



The following questions have been posed by Commissioners prior to the scheduled Board Meeting on March 5, 2019. Staff responses are included below, and are sorted by Agenda topic.

Consent Calendar

MINUTES

February 5, 2019 Regular Session Minutes – (LAWSON) There were two items that staff said they would follow up with the board about, but I haven't seen any information on these topics.

***RESPONSE:** Responses to Commissioner Mital's inquiry about electric outage data as it relates to the Q4 Strategic & Operational Report and Commissioner Carlson's question concerning cold climate heat pumps and incentives which originated from the Smart Electrification/E3 Reliability Study discussion are both included in the "GM Items" memorandum to the Board. Often follow-up items will be included in this document.*

INTERGOVERNMENTAL AGREEMENT

United States Geological Survey – (DAMEWOOD)

Regarding the IGA on source water protection - Is this at all related to potential effects of climate change? If so, how do we think our water quality will be affected by changing climate? Is this still unknown and the primary purpose of this project, or do we have an idea and this project is to monitor and make sure some of those negative effects can be mitigated quickly, or both? If this isn't climate-related, why are we seeing more toxic algae blooms? Also, because I am still learning, I am curious about who sets water quality standards for us - is it the EPA or Oregon's DEQ?

***RESPONSE:** There is a body of research that indicates warming temperatures, longer dryer summers, combined with more flushing/intense winter storms will result in more harmful algal blooms that have the ability to produce cyanotoxins. Increased fires are a result of climate change that adds to the potential for production of algal blooms. We are currently working with OSU to monitor and study impacts of the Terwilliger wildfire in delivering more nutrients to Cougar Reservoir that can then fuel larger algal blooms for the next year or more. The relationship between wildfires and harmful algal blooms is still theoretical.*

The monitoring network we are funding with the USGS and Army COE can provide real-time data that shows when blue green algal blooms are in production; allowing us to respond with monitoring and possibly treatment changes depending on what is detected. Given we have in-house lab capabilities for cyanotoxins and nutrients, we can time our sampling with what our WQ sensors are indicating as potentially problematic conditions conducive to harmful algal bloom production.

Oregon Health Authority and EPA are the primary regulators for setting drinking water quality standards. Other water quality standards that are more relevant upriver in the source are primarily set by EPA and DEQ.

RESOLUTIONS

Resolution No. 1906, Addition of Joint Use Charges and Fees to Customer Service Policy – (PRICE)

Do the proposed fees cover the cost of the work/ongoing burden on our poles? What recourse do we have if equipment installed is not maintained and impedes our work to maintain power/safety of our workers?

RESPONSE: Yes, the fees we charge cover ongoing maintenance and use of our poles.

Who pays for weather and storm related damage and calls to fix non EWEB equipment?

RESPONSE: EWEB responds to down line inquiries of which some are non EWEB equipment. We do not do any repairs to non EWEB owned facilities; we will “make safe” and tape the communication cable to alert the public that it is not power or in unsafe conditions we may cut it clear.

Included in the pole attachment fee is the Carrying Charges which are made up of several elements. The Maintenance Element (largest percentage at 13.01% of 38.12%) includes maintenance of overhead lines. This is where we recover costs associated with storm callouts for non-EWEB owned facilities. During storm years you will see this increasing. For example, last year included costs associated to the ice storm in 2016 which pushed the Maintenance Element to 17.02%.

Why doesn't Desktop Inspection require a fee? It has a cost.

RESPONSE: This refers to the scoping and design reviews of applications prior to field work. Our fees are meant to cover average costs of the application process over time as we do not charge time and materials.

What about cost recovery for vandalism to a pole where a 5G unit is attached? Who pays? And what if our equipment becomes collateral damage?

RESPONSE: If the pole was clearly vandalized due to an antenna attachment, EWEB has provisions to require the entity to either make corrections or pay for costs associated. The incidence of people vandalizing electric utility equipment is rare outside of copper theft.

What about general education and outreach that we feel compelled to do on behalf of 5G installers? We are spending time on it right now, so it has a cost that has been foisted on EWEB.

