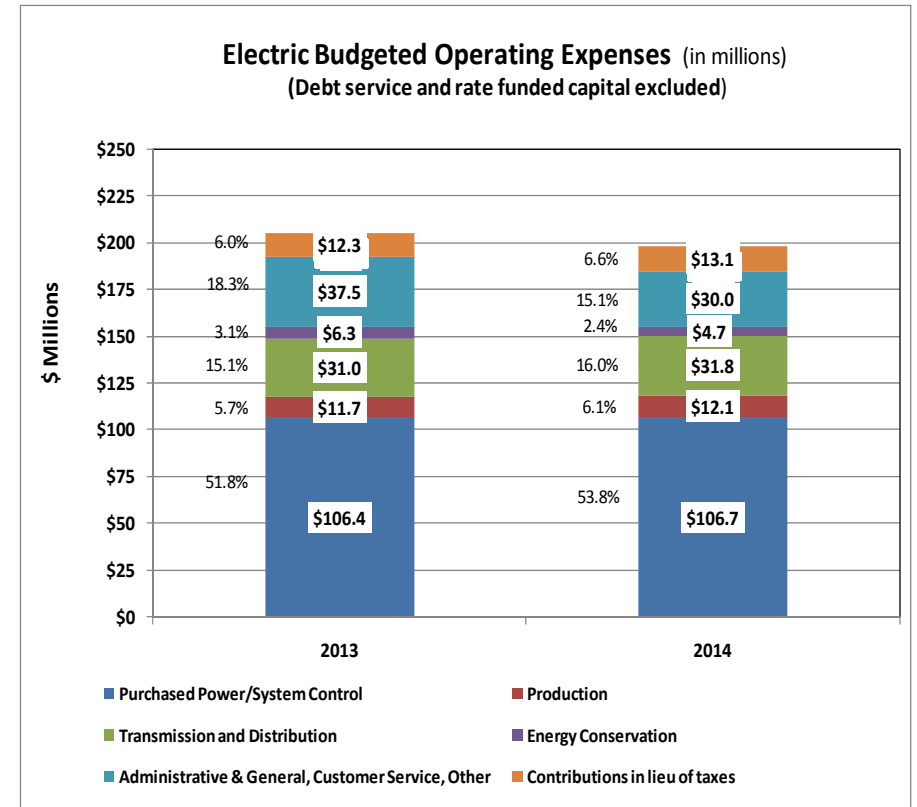
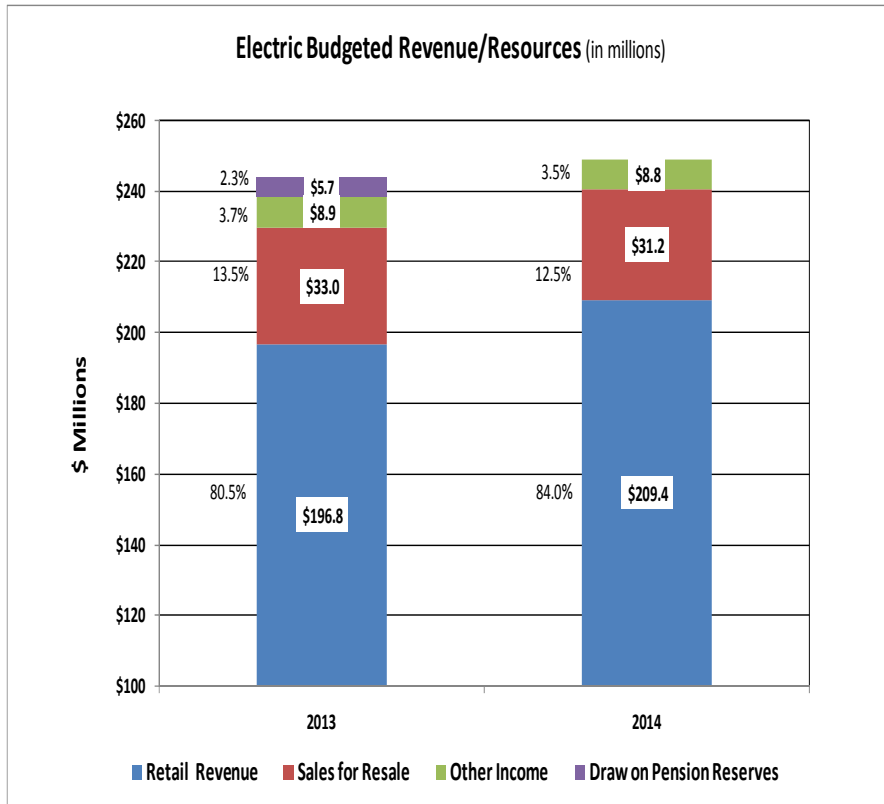
relicensing work. The Federal Energy Regulatory Commission has not yet issued the Carmen-Smith license, and timing of that work is uncertain.

