



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Simpson, Brown, Helgeson, Manning and Mital
FROM: Mel Damewood, Engineering Manager
DATE: April 8, 2016
SUBJECT: Electric and Water Capital True Up and Budget Amendments
OBJECTIVE: Board Action – Approval of 2016 Water and Electric Capital Budget Amendments

Issue

On April 19, 2016, EWEB management will present to the Board the Water & Electric Capital True Up along with the Electric Utility Budget Amendment (BAM) No. 01 and Water Utility BAM No 02. Amended updates of both Electric and Water 10-Year Capital Improvement Plans (CIPs) have also been provided.

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 10-Year CIP based on projected expenses for the remainder of the year, along with any changes in revenue forecasts.

In 2014, the Board approved a revision to the EL1 Financial Policy, which states:

Conditions may arise during any given budget year that cause projected expenditures for either Utility's O&M or capital budgets to be higher than those approved by the Board. In the following circumstances management is required to propose a budget amendment for Board approval:

- 1. The O&M budget of either the Water or the Electric Utility is projected to exceed the authorized budget amount; or*
- 2. The capital budget of either the Water or the Electric Utility is projected to exceed the authorized budget amount.*

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 delayed 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

In May of 2014, the revised EL1 Board Financial Policy took effect and this is the second year that the capital true up is being presented to comply with the revised policy. Since the EL1 policy was simplified to bring the capital funding needs into the highest level for both water and electric, i.e., the “total capital budget”, we are now focused on the bottom line of the water capital and electric capital budgets.

However, it is important to signal to the Board what are the drivers behind budget changes and it is imperative the Board be informed of any major shifts in capital priorities, even if the bottom line budget is not exceeded or reduced.

The history of capital budgeting and ability to spend needs to be addressed. The previous practice was to be conservative in our future looking estimates, and carry over money in order to cover unfinished capital work from the previous year. For Electric, this has resulted in an average expenditure of about 60 to 70% of the budgeted amounts.

	Electric Capital		
	Actual	Budget	
2011	30,359,975	40,763,676	74.5%
2012	34,928,920	52,693,443	66.3%
2013	27,811,819	36,043,537	77.2%
2014	21,521,962	33,833,616	63.6%
2015	20,753,177	36,000,000	57.6%

There are many reasons why budgets are underspent, for example the effect of the continued annual delays of Carmen Smith, LTD EmX, and IT driven projects that are large in scope and cost.

For Water, the performance has been in the 70 to 80% range of budgeted amounts.

	Water Capital		
	Actual	Budget	
2011	11,826,053	17,505,453	67.6%
2012	10,307,731	18,099,740	56.9%
2013	14,173,100	19,630,374	72.2%
2014	13,747,145	17,037,960	80.7%
2015	13,914,149	16,861,500	82.5%

* - Includes contribution in aid of construction for capital work conducted

Engineering is reaffirming its goal for 2016 to be at 90% or better of budgeted amounts of the total water and electric capital budget buckets. In order to achieve this goal, staff has been

instructed to not increase capital funding for projects being carried over, but to hold the line or reduce (defer) other capital work in order to levelize resources and schedules in order to sync up expenditures with the work being conducted. We have shifted priorities in order to accomplish the capital work planned and assessed the realism that with limited resources, EWEB has not been able to complete all of its planned capital from year to year. Staff will manage potential variances through the quarterly EL1 reporting mechanism and will be ahead of potential overages with budget amendments in the future at the appropriate time.

For the 2016 True-Up, Electric is decreasing its overall capital budget by \$1.5 million and for Water, an increase of \$1.3 million is proposed.

The following is a discussion for each utility's shift in those priorities:

Electric Capital Budget Summary

The 2015 Electric Utility Capital Budget (BAM no. 01) is being decreased from \$40,875,000 to \$39,376,000, a decrease of approximately \$1.5 million. The following projects represent the most significant shifts, and will be reported on future EL-1 reports.

