

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
EWEB BOARD ROOM
AUGUST 5, 2014
5:30 P.M.

Commissioners Present: John Brown, President; Steve Mital, Vice President; John Simpson, and Dick Helgeson

Others Present: Gail Murray, Susan Eicher, Cathy Bloom, Frank Lawson, Lisa Akin, Mel Damewood, Mark Freeman, Roger Kline, Dave Churchman, Jeannine Parisi, Joe Harwood, Lance Robertson, Sue Fahey, Adam Rue, Todd Simmons, Lena Kostopulos, Matt Sayre, Dan Morehouse, Steve Newcomb, Alan Fraser, Shelley Stevenson, and Taryn Johnson of the EWEB staff; Vicki Maxon, Recorder.

President Brown convened the Regular Session of the Eugene Water & Electric Board (EWEB) at 5:30 p.m.

AGENDA CHECK

There were no items.

ITEMS FROM BOARD MEMBERS

President Brown noted that Commissioner Manning will be late.

Due to his absence on the day of the Riverfront developer presentations, Commissioner Helgeson voiced appreciation for the video of the presentations and said he has viewed them and is up to speed. He added that he would be available to assist with site visits to Portland if desired.

Vice President Mital recognized EWEB's partnership with the Red Cross wherein customers can request three-gallon water containers to prepare for a natural disaster which would disrupt water service. He thanked Jill Hoyenga, Planner III and Brad Taylor, Water Operations Manager, for spearheading this program.

PUBLIC INPUT

There was none. President Brown noted that the agenda is ahead of schedule and he will re-open the public hearing later at its scheduled time.

APPROVAL OF CONSENT CALENDAR

CONTRACTS

1. Ready Rooter Drain Cleaning & Repair Service Inc. - for purchase of water system upgrade services. \$250,000 (over five years). Water Operations. Contact Person is Brad Taylor.

MEMORANDUM OF UNDERSTANDING

2. Memorandum of Understanding (MOU) Supporting CILT Resolution. Contact Person is Roger Gray.

OTHER

3. Leaburg Dam Rollgate Bulkhead Installation and Removal Project Update - Contact Person is Mel Damewood.

Commissioner Helgeson pulled item #2. It was moved by Commissioner Simpson, seconded by Vice President Mital, to approve the remainder of the Consent Calendar. The motion passed unanimously (4-0).

ITEMS REMOVED FROM CONSENT CALENDAR

Commissioner Manning arrived during this agenda item.

Commissioner Helgeson commented that he believes there is potential for confusion regarding contribution in lieu of tax (CILT) payments on renewable energy credits (RECs). Roger Gray, General Manager, explained the terminology regarding RECs vs. revenues from sales of electricity and noted that RECs are expressly excluded in the MOU. He reassured the Board that this is understood at the staff level.

It was then approved by Commissioner Helgeson, seconded by Commissioner Simpson, to approve item #2. The motion passed unanimously (5-0).

BANK OF AMERICA MERCHANT SERVICE AGREEMENT

Mark Freeman, Energy Management and Customer Service Manager, thanked Tracy Davis and Wendi Schultz-Kerns for their work on this contract, and noted that it was not an easy contract to negotiate but that it will result in more favorable interest rates in the future.

Mr. Freeman answered clarifying technical questions and comments from the Board regarding how this will further benefit customers.

Regarding the contract with the City of Eugene for City sewer and storm water charges that appear on the EWEB bill, President Brown wondered how EWEB will recover that cost. Mr. Freeman replied that this contract affects the billing for the City but should result in a savings.

Mr. Freeman explained the difference between paying an EWEB bill with a debit card vs. a credit card (i.e., a credit card has an expiration date and if the card is expired, the process loops back; and a debit card can trigger a non-sufficient funds (NSF) charge). Commissioner Simpson stated that he considers this an opportunity to let the customer know that they can save themselves and EWEB some money by using a debit card and not a credit card.

It was moved by Commissioner Simpson, seconded by Commissioner Manning, to approve the above contract. The motion passed unanimously (5-0).

2015 CUSTOMER GENERATION RATES

Using overheads, Mr. Freeman; Frank Lawson, Systems Engineering Supervisor; Dan Morehouse, Commercial Energy Management Services; and Adam Rue, Commercial Rates Analyst, presented the proposed 2015 customer generation rates, and answered clarifying questions and comments from the Board.

