



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on June 6, 2023. Staff responses are included below and are sorted by Agenda topic.

Consent Calendar

CONTRACTS

Sensus USA Inc. - for the Advanced Metering Infrastructure (AMI) Implementation project (PRICE)

Why are we so far off on the numbers of meters needed from the original projections?

RESPONSE: For both the water and the electric meter installs, there are a number of incremental factors over the eight years to account for increased meter needs since original order: New construction, replacing aging meter population, meter maintenance (warranty replacement, damage, etc...), administration updates (register size install, service size upgrades etc.) and overall customer growth. In addition, the original water meter order did not account for the River Road and Santa Clara water districts, which total about 7,267 meters. As reported in the 2023 Q1 report, EWEB completed the installations for the water districts early this year for which they were billed \$1.68 million.

I am curious what the original cost estimates of AMI were and where we are at now? Is the NPV still positive?

RESPONSE: AMI deployment budgets and progress are tracked in the quarterly report in the EL1 Appendix. While some savings have been realized to date in operations (outages, leak detection, reduced meter reading staff etc...) the largest benefit of AMI is the facilitation of strategic programs, in support of managing our long-term energy and water consumption. For context, in 2013 just the “strategic benefit” of power demand-response was estimated at \$35 million. At today’s power prices, that will be higher. EWEB has not done a complete analysis using today’s updated assumptions but will as part of the project review. Updates to this modeling can be made with assumptions about final deployment timelines and assumptions about power resources and benefits being developed in the IRP process.

Electric AMI deployment Budget tracking

<i>Project Initiation:</i>	<i>Feb-2018</i>	<i>Initial Scope Budget:</i>	<i>\$13,695,000</i>
<i>Initial Planned Completion:</i>	<i>Dec-2021</i>	<i>Actual Project Costs To-Date:</i>	<i>\$19,854,204</i>
<i>Projected Completion:</i>	<i>Dec 2024</i>	<i>Total Final Cost Projection:</i>	<i>\$24,675,000 *</i>

Water AMI deployment Budget tracking

<i>Project Initiation:</i>	<i>Feb-2018</i>	<i>Initial Scope Budget:</i>	<i>\$17,828,000</i>
<i>Initial Planned Completion:</i>	<i>Dec-2021</i>	<i>Actual Project Costs To-Date:</i>	<i>\$14,690,000</i>
<i>Projected Completion:</i>	<i>Dec 2024</i>	<i>Total Final Cost Projection:</i>	<i>\$19,000,000</i>

Westates Flagman - for Traffic Control and Flagging Services for Utility Line Clearance Work (non-BOLI prevailing wage rates). (KELLEY) Have these positions been outsourced recently? Why don't we keep internal staff for these jobs?

RESPONSE: For flexibility and capacity, EWEB both employs directly and contracts for traffic control services. EWEB has contracted traffic control for tree trimming since 2007. This is primarily because they support our contract tree trimming services (Davey Tree Surgery Company & West Lane Tree Trimming Services). Contracted traffic control is considered a maintenance task which is not subject to BOLI prevailing wage rates. EWEB retains in-house traffic control staff for in-house construction projects. There are times when in-house traffic controllers are used for contracted jobs, but this is rare due to capacity constraints. EWEB also has a contract in place for traffic control services for BOLI wage jobs when our internal forces are fully utilized and extra capacity is needed for in-house construction projects.

RESOLUTIONS

Reserve Fund Status and Transfers – Use of Reserves and Revisions to Financial Policies; Resolution No. 2311 - Highest & Best Use of Cash/Reserves/Transfers, and Resolution No. 2312 - Revisions to Financial Policies. (HART)

Under the newly added Revision History Section Jim O is mentioned a couple of times. Why is an individual's name added to those works? None of the later revisions mention a particular person as I would expect.

RESPONSE: This was a convention of the era in the revision history. Jim Origliosso was the EWEB Treasurer at the time. Staff is researching to determine if there are associated resolution numbers to reference rather than names.

Appendix A: Cash and Reserve Targets Summary: Shouldn't the date at the top be updated to June 6, 2023 not updated from 2018 to 2019?

RESPONSE: The consent calendar has been updated with an amended copy of the Financial Policies reflecting the current date in the Appendix, however, reference to the date in this location is not needed, and staff propose striking it to streamline future updates. Revised consent calendar #8: [https://www.eweb.org/documents/board-meetings/2023/06-06-23/cc8 no. 2311 and 2312 reserve fund status and transfers use of reserves v2.pdf](https://www.eweb.org/documents/board-meetings/2023/06-06-23/cc8%20no.%202311%20and%202312%20reserve%20fund%20status%20and%20transfers%20use%20of%20reserves%20v2.pdf)

In the Executive Summary at the beginning it says staff recommend raising the Power Reserve by \$2 million to \$23 million, but in the Resolution, it shows that we are raising it \$6 million to get to \$23 million. What am I missing?

RESPONSE: Board resolutions in 2021 and 2022 recommended increases to the Power Reserve, bringing the balance to \$21 million, however they did not formally increase the board target as an update to the Financial Policies. For 2023 Management is recommending that the Financial Policies be amended to include a new Power Reserve target of \$23 million. The board last approved updates to the Financial Policies in 2019.

OTHER

McKenzie River Trust (MRT), McKenzie Watershed Alliance (MWA), Upper Willamette Soil and Water Conservation District (UWSWCD) – for a Mutual Funding and Collection Agreement for Mutual Funding of the Pure Water Partners (PWP). (KELLEY/MASTERS)

Didn't we just approve a contract with PWP for the same services for over a million dollars? This seems to be paying people to pay people to distribute funding, or am I missing something?

RESPONSE: In January 2023, the Board approved an increase in funds and an extension of the term of agreement with Cascade Pacific Resource Conservation and Development (CPRCD) for fiscal management of the

Pure Water Partners Program (PWP), which includes 10% overhead for CRPRC. The proposed funding agreements with MRT, MWA, and UWSWCD are intended to facilitate the funding for similar work on a smaller scale. These are discrete projects from the larger projects funded through CPRCD. The advantage of this is that it saves us paying 10% overhead to CPRCD for the small projects that includes little to no administrative burden for the agencies. In other words, these agreements give us more flexibility in the use of these funds when opportunities to streamline work arise.

**Are these funds requested to be spent part of the original budget we outlined or are these additional funds to support the project? I think it is just an allocation of already budgeted funds but wanted to confirm.
(KELLEY/MASTERS)**

RESPONSE: *You are correct, these funds are part of the original budget, not a request for additional funding. These agreements create flexibility in the use of already budgeted funds for watershed restoration work.*

Strategic Plan Update (LAWSON) I am curious why the 4.1 "The Opening" has different order of the Performance Areas to Improve (which closely aligns with Organizational Values) are in a different order and have slightly different meanings/definitions? I am curious if the differences would/have ever caused a question in interpretation or implementation?

RESPONSE: *The actions in Section 4.1 were not listed in order of priority or intentionally aligned with the organizational values. In general, it was recognized at the launch of the strategy that performance, from a customer perspective, was important in cultivating confidence and the areas of emphasis in 4.1 were gauges of that performance. Interpretation or implementation has not been impacted because of a similarity between customer-confidence-driven actions and organizational values.*