Downtown Network

As we continue refurbishing equipment, including conductors, the spending rate remains lower than expected compared to a complete, immediate rebuild. Work planned for 2016 intends to modify the hospital portion of the network; along with modifying 480 Volt spot networks to become arc flash compliant for EWEB staff to work in vaults. Coordination with the hospital and vendor purchasing delays have slowed the start of this work. So far in 2016, several key network protectors have been replaced and primary conductor re-design will commence. This 2016 budget has been reduced by \$2 million.

LTD EmX (Deferral & Revised Estimate)

Delays in forecasted 2015 work combined with increased complexity of work, primarily along West 11th, has increased the 2016 capital estimate for the customer-reimbursed LTD EmX work from \$4.4 million to \$6.2 million. Overall, the electric total for this project is estimated at \$7.9 million, approximately \$1.1 million higher than previous forecasts.

Holden Creek Substation (Deferral)

Construction, expected to begin in summer 2016, may be deferred due to delays in FERC approval. Transmission connected to the Leaburg/Waltermville generation projects is considered within the FERC license boundary, and requires agency approval.

Carmen Smith (Deferral – schedule shift)

The renegotiation of the Carmen Smith Settlement Agreement is progressing and staff anticipate amended and revised agreements in the fall of 2016. We have agreed to some high impact interim measures that will be implemented in 2016 and 2017. Most spending for fish passage and environmental improvements has shifted to 2018 and beyond. Projects to refurbish the equipment and facilities in the powerhouse is progressing on schedule.

Information Services (Scheduling Shifts)

A deferment of CIS has resulted in a net reduction of \$820,000 to this Type 2 work.

Water Capital Budget Summary

The 2016 Water Utility Capital Budget (BAM no. 02) needs to be increased from \$13,757,000 to \$15,057,000, an increase of \$1.3 million. This increase is required to provide funding for the land purchase associated with the new Water Filtration Plant. Funds for this purchase were originally budgeted in 2015 however there have been delays in this purchase.

Other changes in the Water Capital Budget were primarily required to hold the line on the current budget while accommodating several rollover projects. These are summarized below:

Hayden Bridge Filter Upgrades (Carry Over and Revised Estimate)

A total of \$1,350,000 was added to this project. This is a combination of rollover funds and additional funds needed to cover higher than anticipated construction costs.

Shasta 1150 Pump Station (Carry Over and Revised Estimate)

A total of \$900,000 was added to this project. Similar to the Filter Upgrades this is a combination of rollover funds and additional funds needed to cover higher than anticipated construction costs.

Willamette 800 Reservoir Replacement (Deferral)

Construction of this project was deferred providing \$1,030,000 to help offset the above projects. Construction will likely commence in the 2018 timeframe on this project.

Numerous other minor reductions were also made to provide for the remaining funds required to hold the line of the budget. The areas where these reductions occurred are shown on Attachment 2.

An item that was held constant in the budget is the expenditures for Main Replacements and Improvements. The expenditures in this area are difficult to predict as much of the work is driven by City projects and we are still receiving design details for those. The 2016 amount is less than what was expended in 2015 but matches that of 2014. Expenditures will be monitored closely over the course of the year and a fall budget amendment prepared if required.

Recommendation/Requested Board Action

Management is recommending and requesting Board approval of:

- 1) Budget Amendment No. 1 – 2016 Electric Utility Capital Budget
- 2) Budget Amendment No. 2 - 2016 Water Utility Capital Budget

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

Attachments:

1. Revised Electric 10 Year CIP
2. Revised Water 10 year CIP
3. Budget Amendment No. 1 Electric
4. Budget Amendment No. 2 Water

