

Capital "E1" Report: Electric, 2017 -Q3

Type 1 - General Capital

Capital Category	2017 thru Q3			Status/Comments
	Budget	YTD Actual	Year-End Projection	
Electric Infrastructure - Generation	\$1,196,000 (Note 2)	\$795,603	\$987,000	● Capital work continued in Q3 during the planned outages. New canal flow meter in Waterville is operational. Rec trail at Leaburg forebay is complete. Emergent capital work at Stone Creek (triggered by failed generator relay) more than offset by LB-WV capital deferred to compensate. - ZINNIKER
Electric Infrastructure - Substations	\$1,780,000	\$984,891	\$1,892,294	● Type 1 Projects currently tracking on planned schedule and within 5% of budget. Bertelsen 115KV breaker and switch replacement is completed and commissioned. 15KV breaker replacements at three stations are expected to be completed in mid November. Remainder of RBR projects substantially complete and in closeout phase (comm upgrades, battery replacements, etc.). - NICE
Electric Infrastructure - Telecom	\$250,000	\$150,112	\$200,000	● Consists of EWEB driven and Customer Driven work. Currently tracking below expected trajectory. Construction of two projects with the city have been completed with the third started the week of October 16th. - NICE
Electric Infrastructure - Transmission & Distribution	\$7,065,000	\$5,628,699 (1)	\$7,307,086	● Customer reimbursable work is forecasted to be under budget by \$600k due to a lull of customer construction, with renewal and replacement work expected to be over budget by \$1.3M due to EWEB's capacity to complete more work via an EWEB hired contractor. Enhancements and additions to the distribution system are on track. Actuals or year-end projection shown does not include pre-capitalized transformers or meters of which have spent to date approximately \$1.2M to date. - FATOOH

Note - Changes from previous report(s) are in BOLD

These categories match the Capital Improvement Plans (CIPs) submitted by Water & Electric.

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes categorized collections of projects of less than \$1 million. Typical examples include "pole replacements" as part of Transmission & Distribution. This work typically involves many small projects that up to \$1.2-\$1.7 million per year.

Type 2 projects have "discrete" scopes, schedules (launch through completion), and cost over \$1MM during the project life.

Type 2 Rehabilitation & Expansion Projects

Project	2017 thru Q3			Project Total			Schedule			Status/Comments
	Budget	YTD Actual	Year-End Projection	Initial Plan	To-Date Actual	Project-End Projection	Start	Initial Planned Completion	Projected Completion	
Leaburg Dam Roll Gate Hoists	\$0	\$57,810	\$100,000	\$5,150,000	\$6,342,888	\$7,000,000	Jul-2012	Nov-2014	Oct-2018	● All three hoist systems released for full automatic operation in Q1. Final payments to contractors pending punch list completion, expected by the end of Q4 2017. Potential repair of worn gate teeth under investigation for 2018 implementation. ZINNIKER
Downtown Fiber Network	\$600,000	\$70,556	\$600,000	\$2,100,000	\$69,253	\$2,100,000	Mar-2017	Dec-2018	Dec-2018	● Crews have begun installing fiber microduct for the Downtown Network. City of Eugene has received grant award. Final tasks related to grant compliance being completed. Most funding for this work will be transferred to O&M in the future and is reimbursable. -NICE
Weyerhaeuser Property Purchase	\$1,300,000	\$0	\$1,300,000	\$1,250,000	\$122,047	\$1,300,000	Jul-2016	Dec-2016	Feb-2018	● Property purchase delayed from Q1 2017 due to issues with leasee and current Owner. It will be decided late November if funds will be allocated to escrow to allow funding to be used. Final closing expected to take place in early 2018. This land is for the purpose of the future Thurston Substation reconfiguration and source protection. A portion of the acquired property is not needed for utility purposes and, therefore, our intent is to surplus it in 2018. -NICE
Upriver Re-Configuration/Holden Ck. Substation	\$4,457,000 (Note 2)	\$2,037,262	\$4,857,000	\$3,000,000	\$1,550,073	\$5,830,000	Jan-2014	Oct-2015	Feb-2018	● Major equipment has been installed with final terminations and control cable routing in progress. The substation concrete fence is approximately 50% complete. It is expected all major construction with the exception of the fence will be completed by the first week of November, with Fence completion going into the second week of November. EWEB crews will be mobilizing the second week of November to finish final wiring, testing and commissioning through January 2018. Final details for the BPA connection are being completed and energization of the substation is planned for June 2018, following completion of BPA design and construction activities. \$400k overage for 2017 is due to full payment to BPA for the design and execution of interconnection is being pre-paid per their process. This was originally planned to be paid for in early 2018. -NICE
Downtown Distribution Network	\$1,000,000 (Note 2)	\$750,597	\$1,100,000	\$15,000,000	\$266,570	\$20,000,000	Sep-2010	Dec-2015	Dec-2028	● 2018 Total shown includes Pre-capped materials (network protectors & transformers - \$562K precap & \$188,597 labor & other thru Sept & \$837K precap & \$263K labor & other for 2017 YE). Downtown Network protector replacements have been completed in 2017 at vaults 9G-Lane County Building, 3F-Hilton, 2K-US Bank. Replacements at 13M-Baker Bldg, 2F Hult Center, 13F-Federal Bldg to occur remainder of year. Engineering is currently in planning phase for remaining work developing preliminary design, scope, schedule and budget for priority of cable replacements, system modeling and configuration and communication and automation upgrades. Development of electrical model is currently in progress. Update of GIS mapping is complete. -NICE
Grid Edge Demonstration Project	\$837,000 (Note 2)	\$122,048	\$130,000	\$1,200,000	\$143,455	\$1,200,000	May-2016	Jun-2017	Sep-2018	● Project direction finalized to include an installation at ROC and one at a 4I site in 2018, with additional 5 schools in next 5 years. Design-build RFP advertisement scheduled to be completed mid November with award in early 2018 to manufacturer and integrator. Procurement and delivery of materials scheduled for end of Q1 of 2018 with installation and commissioning planned for Q3 of 2018. -NICE
Jessen Substation Reconfiguration	\$125,000	\$0	\$0	\$125,000	\$0	\$0	Mar-2017	Dec-2018	Dec-2019	● Initially planned to do design work in 2017 and construction in 2018 however project execution pushed out to 2019 after asset prioritization efforts in order to place emphasis on completion of upriver transmission reconfiguration program. -NICE

