



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Mital, Helgeson, Manning, and Simpson
FROM: Mel Damewood, Engineering Manager
DATE: July 25, 2014
SUBJECT: EL1 Capital Report for Q2 2014
OBJECTIVE: Information Only

Issue

As per EWEB's EL1 Financial Policy that was approved on February 4, 2014, EWEB staff has prepared and attached the 2nd Quarter Capital Report for Electric, Water, and Shared Services for the Board.

Background

According to Financial Policy EL1:

Throughout the year, staff will provide the Board with quarterly financial reports that compare actual results with budget. Additionally, staff will provide the Board with quarterly updates for all current year projects on the Capital Improvement Plans. General Capital Renewal and Replacement projects (Type I) will be reported by category (e.g., substations, shared IT infrastructure, transmission & distribution mains). Infrastructure Rehabilitation & Expansion (Type II) and Strategic Projects (Type III) will be reported individually. Type II and III projects are further defined as those that are projected to be greater than \$1 million for the life of the project.

Management has attached three reports, Electric, Water and Shared Services Capital Q1 results for the Board's review. Some project status indicators are intentionally left "gray" due to the current inability to ascertain the state of scope, schedule, and/or budget.

Recommendation and Action

This is an information item only, no action required. If you have any questions or wish to make comments on the reports please contact Mel Damewood a 541-685-7145 or email at mel.damewood@eweb.org

ELECTRIC Capital Projects Quarterly Status Report 2014-Q1

This column won't be published **Type 1 - General Capital**

Notes(Ref. Jobs)	Capital Category	2014			Status/Comments
		Budget (Includes April Amendments)	YTD Actual	Year-End Projection	
13051, 28286	Electric Infrastructure - Generation	\$599,720	\$74,617	\$750,000	● Overall project list generally progressing on schedule and budget except an emergent problem with the attraction water supply for a fish ladder at Leaburg Dam that may lead to some overage in 2014, but likely offset by savings and delays on other project work. Does not include Leaburg Roll Gate (Type 2) (ZINNIKER)
22640	Electric Infrastructure - Substations & Telecom	\$2,707,083	\$1,406,360	\$2,707,083	● Tracking with budget projections for the year. Jefferson substation upgrades make up a large portion of the remaining budget and is scheduled for execution during Q3. (ATKINSON)
22641, 36322	Electric Infrastructure - Transmission & Distribution	\$8,344,823	\$2,191,771	\$8,344,823	● We are still significantly behind relative to budget but have made good gains since Q1. Numerous jobs have just finished design and the customer has paid their portion. The expense of facility installations have not yet occurred. The result is we have income that is not yet offset causing the appearance of being significantly ahead of budget. We expect that this will levelize as the year proceeds. (HANKINS, OBERLE)

In the future, 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 "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.

This column won't be published **Type 2 Rehabilitation & Expansion Projects**

Notes(Ref. Jobs)	Project	2014			Project Total			Schedule			Status/Comments
		Budget (Includes April Amendments)	YTD Actual	Year-End Projection	Initial Plan	To-Date Actual	Project-End Projection	Start	Initial Planned Completion	Projected Completion	
28286:18043:36146	Leaburg Roll Gate #2 Re-Build	\$2,857,000	\$337,530	\$2,857,000	\$1,600,000	\$652,094	\$3,147,705	Jul-2012	Jun-2014	Dec-2014	● April budget amendment has resolved overage problems. On schedule for return to service for 2014/15 wet weather season. (ZINNIKER)
	LTD EmX Project (Electric)	\$755,000	\$448,538	\$2,700,000	---	\$448,538	\$5,700,000	Sep-2013	---	Jun-2015	● Electric relocation design is near 90% complete based on LTD's 60% design. LTD's design team is pursuing easements needed to accommodate displaced facilities. Electric relocations delayed at least 2 months pending easement acquisitions. Year end projection assumes some easements will be available for work within existing right-of-way allowing for ~ 40% completion of preliminary construction cost estimate. Budget Amendment will be forthcoming in the fall. (THOMAS, OBERLE)
37397 (2014), Job# (2015)	Upriver Re-Configuration/Holden Ck. Substation	\$500,000	\$6,647	\$20,000	\$3,000,000	\$6,647	\$3,000,000	Jan-2014	Oct-2015	Jun-2016	● Continuing project review in coordination with BPA. Project design delayed approximately 6 months; maintain original budget totals. (ATKINSON)
Prog 22641 & 36322	Downtown Distribution Network	\$2,500,000	\$850,212	\$2,500,000	\$15,000,000	\$4,246,610	\$20,000,000	Sep-2010	Dec-2015	TBD	● Evaluating impact of technology change that allows DG over-generation in Network system. Current funding planned for system maintenance. Future system decision pending technology evaluation. (FRASER)