Regarding net metering, Commissioner Helgeson wondered if the Board will have an opportunity in the future to consider a demand charge or other mechanism on the retail side for customers who fall in the applicable category in order to deal with the concern about potential rising costs going forward.

Mr. Freeman replied that staff is looking more toward a basic charge, and that in a perfect world, the basic charge would cover the customer portion and allow them to do their net metering. General Manager Gray added that, based on cost of service, this would justify a much higher base increase. Toward that, staff will recommend continuing that margin and maybe increasing it a bit, but staff will not differentiate between net metering and non-net metering, and ideally all fixed costs would be in the base charge in order to recover grid and customer service costs.

Commissioner Helgeson stated that he would like to re-address this down the line at some point.

Commissioner Simpson stated that he is happy that the customer won't have to bear those expenses, but with more electric vehicles contributing to energy storage, he will be glad those expenses are there, and that he isn't sure that EWEB should "ding" those customers for those expenses because it's an advantage for the community.

President Brown noted that he will delay the public hearing and approval of the resolution relating to the 2015 customer generation rates until the scheduled 7:00 agenda time.

LANE TRANSIT DISTRICT (LTD) EmX PROJECT UPDATE

Using overheads, Mel Damewood, Engineering Manager; Joe Harwood, Public Information Representative; and Jon Thomas, Planner III, presented the LTD EmX project update. Mr. Damewood complimented Mr. Thomas for the great job he has done on the project, and introduced Mr. Thomas to the Board.

Mr. Harwood presented an overview of the project and summarized how the public has been kept informed of project progress.

Mr. Thomas presented the financial portion, including the intergovernmental agreement between EWEB and LTD.

President Brown asked if joint ownership of poles has been addressed (i.e., customers losing their signs and/or billboards because of the project) and asked who files the resolution of intent to condemn. Mr. Damewood replied that the resolution of intent will have to be in EWEB's name because the easement belongs to EWEB, but how that will be done has not been decided yet.

President Brown also asked if the required night work is considered overtime, and he reiterated that he wants to be sure that EWEB recovers all costs and that EWEB's ratepayers don't end up paying for those. Mr. Damewood replied that night work is covered under shift differential pay. President Brown asked Mr. Damewood to continue to update him on cost recovery.

Mr. Harwood noted that Northwest Natural Gas, CenturyLink and Comcast have been informed that their costs will not be reimbursed.

Commissioner Manning asked if an underground system has been considered in order to be able to detect errors. Mr. Damewood replied that that has yet to be addressed. General Manager Gray added that the cost will be 100% reimbursable if EWEB has to go underground and that there is no definitive smart grid plan yet, but that wouldn't preclude EWEB from doing so.

Vice President Mital echoed President Brown's concern about cost recovery and stated that he believes the Board should be fully involved in the cost recovery process.

Commissioner Helgeson complimented staff for the most complex utility relocation work that EWEB has ever been involved in, and for the discipline that they have applied regarding billing support, change orders and cost recovery.

Commissioner Manning appreciated staff's willingness to answer questions from customers and communicate with the Board, customers, LTD and others.

General Manager Gray reiterated that utility relocation work is expensive, and that it is important for any agency considering relocation of utilities to realize that the cost of that work should not be borne by the ratepayers.

Mr. Damewood reiterated his appreciation to Mr. Thomas and the operations teams and assured the Board that he will continue to present updates in the future.

SECOND QUARTER 2014: FINANCIAL REPORT

Cathy Bloom, Finance Manager, recalled the Board backgrounder, so there will be no formal presentation this evening.

Susan Eicher, General Accounting & Treasury Supervisor, noted that EWEB has now received their second reimbursement check from the Federal Energy Management Agency (FEMA) for expenses incurred in the February ice and snowstorm, and that \$1.3 million of the \$1.8 million cost has now been reimbursed.

President Brown asked how the prolonged recent heat wave has affected water revenues. Ms. Eicher replied that water consumption is above the seasonal projection but is still on target as of June, and that she will have better information later in August or September.