RESPONSE: Any general overheads like education or outreach EWEB decides to do regarding wireless entities is accounted for in several ways, either in our application fee, or in the pole-top rental rate, or general overheads we use for numerous inquiries we get regarding equipment we own. Currently we are relying more heavily on the City of Eugene's webpage for education and outreach. We have also requested that an email address for each carrier be created to provide to our customers so the entities can address customer inquiries related to their facilities. Both AT&T and Mobilitie have done this.

Resolution No. 1907, Dark Fiber Lease Price Revision – (PRICE) What are the cost drivers in the COSA necessitating rate increases?

RESPONSE: The COSA includes components for administration, operations and maintenance, and capital replacement. Much of the fiber infrastructure is approaching a planned 20-year life, so much of the increase is due to capital replacement.

Resolution No. 1909 – Joint Use of EWEB Facilities for Telecommunications – (LAWSON)

What is the impetus behind this request? I don't fully understand why we would vote on a resolution that just restates EWEB policy. I realize there are some people who don't like this public right of way mandate, but it's a legal issue and standard practice. If the aim is to try to deflect some of the opposition to 5G, I think there are other ways to handle it. I think doing this (rather than just continuing to emphasize what our legal obligations are) makes it seem like we are taking a position as pro 5G. I think the larger issue is whether a utility company should be making a decision about a larger, non-utility matter and what the ramifications would be if we were to start making those kind of decisions. I think we need to work with the City on this one.

RESPONSE: Both Resolution No. 1906 and 1909 formalize and clarify our position and approach regarding the joint use of our facilities. To date, even while required by law, EWEB has approached the management of joint-use attachments without Board-level policies. The intent of these resolutions is to clarify the governing principles, applicable laws, regulatory requirements and implementation policies, pricing, and contracts. While we are not endorsing or indicting any specific type of joint-use attachment, it is important for management to have clarity on this subject, including the generally accepted criteria that the Board supports.

Does a regulatory body check on levels of Radio Frequency of installed equipment to ensure compliance with the regulations set by FCC?

RESPONSE: The FCC Enforcement Bureau is the primary unit responsible for enforcing the provisions of the Communications Act, the Commission's rules, orders, and various licensing terms and conditions. This bureau investigates and responds to potential unlawful conduct to ensure: (1) consumer protection in an era of complex communications; (2) a level playing field to promote robust competition; (3) efficient and responsible use of the public airwaves; and (4) strict compliance with public safety-related rules.

CORRESPONDENCE

State Legislative Update - (LAWSON) Regarding Cap and Trade legislation, will allowances be sold or given freely to the electric sector? What's the rationale for giving them away?

RESPONSE: Yes. Allowances will be given away at reducing levels for about ten years and sold or auctioned as a market control mechanism. These allowances will facilitate the carbon reduction efforts, and provide a means to encourage faster carbon reduction investments. They are used to provide a revenue incentive (or penalty) on company investments (or lack thereof) as the cap and allocations are reduced. It is planned that electrical utilities will receive some free allocations that will reduce with the cap over time, going to zero by 2030. This was important to PGE and PacifiCorp, who argue that they are already making investments in RPS-driven reductions, and this facilitates further carbon reducing efforts without penalizing their "earlier work".

Willamette Street Project Review – Undergrounding of Electric (LAWSON/PRICE)

I'm curious how EWEB collaborates with the City when undergoing major projects. I know that LTD paid for undergrounding utilities for the W. 11th project, but I'm assuming that's because they wrote it into a federal grant project (or however they got their funding). What was the process like for the Willamette St. redesign? Did the City just ask how much undergrounding would cost and ask EWEB to cover those costs, or was there a larger discussion about the form and function of the redesign (not just aesthetics)?

RESPONSE: As part of the EmX project on West 11th and West 6th and 7th, Lane Transit District (LTD) paid EWEB approximately \$9 million to relocate facilities, but chose to do only undergrounding that was required per their design due to space or clearance conflicts. Little undergrounding was done as part of the project. It is likely that the same issue will be contemplated during the next EmX project, scheduled for River Road in the next few years.

