

Capital "EL1" Report: Electric, 2017 -Q1

Type 1 - General Capital				Note - Changes from previous report(s) are in BOLD								
Capital Category	2017 thru Q1			Status/Comments								
	Budget	YTD Actual	Year-End Projection									
Electric Infrastructure - Generation	\$1,196,000 (Note 2)	\$112,346	\$1,200,000	● Implementation of capital work will begin in Q2 during the planned outages at IP in April/May and Walterville in June. Seismic early warning system installations underway at Leaburg and Carmen-Smith. Debris management improvements at Leaburg Lake and Smith Reservoir timed for late 2017. - ZINNIKER								
Electric Infrastructure - Substations	\$1,741,000	\$227,868	\$1,741,000	● Type 1 Projects currently tracking on planned schedule. Bertelsen 115kV breaker and switch replacement outage planned for mid May-July. Remainder of R&R projects are short duration and do not require extended substation outages (comm upgrades, 15kV Breaker replacements, battery replacements, etc.). - NICE								
Electric Infrastructure - Telecom	\$600,000	\$2,141	\$600,000	● Crews have begun installing fiber conduit for the Downtown Network. City of Eugene still awaiting Economic Development Grant that may slow the project schedule. (Damewood)								
Electric Infrastructure - Transmission & Distribution	\$6,754,000	\$1,561,728 (1)	\$6,345,000	● Budget on track. - Fraser								
Type 2 Rehabilitation & Expansion Projects				2017 thru Q1			Project Total			Schedule		
Project	Budget	YTD Actual	Year-End Projection	Initial Plan	To-Date Actual	Project-End Projection	Start	Initial Planned Completion	Projected Completion	Status/Comments		
Leaburg Dam Roll Gate Hoists	\$0	\$29,221	\$700,000	\$5,150,000	\$6,318,582	\$7,000,000	Jul-2012	Nov-2014	Apr-2017	● All three hoist systems released for full automatic operation in Q1. Final payments to contractors pending punch list completion, expected by the end of Q2 2017. Potential repair of worn gate teeth under design for Fall implementation. Monitoring overall capital budget to determine if amendment necessary. ZINNIKER		
Upriver Re-Configuration/Holden Ck. Substation	\$4,582,000 (Note 2)	\$967,234	\$4,457,000	\$3,000,000	\$1,550,073	\$5,800,000	Jan-2014	Oct-2015	Feb-2018	● Major procurement contracts have been completed. Transformers have been delivered, switchgear is scheduled for delivery in September 2017. Other major components (steel structures, bus, instrument transformers, etc.) have been ordered and are relatively short lead times. The construction contract has been awarded and the contractor is currently developing a detailed schedule and planning submittals. FERC has communicated that there are no major concerns and that the construction has been approved, however final documents are in process. Lane County Permitting Design meeting has been completed and questions from Lane County are being addressed; final permit will follow and not expected to hold schedule. Technical review of the 115kV interconnection is in process, and EWEB is awaiting BPA's final schedule and comment. The substation construction is expected to be complete in late October 2017, with EWEB crews finishing final wiring, testing and commissioning through January 2018. - NICE		
Downtown Distribution Network	\$1,600,000 (Note 2)	\$15,086	\$1,026,000	\$15,000,000	\$266,570	\$20,000,000	Sep-2010	Dec-2015	Dec-2019	● Downtown Network protector replacements to occur at Lane County Building, Jail, US Bank and Hult Center and are scheduled for completion spread May through December in series. 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 comm. upgrades. - NICE		
Grid Edge Demonstration Project	\$837,000 (Note 2)	\$11,591	\$837,000	\$1,200,000	\$143,455	\$1,157,000	May-2016	Jun-2017	Mar-2017	● Design build RFP advertisement scheduled to be completed mid June with award in July to winning manufacturer and integrator. Procurement and delivery of materials scheduled by year end with installation and commissioning planned for Q1 of 2018. Totals do not include \$262k of grant funding which will be reimbursed at major milestones and completion. - NICE		
Type 3 - Strategic Projects & Programs				2017 thru Q1			Project Total			Schedule		
Project	Budget	YTD Actual	Year-End Projection	Initial Plan	To-Date Actual	Project-End Projection	Start	Initial Planned Completion	Projected Completion	Status/Comments		
Carmen Smith License Implementation	\$11,700,000	\$753,665	\$11,600,000	\$135,000,000	\$38,614,821	\$129,500,000	May-2009	Dec-2021	Dec-2025	● The Project End Projected has been updated to reflect the 2016 Settlement Agreement that has been filed with the FERC. A Technical Conference was held in March 2017 to discuss the licensing process and changes to the Settlement Agreement. Staff is updating the remaining FERC exhibits and the Biological Assessment in support of the regulatory process. We expect the license to be issued no earlier than 2018. Implementation of 5-year plan to address aging infrastructure at Carmen Powerhouse underway. Gantry crane rehab complete. Preparations for turbine shutoff valve replacement nearing completion. Carmen Powerhouse outage scheduled to start in June with intent to complete by the end of October (ZINNIKER, BOYLE)		
Total Electric Capital (Excluding Shared Services)	\$29,010,000	\$3,669,289	\$28,506,000	98%								

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.