This column won't be published **Type 3 - Strategic Projects & Programs**

Notes(Ref. Jobs)	Project	2014			Project Total			Schedule			Status/Comments
		Budget (Prior to April Amendments)	YTD Actual	Year-End Projection (incl. April Admndments)	Initial Plan	To-Date Actual	Project-End Projection	Start	Initial Planned Completion	Projected Completion	
34997	AMI Deployment - Meter Acquisition Costs	\$0	\$0	\$0	\$10MM	\$0	See Comments	Jan, 2008	Jun, 2014	TBD	● Status = Under Review (grey light); Re-planning for opt-in approach; Meter costs are included in LTFP and CIP. (ARMSTEAD)
32546	Carmen Smith License Implementation	\$2,953,241	\$477,359	\$2,541,241	\$135,000,000	\$33,520,648	\$164,000,000	May-2009	Dec-2021	Dec-2025	● Continued uncertainty regarding licensing date; renegotiation on downstream passage underway; implementing 5-year plan to address aging infrastructure issues at Carmen Powerhouse (MCCANN).

Water Capital Projects Quarterly Status Report 2014-Q2

Type 1 - General Capital

Project	2014			Status/Comments
	Budget	YTD Actual	Year-End Projection	
Source - Water Intakes & Filtration Plant	\$683,091	\$411,313	\$620,000	● Includes 7 Type 1 jobs at Hayden Bridge - on track so far. Network upgrade could sway YE Projection up or down.
Mains - Replacements, Improvements, & Transmissions	\$4,584,901	\$2,456,278	\$4,760,000	● YE Projection is approximate, more definitive after Q3 when Emx work is better defined
Services and Meters	\$666,674	\$124,380	\$610,000	● Bulk of Type 1 is water meter replacements.
Pump Stations	\$847,035	\$78,819	\$850,000	● Includes new Shasta 1150 pump station and emergent work at Santa Clara.
Reservoirs	\$84,397	\$14,112	\$80,000	● On-going security and emergent work.

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. Typical 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-\$3.5 million per year.

Type 2 Rehabilitation & Expansion Projects

Project	2014			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	
Raw Water Intake Improvements	\$3,672,049	\$854,243	\$3,200,000	\$6,292,000	\$4,563,711	\$6,910,000	2011	YE-2013	Q1-2015	● Intake 1 Upgrades near completion, received a low bid on Intake 2 Upgrades - starting construction. One year permitting delay. (Initial Plan - 2011 CIP)
Hayden Bridge Filter S1-S6 Upgrades	\$103,016	\$3,421	\$103,000	\$7,713,000	\$4,012,079	\$7,770,000	2011	YE-2017	YE-2016	● Upgrade of Filters N1-N6 Complete. Will design upgrades of S1-S6 this year for const. in 2015-2016. (Initial Plan - 2011 CIP)
Hayden Bridge Seismic Upgrades	\$865,302	\$95,587	\$870,000	\$1,215,529	\$102,429	\$1,190,000	2014	YE-2015	Q2-2015	● Currently in design for construction start late summer. (Initial Plan - 2013 CIP)
Terry to Green Hill Extension (Veneta)	\$60,000	\$4,199	\$50,000	\$1,545,000	\$1,204,273	\$1,250,000	2012	YE-2012	YE-2014	● New transmission line is in operation. 2014 work is closeout instrumentation/communications. (Initial Plan - 2012 CIP)
WM River Crossing at Beltline	\$380,000	\$273,079	\$466,000	\$2,000,000	\$2,303,417	\$2,500,000	2011	YE-2012	Q3-2014	● Crossing near completion. Punch list items remain. Early permitting issues pushed project into 2014. (Initial Plan 2011 CIP)
Distribution System Scada/PLC Upgrades	\$149,999	\$19,446	\$150,000	\$3,079,780	\$39,868	\$2,900,000	2013	YE-2016	YE-2019	● Multi-Year upgrade project. 2014 first significant year of work. Developed standard and is currently being implemented and first pump station. (Initial Plan 2013 CIP)
Dillard 800 Reservoir Repair/Structural Upgrade	\$154,504	\$26,588	\$30,000	\$1,745,850	\$26,588	\$30,000	2014	YE-2015	Q2 - 2014	● Structural evaluation better than anticipated. Shifting priorities, will focus on WM 800 then begun another rehab following Master Plan. (Initial Plan 2014 CIP)
Willamette 800 Reservoir No.1 Replacement	\$543,763	\$16,869	\$540,000	\$1,639,760	\$84,228	\$1,740,000	2013	YE-2014	Q3-2015	● After evaluation, project changed from rehab to a replacement. Construction pushed back one year. (Initial Plan 2013 CIP)
LTD EMX	\$0	\$427,619	\$1,900,000	\$0	\$427,619	\$3,450,000	2014	2015	Q2-2015	● EWEB has completed service relocations on 6th. EWEB is currently on hold waiting for LTD to complete exploratory excavations, (potholes) which will dictate scope of the remaining work. Anticipate starting up on 7th Ave in the next month. Budget Amendment will be forthcoming in the Fall.