Engineering and Planning staff for the City and EWEB meet regularly to discuss projects, including road and paving projects. EWEB is required to relocate facilities in the right-of-way, but not to change the configuration of those facilities with rare exception. In the case of undergrounding power lines, a Memorandum of Understanding (MOU) was developed in 1999 that identifies some general criteria under which EWEB would underground power lines. In the case of Willamette Street, the criteria was not met, and so the City Manager requested a cost estimate. In early 2016, EWEB GM Roger Gray provided that estimate to City Manager Ruiz.

This matter does not appear on the agenda. If a majority of the board still wishes to discuss it, at what point on the agenda would staff recommend that our discussion occur?

RESPONSE: *At the February 2019 meeting, Commissioners got “head nods” directing staff to provide an educational recap of the decision not to underground electrical lines along Willamette Street, and the status of the project. This information was provided as Board Correspondence, as no request for further discussion or action was requested. If so compelled, Commissioners may request time be allocated during the “agenda check” if you feel dedicated time is necessary. We have no specific time slot recommended.*

Is there a written Board policy concerning undergrounding? If there is, can you provide link(s) to it so we can review it prior to the meeting?

RESPONSE: *Similar to other system design decisions, there is no specific Board policy pertaining to undergrounding except those associated with City codes and a Memorandum of Understanding (MOU) with the City of Eugene (COE) from 1999 (see further information below). To guide these decisions, we use the strategic plan which prioritizes safety, reliability, responsibility (including affordability and resource stewardship), and community. We then prioritize and schedule our capital investments using the Capital Improvement Plan, which the Board approves.*

Based on the values and priorities identified in the strategic plan, our engineering practice is to underground electrical facilities under the following conditions:

- New subdivisions or other developer or private party improvement requests.
- As required by City of Eugene right of way permitting
- As required by City of Eugene land use permitting
- If customer pays for it.
- Significant reliability improvements – e.g. FEMA-funded projects
- Clearance or electrical safety needs

Is there a prior Memorandum of Understanding between EWEB and the City of Eugene regarding undergrounding? If so, what are its essential provisions, and would they be relevant to our consideration in this case?

RESPONSE: *EWEB and COE executed a MOU on undergrounding in 1999 (Document No. 9908). It is quite general, and is attached for your reference. The MOU reiterates EWEB’s commitment to undergrounding new development work, and lays out some general criteria highlighting when undergrounding might be warranted. The Willamette project does not meet the provisions of the MOU requiring undergrounding of electrical facilities. Given that the MOU has aged twenty years, is too general to be useful, and conflicts with the strategic plan (and supporting policies), it will be staff’s intent to request cancelation of the MOU.*

If the City were to find its own funding source for undergrounding the related facilities, would we be willing to relocate them?

RESPONSE: *Yes, this is consistent with present practice. General Manager Lawson and City Manager Ruiz have spoken about the funding, and Ruiz indicated that the City is not presently in a position to fund the undergrounding of Willamette Street electrical infrastructure, but they could contemplate funding in the future. Given that the electrical undergrounding will not take place within/under Willamette Street, the funding timing is not critical to EWEB.*

OTHER

Storm Restoration (PRICE) I wonder about the safety of workers putting in such long hours, in bad weather, with such a high degree of difficulty and potential for catastrophe. Is this a normal best practice? Once our customers have been restored, will we provide mutual aide to surrounding communities that were impacted by the storm?

Please add to next month's agenda a debrief on this storm and our successes and opportunities for improvement. I would like a comparison to the 2016 ice storm and some feedback on how long areas with advanced meters were out of service compared to others/thoughts on the how the estimates that advanced meters contribute to reducing outage times compare to actuals.

