



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on June 1, 2021. Management responses are included below and are sorted by Agenda topic.

Information Services Technology Investment Planning (KNABE) - When EWEB acquired Oracle Work and Asset Management (WAM) it was supposed to be a tool that streamlined processes in inventory, ordering, etc. Has this technology gone by the wayside already? I recall we spent millions on acquiring and implementing this program.

RESPONSE: *Your recollection is 100% accurate, WAM was acquired and implemented to do just that. WAM was also necessary to simply track our over \$1.1 billion of assets. WAM as a technology is still very relevant, and our need for a WAM system will continue. However, the technology/version we are running at EWEB is approximately a decade old and is on "extended support" which ends in July of 2021. The end of extended support results in no future security or bug fixes, which leads to ongoing support issues. WAM, in addition to our Customer Information System, and our financial software package (SmartStream) are in a similar state, all requiring significant investments to modernize over the next decade.*

Capital Improvement Plan Assumptions and Principles (LAWSON/PRICE) - In the Capital Plan Assumptions you are using 3% per year as inflation on construction costs. My experience has seen that this estimate is far behind reality as most construction components have risen substantially in the past year. Should this be modified?

RESPONSE: *The Capital Plan assumes an inflation escalation of 3% annually for all projects (accumulated). However, individual projects also apply contingencies on a project-by-project basis based on individual project characteristics. The construction costs for different projects can be impacted by many factors including inflation, amount of in-house vs. contracted work, as well as scope of work and therefore project specific contingencies are used. The combination of 3% inflation and project specific contingencies are included in the capital plan. Additionally, for budget year capital projects are tracked and reported in the Quarterly Report.*

Consent Calendar

RESOLUTION

Resolution No. 2111, Highest and Best Use of Reserves (HART) - Regarding the Water Utility working cash, it indicates we have \$7.1m above the target "to readily fund watershed recovery..." If any of this amount is used for this effort would that offset the revenue generated by the monthly meter charge, or would this be in addition to the money anticipated to be generated by the monthly meter charge?

RESPONSE: *The revenue generated from the monthly meter charge approved by the Board at the March 2021 Board meeting for the Risk Based and Resiliency Watershed Restoration Actions is outlined in the February Board memo. The fee was established to cover the expenses over the next 5 years but initially the timing of expenses is anticipated to outpace fee revenue. The working cash reserves are available to cover the timing differences.*