Commissioner Simpson asked for a review of water and electric ratios and the 2:1 ratio that has resulted (almost entirely due to the Harvest Wind transaction). Ms. Eicher suggested that more notes could be added to the next report, and Commissioner Simpson said that would be helpful.

Commissioner Helgeson thanked staff for the excellent report. He commented that favorable trends come at a cost to ratepayers, and asked that staff be sensitive to that and consider whether those trends would justify holding off on a 1.5% rate increase, as the Board has not had the luxury of surplus revenue for the last five years.

Ms. Bloom explained that there is a mismatch between rates paid and what EWEB owes, and that once the Public Employees Retirement System (PERS) unfunded liability is paid down fully (in 2017) and the financial plan is again reviewed, staff can take that into consideration.

SECOND QUARTER 2014: OPERATING DASHBOARD AND MANAGEMENT LETTER FINDINGS DASHBOARD

General Manager Gray **acknowledged Lisa Atkin, Power Planning Supervisor, for** her assistance in gathering and preparing the information in this report and helping to improve it. He highlighted several items, including a proposed modification to page 3, item 4, Sale of Real Property Assets, to retitle it "Sale and Management of Real Property Assets," as it has nothing to do with the riverfront development process but instead relates to ongoing management of assets in order to support provision of electricity and water.

Commissioner Simpson complimented staff on the high scores on Employee Safety, Health and Wellness, which are indicative of a great work ethic, a desire to work for EWEB, and the commitment of each employee.

Commissioner Helgeson commented that this is the clearest rendering of this type of record that he has ever seen at EWEB in all the years he worked here, and that he senses real clarity from the Board on what all of these represent, and that the Board is on the same page as staff.

General Manager Gray also acknowledged the leadership team for their help with the operating dashboard, and said that he believes this is the most alignment he has seen in the four years he has been General Manager.

ONE-YEAR REVIEW OF CONTRACTING AND BOARD APPROVAL THRESHOLDS

There were no items.

CORRESPONDENCE AND BOARD AGENDAS

General Manager Gray reminded the Board that the upriver Board meeting has been rescheduled to Tuesday, September 9 and that staff is working on the exact format, but that it will be an open house that will include a short Board meeting, as the meeting needs to end by 7:00 p.m. to accommodate a previously scheduled training in the venue. He noted that he is not able to attend this meeting because of a previously scheduled work commitment.

Commissioner Simpson requested that someone sit in for General Manager Gray at the September 9 meeting. General Manager Gray agreed.

Commissioner Simpson thanked Engineering staff for putting together an excellent capital report update.

Vice President Mital asked if there were additional research and development (R&D) pilots that were not summarized in the capital improvement update. Mr. Lawson stated that there were not.

Commissioner Helgeson asked for an opportunity to revisit the context in terms of research objectives and how they dovetail with the voluntary advanced metering infrastructure (AMI) program. Mr. Lawson stated that staff can provide a framework on where these apply strategically and why.

General Manager Gray suggested a high-level starboard report on how R&D projects go into and/or drop out of the Integrated Energy Resource Plan (IERP). The Board agreed. He added that he will also forward staff's recent presentation to Bonneville Power Administration (BPA) to the Board.

PUBLIC HEARING ON 2015 CUSTOMER GENERATION RATES

There was none.

2015 CUSTOMER GENERATION RATES RESOLUTION #1413

It was moved by Commissioner Simpson, seconded by Commissioner Manning, to approve Resolution #1413 for the 2015 customer generation rates. The motion passed unanimously (5-0).

BOARD WRAP-UP

Commissioner Manning noted that his recent attendance at a rally at the Federal Building regarding Measure 88 was as a Eugene resident and not as an EWEB Commissioner, even though he was introduced at the rally as an EWEB Commissioner.

Commissioner Helgeson asked for an update regarding the Board taking a position on the whistle-free zone issue, and reiterated his willingness for the Board to weigh in on that at the appropriate time.

General Manager Gray replied that he doesn't believe the Board agreed to take a formal position on this issue and that he respects that, but that he believes the Board should consider taking a position because of safety requirements, as that could be an issue for future development of the EWEB property.

Commissioner Simpson stated that he has now reversed his position on the whistle-free zone and that he is now in favor of it, though he had previously stated that he didn't believe it was EWEB's business, but that was before he had studied the issue and heard from the potential developers, and all had expressed the desire for a whistle-free zone. He added that he believes in teamwork and that getting behind this from at least an informational perspective would be the best course of action.

