



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on November 2, 2020. Staff responses are included below and are sorted by Agenda topic.

2021 Proposed Budgets and Prices (HART)

Electric Utility O&M Budget and Revenue Requirements 2021 Proposed Budget compared with 2020 Adopted Budget and 2019 Actual: Why does staff project that interest earnings will be about \$2 million less than this year? Why is "General Plant - Information Technology" expected to be \$3 million more in 2021 than 2020?

RESPONSE: The combination of 1) lower balances as we've refinanced, paid down PERS, had unanticipated expense, and b) lower interest rates. Average rates are very low at a projected 0.13%, as compared to roughly 2.25% yield on investments in 2019. Previously, we had higher, longer term investments that have rolled off and so projected investments are earning much lower yields.

Electric Utility Capital and Debt Service Budget 2021 Proposed Budget compared with 2020 Adopted Budget: Why does "Electric Infrastructure - Generation" have \$2 million budgeted for 2020, but \$0 budgeted for 2021?

RESPONSE: The \$2 million in type 2 budgeted in 2020 was related to Leaburg Canal Improvements. The future of options for the Leaburg canal are being assessed and those options will be presented to the Board in 2021.

Water Utility Capital and Debt Service Budget 2021 Proposed Budget compared with 2020 Adopted Budget: Why does the budget for the Meter Reserve have \$0 budgeted in 2021? What is the \$6.4 million in bond proceeds from?

RESPONSE: The Meter Reserve was used to set aside capital funds specifically for meters and is expected to be exhausted at the end on 2020. In order to accommodate the anticipated replacement cycle, we begin building again in 2024. The Water utility plans to spend the Spring 2020 bond issuance over the next three years for capital improvements, using \$6.4 million of the proceeds in 2021.

Budget Assumptions: I have been hearing that health insurance rates may be lower this year due to lower utilization of services during COVID. Do you think we can get less than the assumed 8% rate?

RESPONSE: In the budget we assumed 8% based on the best available information available at the time. We have since found the actual increase is 6.6% (2% is related to the Oregon tax).

Customer-Owned Street Lighting Service (LED) - Schedule J-5: Are the customers here cities or are these residences who have elected to have their own street lighting? What is the reasoning for such an increase across the categories?

RESPONSE: The Street Lighting customers are the City of Eugene, Santa Clara Water District, Lane County and ODOT. Residences with lighting are billed under the Private Lighting schedule.

The adjustment was to streamline the rate schedule and not to implement an increase in revenue collection. The lower cost schedules were not aligned with the technology for the LED project so we eliminated schedules with no lights or low numbers of lights at that wattage. The table below indicates light counts for the respective wattages.

DESC	FLAT RATE	DESC	FLAT RATE	Customer Count
0 to 10 Watts	2.61			-
11 to 20 Watts	2.89			-
21 to 30 Watts	3.17	0 to 40 Watts	3.17	3,027
31 to 40 Watts	3.46			2
41 to 50 Watts	3.74	41 to 80 Watts	3.74	2,112
51 to 60 Watts	4.03			64
61 to 80 Watts	4.46			58
81 to 125 Watts	5.45	81 to 120 Watts	5.45	192
126 to 175 Watts	6.74	121 to 200 Watts	6.74	202
176 to 225 Watts	8.16			-
226 to 275 Watts	9.58			-
276 to 350 Watts	11.44			-
351 to 750 Watts	18.13	201+ Watts	18.13	68

I am still a bit uncomfortable with designating a McKenzie Valley customer class when we haven't had our upriver meeting. I know that we are not proposing any rate changes, but it doesn't sit right with me. I would also like to know what other customer classes we are thinking about proposing. – (LAWSON/HART)

RESPONSE: Presently, EWEB has at least 14 different customer classes, with many more additional iterations for meter size/type, valve size, customer generation types, financial riders (e.g. BGR), etc. Some of these are location-based, including within/outside the City limits and elevation. Some of the additional classes up for future consideration include downtown network rates (already have different connection charges), EV charging rates, product mix rates (e.g. “100% clean”), residential demand charges, time-of-use, curtailed/interruptible power rates, community rapid charger station rates, residential fixed rates, micro-grid/high-reliability rates, pre-paid rates, etc.