Note(s) 1. Distribution transformers 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 (13% vs. 25%), Type I expenditures predicted year end is at 100% of budget vs. actual, with about 20% spent through Q1. Type II spending ended at 16% of Q1 spending, and projected expenditures year end at 98%. Holden Creek Substation project is slated to complete in 2017 and Downtown Network projects are lined up for this year. Carmen Smith spending is lagging for the year but expenditures will pick up sharply in Q2 and Q3 due to work being conducted by our engineering consultant and turbine shut off valve installation. The total project-end cost for Carmen has not yet been adjusted downward to account for potential re-negotiations of settlement agreement. That will be reflected in the 2018 CIP to be presented to the Board in July 2017. Year end results of total expenditures vs. budget is at 98% excluding Shared Services. The Budget figures do not reflect the April True-up Budget Adjustments.

Capital "EL1" Report: Water, 2017 -Q1

Type 1 - General Capital

Project	2017			Status/Comments
	Budget	YTD Actual	Year-End Projection	
Source - Water Intakes & Filtration Plant	\$1,030,000	\$226,000	\$1,030,000	● 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	\$880,000	\$4,378,000	● Largest component in this area is main replacements. This item is tracking well so far at 24% of budget spent. Cost reporting does lag however, so we will be watching this number closely
Services and Meters	\$1,803,000	\$437,000	\$1,803,000	● Includes both new services and meters as well as replacement of existing service lines
Pump Stations	\$1,236,000	\$120,000	\$1,236,000	● 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.
Reservoirs	\$103,000	\$0	\$103,000	● 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. 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	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	\$4,000	\$700,000	\$3,645,000	\$4,000	\$3,880,000	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	\$0	\$515,000	\$1,215,529	\$1,117,067	\$1,740,000	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. (Initial Plan - 2013 CIP)
Distribution System Scada/PLC Upgrades	\$412,000	\$57,000	\$412,000	\$3,079,780	\$538,109	\$1,520,000	2013	YE-2016	YE-2019	● Multi-Year upgrade project. Completed Crest System. Currently working on Shasta, Dillard, and Willamette systems. Project complexities and staffing limitations are affecting schedule (Initial Plan 2013 CIP)
Hayden Bridge Standby Power Improvements	\$1,030,000	\$8,000	\$1,030,000	\$1,728,000	\$34,666	\$1,060,000	2015	YE-2017	Q1-2018	● Currently in design phase. Will be prepurchasing two generators, one for Hayden Bridge Plant and one for Intakes. Construction and electrical work anticipated this fall. (Initial Plan - 2015 CIP)
Hawkins Reservoir Improvements	\$300,000	\$3,000	\$350,000	\$2,067,000	\$3,000	\$2,340,000	2014	YE-2018	Q2-2019	● Results of upcoming structural evaluations may increase scope. Any scope increase should be known by second quarter EL-1 report. (Initial Plan 2016 CIP)

Type 3 - Strategic Projects & Programs

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	
Second Source of Supply	\$1,830,000	\$128,000	\$1,700,000	Varied from \$52M to \$120M	\$1,008,000	\$67,000,000	2014 with Planning	YE-2021	YE-2021	● Property purchase for plant will occur in 2017. Currently completing preliminary design for Filtration Plant and Related Facilities. Yellow due to pending questions on project direction.

Total Water Capital (Excluding Shared Services) \$13,337,000 \$1,863,000 \$13,257,000 99% 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 24% 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 in the first quarter. This year is different than last in that in 2016 there were numerous large construction projects occurring over the entire year. The first part of this year numerous projects are in the design phase hence the low year to date actual. Spending will increase significantly later in the year as construction begins on several projects. Overall, water has \$13,337,000 budgeted for capital in 2017 (adjusted for the April True-Up) and anticipates spending that amount. Engineering's target is attain at least 90% expenditures of the capital budget amounts.

Capital "EL1" Report: Shared Services, 2016-Q4

Type 1 - General Capital

Capital Category	2017- Q1			Status/Comments
	Budget	YTD Actual	Year-End Projection	
General Plant - Information Technology (I.T.)	\$685,000	\$405,402	\$650,000	● Emergency SAN Replacement Complete. Capital replacement of aging infrastructure expected throughout the year. (Barton)
General Plant - Buildings & Land Management	\$2,622,000	\$14,437	\$1,754,000	● Elevator Contracts approved by Board in Feb 2017 Contract for elevator upgrade has been issued to Kone and work is currently being scheduled. Upgrade of HQ Fire Alarm System has been cancelled and more focus on O&M projects for Buildings and Land. Purchase of Weyco Included. (Morgenstern)
General Plant - Electric& Water Fleet Capital	\$610,000	\$150,000	\$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) (Taylor)

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

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

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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 - Q1			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	
AMI Information Technology & Integration	\$1,930,000	\$225,357	\$1,930,000	\$6,475,700	\$3,283,044	\$6,475,700	May-2015	Dec-2017	May-2018	● Budget \$ shifted from 2016 to 2017 . Capital portion of AMI project is expected to close out mid-2017, approx. 9 months ahead of initial projected end date. Total capital spending is anticipated to be at/near initial target of \$6.5m. Project shifting to operations for implementation. (Damewood/Armstead)
Customer Information System (CIS) Replacement	\$1,500,000	\$0	\$1,080,000	\$9.7M	\$0	\$9.7M	Sep-2016	Aug-2018	mid to late-2019	● Conditional Intent to Award letter sent to selected vendor. Contract negotiations expected to begin in Q2 and conclude in Q3. (Barton)

Total Shared Services Capital (This Report)

\$7,347,000 **\$795,196** **\$6,024,000** **81.99%**

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 cancelation of HQ Fire Alarm System Upgrade and the shift to O&M from Capital by Facilities.