Type 3 - Strategic Projects & Programs

Project	2017 thru Q3			Project Total			Schedule			Status/Comments
	Budget	YTD Actual	Year-End Projection	Initial Plan	To-Date Actual	Project-End Projection	Start	Initial Planned Completion	Projected Completion	
Carmen Smith License Implementation	\$11,700,000	\$3,835,554	\$5,900,000	\$135,000,000	\$41,696,710	\$129,500,000	May-2009	Dec-2021	Dec-2025	● The Project End Projection has been updated to reflect the 2016 Settlement Agreement that has been filed with the FERC. Staff has completed and filed the revisions to the FERC exhibits and the Biological Assessment. We expect the license to be issued no earlier than Q2 of 2018. Implementation of 5-year plan to address aging infrastructure at Carmen Powerhouse underway. The Carmen Power Tunnel was successfully de-watered and inspected in October with minor repairs required in a future outage. The turbine shutoff valves were delivered late, so installation was re-scheduled to begin in May 2018 with intent to complete by the end of October 2018. Design and procurement of equipment for rebuilding the substation in 2019 has also begun. (ZINNIKER, BOYLE)

Total Electric Capital (Excluding Shared Services) \$30,185,000 \$14,433,132 \$24,373,380 81%

Notes) 1. Distribution transformers, Non-AMI meters and network protectors are being capitalized when received in inventory, therefore some projects in T&D and Downtown network are understated.

2. Budget amounts are adjusted to reflect changes presented and approved by the Board on April 4, 2017 (April True Up)

Management Notes: The Electric Capital Budget expenditure rate is lower than actual to date (48% vs. 75%). Type I expenditures predicted year end is at 114% of budget vs. actual (\$11.7M), with about 85% spent through Q3. Type II spending ended at 37% of Q3 spending, and projected expenditures year end at 97%. Spending for this work type is not consistent with a straight line approximation due to end of year anticipated balloon payments (i.e.: Holden Creek, Weyerhaeuser Purchase). Holden Creek Substation project substantial construction by the contractor is slated to complete in November 2017 and is expected to have large contractor and major equipment payments come in before year end. Downtown Network projects have shown steady spending are on track for this year with a slight overspend due to opportunistic work being completed in addition to the planned work. Carmen Smith spending is expected to be approximately 50% of budgeted at year end due to delays in the Turbine Shutoff Valve delivery, which has resulted in this project being pushed to 2018. Staff also postponed the acceleration of Trail Bridge fish passage design work once it became clear that the FERC would not issue a new license in 2017. Staff expect significant spending on fish passage design to resume in 2018. These spending delays were anticipated during the development of the 2018 capital budget for Carmen-Smith, so no transfer of 2017 budget to 2018 is anticipated during the April True-Up. Year end projections of total expenditures vs. budget for Type 1 & Type 2 work combined is predicted to be 106% excluding Shared Services and Type 3, and 81% including Type 3 (Carmen) for the overall Electric Division budget (with precap materials included).

