



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on May 4, 2021. Staff responses are included below and are sorted by Agenda topic.

Reserve Fund Status and Transfers/Use of Reserves (HART) We were just asked a few months ago to increase rates for the Water Utility. Now we are being asked to transfer excess funds of \$9 million into the Rate Stabilization fund. Please remind me how much the increased rates were supposed to yield over the time span implemented? The next document in the packet says \$3.95 million recovery fee, but is that over 5 years or annually for each of five years?

RESPONSE: *The Budget Amendment was approved for 2021 costs of \$3.95 million in excess of budget to fund recovery efforts in the McKenzie watershed due to the damage of the Holiday Farm Fire. The total costs of the 5-year mitigation efforts for Risk-Based and Resilience categories (excluding the Strategic) from the February McKenzie Watershed Recovery Plan was \$12.45 million over the next four years. In order to fund these expenditures the Board approved a 5-year Watershed Recovery Fee (\$3.00 for most customers but increasing with meter size) of comparable amount. The fee is projected to recover roughly \$2.4 million per year which covers the projected spending beyond the 2021 Budget Amendment with any timing differences will be funded through reserves. Revenues from that fee will only be used for the recovery efforts. Money deposited to the rate stabilization fund may be used for future capital work. The long term financial plan has anticipated some cash build up for the utility, with balances coming back down as capital spending increases, particularly for a second treatment facility.*

Quarterly Strategic & Operational Report for Q1 2021 (PRICE)

Electric Utility and Shared Services Capital Spending Summary: Why is the downtown network project expected to be \$5 million over budget?

RESPONSE: *In 2010, the Downtown network upgrades were approved based on preliminary engineering estimates in response to a failure event, with immediate 3-5 year construction. After further analysis, the plan changed to do \$1-1.5 million a year for a 10-15 year time frame starting in 2016. Scoping changes, material cost escalations, new design standards, and now four years' experience with actual costs have increased to forecasted costs to complete.*

Why are the metering projects projected to be over budget by \$11 million (electric) and \$2.2 million for (water)?

RESPONSE: *The original projected cost was for the Opt-Out implementation scenario, which may be misleading in the report (future reports will be presented differently). Total Water and Electric budgeted costs prior to Opt-Out totaled about \$31.5 Million. The projected cost total is now \$44.3 Million based on installation experience and additional costs due to the scope change from Opt-In to Opt-Out:*

- *Additional meters and model changes from the 2015 contract to the current Opt-out projections for full deployment.*
- *Contract amendment for contracted labor to install single phase electric meters.*
- *Upgrade to Radio Communications to support Opt-out deployment.*
- *IS updates to support Opt-Out deployment*

For more details and information on the AMI financial picture, please see March 2, 2021 Board materials - [AMI Program Background and Update - Information only](#). Note that the first column in Table 1 is mis-labeled as Feb 2018 Budget, it should have been labeled Feb 2018 Projected.

Consent Calendar

CONTRACTS

O'Malley Brothers Corporation – for additional funds for hauling services (HART) The consent form states, "Staff issued an Invitation to Bid in November of 2019, staff received 7 bids and the lowest responsive and responsible bidders were Skip Tracer Trucking Corporation of Harrisburg, OR and O'Malley Brothers Corporation of Gresham, OR."

Is that supposed to be 2020 not 2019?

RESPONSE: *The contract for Excavation, Hauling, and Road Maintenance was solicited in 2019 for material hauling activities.*

Skip Tracer appeared to be the highest bidder not the second lowest.

RESPONSE: *The totals listed on the Board Consent indicated the total bid for all tasks. In evaluating the bids, each task was reviewed, and award was based on the lowest responsive and responsible bid per task. O'Malley Brothers Corporation was awarded work for excavation tasks and hauling materials to a location approximately ½ mile from the Hayden Bridge Treatment Plant. Skip Tracer Trucking Corp was awarded a contract for spreading sludge soil and for road improvements. The award of these two contracts allowed for the lowest overall price for EWEB.*

Why was the second lowest mentioned given that they did not receive a contract.

RESPONSE: *Two contracts were awarded, initially neither of the contracts met the threshold requiring Board approval. With additional excavation and hauling after the Holiday Farm Fire, the O'Malley Brothers contract will increase to the threshold where Board approval is required. The Skip Tracer contract remains below the approval threshold.*

Would this increase be eligible for reimbursement from FEMA due to the fact that the increase of organic materials that need to be removed are a result of the Holiday Farm fire?

RESPONSE: *EWEB Staff is working closely with FEMA related to reimbursements. However, admissibility for reimbursement is dependent on both "eligible work" and the timing of which the expenses occurred (typically as part of the actual event or within a limited period). It is therefore unlikely that much, if any, of this increased ongoing operational expense will be reimbursed by FEMA despite our pursuits.*

MINUTES

In response to Commissioner feedback, the video recording was used to update and correct the minutes to clearly reflect the comments of Commissioner Carlson. The amended minutes appear on the May 4 consent calendar for Board action.

RESOLUTIONS

Resolution No. 2107, Annual Price Adjustment for Joint Use Charges and Fees (PRICE) What drove the decrease in these charges? It seems labor costs would generally be higher with distancing and other Covid measures.

RESPONSE: *Fees are based on yearly Pole Costs plus Carrying Costs, which are tracked by our Finance Department. Pole Costs were up slightly from inflation and demand, but the Operations and Maintenance*

portion of the Carry Costs were down from the previous year, so the net effect is a slight decrease in fees for this year.