Attachment 1
Electric Capital Improvement Plan: 2016-2025

	<u>2016 Revised</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>5-Year Total</u> <u>2016-2020</u>	<u>5-Year Total</u> <u>2021-2025</u>	<u>10-Year Total</u>
General Funding														
Capital Reserve Balance (After Reserve Balance Adjustments)	\$20,000,000	\$16,500,000	\$15,250,000	\$18,422,000	\$21,312,000	\$17,857,000	\$15,989,000	\$15,945,000	\$15,865,500	\$18,260,500	\$20,413,000	\$16,500,000	\$15,989,000	\$16,500,000 (a)
Electric Rates - Operational Funding	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$18,665,000	\$93,325,000	\$93,325,000	\$186,650,000
Customer-Driven Capital Re-Imbursement	\$3,950,000	\$3,950,000	\$4,026,000	\$4,102,000	\$4,178,000	\$4,254,000	\$4,330,000	\$4,415,500	\$4,501,000	\$4,586,500	\$4,672,000	\$20,510,000	\$22,505,000	\$43,015,000
Interest Earnings on Reserve Fund (0.4% of Reserve Balance)	\$66,000	\$66,000	\$61,000	\$74,000	\$85,000	\$71,000	\$64,000	\$64,000	\$63,000	\$73,000	\$82,000	\$357,000	\$346,000	\$703,000
Total Funds:	\$42,681,000	\$39,181,000	\$38,002,000	\$41,263,000	\$44,240,000	\$40,847,000	\$39,048,000	\$39,089,500	\$39,094,500	\$41,585,000	\$43,832,000	\$130,692,000	\$132,165,000	\$246,868,000
Type 1 - General Capital														
Electric Infrastructure - Generation	NOTE (1) \$916,000	\$1,916,000	\$641,000	\$690,000	\$712,000	\$2,680,000	\$1,560,000	\$1,115,000	\$120,000	\$120,000	\$120,000	\$6,639,000	\$3,035,000	\$9,674,000
Customer-Driven Capital Expense	\$4,150,000	\$4,150,000	\$4,230,000	\$4,310,000	\$4,390,000	\$4,470,000	\$4,550,000	\$4,640,000	\$4,730,000	\$4,820,000	\$4,910,000	\$21,550,000	\$23,650,000	\$45,200,000
Electric Infrastructure - Transmission & Distribution	\$5,850,000	\$5,850,000	\$5,940,000	\$5,780,000	\$5,870,000	\$6,210,000	\$6,330,000	\$6,460,000	\$6,590,000	\$6,720,000	\$6,850,000	\$29,650,000	\$32,950,000	\$62,600,000
Information Services (IS) - Shared & Electric	\$1,130,000	\$1,130,000	\$920,000	\$2,251,000	\$1,000,000	\$2,701,000	\$1,026,000	\$1,144,000	\$954,000	\$946,000	\$1,972,000	\$8,002,000	\$6,042,000	\$14,044,000
General Plant - Buildings & Land	\$511,000	\$511,000	\$774,000	\$492,000	\$533,000	\$515,000	\$492,000	\$572,000	\$656,000	\$656,000	\$650,000	\$2,825,000	\$3,026,000	\$5,851,000
General Plant - Fleet	\$1,227,000	\$1,227,000	\$1,258,000	\$1,289,000	\$1,322,000	\$1,355,000	\$1,388,000	\$1,423,000	\$1,459,000	\$1,495,000	\$1,533,000	\$6,451,000	\$7,298,000	\$13,749,000
Total Type 1 Net Expenditures	\$13,784,000	\$14,784,000	\$13,763,000	\$14,812,000	\$13,827,000	\$17,931,000	\$15,346,000	\$15,354,000	\$14,509,000	\$14,757,000	\$16,035,000	\$75,117,000	\$76,001,000	\$151,118,000
Type 2 - Rehabilitation & Expansion Projects														
<u>Type 2 - Bond (Non-Rate) Funds Allocated</u>														
Downtown Distribution Network Bonds	0	\$4,000,000	\$4,500,000	\$4,000,000	\$1,000,000							\$13,500,000	\$0	\$13,500,000