Project	2017			Status/Comments
	Budget	YTD Actual	Year-End Projection	
Source - Water Intakes & Filtration Plant	\$1,030,000	\$577,000	\$800,000	● Largest item is solids improvement project. Also included are costs for treatment trailer equipment, a SCADA/Historian upgrade and close out work for the South Filter Upgrade.
Mains - Replacements, Improvements, & Trans.	\$4,378,000	\$3,067,000	\$4,485,000	● Largest componet in this area is main replacements. This item is tracking well so far. Cost reporting does lag however, so we will be watching this number closely
Services and Meters	\$1,803,000	\$1,515,000	\$2,000,000	● Includes both new services and meters as well as replacement of existing service lines. Running high - will monitor as we get closer to year end.
Pump Stations	\$1,236,000	\$406,000	\$900,000	● Work this year includes Upgrades at Santa Clara and Laurel Hill Pump Stations, a new Crenshaw Pump Station (reimbursable) and work on a new City View 1150 Pump Station. Scaling back Laurel Hill significantly is dropping year end projections.
Reservoirs	\$103,000	\$11,000	\$50,000	● 2017 work includes new hatch/vent and ladder at Crest 800 Reservoir

These categories will match the Capital Improvement Plans (CIPs) submitted by Water & Electric.

Type 1 - General Capital is budgeted Year-by-Year for recurring capital expenditures from January through December. Type 1 Capital includes categorized collections of projects of less than \$1 million. Typical examples include "main replacements". This work typically involves dozens of jobs that add up to \$3.5-4.5 million per year.

Type 2 projects have "discrete" scopes, schedules (launch through completion), and cost over \$1MM during the project life, and project life can span multiple years

Type 3 projects are large strategic programs with long term impacts.

Project	2017			Project Total			Schedule			Status/Comments
	Budget	YTD Actual	Year-End Projection	Initial Plan	To-Date Actual	Project-End Projection	Start	Initial Planned Completion	Projected Completion	
Hayden Bridge Disinfection System Replacement	\$700,000	\$93,000	\$400,000	\$3,645,000	\$93,000	\$3,580,000	2017	YE-2018	YE-2018	● Replacement of gas chlorine system with on-site liquid hypochlorite system. Project currently in design. (Initial Plan - 2015 CIP)
Hayden Bridge Seismic Upgrades	\$515,000	\$104,000	\$220,000	\$1,215,529	\$1,221,067	\$1,440,000	2014	YE-2015	Q1-2018	● Phase 1 (Basins and Filters) is complete. Phase 2 (Headhouse) deferred to 2017-2018. Phase 1 costs more expensive than anticipated while 2017 costs coming in much less than anticipated. (Initial Plan - 2013 CIP)
Distribution System Scada/PLC Upgrades	\$412,000	\$107,000	\$400,000	\$3,079,780	\$588,109	\$1,300,000	2013	YE-2016	YE-2019	● Multi-Year upgrade project. Completed Crest System. Currently working on Dillard and Willamette systems. Project complexities and staffing limitations are affecting schedule (Initial Plan 2013 CIP)
Hayden Bridge Standby Power Improvements	\$1,030,000	\$46,000	\$450,000	\$1,728,000	\$72,666	\$1,360,000	2015	YE-2017	Q1-2018	● Design is complete and proceeding with the prepurchase of two generators, one for Hayden Bridge Plant and one for Intakes along with electric equipment. Delays in design process have pushed construction to early 2018. (Initial Plan - 2015 CIP)
Hawkins Reservoir Improvements	\$300,000	\$124,000	\$125,000	\$2,067,000	\$124,000	\$2,110,000	2014	YE-2018	Q2-2019	● Structural evaluations identified significant deficiencies with the existing reservoir. Due to high cost for improvements, shifting focus to constructing new reservoir as part of the Water Utility's plan for distributed base level reservoir. Adjustments will be made in 2018 Capital Plan to reflect change in focus. (Initial Plan 2016 CIP)

