



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on May 2, 2023. Staff responses are included below and are sorted by Agenda topic.

CORRESPONDENCE

Reserve Fund Status and Transfers/Use of Reserves - (HART) Financial Policies section 4.1: Regarding the reference to Harvest Wind; I thought we divested from Harvest Wind some years ago, does EWEB still have part ownership?

RESPONSE: We are still partners in Harvest Wind, however recently fully divested of WGA. For policy, Finance would actually recommend a less detailed description and plan to update the language in the next revision to read: EWEB also has various relationships with other parties. They are separate legal entities that are properly recorded within the Electric System and are fully disclosed in the footnotes of the financial statements.

Strategic and Operational Report for Q1 2023

GOAL 1 - FINANCE

Water Financial Strength Measurements (KELLEY) It was reported that "a portion of the increase in expenditures is expected to be funded by grant revenue, which is not incorporated in the rate of return metric." If some of the work is anticipated to be grant funded, would the work still happen if EWEB does not get the grant?

RESPONSE: From an operations point of view, it depends on the grant. Sometimes we have grants that we know are coming in, that we start scoping and spending on, but have not been received by Finance standards. For these situations, we have counted on Watershed Restoration Fee funding to meet the need if the grant should fall through. However, we only begin on these projects when we have strong feedback from the grantor that it will be awarded. From a Finance point of view, the Board approves expenditures, not revenue. That means that this work has Board approval even without grant funding. As our grant funding for projects continues to expand, staff will be determining metrics on how to show grant income for the future.

Rate of Return/Debt Service: These two metrics are consistently challenged. As a Board, should we be concerned? If the answer is no, then should we look at updating these targets to better match acceptable ranges? (HART)

RESPONSE: The consistent challenges to these metrics are not individually cause for concern, but good for awareness. Targets for these metrics are benchmarked from industry organizations.

For Q1, the rate of return metric projects budgeted revenues for the remaining 9 months of the year. Budgeted revenues are conservative, and at this stage, the conservatism contributes to depressing this metric. Last year Electric finished the year at target and Water was under at 4%.

Debt is a more challenged metric for the Electric Utility, and the Debt as a % of NBV metric monitors leverage compared to our asset base. Borrowing for capital projects with long service lives, such as Carmen or Currin, is a financially responsible use of debt. With several large projects in process, this metric will improve as projects are placed in operation.

APPENDICES

Appendix E – Capital Spending Summary (KELLEY) E. 40th Reservoir Project: It seems like the Initial Scope should be what the Board approved not some other start point. Isn't the point of this metric to see what was approved versus what was spent towards that specific scope? This seems a bit misleading given that the Board approved the two tanks.

RESPONSE: Generally accepted project management practices provide for reporting the original project amount. This question has been asked in the past and the resolution agreed upon was to add a footnote below the table stating the basis for the original budget. The Total Final Cost Projection shown in the capital spending report does reflect two tanks total by the end of the project as that was part of the initial project scope all along though timing of completion is now sooner. At the Board's request staff could provide additional clarifying information in future reports.

Appendix E – Capital Spending Summary (KELLEY) Emergency Water Supply: The creation of emergency distribution sites is set to end in 2023. What is the capacity of each of the stations expected to be versus demand expected in each region supported?

RESPONSE: In summary, each emergency well was sized to provide two gallons of water per day per person living in the area around that particular well site with the well operating ten hours per day. For reference the original well capacity design criteria is shown below.

Distribution Site Location Name	Estimated Population	Gallons per day	24-Hr. (gpm)	10-Hr. (gpm)	Design Capacity (gpm)
Kalapuya High School (Bethel Farm)	17,583	35,167	24.4	58.6	60
Howard Elementary School	32,203	64,406	44.7	107.3	110
Sheldon Community Center	29,010	58,019	40.3	96.7	100
Eugene Science Center	14,343	28,687	19.9	47.8	50
University of Oregon (Downtown)	26,023	52,046	36.1	86.7	90
South Eugene (Amazon Park)	17,514	35,028	24.3	58.4	60
Lane Event Center	23,890	47,780	33.2	79.6	80
West Eugene (Churchill)	23,625	47,250	32.9	78.8	80
Totals	184,191	368,383	255.8	613.9	630

In general most of the wells provide more than the amount with the wells in north Eugene having a bit more capacity than the wells in South Eugene due to differing soil conditions. Also, the South Eugene site was combined with the University of Oregon site due to the logistics of locating a site at UO.

Appendix F - Contracts Report (MCGAUGHEY/KELLEHER) Please provide more information on the Electric Car Guest Drive Sponsorship associated with Electric Car Insider.

RESPONSE: This contract is for Electric Car Insider (ECI) to conduct two Electric Car Guest Drive (ECGD) events for EWEB customers, on June 10 and October 7, 2023. These events will take place from 10am – 4pm at the Eugene Science Center parking lot. These “Ride and Drive” events will include ECI providing 10 electric cars and 2 electric pickup trucks, subject matter experts, and everything else needed for the events, including planning, marketing, setup, hosting, teardown, and follow up surveys.

ECI has been a great partner for the past two years and they are the only entity that offers this kind of event management and turnkey package. However, EWEB is looking for opportunities to reduce costs for these events in the future, including working with Forth Mobility, a non-profit EV advocate in Portland, OR.

These events are fully funded using clean fuel credits.

Appendix J – Workforce (KOSTOPULOS) Workforce Composition: I assume staff self-report "Male" or "Female" correct? Do we offer "Non-Binary" or option "Does not wish to disclose"?

RESPONSE: *No, at this time, under federal Equal Employment Opportunity (EEO) compliance standards the only legal option that EWEB can offer is male or female. Employees/Candidates self-report this information.*

Appendix J – Workforce (KOSTOPULOS) Recruiting Applicant Diversity: What is the difference between "Did not Qualify" and "Met Minimums"?

RESPONSE: *"Meets minimums" means that, at the initial screening, the candidate's application materials indicated the stated minimum qualifications were satisfied and the application was advanced to the next stage of review. "Did not qualify" means the application was incomplete or minimums were not met, so the application was not advanced further.*