President Brown agreed, and noted that the City of Eugene is pushing hard for the whistle-free zone and that when it comes up for discussion, the City will want EWEB's support, as it will have a significant impact on the overall liability of the EWEB site.

Commissioner Manning asked if the City has contacted railroad representatives regarding the crossing relocation. President Brown said they have, and that they have pushed back each time they have been contacted, but that they also know that there is community support for the crossing relocation.

It was moved by Commissioner Simpson, seconded by Commissioner Manning, to direct General Manager Gray to craft a resolution in support of a whistle-free zone.

Commissioner Helgeson voiced his support for the motion but wondered about the timing of the City's position to take that issue forward.

President Brown voiced his support for the motion.

Vice President Mital stated that he understands the safety concerns, but that there are bigger issues involved than just neighbors being awakened by a train whistle, and he would like to balance all of those before taking a position.

General Manager Gray stated that any position EWEB takes would have to be recognized as safety for all, and that it should be stated that EWEB will work proactively with the City and be open to other options, including the possibility of the railroad crossing being relocated, for even more safety.

A brief discussion ensued on whether or not to approve the above motion and/or take a position on this issue this evening. General Manager Gray stated that he isn't able to take a position this evening.

Commissioner Manning suggested that the Board not vote on the motion but instead ask staff to craft a resolution.

Commissioner Helgeson stated that he believes tonight's discussion is sufficient to give revised guidance to General Manager Gray and to express willingness for and interest in considering a resolution at the appropriate time, but that he is not sure a motion is necessary, and he doesn't want to establish a time frame.

Vice President Mital voiced support for Mr. Helgeson's statement but said that it may be premature to do so, so as to not get ahead of the City, and wants to let EWEB staff pursue this and then come to the Board when the timing is appropriate.

Commissioner Simpson stated that he believes there is no time frame implied and that staff has the freedom to move forward in more detail with other agencies but that the Board doesn't want to get ahead of the City, though they have asked for the Board's backing, and that EWEB support for the City would be the intent of the resolution.

President Brown asked for a vote on the above motion. The motion failed (1-4).

Vice President Mital asked for support for an agenda item regarding several customer information system (CIS) issues and the ability to print messages for customers on EWEB bills. He clarified that this is more about the ability to communicate information on the bills, and not a bill redesign.

General Manager Gray replied that he definitely supports a discussion in terms of design, redesign, major structural changes, etc., and clarified that the financial plan assumes some modifications to the CIS system.

The Board voiced support for Vice President Mital's agenda item suggestion.

Commissioner Simpson stated that he would need to see professional recommendations for redesign and whatever else is done because he doesn't know the positives or negatives of what that would entail.

Regarding the capital improvement plan recommendations, Vice President Mital stated that he didn't support the Board's decision at a previous meeting, and tonight they have again heard that revenue projections are exceeding forecasts. He asked the Board to take that into consideration when it comes time to make rate decisions, as they might be able to keep the rate equation even though a certain amount of money has been allocated.

Commissioner Helgeson stated that he will always be generally inclined to support issues that contribute to the financial health of the organization and that, while he is concerned about rate increases, he assumes they do contribute to the health of the organization. However, when the Board is managing that balance and looking at a rate increase of 1-2% or below 3%, he believes that due process becomes less meaningful and he wonders if it's worth it. He agreed that the Board should check into that given EWEB's financial condition, particularly if it's a small rate increase.

General Manager Gray clarified what the Board has and has not already adopted, and what staff has recommended.

President Brown reiterated that he doesn't want to pass on EWEB's financial obligations to the ratepayers, i.e., the \$65 million for PERS unfunded liability in 2017, and that "we have to cash the check when we write it."

President Brown adjourned the Regular Session at 7:25 p.m.

Assistant Secretary

President

EUGENE WATER & ELECTRIC BOARD
REGULAR SESSION
MCKENZIE FIRE & RESCUE TRAINING CENTER
SEPTEMBER 9, 2014
5:15 P.M.