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Second Source of Supply	\$1,830,000	\$1,603,000	\$1,700,000	Varied from \$52M to \$120M	\$2,483,000	\$67,000,000	2014 with Planning	YE-2021	YE-2030	● Project has been deferred to the later years of the ten year CIP. For 2018 this project will be replaced with the Emergency Water Supply Project

Total Water Capital (Excluding Shared Services)	\$13,337,000	\$7,653,000	\$11,530,000	86%	year end projection to budget
Type 1, 2 Capital (Excluding Shared Services)	\$11,507,000	\$6,050,000	\$9,830,000	85%	year end projection to budget

Management Notes: Overall Water's Type 1 projects are tracking well. Our largest item in this area, Main Replacements is at approximately 74% of budget spent. Costs do lag in the reporting system however, so we will need to watch this area closely. On the Water Type 2 projects, we are tracking low as design issues have delayed the start of construction on a couple projects to 2018. In addition, completed structural evaluations have caused the Water Utility to change the focus on the Hawkins Reservoir Rehabilitation delaying expenditures in this area. Type 3 projects are marked red for EL1 report due to project deferral. This project will be replaced by the Emergency Water Supply program in 2018. Overall, water has \$13,337,000 budgeted for capital in 2017 (adjusted for the April True-Up) and anticipates spending 85% of that amount. Engineering's target is attain at least 90% expenditures of the capital budget amounts which the Water Utility has exceeded for the past several years. This year we will be below target due to the issues on the Type 2 projects noted.

Capital "EL1" Report: Shared Services, 2017-Q3

Type 1 - General Capital

Capital Category	2017 - Q3			Note - Changes from previous report(s) are in BOLD	
	Budget	YTD Actual	Year-End Projection	Status/Comments	
General Plant - Information Technology (I.T.)	\$1,185,355	\$910,449	\$1,185,355	●	Increase in IS Type I capital 500K as of 9/28/17 will be used to: -Refresh the wireless infrastructure -Refresh of Leaburg networking equipment -Simplification of core network
General Plant - Buildings & Land Management	\$1,322,000	\$340,301	\$615,000	●	Elevator Contracts approved by Board in Feb 2017 Contract for elevator upgrade has been issued to Kone. All materials will be onsite and HQ North Building elevator completed by end of year. HQ main building elevators completed in 2018. Upgrade of HQ Fire Alarm System has been cancelled. (Morgenstern) ROC Comm Tower construction tasks are underway and expected to be completed in December. (Wolfe)
General Plant - Electric & Water Fleet Capital	\$610,000	\$243,893	\$610,000	●	Fleet recently rolled back in April True up - due to changes in strategy of fleet. (\$500,000 for Electric, \$110,000 for Water) remaining procurements are moving forward for 2017. (Damewood)

In the future, these categories will match the Capital Improvement Plans (CIPs) submitted by Water & Electric.

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AMI Information Technology & Integration	\$1,930,000	\$2,112,027	\$2,200,000	\$6,475,700	\$5,143,934	\$6,475,700	May-2015	Dec-2017	May-2018	● Q3 2017 - Automated meter-to-bill process is in place for 1% of customer meters, and eight-year full deployment has begun. Additional software integration work is expected to continue through the end of 2017. (Jones)
Customer Information System (CIS) Replacement	\$1,500,000	\$8,429	\$186,495	\$9.7M	\$8,429	\$11,150,000	Sep-2016	Aug-2018	mid to late-2019	● Projected spending lower than anticipated due to availability delay in third party resources.

Total Shared Services Capital (This Report)

\$6,547,355 **\$3,615,099** **\$4,796,850** **73.26%**

Note(s) 1) April 2017 true-up budget numbers are reflected as Budget, as approved by Board on April 4, 2017.

Management Notes: Type I IT Projects are on track and on schedule. This is good news since in the past these projects have lagged for various reasons. As per the April True Up, Fleet Capital was reduced significantly due to a re-assessment of future fleet needs and strategy. AMI is progressing forward in current Opt in Strategy. Projected spending is in the 82% range for end of year, largely driven by the cancellation of HQ Fire Alarm System Upgrade and the shift to O&M from Capital by Facilities.