This is probably a bigger discussion for another meeting, but what are the direct budget implications of climate change, both in terms of increased costs and cost savings? – (LAWSON)

RESPONSE: EWEB’s strategic work on resiliency, emergency preparedness and recovery include some impacts of climate change. The long-term financial impacts of climate change will likely not be favorable to electric/water utilities in the Pacific Northwest. Increasing winter temperatures will have a detrimental impact on revenue, while simultaneously changing the snowpack reducing hydroelectric production. Wildfire and other weather-induced reliability mitigation investments in resiliency will need to be increased. Ultimately, higher costs will need to be recovered over lower volume, driving up rates. Watershed investments and treatment costs will likely increase as water warms and increases in algal blooms and other organics occurs. Board Leadership can request a discussion on the topic.

Results from Phase 1 of the Electrification Impact Analysis Report – (ACKERMAN) Thank you for the in-depth report. I do feel, however, that there isn't a whole lot of new information there. I could totally be missing something, so please let me know what new key items were reported.

RESPONSE: There are three key differences. (1) We updated average annual load impacts associated with electrification based on further analysis (adding commercial building space and water heating) and work refining our assumptions following conversations with NWNG and the City of Eugene. (2) We added potential peak load impacts. And (3) we now have a workable analytical tool now with solidly vetted data that can be used in the future in other planning needs, such as the Integrated Resource Plan or program developments. The results have been important in highlighting that EWEB is moving in the right direction. There are no policy changes needed in the near term. We are

well positioned and have a long enough runway to prepare for any significant changes to our portfolio or infrastructure from electrification.

As to EV charging, how do we know that most charging takes place during peak hours?

RESPONSE: Staff reviewed regional studies. The National Renewable Energy Lab (NREL) modeled the charging behavior of 100,000 EV users to better understand the impacts of EV charging over the course of a 24-hour period (Team, 2019). The aggregate charging demand profiles generated by NREL's modeling shows strong correlation to an 8AM – 5PM workday, with most drivers charging when they get home from work (Figure L).

What exactly is an EV charging rate?

RESPONSE: Most EV charging rates are incorporated into time-of-use (TOU) rates. Assuming the question is asking about the price which EWEB would offer to customers who want to charge their EVs at their homes and businesses, EWEB does not have such a rate now. The idea is to offer rate schedules that would incentivize customers to charge their EVs off-peak. Such a program cannot be implemented until our AMI program is fully implemented.

Is there a more user-friendly version of this report for the public? I know there's an abstract, but if we're looking at transparency and customer engagement, it might be nice to have a shorter version on our website.

RESPONSE: After the board has provided their input on Monday, EWEB will prepare final version in a publishing software that will improve its readability along with a shorter summary brochure/flier.

Quarterly Strategic and Operational Report for Q3 2020 – (PRICE/MCGAUGHEY) Emergency Preparedness: I am proud of all the preparedness/resiliency work EWEB is doing, but what is going on with the larger coordinated effort to prepare our community? I haven't seen anything from the Lane County group recently. What happens in case of an emergency like an earthquake? How do people know when and how to access our water sites?

RESPONSE: The COVID-19 pandemic has impacted the Lane County collaboration efforts, along with EWEB's participation, which has been limited to a few virtual meetings. However, the several events occurring this year have strengthened the relationship between the City, EWEB, Lane County, and others who have responded. This effort will continue as emergency management continues to become a priority.

EWEB's community outreach and education program around emergency water sites was not as active in 2020 compared to prior years, due to COVID-19 and wildfire messaging taking priority. However, our campaign aimed at preparing community members for using emergency water sites following a major disaster is ongoing. Here are some 2020 highlights:

Website: Emergency Preparedness is highlighted on our home page, and from there customers can jump to our [Water Reliability Projects page](#). This page includes a list and map of the four Emergency Water Stations that are currently operational, and visitors can learn how to clean and prepare their own water storage containers for use at one of these stations.