Commissioners Present: John Brown, President; Steve Mital, Vice President; John Simpson, Dick Helgeson and James Manning

Others Present: Mel Damewood, Roger Kline, Harvey Hall, Richard Jeffryes, Frank Lawson, Mark Zinniker, Todd Simmons, Steve Newcomb, Lance Robertson, Nancy Toth, Karl Morgenstern, Mike McCann and Taryn Johnson of the EWEB staff.

President Brown convened the Regular Session of the Eugene Water & Electric Board (EWEB) at 5:15 p.m. and welcomed all the residents and members of the community and provided a brief update on the format of this evening's meeting.

AGENDA CHECK

Commissioner Simpsons requested to add a brief item on the agenda to discuss the Board Calendar Report after item 3 on the agenda.

APPROVAL OF CONSENT CALENDAR

The Consent Calendar was moved by Commissioner Manning, seconded by Commissioner Helgeson, to be approved in its entirety. The motion passed unanimously (5-0).

BOARD CALENDAR REPORT

Commissioner Simpson requested clarity on the item listed on the Board Calendar Report "Storm Recovery Efforts Update" under items that may be added to future Board Agendas. Commissioner Simpson requested a backgrounder to a future agenda to address big picture recovery updates going forward.

President Brown polled the board on their interest of having a backgrounder on a future agenda.

The Board agreed, they want staff to prepare a backgrounder for correspondence to address big picture recovery updates at a future meeting, and not agenda the item at this time.

MCKENZIE RIVER TOPICS

Mel Damewood, Engineering Manager, Richard Jeffryes, Senior Engineer, and Frank Lawson, acting in charge Power & Strategic Planning Manager are available this evening to discuss upcoming changes to EWEB's electric distribution system in the McKenzie River Valley.

Mike McCann, Hydro License Implementation Project Manager, shared information about relicensing Carmen-Smith Hydroelectric Project plan over the 5-years and is available for questions.

Mark Zinniker, Generation Engineering Supervisor, available to address activities and projects associated with the Leaburg-Waltermville Hydroelectric Project and information on the roll gate repair, park dam safety plan and cell phone automatic emergency notification.

Karl Morgenstern, Environmental Supervisor, discussed EWEB's water quality efforts including the new Voluntary Incentive Program which will be rolled out as a pilot project to 16 land owners in 2015, emergency response to spill and EWEB's water quality monitoring program. Mr. Morgenstern is also available this evening for questions.

PUBLIC INPUT

Jamon Kent, Waltermville Pond and enhancement of remaining ponds with partnering with a Federal Program, United Front. Mr. Kent provided Commissioner Simpson with some information on the United Front program listing the programs priorities. The priorities will be lobbied at congress in Washington D.C.

Charles Tannenbaum, expressed concern with the existing automobile in the McKenzie River as a source of concern to the quality of the river. If the vehicle became dislodged and moved down the river it would become a hazard. Mr. Tannenbaum asked for EWEB's concern with the vehicle of the river and what plan does EWEB have to mitigate this concern.

David Jensen, Riverwater is a book, beautiful researched and photograph of this McKenzie Valley. EWEB is mentioned frequently within the book mentioning it's responsibility to the river as a steward of the river. Mr. Jensen asked that we work with other governmental agencies to help solve the problem of removing the vehicle from the McKenzie River. He to shared concerns regarding the car dislodging and moving down river and the potential hazards.

Will Rutherford, expressed his appreciation to Joe Harwood, John Lay, Dan Dziggel and his crew to complete the structural posts at Cedar Flats which completes a project that expands from Cedar Flats to McKenzie Bridge. Mr. Rutherford expressed concern about the automobile in the river, it does not belong and has been there since May 12. The McKenzie ClearWater Coalition is attempting to generate concern. Mr. Rutherford shared his testimony in entirety with the Board.

Terry Littschwager, urged EWEB to re-do the speed-control set up on Leaburg Dam. Mr. Littschwager requested that EWEB use the standard, accepted by traffic engineering practices for speed control, and would best be done by consulting a professional tragic engineer. He provided additional information to the Board of Commissioners.

Rob Frazier, thanked and congratulated everyone including EWEB to encourage power consumption. Mr. Frazier asked each commissioner to justify how can you ask customers to

engage in a process to reduce energy consumption but penalize when we achieve that goal by raising our rates.

President Brown closed the public forum.

