



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on February 5, 2019. Staff responses are included below, and are sorted by Agenda topic.

Quarterly Strategic & Operational Report for Q4 2018

If we continue to have warmer winters, will that have a significant impact on our revenue as energy demand decreases during those months? Will that be offset by hotter summers? If so, is that something we are already seeing? (FAHEY)

Weather patterns and climate trends have a significant impact on customer consumption. As a winter peaking utility, historically December and January provide approximately 20% of the Electric Utility's annual revenue. Staff has been monitoring potential load impacts due to climate change for several years. In the past five years the December/January period has ranged from under 5% of the historical heating degree days (2014-15) to 95% (2016-2017). Cooling degree days in the summer have been above average in each of the last five years, although we don't expect summer peaks to approach winter peaks. The cooling load provides a partial offset for lost heating load, but loss of heating load is much more impactful to revenue. To manage weather volatility and other risks, EWEB maintains power reserves, made rate design changes to increase fixed cost recovery, and budgets conservatively by including a contribution margin risk tolerance.

Most climate change models indicate continued warmer winters and summers in our region. This may reduce winter peaks, increase summer consumption, and potentially lower hydroelectric water potential. Staff will continue to monitor the impact of climate trends and weather conditions for both retail demand and water supplies for hydro resources and update long term plans as appropriate.

Collections: It appears that we saw a 50% increase in uncollected accounts. The description states that part of the reason was due to staff working on another project. Are these funds lost or is there a chance that staff can recover them once they are back focusing on them? Did any of the changes the board make affect their ability to collect payments? (FAHEY)

In 2018 several improvements were made to the credit and collections process which helped efficiency and work flow. Credit and collections staff worked on receivables from multiple years, including 2017. Recovery of accounts previously written off is achieved by staff through direct payment collection efforts and when a customer wishes to reinstate utility services. After EWEB staff have attempted multiple collection efforts, accounts over \$100 are sent to EWEB's contracted collection agency. In 2018, recoveries of previously written off accounts totaled approximately \$300,000. No changes made by the Board impacted EWEB's ability to collect payments.

EL1 Report: Many of the projects in the report are over budget, but still received a green rating. Does the green rating only cover the timing of when the project will be completed? Other than those affected by the acceleration of AMI deployment, what are the other main drivers of spend exceeding budget? (Please focus on those that exceed 10% of budget. (DAMEWOOD/PRICE/BARTON)

The green light signifies a combination of scope, schedule, and budget. Since we are not directly reporting scope or schedule metrics on the report, only budget, the light is a judgment that overall the projects are going as planned and accounting for adjustments to schedule, scope and possibly budgets. The budgets are set up

approximately to 18 months prior to the work, and true up in March/April the year of implementation. Pricing and other decisions affecting scope and budget can occur after the spring true up, such as in the case of the metering deployment. Generally, if the projects are proceeding per our direction and intent, we give them a green regardless of exact budget. We try and explain the variations in the notes. Per project comment.

EL1 over budgets (>10%) – Electric (PRICE)

	Electric EL-1 for 2018 - Q4			
Project	Budget	YTD Actual	% of Budget	Additional notes on why light is green
Leaburg Dam Roll Gate Hoists	\$ -	\$ 55,157	>110%	Spillover from 2017, overall project under budget
Advanced Meters (Electric)	\$ 1,900,000	\$ 3,035,369	160%	8 year deployment changed to 3 year after true up
ROC Consolidation	\$ 700,000	\$ 859,706	123%	Additional movement of people changed scope and schedule. Project is within overall 2 yr. budget
Distribution Resiliency Upgrades	\$ -	\$ 8,765	>110%	FEMA projects for 2019, designs started in 2018
Electric Infrastructure - Transmission & Distribution	\$ 7,100,000	\$ 7,713,239	109%	17% more customer work than estimated plus accelerated switch and cable replacements due to safety

EL1 over budgets (>10%) – Water (DAMEWOOD)

	Water EL-1 for 2018 - Q4			
Project	Budget	YTD Actual	% of Budget	Additional notes on why light is green
Source – Type 1 Water Intakes and Filtration Plant	\$ 815,000	\$ 1,189,570	146%	Type 1 work consists of multiple projects and includes emergent work. Although the cost of the emergent work was higher than budgeted for this area of Type 1 Capital, all projects were completed on time and in scope.

EL1 over budgets (>10%) – Information Services (BARTON)

After the cancellation of the Customer Information System Replacement Project, some of the Type II budget was re-allocated to General Plant - Information Technology (I.T.). This allowed for improvements to infrastructure and cyber security as well as moving up some planned system replacements. The green light is to indicate that this additional work was completed on time and within budget.