E-newsletters: More than 1,000 customers have subscribed to our Emergencies & Community Preparedness email list, and we are continuing to grow our email subscriptions. In 2020, we delivered 2 emails to this Listserv that highlighted EWEB's emergency water sites: The [January email](#) announced the opening of our station at the Eugene Science Center, and the [October newsletter](#) encouraged customers to learn the location of the nearest emergency site, including the newest station at Lane Events Center.

Social media: Social channels such as Facebook continue to be an effective platform for reaching customers on all emergency preparedness topics. The following posts in 2020 reached nearly 3,500 people and were successful at driving hundreds of visitors to our website to learn more about the emergency water sites.

Eugene Water & Electric Board
 Published by Jennifer Connors [?] · ★ Favorites · September 1 · 🌐

September is National Preparedness Month and we want everyone to #BeReady should disaster strike our community's water system. Take a moment to locate the emergency water station nearest to your home, and plan how you would get to the site and transport water in an emergency. <http://www.eweb.org/.../four-emergency-water-sites-now-operat...>



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Radio: EWEB provides underwriting support to KLCC in exchange for messaging about programs and services. In 2020, we ran messaging about emergency water sites in the months of March and June, for a total 15 spots. The recurring message: "Support for KLCC comes from Eugene Water and Electric Board, working with community partners to develop emergency water distribution sites located throughout Eugene. Learn more at E-web dot org slash water reliability."

Community partnerships and direct outreach: Although limited by COVID-19, we did manage 1 neighborhood presentation on the topic of emergency water stations (via Zoom) in 2020. The presentation was delivered in June to Friendly Area Neighbors, and included information about the four operational sites, how to use the sites in an emergency, and education about personal water storage. SHiNA also shared information about EWEB waters stations in their [January 2020 newsletter](#).

Consent Calendar
CONTRACTS

Oregon Woods, Habitat Contracting, and Integrated Resource Management – for additional funds for vegetation management services. – (PRICE) This proposal states that "Integrated Resource Management's location has restricted their ability to be competitive for assigned work to-date. Spend to-date is as follows: Integrated Resource Management - \$0". Please explain how location restrictions have limited ability to be competitive and how that relates to the need to increase the contract amount.

RESPONSE: Up until now, assigned projects have been short in duration and in need of immediate attention. IRM being based in Philomath OR, has indicated the need for both lead time and longer job duration to compensate for the extra travel time. We plan to utilize IRM extensively in this upcoming fire response work. This contract increase is to help address the McKenzie Watershed Restoration work, which will increase the total available dollars across the three contracts, from \$400K to \$700K. Each contract was not assigned a specified

approval amount, but were set up as price agreements, with established rates for their services allowing for the most efficient use per task assigned.

Link Oregon – for internet services – (PRICE) Were the previous contracts of \$99,700 per year or was that the entire spend for the 7 years? Was Link Oregon \$15K for last year? What does our current spend per year for internet and is the current contract proposed represent an increase or decrease per year?

RESPONSE: We have been spending approximately \$31,000/year for internet service from three providers. At the end of the year we will be dropping one of the internet suppliers, renewing our contract with one and increasing the bandwidth supplied from Nero/Link from 200Mbps to 500Mbps. This will give us a net estimated cost/year of \$48,000, but with simplified operations and significant bandwidth increase.

Sensus USA Inc. – for additional funds for meter installation services as part of our Advanced Metering Infrastructure (AMI) Implementation Project. – (PRICE) Notice that I intend to pull this item from the consent calendar for discussion on timing.

RESPONSE: The intent is noted. The current overall schedule for the Electric smart meter installation is to complete upgrades to computer systems, software and processes by end of Q1 2021. Once these updates are complete, the UPA contractors can supplement EWEB labor to install the bulk of the single-phase meters in 2021, and finish remaining installs by end of Q1 2022.

Would it be possible to have another overview of smart meters - current timeline, what the current iteration is capable of, what future iterations may be able to do and the timeline for that? I feel like it's a huge priority for us and it's often an item on the Consent calendar, but we don't ever have a higher-level discussion. Maybe that's something we could do once we have our new Board members. – (LAWSON/PRICE)

RESPONSE: The AMI program is strategically important and therefore tactical activities, including milestones and timelines, are included in EWEB's annual goals and reported in each Quarterly Report and occasionally as separate correspondence (e.g. October 2020). It will be important for new Commissioners to fully understand the impact and status of the AMI Program. Board Leadership will need to clarify the scope of future Board discussions and/or updates, and the information needed from staff. Generally, the following represents the key milestones.