Commissioners Manning thanked everyone for coming out this evening and continuing the dialogue. There are no simple solutions but rest assured that the Board is listening and have further communications about the concerns discussed this evening.

Commissioner Simpson echoed' sentiments about thanking the public for coming out this evening. Commissioner Simpson is the community at large, as an extension to the river valley and you are welcome to contact him directly. Commissioner Simpson attempted to answer Mr. Frazier's question addressed this evening.

Commissioner Helgeson shares concerns about the car in the river and have discussed this at previous meetings. Commissioner Helgeson did share that EWEB has no jurisdictional power but supports a partnership and will look to staff to define EWEB's role in helping remove the car from the river. He expressed how proud the utility is of its conservation program; over the past 25 years the investments made have saved the utility 50 megawatts. The principal reason for the rate increases over the last 4-5 years is the substantial change in the wholesale market, secondary market and changes due to the recession.

Vice President Mital, will spend time getting up to speed on the Walterville pond improvements. He shared that they could have no stronger advocate then our current President to being a steward of the river. In addition wants to get more educated on the speed-humps. He looks forward to the continued discussions.

President Brown is very familiar with United Fronts and will look into the resources to get involved in the program. He advocated his concern for the vehicle in the river and insured that EWEB is very proactive in being a steward to the river. Unfortunately we do not have jurisdiction to get the vehicle out of the river but will continue to do whatever we can to get the vehicle out of the river.

President Brown adjourned the Regular Session at 6:05 p.m.

Assistant Secretary

President

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve an increase to an existing contract with **BBAO Group** for **IT business analysis services**.

Board Meeting Date: October 7, 2014

Project Name/Contract#: PSC 2350

Primary Contact: Matt Sayre Ext. 7721

Purchasing Contact: Tracy Davis Ext. 7468

Contract Amount:

Original Contract Amount: \$ 140,000

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ _____

Percentage over last approval: _____ %

Amount this Request: \$ 50,000

Resulting Cumulative Total: \$ 190,000

Contracting Method:

Method of Solicitation: Sole Source Exemption

If applicable, basis for exemption: Rule 3-0275

Term of Agreement: 9/11/13 – 12/31/14

Option to Renew? No

Approval for purchases "as needed" for the life of the contract No

Action Requested:

Contract Award
 Contract Renewal
 Contract Increase
 Other

Funding Source:

Budget
 Reserves
 New Revenue
 Bonding
 Other

Form of Contract:

Single Purchase
 Services
 Personal Services
 Construction
 IGA
 Price Agreement
 Other

NARRATIVE:

The Board is being asked to approve an increase to the existing sole source contract with **BBAO Group** for **IT business analysis services**.

The Information Services Department has been utilizing Business Analyst services from BBAO Group to fill a gap in support of our strategic IT projects. This support is providing requirements development, functional specifications, business cases and problem analysis for the Energy Management Department's Time of Use (TOU) pilot, Net Metering, and Energy Insight, as well as planning for the Load Management pilot, and Emergency Operations Center (EOC) software projects.

At this time, several of these projects that began in 2013 are nearing completion of the deployment stages. However, EWEB still requires approximately 480 additional BBAO Group hours to assist with the pilot rollouts and to transfer knowledge and documentation to staff. Although original time estimations were expected to cover the needs of these projects, due to changes and complexities in the TOU and emerging pilots, as well as providing assistance to the WAM, EOC, and other projects, the overall hours since 2013 will exceed cost estimations from under \$150,000, to \$190,000. This increase, if approved, will provide the time necessary to efficiently complete and transition this work, leverage the knowledge gained, reduce project risk, and lower costs as we move toward more efficient technology tools.

ACTION REQUESTED:

Management requests Board approve in increase to the existing sole source contract with **BBAO Group** for **IT business analysis services**. Funds for these services have been budgeted for 2014.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Professional Underground Services** for boring services for LTD/EmX utility relocations.