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.

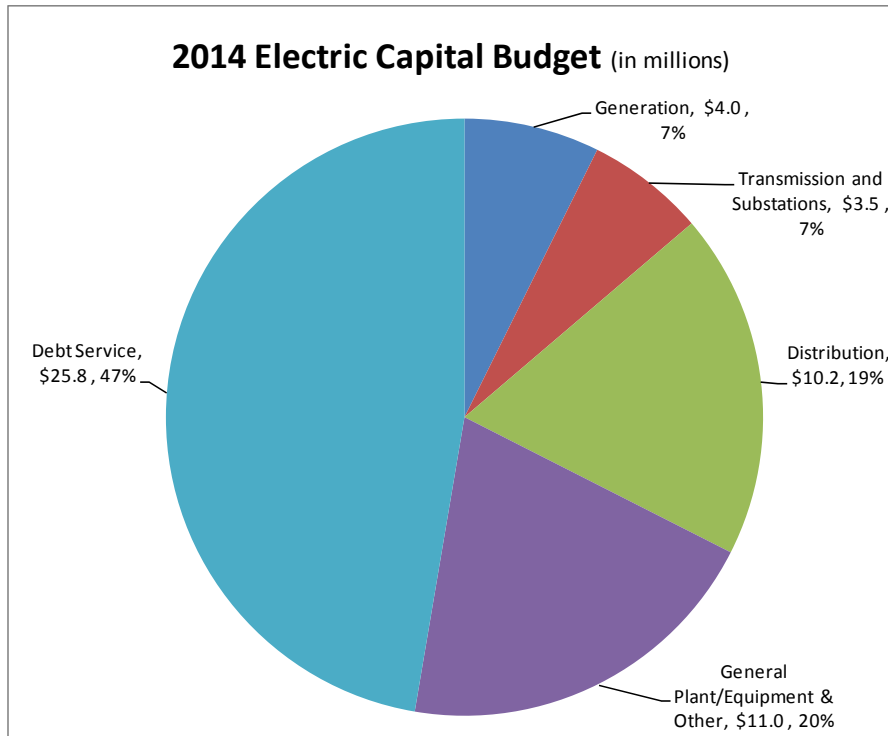
The decreases in the *Energy Conservation* and *Administrative & General, Customer Service, Other* categories are a result of the PBB reductions and the 2013 one-time payment to the OPEB trust.