LTD EmX Project (Electric)	\$6,175,000	\$4,354,000										\$4,354,000	\$0	\$4,354,000
Total Type 2 Bond (Non-Rate) Funds	\$6,175,000	\$8,354,000	\$4,500,000	\$4,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$17,854,000	\$0	\$17,854,000
<u>Type 2 - Rehabilitation & Expansion Project Expenditures</u>														
Downtown Distribution Network	NOTE (6) \$2,000,000	\$4,000,000	\$4,500,000	\$4,000,000	\$1,000,000							\$13,500,000	\$0	\$13,500,000
LTD EmX Project (Electric)	NOTE (2) \$6,175,000	\$4,354,000										\$4,354,000	\$0	\$4,354,000
Generation - Type 2 Strategic Project(s)	\$1,570,000	\$1,570,000	\$275,000	\$20,000	\$2,600,000	\$0	\$1,500,000	\$5,620,000	\$2,275,000	\$1,500,000	\$4,700,000	\$4,465,000	\$15,595,000	\$20,060,000
Electric T & D - Type 2 Strategic Project(s)	NOTE (3) \$1,500,000	\$3,000,000	\$2,000,000	\$1,500,000	\$5,000,000	\$4,500,000	\$1,750,000	\$1,500,000	\$2,500,000	\$1,500,000	\$1,500,000	\$16,000,000	\$8,750,000	\$24,750,000
Information Technology - Type 2 Strategic Project(s)	NOTE (4) \$3,757,000	\$4,577,000	\$3,167,000	\$2,931,000	\$4,206,000	\$1,677,000	\$3,757,000	\$100,000	\$1,025,000	\$2,890,000	\$20,000	\$16,558,000	\$7,792,000	\$24,350,000
Type 2 Capital Expenditures (Bond, Customer, & Rate Funded)	\$15,002,000	\$17,501,000	\$10,317,000	\$9,139,000	\$13,556,000	\$6,927,000	\$7,757,000	\$7,870,000	\$6,325,000	\$6,415,000	\$6,745,000	\$57,440,000	\$35,112,000	\$92,552,000
Type 2 - Rate-Funded Capital Expenditures	\$8,827,000	\$9,147,000	\$5,817,000	\$5,139,000	\$12,556,000	\$6,927,000	\$7,757,000	\$7,870,000	\$6,325,000	\$6,415,000	\$6,745,000	\$39,586,000	\$35,112,000	\$74,698,000
Type 1 + Type 2 Rate-Funded Capital Expenditures	\$22,611,000	\$23,931,000	\$19,580,000	\$19,951,000	\$26,383,000	\$24,858,000	\$23,103,000	\$23,224,000	\$20,834,000	\$21,172,000	\$22,780,000	\$114,703,000	\$111,113,000	\$225,816,000
Type 3 - Strategic Projects & Programs														
<u>Type 3 - Bond (Non-Rate) Funds Allocated</u>														
Carmen-Smith Dedicated Funds	\$10,590,000	\$8,590,000	\$10,340,000	\$25,850,000	\$16,280,000	\$16,660,000	\$9,080,000	\$10,070,000	\$10,770,000	\$21,680,000	\$32,000,000	\$77,720,000	\$83,600,000	\$161,320,000
<u>Type 3 - Expenditures</u>														
Carmen-Smith Expenditures	NOTE (5) \$10,590,000	\$8,590,000	\$10,340,000	\$25,850,000	\$16,280,000	\$16,660,000	\$9,080,000	\$10,070,000	\$10,770,000	\$21,680,000	\$32,000,000	\$77,720,000	\$83,600,000	\$161,320,000
Total Expenditures	\$39,376,000	\$40,875,000	\$34,420,000	\$49,801,000	\$43,663,000	\$41,518,000	\$32,183,000	\$33,294,000	\$31,604,000	\$42,852,000	\$54,780,000	\$210,277,000	\$194,713,000	\$404,990,000
Predicted Year-End Reserve Balance	\$20,070,000	\$15,250,000	\$18,422,000	\$21,312,000	\$17,857,000	\$15,989,000	\$15,945,000	\$15,865,500	\$18,260,500	\$20,413,000	\$21,052,000	\$15,989,000	\$21,052,000	\$21,052,000
(a) - Capital Reserve Uses Starting Value												End of 2020	End of 2025	End of 2025