Grants: What does the Springfield School District grant support? (FAHEY)

The \$47,000 Springfield School District grant supports staff time for grant coordination and to provide middle school teacher classroom release time for STEM (science, technology, engineering and math) professional

development, student supplies for watershed field studies and the solar challenge, as well as field trip transportation.

2019 Organizational Goals and Performance Measures (LAWSON)

I appreciate the attention given to climate change under *Explicit Programs*, but I'm curious as to why it's not a priority under *Strategic Direction* as well. I know that EWEB is a good steward of the environment, but is there a reason that we are not explicitly planning (or stating that we are planning) for resiliency under a new normal, climate-wise?

All of the goals listed contain some strategic components, which is why they rise to this level. The two explicit goals could be contained in the first goal, given policies and resolutions already exist providing policy-level guidance. You are correct, resiliency is multifaceted and recognizes the importance of delivering our vital products and circumstances under a variety of known and unknown conditions, including climate trends. Our resiliency requires financial, infrastructure, procedural, and human flexibility.

Conservation (FAHEY) - There seems to be a lot of attention given to energy conservation as it relates to climate change and affordability, but I don't see as much focus on water conservation. I know we have an abundance of water, but with changing precipitation, is this an area we should consider encouraging? I know that EWEB isn't discouraging water conservation, but it doesn't seem like it is a focus area.

EWEB has created programs and offered incentives to promote water conservation for many years. Beginning in 2018, we increased efforts to focus on water conservation and watershed protection, and have since developed additional programs and incentives. We have also increased marketing efforts to promote water programs and incentives, specifically as it relates to general water conservation, watershed protection and emergency preparedness. Existing EWEB programs and incentives include water-efficient toilet rebates, smart meter leak detection, water service line repair/replacement loans and grants, as well as septic system loans and maintenance rebates. Additionally, EWEB distributes thousands of free irrigation monitoring gauges to customers over the summer.

For additional information, please visit [eweb.org](http://www.eweb.org):

<http://www.eweb.org/residential-customers/rebates-loans-and-conservation/water-conservation-rebates>
<http://www.eweb.org/residential-customers/rebates-loans-and-conservation/water-conservation-loans-and-grants>

CORRESPONDENCE

Limited Income Program Updates (FAHEY)

I appreciate all the work the team has done on revamping the Limited Income program. I have a question about the target goals of reducing non-payment by 50% by 2023: If EWEB maxes out efforts on level payment plans and conservation efficiency, what else is needed to meet this target? Who would we need to partner with (city, county, etc.) and are efforts underway to do so?

The Board direction we received indicated an ongoing desire to help the limited income segment of our community. As a result, we identified the four areas (utility burden, peak burden, crisis funding, and education) as the primary role we could fill as a utility to help our customers afford our services. Staff is evaluating several additional processes in an effort to assist EWEB's customer-owners who struggle financially. These include a different marketing approach for the energy efficiency education program, evaluating assistance eligibility guidelines, revising deposit procedures, and communicating with customers at risk for disconnection earlier in the process. The Customer Experience project which will provide customers self-service options and allow them to interact with EWEB at a time, and using a method, convenient for them, should mitigate the current burden

of making payment arrangements during business hours. While most of these can be accomplished solely by EWEB, staff will continue to partner with other agencies providing services to at-risk community members. We will continue to monitor the program for effectiveness going forward, especially given that our entire customer base is financing the effort.

Small Cell Installations on EWEB Facilities (FAHEY/PRICE)

Is there any PR effort underway to educate the community in EWEB's (non) role in rolling out 5G? There is a lot of misconception out there about this.

There are implications to our response on this issue. Even by repeatedly saying it's not our issue, association is made between EWEB and Cell Services. So, we are continuing to gauge our response.

As you know, EWEB does not install cellular equipment, and we are merely following federal, state and city rules. Staff has developed three communication templates to respond to various audiences around the co-location of cellular antennas on utility poles, all of which describe EWEB's role in detail. These include an email response for customer/community inquiries, key messages for customer service analysts and others at EWEB, and a response for news media inquiries. The templates are attached (see ~Pre-meeting Q's Attachment: Small Cell Installation Responses).

Co-location of cellular antennas (5G) on EWEB utility poles

This document consists of three tactical components: Email response to customers, key messages for Customer Service Analysts and responses to news media.

Email response:

Good morning (customer name),

Thank you for your thoughts regarding cell phone tower installations.