Board Meeting Date: October 7, 2014

Project Name/Contract#: Boring Svcs for LTD/EmX Utility Relocations/ITB 041-2014

Primary Contact: Mel Damewood Ext. 7145

Purchasing Contact: Cheryl Golbek Ext. 7389

Action Requested:

- Contract Award
- Contract Renewal
- Contract Increase
- Other

Funding Source:

- Budget
- Reserves
- New Revenue
- Bonding
- Other

Contract Amount:

Original Contract Amount: \$321,000

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: 0%

Amount this Request: \$321,000

Resulting Cumulative Total: \$321,000

Form of Contract:

- Single Purchase
- Services
- Personal Services
- Construction
- IGA
- Price Agreement
- Other

Contracting Method:

Method of Solicitation: Formal Invitation to Bid

If applicable, basis for exemption: N/A

Term of Agreement: October 7, 2014 through June 1, 2015

Option to Renew? No

Approval for purchases "as needed" for the life of the contract No

NARRATIVE:

The Board is being asked to approve a new contract with **Professional Underground Services** for boring services for LTD/EmX utility relocations related to the LTD West Eugene EmX project.

The work to be performed includes: installing high density polyethylene sleeves across W 6th Ave, W 7th Ave, and W 11th Ave by horizontal directional drilling to support EWEB water service relocation efforts. This work will be completed in conjunction with the required service line replacements being completed by EWEB crews on the LTD/EmX project. There is an IGA in place between EWEB and LTD for the required work and the funds expended will be reimbursed by LTD.

In August 2014, staff solicited bids for boring services for LTD/EmX utility relocations. Four bids were received and evaluated. Professional Underground Services, Eugene, OR was determined to be the lowest responsive/responsible bidder. If approved, Professional Underground Services will provide horizontal directional drilling and installation of high density polyethylene sleeves.

ACTION REQUESTED:

Management requests Board approve a new contract with **Professional Underground Services** for boring services for LTD/EmX utility relocations. Funds for this work were budgeted for 2014 and will be reimbursed through an IGA with LTD.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a new contract with **Sensus USA Inc.** for the **purchase of Sensus OMNI water meters, 3” and larger.**

Board Meeting Date: October 7, 2014

Project Name/Contract#: Purchase of Sensus OMNI Water Meters/Contract 042-2014

Primary Contact: Brad Taylor Ext. 7385

Purchasing Contact: Cheryl Golbek Ext. 7389

Action Requested:

- Contract Award
- Contract Renewal
- Contract Increase
- Other

Funding Source:

- Budget
- Reserves
- New Revenue
- Bonding
- Other

Contract Amount:

Original Contract Amount: \$500,000 over 5 years

Additional \$ Previously Approved: \$N/A

Invoices over last approval: \$N/A

Percentage over last approval: 0%

Amount this Request: \$500,000 over 5 years

Resulting Cumulative Total: **\$500,000 over 5 years**

Form of Contract:

- Single Purchase
- Services
- Personal Services
- Construction
- IGA
- Price Agreement
- Other

Contracting Method:

Method of Solicitation: Direct Negotiation

If applicable, basis for exemption: EWEB Rule 3-0275 Sole Source Procurements

Term of Agreement: October 7, 2014 through October 31, 2015

Option to Renew? Yes, annual renewal for up to 5 years total

Approval for purchases “as needed” for the life of the contract Yes

NARRATIVE:

The Board is being asked to approve a new contract price agreement with **Sensus USA Inc.** for the **purchase of Sensus OMNI water meters 3” and larger**, as needed. The OMNI water meters are large meters used for commercial and industrial customers.

EWEB has been installing Sensus OMNI water meters since 2009. During that time period (2009 – present), EWEB has been evaluating the OMNI. The OMNI has proven to be the product that best meets EWEB’s needs based on low flow accuracy, high flow capability and durability. After thorough investigation and testing by EWEB staff, staff found no (known to staff) comparable alternative models available with any other brand water meter. Staff investigated other Oregon Water Utilities (Portland Water Bureau, Tualatin Valley Water) and found the OMNI to be their commercial and industrial meter of choice as well.

Staff believes that the continued purchase and use of the Sensus OMNI demonstrates efficient utilization of existing goods and is the most cost effective and reliable solution for EWEB to use for its commercial and industrial customers. Since Sensus USA Inc. does not have multiple resellers for Oregon, staff believes that competition will not be harmed or favoritism shown in awarding a price agreement to Sensus USA Inc.