Type 3 - Strategic Projects & Programs

Project	2014			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	
Alternative Water Supply	\$51,665	\$55,427	\$60,000	\$52,707,167	\$55,427	\$65,910,000	2014 with Planning	YE-2019	YE-2019	● Recent activities including property work and revising the estimate to more accurately reflect the anticipated costs have alleviated some of the uncertainties with this project. This has led from a change from yellow to green on the status.

This column won't be published **Type 1 - General Capital**

Notes(Ref. Jobs)	Capital Category	2014			Status/Comments
		Budget (Includes April Amendments)	YTD Actual	Year-End Projection	
13050	General Plant - Information Technology (I.T.)	\$2,134,807	\$423,405	\$1,814,083	● Savings in capital costs is due to Disaster Recovery being embedded in current and future projects as they are executed.Projection includes Metro E; does not include WAM/WACFR or AMI; 50% of IT projects completed on time and within budget and within scope. (SAYRE)
13057	General Plant - Buildings & Land Management	\$1,726,519	\$485,329	\$1,726,519	● 2014 includes completion of the ROC fuel tanks and completion of the HQ renovation of the HVAC system. (MCCARTHY)
13078	General Plant - Fleet Capital	\$1,743,629	\$400,048	\$1,743,629	● Year-End Projection includes April BAM (LENTSCH)

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		Budget (Includes April Amendments)	YTD Actual	Year-End Projection	Initial Plan	To-Date Actual	Project-End Projection	Start	Initial Planned Completion	Projected Completion	
Jobs 24880 & 38131	Payment Interface (Energy Insight)	\$209,294	\$53,120	\$209,294	---	\$983,600	\$1,139,774	Jan-2011	---	EOY with possible carryover	● The Energy Insight (EI) program is designed to web-initiate, manage, track, and report activity associated with the investments and returns (including BPA cost recovery) of incentivized conservation programs. The interface module being developed links EI with customer/contractor payables and incentives. EI Payment Interface uses a SOA platform, and project continuation is on hold until WAM is complete. (FREEMAN, DENOUDEN)
Job 35958,38182	Metro Ethernet (Shared I.T. Infrastructure)	\$584,879	\$126,934	\$495,660	\$5,725,000	\$5,407,136	\$5,775,862	Apr-2012	Jul-2013	Aug-2014	● Closeout project progressing toward August 31 completion due to team vacations. (WREN)
35027 & 35228	WAM/MWM Implementation	\$4,456,416	\$1,869,217	\$4,508,408	\$8,327,614	\$5,434,982	\$8,327,614	Jun-2013	Aug-2014	Oct-2014	● Work Order and Asset Management and Mobile Work Management System is designed to provide real-time, utility-wide visibility into type, location and condition of our assets. This data will provide us the ability to forecast how and when to spend our capital and O&M funds. Establishes common processes; single asset repository; visibility of work across business units; creates/revises asset management policies and processes; reduces multiple systems and reduces/eliminates manual processes. (BLOOM, JOHNSTON, Karen Lee)
13054:14109:36460	Steam Plant De-Commissioning	\$1,100,995	\$448,472	\$1,100,955	\$1,250,000	\$1,040,931	\$1,693,414	Jan-2013	"2014"	Sep-2014	● Demolition contractor is removing equipment, flues and piping from the building. The removal work is consistent with our plan with SHPO. Phase 1 abatement and removal of Boiler#3 near completion; Phase 2 abatement of Boiler #1, and abatement/removal of Boiler#2 bid received - to Board in May. (NEWCOMB/RUBEN)
Program 31950; 30833, 34997,30837, 30850, 35125, 35126	AMI Information Technology & Integration	\$280,064	\$5,651	\$280,064	---	\$5,651	\$3,700,000	Jan-2008	Dec-2014	Dec-2017	● Status = Under Review (grey light); In negotiations with MDM vendor. Forecast of \$3.7MM covers AMI "Initial Opt-In Phase" through 2017. (ARMSTEAD)
13054:14144:28059/34 483	River-Front Property Development	\$350,000	\$119,774	\$350,000	n/a	\$2,019,774	\$2,400,000	Feb-2006	n/a	Dec-2019	● Status = Under Review (grey); Master Developer selection finalized by Oct-Nov. Forward costs related to subdivision, surveying, economic consulting with no cash incentives. Assumes revenues posted elsewhere. (BIERSDORFF/NEWCOMB)