***RESPONSE:** Thanks for the kind words and concern for field worker safety. Crews and field support are working 16 hour shifts, which is our current accepted practice for storm response. With the logistics and office support we have provided, we can maintain this pace for several weeks with minor adjustments. We have a huge emphasis on safety, and have been adhering to our safety commitment in the field. We are extremely well equipped with PPE and work equipment. Also, keep in mind that crews are not working on poles and wire all 16 hours. There are opportunities for rest time as they change locations and set up for next job and coordinate with tree crews. Night shifts are staffed with logistics, design, and limited emergency-response (triage) staff. This provides opportunities for other field workers to get close-to-normal sleep. During many events, we are required to work in hazardous conditions. Especially early in a storm event, an important criteria for assignments includes a hazard assessment of the working conditions.*

For our neighbor utilities, we will offer assistance. There are some variables to consider, including materials, support staff and field crews, plus balancing our own cleanup efforts.

Regarding the advanced meters and their storm performance, we do not have enough installed to get full value and the results were mixed as we continue to work out operational recovery processes. We will have some important lessons, and have used the meters to confirm energized lines and premises, and complete meter reading in inaccessible areas. This review will be included in the storm follow-up report.

Normal Incident Command System (ICS) events include a post event "hot wash" and follow-up report. We will provide a report, including a comparison to the 2016 ice storm and plan on a briefing at the April board meeting.

MEMORANDUM OF UNDERSTANDING

DOCUMENT # 9908

This Memorandum of Understanding (MOU) sets forth the general terms of an agreement between the **CITY OF EUGENE**, hereinafter referred to as the City, and **EUGENE WATER & ELECTRIC BOARD**, hereinafter called EWEB.

WHEREAS, City and EWEB have agreed to cooperate in a plan to underground utilities,

NOW, THEREFORE, the parties hereby agree as follows:

1. EWEB will continue to underground its utilities for all new commercial, industrial and residential developments within the city limits of Eugene. New residential and commercial development is required to have underground utilities, per City Code section 7.302(2).
2. EWEB and City staff will continue to coordinate the development of their respective Capital Improvement Plans (CIP) to identify potential opportunities to underground electric lines and coordinate other infrastructure work.
3. Assuming that the existing overhead facilities need to be relocated because of a proposed agency improvement to the right-of-way, EWEB will underground facilities that meet at least one of the following criteria (those criteria that are new or expanded are underlined):
 - a. Small scale projects (ten [10] spans or less of overhead conductor);
 - b. New development causing utility system to be landlocked;
 - c. Areas where the remaining life of the existing overhead facilities is less than five (5) years;
 - d. Areas where the surrounding facilities are already or planned to be undergrounded with new development; and/or
 - e. Improved aesthetics in instances where one or more of the above criteria are met.
4. The City and EWEB will analyze potential health and safety risk situations associated with existing overhead utility locations. Those identified as high-risk will be prioritized during annual reviews of CIPs, at which time funding will be established on a project-by-project basis. A cost-sharing approach will be used. City and EWEB staff might consider the following criteria in determining high-risk locations:
 - a. Number of units in the structure (*i.e.*, zoned for multi-family dwellings).
 - b. High population density within the structure and continuous structures.

- c. Accessibility to structure (*e.g.*, Fire Department analysis of impediments in unimproved alley ways).
 - d. Significantly increased time of emergency scene deployment.
 - e. Size of structure.
 - f. Historical incidence of downed lines in local geographical area.
5. During the development review process, the City will flag those redevelopment projects that have potential for undergrounding, and shall forward those to EWEB for consideration.
 6. The City and EWEB will cooperatively develop public information material to educate agency staff, property owners, and developers on the benefits and costs of moving overhead utilities underground.
 7. EWEB agrees to provide the City, upon request, an annual count of underground facilities installed within the city limits during the past year; *e.g.*, how many feet of new and replacement undergrounding occurred that year. EWEB will develop the reporting and monitoring methodology.

This MOU may be terminated by either party upon thirty (30) days written notice of the other party.

Dated this 5 day of March, 1999.

EUGENE WATER & ELECTRIC BOARD

CITY OF EUGENE



RANDY L. BERGGREN
General Manager



JAMES JOHNSON
City Manager

Doc. #9908