If approved, the price agreement will be for one-year with an option, at EWEB’s discretion, to renew for four additional one-year periods (total potential term: 5 years). Omni water meters will be purchased on an “as needed” basis to replenish stock. Exact purchase amounts are unknown. No guarantee has been made with the supplier to purchase any specific annual quantity. Historical data indicates that EWEB will purchase approximately \$100,000 of product each year, a possible total amount of \$500,000 over the five-year contract. However, this is a requirements contract (price agreement); exact total amount of this contract is based on need and not on any specific dollar amount.

ACTION REQUESTED:

Management requests Board approve a new price agreement with **Sensus USA Inc.** for the **purchase of Sensus OMNI water meters 3” and larger**. Funds for these purchases were budgeted for 2014 and will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

LT Manager: _____

Purchasing Manager: _____

General Manager: _____

Board Approval Date: _____

Secretary/Assistant Secretary verification: _____



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Brown, Mital, Helgeson, Manning and Simpson
FROM: Todd Simmons, Distribution Reliability Manager
DATE: September 23, 2014
SUBJECT: 2014 Electric Policies & Procedures update and approval
OBJECTIVE: Board Action to approve Resolution No. 1414

Issue

EWEB staff has conducted a review of our Customers Service Policies and Procedures for Electric Utilities. An additional after business hours service fee has been included to align with the Water Utility fees schedule and to reimburse the utility for responding to customer equipment issues after hours.

Background

Electric Troubleshooters respond to 450-500 after business hours calls every year. 75-100 of these calls are due to failed customer equipment or to reconnect service after customer equipment has been repaired. The cost to the utility each year is \$20-25k for this service.

Discussion

E-V Electric Policy Changes:

A new section was added regarding the addition of a service fee of \$150 for service requests outside of normal business hours.

Requested Board Motion/Action

Approve 2014 Electric Utilities Policies and Procedure update as provided in the complete review documents. Approve Resolution No. 1414 which promulgates the changes to EWEB's Customer Service Policies and Procedures.

Please contact Todd Simmons at Todd.Simmons@eweb.org if you have any questions or comments.

**RESOLUTION NO. 1414
OCTOBER 2014**

**EUGENE WATER & ELECTRIC BOARD
RESOLUTION APPROVING REVISION TO
ELECTRIC UTILITY POLICIES & PROCEDURES**

WHEREAS, The Eugene Water & Electric Board (EWEB) periodically reviews, revises and updates Customer Service policies and procedures - All Utilities, Electric and Water policies for consistency, legality, correctness and to reflect actual practices evolving as continual improvement;

WHEREAS, The Customer Service policies and procedures - having been reviewed and presented at the October 7th, 2014 Regular Board Meeting and revised as follows:

1. Electric Service Charges and Rates, E-V: Addition of fee for Connect/Disconnect Diagnosis of Service at Customers Request for Electric repairs; \$150.00.

NOW, THEREFORE, BE IT RESOLVED, that the Eugene Water & Electric Board does hereby resolve to adopt the revisions of the Customer Service Policies and Procedures – Electric Policies as so revised.

DATED this 7th day of October 2014.

THE CITY OF EUGENE, OREGON
Acting by and through the
Eugene Water & Electric Board

President

I, TARYN M JOHNSON, the duly appointed, qualified, and acting Assistant Secretary of the Eugene Water & Electric Board, do hereby certify that the above is a true and exact copy of the Resolution adopted by the Board at its October 7th 2014 Regular Board Meeting.

Assistant Secretary



V. ELECTRIC SERVICE CHARGES AND RATES

For charges specific to Water; see Water Service Charges and Rates. For all other charges; see All Utilities Charges and Rates

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**A. Connect/Disconnect of Electric Service at Customers Request for Electrical repairs
(per call out)**

(Resolution No. 1414)

During regular business hours.....	No Charge
After regular business hours.....	\$150.00

B. Temporary Electric Service Installation Charges

1. Temporary Service (150 feet or less)\$155.00
2. Temporary Service Conductor (over 150 feet) \$1.35/ft
3. Temporary Transformer (single).....At estimated cost
4. Three-Phase Temporary Service with Primary To be computed

C. Customer-Damaged EWEB FacilitiesActual cost

D. Primary Service (at 12.47 KV) and Maintenance Agreement Fees

Customers will be charged the actual cost of labor, equipment, materials and applicable overhead in order to establish and maintain primary service.