EWEB does not own or install cellular phone towers, or any other cellular phone receive/transmitting facilities. However, EWEB is required by city and state rules, in addition to federal law ([Federal Telecommunications Act of 1996](#)), to accommodate requests for co-location of antennas on our structures and right of ways as long as those requests meet our electrical safety, engineering and siting requirements. In most of EWEB's service territory, the City of Eugene issues permits for telecommunications facilities.

There have been recent rulings from the Federal Communications Commission (FCC) regarding the future installations of cellular technology on municipal facilities, such as electric utility poles. These changes take effect in 2019 and we are monitoring those updates closely to ensure we remain compliant with the new laws. The most recent FCC ruling from 2015 has been challenged in court, and federal laws have been introduced limiting the FCC's authority.

We are also closely following legislation that could adversely impact local public power utilities' control over pole attachments. In December, EWEB commissioners adopted a resolution which provides that EWEB supports legislation which generally preserves and enhances local control. Additional information pertaining to the position EWEB staff will take in the upcoming legislative session can be found in the December 4th [memo to the board and resolution 1827](#).

EWEB values public safety and has created internal design and engineering standards, which ensure that co-locations are installed to National Electrical Safety Code (NESC) and do not compromise electric system or worker safety. For further discussions regarding the siting, installations and safety of cellular technology, please contact the cellular provider.

Sincerely,

Key messages: Co-location of cellular antennas on EWEB utility poles

EWEB is required by City of Eugene telecommunication ordinances, state rules, in addition to federal law, to accommodate requests for co-location of telecommunications facilities (cable, telephone, antennas) if those requests meet our safety, engineering and siting requirements

The Federal Telecommunications Act of 1996 obligates cities and utilities to accommodate telecom facilities in their jurisdictions.

While local governments retain the authority to regulate the location, design and construction of the facilities, they cannot discriminate or create unreasonable barriers to entry for telecom facilities (whether cable with Comcast, telephone lines with Century Link, or cellular antenna with AT&T, for example.).

The City of Eugene must issue a right of way permit to allow for the installation of these facilities.

The Telecommunications Act explicitly prohibits local jurisdictions from regulating radio frequency emissions. So long as the co-location requests meet safety, engineering and siting requirements, EWEB cannot refuse to accommodate. The Federal Communications Commission regulates radio frequency.

Customers with questions or concerns should contact the telecommunications company or the FCC.

Background

EWEB on a regular basis receives inquiries from cellular phone providers, agents and telecom infrastructure companies regarding the potential co-location of cellular antennas on the utility's power poles. Co-location of telecom infrastructure on existing utility facilities is a standard practice nationwide.

After studying the proposed locations, an internal EWEB committee will identify viable poles in these locations that meet our safety, engineering and siting requirements.

Due to these siting, engineering and safety standards that EWEB adopted in 2014, not all poles meet the criteria established for cellular co-location (poles for consideration must be able to easily isolate to minimize electric service interruptions, must be reachable by truck, cannot be in a public utility easement crossing private property, etc.).

Response for news media:

The City of Eugene that issues permits for co-location of telecommunication facilities in public rights of way, whether the co-location pole is owned by EWEB, the city or another entity. Media should contact the city for more information regarding that permitting process.

EWEB is required by City of Eugene telecommunication ordinances, state rules, in addition to federal law, to accommodate requests for co-location of telecommunications facilities (cable, telephone, antennae) if those requests meet our safety, engineering and siting requirements. If those requests meet our standards, we approve the request, then the requestor must obtain a city permit.

The Federal Telecommunications Act of 1996 obligates cities and utilities to accommodate telecom facilities in their jurisdictions. [Federal Telecommunications Act of 1996](#).

While local governments retain the authority to regulate the location, design and construction of the facilities, they cannot discriminate or create unreasonable barriers to entry for telecom facilities (whether cable with Comcast, telephone lines with CenturyLink, or cellular antennae with AT&T, for example.).

The Telecommunications Act explicitly prohibits local jurisdictions from regulating radio frequency emissions. So long as the co-location requests meet safety, engineering and siting requirements, EWEB cannot refuse to accommodate. The Federal Communications Commission regulates radio frequency.

EWEB values public safety and has created internal design and engineering standards, which ensure that co-locations are installed to National Electrical Safety Code (NESC) and do not compromise electric system or worker safety. For information regarding the siting, permitting, installations and safety of cellular technology, please contact the city, the FCC or the various cellular providers.

Further, EWEB places a high value on local community sovereignty to make these types of decisions. In the views of our elected commissioners and our executive management, the FCC and the federal government have exceeded their authority by preempting local decision-making on this issue.

Finally, EWEB does not own or install cellular phone towers, or any other cellular phone receive/transmitting facilities.