NOTE(S)
 (1) - DEFERRED I.P. PROJECT WORK
 (2) - EmX WORK DEFERRED FROM 2015.
 (3) - FERC PERMITTING DELAYS WILL PUSH WORK TO 2017
 (4) - DEFERMENT ON CIS
 (5) - PROJECT TIMING ADJUSTMENTS
 (6) - ADJUSTED BASED ON ANNUAL PLANNED WORK

**Attachment 2
Water Capital Improvement Plan: 2016-2025**

	<u>2016 Revised</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>5 Year Total 2016-2020</u>	<u>5 Year Total 2021-2025</u>	<u>10 Year Total</u>
Funds Available														
Capital Reserve Balance - Prior Year End	\$ 6,127,822	\$ 4,939,934	\$ 13,886,822	\$ 12,882,822	\$ 52,434,822	\$ 38,253,822	\$ 15,944,822	\$ 18,019,822	\$ 17,503,822	\$ 11,169,822	\$ 7,339,822	\$ 122,398,222	\$ 69,978,110	\$ 192,376,332
Annual Revenue														
Customer Contributions	\$ 1,133,000	\$ 1,133,000	\$ 1,167,000	\$ 1,202,000	\$ 1,238,000	\$ 1,275,000	\$ 1,313,000	\$ 1,353,000	\$ 1,393,000	\$ 1,435,000	\$ 1,478,000	\$ 6,015,000	\$ 6,972,000	\$ 12,987,000
Water Rates	\$ 11,271,000	\$ 11,271,000	\$ 12,432,000	\$ 11,589,000	\$ 10,856,000	\$ 12,020,000	\$ 10,272,000	\$ 15,186,000	\$ 10,558,000	\$ 11,257,000	\$ 14,123,000	\$ 58,168,000	\$ 61,396,000	\$ 119,564,000
SDC	\$ 412,000	\$ 412,000	\$ 424,000	\$ 437,000	\$ 450,000	\$ 464,000	\$ 478,000	\$ 492,000	\$ 507,000	\$ 522,000	\$ 538,000	\$ 2,187,000	\$ 2,537,000	\$ 4,724,000
Subtotal - Annual Revenue	\$ 12,816,000	\$ 12,816,000	\$ 14,023,000	\$ 13,228,000	\$ 12,544,000	\$ 13,759,000	\$ 12,063,000	\$ 17,031,000	\$ 12,458,000	\$ 13,214,000	\$ 16,139,000	\$ 66,370,000	\$ 70,905,000	\$ 137,275,000
Total Funds	\$ 18,943,822	\$ 17,755,934	\$ 27,909,822	\$ 26,110,822	\$ 64,978,822	\$ 52,012,822	\$ 28,007,822	\$ 35,050,822	\$ 29,961,822	\$ 24,383,822	\$ 23,478,822	\$ 188,768,222	\$ 140,883,110	\$ 329,651,332
Expenditures														
Type 1 - General Capital (rate funded)														
Source - Intake and Hayden Bridge	Note (1) \$ 312,000	\$ 412,000	\$ 1,008,000	\$ 492,000	\$ 338,000	\$ 348,000	\$ 358,000	\$ 369,000	\$ 380,000	\$ 391,000	\$ 403,000	\$ 2,598,000	\$ 1,901,000	\$ 4,499,000
Distribution - Pump Stations & Reservoirs	Note (2) \$ 1,355,000	\$ 525,000	\$ 1,167,000	\$ 1,202,000	\$ 1,238,000	\$ 1,507,000	\$ 776,000	\$ 799,000	\$ 823,000	\$ 848,000	\$ 874,000	\$ 5,639,000	\$ 4,120,000	\$ 9,759,000
Distribution - Pipelines	Note (1) \$ 4,213,000	\$ 4,275,000	\$ 4,509,000	\$ 4,808,000	\$ 5,087,000	\$ 5,356,000	\$ 5,517,000	\$ 5,682,000	\$ 5,852,000	\$ 6,028,000	\$ 6,209,000	\$ 24,035,000	\$ 29,288,000	\$ 53,323,000
Distribution - Services & Meters	Note (1) \$ 1,703,000	\$ 1,803,000	\$ 1,857,000	\$ 1,912,000	\$ 1,970,000	\$ 2,029,000	\$ 2,090,000	\$ 2,152,000	\$ 2,217,000	\$ 2,283,000	\$ 2,352,000	\$ 9,571,000	\$ 11,094,000	\$ 20,665,000
Information Technology	\$ 199,000	\$ 199,000	\$ 190,000	\$ 451,000	\$ 219,000	\$ 437,000	\$ 94,000	\$ 251,000	\$ 209,000	\$ 208,000	\$ 433,000	\$ 1,496,000	\$ 1,195,000	\$ 2,691,000
Buildings & Land	\$ 49,000	\$ 49,000	\$ 90,000	\$ 108,000	\$ 117,000	\$ 113,000	\$ 108,000	\$ 225,000	\$ 144,000	\$ 144,000	\$ 144,000	\$ 477,000	\$ 765,000	\$ 1,242,000