<u>Quarter-Year</u>	<u>Milestone</u>
Q4-2020	Complete Radio Tower Installation/Upgrades Finalize Electric Meter Installation Contract
Q1-2021	Complete IT & Process Upgrades Mobilize Electric Meter Installation Contractor
Q2-2021	High-Volume Electric Meter Installation Commences
Q1-2022	Complete Electric Meter Installations
Q2-2022	Tune Meter Data Acquisition/Communication System
2022-2023	Water Meter Installation Accelerates
2023	First TOU Products Launched
2024	Complete Water Meter Installations
2024	Finalize Integrations with Enterprise Systems

INTERGOVERNMENTAL AGREEMENTS

City of Eugene – for collection of City stormwater and wastewater service charges – (MCGAUGHEY) What is the current rate charged? If it varies by more than \$.10 from new proposed rate, what is the driving factor for the differences?

RESPONSE: *The current rate is \$1.59/bill. The new, proposed rate is \$1.62/bill.*

RESOLUTIONS

Resolution No. 2025, New Board Policy SD4, Property Use Policy and updates to SD5, Public Plaza and Lloyd Knox Park Use Policy. – (PRICE) What kinds of activities/events do people seek to host at Lloyd Knox park? This section seems contradictory..."The Public Plaza cannot be reserved and must remain open to the public until 11 p.m. each day, except for closures related to public safety. Lloyd Knox Park is open dawn to dusk and portions of the Park are reservable. Is the Public Plaza a smaller section of the park?

RESPONSE: *Lloyd Knox Park is located on Leaburg Lake on the far side of the dam. The Park mostly gets reservations for large family gatherings and events such as weddings and company picnics. There are six group picnic areas that are reservable from the third weekend of April through Oct. 15. During the off season, those areas are available on a first-come-first-served basis. Other areas of the Park cannot be reserved. At this time Lloyd Knox Park is closed indefinitely due to the impacts of the Holiday Farm Fire.*

The River Edge Public Plaza is more commonly referred to as the fountain area at EWEB HQ. The plaza is open to the public for longer hours than Lloyd Knox park. The space cannot be reserved, however groups and organizations may request to use the area, as long as it remains open to the public and they submit the necessary paperwork.

Is renting out Lloyd Knox Park new? If not, was it just not included in our Property Use Agreement until now? Has anything changed? – (PRICE)

RESPONSE: *We have been accepting [applications](#) for reservations at Lloyd Knox Park for many years, but not had any formal policy. There are no proposed changes to practices, just formalizing process and procedure and rules of conduct for the use of all EWEB properties.*

Resolution No. 2026, 2020 Revised and 2021 Trojan Budgets. – (HART) Does BPA cover all EWEB costs or are there some that still remain uncovered?

RESPONSE: *All EWEB costs are covered by BPA and Trojan investment earnings.*

What is the interest earnings on general fund investment?

RESPONSE: *Monthly yields have ranged from 2.25% at the start of 2020 to 1.0% at the end of September. A working cash balance of ~\$300,000, as stipulated in the net billing agreement, and is held with the Local Government Investment Pool with minimal amounts held in the bank.*

Does that reduce the amount charged to BPA? It appears that it doesn't, but I wanted to double check. I'm also curious why that is allocated to this budget and what it would be used for if all costs were charged to BPA.

RESPONSE: *Interest earnings reduce amounts charged to BPA under the billing agreement. Interest is transferred to EWEB accounts in lieu of reimbursement from BPA. The interest earnings are allocated to the Trojan budget because they are generated from Trojan assets.*

What is the "Other interest expense/Rental Revenue" on Operations and Other Costs section?

RESPONSE: *This represents minor rental income from property and other cash receipts from the Parks & Recreation department.*

What is "Other Working Capital Change" on same section?

RESPONSE: *This is a reduction in prepaid property & casualty insurance.*