#### 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.

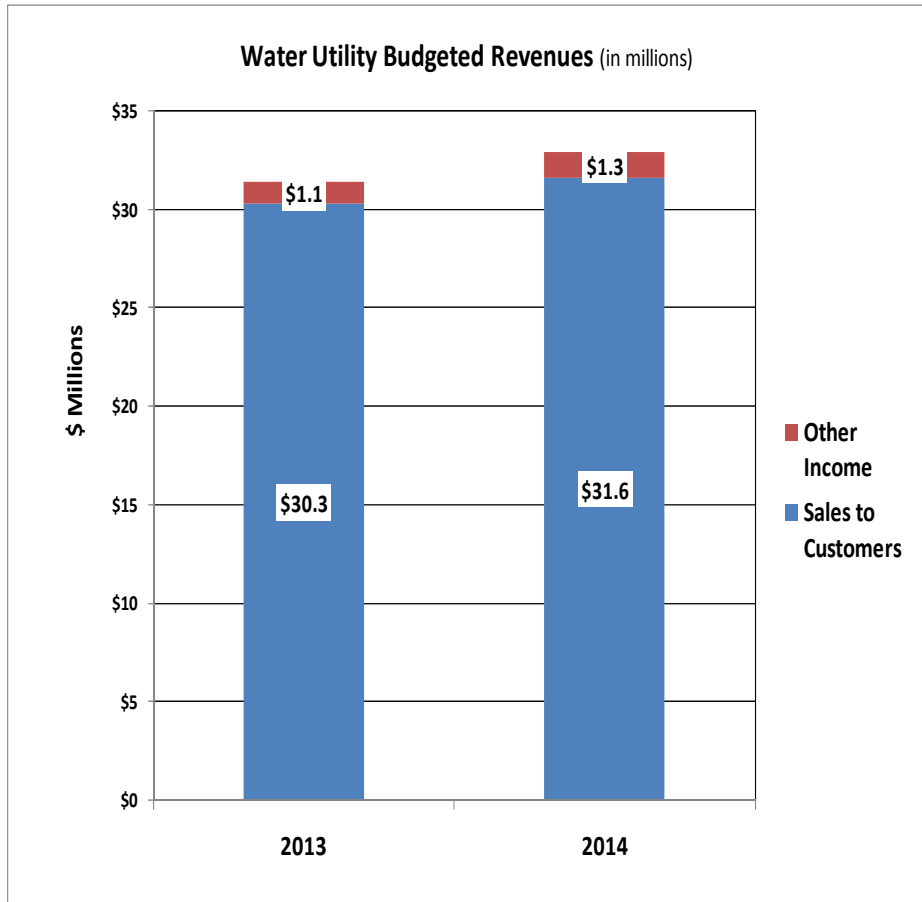
### Operations & Maintenance Budget

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.

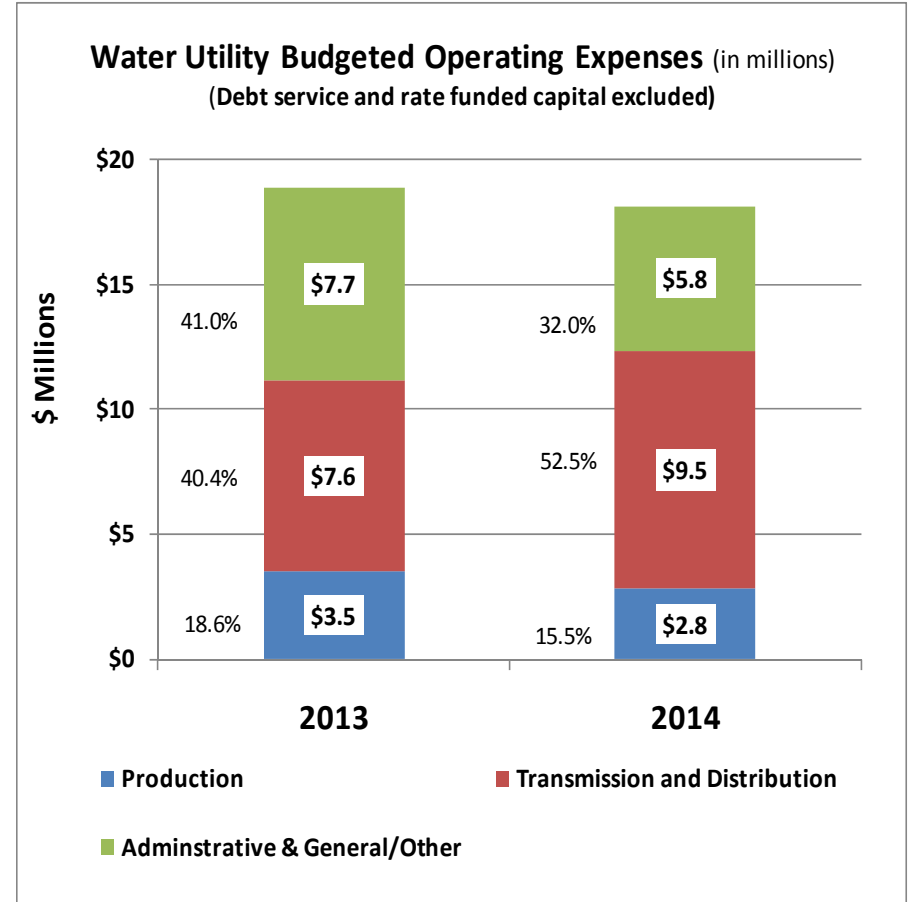
The budget includes an overall average rate increase of 3% which would be effective on bills rendered beginning February 2014. This increase represents less than \$1 per month for the average residential customer using 7 kgals. The 2014 budget assumes sales of approximately 7.4 million kgals which is 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:





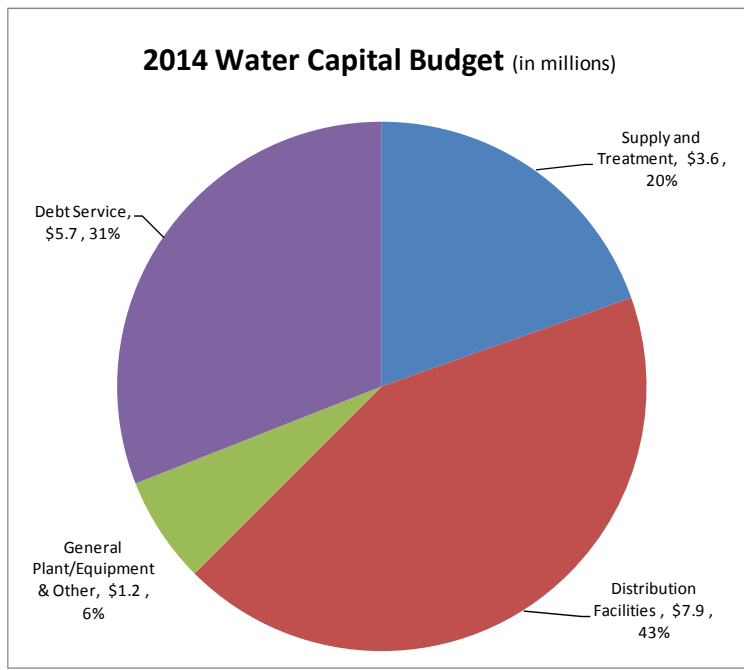
The above graph indicates how the Water Utility relies almost entirely on sales to customers for its revenue.



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 Budget	2013 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	
	Wages / Benefits	57.65	\$4,593,082	62.55	\$4,917,902	72.05	\$5,474,638
Purchases	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
Services	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.



## 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.







## 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 Total wages	Budget	% of Total wages	Actual	% of 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 Number	Job Number	Program/Project/Job Name	Budgeted 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

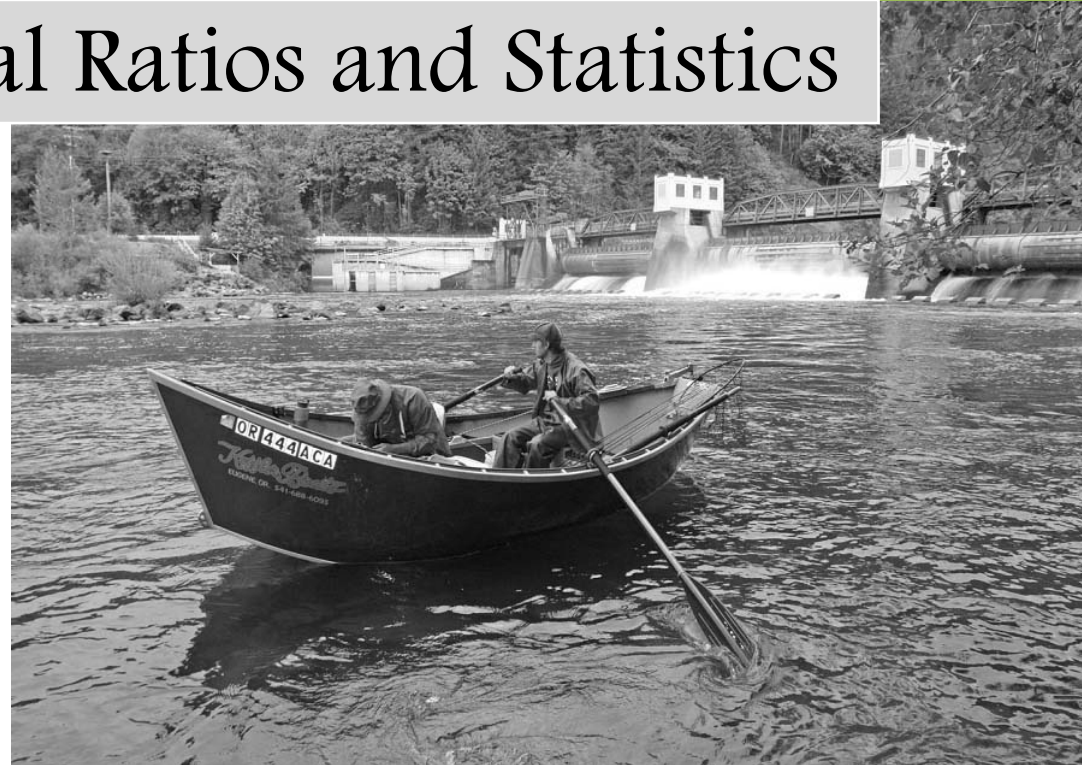
Program/Project Number	Job Number	Program/Project/Job Name	Budgeted Amount	
(continued)				
<b>14017</b>		<b>Water Reservoir - Additions</b>		
	37315	College Hill 703 Reservoir Decommission	309,079	-3-
	33789	Willamette 800 No. 1 Reservoir Repair & Structural upgrade	1,543,762	
<b>14018</b>		<b>Water 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 Utility</b>	<b>Water 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.*