Fleet	\$ 495,000	\$ 495,000	\$ 610,000	\$ 626,000	\$ 641,000	\$ 657,000	\$ 674,000	\$ 690,000	\$ 708,000	\$ 725,000	\$ 708,000	\$ 3,029,000	\$ 3,505,000	\$ 6,534,000
Total Type 1 Expenditures	\$ 8,326,000	\$ 7,758,000	\$ 9,431,000	\$ 9,599,000	\$ 9,610,000	\$ 10,447,000	\$ 9,617,000	\$ 10,168,000	\$ 10,333,000	\$ 10,627,000	\$ 11,123,000	\$ 46,845,000	\$ 51,868,000	\$ 98,713,000
Type 2 - Rehabilitation & Expansion Projects														
Rate Funded Type 2 Projects														
Information Technology	Note (7) \$ 720,000	\$ 900,000	\$ 673,000	\$ 534,000	\$ 304,000	\$ 39,000	\$ 39,000	\$ -	\$ 225,000	\$ 630,000	\$ -	\$ 2,450,000	\$ 894,000	\$ 3,344,000
Subtotal - Rate Funded Projects	\$ 720,000	\$ 900,000	\$ 673,000	\$ 534,000	\$ 304,000	\$ 39,000	\$ 39,000	\$ -	\$ 225,000	\$ 630,000	\$ -	\$ 2,450,000	\$ 894,000	\$ 3,344,000
Bond Eligible Type 2 Projects														
Source - Intake and Hayden Bridge	Note (3) \$ 3,747,000	\$ 2,987,000	\$ 3,077,000	\$ 2,076,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,140,000	\$ -	\$ 8,140,000
Distribution - Pump Stations & Reservoirs	Note (4) \$ 309,000	\$ 1,597,000	\$ 1,316,000	\$ 1,683,000	\$ 2,364,000	\$ 5,101,000	\$ 3,940,000	\$ 7,379,000	\$ 8,234,000	\$ 5,787,000	\$ 6,632,000	\$ 12,061,000	\$ 31,972,000	\$ 44,033,000
Distribution - Pipelines	\$ -	\$ -	\$ -	\$ 1,093,000	\$ 1,126,000	\$ 580,000	\$ 1,194,000	\$ -	\$ -	\$ -	\$ -	\$ 2,799,000	\$ 1,194,000	\$ 3,993,000
LTD West Eugene EmX	Note (5) \$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal - Bond Eligible Projects	\$ 4,196,000	\$ 4,584,000	\$ 4,393,000	\$ 4,852,000	\$ 3,490,000	\$ 5,681,000	\$ 5,134,000	\$ 7,379,000	\$ 8,234,000	\$ 5,787,000	\$ 6,632,000	\$ 23,000,000	\$ 33,166,000	\$ 56,166,000
Percent funded by rates		57%	53%	30%	27%	27%	12%	68%	0%	0%	0%			
Total Type 2 Expenditures	\$ 4,916,000	\$ 5,484,000	\$ 5,066,000	\$ 5,386,000	\$ 3,794,000	\$ 5,720,000	\$ 5,173,000	\$ 7,379,000	\$ 8,459,000	\$ 6,417,000	\$ 6,632,000	\$ 25,450,000	\$ 34,060,000	\$ 59,510,000
Type 3 - Strategic Projects & Programs (bond funded)														
Alternative Water Supply	Note (6) \$ 1,815,000	\$ 515,000	\$ 530,000	\$ 5,791,000	\$ 19,321,000	\$ 19,901,000	\$ 20,498,000	\$ -	\$ -	\$ -	\$ -	\$ 46,058,000	\$ 20,498,000	\$ 66,556,000
Total Type 3 Expenditures	\$ 1,815,000	\$ 515,000	\$ 530,000	\$ 5,791,000	\$ 19,321,000	\$ 19,901,000	\$ 20,498,000	\$ -	\$ -	\$ -	\$ -	\$ 46,058,000	\$ 20,498,000	\$ 66,556,000
Total Expenditures	\$ 15,057,000	\$ 13,757,000	\$ 15,027,000	\$ 20,776,000	\$ 32,725,000	\$ 36,068,000	\$ 35,288,000	\$ 17,547,000	\$ 18,792,000	\$ 17,044,000	\$ 17,755,000	\$ 118,353,000	\$ 106,426,000	\$ 224,779,000
Predicted Year End Capital Reserve Balance	\$ 13,886,822	\$ 13,998,934	\$ 12,882,822	\$ 52,434,822	\$ 38,253,822	\$ 15,944,822	\$ 18,019,822	\$ 17,503,822	\$ 11,169,822	\$ 7,339,822	\$ 5,723,822	\$ 182,925,688	\$ 182,925,688	\$ 182,925,688

NOTES

- (1) - Minor reduction to offset overage.
- (2) - Rollover and additional funds for Shasta 1150 Pump Station added.
- (3) - Rollover and additional funds for Hayden Bridge Filter Upgrade with reductions in other projects.
- (4) - Deferred Willamette 800 Reservoir Replacement to fund rollover and overage with Hayden Bridge Filter Upgrade and Shasta 1150 Pump Station
- (5) - Funds for LTD EmX work - Reimbursable
- (6) - Rollover funds added for land for Proposed Second Water Filtration Plant
- (7) - Reduction in anticipated expenditures for CIS

Budget Amendment Form

Date: APRIL 08, 2015

Amendment # 1

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 Type 3

Description and Justification for Budget Amendment: See Board Backgrounder

<i>Category: Type & Description</i>	<i>2016 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>
Electric Type 1 & Type 2 Rate-Funded Capital	\$22,611,000	\$23,931,000	(\$1,320,000)	Capital Reserve
Electric Type 2 Bond-Funded Capital (Downtown Network)	\$0	\$4,000,000	(\$4,000,000)	Deferred Bond Draw
Electric Type 2 Customer Paid (LTD EmX)	\$6,175,000	\$4,354,000	\$1,821,000	Customer Paid Project
Electric Type 3 Carmen-Smith Project(s)	\$10,590,000	\$8,590,000	\$2,000,000	Carmen Dedicated Funds
Total	\$39,376,000	\$40,875,000	(\$1,499,000)	

Department Manager Approval: _____

Fiscal Services Supervisor Approval: _____

Finance Manager Approval: _____

Board Approval Date: _____

Budget Amendment Form

Date: APRIL 08, 2015

Amendment # 2

Contact Information:

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

Amendment Type: *(Check all that Apply)*

Utility: Electric Water

Category: TYPE 1 TYPE 2 Type 3

Description and Justification for Budget Amendment: See Board Backgrounder

<i>Category: Type & Description</i>	<i>2016 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>
Water Type 1 & Type 2 Rate-Funded Capital	\$9,046,000	\$8,658,000	\$388,000	Capital Reserve
Water Type 2 Bond-Funded Capital (Intake & Reservoirs)	\$4,056,000	\$4,584,000	(\$528,000)	Deferred Bond Draw
Water Type 2 Customer Paid (LTD EmX)	\$140,000	\$0	\$140,000	Customer Paid Project
Water Type 3 Capital (AWS)	\$1,815,000	\$515,000	\$1,300,000	AWS Dedicated Funds
Total	\$15,057,000	\$13,757,000	\$1,300,000	

Department Manager Approval: _____

Fiscal Services Supervisor Approval: _____

Finance Manager Approval: _____

Board Approval Date: _____